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PROCEEDINGS AND DEBATES OF THE 95th CONGRESS, FIRST SESSION

SENATE—*Friday, July 1, 1977*

(Legislative day of Wednesday, May 18, 1977)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Acting President pro tempore (Mr. METCALF).

PRAYER

The Reverend Dr. Karl B. Justus, executive director, Military Chaplains Association of the United States of America, offered the following prayer:

Almighty and everlasting God, who hath made and preserved us a nation, we thank Thee for our heritage of freedom.

Accept our gratitude for Thy providence—which has guided America's destiny through war and peace—shadow and sunshine—tragedy and triumph.

As this Nation was forged in the fires of the American Revolution, so may our hearts flame anew with patriotic devotion.

We invoke Thy grace and blessing upon these Senators who help to guide this Nation from this hallowed Chamber: Yea, upon all Government leaders—and upon the President of the United States.

Grant each of them vision, wisdom, strength, and courage "for the facing of this hour." Unafraid, we face the future with faith.

In Thy holy name, we pray. Amen.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of yesterday, Thursday, June 30, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

Mr. BAKER. Mr. President, reserving the right to object, I once again have an objection on this side to the Judiciary Committee meeting during the session of the Senate today.

I wonder if the majority leader could reframe the request in that way, to exclude that committee, so it would not be necessary to object to it.

Mr. ROBERT C. BYRD. Yes. Mr. President, I so modify my request.

The ACTING PRESIDENT pro tempore. Without objection, the request, as modified, is agreed to.

ORDER OF BUSINESS FOR JULY 11

Mr. ROBERT C. BYRD. Mr. President, has the order been entered for action by the Senate on the ERDA nuclear authorization measure on Monday, July 11, immediately upon the disposition of the nomination on the calendar, on which there is a time limitation, of Robert Harry Nooter?

The ACTING PRESIDENT pro tempore. There is not an order entered. There is an authorization for the leadership to call it up at any time on that date.

Mr. ROBERT C. BYRD. There is?

The ACTING PRESIDENT pro tempore. Or afterward, yes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the nomination of Mr. Robert Harry Nooter of Missouri on Monday, July 11, and upon the request being made for the notification of the President if the nomination is confirmed, the Senate be returned to legislative session, and that at that time the Senate proceed to the consideration of the ERDA nuclear authorization bill.

Mr. BAKER. Mr. President, reserving the right to object, and I do not intend to object, I merely wish to say that that clearly was the intention of the agreement, and I think that is the way most people understand that we will proceed. So I am delighted that the majority leader has made this unanimous-consent request at this time, and we have no objection to it.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, was an order not entered on last evening that upon the return of the Senate on Monday, July 11, following the recognition of the two leaders under the standing order, or following orders for recognition of Senators for speeches, if such orders be entered, or following routine morning business, if there be such, the Senate go into executive session to proceed to the consideration of the Nooter nomination?

The ACTING PRESIDENT pro tempore. The Chair understands that that was the order entered.

Mr. ROBERT C. BYRD. I thank the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee is recognized.

THE PLUTONIUM AGE

Mr. BAKER. I would like to invite the attention of my colleagues to excerpts from a June 18 speech which was made by Senator FRANK CHURCH and reprinted in today's Washington Post.

Senator CHURCH points out that America's self-imposed denial of the fast breeder and plutonium recycling technologies will run the grave risk of leaving an international vacuum which is an invitation to nuclear anarchy.

I consider the spread of nuclear weapons to be one of the most serious problems that faces the world today. Senator CHURCH's proposals to build upon the existing international system of safeguards and work with the International Atomic Agency member countries to devise a framework for living with plutonium should be considered by the Senate.

Mr. President, the policy to control the proliferation of nuclear weapons which is outlined in the excerpts of this speech appears to be a more realistic alternative to the administration's policy. I ask for unanimous consent that the excerpts from Senator CHURCH's speech be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 1, 1977]

LIKE IT OR NOT, IT'S THE PLUTONIUM AGE

(By Frank Church)

(NOTE.—Sen. Frank Church (D-Idaho) has become a leader of the campaign to build a breeder reactor on a commercial scale at Clinch River, Tenn. President Carter vehemently opposes it. The chief reason for canceling the Clinch River project is to slow down the movement toward commercial use of plutonium fuel, from which nuclear weapons can rather easily be made. Sen. Church laid out his dissenting view in a

June 18 speech in England, from which these excerpts are taken:)

. . . The question is no longer whether the world should enter the plutonium era; that era is upon us now.

Given this perspective, it is not surprising that the Carter administration's proposal to guarantee supplies of enriched uranium as a substitute for the plutonium-fueled breeder has fallen on deaf ears. Countries that are now dependent upon one depletable resource, oil, controlled by the OPEC cartel, are unlikely to opt for a new dependence upon a second depletable resource, uranium, controlled by a different, but also foreign, group of nations.

. . . It is unrealistic to believe that other fuel-deficient governments are going to confine themselves to multibillion-dollar conventional reactor programs, while relying upon a future supply of natural uranium that is unsure in quantity and susceptible to drastic price manipulation.

It is equally unrealistic, in my judgment, to expect fuel-deficient countries to forego the reprocessing of spent fuel rods from their nuclear reactors. Not only can they squeeze out an extra 30 percent in energy by recycling the rods, but densely populated countries like Japan and West Germany see reprocessing as at least a partial answer to the acute problem of storing radioactive wastes.

One must add to this the fact that the oncoming breeder, whether eventually fueled by some new thorium-based cycle or, as I believe much more likely, by the Plutonium-based cycle now underway, will require reprocessing as an integral part of the cycle.

So it is not surprising to find experimental reprocessing plants already operating in France and Great Britain, or to see Japan insisting on opening its own reprocessing facility at Tokai Mura, over which a serious trilateral confrontation is now developing. . . .

Thus, we are left with the unfortunate but ineluctable conclusion that the nuclear age, in whatever form it takes, brings with it proliferation risks that we must deal with on an international scale. Unilateral acts of abnegation are unlikely to be emulated. That is why I oppose the Carter administration's abandonment of reprocessing and proposed termination of the U.S. fast-breeder program. Instead of advancing the effective control of nuclear-weapons proliferation, our self-imposed denial runs the grave risk of leaving an international vacuum, which is an invitation to nuclear anarchy. In short, the plutonium genie is out of the bottle. The better part of wisdom is to recognize this rudimentary truth rather than bemoan it.

I, therefore, believe that we have no alternative but to begin now to build upon the existing international system of safeguards, working with the International Atomic Energy Agency-member countries to devise a framework for living with plutonium. The IAEA is perhaps the only international institution where the United States and the Soviet Union find that their interests run parallel and where they have been able to work together in relative harmony.

The number of nations that are capable of supplying nuclear plants and technology on a commercial scale is still small—seven or eight. And for the next generation, the number of countries in the developing world that can realistically contemplate a sizeable nuclear-energy program is limited—not more than 12 to 16. So if we put our minds to it and apply ourselves at this still-early stage to constructing a durable framework for managing the risks inherent in the plutonium era, we have a reasonable chance of success.

The elements of an international framework are discernible. They encompass two basic principles: first, an international system of safeguards and physical security that minimizes the risk of diversion of plutonium to weapons purposes. Second, a system that offers developing countries an assured access to enrichment and reprocessing services.

More specifically, we could advance the first objective by adopting the following proposals suggested by Manson Benedict, professor emeritus of nuclear engineering at the Massachusetts Institute of Technology.

First, fuel reprocessing plants should not be permitted to produce plutonium in pure form, but should produce only a decontaminated mixture of uranium and plutonium. This so-called "coprocessing" operation is technically feasible, and the product, though unsuitable for bombs, can readily be fabricated into new fuel elements.

Second, fabrication of plutonium enriched fuel should be permitted only at the same well-guarded site as the reprocessing plant, to minimize the number of places at which plutonium is processed and to eliminate necessary shipments.

Third, before delivering reprocessed fuel, it should be irradiated to around one per cent of the design burnup. This will make the elements so radioactive as to require the same heavy casks for shipment as are now used for spent fuel, and will provide the same kind of deterrence to diversion of reprocessed fuel as we now accept for spent fuel containing plutonium from light water reactors. Recent reports indicate that the Carter administration is now negotiating with the Japanese precisely such an arrangement to clear the way for them to start operating their reprocessing facility. . . .

I do not mean to suggest that what I am proposing is in any way a panacea. Far from it. I see nothing but agonizing choices ahead. Speaking personally, I agree with the observation of Bernard Baruch that the splitting of the atom was the greatest act of pollution in history. I wish, in a way, it had never happened. I would much prefer to wake up each morning in a world unburdened with nuclear warheads, and free of worry about how to contain nuclear wastes for 20,000 years.

But this is the world as it is, not as we would wish it to be. The hard truth is that we are dealing not with a future threat to be avoided by timely action but with conditions that are presently upon us. In designing an effective international system to harness the energy atom to peaceful uses, the United States should take the lead.

A RIGHT-TO-LIFER COMES OUT OF THE CLOSET

Mr. BAKER. Mr. President, today's Washington Post contains a column by Mr. William Raspberry on abortion which I found quite extraordinary. It is one of the few statements I have seen on this issue which does not assert total certainty as to the correctness of either of the two diametrically-opposed viewpoints on abortion.

Those of our colleagues who engaged in Wednesday's debate on this issue argued those two points of view with great eloquence. Yet none of us rose to express uncertainty—perhaps because we know that neither side wants to hear from someone who is indecisive on the matter. It may have been this lack of passionate commitment to either viewpoint which led a clear majority of us on Wednesday to reject both the amendments offered by the Senator from North Carolina (Mr. HELMS) and the Senator from Oregon (Mr. PACKWOOD) and support, instead, the compromise language suggested by the Senator from Massachusetts (Mr. BROOKE).

I confess, Mr. President, to being among those who have found it increasingly difficult to unequivocally espouse the arguments of either side on abortion, and I share Mr. Raspberry's confusion and his desire to seek a middle ground where, to many, there can be no compromise. I commend to my colleagues Mr. Raspberry's candid remarks, and I ask unanimous consent that his column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 1, 1977]

A RIGHT-TO-LIFER COMES OUT OF THE CLOSET

(By William Raspberry)

Probably the best thing is to say it right out: I think I am a closet right-to-lifer.

Not a practicing one, mind you. I mean I've never honked my horn or carried picket signs in support of the anti-abortionists. I've never tried to induce guilt in anyone who's ever had or contemplated an abortion. I own no gruesome posters of human-looking fetuses.

I have simply allowed my sophisticated friends to believe that I, like them, take abortion-on-demand to be as benign a procedure as, say, a cystectomy, a natural concomitant of a woman's right to control her own body.

I probably wouldn't be saying anything even now, except that some of my friends have let me know they were waiting for my column on the recent Supreme Court decision that indigent women have no constitutional right to state-financed abortions. "We're prepared to support what you have to say about it," said one, a women's-rights activist.

What she meant, of course, is that because we have been on the same side of most of the major issues, she assumed I was on the "right" side of this one as well.

I'm not. I'm not all the way on the other side, either. My embarrassment is that the thing simply isn't easy for me the way it is for nearly everybody else. Maybe I'm only a closet mugwump.

My first thought was to escape the dilemma by attacking the Supreme Court for its inconsistency. I really do believe that it is inconsistent to say, in one decision, that abortion is a perfectly acceptable medical procedure and, in another, that medically indigent women have no right to it. The right to control one's own body should not be a matter of economics.

But arguing on the basis of consistency won't square me with my friends. After all, it would have been consistent if the Court had said that nobody, rich or poor, had a right to abortion.

I've tried to persuade myself that abortion is, finally, a matter of individual conscience—like contraception. But the only people I know who have made the individual-conscience argument on contraception are Catholics looking for a way of justifying their feeling that the church is wrong about birth control. It seems perfectly clear to me that people have the right to decide not to make babies. My problem comes after the babies are made.

I have avoided talking about it because talking about it doesn't help. Talking sug-

gests give-and-take, the possibility of compromise. But there is no compromise on abortion.

Besides, the arguments get so tricky. The pro-abortionists will start with the act of intercourse and work forward. If you can accept contraception—the prevention of a birth—or a morning-after pill or some therapeutic measure that interrupts a pregnancy before there is any evidence that there is a pregnancy, then why not accept abortion after several weeks? They make their point by demonstrating that there is no clear-cut demarcation between a fertilized egg and a fetus.

The right-to-lifers argue from the opposite end by demonstrating the folly of trying to draw a clear line between babies and fetuses.

And no one convinces anyone else. Either you're talking about killing human beings, or you aren't.

We do kill human beings, though, don't we? Not just on death row and on battlefields but also by unplugging the machines or deciding who will not have access to dialysis and other expensive treatments. I suppose what bothers me is not the fact that some people decide for abortion but that they make the decision seem easy, almost offhand. Maybe I'd feel better if they showed signs of agonizing about it. Which, I suppose, exposes me as a closet hypocrite.

Because of my wishy-washiness on the subject, I find myself attracted to Rep. Clifford Allen's proposed modification of the Hyde Amendment, which would bar federal funds for abortions. Allen (D-Tenn.) would make exceptions for women suffering terminal illnesses or whose lives would be endangered by full-term pregnancy; pregnancies resulting from rape or incest; pregnancies involving women who are severely handicapped, mentally or physically; or pregnant girls of 15 years or less. (He'd be willing to change that to 17 years.)

But he stops short (as I do) of saying that any woman who wants an abortion for any reason should have it.

If you want to sympathize with me, or castigate me, or even praise me for coming this far out of the closet, feel free. But spare me your arguments—not because my mind is made up but because I've already heard them, and they don't help.

And please, no cheap shots about how I'd feel different if I were a woman. I'm confused enough as it is.

SOVIET CIVIL DEFENSE

Mr. BAKER. Mr. President, the Evans and Novak column of July 1, entitled "Soviet Civil Defense," directly addresses one of the most critical issues confronting the United States in the SALT negotiations and in Soviet-American relations generally.

I addressed the Senate on May 17 on the matter of Soviet civil defense. At that time I described the efforts the Soviets were making to provide survivability for large numbers of their people. I expressed my opinion that the Soviet Union could be highly successful in this effort because of their longstanding policy of dispersing military and civilian targets, their recent massive expenditures on civil defense, and the inherent advantages of their geographic size.

In my opinion Soviet civil defense efforts challenge the very basis for SALT—that neither country seeks nor can achieve a "war winning" advantage through the development and deployment of nuclear weapons and that it is, therefore, in the interests of both sides to limit and to stabilize the nuclear weapons race.

We need more information on Soviet civil defense. Consequently I welcome the fact that the CIA will soon complete a study of this matter; that the Senate Armed Services Committee has tentatively scheduled hearings; that the Foreign Relations Committee, of which I am a member, has a deep and abiding interest, particularly in regard to its responsibilities to advise and consent on SALT; and that there are significant and thoughtful studies and discussions taking place outside the government on Soviet civil defense.

I strongly urge my colleagues to give this matter their closest attention, and I ask unanimous consent that the Evans and Novak column of July 1 be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

SOVIET CIVIL DEFENSE

(By Rowland Evans and Robert Novak)

A chilling study of the potential impact of Soviet civil-defense measures on the U.S. Soviet strategic nuclear balance raises fresh doubts about U.S. reliance on a strategy that assumes each side is capable of virtually destroying the other—a strategy called "mutual assured destruction."

The study was privately done by a team of experts under the direction of T. K. Jones, one of the foremost American students in strategic nuclear analysis, for non-government defense and nuclear students. These include Paul H. Nitze, former Deputy Secretary of Defense, and other acknowledged experts long worried about imperfections in the strategy of mutual assured destruction and in the concept of overkill, both of which are paraded by doves in the arms-control community who want to slow U.S. strategic growth.

The Jones study first measures potential fatalities in the Soviet Union under an arbitrary scenario; following a Soviet first-strike nuclear attack against U.S. strategic launchers (a counter-force strike), the United States retaliates with an all-out nuclear strike *specifically designed as a population-killer*, using every strategic weapon that survived the initial strike.

The study (which Pentagon experts have not yet been able serious to flaw) assumes that full use is made of Soviet civil-defense planning. Thus, there is an exodus of population from Moscow and other cities with 24 hours of walking and maximum use of what the study calls "expedient shelters"—that is, simple but adequate cover for two weeks' protecion from nuclear fallout.

Soviet civil defense, which has budget priority equal to the military and which is under the command of a high soviet general, has distributed millions of designs for quick construction of just such crude—but effective—shelters. Indeed, school children are regularly taught that art. Highly publicized exit routes for various neighborhoods when evacuation is ordered are also a routine part of Soviet civil defense.

The study claims that under "a full evacuation in accordance with Soviet civil-defense principles" the number of fatalities from the American retaliatory attack would be as low as 4 million—even lower, if the 24-hour walking time for evacuation were lengthened.

But the United States today has no plan whatever for "expedient shelters." Indeed, civil defense has been lost under the liturgy of mutual assured destruction, the concept of deterrence and the mythology of overkill" (superfluous nuclear power).

In the reverse case—an American first strike against Soviet launchers, and Soviet retaliation designed to kill only people—the study predicts 72 million dead in the United States. What is worse—if anything could be—is that even if the American people had access to "expedient shelters," the study predicts there would still be 20 million dead.

These catastrophic results both assume that 90 per cent of the urban population has 24 hours to get out of town, that the evacuees take maximum advantage of residential housing for fallout protection and that the 10 percent left in the cities make "optimum use" of designated fallout shelters (such as subways)—in tragic short supply here.

One reason for these ghoulishly high estimates is the size of Soviet nuclear weapons, with their much higher yields in both explosive force and radiation than U.S. long-range missiles. Thus, effective shelter from the deadly blast of a Soviet nuclear warhead in this country requires far more structural strength.

The arithmetic is startling. A shelter that would protect a Soviet citizen one mile from the point of impact of an average-size American warhead (probably a Poseidon submarine-launched weapon in the case of a retaliatory strike) would give protection only at three miles from the point of impact of an average (one-megaton) Soviet warhead.

Without question, studies such as this suffer from arbitrary assumptions. The authors concede that their scenarios are "overstated" and certainly "not likely." Yet to begin to perceive dangers from the highly organized Soviet civil-defense program, and the absence of any of the United States, a start must be made somewhere.

The study correctly suggests this conclusion: "If this highly exaggerated model . . . cannot produce casualty levels far greater than those of past wars, then the 'population hostage' concept of mutual deterrence loses much of its credibility." The Soviet Union suffered 20 million fatalities in World War II, five times more than it suffered in the theoretical American nuclear strike aimed solely at Soviet people.

Mr. BAKER. Mr. President, I yield back the remainder of my time under the standing order.

Mr. ROBERT C. BYRD. Mr. President, if the minority leader will reserve his time and suggest the absence of a quorum, I wish to make a little statement about the work of the Senate.

Mr. BAKER. Oh, yes, by all means.

Mr. President, I ask unanimous consent to retrieve and reserve the remainder of my time, and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered

THE SENATE'S FIRST 100 DAYS—95TH CONGRESS

Mr. ROBERT C. BYRD. Mr. President, yesterday, June 30, marked the 100th day that the Senate has been in session during the 95th Congress.

During those first 100 days, the Senate has had an average attendance of 88.51 percent, which was over last year's attendance of 85.13 percent.

The number of times convened before 12 noon was 43.

The number of sessions convened at noon, 17.

The number of sessions convened after noon, 40.

The number of Saturday sessions, zero, compared with one last year as of the same date, two the year before as of the same date, none the year before, and two in 1973, as of the same date.

During the last 4 weeks—in other words, just since the Memorial Day nonlegislative period—the Senate has passed over 100 measures, including the following major pieces of legislation: Housing and Community Development; Clean Air; ERDA Nonnuclear; International Financial Institutions; International Development Assistance; International Security Assistance; State Department authorization; Arms Control and Disarmament Agency; Interior appropriations; Treasury-Postal Service appropriations; Federal Mine Safety; Public Works on Rivers and Harbors; Government Intelligence Activities authorization; Mass Transit, Department of Transportation appropriations; HUD appropriations; State-Justice appropriations; Ethics in Government; Agriculture appropriations; Military Construction appropriations: Labor-HEW appropriations; and Child Nutrition.

Mr. President, those are the major measures which have been passed in a period of 19 days of Senate sessions.

The Senate has also passed during that period a number of lesser measures.

Much has been accomplished on a variety of issues. In early June, the Senate passed a measure important to the economy—the comprehensive housing and community development bill, authorizing $14.6 billion through 1980 for housing assistance which focuses on low-cost housing projects and housing for the elderly.

The No. 1 priority this year, energy, has continued to occupy the time of Senators this month in building upon earlier accomplishments which include the passage of the surface mining and reclamation bill, a measure creating a Department of Energy, the tanker safety bill, and the export administration bill, which, as enacted, places restrictions on exporting Alaskan oil. In June alone, the Senate has acted on the following energy-related measures:

Clean air. The Senate debated and passed a tough bill which reflects our concern for protecting the environment while meeting our energy needs. This measure will provide the means to improve air quality in polluted areas and to keep air clean where it is presently clear and clean. This measure, which died at the end of last session, is now in conference with the House and I anticipate its enactment this session.

Energy research. We authorized $2.5 billion to the Energy Research and Development Administration for nonnuclear programs to devise new and more efficient methods of acquisition, conversion, and use of energy resources.

Mass Transit. The Senate approved $5.3 billion for urban mass transit programs which help reduce petroleum consumption and air pollution in our Nation's cities.

In addition to these energy measures acted upon by the full Senate, substantial progress on a comprehensive national energy policy has been made by the Committee on Energy and Natural Resources under the capable leadership of the distinguished Senator from the State of Washington. The committee has completed hearings on nontax provisions related to general conservation, coal conversion, and natural gas regulation. Markup sessions are anticipated for early July.

Although there is still much to be done to meet the Nation's energy needs, the Senate of the 95th Congress has already begun to compile a sound energy record.

The Senate has also debated and passed a Federal mine safety and health bill that seeks to strengthen all mining safety programs under a single authority charged with enforcing basic minimum Federal standards.

For the first time in history, the Senate has voted to establish a system of user charges to be paid by the commercial cargo vessels that use the 25,000 miles of federally built and maintained inland waterways.

With regard to the foreign policy responsibilities of the Senate, we have addressed five bills which will have a significant impact on the conduct of U.S. foreign affairs. We discussed at length U.S. policy in the Far East and Latin America, including debate on troop withdrawal from Korea and relations with Cuba.

In only 5 days we:

First. Authorized $5.2 billion for U.S. multiyear participation in the international financial institutions—the World Bank, the Asian Development Bank and Fund, and the African Development Fund;

Second. Voted for $1.6 billion for foreign economic aid and provisions to strengthen the economic development and trade expansion aspects of the Public Law 480 food-for-peace program;

Third. Approved a $3.2 billion authorization for military assistance programs and security supporting assistance, of which $1.785 billion is for foreign military sales credits and security assistance to Israel. The Senate also acted to terminate or otherwise phase out sales credits and military training programs for countries that have engaged in gross and systematic violations of human rights such as Argentina and Ethiopia.

Fourth. Authorized $1.7 billion for the operations of the State Department, the U.S. Information Agency—USIA, and the Board of International Broadcasting—which makes grants to Radio Free Europe/Radio Liberty; and states the sense of the Congress with regard to negotiations with Cuba that the Cuban Government's use of military personnel abroad and its disrespect for human rights are among the elements which must be taken into account during negotiations for normalization of relations; and

Fifth. Approved the 1978 authorization for the Arms Control and Disarmament Agency while expressing the sense of the Congress that adequate verification by the agency of compliance with the terms of arms control agreements should be an indispensable part of any agreements.

In that same week, we also passed the Interior appropriations bill and the ERDA nonnuclear authorization measure.

The above actions illustrate the pace the Senate has set this year. A continuous flow of important legislation from committee to the floor has been maintained in June. The level of Senate activity has been arduous. I am indeed grateful to my colleagues on both sides of the aisle for the cooperation and discipline they have exercised in keeping up this pace which has allowed us to accomplish much in 4 weeks.

A more complete report on Senate legislative activity and on measures the Senate has passed this year has been prepared by the staff of the Democratic Policy Committee. I ask unanimous consent that this report and supporting data be inserted in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

5-YEAR COMPARISON OF SENATE LEGISLATIVE ACTIVITY THROUGH JUNE 30

	1973	1974	1975	1976	1977
Days in session	95	88	94	96	100
Hours in session	501:25	539:45	556:19	618:26	586:24
Total measures passed	319	340	314	426	351
Rollcall votes	259	271	258	372	270
Public laws	48	75	41	129	60
Treaties	5	3	1	10	0
Confirmations	28,356	31,747	27,851	28,602	40,575

	1973	1974	1974	1976	1977
Senate average attendance (percent)	86.97	88.12	89.64	85.13	88.51
Sessions convened before 12 noon	44	61	59	62	43
Sessions convened at noon	51	27	35	34	17
Sessions convened after noon	0	0	0	0	40
Sessions which continued after 8 p.m.	5	1	9	13	16
Saturday sessions	2	0	2	1	0

MEASURES ENACTED AND MEASURES IN SENATE-HOUSE CONFERENCE, 95TH CONGRESS, 1ST SESSION

ENACTED

Natural gas emergency ---------- PL 95-2
Urgent power supplemental ---------- PL 95-3
Rhodesian chrome ---------- PL 95-12
Urgent disaster supplemental ---------- PL 95-13
Second budget rescission ---------- PL 95-15
Continuing appropriations, 1977 ---------- PL 95-16
Presidential reorganization authority ---------- PL 95-17
Disaster drought emergency—Midwest ---------- PL 95-18
Emergency unemployment compensation extension ---------- PL 95-19
Securities and Exchange Commission authorization ---------- PL 95-20
Romanian earthquake assistance Authorization ---------- PL 95-21
Flexible interest rates (Regulation Q) ---------- PL 95-22
Military assistance to Portugal ---------- PL 95-23
Housing supplemental ---------- PL 95-24
Supplemental appropriations ---------- PL 95-26
Public Works employment ---------- PL 95-28
Economic stimulus appropriations, 1977 ---------- PL 95-29
Tax reduction and simplification ---------- PL 95-30
Drought emergency relief ---------- PL 95-31
Atlantic Tunas Convention ---------- PL 95-33
Deepwater ports ---------- PL 95-36
Defense production extension ---------- PL 95-37
ERDA authorization ---------- PL 95-39
Vocational education amendments PL 95-40
Water resources planning ---------- PL 95-41
Land and water conservation fund PL 95-42
CETA extension ---------- PL 95-44
State Department supplemental ---------- PL 95-45
Federal crop insurance ---------- PL 95-47
Wheat referendum ---------- PL 95-48
Education of handicapped amendments ---------- PL 95-49
John F. Kennedy Center authorization ---------- PL 95-50
Federal disaster assistance program ---------- PL 95-51
Export Administration—Arab boy ---------- PL 95-52
Commercial fisheries authorization ---------- PL 95-53
Flue-cured tobacco acreage—poundage marketing quotas ---------- PL 95-54
Bull Run Reserve access and geothermal explorations ---------- PL 95-55
Federal Home Loan Bank Board members ---------- PL 95-56
Military enlistment and reenlistment bonuses ---------- PL 95-57
Sea Grant program ---------- PL 95-58
Smith College Carillon—food stamps—child support ---------- PL 95-59
Mortgage insurance ---------- PL 95-60

IN CONFERENCE

Public Health Program—Biomedical Research, H.R. 4975.
National Science Foundation Authorization, H.R. 4991.
Military Procurement Authorization, H.R. 5970 (Conf. rept. filed).
NASA Authorization, 1979, H.R. 4088 (Senate agreed to Conf. Rept. 6-21).
Water Resources Research, H.R. 4746.
Surface Mining, H.R. 2.
Youth Employment and Training, H.R. 6138 (Conf. Rept. filed).
International Trade Commission, H.R. 6370.
Library Services and Construction, S. 602.
Aviation Insurance Extension, H.R. 6010 (Senate conferees not named).
Department of Energy, S. 826.
Military Construction Authorization, S. 1474.
Clean Air Amendments, H.R. 6161.
Civil Rights Commission Authorization, H.R. 5645 (H. conferees not named).
International Financial Institutions, H.R. 5262.
International Security Assistance, H.R. 6884.
International Development Assistance, H.R. 6714.
Department of State Authorization, H.R. 6689.
Arms Control and Disarmament Authorization, H.R. 6179.
Housing and Community Development, H.R. 6555.
Department of Interior Appropriations, H.R. 7636 (Conf. Rept. filed).
Treasury, Postal Service Appropriations, H.R. 7552 (Conf. Rept. filed).
Juvenile Justice, H.R. 6111.
DOT Appropriations, H.R. 7557.
HUD Appropriations, H.R. 7554.
State-Justice-Commerce Appropriations, H.R. 7556.
Small Business, H.R. 692 (Conf. Rept. filed).
Public Works on Rivers and Harbors—Waterways Users Fee, H.R. 5885.
Agriculture Appropriations, H.R. 7558 (House conferees not named).
Military Construction Appropriations, H.R. 7589 (House conferees not named).
Labor-HEW Appropriations, H.R. 7555 (House conferees not named).
Child Nutrition Programs, H.R. 1139 (House conferees not named).

PASSED SENATE, BUT NOT HOUSE

Omnibus Farm Bill, S. 275.
Omnibus Judgeships, S. 11.
Ethics in Government, S. 555.
Tanker Safety, S. 682.
Federal Mine Safety, S. 717.
Government Intelligence Activity, S. 1539.
Urban Mass Transit, S. 208.

COMPLETE LISTING OF LEGISLATION PASSED BY THE SENATE SINCE THE MEMORIAL DAY NON-LEGISLATIVE PERIOD, JUNE 6, 1977 THROUGH JUNE 30, 1977

(Total: 107)

I. During the last three weeks, the Senate has passed 107 bills, including the following major pieces of legislation:

1. 6/7 H.R. 6655, Housing and Community Development.
2. 6/10 H.R. 6161, Clean Air.
3. 6/13 S. 1340, ERDA Non-Nuclear.
4. 6/14 H.R. 5262, International Financial Institutions.
5. 6/15 H.R. 6714, International Development Assistance.
6. 6/15 H.R. 6884, International Security Assistance.
7. 6/16 H.R. 6689, State Department Authorization.
8. 6/16 H.R. 6179, Arms Control and Disarmament Agency.
9. 6/17 H.R. 7636, Interior Appropriations, 1978.
10. 6/20 H.R. 7552, Treasury-Postal Service Appropriations, 1978.
11. 6/21 S. 717, Federal Mine Safety.
12. 6/22 H.R. 5885, Public Works on Rivers and Harbors.
13. 6/22 S. 1539, Government Intelligence Activities Authorization.
14. 6/23 S. 208, Mass Transit.
15. 6/23 H.R. 7537, DOT Appropriations, 1978.
16. 6/24 H.R. 7554, HUD Appropriations, 1978.
17. 6/24 H.R. 7556, State-Justice Appropriations, 1978.
18. 6/27 S. 555, Ethics in Government.
19. 6/29 H.R. 7558, Agriculture Appropriations, 1978.
20. 6/29 H.R. 7589, Military Construction Appropriations, 1978.
21. 6/29 H.R. 7555, Labor-HEW Appropriations, 1978.
22. 6/30 H.R. 1139, Child Nutrition Programs.

II. The Senate has also passed during this period the following measures:

23. 6/6 S. 1232, Drug Abuse Prevention Authorization.
24. 6/7 S. 1322, D.C. Water Services, Federal Payment for.
25. 6/8 S. 1640, Mike Monroney Aeronautical Center.
26. 6/8 H.R. 5840, Enrollment Correction to Export Administration.
27. 6/9 S. 1372, Under Secretary of Defense for Policy (Estab.)
28. 6/9 S. 103, Ely Indian Land.
29. 6/9 S. 667, Te Moak Indian Land.
30. 6/9 S. 947, Creek Nation Lands.
31. 6/9 S. 1291, Cheyenne Indian Land.
32. 6/9 H. Con. Res. 243, Enrollment Correction to Commercial Fisheries.
33. 6/10 S. 623, Interim Regulatory Reform Report.
34. 6/10 S. Res. 180, Budget Waiver for consideration of S. 1061.
35. 6/13 H.R. 3416, Flue-cured Tobacco Quotas.
36. 6/13 S. 1061, D.C. Borrowing Authority.
37. 6/13 S. Res. 188, Senate Rules Amendment re Campaign Contributions.
38. 6/13 S. Res. 178, Budget Waiver for consideration of S. 1231 (H.R. 5645).
39. 6/13 H.R. 6545, Civil Rights Commission Authorization.
40. 6/13 S.J. Res. 62, Volunteers in Schools.
41. 6/13 S. Res. 97, Committee Funding Resolution.
42. 6/14 S. Res. 140, Committee Funding Resolution.
43. 6/14 S. Res. 141, Committee Funding Resolution.
44. 6/14 S. Res. 142, Committee Funding Resolution.
45. 6/14 S. Res. 144, Committee Funding Resolution.
46. 6/14 S. Res. 146, Committee Funding Resolution.
47. 6/14 S. Res. 147, Committee Funding Resolution.
48. 6/14 S. Res. 148, Committee Funding Resolution.
49. 6/14 S. Res. 149, Committee Funding Resolution.
50. 6/14 S. Res. 151, Committee Funding Resolution.
51. 6/14 S. Res. 156, Committee Funding Resolution.
52. 6/14 S. Res. 157, Committee Funding Resolution.
53. 6/14 S. Res. 158, Committee Funding Resolution.
54. 6/14 S. Res. 159, Committee Funding Resolution.
55. 6/14 S. Res. 161, Committee Funding Resolution.
56. 6/14 S. Res. 164, Committee Funding Resolution.
57. 6/14 S. Res. 170, Committee Funding Resolution.
58. 6/14 S. Res. 189, Committee Funding Resolution.
59. 6/14 S. 760, Private Bill.
60. 6/14 S. 422, Private Bill.
61. 6/14 H.R. 3314, Private Bill.
62. 6/15 S. Res. 194, Soviet Detention of Robert Toth.
63. 6/15 H. Con. Res. 249, Belgrade Conference.
64. 6/15 S.J. Res. 63, Federal Home Loan Bank Board Members Terms.
65. 6/16 S. Res. 195. Rosalynn Carter Commendation.
66. 6/16 H.R. 7606, Bull Run Reserve.
67. 6/16 S. Res. 196, Nez Perce War Commemoration.
68. 6/16 H.R. 6893, Members' Residence for State Income Tax.
69. 6/16 S. 455, Private Bill.
70. 6/16 S. 1142, Private Bill.
71. 6/16 H.R. 1440, Private Bill.
72. 6/17 S. 469, National Academy of Peace and Conflict.
73. 6/21 H.R. 6111, Juvenile Justice Extension.

74. 6/22 S. Res. 193, Wheat and Feed Grains Loan Levels.
75. 6/23 H. Con. Res. 254, Engrossment Correction.
76. 6/24 S. Res. 183, Printing Resolution.
77. 6/24 S. Res. 192, Printing Resolution.
78. 6/24 S. Res. 201, Energy Supplemental.
79. 6/27 S. 142, Private Bill.
80. 6/27 S. 344, Private Bill.
81. 6/27 S. 614, Private Bill.
82. 6/27 H.R. 1437, Private Bill.
83. 6/27 H.R. 3838, Private Bill.
84. 6/27 H.R. 4246, Private Bill.
85. 6/28 H.R. 1404, Smith College Carillon—SSI Food Stamp—Child Support.
86. 6/28 S. 1532, Interim Regulatory Reform—Federal Maritime Commission.
87. 6/28 S. 1535, Interim Regulatory Reform—FPC.
88. 6/28 S. 1536, Interim Regulatory Reform—FCC.
89. 6/29 S. Res. 200, Budget Waiver for consideration of H.R. 6415.
90. 6/29 H.R. 6415, Export-Import Bank.
91. 6/29 H.J. Res. 525, Mortgage Insurance.
92. 6/29 S. Res. 213, Government Documents.
93. 6/29 S. Res. 214, Government Documents.
94. 6/29 S. Res. 197, Budget Waiver for Consideration of S. 1420.
95. 6/29 S. 244, Mihailovich Monument.
96. 6/29 S. Res. 199, Budget Waiver for Consideration of S. 1341.
97. 6/29 S. 1341, ERDA Civilian/Military Authorization.
98. 6/29 S. Res. 215, Henry Ford.
99. 6/30 S. Res. 208, Budget Waiver for Consideration of S. 660.
100. 6/30 S. 660, Indians Rights to Arkansas Riverbed.
101. 6/30 S. Res. 209, Budget Waiver for Consideration of H.R. 4992.
102. 6/30 H.R. 4992, Indian Business Development Program.
103. 6/30 S. Res. 210, Budget Waiver for Consideration of H.R. 4585.
104. 6/30 H.R. 4585, Indian Claims Commission.
105. 6/30 H.J. Res. 539, Indian Claims.
106. 6/30 S. Res. 211, Committee Funding Resolution.
107. 6/30 H. Con. Res. 267, Fourth of July Non-legislative Period.

III. The Senate has also acted on conference reports or agreed to House amendments as follows:

1. 6/7 H.R. 5840. Conf. Rept. on Export Administration—Arab Boycott.
2. 6/8 S. 1468, Federal Energy Administration Extensions.
3. 6/15 H.R. 6823, Conf. Rept. on Coast Guard Authorization.
4. 6/21 H.R. 4088, Conf. Rept. on NASA Authorization.
5. 6/22 H.R. 3849, Oceans and Atmosphere.
6. 6/28 H.R. 6668, Older Americans—Civil Rights Commission Report.

STATUS OF MAJOR MESSAGES AND COMMUNICATIONS OF THE PRESIDENT, 95TH CONG., 1ST SESS.

[By Senate Democratic Policy Committee, Robert C. Byrd, chairman]

Message or communication title, bill No.	Senate action	House action	Conference or other action	Date approved	Public Law No.
PM 21 (Jan. 17, 1977): Budget Rescission. ($452.6 million for Nimitz-class nuclear carrier and Aegis) H.R. 3839.	P/S Mar. 15, 1977	P/H Mar. 3, 1977		Mar. 25, 1977	95-15
PM 22 (Jan. 17, 1977): Top Level Executive, Legislative and Judicial Salary Increases.	S. tabled Allen, et al., amendment to S. Res. 4 disapproving pay recommendation Feb. 2, 1977; Voted Mar. 3, 1977 against repealing increase.	H. twice objected to request to consider disapproval resolution, H. Res. 115, Feb. 16, 17; voted June 29, 1977 to reject amendment H.R. 7932, 1978 Legislative Branch App. denying funds for March 1 increase.		Feb. 20, 1977 became effective.	
PM 22 (Jan. 17, 1977): Ethics Code	S. Res. 110 (S. Ethics Code) P/S Apr. 1, 1977.	H. Res. 287 (H. Ethics Code) P/H Mar. 2, 1977.		House code became effective Mar. 2, 1977. Senate code became effective Apr. 1, 1977.	
EC 441 (Jan. 26, 1977): Emergency Natural Gas Act S. 474 (Adm. bill).	P/S Jan. 31, 1977	P/H amended Feb. 2, 1977	Conf. rept. agreed to Feb. 2, 1977 in S.; Feb. 2, 1977 in H.	Feb. 16, 1977	95-2
PM 32 (Jan. 31, 1977): Economic Recovery:					
(a) Economic Stimulus Appropriations (Public works jobs, revenue sharing, and public service employment) H.R. 4876.	P/S amended May 2, 1977	P/H Mar. 15, 1977	Conf. rept. agreed to May 4 1977 in H.; May 5, 1977 in S.	May 13, 1977	95-29
(b) Public Works Jobs ($4 billion increase) H.R. 11.	P/S amended Mar. 10, 1977	P/H Feb. 24, 1977	Conf. rept. agreed to Apr. 29, 1977 in S.; May 3, 1977 in H.	do	95-28
(c) Countercyclical Revenue Sharing.	P/S as amendment to H.R. 3477 Apr. 29, 1977.	H.R. 6810, P/H Apr. 13, 1977	Conf. rept. contained 1 yr extension of program instead of 5 yr as requested by President.	May 23, 1977	95-30
(d) Tax Reform and Simplification for individuals and business (Tax rebate withdrawn) H.R. 3477.	P/S Apr. 29, 1977	P/H May 8, 1977	Conf. rept. agreed to May 17, 1977 in H. and S.	do	95-30
PM 33 (Feb. 4, 1977): Presidential Reorganization Authority S. 626.	P/S Mar. 3, 1977	P/H amended Mar. 29, 1977	S. agreed to H. amendments Mar. 31, 1977.	Apr. 6, 1977	95-17
PM 40 (Feb. 21, 1977) and 57 (Mar. 24, 1977): Water Development Projects:					
H.R. 11 (Public Works Jobs)	S. adopted Johnston amendment expressing sense of Congress to continue funding for water projects.			May 13, 1977	95-28
H.R. 7553 (Public Works Appropriations, 1977).	S. debating committee bill funding 9 of 18 on President's hit-list.	P/H June 14, 1977 funding 17 of 18 projects on President's hit-list.			
PM 41 (Feb. 22, 1977): 1978 Budget Revisions S. Con. Res. 19.	P/S May 4, 1977	P/H amended May 5, 1977	Conf. rept. agreed to with amendment May 16, 1977 in S.; H. agreed to S. amendment May 17, 1977.	Action complete	
PM 42 (Mar. 1, 1977): Creates Cabinet Dept. of Energy, S. 826.	P/S May 18, 1977	P/H amended June 3, 1977	In conference		
PM 45 (Mar. 4, 1977): Airline Deregulation.	Commerce Subcte. on Aviation markup on staff draft proposal which combines S. 292 and S. 689 June 21, 30.	Pub. Wks. Subcte. on Aviation hearings Apr. 18; Field hearings in Pennsylvania June 17, 18.			
PM 47 (Mar. 9, 1977): Youth Unemployment:					
(a) $342 million increase for Job Corps.				(1)	(1)
(b) New Youth title to CETA, H.R. 6138.	P/S amended May 26, 1977	P/H May 17, 1977	Conference rept. filed		
(c) 1 yr extension of CETA, H.R. 2992.	P/S amended May 25, 1977	P/H March 29, 1977	H. agreed to S. amendment June 3, 1977.	June 15, 1977	95-44
PM 51 (Feb. 17, 1977): Foreign Aid:					
(a) Multilateral Development Assistance (Financial Institutions) H.R. 5262.	P/S amended June 14, 1977	P/H Apr. 6, 1977	In conference		
(b) Bilateral Development Assistance ($1.3 billion)—Public Law 480 Program, H.R. 6714.	P/S amended June 15, 1977	P/H May 12, 1977	do		
(c) Public Law 480 Program Extension.	Extended in S. 275 (title XI of farm bill) which P/S June 15, 1977.				
H.R. 6714 (title II)	P/S amended June 15, 1977	P/H May 12, 1977	In conference		
(d) Security Assistance, H.R. 6884	do	P/H May 24, 1977	do		
PM 52 (Feb. 17, 1977): Oil Tanker Spills.	S. 682 (tanker safety) P/S May 26, 1977.	Mer. Mar. and Fisheries Cte. reptd. H.R. 6803 May 16 (H. Rept. 95-340) Pub. Wks. Cte. agreed to Mer. Mar. and Fisheries rept. June 30.			
	Commerce Cte hearings on S. 687 (oil pollution) June 9, 10, 20.	do			

Message or communication title, bill No.	Senate action	House action	Conference or other action	Date approved	Public Law No.
PM 55 (Mar. 22, 1977): Election reform:					
(a) Voter Registration	S. 1072 on S. Calendar (Cal. No. 144)	H.R. 5400 on Union Calendar (Cal. No. 162).			
(b) Public Financing	S. 926 on S. calendar (Cal. No. 277)	Adm. Cte. hearings on the subject of campaign reform May 18, 19, June 21, 23 hearings on H.R. 5157 after July 4.			
(c) Campaign Act Amendments	do				
(d) Direct Election of President	Jud. Cte. discussed S.J. Res. 1, June 10, 14, 22, 29.	Jud. Subcte. on Monopolies and Commercial Law hearings on H.J. Res. 33, 118 and 350 not yet scheduled.			
PM 56 (Mar. 23, 1977): Drought Assistance:					
(a) EDA Emergency Water system improvement S. 1279.	P/S May 11, 1977	P/H May 17, 1977		May 23, 1977	95–31
(b) FHA Emergency water system improvement and Southwestern Power assistance to irrigators on Fed. Reclamation Bureau projects.				[1]	[1]
(c) SBA drought assistance loan program.	Small Business Cte ordered S. 1306 acptd. May 16 pending hearing on June 23 (S. Rept. 95–184).	Small Business hearings on H.R. 6047 (Adm. bill) and 11 related bills Apr. 19, 22.	In conference		
(d) Water Bank objectives, S. 925	P/S Mar. 15, 1977	P/H amended Apr. 4, 1977	S. agreed to H. amendments Apr. 4, 1977.	Apr. 7, 1977	95–18
(f) Transfer of emergency livestock feed program.	Senate agreed to Humphrey amendment to S. 275 (Farm bill) which P/S May 24, 1977.	H.R. 4295 in full Cte. (President no longer supports because of Subcte. amendments).			
PM 64 (Apr. 6, 1977): Agency for Consumer Advocacy.	S. 1262 on S. Calendar (Cal. No. 143)	H.R. 6805 on Union Calendar (Cal. No. 183).			
PM 71 (Apr. 25, 1977): Health Care System improvements:					
(a) Hospital Cost Containment Act.	Human Res. Subcte. on Health hearings on S. 1391 complete; mark-up not yet scheduled.	Ways and Means and Inter. and For. Comm. Subctes. on Health joint hearings on mark-ups last 2 weeks of July.			
(b) Child Health Assessment Program.	Finance Committee hearings on S. 1392 not yet scheduled.	Inter. and For. Comm. Subcte. on H.R. 6706 scheduled for July.			
PM 74 (Apr. 27, 1977): Nuclear Nonproliferation Policy.	Gov. Aff. Subcte. on Energy hearings on S. 1432 complete; mark-up not yet scheduled; For. Rel. Subcte. on Arms Control hearings June 8, 15; Energy Cte. hearings June 10.	Int. Rel. Subcte. on Inter. Security & Scientific Aff. Subcte. on Inter. Econ. Policy & Trade joint hearings on H.R. 17, H.R. 4409, H.R. 6910 (Admin. bill) Apr. 4, May 19, 26.			
EC 1246: Energy Policy:					
(1) Pricing, Regulatory and Non-Tax (S. 1469).	Energy Cte. overview hearings May 3, 19; mark-up to begin after July 4.	Commerce Cte. hearings complete on H.R. 6831; Subcte. mark-up completed June 24; Full Cte. mark-up began June 28 and will resume on July 12; Banking Subcte. on Housing mark-up completed; Government Operations Cte. mark-up completed.			
(a) Natural Gas	Energy Cte. hearings held June 7, 13, 14, 17.	do			
(b) Conservation	Energy Cons. and Regul. Subcte. hearings held June 21, 22; Banking Cte. held hearings on residential conservation June 27–29, mark-up to begin July 14.	do			
(c) Supply	Energy Prod. and Supplies Subcte. held hearings on strategic reserves June 9; Coal Conversion (S. 977) hearings held June 24.	do			
(d) Utility Rates		do			
(2) Tax Provisions (S. 1472)	Finance Subcte. on Administration of the IRS code hearings June 6 and 27 on the administrative difficulties of anticipated tax revenues.	Ways and Means Cte. mark-up on H.R. 6831 complete.			
PM 78 (May 3, 1977): Ethics in Government.	S. 555, P/S June 27, 1977	Select Cte. on Ethics mark-up on H.R. 7401 June 20, 23, 27, 28, 29.			
PM 79 (May 9, 1977): Social Security Trust Funds (Draft leg. not yet received).	Finance Cte. hearings on Soc. Sec. financing June 13, 16, 23, 24, July 15.	Ways and Means Subcte. on Soc. Sec. hearings May 10, June 18, July 18–22.			
Message (May 23, 1977): Genocide Convention ratification.	For. Rel. hearings May 24, 26	No action needed			
PM 83 (May 23, 1977): Environmental Protection.	Jointly ref. to: Env., Energy, Agri., Banking, Commerce, For. Rel., Govt. Aff., and Human Res. Ctes.	Interior Subcte. on Energy and Environment approved H.R. 3454, The Endangered Wilderness Act, for full Cte. June 23; Full cte. consideration to begin after July 4.			
(a) Clean Air, H.R. 6161	P/S amended June 10, 1977	P/H May 26, 1977	In conference		
(b) Outer Continental Shelf	S. 9 on S. Calendar (Cal. No. 262)				
(c) Strip Mining	P/S amended May 20, 1977	P/H Apr. 29, 1977	In conference		
(d) Urban Homesteading (provisions in H.R. 6655).	P/S amended June 7, 1977	P/H May 11, 1977	do		
PM 86 (June 2, 1977): Extension of Most-Favored Nation Status of Romania.	Finance Subcte. on International Trade Trade hearing June 27.	Ways and Means Subcte. on Trade hearings July 18.			

[1] In H.R. 4876, Econ. Stim. Appro., Public Law 95–29.

[2] In H.R. 4877, Supplemental App., 1977, Public Law 95–26.

SENATE LEGISLATIVE ACHIEVEMENTS—95TH CONGRESS, 1ST SESSION (PREPARED BY SENATE DEMOCRATIC POLICY COMMITTEE, ROBERT C. BYRD, CHAIRMAN)

SENATE ACTIVITY

Days in session	100
Hour in session	586:24
Total measures passed	351
Private laws	2
Public laws	60
Treaties	0
Confirmations	40.575
Record votes	270

Symbols: (VV)—Passed by Voice Vote; numbers in parenthesis indicate number of record vote on passage, conference report, or reconsideration.

AGRICULTURE

Federal Crop Insurance Corporation capital. Amends the Federal Crop Insurance Act to increase the authorized capital stock of the Federal Crop Insurance Corporation from $100 million to $150 million in order to replenish its operating capital which was nearly exhausted as a result of indemnity payments to insured farmers for crop losses during the 1976 drought and harsh winter of 1977. S. 955—Public Law 95–47, approved June 16, 1977. (VV)

Grain inspection. Amends the United States Grain Standards Act to facilitate and improve the implementation of the amendments made in 1976 (Public Law 94–582); establishes a temporary 12–member committee (representing farmers, consumers and all segments of the grain industry) to advise the Administrator of the Federal Grain Inspection Service (FGIS) on the implementation of the 1976 act, and provides for its termination 18 months after the date of en-

actment; eliminates the requirement that grain merchandisers and elevator operators using grain inspection or weighing services maintain certain itemized types of records of their operations for a five-year period and requires them instead to keep only such records as the Administrator may prescribe for administration and enforcement; repeals, effective October 1, 1977, the authority for the charging of fees for Federal supervision of grain inspection and weighing and provides instead for funding of these activities through the regular appropriations process; makes several technical amendments; and prohibits effective May 1, 1977, subclassing of the hard red winter wheat on the basis of color, kernel content, or percentage of dark, hard and vitreous kernels. S. 1051—Passed Senate March 30, 1977. NOTE: (Provisions contained in S. 275, Omnibus Farm Bill, which passed the Senate May 24, 1977.) (88)

Land and water resources conservation. Establishes a mechanism for making long-range policy to encourage the wise and orderly development of the Nation's soil and water resources; requires the Secretary of Agriculture to (1) prepare an appraisal of the Nation's land, water and related resources and (2) develop a national land and water conservation program setting forth the direction for future soil and water conservation efforts on the Nation's private and non-Federal lands by December 31, 1979, and to update them each fifth year thereafter; requires that the appraisal and the program together with a detailed statement of policy intended to be used in framing budget requests for Soil Conservation Service activities be transmitted to Congress on the first day it convenes in 1980 and at each 5-year interval thereafter; requires that programs established by law be carried out in accordance with the statement of policy unless either House adopts a disapproval resolution within 90 days of receipt; provides that Congress may revise or modify the statement of policy, and that the revised or modified statement of policy shall be used in framing budget requests; requires, beginning with the fiscal 1982 budget, that requests sent by the President to Congress governing Soil Conservation Service activities express the extent to which the projected programs and policies meet the statement of policy approved by Congress; requires the President to set forth reasons for requesting Congress to approve a lesser program or policy where budget recommendations fail to meet the established policy; and requires the Secretary to submit to Congress beginning with fiscal 1982, an annual report evaluating the program's effectiveness. S. 106—Passed Senate March 23, 1977; Passed House amended June 6, 1977. (VV)

Omnibus farm bill. Extends for 5 years through fiscal year 1982 the basic price support programs for wheat, feed grains, cotton, rice, and wool; extends, with major changes, the food stamp program through fiscal year 1979; extends through 1982 the Food for Peace Program (P.L. 480) with some changes; and establishes a new charter and clearer direction for the Federal role in agricultural research;

Payments limitation. Places a limitation of $50,000 on the total payments which a person may receive annually under one or more of the programs for wheat, feed grains, upland cotton, extra long staple cotton, and rice insead of the present $20,000 limitation and the separate $55,000 limitation on rice;

Commodity programs. Milk—sets the price support at 80 percent of parity adjusted semi-annually but reviewed quarterly; extends for 5 years the Class I base plans, seasonal base excess plans, and seasonal takeout-payback plans for 5 years; Wool—updates the support levels to 90 percent of the formula; Wheat—sets the target price in 1977 at $2.90 per bushel and the target price for 1978 at $3.10 per bushel and an increase thereafter if the cost of production exceeds that level; Feedgrains—sets the target price levels for corn at $2.28 per bushel in 1978 and any increases thereafter will be based on cost of production, and ties the target level for other feedgrains to corn; Cotton—establishes a target price of 51.1 cents per pound for 1978 to increase in subsequent years in relation to cost of production increases; Peanuts—establishes a national acreage allotment and a minimum national poundage quota; sets up a price support program for producers through loans, purchases or other operations; Soybeans—requires price support loans for producers on the 1978 through 1982 crops at not less than $4 per bushel;

Grain reserves. Requires the Secretary to formulate a producer storage program on original or extended price support loans for wheat and feedgrains at the same support level as provided by the 1949 Act, as amended; authorizes the President to negotiate a system of food reserves for humanitarian food relief and to maintain such a reserve of food commodities as a contribution of the United States to the system; expands the authority of the Secretary to acquire commodities for disposition in the event of national disasters; makes the following changes in the farm storage facility loan program: authorizes the Secretary of Agriculture to use guarantees on secured loans as well as direct loans as a means of assisting farmers to construct or purchase onfarm facilities; permits the making or guaranteeing of loans for the construction of facilities to store high moisture grain and forage crops, as well as dry grain; and requires, with respect to direct loans, that the borrower put up security for the loan and base the interest rate charged to farmers on the rate charged the Commodity Credit Corporation;

Food for peace program (P.L. 480). Extends the program through 1982 and increases the annual authorization to $750 million (with the understanding that committees suggested reform would become a part of S. 1520, the foreign aid authorization bill;

Food stamp reforms. Extends the program for 2 years; eliminates the purchase requirement and establishes a single benefit reduction rate at 30 percent of net income; limits participation to households at or below official Federal poverty levels; replaces current itemized deductions with standardized deductions; requires unemployed participants to seek employment; requires a 60-day period of ineligibility for a household whose head voluntarily terminates employment; eliminates automatic, categorical eligibility of welfare recipients; gives Indian tribal organizations greater authority over food distribution programs on reservations; increases incentives for States to root out programs abuse and improve administration; authorizes pilot projects to improve administration; and extends authority to purchase commodities and establishes the Federal share of administrative costs for the Commodity Supplemental Food Program;

Food and agricultural research. Expands support for research programs, improved dissemination of research findings, increased efficiency and coordination of Federally-funded food and agricultural research including nutrition research and animal health research; creates three interrelated advisory panels to improve coordination; provides for a program of competitive grants within the Department to initiate high priority research activities; authorizes the Secretary to make grants to agriculture experiment stations and land-grant universities to support the Federal-State cooperative research program; authorizes research on solar energy as applied to agriculture; directs the Secretary to develop and implement a national nutrition research and extension program;

Grain inspection. Adds the language of S. 1051, the Federal Grain Inspection and Weighing Program Improvements bill as earlier passed by the Senate, which amends the United States Grain Standards Act with respect to recordkeeping requirements and supervisor fees, and establishes an advisory committee to provide advice to the Administrator of the Federal Grain Inspection Service;

Other provisions. Amends the authorizations for several existing rural development and conservation programs and contains other provisions including those relating to the inclusion of aquaculture and human nutrition as functions of the Department of Agriculture, beekeepers indemnity, and the importation of filberts. S. 275—Passed Senate May 24, 1977. (169)

Tobacco quotas. Amends the Agricultural Adjustment Act of 1938 to increase from 50 percent the amount of the farm acreage allotment for Flue-cured tobacco which must be planted on farms desiring to lease acreage-poundage quotas after June 14 of any year. H.R. 3416—Public Law 95-54, approved June 25, 1977. (VV)

Wheat and feed grains loan levels. States as the sense of the Senate that the Secretary of Agriculture should exercise his authority under existing law to increase the loan levels for the 1977 crops of wheat and feed grains. S. Res. 193—Senate agreed to June 22, 1977. (VV)

Wheat producers assistance. Provides temporary emergency assistance to wheat producers who planted prior to January 1, 1977, in order to prevent further increases in carryover stocks resulting from record U.S. wheat production and decreasing U.S. exports; requires the Secretary of Agriculture to carry out, through the Commodity Credit Corporation, a special wheat acreage grazing and hay program for the 1977 crop whereby a wheat producer who elects to participate may designate an acreage of cropland on his farm, of not to exceed 40 percent of the wheat acreage allotment, for grazing purposes or hay production only; requires that the producer designate the specific acreage on the farm to be so used; directs the Secretary to pay any participating producer an amount determined by multiplying the number of acres placed in the program times the projected yield established for the farm times $1; makes the producer ineligible for any other payments or price supports, including deficiency payments and disaster payments under section 107 of the Agricultural Act of 1949, on that portion of the wheat allotment placed in the program; provides that such acreage shall be deemed to have been planted for harvest for the purposes of wheat acreage history; and authorizes the Secretary to issue the necessary regulations to carry out this act. S. 650—Passed Senate March 16, 1977. (60)

Wheat referendum. Defers the wheat marketing quota referendum for the 1978 crop, which by law must be held no later than August 1, until 30 days after the adjournment of Congress or October 15, whichever is earlier, in order to provide additional time for enactment of legislation, presently being considered by Congress, for the 1978 and subsequent wheat crops which would eliminate the need for a referendum. S. 1240—Public Law 95-48, approved June 17, 1977. (VV)

APPROPRIATIONS

Fiscal 1977:

Continuing. Extends the continuing resolution (Public Law 94-473) which expires on March 31, 1977, until April 30, 1977, to provide financing authority for the following programs traditionally funded under the Departments of Labor, and Health, Education

and Welfare Appropriations Act: higher education; National Health Service Corps; home health services; emergency medical services; library resources; teacher corps; alcohol abuse and alcoholism prevention, treatment and rehabilitation; health professions educational assistance; D.C. medical and dental manpower; activities under title VI of the Comprehensive Employment and Training Act; vocational education; and National Institute of Education; and amends the resolution to provide such amounts as necessary for the calendar quarter ending March 31, 1977, for general revenue sharing payments to State and local governments. H.J. Res. 351—Public Law 95–16, approved April 1, 1977. (VV)

Economic stimulus. Makes economic stimulus appropriations in the total amount of $20,101,484,000 in new budget obligational authority for fiscal year 1977 which is $3,692,365,000 under the budget estimate; includes the following to implement the economic stimulus proposals recommended by the President in his message of January 31, 1977:

Public works projects—$4 billion for acceleration of local public works projects;

Revenue sharing program—$4,991,085,000 for revenue sharing payments for the last three quarters of fiscal 1977;

Antirecession financing—$632.5 million for increased antirecession payments under Public Law 94–369 to States and local governments in areas of high unemployment to assist them in maintaining basic services;

Public service employment—$7.987 billion for public services jobs which will expand the present Comprehensive Employment and Training Act (CETA) public service programs from the current 310,000 jobs to 600,000 jobs by September 30, 1977, and 725,000 jobs by December 31, 1977;

Targeted employment and training programs—$1.438 billion for programs targeted to youth, veterans and those in need of new skills; and

Older Americans—$59,400,000 for an additional 14,800 jobs for community service employment for older Americans;

In addition, includes the following appropriations: $95 million for production of NASA's third shuttle orbiter; $300 million for the construction grants reimbursement program for sewage treatment plants; $175 million for a drought assistance program contingent upon enactment of authorizing legislation; $35 million increase in the obligation limitation on airport development grants; $366 million for various programs authorized under the Federal-Aid Highway Act; $50 million for the Northeast Corridor improvement programs to speed up construction currently underway; and $2 million for IRS accounts collection and taxpayer service. H.R. 4876—Public Law 95–29, approved May 13, 1977. (130)

Supplemental. Makes supplemental appropriations in the total amount of $28,923,859,260 for fiscal year 1977 for almost every department and agency of the Federal Government including appropriations to cover costs associated with the October 1, 1976, general government pay raise. H.R. 4877—Public Law 95–26, approved May 4, 1977. (98)

Urgent disaster supplementals. Makes urgent supplemental appropriations of $200 million for fiscal year 1977 for disaster relief activities resulting from the severe weather conditions prevalent throughout the nation. H.J. Res. 269—Public Law 95–13, approved March 21, 1977. (VV)

Urgent power supplemental. Makes urgent power supplemental appropriations of $6.4 million for fiscal year 1977 for the Department of the Interior, Southwestern Power Administration, for power purchases caused by critically low stream flow conditions in the area served by the Administration; and removes the restrictions in Public Laws 94–355 and 94–373 which limit the use of funds appropriated to ERDA subject to enactment of authorizing legislation to assure the continued funding of essential energy research, development and demonstration programs. H.J. Res. 227—Public Law 95–3, approved February 16, 1977. (VV)

Fiscal 1978:

Agriculture. Appropriates $12,552,514,000 in new budget authority for fiscal year 1978 agricultural programs; provides total funding (new budget authority plus transfer authority) of $13,921,514,000; limits to $50,000 Federal payment to any sugar producer—the same limitation which applies to producers of wheat, feedgrains, cotton and rice; appropriates $50 million for fiscal year 1977 to be immediately available for the Agricultural Conservation Program in drought areas in the Southeast; and contains other provisions. H.R. 7558—Passed House June 21, 1977; Passed Senate amended June 29, 1977; Senate requested conference June 29, 1977. (VV)

HUD. Appropriates a total of $67,648,491,000 in new budget authority for fiscal year 1978 which includes $35,655,781,000 for the Department of Housing and Urban Development; $39,144,000 for the Consumer Product Safety Commission; $843,203,000 for the Environmental Protection Agency; $4,017,940,000 for the National Aeronautics and Space Administration; $43,970,000 for the National Science Foundation; and $17,194,882,000 for the Veterans' Administration; contains a provision to prohibit the use of government vehicles to drive Federal officials other than the Secretary of Housing and Urban Development between home and work; and provides that no government consultants shall be paid in excess of the rate paid a GS–18 civil servant. H.R. 7554—Passed House June 15, 1977; Passed Senate amended June 24, 1977; In conference. (237)

Interior. Appropriates a total of $10,372,718,271 for the Department of the Interior and related agencies for fiscal year 1978; includes significant increases in natural resources programs, the Department's energy and minerals programs directed at the safe and environmentally sound development of energy resources both onshore and on the outer continental shelf, and the Forest Service; contains increased funding for energy programs outside the Interior Department with the major part directed to the Strategic Petroleum Reserve and programs benefiting American natives that are administered by Interior and HEW with emphasis on health, educational, and economic opportunities and the wise management of their natural resources; expands support for programs enhancing the Nation's cultural resources and for specific programs for the arts and humanities, historic preservation, the Smithsonian Institution, and others; and contains other provisions. H.R. 7636—Passed House June 9, 1977; Passed Senate amended June 17, 1977; Conference report filed. (221)

Labor-HEW. Authorizes a total of $60,645,804,000 in new budget authority for fiscal year 1978 with $5,932,962,000 for the Department of Labor, $53,393,605,000 for the Department of Health, Education and Welfare, and $1,319,237,000 for related agencies;

Makes significant increases over the Administration's budget requests for the following: employment and training assistance programs, with primary emphasis on creating jobs for unemployed youths; the Occupational Health and Safety Administration to provide for an additional 200 Federal compliance staff members; health programs for community health services, preventive medicine, research, and training; elementary and secondary education programs to provide title I grants to disadvantaged students, impact aid for schools in Federally affected areas, and emergency school aid to help school districts with special problems encountering special desegregation problems; higher education programs, particularly the basic opportunity grant and the direct student loan programs; the Head Start program; aging programs; rehabilitation programs; community service programs; and the Corporation of Public Broadcasting;

Makes significant decreases in the Administration's budget requests for the Bureau of Labor Statistics, public assistance, and the Social Security Administration;

Prohibits the use of funds appropriated by this act to perform abortions except where the life of the mother would be endangered if the fetus were carried to term, or where medically necessary, or in cases of rape or incest; and prohibits the use of these funds to require the transportation of students, reorganization of school grade structures, pairing of schools, or clustering of schools for the purposes of achieving racial desegregation. H.R. 7555—Passed House June 13, 1977; Passed Senate amended June 29, 1977. (266)

Military construction. Appropriates $3,130,630,000 for military construction for the Department of Defense for fiscal year 1978 which provides the necessary funding for the planning, design, construction, alteration and improvement of military facilities worldwide, both for active and Reserve forces, including military family housing; provides certain types of community impact assistance as well as assistance to members who face loss on the sale of private residences due to installation realignments; and provides for the U.S. share of NATO Infrastructure construction costs. H.R. 7589—Passed House June 21, 1977; Passed Senate amended June 29, 1977; Senate requested conference June 29, 1977. (VV)

State-Justice-Commerce. Appropriates a total of $7,706,415,000 in new budget authority for fiscal year 1978 including $1,215,120,000 for the Department of State; $2,348,961,000 for the Department of Justice; $1,985,749,000 for the Department of Commerce; $444,318,000 for the Judiciary; and $1,911,267,000 for related agencies including the Arms Control and Disarmament Agency, the International Trade Commission, the Small Business Administration, the Equal Employment Opportunity Commission, and the Legal Services Corporation; makes fiscal year 1977 supplemental appropriations totaling $213,132,000 (of which $200 million is for the Small Business Administration); and prohibits the use of funds for implementation of the President's pardon program for Vietnam-era draft resisters. H.R. 7556—Passed House June 13, 1977; Passed Senate amended June 24, 1977; Conference report filed (242)

Transportation. Appropriates $6,276,969,023 for fiscal year 1978 for the Department of Transportation (including the Coast Guard, Federal Highway Administration, National Highway Traffic Safety Administration, Federal Railroad Administration, Urban Mass Transportation Administration, and Materials Transportation Bureau) and for related agencies (including the National Transportation Safety Board, Civil Aeronautics Board, Interstate Commerce Commission, Panama Canal Zone Government, United States Railway Association, Washington Metropolitan Area Transit Authority, and National Transportation Policy Study Commission). H.R. 7557—Passed House June 8, 1977; Passed Senate amended June 23, 1977; Conference report filed. (230)

Treasury-Postal Service. Appropriates a total of $4,476,247,000 in new budget obligational authority for fiscal year 1978 of which $2,845,714,000 is for the Treasury Department, $1,695,540,000 is for the Postal Service, $71,797,000 is for the Executive Office of the President, and $2,863,196,000 is for certain independent agencies; H.R. 7552—Passed House June 8, 1977; Passed Senate amended June 20, 1977; Conference report filed. (22).

ATOMIC ENERGY AND NASA

NASA authorization. Authorizes $4,049,429,000 for the National Aeronautics and Space Administration for fiscal year 1978 of which $3,041,500,000 is for research and development, $160,940,000 is for the construc-

tion of facilities, and $846,989,000 is for research program and management; includes funds to support the following new programs: (1) 5 space shuttle orbiters, (2) development of the shuttle-launched space telescope for research in astronomy, (3) a third generation earth resources survey spacecraft, Landsat-D, to carry an advanced scanning instrument, (4) initiation of a search and rescue satellite system in cooperation with Canada, and (5) initiation of a Jupiter orbiter probe mission; provides continued funding of the Space Shuttle; and includes the second funding increment for a fuel efficient aircraft technology development program designed to decrease fuel consumption of commercial jet transports by 50 percent. H.R. 4088—Passed House March 17, 1977; Passed Senate amended May 13, 1977; Senate agreed to conference report June 21, 1977. (VV)

Nuclear Regulatory Commission authorization. Authorizes $299,640,000 for fiscal year 1978 for Nuclear Regulatory Commission; includes $41,480,000 for nuclear reactor regulation, $12,130,000 for standards development, $36,050,000 for inspection and enforcement, $22,090,000 for nuclear materials safety and safeguards, $14,400,000 for regulatory research, $10,180,000 for program technical support, and $29,310,000 for program direction and administration; provides for a reduction in appropriations if (1) the Clinch River Breeder Reactor Project is cancelled or indefinitely deferred, (2) the license application is withdrawn or further construction is cancelled for the fuel reprocessing plant at Barnwell, S.C., and (3) plans for commercial fuel reprocessing and plutonium recycles are cancelled; and directs the Administrator of the General Services Administration to study and report to the Environment Committee by June 15, 1977, on the feasibility of consolidating the NRC which is presently housed in nine buildings throughout the Washington metropolitan area. H.R. 3733—Passed House May 17, 1977; Passed Senate amended May 25, 1977. (VV)

BUDGET

Rescissions:

Helium purchases. Rescinds $47.5 million in contract authority for helium purchases under Public Law 87–122 as recommended by the President in his message of September 22, 1976, for which purchase contracts were terminated by the Interior Department in 1973 and the contract authority therefore is no longer needed. H.R. 3347—Public Law 95–10, approved March 10, 1977. (VV)

Second budget rescission. Rescinds $644,050,000 of the $941,278,000 in budget authority recommended by the President in his message of January 17, 1977, as follows: Department of Defense-Military—$143.6 million in retired pay, $452.6 million in Naval shipbuilding and conversion because of the decision not to procure the fourth nuclear powered aircraft carrier (CVN–71) or convert the nuclear powered cruiser USS Long Beach to the Aegis air defense weapons system, and $145.35 million for Air Force procurement because of termination of the Advanced Logistics System (ALS); $41.5 million in funds appropriated to the President for foreign military credit sales; and $12 million for the Department of State contributions for international peacekeeping activities because of the lower budget levels established by the U.N. General Assembly; and disapproves $277,228,000 as follows: Department of Commerce—$525,000 for salaries and expenses of the U.S. Travel Service and $1.5 million for operations, research and facilities of the National Oceanic and Atmospheric Administration to continue surveys, mission and cost analysis and initiation of design and engineering studies for OCEANLAB; and $6,803,000 for the Department of Transportation for retired pay for the Coast Guard. H.R. 3839—Public Law 95–15, approved March 25, 1977. (VV)

Resolutions:

Third budget resolution, 1977. Revises the Second Budget Resolution (S. Con. Res. 139) for fiscal year 1977 setting the level of revenues at $347.7 billion, outlays at $417.45 billion, deficit at $69.75 billion, budget authority at $472.9 billion and public debt at $718.4 billion; contains an adequate funding level to permit enactment of up to $13.8 billion in tax legislation stimulus as proposed by the administration and $3.7 billion in increased outlays to produce jobs in areas of high unemployment; sets a level of budget authority at $1.1 billion and outlays at $760 million for EPA construction grants, railroad and highway construction and improvement in recreational facilities; sets the following levels of funding for the relief of individuals and families hard hit by the recession and the harsh winter: (1) 1.8 billion in budget authority and outlays for direct payments to recipients of social security, SSI, and railroad retirement, or any similar stimulus proposals, (2) $508 million in budget authority and $508 million in outlays to extend the Federal supplemental benefits program for the unemployed, and (3) $200 million in budget authority and $200 million in outlays for Federal assistance to low- and moderate-income families to help them meet fuel costs during the winter emergency; includes adequate levels of budget authority for housing to support increased reservations for a total of 360,000 dwelling units for low- and moderate-income families; and makes the following revisions to the totals for budget authority and outlays contained in the Second Budget Resolution to reflect savings which have been achieved and additional costs which have arisen under existing programs (in billions of dollars):

National Defense—BA.—$108.8 instead of $112.1, O: $100.1 instead of $100.65;

International Affairs—BA.—$7.9 instead of $8.9, O: $6.8 instead of $6.9;

General science, space, and technology—BA.—$4.5 instead of $4.6, O: $4.4 instead of $4.5;

Natural resources, environment, and energy—BA.—$18.7 instead of $18.2, O: $17.2 instead of $16.2;

Agriculture—BA.—$2.3 instead of $2.1, O: $3.0 instead of $2.2;

Commerce and transportation—BA.—$17.3 instead of $17.2, O: $16.0 instead of $17.4;

Community and regional development—BA.—$14.8 instead of $9.55, O: $10.55 instead of $9.05;

Education, training, employment and social services—BA.—$30.4 instead of $24.0, O: $22.7 instead of $22.2;

Health—BA.—$40.6 instead of $40.5, O: $39.3 instead of $38.9;

Income Security—BA.—$170.9 instead of $155.9, O: $141.3 instead of $137.2;

Veterans benefits and services—BA.—$18.9 instead of $20.3, O: $18.1 instead of $19.5;

Law enforcement and justice—BA.—$3.5, O: $3.6;

General Government—BA.—$3.5 instead of $3.6, O: $3.5;

Revenue sharing and general purpose fiscal assistance—BA.—$7.6, O: $7.7;

Interest—BA.—$38 instead of $39.6, O: $38 instead of $39.6;

Allowances—BA.—$0.8 instead of $0.7, O: $0.8;

Undistributed offsetting receipts—BA: —$15.6 instead of —$16.8, O: —$15.6 instead of —$16.8. S. Con. Res. 10—Action complete March 3, 1977. (38)

First budget resolution, 1978. Sets the level for total budget outlays for fiscal year 1978 at $460.95 billion, estimated revenues at $396.3 billion, new budget authority at $503.45 billion, and the estimated deficit at $64.65 billion as compared to the President's estimates of $462.6 billion in budget outlays, $404.7 billion in revenues, $506.2 billion in new budget authority, and a proposed deficit of $57.9 billion; sets the appropriate level of the public debt at $784.9 billion and the amount by which the statutory amount may be increased at $83.6 billion; for estimated revenues (1) assumes the level of fiscal stimulus in fiscal 1978 provided in the Tax Reduction and Simplification Act as agreed to by House and Senate conferees; (2) accepts a $65 billion allowance for miscellaneous tax and tariff legislation; (3) considers the entire cost of the earned income credit as a reduction of revenue; and (4) postpones the treatment of tax credits in excess of recipients tax liabilities until development of the second budget resolution; recommends outlays for budget programs by function for fiscal year 1978 as compared with the President's proposed budget outlays as follows:

National Defense.—$110.0 billion as compared to $112.8 billion;

International Affairs (conduct of foreign affairs, foreign information and exchange activities, the Peace Corps, Food for Peace, and nonmilitary foreign assistance).—$7.3 billion as compared to $7.2 billion;

General Science, Space and Technology.—$4.7 billion, which is the same estimate submitted by the President;

Natural Resources, Environment, and Energy.—$20.0 billion as compared to $20.9 billion;

Agriculture.—$4.35 billion as compared to $4.4 billion;

Commerce and Transportation.—$19.4 billion as compared to $19.9 billion;

Community and Regional Development.—$10.8 billion as compared to $9.9 billion;

Education, Manpower, and Social Services.—$27.2 billion as compared to $27.0 billion;

Health.—$44.3 billion as compared to $44.6 billion;

Income Security (social security and unemployment insurance, retirement systems for Federal and railroad employees and assistance programs for the needy).—$146.7 billion as compared to $148.7 billion;

Veterans Benefits and Services.—$20.2 billion as compared to $18.8 billion;

Law Enforcement and Justice.—$3.85 billion as compared to $3.8 billion;

General Government.—$3.85 billion as compared to $4.0 billion;

Revenue Sharing and General Purpose Fiscal Assistance.—$9.7 billion, which is the same estimate submitted by the President;

Interest.—$43.0 billion as compared to $40.9 billion;

Allowances (includes Federal pay increases for civilian agencies and other expenditures which cannot be reasonably assigned to other functions).—$1.9 billion as compared to $1.2 billion; and

Undistributed Offsetting Receipts (includes receipts from rents and royalties on leases on the Outer Continental Shelf and other deductions from outlays which cannot be reasonably assigned to other functions).—$16.3 billion in undistributed offsetting receipts in the Congressional budget as compared to $16.0 billion in the President's budget. S. Con. Res. 19—Action completed by both Houses May 17, 1977. (137, 142)

CONGRESS

Congressional Campaign Committee employees retirement credit. Amends title V, U.S.C., to provide that a congressional employee may credit not to exceed 10 years of service as an employee of the Democratic Senatorial Campaign Committee, the Republican Senatorial Campaign Committee, the Democratic National Congressional Committee or the Republican National Congressional Campaign Committee for Civil Service Retirement purposes provided the required deposits for such service are made to the

fund; and makes the provisions of this act applicable to an employee who retires on or after the date of enactment. S. 992—Passed Senate March 5, 1977. (VV)

Joint Committee on Atomic Energy Abolishment. Abolishes the Joint Committee on Atomic Energy and provides for the disposition of its staff and the transfer of its statutory functions and authority to other congressional committees having jurisdiction over the development, utilization or application of atomic energy; establishes, until March 31, 1979, an Office of Classified National Security Information under the policy direction of the Majority and Minority Leaders and the administrative direction of the Secretary of the Senate which shall be responsible for safeguarding national security information and other restricted data; authorizes the office to classify and declassify information within the guidelines developed for restricted data by the responsible executive agencies and to establish a central repository in the Capitol for safeguarding such data; directs the Office, within 30 days of enactment, to furnish the Senate Armed Services, Energy, Environment and Foreign Relations Committees with a listing of all records, data, charts, and files to be transferred and to indicate which committee may have jurisdiction; directs the chairmen of the committees involved to resolve any jurisdictional problems which may arise; makes necessary conforming amendments to certain laws which pertain to the Joint Committee on Atomic Energy; and provides that this act shall become effective on the tenth day after the date of enactment. S. 1153—Passed Senate March 31, 1977. (VV)

State taxation of Members of Congress. Adds a new section 113 to title 4, U.S.C., effective with respect to all taxable years, which provides that no State in which a Member of Congress maintains a place of residence to attend sessions of Congress may for State income tax purposes treat the Member as a resident or domiciliary or treat his Congressional salary as income for services performed within or from sources within that State unless the Member represents the State. H.R. 6893—Passed House June 6, 1977; Passed Senate amended June 16, 1977. (VV)

CRIME-JUDICIARY

Daughters of the Confederacy patent renewal. Extends for 14 years design patent number 29,611 which is the insignia of the United Daughters of the Confederacy. S. 810—Passed Senate May 13, 1977. (VV)

Drug Enforcement Administration. Amends the Comprehensive Drug Prevention and Control Act of 1970 to extend for 2 years, through fiscal 1979, the Drug Enforcement Administration at an annual authorization of $182 million plus such additional amounts as necessary for salary increases and other employee benefits authorized by law. S. 1232—Passed Senate June 6, 1977. (VV)

Jefferson F. Davis. Restores posthumously full rights of citizenship to Jefferson F. Davis effective December 5, 1968. S.J. Res. 16—Passed Senate April 27, 1977. (VV)

U.S. District Court terms. Amends section 104(a)(1), title 28, U.S.C., to provide for holding terms of the U.S. District Court for the Eastern Division of the Northern District of Mississippi at Aberdeen, Ackerman, and Corinth. S. 662—Passed Senate April 7, 1977. (VV)

Juvenile Justice. Strengthens and extends for 3 years, the program established by the Juvenile Justice and Delinquency Prevention Act of 1974; removes some of the legislative barriers to enable the Office of Juvenile Justice and Delinquency Prevention to meet its broad mandate; retains the Office's National Institute for Juvenile Justice and Delinquency Prevention and strengthens the scope of its activities particularly in the area of training; gives increased emphasis and recognition to the proper roles of the National Advisory Committee for Juvenile Justice and Delinquency Prevention and the Coordinating Council on Juvenile Justice and Delinquency Prevention; provides for more significant input at all levels from persons who, by virtue of their training or experience, have special knowledge concerning the prevention and treatment of juvenile delinquency and the administartion of juvenile justice; and reauthorizes the Runaway Youth Act through which the Secretary of HEW provides assistance to local groups to operate temporary shelter care programs in areas where runaways tend to congregate. H.R. 6111—Passed House May 19, 1977; Passed Senate amended June 21, 1977; In conference. (VV)

North Dakota judicial district. Amends title 28, U.S.C., to realign the judicial districts of North Dakota by transferring Bottineau, McHenry, and Pierce Counties from the Northeastern Division to the Northwestern Division and transferring Sheridan and Wells Counties from the Southeastern Division to the Northwestern Division in order to reduce the average distance which litigants, attorneys, and jurors in these counties must travel to the nearest place of holding court by approximately 100 miles. S. 195—Passed Senate May 24, 1977. (VV)

Omnibus Judgeships. Provides for the appointment of 110 additional permanent district court judges in 65 specified judicial districts; creates three temporary district court judgeships, for a minimum of 5 years, in the Eastern District of Kentucky, Southern District of West Virginia, and Southern District of Florida; divides the fifth circuit into a new fifth circuit consisting of Alabama, Florida, Georgia, and Mississippi which would have 14 judges, and a new eleventh circuit consisting of Louisiana and Texas which would have a total bench of 12 judges; creates a total of 35 new circuit court judgeships distributed as follows: one new judgeship in the first circuit; two in the second circuit; one in the third circuit; three in the fourth circuit; five for the revised fifth circuit; two for the sixth district; one for the seventh circuit; one for the eighth circuit; ten for the ninth circuit; one for the tenth circuit; and six for the new eleventh circuit; contains a "report back" provision which requires the Judicial Council of the Ninth Circuit Court to make recommendations for a solution to the unique problems of that circuit within one year of the date on which the tenth new judge is appointed; authorizes the Administrative Office of the United States Courts to upgrade and reclassify eight employee positions; and amends existing law to require that actions brought against rail or motor carriers on claims for damage or delay to shipments be subject to a minimum jurisdictional amount of $10,000 for each bill in lading, in order to prevent abuse of the Federal judicial process by persons bringing such actions simply as a means of tolling the statute of limitations while settlement negotiations are undertaken. S. 11—Passed Senate May 24, 1977. (VV)

DEFENSE

Coast Guard authorization. Authorizes $1,262,521,000 for fiscal year 1978 for the Coast Guard for the procurement of vessels and aircraft, construction and improvement of shore and offshore facilities, alteration and removal of obstructive bridges, aids to navigation, pollution abatement, administrative expenses, and operating expenses; authorizes a year-end strength for active duty personnel of 39,145; authorizes an average military student load of 5,506; includes funds for the recent Presidential program of boarding and inspecting oil tankers, reactivation of Coast Guard cutters to be used as back-up vessels in the enforcement of the 200-mile Fishery Conservation Zone, enforcement of the Fishery Conservation and Management Act of 1976, a search and rescue mission capability at the Portage, Mich., Coast Guard station, two additional ice-breaking tugs and one large ice-breaker, procurement of 2 short-range recovery helicopters for the search and rescue station at Cordova, Alaska, the procurement of radar and other equipment for a continuation of various vessel traffic systems, and the study of oil spill containment in high seas or fast rivers; restore funds which the Coast Guard expended as a result of the unanticipated winter storm damage; adds a new section which permanently authorizes the Coast Guard to continue its present accounting procedure of merging prior year "Operating Expenses" and "Reserve Training" appropriations with current year appropriations for the same purposes; authorizes the Coast Guard to contribute funds to the North Marin County Water District in California for the construction of a sewage treatment plant; authorizes the Coast Guard to accept money from the city of Baltimore, Maryland, for use in replacing Coast Guard facilities which will be removed by the city incident to a road improvement project; reextends an exemption from Coast Guard inspection for fishing tender and cannery tender vessels in the States of Alaska, Oregon, and Washington and authorizes the commandant of the Coast Guard to assist HEW in providing medical emergency helicopter transportation services to civilians. H.R. —Public Law 95– , approved 1977. (VV)

Defense production extension. Extends for two years, through fiscal 1979, the titles of the Defense Production Act of 1950, as amended, which contain the sole authority for a number of programs designed to maintain the national defense production base in peacetime, prepare for mobilization, provide a pool of trained manpower for war production management, provide uniform cost accounting standards for negotiated defense contracts, provide for the examination of national policy with regard to material supplies and shortages, and continue the Joint Committee on Defense Production. S. 853—Public Law 95-37, approved June 1, 1977. (VV)

Deputy and Under Secretaries of Defense. Eliminates one of the two positions of Deputy Secretary of Defense and establishes the position of Under Secretary of Defense for Policy; and changes the title of the Director of Defense Research and Engineering to that of Under Secretary of Defense for Research and Engineering. S. 1372—Passed Senate June 9, 1977. (VV)

Military construction authorization. Authorizes $3,726,633,000 for construction and other related authority for the military departments, and the Office of the Secretary of Defense within and outside the United States; contains authority for the construction of new projects which will create an estimated 50,000 jobs in the construction industry and to operate and maintain the current inventory of military family housing; directs DOD to give the chemical weapons storage site program top priority; contains $100 million for energy conservation programs; directs DOD to examine long-term goals which would eliminate reliance on oil and natural gas and utilize coal as a fuel source and to report to Congress before submitting the 1979 authorization; directs DOD to report on the construction backlog NATO and/or host nation participation; includes $7.3 million for construction of support facilities for personnel stationed at Diego Garcia; increases from $400,000 to $1 million DOD authority for emergency minor construction projects without specific authorization; makes clear congressional intent that commissary surcharge funds may be used to provide new commissaries and renovate existing commissaries anywhere in the world; permits the Secretary to acquire by exchange certain lands contiguous to Fort Bliss Military Reservation, El Paso, Texas; increases from $2 million to $3.3 million the authorization for the construction of shoreside facilities for the U.S.S. Arizona memorial in

Hawaii; and permits the use of certain former military land conveyed to San Francisco for public purposes other than park and recreational uses thus permitting the city to construct a sewage treatment facility on the site. S. 1474—Passed Senate May 13, 1977; Passed House amended June 6, 1977; In conference. (VV)

Military enlistment and reenlistment bonuses. Amends chapter 5, title 37, U.S.C. to extend for 15 months, from June 30, 1977, to September 30, 1978, present law authorizing the armed services to pay enlistment and reenlistment bonuses to selected enlisted personnel who possess a critical skill or to those who enlist for service in a critical skill including the combat arms; and adds a provision whereby a member would forfeit his bonus if he becomes technically unqualified in the skill for which the bonus was paid unless it is the result of an injury, illness, or other impairment which is not a result of his own misconduct. H.R. 583—Public Law 95–57, approved June 29, 1977. (VV)

Military procurement authorization. Authorizes a total of $35.955 billion for fiscal year 1978, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development test, and evaluation for the Armed Forces; continues funding of submarine-based missiles, land-based ICBM's and manned bombers to maintain the strategic balance with the Soviet Union; increases funds for Naval shipbuilding including several new initiatives; contains funds to improve the deterrent and fighting capabilities of NATO without increasing the commitment of American ground forces; establishes a Naval Shipbuilding Commission to study and report to the President and Congress on current naval policies and procedure together with its recommendations on a more efficient and cost-saving means of procuring vessels; requires the Secretary to submit to the Armed Services Committees by October 1 of each year a full accounting of all experiments and studies conducted by DOD in the preceding 12-month period which involved the use of human subjects for testing chemical or biological agents and requires the Secretary to notify the Committees 30 days after final approval and 30 days prior to initiation of plans to conduct such tests; prohibits the use of funds after fiscal 1980 for the development or procurement of any main battle tank, mechanized infantry combat vehicle, armored personnel carrier, armored self-propelled artillery vehicle, or armored self-propelled air defense artillery vehicle which does not possess collective system for all occupants against chemical and radiological agents; sets the end-strength for active duty personnel at 2,071,900; limits the number of commissioned officers serving on active duty in grades above colonel and captain at 1,118 in fiscal 1978 and 1,071 in any fiscal year thereafter; provides that the total number of officers serving on active duty in the Marine Corps in the grades of general and lieutenant general may not exceed 15 percent of the total number of officers above the grade of colonel; sets at $313.20 the monthly pay for a cadet and midshipman; sets the average strength for the reserve components of the Armed Forces at 857,400; authorizes an end strength of civilian personnel of 1,010,900 and calls for a reduction in personnel at grades GS–12 and above; authorizes the average military training student loads; includes $95,250,000 for programs of the Defense Civil Preparedness Agency; requires the Secretary to maintain at least one Senior Reserve Officers' Training Corps unit in each State; provides for congressional consideration of modifications in U.S. Strategic Arms Programs which the President may recommend to facilitate negotiation or agreement in the Strategic Arms Limitation Talks; requires the Secretary to report to Congress on the proposed sale or transfer of defense articles from active forces' inventories or current production valued at $25 million or more; directs the Secretary to request retiring military and civilian personnel (of Grade GS–13 or above) during their last month of employment for suggestions for methods to improve procurement policy; and directs the Secretary to expand the jog classifications to which female members of the Armed Services may be assigned. H.R. 5970—Passed House April 25, 1977; Passed Senate amended May 17, 1977; Conference report filed. (144)

DISASTER ASSISTANCE

Disaster relief programs. Amends the Disaster Relief Act Amendments of 1974 to extend the authorizations for the Federal disaster assistance programs of the Federal Disaster Assistance Administration, which expire on June 30, 1977, through fiscal year 1980. H.R. 6197—Public Law 95–51, approved June 20, 1977. (VV)

Drought emergency authority. Provides temporary authorities to the Secretary of the Interior to facilitate emergency actions to mitigate the impacts of the 1976–77 drought conditions affecting irrigated lands in the western States; authorizes the Secretary, acting through the Bureau of Reclamation and the Bureau of Indian Affairs, to: (1) study available means to augment, utilize, or conserve Federal reclamation and Indian irrigation projects water supplies and to undertake construction (which must be completed by November 30, 1977), management, and conservation activities to mitigate drought damage, (2) acquire water supplies by purchase from willing sellers and redistribute the water to users based upon priorities he determines, and (3) undertake evaluations and reconnaissance studies of potential facilities to mitigate the effects of a recurrence of a drought emergency and make recommendations to the President and Congress; provides that payment for water acquired from willing sellers be at negotiated prices; directs the Secretary to determine the priority of need in allocating the acquired or developed water; authorizes the Secretary to defer without penalty, the 1977 installment charge payments, including operation and maintenance costs, owed to the U.S. on Federal reclamation projects, with the costs to be added to the end of the repayment period which may be extended if necessary; requires that this program be coordinated, to the extent practicable, with emergency and disaster relief operations conducted by other Federal agencies under existing provisions of law; requires the Secretary to report to Congress by March 1, 1978, on all expenditures made under this act; authorizes the Secretary to make interest-free five year loans to individual irrigators for construction, management and conservation activities or acquisition of water; authorizes $100 million to carry out the water purchase and reallocation (water bank) program of which 15 percent shall be available to carry out other programs authorized by this act; and provides that up to 15 percent of fiscal 1977 funds available to the Secretary for the Emergency Fund Act may be used for non-Federally financed irrigation projects, 5 percent for State Government drought emergency programs, and $10 million for the purchase of water. S. 925—Public Law 95–18, approved April 7, 1977. (54)

Drought emergency relief. Authorizes $225 million in grant and loan authority to the Economic Development Administration for assistance to States. Indian tribes or units of local government with a population of 10,000 or more for drought-related projects; includes among the permissable activities for which grants may be made the improvement or expansion of existing water supply facilities, construction of new facilities, well drilling or impoundment where appropriate, transportation of water by pipeline, and purchase of water if it is the most economic method of providing the needed supply; gives the Secretary of Commerce authority to designate areas eligible for assistance; limits grants to 50 percent of the cost of any project and provides that loans shall be at 5 percent interest for not to exceed 40 years and at terms determined by the Secretary; directs the Secretary to consider the relative needs of the applicants giving priority to communities facing the most severe problems; permits obligation of funds for drought impacted projects conducted by eligible applicants during fiscal year 1977 if they are compatible with the purposes of the act; permits funds to be obligated to December 31, 1977, and requires that projects be completed by April 30, 1978; and extends the time allowed for convening the White House Conference on Balanced Growth and Economic Development from 12 to 18 months after the date of enactment of Public Law 94–487. S. 1279—Public Law 95–31, approved May 23, 1977. (VV)

DISTRICT OF COLUMBIA

D.C. Armory Board. Amends the Home Rule Act to allow the Armory Board of the District of Columbia, which manages Robert F. Kennedy Stadium and the D.C. Armory to operate under a fiscal year coinciding with the calendar year, rather than the October 1–September 30 fiscal year required of all city government agencies in order to accommodate the special seasonal nature of the revenues earned by the concerns, and changes the filing date for the Board's annual reports from January to July. S. 1062—Passed Senate May 26, 1977. (VV)

D.C. bonds. Adds a new subsection to the section of the House Rule Act authorizing the issuance of revenue bonds to provide that payments made pursuant to acts authorizing such bonds may be made without further authorization or approval. S. 1063—Passed Senate May 26, 1977. (VV)

D.C. borrowing authority. Amends the Home Rule Act to extend until October 1, 1979, the District's interim authority to borrow from the Treasury of the United States to finance the District's capital improvements projects; changes from November 1 to February 1 of each fiscal year the date by which the Mayor must submit to the Council of the District a complete financial statement and report for the preceding fiscal year; and makes procedural and technical changes to the act respecting qualifications for appointment to the Commission on Judicial Disabilities and Tenure, and to the Judicial Nomination Commission, S. 1061—Passed Senate June 13, 1977. (VV)

D.C. reciprocal tax collection. Authorizes any State, territory or possession to bring suit in the Superior Court of the District of Columbia to recover any tax lawfully due and owing to it, if a reciprocal right is accorded to the District by the State, territory or possession. S. 1103—Passed Senate May 26, 1977. (VV)

Federal water and sewer payment. Allows the District of Columbia to collect the amount of money owing from the Federal Government for water and sewer services in its next fiscal year's budget. S. 1322—Passed Senate June 7, 1977. (VV)

George Washington University. Restates completely the charter of The George Washington University, substituting a more adequate, flexible and modern document for the cumbersome and antiquated original charter granted in 1921; changes the name from George Washington University to The George Washington University: cites the schools purposes and states explicitly that a policy of nondiscrimination must govern its pursuit of those objectives; enumerates the

specific powers of the University to control and direct its operations; provides for the creation of a board of trustees and its executive committee; vests in the board the powers to control and direct the operation of the university, in addition to authority over school personnel and the bylaws; empowers the trustees to merger the university with other nonprofit organizations; and ensures the continuity of the school's corporate status. S. 1060—Passed Senate May 26, 1977. (VV)

ECONOMY-FINANCE

Export Administration—Arab boycott. In title I, authorizes $14,033,000 for the extension to the Export Administration Act of 1969, through fiscal year 1979; requires a review of the export control lists, rules, and regulations issued under the Act, to be submitted not later than December 1, 1978; authorizes the Secretary of Defense to recommend his approval of an export license application whenever he determines that the export would be detrimental to U.S. national security; exempts agricultural commodities purchased for export and stored in the United States from subsequent export restrictions if such storage will not have a serious domestic inflationary impact; requires a study of the national security impact of the export of technical information to restricted countries within 6 months of enactment and adds other reporting and notification requirements of the act;

Excludes petroleum products refined in the U.S. foreign trade zones or in Guam from any quantitative limitations imposed for short supply purposes unless the Secretary of Commerce limits such exports; prohibits export of Alaskan oil except (1) for exchanges of crude oil in similar quantity, for convenience or increased efficiency in transportation, with governments of adjacent foreign states, or for oil that is temporarily exported for increased efficiency of transportation across part of an adjacent foreign state and reenters the United States, or (2) where the President publishes and submits to Congress 60 days prior to export an express finding that the export of such oil is in the national interest and in accord with the provisions of the Export Administration Act of 1969; allows a 60-legislative-day period for any such action to be vetoed by either House of Congress prior to any export; provides that any contract for the export of such oil may be terminated any time that U.S. petroleum suppliers are seriously threatened;

Reaffirms Congressional intent that the secrecy provisions of the act do not abridge the inherent right of Congress to acquire information obtained under the act; directs the Secretary of Commerce to undertake a review of unilateral and multilateral export controls and to submit the results to Congress by December 31, 1978; requires that monitoring of exports for short supply purpose commerce at a time adequate to insure that sufficient data will be available to permit achievement of the act; increases the penalties applicable to violations of the Export Administration Act and otherwise improves the administration of U.S. export controls;

In title II, seeks to prevent most forms of compliance with foreign boycotts; prohibits refusal to do business with blacklisted firms and boycotted friendly countries pursuant to foreign boycott demands; prohibits discrimination against any U.S. person on the grounds of race, religion, sex, or national origin in order to comply with a foreign boycott; prohibits U.S. persons from furnishing information about any person's race, religion, sex or national origin for foreign boycott enforcement purposes; provides for public disclosure of requests to comply with foreign boycotts; requires domestic U.S. persons who receive such requests to disclose publicly whether they are complying with such requests; provides that these provisions apply to all domestic concerns and persons, including intermediaries in the export process;

Exempts from the antiboycott provisions transactions in which a unilateral and specific selection is made by a boycotting country, or national or resident thereof; allows United States persons residing in a foreign country to comply with the laws of that country with respect to his activities exclusively therein; permits a negative certification with respect to carriers or route of shipment in order to comply wtih requirements protecting against war risks and confiscation; allows compliance with immigration or visa requirements with respect to the individual and members of his family; permits U.S. persons to comply with requests for information pertaining to securing or maintaining employment in a boycotting country; preempts all State foreign boycott laws; provides a 2-year grace period for agreements in effect on or before March 1, 1977, with three additional 1-year extensions available in cases where good faith efforts are being made; and generally strengthens U.S. law against foreign boycotts to reduce their domestic impact. H.R. 5840—Public Law 95–52, approved June 22, 1977. (140)

Export-Import Bank. Extends from June 30, 1978, to September 30, 1978, the operating authority of the Export-Import Bank in order to conform to the new fiscal year. H.R. 6415—Passed House May 3, 1977; Passed Senate amended June 29, 1977. (VV)

Foreign corporate bribes and domestic disclosure. Amends the Securities Exchange Act of 1934 to require companies subject to the jurisdiction of the Securities and Exchange Commission to maintain accurate records, prohibit certain bribes, and expand and improve disclosure of ownership of the securities of U.S. companies;

In title I, requires companies subject to SEC jurisdiction to maintain strict accounting standards and management control over their assets; prohibits the falsification of accounting records and the deceit of accountants auditing the books and records of such companies; makes it a crime for U.S companies to bribe a foreign government official for the specified corrupt purposes; imposes a maximum fine $500,000 on companies and $10,000 and 5 years imprisonment on individuals for violation of the criminal prohibitions;

In title II, requires those persons who already file reports with the SEC when they own more than 5 percent of the shares in a U.S. company to identify their residence, citizenship, and the nature of their beneficial ownership; provides for the development of a comprehensive system in publicly held companies; requires the Commission to consolidate the various beneficial ownership reporting requirements of the Securities Exchange Act into a centralized nonduplicative system for the collection of such information, and to tabulate and make it available to regulators and the public; requires the Commission, within 30 months of enactment, to report to Congress with respect to the effectiveness of the ownership reporting requirements and the desirability and feasibility of reducing or otherwise modifying the 5-percent disclosure threshold giving appropriate consideration to specified regulatory and public policy; and provides the Commission with authority to assure that the jurisdictional effectiveness of section 15(d) of the Securities Exchange Act is not inappropriately limited because of the use of nominee and street name registration of securities. S. 305—Passed Senate May 5, 1977. (VV)

Interest rates (regulation Q)—Federal Credit Unions. Extends from March 1, 1977, until December 15, 1977, existing authority (commonly known as Regulation Q) under the Interest Rate Control Act by which Federal financial regulatory agencies set interest rate ceilings on deposits in financial institutions under their respective jurisdictions; extends until August 31, 1977, the Treasury Department's authority to borrow funds from the Federal Reserve System;

Modernizes the powers of Federal credit unions under the Federal Credit Union Act in order that they may provide more contemporary financial services to their members; considers demand deposit accounts of state chartered credit unions as member accounts, if they qualify pursuant to state law, thus making them eligible for Federal share insurance; establishes varying self-replenishing lines of credit to member borrowers; removes the distinction between secured and unsecured loans and raises the maximum loan maturities to 12 years (currently 5 years on unsecured loans and 10 years on secured loans); empowers the board of directors to establish their own loan maturity and collateral requirements; removes the $2,500 maximum amount for unsecured loans; provides the necessary flexibility to meet members' needs in accordance with the applicant's creditworthiness and the credit union's soundness rather than arbitrary loan ceilings; permits real estate loans with maturities up to 30 years; and includes the following restrictions on such lending authority: (1) loans must be secured by a first lien, (2) loans must be for a one-to-four family dwelling, (3) the dwelling must be the principal residence of the borrower, and (4) the sales price must not exceed 150 percent of the median sales price of residential real property to be determined on a market area basis; allows loans with maturities of up to 15 years for the purchase of mobile homes used as the member's residence, or for the repair, alteration or improvement of a member's residence; permits Federally guaranteed or insured loans, such as the VA guaranteed mobile home loans, with maturities as specified in those statutes; increases the officials' borrowing limit on unsecured loans from $2,500 plus pledged shares to $5,000 plus pledged shares and permits them to guarantee or endorse up to the same amounts without board approval; clarifies the existing provisions regarding the penalty for excess interest and the provision regarding loan amortization; ensures that a member may repay his or her loan prior to maturity with no penalty; authorizes loans to other credit unions and credit union organizations; and contains other provisions. H.R. 3365—Public Law 95–22, approved April 19, 1977. (VV)

Securities and Exchange Commission authorizations. Amends the Securities Exchange Act of 1934 to increase the authorization for fiscal year 1977 from $55 million to $56.5 million. S. 1025—Public Law 95–20, approved April 13, 1977. (VV)

Authorizes $58,290,000 for fiscal year 1978 to tne Securities and Exchange Commission. H.R. 3722—Passed House May 17, 1977; Passed Senate amended May 25, 1977. (VV)

Small business amendments—disaster relief loans. Amends the Small Business Act to authorize $954.7 million for the Small Business Administration for fiscal year 1978 of which $47.1 million is for the surety bond guarantee program, $4 million for the lease guarantee program, and $171 million for salaries and expenses; places ceilings for the first time on SBA lending programs except for the physical and economic injury disaster loans which are open ended authorizations; places greater emphasis on the nonlending programs by (1) directing SBA to develop a small business procurement source data bank, and (2) authorizing additional procurement officers by the Federal Government, and (3) increasing the authorization for development of various business management training program; gives SBA the discretionary authority to suspend inter-

est and principal payments on both direct and guaranteed loans made by private lenders; authorizes SBA to certify a small business company's ability to perform a specific Government contract; makes handicapped sheltered workshops eligible for small business set-aside procurement contracts; directs that priority be given to labor surplus areas when awarding small business set-aside contracts; enables homebuilders to obtain SBA financial assistance by permitting financial for residential or commercial construction or rehabilitation for sale or rental; provides that nonprofit groups of 75 members or less who have organized for purposes of rehabilitating blighted urban or rural areas may also obtain loans; allows SBA to make compliance loans to small firms who must meet Federal regulatory standards adopted prior to 1974;

Authorizes the Administrator, upon certification by a State Governor, to make loans to small business concerns that have suffered economic injuries as a result of a disaster occurring after July 1, 1975, and are in need of financial assistance not available on reasonable terms in the disaster area; places a $100,000 limitation on the amount of a loan and permits the Administrator to defer payment of principal and interest for 1 year; lowers the interest rate on physical disaster loans for the uninsured damaged portion of a principal residence and property from the present rate of 6⅝ percent to the following: 1 percent on the first $5,000 worth of damage, 2 percent on the second $5,000, and 3 percent on all damage above $10,000; limits to 3 percent the interest rate on all other loans and permits the forgiveness of principal amounts over $500 as follows: up to $1,000 when the uninsured damage is equal to between 10 and 20 percent of the market value, up to $2,000 when the uninsured damage is equal to between 20 and 30 percent of the market value, and up to $3,000 when the uninsured damage is equal to 30 percent or more of the market value; gives qualifying applicants the option of receiving a one-third payment equal to the amount that would be forgiven in place of a loan; makes the loan rate of the Farmers Home Administration compatable, with that of SBA by reducing from 5 to 3 percent the interest rate on loans to finance the repair of replacement of property, including crops and livestock, which was lost, damaged or injured because of a disaster occurring on or after July 1, 1976; authorizes SBA to increase the principal of a loan by not to exceed $2,000 in order to insulate property which was damaged or destroyed during the period April 1, 1977, to October 1, 1977, whether or not the property was insulated at the time of the damage; and requires the Administrator to submit a report to Congress evaluating the program and making recommendations as to its continuation, modification or termination. H.R. 692—Passed House February 9, 1977; Passed Senate amended May 19, 1977; In conference. (VV)

Small business loan ceilings. Amends the Small Business Act to increase the fiscal year 1977 authorization ceilings for the following SBA financial assistance programs: Business Loan and Investment Fund from $6 billion to $7.4 billion, Economic Opportunity Loans from $450 million to $525 million, and Small Business Investment Company Program from $725 million to $887.5 million; and amends the Small Business Investment Act of 1958 to increase the fiscal year 1977 ceiling on the Surety Bond Guarantee Program from $56.5 million to $110 million. H.R. 2647—Public Law 95–14, approved March 24, 1977. (VV)

Smith College carillon—SSI food stamp eligibility—child support funding—child day care study—medicaid funding. Directs the Secretary of the Treasury to admit free of duty thirty-three carillon bells, including all accompanying parts and accessories, provided by the Paccard Founderie de Cloches, Annecy, France, for the use of Smith College, Northampton, Massachusetts;

Extends through fiscal year 1978 current provisions of law relating to the method whereby SSI recipients are eligible for food stamps;

Extends from July 1, 1977, through fiscal year 1978 the Federal matching payments to States for paternity and parent locator services directed toward maximizing child support for nonwelfare families;

Extends from July 1, 1977, until April 1, 1978, the date by which HEW must submit its report on the appropriateness of the Federal Interagency Day Care Program; and

Extends for 90 days the statutory requirement whereby States must have in place regular independent evaluations of long-term patients in skilled nursing homes, intermediate care facilities, and mental hospitals to be eligible for their share of Medicaid funding. H.R. 1404—Public Law 95–59, approved June 30, 1977. (VV)

U.S. International Trade Commission. Authorizes $12,187,000 to the U.S. International Trade Commission for fiscal year 1978; makes the Chairman, rather than the full Commission, responsible for administrative matters; and authorizes the Commission to continue publication of its reports on synthetic organic chemicals until 1981. H.R. 6370—Passed House April 25, 1977; Passed Senate amended May 17, 1977; In conference. (VV)

White House Conference on Small Business. States as the sense of the Senate that the President should convene a White House Conference on Small Business to develop recommendations that will increase public awareness of the importance of small business; identify the problems of new, small, and independent business enterprise; and suggest appropriate governmental actions to encourage and maintain the economic interests and potentials of the small business community in order to strengthen the overall economy of the Nation. S. Res. 105—Senate agreed to March 28, 1977. (VV)

EDUCATION

Education of the handicapped. Extends certain programs under the Education of the Handicapped Act for 5 years, through fiscal year 1982, with authorizations for each of fiscal years 1978 through 1982, respectively, as follows: (1) Part C, Centers and Services to Meet Special Needs of the Handicapped—$76 million, $80 million, $86 million, $89 million, and $93 million; Part D, Training Personnel for the Education of the Handicapped—$77 million, $82 million, $87.5 million, $92.5 million, and $97.5 million; Part E, Research in the Education of the Handicapped—$20 million, $22 million, $24 million, $26 million, and $28 million; Part F, Instructional Media for the Handicapped—$24 million, $25 million, $27 million, $29 million, and $29 million; and provides the authority for the Bureau of Education to support model education projects for all handicapped children under section 641 of the act. H.R. 6692—Public Law 95–49, approved June 17, 1977. (VV)

Higher educational technical amendments. Makes technical and miscellaneous changes to the higher education provisions contained in the Education Amendments of 1976 (Public Law 94–482). H.R. 6774—Public Law 95–43, approved June 15, 1977. (VV)

Vocational education amendments. Makes a number of technical amendments to title II of the Education Amendments of 1976, Public Law 94–482, dealing with printing and clerical errors and changing certain reporting dates; removes the $25 million a year limit for State administrative expenses and authorizes funds under the basic State grant for this purpose with the requirement that States match Federal funds used; requires States to set forth in their State plan the amount of Federal funds it plans to retain at the State level for administration; and gives each local recipient the option of using a precentage of Federal funds in their vocational education program or to use any amount of Federal funds as long as they are matched by State appropriated funds for administrative expenses. H.R. 3437—Public Law 95–40, approved June 3, 1977. (VV)

ELECTIONS

Federal Election Commission authorization. Authorizes $7.5 million for activities of the Federal Election Commission for fiscal year 1978. S. 1435—Passed Senate May 5, 1977. (VV)

Overseas citizens voting rights. Amends the Overseas Citizens Voting Rights Act of 1975 and the Federal Voting Assistance Act of 1955 to improve the administration and operation of these laws; vests the authority and responsibility for collecting and disseminating absentee voting information to citizens overseas in the President's designee (currently the Secretary of Defense) under the Federal Voting Rights Assistance Act; authorizes utilization of the same ballot application and free airmail postage provisions presently contained in the Federal Voting Assistance Act for all citizens residing overseas; provides the designee with the authority to revise the absentee registration and ballot application forms currently recommended for use by military personnel and civilians temporarily residing abroad and to develop a single form which could also be used by citizens covered by the Overseas Voting Act; provides that any balloting material sent from the United States to persons covered by either act or returned by them to this country shall be sent by priority airmail or by the most expeditious postal service available; directs the designee to publicize and notify appropriate citizens and State election officials of the availability of free postage and the expedited mail delivery of balloting material; and provides that the exercise of the right to register or vote in Federal elections by citizens residing overseas shall not affect the determination of his place of residence or domicile for the purpose of any tax imposed under Federal, State, or local law. S. 703—Passed Senate May 9, 1977. (VV)

EMPLOYMENT

CETA. Extends the authorization of sums as may be necessary for all titles of the Comprehensive Employment and Training Act (CETA) through fiscal year 1978; extends the amendments to title VI made by the Emergency Jobs Programs Extension Act of 1976, which provide that each price sponsor of a public service employment program may use its allocation, first, to sustain its existing member of public service jobs holders under the Act, and shall thereafter fill any additional public service jobs with low-income persons unemployed for at least 15 weeks who have been receiving or are eligible for unemployment compensation, and also provide that 50 percent of title VI job vacancies due to attrition must meet those eligibility requirements, but the remaining 50 percent may be filled under the original title VI requirements (15 days unemployment in areas having 7 percent or higher unemployment rates, and 30 days unemployment in other areas). H.R. 2992—Public Law 95–44, approved June 15, 1977. (VV)

Emergency unemployment compensation. Extends the Emergency Unemployment Compensation Act to October 31, 1977, to provide a maximum of 13 weeks of emergency benefits (which combine with the 26 weeks of regular and 13 weeks of extended benefits for a total of 52 weeks of unemployment benefits) in States where the insured unemployment rate is 5 percent or more, with a phase-out under which individuals eligible

before October 31, 1977, may continue to receive benefits until January 31, 1978; extends until April 30, 1977, the maximum 26 week program now in effect (which combine with 26 weeks of regular and 13 weeks of extended benefits for a total of 65 weeks of unemployment benefits) in order to avoid terminating benefits for certain participants in that program; provides that the cost of emergency unemployment compensation paid after March 31, 1977, be met from nonrepayable general revenues without the present law requirements that the costs ultimately be met from Federal Unemployment Tax;

Provides that, in addition to any eligibility requirements of State law, an individual would be disqualified from receiving emergency benefits for failing to (1) actively seek work, (2) apply for any suitable work which was referred by the State agency, or (3) accept any offer of suitable work; defines suitable work as that which (1) is within the capabilities of the claimant, (2) meets conditions of present Federal law, (3) meets the conditions of State law and practices pertaining to suitable or specific disqualifying work such as unreasonable travel distance or threat to morals, health, or safety, (4) pays wages equal to Federal or State minimum wage, (5) pays gross average weekly remuneration equal to the individual's weekly unemployment benefits plus any Supplemental Unemployment benefits he might be entitled to, and (6) was listed with the State employment service or offered in writing; allows a State to waive these requirements if an individual furnishes satisfactory evidence that prospects for obtaining work within a reasonable period of time in his or her occupation are good;

Establishes new statutory authority and procedures for the treatment of fraud and erroneous payments; disqualifies applicants submitting false or erroneous information; requires States with certain exceptions, to recover any overpayments made to individuals; makes fraud in connection with the program a Federal crime and imposes a fine of up to $10,000 and imprisonment for up to 5 years;

Provides for State implementation of changes made by this act; requires each State to enter into a modification if its present agreement within 3 weeks after the Secretary of Labor proposes the modification to the State; provides that if modification is not entered into, the Unemployment Compensaion Program in that State would expire within the last week which ends on or before March 31, 1977; permits Kentucky, which does not have a scheduled meeting of its legislature during 1977, to defer until 1979 compliance with certain requirements of the act;

Simplifies administration by terminating an individual's entitlement to emergency benefits two years after the end of the benefit year for which regular benefits were payable; extends for two years, through 1979, the moratorium under which the Federal unemployment tax is automatically increased to recapture any loan to a State which is unpaid after 2 years; prohibits benefits to an individual who was illegally working at the time he earned his eligibility; allows States to deny unemployment compensation to teachers during brief mid-year vacation periods if the teacher was employed by the school system immediately before the start of the vacation and has reasonable assurance of the employment continuing at the conclusion of the vacation; makes clear that groups of local governments are to be provided the same options for financing unemployment compensation as those provided to single government units; extends from September 30, 1979, to March 31, 1980, the provision contained in Public Law 94–566 which requires States to reduce the unemployment benefits of an individual by the amount of any public or private pension including social security and railroad retirement annuities in order to conform this enactment date with the final reporting extension granted the National Commission of Unemployment Compensation; extends the time by which the National Commission on Unemployment Compensation must submit its interim report from March 31, 1978, to September 30, 1978, and the time by which it must submit its final report from January 1, 1979, to July 1, 1979; and amends present law to require an affirmative vote of the Senate and the House to make effective the President's quadrennial recommendations regarding the salary increases of Members of Congress, the Federal judiciary, Cabinet officials and other top Federal personnel. H.R. 4800—Public Law 95–19, approved April 12, 1977. (82)

Public Works employment. Authorizes an additional $4 billion to extend the program of grants to State and local governments to provide jobs through construction in places with the most distressing levels of unemployment as originally authorized under Title I of the Public Works Employment Act of 1976; provides that 65 percent of the funds be allotted on total numbers of unemployed and 35 percent on the basis of the relative severity of unemployment, with States participation in the 35 percent allocation only if their unemployment rates exceed 6.5 percent for the most recent 12 month period; provides that no State shall receive less than three-fourths of 1 percent nor more than 12.5 percent; requires that within a State 70 percent or more of the funds be spent in areas with rates of unemployment above the national average and 30 percent for areas with rates below the national average but above 6.5 percent; provides a $70 million set aside for grants that were not received, considered or rejected solely because of an error by a U.S. employee or officer; contains a 2½ percent set-aside for Indian and Alaskan Natives projects to insure a substantial fund for such projects while permitting high-unemployment non-Indian communities a competitive chance to be awarded projects in States with Indian communities; includes the transportation of water to drought-stricken areas within the term "public works project" and permits and applicant who received a grant to substitute one or more projects for the project for which the grant was made under certain conditions approved by the Administrator; requires that all articles, materials and supplies used in a project be produced and made from substances mined or produced in the U.S. except in certain cases; requires a grant applicant to expand 10 percent of the funds for minority business enterprises if available within project areas; requires that priority and preference be given to pending applications resulting in energy conservation; repeals the provision permitting the Secretary to consider the unemployment rate in adjoining areas from which the labor force for a project may be drawn; ensures that all laborers and mechanics employed on projects are paid the prevailing wage rate under the Davis-Bacon Act; requires the Secretary to consider only those applications for grants submitted on or after December 23, 1976, and before the date of enactment except for applications from the Trust Territory of the Pacific, Indian tribes and Alaska Native Villages or any applicant if a sufficient number of applications were not received; requires the Secretary of Commerce to study public works investment in the U.S. and report his findings to Congress within 18 months of enactment; requires the promulgation of regulations assuring special consideration to the employment of qualified disabled and Vietnam-era veterans;

Mandates, in Title II, the obligation of funds for water resource projects for fiscal 1977 (with the exception of the Meramec Dam in Missouri) and states congressional intent not to uphold any prospective budget rescissions or deferrals regarding these projects; provides that the rates of interest or discount used to access the return on Federal investment in projects carried out by the U.S. Army Corps of Engineers or the Department of Interior Bureau of Reclamation be those established by the Water Resources Development Act of 1974 or by prior law authorizing such projects. H.R. 11—Public Law 95–28, approved May 13, 1977. (48, 126)

Youth employment and training. Adds a new youth employment title VIII to the Comprehensive Employment and Training Act of 1973 (CETA), as recommended by the President as part of his economic recovery package, and authorizes such sums as may be necessary to carry out the new title; creates, in part A, a National Young Adult Conservation Corps to provide work for unemployed youths in the Nation's parks and forests; authorizes, in part B, youth community conservation and improvements projects to put unemployed youths to work on the rehabilitation or improvement of public facilities, neighborhood improvements, weatherization and basic repairs to low-income housing, and conservation, maintenance, or restoration of natural resources on non-Federal public lands; authorizes, in part C, support for a broad variety of employment and training programs designed to enhance job prospects and career opportunities for young persons, including activities involving useful work experience opportunities in community betterment and appropriate training and services such as outreach, counseling, occupational information, institutional and on-the-job training, and transportation assistance;

Requires the Secretary of Labor to take steps to increase CETA participation by disabled veterans and Vietnam-era veterans under 27 years of age; provides that, in filling teaching positions in public schools with financial assistance under CETA title II (public service employment in high unemployment areas) or title VI (Jobs Corps), each prime sponsor shall give special consideration to unemployed persons with previous teaching experience who are certified by the State and who are otherwise eligible under CETA; and adds the Soil Conservation Service to government agencies where youth employment may be used. H.R. 6138—Passed House May 17, 1977; Passed Senate amended May 26, 1977; Conference report filed. (170)

ENERGY

Deepwater ports. Extends through fiscal year 1980 the annual $2.5 million authorization under the Deepwater Port Act of 1974 which established a licensing and regulatory program governing offshore deepwater port development beyond the territorial limits of the United States. S. 891 (identical to H.R. 6401)—Passed Senate May 17, 1977. H.R. 6401—Public Law 95–36, approved June 1, 1977. (VV)

Department of Energy. Creates a cabinet-level Department of Energy (DOE) to permit coherent administration of the national energy policy by merging the following components: all functions of the Federal Energy Administration, the Energy Research and Development Administration, and the Federal Power Commission; four Regional Power Marketing administrations and the power-marketing functions of the Bureau of Reclamation currently under the Department of Interior; functions relating to fuel supply and demand analysis currently under the Bureau of Mines; authority for development and promulgation of new building conservation standards now vested in the Secretary of HUD; Commerce Department programs to promote voluntary industrial energy conservation; jurisdiction over three naval oil reserves and three naval oil shale

reserves currently administered by the Department of Defense; authority currently vested in the Interstate Commerce Commission to regulate oil pipelines; and authority to publish guidelines for the Rural Electrification Administration on the issuance of loans or loan guarantees for generation and transmission facilities;

Provides that responsibility for promulgation of automobile efficiency standards will remain with the Department of Transportation but gives the Energy Secretary the right to appeal to the President if he is dissatisfied with the DOT's regulations; leaves responsibility for policing clean air standards with the Environmental Protection Agency; continues responsibility for actual leasing of resources for the extraction of energy sources from public land in Interior, but places control over economic terms and conditions of such leases in DOE; requires cabinet-level departments and agencies with conservation responsibilities to designate a principal conservation officer within their Department;

Creates a three-member Energy Regulatory Board, whose members shall be appointed by the President, subject to Senate confirmation, with responsibility for all major direct pricing actions and certification of pipeline routes; gives the Board primary responsibility for actions which directly establish rate and charges under the Natural Gas Act and the Federal Power Act, including the wellhead pricing for natural gas, wholesale electric rates, pipeline transmission charges; gives the board primary responsibility for actions under the Emergency Petroleum Allocation Act which affect the price and allocation of crude oil or oil products; creates an Energy Information Administration and an Economic Regulatory Administration; strengthens energy-related data-gathering authority; provides for Congressional review of transfer authority relating to oil transportation and remedial orders by the Energy Regulatory Board; requires an annual financial profile of the energy industry which includes an accounting of foreign ownership of domestic energy sources; contains measures to ensure public accountability; requires the preparation and submission of a national energy policy plan. S. 826—Passed Senate May 18, 1977; Passed House amended June 3, 1977; In conference with House conferees instructed to insist on "sunset" language which phases out the act on December 31, 1982. (148)

ERDA authorizations. Authorizes a total of $4,946,261,000 for the Energy Research and Development Administration for fiscal year 1977, of which $1,175,671,000 is designated for non-nuclear scientific research and programs, and $3,770,590,000 is designated for non-weapon nuclear scientific research programs; includes: $461,801,000 for fossil energy; $286.2 million for solar energy; $65.7 million for geothermal energy; $221 million for conservation research and development; $10 million for a high Btu pipeline gas demonstration plant; $5 million for a fuel gas low Btu demonstration plant; and $10 million for solar energy projects; authorizes funds for numerous plans to make improvements to comply with safety regulations; contains authorizations for capital equipment not related to construction to replace obsolete or worn-out equipment and to purchase certain new equipment to meet the needs of expanding programs and new technology at ERDA installations; provides an additional $50 million for the clean boiler fuel demonstration plant authorized by Public Law 94–187 and $15 million for the 5 megawatt solar thermal test facility authorized by Public Law 94–187; provides guidelines under which funds for fossil energy programs may be utilized; deauthorizes authorized fossil energy projects which were not appropriated within 3 full fiscal years; allows the Administrator to assist in the demonstration of the production of synthesis gas, methane, methanol, anhydrous ammonia, and similar energy intensive products from municipal waste by entering into agreements with units of local government or persons proposing to construct facilities for the manufacture of such products; provides authority by which ERDA may reprogram funds between major program areas; directs ERDA to relate the funds authorized and appropriated in annual authorization and appropriation measures to the objectives and goals of the various enabling legislation under which the Agency operates; amends the Federal Nonnuclear Energy Research and Development Act of 1974 to transfer responsibility for preparation of demonstration project water assessments from ERDA to the Water Resources Council; requires the Administration to classify the recipients of ERDA contracts into various categories including: Federal agency, non-Federal governmental entity, profitmaking enterprise, nonprofit education institution; authorizes the establishment of a small grants program to promote the research, development, and demonstration of energy related systems and technologies appropriate to the needs of local communities; requires the Administrator, in consultation with EPA, to report to the Congress on the environmental monitoring, assessment and control efforts related to its various energy demonstration projects;

Authorizes $464,302,000 for work in biomedical and environmental research, operational safety, environmental control technology, the materials sciences, and molecular mathematical and geosciences portion of the basic energy sciences program and program support; provides $26.7 million for plant and capital equipment obligations including construction, acquisition, or modification of facilities, land acquisition, and acquisition and fabrication of capital equipment not related to construction; prohibts ERDA from starting projects if the current estimated cost exceeds the original estimated cost by more than 25 percent;

Authorizes ERDA to transfer sums from its "Operating Expenses" to other agencies for work for which the moneys were appropriated; authorizes "Operating Expenses" and "Plant and Capital Equipment" as no year funds; authorizes any Government-owned contractor operated laboratory, energy research center or other laboratory performing functions under contract to ERDA to use a reasonable portion of its operating budget for funding employee suggested research projects up to the pilot plant state of development; permits ERDA to contract for advanced architect/Administrator services for construction projects essential to meet the needs of national defense or the protection of life, property, health or safety prior to congressional authorization; requires any officer or employee of ERDA in a policy making position to report certain known financial interests in various energy technologies and related resources; directs the Administrator to develop regulations that would avoid conflicts of interest in ERDA contracts with private persons or organizations involved in energy research and development; and authorizes the establishment of a National Energy Extension Service. S. 36—Public Law 95–39, approved June 3, 1977. (VV)

Authorizes a total of $2,496,762,000 for fiscal year 1978 for ERDA non-nuclear related programs and certain support activities for both nuclear and non-nuclear programs; provides $977.15 million for the fossil energy development program to direct research of extraction, utilization, and conversion of coal, oil and natural gas, and oil shale and in-site coal gasification (of which $88 million is for research in magnetohydrodynamics); $131.8 million for the geothermal energy development program; $384 million for solar energy development programs (of which $7.5 million is earmarked for design works for small community applications); $372.8 million for energy conservation research and development programs to develop and demonstrate technologies for end-use conservation and conversion efficiency; $249.9 million for the environmental research and development program to assure that environmental, health and safety standards are maintained as new energy technologies are introduced; and $379.4 million for general program management and suport. S. 1340—Passed Senate June 13, 1977. (195)

ERDA civilian/military authorization. Authorizes $392,050,000 for fiscal year 1978 for operating expenses and plant and capital equipment for three ERDA military programs (laser fusion, space applications and naval reactors) which have potential for civilian energy applications. S. 1341—Passed Senate June 29, 1977. (VV)

ERDA defense program. Authorizes a total of $1,780,436,000 for fiscal year 1977 and $2,030,144,000 for fiscal year 1978 for certain Energy Research and Development Administration (ERDA) programs which have military applications; includes funding of the three national defense programs: (1) weapons activities—supporting the operation of the three weapons laboratories; research on advanced weapons and the full scale development of the following 7 weapons—B–61 and B–61–4 tactical bombs, Trident I missile warhead, full fuzing option strategic bomb, Mark 12–A warhead, 8-inch artillery projectile, and common warhead for land attack cruise missiles and short range attack missile; continued development of improved nuclear test detection methods necessary to monitor compliance with the limited Test Ban Treaty, Threshold Test Ban Treaty and Peaceful Nuclear Explosives Treaty; operation of the Nevada Test Site and the related costs of tests of advanced weapons concepts; maintenance and reliability assessment of the current weapons stockpile, production engineering for new weapons, nuclear materials recycle and recovery and security measures to protect nuclear shipments; and production of the following 9 new weapons for the war reserve: B–61–3, B–61–4, and B–61–5 tactical bombs, Lance enhanced radiation warhead, Trident I missile warhead, full fuzing option strategic bomb, Mark 12–A warhead, 8-inch artillery projectile, and common warhead for the land attack cruise missiles and the short range attack missile; (2) special materials production—supporting 3 reactors which produce enriched weapons grade uranium, plutonium and tritium; R & D associated with special materials production and management of radioactive wastes; and surveillance, maintenance and management of production reactor waste; and (3) nuclear explosives applications—supporting development of understanding of applications of nuclear explosives for peaceful purposes; includes $411,344,000 for plant and capital equipment; provides for cost variations in the authorized amounts for projects; provides authority to merge funds appropriated in different years for the same requirement category; directs that funds appropriated pursuant to this act remain available until expended; authorizes ERDA to proceed to design any project subject to the total amount authorized for the activity; authorizes ERDA to retain monies received from outside sources and use them for operating funds; and authorizes ERDA to transfer funds to other agencies supporting its programs. S. 1339—Passed Senate May 22, 1977. (VV)

ERDA synthetic fuel loan guarantee program. Amends the Federal Nonnuclear Energy Research and Development Act of 1974 to establish a loan guarantee program to be administered by the Energy Research and Development Administration (ERDA) whereby the Administrator may guarantee the payment of interest and principal of

bonds, debentures, notes, and other obligations issued for the purpose of financing the construction and initial operation of commercial-sized demonstration facilities for the conversion of biomass into synthetic fuel or other useable forms of energy; authorizes guarantees of up to 75 percent of the total project cost and, during the construction and start up period, up to 90 percent; limits the total outstanding indebtedness that may be guaranteed at any one time to $300 million; requires ERDA, before approving an application, to notify the appropriate State and local governmental officials and to give the Governor of the State an opportunity to make his recommendation respecting the facility; prohibits ERDA from guaranteeing a project if the Governor recommends against it; authorizes the Administrator, in the event of default, to complete the project and assume management of the facility including the authority to sell the products or energy produced; provides that any patents and technology resulting from the facility will be treated as assets in cases of default and requires that the guarantee agreement contain a provision assuring their availability to the Government if needed to complete the facility; and requires ERDA to submit a report of the proposed guarantee and facility to the appropriate committees of Congress which shall have 90 days to disapprove by passage of a disapproval resolution. S. 37—Passed Senate March 31, 1977. (VV)

Federal Energy Administration authorization. Extends through fiscal year 1978 the authorities under the Federal Energy Administration Act; includes $1.210 billion to permit 250 million barrels of crude oil to be placed in the Strategic Petroleum Reserve by the end of calendar year 1978; contains $1.8 million for the appliance labeling program under the Energy Supply and Environmental Coordination Act of 1974 and extends FEA's authority to require certain facilities which presently burn oil and gas to convert to coal; adds provisions limiting the powers of the regional counsels of FEA; establishes general procedures to be followed with respect to the use of commercial standards by the FEA; and requires the Administrator within 120 days of enactment, to publish regulations which would require prospective FEA contractors to disclose all relevant data which could cause a possible conflict of interest in carrving out activities for FEA. S. 1468—Public Law 95- , approved , 1977. (VV)

Natural gas emergency. Authorizes the President to declare a natural gas emergency if he finds that a severe shortage exists or is imminent in the United States which would endanger the supply of natural gas for high-priority uses and the exercise of his authorities is reasonably necessary to assist in meeting requirements for such uses; provides that these authorities shall terminate when the President finds that shortages no longer exist and are no longer imminent:

Emergency allocation. Authorizes the President, during a declared natural gas emergency, to require (1) any interstate pipeline to make emergency deliveries or transport interstate natural gas to any other interstate pipeline or a local distribution company served by an interstate pipeline; (2) any intrastate pipeline to transport interstate natural gas from one interstate pipeline to another or to any local distribution company served by an interstate pipeline; or (3) the construction and operation by any pipeline of necessary facilities to effect deliveries or transportation; directs the President, in issuing such orders, to consider the availability of alternative fuel to users of the interstate pipeline ordered to make deliveries and to determine that they would not have an adverse effect on the natural gas supply or exceed the transportation capacity of the pipeline; provides that these authorities shall terminate by April 30, 1977, or after the President terminates the emergency, whichever is earlier;

Emergency sales at deregulated prices. Authorizes interstate pipelines or local distribution companies to purchase supplies of natural gas for delivery before August 1, 1977, from intrastate pipelines at unregulated prices as reviewed by the President for fairness and equity; provides that these purchases could be delivered from intrastate pipelines and any producer of natural gas not affiliated with an interstate pipeline unless such natural gas was produced from the Outer Continental Shelf, and the sale or transportation of the gas was not, immediately prior to the date of the contract for purchase of the gas, certificated under the Natural Gas Act; authorizes the President to require, by order, any interstate or intrastate pipeline to transport gas and operate facilities necessary to carry out emergency purchase contracts;

Miscellaneous. Authorizes the President to subpoena information to carry out his authority under the Act; contains antitrust protection provisions available as a defense against civil or criminal action brought against any person for violation of the antitrust laws with respect to actions taken pursuant to a Presidential order; gives the Temporary Emergency Court of Appeals exclusive jurisdiction to review all cases including any order issued or other action taken under this act; imposes civil penalties of up to $25,000 a day for violations of orders and $50,000 a day for willful violations; directs the President to require weekly reports which shall be made available to the Congress on prices and volume of natural gas delivered, transported or contracted for, and to report to Congress by October 1, 1977, on all actions taken under this act; and authorizes the President to delegate all or any portion of the authority granted to him to such executive agencies or officers he deems appropriate. S. 474—Public Law 95-2, approved February 2, 1977. (21)

Radiation exposure. Extends the program of the Energy Research and Development Administration (ERDA) to provide financial assistance to limit radiation exposure resulting from the widespread use of sand containing mill tailings in the construction of approximately 500 public and private buildings in the Grand Junction, Colorado area; calls for a cooperative arrangement with the State of Colorado whereby ERDA is authorized to provide 75 percent of the costs of the program; extends the deadline for applying for remedial work under the program from 4 to 7 years; provides that property owners who removed mill tailings at their own expense prior to the date of enactment and without the administrative determination required may apply for such reimbursement within the first year of enactment; permits the State of Colorado to waive the requirement that it perform the remedial work; and increases the authorization therefor from $5 million to $8 million. S. 266—Passed Senate April 4, 1977. (VV)

Stripmining control and reclamation. Establishes a program for the regulation of coal surface mining activities and the reclamation of coal mined lands to assure that surface coal mining operations—including exploration activities and the surface effects of underground mining—are conducted so as to prevent or minimize degradation to the environment and that such surface coal mining is not conducted where reclamation is not feasible; sets forth a series of minimum uniform requirements for all coal surface mining on both Federal and State lands which deal with (1) preplanning (requires that an operator applying for a permit do certain research regarding adjacent land uses, the characteristics of the coal and the overburden, and hydrologic conditions and requiring inclusion in his application of the planned methodology and timetable for the operation in a reclamation plan); (2) mining practices (requires that mining methods be used which will minimize or obviate environmental damage or injuries to public health and safety including restrictions on the placement of overburden, blasting regulations, water pollution control requirements, and waste disposal standards); and (3) post-mining reclamation (requires reclamation and restoration of the mined land to its pre-mined condition including backfilling and regarding to approximate original contour, restoration of water quality and quantity, revegetation to pre-mining conditions and elimination of erosion and sedimentation with certain exceptions) provides that these minimum Federal standards be administered and enforced by the States and by the Secretary of the Interior on public lands; authorizes funds to assist States in improving their regulatory and enforcement programs; provides for Federal enforcement of a State program if a State fails to comply with the Act;

Provides for the protection of scarce and vital water resources in the permit application requirements, reclamation standards and provisions for designation of areas unsuitable for mining; provides for a mechanism on both State and Federal lands for citizens to petition that certain areas be designated as unsuitable for surface coal mining; prohibits stripmining of lands which cannot be reclaimed under the standards of the Act; prohibits stripmining in national parks and recreational areas (except for such lands which do not have significant forest cover within those national forests west of the 100th meridian) and areas which would adversely affect such parks; prohibits stripmining 300 feet from an occupied building, 100 feet from a public road, or 500 feet from an underground mine;

Permits certain variances to the mining-reclamation standards of the bill; requires with regard to lands where the Federal government owns the coal but not the surface estate that the surface owner most consent to the stripmining of the Federally-owned coal deposits unless the Secretary certifies that such mining is necessary in the national interest; provides that if the surface owner does not consent, he shall be compensated at twice the difference between the fair market value, without reference to the coal, before and after mining plus relocation costs, 2 years loss of income, and other damages; exempts mining operators with under 100,000 tons annual production from compliance with provisions of the Act for 24 months;

Bans strip mining on alluvial valley floors if it disrupts farming and the quantity and quality of the water supply except for (1) undeveloped range lands which are not significant to farming; (2) those lands the regulatory authority finds have negligible impact on the agricultural production of the affected farm; and (3) those surface coal mining operations in commercial production during the past year or for which a permit has been approved prior to enactment.

Requires that applicants seeking to stripmine on prime farmland demonstrate to the State regulatory authority that they can restore the land to its full premining agricultural potential;

Establishes a fund to be used to reclaim abandoned mined lands to be derived from a reclamation fee to be levied on every ton of coal mined at 35 cents per ton for surface mined coal and 15 cents per ton for all coal mined by underground methods or 10 percent of the value of the coal at the mine, whichever is less; requires that 50 percent of all fees collected in any one State be returned to that State; provides that the fee does not apply to lignite coal;

Provides that, beginning no later than 6 months from the date of enactment continuing until a State program has been approved or a Federal program has been implemented, the Secretary is required to carry out a Federal enforcement program which includes inspection and enforcement actions in accordance with the act; and contains comprehensive provisions for inspections, enforcement notices and orders, administrative and judicial review, penalties, and citizen participation. H.R. 2—Passed House April 29, 1977; Passed Senate amended May 20, 1977; In conference. (159)

ENVIRONMENT

Clean air. Amends the Clean Air Act, as amended, as follows:

Auto emission standards. Extends for 2 additional years, for model years 1978 and 1979, the existing interim auto emission standards of 1.5 grams per mile for hydrocarbons (HC), 15 grams for carbon monoxide (CO), and 2 grams for nitrogen oxides (NO_x); requires that 10 percent of the model 1979 production of each manufacturer with more than 3 percent of world sales in 1976 must meet the model 1980 final emission standards; for model year 1980 at .41 grams for HC, 3.4 grams for CO, and 1 gram for NO_x; authorizes EPA to waive the 1 NO_x standard to a level not to exceed 2 grams per mile (1) to encourage the production of new engines and emission systems not using precious metal catalysts, or (2) for small manufacturers who produce less than 300,000 cars and who must purchase this pollution control technology from another manufacturer (American Motors);

Amends existing law to allow States to require new cars to pass a State inspection emission test prior to sale and provides that the manufacurer bear the repair costs incurred;

Delay compliance. Authorizes EPA and the States to issue enforcement orders extending compliance schedules for stationary sources until July 1, 1979; provides a compliance deadline of July 1, 1981, if compliance is through adoption of an innovation process with industry-wide application; automatically subjects such source to a penalty after July 1, 1979, equal to the cost of compliance;

Nondeterioration. Provides that areas where air quality is presently cleaner than the existing standards shall be protected by non-deterioration standards; designates the most carefully protected areas as Class I areas and all other areas as Class II areas; designates all existing international parks, national parks areas which exceed 5,000 acres, and national wilderness which exceed 6,000 acres as Class I areas; allows a State to redesignate any Federal land as Class I area without the concurrence of any Federal authority; allows an Indian tribe to designate its land as Class I;

Defines "significant deterioration" in all clean air areas as a specified amount of additional pollution measured by increments of sulfur oxides and particulates; exempts facilities otherwise subject to the nondegradation provisions which emit less than 50 tons per year of total pollutants from the increment requirements; provides that State issue construction permits to new major emitting facilities in clean air areas (with EPA acting in the role of monitor of State actions) requiring the use of best available control technology; requires new sources locating in Class II areas to demonstrate to the State that they will not exceed the Class II pollution increments, or adversely affect the air quality values in any nearby Class I area;

Nonattainment areas. Requires new sources proposed for construction in nonattainment areas (where pollution levels exced the public health standards) to meet a number of conditions prior to approval of construction; requires that such sources meet the lowest achievable emission rate; requires that emission reductions from existing sources more than offset the emissions from the new source; requires that existing sources use all reasonably available controls; provides that sources may only be approved after July 1, 1979, if a State implementation plan exists, the source is in compliance with its requirements, and the plan assures the attainment of the health standards within 3 years; makes available an extension until 1987 for States that cannot show attainment of the oxidant and carbon monoxide standards within 3 years; provides waiver from the source-by-source emission offset requirement available to a State under limited conditions;

Other. Authorizes the President to require major noncomplying industrial coal burners to utilize coal supplies that are locally and regionally available instead of importing low-sulfur Western coal if necessary to avoid local economic disruption, after taking into account the final cost to the consumer; and contains other provisions. H.R. 6161—Passed House May 26, 1977; Passed Senate amended June 10, 1977; In conference. (190)

Earthquake hazards reduction. Establishes a national earthquake hazards reduction program under the direction of the President to minimize the loss and disruption resulting from future earthquakes; specifies the objectives of the program which includes the following four elements: (1) a research element dealing with fundamental earthquake risk analysis for land-use consideration, hazards assessment, and engineering and research to reduce earthquake vulnerability; (2) an implementation plan to be prepared within 6 months setting year-by-year targets through at least 1985, specifying roles for Federal agencies, and recommending appropriate roles for State and local units of government, individuals, and private organizations; (3) a State assistance program allowing assistance to the States under the Disaster Relief Act of 1974; and (4) the opportunity for wide sectors of the population to participate in the formulation and implementation of the program; calls for cooperation among a number of Federal agencies including the U.S. Geological Survey and the National Science Foundation; requires the President to report annually to the Congress on progress achieved in the program; and authorizes therefor $55 million, $70 million and $80 million over a 3-year period for the U.S. Geological Survey and National Science Foundation to undertake specific activities and such sums as necessary for other agencies involved in the program. S. 126—Passsed Senate May 13, 1977. (VV)

Endangered species. Extends through fiscal year 1980 the authorization for section 6(1) programs under the Endangered Species Act of 1973 at a rate of $9 million for the Department of the Interior and $3 million for the Department of Commerce to assist States in developing programs for the protection of threatened and endangered species of fish, wildlife, and plants. S. 1316—Passed Senate May 25, 1977. (VV)

EPA authorization. Authorizes a total of $185,330,000 for the environmental research and development program conducted by the Environmental Protection Agency for fiscal year 1978 as follows: $95 million for water quality under the Federal Water Pollution Control Act; $10.8 million for pesticides under the Federal Insecticide, Fungicide and Rodenticide Act; $830,000 for radiation under section 301 of the Public Health Service Act; $8.2 million for toxic substances under the Toxic Substance Control Act; $28 million for interdisciplinary activities; $19 million for program management; $10 million for a long-term R&D program; $2 million for training of environmental health scientists; $5 million for unanticipated environmental emergencies; $500,000 for a report by the Council on Environmental Quality on coordinating the environmental research and development activities of the various Federal agencies and departments which is to be submitted to the President and Congress by January 1, 1978; and $5 million for Gulf Coast air quality studies; provides the legislative and statutory mandate for EPA's Science Advisory Board consisting of nine members, appointed by the Administrator for staggered terms, to review, conflicting claims and advise the Administrator on the adequacy and reliability of the technical basis for rules and regulations; and directs the Administrator to assess organizational structures and management techniques and determine what would be the most appropriate means of tying together the program offices, research laboratories and contracted research efforts and to submit a report to the President and Congress by September 30, 1977. H.R. 5101—Passed House April 19, 1977; Passed Senate amended May 27, 1977. (VV)

National Advisory Committee on Oceans and Atmosphere. Repeals the Act of August 16, 1971, which established a National Advisory Committee on Oceans and Atmosphere and establishes a new and smaller National Advisory Committee on Oceans and Atmosphere (NACOA) to replace it, consisting of 18 members (which is reduced from 25 in the original act) appointed by the President for staggered 3-year terms; sets more stringent qualifications for membership by requiring that each member be an expert or otherwise knowledgeable in either oceanic matters, atmospheric matters, or both; provides for the transfer of the personnel, positions, records, and unexpended funds to the new Committee; directs the Committee to undertake a continuing review of national ocean policy (on a selective basis), coastal zone management, and the status of U.S. marine and atmospheric science and service programs and advise the Secretary of Commerce with respect to the National Oceanic and Atmospheric Administration; requires the Committee to submit a report by June 30 of each year to the President and Congress and such other reports as may from time to time be requested; gives the Secretary of Commerce 60 days (instead of 90 days) to review and comment on the annual report; directs the Secretary to provide administrative support and services to the Committee; and authorizes $520,000 for fiscal year 1978. H.R. 3849—Public Law 95– , approved 1977. (VV)

Noise control. Authorize $10.9 million for general technical assistance, regulatory and administrative responsibilities under section 19 of the Noise Control Act of 1972 and $2.1 million for research and development for fiscal year 1978. S. 1511—Passed Senate May 18, 1977. (VV)

Safe Drinking Water. Amends the Safe Drinking Water Act of 1974 to extend through fiscal year 1978 the following authorizations which expire on September 30, 1977: $17 million for technical information and training, $20.5 million for State water supply supervision programs, $6 million for the State underground injection control program, $25 million for technology demonstration grants, and $16 million for research and development activities; and requires the Administrator of the Environmental Protection Agency to make grants under section 1444(c) of the Act which authorizes funding of projects demonstrating technology for recycling waste waters for drinking purposes. S. 1528—Passed Senate May 24, 1977. (VV)

Sea Grant program. Extends through fiscal 1978 the authorization for the national sea grant program as follows: $50 million for the basic sea grant program; $5 million for the national program, and $3 million for the international program. H.R. 4301—Public Law 95–58, approved June 29, 1977. (VV)

FISHERIES

Atlantic tunas. Extends for an additional 3 years, until 1980, the Atlantic Tunas Convention Act of 1975 which implemented an international convention governing fishing for tuna and tuna-like fishes in the Atlantic Ocean and authorizes therefor such sums as necessary; and redefines the term "fishery zone" to mean the 200-mile fishery zone described in Public Law 94-265. H.R. 6205—Public Law 95-33, approved May 26, 1977. (VV)

Commercial fisheries. Extends the Commercial Fisheries Research and Development Act for 2 years, through fiscal 1980, and increases the annual authorization for fiscal year 1978 and the two subsequent years as follows: $10 million for section 4(a) general programs (increased from $5 million); $3 million for section 4(b) which provides funds on an emergency basis if there is a commercial fishery disaster or serious disruption affecting future production due to a resource disaster arising from natural or undetermined causes (increased from $1.5 million); and $500,000 for the section 4(c) program of grants to develop new commercial fisheries (increased from $100,000). H.R. 6206—Public Law 95-53, approved June 22, 1977. (VV)

Fishermen's Protection Reimbursement program. Extends the provisions of the Fishermen's Protective Act of 1967 which expires October 1, 1977, to October 1, 1979; establishes a Federal Government loan program whereby the Secretary of Commerce may make a loan after October 1, 1977, to the owner or operator of any U.S. vessel to replace or repair vessels or gear lost, damaged, or destroyed by any foreign vessel; conditions loans upon assignment to the Secretary of all rights of recovery and directs the Secretary with the assistance of the Attorney General, to take appropriate actions to collect on any right assigned to him; cancels repayment of a loan if it is determined that the owner or operator was not at fault; and provides that loans may be granted for any damage which occurred after October 1, 1976. S. 1184—Passed Senate May 24, 1977. (VV)

Fishery Conservation Zone transition. Gives Congressional approval of the fishery agreements between the United States and the People's Republic of Bulgaria, the Socialist Republic of Romania, the Republic of China, the German Democratic Republic, the Union of Soviet Socialist Republics, and the Polish People's Republic; provides that these agreements will enter into force on the date of enactment of this joint resolution; waives the 60-day Congressional review period; limits to 7 days the 45 day period for review and comment on application permits required of the Regional Fishery Management Councils created under the Fishery Conservation Zone Act during 1977 for those applications received by the Council on or before the date of enactment and those received by the Council from the Secretary of State after the date of enactment to provide for an orderly transition from the 12 mile to 200 mile fishing limit; waives, until May 1, 1977, the requirement that foreign fishing vessels have a valid permit on board and permits the Secretary to waive the fee required before fishing permits may be issued if he is satisfied that the foreign nation will pay the fee before May 1, 1977; and repeals, effective March 1, 1977, the Northwest Atlantic Fisheries Act of 1950. H.J. Res. 240—Public Law 95-6, approved February 21, 1977. (VV)

Gives Congressional approval of the fishery agreements between the United States and Spain, Japan, South Korea, and the countries of the European Economic Community (Iceland, France, Italy, Luxembourg, the United Kingdom, Denmark, Belgium, West Germany, and the Netherlands); contains essentially the same provisions as H.J. Res. 240 (Public Law 95-240) to provide for an orderly implementation of foreign fishing within the 200-mile fishery zone of the United States after March 1, 1977, including the 7-day period of comment by the Fishery Management Councils and the public with respect to applications for permits, the May 1 extension of time for the payment of fees and permit requirements, and waives the 60-day Congressional review period. H.R. 3753—Public Law 95-8, approved March 3, 1977. (VV)

GENERAL GOVERNMENT

Age Discrimination report—nutrition programs for elderly. Amends the Age Discrimination Act of 1975 to extend for 6 months, until November 1977, the time in which the U.S. Commission on Civil Rights must submit its report on unreasonable discrimination based on age in programs and activities receiving Federal financial assistance; authorizes the Commission for a 90-day period following transmittal of its report to provide technical assistance and information to Government officials; and

Amends the Older Americans Act to extend the surplus commodities provision of the title VIII nutrition program for the elderly through fiscal year 1978 in order that it will coincide with the authorization period of the other programs of the act; and gives States the option to receive cash in lieu of such commodities. H.R. 6668—Public Law 95- , approved 1977. (VV)

Civil Rights Commission authorization. Raises the authorization limitation for the Civil Rights Commission from the present annual maximum of $9,540,000 to $10,420,023 for fiscal year 1978 plus such additional amounts as may be necessary for salary increases and other employee benefits authorized by law. H.R. 5645—Passed House May 23, 1977; Passed Senate amended June 13, 1977; Senate requested conference June 13, 1977. (VV)

Federal assistance program information. Increases the availability of information about Federal domestic assistance programs by requiring the Director of the Office of Management and Budget (OMB) to: (1) establish and maintain a data base containing specified information on all Federal domestic assistance programs; (2) develop and maintain a computerized information system to provide for the widespread availability of information contained in the data base by computer terminal facilities; and (3) publish annually a catalog of Federal domestic assistance programs containing information from the data base, a detailed index and any other information deemed appropriate; authorizes therefor $1.2 million for the first year; $1.7 million the second year and $2.2 million the third year;

Amends section 201 of the Intergovernmental Cooperation Act of 1968 to give OMB the responsibility to insure that information is provided to the States through their Governors or designated information centers on Federal financial assistance; requires the Director to report his recommendations to Congress for improving, consolidating and further developing Federal financial information systems; and requires the General Accounting Office to submit a report to Congress 1 year after enactment on actions taken by OMB to implement this act and, within 2 years of enactment, a progress report including an evaluation of its effectiveness and any legislative recommendations. S. 904—Passed Senate May 17, 1977. (VV)

Federal Home Loan Bank Board members. Amends the Federal Home Loan Bank Board Act, as amended, to permit a board member, whose term expires, to continue to serve on the board for an additional 30 days or until his successor is appointed, whichever occurs first. S.J. Res. 63—Public Law 95-56, approved June 29, 1977. (VV)

GAO Audits of IRS and ATF. Amends the General Accounting and Auditing Act of 1950 to provide that the General Accounting Office may conduct management and financial audits of the Internal Revenue Service and the Bureau of Alcohol, Tobacco, and Firearms; contains provisions to insure the confidentiality of information including Congressional oversight and penalties for unauthorized disclosure; and requires the Comptroller General to submit to the Senate Finance and Governmental Affairs Committees, the House Ways and Means and Government Operations Committees, and the Joint Committee on Taxation, every six months, the names and titles of GAO employees having access to tax returns and information; to submit as frequently as possible results of the audit; and to submit annually a report of his findings and recommendations which must also include the procedures established for protecting the confidentiality of tax return information and the scope and subject matter of the audit. S. 213—Passed Senate March 11, 1977. (VV)

Intelligence activities authorization. Authorizes such amounts as specified in a classified report prepared by the Senate Select Committee on Intelligence for fiscal year 1978 for intelligence activities of the United States Government including specific amounts for activities of the Central Intelligence Agency, the Defense Intelligence Agency, the Office of the Secretary of Defense, the National Security Agency, the military service, the Department of State, the Department of the Treasury, the Energy Research and Development Administration, the Federal Bureau of Investigation, and the Drug Enforcement Administration; authorizes $8.95 million for the Intelligence Community Staff for fiscal 1978 which supports the Director of the C.I.A. in fulfilling his responsibilities for overall management and direction of the intelligence community and the Policy Review Committee of the National Security Council; sets at 170 the end-strength of full time employees for the Intelligence Community staff; and authorizes $35.1 million for the Central Intelligence Agency Retirement and Disability System for fiscal 1978. S. 1539—Passed Senate June 22, 1977. (VV)

Kennedy Center authorization. Authorizes $4.7 million for the John F. Kennedy Center for the Performing Arts, to remain available until expended, for the Secretary of the Interior, acting through the National Park Service, to correct leaks in the roof, terraces, kitchen, and East Plaza Drive and the damage which has resulted from these leaks; gives the Center approval authority over contracts let by Interior Department; and authorizes $4 million for fiscal year 1978. S. 521—Public Law 95-50, approved June 20, 1977. (VV)

Kennedy Presidential Library. Authorizes the Administrator of General Services to accept land, buildings, and equipment that have been or may be offered to the United States without reimbursement, for the purpose of maintaining, operating and protecting as part of the National Archives system a Presidential archival depository located next to the University of Massachusetts campus on Columbia Point in Boston in memory of John Fitzgerald Kennedy. H.J. Res. 424—Public Law 95-34, approved May 26, 1977. (VV)

Library services and construction. Extends through October 1, 1982, and revises the Library Services and Construction Act; retains current use and allocation of funds but adds a provision to direct one-half of the funds after the appropriation level of $60 million is reached (current funding level is $56.9 million) to urban resource libraries, which are defined as public libraries in incorporated areas with populations exceeding 100,000; provides that any State that does not have an incorporated area with at least

100,000 persons will nevertheless be considered to have at least one urban resource library; adds a new title to the Act which provides special aid to and study of urban libraries; authorizes funds for projects to make libraries more energy efficient; and contains other provisions. S. 602—Passed Senate May 20, 1977; Passed House amended June 2, 1977; In conference. (VV)

National Science Foundation authorization. Authorizes $894.0 million for fiscal year 1978 and $1,051.4 million for fiscal year 1979 to the National Science Foundation and an additional $6 million for fiscal 1978 and $8 million for fiscal 1979 in foreign currencies which the Treasury Department determines to be in excess to the normal requirements of the U.S.; specifies amounts to be spent for programs to support minorities, women and handicapped persons in scientific fields, graduate fellowships, continuing education for scientists and engineers, "Science for Citizens" and "Public Understanding of Science" programs which are designed to improve public understanding of public policy issues involving science and technology, and a study to assess the science education in two-year colleges; and contains other provisions. H.R. 4991—Passed House March 24, 1977; Passed Senate amended May 5, 1977; In conference. (VV)

Presidential reorganization authority. Extends for three years from the date of enactment, the authority of the President under chapter 9, title 5, U.S.C., to submit reorganization plans to Congress proposing the reorganization of agencies in the executive branch; expresses Congressional intent that the President provide appropriate means for public involvement in reorganization; requires that the President, on a continuing basis, examine the organization of all agencies of the executive branch and determine what changes are necessary to accomplish the purpose of the statute;

Provides that reorganization plans may: create new agencies, transfer or consolidate the whole or part of agencies or their functions to other agencies, abolish all or part of the functions of an agency except any enforcement function or statutory program, change the name of an agency, authorize an agency official to delegate any of his functions, and provide that the head of an agency be an individual, commission or board with a fixed term not to exceed 4 years;

Requires that each plan be based upon a Presidential finding stated in a message to Congress that the proposed action is necessary to accomplish one or more of the purposes of the statute; requires that the message specify, with respect to each plan, the reduction of or increase in expenditures likely to result from the plan, as well as any improvements in the effectiveness or efficiency of the government anticipated as a result of the plan;

Prohibits the use of reorganization authority to: create a new executive department, abolish an executive department or an independent regulatory agency, abolish any function mandated by Congress through statutes, increase the term of an office beyond that provided by law, create new functions not authorized by pre-existing statutes, or continue a function beyond the period authorized by law;

Requires the President to submit each plan, which must deal with only one logically consistent subject matter, to both Houses of Congress simultaneously for referral to the Senate Governmental Affairs Committee and the House Government Operations Committee; requires the Chairman of the respective committee to introduce a disapproval resolution whenever a reorganization plan is submitted to assure that there will be a resolution for the Committee to act on and to report either favorably or unfavorably a disapproval resolution for each proposed plan; provides that plans shall become law at the end of 60 calendar days of continuous session of the Congress or if specified, at a later date, unless either House passes a resolution of disapproval; requires the committees in both Houses to file recommendations on each plan with the full House within 45 days and provides, if the committee has not done so, the resolution will automatically be discharged from further consideration and placed on the calendar; specifies that no more than three reorganization plans may be pending in the Congress at any one time;

Allows the President to (1) amend a plan within the first 30 days after submission if neither committee has ordered reported a disapproval resolution or made any other recommendations on the plan, or (2) withdraw a plan at any time prior to the conclusion of the 60 day period;

Provides that any member may move to proceed to consider a disapproval resolution once it has been reported or discharged; limits to 10 hours floor debate on a disapproval resolution and on appeals and motions made in connection therewith, and makes motions to postpone consideration or amend the resolution out of order;

Provides that suits brought against an agency affected by a reorganization plan, or regulations or other actions taken by an agency under a function affected by the plan shall not abate as a result of the plan, except in the case where the function is abolished; specifies that plans may provide for the transfer or other disposition of affected records, property, and personnel, and for the transfer of unexpended appropriations if the funds will be used for their original purpose; and requires that unexpended funds revert to the U.S. Treasury. S. 626—Public Law 95–17, approved April 6, 1977. (40)

Privacy Protection Study Commission Extension. Extends the life of the Privacy Protection Study Commission from July 10, 1977, to September 30, 1977, to provide additional time for the printing of a set of appendix volumes for its final report. S. 1443—Public Law 95–38, approved June 1, 1977. (VV)

Smithsonian Institution—Canal Zone Biological Area. Increases from $350,000 to $750,000 the annual authorization for the Canal Zone Biological Area (the Barro Colorado Island Facility of the Tropical Research Institute of the Smithsonian Institution). S. 1031—Passed Senate May 2, 1977. (VV)

GOVERNMENT EMPLOYEES—FEDERAL OFFICIALS

Ethics in Government. Establishes a mechanism for the appointment of a temporary special prosecutor to deal with (a) matters concerning the President, Vice President, Members of Congress, and other high-level officials, and (b) matters which may directly and substantially affect the partisan political or personal interests of the President, the Attorney General, or the President's party and in which there exists a conflict of interest within the Justice Department; contains a general provision requiring any officer or employee of Justice to disqualify himself from cases in which he could have a conflict of interest; creates an Office of Government Crimes within the Justice Department to deal with abuses of office committed by government officials, violations of Federal lobbying, elections, and conflicts-of-interest laws, and other matters; provides that the director of this Office shall be appointed by the President and confirmed by the Senate;

Provides that an individual who has played a leading partisan role in the election of a President cannot be appointed Attorney General or Deputy Attorney General; sets forth procedures to be followed by the Attorney General with respect to any investigation of influence peddling by the Korean Government;

Establishes an Office of Congressional Legal Counsel to represent Congress and, with the consent of Congress, protect the vital interests of Congress in matters before the courts; provides that the Congressional Legal Counsel and the Deputy Congressional Legal Counsel will be appointed by the joint leadership and must be approved by both houses, and that neither position may be filled by persons who have been Congressional members, candidates, employees or persons who have served in Congressional campaigns within the preceding three years;

Requires annual financial disclosure reports be filed by the President, Vice President, Members of Congress, justices and judges of the U.S. and D.C. government, officers and employees of the executive branch at the GS–16 level or greater; officers and employees of the legislative and judicial branches compensated at a rate equal to or greater than the GS–16 pay rate; members of a uniformed service compensated at a rate equal to or greater than the grade O–7 pay rate, candidates for Federal elective office, and Presidential appointees subject to advice and consent of the Senate; specifies the required contents of such disclosure reports; creates various offices to monitor compliance with this statute; sets criminal penalties for knowing and willful falsification or omission and civil penalties for failure to file or accidental omissions;

Establishes an Office of Government Ethics within the Civil Service Commission with primary responsibility for implementing financial disclosure requirements throughout the executive branch; provides that the director of this Office shall be appointed by the President with the advice and consent of the Senate;

Revises the current statute concerning restrictions on post service activities by officials and employees of the executive branch by imposing a new restriction which prohibits, for a period of one year following termination of government service, a former top-level official from contacting his former department or agency on any matter pending before the department or agency; and makes other minor modifications to the statute. S. 555—Passed Senate June 27, 1977. (245)

Federal comparability increase. Denies the October 1 cost-of-living increase to Members of Congress, the Supreme Court Justices and other members of the Judiciary, Cabinet officials, and top Executive personnel who received the March 1 quadrennial pay increase under which salaries were increased as follows: Members of Congress from $44,600 to $57,500; Cabinet officers from $63,000 to $66,000; the Vice President, Speaker, and Chief Justice from $65,000 to $75,000; the President Pro Tempore and Majority and Minority Leaders from $52,000 to $65,000; circuit court judges from $44,600 to $57,500; district judges from $42,000 to $54,500; subcabinet assistants from $44,600 to $57,500; and other top Federal personnel from $42,000 to $50,000, S. 964—Public Law 95– , approved 1977. (44)

Secret Service protection of former Federal officials. Authorizes the Secret Service to continue to furnish protection to certain former Federal officials (Secretaries Kissinger and Simon and Vice President Rockefeller) or members of their immediate families who received such protection immediately preceding January 20, 1977, if the President determines that they may be in significant danger, and provides that such protection shall continue for a period determined by the President but not beyond July 20, 1977, unless otherwise permitted by law. S.J. Res. 12—Public Law 95–1, approved January 19, 1977. (VV)

HEALTH

Child nutrition programs. Extends through September 30, 1980, the summer food service program for children with

changes designed to eliminate abuses and otherwise strengthen the administration of the program; extends through September 30, 1982, the authority of the Secretary of Agriculture to purchase agricultural commodities for donation to the child nutrition programs when acquisitions under other agricultural authorities are not available; requires the Secretary to establish procedures to assure that donations of agricultural commodities to the child nutrition programs are more responsive to the problems and needs of local school districts; requires the Secretary to conduct studies of the impact and the effect on the child nutrition programs of making cash payments in lieu of commodities, and of past and present patterns of sanitary practices of commodity producers under consideration for contracts for child nutrition programs; revises the special milk program to provide that in schools and institutions participating in the school lunch, breakfast, or child care feeding programs, free milk may be provided to children eligible for free school meals only at times other than the regular school lunch or school breakfast serving period; revises the school breakfast program to require that the Federal maximum reimbursement for especially needy schools be adjusted semiannually to reflect changes in the cost of food away from home and require States to establish the standards, subject to the Secretary's approval, under which schools in severe need may receive 100 percent of their operating costs; revises the authority under which equipment funds are furnished schools to give priority to schools without a food service program and schools without the facilities to prepare and cook hot meals; revises the authority under which States are provided administrative expenses for carrying out certain child nutrition programs to require that a specific amount (based on a percentage of the State's total costs) be made available for the 1978 through 1980 fiscal years; establishes a 5-year entitlement nutrition education and information program under which grants would be made to State educational agencies for the purpose of encouraging effective dissemination of scientifically valid information about food and nutrients to children participating in the school lunch and related child nutrition programs and to adults; repeals the provision in existing law which prohibits the Secretary from banning the sale of competitive foods (such as food from vending machines) in food service facilities or areas during the time that school lunches or breakfasts are being served; and requires the Secretary to establish an Institute of Food Management and Technology to address the problems of providing adequate food programs in diverse situations. H.R. 1139—Passed House May 18, 1977; Passed Senate amended June 30, 1977; Senate requested conference June 30, 1977. (267)

Public health programs—biomedical research. Extends through fiscal year 1978, without major substantive modifications, the assistance programs under the Community Mental Retardation and Community Mental Health Centers Act and the programs under the Public Health Service Act, including biomedical research; computes the authorizations for these programs generally on a formula of the higher of the fiscal 1977 authorization or the fiscal 1977 appropriation plus 20 percent;

Establishes five supergrade positions for the National Institute on Alcohol Abuse and Alcoholism in order to attract highly qualified senior level scientific personnel; increases the number of National Cancer Institute consultants from 100 to 200; authorizes the Secretary of Health, Education and Welfare to develop minimum public health standards to maintain preventive health care programs; directs the Secretary to arrange for studies of international health issues and opportunities and to submit a final report by January 1, 1978; authorizes an additional $135 million to enable the Secretary to make grants for construction and modernization projects to assist public hospitals to meet life and safety codes and avoid loss of accreditation;

Amends the Health Professions Educational Assistance Act to provide for equity in student loan programs, scholarship programs, and payback provisions for medical students within the National Health Service Corps (NHSC) who had made commitments under previous legislation; assures that all physicians graduating from medical schools accredited by the Liaison Committee on Medical Education are treated equally; provides that individuals with obligated service to the NHSC may participate in residency training programs as officers in the regular or reserve corps of the Public Health Service prior to fulfilling the obligated service in an underserved area; permits an area Health Education Center to conduct training in general pediatrics as well as in family medicine and general internal medicine; allows the Secretary to repay, in return for service in a health manpower shortage area, educational loans obtained by health professions students before October 12, 1976; guarantee that students who graduated from two-year U.S. medical schools will be treated the same as U.S. students who completed 2 years at a foreign medical school when transferring to degree-granting institutions; authorizes construction assistance for the establishment or expansion of regional health professions programs; and amends the Public Health Service Act to conform certain provisions of the student loan program with those in the NHSC;

Increases to $339,864,200 the authorization for the maternal and child health grant programs under the Social Security Act and extends through fiscal 1980 the authority for 100 percent Federal financing of medicaid skilled nursing and intermediate care facility inspection and enforcement costs; extends the Committee on Mental Health and Illness of the Elderly for 1 month, until August 30, 1977, to coordinate its actions and recommendations with the Presidential Commission on Mental Health; provides that States shall not receive less than their 1976 formula grant allotments under the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act; and authorizes $140 million for preventive family planning project grants and $5 million for the Sudden Infant Death Syndrome Counseling and Information Services. H.R. 4975—Passed House March 31, 1977; Passed Senate amended May 4, 1977: Senate requested conference May 4, 1977. (131)

HOUSING

Housing and community development. Amends the Housing and Community Act of 1974 and authorizes a total of $14.6 billion for housing programs through fiscal year 1980;

Community development. Authorizes $12.4 billion for extension of the community development program through fiscal 1980; provides that not less than $197 million be made available for low-cost housing project, and not less than $120 million be used for housing for the elderly and handicapped; provides a dual formula method of allocation which permits communities to use either poverty or age of housing stock as the primary indicator of need, and allows cities with at least 50,000 population and urban counties to choose a third formula which uses the proportion of housing stock built prior to 1940 as the primary indicator of need; creates the urban development action grant (UDAG) program to aid seriously distressed cities; allows multiyear funding to small cities; authorizes $60 million for the loan rehabilitation program and $75 million for the comprehensive planning program;

Housing assistance and related programs. Provides $1.116 billion in new contract authority for low-income housing programs and limits the amount of assistance to be used on existing rather than new housing; authorizes $708.1 million for public housing operating subsidies; permits HUD to make assisted housing payments for new or rehabilitated housing units beyond 60 days in an FHA-insured project; provides that loans for housing and related facilities for elderly and handicapped persons assisted under section 202 be made without regard to mortgage insurance limits contained in the National Housing Act; permits interest reduction subsidies for section 235 cooperatives to increase the availability of cooperative housing projects for low-income families; authorizes $60 million for policy development and research and $15 million for the urban homesteading program; allows communities which choose to not participate in the flood insurance program to continue to have access to conventional forms of financing;

Mortgage credit. Extends through fiscal year 1978 the following mortgage credit programs authorized under the National Housing Act: insurance of financial institutions, general insurance program, housing for moderate income and displaced families, homeownership for lower income families, rental cooperative housing for lower income families, experimental financing, armed services housing, mortgage insurance for land development, and mortgage insurance for group practice facilities; extends through fiscal 1978 the authority to set FHA interest rates (Public Law 90-301) and the National Flood Insurance Act of 1968;

Increases the maximum loan amount for FHA-insured mortgages and for loans made by chartered savings and loan associations to adjust for the inflation in the costs of homes, mobile homes, and home improvements; decreases the downpayment requirements for FHA-insured loans; lowers the FHA mortgage insurance premium paid by nonprofit teaching facilities hospitals; provides for the expansion of the experimental graduated payment mortgage program; amends the Government National Mortgage Association emergency tendem plan to correct problems in the program and give it greater flexibility, particularly for use in urban areas and for housing rehabilitation;

Community reinvestment: Authorizes the Community Reinvestment Act which requires Federal financial regulatory agencies in the course of examining the institutions they regulate to assess each institution's performance in meeting the credit needs of its primary savings service area, to the extent consistent with sound business operations; provides that regulations resulting from the Act will become effective no later than 180 days after its enactment;

Rural housing: Amends the Housing Act of 1949 to extend through fiscal year 1978 the housing programs under the Farmers Home Administration (FmHA); increases by $25 million the low rent housing for domestic farm labor and low income repair loans programs;

Modifies the guaranteed loan program of FmHA to completely separate the guaranteed loan program, both in operation and funding, from the insured (direct) loan programs; restricts the guaranteed loan program to persons with above average incomes, thereby asserting Congressional intent that FmHA use the direct loan program for low- and moderate-income persons; makes interest rates on guaranteed loans negotiable between the borrower and the lender in order to increase the program's attractiveness to private lenders;

Authorizes $10 million in fiscal 1978 for the mutual and self-help housing program; re-

quires that at least 60 percent of FmHA loans made pursuant to section 502 (single family) and section 515 (rental) programs benefit persons of low income; requires the establishment of a research capacity within FmHA; mandates the implementation of a rural rent subsidy; and expands the definition of "rural area" to include smaller communities with standard metropolitan statistical areas which have a serious lack of mortgage credit. H.R. 6655—Passed House May 11, 1977; Passed Senate amended June 7, 1977; In conference.

Mortgage insurance. Extends for 30 days, to July 31, 1977, the authority of the Secretary of Housing and Urban Development to: insure mortgages on loans under certain HUD-FHA mortgage or loan insurance programs contained in the National Housing Act; administratively to set interest rates for FHA-insured mortgage loans; enter into new flood insurance contracts; and extend certain authorities under title V of the Housing Act of 1949 with respect to the Farmers Home Administration's rural housing program. H.J. Res. 525—Public Law 95–60, approved June 30, 1977. (VV)

Supplemental housing authorizations. Authorizes additional funds for housing assistance for lower income Americans in fiscal year 1977; extends the riot insurance and crime insurance programs; and establishes a National Commission on Neighborhoods;

Increases, in title I, the authorization for section 8 rental assistance, the major housing program for lower income Americans, by $378 million for a total of $1,228,050,000; increases operating subsidy funds for public housing projects by $19.6 million to pay for this winter's unexpectedly high heating costs; extends the contract period for new, privately developed section 8 housing from 20 to 30 years in order to attract more private financing; authorizes such appropriations as may be necessary for reimbursement of the FHA general insurance fund for losses on the sale of foreclosed properties from the FHA inventory; contains a $10 million increase for a total of $15 million for the HUD urban homesteading program as a means of attracting additional rehabilitation funds into neighborhoods and disposing of the HUD inventory of foreclosed properties; increases from $500 million to $1.341 billion the ceiling for losses incurred by the Federal Housing Administration General Insurance Fund; extends HUD's authority to write crime insurance and riot reinsurance policies through September 30, 1978, and authorizes continuation of policies in force before April 30, 1978, through September 30, 1981; extends from April 30, 1978, to September 30, 1978, the date that the Secretary must submit a plan for the liquidation and termination of these programs; deletes the requirement whereby mortgages may be insured under section 220 of the National Housing Act only if the property is located in an area which has a workable program for community development; makes clear that mortgages insured under section 221(d)(4) of the Act may be executed by a mortgagor which is a public body or agency, or a cooperative, limited dividend corporation or other entity, private nonprofit corporation or association, as well as a profit motivated entity, as defined by the Secretary; and

Authorizes, in title II, $1 million for the establishment of a National Commission on Neighborhoods to assess existing policies, laws and programs having an impact on neighborhoods and make recommendations regarding investment in city neighborhoods, community government participation, economically and socially diverse neighborhoods, rental housing, and rehabilitation of existing structures, among other issues. H.R. 3843—Public Law 95–24, approved April 30, 1977. (VV)

INDIANS

American Indian Policy Review Commission. Extends from February 18, 1977, to May 18, 1977, the period of time in which the American Indian Policy Review Commission must submit its final report to the Congress and increases the authorization therefor from $2.5 million to $2.6 million. S.J. Res. 10—Public Law 95–5, approved February 17, 1977. (VV)

Cheyenne-Arapaho lands. Declares that two separate tracts of excess Government land, totaling approximately 107 acres, located in Canadian and Custer Counties, Okla., be held in trust for the Cheyenne-Arapaho Tribes of Oklahoma and authorizes the Secretary of the Interior to accept, upon request from the tribes, the fee simple title to lands conveyed to them pursuant to the acts of September 14, 1960, and May 18, 1968, to be held in trust for the tribes. S. 1291—Passed Senate June 9, 1977. (VV)

Creek Nation land. Declares that 5 acres of Federally-owned land in McIntosh County, Okla., be held in trust by the United States for the Creek Nation of Oklahoma. S. 947—Passed Senate June 9, 1977. (VV)

Ely Indian land. Declares that 90 acres of Federally-owned land located in White Pine County, Nev., be held in trust for the Ely Indian Colony in Ely, Nev. S. 103—Passed Senate June 9, 1977. (VV)

Indian Business Development program. Amends the Indian Financing Act of 1974 to extend the Indian Business Development Program for 2 years, through fiscal year 1979, at an annual authorization of $14 million. H.R. 4992—Public Law 95– , approved 1977. (VV)

Indian claims. Extends to December 31, 1981, the statute of limitation under which the U.S., as trustee, can bring Indian claims for monetary damages which arose prior to the enactment of the original statute in 1966 on land claims by Indian tribes, bands and groups. S. 1377—Passed Senate May 27, 1977. (VV)

Extends for an additional month, until August 18, 1977, the statute of limitation under which the U.S., as trustee, can bring Indian Claims for monetary damages which arose prior to the enactment of the original statute in 1966 on land claims by Indian tribes, bands and groups. H.J. Res. 539—Public Law 95– , approved 1977. (VV)

Indian Claims Commission. Authorizes $2,250,000 for the Indian Claims Commission for fiscal year 1978; adds a new section to facilitate the transfer of cases from the Indian Claims Commission to the U.S. Court of Claims; confers upon the Court the powers of the Commission to set fees for attorneys representing Indian tribes or claimants and to obtain information and documents from Government agencies and congressional committees; provides that final judgments of the Court shall be paid as other Court of Claims judgments are paid; provides that cases transferred to the Court shall be subject to review by the Supreme Court; provides that the law establishing a revolving loan fund for tribes to obtain expert witnesses in Commission cases shall remain applicable to transferred cases; and increases from 15 to 16 the number of Court of Claims Commissioners. H.R. 4585—Public Law 95– , approved 1977. (VV)

Indian rights to Arkansas Riverbed. Directs the Secretary of the Interior to enter into an agreement with the Cherokee, Choctaw, and Chickasaw Nations of Oklahoma for the use, lease, or purchase by the United States of their rights in the Arkansas Riverbed; directs the Secretary to utilize, as a basis for the terms of any agreement, the value of the property rights as determined by appraisals conducted by the Secretary and provides for payment of not less than the appraised value of the property rights involved; directs the Secretary to take such action as necessary to immediately carry out any agreement; and authorizes therefor $177 million. S. 660—Passed Senate June 30, 1977. (VV)

Sioux Black Hills claim. Authorizes the U.S. court of Claims to review, without regard to the technical of res judicata or collateral estoppel the determination of the Indian Claims Commission entered February 14, 1974, that the act of February 8, 1877, effected a taking of the Black Hills portion of the Great Sioux Reservation in violation of the fifth amendment. S. 838—Passed Senate May 3, 1977. (VV)

Te-Moak Shoshone land. Transfers 80 acres of land from the United States to the Te-Moak Bands of Western Shoshone Indians to be held in trust by the United States in order to provide a home for the Wells Indian Community, a group of the Te-Moak Band who are presently landless. S. 667—Passed Senate June 9, 1977. (VV)

Wichita tribal land claim. Authorizes the Indian Claims Commission to consider claims by the Wichita Indian Tribe and affiliated bands with respect to aboriginal title to lands which were acquired by the United States without payment of adequate compensation. S. 773—Passed Senate May 5, 1977. (VV)

Zuni lands. Directs the Secretary of the Interior to acquire through purchase, trade or otherwise the 618.41 acres in the State of New Mexico upon which the Zuni Salt Lake is located and hold such land in trust for the Zuni Indian Tribe; confers jurisdiction upon the Court of Claims to head and determine an aboriginal land claim that the Tribe failed to file with the Indian Claims Commission under the Act of August 13, 1946, which established that forum; and authorizes the Tribe to purchase and exchange lands in the States of New Mexico and Arizona notwithstanding the restrictions in the act of May 25, 1918, expressly prohibiting forther expansion of Indian reservations in these States. S. 482—Passed Senate May 3, 1977. (VV)

INTERNATIONAL

ABU DAOUD. States as a sense of the Senate that the release by France of Abu Daoud, a known terrorist who is accused of having planned the murder of Olympic atletes in Munich in 1972, is harmful to the effort of the community of nations to stamp out international terrorism; further states that the United States should consult promptly with France and other friendly nations to seek ways to prevent a recurrence of a situation in which a terrorist leader is released from detention without facing criminal charges in a court of law; and directs the Secretary of the Senate to provide a copy of this resolution to the Secretary of State for transmission to the Government of France. S. Res. 48—Senate agreed to January 26, 1977. (13)

Arms Control and Disarment Agency. Authorizes a total of $16.6 million for the Arms Control and Disarmament Agency (ACDA) for fiscal year 1978, including $11.05 million for program operations, $3.55 million for external research and public affairs, and $2 million for the purpose of furthering the nuclear safeguards and program activities of the International Atomic Energy Agency; creates a new executive level IV position, Special Representative for Negotiations, to be appointed by the President with the advice and consent of the Senate to serve as the Alternate Chairman of the U.S. SALT delegation and to take part in other negotiations; removes the requirement that all ACDA contracts and grants be with U.S. institutions and persons; allows the agency an exception from the appointment and classification provisions of the Civil Service system in order to allow the agency to compete effectively for employees with other Federal agencies; permits ACDA employees to accept reimbursement for work-related travel and expenses; states the sense of Congress that adequate vertification compliance with the terms of arms control agreements should be an indispensable part of any such agreement, and requires the ACDA Director to report to Congress his determinations as to the veritability of the components of arms control proposals, any degradation of verit-

ability in existing arms control agreements, and the amount of agency resources expended on the vertification task. H.R. 6179—Passed House May 3, 1977; Passed Senate amended June 16, 1977; In conference. (220)

Belgrade conference. States as the sense of the Congress that the U.S. delegation to the preparatory Belgrade meeting, beginning on June 15, 1977, should make every effort to insure that the agenda adopted for the subsequent meeting on the Conference on Security and Cooperation in Europe provides for proper, straightforward and serious exchange of views among the participating States on the application of the principles of the Final Act of the Helsinki Conference as well as on compliance and noncompliance with all of its provisions, including the presentation and thorough discussion of all violations of the Final Act, especially those related to universal humanitarian ideals. H. Con. Res. 249—Action completed June 15, 1977. (VV)

Harp seal killings: Urges the Canadian Government to reassess its present policy of permitting the killing of newborn harp seals in Canadian waters which is considered by many citizens of the U.S. to be cruel and, if continued at the current high level, may cause the extinction of that species of seal. H. Con. Res. 142—Action complete April 6, 1977. (VV to amend March 31, 1977. (VV)

International cooperation on nuclear proliferation. Commends the President for his stated intentions to give diplomatic priority to the pursuit of nonproliferation measures; endorses and strongly supports active consultations with world leaders on the highest level to: (1) curb the spread of nuclear enrichment and reprocessing facilities and otherwise discourage the diversion of nuclear energy from peaceful uses to nuclear weapons or other nuclear explosive devices, (2) achieve universal acceptance of international safeguards on all peaceful nuclear activities, as well as to seek international cooperation to improve the packaging and handling of high-level wastes and to provide for international storage of plutonium, spent reactor fuel, and other sensitive nuclear materials, (3) explore possible international arrangements for the provision of nuclear fuel services to help meet the legitimate energy needs of cooperating states, (4) reach agreement on sanctions to be applied against any nation which seeks to acquire a nuclear explosives option, and (5) strengthen the safeguards of the International Atomic Energy Agency; and pledges prompt Senate action on legislation to enact a clear statement of goals for U.S. nonproliferation policy providing guidance and support to these Presidential diplomatic initiatives, and to establish a clear statutory framework for the development and implementation of U.S. nuclear export policy. S. Res. 94—Senate agreed to April 28, 1977. (VV)

International development assistance—food for peace. Authorizes $1,606,100,000 for fiscal year 1978 for bilateral development assistance, international disaster assistance programs, operating expenses for the United States Agency for International Development (AID) and voluntary U.S. contributions to international organizations;

Authorizes $200 million for the initial U.S. contribution to the Sahel Development Program which combines the resources of more than 10 donors and 8 recipient countries in a long term development effort in the Sahel region of Africa; continues the New Directions aid policies initiated by the Congress in 1973 which require that U.S. assistance be channeled directly to aid the poor people in developing countries; extends the Housing Investment Guaranty Program through fiscal year 1979 and provides for an increase of $100 million in the guaranty authority and a merger of the separate Latin American and worldwide guaranty authorities; provides $35 million to continue U.S. assistance for the relief, rehabilitation, and reconstruction assistance for victims of the Italian earthquake; improves U.S. population planning programs by providing for their integration with U.S. health and other development assistance programs; bars the use of funds for (1) assistance to or reparations for Vietnam, Cambodia, or Laos, and (2) involuntary sterilizations; establishes an International Energy Institute;

Includes a separate title to strengthen the economic development and trade expansion aspects of the Food for Peace program (Public Law 480) and to clarify the humanitarian intent of the program; repeals the present exclusion from title I sales program of those countries or exporters which trade with Cuba or North Vietnam; removes the restriction on title I sales to the United Arab Republic; changes the title I sales allocation formula by requiring that 25 percent of the food aid commodities provided in each fiscal year be allocated to countries other than those with a per capita gross national product of $520 instead of $300 or less and by allowing the Secretary of Agriculture to reallocate some portion of title I financing if he certifies to Congress that the quantity of commodities that would be required to be allocated could not be used effectively to carry out humanitarian purposes; permits the Secretary to finance projects to aid in the utilization, distribution, and storage of U.S. agricultural commodities; increases the annual minimum of agricultural commodities to be shipped under title II of Public Law 480 from 1.3 to 1.5 million metric tons; requires that 1.3 instead of 1 million metric tons of this amount be distributed through the U.S. voluntary agencies and the world food program; creates a new food for development program; expands and refines the "grantback" authority provided in 1975; permits the President to waive the repayment of title I obligations under a carefully developed plan for utilization of the proceeds raised by the recipient government from the sale of title I commodities upon its own market; and makes various other improvements. H.R. 6714—Passed House May 12, 1977; Passed Senate amended June 15, 1977; In conference. (207)

International financial institutions. Provides a total of $5.125 billion in multiyear authorizations to allow continued participation at increased rates by the United States in six international financial institutions which includes $1.57 billion for the World Bank to be spread over three years; provides $2.4 billion for the International Development Association to be spread over three years; $112 million for the International Finance Corporation to be spread over three years; 814 million for the Asian Development Fund to be spread over three years; and a $50 million one-year authorization for the African Development Fund;

Instructs U.S. representatives to all international financial institutions to use their voice and vote to channel aid to countries that are not violating human rights, and to vote against any funds to Vietnam, Laos, or Cambodia; contains language to clarify that all funds to international financial institutions, including multiyear authorizations and pledges for callable capital, are subject to the annual appropriations process; and directs U.S. officials to try to maintain salaries in these institutions at levels near to comparable positions in the United States. H.R. 5262—Passed House April 6, 1977; Passed Senate amended June 14, 1977; In conference. (203)

International security assistance—Arms Export control. Authorizes a total of $3,172,-700,000 ($140 million below the Administration's request) in 1978 budget authority for eight programs to finance international security programs totalling $4,579,100,000;

Military programs: Provides $230 million to the military assistance program for military aid to Greece ($33 million), Portugal ($25 million), Spain ($15 million), Turkey ($48 million), the Philippines ($20 million), Jordan ($55 million), Indonesia ($15 million), and Thailand ($8 million); continues the phasedown of the military assistance advisory group program by reducing the number of groups from 34 to 17 and establishing a worldwide personnel ceiling of 900; provides $30 million for the international military education and training program; provides $678.5 million to finance foreign military sales credits to 29 countries, with direct credits of $500 million to Israel and $20 million to Zaire, and with all loans to other countries to be financed through the Federal Financing Bank; states that a policy restraint in U.S. arms transfers shall not impair Israel's deterrent strength or undermine the military balance in the Middle East;

Economic programs: Authorizes $1.875 billion for the security assistance program to provide economic assistance for 15 countries and recommends that such programs be subject to the "new directions" criteria of the Foreign Assistance Act which requires that aid be channeled directly to aid the poor people in developing countries; authorizes a balance of payments support loan to Portugal not to exceed $300 million to assist in stabilizing the Portugal economy; provides $37.2 million to continue the Middle East special requirement fund;

Narcotics control and contingency funds: Provides $37 million for international narcotics control, with at least $12.5 million earmarked for programs in Mexico; provides $5 million for the President's Contingency Fund to give the Administration some flexibility in dealing with national security;

Other provisions: Prohibits military assistance, training, and credits to Ethiopia and Argentina and all assistance to Mozambique, Angola, Tanzania, and Zambia unless the President determines that such aid is in the national interest; exempts Australia, Japan, and New Zealand from the license requirement contained in the Arms Export Control Act for the export of major defense equipment; includes a statement of Congressional intent to authorize $100 million for a Zimbabwe Development Fund when progress toward an internationally recognized settlement will so permit; prohibits funds to promote any military or paramilitary operations in Zaire; prohibits economic assistance to any supplier or recipient of nuclear technology or equipment unless both agreed to place the transferred equipment under multilateral auspices when available, and that the recipient agreed to place all nuclear activities under international safeguards; authorizes such sums as may be necessary in fiscal year 1978 to carry out international agreements relating to defense cooperation with Greece and Turkey, and raises to $175 million the FMS credits and sales ceiling for Turkey contained in the Foreign Assistance Act; and authorizes additions to stockpiles of defense articles in foreign countries of $270 million, with the entire amount earmarked for War Reserve Stocks of ammunition for Korea, a bookkeeping shift requiring no appropriation. H.R. 6884—Passed House May 24, 1977; Passed Senate amended June 15, 1977; In conference. (209)

National Academy of Peace and Conflict. Establishes a 1 year Commission to study proposals for establishing the National Academy of Peace and Conflict consisting of 9 members, three each appointed by the President pro tempore of the Senate, the Speaker of the House, and the President, to conduct a study to consider whether to establish a National Academy of Peace and Conflict Resolution; the size, cost and location of the Academy; the effects the establishment of the Academy would have on existing institutions of higher education;

the relationship which would exist between the Academy and the Federal Government; the feasibility of making grants and providing other forms of assistance to existing institutions of higher education in lieu of, or in addition to, establishing the Academy; and alternative proposals, which may or may not include the establishment of the Academy, to assist the Federal Government in accomplishing the goal of promoting peace; and authorizes therefor $500,000. S. 469—Passed Senate June 17, 1977. (VV)

Peace Corps authorization. Authorizes $84.8 million to finance the operation of the Peace Corps for fiscal year 1978 and $ million for increases in salary, retirement, or other employee benefits authorized by law. S. 1235—Passed Senate May 26, 1977; Passed House amended June 1, 1977. (VV).

Portugal military assistance. Modifies the existing statutory limitations on the allocation of military assistance funds for fiscal year 1977 contained in section 504(a)(1) of the Foreign Assistance Act of 1961, as amended, to add Portugal to the list of eligible countries and specify that $32.25 million be allocated to that country to upgrade its armed forces which were debilitated as a result of prolonged colonial wars in Africa. S. 489—Public Law 95–23, approved April 30, 1977. (VV)

Rhodesian chrome. Amends the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome by nullifying the effect of Section 203 (the so-called Byrd amendment) of the Armed Forces Appropriations Act of 1972, Public Law 92–156, which permitted the importation into the United States of chromium and other strategic minerals from Rhodesia, despite mandatory U.N. sanctions against trade with that country which the United States supported by its vote in the United Nations Security Council and by Executive Order 11419; prohibits the importation into the United States of Rhodesian commodities and products as specified in that Executive Order, of July 29, 1968, as well as steel mill products containing Rhodesian chromium in any form; establishes an enforcement mechanism which requires a certificate of origin for these products confirming that they do not contain chromium from Rhodesia; and authorizes the President to suspend the act if he determines that it would encourage meaningful negotiations and further the peaceful transfer of government from minority to majority rule in Rhodesia. H.R. 1746—Public Law 95–12, approved March 18, 1977. (59)

Romanian earthquake. States as a sense of the Senate that the United States should join with other nations and international, public, and private organizations to assist the people of Romania following the 1977 earthquake; and expresses deepest sympathy to the victims and their families on behalf of the people of the United States. S. Con. Res. 12—Action complete March 17, 1977. (VV)

Romanian earthquake authorization. Authorizes $20 million to the President for fiscal year 1977, to remain available until expended, for the relief and rehabilitation of refugees and other earthquake victims in Romania; requires the President to transmit a report to the Foreign Relations Committees of the Senate and House 60 days after enactment and quarterly thereafter on the obligation of authorized funds; and states that nothing in this act shall be interpreted as endorsing any measure undertaken by the Government of Romania which would suppress human rights as defined in the Conference on Security and Co-operation in Europe (Helsinki Declaration) Final Act and the United Nations Declaration on Human Rights or as constituting a precedent for or commitment to provide development assistance to Romania and requires that the Romanian Government be so notified. H.R. 5717—Public Law 95–21, approved April 18, 1977. (VV)

Soviet detention of Robert Toth. States as the sense of the Senate that the U.S. should continue to press the Soviet Government for a complete accounting of the circumstances which precipitated the detention of Robert C. Toth, a Los Angeles Times staff member, and that appropriate means should be taken to obtain the safe return of Mr. Toth to the United States. S. Res. 194—Senate agreed to June 15, 1977. (VV)

Soviet expulsion of George A. Kriminsky. States as the sense of the Senate that: (1) the Soviet expulsion of Associated Press reporter George A. Kriminsky is contrary to the spirit of the Helsinki Declaration respecting the rights of journalists; (2) the decision serves only to obstruct the implementation of the free flow of information provisions contained in the Declaration; (3) the action only invites and justifies steps of a reciprocal nature by the U.S. Government; and (4) the U.S. and Soviet Governments should seek greater communication in this area to prevent similar events of a counterproductive nature from occurring in the future; and directs the Secretary of the Senate to transmit a copy of this resolution to the President for the Department of State to convey directly to General Secretary Leonid Brezhnev of the Central Committee of the Soviet Communist Party. S. Res. 81—Senate agreed to March 4, 1977. (VV)

Soviet freedom of emigration. Conveys to the Soviet Government the sustained interest of the American people regarding Soviet adherence to the Helsinki Declaration, including their pledge to facilitate freer movement of people, expedite the reunification of families, and uphold the general freedom to leave one's country. S. Con. Res. 7—Action complete March 22, 1977. (39)

State Department authorization. Authorizes $1,676,884,000 for fiscal year 1978 for the operations of the State Department (including the Office of Foreign Buildings), the U.S. Information Agency (USIA), and the Board for International Broadcasting (which makes grants to Radio Free Europe/Radio Liberty);

Facilitates compliance by the United States with the Helsinki Agreement by requiring that the Secretary of State recommend the necessary waiver for any prospective visitor to the United States who could be subject to the denial of a visa solely for reason of political affiliation with the exception of the right of continued denial of entry to any person whom the Secretary judges to be a threat to U.S. security; strengthens the ability of the Board for International Broadcasting to oversee and set broad policy direction for Radio Free Europe/Radio Liberty, Inc.;

States the sense of the Congress that negotiations toward the normalization of relations with Cuba be conducted in a deliberate manner and on a reciprocal basis; that the vital concerns of the United States with respect to the basic rights and interests of U.S. citizens whose persons or property are the subject of negotiations be protected; and that Cuban policies and actions regarding the use of military and paramilitary personnel beyond its borders and the Cuban government's disrespect for human rights are among elements which must be taken into account during negotiations;

Requires Congressional committees to budget for the travel of their members and employees; provides a statutory base for U.S. participation in a new United States-European Community Interparliamentary Group; strengthens the Foreign Gifts and Decorations Act of 1966 by clarifying existing ambiguities as to who is covered by establishing certain reporting and publication requirements and by increasing penalties for noncompliance; removes the statutory impediment to the establishment of formal diplomatic relations with the Vatican; prohibits the President from making a commitment to provide any reparations or aid to Vietnam. H.R. 6689—Passed House May 4, 1977; Passed Senate amended June 16, 1977; In conference. (219)

State Department supplemental authorization. Provides a supplemental authorization of $89.5 million for the Department of State for fiscal year 1977 as follows: (1) $60 million to pay U.S. dues and assessments to UNESCO for 1975 and 1976, in arrears because of Congressional action suspending further payments until the President certified that UNESCO's policies were in line with its objectives and less political, and part of the 1977 assessment, (2) $11,325,000 for aid to Soviet and East European refugees not settling in Israel and $7.4 million for the Indochinese Refugee Program administered by the United Nations High Commissioner for Refugees to continue U.S. support of 80,000 refugees in Thailand who arrived from Vietnam, Cambodia and Laos in 1975, and (3) $10,775,000 to provide for the construction of 108 apartment units for the U.S. mission in Cairo—36 for the State Department and 72 for AID: authorizes the Secretary to use appropriated funds to provide emergency medical attention, dietary supplements, and other assistance to U.S citizens incarcerated abroad; requires that the Chairman or Vice-Chairman of the Senate and House delegations to the four interparliamentary union groups (Canada-U.S., Mexico-U.S., North Atlantic Assembly, and Interparliamentary Union) be a member of their respective foreign affairs committee; increases from 18 to 24 the size of the delegation to the North Atlantic Assembly and specifies that no more than 7 of the 12-member Senate delegaton be of the same political party; and amends Public Law 94–203 (known as the Case Act which requires the Secretary of State to transmit the text of any international agreement other than a treaty to Congress within 60 days after the agreement has entered into force with respect to the United States) to require any department or agency entering into an international agreement on behalf of the United States to transmit the text of the agreement to the Department of State within 20 days following the date on which the agreement was signed. H.R. 5040—Public Law 95–45, approved June 15, 1977. (VV)

Uganda—human rights. Expresses the sense of the Senate that the actions of the current regime in Uganda violating the human rights of its citizens and residents deserve condemnation by the world community and by the Organization of African Unity; urges all nations supplying lethal arms to Uganda to halt all deliveries of weapons; and urges the U.S. Ambassador to the United Nations to request that the situation in Uganda be investigated by an appropriate agency in the United Nations. S. Res. 175—Senate agreed to May 25, 1977. (VV)

Vietnam POW's and MIA's. Directs the President, as Commander in Chief of the Armed Forces, to require an accounting of all military personnel presently categorized on personnel rosters of the various branches of the U.S. Armed Forces as prisoner of war, missing in action, or killed in action in southeast Asia; directs the President, by executive order, to require the Secretary of State to pursue enforcement of the Paris agreement of January 27, 1973; states that the Congress, having passed Public Law 88–408 authorizing the deployment of U.S. Armed Forces for the maintenance of international peace and security in Southeast Asia, recognize a corresponding duty and obligation to determine the fate of missing or unaccounted for Americans; requires that the President, through the Secretary of State, hold the Democratic Republic of Vietnam and the Provisional Revolutionary Government of the Republic of South Vietnam responsible to account for an provide informa-

tion not otherwise available to satisfactorily dispose of the POW/MIA problem in accordance with the Paris agreement or seek alternatives that might resolve the question; and requires responsible officeholders in the executive and legislative branches to address the authority of their office toward a satisfactory resolution of the problem, make a public accounting, and remove any question as to the integrity of their function. S. Con. Res. 2—Senate agreed to February 21, 1977. (VV)

States as a sense of the Congress that the honor of those Americans who upheld the dignity of the law and served in the U.S. Armed Forces should be reaffirmed and that the Government should do everything possible to address the problems of those who served during the Vietnam war; and urges that there be established, in view of the recent issuance of a general pardon for U.S. draft evaders of the Vietnam war era, a Presidential Task Force on Missing in Action and Prisoners of War to propose courses of action to achieve the fullest possible accounting for all Americans listed in a missing status in Southeast Asia, including the return of remains, and to make recommendations concerning Federal policies relating to POW's and MIA's. S. Con. Res. 3—Senate agreed to February 21, 1977. (VV)

LABOR

Federal mine safety and health. Strengthens the national mine safety and health program by providing uniform administration and enforcement for the entire mining industry under a single act administered by the Department of Labor;

Repeals the Metal and Non-Metallic Mine Safety Act of 1966; amends the Federal Mine Safety and Health Act of 1969 (the Coal Act) to make its enforcement and administrative provisions applicable to the entire coal and non-coal mining industry; transfers the responsibility for the administration and enforcement of the mine safety and health program from the Department of the Interior to the Department of Labor;

Provides a streamlined mechanism for the promulgation of mandatory safety and health standards by imposing time limitations on each step of the standard-making process; vests all standard-making authority in the Secretary of Labor who may use Advisory Committees for the development of standards; provides for public comment and hearings on standard proposals and for judicial review of promulgated standards; contains provision for improved health standards;

Requires at least four inspections each year for all underground mines in their entirety, at least two inspections a year for all surface mines in their entirety, and at least one spot inspection every 5 working days for particularly hazardous mines; permits operators and miners or representatives to accompany inspectors; permits miners to request inspections in writing if they suspect a hazardous situation; requires an inspector to issue a citation to the mine operator of any violation of the health and safety standards with a time period within which the violation must be fully abated; authorizes the inspector to issue an order closing all or a portion of a mine affected by certain violations and if a pattern of violations exists; establishes a 5-member Mine Safety and Health Review Commission as the ultimate administrative review body for disputed cases of citations, penalties or closures; and provides a variety of civil and criminal penalties. S. 717—Passed Senate June 1, 1977. (231)

MEMORIALS, TRIBUTES, AND MEDALS

Alex Haley. Honors and pays tribute to Alex Haley for his exceptional achievement in writing Roots and extends to him the highest praise of the Senate. S. Res. 112—Senate agreed to March 14, 1977. (VV)

Charles A. Lindbergh. Honors Charles A. Lindbergh for his service to our country in peace and war, and expresses appreciation for his leadership and advocacy in the conservation of natural resources and for his daring and courageous contributions to the field of aviation and aeronautical science. S. Res. 177—Senate agreed to May 19, 1977. (VV)

Cora Rubin Lane 100th birthday. Expresses the gratitude and appreciation of the Senate to Core Rubin Lane for her long and outstanding service as an assistant to Senator William E. Borah and expresses best wishes to her on the occasion of her 100th birthday, S. Res. 162—Senate agreed to May 3, 1977. (VV)

Francis R. Valeo. Commends Francis R. Valeo for his long, faithful and exemplary service as an employee of the Senate and his ten years of service as Secretary of the Senate. S. Res. 133—Senate agreed to April 1, 1977. (VV)

General Draza Mihailovich Monument. Authorizes the Secretary of the Interior to permit the National Committee of American Airmen Rescued by General Draza Mihailovich to construct and maintain a monument to General Mihailovich on Federal land in the District of Columbia in recognition of the role he played in saving the lives of approximately 500 United States airmen in Yugoslavia during World War II; and provides that the location and design of the monument shall be subject to the approval of the National Capital Planning Commission, the Fine Arts Commission, and the Secretary of the Interior. S. 244—Passed Senate June 29, 1977. (VV)

Gerald R. Ford Building. Names the Federal building located at 110 Michigan Avenue, N.W., in Grand Rapids, Mich., the "Gerald R. Ford Building." S. 385—Public Law 95-25, approved May 4, 1977. (VV)

Henry Ford. Marks the occasion of the 75th anniversary of the first mass-produced motor vehicle by the elder Henry Ford as an appropriate time to recognize his unique industrial statesmanship. S. Res. 215—Senate agreed to June 29, 1977. (VV)

Jaycees International Conference. Commends the "Old Sourdough Jaycees" of Anchorage, Alaska, the U.S. Jaycees, and the Jaycee International for bringing together Jaycee leaders around the world who have contributed to the betterment of mankind. S. Res. 137—Senate agreed to April 6, 1977. (VV)

Mike Monroney Aeronautical Center. Designates the Federal Aviation Administration Aeronautical Center in Oklahoma City, Oklahoma, as the "Mike Monroney Aeronautical Center". S. 1640—Passed Senate June 8, 1977. (VV)

Motion Picture Academy 50th anniversary. Congratulates the Academy of Motion Picture Arts and Sciences for its past achievements on the occasion of its 50th anniversary on May 11 and extends best wishes for the future. S. Res. 168—Senate agreed to May 11, 1977. (VV)

Nez Perce War commemoration. States as the sense of the Senate that June 17, 1977, is to be a day for the commemoration of the Nez Perce War of 1877 and for the remembrance of the courage and honor of the Nez Perce during the long tortuous maneuvers of 1877. S. Res. 196—Senate agreed to June 16, 1977. (VV)

Philip A. Hart, death of. Expresses the sorrow of the Senate over the death of Senator Philip A. Hart, of Michigan. S. Res. 15—Senate agreed to January 4, 1977. (VV)

President and Mrs. Ford. Congratulates and commends President and Mrs. Ford on their exemplary conduct as President and first lady and for their dedicated public service to the Nation during their entire career of public service. S. Res. 22—Senate agreed to January 10, 1977. (VV)

President Ford. Commends President Ford for the manner and integrity with which he carried out his responsibilities and wishes him Godspeed in his new and active life. S. Res. 38—Senate agreed to January 18, 1977. (VV)

President-elect Carter. Extends best wishes to President-elect Jimmy Carter and to all those who will serve in his administration. S. Res. 23—Senate agreed to January 10, 1977. (VV)

Rosalynn Carter. Congratulates the President on his selection of Rosalynn Carter as his recent emissary to Latin America and commends her on her performance as a representative of the people of the United States. S. Res. 195—Senate agreed to June 16, 1977. (VV)

St. Patrick's Parish anniversary. Commemorates the people of St. Patrick's Parish, in Pottsville, Pennsylvania, who this year are celebrating the 150th anniversary of the founding of the parish. S Res. 116—Senate agreed to March 17, 1977. (VV)

Vice President Rockefeller. Commends Vice President Rockefeller for the manner and integrity with which he carried out his responsibilities and wishes him Godspeed in his new and active life. S. Res. 37—Senate agreed to January 18, 1977. (VV)

William O. Douglas. Dedicates the canal and towpath of the Chesapeake and Ohio Canal National Historical Park to Justice William O. Douglas; directs the Secretary of the Interior to provide the necessary identification to inform the public of the contributions of Justice Douglas and to erect and maintain within the exterior boundaries of the Park an appropriate memorial; and authorizes such sums as necessary to carry out the act. S. 776—Public Law 95-11, approved March 15, 1977. (VV)

NATURAL RESOURCES—NATIONAL HISTORIC SITES

Bull Run Reserve. Authorizes the Secretary of Agriculture to permit, under the provisions of the Multiple Use-Sustained Yield Act of 1960, general recreational access and geothermal explorations for six months within a 42,500 acre area of the Bull Run Reserve, Mount Hood National Forest, Oregon. H.R. 7606—Public Law 95-55, approved June 25, 1977.

Eleanor Roosevelt National Historic Site. Authorizes the Secretary of the Interior to establish 175 acres, including the Val-Kill estate in Hyde Park, New York, as the Eleanor Roosevelt National Historic Site to commemorate the life of Eleanor Roosevelt as well as provide a location for the conduct of studies and seminars relating to the issues with which she was concerned. H.R. 5562—Public Law 95-32, approved May 26, 1977. (VV)

Land and Water Conservation Fund. Amends the Land and Water Conservation Fund Act of 1965 to establish a special account for use in acquiring the backlog of lands previously authorized for inclusion in the national park system and certain similar Federal areas; increases the authorized level of the fund from $600 million to $900 million in fiscal year 1978 and from $750 million to $900 million in fiscal 1979 with the additional $450 million to be credited to the special account and to remain available until appropriated; provides that prior acquisition ceiling limitations on authorized areas may be exceeded in any one fiscal year by up to $1 million or 10 percent of the statutory limitation, whichever is greater; permits preacquisition work such as title searches, mapping, and other preliminary work which does not interfere with the rights of private landowners if Congressional authorization appears to be imminent; authorizes the Forest Service to use Land and Water Conservation Fund moneys to purchase land in the Big

Thompson Canyon at pre-flood value; and gives the Secretary the authority to (1) make minor boundary adjustments in units of the national park system with such authority to expire 10 years from the date of enactment of the authorizing legislation establishing the boundaries, and (2) accept adjacent lands outside park boundaries by donation. H.R. 5306—Public Law 95-42, approved June 10, 1977. (VV)

Public Works on Rivers and Harbors—Waterways Users Fee. Authorizes the construction, repair, and preservation of certain public works of the Corps of Engineers on rivers and harbors for navigation and flood control; includes authorization (either construction or Phase I engineering) for 15 projects developed by the Corps of Engineers, modifications to previously authorized projects, and general legislative items; increases monetary authorizations for eleven river basins which will cover anticipated funding requirements for fiscal year 1978;

Authorizes the reconstruction of Locks and Dam 26 on the Mississippi River at Alton, Illinois, by replacing it with a new dam and a single 1,200 foot lock with contingencies for a second lock, at an estimated cost of $421 million;

Establishes, for the first time in our history, a system of user charges to be paid by the commercial cargo vessels that use the 25,000 miles of Federally built and maintained inland waterways; and provides that the regulations developed by the Secretary of Transportation shall take effect unless Congress disapproves by joint resolution. H.R. 5885—Passed House May 17, 1977; Passed Senate amended June 22, 1977; Senate requested conference June 24, 1977. (235)

Reclamation Projects. Authorizes $31,050,000 for fiscal year 1978 for continuing construction of the distribution system and drains of the San Luis Unit, Central Valley project, California; and provides for the establishment of a task force to review the management, organization and operation of the Unit and to report to Congress by January 1, 1978, the results of an examination of certain specified issues. H.R. 4390—Public Law 95-46, approved June 15, 1977. (VV)

River Basins. Authorizes $3,905,000 for fiscal year 1978 to carry out the comprehensive river basin planning program of the U.S. Water Resources Council in those areas and river basins where river basin commissions have not been created, and to finance work on national water assessments. H.R. 6752—Public Law 95-41, approved June 6, 1977. (VV)

Water Resources Development—Saline Water Conversion. Repeals the Water Resources Act of 1964 (Public Law 88-379), as amended, and replaces it with similar but stronger and more comprehensive language for carrying out water resources research and technology through a competent institute, center, or equivalent agency at a college or university in each State; continues maintenance of the State water institutes, which were established under the old Act, and support of nonacademic water resource centers; and authorizes therefor for each of fiscal years 1978 through 1982 $27 million for grants to water research institutes and $1 million to carry out the Scientific Information Center operation, administrative support, and technology transfer, and for each of fiscal years 1978 and 1979, $10 million for matching grants for water research institutes and $10 million for grants to other outside organizations; and

Repeals the now expired Saline Water Conversion Act of 1971 and replaces it with a similar but stronger program for saline water conversion; specifies broader work in the development of saline aquifers in regions where they are critically needed for irrigation and energy production; directs the Secretary to recommend to Congress by December 31, 1979, a ten-year plan for desalination technology transfer; and authorizes therefor $35 million for each of fiscal years 1978 and 1979 of which $10 million is to be used for brackish ground water demonstration projects. H.R. 4746—Passed House May 17, 1977; Passed Senate amended May 25, 1977; In conference. (VV)

WILDERNESS AREAS STUDIES

Montana Wilderness. Directs the Secretary of Agriculture to study 9 areas of land totaling approximately 973,000 acres located within the following National Forests in Montana to determine their suitability for designation as wilderness under the provisions of the Wilderness Act of 1964: Beaverbrook National Forest—West Pioneer Wilderness and Taylor-Hilgard Wilderness; Bitteroot National Forest—Bluejoint Wilderness and Sapphire Wilderness; Kootenai National Forest—Ten Lakes Wilderness and Mt. Henry Wilderness; Lewis and Clark National Forest—Middle Ford Judith Wilderness and Big Snowies Wilderness; and Gallatin National Forest—Hyalite-Porcupine-Buffalo Horn Wilderness; requires the Secretary to complete the studies and report his findings to the President within 5 years of enactment who is to submit his recommendations with respect thereto to the Congress within 7 years of enactment; and directs the Secretary to administer the areas so as not to diminish their presently existing wilderness character and potential until Congress determines otherwise. S. 393—Passed Senate May 18, 1977.

Wildlife Refuges. Extends through fiscal year 1980 the authorization for the acquisition and development of the San Francisco Bay National Wildlife Refuge in California (consisting of approximately 21,000 acres), the Tinicum National Environmental Center in Pennsylvania (consisting of approximately 1,200 acres), and the Great Dismal Swamp National Wildlife Refuge in Virginia (consisting of approximately 107,360 acres). H.R. 5493—Passed House May 16, 1977; Passed Senate amended May 24, 1977. (VV)

NOMINATIONS

(Action by Rollcall Vote)

Griffin B. Bell, of Georgia, to be Attorney General. Nomination confirmed January 25, 1977. (10)

Joseph A. Califano, Jr., of the District of Columbia, to be Secretary of Health, Education, and Welfare. Nomination confirmed January 24, 1977. (7)

Peter F. Flaherty, of Pennsylvania, to be Deputy Attorney General. Nomination confirmed April 5, 1977. (99)

Ray Marshall, of Texas, to be Secretary of Labor. Nomination confirmed January 26, 1977. (12)

Andrew J. Young, of Georgia, to be U.S. Representative to the United Nations. Nomination confirmed January 26, 1977 (14)

Paul C. Warnke, of the District of Columbia, for rank of Ambassador for SALT negotiations and to be Director of the Arms Control and Disarmament Agency. Nominations confirmed March 9, 1977. (41 and 42)

PROCLAMATIONS

American Business Day. Designates May 13 of each year as "American Business Day". S.J. Res. 40—Passed Senate April 27, 1977. (VV)

Grandparents Day. Designates the first Sunday of September of each year as "Grandparents Day". S.J. Res. 24—Passed Senate May 16, 1977. (VV)

School Volunteers. Requests the President to issue a proclamation recognizing the contributions made by the thousands of Americans who are voluntarily working to improve the quality of education in the United States. S.J. Res. 62—Passed Senate June 13, 1977. (VV)

SENATE

Commission on the Operation of the Senate. Extends for an additional 30 days, until April 1, 1977, the Commission on the Operation of the Senate. S. Res. 93—Senate agreed to February 24, 1977. (VV)

Committee Reorganization. Amends the Standing Rules of the Senate to reorder and rationalize the jurisdictions of Senate committees, effective February 11, 1977, among 15 standing committees and 6 other special, select or joint committees; abolishes the Aeronautical and Space Sciences Committee and transfers its jurisdiction to a newly created Committee on Commerce, Science, and Transportation; abolishes the District of Columbia Committee and the Committee on Post Office and Civil Service and transfers their jurisdictions to a newly created Committee on Governmental Affairs; transfers the jurisdiction of the former Interior Committee to an Energy and Natural Resources Committee; transfers the jurisdiction of the former Public Works Committee into a new Environment and Public Works Committee; transfers the jurisdiction of the former Labor and Public Welfare Committee to a new Human Resources Committee; continues the existence of the Special Committee on Aging with membership reduced to 9 in the next Congress; continues the existence of the Select Committee on Nutrition and Human Needs until December 31, 1977, after which its jurisdiction will be transferred to the Committee on Agriculture, Nutrition and Forestry; establishes a temporary Select Committee on Indian Affairs to consider all legislation relating to Indians for the duration of the 95th Congress after which its jurisdiction will be transferred to the Human Resources Committee;

Limits the number of committee and subcommittee memberships a Senator can hold generally to two major or class "A" committees and one class "B" committee and eight subcommittees thereof; prohibits committees from establishing subunits other than subcommittees; permits the Majority and Minority Leaders to temporarily increase the sizes of committees to ensure majority party control; allows Senators to serve on joint committees where such service is required to be from members of a committee on which such Senator serves; prohibits Rules Committee members from serving on any joint committee unless the Senate members of such committees are required by law to be from the Rules Committee; exempts members of the Budget Committee during the 94th Congress from certain assignment limitations during the 95th Congress; continues grandfather rights for Senators who are serving on three standing committees as a result of an exemption in the Legislative Reorganization Act of 1970 to continue to do so during the 95th Congress; allows the chairmen and ranking minority members of the Post Office and Civil Service Committee and the District of Columbia Committee to serve on the Governmental Affairs Committee and two other committees of the same class, as long as their service on Governmental Affairs remains continuous; prohibits a Senator from serving as Chairman of more than one standing, select, special, or joint committee unless the jurisdiction is directly related to that of the standing committee he chairs; prohibits Senators from serving as chairman of more than one subcommittee of each standing, select, special or joint committee; limits members to two class A committee chairmanships and one class B committee or subcommittee chairmanship, effective at the beginning of the 96th Congress; requires that not later than July 1, 1977, the appropriate standing committees shall report legislation terminating the statutory author-

ity of the Joint Committees on Atomic Energy, on Congressional Operations and on Defense Production; requires that the appropriate standing committees report recommendations not later than July 1, 1977, with respect to the Joint Committees on the Library and on Printing; allows Senators to serve on joint committees considered for termination pending final disposition of the issue;

Provides for sequential and joint referral of bills that cross jurisdictional lines based on motions by the Majority and Minority Leaders, instead of by unanimous consent; provides for a computerized schedule of committee meetings by the Rules Committee; permits committees to meet without special leave until the conclusion of the first 2 hours of a meeting of the Senate or 2:00 p.m., except for the Appropriations and Budget Committees which may meet at any time without special consent; requires that morning meetings of committees and subcommittees be scheduled for one or both of two periods, one ending at 11:00 a.m. and a second beginning at 11:00 a.m. and ending at 2:00 p.m.; provides for continuous review of the committee system by the Rules Committee in consultation with the Majority and Minority Leaders; prohibits consideration of committee amendments to bills when the amendments are not in the jurisdiction of the committee proposing them; requires committee reports to contain an evaluation of the regulatory impact which would be incurred by individuals and businesses in carrying out the provisions of the bill; provides for the transition of staff from abolished or realigned committees to the new committees and provides for salary and tenure of committee staff during a transition period; provides that committee staff reflect the relative numbers of majority and minority members and that one-third of the committee staffing funds be allocated to the minority members for compensation of minority staff; provides that such adjustment be made over a four-year period beginning July 1, 1977, with not less than one-half being made in 2 years; provides for funding of increases in the expenditures of new committees resulting from this resolution; incorporates provisions of S. Res. 60 of the 94th Congress relating to individuals appointed by Senators to assist them with committee work; provides for the rereferral of measures according to the realigned jurisdictions; and provides that legal references to old committees are to be construed as referring to their successors. S. Res. 4—Senate agreed to February 4, 1977. (36)

Deputy President pro tempore. Establishes, effective January 5, 1977, the Office of Deputy President Pro Tempore which shall be held by any Senator who is a former President or Vice President of the United States; authorizes the President Pro Tempore and the Deputy President Pro Tempore each to appoint an administrative assistant, a legislative assistant and an executive secretary; authorizes the Sergeant at Arms to provide and maintain an automobile for use by the Deputy President Pro Tempore and to employ a driver-messenger; and authorizes the Secretaries of the Conferences of the Majority and Minority each to appoint two staff assistants in each office. S. Res. 17—Senate agreed to January 10, 1977. (VV)

Names Hubert H. Humphrey of Minnesota Deputy President Pro Tempore of the Senate, effective January 5, 1977. S. Res. 27—Senate agreed to January 11, 1977. (VV)

Political fund raising. Amends paragraph 1 of rule XLIX of the Standing Rules of the Senate to permit those two assistants of a Senator designated to solicit campaign funds to also receive, be the custodian of, or distribute such funds. S. Res. 188—Senate agreed to June 13, 1977. (VV)

Senate Ethics Code. Amends the Standing Rules of the Senate to create a Code of Official Conduct; amends Senate Resolution 338, the original resolution establishing the Select Committee on Ethics, to provide for additional procedures for enforcing the new Code as well as other laws and rules of the Senate; and directs other Senate committees to study certain matters related to this resolution;

Public Financial Disclosure. Requires Senators, candidates for the Senate, officers and employees of the Senate earning in excess of $25,000 per year to file a report listing their earned income and the sources and categories of value of their income, other than earned income, and all other interests, assets, and holdings held for the purposes of investment or income production;

Gifts. Prohibits knowingly accepting a gift or gifts having an aggregate value of over $100 during a year from any individual or organization defined as having a "direct interest in legislation";

Outside Earned Income. Limits outside earned income of a Senator, officer or employee earning over $35,000 to 15 percent of the person's salary; limits each honorarium to $1,000 for Senators and to $300 for officers and employees; allows Senators or staff to accept honoraria up to $25,000 if immediately donated to a tax-exempt charity;

Conflict of Interest. Bars the use of one's official position to introduce or aid the progress of legislation the principal purpose of which furthers one's own financial interest; allows Members or staff who earn over $25,000 to provide professional services for compensation if not affiliated with a firm or association and if their work is not carried out during regular Senate office hours; directs committee employees earning over $25,000 to divest themselves of any holdings which may be directly affected by the actions of the Committee for which they work unless permitted by their supervisor and the Ethics Committee; prohibits Senators from lobbying the Senate for one year after leaving the Senate; applies a similar prohibition to employees lobbying the Committee or office for which they worked;

Unofficial Office Accounts. Abolishes unofficial office accounts, those accounts defined as not including personal funds of a member, official funds, political funds and reimbursements;

Foreign Travel. Prohibits "lame duck" travel by a defeated or retiring member; prohibits receipt of counterpart funds where there has been reimbursement from another source; restricts per diem allowance to food, lodging and related expenses and places the responsibility on the person receiving the per diem to return any unused funds;

Franking Privilege—Radio-TV Studio—Senate Computer. Prohibits mass mailings and the use of the radio-TV studios within 60 days of an election; requires the use of official funds to purchase paper, to print, and prepare mass mailings under the frank; requires a Senator to register mass mailings annually for public inspection; prohibits the use of the Senate computer to store names identified as campaign workers;

Political Activity by Officers and Employess. Restates the present ban on staff soliciting or receiving campaign contributions; allows a Senater to name one assistant each in his Washington and State office to receive and handle campaign funds;

Discriminatory Employment Practices. Prohibits discrimination on the basis of race, color, religion, sex, national origin, or state of physical handicap in employment practices in the Senate;

Enforcement. Sets forth procedures for the Select Committee on Ethics in investigating complaints of violation of the Code and enforcing its provisions;

Further Studies. Requires the Appropriations Committee to report within 120 days regarding an adjustment of official allowances; requires the Finance Committee to report within 120 days on the tax status of funds raised and expended to defray ordinary and necessary expenses of Members; directs the Rules Committee (1) to report within 120 days on the desirability of promulgating rules providing for (a) periodic audits by GAO of all committee and office accounts; (b) a centralized recordkeeping system of accounts, allowances, expenditures and travel expenses of all committees and offices; (c) suggested accounting procedures for committee and office accounts; and (d) public disclosure and availability of information on the accounts of all committees and offices in a form which segregates the allowances and expenses of each committee and office; (2) to report within 120 days on the desirability of requiring that only official Senate funds may be used to pay for any expenses incurred by a Senator in the use of the radio-TV studios; and (3) to study laws relating to contributions made by officers or employees as well as on proposals to prohibit the misuse of official staff in election campaigns and report thereon within 180 days; requires the Governmental Affairs Committee to report (1) within 180 days regarding employee discrimination complaints and the desirability of establishing rules requiring "blind trusts" by members, officers and employees of Senate and (2) within 120 days regarding the use of simplified form of address for franked mail; directs the Foreign Relations Committee to report in 90 days on the problem of travel, lodging and other related expenses provided members and staff paid for by foreign governments where it is not possible to procure transportation, lodging or other related services or to reimburse the foreign government for those purposes. S. Res. 110—Senate agreed to April 1, 1977. (94)

Special Committee on Official Conduct. Establishes a temporary Special Committee on Official Conduct composed of fifteen members appointed by the President pro tempore of the Senate (eight appointed upon the recommendation of the majority leader and seven upon the recommendation of the minority leader, with the chairman designated by the majority leader and the vice chairman by the minority members) to conduct a complete study of all matters relating to standards of conduct of Members, officers and employees of the Senate in the performance of their official duties including standards for: (1) annual public disclosure of income, assets, debts, gifts, and other financial items; (2) restrictions on, or the elimination of, outside income from honoraria, legal fees, gifts and other sources of financial or in-kind remuneration; (3) conflicts of interest arising out of investments in securities, commodities, real estate, or other sources; (4) office accounts, and excess campaign contributions; (5) Senate travel; and (6) engaging in business, professional activities, employment, or other remunerative activities, so as to avoid any conflict with the conscientious performance of official duties; requires the Committee to submit a report of its findings by March 1, 1977, together with a resolution setting forth, by way of proposed amendments to the Standing Rules of the Senate, a Code of Official Conduct for Members, officers, and employees of the Senate;

Provides that on March 1, 1977, after the conclusion of routine morning business, the resolution shall become the pending business of the Senate under a 50 hour time limitation with a 2 hour time limitation on amendments thereto and 1 hour on amendments in

the second degree, debatable motions or appeals; provides that amendments not germane to the bill will not be received; states that motions to limit debate are not debatable and that motions to table or recommit are out of order;

Authorizes the Committee to utilize the facilities and services of the staff of any other committee and provides that expenses of the Committee shall be paid from the contingent fund of the Senate. S. Res. 36—Senate agreed to January 18, 1977. NOTE: (On March 3, 1977, the Senate, by unanimous consent, extended until midnight, March 7, 1977, the time for the Committee to file its report and provided that the leadership may call the resolution up on March 8, 1977, or any time thereafter.) (VV)

Teamsters' Pension Fund. Authorizes the Committee on Human Resources to inspect and receive any tax return, return information, or other tax related matter held by the Secretary of Treasury with respect to the Teamsters' Central States Southeast and and Southwest Area Pension Fund, and any related matter which the committee demonstrates, to the satisfaction of the Secretary, contains or may contain information directly relating to its study and oversight proceedings. S. Res. 139—Senate agreed to April 22, 1977. (VV)

TAXATION

Sick Pay Exclusion. Delays for one year, to taxable years beginning after December 31, 1976, the changes made by the Tax Reform Act of 1976 with regard to the exclusion of "sick pay" from income; makes a similar delay of the effective date of the provisions regarding the tax treatment of income earned abroad by U.S. citizens; modifies the withholding requirement enacted in the 1976 Tax Reform Act on proceeds of wagers placed in parimutuel pools with respect to horse races, dog races, and Jai Alai requiring a 20 percent withholding tax on winnings of $1,000 or more only if the odds are 300 to one or more; extends for one year the provisions of the Internal Revenue Code to allow State legislators to treat their place of residence within their legislative districts as their tax home for purposes of computing the deduction for living expenses; and waives the interest and penalties with regard to certain errors regarding underpayments of estimated tax and withholding that might be made in the tax returns for 1976. H.R. 1828—Passed House April 4, 1977; Passed Senate amended April 6, 1977; House agreed to Senate amendments with amendment which omitted the provisions regarding the treatment of income earned abroad by U.S. citizens April 6, 1977; Senate requested conference April 19, 1977. (100) (*Note*: Provisions included in Tax Reduction and Simplification which became Public Law 95–).

Tax Reduction and Simplification. Amends the Internal Revenue Code of 1954 to extend the individual and business income tax reductions enacted in 1975 and to provide tax simplification as follows:

Standard Deduction and Tax Simplification. Permanently changes the standard deduction to $2,200 for single returns and heads of households and $3,200 for joint returns; revises the tax tables to simplify tax computation for 96 percent of all taxpayers by building into the tax tables the personal exemption, the general tax credit, and the standard deduction;

Individual and Corporate Tax Reductions. Extends through 1978 the general tax credit of $35 per person or 2 percent of the first $9,000 of taxable income, whichever is larger; extends the earned income credit equal to 10 percent of the first $4,000 of earned income which is phased out as income rises from $4,000 to $8,000;

Extends through 1978 the corporate tax cuts, enacted in 1975 and subsequently extended, which reduced the tax rate on the initial $25,000 of corporate taxable income from 22 percent to 20 percent and reduced the rate on the next $25,000 from 48 to 22 percent;

Filing Requirements and Withholding Changes. Increases the income level at which a tax return must be filed from $2,450 to $2,950 for a single person and a head of household and from $3,600 to $4,700 for a joint return; requires modification of the withholding rates to reflect the changed standard deduction;

New Jobs Credit. Provides a new jobs tax credit for 1977 and 1978 equal to 50 percent of the increase in each employer's wage base under the Federal Unemployment Tax Act (FUTA) above 102 percent of that wage base in the previous year; reduces the employer's deduction for wages by the amount of the credit, thereby reducing the maximum gross credit for each new employee from $2,100 to $1,806; limits the credit to no more than: (1) 50 percent of the increase in total wages paid by the employer for the year above 105 percent of total wages in the previous year; (2) 25 percent of the current year's FUTA wages; (3) $100,000 per employer; and (4) the taxpayer's tax liability with provision of carrying back credit for 3 years and carrying forward credit for 7 years; provides an additional 10 percent nonincremental credit for hiring the handicapped, including handicapped veterans, who have received vocational training;

Postponement of Changes in 1976 Act. Postpones for one year the effective date of revisions made by the Tax Reform Act of 1976 in the tax treatment of sick pay and income earned abroad; relieves individual taxpayers for periods prior to April 16, 1977, and corporations for period prior to March 16, 1977, from additions to tax and interest arising from changes in the tax law made applicable to 1976 by the 1976 Act; relieves employers from penalties for under withholding in 1976 on remuneration which became taxable prior to January 1, 1976, as a result of the 1976 Act; lifts the exclusive use of the test in the 1976 Act for business deductions for the use of the home for day care services for children, handicapped individuals and the elderly and limits such deductible expense; extends for 1976 the election to treat a State legislator's place of residence within the legislative district he represents as his tax home for purposes of determining deductions for travel and expenses;

Minimum Tax on Intangible Drilling Costs. Provides for taxable years beginning in 1977 that intangible drilling costs incurred in oil and gas production operations are to be subject to the minimum tax to the extent that these expenses exceed oil and gas production income;

Charitable Contributions of Conservation Easements. Extends through June 13, 1981 the period during which deductions are allowable for charitable contributions of remainder interests in real property exclusively for conservation purposes as well as the period during which deductions are allowable for charitable contributions exclusively for conservation purposes of easements with respect to real property, if the easement is perpetual;

Work Incentive (WIN) Program. Authorizes an additional $435 million in each of fiscal years 1978 and 1979 for employment and supportive services for welfare recipients with no requirement for State matching funds;

Child Care Facilities Amortization. Extends through 1981 the 5-year amortization provision for expenditures relating to child care facilities for children of the taxpayer's employees;

Retirement Income Credit Election. Allows taxpayers over age 65 to choose between the retirement income credit as it existed before the 1976 Act and as revised by it for 1976 taxes only;

Accrual Accounting for Farm Operations. Postpones until 1978 the effective date for requiring accrual accounting by any farm corporation if either (a) two families own at least 65 percent of the stock, or (b) three families own at least 50 percent of the stock and substantially all of the remaining stock is owned by employees or their families;

Gambling Withholding. Modifies the 1976 requirement for withholding on gambling winnings to provide that withholding is required on proceeds of more than $1,000 from bets placed in parimutuel pools involving horses, dogs or jai alai but only if the amount of the proceeds is at least 300 times as large as the amount wagered;

Extension of Countercyclical Revenue Sharing. Extends for 6 quarters, or until national unemployment drops below 6 percent, the current countercyclical revenue sharing legislation which expires September 30, 1977 to help State and local governments maintain services; authorizes up to $1 billion in additional funding for fiscal year 1977 for a total of $2.25 billion; authorizes up to $2.25 billion for FY 1978; requires that the most recent data be used in the allocation formula and that the national amount be determined on the basis of tenths of the unemployment percentage in excess of 6 percent rather than on half percentage points; provides that each tenth of a percentage point will generate $30 million for allocation in addition to the basic $125 million; extends the program to Guam, American Samoa, Puerto Rico and the Virgin Islands;

Other Provisions. Amends the Social Security Act to clarify the law which provides for the garnishment of Federal payment for purposes of child support and alimony; and contains other provisions. H.R. 3477—Public Law 95-30, approved May 23, 1977. (128)

TRANSPORTATION

Air Transportation Subsidy. Amends the Federal Aviation Act of 1958 to provide explicit statutory authority for the payment of "flow-through" subsidy pursuant to an experimental local air service program administered by the Civil Aeronautics Board (CAB) in cooperation with Frontier Airlines, during the period August 1, 1973, through July 31, 1975. H.R. 6010—Passed House May 17, 1977; Passed Senate amended May 27, 1977; House agreed to Senate amendment with an amendment June 8, 1977. (VV)

Aircraft Registration. Amends the Federal Aviation Act of 1958 to permit citizens of foreign countries lawfully admitted for permanent residence in the U.S. and corporations lawfully organized and doing business under U.S. or State laws to register aircraft in the United States provided that (1) the aircraft is based or primarily used in the U.S. thus enabling the Secretary of Transportation to condition registration on reasonable inspection by FAA personnel and (2) as at present, the aircraft is not registered under the laws of any foreign country. H.R. 735—Passed House February 22, 1977; Passed Senate amended May 11, 1977 (VV)

Interim Regulatory Reform. Provides for interim regulatory reform for the following independent regulatory agencies which are subject to the jurisdiction and oversight responsibility of the Committee on Commerce, Science and Transportation: Interstate Commerce Commission (ICC), Federal Trade Commisison (FTC), Federal Power Commission (FPC), Federal Communications Commission (FCC), Civil Aeronautics Board (CAB), Federal Maritime Commission (FMC), and Consumer Product Safety Commission (CPSC); directs each agency to prepare and submit to Congress a proposed modernization, revision, and codification of

all statutes and other lawful authorities administered or applied by it; and

Makes it a Federal crime to kill or forcibly assault, resist, oppose, impede, intimidate, or interfere with a U.S. judge, U.S. attorney, F.B.I. agent, or any other specified Federal official or employee while that person is engaged in, or on account of, the performance of official duties. S. 263—Passed Senate June 10, 1977. (VV)

INTERIM REGULATORY REFORM

Federal Communications Commission. Amends the Communications Act of 1934 to provide for regulatory reform with respect to the Federal Communications Commission; requires the Commission to review and recodify systematically all of the rules and regulations which it has promulgated and which are still in effect and to submit to Congress within 480 days of enactment a proposed recodification designed to (a) eliminate unnecessary, redundant, overlapping, or conflicting provisions or requirements, (b) provide timely considerations of petitions, (c) provide Congressional access to information, (d) provide representation in civil actions, (e) avoid conflicts of interest, (f) provide for appointment of the chairman by the President with the advice and consent of the Senate, and (g) provide Congressional oversight through the process of an authorization of appropriations not to exceed 4 years; provides for public comment on the proposed recodification and requires the agency to submit a final proposal within 660 days which will go into effect in 180 days unless modified by Congress; applies the conflict of interest provisions to personnel GS–16 or higher; retains the independence of the regulatory agency by not subjecting supergrade positions to OMB clearance; requires that nominees be persons who by reason of training, education or experience are qualified to carry out the function of the Commission; waives the mandatory retirement provisions giving Congress the authority to decide whether a Commissioner should continue to serve over the age of 70 at the time of his confirmation; and authorizes therefor $70 million for fiscal 1978, $74 million for fiscal 1979, $80 million for fiscal 1980, and $82 million for fiscal 1981. S. 1536—Passed Senate June 28, 1977. (VV)

Federal Maritime Commission Provides for regulatory reform with respect to the Federal Maritime Commission; contains the same provisions with respect to a proposed recodification of all rules and regulations promulgated by the Commission and still in effect as contained in S. 1536; and authorizes $9.424 million for fiscal 1978, $9.7 million for fiscal 1979, $10 million for fiscal 1980 and $10.4 million for fiscal 1981. S. 1532—Passed Senate June 28, 1977. (VV)

Federal Power Commission. Amends the Federal Power Act to provide for regulatory reform with respect to the Federal Power Commission; contains the same provisions with respect to a proposed recodification of all rules and regulations promulgated by the Commission and still in effect as contained in S. 1536; and authorizes therefor $44,549,000 for fiscal 1978, $46,410,000 for fiscal 1979, $48,373,000 for fiscal 1980, and $50,444,000 for fiscal 1981. S. 1535—Passed Senate June 28, 1977. (VV)

Interstate Commerce Commission. Amends the Interstate Commerce Act to provide for regulatory reform of the ICC; requires the Commission to review and recodify systematically all of the rules and regulations which it has promulgated and which are still in effect and to submit to Congress within 480 days of enactment a proposed recodification designed to (a) eliminate unnecessary, redundant, overlapping, or conflicting provisions or requirements, (b) provide timely considerations of petitions, (c) provide Congressional access to information, (d) provide representation in civil actions, (e) avoid conflicts of interest, (f) provide for appointment of the chairman by the President with the advice and consent of the Senate, and (g) provide Congressional oversight through the process of an authorization of appropriations not to exceed 4 years; provides for public comment on the proposed recodification and requires the agency to submit a final proposal within 660 days which will go into effect in 180 days unless modified by Congress; authorizes therefor $71,216,000 for fiscal 1978, $80,474,000 for fiscal 1979, $90,935,000 for fiscal 1980 and $102,755,000 for fiscal 1981. S. 1534—Passed Senate May 20, 1977. (VV)

Maritime Authorization. Authorizes $552,974,000 for programs of the Maritime Administration for fiscal year 1978 as follows: $135,000,000 for acquisition, construction, or reconstruction of vessels and construction-differential subsidies, $372,109,000 for payment of ship operating differential subsidies, $20,725,000 for research and development, $5,137,000 for the reserve fleet, $14,633,000 for maritime training at the Merchant Marine Academy at Kings Point, N.Y., and $5,370,000 for financial assistance to the State marine schools which includes an increased annual student subsidy from $600 to $1200; authorizes additional supplemental amounts to cover increases in salary, pay, retirement, or other employee benefits authorized by law and for certain expenses of the Merchant Marine Academy at Kings Point; and authorizes an additional Assistant Secretary of Commerce to be the principal adviser to the Secretary for Congressional relations. S. 1019—Passed Senate May 24, 1977. (VV)

Rail Reorganization—Office of Rail Public Counsel. Amends the Regional Rail Reorganization Act of 1973 to authorize an additional $15 million for fiscal year 1978 to the United States Railway Association to cover litigation and other anticipated expenses involving the reorganization of the Northeast railroads, and amends the Interstate Commerce Act to authorize an additional $2 million for the Office of Rail Public Counsel which is the statutory successor to the Office of Public Counsel of the Interstate Commerce Commission. H.R. 4049—Passed House May 3, 1977; Passed Senate amended May 23, 1977. (VV)

Tanker Safety. Amends the Ports and Waterways Safety Act of 1972 to: establish more stringent construction, design, equipment, repair, manning, maintenance, and operation standards for all tankers, regardless of flag, entering U.S. ports; provides clear authority for the Secretary of Transportation to bar substandard vessels from operating in U.S. waters; authorizes the creation of a Marine Safety Information System to identify substandard vessels and disclose the true ownership of ships; authorizes the establishment of regulations for controlling lightering (vessel-to-vessel transfer of cargo) in U.S. waters and on the high seas where a U.S.-bound vessel is involved; mandates that all self-propelled vessels of 20,000-deadweight tons or larger carrying oil in bulk be equipped by no later than June 30, 1979, with a dual radar system, a collision avoidance system, a long-range navigation aid, adequate communications equipment, a fathometer, a gyrocompass, and up-to-date charts; mandates that such vessels also be equipped, by not later than June 30, 1983, with a segregated ballast system, a gas inerting system, a transponder or other appropriate position-fixing equipment, and a double bottom if the vessel is contracted for, or construction is actually commenced, after January 1, 1978; creates an expanded inspection and enforcement program; authorizes the promulgation of improved manning and qualification standards; specifies more stringent requirements for obtaining a Federal pilot's license; and provides for study and evaluation of shore-station monitoring systems of vessels as defined in the Fishery Conservation and Management Act of 1976. S. 682—Passed Senate May 26, 1977. (VV)

Urban Mass Transportation. Authorizes the use of the $500 million capital grant program under the National Mass Transportation Act of 1974 for operating as well as capital assistance costs of public mass transportation service in urbanized areas (areas with less than 50,000 population); authorizes the Secretary to make operating subsidy grants to areas other than urbanized areas; revises the method of financing the capital grant program, extends it to 1982, and adds $5.318 billion to the remaining contract authority of $3.332 billion for a total of $8.65 billion; incorporates into statute the procedures for funding major capital grants by authorizing the Secretary to announce approval of a multi-year project and an intent to obligate funds from budget authority to be made available in future years; sets aside $400 million annually from the capital grant program for obligation for equipment replacement programs; authorizes $125 million to restore the fiscal 1980 authorization for the formula grant program to its original level; expands the basic formula grant program by creating a supplemental source of funds for high impact areas with a total of $295 million available from (a) authorization of $50 million for each of fiscal years 1978 through 1980 and (b) estimated $145 million in "recycled authority"; creates a new second tier formula program financed by new authorized funds and the reapportionment of unobligated funds; permits the Secretary to develop a new formula for additional funds taking into account the needs of major urban areas; removes certain restrictive provisions for eligibility in the grant program providing fellowships for training of personnel employed in managerial, technical, and professional positions in the urban mass transportation field; expands the definition of "construction" in the capital grant program to include preliminary engineering of mass transportation capital projects; requires the Secretary to convert the two outstanding loans under the mass transit loan program which is no longer in existence into capital grants; requires the Secretary to provide by February 1, 1980, a detailed estimate of major capital grants to be made in fiscal years 1980–84 and by February 1, 1982, a similar estimate for fiscal years 1982–86; extends from March 15, 1978, to March 15, 1980, the 50 percent emergency operating assistance for commuter rail services affected by the reorganization of the Northeastern Railroads and expands the assistance in the authorization; requires assurance that service will be continued for the last 12 months of the 50 percent period; and adds a new section providing $20 million in fiscal 1978 to cover up to 50 percent of the operating deficits of rail commuter services not eligible for the 50 percent Federal subsidy. S. 208—Passed Senate June 23, 1977. (VV)

VETERANS

Veterans' Care in State Homes. Amends title 38, U.S.C., to consolidate the construction grant-assistance programs under section 644 (for State home domiciliary and hospital facilities) and under subchapter III of chapter 81 (for State home nursing care facilities) and create new statutory authority for grants for the construction of new domiciliary facilities and the expansion of domiciliary and hospital facilities, and for initial equipment in both categories; increases to $15 million the annual authorization for fiscal years 1978 and 1979; removes the 3-fiscal-year limitation on the availability of sums appropriated for the consolidated programs, making the funds available until expended; makes the allowable nonveteran population of a grant-assisted State nursing home domiciliary, or hospital

facility 25 percent in order to make allowance for veterans' spouses, surviving spouses, and Gold Star mothers; sets at 33⅓ percent the limit which any one State may receive in any year of the total amount appropriated for the program; includes domiciliary and hospital projects under the statutory nursing home program recapture provision; allows the Administrator to reduce the recapture period to less than 7 years in cases of expansion, remodeling, and alteration; limits recapture to not more than the amount of grant assistance provided for the project; repeals existing statutory authority for making grants for the remodeling of State home domiciliary and hospital facilities and governing the operation of this program; provides for an October 1, 1977, effective date with a savings provision for hospital and domiciliary grants made under the section to be repealed; and gives existing nursing home program grantees the right to obtain grant modifications consistent with the new act. H.R. 3695—Public Law 95– , approved 1977. (VV)

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Mr. ROBERT C. BYRD. Mr. President, I am grateful to all Senators on both sides of the aisle, and especially grateful to the minority leader, to the assistant minority leader, to the committee chairman, and the ranking members of the committees for the splendid cooperation and assistance they have all rendered in making this excellent record of achievement possible.

Without that kind of cooperation, the Senate could not have made this record, it could not have continued and completed the enormous workload which has

been consummated. I extend my personal compliments and thanks to the distinguished minority leader for his helpfulness, for his understanding, patience and cooperation, and, as I say, to all the members of the leadership on both sides of the aisle and all Senators.

Before I conclude my remarks, may I say to the Senate, the workload ahead will be strenuous. There will be some long daily sessions in order to meet our hoped for October adjournment.

I believe I should repeat at this time that consent will not be given for committees to meet during Senate sessions after July 11, except for committees having jurisdiction over energy legislation and, of course, those committees which have standing consent, plus committees which may, from time to time, have matters before them for which ample justification can be made for consent. Otherwise, under the Stevenson resolution, committees may meet during the first 2 hours of a Senate session without consent. Of course, Senate committees may meet when the Senate is not in session also.

Mr. President, with those thanks and compliments to all the Members of the Senate, the staffs and the officers of the Senate, I believe I shall close, stating that the Senate has every right to be proud of its work. It has been hard work, the Members have stayed long hours, they have been grueling hours, and the chairmen and ranking members have remained on their feet many hours in long daily sessions. But the Senators have worked together and have shown a splendid example of cooperation, understanding and teamwork. Once again, I am very thankful.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

Mr. BAKER. Mr. President, I thank the majority leader for his remarks. I am especially pleased that he gave us this summary of the Senate's work to date. I, in turn, commend him for running a taut ship.

I said to my wife last night when I got home at 8 o'clock that it felt like a great luxury, but 8 o'clock seemed early, considering the length of the legislative days these days.

Mr. President, notwithstanding that I know there is an accumulation and burden of fatigue on both sides of the aisle, and that I am sure the majority leader feels it as I feel it, there is a sense of accomplishment which is properly noted today and for which the majority leader, who has the unique responsibility for setting and scheduling the pace of the Senate, should be commended. I do now commend him for it.

I would add one thing to his observations which I think is of great value to the Senate. That is reasonable certainty. While it is certain that we have had long days, it is also reasonably certain that the schedule has been met; that when we have periods of nonlegislative business that they do in fact occur; that the extensive and sometimes complicated plans of Members made often far in advance are not discommoded by a schedule of the Senate which spills over to Saturdays, or which makes it impossible to persist as scheduled and announced.

So I believe certainly and reliable scheduling is a matter of importance.

As in all things, there is a tradeoff. The tradeoff is that we have often been here late at night. The majority leader, I am sure, will not misunderstand my remarks. On some occasions I have retreated to the entrance foyer of this Chamber where we have sat together in our own private little conference niche to say that I believe the Members are getting tired and it is time to go home. More often than not, the majority leader has been sympathetic, but he has been diligent in seeing that we complete the schedule. I commend him for that.

I do think, Mr. President, that we are fortunate to have as much work behind us as we have by this July break. I think it is unique in my experience in the Senate, which measures a little over 10 years. I believe it is a mark of great accomplishment for the majority leader and for the Senate.

I am particularly glad to note that the majority leader does not plan, ordinarily, to grant consent for committees to meet after July 11 beyond the time provided under the rules.

I might add my own aside. We have discussed this before. It is also my intention to withhold consent for that purpose, except in extraordinary circumstances. The reason for it is in furtherance, Mr. President, of the objectives previously stated by the majority leader and observed today. That is, we have a schedule that I think we should meet, including an August break and sine die adjournment in early October. I think it is clear now, at this point in this session of Congress, that we can do that, provided that we finish the workload that we reasonably assign ourselves.

Mr. ROBERT C. BYRD. And that the other body is able to dispatch its work, and that we get complete cooperation from the executive branch, which is well aware of our problems and our intentions.

Mr. BAKER. For which I commend the good offices of the majority leader to intervene. The minority leader, by the nature of things, has so little impact on the scheduling of legislative events that he does not even have the temerity to suggest how it would extend beyond the confines of the Chamber to the House of Representatives and the White House. But I agree with that.

Mr. President, I think we have done a great deal. We have worked hard, and there is much fatigue among our Members. We have all done our share of grousing about early sessions and late sessions. But the Senate has done an extraordinarily good job in this time. The majority leader is to be commended for it.

We have done it, Mr. President, in my view, without jeopardizing the rights or the interests of any Member—I think with caution and scrupulous attention to the Senate Rules and the waiver of them: The 1-day rule, the day layover, the nominations, reports, the other devices that are put in place to protect the interests of the Members.

We have initiated the Unanimous Consent Calendar to give more notice to Members regarding matters of which we are going to dispose. I believe that the consultation with ranking members, and, I am sure, with chairmen, on the passage of measures on the call of the calendar, has been more thorough, complete, and diligent than I have ever seen.

Altogether, Mr. President, I think it has been a good session of the Congress and I extend my compliments to the majority leader for his contribution to that effort, which is very great, indeed.

Mr. ROBERT C. BYRD. Mr. President, the distinguished minority leader has mentioned some grousing. I have not heard much grousing. There is always grousing in every session, and there always will be some. But I think Senators can take heart when they note that we have not had Saturday sessions this session and that, on 40 days of this session, the Senate did not convene until after noon, which gave committees more opportunity to meet without interruption. As compared with 40 days this session for the convening of the Senate postnoon, in the last 20 years the Senate came in after noon only four times.

That is why we have the nonlegislative day period, so that Senators may rest, get back to their constituents, and experience a change of pace. I am going back to West Virginia twice. I am going to get reinvigorated, rejuvenated, get back to the iridescent sunsets and the viridescent hills, and enjoy the pure water and clean air, and the hospitality and good cooking, for which West Virginia is known.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes. I yield.

Mr. KENNEDY. Will the Senator visit Logan and Mingo County, or Bluefield, perhaps?

Mr. ROBERT C. BYRD. I shall not get to visit those places this time. I expect to get to Charleston and I am going to Hardy County, over in the eastern part of the State.

I recommend to all Senators that they visit West Virginia's beautiful parks and stay at the lodges during the holiday, if they possibly can.

Mr. BAKER. Mr. President, I can virtually hear fiddle music to accompany that statement.

Mr. ROBERT C. BYRD. Mr. President, I beg the indulgence of the distinguished Senator from Massachusetts. I know we are delaying him in his special order.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Massachusetts (Mr. KENNEDY) is recognized for not to exceed 15 minutes.

Mr. KENNEDY. Mr. President, before making my remarks on another subject, I want to express my appreciation to the majority leader as well as the minority leader for the really outstanding leadership that they have provided for this institution in the time since they have assumed their responsibilities as leaders of our two great political parties in the Senate. I think all of us have been enormously impressed by their leadership and their willingness to face up to some of the difficult and challenging policy questions that we are facing, and do it in a way which permits a full and com-

plete discussion of the issues and also provides at least some early opportunity for the disposition of them.

I join in commending the majority leader for moving this institution in the public's business as far and as fast as we have over the period of these past few months. I think all of us in the Senate are in his debt, as well as in the debt of the minority leader.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Massachusetts for his very gracious remarks.

THE PATH TO FUNDAMENTAL TAX REFORM

Mr. KENNEDY. Mr. President, the enactment of the Massive Tax Reform Act of 1976 last October marked the end of a tax reform era—an 8-year period in which Congress almost exclusively bore the burden of formulating and enacting reforms to make our tax laws more equitable and more rational.

The election of a President committed to comprehensive tax reform signalled the return to a more productive relationship in which Congress and the executive branch would once again be pulling together to provide the kind of tax system to which the American people are entitled.

Already we have seen the beneficial results of the change. President Carter has consistently stated and restated his commitment to fundamental tax reform. He has appointed a skilled and effective tax policy team at the Treasury under Secretary Blumenthal. Their work helped produce the major tax simplifications that were contained in the recent Tax Reduction and Simplification Act, signed by the President last May. In addition, under the Carter administration, the Treasury has quickly reassumed its proper and fundamental role as a champion of the public interest and opponent of narrow, special interest tax preferences. Moreover, the President's appointment of vigorous yet sensitive tax administrators to head the Internal Revenue Service has already produced evidence of a new era of effective, simplified and impartial enforcement of our tax laws. President Carter deserves great credit for the outstanding appointments at the Treasury and the IRS. The public interest already is being well served by these efforts and by the President's commitment.

I therefore want to take this opportunity to continue the cooperative exchange of views that has developed between Congress and the Carter administration in the critically important area of tax policy.

For the consideration of the administration, the Congress, and others interested in these basic issues, I am submitting today a series of proposals for fundamental tax reform. It is my hope that these recommendations will provide a useful framework within which consideration and evaluation of various proposals for tax reform can take place.

Particularly, it is my hope that the tax reform studies currently underway in the Treasury will produce administration recommendations that will clearly constitute "fundamental tax reform." Undoubtedly there will be some differences in detail. But I look forward to working with the Carter administration, the chairman and members of the Senate Finance Committee, and others in Congress to produce in 1978 a tax bill that will insure a fairer, more simple and more rational tax system for all Americans.

In essence, Mr. President, I am proposing a $28 billion program of tax reform and tax simplification for individuals and corporations as a means of fulfilling the commitment to a comprehensive overhaul of the Nation's tax laws.

I hope that these proposals will be a signal to the administration that Congress not only will welcome far-reaching proposals by the administration, but also will work closely with the administration to enact fundamental tax reform and to achieve the three basic goals of fairness, simplicity and efficiency in the income tax laws.

My proposals consist of a balanced revenue package involving tax changes of $21 billion for individuals and $7 billion for corporations. Under these proposals, the dollars raised from revenue saving tax reforms will be recycled dollar for dollar to individuals through rate reductions and other tax relief, and to corporations by increases in the investment credit and a reduction in the corporate tax rate. In this way, we can insure that the revenue gains from the repeal or modification of tax preferences that unduly benefit selected taxpayers will be returned to all taxpayers in the form of across-the-board rate cuts.

The tax relief contained in the proposals for individuals will be extended to all taxpayers throughout the income scale, but the primary relief will go to low and middle income taxpayers, especially homeowners and families with children.

The key features of the reform proposals for individuals include:

A reduction in the current 14 to 70 percent tax rates on individuals to new rates ranging from 10 to 50 percent with reductions at all intermediate levels as well.

A shift in the current $750 personal exemption to a new tax credit in the range of $200 to $250, depending on the revenues available. A tax credit is worth more to low- and middle-income families than a tax deduction. The $750 deduction under current law brings a tax saving of $525 for persons in the top 70-percent bracket, but a saving of only $105 for persons in the bottom 14-percent bracket. The tax credit would provide the same relief to all taxpayers.

The $750 exemption for dependent children will be turned into a "children's allowance" by making the $200 to $250 tax credit "refundable," so that it will be available as a tax refund to low income persons, even though they had no tax liability. The current $750 exemption is actually a children's allowance as well, but it is denied to low income families who need it the most.

Repeal of the present preferential tax treatment for capital gains, and taxation of capital gains on property passing at death or by gift is also an important proposal. These two changes together would account for $16 billion of the $22 billion in revenue raising reforms for individuals. There is no justification for the special treatment of capital gains in current law. Such treatment is a major cause of inequity and complexity in the tax laws. A dollar of capital gains income is equivalent in a practical sense to a dollar of wage income. They look the same, they spend the same, and they should be taxed the same. A reduction in the top rate bracket from 70 percent to 50 percent would minimize the impact of the change on high income taxpayers.

Repeal of the present 15-percent minimum tax on tax preference income; the minimum tax would be unnecessary if other reforms are carried out, and its elimination would end a substantial source of complexity in current law.

Major changes in the tax treatment of single persons and the family unit. A single, unified rate schedule will be used by all taxpayers—single persons, married couples, and heads of households—thus ending the current tax discrimination against single persons, who are taxed at rates 20 percent higher than married couples. A special tax credit will be provided for two wage-earner married couples, to end the "marriage penalty" against such persons under present law.

Three major personal deductions in current law—the homeowner's deductions for mortgage interest and for property taxes, and the deduction for charitable contributions—will also be converted to tax credits.

Reductions in tax rates will substantially reduce the Federal subsidies now expended through the deductions for homeowners and for charitable contributions. To insure continuing Federal tax support in these two vital areas, the new tax credits should be set at amounts designed to maintain Federal support at current levels—$11 billion a year for homeowners's interest and property taxes, and $6 billion a year for charities.

In addition, the change to tax credits in these areas should be designed to permit the new tax incentives to be provided to the 75 percent of low- and middle-income homowners and charitable donors who presently use the standard deduction, and who therefore get no benefit at all from the itemized deductions for interest, property taxes, and gifts to charity.

Other individual income tax reforms include: repeal of the major deductions used in tax shelters, including accelerated depreciation for real estate—other than low-income housing—and the intangible drilling deduction for oil and gas; a Federal interest rate subsidy to encourage State and local governments to issue taxable bonds instead of tax exempt bonds; repeal of the exclusion for interest on industrial development bonds; and repeal of the itemized deductions for gasoline taxes and interest on consumer debt.

Under the proposals, the current tax deduction for medical expenses will be phased out as a national health insurance program is phased in. The deduc-

tions for State and local income and sales taxes would be repealed and the revenues would be returned to State and local governments as an incentive for State and local tax reductions.

To spur capital formation, I propose that individual investors should be entitled to deduct $9,000 of net capital losses from their other income, or triple the $3,000 deduction allowed under present law.

In the area of the corporate income tax, three major reforms are proposed:

The 10-percent investment tax credit now available for purchases of machinery and equipment should be made refundable, so that the benefits can be made available as a refund to corporations whose tax liability is not large enough to use the full current credit. The refundable investment credit has also been endorsed by Senator RUSSELL LONG, chairman of the Senate Finance Committee.

I believe that the concept should also be applied for the benefit of hospitals and universities and other tax exempt organizations, who are also heavy purchasers of equipment and machinery, and who should not have to pay higher prices for such items than corporate purchasers pay. Extending the investment credit to such institutions would also be a stimulus to manufacturers of equipment and machinery.

An additional incremental credit of 5 percent should be granted for investment exceeding the average investment of the 3 prior years. The new incremental credit would also be made refundable.

The top corporate tax rate should be cut from 48 percent to 45 percent.

The investment credit changes will benefit new firms, small businesses and tax exempt institutions. The corporate rate changes will benefit a broad range of medium sized and larger firms. Both changes will encourage increased capital formation.

In addition, I propose a variety of steps to curtail tax subsidized "expense account living," including: denial of deductions for business meals, yachts, country clubs; tickets to sporting events, theaters, and similar entertainment; and the first-class portion of air fare. We also need an IRS crackdown on abuses of corporate jets and conventions. In addition, deductions for travel away from home should be limited to the Government per diem amount. Abuses in this area of expense account living are a source of substantial irritation to the average taxpayer. There are few more vivid symbols of the disgrace of our current tax laws than the martini lunch, the first-class fare, and the front row seat.

Other needed tax reforms in the business and corporate area include a requirement of accrual accounting for large farm corporations, and complete repeal of the following tax preferences: the percentage depletion allowance for oil and gas and all other minerals; the ADR system of accelerated depreciation; the preferential capital gains tax rate for corporations; the DISC tax subsidy for exports; and the tax deferral allowed for earnings of foreign subsidiaries of U.S. corporations.

In the estate tax, I propose a series of improvements in the measure passed by Congress in 1976, including a halt to the estate tax exemption at the $120,000 level, rather than the $175,000 level now scheduled for 1981, and a closing of the loopholes in the generation-skipping tax enacted in 1976.

I also urge the administration to reject three specific proposals currently being discussed—partial integration of corporate and individual income taxes, adjustments in the basis of property to reflect inflation, and a value-added tax. Each of these proposals has serious flaws, and cannot be reconciled with tax reform goals.

As I have indicated, I favor a balanced revenue package of tax reforms. Apart from tax reform, however, additional tax reductions might be justified as a matter of fiscal policy or to counteract the effects of continuing high inflation, which pushes taxpayers into higher rate brackets. But a revenue loss on tax reform itself cannot be justified, given the administration's emphasis on a balanced revenue package for welfare reform, a balanced Federal budget by 1981, and the need for additional revenues for essential new programs like national health insurance.

Mr. President, I commend President Carter's commitment to tax reform, and I also commend the ability and efforts of the President's new tax team at the Treasury and the IRS.

I look forward to continued cooperation between Congress and the administration to achieve tax reform, and to create a tax system that is a model of equity, simplicity, and efficiency for all taxpayers.

Mr. President, earlier this week, the Secretary of the Treasury delivered an important address on the administration's approach to tax reform. I agree with Secretary Blumenthal's view that the proper approach to tax law changes should be "reformist," rather than "radical." I commend Secretary Blumenthal's emphasis on preserving the income tax as the centerpiece of the American tax system, and rejecting radical approaches like a value-added tax.

The reformist approach is clearly consistent with fundamental and far-reaching reforms, and I welcome the indication by Secretary Blumenthal that the administration is giving serious consideration to complete repeal of the tax preference for capital grains. I urge the administration to continue its vigorous approach, and I hope the present proposals I am making will be a source of encouragement and support for all those in the administration seeking genuine tax reform. Clearly, we have to go substantially beyond the level of the Tax Reform Act of 1976 to justify the label of "reform." Congress should not be put through the labor of tax reform, only to produce another mouse.

Obviously, those who benefit handsomely from current loopholes will reject any tax reform at all as "radical." But the fact is that my proposals would affect only $28 billion—or only 23 percent—of the total $125 billion in tax expenditures estimated for fiscal year 1978. Nearly $100 billion in current tax subsidies will be preserved, including the tax exemptions for social security benefits and private pension plan contributions, the small business surtax exemption, and a variety of other tax benefits in current law.

The aim of tax reform is not to plow up the whole garden, but to get rid of the weeds so that we can let the flowers grow.

The recommendations for tax reform that I have proposed can move our tax system from a "disgrace" toward a "model" for the human race. Not all will agree with the details of each proposal—not even those who are as strongly committed to tax reform as I am. But differences in detail should not obscure what I hope will be larger agreement on the proposition that only fundamental reform of our tax structure will satisfy the expectations of the American people for a fairer, more simple, and more efficient tax system. In this larger perspective, I hope these proposals will serve as a stimulus and a framework within which constructive analysis and dialog can take place.

I believe that the President has both the desire and the ability to mobilize a powerful national constituency for fundamental tax reform. I urge him to be bold, and to encourage the Treasury, beset by lobbyists bent on retaining or winning special privileges to be bold as well.

Mr. President, I ask unanimous consent that my prepared statement may be printed at this point in the RECORD. I also ask unanimous consent that Secretary Blumenthal's address this week, to which I have referred, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR EDWARD M. KENNEDY—FUNDAMENTAL TAX REFORM, JULY 1, 1977

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Revenue effects of fundamental income tax reform proposals

(Dollars in billion; full year effect at FY 1978 levels)

I. Individual income tax:	
A. Capital gain reforms:	
1. Repeal of preferential rates	$7.9
2. Taxation of capital gains at death	8.1
3. Increased limit on deduction for capital losses	0.6
B. Tax shelter reforms:	
1. Repeal accelerated depreciation on real estate (other than low income housing)	0.6
2. Repeal intangible drilling and development cost deduction	0.6
3. Repeal percentage depletion	0.3
4. Repeal of ADR	0.2
C. Itemized personal deduction reforms:	
1. Conversion of homeowners' mortgage interest and property tax deductions to tax credit	[1] 0
2. Conversion of charitable contribution deduction to tax credit	[2] 0
3. Repeal of gasoline tax deduction	0.9
4. Repeal of deductions for medical expenses and State and local (nonproperty) taxes	[3] 0
5. Repeal of deductions for interest on consumer debt	2.6
D. Reform of preferential treatment of income items:	
1. Repeal of exclusion for interest on industrial development bonds	0.2
2. Withholding on interest and dividends	1.4
3. Repeal of exclusion for income earned abroad	0.1
E. Refundable and incremental investment tax credit	0.2
F. Minimum tax and maximum tax:	
1. Repeal of maximum tax	1.5
2. Repeal of maximum tax	0.9
G. Net revenue gain from reform of individual income tax	$21.5
H. Revenues available to produce balanced package for individuals through reductions in rates and changes in treatment of the family	21.5
II. Corporate income tax:	
A. Repeal of tax preferences:	
1. Accelerated depreciation for real estate	0.3
2. Intangible drilling and development cost deduction	0.2
3. Percentage depletion	1.1
4. Preferential capital gain rate	0.9
5. Exclusion for interest on industrial development bonds	0.5
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1. Refundable and incremental investment tax credit	−3.8
2. Reduction in corporate tax rate from 48% to 45%	−3.6
3. Total revenue loss	−7.4

[1] Assumes $11,000,000,000 in revenue loss from current deductions will be utilized for new tax credit.

[2] Assume $6,000,000,000 in revenue loss from current deduction will be utilized for new tax credit.

[3] Assumes $2,900,000,000 and $9,000,000,000 in revenue losses from current deductions will be added to direct national health insurance and revenue sharing programs.

I. FUNDAMENTAL TAX REFORM: THE BASIC THEMES

I strongly agree with President Carter and Secretary Blumenthal that three basic themes must guide our tax reform deliberations and govern the contents of the next tax reform bill: Fairness; Simplicity; and Efficiency.

Fairness in the context of the individual income tax requires that we correct the elements in the system that impair the progressivity of the income tax. The progressivity principle states that those who have derived greater monetary benefits from our economic system should contribute relatively larger amounts to the conduct of government than those who have received fewer benefits. This principle is widely accepted as a proper measure of "fairness" by the American people.

But scores of provisions in the Internal Revenue Code violate this principle and permit thousands of high income individuals to pay little or no federal income tax. In 1974, for example, over 3,000 individuals with adjusted gross incomes in excess of $50,000 paid no federal income tax. A recent Treasury study indicates that this group was only the tip of the iceberg—many thousands of additional high income persons pay an effective rate of tax equal to that paid by the $10,000 a year wage earner.

The changes made by the Tax Reform Act of 1976 in the minimum tax leave this problem largely untouched, and do not affect at all the thousands of high income "zero-taxpayers" who still continue to receive a free ride under our tax laws. This situation is unacceptable. The "fairness" principle requires that in the next tax reform act, we must insure greater progressivity in our income tax system by curtailing the tax preferences that permit high income individuals to pay little or no federal income taxes.

Simplicity has multiple aspects. For the great majority of taxpayers, income is derived primarily from wages. For them, tax simplification requires a shorter and more readily understood tax form—a return that can be prepared and filed by the individuals themselves, without the necessity of paying someone else to prepare their returns.

There is another aspect of the simplicity theme that must be recognized: The greatest source of complexity in our current tax system is the existence of tax expenditures. The decisions to run between 80 and 90 federal spending programs through the Internal Revenue Code have made our income tax system inordinately complex. It is extremely difficult to administer and it is virtually impossible to understand. How, for example, can the IRS be asked to develop a simple tax return form, when it must include schedules and lines for 80 or 90 Federal spending programs, in addition to those required for the actual tax collection process? Congress must accept the fact that the use of tax expenditures is incompatible with the simplification goal. New tax expenditures automatically mean greater complexity; reduced reliance on tax expenditures automatically insures greater tax simplification.

Efficiency as a theme relates principally to the allocation of resources in our economy. It affects primarily our methods of taxing corporate, business and investment income, although it also has substantial application to tax expenditures for individuals. The goal is to reduce wasteful and artificial tax inducements to particular forms of economic behavior that distort our free market system and produce inefficiencies in the allocation of available capital resources. We must examine closely each existing and proposed tax incentive—eliminate the inefficient incentives, insure that the incentives we do employ are structured in the most efficient form, and employ the most effective tax tools to encourage capital formation.

Experience in recent years has taught that the goals of fairness, simplicity and efficiency are not always compatible. It is often difficult, for example, to achieve complete fairness in a simple way. Conversely, simplification cannot become an excuse for intolerable inequites. But we can and should test each proposal against each of these standards, to insure that a particular recommendation does not achieve one goal at an excessive cost in terms of the other two. We should, for example, reject any tax proposals to achieve capital formation that make the tax system unacceptably unfair or too complex.

We cannot expect to achieve fully these goals in every area. In some instances we may only be able to move part way. But the Tax Reform Act of 1978 will constitute a giant step in the right direction if we can insure that all provisions adopted move in the direction of achieving our basic goals of fairness, simplicity and efficient allocation to capital resources.

II. THE FEDERAL TAX SYSTEM: AREAS FOR REFORM

A serious problem that has plagued tax reform efforts in recent years has been the piecemeal nature of the efforts. Since the 1968 Treasury Tax Reform Studies and Proposals, Congress has not been presented with, or developed for itself, a comprehensive and workable overview within which tax revision proposals may be considered. Fundamental tax reform requires that the entire federal tax system be considered. Changes in one area of the tax system have ripple effects in others. Some are progressive and others are regressive. Ideally, fundamental tax reform should also include consideration of the Social Security tax and the proposed new energy taxes, although, so far, Congress and

the Administration have been treating these taxes on separate tracks.

My proposals today are intended to present a set of comprehensive and consistent reforms in the following areas: Individual income taxation; corporate and business income taxation; taxation of international transactions; wealth transfer taxation.

As I outline my recommendations in each area, I will indicate how the proposals help to achieve greater fairness, simplicity and efficiency.

III. TAX REFORM AND REVENUE BALANCE

In approaching fundamental tax reform, my proposals provide a balanced package in terms of Federal revenues. Revenues gained from reform of the taxation of individuals should be returned to individual taxpayers in the form of rate reductions or other tax relief. The balance is a dual one—there is no net loss of revenues arising from changes in individual income taxes and no net loss arising from changes in corporate and business taxes.

The use of tax reform revenues clearly focuses on the questions of national priorities that confront us. It is difficult, for example, to justify an emphasis on a balanced revenue package in the area of welfare reform, while refusing to require such a balance in tax reform. We also must be concerned about the revenues needed to implement a program of national health insurance, an area in which the Administration has promised to submit its plan by early 1978. Finally, it is difficult to reconcile a negative balance on tax reform with the Administration's emphasis on a balance Federal budget in fiscal year 1981.

To a large extent, the pressure for a negative revenue balance from tax reform appears to have resulted from the initial focus by some in the Administration on proposals for "corporate integration," and the large revenue loss associated with such proposals. Now that the Administration's focus on "integration" seems to be reduced, we may hope that the pressure for a negative revenue balance in the Administration's proposals will also decline.

As a matter of fiscal policy, of course, there may be a need in 1978 for additional stimulus to the economy in the form of tax reductions. In addition, if inflation continues at its current high and unsatisfactory level, it may be necessary to enact tax reductions to offset the impact of the inflation. But these issues should be considered apart from the revenue effects of the tax reform proposals. In this way, we can keep our priorities straight, without tilting the scales against other important social priorities, including the President's goal of a balanced Federal budget.

IV. INDIVIDUAL INCOME TAXATION

A. Tax rates

1. Repeal of Preferential Rates for Capital Gains. Presently, capital gains are taxed at only one-half the rates applicable to ordinary income. But, a dollar of capital gains income is equivalent in a practical sense to a dollar of wage income. They look the same and they spend the same.

The preferential rate of tax for capital gains in the current tax laws is one of the major causes of tax inequity. It is also the source of many of the most complex provisions in the Internal Revenue Code. Taxpayers and their advisers spend inordinate amounts of time looking for capital gain investments, and trying to convert ordinary income transactions into capital gain deals. These efforts produce serious inefficiencies and distortions in our economic system.

Under the reform I propose, capital gains would be taxed like ordinary income. Income averaging and the benefits of installment reporting of income will continue, so that income bunched in a single year need not create an undue tax burden.

The reduction to 50% in the top marginal tax rate suggested below will produce a top rate on capital gains that is almost the same as that under present law, when the minimum and maximum taxes are taken into account. Repeal of the capital gains preference will increase the fairness of the tax system; it will vastly simplify it; and it will remove a serious artificial consideration in the allocation of capital resources.

2. Rate Schedule Ranging from 10%–50%. The reforms discussed below, coupled with removal of the capital gains preferences, will permit a reduction in tax rates for all taxpayers. A reduction of the starting rate from 14% to about 10% would be highly beneficial for lower income workers. A top marginal rate of 50% would insure that natural incentives for work and investment would be enhanced. Correspondingly, rates throughout the scale would be reduced proportionately.

It must be emphasized, however, that reduction of the top rate to 50% cannot be adopted unless the special rates of tax on capital gains are eliminated and the income tax is imposed on the gains in property passing at death (as discussed below). Reducing the rate to 50% without adopting the proposed changes in the treatment of capital gains will simply produce a tax windfall for the rich, without any compensating gains in fairness, simplicity or efficiency.

3. Repeal of Minimum and Maximum Tax Rates. Adoption of the reforms I propose will permit the repeal of both the minimum tax and the maximum tax in current law. The major preferences to which the 15% minimum tax applies—such as capital gains—would be repealed, so that the minimum tax would become unnecessary. Reduction of the top marginal rate from 70% to 50% would subject unearned income to the present 50% maximum rate on earned income.

B. Preferential tax deductions

1. Tax Shelter Items. Despite restrictions imposed by the 1976 Act on the rules utilized to create tax shelters, evidence is beginning to accumulate that the tax shelter industry is adjusting to the changes. Tax shelter deals are still being marketed in abundance. It is apparent that what is needed is elimination of the fundamental preferences on which tax shelter deals are constructed. I propose that Congress take the following necessary action to see that the word "shelter" disappears from the tax vocabulary.

a. Repeal Accelerated Depreciation for Real Estate. The real estate tax shelter was left untouched by the 1976 Act. The unfair and inefficient subsidy provided through accelerated depreciation should be eliminated over a 5-year period of time. As I have emphasized on other occasions, low income housing must be exempted from this change until a new Federal housing program is in place that is fairer and more rational than the present wasteful system. Fortunately, the appropriate committees in the Senate and House have commenced studies on possible approaches—both tax and direct—that would correct the present defects. A report of the Congressional Budget Office has documented the waste in the present system and suggested various approaches to reform.

However, there is no need to delay action to terminate the current tax subsidies for high rise office buildings, luxury apartments, beach front condominiums, movie theaters, and shopping centers. These loopholes should be closed as part of the 1978 reforms.

b. Repeal Intangible Drilling and Development Cost Deduction. The principal component of the oil and gas tax shelter is the special deduction for "intangible" drilling and development costs. These are capital costs that should be deducted ratably over the life of the well. Instead, current law permits the immediate deduction of the full amount of the costs. Such tax treatment is contrary to the treatment of similar items in other industries, where such costs must be capitalized and recovered through depreciation.

The continued existence of the intangibles deduction is contrary to the emerging national energy policy. There is a broad consensus that we should allow oil and gas prices to rise to levels more nearly reflecting market prices. But the special deduction for intangible costs operates artificially to keep the price of oil and gas below market level. Distortions and inefficiencies are the inevitable result.

As was concisely stated in "The National Energy Plan" proposed by the President:

"Tax benefits to producers and regulation of prices to consumers have kept the price of energy below its true replacement cost, and thereby promoted consumption and waste."

It is unfortunate that an ill-considered proposal to delete intangibles from the list of preferences subject to the minimum tax was included in the Carter energy plan. That is a step in the wrong direction which I hope Congress will soon reverse.

As we move toward a national energy plan, we must eliminate wasteful subsidies. The special deduction for intangible drilling and development costs should be repealed, both in the interest of greater tax fairness, and as part of the overall effort to construct an efficient and rational energy policy for the nation.

c. Regulatory Authority to Enable IRS to Combat Tax Shelters. Before the ink was dry on the Tax Reform Act of 1976, syndicators of tax shelters, their lawyers and accountants were busy devising new tax shelters to avoid the limitations of the Act. For example, advertisements are running in periodicals promoting investment in a rock record as a tax shelter for the individual investor.

Congress should not have to spend its time chasing tax shelter entrepreneurs. Congress simply cannot be involved in writing complex new provisions to shut down each new form of tax shelter as it is discovered. Therefore, the Treasury and IRS should be given regulatory authority under Congressional guidelines to close off new shelters by regulation.

In addition, as Commissioner Kurtz has suggested, the IRS should be empowered to join all members of a tax shelter in a single court proceeding when a tax deficiency is asserted against the individual partners. This change will insure more effective oversight of tax shelter operations and eliminate the waste of multiple court actions. Such a step is essential when some large tax shelter deals combined hundreds of investors.

2. Itemized Personal Deductions. The itemized personal deductions—principally for interest, state and local taxes, medical expenses and charitable contributions—constitute a major source of revenue loss in the individual tax system. The Congressional Budget Office has estimated that these four items will cost $33 billion in fiscal 1977—30% of the total tax expenditures for that year. By 1982, CBO estimates that these four items will cost $45.0 billion.

In addition to the large revenue costs, these itemized personal deductions are the source of great tax unfairness and complexity in the income tax. The inequities have been widely recognized for years. The deductions are of no benefit at all to the 75% of the people who do not have personal deductions in excess of their so-called zero bracket amount (the former standard deduction). As a result over $33 billion in federal subsidies in

fiscal 1977 will be bestowed on the 25% of the people in the country with the highest incomes—those who do not use the standard deduction.

This result is manifestly unfair, and a number of proposals have been advanced to reduce the inequity. Some have suggested placing a substantial floor under the itemized deductions. For example, the deductions might be limited to amounts in excess of 10% or 15% of adjusted gross income. Such action would effectively cut down the scope of the itemized deductions. But it would also continue the tax preferences for an elite and privileged few.

Although the "floor" approach is not without merit, perhaps as a transitional device, I believe it would be better to examine the itemized personal deductions individually, repealing those that cannot be justified and modifying others to make them fairer and more efficient.

a. Medical Expenses. Fundamentally, this deduction constitute a national health insurance program for a limited group of citizens:

No benefits—no health insurance plan—is available for those who use the standard deduction.

For those who qualify because they are itemizers, there is a "deductible," equal to 3% of adjusted gross income; for most persons only relatively large medical costs are tax deductible.

There is also a "coinsurance" element, in which the coinsurance rate is a function of the individual's tax bracket. The higher an individual's income, the greater the percentage of his overall health bills that will be paid by the federal government. For an individual in the 70% bracket, the government pays $70 out of each $100 of medical bills above the deductible amount. However, the government pays only $25 for a taxpayer in the 25% bracket.

In effect, we are running an "upside down" national health insurance plan through the tax laws. Virtually all those who itemize medical expense deductions do so because of their home mortgage interest and property tax deductions. Thus, the national health insurance program run through the medical expense deduction in the tax laws could properly be labed the "National Catastrophic Health Insurance Program for Upper Income Homeowners."

A joke, perhaps. But the joke is on the taxpayer. I therefore propose that the medical expense deduction be phased out over a period of five years by increasing the present 3% floor, commencing the year a national health insurance program is enacted into law.

b. Homeowner Mortgage Interest and Property Taxes. The present deductions for homeowner interest and property taxes have the same upside down characteristic as the medical expense deduction. In effect, the federal government makes a portion of each such payment for the homeowner; the government's share is determined by the homeowner's tax bracket. The following table reflects the present tax subsidy for home ownership.

$1,000 Interest and Taxes

Tax bracket	*Homeowner's share*	*Government share*
20 percent	$800	$200
40 percent	600	400
50 percent	500	500
60 percent	400	600
70 percent	300	700

Homeowners whose interest and taxes are below the standard deduction ($3200 for a married couple) are ineligible for the program and must pay the full $1000 out of their own pockets.

As a nation, we want to encourage home ownership. But a program that automatically excludes 75% of the people from participation and provides the greatest aid to the richest families is indefensible.

I therefore propose that the deductions for mortgage interest and property taxes be converted to a tax credit that will be available to all homeowners for their principal residence. The tax credit will substantially eliminate the upside down effect of the present deductions and provide substantial additional tax benefits to low and middle income homeowners. The new credit will be available to those using the standard deduction implicitly contained in the zero bracket, so that it will assist young families as they seek to purchase their new—and increasingly expensive—first homes. The amount of credit will be a flat percentage of the taxpayer's home mortgage interest and property taxes. The percentage will be set at a level to produce the same overall revenue loss as the present deductions—about 10 billion at fiscal 1977 levels.

In addition, the change should be prospective—it should apply only to residences acquired after July 1, 1977, to avoid the disruption of settled homeownership arrangements for those who have acted inreliance on the present system.

c. Charitable contributions. The deduction for charitable contributions is the principal means by which the federal government encourages and supports individual giving to public and private charities: I strongly support this objective.

But there are two major defects in the structure of the present charitable deduction. It is unfair and it is in danger of being squeezed out of existence. Both of these problems can be remedied by appropriate action.

The unfairness is clear. The charitable contribution deduction is basically a federal matching grant program. As with the other itemized deductions, the extent of the government share is a function of the donor's tax bracket. Since the deduction is available only to itemizers, there is no incentive to charitable giving for the 75% of taxpayers who do not itemize their personal deductions.

The following schedule shows the federal matching grant made available through the deduction to donors in various tax brackets for each $1 of their own private after-tax funds given to charity:

Donor's Tax Bracket	*Owners Out-of-Pocket*	*Gift (net of deduction)*
Standard deduction	$1	$0.0
Itemizers:		
20 percent	1	0.25
25 percent	1	0.33
40 percent	1	0.67
50 percent	1	1.00
60 percent	1	1.50
70 percent	1	2.33

In each case the donor has given precisely the same amount from his own pocket. Yet the government share goes up because of the donor's tax bracket, not because he has increased the size of his own gift.

Data prepared for the Filer Commission reveal that in 1971, donors using the standard deduction gave almost $3.5 billion to charity. These gifts were entirely from their own funds, with no tax deduction provided. One-half of one percent of the population—the richest Americans—also gave about $3.5 billion to charity in 1971. But only one-third of this amount represented the private funds of these wealthy donors; the other two-thirds was the government share made available through the charitable contribution deduction. This situation is simply not defensible from the standpoint of basic fairness.

Moreover, reliance on the deduction as the principal means of encouraging charitable gifts is a dead end street for charities. These are two tax trends that are continually reducing the scope of the deduction:

At one end of the income scale, the standard deduction is constantly increasing, thereby eliminating more and more people from the incentive program.

At the other end of the income scale, there is strong pressure to reduce the top tax bracket to 50%, with reductions throughout the income scale. The result is to reduce the potency of the incentive provided by the tax deduction (as the above table demonstrates).

Thus, the current tax trends are adverse to the charitable contribution deduction as an effective incentive to encourage private gifts to charity.

If, in the 1978 legislation, Congress reduces tax rates and adopts other reforms, charity is a clear loser in terms of federal funds it is now receiving through the deduction. Only if a totally different method of encouraging charitable giving is adopted can charity be assured of continued and badly needed federal incentives to private giving.

I therefore recommend a major change in the federal system of encouraging private philanthropy. The present charitable contributions deduction should be replaced by a flat tax credit for all charitable gifts. The credit could, for example, be set at 30% of the taxpayer's gift and would be available to all donors, whether or not they use the standard deduction. This credit will provide the same $6 billion in federal funds to charity as is presently involved in the deduction; more important, the credit will insure continued and increasing federal support for charity. Under this system, every person's gift would be matched by the same percentage federal matching grant, regardless of the donor's tax bracket.

To insure ease of administration, it may be necessary to employ an annual "qualifying contributions" level, and provide the tax credit only for contributions in excess of that level. Under this approach, small contributions—determined on the basis of a flat dollar amount or a percentage of adjusted gross income—would not generate a tax credit; taxpayers would not have to keep records of small contributions, and the IRS would incur no audit responsibilities for such contributions. The qualifying contributions level, if necessary, would be established after consultation with IRS officials, in order to determine the optimal level from the standpoint of ease of administration and the fairness of the credit program.

The use of the tax credit technique as an incentive for charitable contributions would remove the program from the vagaries of tax rate changes and standard deduction increases. This proposal would achieve greater fairness and a more rational nationwide program to stimulate private charitable contributions. It will obviously require readjustment in the strategy of solicitations by institutions that currently rely on large contributors. But that readjustment will be necessary in any event because of other changes coming in the tax laws. And I believe the tax credit route will provide greater benefits for all charities than the current unfair system.

d. Other Itemized Deductions. The balance of the itemized personal deductions should be repealed. These include principally the gasoline tax deduction, the deduction for state and local taxes (other than property taxes on homes), and the deduction for consumer interest, but other minor deductions would be repealed as well:

The gasoline tax deduction should be repealed as part of our national energy plan.

The deductions for state and local taxes are actually crude forms of revenue sharing, and they should be integrated into the regular revenue sharing program. The deductions should therefore be phased out over a five-year period, commencing with the year in which the present revenue sharing system is extended. The increased tax revenues could, if Congress desires, be added to the direct revenue sharing funds, so that state and local governments could reduce their own burdensome and usually regressive taxes.

The deduction for consumer interest is available only to a privileged few consumers—the upper income 25% who presently itemize. Repeal of this deduction would promote fairness and simplicity.

e. Effect of Itemized Personal Deduction Proposals. When fully implemented, the above proposals would markedly increase the fairness of the individual income tax system and would result in overall simplification. The present itemized deductions ultimately would be replaced by only two tax credits—one to encourage homeownership and one to encourage charitable contributions. The balance of the deductions would be phased out, and the revenues used to fund direct programs in appropriate cases. As a result, the tax forms and tax record-keeping would be greatly simplified, and needed national programs would be made fairer.

C. Preferential treatment of income

1. Capital Gains at Death. The most serious defect in our present income tax system is the failure to tax gains on property transferred at death or by gift. The Tax Reform Act of 1976 improved the situation somewhat, by eliminating the former tax exemption for such gains. Under present law, heirs or donees must carry-over the same basis which the property had in the hands of the original owner. However, no taxes are imposed on the gain until the property is ultimately sold. As a result, tax on the gain can be deferred indefinitely. The effect of the carry-over basis rules enacted in 1976 is to create a pronounced lock-in effect for owners of low basis, high appreciation property.

Implementation of capital gains at death is an essential prerequisite to reduction of the top marginal rates to 50%. The Treasury's Tax Reform Studies and Proposals issued in 1969 revealed that a significant number of taxpayers derive dividend income each year in the hundreds of thousands—or in some cases, millions—of dollars. Yet, these same taxpayers paid little or no capital gains taxes. These individuals simply held on to their highly appreciated corporate stocks and passed them on to their heirs, without ever paying tax on the gain.

This same situation can be expected to continue under the current carry-over basis rules. Thus, a reduction in the top rate of tax on dividends from 70% to 50% would constitute a large tax reduction for these individuals, with no compensating tax on their capital gains. Therefore, before we should even contemplate a reduction in the top tax rate to 50%, we must adopt a tax on gains at death or by gift.

As under prior proposals I have advanced, an exemption would be provided for gains on property transferred between spouses. In addition, liberal averaging rules would be provided.

Some charitable institutions rely today to a significant extent on gifts of appreciated property. I considered two different approaches to this issue in formulating these comprehensive tax reform proposals. First, the itemized deduction for charitable contributions could be retained, but the appreciation in value of the property would be regarded as income, subject to tax. Second, the deduction could be converted to a tax credit, but the gain in value of the property would not be subject to tax.

I have chosen the second approach, because it provides greater benefits than the first approach for donors of appreciated property, and hence greater protection for institutions, notably colleges and universities, that rely on gifts of appreciated property. Therefore, under the proposal, a donor of appreciated property will receive a tax credit equal to 30% of the fair market value of the property, and, as under present law, will incur no tax on the appreciation in value of the property.

2. Interest on tax exempt bonds. Two major types of tax-exempt bonds are currently marketed—general purpose state and local bonds and industrial development bonds. Both types of bonds have been revealed by several studies to be highly inefficient and wasteful. And the existence of tax-exempt interest prohibits us from achieving any truly fair tax system in which income from all sources is subject to taxation. However, different actions are required with respect to the two categories of tax-exempt bonds.

With respect to industrial development bonds, the various exemptions provided in 1969 should be repealed and the interest on all such bonds issued after July 1, 1977, should be fully subject to federal income tax.

In 1976, the total volume of bonds issued under each of two of the industrial development bond exemptions—hospital bonds and pollution control bonds—exceeded the total of all types of industrial development bonds issued in 1968. Thus, the exemptions created in the 1969 Act now exceed the total of the problem that existed before Congress acted in 1969. It must be kept in mind that these bonds are not for the benefit of state and local governments, but are solely for the benefit of private, profit-making businesses. There is no justification in tax fairness for continuing the exemptions. The existence of the exemptions constitutes a wasteful and artificial subsidy to reduce the building costs of private industry.

As to general purpose bonds, a direct federal interest subsidy is needed to supplement the tax exemption technique. Increasingly, state and local officials recognize the need for this additional financing technique. I hope that Congress will adopt the taxable bond option subsidy that I have introduced as a supplement to the tax exemption for general purpose state and local bonds. I am confident that the taxable interest subsidy will prove attractive to governors, mayors, and other local officials.

3. Withholding on Interest and Dividends. To insure that all taxpayers report and pay their proper taxes on interest and dividend income, we should institute withholding on interest and dividends paid by major borrowers—notably corporations, banks, governmental units and insurance companies. There is a significant gap between amounts paid and amounts reported for tax purposes each year. This gap must be filled to insure that recipients of dividends and interest pay tax on the same current basis as wage earners.

D. Tax treatment of the family

A number of distinct but interrelated problems have emerged in our tax treatment of the various family units. Some are concerned with the disparity in tax treatment between single persons and married couples. Others see present rules as imposing a "marriage penalty" where both spouses work. Still others see the rules as creating a tax preference for married couples where only one spouse works outside the home. Present law deals with these problems in a manner—or more accurately, in a variety of ways—that is satisfactory virtually to no one.

I believe that these various issues can be resolved in a way that will produce a simplified and fairer tax system for all family units, regardless of size, work characteristics, or number of dependents.

I recommend that the following actions be taken:

1. A single, unified rate schedule will be used by all taxpayers, whether single, married or head of a household.

2. To insure fair treatment among married couples, joint returns will be filed by all married persons.

3. A special tax credit will be provided for two wage earner families and heads of households with dependents.

4. The present basic personal exemption of $750 will be converted to a tax credit equal to $200–$250.

The above proposals would accomplish several objectives:

First, married persons will pay tax under the same rate schedule as single persons.

Second, two wage earner families and two single working persons contemplating marriage will incur a similar level of tax liability by virtue of the special tax credit for two wage earner families. The marriage penalty would thus be eliminated.

Third, one wage earner married couples would receive the benefits of the reduced tax rates I have proposed.

Fourth, taxpayers in low and middle income groups would receive tax reductions, as a result of changing the personal exemption to a tax credit.

I believe that the proposals outlined above would constitute major steps toward fairer and more simple tax treatment of all family units in the United States.

E. Tax aid for dependent children

Present law also grants a $750 personal exemption for each dependent. This is a modest allowance primarily intended to help families meet the costs of raising children. I strongly favor the objective. But tax exemptions are an unfair way to provide the needed family assistance.

The value of the present dependent's exemption is a function of the family tax bracket. A child produces $525 in tax benefits for the 70% tax bracket family; $375 for a 50% bracket family; $150 for a 20% bracket family; only $105 for a 14% bracket family; and nothing for a family that is below the taxable income level without the exemption.

Congress would never approve a system of direct children's allowances structured in this unfair way. And we should not tolerate such unfairness within the present tax system.

I propose that the present dependents' exemptions should be replaced by a tax credit of $200–$250 per dependent. In addition the credit should be refundable to families for whom the credits exceed tax liability.

This action will provide needed tax relief for low and middle incomes families; it would remove from the tax system the implication that children of wealthy families are "worth more" than children of lower income families; and it would insure that poverty level families receive the same allowance for children as families with tax liability.

V. CORPORATE AND BUSINESS TAXATION

In the area of corporate and business income taxation, the three themes—fairness, simplicity and efficiency—are applicable, but in different contexts and with different emphases than in the individual income tax.

A. Proposals to stimulate capital investment

To insure a continued, steady growth in our productive capacity, I urge the adoption of the following measures to stimulate investment and production in the private sector:

Provide an additional 5% investment tax credit for incremental investments above an average figure based on the capital investments by the taxpayer for the three preceding years.

Make the entire 15% investment credit (basic 10% plus incremental 5%) refundable so that taxpayers who have little or no tax liability—including qualifying tax exempt organizations—can benefit from the investment subsidy.

Reduce the top corporate rate to 45%.

Increase from $3,000 to $9,000 the amount of losses from the sale of investment assets that can be deducted by an investor against his ordinary income.

1. Incremental and Refundable Investment Credit

The investment tax credit has emerged over the past 15 years as a most effective tool to stimulate investment in productive capital assets. The two principal problems with the credit as presently structured are (1) that it is not as efficient as it should be in producing increased investment comparable to the federal revenue expended, and (2) that small and new businesses and the tax exempt sector of our economy either are excluded from or derive little assistance from its benefits.

The revisions I propose will permit the investment tax credit more fully to realize its potential as an effective fiscal tool. The utilization of an *incremental* investment credit will increase the efficiency of the credit. A Library of Congress study last year examined the various techniques for stimulating increased investment by U.S. business. An incremental and refundable investment credit was found superior to other methods such as more rapid depreciation.

I am not recommending that the entire investment credit be placed on an incremental basis. But it is important that we employ the incremental technique when we raise the credit above the 10% figure. Any increase in the 10% rate on a flat basis runs the risk of substantial inefficiency—as the data last spring revealed with respect to the inability of firms to utilize currently the full benefits from increasing the rate from 10% to 12%. Retention of the present 10% rate will insure that no major disruption in investment planning will occur. Use of an incremental approach for an increase in the credit to 15% will insure that a marked stimulus is offered to increased investment—and hence increased employment.

The second major change in the investment credit—to make it refundable—is designed to structure the credit in a fairer manner and to insure that many who could make significant investments are not discouraged from doing so by the artificial limits now contained in the credit mechanism. Under present law, a taxpayer can utilize the investment credit only to the extent of 50% of tax liability in a given year. (Any excess can be carried back three years and forward five years). This limit effectively eliminates from the program most new and many small businesses, as well as businesses that are in parts of the country or in industries that have suffered from prolonged adverse economic conditions. It also excludes non-profit institutions such as hospitals, colleges and universities. These elements of the private sector all have one thing in common: They do not incur tax liability, if any, in amounts sufficient to utilize the investment credit. But they are also all potential or actual purchasers of capital equipment and they employ millions of people across the country.

If Congress had decided to implement the current investment subsidy as a direct grant program run by the Commerce Department, it would not have occurred to us to require the existence of tax liability to the Treasury as a precondition for obtaining the government subsidy. Indeed, we have in place direct federal programs to assist in capital construction, and the tax status of the recipient is not a relevant factor in any of them. Some are specifically for charitable organizations such as hospitals, colleges and universities. The fact that we decided to run the government's principal investment subsidy program through the tax system does not of itself provide any convincing reason to exclude from the program businesses and institutions that would not have been excluded had the program been conducted through direct government grants.

I am aware of the concern of some economists that a refundable investment credit may provide a subsidy to poorly managed or inefficient businesses. This concern can be met by requiring the Treasury to monitor the refundable feature and report to the Congress whether these fears are being realized. If so, the refundability feature could be modified by, for example, a provision that denied the refund to an established business that has experienced habitual losses. Such a technique could be used to distinguish the poorly run firms from those that are the victims of economic conditions beyond their control.

I am convinced that a refundable and incremental investment credit would provide the most equitable and efficient stimulus to capital investment. Per dollar of revenue loss, it would provide the most effective incentive for new capital formation of the proposals currently under consideration.

2. Reduction of Corporate Tax Rate From 48 Percent to 45 Percent

The proposed changes in the investment credit are primarily directed toward small businesses, newly created firms, expanding companies, and the non-profit sector. To help the large numbers of other firms, it is also appropriate to provide a reduction in the top corporate tax rate from 48 percent to 45 percent. This change will primarily benefit large corporations. It is justified, I believe, because of the changes in the individual tax rate schedule and the reforms in the corporate tax preferences that are discussed below. Historically, the top corporate rate has been somewhat below the highest individual tax rate. With the proposed reduction in individual rates to a top marginal rate of 50 percent, a reduction in the top corporate rate is also appropriate. Moreover, the elimination of inefficient tax subsidies enables us to provide a lower corporate rate that is applied to more realistically defined corporate profits.

3. Increase in Limit on Deduction for Investment Losses

Under present rules, net capital losses may be deducted by individual investors against ordinary income only to the extent of one-half of those losses; the deduction is also subject to a maximum deduction of $3,000 each year. Thus, $6,000 in net capital losses are required to generate the maximum deduction.

These limitations are necessary because of the preferential treatment given to capital gains under current law. Since only one-half the gains are taxed, deductions may be allowed for only one-half the losses.

With the removal of the preferential treatment of capital gains, the limitation on the deductibility of net capital losses may be considerably relaxed. I propose that net capital losses be deducted in full up to a maximum limit of $9,000 each year. The net capital losses may be deducted dollar for dollar against ordinary income.

Tripling the limit on the deduction of net investment losses should be a substantial boost to entreprenurial and risk investment. Many economists feel that liberal loss deduction rules are a more potent incentive to risk-taking than is the preferential treatment for capital gains. By increasing the loss deduction, we can achieve a major gain in fairness and provide a powerful economic stimulus to job-generating investment activity.

B. Repeal of tax preferences

The favorable changes in business and investment taxation that I am recommending can be adopted only if at the same time Congress eliminates the existing inefficient and unfair tax preferences that apply primarily to corporate and investment activity.

I propose the following major reforms in this area:

Repeal of the Asset Depreciation Range (ADR) system of depreciation.

Complete repeal of percentage depletion.

Repeal of the preferential capital gain rate for corporations.

Requirement of accrual accounting for all farm corporations with gross sales of $2 million or more per year.

1. Repeal of ADR

The ADR system is a technique of accelerated depreciation unwisely adopted by Congress in 1971 at the urging of the Nixon Administration. This system permits a business to reduce artificially the expected useful life of its assets and then take depreciation deductions based on the shorter life. ADR is a radical departure from traditional and sound tax and accounting principles, which require deductions for depreciation to be taken over the actual useful life of an asset in order accurately to reflect the taxpayer's income. The ADR-permitted 20% deviations from guideline lives should be repealed and we should return to sound tax depreciation principles.

In addition to the distortions in tax accounting produced by ADR, the system also is seriously deficient as an effective incentive for capital investment. The comparative Library of Congress study in 1976 on tax incentives for capital formation found that accelerated depreciation rules such as ADR are highly wasteful, and produce far less in capital investment than is lost by the Treasury in revenues.

It was a mistake to adopt ADR in 1971 and it would be a mistake to fail to repeal it as part of a comprehensive tax reform bill.

2. Complete Repeal of the Percentage Depletion Deduction

The time has come for Congress to complete the job begun in 1975 and repeal the balance of percentage depletion for all minerals. Recent studies of the problem have revealed the inefficiency of the deduction as a method of encouraging exploration for and development of natural resources. And there is no more pernicious symbol of tax unfairness than percentage depletion.

My recommendation for complete repeal of percentage depletion is buttressed by the recently released report by the prestigious National Commission on Supplies and Shortages, whose membership included former Secretary of the Treasury William Simon, Senator Brock, L. William Seidman, former Assistant to the President, Alan Greenspan, James T. Lynn, former Budget Director, and other distinguished and knowledgeable citizens. After reviewing the available evidence on the subject, the Commission recommended across-the-board repeal of the percentage depletion deduction:

"In the absence of compelling evidence for its continuation, the Commission recommends the repeal of the percentage depletion allowance for minerals . . ."

Cost depletion would, of course, be continued.

3. Repeal of Preferential Capital Gains Rate For Corporations

A special 30% rate of tax is presently made available to corporations on their "capital" gains. As a conceptual matter, it has always been difficult to see why a business corporation should have a special rate for some kinds of gains realized by it in the conduct of its business.

With the repeal of the capital gains pref-

erence for individuals and the reduction of the corporate tax rate to 45%, there is no justification for continuing this tax preference. The goals of fairness, simplification and efficiency will all be advanced with this action.

The timber industry, of course, has relied on this tax preference in a special way. The preferential treatment thus granted to timber was severely and tellingly criticized in the 1968 Treasury Tax Reform Studies. The Report of the National Commission on Supplies and Shortages also questioned whether it could be justified. The timber industry has frequently argued that its capital gain preference was an offset to the percentage depletion deduction made available to other natural resources. But that purported justification disappears with the complete repeal of percentage depletion.

Nor does the capital gain preference encourage conservation efforts. The tax benefits are available regardless of the presence or absence of sound conservation practices. If federal assistance is needed in timber conservation the timber companies should work with the Interior and Agriculture Departments to develop effective, regulatory and/or direct financial assistance programs.

Fundamentally, there is no persuasive reason why the timber industry should not pay ordinary income tax rates on its profits, like any other business. The existence of the capital gains preference artificially distorts the profit picture of the industry and thus promotes the inefficient allocation of economic resources; it also produces blatant tax unfairness.

4. Accrual Accounting For Large Farm Corporations

The Tax Reform Act of 1976 began the movement to bring large farm corporations onto the same accural accounting method that is required of all other comparable businesses. The basic policy of Congress is clear: The cash method of accounting should be reserved only for small, family farmers for whom the somewhat more complex accrual methods might prove a burden.

The 1976 Act, however, contained some unwise exceptions to the accrual accounting requirement imposed on large farm corporations. These exceptions are major flaws in the Congressional policy, since they permit farm corporations that are neither small nor family controlled to continue to qualify for the cash method of accounting. Congress moved in the wrong direction here in 1977, by expanding the 1976 loophole to accommodate two of the largest chicken farms in the nation. It is time to undo this damage, and establish a coherent rule for all such operations.

To insure that the cash method is reserved to the true "small" farmer, I propose that the various exceptions to the accrual accounting requirement for farm corporations be repealed. In their place, an exception should be enacted for all small farm corporations with annual gross sales of less than $2 million. This rule will permit over 95% of all farm corporation tax returns to continue on the cash method of accounting. But large farm corporations would be required to shift to the accrual method to reflect their income properly for tax purposes.

C. Proposals that should be rejected: partial integration of corporate and personal income taxes; basis adjustments for inflation; and value added tax

In recent months, the press has contained reports of other proposals advanced from various quarters that have as their ostensible purpose the stimulus of capital formation. Most prominent among these are proposals to integrate *partially* the corporate and personal income taxes, to provide a basis adjustment for capital assets that would reflect inflation during the period of time the asset was held, and to enact a value added tax. All of these proposals should be rejected by Congress.

1. Partial Integration. Partial integration of the corporate and personal income taxes is an idea that is bad for business, bad for the tax system, and bad for the average taxpayer. It would introduce a whole new level of unacceptable complexity into our income tax system with no offsetting gains—and indeed there would be substantial losses—in tax fairness and capital formation.

From the standpoint of tax fairness, partial integration of corporate and personal income taxes is purely and simply tax relief for dividends. Over two-thirds of the dividends received by individuals in the United States go to those who comprise the top 10% of income recipients. Tax reduction for dividends, therefore, reduces progressivity by giving selective tax relief to those with the highest incomes. This special relief is made unnecessary by my proposal to reduce the top individual tax rate to 50%, and to reduce all brackets below that rate—an action that provides equitable, across-the-board tax reductions to everyone, regardless of the source of income.

Moreover, partial integration produces rather than resolves problems of capital formation. Under the partial integration techniques most frequently advanced, tax relief is available only if a corporation distributes its earnings in the form of dividends. Firms that desire to retain earnings are therefore put under tax pressure to declare dividends, even if this action would not otherwise be in the best interests of their shareholders. Partial integration also creates substantial problems as to the proper treatment of dividends received by tax-exempt organizations and pension funds and as to its application in international transactions. A recent study of partial integration systems adopted in Western European countries has revealed that partial integration has failed to achieve any of the objectives sought to be achieved by those countries except one: the discouragement of investment from abroad. But discouraging investment from abroad is not a U.S. policy. And economists are virtually unanimous that partial integration will not achieve the objective of more capital formation. Business people, as they devote increasing study to the partial integration schemes, are reaching the same conclusions.

I am aware that the Treasury has been studying partial integration as one option for the President to consider. I sincerely hope that that option will be rejected by the Treasury and by the President. I am strongly opposed to inclusion of partial integration in a tax reform bill. I believe that objective analysis will reveal that the proposals I have advanced above will provide fairer and more efficient stimuli to business and investment actions than partial integration.

2. Basis Adjustment. I am likewise strongly opposed to suggestions that have been advanced to provide a *basis adjustment* to reduce the gain on the sale of assets purported to be attributable to inflation. The issue of inflation adjustments is one that impacts on many areas of the Internal Revenue Code.

A selective inflation adjustment that would benefit only those owning stocks, real estate, and other similar assets cannot be justified. If we are going to start anywhere with inflation adjustments, let us start by providing annual deductions for the losses that the average low and middle income taxpayer realizes as the value of his savings account is reduced each year as a result of inflation. Inflation also affects those who own debt instruments such as U.S. Savings Bonds, corporate bonds, municipal bonds and the like. In fairness, an inflation adjustment would have to be provided to them also. Similar problems arise with respect to inventory adjustments and depreciation allowances.

But is there any persuasive evidence that we need to start down the road of indexing the tax system for inflation? Economists who have looked at the matter have generally concluded that the rate of inflation being experienced in the United States does not warrant across-the-board indexing of our tax system. Indeed, indexing, in the view of many economists, could have an adverse effect on our fight against inflation and accelerate the very inflation we are trying to bring under control.

Thus, there is no case for selective inflation adjustments for owners of capital assets. And there is little evidence that this is an appropriate time for the U.S. to consider indexing the entire tax system for inflation. I strongly oppose any proposals to introduce inflation adjustments into our tax system.

3. Value Added Tax. Another suggestion that should be rejected is the value added tax. The VAT is just a national sales tax in fancier clothing. There are many objections to such a proposal. First, it is a sales tax and thus impinges on a tax that is widely used by state and local governments. This is not the time for federal preemption of a major source of local government revenues.

Second, if VAT is going to be a "simple" system it will be unfair. If it is going to be progressive, it will be complex. There is simply no need for adding one more tax to the federal structure within which the vested interest lobbyists will start burrowing new loopholes.

Third, the tax is not easy to administer and will add new collection and audit burdens on the already over-extended IRS. Anyone who has lived in Europe for any time knows that the VAT is widely ignored in daily transactions and there is little that IRS tax administrators can do to control the tax avoidance. Finally, shifting to VAT could ease the pressure to accomplish our principal task: To produce a fairer, more simple and more efficient income tax system.

D. Tightening of expense account living rules

One area of the tax laws that is a source of substantial irritation to the average taxpayer concerns expense account living. Wherever one turns one sees high living consumption of the best food from the finest restaurants, occupancy of the best seats in the ball park, and use of the most expensive hotel rooms by the most over-privileged group in our country—the expense account livers. There are few more vivid symbols of the disgrace of our current tax laws than the martini lunch, the first class fare, and the front row seat.

I have no objection if a business wants to provide expense accounts to allow its executives and employees to live a life of luxury, one that is beyond the reach of the overwhelming majority of our average income citizens. But what I do object to is that these same citizens are required to pay for the expense account life because corporations and businesses take deductions for the costs incurred to provide these personal perquisites.

I therefore propose major changes to insure that if business wants to provide luxury living to their executives they do it with their own funds—hopefully scrutinized more carefully by their shareholders—and not with tax deductible dollars.

My proposals include:

1. No deductions for the portion of airplane tickets attributable to first class air fare, and strict controls by the IRS to prevent the abuse of corporate jets.

2. No deductions for the costs of tickets to sporting events, night clubs, theaters or similar entertainment, including luxury boxes in arenas or stadiums.

3. No deductions for dues at country clubs or private clubs, or for entertainment on yachts or at other vacation retreats.

4. Deductions for attending conventions should be limited to necessary travel, the government per diem rate for the area, and registration costs (excluding costs attributable to food and entertainment).

5. Deductions for out-of-town food, lodging and business entertainment should be limited to the government per diem allowance for the area.

6. No deductions for "business" meals—everyone has to eat and the cost of food should not become deductible because a few business phrases may happen to emerge from the martini haze.

The above changes are substantial and far reaching. They will change the life styles of many who have become accustomed to receiving Treasury subsidies for their personal living expenses. But the changes will go a long way toward restoring tax fairness and eliminating a gross inequity in our democratic society.

VI. TAXATION OF INTERNATIONAL TRANSACTIONS

In 1975 and 1976, Congress gave considerable needed attention to the tax rules that apply to U.S. individuals and corporations carrying on business, investing or working outside the U.S. Unfortunately, as in other areas, the changes adopted were of a piecemeal nature. The result was incomplete reform and unnecessary complexity. I propose that we complete the job to simplify, make fairer and more efficient the U.S. international tax rules by:

—Repealing DISC.

—Repealing the tax deferral on earnings of U.S. controlled foreign subsidiaries.

—Repealing the exclusion for income earned abroad by U.S. citizens.

A. Repeal of DISC

At the conclusion of the Senate debate on the Tax Reform Act of 1976, the clear winner in the contest for the tax preference with the least justification was DISC. Study after study revealed its inefficiency as a means of increasing exports and its irrelevancy in a world of fluctuating currencies. Significantly, in the first objective study of DISC by the Treasury released this spring, no claim was made that DISC created any jobs, and no dollar amount of increased exports was claimed. What emerged clearly was a picture of a $1 billion annual giveaway to upper levels of the Fortune "500", as a supposed incentive to conduct the export operations they would have undertaken in any event.

Congress in 1976 retained two-thirds of DISC as the result of specious arguments advanced by former Treasury and Commerce Department officials and a massive, jet powered lobbying effort by big business. But now, with the support of an objective Treasury Department, I trust that DISC can be interred for good in the next tax reform bill. I recommend that repeal of DISC be accomplished with a 10-year spread forward of the increased taxes that would accompany repeal.

B. Repeal of tax deferral on earnings of U.S. controlled foreign subsidiaries

A U.S. corporation that decides to conduct a separate business activity has a choice of four forms of conducting that operation: (1) a U.S. branch or division; (2) a U.S. subsidiary; (3) a foreign branch or division; or (4) a foreign subsidiary. The impact of the U.S. income tax is identical as to the first three forms—the U.S. imposes a single corporate tax on the current earnings of the operation whether those earnings are actually paid over to the parent company or not. But if the fourth method is adopted—the controlled foreign subsidiary—the U.S. defers its corporate income tax until the subsidiary's earnings are returned to the U.S. The financial benefit is determined by the difference between the U.S. corporate tax rate and the rate applied, if any, in the country in which the subsidiary is operating.

The unfairness created by tax deferral for U.S. controlled foreign subsidiaries is thus obvious. But the provision has important economic effects adverse to U.S. interests. The only way a company can obtain the benefits of tax deferral is to invest funds abroad and keep the earnings generated by those funds out of the U.S. In a time of capital needs in the U.S., this is the wrong result. While we do not wish to create artificial tax barriers to investment abroad, it certainly makes no sense to continue tax incentives to encourage businesses to export and keep abroad capital needed in the U.S.

I do wish to emphasize three technical aspects of my proposal to tax currently the earnings of U.S. controlled foreign subsidiaries. First, earnings and profits of all foreign subsidiaries will be computed on a consolidated basis.

Thus losses in one country can offset earnings in another. Second, the foreign tax credit will be fully available where foreign taxes have been paid on earnings taxed to the U.S. parent under my proposal. Third, the change will be phased in over a period of 5 years.

C. Repeal of exclusion for income earned abroad by U.S. citizens

The 1976 Act also modified the exclusion from income enjoyed by some U.S. citizens working in foreign countries. However, up to $15,000 can still be tax-free to a U.S. citizen working abroad. On tax fairness grounds, it is impossible to justify a rule that taxes in full the first $15,000 of a worker's earnings if he works in the U.S., but imposes no U.S. tax at all on that income if he works in another country.

The 1976 Act did reduce the benefits of the tax exemption, but the result was reached by an excessively complex technique.

We should simply repeal the exclusion outright and allow a full foreign tax credit for taxes paid to the country in which the U.S. citizen is working. This is the only action that will achieve complete tax fairness between U.S. citizens working here and those working abroad.

I have considered carefully the arguments advanced for continuing the exclusion. Some argue that the exclusion is needed because of higher housing and educational costs in some countries, especially developing countries. (One may note that housing costs more in Washington, D.C., than in many other states, but no one argues that government employees coming to serve in Washington should get a tax exemption because of that fact.) At bottom, proponents of the exclusion are really arguing that U.S. interests require that we subsidize housing and education costs for U.S. workers abroad.

Whether this is so or not is a matter that should be presented to the Commerce Department for its consideration. If substantial subsidies are warranted, they should be provided by direct grants. In this way the allowances could be tailored so that financial help could be given to employees of particular businesses in specified countries and for specified costs, the subsidization of which would further U.S. interests. The revenue cost would be far less than the scatter gun approach of a tax exclusion, the aid would be targeted more efficiently, and there would be no impairment of tax fairness.

VII. WEALTH TRANSFER TAXATION

The Tax Reform Act of 1976 contained the most sweeping changes in our system of taxing wealth transfers that had been enacted in 30 years. In large measure the direction of those changes was desirable. However, because of the hasty and unusual procedure followed in enacting the estate and gift tax provisions, there were gaps in the bill and mistakes were made in some of the policy judgments. I believe it is important that we recognize that the 1976 Act was not the final—and in many respects not the desirable—word on reform of our wealth transfer tax system.

Without going into detail, I do want to outline those areas that merit further attention by the Treasury and the Congress. Some of the proposals could be effected quickly; others indicate areas requiring further study.

A. Estate and gift taxes

1. Full Unification of Estate and Gift Taxes

The 1976 Act provided a unified rate schedule for the estate and gift taxes. But the taxes themselves were not fully unified. Different rules still apply depending on whether the transfer is by gift or at death.

The most notable difference is that taxable transfers by gift more than three years before death do not include the amount of the gift tax itself. On the other hand, the tax base for gifts made within three years of death and for transfers at death includes the amount of the transfer tax. In effect, a deduction is granted for the taxes paid on certain transfers, but not others.

In addition, there are a number of instances in which one set of rules applies to to a transfer during life, but a different set of rules applies if the same property is transferred at death.

These discrepancies should be eliminated and a fully unified transfer tax structure adopted.

2. The Increases in the Exemption Level Should be Stopped at $120,000

The Congress in 1976 unwisely approved an increase in the transfer tax exemption level from $60,000 to $175,625 by 1981. This will mean that the transfer taxes will apply to less than 2% of decedents dying each year. Even at the $60,000 level, only 7% of decedents' estates incurred any estate tax each year.

The tripling of the exemption level in the 1976 Act was not justified. If anything, the $60,000 figure was too high. But I recognize that it is difficult to turn the clock back.

I therefore propose that the scheduled increases in the unified transfer tax credit be halted after 1977. This will produce an exemption level of about $120,000, a figure that is more than adequate to exempt "small" estates from transfer taxation.

3. Provision of an Unlimited Marital Deduction

The 1976 Act increased the marital deduction, but stopped short of providing the full exemption of transfers between spouses that should be adopted.

Increasingly, we are recognizing that the efforts of both spouses inextricably contribute to the accumulation of a family's wealth. No transfer tax should be imposed until the death of both spouses and the property passes on to the next generation. By judicious use of existing tax rules, many well advised couples can now achieve this result.

But an unlimited marital deduction should be a matter of right, not of expert tax planning. I therefore propose that an unlimited marital deduction be adopted.

4. Modification of Tax Preferences

The following tax preferences should be modified or repealed:

a. The premium payment test should be reinstated to tax life insurance policies in the estate of any insured who pays the premiums on the policy or possesses any incident of ownership in the policy; this will prevent the avoidance of tax on life insurance policies that is presently possible even though the insured pays all the policy premiums.

b. The exclusion for certain payments from qualified retirement plans should be repealed.

c. The 5% reversionary interest requirement in section 2037, concerning transfers taking effect at death, should be repealed.

d. The charitable contributions deduction should be converted to a tax credit (for reasons similar to those outlined above concerning the income tax deduction).

e. The $3,000 annual per donee exclusion should be converted to a tax credit available only to exempt gifts up to $1,500 per donee each year. The credit should not be available for gifts in trust and should phase out as gifts exceed $1,500 to any donee in a year.

f. The orphans' deduction should be repealed; it benefits only children of the wealthiest families. A national program of financial aid to orphans is important, but it must be structured to benefit the neediest orphans most and the wealthiest the least.

B. The generation-skipping tax

The 1976 Act did include a long-needed rule to impose a tax on certain transfers of property that skip generations. Unfortunately, the provisions adopted contain gaping loopholes that probably make the tax a nullity for extremely wealthy families, the very group that makes the greatest use of generation-skipping transfers. Congress adopted the current policy, but the technical implementation of the policy was almost fatally defective.

The following changes are imperative to make the generation-skipping tax effective in insuring that a transfer tax will be imposed on property as it passes from generation to generation regardless of the form of transfer selected:

1. The tax must apply to any transfer—whether outright or in trust—that skips a generation.

2. The tax must apply to generation-skipping transfers of trust income as well as of trust principal.

3. The $250,000 exemption for generation-skipping transfers to grandchildren must be repealed.

4. The tax must apply if a generation is skipped, whether or not an intervening generation has an interest in the property transferred.

5. The transition rule adopted in 1976 was much too generous. Estates of the wealthiest American families will continue to go untaxed for up to 100 years. The 10-year transition rule recommended by the Finance Committee in 1976 should be adopted.

VIII. CONCLUSION

The recommendations for tax reform that I have proposed can move our tax system from a "disgrace" toward a "model" for the human race. Not all will agree with the details of each proposal—not even those who are as strongly committed to tax reform as I am. But differences in detail should not obscure what I hope will be larger agreement on the proposition that only fundamental reform of our tax structure will satisfy the expectations of the American people for a fairer, more simple, more efficient tax system. In this larger perspective, I hope these proposals will serve as a stimulus and a framework within which constructive analysis and dialogue can take place.

I believe that the President has both the desire and the ability to mobilize a powerful national constituency for fundamental tax reform. I urge him to be bold, and to encourage the Treasury, beset by lobbyists bent on retaining or winning special privileges, to be bold as well.

REMARKS BY THE HONORABLE W. MICHAEL BLUMENTHAL, SECRETARY OF THE TREASURY, TO THE FINANCIAL ANALYSTS FEDERATION, WASHINGTON HILTON HOTEL, WASHINGTON, D.C., JUNE 29, 1977

Tonight I want to talk to you about tax reform. President Carter has made a major commitment to improve the American tax system. Work on the Administration's proposal is moving ahead and we expect to present a program to Congress toward the end of the summer. So I would like to take this opportunity to share some of our thinking on this important subject.

Our minds are open to a very wide variety of options for tax reform. But we have limited ourselves to this extent: we will retain the income tax as the centerpiece of the American tax system, without any thought of substituting a value added tax, a consumption tax or other exotic possibilities. We have a tax system that works—imperfectly to be sure, but at that better than most. It is preferable to correct its faults and build upon our knowledge and experience with it than to embark on fundamental change with an untried system whose effects we could not fully foresee.

Government, as Hobbes taught us long ago, is essential to restrain and mediate the passions of men and to provide that order without which not only civilization but life itself is in jeopardy. And taxes in turn must support government.

No matter how much we complain about paying taxes, it is still a lot cheaper than buying one's own army and navy.

Modern societies have of course assigned government much wider responsibilities than external defense and maintenance of internal order. For most of our history, the United States got along with only customs and excise taxes. The corporate income tax did not appear until 1909. The individual income tax, apart from temporary levies during and just after the Civil War and in the 1890's was enacted in 1913. And even then for the next 30 or so years it affected relatively few Americans. Payroll taxes came along in 1935.

Our requirements have now changed. For today's needs we must have broadly based taxes, capable of raising the revenues required by the many social responsibilities of government and the state of the economy. But the tax system of a free and democratic people must do more than merely raise the revenue that government requires. It must be equitable in the sense that the taxation is reasonably related to people's ability to pay and in the sense that people with like incomes pay the same amount of tax. It must be simple enough to be understood and to be respected. And it must operate efficiently to foster those social goals that it is called upon to promote.

How does our present Federal income tax system stack up against these criteria?

In some respects it performs rather well. But in other important aspects it falls short of our ideals—fully justifying the heavy emphasis this Administration is placing on tax reform.

As a revenue system, Federal income taxation is flexible and productive. In 1975, it generated $163 billion in revenues—representing nearly 60 percent of total Federal tax collections.

It is remarkable that we raised this huge sum through a tax system that largely depends upon, and obtains, voluntary compliance, a tax system that is administered with honesty and integrity, and one that functions with minimal administrative and enforcement costs. In these repects, and others as well, the American tax system is the best in the world.

If we examine its fairness, we see that, as a whole, it is reasonably progressive. Nominal Federal income tax rates range from 14 percent on taxable income under $500 to 70 percent on taxable income over $100,000. And when we look at the rates actually paid on expanded income—a concept which adds capital gains and certain preference income to adjusted gross income—we find rates ranging from 1.1 percent on income under $5000 in a steady, if somewhat uneven graduation to 32.6 percent on income over $200,000.

And if we look back, we can see that our tax system has become more progresive over the last dozen years. The top half of all taxpayers had effective rates that were 1½ to 2 percentage points higher in 1975 than in 1965. In the same period, effective tax rates on the lowest 10 percent dropped to virtually zero and on the next 20 percent declined from 4.1 to 2.4 percent.

But there is more to tax fairness than reasonable progressivity. We also believe that people with the same income should pay the same amount of tax. Here the performance of our tax system is mixed. All taxpayers with incomes between $5,000 and $10,000 are taxed at effective rates between zero and 15 percent—a range of 15 percent. Ninety-two percent of the taxpayers with incomes between $25,000 and $50,000 are taxed at effective rates between 10 and 25 percent—again a range of 15 percent. But for taxpayers with incomes of $200,000 and over, the differences are far wider, with some paying as low as 2 percent and others as high as 58 percent. Substantial numbers pay at rates of less than 20 percent and more than 45 percent.

The present structure of our tax system allows these large differences among higher income taxpayers. The high marginal tax rates they face provide them with a strong incentive to find imaginative ways to lower their taxes. At the same time, opportunities for them to do so are available because of our piecemeal approach to tax legislation and regulation and as a by-product of efforts to promote social objectives. When we attempt to deal with a single problem in the tax code, we often find that the provisions can be used in unexpected ways to shelter income from taxation. When we seek to promote a social goal, such as housing development, we may also create real estate tax breaks for those with reason to seek them.

Part of the problem is the sheer complexity of the tax system. By now our tax code totals 1,100 pages. Related tax regulations account for many thousands of additional words and the Federal Tax Reporter runs to 14 volumes. With this great mass of rules, it is little wonder that nearly half of our taxpayers either cannot complete their returns unaided or believe that they can gain by hiring professionals who purport to understand the complexities of the law. The inability to understand what the tax laws are, and the belief that there is money to be made through tax planning and gamesmanship, undermine the confidence and trust that we require for a system based primarily on voluntary compliance.

We have sought to use our tax system to promote many social goals—charitable giving, home ownership, investment in productive equipment and in specific industries, environmental improvement and much else. It is difficult to generalize about the results of these incentives. But there are reasons to doubt that some, perhaps many, of these so-called tax expenditures are the most efficient means available to the government to achieve its objectives. On the other hand, in some cases, it appears that present tax incentives are not strong enough to serve our purpose.

For example, our current deductions for medical and casualty losses might well be superfluous if we had a national health insurance program.

And we may ask whether in a world of flexible exchange rates the tax code should promote exports through a device such as DISC, the so-called Domestic International Sales Corporation.

On the other hand, incentives to investment in productive equipment require strengthening to encourage the higher rate of capital formation that our economy needs. In recent years, the rate of capacity growth in manufacturing has slowed—from 4.6 percent over the period between 1948–1968, to 4 percent from 1968 to 1973 and 3 percent from 1973 to 1976. One consequence of this lagging investment is a decline in productivity growth that means less growth in real

incomes and an increased propensity to inflation.

In these circumstances, criticism of our tax system can come as no surprise. Americans from many different points of view are saying that the tax system is too complicated, that its effects are often inequitable, and that it is failing to contribute effectively to our social objectives.

The Carter Administration will respond to these concerns. Our goals are to make the American tax system simpler, fairer and better able to foster growth and efficiency in the American economy.

By simplicity, we intend that the average taxpayer should be able to readily understand what the law requires and to complete his own tax return without professional aid.

By greater equity, we intend that taxpayers with like incomes should pay like taxes in a system that remains reasonably progressive.

And to foster growth and efficiency, we intend to create incentives to work, to investment and savings and to eliminate the waste and resource misallocations that accompany efforts at tax planning.

At the strategic level, we face a choice between a radical and reformist approach. By "radical," I do not mean a far-right or a far-left proposal. I mean a solution that goes to the root of the problem. We could achieve vast simplication, great equity, and at least eliminate the inefficiencies associated with tax planning by wiping out all exemptions and deductions and taxing all income from whatever source at much lower rates. The rates could, of course, be lower because the taxable base would have been greatly enlarged. At the same time, the level at which income would be free of tax could be raised significantly.

This solution would mean, however, that such items as black lung benefits, social security payments, capital gains, and every other form of income would be taxed along with wages and salaries.

The uniform tax treatment under this system would provide few opportunities for perceived inequities. It would also mean that the tax system would be used for nothing but raising revenue. The social purposes we now seek to advance through the tax code would have to be promoted in other ways—ways that would be more direct and obvious and subject to scrutiny. Promotion of these purposes through budgeted expenditures would result in review, debate and legislative action different than the kind of review given to the tax expenditures that we now use.

But quite apart from the problems of adjustment to such a drastic change—and it could certainly not be done from one day to the next—there is a crucial question of whether some purposes can be promoted in our system except through tax incentives. For example, the alternative to tax incentives for investment would seem to require unacceptable government controls over capital outlays and the allocation of investment, with attendant inefficiency and misallocations of resources.

The radical approach is clean and decisive. A strong theoretical case can be made for it, but it makes some people tremble.

The strategic alternative is to develop a package of specific steps that will take us in the same direction, but without the wholesale change in existing law.

Without implying that any decisions have been made—because none have—let me describe some of the possibilities along this line.

The largest single source of tax complexity is the preferential treatment of capital gains. Forty-one sections of 51 subsections of the Tax Code are devoted to capital gains taxation. And efforts to convert ordinary income into capital gains are probably the largest area of tax planning, leading to many activities of little or no social value but productive of ample private gain.

Other sources of complexity in present law are the existence of both exemptions and credits, the record-keeping requirements related to certain deductions, and the option for a credit or deduction for political contributions. The $750 exemption for the taxpayer and each dependent and the "general tax credit" that can be determined by optional methods could be simplified and combined. The record-keeping requirements associated with itemized deductions could be lessened if certain deductions were limited or if standard deductions were permitted for certain items in conjunction with itemized deductions for others. By broadening the tax base, limitations on certain deductions would permit general reductions of rates with the same revenues.

With the flat standard deduction included in the President's economic stimulus program, steps such as these could make tax preparation much easier for nearly all Americans. We should be able to make it possible for more than three out of four Americans to use the standard deduction and determine their tax from a simple rate table.

Fortunately, many of the steps that would simplify the tax system would also make it fairer. A large part of the variation in taxes paid on like incomes stems from the preferential taxation of capital gains.

Other equity problems stem from other kinds of preference income and from the freedom from taxation of certain fringe benefits and alleged business expenses, such as the $50 martini lunch.

There are several options open to us for increasing growth and efficiency in the economy. Tax policy can affect investment decisions by increasing its after-tax return.

We could reduce or end the double taxation of corporate income by any of several methods. One possibility is full integration, which is equivalent to treating the corporation as a partnership. Each corporate shareholder, as a partner does under current law, would include in his own income for tax purposes his proportionate share of the corporation's income whether or not it is distributed. The corporation tax then becomes a withholding tax which can be credited against the shareholder's final individual tax liability.

Or, corporate and individual taxation could be partially integrated. In one approach, the individual shareholder grosses up his cash or "take-home" dividends in the same way that take-home pay is converted to total pay by adding taxes withheld by the employer. In determining final tax liability, the dividends are included in total income, but the taxpayer takes a credit for his share of the corporate tax.

Alternatively, corporations might be permitted a deduction for the dividends they pay, just as interest deductions are allowed at present.

There are other methods of encouraging investment:

Larger deductions for depreciation of income producing property can be allowed by various combinations of changes in asset lives, more accelerated methods, or by indexing depreciation schedules for inflation.

The investment tax credit, now at 10 percent for eligible property including depreciable equipment but not buildings, could be increased by raising the rate or relaxing the restriction that generally limits it to 50 percent of tax liability.

Corporate tax rates could be cut.

We will look at these options in terms of their effect on the freedom of investment to respond to market demands, their neutrality concerning the way investment is financed, and their impact on the timing and amount of investment that results from each dollar of revenue lost.

At the same time, we mean to promote growth and efficiency in other ways. The reduction of very high marginal rates could lessen the incentive for unproductive activities aimed at reducing taxes. The elimination of capital gains and other preference income could have a similar result.

In developing a comprehensive tax package, there are obviously conflicts and tradeoffs among our goals. But there is ample opportunity to offset these effects and fashion a program, that in its entirety, fulfills all three of our objectives and gives this country the kind of tax system that it should have.

It will be one that retains its present good qualities of integrity and voluntary compliance. But it will also be a better system, fairer and simpler, and one that provides adequate incentives for growth and efficiency.

We are getting much advice on how to accomplish these goals. We welcome it and we want more, from you and from Americans across the country. We know that in translating our goals into realities there are difficult choices and complex issues. We want to know what you think.

Mr. JACKSON. Mr. President, I ask unanimous consent that Richard Perle, of my staff, be granted the privilege of the floor in connection with the pending measure, the appropriation bill on public works, as it pertains to title I, not in the closed session.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I make the same request for Mr. Mark Pisano, of my staff, to have the privilege of the floor during the consideration of the public works bill, with the exception of any executive session.

The ACTING PRESIDENT pro tempore. Not in the closed session.

Mr. HEINZ. Not in the closed session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Is there morning business?

Mr. ROBERT C. BYRD. Yes, Mr. President.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar, beginning with U.S. Air Force on page 1, going through the nominations on pages 2 and 3, with the exception of Calendar No. 349 on page 3.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—nominations on the calendar as described by the majority leader, with the exception of Calendar No. 349, are cleared for confirmation on this side.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will go into executive session.

Mr. ROBERT C. BYRD. Mr. President,

another exception, on page 2, is Calendar No. 339, and Calendar No. 323, on page 1, is an exception.

What I am saying is that the Senate should begin with "New Reports" on page 2 and, with the single exception of Calendar No. 349, proceed with the nominations.

The ACTING PRESIDENT pro tempore. The nominations will be stated.

COASTAL PLAINS REGIONAL COMMISSION

The assistant legislative clerk read the nomination of Claud Anderson, of Florida, to be Federal Cochairman.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

FOUR CORNERS REGIONAL COMMISSION

The assistant legislative clerk read the nomination of F. Kenneth Baskette, Jr., of Colorado, to be Federal Cochairman.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NEW ENGLAND REGIONAL COMMISSION

The assistant legislative clerk read the nomination of J. Joseph Grandmaison, of New Hampshire, to be Federal Cochairman.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

OLD WEST REGIONAL COMMISSION

The assistant legislative clerk read the nomination of George D. McCarthy, of the District of Columbia, to be Federal Cochairman.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

OZARKS REGIONAL COMMISSION

The assistant legislative clerk read the nomination of Patsy Ann Danner, of Missouri, to be Federal Cochairman.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

PACIFIC NORTHWEST REGIONAL COMMISSION

The assistant legislative clerk read the nomination of Patrick J. Vaughan, of Idaho, to be Federal Cochairman.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

SOUTHWEST BORDER REGIONAL COMMISSION

The assistant legislative clerk read the nomination of Cristobal P. Aldrete, of Virginia, to be Federal Cochairman.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

JUDICIARY

The assistant legislative clerk read the nomination of Russell G. Clark, of Missouri, to be U.S. district judge for the western district of Missouri.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF JUSTICE

The assistant legislative clerk read the nomination of M. Carr Ferguson, of New York, to be an Assistant Attorney General.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF THE TREASURY

The assistant legislative clerk read the nomination of John Gaines Heimann, of New York, to be Comptroller of the Currency.

The ACTING PRESIDENT pro tempore. With objection, the nomination is considered and confirmed.

DEPARTMENT OF TRANSPORTATION

The assistant legislative clerk read the nomination of Richard Stephen Page, of Washington, to be Urban Mass Transportation Administrator.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD, I ask unanimous consent that the Senate resume the consideration of legislative business.

The ACTING PRESIDENT pro tempore, without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

APPROVAL OF BILL

A message from the President of the United States announced that on June 29, 1977, he approved and signed the joint resolution (S.J. Res. 63) to amend the Federal Home Loan Bank Act.

REPORT OF THE NATIONAL HEART, LUNG, AND BLOOD INSTITUTE—MESSAGE FROM THE PRESIDENT—PM 91

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was referred to the Committee on Human Resources:

To the Congress of the United States:

I am transmitting herewith a copy of the Fourth Report of the Director of the National Heart, Lung, and Blood Institute, prepared in accordance with the requirements of Sec. 413(b)(2) of the Public Health Service Act, as amended by Public Law 94–278. The report contains two funding plans which have been generated by the National Heart, Lung, and Blood Institute. Both of these proposed levels are substantially in excess of my current budget request for 1978. While the research conducted by this Institute is of great importance, there are a large number of competing urgent national needs. Individual program activities and funding levels must be carefully considered not only on the basis of individual program merit, but also in light of overall resource availability and fiscal policy.

JIMMY CARTER.

THE WHITE HOUSE, *July 1, 1977.*

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Foreign Relations.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 9:45 a.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that the House has passed the bill (H.R. 7933) making appropriations for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes, in which it requests the concurrence of the Senate.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following communications which were referred as indicated:

EC–1592. A letter from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a supplemental summary of the budget for fiscal year 1978 (with an accompanying report); jointly, pursuant to the order of January 30, 1975, to the Committee on Appropriations and the Committee on the Budget.

EC–1593. A letter from the Deputy Assistant Secretary of Defense, Installations and Housing, transmitting, pursuant to law, notice of five construction projects to be undertaken by the U.S. Army Reserve (with accompanying papers); to the Committee on Armed Services.

EC–1594. A letter from the Commissioner of the Securities and Exchange Commission transmitting, pursuant to law, comments on the Comptroller General's Report submitted to the Congress on June 20, 1977, on the Administration of the Public Utility Holding Company Act of 1935 (with an accompanying report); to the Committee on Banking, Housing, and Urban Affairs.

EC–1595. A letter from the President of the Export-Import Bank of the United States transmitting, pursuant to law, a report on

loan, guarantee, and insurance transactions supported by Eximbank during May 1977 to Communist countries (as defined in section 620(f) of the Foreign Assistance Act of 1961 (with an accompanying report); to the Committee on Banking, Housing, and Urban Affairs.

EC–1596. A letter from the Secretary of Transportation transmitting, pursuant to law, an amendment of Motor Vehicle Safety Standard No. 208, Occupant Crash Protection that the Department of Transportation issued and forwarded to the Federal Register (with accompanying papers); to the Committee on Commerce, Science, and Transportation.

EC–1597. A letter from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, Council Act 2–44, an act to provide procedures for the conduct of an election to consider amendments to the Charter of the District of Columbia in November 1977 by the District of Columbia Board of Elections and Ethics (with accompanying papers); to the Committee on Governmental Affairs.

EC–1598. A letter from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, Council Act 2–49, an act to provide for the appointment of individuals to fill vacancies on Advisory Neighborhood Commissions (with accompanying papers); to the Committee on Governmental Affairs.

EC–1599. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Slow Progress in Developing and Implementing a National Dam Safety Program" (CED–77–94) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1600. A letter from the Chairman of the Education Commission of the States transmitting, for the information of the Senate, policy recommendations for the prevention of alcohol abuse (with an accompanying report); to the Committee on Human Resources.

EC–1601. A letter from the U.S. Commissioner of Education transmitting, pursuant to law, a report describing efforts to promote establishment of guaranteed student loan insurance programs and responses received to date (with an accompanying report); to the Committee on Human Resources.

EC–1602. A letter from the Secretary of the Treasury transmitting, pursuant to law, a report of the annual audit of the Student Loan Marketing Association for the year ended December 31, 1976 (with an accompanying report); to the Committee on Human Resources.

EC–1603. A letter from the Chairman of the Administrative Conference of the United States transmitting, pursuant to law, the 1976 report of the Administrative Conference of the United States, covering the period from January 1, 1976, to December 31, 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–1604. A letter from the Counsel to the Pacific Tropical Botanical Garden transmitting, pursuant to law, a report of audit for the Garden for the period from January 1, 1976, through December 31, 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–1605. A letter from the Administrator of the Veterans' Administration transmitting, pursuant to law, a report entitled "Amputations of Extremities and Cardiovascular Disease" (with an accompanying report); to the Committee on Veterans' Affairs.

PETITIONS

The ACTING PRESIDENT pro tempore laid before the Senate the following petitions which were referred as indicated:

POM–242. House Concurrent Resolution No. 27 adopted by the Legislature of the State of Louisiana memorializing Congress to require the Federal Government to absorb all costs involved in relocating and lowering pipelines carrying interstate Louisiana natural gas to other parts of the United States; to the Committee on Energy and Natural Resources:

HOUSE CONCURRENT RESOLUTION No. 27

"Whereas, emergency legislation enacted by Congress gives the President of the United States authority to direct Louisiana natural gas to other areas of the United States where supplies are scarcest, and

"Whereas, diversion of Louisiana natural gas from the intrastate to the interstate markets may require the relocation of some interstate pipelines, and any such diversion increases the portion of the ever-shrinking supply of natural gas available to other states at the expense of intrastate natural gas available to the state of Louisiana, and

"Whereas, in effect, this is a transfer of a natural wealth resource of the state of Louisiana to other states of the United States, and for this reason it is fair and equitable that some recompense be made to this state for the decrease in its natural wealth, and

"Whereas, there is one significant area where funds of the United States could be used to the advantage of Louisiana as a partial offset to this diversion of natural wealth from Louisiana, this significant area being the cost of lowering and relocating interstate natural gas pipelines on account of the deepening of waterways in Louisiana which are part of the interstate system of waterways for commerce.

"Therefore, be it resolved by the House of Representatives of the Legislature of Louisiana, the Senate thereof concurring, that the Congress of the United States is memorialized to provide, as a partial offset to the diversion to other states of Louisiana's natural gas, for the absorption by the United States of the cost of relocating and deepening natural gas interstate pipelines where the relocation and deepening is related to the development and improvement in Louisiana of the interstate waterway system for the movement of interstate commerce.

"Be it further resolved that a copy of this resolution shall be transmitted without delay to the Vice President of the United States, as the presiding officer of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the Louisiana Delegation in the Congress."

POM–243. House Joint Resolution No. 1032 adopted by the Legislature of the State of Colorado urging Congress to enact measures to accelerate and broaden the research and development of controlled nuclear fusion as a source of energy; to the Committee on Energy and Natural Resources:

"HOUSE JOINT RESOLUTION NO. 1032

"Whereas, Our nation's present sources of energy are rapidly being depleted and the exploration or and discovery of new supplies of such sources seems unable to keep pace with every increasing demand; and

"Whereas, Nuclear fusion holds much promise as a virtually unlimited and environmentally safe source of energy, once the technical problem of controlling the fusion process is solved; and

"Whereas, The United States has a unique role to play in the world as a leading force for scientific and technological innovation and for advanced agricultural and industrial production; and

"Whereas, If our nation's technical abilities that define us as the world's leading industrial nation, including the workforce, research and development capabilities, and industrial infrastructure of aerospace, electronics, and related industries, are permitted to deteriorate either through a delibeate policy of dismantling or through defense expenditures vicissitudes, then all lower levels of technology will be in jeopardy and the nation's capability for the most advanced design and retooling will be lost; now, therefore,

"Be It Resolved by the House of Representatives of the Fifty-first General Assembly of the State of Colorado, the Senate concurring herein:

"(1) That it is in the interests of the people of the State of Colorado and of all the United States that Congress enact the necessary measures to accelerate and broaden the research and development of controlled nuclear fusion as a source of energy and enact any necessary measures for the increased development of fossil fuels and solar energy and for the expansion and improvement of nuclear fusion as an energy source under existing technologies to bridge the period between now and the earliest possible date for bringing controlled nuclear fusion on line.

"(2) That Congress enact measures to foster the development and expansion of the aerospace, electronics, and related industries by encouraging the retooling of American industry in all lines of basic manufacture, transportation, agricultural production, and food and fiber processing, while developing the scientific and engineering capabilities essential for bringing controlled nuclear fusion on line.

"(3) That congress enact measures to strengthen basic scientific education in the fields of physics, chemistry, biology, agronomy, engineering, and related professional fields.

"Be It Further Resolved, That copies of this Resolution be sent to the President of the Senate and to the Speaker of the House of Representatives of the Congress of the United States and to each member of Congress from the State of Colorado."

POM–244. Legislative Resolution No. 285 adopted by the Legislature of the State of New York memorializing Congress and HEW to remove impediments in Federal rules and regulations so that the medical hospital cost containment program enacted by the New York State Legislature in 1976 can continue to be effectively applied to reducing excessive medical expenditures reimbursed under title XIX of the Social Security Act; to the Committee on Finance:

"LEGISLATIVE RESOLUTION SENATE 285

"Whereas, It is imperative that the Congress of the United States assist the State of New York in effectively applying hospital cost containment controls in order to safeguard the expenditure of public Title XIX funds; and

"Whereas, It has become clear that the rapidly escalating cost of medical care and services is among the most pressing issues facing the State and nation and that, in response to this growing crisis, both the State and Federal Governments have declared their intent to investigate means of controlling the acceleration of medical costs while preserving the quality of care available; and

"Whereas, On the State level, a major purchaser of medical care and services and therefore a principal component of any cost containment effort is the Title XIX Medical Assistance Program, which Title XIX expenditures in New York State presently account for approximately twenty-five percent of the total Title XIX national expenditures, occasioned by the fact that among all State Title XIX programs, New York State ranks highest in the average length of hospital stay per recipient and in program cost per recipient; and

"Whereas, With no existing evidence to warrant New York State's higher incidence of service utilization and costs, it is the conclusion of both State and Federal authorities that a significant portion of the State's Title

XIX expenditures is directly attributable to the provision permitting of unnecessary and excessive medical services; and

"Whereas, In order to reduce the unnecessary over-utilization of Title XIX services, a Cost Containment Program was enacted by the Legislature of this State and approved by the Governor on March thirtieth, nineteen hundred seventy-six (Chapter 76 of the Laws of 1976), one component of which Cost Containment Program established an independent onsite review mechanism whose purpose was intended to insure that hospital care and services delivered under the Title XIX program are done so in conformance with the State's Title XIX plan of service coverage; and

"Whereas, This review body is composed of State health care professionals who are independent of local practicing physicians and hospitals and is referred to as the New York State Onsite Hospital Control System; and

"Whereas, Since the implementation of the Cost Containment Program in October of 1976, which program at present covers approximately forty percent of Medicaid's hospital population, the Medicaid average length of stay in onsite hospitals for patients under sixty-five years of age has been brought closer to the national average of 6.0 days and the patient length of stay has been reduced from 8.0 days to 6.3 in onsite hospitals with no adverse impact on the quality of patient care; and

"Whereas, The State anticipates a long term decrease in the length of stay at onsite hospitals of at least ten percent below that which existed prior to program implementation; and

"Whereas, The annualized Federal, State, and local savings resulting from a ten percent decrease in length of stay for Medicaid patients in hospitals covered by the onsite program, is projected to total a minimum of fifty million dollars; and

"Whereas, Onsite health department staff are also finding that approximately five percent of the claims for inpatient hospital, medical or surgical services are unnecessary or excessive, or should be denied on technical grounds, and therefore are either completely or partially not reimbursable under the State's Title XIX plan; and

"Whereas, The annualized Federal, State and local savings resulting from the five percent reduction of inpatient hospital services for Medicaid patients covered by the onsite program is projected to total a minimum of eight million dollars; and

"Whereas, This two hundredth Legislature of the State of New York further finds that the decisions governing expenditures of State funds must ultimately rest with the instruments of State government or those representatives so designated by the Governor with the advice and consent of the Legislature for to do otherwise would subvert the representative process of State government and prevent the citizens of the State from exercising any essential control over public expenditure of tax revenues; and

"Whereas, The professional standards, review mechanism as presently defined by Federal law and regulation for Title XIX care and services are essentially independent contractors with the Department of Health, Education and Welfare and as such are not directly accountable to the State or its citizens for State funds expended under Title XIX; and

"Whereas, Such contractors and mechanisms established pursuant to Federal laws and regulations for the utilization review of care and services provided under Title XIX have yet to be proved efficacious in accomplishing the purposes of promoting efficient and economical delivery of health care services; and

"Whereas, A concurent audit of the performance of federally mandated and established professional standards review contractors by the State operated Onsite Hospital Control System found that seventeen percent of hospital days approved by such contractors were in fact unnecessary or inappropriate; now, therefore, be it

"Resolved, That its Legislative Body respectfully memorializes the Congress of the United States to enact legislation postponing the termination of State Authority over Federal determinations of payments to be made for services rendered under the Title XIX program; and be it further

"Resolved, That during the time of such postponement the Department of Health, Education and Welfare be directed to permit the State to conduct concurrent independent reviews of the determinations made by those contractors designated by the Department of Health, Education and Welfare as responsible for Title XIX utilization review activities; and be it further

"Resolved, That such concurrent utilization reviews be continued until such time as an evaluation and determination is made on how best to insure a quality medical assistance program which is reflective of the best interests of the population served and the public as a whole; and be it further

Resolved, That this Legislative Body respectfully memorializes the Department of Health, Education and Welfare, on the basis of the evidence cited above, to approve the State of New York's Title XIX plan including those provisions enacted by chapter 76 of the laws of the State of New York 1976; and be it further

"Resolved, That the medicaid cost containment program and, most particularly, the onsite hospital controls implemented as a result of chapter 76 or the laws of New York State and through Part 85 of the rules and regulations of the New York State Commissioner of Health be continued as a necessary and effective State mechanism to contain medicaid expenditures while maintaining a quality standard of health services for its indigent population; and be it further

"Resolved, That copies of this resolution, suitably engrossed, be transmitted to the President Pro Tempore of the Senate of the United States, to the Speaker of the House of Representatives of the United States, to each member of the Congress of the United States from the State of New York and to the Honorable Joseph Califano, Secretary of Health, Education and Welfare."

POM-245. A petition from Quentin Cowles, Orange, Calif., urging the President and Congress to do everything in their power to stop the surrender of the Panama Canal; to the Committee on Foreign Relations.

POM-246. A petition from Dr. L. M. Brett, New York City, N.Y. urging the President and Congress to do everything in their power to stop the surrender of the Panama Canal; to the Committee on Foreign Relations.

POM-247. A petition from S. D. Zeanah, Montevallo, Ala., urging the President and Congress to do everything in the power to stop the surrender of the Panama Canal; to the Committee on Foreign Relations.

POM-248. Senate Memorial No. 4 adopted by the Senate of the State of Colorado memorializing Congress to defeat legislation transferring the Mining Enforcement and Safety Administration from the U.S. Department of the Interior; to the Committee on Human Resources:

"SENATE MEMORIAL NO. 4

"Whereas, The Senate recognizes the ongoing importance of the mining industry to the State of Colorado, as well as the Nation; and

"Whereas, The existence of the small mine operator, who plays an important part in the mining industry, is endangered by the United States Department of Labor's inflexibility; and

"Whereas, Proposed United States House of Representatives Bill No. 4287 and United States Senate Bill No. 717 represent a further erosion of basic States' rights by elimination of State participation in mine regulation; and

"Whereas, The Senate finds that the fundamental system of checks and balances is necessary for the efficient and equitable regulation of the mining industry; and

"Whereas, The transfer of the Mining Enforcement and Safety Administration (MESA) from the United States Department of the Interior to the United States Department of Labor makes no provision for State Plans; and

"Whereas, Mining industry accident statistics have shown significant improvement since the creation of MESA, with cooperative programs with State agencies, private industry, and labor; and

"Whereas, Proper mine safety regulation requires experienced and qualified personnel and would be severely jeopardized by the incorporation of MESA into the United States Department of Labor; and

"Whereas, Any conflict of interest between mine safety and encouragement of the use of minerals has been effectively eliminated within the United States Department of the Interior by the creation of MESA; and

"Whereas, State agencies and MESA have cooperatively developed compatible training, education, and enforcement programs; and

"Whereas, National legislation is often unresponsive and incompatible with local needs and conditions; now, therefore,

"Be It Resolved by the Senate of the Fifty-first General Assembly of the State of Colorado:

"1. That, although the federal government should provide mandatory basic health and safety regulations for all mining operations, detailed safety and health requirements should be left up to the individual States.

"2. That the members of the Senate indicate by this memorial their desire for MESA to remain within the United States Department of the Interior and that they, therefore, strongly urge the defeat of House Bill No. 4287, Senate Bill No. 717, and similar legislation.

"Be It Further Resolved, That copies of this memorial be sent to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and to each member of the Congress of the United States from the State of Colorado."

POM-249. Resolution No. 117 adopted by the Legislature of the Territory of Guam relative to requesting the Congress of the United States to call a Constitutional Convention for the purpose of proposing an amendment to the Constitution of the United States to guarantee the preservation of human life; to the Committee on the Judiciary:

"RESOLUTION NO. 117

"Be it resolved by the legislature of the territory of Guam:

"Whereas, the United States Supreme Court has interpreted the provisions of the Constitution of the United States to allow the taking of human life in certain pre-natal stages; and

"Whereas, the United States Supreme Court has interpreted provisions of the Constitution of the United States to demand the taking of human life in certain pre-natal stages at the request of the mother, although not required to prevent the death of the mother; and

"Whereas, these interpretations have thrust concepts upon the citizens of this nation which were never confronted by our forefathers in drafting the original docu-

ment, and which massive numbers of persons, including the citizens of this territory, find repulsive to the American way of life; now, therefore be it

"Resolved, that the Fourteenth Guam Legislature joins the state of Utah and other states and respectfully requests the Congress of the United States to call a convention for the purpose of drafting an amendment to the U.S. Consitution that will guarantee to every human life, from the moment of fertilization throughout its natural existence, in every state, territory, and possession of the United States, the full protection of all laws respecting life, excepting an unborn child whose mother's life would otherwise be lost; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to Utah State Legislature; Representative A. B. Won Pat; the Speaker, U.S. House of Representatives; the Vice President of the United Sates and to the Governor of Guam."

POM–250. House Joint Resolution No. 160 adopted by the General Assembly of the State of Tennessee applying to Congress to call a convention for the purpose of amending the Constitution of the United States to provide the President with the power to veto any particular item or items of any appropriations bill; to the Committee on the Judiciary:

"HOUSE JOINT RESOLUTION NO. 160

"Whereas, over the past thirty years, the federal government has frequently made appropriations of funds substantially in excess of revenue collections, thereby amassing considerable deficits and necessitating extensive borrowing; and

"Whereas, deficit spending by the federal government has been a major cause of and contributor to the inflation of our national currency; and

"Whereas, inflation imposes the heaviest financial burden on those least able to bear it, and deficit spending imposes the funding of federal debts on future generations of Americans who have had no voice in the incurring of such debts; and

"Whereas, the inflationary consequences of federal budgetary deficits have impaired the credit of the United States and undermined the value of its currency, and have contributed to financial and other difficulties and dislocations for state and local governments; and

"Whereas, the President of the United States could more effectively deal with this problem were he able to exercise an item veto when considering any appropriation bill passed by the Congress; and

"Whereas, there has not been, nor does it appear that there will be, any initiative on the part of the Congress to amend the Constitution of the United States so as to provide the President with such item veto; and

"Whereas, in the event of Congressional inaction, Article V of the Constitution of the United States grants to the states the right to initiate constitutional change through application by the legislatures of two-thirds of the several states to the Congress, calling for a constitutional convention; and

"Whereas, the Congress is required by the Constitution of the United States to call such a convention upon receipt of such applications; now, therefore,

"Be it resolved by the House of Representatives of the Ninetieth General Assembly of the State of Tennessee, the Senate concurring, That pursuant to Article V of the Constitution of the United States, the General Assembly of Tennessee does hereby make application to the Congress of the United States to call a convention for the sole and exclusive purpose of proposing to the several states a Constitutional amendment, to-wit:

" '1. The President shall have the power to veto any particular item or items of an appropriation bill, but the veto shall not affect the item or items to which he does not object. The item or items objected to shall not take effect except in the manner heretofore provided in this Constitution as to bills which fail to receive the President's approval.'

"Be it further resolved, That unless rescinded by the General Assembly of Tennessee, this application shall constitute a continuing application for such convention pursuant to Article V, until the legislatures of two-thirds of the states shall have been made like applications and such conventions shall have been called by the Congress of the United States.

"Be it further resolved, That since this method of proposing amendments to the Constitution has never been completed to the point of calling a convention and no interpretation of the power of the states in the exercise of this right has ever been made by any court or any qualified tribunal, if there be such, and since the exercise of the power is a matter of basic sovereign rights and the interpretation thereof is primarily in the sovereign government making such exercise, and since the power to use such right in full, also carries the power to use such right in part, the General Assembly of Tennessee interprets Article V to mean that if two-thirds of the states make application for a convention to propose an identical amendment to the Constitution for ratification, with a limitation that such amendment be the only matter before it, that such convention would have power only to propose the specified amendment, would be limited to such proposal, and would not have power to vary the text thereof, nor would it have power to propose other amendments on the same or different propositions.

"Be it further resolved, That certified copies of this Resolution be presented forthwith to the President of the Senate and the Speaker of the House of Representatives of the United States and to the legislatures of each of the several states, attesting the adoption of this Resolution by the General Assembly of Tennessee."

POM–251. A resolution adopted by the General Court of the Commonwealth of Massachusetts requesting Congress to call a convention for the purpose of proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary:

"RESOLUTIONS REQUIRING THE CONGRESS OF THE UNITED STATES TO CALL A CONVENTION FOR THE PURPOSE OF PROPOSING AN AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES PROTECTING THE RIGHT TO LIFE OF ALL HUMAN BEINGS DURING EVERY STAGE OF BIOLOGICAL DEVELOPMENT

"*Resolved*, That the General Court of the Commonwealth of Massachusetts respectfully petitions the Congress of the United States pursuant to Article V of the United States Constitution to call a convention for the purpose of proposing the following article as an amendment to the Constitution of the United States:

"ARTICLE

"Section 1. With respect to the right to life, the word person as used in this article and in the Fifth and Fourteenth Articles of Amendment to this Constitution applies to all human beings irrespective of age, health, function, or condition of dependency, including their unborn offspring at every stage of their biological development.

"Section 2. No unborn person shall be deprived of life by any person, provided, however, that nothing in this article shall prohibit a law permitting only those medical procedures required to prevent the death of the mother.

"Section 3. The Congress and the several states shall have the power to enforce this article by appropriate legislation; and be it further

"*Resolved*, That a duly attested copy of these resolutions be immediately transmitted by the Clerk of the House of Representatives to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States, to each member of Congress from this Commonwealth, and to each house of each state legislature in the United States."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STENNIS (for Mr. MCCLELLAN), from the Committee on Appropriations:

With amendments:

H.R. 7933. An act making appropriations for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes (Rept. No. 95–325).

By Mr. Muskie, from the Committee on Governmental Affairs:

With an amendment:

S. 2. A bill to require authorizations of new budget authority for Government programs at least every five years, to provide for review of Government programs every five years, and for other purposes (title amendment) (together with supplemental and additional views) (Rept. No. 95–326).

By Mr. CANNON, from the Committee on Rules and Administration:

Special report entitled "Report with Recommendations of the Committee on Rules and Administration on the Joint Committee on Printing and the joint Committee of Congress on the Library" (Rept. No. 95–327).

HOUSE BILL REFERRED

The bill (H.R. 7933) making appropriations for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent the second time, and referred as indicated:

By Mr. METCALF (for himself, Mr. RANDOLPH, Mr. BROOKE, Mr. HELMS, Mr. HOLLINGS, Mr. JACKSON, Mr. MORGAN, Mr. MOYNIHAN, Mr. RIBICOFF, and Mr. THURMOND):

S. 1820. A bill to authorize the Secretary of the Interior to assist the States to establish programs for the maintenance of natural diversity, and for other purposes; to the Committee on Energy and Natural Resources and the Committee on Environment and Public Works, jointly, by unanimous consent.

By Mr. HUMPHREY:

S. 1821. A bill to amend title 5 of the United States Code to provide paid leave for a Federal employee participating in certain athletic activities as an official representative of the United States; to the Committee on Governmental Affairs.

By Mr. SCHWEIKER:

S. 1822. A bill to authorize the transfer of one of the Gettysburg Address manuscripts from the custody of the Library of Congress to the custody of the Secretary of the Interior; to the Committee on Rules and Administration.

By Mr. MATHIAS:

S. 1823. A bill for the relief of Karim M. Roushandel; to the Committee on the Judiciary.

By Mr. McCLURE:

S. 1824. A bill to relieve secondary and elementary schools from the costly and unnecessary burden of completing and filing Office of Civil Rights forms 101 and 102; to the Committee on Human Resources.

By Mr. METZENBAUM (for himself and Mr. GLENN):

S. 1825. A bill for the relief of the estate of Charles Glatt; to the Committee on the Judiciary.

By Mr. SPARKMAN:

S. 1826. A bill for the relief of Kainoosh-Fard Bullock and her son, Fami Bullock; to the Committee on the Judiciary.

By Mr. JOHNSTON:

S. 1827. A bill to amend the Energy Policy and Conservation Act, and for other purposes; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

(Statements in connection with the above introduced bills and joint resolutions are printed at the conclusion of Senate proceedings today.)

ADDITIONAL COSPONSORS

S. 2

At the request of Mr. MUSKIE, the Senator from Missouri (Mr. DANFORTH), the Senator from Pennsylvania (Mr. HEINZ), and the Senator from New York (Mr. JAVITS) were added as cosponsors of S. 2, to require review of certain Government programs.

S. 972

At the request of Mr. NELSON, the Senator from Iowa (Mr. CULVER) was added as a cosponsor of S. 972, the Small Business Development Center Act.

S. 1276

At the request of Mr. HEINZ, the Senator from Utah (Mr. GARN) and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 1276, relating to pollution control facilities.

S. 1307

At the request of Mr. THURMOND, the Senator from Alabama (Mr. ALLEN) was added as a cosponsor of S. 1307, to amend title 38 of the United States Code.

S. 1419

At the request of Mr. HEINZ, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 1419, the Emergency Rail Transportation Act.

S. 1774

At the request of Mr. NELSON, the Senator from Kentucky (Mr. FORD), the Senators from Minnesota (Mr. HUMPHREY and Mr. ANDERSON), the Senator from Pennsylvania (Mr. HEINZ), and the Senator from North Dakota (Mr. YOUNG) were added as cosponsors of S. 1774, to amend the Internal Revenue Code.

SENATE CONCURRENT RESOLUTION 32—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO THE OBSERVANCE OF THANKSGIVING

(Referred to the Committee on Foreign Relations.)

Mr. HUMPHREY submitted the following concurrent resolution:

S. CON. RES. 32

Resolved by the Senate (the House of Representatives concurring),

Whereas since 1621 Americans have each year celebrated a day of gratitude for the bountiful harvests and blessing of our own land with feasts and family gatherings; and

Whereas Americans have a long-demonstrated history of compassion for those less fortunate; and

Whereas compassionate Americans seek a vehicle through which to translate their concerns into constructive action; and

Whereas there is a need to help combat world hunger beyond what governments are providing; and

Whereas in a world where hunger is haunting an ever-growing proportion of the human family, it is appropriate that Americans should express their thankfulness by sharing with the hungry of other countries; and

Whereas this observance should serve to rekindle the original spirit of sharing and give our people the pride and satisfaction of contributing toward a better-fed world; and

Whereas this observance should add a practical aspect and broaden the ethical aspect of Thanksgiving: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress, that—

(1) the national observance of Thanksgiving should include a voluntary practice to be called "Thankful Giving", whereby Americans are invited to share with those abroad who are hungry;

(2) before starting their Thanksgiving meal, family members should be invited to make personal donations to combat hunger abroad as a way of giving thanks for the feast that follows;

(3) the sums so collected should be forwarded to the charities their donors choose, either religious or secular;

(4) schools, churches, clubs, labor organizations and the media should disseminate and promote the concept of "Thankful Giving", and provide lists of appropriate charities;

(5) the President, the Governors of the several States, and local public officials should consider recommending the observance of "Thankful Giving" in their Thanksgiving proclamations.

SEC. 2. The Clerk of the House is directed to transmit copies of this resolution to the President, the Secretary of State, the Secretary of Agriculture, and to the Governors of the several States.

THANKSGIVING AND WORLD HUNGER

Mr. HUMPHREY. Mr. President, Thanksgiving is a day that symbolizes our gratitude for the goodness of life. Since 1621 Americans have set aside 1 day every year in recognition of our thankfulness for all that we enjoy.

When it comes to the basic needs of life, most Americans have a lot to be grateful for. This is particularly true of our situation with respect to food. We have the world's most productive agriculture, an impressive network of farms that not only feeds this Nation but millions of people all over this globe. The importance of agriculture to the American economy is profound.

Unfortunately, such is not the case in many other parts of the world. Over 400 million people will suffer from malnutrition in 1977, a year in which the world will have strong food production with no major crop shotfalls.

It seems appropriate that Americans dedicate part of their day on Thanksgiving to thinking about the problems of world hunger, learning about its consequences, and contemplating ways that this tragic problem can be dealt with.

I am certain that if Americans were to spend a little time on this important day of the year to think about the problems of world hunger, our commitment as a nation to eradicating malnutrition would increase dramatically.

Today, I am pleased to join with my distinguished friend in the House of Representatives, Congressman PAUL SIMON of Illinois, in offering a concurrent resolution dedicated to broadening the observance of Thanksgiving to an occasion of sharing our plenty with the hungry of other lands.

AMENDMENTS SUBMITTED FOR PRINTING

OUTER CONTINENTAL SHELF LANDS ACT—S. 9

AMENDMENT NO. 490

(Ordered to be printed and to lie on the table.)

Mr. DURKIN. Mr. President, in a few short weeks every one of us in this Chamber will be expected to vote on legislation forming a national energy plan which will have profound consequences for every man, woman, and child in this country for generations to come. Yet, we stand here today ignorant of the basic information we need to make the right decisions.

We will be asked to greatly increase the price ceiling for natural gas, and yet we do not even know whether there is an urgent natural gas shortage.

We will be asked to give industry incentives to convert oil and gas-fired boilers to coal, and yet we do not even know whether there is an urgent natural gas shortage.

We will be asked to increase the price of domestic oil to the world market price, and yet we do not even know the true extent of our oil reserves.

We will be asked to increase incentives to industry for oil exploration and extraction, and yet we do not even know the true extent of our oil reserves.

As a result, we sit here today like mapmakers of centuries ago, attempting to chart unseen lands by relying on second-hand information. I do not have to remind anyone here that it was through using such a map that Christopher Columbus found America, but was convinced he was in India.

We stand here on the brink of a great chasm of ignorance, a chasm separating our present energy crisis from our future energy solutions. We will now only cross that chasm and embark on a national energy plan with a great leap of faith—a leap which accepts present estimates of oil and gas reserves; estimates which are almost all based on industry supplied figures.

The seriousness of this information gap was painfully demonstrated recently in 2 days of hearings before the Senate Energy and Natural Resources Committee. During those hearings ERDA

officials were called to explain their handing of a recent natural gas study they initiated and then rejected. Contrary to conventional wisdom and industry estimates of a severe natural gas shortage, that study said there would be an adequate and affordable supply of natural gas for the next 40 years.

The chairman of that study, Dr. Christian Knudsen, last week testified that after release of his analysis he was removed from the project, shifted to another job within ERDA, and told that the real reason for the transfer was the results of his study, which conflicted with industry estimates.

When Knudsen's superiors, several of whom are retired oil company executives, learned of the direction of his study, they initiated a second study, unknown to Knudsen, which arrived at conclusions closer to industry projections of a severe natural gas storage.

Without question, something is very wrong at ERDA. An objective expert, who had previously won an award from ERDA for his outstanding performance, does a study which challenges predictions of natural gas scarcity made by the oil companies, and his superiors, several of whom are retired oil company executives, reject his study without substantive evidence and fire him from the project.

The two other studies done by ERDA under the market-oriented program planning study—MOPPS—point to the confusion and uncertainty surrounding this crucial area—divergent estimates and data led to divergent findings and conclusions. For the RECORD I would like to include here the results of the three divergent gas supply estimates published by MOPPS:

GAS SUPPLY—CONVENTIONAL AND UNCONVENTIONAL SOURCES

[Trillion cubic feet]

	Estimate 1 (Knudsen)	Estimate 2	Estimate 3
Cost (million cubic feet):			
$0.50	200	201	91
$1	421	350	176
$2	800	512	541
$3	1,811	665	944
$4	2,470	858	1,259
$5	2,755	1,104	1,483

However, the broader and more disturbing question raised is why do we not yet know the true extent of our oil and gas reserves. Part of the reason is that debate has centered on the question of whether the Government actually has the authority to collect the data necessary to independently determine the status of reserves without having to rely on industry data—data which is understandably suspect as being self-serving.

It is now too late to postpone the vital energy policy decisions we must make shortly while we wait for a definitive study of our reserves. However, it is not too late to mandate the collection of this information so we may later refine or even alter the course of our enegry policy to accord with the realities of our energy supplies.

For this reason, I will offer an amendment to S. 9, the Outer Continental Shelf Act amendments, to establish a continuing Government investigation and inventory of oil and natural gas reserves.

As you may know, at present Federal data collection authority is spread unevenly and inconsistently over several agencies including the Federal Power Commission and the U.S. Geological Survey. The Department of Energy will consolidate many of these authorities. However, there are still serious questions about the overall power of any agency of the Federal Government to make the necessary inspections, drillings, and data verifications necessary to give the Government the ability to independently determine the true extent of our oil and natural gas reserves.

This is at a time when Congress is contemplating massive programs to convert utilities and businesses to coal, to install insulation and solar equipment to provide numerous tax incentives, and to build new pipelines, nuclear plants and synfuel facilities, yet we do not know the necessity of these costly projects.

Clearly, the Congress must act to insure we have sufficient information to make informed decisions on the vital energy decisions ahead.

The amendment I am offering would authorize and direct the President to get this urgently needed information and to report it to Congress annually. In particular, it requires the President to make an independent determination of the MER—maximum efficient rate—and MPR—maximum production rate—in relation to the actual production from fields, reservoirs, and wells, commencing 12 months immediately prior to the date of enactment. It requires an independent estimate of total proved and probable natural gas and crude oil reserves by fields and reservoirs, and a determination of the utilization of both natural gas and crude oil in terms of end use markets. It also requires a study of the relationship of the information to the requirements of conservation, industry, commerce, and the national defense.

The President is authorized to delegate his authority to conduct this study to appropriate Federal agencies, but he alone is ultimately responsible for providing the information to Congress in a form that is readily useable. The act authorizes the use of subpenas by the President, or his authorized designee, to obtain the necessary information.

Mr. President, every previous effort by the Federal Government to obtain this type of information has been bogged down in lengthy litigation. The Federal Power Commission has attempted to obtain some of the same information that would be collected pursuant to the bill I introduce today, beginning in 1974, and still has not gotten to first base. There is simply not the luxury of time to allow technicalities to be used to continually deprive the Federal Government of this urgently needed information. Therefore, section 6 of the act provides that no court shall have jurisdiction to grant any injunctive relief to stay or defer action taken under this act.

My bill leaves to Presidential discretion the manner in which information is to be gathered. The President need not duplicate existing efforts, but may, if he chooses, rely in part upon work now being performed under other provisions of law, provided he assures the accuracy, independence, and credibility of the energy information he reports annually to Congress.

Mr. President, overlapping jurisdiction and inadequate authority have resulted in confusion and uncertainty at the Federal level. Not only are the secondhand figures received by Federal agencies not independently verified, but agencies sometimes withhold from other agencies what little information is available. The only thing that everyone agrees upon, from Secretary Andrus to FEA Administrator O'Leary, is that we simply do not have the information we need. My legislation would provide the authority and direction to gather this information. Without it, we cannot fashion a national energy policy and we cannot make decisions now before us which impact on future generations.

I ask unanimous consent that the text of my amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 490

At the end of the bill insert a new section as follows:

INVESTIGATION OF AVAILABILITY OF DOMESTIC CRUDE OIL AND NATURAL GAS

SEC. 509. (a) The Congress hereby finds that—

(1) there is a serious lack of adequate basic energy information available to Congress and the President with respect to the availability of domestic crude oil and natural gas;

(2) there is currently an urgent need for such information;

(3) the existing collection of energy data and information relevant to the determination of crude oil and natural gas availability by Federal agencies is uncoordinated, is jurisdictionally limited in scope, and relies too heavily on unverified information from industry sources; and

(4) adequate, reliable, and comprehensive information with respect to the availability of domestic crude oil and natural gas resources whenever located is essential to the national security of the United States.

(b) The purpose of this section is to enable the President and Congress to gain the best possible knowledge of the status of crude oil and natural gas reserves, resources, productive capacity and production available to meet current and future energy supply emergencies, to gain accurate knowledge of the potential quantity of domestic natural gas and crude oil resources which could be made available to meet such emergencies, and to aid in establishing energy pricing and conservation policies.

(c) The President is authorized and directed to conduct a continuing investigation, based on data and information which he determines has been adequately and independently audited and verified, for the purpose of determining the availability of all natural gas and crude oil produced or located in the United States or in any State, including all crude oil and natural gas on the Outer Continental Shelf, onshore Federal lands, and all non-Federal lands.

(d) The investigation conducted pursuant to this section shall include, among other items—

(1) an independent determination of the MER (maximum efficient rate) and MPR (maximum production rate) in relation to

the actual production from the fields, reservoirs, and wells in this study commencing with the twelve-month period immediately prior to the date of enactment of this section, and the President shall direct that an independent estimate shall be made indicating whether production from these fields, reservoirs, and wells has been less than the maximum efficient rate and maximum production rate, and, if so, the reason for this difference;

(2) an independent estimate of total proved, probable, and possible natural gas and crude oil reserves by fields and reservoirs based on, where necessary, geological and geophysical explorations carried out by Federal or other appropriate agencies;

(3) a determination of the utilization of natural gas and crude oil in terms of end-use markets so as to ascertain the consumption by different classes and types of end users; and

(4) the relationship of any and all such information to the requirements of conservation, industry, commerce, and the national defense.

(e) In order to obtain information required by this section, the President may utilize the authority to collect energy information granted to the Administrator of the Federal Energy Administration in the Energy Supply and Environmental Coordination Act of 1974, as amended, (15 U.S.C. 791 et seq.) and the Federal Energy Administration Act of 1974, as amended, (15 U.S.C. 761 et seq.), and the authority granted to the Federal Power Commission in the Natural Gas Act (15 U.S.C. 717 et seq.).

(f) The President shall submit an initial report to Congress on the results of the continuing investigation required under this section not later than six months after the date of enactment of this section, and shall submit subsequent reports annually thereafter.

(g) The President may delegate all or any portion of the authority granted to him under this section to such executive agencies (within the meaning of 5 U.S.C. 105) or officers of the United States he determines appropriate, and may authorize such redelegation as may be appropriate. Except with respect to section 552 of title 5 of the United States Code, any officer or executive agency of the United States to which authority is delegated or redelegated under this section shall be subject only to such procedural requirements respecting the exercise of such authority as the President would be subject to if such authority were not so delegated.

(h) Prior to a final judgment, no court shall have jurisdiction to grant any injunctive relief to stay or defer the implementation of this Act, or action taken by the President under this Act.

(i) If any provision of this Act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Act, or the application of such provisions to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

PUBLIC WORKS APPROPRIATIONS, 1978—H.R. 7553

AMENDMENT NO. 491

(Ordered to be printed.)

Mr. HATFIELD proposed an amendment to the bill (H.R. 7553) making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1978, and for other purposes.

AMENDMENT NO. 492

(Ordered to be printed.)

Mr. NUNN (for himself and Mr. ALLEN) proposed an amendment to the bill (H.R. 7553) making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1978, and for other purposes.

NOTICES OF HEARINGS

GOVERNMENT INFORMATION AND INDIVIDUAL RIGHTS

Mr. RIBICOFF. Mr. President, I wish to announce joint hearings before the Governmental Affairs Committee and the House Subcommittee on Government Information and Individual Rights on the final report of the Privacy Protection Study Commission. The hearings will be held on Tuesday, July 12, at 10 a.m.—location of hearings will be announced at a later date.

SUBCOMMITTEE ON INTERNATIONAL FINANCE

Mr. STEVENSON. Mr. President, on August 23 and 24, the Subcommittee on International Finance of the Committee on Banking, Housing, and Urban Affairs, will hold hearings at 10 a.m. in room 5302, Dirksen Senate Office Building, on international debt.

The high price of oil imports and the uneven recovery from world recession have saddled most countries with continuing payments deficits and mounting foreign debts. Ways must be found to reduce deficits and ease debt burdens to forestall global recession. The hearings will focus on:

First. The dimension of national debts and payments deficits and the outlook for the future;

Second. The additional resources needed to enable countries to service their debt and finance their deficits;

Third. The facilities, procedures and conditions for providing credit and rescheduling international debt, if necessary; and

Fourth. New forms of cooperation between public and private institutions to improve assessments of creditworthiness.

The resources of the IMF, other international institutions, and commercial banks to finance international debt are inadequate. Negotiations are underway to increase IMF quotas again and establish a special fund—the "Witteveen Facility"—to replenish IMF resources. Suggestions have been made for stretching IMF resources by IMF borrowing in private markets, joint loans with private banks to country borrowers, and guarantees of private loans.

When international debt reschedulings are unavoidable, an informal procedure known as the "Club of Paris" has been used to renegotiate official credits; private credits are handled through separate, but parallel, negotiations. In recent cases, these informal procedures have not worked smoothly. It has been suggested that the arrangements should be formalized and that there should be a provision for IMF participation in rescheduling both public and private debt.

Private financial institutions have provided more credit to countries in recent years. A sudden contraction of international bank lending could disrupt the world economy. It has been proposed that the IMF and the Federal Reserve Board share their analyses of the debt and prospects of various countries with private lenders in order that more accurate assessments of creditworthiness be made.

Whatever devices are used to get around the debt hurdles in the near future, the causes of the deficits will have to be dealt with as well. Development of energy and food resources worldwide would relieve the cost of imports in many countries. Liberalization of trade would help, especially if surplus countries took the lead in opening markets to foreign goods. Commodity agreements are another possibility. The exchange rate system may need to be improved to insure that rates are permitted to move to levels which foster, rather than frustrate, payments equilibrium.

The subcommittee will receive testimony on these subjects with emphasis on international debt on August 23 and 24. For further information contact Robert W. Russell, at 202–224–0891.

NOMINATION

Mr. RIBICOFF. Mr. President, on July 14, the Committee on Governmental Affairs will hold hearings on the nomination of John M. Ferren to be an associate judge of the Superior Court of the District of Columbia. The hearings will begin at 9:30 a.m. in room 3302, Dirksen Senate Office Building.

COAL CONVERSION

Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public that the Senate Committee on Energy and Natural Resources will meet in a business meeting on Wednesday, July 13 at 9:30 a.m. in room 3110, Dirksen Office Building, to consider provisions relating to new facilities in S. 977, the coal conversion bill, and S. 701 and part C of S. 1469, the National Energy Act, regarding energy conservation.

COMMITTEE ON FOREIGN RELATIONS

Mr. PELL. Mr. President, after the recess, the Committee on Foreign Relations will hold four hearings on the proposed Threshold Test Ban and Peaceful Nuclear Explosions Treaties. As chairman of the Subcommittee on Arms Control, Oceans and International Environment of the Committee on Foreign Relations, I have a special interest in these two proposed treaties, and I will be chairing the committee's hearings.

The proposed Threshold Test Ban Treaty would limit both the United States and Soviet Union to weapons tests no larger than 150 kilotons. It was agreed to in mid-1974. However, the executive branch withheld submission of that treaty for the Senate's advice and consent pending agreement on a treaty limiting peaceful nuclear explosions. That second agreement was reached in late May of last year, and the two treaties were sent to the Senate last July. Following a recent review, the executive branch has asked that the committee consider these two proposed treaties.

Accordingly, the first hearing is scheduled on Monday, July 11, at 2:30 p.m. in room 4221 of the Dirksen Building. The Honorable Paul C. Warnke, Director of the Arms Control and Disarmament

Agency, will testify, together with representatives of the Department of State.

Other executive branch witnesses will testify at the second hearing at 2:30 p.m. on Tuesday, July 19. Outside witnesses will testify at the final two hearings on Thursday, July 21, at 10 a.m., and Thursday, July 28, at 10 a.m.

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

Mr. HARRY F. BYRD, JR. Mr. President, the Subcommittee on Taxation and Debt Management will hold a hearing on July 25, 1977. The subject of the hearing is estate and gift tax problems arising from the Tax Reform Act of 1976, especially those affecting the average estate and estates containing interests in small or closely held businesses.

The hearing will begin at 9 a.m. in room 2221, Dirksen Senate Office Building.

The witnesses are as follows: Lewis M. Costello, Esquire, Past Chairman, Virginia State Bar Section on Taxation; J. Thomas Eubank, Esquire, Director, Probate and Trust Division, American Bar Association Section of Real Property, Probate and Trust Law; Joseph Kartiganer, Esquire, Officer of the American College of Probate Counsel; Doris D. Blazek, Esquire, Estate and Gift Committee of American Bar Association Tax Section.

The hearing is intended to bring to the attention of the Congress and the administration some of the serious problems resulting from the estate and gift tax revisions poured into the Tax Reform Act of 1976.

We want to bring to light a few of the most severe problems—the ones that can and should be acted upon.

These problems have come to the attention of the Finance Committee by letters from concerned taxpayers, not their attorneys or accountants, detailing adverse and arbitrary consequences of 1976 act changes.

The hearing is not in connection with a particular piece of legislation, but is a factfinding investigatory hearing.

We want to look at some of these problems that we have heard about; then we can decide what kind of legislation ought to be drafted.

In particular, the subcommittee will look at the problems in connection with the carryover basis rule—such as the problems of recordkeeping and executor administrative burden; problems having to do with the changes in the gift-in-contemplation-of-death rule; and a variety of problems affecting farmers and small businessmen.

There is much concern about the consequences for the small businessman who has built up his company and now faces the effects of inflation and death taxes on his estate.

Also, many farmers now find their land highly valued, yet have little liquid assets to pay estate taxes.

The committee and the Congress need facts now on which to base sound judgment as to needed changes in these areas of the tax laws.

IMPLEMENTATION OF PRISONER TRANSFER TREATIES

Mr. BIDEN. Mr. President, on July 13 and 14, the Subcommittee on Penitentiaries and Corrections will hold hearings on S. 1682, legislation submitted to the Congress by President Carter to implement treaties signed by the United States and Canada and Mexico providing for the transfer of sentenced criminal offenders so that they may complete the terms of their sentences in their homeland.

The hearings will begin at 8 a.m. in room 6226, Dirksen Building. In order that the subcommittee have the most complete information possible on this complex subject, it is suggested that interested parties contact the subcommittee staff at 224-5461 prior to the hearings.

ADDITIONAL STATEMENTS

(Additional statements are printed at the conclusion of Senate proceedings today.)

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

PUBLIC WORKS APPROPRIATIONS 1978

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of H.R. 7553, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 7553) making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1978, and for other purposes.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Oregon (Mr. HATFIELD) is recognized to call up the neutron bomb amendment.

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ALLEN). Without objection, it is so ordered.

AUTHORIZATION FOR CERTAIN PERSONNEL TO BE ON FLOOR IN CLOSED SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the closed session, in addition to the Secretary of the Senate, the Assistant Secretary of the Senate, the Legislative Clerk, the Journal Clerk, the Sergeant at Arms, and the Deputy Sergeant at Arms, all of whom are authorized under rule 36, except that current titles have been used where they have been changed, that the following personnel be authorized to be on the floor: the Parliamentarian, the Assistant Parliamentarian, the Assistant Legislative Clerk, the Assistant Journal Clerk, the administrative assistant to the Sergeant at Arms, the secretary to the minority and his assistant, the chief counsel and general counsel of the Democratic Policy Committee (Messrs. HART and WILLIAMS), the legislative assistant to the minority leader and the administrative assistant to the Vice President, the official reporters of debate (Mr. Walker, Mr. Perry, Mr. Mohr, Mr. Firshein, Mr. Reynolds, Mrs. Ross, Mrs. Garro, Mr. Smonskey, and Mr. Timberlake), floor assistant to the majority leader, staff counsel—Arms Control Subcommittee.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the official reporters be authorized to take proceedings of the closed session in shorthand; that the notes be transcribed; and that when the session is concluded the original notes be placed in the custody of the Secretary of the Senate and kept secret by him along with other minutes and matters of such nature already in his custody.

The PRESIDING OFFICER. Is there objection? The Chair hears no objection. It is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of the closed door session the complete transcript of the proceedings be personally delivered in a sealed envelope by the chief reporter to Mr. STENNIS; that the transcript of the remarks of each Senator who participated in the debate be made available by Mr. STENNIS under his direction to said Senators for revision of their said remarks, and when this is completed the transcript shall be resealed and put in a secure place for safe keeping for any further disposition by the Senate.

The PRESIDING OFFICER. Is there objection? Hearing no objection——

Mr. BAKER. Mr. President——

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object: I take this opportunity to add that, for the first time of which I am aware, the Sergeant at Arms has provided an extra measure of security, in addition to those steps that the majority leader has stated, for protection of the written transcript. The Sergeant at Arms has a very effective electronic scanning and search system to make sure that this room is secure. I think the Sergeant at Arms should be commended for that additional safeguard.

I have no objection, Mr. President.

The PRESIDING OFFICER. Is there objection? The Chair hearing no objection, it is so ordered.

Mr. ROBERT C. BYRD. I have one other item, Mr. President, I do this as a matter of course in Senate session. I read

from paragraph 4 of Rule XXXVI with respect to closed sessions.

Any Senator or officer of the Senate who shall disclose the secret or confidential business or proceedings of the Senate shall be liable, if a Senator, to suffer expulsion from the body; and if an officer, to dismissal from the service of the Senate, and to punishment for contempt.

PUBLIC WORKS APPROPRIATIONS, 1978

The Senate resumed the consideration of the bill (H.R. 7553) making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1978, and for other purposes.

Mr. STENNIS. Mr. President, as I understand the order of business is we proceed now to return to H.R. 7553, which is the so-called Public Works appropriations bill; is that correct?

CLOSED SESSION

The PRESIDING OFFICER (Mr. ALLEN). The bill is before the Senate.

Mr. STENNIS. Yes. Well, Mr. President, if we may have quiet, there is an amendment to this bill by the Senator from Oregon that goes into the question here of certain warheads, different types, that is very far reaching in its application.

I have looked into it fully and am completely convinced that we should have a closed session on that amendment, and I move that the Senate now go into closed session for the consideration of the Hatfield amendment, which is highly classified subject matter.

Mr. ROBERT C. BYRD. Mr. President, I second that motion.

The motion has been moved and seconded, Mr. President.

The PRESIDING OFFICER. The motion having been made and seconded that the Senate go into closed session, the Chair, pursuant to rule XXXV, now directs the Sergeant at Arms to clear the galleries, close the doors of the Chamber, and exclude all officials of the Senate not sworn to secrecy.

(At 10:01 a.m. the doors of the Chamber were closed.)

LEGISLATIVE SESSION

At 12:44 p.m., the doors of the Chamber were opened, and the session of the Senate was resumed.

PUBLIC WORKS APPROPRIATIONS, 1978

The Senate continued with the consideration of the bill (H.R. 7553) making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1978, and for other purposes.

AMENDMENT NO. 489

Mr. HATFIELD'S amendment No. 489 reads as follows:

On page 3, line 16, strike the period and insert the following: ": *Provided further*, That none of the funds appropriated in this or any other Act shall be used for production of enhanced radiation weapons.".

UP AMENDMENT NO. 625

Mr. STENNIS' UP amendment No. 625 to amendment No. 489 reads as follows:

On line 4 of the amendment of the Senator from Oregon, Mr. HATFIELD, (No. 489), strike the periods and the quotation marks and insert the following: ", until an arms control impact statement has been filed with Congress and the President certifies to Congress that these weapons are in the national interest.".

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time consumed under the quorum call not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. STENNIS. Mr. President, I will make remarks first regarding the amendment offered.

This brief discussion of 5 minutes by each side, on each of these amendments—one being the Hatfield amendment and the other being my amendment to the Hatfield amendment—is for the general information as to the issue and anything else we might see fit to go into.

The amendment proposed by the Senator from Oregon provides this:

"*Provided further*, That none of the funds appropriated in this or any other act shall be used for production of enhanced radiation weapons."

There was a good debate here, and a factual statement about what weapons we were talking about and the amounts involved, which are highly classified, of course.

The other point involved in the argument was a procedural matter on the question of whether or not President Carter had fully complied with all the requirements with reference to reporting to Congress and certifying and giving certain expressions and information regarding this kind of weaponry. I will review those facts very rapidly.

It had been developed that the request for this missile was in the Ford budget but did not have the statement with it about the impact, that it had been prepared but got misplaced some way last September or October. The budget came up with the proposed bills, without that statement.

Mr. Carter reviewed the budget, as is known, but he did not have a statement, either. That point was raised—it was purely procedural—and when called to the attention of President Carter through his Secretary for Engineering, they sent up the statement that he was behind the matter and was backing the budget request, and that he would continue to review the whole picture, that he would send in another statement as required by law.

I propose, therefore, that to clear the matter up—there really was not any dispute about the facts there; there had been a slight omission, but harmless—I propose in this second amendment that we amend the amendment with these words: "until an arms control impact statement has been filed with Congress and the President certifies to Congress that these weapons are in the national interest"—until then, the money cannot be spent. That would the the first item we will vote on here. That will clearly and explicitly point out the weapons, the missiles, here to which this amendment refers, and withholds the funds until the President has filed these reports.

Well, he frankly has to file them under present law anyway, and he has already said he would, that he expects to, and there is no evasion whatsoever on him or on ex-President Ford about it.

So I was trusting, and we have argued, that this amendment be added to the amendment for clarification. Otherwise the matter can be highly misleading and misunderstood by the people and by the people in Western Europe, by those who are our adversaries.

So whatever time I have left on that, Mr. President, I reserve.

The PRESIDING OFFICER. The Senator has 1 minute.

Mr. STENNIS. I reserve that 1 minute.

Mr. HATFIELD. Mr. President, the amendment to my amendment is clearly and simply a copout opportunity for the Senate to avoid facing the question that is inherent in my amendment.

With all due respect to the author of the amendment to the amendment I say we are not answering the procedural question. The procedural question is simply that the Congress of the United States has enacted a law which says an impact statement shall be filed and a finding shall be made by the National Security Council, and forwarded to the Office of Management and Budget, and to the President of the United States; and if the finding is positive, or upon request to the Senate Committee on Foreign Relations, the Senate Committee on Armed Services, the Senate Committee on Appropriations, as well as to the respective committees in the House.

That action has not been followed. The law has not been complied with on this. As late as this morning the information I have acquired from the National Security Council is simply that no statement will be prepared until after President Carter decides to proceed with whether or not to produce the weapon.

The Senate of the United States is divesting itself of the responsibility that the law placed upon us, simply that we should make a determination on the requests of the Executive for moneys to be authorized and appropriated after we have the information. We do not have the information as to what the President of the United States position is on this, or what the previous President of the United States position was on it. We do not have the impact statement.

We have not completed the 6-month weapons review the President has ordered. That apparently will be finished in August. All we have heard today is arguments that somehow we must divest ourselves of this responsibility, to give the President flexibility to act. I suggest this is not the proper procedure.

I am not going to argue on the issue of the warhead itself. We have gone through 2½ hours of that. I am only going to say this: that my amendment does not make a final determination on the question of the warhead. I am only asking for delay until all the information is here, until we have a basis upon which to make our judgment so we can make our judgment accurately and effectively.

When we go ahead and give the President this kind of authority, this kind of appropriation money, I think we are not upholding our basic responsibility.

My ultimate hope may be to eliminate this warhead from ever coming into our arsenal, but that is not the issue here today; and no one can claim, if my amendment passes without the encumbrance of the amendment of the Senator from Mississippi—which I hope will be defeated, let me say—that that should not end the question on whether we should adopt the nuclear warhead we have been debating.

So let me say to my colleagues all I am asking for is a delay in order to comply with the law, to get the information upon which we can make the judgment.

May I say that everything we have discussed up to this point has been more by discovery than by careful deliberation. We discovered it was in the budget. We discovered that no President has actually approved it for production purposes. We discovered that the Committee on Armed Services did not consider an arms impact statement. We discovered the Appropriations Committee really did not understand the implications of this weapon from its hearing on it. And we discovered that Congressional Budget Office also had some concerns about it. In other words, this whole thing has stumbled into our lives, and it has too great a magnitude for us to just pass over it in a cursory way and say, "Appropriate the funds and let the President make the decision later."

This is our responsibility. We cannot afford to utilize a copout vehicle, which the amendment to the amendment is. I would urge the Senate to defeat the amendment to the amendment and face up to the basic question that was put forth initially by my original amendment.

Mr. STENNIS. Now, Mr. President, if we may have quiet by the membership, the staff members and all, let us see now. This matter was requested by President Ford through the regular channels, through the determination of his assistants, and he sent the budget on up here with a request, sent the bills along with it, to carry out the mission.

On the change of administration exactly the same thing happened. The requests came in, as they do all the time. The only thing short was this certificate that, under the Ford administration, we found was prepared but then apparently misplaced. Now we have here this letter from the present President of the United States, that, yes, that is exactly what he wants, and he wants that in this bill to make preparation for procurement if it comes.

He continues to review it, and he will comply with this special law that requires a report to the Congress which, of course, will be carried out. It does not provide for any action by Congress, but merely to file a report.

I hope we will support the amendment.

ADDITIONAL STATEMENTS SUBMITTED ON AMENDMENT NO. 489

Mr. HEINZ. Mr. President, a few minutes ago the Senate in closed session concluded its discussion of the Hatfield amendment and amendments thereto. The question, of course, was whether the Senate should appropriate money at this time for the production and deployment of enhanced radiation weapons. Since this debate was closed to the public, I ask unanimous consent that my prepared text, which was the basis for my remarks in closed session, be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

NEUTRON BOMB

I am not convinced that a case has yet been made for the neutron bomb—let alone whether it's a good case or a bad case—and therefore I wonder whether it is not premature to include funds for it in this public works bill.

Though the Administration has requested funding for the bomb, it cannot actually be said that the President supports it. Apparently he wasn't even aware of it until reports surfaced in the press. Even then, his opinion was that a decision could be postponed until next fall—and indeed, given lack of information and analysis, that it *should* be postponed.

No impact statement was prepared (causing Senator Pell, Chairman of the Arms Control Subcommittee of the Senate Foreign Relations Committee, to speculate that the law might have been violated); Congressional hearings in any event have been closed and only cursory at best; and the Appropriations Committee itself split 10–10 on the issue.

What the President argues is quite another issue from the neutron bomb itself: namely, that we should appropriate money for the bomb just in case he decides to go ahead with it—so that he may have some flexibility when he finally evaluates its merits and comes to a decision.

This is an incredible fiscal principle for a President who claims to be a budget-balancer. There are plenty of other decisions up in the air on all sorts of government undertakings besides this one: Should we give the President a blank check budget every year just in case he decides to go ahead with things that he couldn't justify at the time the budget was passed?

I say, if a case can be made for the bomb—particularly if our national security is said to hang in the balance—then we'll be only too happy to pass a supplemental. If need be, we could even set out at that time an accelerated timetable for the bomb's development. Until then, however, I don't see the urgency. The President doesn't seem to mind biding his time making a decision; neither should we.

Some will say that the Congress is not really being asked to spend any money, but merely to allow the President such an option. This is doubletalk. If we would be willing to let the President spend the money, then we certainly ought to be willing to spend it ourselves. That's what it amounts to. It is Congress, after all, that passes appropriations.

Moreover, the reality is that, if the money's available, the bureaucratic imperative will be to use it. Everyone will point to the fact that Congress did in fact appropriate the money. The inference will be drawn that we endorsed the spending of it. Congress won't have the purse strings left to pull if, after opinion becomes more informed in a few months, we decide to ask some harder questions about this new weapon.

Classified or not, a hard case should be made before the Pentagon plunges into new spending, particularly spending on something that represents a new generation of technology. This will have long-run cost implications far beyond the present public works bill. Putting our entire European battlefield force on such a new footing—as some of our neutron-bomb advocates foresee—is an enormously expensive proposition. FY 1978 money is not all that we are or should be considering in making this decision.

For that matter, it is my understanding that not all of the FY 1978 money is even contained in the present bill. Apparently OMB has required the army to absorb the costs of such things as transfer and storage containers, "permissive activation linkage" hardware, and specialized ground support. If the army has had to reduce spending for other purchases as a result, we should be sure that the trade-off has been carefully weighed.

The neutron bomb, however, is not merely a matter of budget implications—as important as those are—but also a matter of what profound changes this may portend in our strategic posture and in superpower deterrence, something we consider the pillar of peace.

Some advocates of the bomb have put forward what to me is a peculiar strategic argument: that the likelier we would use nuclear weapons, the more deterred an adversary will be and the safer our world. This is a bit paradoxical if not outright contradictory. If the world's nuclear arsenal comes to include weapons that are considered "smaller" and "cleaner" than what we're used to, then what this means to me is that the threshold of nuclear war has been lowered and the very chance of nuclear war increased.

It is not enough to say that the United States would never resort to "first-use." Our government has studiously avoided committing itself on this score, and I happen to think that's a good idea, for the sake of maintaining options and the credibility of threats. The fact is, when our last conventional shell is spent, and if we're in the mood to hope that nuclear war can really be contained, the temptation will be considerable to use whatever weapons are left. Unfortunately, it has never been clear that even a "tactical" nuclear war can be fought in other than a spirit of escalation. One thing may well lead to another in such a frenzied moment.

The present debate is reminiscent of the ones we have entertained in the last few years on counterforce and tactical nuclear weapons. I'm not sure we've ever resolved one particular, fundamental question: Is deterrence better achieved if the other side thinks we're *more* likely to go to war but with *less* destructive weapons, or if it thinks we are *less* likely to go to war but with *more* destructive weapons? That is to say, is the adversary more deterred if it knows we have at our disposal highly accurate, surgical-strike type weapons which are considered "damage-limiting" (because they target weapons installations, industrial capacity, and armed force concentrations rather than civilian population) and which policy-makers might therefore be less loath to use; or is an adversary better deterred if it realizes that we have

only cruder and more destructive weapons (with an emphasis on throw-weight rather than accuracy) which would assure "unacceptable" losses to the other side, but therefore which our policy-makers would be more loath to use.

This is the context in which the neutron bomb might best be debated. It is a debate in which the Congress has a special role, since it requires political and philosophical judgments as much as technical ones.

Technical matters, incidentally, are not unimportant. I would not mind seeing more information on the cost-effectiveness of the neutron bomb, and in particular what counter-measures the Soviets might be expected to take—which could not only neutralize our new weapon but simply end up provoking our arms competition to a higher level. We might achieve no net security gain, but only bigger military budgets.

Finally, let me mention some other disturbing questions—which I don't have answers to, but which I do think deserve to be raised early on.

Are we being asked here to approve a nuclear weapon that is even more repugnant than usual, which is literally dehumanizing? The neutron bomb, after all, singles out people for destruction, choosing to preserve buildings instead. Moreover, it works its effects by radiation rather than the more traditional emphasis on blast and heat. Laboratory experiments seem to indicate that while its victims are almost instantly incapacitated, they may in fact linger on near death for days. Whatever the technical distinction, I am afraid that to perpetrate death by neutron radiation smacks of the sort of chemical and biological warfare which has historically outraged civilized nations and which the United States has at times strongly condemned.

Secondly, is it possible that acquisition of a bomb which blurs the distinction between tactical nuclear weapons and conventional ones will discourage our European allies—and even the Pentagon—from putting money into conventional weapons? I wonder, for example, whether our money might not be more productively spent closing the "tank gap" between NATO and the Warsaw Pact.

Lastly, now that we're all recognizing these days the crying need to curtail nuclear proliferation, what will the rest of the world think to see the superpowers not only continuing to accumulate the old nuclear weapons but going ahead to develop more and more exotic ones?

Though I have raised questions about the neutron bomb, I am not willing to oppose it in principle until the Pentagon has had more of a chance to present its case. But present it they must before I can support it.

Mr. CLARK. Mr. President, I rise in support of the proposed amendment by the distinguished Senator from Oregon, which would have the effect of blocking funds for this year for the production of so-called, "enhanced radiation" nuclear warheads.

I do this, Mr. President, without prejudice to my final position on this issue. For indeed, I do not know whether the United States should proceed with the production of these weapons. But that is just the point. I do not think the Members of this Senate know yet whether this is a good idea. My opposition to proceeding at this juncture stems precisely from this conviction that we have not yet given the attention to the issue, nor received sufficient information on it, to justify such a momentous decision. For that is what it is.

There are, I think two basic reasons for not acting at this time.

First, as the Senator from Rhode Island has already informed the Members, the executive branch has failed to comply with the law. According to the Arms Control and Disarmament Act, requests for appropriation for nuclear weapons must be accompanied by an arms control impact statement analyzing the effect on arms control and disarmament policy and negotiations.

Let me quote the citation—I ask unanimous consent to have printed in the RECORD the full text.

There being no objection, the excerpt from the statute was ordered to be printed in the RECORD, as follows:

Section 36(a)(1) "any program of research, development, testing, engineering, construction, deployment, or modernization with respect to nuclear armaments, nuclear implements of war . . . (b)(2) any request to the Congress for authorization or appropriations for (and here it refers to the above paragraph) . . . shall include a complete statement analyzing the impact of such program on arms control and disarmament policy and negotiations."

ARMS CONTROL IMPACT INFORMATION AND ANALYSIS

SEC. 36. (a) In order to assist the Director in the performance of his duties with respect to arms control and disarmament policy and negotiations, any Government agency preparing any legislative or budgetary proposal for—

(1) any program of research, development, testing, engineering, construction, deployment, or modernization with respect to nuclear armaments, nuclear implements of war, military facilities or military vehicles designed or intended primarily for the delivery of nuclear weapons,

(2) any program of research, development, testing, engineering, construction, deployment, or modernization with respect to armaments, ammunition, implements of war, or military facilities, having—

(A) an estimated total program cost in excess of $250,000,000, or

(B) an estimated annual program cost in excess of $50,000,000, or

(3) any other program involving weapons systems or technology which such Government agency or the Director believes may have a significant impact on arms control and disarmament policy or negotiations,

shall, on a continuing basis, provide the Director with full and timely access to detailed information, in accordance with the procedures established pursuant to section 35 of this Act, with respect to the nature, scope, and purpose of such proposal.

(b)(1) The Director, as he deems appropriate, shall assess and analyze each program described in subsection (a) with respect to its impact on arms control and disarmament policy and negotiations, and shall advise and make recommendations, on the basis of such assessment and analysis, to the National Security Council, the Office of Management and Budget, and the Government agency proposing such program.

(2) Any request to the Congress for authorization or appropriations for—

(A) any program described in subsection (a)(1) or (2), or

(B) any program described in subsection (a)(3) and found by the National Security Council, on the basis of the advice and recommendations received from the Director, to have a significant impact on arms control and disarmament policy or negotiations,

shall include a complete statement analyzing the impact of such program on arms control and disarmament policy and negotiations.

Mr. CLARK. Any program—with respect to nuclear armaments—shall include a complete statement analyzing the impact.

Surely, Mr. President, a weapon of the nature of the enhanced radiation warhead unquestionably falls in this category, and, the congressional requirement for an arms impact statement is fully justified, for it demands of the Executive a thoughtful and reasoned analysis of the overall significance of the weapon under consideration.

The executive branch submitted no such impact statement on the Lance enhanced radiation warhead. Last week the chairman of our Subcommittee on Disarmament asked the honorable Paul Warnke, Director of the Arms Control and Disarmament Agency, to have such a statement prepared on an urgent basis. Mr. Warnke provided his analysis to the National Security Council yesterday morning. But the coordinated statement is not available now, and will not be available this week.

Mr. President, the requirements of the law are clear. Before we appropriate money for a system, we must know what that system will do. We must have this impact statement. The lack of this alone, it seems to me, justifies withholding Senate approval at this time.

Furthermore, Mr. President, the executive branch is only now embarking on a study of the need for these weapons. The President will not make his decision on our overall nuclear weapons policy for several months. These enhanced radiation weapons in this bill will be a central part of the considerations. As the President's decision on the B–1 yesterday morning demonstrates decisions on such complex weapons questions as these are not necessarily predictable. In this circumstance, why do we want to engage in a blank check for appropriations? Mr. President, if the President of the United States can wait until fall to make this decision, why does the Senate of the United States have to act today?

Mr. President, beyond these procedural questions are fundamental questions involving our commitment and interest in arms limitation, our national security requirements, and our foreign policy interests. On the surface, it appears attractive to develop and deploy so-called "clean" nuclear weapons. But what are we really talking about?

The nuclear warheads under discussion are "clean" only to the extent that they will do less damage individually to the physical surroundings than the weapons they were designed to replace. But even according to newspaper accounts, we know that the weapon to be carried by the Lance warhead will destroy buildings and bridges and houses for a great radius around the explosion—far greater than any conventional weapon we possess. Let us make no mistake: This is a nuclear warhead. The fact that it manages to reduce blast and thermal impact while maintaining the

same level of lethal neutron radiation hardly qualifies it as a "clean" weapon, except, I guess, to those among us nowadays for whom the words "kilotons" and "megatons" seems to have lost their terrible meaning.

But, let me concede for a moment that the enhanced nuclear weapon is marginally less destructive when used singly than a regular nuclear warhead, and that it might be possible to destroy an advancing enemy armored column through neutron bombardments with somewhat less destruction to the surroundings than possible with other nuclear weapons. This has, it seems to me, very ambiguous ramifications for arms control.

On the one hand, it is argued that it makes the nuclear deterrent more credible. Potential attackers, we are told, would more readily believe that we would use a warhead of this nature, particularly in allied areas, because it would be less destructive of the surroundings.

I have to accept that. I have to agree that commanders would be more inclined to use such a weapon than a similar weapon which would blow up more of the surrounding landscape.

But just for that reason I think the enhanced radiation warhead might be an incredible threat to our own security. For I find it hard to believe that a nuclear exchange is going to remain confined to just a couple of our "clean" bombs.

For one thing, who is going to guarantee that the Soviets are so thoughtful as to reply with enhanced radiation "clean" bombs?

So far as we know, they do not even have them at this time. But why should they necessarily forgo the additional blast and thermal effects?

But more than this. I find the concept of a "limited" nuclear exchange—clean or not—extremely dubious. I cannot really imagine that when a nuclear exchange takes place everyone—including ourselves—will limit it to "clean" bombs. In a nuclear exchange it is awfully hard to see the sign "clean" on incoming nuclear warheads.

Indeed, I think it is vitally important to retain the distinction between conventional and nuclear war. I think nations and leaders must be aware that when they go nuclear, they are introducing an entirely new dimension into the conflict. Nuclear war must remain so clearly a step into the terrible unknown that nobody will venture to try it. The introduction of supposedly "clean" weapons the illusion of some sort of benign nuclear exchange, threatens to blur that distinction, and as such is potentially a dangerous trigger to nuclear holocaust.

It would, as the Washington Post described it,

> Set NATO's nuclear force on more of a hair trigger, when sound strategic doctrine demands a reliable safety catch; and it would commit NATO more deeply to the dangerous premise that a small nuclear exchange can be conducted without serious risk of expanding into a general nuclear war.

Mr. President, I would like to note that two recent Directors of the Arms Control and Disarmament Agency emphasized the importance of maintaining just that distinction. In an exchange in 1976 the distinguished former disarmament subcommittee Chairman Stuart Symington was emphasizing the dangers of developing "mini-nukes" of limited yield which would blur this dividing line. ACDA head, Fred Ikle replied,

> I agree with the importance of preserving the dividing line between nuclear weapons and conventional ones.

And back in 1974, a well-known and respected private commentator on arms control issues, Paul C. Warnke, told a Foreign Relations Committee subcommittee that the prospects of developing smaller, neater and cleaner tactical nuclear weapons, the so-called mini-nukes, appalled him. "To the extent that mini-nukes blur the distinction between conventional weapons and nuclear wepaons," said Mr. Warnke, "they lower the nuclear threshold." They would Mr. Warnke went on,

> Make the consequences of use of tactical nuclear weapons less dire in the minds of the potential attacker and, as a consequence, they would not constitute to the same extent the degree of deterrent that a weapon which is clearly different in kind now presents.

Mr. Warnke, as we know, is now head of ACDA. And his conclusion as to what the use of those smaller, cleaner weapons would mean was simple and direct:

> And once the nuclear threshold is crossed the process of escalation could become irreversible.

To quote Secretary of Defense Harold Brown on this issue at the time of his confirmation hearings:

> I do not think it at all likely that a limited strategic nuclear exchange would remain limited. I would be very cautious about structuring the force and expanding a great deal of effort on making the force able to engage at length in a limited strategic nuclear war.

That Mr. President, makes a lot of sense. As I said at the opening statement, I come to this discussion without any preconceptions. I honestly have not yet formed a final opinion on whether the additional "credibility" of the enhanced radiation weapon justifies the extent to which it might lead to "going nuclear", and trigger with it a full nuclear exchange. But I am convinced that the question is serious enough that it should be thoroughly explored in hearings and in a public discussion. And that is why I feel that appropriating these funds now is premature, and should await the results of our inquiry.

Therefore, I support Senator HATFIELD's proposal to block that funding at present.

The PRESIDING OFFICER. All time on the amendment has expired. The question is on agreeing to the amendment of the Senator from Mississippi to the amendment of the Senator from Oregon. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER (Mr. FORD). Let the clerk suspend.

Senators will clear the well and take their seats.

The assistant legislative clerk resumed the call of the roll.

Mr. TOWER. Regular order.

Mr. HATFIELD. Regular order, Mr. President.

The PRESIDING OFFICER. The regular order is for Senators in the Chamber to vote.

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. CRANSTON. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. MCCLELLAN), and the Senator from Montana (Mr. METCALF) are necessarily absent.

I further announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), and the Senator from South Dakota (Mr. MCGOVERN) are absent on official business.

Mr. BAKER. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Massachusetts (Mr. BROOKE), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Virginia (Mr. SCOTT), the Senator from Alaska (Mr. STEVENS), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I also announce that the Senator from Oklahoma (Mr. BARTLETT) is absent due to illness.

The result was announced—yeas 43, nays 42, as follows:

[Rollcall Vote No. 271 Leg.]

YEAS—43

Allen	Hollings	Roth
Baker	Jackson	Schmitt
Byrd, Harry F., Jr.	Johnston	Schweiker
	Laxalt	Sparkman
Byrd, Robert C.	Long	Stafford
Cannon	Lugar	Stennis
Chiles	Magnuson	Stevenson
Curtis	McClure	Stone
Domenici	McIntyre	Talmadge
Garn	Morgan	Thurmond
Glenn	Nunn	Tower
Hansen	Packwood	Weicker
Hatch	Pearson	Young
Hayakawa	Randolph	Zorinsky
Helms	Ribicoff	

NAYS—42

Abourezk	Dole	Mathias
Anderson	Durkin	Matsunaga
Bayh	Eagleton	Melcher
Biden	Ford	Metzenbaum
Bumpers	Hart	Moynihan
Burdick	Haskell	Muskie
Case	Hatfield	Nelson
Chafee	Hathaway	Pell
Church	Heinz	Percy
Clark	Huddleston	Proxmire
Cranston	Humphrey	Riegle
Culver	Javits	Sarbanes
Danforth	Kennedy	Sasser
DeConcini	Leahy	Williams

NOT VOTING—15

Bartlett	Goldwater	McGovern
Bellmon	Gravel	Metcalf
Bentsen	Griffin	Scott
Brooke	Inouye	Stevens
Eastland	McClellan	Wallop

So Mr. STENNIS' amendment was agreed to.

Mr. STENNIS. Mr. President, on the next amendment—

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LONG. Point of order, Mr. Presi-

dent. The mover must be on the prevailing side to move to reconsider a vote.

Mr. STENNIS. Mr. President, do I have the floor?

The PRESIDING OFFICER. The Senator from Louisiana suggested a point of order. The point of order is well taken, since the Senator from Oregon voted on the losing side.

The Senator from Oregon is recognized.

The Senator will suspend. Will Senators take their seats, and will the Senate come to order?

Mr. HATFIELD. Mr. President——

The PRESIDING OFFICER. The Senator will suspend until the Senate comes to order. Will Senators take their seats?

The Senator may proceed.

Mr. HATFIELD. Mr. President, I am now in one of those very unhappy situations of trying to deny parentage of an amendment which now bears my name. It has been successfully neutered, using a nonbarnyard term, of its original intent and original purpose.

Mr. STENNIS. Mr. President, may we have quiet? There is only 5 minutes to the side.

Mr. HATFIELD. The vote, even though it was close, clearly indicates that the only message the Senate wishes to send to the President, or to anyone else, is that we only expect the President to comply with the law that he is bound by law to follow. We have basically only repeated ourselves. The production money, which I sought to delete, of a warhead which carries with it many implications that were obviously discussed and debated in great depth this morning in closed session, will be made available for production purposes once the President has submitted the impact statement, and once the President has certified to the Congress that it is in the national interest.

Mr. President, that is required by law. The President must sign off of any weapons system before it goes into production anyway. So I repeat we have really not said anything here today. In my view this action is but a sidestep from the real issue. It shows a desire not to face up to the question of this weapon as it relates to production.

Again, I emphasize, my amendment would not have decided the question of the weapon, but would merely postpone action on production until the information is available and until the law's requirements have been met with. Speaking only for myself, my ultimate hope is that this weapon never enters our arsenal, but that is not the issue that we were arguing this morning. I repeat that this is not an issue today.

Therefore, Mr. President, I am going to ask at this time that the amendment that I originally offered, now as amended by the action of the Senate with the Stennis amendment, for which at one time I had great affection and love of parentage, I am now going to deny that fatherhood and ask that it be laid on the table.

The PRESIDING OFFICER. The motion is not in order until the time has expired.

Mr. HATFIELD. Yes, I shall ask that when the time comes.

Mr. NUNN. Mr. President, will the Senator from Mississippi yield me 10 seconds?

Mr. STENNIS. Yes, I am glad to yield, but I want to know what the parliamentary situation is.

Will the Chair indulge me just a minute?

Mr. President, I should not mind yielding, but the unanimous-consent agreement was that the Senator from Oregon and I would share the time that has been allotted.

Mr. NUNN. I just want 10 seconds for unanimous consent to make a statement at this time.

Mr. STENNIS. I am bound by the unanimous-consent agreement we are working under. If the Senator wants to ask unanimous consent for that, I shall give him the time.

The PRESIDING OFFICER. Without objection, it is so ordered.

WHAT THE NEUTRON BOMB WILL NOT DO

Mr. NUNN. Mr. President, many times in this debate, proponents and opponents have tended to overstate their arguments and confusion has been the result. I, therefore, feel that I should state what this weapon will not do.

First, it will not totally redress the military balance in Europe.

Second, it does not obviate the need for strong conventional defense.

Third, it does not make our entire tactical nuclear posture in Europe credible.

Finally, it does not make absolutely credible the U.S. strategic guarantee to Europe.

It is, however, a step toward restoring the credibility of our present tactical nuclear posture.

The central issue we face relating to the neutron warhead is who is going to be deterred—we or the Soviets?

The essence of the argument against the neutron warhead is that we should not develop nuclear weapons that we can use; rather that we should keep these weapons so dirty and destructive in blast and heat effects that there will be great reluctance on the part of the President, the NATO chain of command, and our European allies to use them.

Both proponents and opponents can agree on the basic premise that we hope we will never have to use nuclear weapons of any type.

Where, then, do we disagree?

Opponents believe that weapons whose use is credible become weapons whose use is more likely. I submit, however, that weapons whose use is credible become weapons whose use is less likely. The likelihood of our being compelled to use tactical nuclear weapons increases as the credibility of their use decreases.

The opponents' basic premise leads to the conclusion that the deterrence they seek is a self-deterrence, whereas the deterrence I seek and which NATO must seek is a deterrence of the Soviet Union and the Warsaw Pact.

Opponents seek to convince our chain of command that our tactical nuclear weapons must not be used. I seek a posture which demonstrates to the Soviets that we have weapons which we are willing to use should they invade.

Those who oppose the warhead apparently believe in self-deterrence; that is to say, that we should keep the weapons so destructive we would never use them or if we did use them, it would be only under the most desperate of conditions. The fault with this argument is that if the Soviets perceive this to be our posture, then deterrence is weakened, and by extension, the likelihood of Soviet aggression is increased. Thus, if we deter ourselves, we encourage the very war we seek to avoid, and we make more likely the necessity to use weapons which we hope never to use.

I do not state to my colleagues in the Senate that a Soviet invasion of Western Europe is inevitable, nor do I state that it is likely. I do state, based purely on a military analysis, that it is the least unlikely of the possible scenarios of Soviet military aggression. By deterring ourselves from using tactical nuclear weapons except weapons which would destroy the territory we are pledged in NATO to protect, the advantages which the Soviets now maintain in conventional forces are greatly magnified, and the least unlikely scenario becomes even less unlikely.

I remind my colleagues that the purpose of deterrence in Europe is to deter Soviet aggression, not to deter ourelves from responding to that aggression. The Soviets are not deterred by NATO weapons which the alliance probably cannot use. They are deterred by weapons whose use is credible. If we do not have usable weapons, then we do not have deterrence, and if we do not have deterrence, then we may end up being forced to use unusable weapons or to capitulate. We must not invite the very aggression we seek to deter.

Mr. STENNIS. Mr. President, this is the time that was agreed on, when we would explain the matters that were pending here. Those that were at the debate already know that this matter has been gone into fully on the facts and on the law. I merely offered this little amendment which has been adopted:

Until an arms control impact statement has been filed with Congress and the President certifies to Congress that these weapons are in the national interest.

That was just to state the sentiment here that we are concerned, that we do want to be certain to have this report from the President. I want the bill to move on, though, and let the Senate's will be reflected. We cannot go back to these appropriations bills.

Now, with this language added, I do not see where there can be any objection to it at all unless one is totally opposed to the idea of the weaponry itself. It has been thoroughly gone over here that this small warhead, I call it, for the Lance missile, on which we rely in Western Europe, is a step forward in that it carries, more or less, the radius of a pistol shot, as compared to the radius of a shotgun shot, in the spread of its effect.

If it is used—which God forbid—it can be centered on the adversary and the military part of the adversary far, far, better—far better—than the regular

warhead. These things come and go, but the idea of having this weapon under this amazing control, with a limited application, is the best news that I have heard in years to relieve the situation as to a probably human kill and reduce greatly the chances. At the same time, it carries a tremendous deterrent force—and that is what we want, a deterrent force—to the adversary. Here is the message that this technology permits the perfection of this little warhead to this very limited area and, therefore, is better able to concentrate its great destruction upon the adversary's military units.

In that way, I think it is a tremendous factor. It carries its deterrence in a greater way, carries a probable kill of fewer innocent human beings and bystanders and people of Western Europe, including the great number of dependents of our own people that we have there.

This greatly clears the air. I hope that the amendment, in its present form, passes. We shall still have to have the certificate and the judgment of the President of the United States before we can spend this money.

The PRESIDING OFFICER. The Senator from Oregon has 2 minutes. Who yields time?

Mr. STENNIS. Mr. President, I am ready to yield back my time, if that is the desire of the Senator from Oregon.

Mr. HATFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state his inquiry.

Will the Senator suspend? The Senate will come to order.

The Senator may proceed.

Mr. HATFIELD. Mr. President, is it possible to offer a substitute amendment?

Several SENATORS. We cannot hear.

Mr. HATFIELD. Is it possible to offer a substitute amendment for the pending amendment?

Mr. STENNIS. Mr. President, will the Senator repeat his question?

The PRESIDING OFFICER. A substitute is in order for the amendment, but there is no time for debate.

Mr. STENNIS. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. STENNIS. We had a unanimous-consent agreement here, as to those two amendments that we have before us, that we would vote on those under a limitation of time. Certainly, that carries it with the idea of no others.

The PRESIDING OFFICER. The order did not preclude further amendments. There is no additional time for debate.

Mr. STENNIS. Is that the established precedent of the Senate?

The PRESIDING OFFICER. That is correct.

Mr. JOHNSTON. Point of order, Mr. President. Does not the motion to lay on the table have to be voted on before a substitute amendment——

The PRESIDING OFFICER. The motion to table could not be made before all time had expired.

Mr. ABOUREZK. Regular order, Mr. President. Can the amendment be stated?

Mr. HATFIELD. I ask that the amendment be stated.

Mr. LONG. Point of order, Mr. President.

The PRESIDING OFFICER. Let the clerk state the amendment.

The assistant legislative clerk read as follows:

The Senator from Oregon (Mr. HATFIELD) proposes unprinted amendment No. 626.

In lieu of the language proposed to be inserted by the Hatfield amendment No. 489 (as amended) insert the following: *"Provided, further,* That no part of this appropriation shall be used for production of enhanced radiation weapons."

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. LONG. Was it agreed in the unanimous-consent agreement that there would be a limitation on debate on amendments to the amendment?

The PRESIDING OFFICER. No.

Mr. LONG. If there was no agreement to limit debate on amendments to the amendment, I should have to submit that the amendments to the amendment would be subject to debate.

The PRESIDING OFFICER. It is not, under the precedents of the Senate.

The question is on agreeing to the amendment.

Mr. STENNIS. Mr. President, is it in order to make a motion to lay on the table the proposed substitute amendment?

The PRESIDING OFFICER. The Senator is correct, that will be in order when all time has expired—there is no time.

Mr. ALLEN. Will the Senator yield?

Mr. STENNIS. I yield to the Senator from Alabama.

Mr. ALLEN. I believe what the Senator from Mississippi would like to do is move to table the Hatfield amendment as amended, which would carry with it the secondary substitute.

Mr. STENNIS. Mr. President, I have the floor.

Mr. ABOUREZK. Parliamentary inquiry, Mr. President.

Mr. STENNIS addressed the Chair.

The PRESIDING OFFICER. The Senate is not in order.

Mr. STENNIS. Mr. President, I move to lay on the table——

Mr. ABOUREZK. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator from South Dakota will state his inquiry.

Mr. ABOUREZK. I understood the Chair to announce that the Senator from Oregon had 2 minutes remaining. He has not been allowed any debate. Is that the correct amount of time he has remaining?

The PRESIDING OFFICER. That was on the prior amendment.

Mr. HATFIELD. I believe I had the floor when the Chair recognized me to offer my amendment, and I have not yielded the floor.

The PRESIDING OFFICER. The Senator has no time on this amendment.

Mr. HATFIELD. There is no time limitation or agreement on this amendment to the amendment, is there, Mr. President?

The PRESIDING OFFICER. Under precedents, there is no time for debate on the Senator's amendment.

Mr. STENNIS addressed the Chair.

The PRESIDING OFFICER. The question now is on agreeing to the motion to lay on the table the Hatfield amendment, as amended.

Mr. STENNIS. Mr. President, I move to table the Hatfield amendment, as amended.

The PRESIDING OFFICER. The Chair states that the question is on agreeing to the motion to lay on the table the Hatfield amendment, as amended.

Mr. HATFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATFIELD. Does that take the whose amendment, as amended by the Stennis amendment previously adopted?

The PRESIDING OFFICER. And the substitute.

Mr. WEICKER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The clerk will suspend. Senators will please take their seats or retire to the cloakroom for conversation. Senators will clear the well.

The clerk may proceed.

The call of the roll was continued.

Mr. ROBERT C. BYRD. Mr. President, may we have the well cleared so that Senators can see the Chair?

The PRESIDING OFFICER. The Chair has been attempting that and appreciates the majority leader's calling attention to it.

The clerk may proceed.

The second assistant legislative clerk resumed and concluded calling the roll.

Mr. WEICKER. Regular order.

The PRESIDING OFFICER. Regular order is called for.

Mr. CRANSTON of California. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. MCCLELLAN), and the Senator from Montana (Mr. METCALF) are necessarily absent.

I further announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), and the Senator from South Dakota (Mr. MCGOVERN), are absent on official business.

Mr. BAKER. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Massachusetts (Mr. BROOKE), the Senator from Michigan (Mr. GRIFFIN), the Senator from Virginia (Mr. SCOTT), the Senator from Alaska (Mr. STEVENS), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I also announce that the Senator from Oklahoma (Mr. BARTLETT) is absent due to illness.

The result was announced—yeas 79, nays 7, as follows:

[Rollcall Vote No. 272 Leg.]

YEAS—79

Allen	Goldwater	Moynihan
Anderson	Hansen	Muskie
Baker	Hart	Nelson
Bayh	Haskell	Nunn
Biden	Hatch	Packwood
Bumpers	Hatfield	Pearson
Burdick	Hathaway	Pell
Byrd, Harry F., Jr.	Hayakawa	Proxmire
	Heinz	Randolph
Cannon	Helms	Ribicoff
Case	Hollings	Riegle
Chafee	Huddleston	Roth
Chiles	Humphrey	Sarbanes
Church	Jackson	Sasser
Clark	Javits	Schmitt
Cranston	Johnston	Schweiker
Culver	Kennedy	Sparkman
Curtis	Laxalt	Stennis
Danforth	Leahy	Stone
DeConcini	Long	Talmadge
Dole	Lugar	Thurmond
Domenici	Magnuson	Tower
Durkin	Mathias	Weicker
Eagleton	Matsunaga	Williams
Ford	McIntyre	Young
Garn	Metzenbaum	Zorinsky
Glenn	Morgan	

NAYS—7

Abourezk	Melcher	Stevenson
Byrd, Robert C.	Percy	
McClure	Stafford	

NOT VOTING—14

Bartlett	Gravel	Metcalf
Bellmon	Griffin	Scott
Bentsen	Inouye	Stevens
Brooke	McClellan	Wallop
Eastland	McGovern	

So the motion to lay on the table was agreed to.

The PRESIDING OFFICER. Senators will take their seats, and the Senate will come to order.

Mr. HATFIELD. Mr. President, I make a parliamentary inquiry. What is the parliamentary situation?

The PRESIDING OFFICER. All the amendments to title I were eliminated. Title I is now amendable.

UP AMENDMENT NO. 627

Mr. HATFIELD. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oregon (Mr. HATFIELD) proposes an unprinted amendment numbered 627:

On page 3, line 16, strike the period and insert the following: ": *Provided further*, That none of the funds appropriated in this or any other Act shall be used for production of enhanced radiation weapons, until an arms control impact statement has been filed with Congress and the President certifies to Congress that these weapons are in the national interest. *Provided further however*, That the funds may not be used for the production of enhanced radiation weapons if within sixty days either House of Congress agrees to a resolution disapproving such use.

Mr. HATFIELD. Within 60 days.

Mr. STENNIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STENNIS. I make a point of order that under the special dispensation, here, of the Senate, we had this agreement about voting on the two original amendments that were here. I made a motion to table, after the amendment I had offered had been adopted, but that was under the duress of the Chair having ruled that one could be offered as a substitute, another amendment could be offered, not one of the two.

I respectfully submit to the Chair and to the Senate that this amendment on the same subject matter is not in order.

I point out, Mr. President, that we were here 2 hours in secret session and went into all the facts and the law on this matter very thoroughly. Now, in open session, we are going right back into the same subject matter. It would be debated as an original proposition, which lends great strength, as the Senator from Mississippi sees it, to his original position that the Senate did not have authority under the unanimous-consent agreement to depart from the original agreement.

The PRESIDING OFFICER. The Chair advises the Senator that those amendments were defeated by tabling. The title is now open for amendments. The amendment submitted by the Senator from Oregon is substantially different from the other amendments, and therefore it is in order.

Mr. HATFIELD. Mr. President, I will say a few words in explanation of the amendment.

Under the unanimous-consent agreement, we had 2 hours in closed session and 2 hours in open session. So we still are well within that particular time arrangement.

The amendment I have offered is basically the Stennis amendment which was offered first as an amendment to my initial amendment.

It includes, however, the additional language "after the impact statement has been made and after the President has certified to the Congress that this weapon is in the national interest."

All we are asking now is that Congress be given a voice in that final determination by providing that Congress, by a simple resolution of either House, within 60 days, may vote "no." Earlier today we considered whether or not to delete the production funds. By a very close vote only a one-vote margin, the Senate decided not to delete the funds, but merely make the President comply with the law and make an impact study and a certification.

What I am suggesting now is that we take that Stennis amendment and merely say that the Congress wants a voice in the final determination when all the facts are in, when all the information is available, and after the impact statement is made. At that time Congress would have a voice in that final decision. Only through a simple resolution of either House would we be able to deny the President those funds which we would appropriate today if this amendment is not accepted.

Mr. ROBERT C. BYRD. Mr. President, I was not here when the motion to table was made on the last amendment, and when the vote began. But that motion to table was not in order. Under the consent agreement it read, if I am not mistaken, that once the 10 minutes had expired, the vote would occur on the Hatfield amendment, as amended, if amended. I carefully worded it that way to prevent a tabling motion because I had assured the distinguished Senator earlier that he should have a vote up or down on his amendment.

So I am just saying this for the record. It is too late now. But no vote, no motion to table, was in order, and after coming in, the vote having started, I voted against the tabling motion. But I want the record to be made clear that that motion was not in order.

Mr. ALLEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Chair will advise the Senator from West Virginia that the transcript has been asked for and will be here shortly and will determine the point.

Mr. HATFIELD. I thank the Senator from West Virginia for his comment.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. The Senator makes the point that the motion to table was not in order because we should have had a vote on the Hatfield amendment, as amended by the Stennis amendment.

The distinguished Senator from Mississippi was precluded, however, from having a vote on the Hatfield amendment, as amended, because the distinguished Senator from Oregon stuck in a substitute, and that is where the mistake was made. The Chair ruled that was in order, but there would be no debate on it. So the villain is not the motion to table because that was the only way the distinguished Senator from Mississippi could prevent a third vote, which was a vote on the substitute, which was very definitely out of order.

So if the motion to table was out of order, so, too, was the substitute offered by the distinguished Senator from Oregon (Mr. HATFIELD).

Mr. ROBERT C. BYRD. Mr. President, I do not agree with that. I was not in here at the time, but if the transcript is as I think it reads—and I may be mistaken——

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. ROBERT C. BYRD. I asked unanimous consent that after the passage of 10 minutes a vote occur on the Hatfield amendment, as amended, if amended.

So upon that expiration of the 10 minutes any other amendment would be in order, but there would be no time for debate thereon, and if another amendment had come in and had carried, even another amendment would be in order, but without debate, and then upon the conclusion of all the amendments having been entered, the vote would have occurred on the Hatfield amendment, as amended, if amended, no matter how many times it was amended.

So I just want to say, if I am correct in my recollection, I do not want the record to show this as a precedent that if a unanimous-consent agreement is entered into that a vote will occur on an amendment, that a tabling motion will still be in order.

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. ROBERT C. BYRD. Yes.

Mr. LONG. May I say to the majority leader, I never had anticipated in 28 years around here that we would see this type of situation where there is a unanimous-consent agreement to vote on an amendment, and then after we agreed to vote on the amendment, the amendment remains subject to amendment, and that we cannot have any time at all for discussion of a complete substitute which, for all we know, might be completely nongermane to the amendment, and then find ourselves required to vote on the amendment without any further debate or even the opportunity to move to table the amendment.

If that is how it is going to be, I want to enter a standing objection, and I want the leadership to protect me, against any unanimous-consent agreement that has that type thing in mind because when we give unanimous consent to vote on an amendment or to have an hour's debate or whatever time on each side, and then we are compelled to vote on something, for all we know, what we find ourselves voting on might be entirely irrelevant, completely nongermane, on a completely different subject, and then for us to be denied the right to debate on it, no right to have it explained before we vote is bad. I want to enter a standing objection to any unanimous consent that has that type thing in mind.

Now, I asked the Parliamentarian about the matter. I suppose the Senator was not here at the time, and the Parliamentarian advised the Chair and the Chair ruled that is how it was. The Parliamentarian then came and told me that is how it is, but that it was wrong, and he was here when the precedent was made. At that time, he advised the previous Parliamentarian he thought it was wrong. Clearly, any such precedent ought to be changed.

If that is how we are going to do business, I just want to enter my standing objection to doing business in that kind of way because after we sit here and hear something debated for hours, and then are denied the right to vote on what was debated, but required to vote without any advice or any debate on something we had not heard debated at all, without having a way to protect ourselves that, in my opinion, is not the proper legislative process, and we ought to be able to defend ourselves.

From my point of view, I will never again agree to any kind of unanimous-consent agreement that, after I sit here for 4 hours, and hear something debated, I have to vote on something I had not heard debated for one moment, and have not the slightest idea what it is, without power to protect myself one way or the other. I think everybody else would like to be protected from that. I am willing to agree to a debate on anything or a vote on practically anything if it has been explained and I know what it is and I know what I am voting on. But to be required to vote on something entirely different from that without any ability to hear it explained and discussed is going too far.

So I want to object to any unanimous consent that has that type thing in mind, and I hope the leadership will protect me on that.

Mr. STENNIS. Mr. President, will the Senator yield to me just briefly?

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. ROBERT C. BYRD. Let me make it clear that I happen to be on the side that is opposed to the position being taken by Mr. HATFIELD, and in this instance I am on the side of Mr. STENNIS.

I am simply saying if my recollection is correct, and I may be wrong, but I thought that was the way the agreement went, and if that is the way it was, I just want the record to show that this is not a precedent; that when an agreement is worded that way, as it was, if I am correct, a tabling motion would not have been in order.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. The Senator says that the Hatfield substitute was in order but the motion to table was not in order. Carrying that logic to the next step, that would mean that the Hatfield substitute could be offered, it could be defeated, another substitute could be offered, it could be defeated, another substitute could be offered, it could be defeated, and we would be here to midnight.

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. ALLEN. It was contemplated, however, that we were going to have two votes and the distinguished Senator from Oregon recognized that and he moved to table his own amendment, as amended.

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. ALLEN. Indicating that he knew we were not going to have but two votes. So now we are having any number of substitutes said to be in order.

Mr. ROBERT C. BYRD. The Senator is correct. I think everyone contemplated that there would just be the two votes. But under any unanimous-consent agreement as we have here I think the Senator will agree that once the time has run a Senator may still offer an amendment and get a vote on it without debate.

Mr. ALLEN. Not if the agreement is the votes would be back-to-back with 10 minutes of debate intervening.

Mr. ROBERT C. BYRD. I do not believe that was the explicit agreement in this instance.

Mr. ALLEN. That is what the Senate thought at the time.

Mr. THURMOND. Mr. President, I ask unanimous consent that Robert Lyon of the Judiciary staff and Mike Mishoe of my staff be granted privilege of the floor during consideration of this bill and vote.

The PRESIDING OFFICER (Mr. MCINTYRE). Without objection, it is so ordered.

Mr. HAYAKAWA. I ask unanimous consent that Katheryn Brunner of my staff have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. The same request for Dick Getzinger.

Mr. HANSEN. Caroline Randel.

Mr. CHAFEE addressed the Chair.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that Burt Rosen be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I have no staff members present, but I wish to offer an amendment and I am going to suggest the absence of a quorum in just a moment to amend the Hatfield amendment, this amendment that he has offered now, to amend that by knocking put the phrase "either House of Congress" and putting in "concurrent resolution of both Houses."

Mr. BUMPERS addressed the Chair.

Mr. ALLEN. I suggest the absence of a quorum.

Mr. BUMPERS. Will the Senator withhold a second?

Mr. ALLEN. Yes, if I do not lose my right to the floor.

Mr. BUMPERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUMPERS. Is all this counting against the time of the amendment of Mr. HATFIELD?

The PRESIDING OFFICER. There is no time limit at this point.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that Mr. Hodin, of my staff, be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE addressed the Chair.

Mr. ALLEN. Mr. President, the Senator from Rhode Island requests recognition.

Mr. CHAFEE and Mr. ALLEN addressed the Chair.

Mr. ALLEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Several Senators addressed the Chair.

Mr. ALLEN. Mr. President, I yield to the distinguished Senator from Georgia (Mr. NUNN) who has an amendment carrying what I suggested, a concurrent resolution.

UP AMENDMENT NO. 628

Mr. NUNN. Mr. President, I send to the desk an amendment to the Hatfield amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Georgia (Mr. NUNN), for himself and Mr. ALLEN, proposes an unprinted amendment No. 628, to the Hatfield amendment.

Strike all after the words "enhanced radiation weapon" and substitute in lieu thereof the words "within 60 days Congress by concurrent resolution agrees to a resolu-

tion disapproving such use, and shall be pursuant to expedited procedures as provided by previous laws and such resolution shall be privileged."

Mr. NUNN. Mr. President, what this basically does is take the Stennis amendment which required that the President certify that this weapon is in the national interest, and it also required that there be an impact statement filed with Congress.

Mr. STENNIS. Mr. President, may we have quiet?

The PRESIDING OFFICER. The Senate will be in order. Senators will take their seats and take their conversations out to the cloakroom.

I can hear a pin drop.

The Senator from Georgia.

Mr. NUNN. It takes the original Stennis amendment which would have required a certification by the President that this weapon was in the national interest and the Stennis amendment further requires that there be an impact statement on this weapon, and then it takes the Hatfield amendment which expresses that Congress shall have 60 days in which to disapprove of this weapon after the impact statement is filed, and it changes the Hatfield amendment only in one respect. Instead of having either the House or the Senate be able to disapprove by resolution, this amendment that I have filed to the Hatfield amendment would require that both the House and the Senate act by concurrent resolution to disapprove the weapon within 60 days after the impact statement has been filed.

Mr. HATFIELD. Mr. President, will the Senator yield for a question?

Mr. NUNN. I have the floor. I yield for the purpose of a question.

Mr. HATFIELD. Will the Senator consider this a privileged resolution, so it could not be bottled up in committee for that 60 days to avoid any vote?

Mr. NUNN. The Senator from Georgia is not familiar with the rule as to how this amendment will be expressed. I would myself be willing to accept any kind of language that the Senator will offer to assure that. I certainly will have no objection to that, but I am not certain whether this amendment would do that in itself.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HATFIELD. Mr. President, I wish to get clarification of the question I asked to make sure we have either a record, or that we have it included in the amendment. I say, further, Mr. President, while we may be able to provide this request, I feel that we now are all setting some interesting priorities or we are making some interesting assessments. Today, the Congress requires that the President do certain things in dealing with a public works project in which he may disagree or he wants to send up a rescission order or deferral order. Such a recission or deferral may be acted upon by either House of Congress. It seems clear to me that we should maintain that independence of action, that privilege of action on the part of the Senate.

Mr. NUNN. The Senator from Georgia does not object to having assurance that this would come to a vote if the Senator from Oregon will submit language to that effect. I do not want us to deploy a weapon of this nature by reason of a deadline of 60 days that was filibustered. I do not think that would be the way we want to move into it. If the Senator from Oregon can suggest language to the Nunn amendment, if we could resolve this whole issue by that, I would certainly agree with it.

Mr. HATFIELD. I am addressing myself, really, to the broader question here than that: It is simply that I think the original language in my new amendment is preferable because it gives either House the right to have its voice heard.

Mr. NUNN. But the question of the Senator from Oregon is as to whether there would be a delayed mechanism applied to as much the amendment of the Senator from Oregon as the amendment of the Senator from Georgia as far as the Senate is concerned.

Mr. HATFIELD. Exactly.

Several Senators addressed the Chair.

Mr. STENNIS. Who has the floor?

The PRESIDING OFFICER. The Senator from Georgia has the floor. He has not yielded the floor.

Mr. NUNN. I do not yield the floor, I yielded for a question from the Senator from Oregon. If the Senator from Washington wishes to address the Senate I yield to him for a question or statement.

Mr. JACKSON. Mr. President, I wonder if the Nunn amendment, if I can have the attention of the Senator from Oregon.

Mr. HATFIELD. Yes.

Mr. JACKSON. I am propounding a suggestion. I am wondering if the——

The PRESIDING OFFICER. Will the Senator use the microphone?

Mr. JACKSON. I am wondering if the Nunn amendment might be perfected so as to simply provide the requirement of concurrent action as far as the Senate is concerned so that it will be under expedited procedures as previously provided by law, some general term, either that, or we will have to have a quorum call.

Mr. LONG. The Senate can do that in conference.

Mr. JACKSON. I understand that. But I know what the Senator from Oregon wants. I can give him the reassurance and I think the Senator from Georgia will as well as the Senator from Mississippi.

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. JACKSON. He has the floor.

Mr. LONG. If the Nunn amendment is agreed to while agreeing to it, the Senator can go ahead and work up his expedited procedure if he wants to. There is no objection anywhere to that.

Mr. STENNIS. Mr. President, will the Senator from Georgia yield to me?

Mr. NUNN. I yield to the Senator from Mississippi.

Mr. STENNIS. On the question here now of concurrent resolution I think that that is really a very vital constitutional question.

If we are going to fall into the rut of over and over having things come back to us and one House can veto, something will have to be done to stop that practice. To my mind, it is clearly unconstitutional.

Here, if it is a concurrent resolution, that is the equivalent of congressional action.

I have no grievance about this thing at all. I think the Senate made a bad mistake in abandoning what so many of us thought was a fine agreement.

On this matter, a point of order will lie, though I do not yet make it, against this amendment because it is legislation on an appropriation bill. This is an appropriation bill we are considering. I believe in getting along, though, if we can, if we can work out something which will meet this situation as a practical matter. I hope the Senator will withdraw his effort on the concurrent resolution.

Mr. NUNN. I believe, Mr. President, this will be a reasonable compromise between the positions which have been articulated here today. I know there are a good many people who are inclined to vote with the Senator from Oregon because of the procedural situation we are in regarding this particular weapon and the impact statement, while a good many of those same people also, based on the information now available, agree with the substance of moving forward with this weapon.

I happen to believe the Senator from Oregon has made a legitimate point on a technical basis as to the impact statement and the need for it to be filed. I also believe there is a case which can be made that after the President makes his decision, the Congress should be able to review that decision.

That is the spirit in which this amendment is offered. I believe it would be a compromise. I think it would be a reasonable compromise. I would hope that we can work out some language to make sure it is agreed to under an accelerated procedure within that 60-day framework.

Mr. President, I will be glad to yield to anyone else for a statement or a question without losing my right to the floor, or I will suggest the absence of a quorum until we can work this out in some way.

Does any other Senator care to speak?

Mr. HATFIELD. Mr. President——

Mr. NUNN. I yield to the Senator from Oregon.

Mr. HATFIELD. Mr. President, I would like to modify my amendment. Do I have to have unanimous consent to modify my amendment?

The PRESIDING OFFICER. No.

UP AMENDMENT NO. 629

Mr. HATFIELD. Mr. President, I send a modification to the desk. It has been worked out with the other side. It would add at the end of my amendment, "and shall be pursuant to expedited procedures as provided by previous law and such resolution shall be privileged."

Mr. NUNN. I certainly would agree to accept that modification of my amend-

ment. I ask that the modification be made to my amendment to the Hatfield amendment.

The PRESIDING OFFICER. Is there objection to acceptance by the Senator from Georgia of the modification to his amendment?

Mr. DANFORTH. Mr. President, reserving the right to object, I wonder if I can inquire what the meaning of the expedited procedure is?

Mr. HATFIELD. It would provide two things, not only the precedent we now have but also it would allow the Senate to make its own rules on that.

Mr. DANFORTH. The precedent would include that this could be called to the floor and that the committees could be discharged from consideration so that it would not be locked in the committees; is that correct?

Mr. HATFIELD. That is my intention.

Mr. JACKSON. Will the Senator yield?

Mr. DANFORTH. I yield.

Mr. JACKSON. The language, as provided by previous existing law, would cover a situation in which any Senator could call up, under a privileged resolution, the resolution of approval or disapproval, and it would be under time limitations. Basically, it has been 8 hours' debate. A vote becomes mandatory within that time and there cannot be any delays, regardless of any Senate rule or House rule.

Mr. DANFORTH. So my understanding is that there would be a guaranteed vote, that it would not be locked in the committee for the 60-day period of time.

Mr. JACKSON. That is correct.

Mr. DANFORTH. And it would not be subject to filibuster?

Mr. JACKSON. That is correct.

Mr. DANFORTH. And within the 60-day period of time in both Houses there would be a guarantee of a vote?

Mr. JACKSON. That is correct.

Mr. NUNN. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Georgia has the floor.

Mr. NUNN. I yield to the Senator from Oregon, but first whose amendment did the Senator from Oregon modify, the Hatfield amendment or the Nunn amendment to the Hatfield amendment?

Mr. HATFIELD. As I understand, my amendment is the basic amendment at this point and Senator NUNN or Senator ALLEN could offer an amendment to my amendment. I am merely modifying my basic initial amendment which would carry with it——

Mr. NUNN. Is it the Senator's intention that if this modification is accepted he would also agree to the Nunn amendment and we could resolve this matter? Is that the intention?

Mr. HATFIELD. My intention is to modify my original amendment.

Mr. ALLEN. Will the Senator yield?

The PRESIDING OFFICER. The Senator from Georgia has the floor.

Mr. NUNN. I yield to the Senator from Alabama.

Mr. ALLEN. I have a question of the Senator from Oregon. The Senator is modifying his amendment to put in the expedited consideration of the resolution, but he still has only one House. The amendment of the Senator from Georgia has two Houses but it does not have the expedited procedure. I would suggest to the distinguished Senator that he ask the distinguished Senator from Georgia to modify his amendment to put in the expedited procedure. Otherwise, if the amendment of the Senator from Georgia is adopted, then that would wipe out the expedited procedure because that is not in the amendment of the Senator from Georgia.

Mr. NUNN. The Senator from Alabama is correct on the technical point, because the amendment of the Senator from Georgia strikes the latter portion of the Hatfield amendment and substitutes in lieu thereof other language. I would think we would need to modify my amendment.

Mr. HATFIELD. If the Senator will yield, I would like to state what I understand to be the situation. If we were voting on the Senator's amendment, we would be voting, in effect, on a concurrent resolution of both Houses of the Congress within 60 days under privileged conditions.

Mr. ALLEN. That would be if we modify this amendment.

Mr. HATFIELD. This would follow the impact statement having been made and following the certification by the President.

Mr. NUNN. If the Senator would read the language of his modification, the Senator from Georgia will ask that his amendment be modified to coincide with that, if the Senator will read his language on the accelerated procedure.

The PRESIDING OFFICER. The modification will be stated.

The legislative clerk read as follows:

The Senator from Oregon (Mr. HATFIELD) proposes an unprinted amendment No. 629 as a modification to unprinted amendment No. 627.

At the end of unprinted amendment No. 627 insert the following: "and shall be pursuant to expedited procedures as provided by previous law and such resolution shall be privileged".

Mr. HATFIELD. Mr. President, to clear up things, may I further modify my amendment to include the Nunn language as it relates to the concurrent resolution?

Mr. NUNN. I think it might be simpler, if I may suggest, that I be permitted to modify my amendment to include the language just read and then we would have the amendment to the Hatfield amendment to be voted upon which would incorporate the expedited language.

The PRESIDING OFFICER. Does the Senator so modify his amendment?

Mr. NUNN. I ask that it be so modified.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. METZENBAUM. Will the Senator yield?

Mr. NUNN. I yield to the Senator from Ohio for a question.

Mr. METZENBAUM. Will the Senator tell me which previous law we shall be talking about, since there are many laws that provide for expedited procedures?

I support the concept that the Senator is attempting to reach, but I honestly do not believe that there is any legal way of interpreting what that means. I suggest that legislative counsel are on their way over to the Senate. I think we ought to pick up some language that will actually provide a procedure rather than use this generalized term. I think we would be better off and we would know exactly what we are doing.

Mr. NUNN. I am told by our distinguished colleague from Illinois——

The PRESIDING OFFICER. The Senator will suspend until the Senate is in order.

The Senator from Georgia is recognized.

Mr. NUNN. I am told that the language in the Executive Branch Reorganization Act is the kind of language we are suggesting here. That would be the intent, to incorporate that language as to expedited procedure.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. NUNN. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I make a very practical suggestion that we have a brief quorum call, that the Senator from Oregon and the Senator from Georgia get together, and that they get the language exactly the way they want it.

Mr. MAGNUSON. That is already done.

Mr. JACKSON. It is all worked out?

Mr. KENNEDY. No, it is not, Mr. President. It is not worked out.

Mr. HUMPHREY. I think that, this way, we shall not have any loose ends. The Senator from Ohio has raised a question. I think the question has been answered by the comment of the Senator from Georgia, but it will take us 5 minutes and it will save us an extra vote. I suggest that we do it and do it promptly and we will not have all this business about who is making noise in the Senate. We can get together here, put an amendment together, have the Hatfield-Nunn amendment. Humphrey wants to support it, and I want to get a vote and go home.

Mr. KENNEDY. Will the Senator from Georgia yield?

Mr. NUNN. I yield to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I should like, if I could, to understand the current proposal of the Senator from Georgia and what the Senator from Oregon is willing to accept.

As I understand it, if we have this 5-minute interlude and we are able to graft onto the amendment the Senator from Georgia's request at this time, in effect, what that does do is that, when there is a recommendation, unless both Houses are going to reject it, it is going to go into law. Am I correct in that understanding, I ask the Senator from Oregon?

It seems to me that that puts us at a distinct disadvantage.

It seems to me that the case should have to be made, with a presidential finding, that this is something that ought to be considered and passed by the House of Representatives and then considered and passed by the Senate. I, as one who

has supported the position of the Senator from Oregon, purely on the question of procedure—because, quite frankly, I have agreed with the Senator from Oregon that we have not had the foreign policy considerations and illumination. Having listened for an hour and a half in the secret session, there was nothing in that deliberation that could give any of us assurance on that particular factor.

We have not had a military impact statement. It appears to me that what this 5-minute recess might very well do is put those who want to raise legislative questions at a further disadvantage, effectively saying that what is going to be recommended is that, unless it is rejected by two Houses, this system is going ahead.

Unless I am wrong in that understanding of what is being proposed and what is going to be accepted, I want to indicate that I am going to vote in opposition to this acceptance.

Quite frankly, I am prepared to see that that is going to be overwhelmed, but I want to say, quite frankly, that I am prepared to talk about it for the remainder of the afternoon until we can find out exactly where we are.

I want those who are urging 5-minute action to understand, at least, where we are. I think it is a serious mistake. I might not understand correctly the parliamentary situation. In talking about existing statutes and the Reorganization Act, I think that we ought to understand where we stand.

If the Senator from Oregon can relieve me of these concerns, I would welcome that, although I directed the question to the Senator from Georgia.

Mr. NUNN. I am glad to yield to the Senator from Oregon so he can answer the question.

The PRESIDING OFFICER. The Senator from Oregon now has the floor.

Mr. HATFIELD. Mr. President, the Senator from Massachusetts has stated the proposition, I think, very accurately as to not only what the intent was behind the initial amendment that I offered, but what the situation is at the moment.

The situation is simply this: the Senate voted on sending to the President a message. They wanted an impact study. They wanted a certification. The Senate was willing to give him the money, and he could spend it contingent upon those two occurrences. My original intent, which the Senate decided to reverse, was to stop the money at this point and let these procedures occur before taking action.

Mr. KENNEDY. That was by one vote, is that correct?

Mr. HATFIELD. That was by one vote.

The Senator from Massachusetts recalls that I sent another amendment to the desk at that time and from there we began to get into a parliamentary tangle. The Senator from Oregon has not changed his position one bit. I have not, in any way, retreated from my initial position on this. I am only saying that I would rather have a concurrent resolution or a veto power than none whatsoever.

That does not mean that I am an advocate of the "concurrent resolution" position. I am far from it. We already have acted, however, in divesting ourselves of complete control by the Stennis amendment the Senate already voted to adopt.

I am willing to stay here, not only the rest of this afternoon, but all through the July recess, if it means we can get back to the original position and be able to get the votes for it. But I say to the Senator from Massachusetts, a number of votes on our side have already left the Chamber and the city. Consequently, we face a very pragmatic situation of how we can extricate ourselves from this rather entangled situation. I do not know.

Mr. KENNEDY. If the Senator will yield further, when we are, effectively, in a two-House veto rather than a single-House veto, I fail to understand how that advances us down the course, even if we accept the outcome of the previous votes of the Senate. It seems to me that we are binding ourselves further, in terms of the future, on it. I am just interested in understanding it. It seems to me we are worse off with this proposal than we were, even binding the Senate, in the earlier votes. I may be wrong.

Mr. HATFIELD. I say my amendment still stands with a one-House veto. The discussion now is on the Nunn amendment. We hope we can work out of that. I am not in any way yielding on my view that each House should determine this on its own. It would have to be the will of the majority of the Senate. I am willing to stand firm and fight it out on the basis of a one-House veto.

Mr. JAVITS. Will the Senator yield for a question?

Mr. HATFIELD. I yield for a question.

Mr. JAVITS. As I understand the parliamentary situation, if we turn down the Nunn amendment as perfected, then we have the Hatfield amendment for a one-House veto and we can vote that up or down, I say to my colleague from Massachusetts, so that the Senate will have its choice. If he does not like the Nunn amendment, he can vote nay on it or move to table it. Then we can have a test as to whether the Senate prefers Hatfield or prefers Nunn.

The Senator from Oregon has just told us that he stands by his amendment, which is for a one-House veto. I happen to agree with him and with the Senator from Massachusetts. But we are in a situation now where that issue can be determined, unless Members choose not to bring it to issue.

I do not know what the parliamentary situation is on time, as to whether we have a unanimous-consent agreement.

Mr. KENNEDY. I say to the Senator from Oregon, it makes a major difference to me whether we are talking about a one-House veto or what I understand is in the proposal of the Senator from Georgia, which would, effectively, require both Houses to veto.

Mr. HATFIELD. My amendment still stands as a one-House veto. I also say to the Senator from Massachusetts that there is a point of order that is pending here that we have to deal with as well.

Mr. KENNEDY. All I am saying is that I hope that, in this 5-minute recess, in an attempt to work out whatever accommodation, the Senator from Oregon stands strong in terms of the one-House veto. Anything less than that puts us at a disadvantage.

Mr. NUNN. Will the Senator from Oregon yield?

Mr. STENNIS. Mr. President, I shall yield to someone, but as floor manager of the bill, may I be recognized for 2 minutes?

The PRESIDING OFFICER. There is no time limit. The Senator is recognized.

Mr. STENNIS. I thank the Chair.

Mr. President, I have enjoyed this rest I have had here, but I believe the afternoon is going mighty fast. A great number are threatening to leave and some have left. I am willing to agree to something on this Nunn-Allen-Hatfield matter here that otherwise I might not like.

But on the practical side, let us get together on this if we can. If we do not within a few more minutes, I do not see any chance to finish this this afternoon.

I have been trying to get to the Senator from Massachusetts so his amendment could be considered. He has been waiting since last night.

Mr. KENNEDY. I am in no hurry, I say to the Senator. I am in no hurry.

Mr. STENNIS. There are others that have not been reached.

I really seriously doubt that we ought to stay on this bill very much longer this afternoon.

It is a grave and serious matter. Unless we can get together on something and then take up the pending amendment, then, if it is agreeable to the leadership, I suggest we quit.

Mr. JACKSON. Amen.

Mr. STENNIS. Mr. President, I want these Senators to go and confer, on my part. Let us wait 10 minutes, or whatever they want, to see what they can bring back.

Mr. KENNEDY. Mr. President, I move to table the Nunn amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Georgia (Mr. NUNN). The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have the well cleared? The vote is going to be announced after it is tallied.

The PRESIDING OFFICER. (Mr. STONE). The Senator from West Virginia is correct. The well will be cleared so the vote can proceed and be tallied.

The legislative clerk resumed and concluded calling the roll.

Mr. CRANSTON. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Vermont (Mr. LEAHY), the Senator from Arkansas (Mr. MCCLELLAN), and the Senator from Mon-

tana (Mr. METCALF) are necessarily absent.

I further announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), and the Senator from South Dakota (Mr. MCGOVERN) are absent on official business.

I further announce that, if present and voting, the Senator from Vermont (Mr. LEAHY) would vote "yea."

Mr. BAKER. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Massachusetts (Mr. BROOKE), the Senator from Michigan (Mr. GRIFFIN), the Senator from Virginia (Mr. SCOTT), the Senator from Alaska (Mr. STEVENS), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I also announce that the Senator from Oklahoma (Mr. BARTLETT) is absent due to illness.

The result was announced—yeas 41, nays 44, as follows:

[Rollcall Vote No. 273 Leg.]

YEAS—41

Abourezk	Durkin	Melcher
Anderson	Eagleton	Metzenbaum
Bayh	Ford	Muskie
Biden	Hart	Nelson
Bumpers	Haskell	Pearson
Burdick	Hatfield	Pell
Case	Hathaway	Percy
Chafee	Heinz	Proxmire
Church	Huddleston	Riegle
Clark	Humphrey	Sarbanes
Cranston	Javits	Sasser
Culver	Kennedy	Weicker
Danforth	Mathias	Williams
DeConcini	Matsunaga	

NAYS—44

Allen	Hayakawa	Randolph
Baker	Helms	Ribicoff
Byrd, Harry F., Jr.	Hollings	Roth
	Jackson	Schmitt
Byrd, Robert C.	Johnston	Schweiker
Cannon	Laxalt	Sparkman
Chiles	Long	Stafford
Curtis	Lugar	Stennis
Dole	Magnuson	Stevenson
Domenici	McClure	Stone
Garn	McIntyre	Talmadge
Glenn	Morgan	Thurmond
Goldwater	Moynihan	Tower
Hansen	Nunn	Young
Hatch	Packwood	Zorinsky

NOT VOTING—15

Bartlett	Gravel	McGovern
Bellmon	Griffin	Metcalf
Bentsen	Inouye	Scott
Brooke	Leahy	Stevens
Eastland	McClellan	Wallop

So the motion to lay on the table was rejected.

Mr. HATFIELD. Mr. President, we have heard a lot of enlightening discussion earlier today, and I anticipate that we will hear a great deal more, because this is, indeed, a very serious question that we are considering.

One of the things that has become most apparent throughout both the closed session and now the open session this afternoon in the open has been that this is an issue that has not been thoroughly discussed. It is the first time when this issue has really been gone into in great depth. I have indicated before that, according to my investigation, very few of the staff or members of the committees seem to be fully aware of the existence, let alone the implications, of this particular weapon.

We have attempted today not to make a final determination on the weapon, because of the magnitude of the question. Because of the far-reaching implications involved if we should adopt this as part of our arsenal, we simply ask the Senate to delay its final decision on this matter until procedures have been complied with which were set into law, with good reason and with due deliberation of both Houses of Congress, and signed into law by the President.

The procedure to which I refer most specifically today and most frequently is the arms limitation impact, which very clearly states that this statement shall be made available to Members of Congress, through committee requests. On this weapon, we have information as late as this morning that such a statement has not been made, such a finding has not been made; that the preliminary information has been gathered but the final determination has not been made; and, in fact, they are not going to make this impact statement until after President Carter has made a determination on whether he wants the weapon or not.

Mr. President, I should like to review briefly the sequence that has brought us to this point

When this matter was first revealed through the press by a very diligent, accurate, and well-known reporter, it was brought to my attention as a member of the subcommittee. I was very alarmed at the time by the report in the press, and I wanted to find some answers to my questions. It became very apparent that those questions were not easily answerable, not because of classification as much as because of lack of knowledge, lack of information, or lack of awareness. That was true on the part of some of staff of the committee as well as the members.

I am not standing here this afternoon being critical of the fact that this was one of those rather interesting exercises where one item more or less appeared in the budget by some way, some method, but certainly not one that was well known or understood.

Rather I am today suggesting that, perhaps, this system we are following does not always bring to light the full implication or the impact of the decisions we make or the actions we take.

When it became apparent that this was in the budget, and some of the elementary and rather cursory facts became known concerning this weapons system, I called the White House and I asked to talk to Mr. Stu Eizenstat, who is, as Senators know, a very close adviser to the President in his administrative family. I asked Mr. Eizenstat the question, "Simply what is the President's position on this weapon?"

At that time it was apparent by comments made in response that Mr. Eizenstat was not aware that the President had a position or that the issue even had been raised. He said he would get back to me and indicate what the President's position was. This was in the first part of June.

In a few days we had another conversation and it was then related to me that the President would be provided with a memorandum on this weapons system and, upon reading and studying the memorandum, the President would make known a position.

Then a few days more passed, and I got another call from the White House that indicated they would not be able to get the response to me as soon as they had anticipated, but that the whole question was in the machinery and that there would be a response made.

As time went along, our subcommittee became very concerned, because we had marked up our bill, with a few exceptions, and this was one of the exceptions. It soon would be necessary to refer the bill to the full committee. At that time it was suggested that we perhaps should refer this question, then, to the full committee rather than have the subcommittee attempt to make a determination, because we had not heard from the White House. This we did.

After we referred the question to the full committee, I received a letter from Mr. William J. Perry, Director of Defense Research and Engineering. On behalf of President Carter, he stated, and I refer now to the key paragraph in the letter, that "to afford the President maximum flexibility in his final decision on production, particularly if he chooses to authorize the presently proposed schedule, we respectfully recommend that adverse funding actions should not be taken by the Congress."

First of all, it seems to me, if this logic is to prevail, and if it were applied to the rest of the bill, we would appropriate full funding of all the items under consideration in order to give the President maximum flexibility to spend only the money he wants. In so doing, we would effectively remove the Congress from a legitimate, and what I consider a responsible, role of shared decisionmaking.

Mr. President, I stress the institutional issue: we must not turn over to the President the full control of making such determinations. In effect, we are, offering the President, by the language of the amendments that have been offered by the other side, a carte blanche check to do as he will as it relates to this weapons system.

Because that first vote was very close, a one-vote difference, it became apparent that the other side would, perhaps, have to modify their position some bit. Then we have the proposal that is pending as an amendment to my amendment. It states these production moneys be appropriated, but includes a contingency placed on the use of them. This contingency, is simply that we ask that the President fulfill the law by making the impact statement according to the present wording of the law, and that the President certify to the Congress that this weapons system is for the national interest.

Those are the two requirements we now are asking the President to fulfill. But what are they? They are really not requirements that are not already either locked into the law or by precedent. First of all, the law requires such an impact statement to be made. Second, the law requires the President to sign off any

weapons system before it goes into production.

So all we are saying, in effect, is that we want the President to comply with the law but, at the same time, we in the Congress are divesting ourselves of any role or any voice in that matter until the information is in the President's hands, until after the President has made his determination, his sole determination.

The Nunn modification, of course, provides that both Houses of Congress would have to veto such an action if the President went ahead with the proposed weapons system production of the neutron warhead.

Mr. President, it is really a thicket we are putting ourselves into by requiring both Houses of Congress to make such an action. It is after the fact. I do not think it really satisfies the position of those of us who have stood firmly all day. I do not believe we should yield at this point to that type of proposal.

I think we made a great concession when, in the present amendment I have offered, we would suggest that either House may exercise a veto rather than requiring both Houses.

I say that because there is a very distinct difference between the two Houses as relates to foreign policy matters of this type, both from the standpoint of our confirmation power, of our treaty approval power and, other roles that we play in foreign affairs. Also from the standpoint that the chairman of the Senate Foreign Relations Subcommittee— Mr. President, may we have order? May I have the attention of the Chair? May I have order in the Senate, Mr. President.

The PRESIDING OFFICER. The Senate will be in order.

Mr. HATFIELD. Especially since the chairman of the Senate Foreign Relations Subcommittee on Arms Control (Mr. PELL) already has asked for the impact statement, and the request has been made and, of course, it would be in the process, I am sure of being complied with by the President.

That is another reason why I feel we have a rather unique role to play in this matter that does not put the two Houses in terms of parallel responsibilities, but rather of different responsibilities. In saying this, I emphasize that I am in no way denigrating the House of Representatives. I am merely recognizing these distinctions of powers that are vested in the two separate bodies.

Were this a matter of extending some weapons system into a more sophisticated area, as it has been alleged, then I suppose technically it could be justified and defended. That is a separate issue. I think we have to look at this in a little broader scope than just the technological context. That is we are talking about a weapons system now, a warhead—I say system, corporately, but warhead, specifically—that does introduce a whole new dimension to warfare and, particularly, to conventional warfare.

In my opinion, it invites use, because of the arguments that have been used that this weapon is a very precise weapon, that it has the capacity to hit a very constricted target, and that it does not destroy great areas of land or of property or buildings, but it is concentrated on meeting the enemy. The enemy here is defined as personnel, and it has been argued that this is a deterrent for its use.

But I would suggest that the logic is reversed. I would say that one of the great deterrents today as far as utilizing the Lance warhead as presently constituted in the NATO arsenal is the concern that it could destroy our allies and it could destroy broad areas beyond merely the target of the enemy.

This weapon, its supporters note, can be brought to bear on a more specific target. Therefore, I suggest the rationale is that we could use it with greater possibility of maintaining a restricted nuclear engagement.

Mr. President, this, of course, begs the entire issue, because this introduces again an old conundrum that we have heard many times over, from various and sundry sources, as to whether we could embark upon a limited nuclear war. I think that is a myth to begin with. I wish to refer to a comment made by Secretary of Defense Harold Brown when he was before the Senate committee on his confirmation hearing. He reported to the committee at that time, as I take from the record:

> I do not think it at all likely that a limited strategic nuclear exchange would remain limited. I would be very cautious about structuring the force and expending a great deal of effort in making the force able to engage at length in a limited strategic nuclear war.

I do not think one would have to study that statement very long to recognize that Secretary Brown, in effect, in coming down in favor of the thesis subscribed by some of us have that it is rather fictitious and perhaps it is an exercise of fantasy to talk about limited nuclear war.

So to say that this weapon lends itself to a limited nuclear attack and that somehow it could prevent an expanded nuclear war I think is fallacious; and furthermore, any time that one argues the question of nuclear war or limited nuclear war one is assuming that one can predict the response of the enemy.

I think that again is a totally fallacious assumption, because one cannot predict, nor can one anticipate what the enemy response would be. We might decide that we are going to use this so-called nuclear weapon and that as a consequence of that use the Soviet Union, which would be the major adversary in this sequence or this particular hypothetical circumstance, would refrain from using the so-called dirty nuclear weaponry. I do not think that is an assumption we can make. I do not think one can predict the Soviets any more than they can predict us. We must recognize that once we embark upon any kind of nuclear weaponry, we invite any response from the enemy, and that response is unpredictable. Let's knock down this response to our arguments for good.

Therefore, in effect, it is introducing nuclear weaponry into conventional warfare for the first time in our history.

It would, in effect, bring us into a new era of warfare, because where we now delineate between conventional war and nuclear war, it would not be only the potential of introducing a nuclear weapon in a conventional war, but it certainly, at the minimum, would create a fuzzy undefinable situation.

Also, in our Foreign Relations Subcommittee 3 years ago Mr. Warnke, who is now in the role of negotiator for limitation of arms, made a statement which I think is very appropriate to recall. He said:

> A new generation of tactical nuclear weapons would be an absolute disaster.

Then, Mr. President, Mr. Warnke went on to say that—

> New weapons with lower yield and greater accuracy and presumably few collateral consequences would erode.

And I underscore the word "erode"—

> rather than strengthen deterrence, and could at worst increase the prospects of eventual all-out nuclear war.

Of course Mr. Warnke now is in a role of trying to negotiate some kind of an agreement on arms limitation. May I point out that this really is the focus that we should be stressing, as well as the procedural question. Of course, we also must address the moral issue of introducing nuclear weaponry into conventional warfare. The issue is simply this: We talk about deterrence, but who is going to be deterred. We have heard it stated by opponents to this position that I take that all we are doing is deterring ourselves by trying to restrict production.

Mr. President, will the Chair indulge?

Mr. STENNIS. Will the Chair indulge us just one moment?

Mr. HATFIELD. Mr. President, I ask unanimous consent not to lose my right to the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. RIEGLE). Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I believe I still have the floor. I only wish to make an observation, and then I will be happy to yield to the majority leader at any time.

Mr. STENNIS. Mr. President, may we have order, and will the Chair request people to refrain from talking so we can hear? Members' staff and visitors are standing around and talking, as well as Members.

The PRESIDING OFFICER. The Senate will be in order. The Senator from Oregon.

Mr. HATFIELD. Mr. President, I would like to just make one observation. We have been through a great deal of discussion today, and I do not want to hold the Senate unduly from embarking upon the Fourth of July recess.

I would suggest, Mr. President, that we have reached a point where I believe it

is important to sleep on this matter. There is nothing better than a recess to have time to reflect on it, and then take the matter up for final disposition following the Fourth of July recess. We can ask the leadership to work out some kind of schedule to set an appropriate time to consider it further. I certainly would be willing to yield to that possibility and yield the floor at the same time. Otherwise, I must say I do have rather extensive notes, and I would have to carry on with this discussion.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. STENNIS. Will the majority leader yield so I can respond?

Mr. ROBERT C. BYRD. Yes.

Mr. STENNIS. Mr. President, the Senator from Oregon and I have just had a conversation. I am satisfied—and I have spoken to others—that it would take a long time, my judgment is that it would take several hours, to dispose of this matter this afternoon—several hours at the very least. For that reason, I suggested to him that we just defer this matter without change and without prejudice. Maybe a modification will want to be made. The leaders would then set a time, if agreeable to them to set it aside now. The leadership on each side would pick it up for a time certain when we return and take up the rest of this bill, including this item. I am doing this for the reasons I have already stated.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield the floor.

Mr. ROBERT C. BYRD. Mr. President, the situation is this: under the order which has been entered, when the Senate returns following the Independence Day holiday, there will be a vote on a nomination on that Monday, after which the Senate is scheduled to take up the ERDA nuclear authorization bill.

Upon the disposition of that bill, the Senate then is scheduled to return to the consideration of the public works appropriation bill.

It appears that no final resolution with respect to the neutron bomb can be reached today. Both managers of the bill have just indicated that it is their judgment, and I believe it to be sound based upon the circumstances, that the neutron bomb should be put over until after the holiday.

There is one other matter which involves Senator HOLLINGS and his State.

Mr. THURMOND. And me, too.

Mr. ROBERT C. BYRD. And Senator Thurmond.

Senator HOLLINGS and Senator THURMOND want that matter resolved today. They do not want to go over until after the recess.

I ask unanimous consent at this time that the Senate deviate from the order previously entered, set aside the neutron bomb, and proceed to the amendment by Mr. KENNEDY, which deals with the South Carolina project; and once that is disposed of, that the Senate go out until Monday, July 11.

Having said that, I wonder if it would be possible, in the event we can do it, to get an agreement on the amendment dea ing wi h the South Carolina project?

Mr. BAKER. Will the Senator yield for a moment?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, there are one or two other items of which I believe we need to take account. Before I identify them, let me say I believe this to be a good course of action and in the best interest of all the parties and the Senate. I support it.

There are other amendments which might be offered to this section. I assume they would have to wait as well in order to accommodate the circumstances. For instance, the Senator from New Mexico has an amendment. Is he agreeable to letting it wait until after the Fourth of July holiday?

Mr. DOMENICI. I am, so long as it is understood that I am not precluded from offering it by anything we do here today.

Mr. ROBERT C. BYRD. It is to this section?

Mr. DOMENICI. It is to this section but it has nothing to do with the neutron bomb.

Mr. STENNIS. The rest of it will be open.

Mr. BAKER. The rest of it being open is the trouble.

Mr. STENNIS. And it has nothing to do with water projects?

Mr. DOMENICI. That is correct.

Mr. BAKER. The previous order indicated that the only thing which would be up and remaining, and the Chair will correct me if I am wrong, would be the Clinch River project. We are now adding other things to it, this amendment or perfecting amendments and modifications, an amendment by the distinguished Senator from New Mexico, and an amendment by the distinguished Senator from Idaho. The order would have to be modified to accommodate those situations as well.

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. If the majority leader will indulge me for one more moment, I think it is the contemplation or request of the majority leader that all of this would still occur after the disposition of the ERDA authorization bill.

Mr. ROBERT C. BYRD. Exactly.

Mr. BAKER. I thank the majority leader.

Mr. STENNIS. Mr. President, the Senator from Georgia had a modification which I understood he wanted to make.

Mr. HATFIELD. It is acceptable.

Mr. STENNIS. I believe the majority leader has the floor.

Mr. ROBERT C. BYRD. Mr. President, do I understand it to be the sense of the Senate, as we gage it here, that we now go to the South Carolina project?

Mr. STENNIS. With a time agreement, yes.

Mr. ALLEN. Reserving the right to object, before an agreement is made, I would like to be heard.

Mr. HATFIELD. Will the majority leader yield?

Mr. ROBERT C. BYRD. I yield.

Mr. HATFIELD. I certainly support the modification the Senator from Georgia is going to offer on the pending matter of the neutron bomb. It has nothing to do with the substantive question but is procedural. I would suggest that we go ahead with that one.

UP AMENDMENT NO. 630

Mr. NUNN. Mr. President, there are two technical modifications I would like to make, since this continues to be a pending amendment and we will get back to this matter.

I would like to modify my amendment by adding the letter "s" on the word "weapon" making it "weapons" and by inserting the word "unless" immediately preceding the word "written."

I would further like to modify the amendment. I will send this modification to the desk because it is explicit language the Senator from Oregon and I have talked about as to how we can expedite the procedure under the 60 days. I would ask that both modifications be read.

Mr. BAKER. Will the majority leader yield for a moment?

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The modification (UP amendment No. 630) is as follows:

Striking all after the words "enhanced radiation weapons" and substituting in lieu thereof the words unless within 60 days Congress by concurrent resolution agrees to a resolution disapproving such use: *Provided further*, That such resolution be in the form of a concurrent resolution which will be referred to the appropriate committee, and if the committee has not reported the resolution at the end of ten calendar days after its introduction, it is in order to move to discharge the committee from further consideration, which motion shall not be debatable. A motion to proceed to the resolution shall be privileged and not be debatable. Debate on the resolution is limited to not more than six hours, equally divided between those favoring and those opposing the resolution.

Mr. BAKER. I would inquire of the majority leader if he would agree with me that all we need to do, really, is modify the previous unanimous consent order to say that after we return to the consideration of the public works appropriations bill, only amendments to this title would be in order. Then we would have accommodated the requirements of the distinguished Senator from New Mexico and the distinguished Senator from Idaho. I do not know of any prejudice to any other provisions.

Mr. DOMENICI. Could I raise one issue, Mr. President? If we are going to Barnwell now, there is a technical problem in that that amendment will address a change in the total dollar figure found in title I. I would be precluded from offering an amendment to change that if the distinguished Senator from Massachusetts prevails. My amendment has nothing to do with the substance of his; but, rather, I would add some money to that figure, whether he wins or whether it remains as it is. I would want it understood that that would still be in order, or I would have to add mine to the amendment of the Senator from Massachusetts today.

Mr. KENNEDY. Mr. President, that is entirely agreeable to me. I believe it protects the rights of the Senator from

New Mexico. He has mentioned this to me. It is strictly a parliamentary snag on it. As far as I am concerned, it would be perfectly appropriate. I would be making the same request if the order had asked for the Senator from New Mexico. I believe he is entirely within his rights.

Mr. STENNIS. Mr. President, it seems to me that that ought to be covered by unanimous consent so we know exactly where we are, and everyone else will understand it, too, and no one else will be uncertain.

Will the Senator make a request for that?

Mr. ROBERT C. BYRD. I so request, yes.

Mr. ALLEN. Reserving the right to object, we had the Hatfield amendment and the Stennis amendment under a 4-hour limitation, starting at 10:23. We should have disposed of both amendments some minutes ago. Yet it is stated that it cannot be resolved this afternoon. I believe this is the first filibuster that has taken place in the 95th Congress. I wish to call attention to that fact.

I think we ought to resolve the issue. I hate to pass it over to get to something else that might be just as sticky as this. I wonder what good a unanimous-consent agreement is on voting if, minutes after the matter is supposed to have been disposed of, we still cannot see the light at the end of the tunnel for the rest of the day?

I propose this in lieu of what has been suggested in order that this amendment, which, clearly, is violative of the rule about legislation on an appropriations bill—why carry over two amendments that are very definitely contrary to the rules at that point? I should like to suggest that I be allowed to raise the point of order as to the pending amendment; after whatever the ruling is, I would have no objection to passing the matter over and going to the Barnwell matter. But I do not think we ought to carry over two amendments that are clearly violative of the rules, as I see it, and then come back to face those very same amendments that are not in order.

If the distinguished majority leader will agree that I might be allowed to raise that point of order, then the deck might be cleared as to these two amendments. The distinguished Senator from Oregon could work on his amendment and come up with an amendment, possibly, that might be within the rules, but let us not carry over these amendments and talk about debating them ad infinitum when we come back.

Does the distinguished Senator feel that that would be a reasonable request, that the point of order might be raised as to the Hatfield amendment before we go to the Barnwell issue?

Mr. ROBERT C. BYRD. I do not intend to deprive any Senator of his right to raise a legitimate point of order. The request that I had made has not yet been agreed to.

Mr. ALLEN. I would like to make a point of order at this time. Then I shall accede to the Senator's request to pass it over.

Mr. ROBERT C. BYRD. I yield the floor for that purpose.

The PRESIDING OFFICER. The Chair advises that there is a unanimous-consent request of the Senator from New Mexico that is pending, that he be allowed to amend the amendment of the Senator from Massachusetts.

Mr. DOMENICI. Mr. President, I believe mine is part of a broader unanimous-consent request that has not been ruled on. I do not think mine has to be ruled on at this point.

I withdraw it.

The PRESIDING OFFICER. Without objection, it is so ordered.

The unanimous-consent request is withdrawn.

Mr. ALLEN. Will the Senator yield in order that I might make a point of order on his amendment?

Mr. HATFIELD. Mr. President, I just wish to make the observation that when the Senator from Mississippi (Mr. STENNIS) discussed this matter with me, it was a matter that was to remain in status quo until after the recess. That was the basis upon which I made my observation and based my willingness to set this over until after the recess.

If we are going, now, to bring forth another issue that gets us off the issue that we are on—in effect, the point of order issue—I would then have to reassess the view that I had in acceding to that suggestion on the part of the Senator from Mississippi.

I ask the Senator from Mississippi if he has any change of his position now?

Mr. STENNIS. Mr. President, I merely said that time has run out. I am satisfied that we are not going to be able to dispose of this broad question this afternoon. Suppose we just leave it as it is, if that is agreeable to the Senator.

Mr. HATFIELD. It is.

Mr. STENNIS. With assurance from the leadership that it be called up when they can get to it. They have already given us that assurance.

Mr. ALLEN. Would it be agreed, then, that when the matter is first brought up, I be allowed to raise the point of order as first spokesman?

Mr. ROBERT C. BYRD. Mr. President, under the request that I had propounded, it would not waive any points of order. All Senators would still retain whatever rights they have at this moment.

Mr. ALLEN. I understand, but, rather than spinning our wheels on it after we get back, would it not then be the course of wisdom to raise this point?

I am not suggesting that we raise it at this time, because the Senator from Oregon does not want it raised. But should we not raise that point of order as the first matter to be considered when we come back after the recess?

Mr. ROBERT C. BYRD. This would be in the Senator's judgment. He would not be deprived of any rights, under the request that I made, that he has right now.

Mr. ALLEN. But he has to get the floor, as the Senator knows.

Mr. ROBERT C. BYRD. Oh, yes, he has to get the floor. He does not have the floor right now.

Mr. ALLEN. Will it be in order that I make that point? I am asking, when we come back from the recess, would it be in order that I be recognized for making the point of order?

Mr. ROBERT C. BYRD. As far as I am concerned, the Senator will be recognized.

Mr. HATFIELD. Mr. President, I do not want to enter into any special arrangement to give the Senator from Alabama automatic floor recognition. If he wants to take his chance to get that position, I certainly would have no objection, but, rather than lock that in, I would object to that.

Mr. ALLEN. Then I object.

The PRESIDING OFFICER. The objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of the amendment by Mr. KENNEDY, with Mr. DOMENICI's rights protected in that regard.

Mr. STENNIS. What was the last part?

Mr. ALLEN. I object.

The PRESIDING OFFICER. The objection is heard.

Mr. ROBERT C. BYRD. Objection has already been made.

Mr. HATFIELD and Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

Mr. HATFIELD. I am happy to yield for a question.

Mr. KENNEDY. I just want to indicate that no time agreement has been entered on my amendment. Out of respect for the Senator from New Mexico, I shall not request any vote until the rights of the Senator from New Mexico are protected. I am prepared, at any time the Senator from Oregon wants to talk or not to talk, to proceed.

I am also willing to indicate to the Senate that I am prepared to vote on our amendment here, this afternoon, and to vote expeditiously and carry on the business of the Senate. But I do think the Senator from New Mexico has to be protected and I would not insist on a vote until his rights have been protected. I understand there has been objection raised to it; so I am glad either to talk and explain my amendment or to abide by whatever the decision is of the Senate.

Mr. STENNIS. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Oregon has the floor.

Mr. STENNIS. Mr. President, I do not understand the situation, but as the manager of the bill—the Senator yielded to me—I want to proceed now. We have set aside these other proposals, as I understand it. Let us proceed with the rest of the bill. Amendments are in order. I have no preference. There has been a lot of talk about this Barnwell matter. I thought we were going to get to the amendment soon.

Mr. HATFIELD. Mr. President, I believe I have the floor.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me?

Mr. HATFIELD. I yield.

Mr. ROBERT C. BYRD. Mr. President, I want to correct the record.

Earlier today, I had something to say with respect to what my recollection was as to the wording of the agreement that had been entered into on the amendment by Mr. HATFIELD. I was incorrect in my recollection of the working of that agreement. The transcript so shows. I think it should state for the record.

Now, Mr. President. we are in this kind of situation: We are on the neutron bomb and it is about to explode. [Laughter.] We would like to set it aside, proceed to the amendment by Mr. KENNEDY, dispose of that matter which affects the State of South Carolina, and go out for the holiday, leaving the neutron bomb matter to be disposed of upon our return.

Now, the Senator from Alabama is perfectly within his rights to make a point of order. If he can get the floor now, he can make the point of order now. If he cannot get the floor now, as of now he will not let us go to the other project.

If the Senator from Oregon insists on holding the floor now, we are not going to finish either this measure, the neutron matter, or get to the South Carolina matter.

At some point in time, if the Senator from South Carolina will not yield now, there will be a point in time when the Senator from Alabama will certainly have the opportunity to make his point of order.

So why do we not all agree to set this thing aside and go on to the South Carolina project and dispose of it today and go home?

Somebody has to bend a little. I think if both will bend a little, we will set this aside and get to the South Carolina project, get home then to see our sons and daughters and grandchildren.

Mr. ALLEN. I asked to be allowed to make a point of order now, but, as the Senator says, I cannot get recognition. All I am asking is that some 10 days from now I be allowed to get recognition and make this point of order.

I do not believe that is an unreasonable request.

Mr. HATFIELD. Mr. President, I was discussing a while ago the matter relating to the myth of limited nuclear war. It seems to me that——

The PRESIDING OFFICER. Will the Senator suspend just a moment until the Senate is in order?

Mr. STENNIS. Mr. President, if the Senator will yield to me, this is out of order, but I want to go to lunch.

Mr. HATFIELD. I would be happy to yield to the Senator without losing my right to the floor.

Mr. President, I yield to the majority leader.

The PRESIDING OFFICER. Will the Senate be in order?

Mr. ROBERT C. BYRD. Mr. President, I think it is obvious we are not going to solve this matter today and we are not even going to be able to take up the matter in which Mr. KENNEDY and Mr. HOLLINGS and Mr. THURMOND are involved.

That being the case, I believe that it is probably going to be agreeable all around if we just recess and go over until after the Independence Day holiday and take up where we left off.

QUORUM CALL

Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, not to extend beyond 20 minutes, after which I again be recognized.

The PRESIDING OFFICER. Is there objection?

Mr. SCHMITT. Mr. President, reserving the right to object, on behalf of the senior Senator from New Mexico, would the Senator withhold that for 1 minute until we get him on the floor?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I be recognized following the calling of the quorum, and I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, the closed executive session today on the Hatfield amendment cutting funds for the enhanced radiation warhead from the public works and ERDA appropriations bill was one of the most probing and serious debates I have participated in since I have been in the U.S. Senate.

I entered the session with an open mind and many questions and listened very carefully to the answers on both sides. The major questions I had in my mind were these:

Is there any need for haste by the Congress in this matter before the President has even submitted an arms control impact statement or made a final executive branch decision?

Would this weapon strengthen NATO's defense?

Would this weapon make nuclear war less disastrous for Europe? Would it make nuclear war more or less likely?

What effect would a decision to procure these weapons have on our desire to limit nuclear proliferation?

How do our NATO allies feel about the weapon?

What would be the Warsaw Pact response to the procurement and possible use of the weapon?

I have read a great deal about the radiation warhead in recent weeks. All nuclear explosions produce blast, heat, gamma ray radiation, and neutron radiation. The neutron warhead minimizes the first three effects and maximizes neutron radiation. The neutron warhead is basically an antipersonnel weapon designed to cause little damage to terrain, buildings, and other installations. If exploded in the air, it produces little fallout and does not leave the area bombed radioactive. It is specifically designed to be used only in the case where we are forced to fight an enemy on allied soil.

Opposition to the neutron bomb seems to revolve around two contentions. One is that the weapon is inhumane. Death as a result of neutron radiation is painful and relatively slow compared to death as a result of nuclear blast or heat. Fewer people are killed with a neutron bomb because of the lack of fallout, but more die of radiation. Approximately 30 percent of those dying from a regular nuclear explosion die from radiation; this percentage could triple with a neutron explosion.

The second contention is that the neutron warhead's less destructive nature makes its use more likely. It leaves buildings, equipment, and other structures still standing, and its lack of fallout prevents radioactive clouds from floating to populated civilian areas. Opponents feel that its controllability will weaken resistance to using nuclear weapons on the battlefield and that, therefore, the nuclear threshold will be crossed much more quickly.

Proponents of the neutron warhead, on the other hand, believe that the weapon strengthens NATO's deterrence against an attack and therefore reduces the likelihood of war between NATO and Warsaw Pact forces in Europe. They argue that the Soviet Union does not believe that we would use regular tactical nuclear weapons in Europe because we might be fighting on Allied soil. The immensely destructive nature of current weapons and the threat of fallout drifting to population centers could weaken the Soviet belief that we would use what we now have.

Proponents also argue that the neutron bomb raises rather than lowers the nuclear threshold in Europe. NATO currently bases its defense on a forward-based strategy—forces and nuclear weapons are on or very close to the border. In the case of attack, Germany would not wish to cede any ground to the invading forces because that would increase the likelihood of using our current, more destructive nuclear weapons on German soil. Germany might be under a great deal of pressure to push for early use of our current nuclear weapons at or near the border. With the option of the less destructive neutron warhead, NATO may be able to gain the time necessary to rally conventional forces to the defense. Proponents argue that this could very well allow NATO to respond conventionally without ever having to use nuclear weapons at all.

Despite the extensive coverage of this issue in the press and good arguments made pro and con, it is obvious to me that we do not yet know the answers to all of the questions which concern me. The President himself has not yet made a decision whether or not to procure the neutron warhead. I understand he will not be making a decision until studies are completed over the next several months. It seemed to me there was no need to rush into a decision on procurement at this time. I still feel this way. But as we saw from the very close initial vote on this issue, 43 to 42, it was obviously something about which reasonable and thinking men can honestly disagree.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, if the Senator will allow me, I ask unanimous consent that there now be a period

for the transaction of routine morning business of not to exceed 20 minutes, and that I then again be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

I ask the Senator from Maryland to suspend. There is a great deal of noise in the Chamber, both on the Senate floor and in the galleries. I ask everyone here to be in order.

The Chair would like to recognize the Senator from Maryland and will do so just as soon as the Senate is in order.

The Senator from Maryland.

MIDDLE EAST POLICY

Mr. MATHIAS. I was happy to note that in yesterday's press conference the President imposed a salutary restraint on his Cabinet and staff with regard to the Middle East. I assume he and the Vice President intend to play by the same rules. We should respond by joining them in a reasonable period of golden silence.

This is an issue of growing concern to me. We have seen in recent weeks, and most particularly in recent days, a confrontation developing between the administration and some supporters of Israel on the subject of peace in the Middle East.

The administration has been criticized for the public nature of its developing Middle East policy and for many of the specific features of that policy. Two weeks ago Vice President MONDALE, in an effort to clarify the administration's attitudes, gave a major address on the Middle East. This speech has led to intensified discussion. In recent days the debate has picked up significantly, fueled by the statements made in Washington and in Israel.

This increasingly acrimonious exchange is unwise. I do not believe that it contributes to the one goal all of us in this Chamber so desperately want—a stable and enduring Middle East peace. This is a good time for quiet, constructive discussion, not heated exchanges which serve only to hinder understanding and agreement. I call for a cease fire on Capitol Hill on the subject of the Middle East.

I propose to the administration, to my colleagues, and to our friends in Israel that we call a halt to this war of words. I see no useful purpose in having the atmosphere so poisoned by positions taken publicly that Mr. Begin's visit will be jeopardized before he arrives. Let Mr. Begin come and meet with President Carter in a constructive atmosphere. Leave them some issues to discuss. Maybe these two men sitting together unhindered by the public spotlight can find a way to move this difficult problem toward the resolution we all want so much.

Our national policy of assuring the continued existence of Israel is unaltered. Our national hope that a just peace can be achieved within the framework of U.N. Resolution 242 is undimmed. We must leave no possibility for misconception on these questions.

CLINICAL LAW PROGRAMS

Mr. MATHIAS. Mr. President, I wish to speak on a part of the Labor-HEW appropriations bill that the Senate considered earlier this week that is personally disappointing to me and will be discouraging to many Americans. The House approved $1 million for clinical law programs, but the Senate's version of the bill provides no money for that purpose. I believe that much of the reason for the neglect of that program was misinformation. That program, mislabeled as an effort to educate more lawyers, was dismissed in committee. The point of view expressed in committee was that the Federal budget need not support the training of additional attorneys.

I want to clear up that misconception.

Clinical law education serves two purposes. In the first instance, it provides advocates for poor people, usually poorly represented in juvenile, magistrate, and small claims courts. In so doing, it trains law students in procedures for a type of legal practice which normally gets the least priority in a legal education.

The training function does not result in "educating more lawyers." It merely makes available a broader legal training to law students already in law school. A traditional legal education emphasizes representation of business and moneyed clients. The market dictates that kind of training. There is very little concentration on the kinds of issues important to those who lack economic leverage. A lawyer who chooses to do that kind of work, either as his primary business or as an adjunct to do something that pays better, is left with few avenues for developing the skills needed for adequately representing those clients.

Let me describe a law school clinical program. It generally takes the form of a working law firm. A professor or practicing lawyer appears in court while students back him up as associates, doing research and preparing briefs. The clients are those who would not normally be represented or who would be inadequately represented. Instead of relying on a heavily burdened legal aid attorney, or on no one at all, the client has the resources of a large firm to draw on and access to the enthusiasm and knowledge of law school professors and students.

The House appropriated the $1 million, then, for a serious public purpose. The clinical law program will not train more lawyers. It will not add to the number of lawyers coming out of school. It simply helps some lawyers get the training they need to serve a significant number of Americans—those with few resources. The knowledge and skills law students gain through the program will not make them wealthy, but it will make them more responsive and more responsible to all levels of society.

I am hopeful that the Senate conferees, in conference with the House, will reconsider the committee's position and recede in favor of the House position. In the event that the Congress fails to make any appropriation in this bill, we should return to this subject in the next supplemental appropriation to be considered.

ELECTRICITY FROM SOLAR SATELLITES

Mr. MAGNUSON. Mr. President, I think it appropriate in our discussion of this public works appropriations bill, with its funding for the Energy Research and Development Administration (ERDA), to call attention to the possibility of our one day obtaining nearly unlimited electricity from solar stations in space.

The Everett, Wash., Herald recently described studies being done by the Boeing Co. and the National Aeronautics and Space Administration (NASA) on how solar power satellites capable of generating 10,000 megawatts of electricity could be placed in space.

About the same size as a small city, each of these solar power satellites would generate twice as much power as Grand Coulee Dam—enough electricity to supply the needs of a million homes. Forty-five of these satellites would generate as much electricity as is now generated in the entire United States.

While this may sound like some Buck Rogers fantasy, the engineers involved in Boeing's studies say that the natural growth of today's technology may make these solar power satellites entirely feasible early in the next century.

Obviously, a great many complex and important questions would have to be explored and answered satisfactorily before it would be realistic actually to undertake the construction in space of one of these huge solar power satellites.

I commend NASA and Boeing for being willing to look seriously at those questions. And I surely hope that ERDA will be cooperating with NASA to examine how space technology might be applied to coping with our energy crisis.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the article mentioned above which appeared in the Everett, Wash., Herald on Friday, June 17, 1977.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BOEING STUDYING CITY-SIZED SATELLITES FOR SOLAR POWER

SEATTLE.—That man must develop new sources of energy other than fossil fuels is a fact beyond question. It is the essence of the energy crisis.

Most believe the solution will be found in the development of a non-depletable source of energy which can be transformed into usable electricity.

Man's primal energy source, the sun, offers an attractive answer. By harnessing its rays in space, where they exist without night, and transforming this power into electricity usable on earth, we would tap a power more durable than mankind.

This feat may be accomplished through the use of a Solar Power Satellite, a spacecraft the size of a small city which would be able to produce twice the usable power generated by Grand Coulee, the nation's largest hydroelectric dam.

Forty-five of these satellites would be able to match the present total electrical generating power of the United States, freeing oil, coal and their derivatives for other crucial needs.

Deployed some 22,000 miles (36,000 kilometers) above the equator in geosynchronous

orbit, these satellites would appear stationary when viewed from earth. They would be bathed in sunlight 99 per cent of the time, passing through earth's shadow only for very short periods in the spring and fall when it is late at night on earth.

The satellites would transform the sun's rays to electricity and convert this to microwaves which would be beamed to large antennas on earth. These antennas would reconvert this power, providing electricity for the nation's power grid.

Boeing has been involved in studies related to Solar Power Satellites since 1972, both with its own research funds and under contracts from the National Aeronautics and Space Administration and other government agencies.

The concept offers distinct challenges.

Boeing studies have centered on two basic configurations for the satellite: Photovoltaic and Brayton heat engine. Each would be capable of producing 10,000 megawatts of usable power—enough to fill the needs of a million homes.

The photovoltaic satellite would be rectangular in shape and cover an area of about 15.4 miles (24.8 kilometers) by 3.2 miles (5.2 kilometers)—an area of almost 50 square miles (128 square kilometers), or the size of a small city. On this vast platform would be mounted about 14 billion solar cells. This spacecraft would have a mass of about 88,000 tons to 110,000 tons (80,000-100,000 metric tons).

The satellite's solar cells would transform sunlight directly into electrical energy, the same way solar cells power small satellites.

The Brayton heat engine satellite would use a series of four parabolic dishes, each about 3.5 miles (5.6 kilometers) across. Together, they would stretch some 14.7 miles (23.7 kilometers) across space.

Each dish would be made up of thousands of steerable, extremely thin plastic reflectors. These reflectors would direct the sun's rays into a domelike cavity absorber—a solar furnace—located over each dish. The concentrated sunlight would superheat gases which would expand and drive a series of turbo-generators girdling the absorber.

These generators would produce the satellite's electricity.

Once through the generators, the heated gases would be piped into large fin-like radiator panels in which the gases would cool before being recirculated back into the cavity absorber to begin a new cycle.

The Brayton heat engine satellite would weigh about the same as the Photovoltaic satellite—about 88,000–110,000 tons.

The photovoltaic system is the less complex system. However, solar cells at their present state of the art are less efficient than thermal cycle engines, are quite expensive and require exotic manufacturing techniques.

Brayton heat engine satellites are complex systems using complex devices but have a higher conversion efficiency, process large quantities of power and already have been proved through the large-scale production of energy here on earth.

Each system has definite attractions and drawbacks, and both appear feasible.

Solar Power Satellites—whether heat cycle or solar cell—produce direct current electricity. This would be converted to energy of microwaves which would be channeled through two transmitters on each satellite. These antennas would be a little more than a half mile across (one kilometer). Except for size, they would be an extension of current radar technology.

The antennas would direct the microwave beam to ground receiving antennas which would rectify the microwave energy to direct current electricity which would be fed into the nation's power lines.

These rectifying antennas—or rectennas—would measure about five miles (8 kilometers) by 7½ miles (12 kilometers) and would resemble chain link fencing mounted in strips high enough off the ground for the area beneath it to be used for animal grazing or farming.

Microwave levels outside the antenna area and even beneath the antenna would be below the already stringent standards now in use in the United States. The beam itself would be of a low enough intensity to allow birds and other forms of life to pass through it without harm. The peak intensity at the beam center would be far below lethal levels even at long exposure. It would have no effect on aircraft or their passengers.

Obviously, satellites measured in miles rather than feet can be launched like Apollo mooncraft. Man must expand his environment into space in order to reap its benefits.

Solar Power Satellites would be constructed either in low earth orbit for later shipment to the higher geosynchronous orbit, or would be constructed directly at the higher orbit. The decision as to which is a matter of intense study.

In either case, the construction of things in space the size of small cities is entirely outside human experience. But it is not beyond a reasonable extrapolation of the state of the art.

Large, unmanned freighters, known as heavy lift launch vehicles, would carry outsized cargo pallets into low earth orbit where these pallets would be deposited and directed to docking stations at a space construction base. These freighters would be entirely reusable and available for relaunch within a week.

Today's Space Shuttle Orbiter with minor modifications would be the backbone of the manned transportation system, carrying the several hundred men needed on the orbiting construction base.

Orbital transfer vehicles to carry men and equipment from near-earth orbit to geosynchronous orbit also will be needed, as will propulsion units to carry satellites or their major segments to this stationary position.

In all, man may be shipping from earth almost 1 million tons (907,000 metric tons) of hardware each year—an astounding amount.

However, such expanded utilization of space and its transportation systems will lower costs. A look at the past underscores this:

Payload transportation costs for Vanguard in the late 1950s ran $500,000 a pound for payloads in the 20-to-30-pound (9–14 kilograms) range. For Thor of the 1960s this was reduced to $10,000 a pound for payloads of little more than 1,000 pounds (450 kilograms). Saturn moonrockets of the late 1960s and early 1970s cost $600 a pound for quarter-million-pound (110,000 kilograms) payloads and we now are about to enter the Space Shuttle area with its projected $150-a-pound payload costs attained through Orbiter reuse.

NASA and industry studies forecast a payload cost for heavy lift launch vehicles in the neighborhood of from $10 to $20 a pound.

Engineers foresee the day, possibly within the next 20 years or so, when huge space freighters will be departing the likes of Kennedy Space Center at a rate of four, or five—or even 10—a day.

Far fetched? Yes, at first blush, but studies by Boeing and others show that no technological breakthroughs are needed for all this to come about, only a natural growth of today's technologies.

In fact, the greatest apparent stumbling block may be psychological, not technological. Ralph Nansen, Boeing Space-based Solar Power Program manager, calls it "concept shock."

Satellites the size of cities and the weight of battleships seem illogical. Launch schedules resembling airline timetables seem highly improbable. The manufacturing of complex structures from basic materials by hundreds of persons in space seems impossible.

But hardnosed engineering studies show that, while challenging, all this is technologically achievable within a relatively short time.

In an engineering sense, Kubrick's "2001" is upon us. After all, 2001 is less than 25 years away, and for today's ideas to become reality in that time span, they must be visible on our drawing boards now.

The cost? We really don't know. Boeing and other manufacturers currently are attempting to determine this through government-funded and company-funded studies.

We do know that, to be feasible, solar power satellites must be constructed and operated at a cost which will allow their amortization with revenues charged to the users of electricity they furnish.

And simple arithmetic shows that the revenue from one solar power satellite producing 10,000 megawatts of electricity sold at a rate of 30 mills per kilowatt hour would produce $78.8 billion in 30 years. Forty-five satellites would product more than $3.5 trillion.

And 30 mills currently is the cost of electricity generated by new oil-burning generation plants.

Of course, this is simple arithmetic, and such economics seldom is simple. Any power generator has times when it is not totally in service or is producing energy at a rate above that which is being purchased at the moment.

However, we do know that electricity produced from today's energy sources economically is headed only one way: Up. As the cost of depleting fossil and nuclear fuels rises, so will the costs of power they generate.

Solar Power Satellites, on the other hand, may be expensive to bring on line but are not dependent on fuel costs. The sun's rays are free.

A step-by-step studied approach to space-based solar power generation is needed. Boeing already has recommended in Congressional testimony that the government embark on a carefully phased plan which would progress from concept definition to technology cerification to subscale demonstration. This would establish confidence that satellite power systems are technically and economically viable. Only then would the nation embark on the more expensive full-scale development.

As Jacques Cousteau has observed, our present-day energy solutions either cheat on the past or cheat on the future. It is time we became honest with ourselves.

Mr. ROBERT C. BYRD. Mr. President, where I said today, a moment ago, that my recollection had failed me in regard to the agreement, I did not even make the agreement. As the transcript will show it was not my agreement.

I was thinking of something else.

ORDER THAT NO ROLLCALL VOTES OCCUR PRIOR TO THE HOUR OF 4 P.M. ON MONDAY, JULY 11

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be no rollcall votes that occur, if any, although one has already been ordered, but I ask unanimous consent that no rollcall votes occur prior to the hour of 4 p.m. on Monday, July 11.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ORDER THAT RECORD REMAIN OPEN UNTIL 6 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the record remain open until 6 o'clock p.m. today for the insertion of statements, the introduction of bills and resolutions, and petitions and memorials.

The PRESIDING OFFICER. Without objection, it is so ordered.

MODIFICATION OF ORDER AUTHORIZING COMMITTEES TO FILE REPORTS

Mr. ROBERT C. BYRD. Mr. President, on yesterday I obtained unanimous consent that committees be allowed to file reports until, I believe, 6 o'clock today and on Tuesday and Wednesday between the hours of 3 and 5, or some such period. I should like to modify the hours as follows:

That committees be authorized to have until midnight tonight to file reports, and on Tuesday and Wednesday between the hours of 10 a.m. and 3 p.m. to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendars Nos. 288 and 289.

The PRESIDING OFFICER. Without objection, it is so ordered.

WAIVER OF THE CONGRESSIONAL BUDGET ACT WITH RESPECT TO CONSIDERATION OF S. 1522

The resolution (S. Res. 202) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to consideration of S. 1522 was considered and agreed to, as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to consideration of S. 1522, a bill to increase the appropriations authorizations of fiscal years 1977 and 1978 and to authorize appropriations for fiscal year 1978 to carry out the Marine Mammal Protection Act of 1972, and for other purposes. The waiver is necessary in order to provide additional funding for carrying out programs relating to the reduction of porpoise deaths and injuries during tuna fishing operations.

WAIVER OF CONGRESSIONAL BUDGET ACT WITH RESPECT TO CONSIDERATION OF S. 9

The resolution (S. Res. 204) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 9 was considered and agreed to, as follows:

Resolved, That, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 9. Such waiver is necessary because (1) section 506 of the bill, amending section 308(b) of the Coastal Zone Management Act, as amended, establishes a coastal State impact fund for distribution of funds to States which are adversely impacted by offshore oil and gas exploration and development and production with appropriations beginning in fiscal year 1977; (2) section 321(a) of the bill authorizes appropriations beginning in fiscal year 1978 for the funding of the Oil Spill Liability Fund which is established by the bill; and (3) section 413 (a) and (b) authorize appropriations upon enactment for the funding of the Fishermen Contingency Fund which is established by the bill.

All these provisions relate to impacts of Outer Continental Shelf oil and gas development which are already occurring. Furthermore, additional development needs to be expedited to meet national energy needs.

The committee action to report S. 9 was delayed because of the need to consider (1) other major bills which had not been within the committee's jurisdiction prior to adoption of S. Res. 4 and (2) the energy proposals submitted to Congress by the President to implement his national energy plan.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to move the reconsideration of both measures en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I so move.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT OF UNANIMOUS-CONSENT AGREEMENT—H.R. 7553

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that in order to carry out the intent of the understanding that has been reached here today, the unanimous consent agreement with respect to the public works appropriation bill be amended as follows:

Strike the words "the project listed above," which meant the Clinch River project, and insert in lieu thereof the words "Title I."

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, I am sorry, but my attention was diverted momentarily.

I have no objection.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. Mr. President, reserving the right to object, what is the nature of the request? Will the Senator be kind enough to tell me?

Mr. ROBERT C. BYRD. I will let the minority leader state it.

Mr. BAKER. Mr. President, this is the point I raised earlier, and I said that in order to accommodate the agreements we made with respect to the consideration of the Clinch River project after we return, after the consideration of the authorization bill, we would have to make room for the continuation of the pending business. The way to do that was simply to strike the words "the project listed above," which was the Clinch River project, and say instead simply "Title I."

This would be the purpose of the request by the majority leader.

Mr. ALLEN. It has no reference to the pending amendments?

Mr. BAKER. It does not, in my judgment.

Mr. ALLEN. I have no objection.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The text of the amended unanimous-consent agreement is as follows:

Ordered, That when the Senate proceeds to the consideration of H.R. 7553 (Order No. 278), making appropriations for public works for water and power development and energy research for the fiscal year ending Sept. 30, 1978, and for other purposes, titles II, III, IV, and V and amendments thereto, be considered and disposed of before title I, and amendments thereto, are in order.

Ordered further, That the Senate then proceed to the matters contained in title I, and the amendments thereto, with the exception of the Clinch River Breeder Reactor Project, and amendments thereto, which will not be considered automatically until after the Senate disposes of the ERDA Authorization Act of 1978—Civilian Nuclear Energy Applications.

Ordered further, That immediately upon the disposition of the ERDA Authorization Act of 1978—Civilian Nuclear Energy Applications, the Senate resume consideration of H.R. 7553, with no further amendments or motions thereto in order, except those dealing with title I.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETING JULY 14, 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Science, Technology and Space of the Committee on Commerce, Science and Transportation, be authorized to meet during the session of the Senate on Thursday, July 14, 1977, for the purpose of considering those aspects of the President's energy proposals which are within the jurisdiction of the committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER AUTHORIZING THE SIGNING OF DULY ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess over until July 11 the Vice President, the President of the Senate pro tempore, the Deputy President pro tempore, and the Acting President pro tempore be authorized to sign all duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER AUTHORIZING THE SECRETARY OF THE SENATE TO RECEIVE MESSAGES FROM THE PRESIDENT AND THE HOUSE OF REPRESENTATIVES DURING RECESS OF SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to receive messages from the President of the United States and the House of Representatives during the holiday recess.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 1 P.M., MONDAY, JULY 11, 1977

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the provisions of House Concurrent Resolution 267, that the Senate stand in recess until the hour of 1 p.m. on Monday, July 11, 1977.

The motion was agreed to; and at 4:01 p.m., the Senate recessed until Monday, July 11, 1977, at 1 p.m.

NOMINATIONS

Executive nominations received by the Senate July 1, 1977:

DEPARTMENT OF STATE

Louis A. Lerner, of Illinois, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Norway.

Lawrence A. Pezzullo, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plentipotentiary of the United States of America to Uruguay.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 1, 1977:

COASTAL PLAINS REGIONAL COMMISSION

Claud Anderson, of Florida, to be Federal Cochairman of the Coastal Plains Regional Commission.

FOUR CORNERS REGIONAL COMMISSION

F. Kenneth Baskette, Jr., of Colorado, to be Federal Cochairman of the Four Corners Regional Commission.

NEW ENGLAND REGIONAL COMMISSION

J. Joseph Grandmaison, of New Hampshire, to be Federal Cochairman of the New England Regional Commission.

OLD WEST REGIONAL COMMISSION

George D. McCarthy, of the District of Columbia, to be Federal Cochairman of the Old West Regional Commission.

OZARKS REGIONAL COMMISSION

Patsy Ann Danner, of Missouri, to be Federal Cochairman of the Ozarks Regional Commission.

PACIFIC NORTHWEST REGIONAL COMMISSION

Patrick J. Vaughan, of Idaho, to be Federal Cochairman of the Pacific Northwest Regional Commission.

SOUTHWEST BORDER REGIONAL COMMISSION

Cristobal P. Aldrete, of Virginia, to be Federal Cochairman of the Southwest Border Regional Commission.

DEPARTMENT OF JUSTICE

M. Carr Ferguson, of New York, to be an Assistant Attorney General.

DEPARTMENT OF THE TREASURY

John Gaines Heimann, of New York, to be Comptroller of the Currency.

DEPARTMENT OF TRANSPORTATION

Richard Stephen Page, of Washington, to be Urban Mass Transportation Administrator.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

THE JUDICIARY

Russell G. Clark, of Missouri, to be U.S. District Judge for the Western District of Missouri.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

(Statements in connection with bills and joint resolutions introduced today are as follows:)

By Mr. METCALF (for himself, Mr. RANDOLPH, Mr. BROOKE, Mr. HELMS, Mr. HOLLINGS, Mr. JACKSON, Mr. MORGAN, Mr. MOYNIHAN, Mr. RIBICOFF, and Mr. THURMOND):

S. 1820. A bill to authorize the Secretary of the Interior to assist the States to establish programs for the maintenance of natural diversity, and for other purposes; to the Committee on Energy and Natural Resources and the Committee on Environment and Public Works, jointly, by unanimous consent.

NATURAL DIVERSITY ACT

Mr. METCALF. Mr. President, today I am introducing, jointly with Senator RANDOLPH, legislation which will fill a major gap in existing Federal and State conservation programs. Termed the Natural Diversity Act, this legislation declares that it shall be a national goal to preserve examples of all of America's diverse natural ecological resources before they are irretrievably lost. Such losses are occurring at an accelerating rate as a result of human activities which alter the natural landscape.

This goal is entirely consistent with and complementary to the other major Federal conservation goals. We have policies and programs to protect our resources from air and water pollution; to manage Federal lands on a multiple-use, sustained yield basis; and to preserve natural areas as parks, wildernesses, and wildlife habitats. However, none of these Federal programs has as its principal objective, the systematic and comprehensive classification, identification, and protection of examples of all elements which comprise the Nation's natural ecological diversity: our many types of plant, forest, and aquatic communities, the habitats of all species of plants and animals, and the various types of geological features. Because of this lack of policy and program, many elements have already been lost and many more will disappear unless we take positive action now.

The responsibility for implementing a natural diversity program clearly lies with Federal land managing agencies and the States. Both must act in coordinated fashion to classify the Nation's natural ecological resources into types, to identify locations of these various types on the landscape, and to assure that sufficient examples of each type are preserved for the use, benefit and enjoyment of present and futuer generations.

In many instances, these elements of natural diversity will be found on Federal, State and private lands and may already be legally protected from destruction. In some cases, it will be necessary to purchase or otherwise protect sites on private lands. However, without the information which would be provided by an inventory, it is impossible to make intelligent decisions about which sites should be protected. The Natural Diversity Act will correct this problem by establishing standardized inventory processes and biological data management systems at the Federal and State levels.

The data management systems to be established by this legislation are not pipedreams which will cost millions to design and install. Rather they are systems which have been designed and tested by the Nature Conservancy, a private nonprofit conservation organization, and are now installed in nine States: West Virginia, Tennessee, Oklahoma, Ohio, South Carolina, North Carolina, Mississippi, Oregon, and New Mexico—and the Tennessee Valley Authority service area. The system is extremely cost-effective with an annual operating cost of approximately $200,000.

To be continuously useful, the data gathered must be updated periodically. Long term funding support is thus necessary to insure that States will establish and will maintain natural diversity data management systems. This legislation provides a 70–30—Federal-State—matching grant to States to achieve this goal. In addition, this legislation provides 70–30—Federal-State—matching grants for the acquisition of sites which a State identifies as important and which can best be maintained by fee acquisition. Many States which have the authority to preserve natural lands cannot do it fast enough because of inadequate budgets. This act would ease these budgeting problems.

Let me review for a moment how one State, South Carolina, has handled its natural diversity program. First it classified the State's natural ecological diversity into the following types: 100 plant communities, 5 aquatic habitats and features, 150 rare plant species, 50 rare animal species, and 5 other ecological phenomena. A continuing inventory process has been set in motion to search for these elements on the land. So far, 1,000 elements have been identified.

As inventory efforts continue, the State will acquire or otherwise protect sites containing high-quality examples. Approximately 10 such sites have already been identified. Often the owners of the unprotected sites, after learning of their

value, have donated the land to the State. For example, the South Carolina inventory process identified a unique remnant of a hardwood forest which dated from the glacial age and contained 25 rare plants and 1 rare animal species. This 138-acre site, located along Stevens Creek, was donated to the State of South Carolina by its owner, the Continental Group, Inc. The State is negotiating to acquire other sites by purchase.

Before summarizing the bill's provisions, I wish to emphasize several important points. First, this is a State-oriented bill with minimal interference from Washington. The Secretary of the Interior would provide regulations for obtaining grants, and would review State site acquisitions to insure that a site purchased with Federal funds does contain important elements of natural diversity. However, it is up to the State to participate in the program, to prepare its own natural diversity plan, to select the sites it wishes to acquire or otherwise protect, and to manage these sites.

Second, this bill is an outgrowth of current State activity. As mentioned, nine States from diverse regions of the Nation have already established natural diversity programs. Their foresight should be rewarded by Federal financial and technical assistance, and their actions supplemented by those of other States and the Federal land management agencies.

Third, this bill does not authorize the Federal taking of private land. The major responsibility of the Federal Government will be to identify natural diversity reserves on lands it already owns. A small sum of money is allocated to the Federal agencies for acquisition purposes, but only on a "willing seller" basis.

Fourth, the data systems required by this legislation will provide current Federal agencies with a uniform method for identifying, locating, and keeping track of their biological resources. The cost-savings from using the same model will be significant. In addition, for the first time, biological data will be readily accessible to decisionmakers concerned with the management of Federal and State lands.

This legislation concerns matters within the jurisdiction of two committees. The Committee on Environment and Public Works has jurisdiction over Fish and Wildlife—including the Endangered Species Act; environmental research; and environmental policy generally. A substantial portion of this bill relates to that jurisdiction. In addition, however, this bill establishes policies which Federal land management agencies must follow, provides for land acquisition by Federal agencies and States modeled after the land and water conservation fund, and concerns State land planning, all of which involves the jurisdictional responsibilities of the Committee on Energy and Natural Resources. For these reasons, Senator RANDOLPH and I have agreed to seek joint referral of our legislation to the Committees on Environment and Public Works and Energy and Natural Resources.

Accordingly, I ask unanimous consent that the bill be referred jointly to the Committee on Energy and Natural Resources and the Committee on Environment and Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METCALF. I also ask unanimous consent that a summary of the bill together with the text of the bill be printed at the conclusion of remarks thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, I am pleased to join my able colleague from Montana, Senator METCALF, in introducing the Natural Diversity Act, legislation to provide for the systematic conservation of representative elements of our Nation's natural ecological diversity. The subject matter of the bill corresponds with new responsibilities recently transferred to the Committee on Environment and Public Works, including the National Environmental Policy Act, fish and wildlife legislation, and environmental research.

Mr. President, native species of fish and wildlife, as well as the various terrestrial and aquatic communities which they compose, are disappearing at an alarming rate. According to the U.S. Fish and Wildlife Service 172 native species of fish and wildlife are currently endangered, that is, in immediate danger of becoming extinct. Another 11 native species are threatened, or likely to become endangered in the near future. In addition, some 1,800 plant species have been proposed by the Service for designation as either threatened or endangered.

Positive action must be taken to stop this decline. Traditionally, Federal efforts to conserve fish and wildlife have been restricted to a select group of species which could be hunted, trapped or fished for sport or commercial purposes, or which were threatened or endangered with extinction. This selective approach to conservation is inefficient and, despite our best intentions, possibly unworkable. It is obviously more effective to assure the protection of a species before it reaches the brink of extinction.

Since Earth Day in 1970 the Nation has become much more aware of the function and value of all plant and animal species. Unfortunately, however, the information needed to accurately locate and assess the status of the Nation's biological resources has not been available in accessible form and, in many cases, has not even been gathered. This data gap has severely hampered the conservation planning and protection activities of Federal and State agencies alike.

This legislation addresses the problem and marks a significant departure from existing conservation law in both concept and strategy. The bill establishes as a national goal the protection of sufficient examples of all individuals and communities of fish, wildlife, and plants—our national diversity—and not just those which are in trouble or can be used for consumptive purposes.

The Natural Diversity Act is the first biological resources bill to clearly declare the need for the systematic collection of data for the management of fish, wildlife and plant resources. The bill would encourage the use of the model data system already being used by nine States and the Tennessee Valley Authority for the classification and protection of elements of natural diversity. This system organizes data in a cross-indexed set of maps and manual and computer files. A vital product is a set of U.S. Geological Survey maps for an entire State, on which are plotted the actual locations of known examples of the State's elements of diversity, as well as all protected natural areas such as parks and wildlife refuges. Using these maps, planners can quickly determine the impact of any proposed development project on the State's biological resources before development funds are committed. Confrontations between environmental protection and developmental pressures should occur less frequently as development projects are either located away from biologically important sites, or development plans are modified to protect these resources.

West Virginia is one of the nine States that have adopted this system. Five-hundred varieties of individual plant and animal species and approximately 80 habitat types have been targeted by the State for protection. In addition, approximately 20 individual sites which require special management have been identified. West Virginia may soon contract with the U.S. Fish and Wildlife Service to prepare a report and a set of maps identifying element occurrences throughout the State. The report will be used by the Service to evaluate the impact of energy development on West Virginia's biological resources. The Service is currently using the State's existing element occurrence data to supplement its study on the Cheat and Potomac River watersheds and to measure the environmental impact of a variety of Federal projects. These examples illustrate some of the practical uses of this system.

Another practical benefit of the data system required by this legislation will be significant improvements in the environmental impact statement process. A major goal of the National Environmental Policy Act of 1969 is to "preserve * * * an environment which supports diversity * * *" To this end the act requires that an impact statement be prepared for each major Federal action significantly affecting the quality of the human environment and that the statement assess the environmental impact of the proposed action as well as possible alternatives to that action.

Comprehensive statewide data which identifies and analyzes various biological resources at the proposed development site as well as at alternative sites is essential to this effort. The system required under this act will give planners the data they need to convincingly determine the relative biological significance of various sites and land areas. The system enables planners to determine that site A contains the breeding grounds of a rare bird species; that site B is the only site where several rare plant communities occur in the State; that site C contains the best quality example of a particular forest type; and that site D has no important biological

significance. With this kind of data, the EIS process will come closer to meeting the objectives and requirements of the National Environmental Policy Act.

Mr. President, I summarize briefly the provisions of the Natural Diversity Act.

The measure sets as a national goal the development of a system to classify, locate and maintain sufficient examples of all elements which comprise America's natural ecological diversity, including individual species of plants and animals, terrestrial and aquatic community types, geological features and other important biological and ecological phenomena. The Secretary of the Interior is authorized to provide grants to the States for implementing a State natural diversity program with a supporting biological data management system, to be patterned after the model developed by the Nature Conservancy and being successfully utilized in nine States. To renew its grant, a State must prepare a plan identifying, classifying, maintaining and monitoring of elements of natural diversity occurring within its boundaries. Further, a State would be required to demonstrate that it has the legal authority to administer such a program.

States would submit, as part of the plan, a priority list of sites which contain important elements of natural diversity, and which can best be protected by acquisition. If the Secretary determines that the site will contribute to the goals of the act, he would be authorized to provide 70 percent of the acquisition costs on a matching basis. These sites and others which the Secretary determines to be significant would be listed on a national registry.

Each Federal land management agency would also be required to establish a natural diversity program and biological data management system. Agencies would be prohibited from taking any action or assisting any project which adversely impacts or destroys elements of natural diversity on any site entered on the national registry of sites under the act.

The bill would also establish a Federal Natural Diversity Office with a Director to assist the Secretary in the implementation of the program. Another provision requires the Secretary to study innovative methods of protecting lands through means other than acquisition.

Finally, the bill provides authorizations of $10 million annually to the States for the development of programs and data management systems and $50 million for fiscal year 1979 and $100 million for each fiscal year 1980 through 1982 for acquisition. Federal land management agencies would receive $25 million annually through fiscal year 1982 to carry out the act, while $6 million annually would be provided for the operation of the Office of Natural Diversity.

Mr. President, the concepts and programs encouraged by this bill have been established in nine States and are being used by a wide variety of Federal, State, and local agencies, as well as private industry and consulting firms, to identify priority lands for conservation protection, comply with environmental laws, improve natural resource management programs and identify sources of information and research topics for university biologists. These benefits make the annual cost of a State data management program—approximately $200,000—highly cost effective. The system works, and there is every reason to see that it is adopted by other Federal and State agencies.

I hope colleagues will join with Senator METCALF and me in supporting this landmark conservation legislation.

SUMMARY OF NATURAL DIVERSITY ACT

(1) Policy—

The bill states a natural goal to systematically classify, locate, maintain and monitor sufficient examples of all the elements which comprise America's natural ecological diversity—individual species of plants and animals, plant and aquatic community types, ecosystem types, outstanding geological features, and other biological and ecological phenomena deemed important.

(2) State natural diversity programs—

Grants are to be made by the Secretary of the Interior to States for implementing State natural diversity programs with supporting biological data management systems. Grants are on a 70–30 (Federal-State) matching basis, and are renewable every 2 years. State programs and data systems will be patterned after the successful programs already established in nine States.

To renew its grant, a State must prepare a natural diversity plan to implement the bill's goal, show that it has legal authority to achieve the goal, and that the biological data system is being employed by other State agencies.

(3) Land acquisition grants—

As part of their plan, States are to submit to the Secretary of the Interior a priority list of sites which contain important elements of the State's natural diversity, and which can be best protected via acquisition. Information on each site must include the State's management plan for that site and proposed human uses consistent with the site's biological characteristics.

If the Secretary determines that the site will contribute to the bill's goal, and will be adequately maintained, he may make a 70–30 (Federal-State) matching grant for acquisition. Title would vest with the State. States are also to identify sites on State-owned lands which help maintain natural diversity.

The State's 30 percent share may be met by a local government or a private, nonprofit conservation organization which has as a principal function the conservation of land and the biological resources thereon. Title would vest in the organization which supplies the funds, with a reverter clause to the State if the site is improperly maintained.

(4) National registry—

A registry of sites which contribute to the goal of the bill is to be maintained by the Secretary of the Interior. Those sites which have some form of adequate legal protection are to be known as Natural Diversity Preserves, regardless of whether they are on private, State, or Federal lands.

(5) Federal agency actions—

Each Federal land management agency must establish a natural diversity program and biological data management system comparable to those of the States. These agencies are to designate sites on Federal lands for entry on the registry. Federal agencies may also purchase private lands which contain important elements of diversity, but do not have the power to condemn land for the purpose of preserving elements of natural diversity. The bill requires that no agency of the United States may take any action or assist any undertaking which would adversely impact or destroy elements of natural diversity on any site entered on the national registry.

(6) Assessment and annual report—

The Secretary is to prepare an annual summary assessment of the status of the nation's natural diversity, a list of sites on the registry, and a progress report on meeting the bill's goals.

(7) Federal Natural Diversity Office.—

An office would be established to assist the Secretary of the Interior in executing his responsibilities. The Director of the office would report directly to the Secretary.

(8) Funding authorization—

a. For State natural diversity programs, $10 million annually (FY 1979–82).

b. For acquisition grants to states, $50 million in FY 1979, $100 million in FY 1980–82. Allocation to eligible States to be 30 percent distributed equally, and 70 per cent on the basis of need as determined by the Secretary.

c. For acquisitions by Federal agencies, $25 million annually (FY 1979–82).

d. For administering the bill, $6 million annually for the Office.

(9) Cost savings provision—

To minimize land acquisition and associated costs, the Secretary is directed to conduct an ongoing study of innovative ways to protect lands through any means other than acquisition of fee (e.g. dedication, notification, cooperative agreements, easements, etc.).

(10) Technical Advisory Committee—

The bill calls for the establishment of a technical advisory committee, composed of natural scientists and biological data management experts to provide advice on program implementation and evaluation. The Committee would terminate in 4 years.

S. 1820

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Natural Diversity Act".

FINDINGS

SEC. 2. The Congress finds that—

(1) the landscape and natural ecological resources of the Nation are being subjected, at an accelerating rate, to significant modification by man;

(2) as a result, many regions have lost and continue to lose their natural diversity through the irretrievable destruction of the elements which collectively comprise this diversity—individual plant and animal species, aquatic environments, plant communities, ecosystem types, geological features, and other ecological features and phenomena;

(3) the maintenance of land and water areas so as to preserve their constituent elements of natural diversity is desirable because these elements are of scientific, recreational, educational, cultural, economic, inspirational, and ecological value;

(4) the loss or extinction of any element of natural diversity is deplorable because of the irretrievable character of such loss;

(5) there is a lack of organized, coordinated, and accessible information on the existence, location, condition and protection status of the Nation's elements of natural diversity to permit the determination of where and when such elements are threatened;

(6) there is no national policy or coordinated program to systematically identify and protect examples of all elements which comprise the Nation's natural diversity prior to their irretrievable loss; and

(7) nine States—West Virginia, Tennessee, South Carolina, Oregon, Oklahoma, Ohio, North Carolina, New Mexico, and Mississippi—have already established programs to classify, inventory, monitor and maintain the elements comprising their natural di-

versity, and many other States have expressed interest in commencing comparable programs.

NATIONAL GOAL

SEC. 3. The Congress declares that—

(1) it shall be a national goal to systematically identify, locate and protect from destruction examples of all elements which collectively comprise the Nation's natural diversity; and

(2) the most effective strategy for achieving this goal requires both State and Federal Government action:

(A) the States must individually classify, locate, monitor, and maintain their elements of natural diversity;

(B) the Federal Government must provide technical and financial assistance to the States engaged in such efforts;

(C) each Federal land management agency must (i) to the extent consistent with the requirements and policies of other laws, strive to manage its lands so as to preserve the natural diversity thereon, and (ii) initiate a program to classify, locate, monitor, and maintain examples of the elements of natural diversity found on lands within its jurisdiction, which program is coordinated with and complementary to the programs of the States; and

(D) all Federal agencies must refrain from taking actions contrary to, and cooperate with each other and the States to attain, the goal of this Act.

DEFINITIONS

SEC. 4. For the purpose of this Act, the term—

(1) "Secretary" means Secretary of the Interior;

(2) "Office" means the office established within the Department of the Interior pursuant to section 7 of this Act;

(3) "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States;

(4) "nine States" means the following States which have natural diversity programs established before the date of enactment of this Act: West Virginia, Tennessee, South Carolina, Oregon, Oklahoma, Ohio, North Carolina, New Mexico, and Mississippi;

(5) "element of natural diversity" means a plant community; an aquatic habitat, feature, or environment; an individual plant or animal species, or its habitat; an ecosystem type; a geological feature; or any other ecological phenomenon of importance to the preservation of natural diversity as determined by the Secretary, a State or a Federal land management agency pursuant to this Act;

(6) "natural diversity" means all of the distinctly different life forms, both plant and animal, their associations and interrelationships with each other and with different physical and chemical elements of the environment, and their organization into larger ecosystem types;

(7) "natural diversity program" means a program of a State to classify, locate, monitor, and maintain elements of natural diversity within such State for which Federal assistance is provided pursuant to section 5 of this Act;

(8) "natural diversity plan" means a component of the natural diversity program required by section 5(b)(2)(B) of this Act;

(9) "data management system" means a component of the natural diversity program required by section 5(b)(1)(D) of this Act; and

(10) "registry" means the national registry of sites established pursuant to section 8 of this Act.

STATE NATURAL DIVERSITY PROGRAM GRANTS

SEC. 5. (a) The Secretary, acting through the Office, is authorized to make grants to each State for the development and implementation of a State natural diversity program. Each grant shall be for a period of not more than two years.

(b) Within six months of the enactment of this Act, the Secretary shall promulgate regulations for the determination of eligibility of any State to receive grants pursuant to this section. Such regulations shall among other things—

(1) require that for a State to qualify for its first grant pursuant to this section, the Governor of such State shall by letter to the Secretary—

(A) certify that the State will develop a natural diversity program which has as its purpose the classification, location, monitoring, and maintenance of the elements of natural diversity in such State;

(B) designate a State official or agency who or which will have the responsibility for developing and implementing the State natural diversity program;

(C) certify that the State has legal authority, or will develop such authority during the grant period, to provide for—

(i) the maintenance of examples of each type of plant community and aquatic habitat, feature, and environment native to the State;

(ii) the maintenance of habitat necessary for the continued existence of all plant and animal species native to the State, with priority attention given to those species which are rare, threatened or endangered;

(iii) the maintenance of examples of all types of geological features; and

(iv) the maintenance of other ecological phenomena the State deems important;

(D) certify that the State has established or will establish during the term of the grant, as an integral component of its natural diversity program, a comprehensive, systematic data management system which shall be used to gather, store, retrieve, analyze, and update information on the State's elements of natural diversity on a continuing basis;

(E) certify that the State has established or will establish during the grant period a planning process for the maintenance of natural diversity within the State; and

(F) certify that all State agencies which conduct programs or activities which may have an impact upon elements of natural diversity within the State shall make use of the data in the data management system and coordinate such programs and activities with the planning process so as to assure the effective implementation of the natural diversity program and the attainment of the goal of this Act;

(2) require that, for a State to qualify for subsequent grants pursuant to this section, the Governor must demonstrate to the satisfaction of the Secretary, acting through the Office, that—

(A) the State has developed a natural diversity program in which elements of natural diversity within the State are being continuously classified, located, monitored, and maintained;

(B) such program contains a natural diversity plan which is periodically revised and which contains such information as the Secretary may require, including a program document which sets forth specific goals, target dates for achievement, and a budget; a list, by priority, of sites which the State determines can best be protected by acquisition under section 6 of this Act; a strategy for using other site protection techniques and a list of sites to which these techniques will be applied; and an assessment of the status of the State's elements of natural diversity;

(C) the State has established and will continue to keep current the data management system required in clause (1)(D) of this subsection;

(D) the official or agency designated by the Governor has sufficient interdisciplinary professional staff to insure that the program and its plan is implemented;

(E) the State has the legal authority sufficient to meet the criteria set forth in clause (1)(C) of this subsection and to implement the State natural diversity program and plan; and

(F) all State agencies identified pursuant to clause (1)(F) of this subsection are conducting their programs and activities in accordance with such clause.

(c) The Secretary shall, to the greatest extent practicable, assure that the regulations promulgated pursuant to subsection (b) shall be consistent with the natural diversity programs of the nine States and shall provide that State data management systems required by clause (1)(D) of subsection (b) are based on and interchangeable with the form, structure, procedures, and methodologies of the data systems installed in the nine States.

(d) The Secretary shall provide continuing technical assistance to the States for the establishment and maintenance of the data management systems to assure that data generated by all States may be freely interchanged and aggregated at the national level, to facilitate the dispersal of data management system innovations and improvements to all States, and to standardize technical training.

(e) Each grant authorized by this section shall be made in an amount not to exceed 70 per centum of the estimated cost of development and implementation of the natural diversity program and such other activities for which grant funds may be expended.

ACQUISITION GRANTS TO STATES

SEC. 6. (a) The Secretary is authorized to make annual grants to each State for the acquisition of lands and waters or interests therein in order to protect elements of the State's natural diversity. Except as provided in subsection (e) of this section, title to lands and waters or interests therein acquired with funds provided by grants pursuant to this section shall vest in the State.

(b) To be eligible for a grant pursuant to this section, the Governor of a State shall submit with the State's natural diversity program and as component of the plan required by section 5(b)(2)(B) an acquisition plan for sites within the State containing elements of natural diversity. Such acquisition plan shall list the sites by priority for acquisition and contain a schedule for such acquisition. No grant may be made pursuant to this section for the acquisition of any site or sites not listed in the acquisition plan. For each site for which a grant pursuant to this section is requested, the State shall provide information on the location, boundaries and ownership of the site; the ecological significance of the element or elements of natural diversity present on such site; the current extent of maintenance of such element or elements; any imminent threat or threats to such element or elements; the State agency which will manage the site after acquisition; the uses to be made of such site after acquisition; the protection from adverse impacts of offsite activities to be provided to the site after acquisition; the opportunities to be provided to the public for access to the site after acquisition; and any other information the Secretary shall by regulation require.

(c) If the Secretary determines that maintenance of the elements of natural diversity present on the site or sites for which a Governor has requested a grant pursuant to this section would contribute to the goal of this Act; acquisition of such site or sites is necessary to insure such maintenance; the use or uses to be made of such site or sites after acquisition, and the protection from adverse impacts of offsite activities to be provided such site or sites, will assure such main-

tenance; and public access to the site or sites will be provided to the maximum extent consistent with such maintenance, he may approve a grant pursuant to this section to such State for the acquisition of such site or sites.

(d) (1) Each grant authorized by this section shall be made in an amount not to exceed 70 per centum of the estimated cost of acquisition of the site or sites to be acquired with grant funds.

(2) Private donations of land, cash, or any other thing of value up to the total value of the State share of the acquistion cost of any site or sites to be acquired with funds of a grant pursuant to this section may be calculated in the State share for such grant. Any State may accept payment of its share of the cost of acquiring any site to be acquired with funds of a grant pursuant to this section by a local government or a private nonprofit organization which has as its principal function the conservation of land or other natural resources. Title to any such site shall be vested in the local government or nonprofit organization which paid the State share: *Provided*, That the deed to such site shall contain a provision which requires title to revert to the State if the site is no longer managed so as to preserve the element or elements of natural diversity.

FEDERAL NATURAL DIVERSITY OFFICE

SEC. 7. (a) There is established within the Department of the Interior an Office to fulfill the functions assigned to it in this Act.

(b) The Secretary shall appoint a Director of the Office who shall report directly to the Secretary and who shall be compensated at the rate provided for level V of the Executive Pay Rates (5 U.S.C. 5315). All employees of the Office, including the Director, shall be selected on the basis of their professional competence and capacity to contribute to the attainment of the goal of this Act.

(c) The Secretary, acting through the Office, shall—

(1) develop the criteria and guidelines necessary to implement this Act;

(2) establish and maintain a national natural diversity data management system;

(3) establish and maintain a national registry of sites pursuant to section 8 of this Act;

(4) administer the grant programs authorized by sections 5 and 6 of this Act;

(5) monitor and assist the coordination of all Federal agency activities which have an impact upon the Nation's elements of natural diversity or which affect the attainment of the goal of this Act;

(6) provide technical assistance to Federal agencies and the States and to private persons or organizations which or who have interests and conduct activities which contribute to the attainment of the goal of this Act;

(7) analyze the laws, regulations, policies, and practices of the Federal Government, and make recommendations to the President and the Congress to advance the goal of this Act;

(8) publish an annual report pursuant to section 9 of this Act; and

(9) perform such other functions necessary to the attainment of the goal of this Act.

(d) The Secretary, acting through the Office and in consultation with the Federal land management agencies, the States, and private nonprofit organizations which have as their principal function the conversation of land or other natural resources, shall conduct a continuous study to identify and implement strategies for the maintenance of elements of natural diversity which use methods other than fee simple and less than fee simple acquisition of lands and waters. The results of the study shall periodically be reported to the President and the Congress, at the discretion of the Secretary.

NATIONAL REGISTRY

SEC. 8. (a) The Secretary, acting through the Office, shall establish and continuously update a national registry of sites.

(b) (1) Sites shall be identified by data supplied by Federal and State agencies in the performance of activities required or assisted by this Act, and shall be entered on the registry if the Secretary determines (i) they are qualified by virtue of their natural attributes and constituent element or elements of natural diversity, and (ii) the maintenance of such element or elements would contribute to the attainment of the goal of this Act.

(2) Of the sites entered on the registry, the following sites shall be known as Natural Diversity Preserves.

(A) sites, privately owned or owned or managed by Federal, State, or local governments which meet the requirements of clause (1) of this subsection and are subject to and have applied to them Federal, State, or local government laws, regulations, and policies which the Secretary determines, in accordance with guidelines issued by him, are adequate to assure the maintenance of the element or elements of natural diversity on such sites;

(B) sites acquired with funds of grants made pursuant to section 6 of this Act;

(C) Sites acquired by Federal land management agencies pursuant to section 10(c) of this Act; and

(D) sites on Federal lands designated for entry on the registry by the appropriate Federal land management agency pursuant to section 10(b) of this Act.

ASSESSMENT AND ANNUAL REPORT

SEC. 9. The Secretary, acting through the Office, shall—

(1) employ the registry and other information provided by Federal agencies and the States to monitor and assess the status of natural diversity throughout the Nation; and

(2) prepare an annual report to the President and the Congress which provides a summary of the assessment required in clause (1) of this section, a list of the National Diversity Preserves entered on the registry pursuant to section 8(b)(2) of this Act and the element or elements of natural diversity present and maintained at each site, an analysis of the progress made in meeting the goal and requirements of this Act, a statement of program goals and deadlines for the upcoming fiscal year and five fiscal year period, and a discussion of any revisions in the Act which the Secretary deems necessary.

FEDERAL AGENCY ACTIONS

SEC. 10. (a) Each Federal land management agency shall establish a natural diversity program and data management system comparable to those which a State must establish to be eligible for grants pursuant to section 5 of this Act.

(b) Each Federal land management agency is directed to protect elements of natural diversity found on its lands by designating specific sites on such lands for entry on the registry and developing and implementing management programs to assure the maintenance of such elements.

(c) Each Federal land management agency is authorized to acquire by donation, purchase, or exchange private lands to protect elements of natural diversity.

(d) No agency of the United States shall take any action or assist any undertaking by loan, grant, license, or other action which would adversely impact or destroy the element or elements of natural diversity present at any site entered on the registry.

(e) Within one year after the date of enactment of this Act and biennially thereafter, each Federal land management agency shall submit a report to the President and the Congress specifying how the agency's programs and activities have been revised to incorporate the maintenance of natural diversity as a management goal and describing the programs established pursuant to subsections (a), (b), (c), and (d) of this section.

(f) The Executive Office of the President shall issue guidelines to the Federal agencies to assist them in carrying out the requirements of this section.

TECHNICAL ADVISORY COMMITTEE

SEC. 11. (a) The Secretary shall appoint an advisory committee of not less than nine nor more than fifteen members. The advisory committee shall provide scientific and technical advice on all regulations, guidelines, and policies developed by the Secretary and the Executive Office of the President to implement this Act and perform such tasks as the President or Secretary may request, including evaluation of the implementation of any portion of this Act or of the performance of any Federal agency or State in fulfilling tasks required or assisted by this Act.

(b) Members of the advisory committee shall possess scientific or professional background and experience in the natural science and any discipline or subdiscipline thereof, and biological data management.

(c) The advisory committee shall terminate four years from the date of enactment of this Act, but the Secretary may, from time to time, appoint similar advisory committees when considering significant revisions in regulations, guidelines, or policies or when a major evaluation of agency or grantee performance is deemed necessary.

(d) The advisory committee shall meet no less than three times annually at the call of the Secretary. In the conduct of advisory committee business, a majority of the members of the committee shall constitute a quorum. Any vacancy on the advisory committee shall not affect its functions and shall be filled in the same manner as the original appointment.

(e) While attending meetings of the advisory committee, the members shall be entitled to receive compensation at a rate of $100 per diem, including traveltime, and, while away from their homes or regular places of business, they may be allowed travel expenses, including per diem, in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(f) Clerical and technical assistance, as may be necessary to discharge the duties of the advisory committee, shall be provided from the personnel of the Department of the Interior.

(g) All Federal agencies and States receiving grants pursuant to section 5 or 6 of this Act shall cooperate fully with the advisory committee by providing such information as the committee requests and, wherever possible, in the form requested.

AUTHORIZATIONS

SEC. 12. (a) There are authorized to be appropriated to the Secretary—

(1) for grants to the States pursuant to section 5 of this Act $10,000,000 for each fiscal year 1979 through 1982;

(2) for grants to the States pursuant to section 6 of this Act $50,000,000 for fiscal year 1979 and $100,000,000 for each fiscal year 1980 through 1982;

(3) for acquisition of land by Federal land management agencies pursuant to section 10(c) of this Act $25,000,000 for each fiscal year 1979 through 1982; and

(4) $6,000,000 each fiscal year 1979 through 1982 to administer the provisions of this Act.

(b) Funds appropriated pursuant to clauses (a) (1) and (2) of this section shall be allocated to the States eligible to receive such funds on the basis of regulations promulgated by the Secretary, which regulations shall provide for 30 per centum of such funds to be distributed equally among such States and 70 per centum to be distributed accord-

ing to need. Need shall be defined in such regulations and shall be based upon the proportionate amount of the elements of natural diversity to be maintained in any one State and the degree of imminent threat to such elements.

(c) Funds appropriated pursuant to this Act shall remain available until expended.

By Mr. HUMPHREY:

S. 1821. A bill to amend title 5 of the United States Code to provide paid leave for a Federal employee participating in certain athletic activities as an official representative of the United States; to the Committee on Government Affairs.

ATHLETIC OPPORTUNITIES ASSISTANCE ACT

Mr. HUMPHREY. Mr. President, I am introducing a bill today which will protect our amateur athletes who are members of the U.S. delegation from enduring excessive financial strain as a result of taking a leave of absence from work to represent the United States in world athletic competition.

Our country is justifiably proud of our citizens who contend for world, Pan American and Olympic prizes. I would like to see even more talented young people try out for the U.S. teams.

But when loss of salary, of benefits and of job are factors to consider when deciding whether to attempt to qualify for the competition, many amateur athletes are forced to choose not to compete for a place on the U.S. team.

Mark Borchelt, a staff member on the Joint Economic Committee, with whom I have been associated for the past 2 years, provided me with valuable information on this dilemma. Mr. Borchelt, an Olympic and world competitor in crew since 1973, explained that a minimum leave of absence is necessary to provide flexibility in training and to enable a competitor to prepare adequately for competition. This creates a stronger, more mature athlete and team. "In this country, sports which require many years to master carry with them a great financial burden. These athletes have a hard time competing with foreign athletes who are subsidized by their countries," Mr. Borchelt explained.

Mr. President, I am not suggesting that this country begin to subsidize its amateur athletes, and I do not believe that our athletes would subscribe to such a policy. This bill only proposes to insure that our athletes who succeed in obtaining a space on a U.S. team do not have to suffer an additional financial risk of loss of his or her job. This bill would grant Federal employees who are members of U.S. teams paid leaves of absence for up to 90 days per calendar year. This time would be spent preparing for or participating in the competition.

Mr. President, I ask unanimous consent that the full text of the Athletic Opportunities Act be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1821

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Athletic Opportunities Assistance Act."

SEC. 2. (a) Subchapter II of chapter 63 of title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 6327. Absence while representing the United States in certain athletic competition

"(a) An employee (as defined in section 2105 of this title) is entitled to leave without loss of, or reduction in, pay, leave to which he is otherwise entitled, credit for time or service, or performance, or efficiency rating for each day, not in excess of 90 days in a calendar year, in which he, as a member of the United States team, is preparing for or participating in athletic competition on the world, Pan American or Olympic level in a sport which is contested in either Pan American or Olympic competition.

"(b) For purposes of subsection (a), the term 'United States Team' includes any group leader, coach, official, or athlete who is a member of the official delegation of the United States to world, Pan American, or Olympic competition.

"(c) The Civil Service Commission is authorized to issue regulations for the administration of this section.".

(b) The table of sections for chapter 63 of such title is amended by adding at the end thereof the following new item:

"6327. Absence while representing the United States in certain athletic competition.".

By Mr. SCHWEIKER:

S. 1822. A bill to authorize the transfer of one of the Gettysburg Address manuscripts from the custody of the Library of Congress to the custody of the Secretary of the Interior; to the Committee on Rules and Administration.

Mr. SCHWEIKER. Mr. President, I am today introducing a bill to authorize the transfer of one of the two Gettysburg Address manuscripts presently in the custody of the Library of Congress to the custody of the Secretary of the Interior, for the purpose of placing such manuscript on display in Gettysburg National Park, Pennsylvania.

Of all the speeches and writings in the English language, none has ever expressed more movingly the simple truths that compel men to sacrifice all they have for their country as did the 10 sentences spoken by President Lincoln at Gettysburg 114 years ago. It is almost unbelievable that, at a site where more Americans died in battle than at any other place before or since, a brief speech dedicating a cemetery should have achieved as much importance to our history as the actual battle itself. But, unforgettable as the 3-day battle of Gettysburg was as the turning point of the Civil War, its role in our national spirit cannot be fully understood without connecting it with Lincoln's Gettysburg Address.

Four million Americans visit Gettysburg each year to view the battlefield and the monuments erected in memory of the heroes who struggled there. Although five copies of the original Gettysburg Address exist, none is on display at Gettysburg.

Certainly, there is no more appropriate place for display of one of the five copies of the Gettysburg Address than the place where it was delivered, and where the events occurred that prompted President Lincoln to speak so profoundly.

We saw last year a remarkable resurgence of interest by all Americans in our heritage. I think there can be no more fitting expression of this new desire by Americans to get in touch with their history than to allow visitors at our most famous battlefield to view an actual manuscript of the most famous address delivered by an American President.

My family and I have always had a keen interest in Gettysburg and its historical significance in American history. We have visited the battlefield on a number of occasions. On one of my earlier trips I was given a personal tour of the battlefield by General Eisenhower with other freshmen Congressmen during the last weeks of his Presidency in 1961.

My Pennsylvania colleague, the Honorable BILL GOODLING, has introduced identical legislation, H.R. 6024, in the House of Representatives. I strongly urge my colleagues in the Senate to act promptly and favorably upon this legislation which is, in effect, a gift to the American people.

By Mr. McCLURE:

S. 1824. A bill to relieve secondary and elementary schools from the costly and unnecessary burden of completing and filing Office of Civil Rights forms 101 and 102; to the Committee on Human Resources.

Mr. McCLURE. Mr. President, On June 29, the Senate passed, with my strong support, an amendment to the Labor-HEW appropriation bill offered by my good friend Senator HARRY BYRD, of Virginia, to somewhat limit the reporting requirements forced on our Nation's school systems by the Office of Civil Rights in the civil rights elementary and secondary school survey. Passage of this amendment is certainly a positive step, but in my view it does not go far enough since many schools will still be forced to submit these forms to receive Federal financial assistance. So far as I am concerned, no school in the United States should be forced to supply the information called for. Therefore, I am today introducing legislation to relieve elementary and secondary schools from the egregious burden of completing and filing the Office of Civil Rights forms 101 and 102. It has been graphically brought to my attention by a number of my constituents who are engaged in and dedicated to preserving quality education, that these required forms, far from insuring fair standards for "admission and treatment" of students regardless of "race, color, or national origin," instead serve only to impede and disrupt the educational process. Let me call my colleagues' attention to a letter written by Dr. Barney Parker, superintendent of schools, of the Independent School District of Boise, Idaho, to HEW Secretary Califano outlining his school district's experience and objections regarding these forms. I ask unanimous consent that Dr. Parker's letter be printed in full at this point, in the text of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE INDEPENDENT SCHOOL DISTRICT
OF BOISE CITY,
Boise, Idaho, May 23, 1977.

The Honorable JOSEPH CALIFANO,
Secretary of Health, Education and Welfare, Washington, D.C.

DEAR SIR: Although the Independent School District of Boise City has completed and filed OCR Forms 101 and 102, this letter is to serve as a formal protest against filing the forms. The District first filed a protest in January 1977. However, it was decided that the District would complete the forms, and file a second protest.

Completing the OCR forms was extremely time consuming for district personnel. Hundreds of hours were involved in obtaining information and in filling out the forms. As a result, the educational program of the District was substantially disrupted. Instead of teaching and/or counseling students, district staff had to spend considerable time completing the forms. While the entire school year is important, this time of the year can be crucial for many students. Those students needed the assistance of their teachers, counselors and principals.

Additionally, much required information was not readily available. This resulted in much questioning of students about their backgrounds, primary language, etc. Besides prying into the various families' personal (and private) backgrounds, the unavoidable questioning singled out students as being "different." This also disrupted the total educational program as well as disrupting (perhaps impairing) many students' individual learning situations. Whatever the purpose of the OCR forms, the result was disruption of the educational process and the labeling of students.

The Boise School District is firmly committed to providing quality education for all students. In fact, this District is providing such educational services, and intends to continue doing so. However, filling out the OCR forms impedes the educational services provided and causes many unnecessary problems for students and their families. This District is staunchly opposed to such unnecessary inquiries, and urges that they be curtailed in the future.

Sincerely,

Dr. BARNEY C. PARKER,
Superintendent of Schools.

Mr. McCLURE. As Dr. Parker points out, the considerable number of manhours required to complete these cumbersome forms is costly to district taxpayers, school personnel, and students alike; for valuable time which could be devoted to teaching or counseling students must now, in compliance with HEW Regulation 45 CFR 80, be spent eliciting personal information from students concerning their private family backgrounds, compiling data on confidential disciplinary actions, and worse, in scrutinizing the dimensions of toilet stalls within the given school district.

In my State, nearly two-thirds of the land is owned by the Federal Government, which means the tax base is extremely low. Every penny available to education is needed, and must be carefully used. Schools in Idaho simply cannot afford the cost of completing and filing these forms, without incurring a significant reduction in the quality of education. Any reduction in educational quality is too great, and I expect there are few States in the Nation where at least some reduction would not result.

Mr. President, I do not doubt the Office of Civil Rights has the authority to seek this sort of information. The relevant statutory language and regulatory definition are so broadly stated that a "responsible Department officials" could compel a school district receiving Federal funds to supply virtually any information he, in his singular discretion, deems desirable. I certainly do not object to the collection of relevant information bearing some rational relation to the goal of determining whether the schools are in compliance with the civil rights law. But I do object to an abuse of discretion which amounts to the operation of an informational fishing expedition, seeking voluminous data for no related or stated purpose except that it might be of interest to someone, sometime.

I submit that these forms go well beyond reason, and in fact amount to unnecessary, oppressive, abusive overreaching, on the part of the Office of Civil Rights. In their overreaching, these forms go far beyond what is reasonably required for purposes of the law, and they should be scrapped and replaced if necessary.

It seems to me, Mr. President, various aspects of these forms can in fact be seen to counter the entirely admirable purposes of the civil rights and rehabilitation laws. For example, the forms require a complete description, broken down by race of the student, of the incidents and forms of punishment or disciplinary action meted out in the classroom. It was my understanding the law was supposed to be color blind, yet this single requirement, mandating a racial categorization, results in calling further attention to racial differences by adding to the consciousness of a student's race on the part of the teacher as well as the other students. Moreover, it is ridiculous to expect a teacher to keep records of or log every instance he or she is required to discipline a student. In the long run, the result can be to harm the very people we seek to help.

Unfortunately, OCR forms 101 and 102 are not unique in character. From occupational safety and health, to truth in lending, to employee retirement income security, private individuals and institutions are forced to comply with reporting requirements in a seemingly endless barrage of federally mandated paperwork. Most of these things begin with ideas which are both good and sound; but somewhere between the idea's expression and its final implementation, something goes wrong.

I cannot accept the notion that when a program is authorized congressional responsibility for it is spent. It is high time we remembered and recognized it is Congress which is the policymaking branch of government, not the Executive and not the bureaucracy. To do less is to forsake our responsibility to the people who sent us here.

This bill is but a small start, but it is highly important if our schools are to be unfettered in carrying out their primary charge, which is of course to provide quality education. In the past several months, I have contacted the Office of Civil Rights seeking some voluntary loosening of the forms' requirements or merely an explanation of the rationale behind the specific questions asked therein. To date, I have not received the courtesy of a reply from OCR. Thus I am compelled to introduce legislation to remedy the overreaching interpretation of the general authority extended by law and as defined in section 80.6(b) of HEW regulation (45 CFR 80).

I urge my colleagues to give favorable consideration to this bill, important to elementary and secondary education throughout the Nation.

By Mr. METZENBAUM (for himself and Mr. GLENN):

S. 1825. A bill for the relief of the estate of Charles Glatt; to the Committee on the Judiciary.

Mr. METZENBAUM. Mr. President, on behalf of my colleague Mr. GLENN and myself, I introduce a bill for the relief of Charles Glatt.

The purpose of this bill, Mr. President, is to provide congressional relief for a wrong for which no remedy exists. We can think of no case that would better fall into this category than the situation which this bill addresses.

Dr. Glatt was killed by an unknown assailant in the Federal courthouse of the U.S. District Court for the Southern District of Ohio while he was employed by the court to prepare a plan of school desegregation for the city of Dayton, Ohio.

Compensation was granted by U.S. District Court Judge Carl Rubin in the sum of $25,000 together with the sum of $2,973.83, representing out-of-pocket expenses during Dr. Glatt's term of service. This represents the total and sole amount granted to his estate arising out of the incident.

However, this sum merely represents payment for services rendered and does not compensate the family for the tragic loss nor does it take into account the tremendous sacrifice made by Dr. Glatt in fulfilling his responsibilities as a citizen.

This bill asks for the payment of $260,000 in full settlement of all claims against the United States, with the further provision that such sum be exempted from being considered in the computation of any Federal tax owed by the estate or its beneficiaries.

The Committee on the Judiciary recommended passage of this bill last session. We are hopeful that the Judiciary Committee will take similar action this year.

By Mr. JOHNSTON:

S. 1827. A bill to amend the Energy Policy and Conservation Act, and for other purposes; to the Committee on Energy and Natural Resources.

ENERGY CONSERVATION AND RECOVERED MATERIALS ACT OF 1977

Mr. JOHNSTON. Mr. President, today I am introducing the Energy Conservation and Recovered Materials Act of 1977. This bill will result in the creation of voluntary recycling targets for industry to encourage recycling or resource recovery of energy-intensive materials. I believe that this bill will significantly enhance the effectiveness of the overall energy program that President Carter has proposed.

When he presented his national energy plan to Congress earlier this year, the

President stated:

The ultimate question is whether this society is willing to exercise the internal discipline to select and pursue a coherent set of policies well in advance of a threatened disaster. Western democracies have demonstrated such discipline in the past in reacting to immediate, palpable threates to survival, as in time of war. But they have had less success in harnessing their human and material resources to deal with less visible and immediate threats to their political and economic systems. When dangers appear incrementally and the day appears far in the future, democratic political leaders have been reluctant to take decisive and perhaps unpopular action. But such action will be required to meet the energy crisis. If the nation continues to drift, it will do so in an increasingly perilous sea.

One of the surest, most decisive ways for the United States to cope with the energy crisis—and with growing shortages of other scarce natural resources as well—is to encourage maximum industrial recycling or resource recovery at all levels of American industry.

Recycling—the conversion of solid waste materials into new raw materials and products—is truly a dramatic, relatively inexpensive and readily available force for energy conservation. Essentially, recycling enables the Nation to reuse energy commitments already made in the original natural resource extraction—through mining and timber harvesting—rather than duplicate the same energy commitments for all new raw materials and products needed to satisfy the economy. Recycling means that old newspapers are industrially processed and converted into new newsprint; that old cardboard boxes are industrially processed and converted into new paperboard; that aluminum cans are recovered and industrially processed into new aluminum products; that copper wire and pipe are remelted and made into new copper products—all with remarkably less energy consumption than would have resulted if the same industrial products had been made from virgin natural resources.

During 1976, the aluminum, copper, lead, zinc, steel, paper and rubber industries alone conserved nearly 258 billion kWh of energy—the energy equivalent of 151 million barrels of oil—by using recycled materials in their industrial operations in place of virgin natural resource counterparts.

Unfortunately, however, American industry is literally just scratching the recycling surface. At the end of World War II, our national paper recycling rate was roughly twice what it is today. The aluminum industry projects that, with relatively minor Federal incentives, its current recycling rate can be doubled in the next decade.

Accordingly, the purpose of this bill is to establish a new industrial energy-natural resource conservation and recovery program aimed at maximizing industrial recycling within the next 10 years.

If this program, fostered by the Federal Government, is successful, it will—

First, conserve extremely significant additional volumes of industrial energy;

Second, conserve critically short metals and ores;

Third, reduce our Nation's growing dependence on foreign sources of supply of both energy and other natural resources;

Fourth, alleviate our Nation's growing solid waste problems, and reduce solid waste disposal costs for cities and States; and

Fifth, improve our rapidly deteriorating balance of payments.

Mr. President, I ask unamious consent that the text of the bill be inserted at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. The Energy Conservation and Recovered Materials Act of 1977 is patterned after part D of the title III of the Energy Policy and Conservation Act. The bill amends the Energy Policy and Conservation Act, and directs the Administrator of the Federal Energy Administration, or his successor, to develop and maintain, in consultation with the Administrator of the Environmental Protection Agency, a new industrial energy and natural resource conservation and recovery program. The Administrator is directed to set targets for increased utilization of energy-saving recovered materials for the metal and metal products, paper and allied products, textile mill products and rubber industries. These targets must be set within 1 year of the date of enactment.

The targets must be based on the best available information and established at levels which represent the maximum feasible increase in utilizaton of energy-saving recovered materials that each covered industry can achieve by January 1, 1987. Furthermore, the targets must be published in the Federal Register with a statement of the basis and justification for such targets.

The bill directs the Administrator to consult with each of the industries involved as well as with the Environmental Protection Agency as he establishes the targets. He must also consider the technological and economic ability of each such industry to increase its utilization of these materials by January 1, 1987, as well as all actions taken or which could be taken by each such industry or by government to increase that industry's use of energy-saving recovered materials.

By January 1, 1978, each corporation within the affected industries which is a major energy consumer—as defined by section 373 of the amended act—must report on the volume of energy-saving recovered materials that the corporation is using and the plans it has to increase such usage over the next 10 years. Beginning on January 1, 1979, annual reports are required from these corporations on their progress toward meeting their targets.

In addition, the Administrator must provide in the annual report, now mandated under current law, a progress report on the activities of this section.

I should note to my colleagues that the provisions of this bill are the same that were adopted by the House Subcommittee on Energy and Power in its markup of H.R. 6831, title I, part B, which is a part of President Carter's energy proposals. The President did not address this recycling issue in his submission to the Congress and I believe that there is a need to remedy this omission.

Finally, it is my intention to sponsor legislation that would provide a tax credit to those companies that purchase equipment for collecting and processing energy-saving recovered materials. I believe that this effort to stimulate the recovering of energy-intensive materials would be complemented by a tax credit provision. It is my understanding that the House Ways and Means Committee is now considering such a measure.

The text of the bill follows:

S. 1827

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Energy Conservation and Recovered Materials Act of 1977".

SEC. 2. Part D of title III of the Energy Policy and Conservation Act is amended by inserting the following new section after section 374:

"TARGETS FOR USE OF RECOVERED MATERIALS

"SEC. 374A. (a) For purposes of this section the term 'energy-saving recovered materials' means aluminum, copper, lead, zinc, iron, steel, paper and allied paper products, textiles, and rubber, recovered from solid waste, as defined in the Solid Waste Disposal Act.

"(b) Within one year after the date of enactment of this section, the Administrator shall set targets for increased utilization of energy-saving recovered materials for each of the following industries: The metals and metal products industries, the paper and allied products industries, the textile mill products industry, and the rubber industry. Such targets—

"(1) shall be based on the best available information,

"(2) shall be established at levels which represent the maximum feasible increase in utilization of energy-saving recovered materials each such industry can achieve progressively by January 1, 1987, and

"(3) shall be published in the Federal Register together with a statement of the basis and justification for such targets.

"(c) In establishing targets under subsection (b), the Administrator shall consult with the Administrator of the Environmental Protection Agency and with each of the major industries subject to this section, and shall consider—

"(1) the technological and economic ability of each such industry progressively to increase its utilization of energy-saving recovered materials by January 1, 1987, and

"(2) all actions taken or which could be taken by each such industry, or by Federal, State, or local governments to increase that industry's utilization of energy-saving recovered materials.

"(d) Any target established under subsection (b) may be modified if the Administrator—

"(1) determines that such target cannot reasonably be attained, or that it should require greater use of energy-saving recovered materials, and

"(2) publishes such determination in the Federal Register, together with a basis and justification for such modification.

"(e) Within each of the industries subject to this section, the Administrator shall notify each corporation which is a major energy consumer (within the meaning of section 373) of the requirements of this section. Not later than January 1, 1978, the chief executive officer of each such corporation (or individual designated by such officer) shall include in his report to the Administrator under section 375 a statement of the volume of energy-saving recovered ma-

terials that such corporation is using in each of its manufacturing operations located in the United States and what plans, if any, the corporation has to increase the utilization of such materials in those operations in each of the next ten years. Not later than January 1, 1979, and annually thereafter, each such corporation shall include in such report a statement of the progress it has made to increase its utilization of energy-saving recovered materials to reach targets established under this section by the Administrator for its industry. Such reports shall contain such information as the Administrator determines is necessary to measure progress toward meeting the industry targets established under this section.

"(f) The Administrator shall include in his annual report under section 375(c) a report on the industrial energy and natural resource conservation and recovery program established under this section. Each such report shall include—

"(1) a summary of the progress made toward the achievement of targets set by the Administrator under this section; and

"(2) a summary of the progress made toward meeting such targets since the date of publication of the previous report, if any."

(d) Section 376 of such Act is amended by—

(1) inserting "or 374B" after "section 372" in subsection (b),

(2) inserting "or any target under section 374A" after "374" in subsections (c) and (f), and

(3) inserting the following new paragraph at the end of subsection (g):

"(3) Paragraphs (1) and (2) of this section shall not apply with respect to the reports and information referred to in section 374A."

ADDITIONAL STATEMENTS

THE CYBER 76 COMPUTER

Mr. ROBERT C. BYRD. Mr. President, I want to express my support for the recent decision of the Department of Commerce in refusing to grant an export license for the sale of the Cyber 76 computer to the Soviet Union.

While I am certainly in favor of improved relations between the United States and the Soviet Union and look upon trade between the two nations as an important means of improving relations, I believe there must be some limitations on the items which we export to the Soviets.

I share President Carter's objections to selling such a sophisticated and powerful computer to the Soviet Union. The Cyber 76 is extensively used in several of our national security agencies.

As the Department of Commerce stated in rejecting the export license, the Cyber 76 "is far more powerful than any computer known to be available to the Soviet Union," and the likelihood of its diversion to military or strategic uses—although purportedly for weather research and forecasting—is of serious concern. There are no satisfactory safeguards to detect and prevent use of the system for military purposes.

I understand that last year Control Data Corporation sold one of its Cyber 173 systems to the Soviet Union and another to the Chinese. Those computers are smaller than the Cyber 76 and are reportedly being used for petroleum exploration. The smaller Cyber 173 is nonetheless a sophisticated computer, and its purchase was an important technological acquisition for the U.S.S.R.

Mr. President, I understand the importance of export markets for American technology. However, I think any sale of such advanced equipment should be based on a careful and rational export policy. I am convinced that the sale of the larger, more sophisticated Cyber 76 would not be appropriate and I support the administration's position in refusing to grant an export license.

ANNOUNCEMENT BY PRESIDENT CARTER IN OPPOSITION TO CONTINUED PRODUCTION OF B–1 BOMBER

Mr. GOLDWATER. Mr. President, the decision of President Carter on the B–1 bomber is one more indication of the foreign policy weakness of this administration. His reasons offered during the press conference as to why he made the decision to not continue with deployment of the B–1 are baseless and are not justified by the facts. It is a decision that I think should make all Americans apprehensive at the continued direction of weakness, indecision, and instability in President Carter's foreign policy.

I want to examine the so-called basis for President Carter's decision and point out the dangerous error and misjudgement that has occurred in making this decision. The President stated that the recent evolution of cruise missiles makes us more confident in being able to rely on that system. I do not disagree with the technological ability of the cruise missile, but I am greatly disturbed at the President's rationale that leads him to believe that they can eventually become the substitutes for manned bombers.

The President stated that we should begin deployment of cruise missiles using air launched platforms such as our B–52's, modernized as necessary. I point out that this is in the current Air Force plans to use the air launched cruise missile to complement the aging B–52 force and is certainly nothing new. In fact, the President appears to be indicating that this will be some sort of new strategic system, when it has been in the planning stage for many years and is just beginning to come to fruition.

He further indicated in that statement that the B–52's would be modernized, as necessary. There is a limit to how much "modernizing" can be done to the current B–52 G and H force which is averaging about 16 years in age. There is no way that the B–52 could be modernized so that it can fly at 200 feet and at 0.85 mach. This is what the military experts say is required if we are to be able to guarantee that our manned bomber force can penetrate to Soviet targets at the time the B–1 was programed to come into the inventory.

There is no way the B–52 can be modernized to have a radar return one-third less than it is now, which is about what the B–1 will have.

There is no way to modernize the B–52 so that it can carry up to 24 SRAM missiles if required, as the B–1 will be able to do, nor can it be modernized to be able to carry the total weapons load that the B–1 will be able to do. It is this weapons load our military experts say will be required during that time period to guarantee adequate target damage expectancy.

There is also no way to modernize the B–52 in order that it can reduce its take-off time to the point where it can be guaranteed to escape from the increasing Soviet SSBN threat should that force fire a missile at the B–52 base. That capability was going to be incorporated into the B–1.

There is a limit to the effect of modifications and the Air Force has previously pointed out that that point is near, with the current bomber force. I want to stress the point that greater speed, lower radar cross section, and higher resistance to nuclear effects cannot be "modernized" into the B–52 force.

The President also indicated that we should explore the use of cruise missile carriers or what I have referred to in the past as the "standoff missile shooter." This also is a concept which takes the man out of the strategic Triad since he would orbit someplace outside of the Soviet Union while launching these cruise missiles at Soviet targets. There are basic and fundamental weaknesses in this type of so-called military system because there is no guarantee that targets can be destroyed, as required. If the cruise missile carrier orbits on or close to the Soviet border, he is subject to attack by Soviet long range fighters and he is not equipped to defend against them. If he elects to standoff further from the Soviet border so as to be out of range of the Soviet fighters, he has degraded the effective range of the cruise missile he carries and cannot guarantee that all targets can be reached.

There is another concern that I have over the President's apparent willingness to take man out of the strategic equation and place our security, in part, in cruise missiles. Cruise missiles are not supersonic and are quite capable of being shot down. They are not effective against highly defended targets because they have no unique capability to penetrate those targets either through the use of adequate electronic countermeasure systems or through other rollback techniques that the manned bomber uses. Further, the U.S. Navy today is in the process of bringing into inventory the close-in weapons system (Vulcan-Phalanx) which is specifically designed to shoot down cruise missiles. It must be remembered that the cruise missile always has to go to the target in order to expect to destroy that target, whereas the manned bomber has the option of being able to standoff out of the immediate heavy defenses and degrade those defenses with the short-range attack missile which is supersonic and not, in the foreseeable future, subject to being shot down. Then, if further weapons are required, the bomber is then able to proceed to that target in order to use a gravity weapon.

Mr. President, it is obvious that President Carter in making his decision has gone 180 degrees contrary to the joint strategic bomber study which was di-

rected by the Congress and in which examined all of the alternatives that the President appears to be about to use. The JSBS examined, among others, the B–1, a reengined or improved B–52, and a wide-bodied jet, 747-type with cruise missiles. The conclusion of the study was that the B–1, as compared to five other alternatives, was substantially better in terms of performance and cost effectiveness than any of the other alternatives. The President, on the other hand, did not even advocate using the B–52 alternative as addressed in the joint strategic bomber study. Rather, he seems to be saying keep them as they are.

The President further indicated that continued efforts at the research and development stage will give us better answers about the cost and effectiveness of the B–1 bomber and support systems, including electronic countermeasure techniques. I point out the initial contract for the B–1 was in June 1970 and more then adequate time has elapsed for us to determine the cost and effectiveness of bomber and support systems. There is absolutely no shortage of data in this regard nor are any new data going to be found.

One of the more comprehensive analyses, in my opinion, was given by Gen. Russell E. Dougherty, the Commander in Chief, Strategic Air Command, when he wrote to me on February 23, 1976. He stated:

I view the B–1 as the best candidate vehicle reasonably available to satisfy the future requirements for a modern manned penetrating bomber—and to provide the U.S. with the diversified characteristics that are and will be needed in our complementary mix of strategic delivery systems. Not only do I view it as the best, I do not see any other comparable system that can reasonably be expected to do this job as I think it must be done for assurance—or for long term economics.

General Dougherty also discussed alternatives and made this comment about why the Strategic Air Command did not support the various alternatives to the B–1 that have been suggested. He stated:

We have not supported those alternatives for the overall reason that none of them has stood the tests of long-term sufficiency, cost effectiveness, or supportability over the years ahead. They may have superficial or analytical appeal to some, but they don't measure up with those of us who must maintain and operate our deterrent forces.

To some degree, all the alternatives suggested are either an upgrading of existing equipment that offers expensive short-term improvement without long-term sufficiency, or inadequate performance to remain viable under anticipated high threat situations.

Regarding the B–52, General Dougherty said:

The various models of the B–52 have provided us a magnificent penetrating bomber; its design has given us the inherent growth potential to adapt to changed peneration tactics, offensive and defensive avionics enhancement, and to accommodate to improved types of air-launched missiles and bombs. But the operational B–52 has carried a primary deterrent load for over 20 years, and its ability to adapt to change and modification is not infinite—regardless of its sterling performance throughout those two decades. The basic B–52 technology is that of the 1950's. The aircarft is soft to blast effects; its launch and escape time is relatively long; its radar reflectivity is great; it has no supersonic capability it cannot penetrate at extremely low altitudes; it is expensive to man and maintain; its design characteristics preclude flexibility in dispersal and deployment. Importantly, even though modified and upgraded, it would be perceived as "nothing new" in the dynamics of deterrence.

Our serious study of the major B–52 modifications proposed as an alternative to the B–1 procurement (e.g., larger engines, redesigned wing, fuselage extension, etc.) leads us to the reasoned conclusion that these improvements will not provide the modern characteristics needed for the future and are, in sum, expensive stopgap measures that would provide neither an adequate nor a cost effective long-term vehicle to do what we see as required. While I could support these B–52 modifications as desirable to upgrade its viability during the remaining time it is part of our strategic force, they do not offset or obviate the requirement for the B–1. Also, such extensive modification program would cause a protracted reduction in our operational bomber inventory when the need for these delivery systems is increasing.

Mr. President, I am further concerned about the reaction this decision will have on our ongoing SALT negotiations. The President indicates that we should press on with the deployment of cruise missiles with the B–52 force, yet these missiles are highly controversial in the negotiations. It may have been that the B–1 might have been some sort of a bargaining chip during the negotiations as a trade or some sort of compromise on cruise missiles, but what do we have left to negotiate with now. Is the President prepared to give up cruise missiles, regardless of their range category, in order to get some sort of SALT agreement. And, if he is, what then does our strategic force look like when such an agreement is concluded.

Mr. President, there still is some question about what the rescission notification process will be on the fiscal year 1978 funds and how that will be resolved. Although the President has made the announcement that the production will not continue, I am not confident that is the last word. I believe the Congress still has an opportunity to involve itself in this decision process.

EMPLOYEES OF MANY BIG COMPANIES TO GET STOCK WINDFALL FROM 1975 TAX LAW CHANGE

Mr. LONG. Mr. President, the word is going out across the land: Capitalism is good for you.

We in Congress knew it when we passed the Tax Reduction Act of 1975. Since that time, corporations and their employees have begun to realize the many benefits of employee stock ownership.

I am encouraged by the growth of employee capitalism, and I hope other Senators interested in the health of our economic system will continue to work with me to increase the participation of American workers in the ownership of their companies.

I was delighted to see that such a widely read and respected newspaper as the Wall Street Journal, in its editions of June 15, 1977, carried a report on the new Tax Reduction Act employee stock ownership plans. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[The Wall Street Journal, June 15, 1977]

CREATING CAPITALISTS—EMPLOYES OF MANY BIG COMPANIES TO GET STOCK WINDFALL FROM 1975 TAX LAW CHANGE

(By James C. Hyatt)

Employes of many of the nation's largest corporations are starting to take more than casual interest in their bosses' capital-spending plans.

Because of tax-law changes, the more brick, mortar and equipment a company installs, the more its employes can benefit instead of the federal Treasury.

The device permitting this diversion is the Tax Reduction Act stock-ownership plan, created in 1975 and labeled "Trasop" by compensation experts. It allows employers to claim as a credit against taxes an amount equal to 1% of their capital spending if the money saved is used to buy company stock for employes at no cost to the workers.

Assume that a company builds a $100 million widget plant. It can use the long-standing investment tax credit to subtract 10% of that amount, or $10 million, from its tax bill. Then, with the Trasop, it can take off an additional 1%, or $1 million. "You're giving it to your employes instead of giving it to Uncle Sam," notes Charles Selinsky, a vice president of Bankers Trust Co. in New York.

Dozens of the nation's biggest companies, including such familiar names as American Telephone & Telegraph Co., General Motors Corp. and Exxon Corp., are moving to do just what the law allows. Many more are considering the idea. "There's a great upsurge of interest," Mr. Selinsky says. Eventually the plans may divert hundreds of millions of dollars a year out of federal revenues and into employe-owned company shares.

AT&T'S PLAN

Last month the concept got the AT&T seal of approval when the huge utility announced the largest such plan so far. Late this year, AT&T expects to issue $87 million in Ma Bell stock to employes.

Although $87 million "is not a big piece of the Bell System, it is a piece," declares David Riess, AT&T's manager of financial planning. He says the tax credit "does provide a rather small source, but nonetheless a source, of equity financing for the corporation"—as well as an extra benefit for its employes.

Under its plan, AT&T will allocate about 1,350,000 shares this year to 850,000 employes. To be eligible, they must have been paid some time during 1976, have worked a total of three years for the Bell System in their career, and have worked 1,000 hours during a specified period.

General Motors recently made the first distribution of stock under its plan, says Kenneth Olthoff, the company's assistant director of employe benefits. About 120,000 salaried employes, excluding those eligible for a separate bonus plan, have received $9.5 million in GM stock. Although the plan works out to only $90 of stock for the $20,000-a-year employe, "the general response has been positive," Mr. Olthoff says.

Many large firms that at first shied away from the stock-ownership plans when Congress opened the way in 1975 now are showing interest. While the 1975 law permitted the 1% tax credit for only two years, the 1976 tax act extended it through 1980. And many companies are considering setting up tax-credit stock plans retroactive to 1976 so they can claim the credit in yet-to-be-filed tax returns for last year.

Other employers, like the Mobil Oil Corp.

subsidiary of Mobil Corp., seized the opportunity soon after the 1975 law was enacted Says Chris O'Finn, a Mobil Oil attorney: "We thought the congressional idea of stimulating employe stock ownership through tax incentives was a good one, and we wanted to encourage Congress to continue the tax incentives." In its first allocation, the Mobil subsidiary gave about 50,000 employes some 55,000 shares valued at $3.3 million.

CORPORATE PLANS

Many other companies with big capital-spending habits are joining the Trasop parade. They include paper companies such as Federal Paper Board Co. and International Paper Co. and utilities such as Consolidated Edison Co. in New York, Philadelphia Electric Co. and Florida Power & Light Co. in Miami.

Hewitt Associates, a Deerfield, Ill., consulting firm, recently surveyed 423 of the nation's largest corporations and found 54 have already started or are creating such stockownership plans; and another 60 are reported "actively considering" the idea. (About half the plans in operation are open only to salaried, or to salaried and nonunion, employes Hewitt's survey found.)

Despite this corporate interest, the Trasop idea has drawbacks that may deter some employers. Unless a company makes sizable capital expenditures, the amount of stock each employe gets may be insignificant, perhaps not worth the administrative cost involved. There may be dangers of exaggerating the attractions of this added employe benefit. And many companies "are concerned about what happens in 1980 if this isn't extended," says Don Sullivan, a vice president of Towers, Perrin, Forster & Crosby, a consulting firm based in New York.

For now, though, the concept is clearly catching on. The driving force behind it is Russell Long, the chairman of the Senate Finance Committee. For years the Louisiana Democrat has sought to put shares of stock in the hands of employes through a variety of legislative proposals. This latest approach, though more limited than other employe stock-ownership plans currently in effect, has the obvious appeal of being simple, direct and low in cost to employers.

"THEY LIKE IT"

"Practically anybody with a substantial investment tax credit has gotten into it," declares Wayne Thevenot, Washington, D.C., consultant and former aide to Sen. Long. "Congress has made an offer that many companies will find hard to refuse," Mr. Sullivan reasons. "They can give their shares to employes, with the compliments of the U.S. Treasury, at least through 1980."

The idea of offering workers an added benefit through a Trasop plan appeals to many companies. "We got into it because it is a benefit for employes," says Al Solecki, manager of the financial division at Philadelphia Electric. "They like it. They're interested in it." As a byproduct, many have joined a separate employee stock-purchase plan, using their own money.

The utility generated about $700,000 under the tax-credit provision in 1976 and distributed about 44,700 shares of company stock to employes with more than six months' service. Each gets about one-quarter share for each $1,000 in pay. A larger distribubution is expected this year.

"We think the Trasop will motivate our employes to be more productive and more interested in the company's success," says Dan Walden, a spokesman for Consolidated Edison Co., the big New York utility. Con Edison soon will make the first allocations under its plan, amounting to about $1.8 million in stock spread among 4,000 to 5,000 salaried managerial employees. Under the formula, a $15,000-a-year employe would receive this year about 7½ shares of stock currently worth about $165.

Florida Power & Light Co., initially covering only workers who didn't belong to unions, last year distributed stock worth about $900,000. Beginning this year, the utility is bringing the rest of its 10,000 employes under the plan as well. Reaction "has been very favorable," says Joe Howard, assistant treasurer.

While some companies' plans are generating only $500,000 or so a year for giving stock to employes, "others are running many, many millions," says William Elkman a Bankers Trust vice president. And as more companies adopt Trasop plans, the loss of federal tax revenues will grow. The budget for the fiscal year beginning next Oct. 1 estimates that the tax-credit provision will cut revenues by $255 million. Calculations by the Senate Finance Committee indicates that by fiscal 1981 the revenue loss may be much greater.

But advocates of the Trasop legislation feel that the benefits are well worth the cost. If anything, they would like to liberalize the law. "If we had our way," Mr. Thevenot declares, "we'd give the present 10% investment tax credit to employes and 1% to the stockholders."

He says that by 1980, when the present legislation expires, "our hope is that some of the missionary work will catch on." Already he insists the Trasop plans have been immensely successful in acquainting the business world with the concept of "broadening ownership of capital."

MIDDLE EAST POLICY

Mr. DANFORTH. Mr. President, I want to present my views on the Middle East today, not in an attempt to contribute to any partisan diatribe on the administration's proposals, but in an effort to contribute to the recent dialogue on this crucial issue, which has been significantly advanced by Senator JAVITS' comments last Monday.

I have serious reservations about the policy being espoused by the Carter administration and about the tactics currently being employed.

These reservations were increased by this week's State Department news release. To say as it did, that the United States considers Israeli withdrawal from all three fronts—Sinai, Golan Heights, and Gaza—to be necessary to a successful solution of the conflict and then to follow that statement with the assertion that the negotiations "must start without any preconditions for either side" is the height of obfuscation and contradiction.

The signals which are transmitted to the Arab nations by the administration's assertion of the need for withdrawal to "approximately" the pre-1967 borders are bound to raise expectations on one side and prejudice the course of the negotiations.

The reservations which I have about the style of diplomacy, however, run deeper than the apparent contradiction described above. The specificity of the administration's proposals, even if neutral, which I do not believe these have been, could have the effect of forcing the parties involved to take firm positions prematurely, which would be difficult to rescind during the actual negotiations.

I believe that the administration's plan puts a perspective on the conflict which is wholly American and far too academic. It is easy for us, here in this air-conditioned forum surrounded by District policemen, to assert that the Israelis should allow Palestinians on their borders. It is another thing altogether for the citizens of Maalot and Kiryat Shimona to accept such a "solution."

My reservations do not merely concern the administration's style, however. The major problem which I see in the Carter peace proposals is the imbalance of demands on Israel as compared to those on the Arabs.

Although the implementation of both Israel's territorial concessions and the Arabs' political concessions would be on a phased-in basis, the nature of these concessions would be inherently unequal. Political concessions, whether they involve recognition and diplomatic contact or even trade and open borders, are easily reversible. No written agreement would prevent the Arabs from reneging on the political terms of any agreement, if they consider it necessary to do so.

The concessions being demanded of Israel, however, since they involve the transfer of large tracts of land, are, for all practical purposes, irreversible. Israel's lightening success during the Six Day War is unlikely to be repeatable as the power of the Arab nations continues to grow.

I am not declaring that the exchange of "territory for peace" policy is doomed to failure. I am clearly stating my position that for the United States to give the impression of pushing Israel into such an agreement constitutes a great disservice to a faithful and valuable ally.

I believe that the bottom line of any American policy in the Middle East must be an unswerving support for the continued existence and prosperity of the State of Israel. All peace proposals must be judged in that light and espoused with that goal in mind.

WORLD FOOD AND NUTRITION STUDY

Mr. HUMPHREY. Mr. President, yesterday I shared with the Members of this Chamber the summary of the recently released "World Food and Nutrition Study" by the National Academy of Sciences.

This timely and thoughtful report should be read by every individual who is concerned with the world food problem.

As I said yesterday, this study offers both a great challenge and great promise in the struggle to alleviate world hunger.

Mr. President, there have been a number of news stories on this important study. These articles not only summarize the most important points made by the study, but give the reaction of some of the world's leading authorities to this report. I think that these articles are extremely important reading. Therefore, I ask unanimous consent that the text of these articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, June 23, 1977]

FEEDING THE HUNGRY—DRAMATIC NEW SURVEY

U.S. STUDY SAYS FAILURE WILL HARM "HAVES," TOO

(By Robert C. Cowen)

The National Academy of Sciences has given the United States a stark warning: Join with the "hungry" nations to develop an agriculture that can feed all the world's people, or face serious food problems at home within the next few decades.

The academy study appears at a time when the U.S. is looking for more meaningful ways to combat hunger than just giving away food or trying to export techniques of energy-intensive farming, says James T. Grant, a member of the steering committee for the study.

After two decades of letting its agricultural research languish, the United States needs to revitalize it along lines that will produce new crops, sharing this work with developing lands and profiting from research done abroad. The academy study, Mr. Grant adds, contains a wealth of detailed suggestions on the kinds of research worth pursuing.

In short, the study warns that the challenge of world hunger translates into a domestic challenge for the U.S. that is as serious and as fundamental as the energy shortage.

This is the context in which to view the report, says Mr. Grant, also president of the Overseas Development Council. Commissioned by former President Ford as a follow-up to the 1974 World Food Conference, the study should also be seen against the background of President Carter's foreign policy, Mr. Grant notes.

In his unprecedented, special inaugural address to foreign countries, broadcast overseas last January, Mr. Carter not only pledged to work with other nations to tackle such basic problems as poverty and hunger, but was the first U.S. president to call freedom from hunger a basic human right. Since the address, American diplomats have been reinforcing this message.

The academy study, which reflects the analyses of some 1,500 experts, smashes several stereotypes that have clouded American perceptions of the world food situation. Among the findings of the study:

The vaunted productivity of U.S. agriculture is faltering. Yields per acre of major crops are no longer increasing. Indeed, they are below levels of three years ago.

The energy-intensive farming of Western nations, with its emphasis on chemical fertilizers, pesticides, and heavy irrigation, not only is unsuitable for developing nations but is no longer appropriate for industrial countries either. In the United States, it not only shows diminishing returns, but is feeding inflation as strongly as is the high price of oil.

The new breadbaskets of the world over the next 25 years are in the developing countries. They are the ones with the greatest capacity to increase food production at current prices, if they can lick the organizational problems that stand in their way.

The kind of research needed to boost food production in developing countries is the same as that which the U.S. needs to meet its own increasing food needs. This is research that emphasizes biological productivity—boosting food yields by developing crops that do not depend heavily on fertilizers, pesticides, or intensive irrigation.

[From the Christian Science Monitor, June 23, 1977]

FEEDING THE HUNGRY—DRAMATIC NEW SURVEY

SUCCESS IN 20 YEARS SEEN IN WORLD "WILL"

(By Clayton Jones)

The worst aspects of world starvation could be ended in 20 years with the help of untapped "political will" of both rich and poor nations.

So concludes a two-year, government-sponsored study of world hunger by a panel from the U.S. academic and scientific community.

Poor nations, which will need to double food production by the year 2000, show increasing ability to use available remedies to do so, the study from the National Academy of Sciences concludes.

And developed nations, which require more and more grain to meet demands for better diets, are learning that there are return benefits in helping the hungry help themselves, while not pushing inappropriate solutions on the world's small farmers, the study adds.

The study, ordered by President Ford, is the collected response and recommendations of more than 1,500 scientists and others to the challenge posted at the 1974 World Food Conference in Rome, at which former U.S. Secretary of State Henry Kissinger pledged that "within a decade no child will go to bed hungry."

"We believe that a latent political will now exists in numerous countries which could be mobilized in a mutually supporting fashion . . .," the report states.

But for now, "the world food system is not working adequately for either poor or rich countries," says the new report from a 14-member steering committee headed by Harrison S. Brown, professor of geochemistry and of sciences and government at California Institute of Technology.

"Increasing numbers of people are hungry and malnourished. Possibly as many as 450 million to 1 billion (out of 4 billion) persons in the world do not receive enough food."

"Malnutrition causes more damage than outright starvation. The loss of vitality undermines a person's capacity to savor life . . .," concludes the study.

Among the report's other conclusions:

Emergency world grain reserves should be built up, but such short-term steps should not distort goals for higher productivity on present lands, especially in some 90 less-developed nations where the hungry are concentrated.

The United States should give a high priority of 22 research topics, starting with how diet affects human performance, which foods meet certain needs, which government actions indirectly affect nutrition, how to improve nutritional awareness, and a series of ongoing scientific studies, and ending with a study of international food policies.

No action is more important for improving the world food situation than reduction of birthrates. But the study also suggests that only new social and economic changes that will increase food production are conducive to reducing fertility rates, even though they may cause a nation to experience a short-term population increase.

American technology cannot solve the hunger problem in other countries, where local research needs to be supported to come up with appropriate local solutions. "We have much to learn from their [farmers'] experience," the report says.

Addressing U.S. "decisionmakers," the report calls for several government changes, such as more coordination of food policies between the White House and Agriculture Department. It asks for increased funding, now totaling about $700 million, for domestic and international research into nutrition and the social impacts of hunger and its solutions.

The $1.2 million study comes as the following actions are being taken:

Congress is in the midst of revising America's food aid program, called PL 480, and also deciding funds for international development programs for the next two years.

An April analysis from the U.S. General Accounting Office suggests the national focus is changing from an agricultural policy reflecting an age of surplus and narrow farming interests to a food policy encompassing U.S. consumers and world nutrition.

Bob Bergland, President Carter's Agriculture Secretary, who is just finishing a world tour, wants the International Wheat Council, which begins meetings June 27 in London, to start building nationally held food reserves in case of a world shortfall and to lessen America's job of being the "world's grain elevator." Secretary of State Cyrus Vance's worldwide negotiations on human rights include a "right to be free from hunger."

[From the New York Times, June 23, 1977]

PANEL SAYS FOOD RESEARCH DRIVE COULD END FAMINES IN GENERATION

(By Boyce Rensberger)

The threat of chronic malnutrition and repeated widespread famines could be removed from the world within one generation if the United States and other countries mounted a major mobilization of research on agriculture and nutrition, a panel of experts convened by the National Research Council has concluded.

In a 192-page report to President Carter released yesterday, the panel set forth an analysis of the world food and nutrition situation, listed 22 areas of research deserving high priority and proposed a plan for getting the work done.

Among the recommendations is one that the Department of Agriculture increase by $120 million (20 percent) its outlays for research and add $100 million a year to build new research facilities. The panel also proposed tripling the $30 million a year now spent by the Agency for International Development to help poor countries to improve their own capacity for agricultural research.

The specific areas of research recommended emphasize new methods of improving crop yields that do not depend on such costly factors as fertilizer or irrigation but can be used at little or no extra cost to the farmer. Such gains would be equally useful to American farmers and those in poor countries.

The panel, led by 15 of this country's top specialists in the science and economics of food production and distribution, reached its conclusions after a two-year study commissioned by President Ford. It drew on the resources of 1,500 scientists, farmers, government officials and others in the United States and many other countries.

The report by the council, the operating arm of the National Academy of Sciences, is probably the most comprehensive assessment of the prospects for eliminating hunger and malnutrition ever published.

Although good growing weather has removed the threat of immediate famine from most of the world, the report estimates that between 450 million and one billion people remain malnourished. Unstable weather patterns, foreseen by some climatologists, threaten many marginal growing regions with renewed famine and the United States with severe inflation of food prices.

REPORT IS CAUTIOUSLY OPTIMISTIC

The report is significant because it is cautiously optimistic and because it devotes considerable attention to the social and economic aspects of overcoming hunger, facets of the problem that the scientific community has been criticized for neglecting in the past.

Even if food production were to double in the poor countries by the year 2000—something that must happen if hunger is to be eliminated—there would still be large numbers of hungry people if there were not also improvements in the distribution of wealth, said Harrison S. Brown, chairman of the 15-member panel.

Mr. Brown is a professor of science and government at the California Institute of Technology.

Eliminating hunger, the panel said, depends not only on increasing food produc-

tion but also on reducing poverty, stabilizing food supplies through reserve systems that hold surpluses for times of scarcity and reducing population growth.

Achieving such goals will not be easy, but enough promising successes have been achieved in some poor countries to suggest that it is possible, the report added.

"If there is the political will in this country and abroad to capitalize on these elements," it said, "it should be possible to overcome the worst aspects of widespread hunger and malnutrition within one generation."

'POLITICAL WILL' HELD VITAL

'Political will" is a key factor, the panel said, for without strong leadership from both the White House and Congress the crucial role that the United States could play in eliminating hunger will go unplayed.

The report sees some hope on this point in Congress's passage last year of a "right-to-food" resolution and in President Carter's pledge in his inaugural address that the United States would take the lead in working toward fulfilling a basic human right to be free of poverty and hunger.

More recently, Andrew Young, the United States representative at the United Nations, told the Economic and Social Council that combating hunger and famine should be the first priority in the struggle to promote human rights.

The panel said that Western-syle industrial development was not necessarily a prerequisite for freedom from hunger. It cited such countries as Sri Lanka, South Korea, Taiwan and China, where the problem has been largely solved under widely different political systems. All have per capita incomes of less than $300 a year.

In addition to the recommended increases in research spending, the report urged that the Department of Agriculture widen its interest to include problems of hunger and malnutrition around the world. It said that researchers sponsored by the department should work in closer collaboration with scientists in other countries.

REVERSAL IN TREND URGED

In recent years, the study found, the knowledge among American scientists of conditions in developing countries has declined as has their involvement in research there. This trend should be reversed, the report said.

The panel also called upon the White House "to develop and maintain a coherent United States strategy for dealing with world food and nutrition problems." And it asked the President to facilitate coordination of American and international research in food and nutrition.

Among the members of the steering committee that produced the report were David E. Bell, vice president of the Ford Foundation; James P. Grant, president of the private Overseas Development Council and Howard H. Hiatt, dean of the Harvard School of Public Health.

Also, Nevin S. Scrimshaw, head of the department of nutrition and food science at Massachusetts Institute of Technology; Sylvan H. Wittwer, director of the agricultural experiment station, Michigan State University and Sterling Workman, vice president of the Rockefeller Foundation.

Joel Bernstein of the National Academy of Sciences was the director.

Copies of the report, entitled "World Food and Nutrition Study," may be obtained at $6.75 apiece from the National Academy of Sciences, Printing and Publishing Office, 2101 Constitution Avenue NW, Washington, DC 20418.

[From the Washington Post, June 26, 1977]

SOCIAL CHANGE SEEN KEY TO HUNGER ISSUE

(By Dan Morgan)

A panel of experts has told President Carter that the world hunger problem cannot be solved just by increasing food production, that countries also must make broad changes in their social and economic structures.

The findings were reached after a two-year study of the hunger issue by a panel organized by the National Academy of Sciences. Although the report appeals for more government spending for research, it also gives unusual emphasis to the need for non-scientific solutions.

American policy makers traditionally have stressed the need for foreign countries to produce more food, and this country has spent billions of dollars on scientific research to increase grain yields. But the situation that exists in the world this summer shows that more food alone is not the answer. American farmers and grain storage depots are still holding 30 million tons of unsold wheat from the 1976 harvest. Yet the panel's study found 450 million people suffer from malnutrition.

Tens of millions of these people have no money to buy food, or food has not reached them.

The 153-page report notes, for instance that "the major immediate cause of hunger is poverty." It emphasized that a solution to the food problem will require better food distribution, more even incomes among populations, trade reform and changes in tax farm credit and land ownership structures that discourage local farmers from growing more food.

Contrary to what many people assume, food production has increased slightly faster than population in the developing countries in recent years. Yet the study declares: "The rapid population growth and inequitable income distribution apparently have combined to increase the absolute numbers of malnourished people."

"We could double food production tomorrow and we still wouldn't solve the problem," said Harrison S. Brown at a press conference last week.

Brown, professor of geochemistry, science and government at the California Institute of Technology, led the study that interviewed 1,500 people and drew upon the talents of social scientists, food marketing experts, scientists and demographers.

It called for the United States to spend $210 million to $230 million more a year over four years for nutrition, plant genetics, population and food production research. Included would be an increase of $120 million in the first year for more basic research by the Department of Agriculture. But, significantly, the study also urged a "sharp increase" in social science research.

"Science and technology alone cannot improve the world food and nutrition situation," it said. "Political will" holds the key to doubling food production in developing countries by the end of the century. That will be necessary to avoid famine and political upheaval, Brown said.

The United States will have to provide a substantial amount of the food that will be needed in wealthy countries as well as developing ones. However, farmers have been getting less grain an acre, on average, since 1972. Corn yields, for instance, have dropped sharply, perhaps because farmers have used less high-priced fertilizers.

Food deficits abroad are likely to have a heavy political impact, according to Brown. He said that "the prospects for urban violence will increase in this time" as unemployed city dwellers fight for the food that is available.

Brown also warned that the United States has a vital vested interest in a solution to food shortages overseas. For as the demand for American food increases, food prices are likely to rise in the United States, he said. Brown was cautiously optimistic that a generation could be achieved.

The report, called "World Food and Nutrition Study," was prepared over two years by a committee picked by the academy's National Research Council. About 1,500 experts were interviewed or consulted here and abroad.

The final document warned indirectly against expecting too much from the "Green Revolution"—the name given to new, high-yielding rice and wheat varieties requiring large amounts of irrigation and fertilizer.

"The Green Revolution is a good example of the kind of complexity we're talking about," said Brown. "When the price of crude oil went up by a factor of four it had a bad effect on the Green Revolution" because it required large amounts of energy to produce nitrogen fertilizer from petrochemicals and run irrigation pumps.

The report urged that more money be spent on fundamental research, especially plant genetics which could lead to increasing food output at low cost and without large amounts of new energy.

For instance, plants now capture only 1 to 3 per cent of the sun's energy striking their leaves. Scientists are studying the process of photosynthesis to see if plants can become better "solar factories."

Another way of increasing plant output would be to develop species of corn that can draw their own nitrogen supplies out of the soil, the way soybean plants already do.

[From the New York Times, June 26, 1977]

EXPERTS CALL FOR NEW RESEARCH ON HOW PLANTS GROW

(By Boyce Rensberger)

In recent years American farm productivity has leveled off or even declined in some cases, and top agricultural experts say the reason is that the applied research that once led to steadily increasing yields has nearly depleted its storehouse of basic knowledge of how plants grow.

It is time, experts say, to learn more about the fundamental aspects of how plants capture solar energy and use it to assemble atoms of carbon, hydrogen, oxygen and nitrogen into food. Only then, they say, can scientists find new ways of manipulating the innerworkings of corn, rice, wheat, soybean and other plants to push yields above present levels.

After more than a quarter-century of spectacular increases, the average national yield per acre of corn began declining dramatically in 1972, according to statistics compiled by the United States Department of Agriculture. Sorghum yields have fallen similarly. Yields of wheat and soybeans have largely failed to gain for most of this decade.

INCREASE IN FUNDING URGED

According to a major report on overcoming world hunger, submitted to President Carter last week by the National Research Council, an essential step toward such a goal is an increase in both the funding and scope of research sponsored by the Department of Agriculture. The department's research programs have been criticized as slow to take advantage of new avenues of scientific inquiry.

The report also urged a major change in the way the department's money was spent.

The panel of top agricultural scientists who

produced the report, entitled "World Food and Nutrition Study: The Potential Contributions of Research," said that the department needed to be given a $120 million increase (20 percent) for its research expenditures for the first year and additional $60 million increases in each of the following four years.

The panel also recommended that half the increase funds be given out in grants for which any scientist could compete. This is the predominant method by which the Government supports other areas of research. In agriculture, however, experiment stations at land-grant colleges have done most of the publicly supported agricultural research since 1887, when the system was founded.

Although these stations and the department's in-house laboratories are responsible for much of the spectacular growth in American farm productivity of past decades, the panel felt they were not adequately exploiting new research opportunities.

By opening food and nutrition research to the entire scientific community on a competitive basis, new ideas are more likely to be developed, Dr. E. T. York, who headed one of the panel's study teams, said in an interview.

"Over recent years we've been depleting our basic storehouse of knowledge," he said. "We need to bring into food and nutrition research segments of the scientific community that haven't considered themselves part of this effort." Dr. York, who has been departmental administrator and head of a land-grant college of agriculture, is chancellor of the State University System of Florida.

The panel also urged that the department broaden its outlook from the needs of American farmers to problems of worldwide food and nutrition. Such an approach, Dr. York said, would be of benefit to the United States as well as to other countries.

The report notes that cooperative research with scientists in developing countries has yielded new plant varieties that proved beneficial for American farmers. Among examples cited in the report were the introduction of a virus-resistant grass from South America that has restored pasture lands in the Southeastern states, the adaptation of Nigerian beans of high nutritional quality by Wisconsin farmers, and the discovery of two soybean varieties from China that promise to permit large scale soybean farming in Southern states.

IMPROVING BUILT-IN CAPACITIES

One of the major directions in which new food research should move, the panel said, is toward crops and farming methods that require little or no added resources to exploit. In the past, many of the new "green revolution" plant varieties required fertilizers or irrigation or both to perform their best. Such costly inputs excluded many poor farmers from the benefits.

New advances, the report said, should rely more on improving built-in plant capacities such as photosynthesis and the ability to convert atmospheric nitrogen gas into fertilizer.

Such advances would benefit American farmers as well, many of whom are already pushing plant growth to the maximum possible with fertilizer. Also, since nitrogen fertilizer is made from fossil fuels, its supply is limited and its price is certain to rise over the long run.

Among the promising new avenues of research that the panel said should be pursued, were the following:

Increasing the amount of atmospheric nitrogen converted by plants into nutrient. Certain bacteria that live on the roots of some plants, chiefly legumes, do this now. If such bacterial strains could be made to live with cereal crops or if the ability to fix nitrogen could be genetically engineered into crops, less chemical fertilizer would be needed.

Increasing the efficiency with which plant leaves use sunlight to synthesize food. Most plants use only about 1 to 3 percent of the light they receive. Studies indicate efficiency could be pushed toward a theoretical maximum of 12 percent. For example, some plants already have biochemical means of suppressing their consumption of stored food at night.

[From the Paris, France Herald Tribune, June 24, 1977]

U.S. STUDY ASSERTS RESEARCH CAN REMOVE HUNGER IN WORLD

(By Boyce Rensberger)

NEW YORK.—The threat of malnutrition and repeated famine could be removed from the world within one generation if the United States and other countries mobilized research on agriculture and nutrition, a panel of experts convened by the National Research Council has concluded.

In a 192-page report to President Carter released yesterday, the panel set forth an analysis of the world food and nutrition situation, listed 22 areas of research deserving high priority and proposed a plan for getting the work done.

Among the recommendations is that the Department of Agriculture increase by about $120 million its outlays for research and add about $100 million a year to construct new research facilities. The panel also proposed tripling the $30 million a year now spent by the Agency for International Development to help poor countries improve their own agricultural research capacity.

IMPROVING YIELDS

The specific areas of research recommended emphasize new methods of improving crop yields that do not depend on costly inputs such as fertilizer or irrigation but that can be used at little or no extra cost to the farmer.

The panel, led by 15 of this country's top specialists on the science and economics of food production and distribution, reached its conclusions after a two-year study commissioned by President Ford drew upon the resources of 1,500 scientists, farmers, government officials and others in the United States and many other countries.

The report by the council, the operating arm of the National Academy of Sciences, is probably the most comprehensive assessment of the prospects for eliminating hunger and malnutrition ever published.

Although good growing weather has removed the threat of immediate famine from most of the world at the moment, the report estimates that somewhere between 450 million and 1 billion people remain malnourished. Unstable weather patterns, foreseen by some climatologists, threaten many marginal growing regions with renewed famine and threaten the United States with severe food price inflation.

The report is significant not only in that it is cautiously optimistic but in that it devotes considerable attention to the social and economic aspects of overcoming hunger, facets of the problem that the scientific community has been criticized for neglecting in the past.

Even if food production were to double in the poor countries by the year 2000, something it must do to eliminate hunger, there would still be large numbers of hungry people if there were not also improvements in the distribution of wealth, said Harrison Brown, chairman of the 15 panel members and a professor of science and government at the California Institute of Technology.

Eliminating hunger, the panel said, depends not only on increasing food production but on reducing poverty, on stabilizing food supplies through reserve systems that hold surpluses for times of scarcity, and on reducing population growth.

Achieving such goals will not be easy, the report said, but enough promising successes have been achieved in some poor countries to suggest that it is possible. "If there is the political will in this country and abroad to capitalize on these elements," the report said, "it should be possible to overcome the worst aspects of widespread hunger and malnutrition within one generation."

[From the Rome Daily American, June 26–27, 1977]

WORLDWIDE STARVATION IS PROBABLE, STUDY SAYS

(By Warren Leary)

WASHINGTON.—Developing countries must double food production by the end of this century and reduce birth rates to avoid global starvation, a U.S. National Academy of Sciences panel has reported.

A committee of the Academy's National Research Council, after a two-year study, was cautiously optimistic that world famine can be avoided.

But it stressed that this conclusion depends upon governments making necessary political decisions and worldwide cooperation.

Its report recommends that the United States take the lead in performing agricultural research that could be applied abroad, and that the nation increase funding for food and nutrition research.

But panel chairman, Dr. Harrison E. Brown, said, "We are not taking the attitude that the United States can feed the world. We are saying that the word can feed itself with help."

Up to one quarter of the world's 4 billion persons are hungry or seriously malnourished, according to the report. Developing countries will have to feed an additional 1.8 billion by the year 2000.

USING MATERIALS

In addition to doubling food production and cutting birth rates, developing countries must make better use of available food and more productive use of land, the report said.

The study was delivered to U.S. President Jimmy Carter this week. Brown said he did not know if the White House would act on the report, but the initial reception has made him hopeful.

To give world hunger a new priority, the report said that the U.S. effort should be coordinated within the executive office of the President and that an assistant secretary of agriculture be appointed to be solely responsible for research and development of food.

While research should be done within the developing countries themselves the committee said developed nations like the United States should take the lead in priority research areas.

This includes developing plants that need little or no fertilizer, plants that use the sun's energy more efficiently for higher yields and those that are disease resistant.

Research also is needed on getting more food from the sea, developing better transport systems, to get food where it is needed, refining cultivation techniques for underdeveloped areas and improving food preservation, the report said.

FOREIGN POLICY

Mr. GOLDWATER. Mr. President, we have now had a chance to listen to our President for about a year as he sought the office and won it and to listen to his Secretary of State and others engaged in the formulation of foreign policy, and I defy any American to tell me what his thinking is on that subject other than

human rights. Is there anyone who can give me the basic strategy of the United States? Our strategy used to be deterrence based on retaliation, but I have not heard that spoken of in a long time. Is there any person in the position of command, or is there any commander other than those commanders we have in NATO who have a clear and succinct idea of what the forces under him are going to be called on to do in the case of an emergency? I doubt it. There was a time when deterrence and retaliation and honesty were our policy and they worked, but then there came a time when a President tried to apply that philosophy to the Vietnam war but without the realization that to achieve it we had to show force and we lost, and I remind you that was a war lost because the man in civilian clothes, whom the man in uniform respects, did not know anything about warfare and, if he did, he did not care about it. Vietnam is now past us, Thank God, but it has raised some tremendous questions in the minds of Americans. For example, will we fight over any needed or suggested changes in our relations with Panama? I doubt it. We have a War Powers Act now that virtually renders the Commander in Chief, our President, impotent and impossible of command.

There are many troubled spots in this world today created by misstatements, poor judgment and bad decisions on the part of this administration, and I do not care to touch on all of them right now. But I do want to touch on one that is of great concern to me. Last week at my invitation, Secretary of State Cyrus Vance very courteously paid me a visit. I have a habit of sitting down after visiting with people of importance in our government and dictating those things that transpired. I insert at this point in my remarks the transcript of my dictation on that conversation between the Secretary and me.

Now with the words of the Secretary still in my ears and still on paper, he has made a speech in New York in which he states that the full normalization of relations with Red China is something the Carter administration wants to achieve this year. Now I do not mind being told the truth, but I do not like an official of our Government telling me one thing and then saying exactly the opposite several days later. If the foreign policy of our Government is now based on deception, then we are in for real trouble. We are weakening ourselves around this world by kowtowing to the Communist nations, and it is no wonder to me that old, loyal friends of ours are beginning to wonder what the fabric and fiber of this new administration is. Frankly, I am beginning to believe it is a repetition of the weaknesses shown by other Presidents in this century, weaknesses which led us into war and I am offering this as a warning and I will continue to speak on it because I am afraid that the Carter administration is embarked on the same old road of falsehood and broken promises that has dragged this country into conflict too many times.

I ask unanimous consent that my memorandum of my discussion with Mr. Vance be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

JUNE 12, 1977.

From 3:20 to 4:00 today, June 21, 1977, I met with Secretary of State Cyrus Vance relative to several questions on foreign policy but chiefly Taiwan. It was relative to his coming visit to Red China, and I told him that it should be evident to both he and President Carter that as a result of the votes last week on Cuba and Korea that there was no way that we could break the Treaty with Taiwan where two-thirds of the Senate would have to vote for it. I further told him that at the present time no action that the President might propose could get through the Senate with the possible exception of Panama, and that would take a very, very large amount of education.

I pointed out to him that we have never abbrogated a Treaty in our two hundred years' history and to do this to the little country of Taiwan would precipitate a very fast jumping off of the United States' bandwagon by small friends of ours around the world. I told him that Taiwan was never on the agenda of any discussions of Secretary Kissinger. I warned him that if the New England states were worried about the cheap fabrics and shoes coming in from Taiwan that Red China would deluge this country with even cheaper products.

I told him, in my opinion, any tampering with any treaty with Taiwan would result in an extremely sticky relationship with Japan, and if we went through with our intentions with Korea it could well mean we could lose Japan, Taiwan and Korea which would probably end the one hundred years we have maintained concern in the periphery of the Pacific.

He came back to the point that while the administration has been studying this whole matter of normalization of relations with Red China, there have been no decisions made and that his visit to Red China was not being made with the idea of offering any decisions or even exploring them. I have to attach this personal thought to our meeting, and that is that in spite of what the President says, and you will recall that he said as long as Taiwan has an Ambassador here we would always recognize Taiwan, I feel that he has allowed this recognition of Red China to enter further into his instincts and thinking than he cares to admit.

I told the Secretary I would be happy to visit with the President on this subject or the subject of Korea or Panama or Cuba at anytime. I ended the general conversation by reminding him that the President has not even called the Ambassador of Taiwan, Mr. Shen, and that I did not feel this would cause any undue disruption with the Red Chinese and I thought it would be a good idea for the President to pick up the phone and invite the Ambassador over just to get acquainted. With that he departed and said he would keep in touch with me on any developments.

NOMINATION OF THOMAS P. SULLIVAN TO BE U.S. ATTORNEY FOR THE NORTHERN DISTRICT OF ILLINOIS

Mr. STEVENSON. Mr. President, Thomas P. Sullivan is an able, experienced attorney. His personal probity, keen social conscience and his professional attainments make his one of the most auspicious nominations for U.S. attorney in memory. Mr. Sullivan is worthy of the Office of Attorney for the United States. He will exemplify the excellence of which the public service is capable.

Mr. Sullivan has been one of Chicago's most respected private practitioners for over 20 years and will bring to the office of U.S. attorney broad experience in civil and criminal trial litigation.

Mr. Sullivan has served as a member, 1955–70, and chairman, 1958–59, of the Chicago Bar Association Defense of Prisoners Committee; as a member, 1965–71, and chairman, 1968–69, of the CBA Operation of Circuit Court Committee; as a member, 1959–68, and chairman, 1966–67, of the Illinois State Bar Association; section on civil practice and procedure, and as Illinois chairman of the American Bar Association Committee on Defense of Indigent Prisoners, 1963–68.

He was a cofounder of the legal opportunities scholarship program, established to assist minority students to attend Illinois law schools, and has represented his law firm on the Lawyers Committee for Civil Rights Under Law.

He has served as a member of the Board of Governors of the Illinois State Bar Association, 1961–62 and 1968–72, is a fellow of the American College of Trial Lawyers, and a member of the American Law Institute.

He is a member of the Illinois Supreme Court Rules Committee, 1972-present, and has served on the Illinois Supreme Court Committee on Jury Instructions in Criminal Cases, 1961–68, and the Committee on Forms for Illinois Circuit Courts, 1960–62.

The Senate Judiciary Committee wisely recognized that Thomas P. Sullivan's qualities of integrity, compassion, and legal skill made him eminently qualified to occupy this high office. And last night, I am pleased to say, the Senate unanimously confirmed the nomination of Mr. Sullivan to be U.S. attorney for the northern district of Illinois.

NEW DIRECTIONS FOR THE SOLAR PROGRAM

Mr. HUMPHREY. Mr. President, I think it will be useful for me to briefly review the benefits we are receiving from our solar R. & D. porgram as we consider the appropriation for this vital program.

As my colleagues know, I view solar energy as an energy source we will increasingly rely on in future years. Our energy history has been a pattern of new forms gradually replacing old. Wood dominated our energy supply through the 19th century. Then coal rose in prominence, followed over the last half-century by petroleum and natural gas. And now the trend is toward increased reliance on nuclear energy.

The pattern is for one energy form to replace another as it becomes cheaper, more convenient and more available. And, I expect that pattern to continue—to see our present reliance on fossil fuels diminish as they are replaced by nuclear and then solar energy forms.

Our solar R. & D. program is designed, quite simply, to insure that this pattern is not unduly delayed—to insure that our energy supply options remain as broad as possible.

Mr. President, I am delighted to say the solar R. & D. program has grown

sharply since the early seventy's. In 1974, only $14 million was devoted to solar R. & D. That was insufficient. So I authored and introduced the Solar Energy Research, Development and Demonstration Act of 1974—which passed and became Public Law 94-473 in October 1974. Included in its provisions was a sharp acceleration in solar research outlays, the establishment of the Solar Energy Research Institute—SERI—and the beginning of a new era of Federal commitment to solar energy development.

SERI was envisioned as a mechanism to broaden the base of solar R. & D. and make it a truly national program. The recent selection of a headquarters and four regional centers of solar R. & D. activities effectively carries out that vision. Since then, I have authored a number of other bills dealing with solar energy, in particular, the Solar Energy Act of 1976, which doubled the solar budget to $300 million for fiscal year 1977. The fiscal year 1978 appropriation before us today, will be about 20-percent higher—in excess of $360 million. The benefits of this program are starting now to appear. For example, solar hot water systems are cost competitive today with electric systems. And some solar electric technologies, photovoltaic systems for example, are experiencing sharp cost reductions—reductions which should bring them into widespread use within a decade.

The solar program, however, faces one very real challenge; a challenge that neither the FEA nor ERDA have yet faced. If solar R. & D. is to pay off rapidly, a very aggressive program to commercialize it must be undertaken. Thus far, a halting, limited 10-State demonstration program of solar hot water technology is the major national commercialization effort initiated for solar energy.

That is inadequate.

Two specific steps are appropriate.

First, the new Department of Energy must devote a significant portion of its solar budget to demonstration and commercialization activities. Second, AID and the new DOE must focus resources on the spread of solar technology to less developed countries. LDC's pay extremely high prices now for energy, especially in remote, rural areas. Solar electric systems, for an example, are ideally suited for such remote location applications—and are close to cost competitive, as well. We are missing an excellent opportunity to stimulate solar technology and the well-being of LDC's by not aggressively seeking to transfer solar technology to such countries.

Recently, I proposed establishment of an International Energy Institute to focus U.S. and international efforts on the transfer of solar technology to LDC's. This proposed Institute would have been ideally suited to carry out technology transfer activities. While the Senate approved it, conferees from the House Committee on International Relations insisted that the concept be studied further. A study from the Agency for International Development will be presented, as a consequence, to the Congress next winter. Senator GLENN and others have proposed establishment of a multinational World Energy Institute. It is an excellent idea—particularly if we can insure that the Institute will be an action agency rather than one to conduct studies and just prepare reports.

Mr. President, I am very pleased with the progress we have made with solar energy. I know there is much more that needs to be done. But, we have made substantial progress toward realizing for our people the tremendous benefits that I am convinced will come as we learn how to tap the greatest source of clean and abundant energy in the universe—the Sun.

CONCERNING A SPEECH BY W. LEWIS SPEARMAN

Mr. THURMOND. Mr. President, I recently had a letter from a friend and constituent of mine, Mr. W. Lewis Spearman, of Surfside Beach, S.C. He was kind enough to send me a copy of a speech that he frequently makes to State conventions of the well-known fraternal organization, Woodmen of the World, of which he is a director.

The subject of the speech is one that is dear to my heart—freedom. Mr. Spearman advances the thesis that of all the blessings we enjoy as Americans, freedom is not only the most precious but the most difficult to maintain. I could not agree more with this sentiment, and I think my colleagues would gain by having access to Mr. Spearman's forceful arguments and illuminating examples. Accordingly, I ask unanimous consent that Mr. Spearman's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

WORKING TOGETHER IN 1977

President Newberry has given us a challenge of working together in '77, and it is our hope that we will continue on and on working together for a better tomorrow, not only for our beloved society, but, isn't this what we need for our country and the world?

We have celebrated our Nation's 200th birthday . . . proudly and with thankful hearts . . . grateful to Almighty God for the blessings that America has had. We have been blessed more than any other Nation in the world . . . With more food and clothing, better houses, cars, telephones televisions, bathtubs, luxury items etc. . . . You name it, we have it in America. But our greatest blessing by far has been and is our freedom. I hope and pray that our bicentennial year has given us, the American people, a renewed sense of patriotism and pride, and that it has indeed marked the turning point in many trends which have developed in recent years. We will be celebrating our society's 87th anniversary June 6th.

In setting the example in working together in Woodmen of the World, it is my prayer that it will spread over America for a better tomorrow.

May I direct your attention to some aspects in our country that are not fashionable to talk about? But our failure to talk about them will not make them go away or cease to exist. The communists are whooping it up and taking advantage of every opportunity to degrade our country, and too many times many of our own citizens are helping to do the job for them.

I hope and pray that as we begin our third century, we the American people, will resolve to build on what we have learned from our past mistakes, and prove to the world that our democracy does work.

It is just as important for us to fight for freedom in peace time as it is in war. Genuinely human freedom is inner freedom, given to us by God: Freedom to decide upon our own acts as well as moral responsibility for our own acts. This was known by our Founding Fathers as honor.

There are many so-called freedoms that are morally faulty, not the type of freedom that elevates humankind—but a dangerous freedom which may actually be its own undoing.

I was greatly impressed by the way these freedoms were expressed by novelist Alexander Solzhenitsyn (soul-see-nit-sin) the Soviet martyr, when he received the American Friendship Award of the Freedoms Foundation. His acceptance speech received little attention, but I think his message should not be ignored. He cited these dangerous freedoms as follows:

(I quote from a translation.)

"1. Freedom to litter with commercial rubbish the mailboxes, the eyes, ears, and brains of people.

"2. Freedom to impose information, taking no account of the right of the individual not to accept it, or the right of the individual to peace of mind.

"3. Freedom to spit in the eye and in the soul of the passer-by with advertising.

"4. Freedom for editors and film producers to start the younger generation off with seductive miscreations.

"5. Freedom for adolescents of 14 to 18 years to immerse themselves in idleness and amusements instead of invigorating tasks and spiritual growth.

"6. Freedom for healthy adults to avoid work and live at the expense of society.

"7. Freedom for strikers to deprive the rest of the citizens of a normal life, work, transportation and food.

"8. Freedom for hasty and irresponsible efforts by the news media to shape public opinion.

"9. Freedom to divulge defense secrets of one's country for personal political ends.

"10. Freedom for the collection of gossip, while the Journalist for reasons of self-interest spares compassion for neither his fellow man nor his native land.

"11. Freedom for the business man in any commercial transaction no matter how many people may be brought to grief, no matter how his homeland might be betrayed.

"12. Freedom for politicians to bring about whatever pleases the voter today, but not what provides for his safety and well-being in the future.

"13. Freedom for terrorists to escape punishment, so that pity for them becomes a death sentence for the rest of society.

"14. Freedom, even not to defend one's own freedom: Let the other fellow risk his neck."

Time will not permit our discussing in detail all 14 of these morally faulty freedoms, but it seems to me that all of these so-called freedoms have been at work in our country, and we are seeing how they undermine and destroy true freedom.

Do you realize that even 10 years ago, vulgar and foul language was rare on public platforms and in plays and movies? And was censored and cut out of radio and television? Obscene literature was not publicly available on the news stands and in the book stores. Ten years ago, coeducational dormitories at colleges and universities were unthinkable. Today they are commonplace, and on many campuses the use of illegal drugs scarcely causes a raised eyebrow, whereas, 10 years

ago only a few people used marijuana. 15–20 years ago most people were not afraid to be out of the city streets late at night, but since 1960 crime has risen 256 percent. Last year the FBI reported 3,252,000 burglaries, 465,000 robberies, and 1 rape every 9 minutes.

This swelling tide of crime is matched by many politicians promising what they can not deliver, yet they try to deceive our people into believing that projects can always be paid for out of somebody else's pocket. Officially, the Federal Government is permitted to owe only 400 billion dollars, but Congress regularly passes temporary increases to this limit. The latest raise pushed the ceiling to 700 billion dollars April 1, 1977, and by 1982 it is projected to be 1 trillion dollars, with 65 billion dollars being paid in interest. This does not include the dilemma of 2 to 4 trillion dollars deficit we find ourselves concerned with in social security benefits.

Furthermore, when we consider the fact that only one person out of five in this world lives in freedom, and that 80.2 percent of the world population live under tyranny or dictatorship governments, I can not help but join with Rear Admiral Denton, when he quoted William Penn in saying "that man must choose to be governed by God and his Commandments, or condemn themselves to be governed by tyrants." Rear Admiral Denton spoke to the National Fraternal Congress of America in Hollywood, Florida, in September of last year, and it was my privilege to hear him. I am sure most of you read his speech in the Woodmen Magazine or the Fraternal Monitor. He said that in coming back to America after being a prisoner of war in North Vietnam for 7½ years, the most shocking thing to him was the so-called "new morality", and the prosperity that had resulted in selfishness and a type of freedom that is opposite to the freedom that has made America the greatest nation in the world and threatens the security of the United States and the rest of the free world. He pointed at television and the news media as being greatly responsible for many of our problems.

First let us note that there are some excellent and uplifting programs on television. Television has already made a tremendous contribution to civilization—it is here to stay—and because it has great potential for good, we must work with this great force. I believe that to a great degree the media determine what we all learn and believe today. So why should we be bombarded with a biased, super concentration of criticism against our form of government, while the horror and danger of communism are left untold? And why should television be allowed to invade our homes with unwanted profanity, violence and obscenity? You know that we have already been advised that television will have nudity and sex on its screen during prime time. Now I know that we need to supervise selection of what our children watch, but it is impossible to police every minute of viewing time for our children and youth.

One television producer and director has even called television "bubble gum for the mind". See attached.

Hunger for the dollar breeds sensationalism, and sensationalism results in subversion and immorality. On the CBS newscast March 1, 1977, there was a report that 80 percent of all children from 4 to 6 years old live in a state of fear that if they go outside someone will harm them, or that somebody will break into their home, and they even fear that when their parents have an argument they will be hurt or affected. When it was analyzed the reason of all this fear was that children who watch television 4 hours a day received these ideas from what they see on television.

So, what can we do about it? I pass on to you the solution offered by Rear Admiral Denton, and challenge you to join with me and other fraternalists in making our voices heard on this issue. Now, no program will remain on the air if it does not mean dollars for the television industry and the sponsors of the program. Therefore, to remove destructive and offensive programs—whether it be newscasts, advertising, or entertainment that is violent or obscene—if we will unite, boycott the company that sponsors the program, write the company and tell them that we refuse to buy their products as long as they sponsor such detrimental programs we can do away with the filth and garbage that invade our homes by way of television.

Another area in which we need to involve ourselves is in making our democratic form of government work. I sincerely believe that we should try to watch the voting records of our Congressmen and Senators and let all of our elected officials know how we stand on many issues—especially those that threaten our freedom—such as the right to work law, excessive government spending, labor unions, etc.

Consider excessive govenment spending. I personally feel that enormous amounts of money that go into welfare and unemployment checks could be saved if we followed this simple but sensible plan: When healthy, able-bodied people apply for welfare or unemployment, offer them a way to earn that check. Let them clean or paint our public buildings, help beautify our parks and playgrounds, set out shrubbery and flowers, work in our hospitals, child care centers and homes for the aged and helpless, clean up our highways—there are numerous ways they could be made to feel needed and useful, and this would give them a sense of accomplishment for the money they receive. Abraham Lincoln once expressed it like this: "You cannot help a man permanently by doing for him what he can do for himself."

And as for the issue of labor unions, can there be any justification for repealing the right to work law? Surely the right to work is essential to protect the working man's freedom to work. I am afraid the labor union leaders are power hungry, and hurt rather than help the cause of freedom. For example: The American Federation of Government Employees, an affiliate of the AFL–CIO, has on its agenda a proposal to unionize soldiers, sailors, Marines and airmen—our combined first line of defense. Now this possibly may sound good in peace time, but how about war? Is the head of a union shop going to decide whether America's armed forces will fight in the future, if our country should be threatened by Russia or some other aggressor? It actually boils down to this: Will the Government or a union determine and enforce the foreign policy of the United States? Can you imagine the awesome power this would give to the labor union leaders?

My friends, I am concerned and outraged by the silence and apathy of so many of our good people. Those who do not stand up and speak out forthrightly for their convictions are supporting the opposite view. And silence turns out to be a vote for the wrong. That is why I am calling upon you for action and asking you to get others to join with us and by working together prove ourselves worthy of our proud heritage.

Therefore, I repeat for you these things we can do.

1. Band and work together and make our voices heard that we want decent entertainment and information, not violence, profanity and obscenity on television, then back it up by boycotting the sponsors of offensive programs.

2. Take a stand and voice our convictions concerning Government to our elected public officials. Let them know that we want to preserve our freedom by honest and decent Government, and that we want a democracy, not a bureaucracy. Thomas Jefferson said "as Government grows, freedom recedes".

I challenge you to join with me and other fraternalists in doing what we can to preserve for our 3rd century, freedom and the many, many blessings that have been ours in the 1st and 2nd centuries of our country. I am concerned because I am afraid that our American people just do not realize the freedom we have in America. We could not have the woodmen of the world in a dictatorship country. We would not have the freedom to even attend the church of our choice, even though now only 40 percent of our people claim to attend church or temple regularly or weekly.

Eldridge Cleaver, the black panther, after leaving ths country to avoid prison, and after living in North Vietnam, Russia, and other Communist countries, returned to the United States and said he would rather be in prison here than to live in the so-called freedom of communism. He along with Solzhenitsyn (Soul-see-nit-sin), also the Soviet pilot who flew his light single-engine mail plan into Iran, and the other Soviet pilot that flew his supersonic Mig 25 jet to Japan seeking United States asylum, are all desperately trying to tell the American people something. People living under tyranny live in such a state of fear that they dare not fail to do exactly what they are told to do because they know the terrible consequences of objecting. Just like the mothers and wives of these pilots tearfully expressing their doubts that their son or husband willingly defected. The party has told them what to do, and they know the cost if they fail to do it. What these pilots have done will probably cost them the lives of their families. Think of the price they are paying for the freedom we enjoy every day and take for granted.

We must awaken our American people to action if we are going to maintain our priceless freedom. I believe in the great spirit of our American people. I believe in the intense insistent honesty of the majority of our young people. If we will determine now in truth and honor, and give some guidance and direction to our youth who are eagerly searching for it, then I sincerely believe that our America will reconfirm her original choice of "one nation under God", and our third century will be "one Nation under God," and not a century of chaos and tyranny, if, as President Newberry has recommended, we work together in '77 and thereafter for a better tomorrow and I know of no better place to start than to have our friends and neighbors join us in working together in our woodmen of the world.

THE FRESNO BEE ON FANNIE MAE

Mr. CRANSTON. Mr. President, I have been substantially concerned with redirecting the work of Fannie Mae toward its original purpose of helping meet our Nation's housing needs. I was delighted therefore to read a recent editorial in the Fresno Bee in support of S. 1397, which Senator PROXMIRE and I have proposed to add more public members to the Fannie Mae Board. I would like to share the article with my colleagues.

Mr. President, I ask unanimous consent that the Fresno Bee editorial of June 21, 1977, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

"FANNIE MAE" AND THE CITIES

The Federal National Mortgage Association, which usually is identified as "Fannie Mae," has strayed from one of its main original purposes.

This was to make home mortgage loans more available to low and middle income

families, with the understanding this would include those in the inner cities as well as in the suburbs. In fact, however, the preponderance of its assistance in the mortgage markets has helped the spread of the suburbs to the neglect of inner city home buyers.

Sens. Alan Cranston of California and William Proxmire of Wisconsin are to be commended for their effort to reverse the trend. They have teamed up on a bill to shake up Fannie Mae's leadership in order to revise its priorities on inner city mortgage policy. They would give President Carter the power to name four more members to Fannie Mae's board of directors and subject the board's actions to the federal Freedom of Information Act.

The added members would be expected to help topple Fannie Mae's Nixon-appointed chairman, former Fresno congressman A. Oakley Hunter, from his $140,000 a year job, and to set loan policies more favorable to inner cities. Scrutiny of the board's actions as a result of the freedom of information requirement would shed more light on how those policies have been and are determined.

Part of the problem has arisen as a result of the change in Fannie Mae's status in 1968 from a federally-sponsored corporation to a stockholder-investor company able to obtain loans from the federal treasury.

One result, critics say, has been to direct mortgage funds to the more profitable suburban expansion instead of the marginally profitable inner cities. Proxmire argues that if the cities are to be restored Fannie Mae must provide incentive for the private mortgage market to reverse the trend.

He is right. It is up to Congress to act favorably on the Cranston-Proxmire legislation and make Fannie Mae's leadership more responsive to the public interest.

NYERERE ARTICLE

Mr. CLARK. Mr. President, I would like to insert in the RECORD an article by President Julius Nyerere of Tanzania which appeared in the July issue of Foreign Affairs. This article represents one of the most eloquent statements that I have seen expressing how Africans view U.S. foreign policy toward the continent.

It puts into excellent perspective how our past policies have appeared to Africans. But perhaps even more importantly, it shows what current African expectations are of the United States under the Carter administration.

President Nyerere stresses the fact that, because of our power relative to other nations, we not only have an unavoidable impact on events in the region, but also have a legitimate interest in the future as well as the present societies of southern Africa. He therefore appeals to the United States as the most powerful democracy in the world to "recognize the conflict in southern Africa as the nationalist struggle which it is."

Mr. President, I met President Nyerere personally on my last trip to Africa and I can affirm that he is one of the most impressive leaders on the continent—a man of integrity and principle whose stature is universally recognized. He is also one of the most influential Presidents of the frontline states which border Rhodesia and Namibia. His role is central to a just and lasting solution to the racial conflicts in the area.

This article is timely, authoritative, and insightful, a cogent analysis of the difficulties we face in establishing our credibilty in Africa, and of the challenges we confront in an area of the world which may well become the most explosive foreign policy region during the term of the Carter administration.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AMERICA AND SOUTHERN AFRICA

(By Julius K. Nyerere)

The dominant element in American foreign policy since 1946 has been opposition to communism and to the communist powers. As far as Africa was concerned, responsibility for pursuing these objectives was delegated to America's trusted allies—Britain, France, Belgium, and even Portugal—whose policies in the area were therefore broadly supported despite minor disagreements which arose as American business became interested in Africa's potential. Inevitably this placed America in opposition to an Africa which was trying to win its independence from those same powers; but when political freedom could be achieved peacefully, America was able to appear to Africa like a bystander. It was therefore able to adjust its policies and accept the new status quo of African sovereign states without any difficulty. Notwithstanding these adjustments, however, America has continued to look at African affairs largely through anti-communist spectacles and to disregard Africa's different concerns and priorities.

And in southern Africa events did not force any readjustments of American policies during the 1960s; so none were made. Practical support for the status quo continued unabated until after the Portuguese Revolution in April 1974. Thus, despite America's verbal criticism of Portuguese colonialism, American arms and equipment were used by Portugal in its military operations in Angola, Guinea-Bissau and Mozambique. Despite the verbal opposition to apartheid, American trade and investment in South Africa were expanded, and America opposed any effective U.N. demonstration of hostility toward the apartheid state. The United States has also fought a hard, and largely successful, rearguard action against the demands for international intervention against South Africa's occupation of Namibia. And on Rhodesia, America has trailed behind British policies, emasculated the sanctions policies it had endorsed at the United Nations, and criticized Africa for the vehemence of its opposition to the minority Smith regime.

This general approach to African questions, and particularly to southern Africa, culminated in the American government's support for the FNLA/UNITA forces in the dispute between the Angolan nationalist movements.

Throughout the anticolonial war in Angola, that is from 1960 to 1974, America had supported Portugal, not any of the nationalist forces. Supplies to the FNLA of money and military and other equipment while decolonization was taking place were thus a rather blatant attempt to place "friends" in political power in the new state. Not surprisingly, it was the least effective of the contending nationalist groups which was open to this kind of purchase; success therefore depended upon the quick collapse of the MPLA, under assault. But the MPLA did not collapse. Instead it asked for and received more arms from those who had been helping it for the ten years of its anticolonial war; to meet the simultaneous South African invasion of Angola, the MPLA also welcomed Cuban troops. And when the FNLA demanded more help than the American Administration alone could give it, the U.S. Congress—with the lessons of Vietnam still fresh in its mind—refused finance.

It is not cynicism which attributes the beginnings of the "Kissinger initiative" in April 1976 partly to this experience. Nations, like people, sometimes need to be shaken out of habitual modes of thought. Nor was the Angolan debacle the only factor leading toward a reassessment of traditional U.S. policies in southern Africa. Some Americans had for long been urging support for the anti-racialist and anticolonial struggle, and American blacks were beginning to take a greater interest in these matters. Further, trade with independent Africa has been growing, and now includes oil from Nigeria. The possibility that this trade might be jeopardized by pro-South African actions is no longer of merely academic interest to the United States. And the guerrilla war in Rhodesia has been intensified since mid-1975, arousing fears of a repetition of the Angolan experience.

Africa welcomed the Lusaka statement by Dr. Kissinger that majority rule must precede independence in Rhodesia, and that America would give no material or diplomatic support to the Smith regime in its conflict with the African states or the African liberation movements. With some hesitation, Africa also cooperated with the Kissinger "shuttle diplomacy" later in the year. For Africa hoped that, even at that late stage, the use of American power in support of majority rule could enable this to be attained in Rhodesia without further bloodshed.

The "Kissinger initiative" did force Ian Smith to shift his ground, but it did not succeed in its declared objective. Neither did it remove Africa's uncertainty about the depth and geographical limitations of America's new commitment to change in southern Africa. For decades of history cannot be wiped out by one speech and a few months of highly individualistic one-man diplomacy. They cannot even be eradicated by the clear sincerity of a new President's commitment to supporting human rights, and the sympathetic understanding shown by the Ambassador he has appointed to the United Nations.

II

The United States of America is the most powerful nation on earth. Africa is weak, economically and militarily; its unity in action is still fragile. Africa does therefore naturally desire the friendship and cooperation of the United States; it does need trade, and economic assistance.

But overwhelming everything else in Africa is the sense of nationalism, and the determination of all African peoples that the whole of this continent shall be free and relieved from the humiliation of organized white racialism. Within Rhodesia, Namibia, and South Africa, and within the nations immediately bordering them, the commitment to the struggle against minority or colonial rule overrides all other matters.

This basis fact is important to America, as it is to the rest of the world. For power is not all-powerful. Nationalism cannot be overcome by it. Nationalist wars have no end except victory, however long that takes to achieve, whatever the cost and the inevitable setbacks. All that can be affected by the actions of its opponents is the character of the nationalist state and society after victory. The harder and longer that struggle for freedom, the more austere and radicalized the new state is likely to be. It may also be more intolerant. For wars are liable to destroy everything except hatred and mutual suspicion—which they nurture.

The United States, like other nations of the world, has a legitimate interest in the future as well as the present societies of southern Africa. It must be concerned about America's continued ability to buy the goods it needs, and its ability to sell sufficient goods to pay for its imports. America must be interested in whether or not these states will determine their own foreign policies

according to their own interests after winning their freedom, or whether they will be dominated in these matters by states hostile to the United States. And America, like the rest of the world, will continue to have a legitimate interest in the status of human rights in southern Africa as well as elsewhere. None of these things will it be able to control in a state which is really independent—that is the meaning of independence. But one would expect that current American policies toward the nationalist struggles in southern Africa would be determined with these long-term interests in mind. And it does not seem to Africa that these factors have determined American policies in the past. At least they have not done so on any intelligent assessment of the paramountcy of nationalism in shaping the future.

III

One thing is quite certain. The status of human rights could not be worse in the independent states of southern Africa than it is now. The very idea of there being "human rights" presupposes the basic acceptance of human equality. Yet colonialism is in principle a denial of equality. It means that the interests of the colonized are subordinate to the interests of the colonizers, or at the very least are interpreted and judged by the colonizers. Support for human rights therefore involves opposition to colonialism, regardless of how gentle, well-intentioned, or selfless the colonial government may be. Greater urgency in ending this status is imparted to the situation when, as in Namibia and Rhodesia, colonialism has none of these virtues. Two hundred years after Americans fought their own kith and kin to end colonialism it should not be necessary for Africa to try to convince America that Africans find colonialism intolerable.

Human rights are also inconsistent with the practice of racialism. They are denied by any law or practice which distinguishes the rights and duties of men and women according to their racial origin. And in South Africa there is hardly a law which does not make this distinction; the entire state machinery is directed at organizing and upholding the domination of one racial group over all others. This would be inconsistent with human rights if the majority racial group were using racial discrimination as a means of controlling a dissident minority. It is not made more consistent when 83 percent of the South African population is denied elementary political, economic, and social justice by legislation and economic power used by and in the interests of the whites.

Every aspect of the South African state organization is thus inconsistent with the American philosophy of human equality and freedom. But this is not simply an internal South African matter. Without the kind of practical support which the South African government and society have been receiving—and are still receiving—from their relations with America and its allies, the present apartheid structure could not be sustained for very long. And therefore minority rule in Rhodesia and Namibia could not continue.

Thus, for example, South Africa has a continuing and large deficit in its foreign trade, which is financed by a capital imports, both long and short term. American investment in South Africa has more than tripled since 1966 and now stands at more than $1,600 million. All these investors profit from apartheid and the discriminatory wage structure—and thus have an interest in sustaining it.

Further, until now America has continued to act in the United Nations and elsewhere as if South Africa were a bastion against Soviet infiltration into southern Africa, and against the spread of communism in Africa. This image is carefully fostered by the apartheid regime, which prides itself on its anti-communism, and had defined a communist as "anyone who supports any of the aims of communism"—including the declared aim of human equality!

Yet by identifying itself in practice with the apartheid regime and its satellites, America is liable to bring about the very things it most fears—the growth of communist influence, the radicalization of the opposition to apartheid and colonialism, and the damage to its own economic interests. For opposition to the regimes in southern Africa is inevitable. Men will not indefinitely accept humiliation, exploitation, and tyranny. Sooner or later, by one means or another, the dominant minority will lose its ability to control the country and run the economy in its own interests. It is natural that Africa should seek American help in ending its humiliation. Americans should not find it natural when their country aids the oppressor instead of the oppressed.

The organizational and material weakness of the nationalist forces in southern Africa which results from decades of ruthless oppression, does, however, have two consequences of international relevance. First, nationalists cannot be particular about the means through which they carry on the struggle; they have to take advantage of any opportunities which they can find. Secondly, they have to accept help from wherever they can get it. The stronger apartheid and minority rule become, and the more supporters those forces enlist, the greater becomes the nationalists' need for outside help.

When seeking external support for their struggles, it is natural that African nationalists should look first to the African countries which have already secured their own freedom. And it is equally natural that free African states should give that support. No independent African state can rest secure while colonialism continues in Africa, for colonialism is a denial of its own right to exist. Further, the human dignity of all Africans is denied when Africans anywhere are humiliated because of their race. On the principle of giving assistance to the freedom movements in southern Africa, therefore, the whole of free Africa is united. But in comparison with South Africa, free Africa is weak. All African states are poor, some are almost overwhelmed by the task of trying to make independence economically meaningful and beneficial to their people. Further, no African state has an armaments industry of its own, The Nationalist movements of southern Africa therefore need more help than Africa alone can give them.

Outside Africa, however, experience has shown that communist countries are almost the only ones which are both able and willing to assist the Nationalist movements of southern Africa. The major countries of the Western bloc urge patience and nonviolence as if these had not been tried for the past 30 years; simultaneously they continue to bolster South Africa's economic and military strength by trade, investment, and political cooperation. Some of the Nordic countries give humanitarian assistance to the freedom fighters. Only the communist countries are willing to make arms and other military help available when an armed struggle becomes the only way forward.

Why the communist states are willing to assist the Freedom Movements is for them to say. Africa knows why it needs that assistance, and what it will be used for if it can be obtained. Anything else is, at this stage, irrelevant to us. If the West decides to give us similar aid, I for one would not question its motives. Africa is concerned with existing oppression, not with hypothetical dangers in the future. Any new threats to freedom will be dealt with after it has been won—not before! In the war against Nazism the United States and the Soviet Union were allies.

But the peoples of southern Africa are not asking others to fight their liberation battles for them. They know that a people can only free themselves; they cannot import freedom. The peoples of these countries are asking only for appropriate support for the freedom struggle they are themselves conducting. Whether that support needs to be political, economic, or military—or all three—depends upon the type of struggle which has to be waged before victory is achieved. It is in this respect that the differences in the political and economic situations of Rhodesia, Namibia, and South Africa become relevant to current policies for other nations of the world.

Yet although the three countries do present different problems, and opportunities, it is pointless to try to treat each one in isolation. The objective is freedom for the whole of southern Africa. This means independence on the basis of majority rule in Rhodesia; independence on the basis of majority rule for Namibia as a single political unit; and an end to apartheid and minority rule in South Africa itself. So it is one struggle, with three geographical areas.

Therefore, South Africa cannot be regarded as an ally in the fight for majority rule in Rhodesia, any more than Rhodesia could be expected to support the anti-colonial movement in Namibia. Rhodesia and South Africa are natural allies to each other. The most which could be achieved is for South Africa to recognize the differences between its own position and that of the Smith regime, and therefore to buy time for itself by refraining from direct assistance to minority rule in the British colony.

V

In Rhodesia, or Zimbabwe—to use its African name—we now have to face the fact that this is 1977, not 1956. A liberation war has started. Government "reforms," or reductions in the intensity of racial discrimination, which would have given hope of change fifteen or even ten years ago and thus prevented war, are now irrelevant. Options which existed at the time of Rhodesia's unilateral declaration of independence (UDI) no longer exist.

This should not be strange to Americans who know their own history. Very few inhabitants of the American colonies were calling for independence when the dispute with the British government arose in the 1760s. According to John Adams, one-third of the colonists remained opposed to the rebellion even during the War of Independence. Yet concessions made by the British government in 1770 were already too late to avert conflict. And once the war had begun it could have only one end. So it is in Rhodesia now. Ian Smith's unilateral "package of reforms" announced in March of this year will now not even buy him time.

The only question which remains open is whether independence on the basis of majority rule will be achieved by a fight to the finish, or whether that same end can be achieved by a minimum of bloodshed leading to negotiations.

Therefore negotiation cannot now be about the principle of majority rule before independence. Nor can it be about the establishment of an "interim government" under white control. The nationalists are insisting that the 270,000 whites cannot be allowed to continue governing 5,800,000 Africans, whatever promises the former make about organizing an "orderly transfer of power," or anything else. For the argument now is about power, not about promises; the fighting which has started will not end until a transfer of power from the minority to the majority has actually taken place. A ceasefire without such a transfer of power was tried in December 1974; it led to a strengthening of the minority regime.

What was possible until the collapse of the Geneva Conference in December 1976 was a delay in independence. For in accordance

with the British tradition of decolonization, the nationalists had separated independence from internal self-government under majority rule. The latter they were demanding immediately, with some minority representation in an interim nationalist government. But they had agreed on a delay of 12 months before independence, in the hope that effective British sovereignty during that period would allow members of the minority community either to adapt to majority rule, or to leave the country. For in this connection it is relevant to remember that more than one-third of the 270,000 whites at present in Rhodesia have immigrated during the past 11 years—they can hardly be regarded as committed to the country.

These demands were rejected by Smith, as were the British government proposals. The British government then abandoned the Conference, showing that despite their legal responsibility for decolonization in Rhodesia, they regarded themselves merely as umpires between Smith and the nationalists, not as participants in a struggle against the Smith regime.

That opportunity for a negotiated settlement has therefore been lost. The attempt of the new British Foreign Secretary to organize talks on another basis has thus to overcome still more suspicion. And even if agreement between the British and the Nationalists is reached at new talks, the removal of Smith, and the dismantling of his power structure, still have to be achieved before any political agreement can be converted into the reality of majority rule.

The world in general, and Africa in particular, does, however, still have an interest in bringing the Rhodesian war to a rapid end. Ian Smith and his supporters have no such interest. On the contrary, their objective is the continuation of the war until South Africa, and possibly even the United States, come to their support.

Ian Smith recognizes that, on a long-headed assessment of South Africa's own interest, Prime Minister Vorster does not want to get directly involved in the Rhodesian conflict. But in any guerrilla war, civilian casualties are likely to occur; they are already happening in Zimbabwe. If the dead women and children begin to include large numbers of whites, then Smith knows, because Vorster has admitted it, that the Pretoria government will be under pressure from its own electorate to increase South African material support for the Smith regime. And as the casualties begin to include South African citizens who live in or visit Rhodesia, Smith believes that his armed forces will be strengthened by direct South African military intervention.

Direct South African military involvement would make a great change in the balance of forces in Rhodesia. It would not defeat nationalism. But it would greatly increase the difficulties of the Freedom Fighters. The nationalists would therefore be forced to seek increased external help; and it is only communist states which are likely to give whatever assistance is required. Even if an intelligent American government is then able to withstand the consequent pressure to intervene "against communism" and to maintain its opposition to Smith, the conflict would have been internationalized. Smith desires this. Africa does not. Whether the internationalization of a limited war of independence is in America's interests is for America to judge.

But America is not a helpless bystander to events in Rhodesia. It is a powerful nation, and influences developments there. It can frustrate Smith's attempts to escalate the war, and can even help to get the war ended.

First, it has to make it quite clear that the United States will give no support of any kind to the minority regime of Rhodesia, at any time, and regardless of the progress or possible escalation of the war.

Second, as evidence of this determination, it has to follow up the rescission of the Byrd Amendment by active steps against all sanctions-breaking (whether by American firms or others), and by greater efforts to prevent the Rhodesian recruitment of American citizens into the regime's army.

And third, the United States has to put pressure on the South African government to desist from further help to the Smith regime. It is not realistic to expect Vorster to act against Rhodesian minority rule; but he can be prevented from propping it up—at least more than he is already doing. The United States has sufficient leverage to do this without treating South Africa as if it is an ally in the struggle for justice in southern Africa.

No one is suggesting that there are quick, or painless, solutions to the problems in Rhodesia. In the 11 years which have passed since UDI, many opportunities have been lost, and new forces have arisen which now have to be taken into account. Thus, it is true that the Zimbabwe nationalists do not control all the forces which will influence Rhodesian events in the near and far future. But no settlement of this problem can now be reached without their participation in drawing it up, and their active support in its implementation. In 1977 it is in that context, and only in that context, that American or Britain—or Tanzania—can work for an end to war in Rhodesia.

VI

Namibia is politically different from Rhodesia in two major respects. First, if Prime Minister Vorster really accepted the principle of majority rule outside South Africa, as he has sometimes claimed, it is within his power to introduce it in Namibia. And if he really wants Namibia "off his back," as he once asserted, he has the power to make the necessary arrangements. Namibia is not a "client state" like Rhodesia; it is completely under the de facto control of the South African government and armed forces.

Secondly, Namibia is de jure a Trusteeship Territory. The United Nations has, by General Assembly and Security Council decision, withdrawn the authority of South Africa over Namibia. It has established the U.N. Council for Namibia, and appointed a full-time Commissioner, whose task is to arrange for an orderly transition to Namibian independence on the basis of political unity and majority rule, and periodically to report progress to the United Nations. Also the General Assembly has recognized the South West African People's Organization (SWAPO) as the sole representative nationalist movement of Namibia.

Apart from these two respects, however, the situations in Rhodesia and Namibia are becoming increasingly similar. A united nationalist party now exists, and cannot be ignored. An armed struggle has started in Namibia, although it is not as yet very intense.

South Africa is still trying to evade the necessity of negotiating the form of Namibian independence with SWAPO under the auspices of the United Nations. In response to a threat of action by the United Nations if its resolutions were not observed, South Africa organized the "Turnhalle Constitutional Conference" in 1975. Representation was by "ethnic group" (i.e., South African-designated racial and tribal groups), and political parties were barred. The outcome of "Turnhalle," not surprisingly, is a set of proposals which basically maintain the structure of "tribal homelands" and "White areas," and would leave intact the existing racialist domination by the 99,000 whites among the 850,000 population. The South African government is proposing to present the result to the United Nations as an act of "decolonization."

Proposals such as these will not solve the problem in South West Africa. Nationalism in Namibia cannot be overcome by establishing another independent apartheid state. The choice for the world, and for South Africa, remains unaffected by such maneuvers. The choice is: either a transfer of de facto power by South Africa to the United Nations, which can then negotiate an independence constitution with SWAPO; or negotiations between South Africa and SWAPO under U.N. auspices; or an intensified war, with all the dangers to world peace which that will bring.

Once again, America cannot control these events. But it could use its considerable influence to avert the dangers of a serious war of liberation in Namibia. In order to do this, America would first have to accept that SWAPO is the only Namibian nationalist organization, and that no settlement is possible without its agreement. Then it would apply some pressure on South Africa to negotiate with SWAPO under U.N. auspices. Alternatively it would give active American support to the struggle at the United Nations for a South African withdrawal from Namibia, and the introduction of an effective transitional U.N. administration.

What America must not do, if it aims to prevent a major war in Namibia, is to give any encouragement to the "Turnhalle" Conference, its participants, or South Africa's espousal of its proposals. For time is running out. If the Namibian war has to be intensified—as it will be if there is no progress—the time available for an orderly transition from minority to majority rule will again be exhausted before the work has begun.

VII

South Africa is an independent state. It is not a colony of anyone, and within the boundaries of the Republic there are no colonies to be granted independence. But its organized denial of human rights to all but 17 percent of its people, on the grounds of their race, make South Africa's "internal affairs" a matter of world concern. For nations have learned, and mankind has learned, that the hope for world peace and justice precludes indifference in the face of organized racialism.

The official reply to all demands that the world should put South Africa into quarantine has been that apartheid is best countered by diplomatic and other contact with more open societies. Unfortunately, however, the South African whites are correct in saying that their society is unique. Nowhere else has the privileged life-style of the dominant minority ever rested so completely and exclusively on racial oppression. Other experiences of gradual desegregation, in the southern states of the United States or elsewhere, will therefore do no more to persuade the whites of South Africa to change their policies than has the polite criticism of Western statesmen since the last world war.

Policies are also based upon the argument that, provided foreign investors pay a living wage to their employees, they will be increasing the pressures against apartheid because economic growth shows up the inefficiency of things like racial job reservation and migrant skilled labor. Quite apart from the fact that these are only a small aspect of apartheid, the evidence of the past 30 years—and longer—should by now have dispelled that illusion also. South Africa has been getting economically stronger and more developed at a rapid rate. Racial oppression has been increasing even faster. For the stronger the economy, the more can be spent upon suppressing the majority without any economic sacrifice being demanded of those who benefit by white supremacy. A strong South African economy strengthens the government, not the victims of its oppression.

The South African economy needs to be weakened, not strengthened, if apartheid is to be overthrown. South Africa therefore needs to be isolated economically, politically, and socially, by the rest of the world until

there has been a change in political direction. The sooner that change begins, the less violence and chaos there is likely to be.

No one can doubt the desire of the people of South Africa to end apartheid. Organized opposition by the non-whites has been smashed, but the Soweto and Cape Town "riots" are only the latest of a long series of spontaneous uprising. And they will not be the last outburst of frustration. For despite everything which the South African state can and will do, instability is inherent in a situation where the majority of the people are excluded from the benefits of a society which depends upon their work. Change can be delayed by an intensification of oppression and human suffering. But apartheid is doomed. The only question is whether the society subsides into chaos, or whether there is an orderly but speedy movement toward justice.

At present there may still just be time for the Republic to avoid ultimate economic and social collapse if the whites can be woken up to their own danger. They would have to begin by setting free, and then entering into a dialogue with, the real leaders of the non-white peoples who are now being held in jails, detention centers, and Restriction—people like Nelson Mandela, Robert Sobukwe and their colleagues. For it is only such people who would have a chance of organizing and channeling the irresistible opposition of the black peoples to their present humiliation.

So far there has been no evidence that the South African white government intends to guide the country in this direction—on the contrary. The whites remain self-confident in their strength and their racial arrogance; and they do this partly because the world continues to talk with them and support them in action. They have not been shocked into a reassessment of their position. They have not yet realized their need to talk with non-white South Africans about their common future. Instead they are able to talk with the rest of the world, and solve their economic problems by new foreign investment, new trade, and new immigration.

VIII

Each nation has to decide for itself what will be in its own interests, and these will determine its policies. But no one is asking that America should fight for the freedom of southern Africa. Africa is simply asking that America should stop supporting racialism and unfreedom in that area.

For the penalty, as well as the opportunity, of America's great power relative to that of any other nation, is that every American action, or failure to act, has an effect upon the timing and the nature of developments outside its own borders. This is not to say that America can impose its will on an unwilling world; only that it cannot avoid involvement in events elsewhere. When Tanzania trades or fails to trade, or indicates support or opposition for another government, the world goes on unchanged and unruffled. When America does any of these things it is affecting what will happen elsewhere. One may like this or not; it remains a statement of fact.

Thus, America cannot prevent men from struggling against colonialism and racialism in southern Africa. But American actions will either ease the inevitable triumph of the freedom struggle, or strengthen the resistance to it and thus force the anticolonial and anti-racist movements into a hard, ruthless, and hostile mold. There is no way in which powerful America can avoid doing one or the other of these things, as long as it needs to have commercial and state relations with the rest of the world.

Africa is therefore asking that America should recognize the conflict in southern Africa as the nationalist struggle which it is, and that it should refuse to be taken in by the communist bogey paraded by the racialists. It is asking that America should refrain from profit-making out of apartheid. South Africa needs the United States; but the United States does not need South Africa. Africa is asking that America should carry its declared support for human equality and dignity into policies which will weaken the forces of racialism and colonialism in southern Africa, so that the peoples of those areas can triumph more quickly and with less bloodshed.

With or without American support during the struggle, freedom in southern Africa will not mean the birth of ideal democracies, where all citizens enjoy human rights, civil liberty, and a consumer society to boot. Popular governments in Rhodesia, Namibia, and later in South Africa, will face immense problems of poverty, disruption and unrealizable expectations. They will also inherit a legacy of mutual hostility and bitterness. The racial prejudice which has been inculcated by years of deliberate indoctrination, and by bitter experience, will not disappear when majority rule begins.

But it is only after freedom has been won in the states of southern Africa that the positive struggle to build human equality and dignity can begin there. We in Africa hope that the new Administration of the United States will fulfill its early promise, and help the peoples of southern Africa to get to the position where they can make a beginning. At the very least, we hope that America will not continue to use its power and prestige to hinder the movement for freedom and humanity in the south of this continent.

THE PLIGHT OF AGRICULTURE

Mr. HUMPHREY. Mr. President, 2 days ago the Governors of five Upper Midwest States met in Bismarck, N. Dak., to discuss the deteriorating economic situation facing our farmers.

The current situation is desperate, particularly for our wheat producers.

Unless an economic miracle occurs, the farmers of America will lose a billion dollars this year. The consequences of this loss on the structure of the family farm will be profound.

The Members of this Chamber know of the importance of American agriculture to the U.S. economy. I need hardly remind my distinguished colleagues that agriculture is the basis of our economic strength, not only here at home but abroad as well. Our agricultural exports, even with depressed prices, will be $24 billion this year alone. This figure could increase significantly in the years ahead.

I applaud the concern of the Governors of North and South Dakota, Montana, Nebraska, and my home State of Minnesota for joining Wednesday to try to reach a common strategy for insuring the economic survival of our farm economy.

At this meeting, the Governors discussed a variety of farm policies, from basic credit programs to price support and loan levels. The emphasis of this discussion was clearly on the need for reasonable price support and loan levels.

The Governors rejected the price support and loan levels as passed by the House Committee on Agriculture. Instead, they urged adoption of the levels passed last month by the Senate.

It is important to point out that the Governors were not satisfied with the Senate's figures. They found the Senate's levels less than generous. One Governor termed them "minimally acceptable."

I endorse the meeting of these responsible State officials. I hope that the message they have will be shared with the Members of this body and the House of Representatives.

The House will be acting on its version of the farm bill later this month. It is important that the Members of the other Chamber realize the likely economic consequences of failing to enact reasonable levels of income support.

FOREIGN POLICY

Mr. BAKER. Mr. President, I would like to briefly comment on the accomplishments of the Senate Middle East delegation which concluded its work last week with the release of its final report on American foreign policy and nonproliferation in the Middle East.

It was a privilege to serve as cochairman of this distinguished delegation of 12 U.S. Senators with an individual as gracious and able as Senator ABRAHAM RIBICOFF of Connecticut. The notable achievements of the delegation are a tribute to his statesmanship and leadership. I am proud of the delegation's accomplishments and believe its efforts will enhance the prospects for peace in the Middle East and contribute to a cogent assessment of the nonproliferation posture of the United States.

In this latter regard, I was pleased that the delegation found a willingness on the part of Israel, Egypt, and Iran to accept proliferation safeguards as a precondition to nuclear reactor sales, and that the delegation believed it possible for the United States to assist those countries in meeting their energy development needs in a manner consistent with the prevention of the spread of nuclear weaponry. I would further note and concur with the delegation's conclusion that the U.S. active participation in international nuclear commerce enables our country to exert desirable leverage in achieving nonproliferation goals.

I believe the Senate delegation fulfilled its mandate well. I am sincerely grateful to each member of this delegation and supporting staff for serving the U.S. Senate with distinction in this important and constructive endeavor.

SECRETARIES VANCE AND BLUMENTHAL AT OECD

Mr. RIBICOFF. Mr. President, on June 23 and 24 I attended the Ministerial meeting of the Organization for Economic Development and Cooperation, OECD, in Paris as a member of the U.S. delegation. Secretary of State Vance and Secretary of the Treasury Blumenthal led the delegation in discussions of international economic issues. During the 2 days of this OECD meeting I worked closely with Mr. Vance and Mr. Blumenthal in both the official sessions and in the bilateral sessions reviewing U.S. foreign policy with each of the OECD members.

I have the highest respect for both the Secretary of State and the Secretary

of the Treasury and for their competent, professional performance at the OECD Ministerial meeting. Moreover, I was pleased that in contrast with the experience of recent years the State and Treasury Departments are cooperating with each other and working to harmonize our foreign economic policy.

Secretary Vance addressed the OECD Ministers on June 23. He sketched in broad terms the problems faced by industrial countries and focused his remarks on the importance of energy conservation to all industrial nations and on the need for continued cooperation between the developed and the developing nations.

Secretary Vance underscored the need to reconcile our energy concerns with national security and in particular the need to discover ways to develop nuclear energy while minimizing prospects for the spread of nuclear weapons. Regarding North/South relations, he suggested that the OECD study the possibility of reorienting foreign assistance toward basic human needs: nutrition, health care—including preventive medicine and family planning—and education, for the poorest peoples in the world. He also suggested that the organization undertake some work on improvements of the status of women in developing countries and on the possible responses to future ecological disasters, such as the Sahel drought.

Secretary Vance called on the OECD to sponsor a conference on youth unemployment since especially high unemployment rates among the young are common to most industrial countries and seem to call for special solutions. Finally, he also called on the OECD to undertake work on urban concerns in recognition of the problems that face all major cities today: congestion, pollution, waste disposal, law enforcement, and provision for social amenities.

Secretary Blumenthal addressed the meeting on June 24. His statement endorsed a strengthening of procedures for examining and monitoring the economic policies of OECD members, while recognizing that growth targets and stabilization policies must remain the ultimate responsibility of sovereign states. Four specific points stressed by Mr. Blumenthal were these:

First. Encouragement to countries in strong external positions to meet their economic growth targets, to accept reductions in their current account positions and to dismantle controls that tend to depress their exchange rates;

Second. Encouragement to countries in weaker positions to stabilize their economies and improve their international competitiveness;

Third. Endorsement of expansion of IMF resources to support countries' stabilization programs during the transitional period while adjustment and stabilization policies take effect; and

Fourth. Urging rejection of unilateral trade restraints, agreement on renewal of the OECD trade pledge, and effective action in the multinational trade negotiations.

Secretary Blumenthal's statement did not mention an agreement reached by a number of countries immediately before the Ministerial meeting to provide about $750 million in financial assistance to Portugal over the next 18 months. This package of aid will contribute to the restoration of the Portuguese economy and will be referred to the Congress in a request for American participation.

Mr. President, I ask unanimous consent that the speeches to the OECD Ministerial meeting by Secretary of State Vance and Secretary of the Treasury Blumenthal and the final OECD communique be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF U.S. SECRETARY OF STATE CYRUS VANCE AT THE MEETING OF THE OECD COUNCIL AT THE MINISTERIAL LEVEL, PARIS, JUNE 23, 1977

As we begin our important deliberations today, it is worth keeping in mind how far we have come over the past thirty years.

Many of our nations three decades ago faced basic questions:

Could democratic forms of government survive?

Could we overcome the ravages and divisions of war and build a system of cooperation to foster prosperity and peace?

Could the industrial nations hope for any kind of constructive relationship with emerging new countries?

Did those new nations have, in turn, any real chance for survival?

If we view our problems today against problems of *that* time, and the progress we have made in resolving them, we can conclude that the future holds promise for us.

Our hope of thirty years ago and the impulse that led to the founding of the O.E.E.C. and this Organization was our common dedication to an ideal of human progress.

I believe that it is that hope and dedication which hold us together still. I value this meeting as an occasion to confirm the commitment of the Carter Administration to the O.E.C.D. We consider this Organization unique and its role essential. It is the major forum for economic management and coordination among the industrial democracies.

That, we recognize, is a major undertaking. The challenge before us is great: Not just to nourish our own well-being, but to make the world economy work better—with growth, equity, and justice for all.

We are entering a new Political and Economic Era in the world. In that era, North-South confrontation and Northern rivalries must be replaced by new policies based on cooperation and common action. This will mean: improved economic cooperation among the industrialized nations; a new relationship with the developing nations; and increased discourse with the state-trading nations.

POLITICAL IMPERATIVE FOR O.E.C.D. NATIONS

A new relationship with the South and new discourse with the East depend, first, on the state of our own nations. We bear the main responsibility for assuring the kind of economic recovery that translates into a better life for individuals everywhere.

Economic decisions are only part of that enterprise. A fundamental dimension is political. Can we bring our shared values, traditions, and aspirations to bear on our economic problems? I believe that we can and will.

We have taken steps to confirm that resolve. Democracy has been tested—and found working. All our members today enjoy representative government. Portugal, Spain, and Greece have our support, as they strive to strengthen their democratic institutions.

Our commitment to economic cooperation has been tried—and found unshaken. The Downing Street Summit and other recent meetings of heads of government reflect significant collective endeavor. We look forward to maintaining the momentum attained at those meetings.

Let me sketch a few items, some of which Secretary Blumenthal will discuss further tomorrow.

We must assure sustained economic recovery. We should establish national targets for economic growth and objectives for stabilization, together with our O.E.C.D. commitment to more rapid growth this next year.

We must overcome both unemployment and inflation which sap our economic strength and imperil support for our political institutions. Since unemployment hits the young especially hard, the United States favors the convening of an O.E.C.D.-sponsored "Conference on Jobs for Youth".

We must reject protectionism and expand trade. We believe this Ministerial should renew the O.E.C.D. Trade Pledge and determine how best to resolve trade problems affecting our domestic industries before they become crisis. We will press for substantial progress this year in the Multilateral Trade Negotiations, and advance work to prohibit improper conduct and illicit payments in international commerce.

We must address key questions of finance. Both surplus and deficit countries must take domestic steps to bring about external adjustments. We are now engaged in efforts to increase the resources available to finance balance of payments through the International Monetary Fund. If, contrary to our expectations, these efforts are not successful, then we should jointly examine present and projected financial facilities in the I.M.F. and consider what should be done about the O.E.C.D. financial support fund. Under these circumstances we would be prepared to consider all available alternatives including the O.E.C.D. fund.

Energy, finally, is a particular challenge to the political purpose and cohesion of the industrial nations. Over-dependence on imported oil underscores our political and economic vulnerability. The outlook is not good—unless we intensify efforts within and among our nations.

President Carter is firm in his determination to implement our National Energy Plan. He knows that we must reduce vulnerability to embargo and price increases, and that we must begin to adjust now to the post-petroleum age.

We must also match our domestic programs with stronger international efforts—both to conserve energy and to increase and diversify sources of supply. We must exchange vital technology and enter into joint research and development. The October Ministerial of the International Energy Agency should confirm our commitment to targets for reduced dependence on imported oil.

Nuclear energy is a field of special interest. The United States remains committed to the use of nuclear energy and to the system of international safeguards that maintains the critical distance between civilian and military uses of nuclear energy. However, if we are to meet both the security and energy needs of our peoples, we must find ways to maintain an effective safeguards system as we approach the plutonium generation of nuclear technology.

For that reason, we have opposed the premature entry into a plutonium economy until we have found ways to reconcile our energy and security concerns. It is in this spirit that we have suggested a study of these questions in the International Nuclear Fuel Cycle Evaluation Program.

The combined challenge of these issues before the O.E.C.D.—the need for sustained economic recovery . . . unemployment and inflation . . . trade . . . finance and energy—has a global scope. It also affects directly the

great cities of our countries. Although urban decay and social malaise preceded these problems, many have grown worse because of them.

The city of the seventies too often has an inhumane face.

We need to understand better the impact from the interaction of domestic and international economic trends on the place where most of our citizens live. The United States therefore proposes the establishment of an ad hoc Working Group on Urban Concerns to prepare a draft action program for our consideration next year.

EAST-WEST ECONOMIC RELATIONS

No pursuit of global economic welfare can be complete without reference to the nations of the East. The O.E.C.D. has done a good job in undertaking factual and analytic studies of East-West economic relations. I want particularly to congratulate the Secretary General for his leadership on the East-West project.

We must engage the Comecon nations in our shared economic challenges and responsibilities. They, like us, can and should help address issues in the North-South dialogue. We both have a moral and a practical interest in increasing the flow of resources and technical assistance to the developing world.

We should urge the Comecon countries to join us in seeking genuine, apolitical solutions to problems of global economic development. To be more specific:

They can improve the quality and increase the amount of their development assistance, through both bilateral and multilateral programs.

They can contribute to world food security by participating in arrangements sought under the auspices of the International Wheat Council.

They can help establish equitable multilateral arrangements for commodities.

RELATIONS WITH DEVELOPING NATIONS

It is not enough to worry about our own welfare or seek more cooperation from the East. That limited perspective overlooks more than half of the world's population and a far greater percentage of countries. Solutions to our problems rest on the realization that our problems are linked to those of the Third World—and that the aspirations of our citizens are similar to theirs.

Let me be clear on two points: First, the goals and values of our societies—economic, political, and humanitarian—cannot be achieved fully, in isolation from trends in developing nations.

Second, we must understand that in relations between developing and developed nations, what one side gains is not necessarily the other side's loss.

Relations between developed and developing nations need not spawn conflict. We have concluded an era when the central question was whether to cooperate. We have begun a period in which we must develop the means and institutions for cooperation.

That is the corner we have turned at CIEC. The OECD must now take part in this new start. Together we must maintain continuing cooperation among ourselves and with our counterparts in the developing world.

We therefore urge the Secretary General of this organization to bring about more effective coordination of OECD efforts in North-South issues, to propose options for discussion in the United Nations Third Development Decade and to formulate longer-term strategy and initiatives of mutual benefit to the North and South.

We also recommend that this conference endorse the proposed Declaration on Relations with Developing Nations. This Declaration expresses our shared political commitment to the search for more beneficial methods of cooperation. It, too, could signal a new beginning.

An important part of that Declaration stresses increased attention to the basic human needs of all the peoples of the world. The old agenda for economic development and many of the old issues for negotiation are no longer enough. We need more focus on that part of the world population that lacks essential food, water, shelter, and health care, as well as employment and education. We must direct our efforts to meet more effectively the needs of the poorest peoples in the developing world.

The case for more concerted action is clear. Almost one billion people live in absolute poverty. The problem is growing. Increases in GNP for many developing countries have not meant increased benefits for the poor. For many, in fact, life is worse. Development has too often not "trickled down."

Knowledge about the development process and the ability to overcome poverty are now within our grasp. What we miss is the joint recognition by developed and developing nations that the North-South Dialogue is about human beings and that "equality of opportunity" for a fuller life makes sense for people, not just states.

Let me suggest how we might begin.

First, we must marshal a sense of our means and priorities. For that purpose, I propose that the OECD establish a Special Working Group mandated to design a "Program for Basic Human Needs." That Program should profit from the work in the Development Assistance Committee and should be presented for discussion at the Executive Committee in Special Session by the end of this year. The program should include:

Projections of domestic and international resources required to implement a successful approach to basic human needs;

Proposals for sharing costs among developed and developing nations;

Agreement on measures needed to use those resources most effectively.

Second, we must engage the interest and expertise of the developing nations themselves. We need to share perspectives on a shared problem. No strategy for development can succeed without requisite political will within Third World nations. For that purpose, we should encourage consultations and efforts to identify the kinds of policy changes required to address basic human needs and suggest means for judging progress.

Third, we must move swiftly to expand on specific proposals for an agenda on basic human needs. It should include the following fundamental elements:

Rural Development and Food Production: We must give greater priority to the development of the Third World's rural areas where the great majority of the poorest people live. We must begin with an integrated strategy which emphasizes increased food production and better nutrition in these areas.

Health: At the same time we must emphasize preventive medicine, family planning, prenatal care and other forms of medical assistance which, with minimal cost, could mean the most for the poorest. Again, the relation to an overall strategy for rural development is key: increases in productive employment and crop yields can help make better nutrition possible and bring better health for more people.

Education: Education deserves a similar priority. We should stress primary and secondary education and promote "on-the-job" technical training. The goal is to enhance the capacity for productive employment and provide a way out of absolute poverty.

Two areas related to any human-needs strategy are of import in their own right:

Women: Although poverty strikes all, in many countries, women suffer more than do men from poor health, little or no schooling, and meager diet. Their traditional roles often keep women out of the paid work force and lock them into low status. There is a direct relationship between higher education and employment opportunities for women and smaller families. High birth rates both reflect the specific situation of many women and reinforce the general cycle of poverty. Release from rural poverty may well begin with the real economic and social emancipation of women.

Ecological Disaster: Finally, a substantial part of absolute poverty stems from the toll taken over time by ecological disaster, as in the Sahel. The poor bear a disproportionate burden when overpopulation, economic underdevelopment, and ecological overstress interact. Developing nations, with two-thirds of the world's population, suffer 90 percent of disaster-related deaths.

The OECD has a unique opportunity to support emerging efforts in the United Nations and to work with developing nations on means to provide longer-term alleviation of ecological disaster. Efforts at early warning and access to food reserves are among measures which address the core of basic human needs.

Obviously, attention to basic human needs is only part of a broader strategy for development. It should not supplant other important efforts at economic advancement which this Organization has supported and which have contributed to economic development in the Third World. To supplant other ongoing efforts is not our purpose. We wish to add a vital dimension. If we do not do so, we run the risk of losing the support of our legislative bodies and peoples.

It is in meeting the challenge of fulfilling basic human needs that both developed and developing nations can more firmly establish their joint commitment to individual human dignity. We thus look forward to making this concern more central to the new relationship and to moving toward more specific programs for implementation by the time we meet next year.

At the beginning, I pointed to the progress we have made together. It has been a long, hard but rewarding road we have traveled.

But, we have left one destination without reaching another. We are in transit to a new era of cooperation and common action.

In practical terms our journey will involve going beyond new directions for industrial democracies, new discourse with state-trading nations, and new relationships with developing countries. It will take us to a firmer focus on people. It is the individual and collective hopes of people, their rights, and their needs that deserve the fullest measure of our dedication.

REMARKS BY THE HONORABLE MICHAEL BLUMENTHAL, SECRETARY OF THE TREASURY OF THE UNITED STATES, AT THE MINISTERIAL MEETING OF OECD, PARIS, FRANCE

PROSPECTS AND POLICIES FOR SUSTAINING EXPANSION IN THE OECD AREA

Last month the Heads of Government of seven of the countries here agreed on several basic objectives:

To create more jobs while continuing to reduce inflation;

To achieve stated growth targets or to pursue appropriate stabilization policies;

To support IMF efforts to obtain additional resources and to link IMF lending to the adoption of appropriate stabilization policies;

To pursue both national and joint efforts to limit energy demand and to increase and diversify energy supply;

To reject protectionism and give a new impetus to the Tokyo Round of multilateral trade negotiations; and

To provide the developing countries with greater opportunities to share in the growth of the world economy.

This meeting provides an opportunity for other nations to join in those commitments. I urge each one to do so.

It provides an opportunity to establish procedures which will improve our under-

standing of the implications of each nation's policies and enable us to monitor our progress. I propose that we do so.

And it is an occasion of a considering together of our prospects for sustained economic growth in the OECD area.

In virtually every country represented here unemployment is at a totally unacceptable level. In most of our countries inflation is too high. Many of our nations are experiencing external payments deficits which cannot be long sustained.

We face interrelated problems in an interdependent world. We cannot solve one problem at the expense of the others. Nor can any nation expect to be an island of prosperity in a sea of economic troubles. Our problems must be solved together and cooperatively. The survival of our political institutions and our open trade and financial system depends on our success.

We can meet this challenge; we can succeed in achieving sustained non-inflationary growth.

If every member country in a position to do so pursues the domestic macro economic policies which will induce the maximum rate of domestic growth consistent with avoiding a resurgence of inflation;

If every country which does not yet have inflationary pressures under control pursues forceful and effective stabilization policies;

If we go beyond traditional demand management measures to attack the underlying structural causes of unemployment and inflation;

If both surplus and deficit countries allow exchange rates to play their appropriate role in the adjustment process.

Because some countries have made more progress than others in controlling inflation and some are under external financial strains while others are not, the policies required will differ from country to country.

In the financially strong countries this situation calls for economic expansion at the maximum rate consistent with control and reduction of inflationary pressures. In the United States, we are already well on our way toward achievement this year of roughly 6% growth, year end to year end. First quarter economic activity grew at an annual rate of 6.9%. We expect a similar performance in the current quarter, followed by a 5 to 5½% growth rate in the second half of the year. Unemployment has been pushed below 7% for the first time in almost three years while employment has risen by over 2 million in six months.

At the same time, despite temporary setbacks because of bad weather, the United States' underlying inflation rate has remained stable, although still too high.

We are naturally concerned by the Secretariat's forecasts which suggest that current policies may not enable either Germany or Japan to reach its stated growth target and that too much of the growth of output, in Japan particularly, is going into exports. But we have faith in the assurances of Chancellor Schmidt and Prime Minister Fukuda that they will take further measures, as needed, to achieve their growth goals and to reduce their current account surpluses.

Reduction of the current account surpluses is essential because some of the weaker countries are approaching prudent limits to the accumulation of debt—whether to private lenders or official institutions. In these circumstances the availability of ample lendable funds from persistent surplus countries is not a complete answer.

Stronger domestic growth and exchange rate appreciations in the stronger countries will tend to eliminate their surpluses. But supplementary steps are also in order. This is the time for surplus countries to eliminate practices which favor exports over output for domestic consumption or impede imports or interfere with exchange markets. It is a time for strong countries to dismantle monetary and capital controls that might depress exchange rates and for seeing that foreign exchange acquired outside the market, such as interest accruals on existing reserves, is resold on the market.

Among the responsibilities of the stronger countries, I count the obligation of the United States to reduce its excessive imports of oil. The flow of oil from Alaska will provide an immediate reduction of our import demand. But for the longer run, we must achieve a strong energy program based on conservation and the substitution of domestic for imported fuels. President Carter has made that goal his top priority despite the difficulty of achieving the economic and social changes it entails.

Countries in weak external financial positions have an equal responsibility to put their own houses in order, to stabilize their economies and improve their international competitiveness. They have a right to the cooperation of the stronger countries, but they cannot expect others to solve their problems for them. They should not overborrow. They should permit sufficient depreciation of their currencies to improve their competitive positions. And they should back up their declining exchange rates with domestic policies that retain their competitive gain. The benefits of depreciation may not come quickly but if exchange rates are not allowed to respond to differences in inflation rates, payments imbalance can only grow worse. It is hard to see how any country can improve its international position unless its policies allow its producers export profit margins that are essential to an adequate export performance as well as to improved import competitiveness. Manufacturers must have the proper incentives to invest in facilities for both the export and home markets.

Obviously the domestic economic policies needed to restore domestic price stability and external creditworthiness are not easy for governments. They involve national belttightening. Yet delay will only lead to the necessity for more severe and more painful action. At the first sign of difficulty in attracting capital on normal terms, stabilization programs should be developed, with the cooperation of the IMF if necessary. Such cooperation will not only bring official financing but will also help to sustain financing from private sources.

Many countries have, of course, been following this growth or stabilization strategy for some time. We are now beginning to see results. The world payments pattern is shifting significantly in the right direction.

Economic expansion is beginning to exert its impact, notably in the United States. We expect a current account deficit of $10 to $12 billion this year compared to a deficit of $600 million in 1976 and a surplus of $11½ billion in 1975. As the strength of the dollar indicates, the United States can sustain this deficit for a time because we attract the capital required to finance it.

General economic recovery is clearly improving the earnings of many developing countries. Exports of the non-oil developing countries were one-third higher in the fourth quarter of 1976 than a year earlier. And while some individual developing countries face difficulties, there is no general "LDC debt problem." In fact, reserves of non-oil developing countries rose by $11 billion last year.

Stabilization programs are beginning to show results. The United Kingdom's balance of payments appears to be edging into surplus while Italy, Mexico and Brazil have sharply reduced their deficits.

But despite these signs of progress, we have a considerable distance to go toward appropriate payments balance.

We need significant shifts—into deficit—in the current account positions of such surplus countries as Japan, Germany, Switzerland and the Netherlands.

We need to see stabilization policies adopted in a number of smaller countries represented at this table.

And in the countries which have already adopted stabilization measures we need perseverance until inflation is brought down and the fears of its resurgence allayed.

I recognize that such changes cannot occur overnight. They require time and careful, gradual policies. Countries in a weak external position will need adequate official financing, conditioned on the adoption of suitable stabilization policies. I am confident that the current efforts to expand the IMF's resources will ensure the adequacy of official financing to meet this need for the near term, apart from the unique case of Portugal. For the longer term, I trust that all OECD members will also be prepared to support an adequate increase in the quotas of the IMF.

But while adjustments and structural changes in our economies take time, the longer the initiation of this process is delayed, the greater the danger of domestic turmoil or of trade restrictions and debt defaults. We have been preoccupied with concerns about the sustainability of the financial system. But the penalty for failure to solve our financial problems may not be financial collapse. Instead, the result may be trade restrictions and a slide back into the inefficiencies of economic nationalism.

Unilateral trade restraints must be rejected as an unacceptable response to payments deficits or to problems of domestic economic adjustment. Such measures clearly risk fostering further unemployment and increasing inflation, both at home and abroad.

While we cannot ignore the reality of trade-related difficulties in certain sectors which cannot be fully resolved overnight, our objective should remain meaningful adjustment to structural change within our own economies without shifting those problems to our trading partners. Our record has not been perfect on this score, but overall—the OECD members have resisted the pressures of protectionism.

Renewal of the trade pledge of 1974 provides us the opportunity jointly to reaffirm our determination to avoid trade restrictions or other restrictive current account measures and the artificial stimulation of exports. The U.S. strongly supports its renewal and urges your support as well.

We must also seek to liberalize trade by granting new impetus to the Multilateral Trade Negotiations in Geneva by seeking substantial progress in key areas this year.

This means that we must agree on what the critical issues are, on what rules we will adopt to deal with them, and within what time period each of these steps is to be taken.

We urgently need agreement on:

A formula for tariff reduction and rules for negotiating the lowering of non-tariff barriers;

A practical and effective means of breaking the deadlock on agricultural trade;

Steps to help the developing countries benefit from expanding world trade, and

A new international code on subsidies and countervailing duties.

We need better mutual understanding of what constitutes fair and unfair trade and host governments may justly respond to unfair trade practices to counter a major irritant in our trading relations.

We need, in short, not rhetoric, but real progress in addressing the difficult problem of trade liberalization.

I would like to stress the importance of further progress toward an arrangement which broadens and strengthens the present international consensus on export credits.

Achieving the domestic and international adjustments I have outlined will require skilled and responsible economic manage-

ment and a willingness to plan ahead. As the Secretariat points out, our countries must give more attention to the medium term In the United States, President Carter has set a goal of reducing both the rate of inflation and the rate of unemployment and balancing the Federal budget in a high employment economy by 1981. We are viewing economic and budgetary decisions and developing economic goals in that context.

Growth targets and stabilization policies must, of course, remain the ultimate responsibility of sovereign nations. Each country will be assisted in arriving at its growth goals and stabilization policies, however, if it has a clear understanding of the plans of other nations and of the global implications of its own objectives.

I believe it would be useful, therefore, to strengthen the procedure for multilateral examination and subsequent monitoring of the economic policies of member countries. We need to be realistic, however. The members as a whole—although not all member countries—probably should be aiming at a somewhat faster rate of expansion in 1977. Nevertheless, we are not in a position at this meeting to set a quantitative target for the growth rate for the area as a whole in 1978. Any such target must be the outgrowth of national decisions not yet made.

I support the suggestion that each country be asked to submit preliminary objectives for the growth of domestic demand and for stabilization policies for 1978 to the Organization early in the fall. We should also expect countries to indicate the desired direction of change in prices and current account positions, although specific targets for these indicators would be impractical. These submissions would form the basis for study and comment by the Economic Policy Committee. Because this proposal blends directly into the ongoing work of the Organization, I would not expect it to require the impetus of a special meeting of the Ministerial Council.

Finally, let me say that we must conduct our economic policies with the recognition that some of our tools of economic management no longer work as they once did. In the United States and other countries, the trade-off between economic activity and inflation has changed. We see that neither high unemployment nor low utilization of capacity leads automatically to a rapid drop in inflation. Factors other than excess demand are increasingly important determinants of inflation.

So we must seek new programs and policies to supplement demand management in our efforts to reduce unemployment and inflation. Many of the measures we must adopt should focus on specific structural problems in our economies—the need to change employment patterns and develop new labor skills, the need for new measures to provide employment for our youth, the need to foster competition and to remove regulations that are outdated or fail to meet a cost-benefit test.

I support the proposal for a high level conference to exchange experience and develop policy directions on measures for alleviating youth unemployment. This problem is universal among our countries. Because many of us are embarked on specific programs to combat it, we can benefit from sharing our ideas and our experiences. I also welcome the useful and timely discussion in the Report of the McCracken Group on techniques for combating inflation. As part of President Carter's comprehensive anti-inflation program, the United States is already reviewing government regulations with the intent of reducing unnecessary costs imposed on the private sector and enlarging the scope for the free market. At the same time, we are working with labor and management to develop voluntary, cooperative measures to avoid wage-price spirals.

When all is said and done, the success of our economic policy depends fundamentally on our ability to engender confidence that we will achieve sustained growth with lower unemployment and price stability and that we will maintain a strong and open monetary and trading system. In a cost-benefit calculus, the dangers of pushing ahead too far and too fast have increased because our economies seem less responsive to attempts to correct over-stimulation. We should recognize this reality, as the United States did in withdrawing the proposed tax rebate. Our policy should be cautious yet committed, providing a firm basis for rebuilding the confidence that we need to call forth increased investment in productive capacity. After their experiences of the recent past, businessmen in all countries are wary—and understandably so. But investment is vitally needed to create jobs, avoid supply problems and speed up productivity growth.

Our words alone will not win this confidence. But if we take actions which demonstrate the determination and ability to adhere to the approach being proposed here today, we will gain the confidence that will undam the vital flow of investment. Unemployment will be brought down; inflation will be reduced; and a sustainable pattern of external payments will evolve.

Thank you, Mr. Chairman.

THE UNDER SECRETARY OF THE TREASURY FOR MONETARY AFFAIRS,
Washington, D.C., June 28, 1977.

MEMORANDUM FOR THE HONORABLE ABRAHAM A. RIBICOFF

Pursuant to our conversation last week, I enclose the text of Secretary Blumenthal's statement at the OECD Ministerial Meeting on June 24. The statement—as was the OECD Ministerial meeting itself—is designed basically to give impetus to the agreements reached at the London Economic Summit on a comprehensive strategy for dealing with current world economic and financial problems.

Encourages countries in strong external positions to meet their economic growth targets, to accept reductions in their current account positions and to dismantle controls that tend to depress their exchange rates;

Encourages countries in weaker positions to stabilize their economies and improve their international competitiveness;

Endorses expansion of IMF resources to support countries' stabilization programs during the transitional period while adjustment and stabilization policies take effect; and

Urges rejection of unilateral trade restraints, agreement on renewal of the OECD trade pledge, and meaningful action in the Multilateral Trade Negotiations.

In order to give greater impetus to the effort to restore sound, non-inflationary growth, the Secretary's statement endorses a strengthening of procedures for examining and monitoring countries' policies in the OECD—while recognizing that growth targets and stabilization policies must remain the ultimate responsibility of sovereign nations. Finally, the statement notes changes in circumstances that necessitate new programs and policies—focusing on structural economic problems—to support demand management in the effort to reduce unemployment and inflation.

Although not mentioned in the Secretary's statement, I would call your attention to the agreement reached by a number of countries immediately before the Ministerial Meeting on the provision of some $750 million in financial assistance to Portugal over the next eighteen months or so. This package coincides with our estimate of the financing needs and will contribute greatly to restoration of the Portuguese economy. We were extremely pleased that agreement was possible at this time, and I hope that the Congress will act speedily to enable the U.S. to participate.

ANTHONY M. SOLOMON.

[O.E.C.D. press release]

COMMUNIQUE

1. The Council of the Organisation for Economic Co-operation and Development met at Ministerial level on 23rd June, under the Chairmanship of the Honourable Andrew Peacock, M.P., Australian Minister for Foreign Affairs, and on 24th June with the Right Honourable Phillip Lynch, M.P. Australian Treasurer, in the Chair.

DEVELOPMENT COOPERATION

2. Ministers reviewed the results of the Conference on International Economic Co-operation and discussed longer-term aspects of international development co-operation. Ministers then adopted the Declaration on Relations with Developing Countries annexed to this Communiqué. They reaffirmed the importance of close collaboration and strengthened co-ordination with the OECD to assist Member Governments to prepare for specific discussions with the developing countries in the various international fora in working toward the objectives set forth in the Declaration.

ENERGY

3. Ministers recognized that an imbalance between world energy supply and demand, which could occur as early as the 1980s, would have severe economic, social and political repercussions in OECD countries and throughout the world. They expressed their determination to avoid that situation by stronger action to conserve energy and develop alternative sources of energy and by including sound energy policies in their overall economic policy.

COMMODITIES

4. Ministers noted the importance of continuing discussions on commodities and endorsed the agreement reached in the CIEC to establish a Common Fund with the specific purposes, objectives and other constituent elements to be further negotiated in UNC TAD, and the willingness declared at the Conference to make all efforts for the success of the negotiations being undertaken in UNCTAD on commodities. They invited the Organisation to continue its work in the field of commodities in order to assist Member countries in these efforts, and to examine other related commodity issues.

TRADE

5. Ministers agreed that while in several respects the economic situation was different from that which prevailed at the time of the adoption of the Trade Declaration in 1974, it was still characterized by exceptional difficulties and divergencies in Member countries' situations. They noted with concern that persistent high levels of unemployment and difficulties in certain sectors have increased protectionist pressures. Ministers emphasized that recourse to protectionist policies would foster unemployment, increase inflation and reduce economic welfare. They agreed that the present economic situation together with the increasing interdependence of OECD economies reinforced the need for a renewed political commitment to avoid restrictive unilateral trade and current account measures and the artificial stimulation of exports; measures of this kind tended to carry the risk of proliferation with self-defeating implications. They also agreed that such a commitment and related disciplines in the field of general economic policy were an essential element of the strategy for sustained non-inflationary economic growth in the OECD area. Indeed such growth should itself facilitate the avoidance of restrictions.

6. Member Governments * therefore de-

* Spain has reserved temporarily its position.

cided to renew, for a further year, their Trade Declaration of 30th May, 1974. They agreed that full use should be made of the existing possibilities for consultation in order to find and implement multilaterally-acceptable solutions to trade problems, whether industrial or agricultural, in a manner which would take into account the interests of all concerned. In the case of sectoral problems, every effort should be made to identify such problems before they assume critical proportions and to proceed to consultations in their regard, taking into consideration, inter alia, structural changes in the world economy.

7. Ministers welcomed the progress achieved in multilateral co-operation concerning export credits and underlined the need for further efforts to improve and extend the consensus on guidelines for the extension of officially-supported export credits.

8. Ministers reaffirmed that it was essential to maintain an open and multilateral trading system as a basic element in the overall approach to the economic problems with which their countries were confronted and stressed the importance of giving impetus to the Multilateral Trade Negotiations with the objective of making substantive progress in key areas in 1977, and achieving agreement over the range of issues as rapidly as possible.

9. Ministers welcomed the work being done in the United Nations Economic and Social Council on corrupt practices in international commercial transactions, and expressed the hope that it would take the measures necessary with a view to reaching agreement as early as possible on appropriate means, including the negotiation of an international agreement, of combating illicit payments.

INTERNATIONAL INVESTMENT AND MULTINATIONAL ENTERPRISES

10. Recalling the Declaration and the Decisions of OECD Member Governments of 21st June, 1976, on International Investment and Multinational Enterprises, Ministers also welcomed the work of the United Nations Commission on Transnational Corporations on a code of conduct.

PROGRESS UNDER THE STRATEGY FOR SUSTAINED ECONOMIC EXPANSION

11. Ministers reaffirmed the strategy for a sustained expansion, aiming at a progressive return to full employment and price stability, which they adopted in June 1976. The basic premise on which this strategy rests is that the steady economic growth needed to restore full employment and satisfy rising economic and social aspirations will not prove sustainable unless Member countries make further progress towards eradicating inflation. Ministers examined the progress made in implementing the strategy and reviewed the prospects for the coming year. While recognizing that serious problems persisted, they welcomed the fact that some Member Governments had committed themselves to economic growth targets during 1977 and some others to stabilization policies which were intended to provide a basis for sustained noninflationary growth world-wide.

12. Ministers agreed that the achievement of the objectives of the strategy would be promoted by a somewhat faster rate of expansion in the OECD area as a whole in 1978 than seems likely to be achieved in 1977, although this does not apply to some countries. An overall growth rate of OECD GNP of around 5 percent in 1978 would at this point seem desirable and consistent with the strategy. They agreed that, where necessary and appropriate, action should be taken to achieve this. This somewhat faster rate of expansion should:

Enable real progress to be made in reducing unemployment next year;

Help to stimulate the productive investment needed to provide jobs for the unemployed; and

Be compatible with a further reduction in the rate of inflation.

13. Further progress against inflation will not come about of its own accord. Determined action will be required to slow down the price/wage spiral. Some countries will need to pursue—and some to reinforce— vigorous stabilization policies. To promote better payments equilibrium, Member countries in a weak external position will hold the growth of domestic demand to a rate compatible with reducing inflation, and also follow policies to improve their competitive position, so as to attain a sustainable current-account position. Member countries in a strong external position will provide for a sustained expansion of domestic demand compatible with further reduction of inflation; they are ready to see a weakening in their current-account position and an appreciation of their currencies in response to underlying market forces.

14. Specific objectives and policies for expansion and stabilization will vary as between Member countries. But, taken together, they must provide the basis for sustained non-inflationary growth in the OCED area and the world economy as a whole. Ministers agreed on the need to strengthen procedures for monitoring progress under the strategy. To this end, they decided that Member countries would communicate their preliminary objectives for the growth of output and domestic demand and their stabilization policies for 1973 to the Organization so that their mutual consistency and global implications can be examined, and can then provide the basis for monitoring progress during the course of next year.

15. Ministers recognised that a sustained increase in demand, while necessary, will not on its own solve the problems of unemployment and lagging investment, which are due in part to structural causes and the legacy of events of recent years.

Lagging investment now can lead to unemployment later. In countries where real wages have run ahead of productivity increases in recent years there is a need to increase the return on investment. In some countries there may be need for a greater consensus between government, labour and management on the reduced scope for increases in public and private consumption.

In prevailing circumstances further efforts where appropriate should be made to supplement overall demand management policies by specific measures designed to increase employment, including policies which help adapt the labour force to the requirements of rapid structural and technological change.

In the efforts to reduce unemployment, particular attention should be paid to the unemployment of young workers. Special measures have been taken in many countries and more may be needed. Ministers instructed the Organization to strengthen its exchange of experience and to organise urgently a high-level conference for this purpose.

16. Ministers reviewed the international payments situation. They welcomed the progress being made toward a more appropriate payments position by some of the larger Member countries. While some of the smaller Member countries are also making progress in the right direction, many of them are still running unsustainably large current account deficits. Ministers underlined the need for continued efforts to arrive at a more sustainable pattern of current-account positions in the OECD area. They agreed on the need to ensure that adequate official financing facilities are available to back up appropriate stabilization programmes. In this connection they heard a statement by the Managing Director of the International Monetary Fund on the progress made in negotiating additional resources to finance balance of payments through the IMF. Many Ministers stressed the importance they attached to implementation of the OECD Financial Support Fund in addition to the IMF facility.

17. Ministers noted that present conjunctural difficulties are exacerbating longer-run structural and development problems, as well as the employment and balance-of-payments difficulties, of some Member countries. Ministers therefore agreed that the competent bodies of the Organisation dealing with the various aspects of these problems should, in a positive and co-ordinated way, take into consideration the means to overcome such difficulties.

18. Ministers noted with interest the recommendations contained in the report *Towards Full Employment and Price Stability* produced by a group of experts under the chairmanship of Professor McCracken and instructed the Organisation to examine both the analysis and recommendations in the Report. They agreed that, taking account of the important differences between countries, the Organisation and Member governments should study in particular the recommendation that, over the medium term, a policy of not accommodating high rates of inflation should be built around some or all of the following elements: publicly-announced norms for the growth of the monetary aggregates; a fiscal policy geared to guidelines for public expenditure and a budget norm designed to avoid giving an inflationary stimulus; and consultative arrangements designed to clarify the kind of price and wage behaviour consistent with achieving and maintaining full employment.

19. Ministers also noted with interest the reports by the OECD Trade Union Advisory Committee on a strategy for full employment and instructed the Organisation to study and evaluate the proposals contained in them, as well as in the paper by the OECD Business and Industry Advisory Committee on noninflationary growth.

[Annex]

DECLARATION ON RELATIONS WITH DEVELOPING COUNTRIES

(Adopted by Governments of OECD Member Countries on 23rd June, 1977)

1. Ministers of Member governments of the OECD meeting in Paris on 23rd June, 1977, discussed relations with developing countries and the longer-term orientation of international development co-operation.

2. Ministers affirmed that the CIEC had played a valuable role in building up a climate of dialogue between the developing and developed countries. It had provided the opportunity for a thorough global examination of the major issues involved and agreement was reached on a number of important points, although it had not been possible to reach agreement on some other important topics of mutual interest. All Member governments of the OECD, including those who did not participate in the CIEC, joined together in welcoming the agreements that were reached there. They also welcomed the intention of some OECD Member governments in addition to those who took part in the Conference, to associate themselves with a Special Action Programme announced at that Conference.

3. Looking ahead, they agreed that further efforts were needed on the part of both developed and developing countries to build a more equitable and stable international economic system, one which would create a better life for all people. These efforts will be supported by a return to full health of the international economy which is the concern of developed and developing countries alike. Recalling their Declaration of 28th May, 1975, Ministers expressed their readiness to pursue actively the on-going dialogue with developing countries in the United Nations system and in other appropriate fora and to co-operate in solving economic and social problems of common concern, thereby making it possible for the developing countries to participate increasingly in the benefits of

an improved and expanding world economy. In this connection they stressed their willingness to encourage effective international co-operation and dialogue on energy.

4. Welcoming the progress made in development co-operation on many fronts, Ministers acknowledged the necessity to continue working with developing countries towards improved and more effective development co-operation policies. They affirmed that while development co-operation concerned relations between governments its objective was the well-being of individuals; development co-operation should therefore fulfil the dual purposes of growth of incomes and meeting basic needs of individuals in all developing countries. They stressed that development policies for transfers of resources and structural changes should be clearly directed to these purposes. This was particularly necessary in order that the objectives and policy concepts of development cooperation would be better understood and supported by the peoples of industrialised and developing countries.

5. Ministers of OECD countries, donors of aid, reaffirmed the intention, as expressed by their countries in different fora, to increase effectively and substantially their official development assistance and to achieve an improved balance of their efforts in this regard. They announced their determination to direct, in co-operation with developing countries, a progressively larger share of their efforts to programmes meeting basic human needs. To realise this new orientation with respect to all developing countries, they also agreed to review the scope and direction of development assistance with a view to achieving greater volume and more efficiency in its use in an enlarged international effort.

THE SENATE ROLE IN FEDERAL APPOINTMENTS

Mr. BAKER. Mr. President, it is my understanding that the June issue of the Virginia Bar News, published by the Virginia State Bar, includes an informative and well-researched article by our distinguished colleague from Virginia, Senator SCOTT. The article, entitled "The Senate Role in Federal Appointments," develops the constitutional basis for the Senate's advise and consent role with regard to Federal appointments, including those related to the Federal judiciary. Senator SCOTT is an able lawyer and a distinguished member of our Judiciary Committee where he serves as the ranking Republican on its Subcommittee on the Constitution. I commend the article to the attention of my colleagues and ask unanimous consent that a copy of the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SENATE ROLE IN FEDERAL APPOINTMENTS

(By U.S. Senator William L. Scott*)

The Senate has recently passed an Omnibus Judgeship bill providing for additional Federal District and Circuit Court Judges throughout the country, including two from each of Virginia's Judicial Districts and three from the 4th Judicial Circuit. Of course, the House of Representatives must approve the measure which may take several months but it is anticipated that the bill will be enacted even though there may be revisions by the House.

After the final passage and signature by the President, the nominating process will commence. Of course, the recommendations of commissions established by the President to recommend nominees for the Circuit Court and commissions established by Senators from a number of states to make recommendations of lawyers to fill the vacancies is an innovation that will carry considerable weight. However, a review of the Senate role in Federal appointments, including judicial ones, as it has evolved over the years, may be of interest to members of the Bar.

CONSTITUTIONAL AUTHORITY

The opening sentence of Article II of the Constitution vests unqualified executive power in the President, but elsewhere variously defined powers are accorded the Chief Executive, some to be exercised alone and others to be shared with the Congress.

The second paragraph of Section 2, Article II refers to the Presidential powers of appointment in these words:

"He shall have Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two-thirds of the Senators present concur; and he shall nominate, and by and with the Advice and Consent of the Senate, shall appoint Ambassadors other public Ministers and Counsels. Judges of the supreme Court, and all other Officers of the United States, whose Appointments are not herein otherwise provided for, and which shall be established by Law; but the Congress may by Law vest the Appointment of such inferior Officers, as they think proper, in the President alone, in the Courts of Law, or in the Heads of Departments."

Writing in *The Federalist Papers* (No. 66), with regard to the functions of the Senate. Hamilton expressed some concern about an "undue accumulation of power in that body, tending to give to the government a countenance too aristocratic." Later in the same paper he reasoned that the nature of the participation of the Senate in the appointment process would be so slight that it would not upset any balance between the two Houses of Congress or the three branches of government.

"It will be the office of the President to nominate, and, with the advice and consent of the Senate, to appoint. There will, of course, be no exertion of choice on the part of the Senate. They may defeat one choice of the Executive, and oblige him to make another; but they cannot themselves choose—they can only ratify or reject the choice he may have made."

AN AMERICAN PHENOMENON

Even today, the Federal practice of submitting nominations for executive positions to the Senate for its advice and consent has little following in other countries, including those with constitutions patterned after the American model. Therefore, it would seem fair to conclude that the Senatorial confirmation is largely an American political phenomenon.

It is understood that Senate confirmation grew out of a compromise between opposing views advocated in the Constitutional Convention of 1787. Late in their deliberations the members accepted the position that the President would nominate candidates for all major offices but require the Senate to give its advice and consent to such appointments. The final provision empowering Congress by law to authorize the President alone to appoint other officers was not added until near the end of the Convention.

There had been considerable discussion during the Convention of basic differences of the power of appointment and the Senate role in the appointment process. Roger Sherman indicated in one of his letters that:

"The Senate, being a branch of the legislature, will naturally incline to have them (the laws) duly executed and therefore, will advise to such appointments as will best attain that end. From the knowledge of the people in the several states, they can give the best information as to who are qualified for office: and though they will, as you justly observe, in some degree lessen his responsibility, yet their advice may enable him to make such judicious appointments, as to render responsibility less necessary."

It would appear that in today's Union of 50 states and several territories with a population approaching 220 million people, individual Senators can oftentimes add insight regarding an individual under consideration that is not as readily available or apparent to the Chief Executive of the Nation.

NOMINATIONS ARE NUMEROUS, VARIED

Many Presidential nominations relate to commissioned officers being promoted from one rank to another, and many appointments are made under the Civil Service system where the President does not play any direct role. There are also many lower non-Civil Service positions where the head of a department or agency makes appointments Congress has authorized without confirmation. The job of individually considering the appointment of more than two million civilian employees and a large number of military officer personnel would be impossible for either the President or the Senate. However, during the biennium of the 94th Congress, according to Congressional sources, the military and civilian nominations received and acted upon by the Senate was as follows:

Total nominations

Received	132,051
Confirmed	131,378
Withdrawn	21
Rejected	2
Unconfirmed	650

Civilian nominations

Received	5,954
Confirmed	5,620
Withdrawn	21
Rejected	2
Unconfirmed	311

Nominations for promotion of military officers are processed through the Service Secretaries, having previously been recommended by promotion boards, in accordance with law and service regulations. The Service Secretaries, through the Secretary of Defense, submit groups of nominations to the President for certification to the Senate. Upon receipt in the Senate, the nominations are referred to the Committee on Armed Services where they are generally held for a period of seven days and if no committee members object to one or more of the nominees, the bloc is favorably reported to the full Senate and usually confirmed by a voice vote.

Rule 38 of the standing rules of the Senate provides, in part:

"When nominations shall be made by the President of the United States to the Senate, they shall, unless otherwise ordered, be referred to appropriate committees; and the final question on every nomination shall be, 'Will the Senate advise and consent to this nomination?' which question shall not be put on the same day on which the nomination is received, nor on the day on which it may be reported by a committee, unless by unanimous consent."

THREE-STAGE PROCESS

Perhaps at this point it should be mentioned that there are generally three distinct stages to Presidential appointments: First is the nomination of the candidate by the President and the transmission of his name to the Senate, then follows the assent of the Senate to the candidate's appointment, and

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third, the final appointment and commissioning of the appointee by the President.

The fact that the power of nomination belongs to the President alone prevents the Senate from attaching conditions to its approval of an appointment, such as it may do in the approval of a treaty. Yet, committees of the Senate, and particularly chairmen of the various committees and the leadership of the Senate, do like to be shown the courtesy of being informed in advance with regard to an appointment. Sometimes failure to consult with Congressional leaders leads to difficulty in obtaining prompt approval of Presidential nomines for important positions.

SENATORIAL COURTESY

Perhaps the best known among the customs of the Senate is Senatorial courtesy. Following this custom the Senate may refuse to confirm a nomination to an office that is situated within a particular state unless the nominee has been approved by the Senators from that state. This procedure is not ordinarily applied to Cabinet appointments or nominations for other national or regional offices, but ordinarily relates to an office such as a federal district judge, a United States attorney, a United States marshal, or perhaps other offices where the nominee would serve wholly within an individual state.

In the past this custom was exercised by the concerned Senator on the Senate by the concerned Senator on the Senate floor stating that a nominee was "personally obnoxious" to him. There may have been some personal animosity, perhaps political differences, or the Senator may have had another candidate in mind for the office. But at the present time, denouncement on the floor and use of the phrase "personally obnoxious" is not generally followed. At present the committee chairman will usually send a form to the office of the Senators from the state of residence of the nominee. This form is popularly called a "blue slip" and some chairmen will not act upon a given nomination until the form is returned; while others will afford Senators a reasonable period of time within which to either return the slip or to indicate his approval or disapproval of a particular nominee.

It has been said that this custom of Senatorial courtesy had its beginning in the Washington Administration. In 1789, President Washington nominated Benjamin Fishbourn to the post of Naval Officer of the Port of Savannah, Georgia. Fishbourn appeared to be well qualified but he did not have the support of Georgia's Senators. The Senators opposed Fishbourn and the Senate followed their lead and rejected the nomination. President Washington acknowledged the Senate's rejection and announced he would nominate another candidate, the favorite of the Georgia Senators. Therefore, a precedent was established and, for the most part, followed thereafter. Sometimes the Senate will expect an individual Senator to explain the basis for his opposition to the nominee, but more frequently, upon request of a Senator the committee will not even act upon the nomination. This factor may depend upon whether or not the Senator himself is in good standing with his colleagues in the Senate. It may depend upon whether he is of the same political party as the Senate majority or the President. Nevertheless, the fact remains that Senatorial courtesy exists in one form or another and is a factor that must be considered by the Chief Executive in selecting people to be nominated for major offices when they are located in a given state.

VIRGINIA EXAMPLE

An example of Senatorial courtesy occurred last year regarding a Virginia judgship. I recommended Glen M. Williams of Jonesville to fill a vacancy on the United States District Court for the Western District of Virginia. Mr. Williams appeared to be highly qualified. He had been valedictorian of his high school class, graduated Magna Cum Laude from college, was president of the student bodies in both college and law school, received his law degree from the University of Virginia where he was a member of the Order of Coif, Honor Council, Raven Society and editorial board of the *Virginia Law Review*. He was elected Commonwealth's Attorney even before graduating from law school, had served in the Virginia State Senate, had been rated as an "A" attorney by Martindale-Hubbell for more than 15 years, was a member of the Council and the Judicial Ethics Committee of the Virginia State Bar, and was rated by the American Bar Association as "well qualified" to serve in this judicial capacity.

When President Ford nominated another Virginia lawyer, the Chairman of the Judiciary Committee took the position that a nominee for federal district judge should have the approval of the Senator from the President's party of the state wherein the judge was to sit; after learning of my preference, he moved that the nomination be tabled, which was done without discussion and without objection. The Chairman's action was in support of the tradition and privileges of the Senate. Thereafter the President, at the request of the nominee, withdrew his nomination and during the closing days of the 94th Congress submitted Glen Williams' name to fill the vacancy. After timely notice, hearings were had, the nomination favorably reported, and by unanimous consent, confirmed by the Senate the same day.

Another interesting facet of the nominating process is the tradition that a Senator or former Senator whose name is submitted is generally confirmed. Oftentimes favorable action is taken by unanimous consent and without reference to a committee and this has been the custom over the years.

NO RECALL

It is interesting to note, however, once the Senate has approved a nomination and advised the President of its action, it cannot later recall the nomination. In 1931 the Senate requested President Hoover to return its resolution notifying him that it had advised and consented to certain nominations to the Federal Power Commission. The President declined to do this, saying that he could not permit the power of the Senate to encroach upon executive functions by removal of a duly appointed executive officer under the guise of reconsideration of his nomination. The Senate, however, voted to reconsider and then instructed the United States attorney for the District of Columbia to institute *quo warranto* proceedings in the then Supreme Court of the District of Columbia. In 286 U.S. 6 (1932), the United States Supreme Court affirmed the dismissal of the writ. The court reasoned that the Senate had never before attempted to apply its rule in the case of an appointee already installed in office based on the faith of the Senate's initial consent and notification of the President. Again, in 1939, President Roosevelt rejected a similar demand by the Senate, an action that was also challenged.

CHECKS AND BALANCES

Delegates to the Constitutional Convention attempted to compromise numerous issues that arose over the type of government we should have. Some would have vested more power in the President; others would have eliminated the office entirely. Yet, the Constitution with its checks and balances vested great power in the Chief Executive, including the power of appointment but caused the President to share this power with the Senate. The compromise permits a more flexible and deliberative decision to be made before high officials are actually installed in office. Undoubtedly the Presidential office is the most powerful in our nation but this power is not unlimited. The judicial power has been vastly expanded over the years, possibly to a greater extent than citizens of past generations would have expected. Nevertheless, it can be limited by the Congress. The House of Representatives, still considered the legislative body closest to the people, must originate revenue measures. The Senate acts in the public interest in passing upon treaties and in determining whether to advise and consent to Presidential nominations. Over all, as we review our system of checks and balances between the three branches of the government and their relationship with the states and the people, the more aware we become of the genius of those who provided this system for us.

B–1 BOMBER PROGRAM CANCELLATION: A VICTORY FOR COMMONSENSE AND NATIONAL SECURITY

Mr. ANDERSON. Mr. President, on June 26, 1977, the Des Moines Sunday Register published an editorial on the B–1 bomber program written by my very distinguished colleague from Iowa, Senator JOHN C. CULVER.

Senator CULVER made a very compelling case against the B–1 program and graphically illustrated the negative impact approval of this program would have had on our national security.

As one who shares Senator CULVER's concern that we not gamble with our future security by spending enormous sums on a single weapons system that was both militarily unnecessary and economically unfeasible, it was most gratifying to see President Carter confirm our judgment by canceling production of the B–1.

Senator CULVER has been the leading opponent of the B–1 because his complete and early analysis led to the logical conclusion that our overall defense posture would suffer greatly if the program was funded. His cogent presentation to President Carter on June 10 of the military and domestic trade offs required to fund this $100 billion program was apparently a key factor in the President's decision. It was Senator CULVER who sponsored the Senate amendment last year that deferred full-scale B–1 production, thereby reserving the final decision for the incoming administration.

Senator CULVER's leadership on this issue has been singularly outstanding.

Mr. President, I ask unanimous consent that Senator CULVER's editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

B–1 BOMBER A LUXURY WE CAN REFUSE

(By JOHN CULVER)

The B1 bomber would be nice to have. It is a sleek, powerful, beautiful plane. Using the best technology that America's superior aerospace industry can offer, the B1 can certainly fly and maneuver and probably deliver weapons on target. At a cost approaching $117 million per plane, we would expect no less.

But can we afford the luxury? If the B1 were significantly cheaper or if it were truly

essential to our national security, rather than marginal, there would be little opposition to this program in Congress or among defense experts. It is precisely because the price tag is so high ($25 billion to $30 billion just to buy the planes and an extra $1 billion-plus each year to operate them) and the added advantages of the B1 so few that this plane has become the most controversial weapons program of the 70s.

Never has any major weapon system been opposed by so many ranking defense experts, both hawks and doves. In a letter to me last year, Gen. Maxwell Taylor said: "I am unable to support the B1 program because of its cost and the absence of convincing evidence of its essentiality."

Right now, the United States has a fully adequate force of over 400 long-range bombers. Though our B52 bombers are frequently described as "aging," they have been overhauled, "re-skinned," and fittted with advanced technology components to the point that even the Air Force admits that these planes will be structurally sound for the rest of this century.

Some B–1 advocates fear, however, that the Soviet Union will develop at some time in the future a look-down shoot-down radar (such as we already have in our newest fighter planes) which will enable Soviet planes to intercept the B–52s. At present, there is no evidence that the Russians are developing such a capability. But the real trouble with the argument is it assumes that, if and when they do build the new radar, it will be good enough to stop the B–52s but not the B–1. In essence, the Air Force wants to bet $25 billion-plus that the Russians will leave open a "magic window" for our B–1s.

So far as the bombers' role in our nuclear delivery capability is concerned, there is a sensible alternative to the B–1 that will perform the same mission adequately without costing so much on a single weapon system as to weaken our overall defense posture. With the B–1s we have already built available for more extensive testing, we can continue the current program to update the B–52s at a small fraction of the cost of producing the B–1s. In addition, we can develop air-launched cruise missiles which can be fired from afar by existing 747-type jets and which thus save us the problems and expense of ensuring crew and plane survivability over enemy territory.

This alternative will preserve our "Triad" of bombers, ICBMs and submarine-launched missiles and will give us the essential advantages ascribed to the B–1.

Since we are so strong in nuclear forces, the B–1 really amounts to extra, unnecessary insurance. But if we are to afford the B–1 within a limited budget, other compelling defense needs will have to go by the board.

Most independent defense analysts believe that our most critical military needs are not for additional strategic weapons, but for improved, combat-ready conventional forces, particularly in Europe. Over the next decade, however, the B–1 budget will be $2.5 to $3 billion each year for both new planes and regular operations.

With these enormous sums going for a single program, all other defense activities will necessarily be squeezed. A significant but little-recognized cost of the B–1, therefore, will be the lost opportunity to strengthen our conventional forces.

If the Army, Navy, and Air Force were to split the $3 billion annual cost of the B–1, each service getting $1 billion each year, they could acquire tremendous additional combat power. Each year, the Army could buy 200 Cobra-TOW attack helicopters, 500 tanks, and 1,200 large artillery pieces. Each year, the Navy could buy two attack submarines and three guided missile frigates. Each year, the Air Force could buy one squadron of F–15 fighters, one squadron of F–16s, and two squadrons of A–10 attack planes (all at 24 planes per squadron).

It is unlikely, of course, that such large procurements would be needed every year. The point is that if we proceed with the B1, we will have to forgo other important defense needs. The cost of the B1, by itself, represents a total more than enough to make critically needed improvements in our conventional forces and to provide funding for important domestic programs that are equally important to our overall national security.

If we could cut only one B1 from the total program, that would provide enough funds to operate 1,000 rural health clinics for an entire year. Elimination of a second B1 would finance daily, family-style hot meals for 160,000 elderly people for an entire year under current federal programs.

In last week's Sunday Register, columnist George Will articulately summed up the standard arguments for the B1. But Will's thesis was built on a foundation of assumptions that can't be accepted—notably that there is no less costly alternative and that the B1s would not be as vulnerable to improved Soviet air defenses as the B52s. Above all, he gave no consideration to how the gigantic cost of the B1 program would draw vital funding from other sectors of our defense and domestic needs, thus weakening our national security.

In making decisions on the B1 and other defense programs, we have to balance the needs of a strong defense, a healthy society, and a sound economy. We should buy only those weapons we need, and then be sure we get the capability we pay for.

As I told President Carter when he invited B1 opponents to the White House, it makes little sense to spend so much for planes which would arrive hours after each side had fired its missiles. If the planes could get through and if they could find their targets, they would really serve only to exact posthumous revenue—to make the rubble bounce.

Yes, the B1 would be a nice plane to have. But we don't need it and can't afford it. It is another monument to the raw power of the military-industrial complex about which President Eisenhower so eloquently warned us in his farewell address.

INTERNATIONAL WOMEN'S YEAR ACTIVITIES: WHAT HAPPENED TO CONGRESSIONAL INTENT?

Mr. HELMS. Mr. President, all across our land, women's conferences are being held under the direct planning of the National Commission on International Women's Year—a commission authorized by an act of Congress and funded by $5 million of Federal tax moneys.

These State conferences will establish the groundwork for resolutions to be considered by delegates elected to the National Women's Conference in Houston, Tex., on November 18–21 of this year. The resolutions passed by the national conference will form the basis for recommendations to the Congress concerning the wishes and needs of the "majority of American women."

The intent of these conferences was made clear during the House debate on the issue in December of 1975, by Congresswoman Bella Abzug, and I quote:

This is the first time that women of every walk of life will have an opportunity to express themselves in a meaningful setting.

[This] National Conference . . . will afford an opportunity for every kind of women, representing every viewpoint, in every State of this Nation to make a statement of her concern.

That, Mr. President, is the reassurance of the woman who now serves as the chairperson of the National Commission on International Women's Year.

Unfortunately, Mr. President, the reality of the situation is quite different. Congress appropriated $5 million in order to make possible a national forum which could be sensitive to all women, representing all viewpoints.

However, there has been and continues to be a concerted effort to use these conferences—financed by tax dollars—to promote the goals of a militant feminist minority. Of the 42 members of the national Commission appointed by President Carter on March 29 of this year, there is only one who opposes the ratification of the equal rights amendment. There is not a single member who belongs to groups such as Stop ERA, Eagle Forum, or a Right to Life chapter. Not one State coordinating committee is chaired by a member of one of these anti-ERA/pro-life groups. These groups, Mr. President, speak for a large number of women across this country. It goes completely against the intent of Congress that militant feminists should refer to these conferences as "our conferences."

Mr. President, whenever groups representing the traditional values of our society seek to make their opinions known at these conferences, forces are brought to bear upon them which seek to neutralize their voices. The National Organization for Women, the National Women's Political Caucus, and the Lesbian Caucus—just to name a few—have developed a strategy to prevent differing viewpoints from being heard.

Mr. President, I ask unanimous consent that the following letter to the headquarters of the National Women's Political Caucus be printed in the RECORD so that all the women of this country might be aware of the steamroller tactics being employed by a highly organized minority of feminists at these State conferences.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the National Women's Political Caucus, Washington, D.C., June 16, 1977]

SPECIAL ALERT

To: State Chairs with Upcoming IWY Conferences.

From: Gael Muramoto, Membership Director.

Re: Organizing Feminists to Prevent Anti-ERA, Anti-Abortion Take-Over at IWY Conferences.

Missouri and Ohio have reported that their state IWY conferences were virtually "taken over" by women organized to defeat resolutions supporting "reproductive freedom" and the ERA.

Unless feminists organize prior to the conferences and prepare to work in coalition with a broad range of women's organizations—developing a strategy to defeat the anti-abortion/ERA groups in both the committees and on the floor—the conservative groups may control both resolutions and the election of delegates to the national IWY conference. In Missouri, the anti-abortion voters made a clean sweep, and they elected a large percentage of the delegates to the Houston convention in Ohio.

Previous to their state IWY conference, Arizona feminists were aware of the potential dangers posed by conservative forces,

and were extremely successful in developing and utilizing a strategy which is explained on the enclosed pages. We believe that this strategy, suggested by Mary Peace Douglas of Arizona for use at the national IWY convention, could easily be adapted for use in your state. We hope you will use this information to mobilize feminists and prevent a well-organized minority from representing their views as those of the majority of women in your state.

JUNE 10, 1977.

MS. AUDREY ROWE COLOM,
National Women's Political Caucus, K Street NW., Washington, D.C.

DEAR AUDREY: June 3rd and 4th, Arizona held their IWY Conference in Phoenix. A strategy was developed by the Southern AZ women that was exciting and effective. We wish to bring this strategy to Houston with an able woman to implement it.

A little background will be an aid to you. Phyllis Schafley came to Phoenix two weeks before our conference and just after Georgia. AZ has not passed the ERA and Phoenix is one of the most conservative areas of the United States. We assumed Schafley was there to organize and disrupt our conference.

Laura Fahr, a veteran of t..e Italian abortion wars, explained the strategy and Elly Anderson (past A.W.P.C. Chair from Tucson) volunteered to organize and run the Monitoring and Mobile Operation Partnership Program (MMOPP). A core group of women wore a bright strip on their shoulders—visable front and back—one was assigned to monitor each workshop. If the conservatives packed any workshop that woman quietly left, went to a central location—word was quickly passed and quietly people moved into the packed workshop—thus when a resolution came to a vote, we had the majority. It was simple, effective and it worked beautifully in two important instances. Right to Life tried to pack Reproduction and we were picketed outside the convention hall by Anti-ERAeers. In Reproduction the Right to Choose won the vote. When word of the picketing and news conference came to the organizer of our conference they turned to us for help. Word went out, leaders meet, an ERA Rally was organized (inside), doors blocked to keep our craziest inside, six women choosen to go outside and talk with the press and we went on with our important work at our conference with no disturbance and distraction.

If you in Washington think this is a good idea for Houston, Elly Anderson is willing to organize this on a national scale. Anderson would need the names of one key activist woman from each state. They in turn can I.D. their workers. Anderson will assign to monitor the workshops and locate the key location. We had women from the A.W.P.C., N.O.W., Rep. Women's Caucus, Lesbian Caucus, Minority Caucus and interested friends. It was an exciting bring together of feminists working for a common goal!!! Anderson is coming to Houston as an observer and is the perfect person to take this AZ effort nationwide.

Please advise us of your thoughts on this subject.

Fondly,

MARY PEACE DOUGLAS

MONITORING AND MOBILE OPERATION PARTNERSHIP PROGRAM (MMOPP)

(Report submitted by Elly Anderson)

A system designed to prevent a minority faction from taking over a committee or workshop and passing out a resolution which does not represent the majority opinion of conference women. (System used successfully at Phoenix IWY Conference, June 3 and 4).

Props.—One inch wide colored mystik tape (we used red one day and green the next) Cut in one foot lengths and backed with 2 layers of masking tape for easy removal and sticking. Tape to be applied over the left shoulder and visible front and back.

Bodies.—We had 57 people officially tagged. The coordinator personally chose and assigned a person known to her to monitor each workshop. Each core person was given 2 or 3 extra tags and instructed to give them out only to people they knew well and trusted. Except for one or two "floaters", all tagged people were workshop attendees. They were instructed to be alert for a tap on the shoulder at any time. If they were tapped, they were to leave their workshop quietly and move to the workshop indicated.

NOTE.—After the first session of morning workshops, we saw the need to have a monitor both inside and outside each workshop. This came about because we got excited and "overkilled" the Reproduction workshop. The inside monitor had a legitimate emergency and needed more bodies, we filtered in enough women to take care of the problem, but then another, large group of women were alerted and stormed the workshop. An outside monitor would have been able to divert them, tell them the situation was under control, etc.

Coordinator.—A meeting was held in Tucson 2 days prior to the Phoenix conference. Representatives were there from AWPC, Republican Women's Caucus, NOW, Tucson Women's Commission, Lesbian Caucus, the Minority Women's Caucus was meeting the same night, but was kept well informed of our plans. At this meeting, Elly Anderson volunteered to coordinate the operation in Phoenix. Everyone at the meeting agreed with the strategy and offered to help. We agreed to meet early the first morning in the area of the registration desk.

As it turned out, the main function of the coordinator was to be visible and available in a central location at all times. She cannot attend any workshops, go to the bathroom, get a drink, etc. (Elly carried a purse the size of a flight bag which carried scissors, tape, magic markers, lists of people and times available, lists of workshops and assigned monitors, cigarettes (3 brands), aspirin, decongestants, No-Doz, tampons, a small first aid kit and a large clipboard.) When the coordinator gets an alert from a workshop monitor, she then puts her "floaters" and herself, if necessary, into action and gathers the tagged people from all the other workshops.

Operation.—The coordinator designated a single person as monitor in each workshop. That person was politically aware, able to count noses and divine the movement of the workshop. She/he was responsible for reporting to the coordinator if:

1. She felt the workshop was overloaded with anti's at first count. Response: Coordinator moves in just enough people to counteract throughout the session.

2. She has an anti resolution on the boards, the vote is imminent and she's outnumbered. Response: Coordinator sends out an emergency alert for voting bodies and moves them in fast.

Note—A refinement of the system would be to have the coordinator know the special interest and expertise areas of her core people, so she could assign the most competent women to the workshops with the most potential for problems.

Afterthoughts—

1. Coordinators or facilitators of the workshops must be good parliamentarians. (The Reproduction workshop would not have been so messy if the facilitator had had the ability and presence to use Robert's Rules.) If we are not able to count on the facilitator, the monitors in each workshop should have a good working knowledge of parliamentary procedure and how to use it in a crisis.

2. Voting rules must be made very clear at the beginning of the conference. We got a lot of flack during and after the Reproduction workshop about people being able to vote even though they had not attended the whole workshop. We refused to be disenfranchised and continued to maintain that any officially accredited delegate could vote anyplace, anytime. It would help if these rules were set and clearly understood at the beginning. If not, we must have contingency plans.

3. We are also concerned about anti resolutions being brought to the National IWY Conference from various states. Since our system was set up to block those resolutions at the workshop stage, we need to know what the process at National will be (i.e.—will state resolutions go directly to a floor vote or will they be subjected to the same filtering process as done in state conferences?)

4. Finally, we had to deal with a few of our tag people and a number of potentially friendly people who thought our tactics were too blunt and maybe even unfair. My first response was that the U.S. Congress functions on this "call in the vote" system all the time and, secondly, that I'm tired of being a "good sport" and losing. Never give your enemy an even break. This philosophy still has difficulties for many goodhearted women.

THE RETIREMENT OF DR. GLEN WILSON

Mr. CANNON. Mr. President, when I first came to the Senate in 1959, I was honored to be assigned to the then brandnew Committee on Aeronautical and Space Sciences and served on that committee throughout its entire existence. Dr. Glen Wilson was a staff member then and also served throughout the lifetime of that committee.

I cannot tell you how many times through those years that I relied on Dr. Wilson and other staff members of the committee on space matters. I think that the space program and our successful conclusion of the Apollo program to land a man on the Moon was due in large part to the direction received from the Space Committee. Dr. Wilson was a key member of the staff that enabled us to achieve those successes and I, for one, am sorry to see him retire from the Senate at this time.

I am confident, however, that he will continue in his efforts to keep America's aeronautical and space programs strong and I wish him well in whatever endeavor he decides to follow.

THE FUTURE OF BUSINESS AND THE INTERNATIONAL ENVIRONMENT

Mr. ROTH. Mr. President, I call to the attention of my colleagues a significant address by former Secretary of State Henry Kissinger to the Future of Business Conference sponsored by the Georgetown Center for Strategic and International Studies. Dr. Kissinger's acute analysis of future international political and economic trends and the role of American private enterprise in the international arena are an important contribution to our understanding of these issues. I commend his remarks to the Senate's attention and ask unanimous consent that they be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

THE FUTURE OF BUSINESS AND THE INTERNATIONAL ENVIRONMENT

Address by Hon. Henry A. Kissinger

Ladies and Gentlemen:

No issue is more important to the future vision of international order than the ways in which the world will manage the output and distribution of goods and services. International economics has become a crucial foreign policy challenge. Central to this issue will be the relationship of business to the management of public affairs. I want to thank the Center for Strategic and International Studies for inviting me to inaugurate its Future of Business program.

A generation ago, in the period from the Great Depression to the Marshall Plan, economic concerns were at the heart of international order. The issues which we will face in the decades ahead are at least as urgent and far more subtle and complex. And the most decisive of these issues are at the intersection of economics and politics, of national and international policies, of the public and private sectors. It is essential that both policymakers and businessmen understand these important new interrelationships.

We have come a long way, and very rapidly, to the axiomatic proposition that international business depends decisively on international politics. We have come a long way, that is to say, from the day when Adam Smith could suggest that government should content itself with the modest responsibility of the maintenance of justice and the construction of good roads and otherwise serve mankind by remitting the management of the wealth of nations to the unseen land of private decision. We have come a long way from the 19th century when the United States accounted for very little in the scale of world economics.

We have come a long way even from the decades between the wars, when we strode big on the world economic scene, participated actively in world economic issues and yet stolidly maintained an isolationist foreign policy in all other respects. We shall never forget the paradox of Cordell Hull championing free trade at the same time that the Congress insisted that we ignore the darkening clouds across the Atlantic.

We have learned that America's neglect of the requirements of political stability was a major contributor to the disasters of the 1940's which shattered the economic as well as the political order. We have understood that a strong American role—political, military, and economic—in world affairs is indispensabble to peace, security and prosperity. Enlightened American leadership in international diplomacy is equally vital to world order and to the flourishing of the world economy. A coherent public policy must address with equal insight the requirements of security and the management of the economic system. Thus the future of American business will require the highest degree of sensitivity to the political framework in which it functions and to the great coming changes in the world political process.

The map of the world's economy has changed as radically as the world political map. A generation ago, 51 countries joined to form the United Nations; today the world community numbers nearly 150 nations.

Each country is, or attempts to be, a discrete economic unit, each with its balance of payments problems, its trade policies, its attitude to investment and its hopes and aspirations for a better life for its people. The global economic system has grown massively in scale and complexity.

A generation ago, only one major nation, the United States, had emerged from World War II with its economy intact and flourishing; today, Western Europe and Japan have joined us as major producers of the world's manufactured products and as centers of finance. The Bretton Woods conference established the institutions of an international monetary system after World War II. Today, the colossal expansion of world trade and the dispersal of economic power have compelled major restructuring of that system. Where George Kennan 30 years ago in his seminal "Containment" article could suggest that there were only five small pockets of significant economic activity in the world, today the oil producers have become major contenders in the economic arena, the Communist nations are factors in the world economy, and aspiring economic powers like Mexico, Brazil, and Korea are gaining new importance in world affairs.

Thirty years ago, the Marshall Plan was launched with American resources and European efforts, to rebuild Western Europe from the devastation of war. Today, the experience of the Marshall Plan is clearly inadequate for the vast enterprise of economic development in scores of new nations. In Europe and Japan, the social forms and technical skills of a modern economy were already present, and only capital had to be replaced. Political stability was threatened above all by the gap between expectation and reality. It is now clear that in the less developed parts of the world supplying capital is not enough; there is a desperate need for technology and trained manpower. And the relationship between economic progress and political stability has emerged as anything but automatic.

We are in the midst of a revolution that we have only begun to perceive. The distinguished sociologist Daniel Bell has recently observed that forty years ago the response in every country to the Great Depression was to strengthen the nation state; national government came into its own as the manager of economic and social policy. Today we see citizens in many societies losing faith in the relevance of government to their personal concerns and there are tendencies of fragmentation; at the same time economic problems such as inflation surge across national boundaries and are at the margin of governments' ability to control. Bell observes that the national state has become too small for the big problems in life, and too big for the small problems. We face a pervasive challenge to the adequacy of the institutions and principles by which we have governed ourselves.

The next decade will determine whether the industrial democracies will be able to manage their economic policies and keep social peace in the face of a probably lower long-term growth rate in the 1980's; whether and in what fashion the developing countries will advance their economic, social and political wellbeing, and on what terms of confrontation or cooperation with the West. It is not yet clear what long-term role the Soviet Union, East Europe and China will play in the world economic system. The full implications of the looming energy crisis have yet to work themselves out. We cannot know perfectly how any of these developments will affect political events.

But we can be certain that economics and politics will be closely related, and that Amercan decisions and American leadership, for better or worse, will shape the response of the industrial democracies and thereby of the rest of the world.

Without us there can be no progress; if we fail, we risk recession, confrontation and chaos.

Modern economic history also suggests that the contribution and creativity of the free enterprise system will be central to that response. Wherever countries of comparable resources have run the race together—Austria and Czechoslovakia, West and East Germany, Greece and Bulgaria, South and North Korea—the economy with a significant private sector has clearly done more in fulfilling the aspirations of its people than its socialist counterpart. The world community cannot ignore the affairs of business if it is successfully to shape a new political structure that serves peace and the wellbeing of mankind. Conversely, the private sector can no longer ignore the political environment if it is to make its contribution to an expanding world economy in which it can flourish.

I would like to discuss a number of current economic issues, drawing attention to their political significance, the imperative of international cooperation to address them, and the role of business in helping to solve them. Specifically:

The common economic problems of the industrial democracies;

The emerging relationship with the developing countries; and

The beginnings of interaction between the industrial democracies and the non-market economies of the Communist world.

THE FUTURE OF BUSINESS AND THE INDUSTRIAL DEMOCRACIES

The future of business is inseparable from the future of industrial democracy. Western Europe, North America and Japan produce 65% of all the goods and services generated in the world. They account for 75% of its trade. Their economic performance drives international commerce and finance; their investment, technology, managerial genius and agricultural productivity are the dynamic force of prosperity everywhere. They are the world's bankers and the world's inventors. Critics of the West, in the Communist world and elsewhere, have disparaged our system for decades, but they have not solved any of their own problems. Ironically they now turn to the industrial democracies for the technology, the techniques of analysis, planning and management, the industrial systems and the marketing skills which their own system seems incapable of generating.

But this relative success story is no guarantee for the future. Realism impels us to note the signs of strain. The political future in several nations of the West may well be clouded by shortfalls in the output of goods and services, or breakdowns of the financial system. In too many countries, demands for real increases in wages, coupled with the insistent pressures to expand public services and public sector expenditures, have generated increasingly complicated inflationary pressures at the very moment when the increase in the cost of imported energy has added its own impetus to both inflation and recession. These demands cannot possibly all be met simultaneously. An attempt to do so is bound to disrupt and ultimately to demoralize the political system. There is a grave danger of an erosion of the legitimacy of government and a prospect of basic changes in the domestic structure in Europe and perhaps even in Japan.

It is not beyond the realm of possibility that one or more of the Communist parties of Western Europe will gain entry into national governments—an event which would mark a watershed in post-war relationships. It is not beyond imagination either, that some nations will find the discipline required to establish priorities among levels of demand too burdensome to permit their continued adherence to the liberal trading system, and that they will instead revert to protectionism and isolationism. Finally, it could happen that because of disparities of growth rates, balances of payments positions and international competitiveness, the momentum of European unification will further decelerate and that the political cohesion of the West in international negotiations and institutions would breakdown.

The consequences for business would, of course, be ominous.

The future of the world economy and indeed of Western political cohesion will depend on the capacity of the industrial democracies to meet these challenges. No one country can hope to address its problems alone. The unity of the democracies, demonstrated in substantive cooperation on concrete issues, is one way—perhaps the only way—to restore the self-assurance of Western societies and their confidence that they are the masters of their destiny. This must therefore be one of the fundamental priorities in our foreign policy, which has been eloquently stated by President Carter at the London summit a few weeks ago.

The United States cannot possibly carry all the burdens, devise all the programs, or provide all the resources, either for international security or for economic development. But the other industrial democracies, who are also our major trading partners, have grown in strength to the point where a sharing of leadership and responsibility becomes both necessary and desirable.

American policy in every administration of both parties for over thirty years has therefore been to encourage Europe's strength and economic and political unity as well as a close relationship with Japan. This solidarity, which began with collective defense, has deepened in recent years to embrace, in addition, common problems of economic policy, arms control, diplomacy to reduce tensions with the East, and initiatives in the dialogue with the Third World.

This cohesion rests not only on pragmatic grounds but on a common moral foundation. It is no accident that our closest partners and interlocutors on every international issue are the countries that share our most fundamental values.

One of the central tasks on the agenda of the industrial democracies must continue to be the vitality of the global economy and the harmonization of growth policies among the economies of the West. Consistent expansion without inflation requires not only sound national policy but an increasing coordination among the nations in the industrial world. We must learn more effectively to synchronize our national decision-making so that national policies can complement and reinforce each other, and not be at cross purposes.

This was the purpose of the economic summit meetings at Rambouillet in 1975, in Puerto Rico in 1976 and most recently in London. This was the task which Secretary Vance pursued last week in the ministerial meeting of the Organization for Economic Cooperation and Development, the permanent economic grouping of the industrial democracies. These were not mere ceremonial exercises. They represented the beginnings of systematic consultation among the economic powers of the free world. We must now consider how we can move beyond consultation to real coordination of growth strategies and of other basic economic policies.

For it is important to face the fact that the industrial democracies have been more effective in devising the procedure than the realty of coordination. They have been torn between the knowledge of interdependence and the temptations of shifting their problems to their partners. They have invoked the rhetoric of cooperation but they have been unwilling to subject what have traditionally been domestic decisions to international agreement. As a result, they have not been able to mount with full effectiveness the coordinated attack on the twin pressures of demand and inflation that must succeed if democracy is to survive. To achieve a true coordination must be a major goal of our foreign policy.

THE NORTH-SOUTH DIALOGUE AND THE FUTURE OF BUSINESS

In the last several years, the poorer nations, in a variety of forums and with varying levels of stridency, have stated their demands for the renovation of international economic relations. They claim a greater voice in the decisions that affect them and a more just share of the global prosperity. The industrial nations, in response, have reiterated their continued commitment to the open system of world trade and investment. As the final ministerial meeting of the Conference on International Economic Cooperation in Paris made clear, the North-South dialogue has so far failed to establish an agreed frame of reference. And it is plain enough that if it deteriorates to a level of confrontation and conflict, the gulf between the rich and the poor will widen ominously.

This prospect would be unfortunate for all. The United States, as the world's strongest economy, would be injured less than others by an environment of hostility and autarchy. But the outbreak of economic warfare between North and South would damage even our own wellbeing. It would be a long-term threat to the open economic system which has nurtured our prosperity and that of the world for a generation. And it would be, as well, incompatible with basic American values and the fundamental American instinct for a world of peace and cooperation.

Although the developing countries would suffer the most, it is their stale rhetoric of confrontation, their adherence to Marxist doctrines that have never worked in countries where they have been implemented, and their insistence on bloc tactics, that are at the heart of the problem.

At the same time, we must be careful to avoid the conclusion that because the developing world is given to overstatement, all its concerns are unfounded. The developing nations do have legitimate demands for equity, for a greater voice and increased opportunity. But they cannot escape the reality that their future depends on the vitality of the world economic system. Attempts to wield bloc economic power, and to frame the issue as one of guilt and retribution, will undermine both the receptivity of governments and the public support which are essential if the industrial democracies are to respond creatively and compassionately to the legitimate aspirations of the developing world.

Overestimation by developing countries of their ability to manipulate raw material prices, following the model of the oil cartel, has been one of the causes of the recent failure of the North-South dialogue. But oil is a special case. It is unlikely that even the most imaginative schemes could alter the long-term market prospects for any other commodity. One basic reason is that the industrialized countries, particularly the United States, Canada, Australia and the Soviet Union, are themselves major producers of commodities like iron ore, nickel, copper, cotton and sugar. In addition, there are technological possibilities for substitution which make it difficult to assert in other commodities the kind of control over supply and price which the oil cartel enjoys.

Thus, it is high time to face the fact that the issue of new market schemes for raw materials will not be determined primarily through economic pressure from developing countries. It will also depend on what happens in the industrialized countries—how private producers or brokers or investors in those commodities react; whether governments on political and moral grounds are prepared to take account of the inequity of excessive fluctuations in prices for countries dependent on a single commodity; and whether the developed nations perceive that they have an interest in proposals which would stabilize prices around a market trend, avoid artificial limits on supply, and increase new productive investment. Tactics of confrontation are likely to be counterproductive; both developed and developing countries have a major interest in improving the atmosphere of the dialogue, as well as the system itself. It remains to be seen whether their domestic imperatives permit them to do so.

The business corporation which functions across national borders has been at the very heart of the North-South debate. In many developing nations, it is charged with basing production and export decisions on global strategies rather than on individual national interests; it is accused of corrupting life styles toward the wasteful and conspicuous habits of more wealthy societies, of manipulating profits by artificial transfer pricing betweer subsidiaries, and of suffocating local competitors.

It would be wrong to pretend that there has never been any evidence to support these charges. Some of the criticism has a basis in fact. But many of the critics do so out of a philosophical bias that makes the facts of individual cases superfluous or irrelevant. The distinguished Brazilian economist, Roberto Campos, has called the inflamed rhetoric "escapism and demonology"—escapism, as an effort to externalize the responsibility for poverty; demonology, to lay the blame on the multinational corporation. It is irrational to fear the multinationals for their vast supposed powers of manipulation, when those corporations are far less inclined to such adventures than are governments; with all due repect, they are institutionally and conceptually incapable of managing such efforts consistently or effectively.

Nor have we in our own country settled on a balanced view of how to deal with international business. The revelation two years ago that some firms had made illicit payments sparked a regulatory race between several public agencies to assert jurisdiction and public attention. The destabilizing effects in Japan and elsewhere are matters of historical record. One need not condone bribery or ignore the need to improve international business ethics to prefer a system of domestic business regulation which avoids such assaults on the interests and domestic structures of our closest allies.

The multinational enterprise as we know it today is, in fact, an effective vehicle for the development of science and technology, for the application of new knowledge to the world's resources, for the management of the international capital markets and for the promotion of trade and commerce among nations. No foreseeable increase in public assistance can come close to meeting the needs of the developing countries. Private capital alone can close the gap and without many of the conditions and restrictions that governments are likely to attach. Moreover, no government or group of governments can possibly deal with all of the developing countries. But many developing countries by their own initiative can create conditions to attract private capital whether or not donor governments look with favor on every aspect of their national policy.

Public assistance to development will continue to be important. The flow of resources through the international financial institutions such as the World Bank and IDA, as well as bilateral aid, can and should be increased. The United States has a responsibility to raise its inadequate levels of official development assistance and to remove the encumbrances that successive Congresses multiply.

But it is increasingly plain also that aid cannot be expected to do the whole job. The developing countries must look increasingly to private investment for the capital re-

sources they need for growth. Latin America, for example, has progressed further and faster in the last decade than any other region of the developing world. It has done so while shifting from public to private sources of external capital, and probably for that reason. In the era of the Alliance for Progress in the early sixties, most of Latin America's external capital was public; today, more than eighty percent of it is from the private sector.

To suggest that the nation state lacks the capability to discipline the multinational corporation, by either negotiation, persuasion or compulsion, is a counsel of despair and runs counter to all experience. All developing countries have the power to insure that private business, including foreign private business, comports itself in accord with public priorities. Yet no country can hope for real, long-term growth if it isolates itself from or systematically attacks an instrument so well suited to deal with the commercial, financial and technological tasks of the modern world.

In fact, the conflict over the role of the private business firm in the developing world threatens to turn into a vicious circle. Excessive suspicions of the purposes and policies of the foreign firms treat business as an enemy rather than a collaborator. Managers of transnational enterprises are thereby given an incentive to maximize short term profits and bury income by fictitious transfer pricing.

A serious responsibility thus falls first on business firms and secondly on governments. Business must show sensitivity to the social purposes and political goals of the countries in which it is established. It must represent what is best in America; it must not lend itself to discriminatory practices based on race or religion; its conduct must reflect this country's standards of fair play, honest dealing, and goodwill. It must make a serious contribution not only to the economic but also to the social development of the host country. The few notorious cases of illicit payments have stirred apprehension and undermined support for international business both at home and abroad; they cast a cloud over the vast majority of firms whose conduct is beyond reproach.

At the same time, it is one of the urgent tasks of governments to make clear, on an agreed basis, the groundrules for foreign investment. Developing countries have a right to ensure that private capital is admitted in areas or ways consistent with the national priorities and legitimate regulations of a sovereign government. But investors and the industrial nations have a right to know in advance what the groundrules are, and not to have them altered arbitrarily and capriciously in the middle of the game. Both sides clearly have obligations; both sides can benefit from agreed principles cooperatively achieved.

These agreed principles should focus on the instruments of public policy which can minimize the temptation to collusive market practices. They should strengthen the incentives for multiple firm markets, effective competition, local entrepreneurship, and domestic financial institutions, and lay down clear and predictable guidelines and rules of the road. By turning to these practical steps, we can open up new and important opportunities for transnational enterprises to serve what have become the two commanding concerns of the developing countries—access to capital resources and the transfer of technology.

To an increasing degree, it will be the private firm which will be the vehicle for the technology transfer which the developing world requires and demands. This concept—the quality of capital investment—is a major concern of those developing nations that have already made significant progress and have become important actors on the world economic scene. Most of the new knowledge, skills and techniques that will be needed by developing countries in the years to come are in the inventory of private industry. The bulk of that technology is in the west. Thus, it is in the interest of the industrial democracies as well as in the interest of the developing countries to enhance the incentive of our private sector to adapt its storehouse of know-how and skills to opportunities in the developing world.

It is clear that the solution to technology transfer will not be found exclusively in the relationship of the private firm to the host country. Governments of the industrial nations must assume a major responsibility. New agreed practices of international cooperation, and new institutions which have the confidence of all parties, are needed to provide a framework of public commitment and private incentive within which the multinational corporation can make a constructive contribution to development in the decade ahead.

There will be ample room for creative thinking. If I may refer again to the question of raw materials, the dependence of most developing countries on commodity export earnings is painfully obvious. And yet, because of the tensions and uncertainties which attend the question of private foreign investment in new commodity projects, the vast bulk of mineral investments today are being made, not in the poor countries of the world, but in the industrial democracies. If the trend continues over the long term, commodity earnings for the less developed countries will be far below what they might be, and prices will be higher for everyone. We need, not stagnation of investment but policy initiatives to assist the developing countries to mobilize the capital, technology and management skills to produce the commodity resources they have in such abundance.

At the Nairobi meeting of UNCTAD last year I suggested an International Resources Bank, which could act as intermediary or partner with the host countries and foreign investors; there is some interest now in exploring ways in which the World Bank might play that role in a similar pattern of triangular relationships. Whatever the institution, it is important that we search for new ways to reduce the non-commercial risks for resource investment, and thus promote greater flows of investment capital for worthy projects on reasonable terms, in the interests of both producers and consumers.

In this, and in a host of other areas, it is time the world community accepted the legitimacy of private capital flows. Business has an immense future, of opportunity and responsibility, in helping to meet the development challenge. There is no more serious issue for the prospects of private commerce than its role in the relationship between rich and poor in the years to come.

BUSINESS AND OUR FUTURE ECONOMIC RELATIONS WITH THE EAST

New trade and financial relationships with the nations of East Europe, the Soviet Union and the People's Republic of China will also transform the landscape for business in the next several decades. In recent years the Communist countries to a greater or lesser degree have abandoned their traditional insistence on autarchy and begun to move towards greater economic interchange with the industrial democracies. As their economies have become more sophisticated, their demand for consumer goods, high technology, food grains, and a variety of other products has grown comparably.

A rapid and sudden expansion of East-West trade has come about—and a consequent explosion of Western lending to finance that trade. Estimates of the total new debt, public and private, to finance the flow from the West to the East have ranged from $27 to $45 million.

The desirability of East-West trade and its impact on overall East-West relations have been the subject of intense debate. One school of thought holds that trade and finance automatically serve to restrain Soviet policy. Hence the more intense the mutual interaction between the industrial democracies and the Communist nations, the more likely will the Soviet Union show a sense of responsibility in international affairs. The opposing view argues that *any* trade will inevitably strengthen the Communist economy and ultimately its military potential. Therefore it should be tied to specific conditions, especially the humane evolution of the Soviet domestic system. This was the basis for Congressional action linking Most Favored Nation status to Soviet emigration practices.

I believe both approaches to be one-sided. The relation between increased trade and a responsible foreign policy is not automatic. After all, World War I broke out under conditions of nearly free trade. Only if the balance of power is maintained and Soviet adventurism is resisted can economic relations be expected to have an impact on Soviet conduct. A great deal depends, moreover, on what the trade consists of, what long-term domestic commitments it implies, how open-ended the nature of the credit, and whether the industrial democracies or the Communist nations would suffer more from its interruption.

Many opponents of increased East-West trade also vastly oversimplify the problem. There is no question that because of the many possibilities or the diversion of resources inherent in the modern economy, almost any kind of trade can indirectly benefit military potential. But this must be weighed against the fact that a carefully and prudently designed trade and credit policy is bound to create vested interests that can act as an incentive for responsible conduct. The balance can best be struck if projects are approved on an individual basis, rather than through open-ended credits, through long-term projects whose possible termination involves a serious cost rather than through the delivery of integrated plants in a very brief period of time.

There is no question that Communist nations are prepared to pay some price for increased trade. But it is important to understand what this price is and not to act as if it could be exacted mechanically in every field by unilateral demand. As a general proposition public concessions are more likely to be obtainable in the field of international conduct, with respect to which foreign countries have a defined interest and legal standing, than with respect to matters traditionally considered the subject of domestic policy.

The following principles should, in my view, guide East-West trade:

1. East-West trade cannot be "free." It must be subject to some political control and some political conditions. All of the industrial democracies have agreed to this principle, though they have applied it with varying degrees of conviction.

2. It is the responsibility of governments to make certain that these controls make sense, that they promote clearcut and attainable objectives both in what they prohibit and what they permit.

3. Uniform standards must be applied by the industrial democracies so that self-restraint in some area by one country does not turn into a windfall economic opportunity for another to the detriment of both.

4. Credits should not be open-ended but tied to specific projects.

5. Projects should be sufficiently long-term so that there is a serious penalty in their termination and they should be decided on the basis of whether their termination is a

greater penalty to the industrial democracies or to the Communist side.

6. Conditions should be related in general to foreign policy actions and not to demands that sovereign nations will never accept as a result of public pressure from foreigners.

Such a strategy requires a high degree of discipline and public understanding. American business must reflect these qualities, which I am frank to say it has not always done. On the one hand many businessmen encourage a rhetorical anti-Communism that seems more concerned with liturgical obeisance than practical achievement. On the other hand they tend to resist—in the name of free enterprise—any attempt to control the level of trade or the rate of credits or to relate them to concrete foreign policy developments. I remember with a well-suppressed nostalgia how the Administration of which I was part, after years of being attacked for "selling out" on the grain deals of 1972, was castigated unmercifully in 1976 for injecting itself into grain sales when it did so for the purpose of bringing about a long-term agreement rather than a one-time sale, and also responsible Soviet conduct in trouble spots such as the Middle East. I hope a more sophisticated approach will be possible in the years ahead.

Equally important is a unified strategy on the part of the industrial democracies. When the restraint of one becomes the windfall of another, it encourages not Communist responsibility but a strategy that divides the industrial democracies and uses their shortsighted obsession with immediate gains to undermine their long-term security. For years there was an intense debate in the United States about extending credits to the Soviet Union, which were never planned to exceed one billion dollars and would have been tied to specific projects and conditions of international restraint. Within two years of the enactment of the Stevenson and Jackson amendments, other industrial democracies had extended open-ended credits exceeding 10 billion dollars.

The need for a conscious and deliberate strategy among the industrial democracies for East-West trade will become ever more urgent as the scale of East-West trade grows. It was to the end of developing a common strategy that in 1976 the United States suggested to the OECD a comprehensive study of the entire East-West economic relationship and its implications.

One result was the agreement that the OECD nations would restrain for one year their temptation to compete on export credit terms. Another result was an OECD study to look into both the economic and political implications of the new trade relationships.

These are questions which require an urgent answer: What are the real sources of financing for East-West trade? To what extent does the increased debt of the East to the West mask payment risks? How do we insure economic reciprocity? How do we prevent dumping and other unfair trade practices? How should Communist countries relate to international economic institutions? Are we now effectively coordinating export policies or are some nations evading the gentleman's agreement? At what point does the West become vulnerable to demands that it extend special favors to East European exports? Will the East European nations argue that they require favored treatment if they are to repay their debts?

What are the consequences to the sensitive political relationship between the industrial democracies and the Soviet Union?

The economic strength of the industrial democracies is one of our greatest assets in relations with the Communist countries. It underpins our military strength as well as the cohesion of the democratic nations. If managed with wisdom and prudence, it also offers prospects for affecting Communist conduct in a constructive way. But it can also hasten demoralization and confusion if driven by short-term considerations of domestic or national advantage rather than a clearcut strategy. Trade with the Communist countries may be a matter of business, but it also involves international issues of the gravest consequences. How the governments of the industrial democracies deal with this challenge will determine the international environment in which foreign policy as well as private business is conducted for years to come.

CONCLUSION

America's economic vitality is our greatest asset. It is the product of the creative spirit of a free and industrious people and of an economic system that gives opportunity to private incentive. It is the foundation of our prosperity, our military strength, and constructive relationships in a world of peace.

I have discussed some of our foreign policy concerns—the great importance of our economic cooperation with the other industrial democracies, the role of private enterprise in economic development, and the implications of doing business with Communist countries. In every area, political and economic objectives intersect. In every area, private enterprise, with sensitivity to the broad national framework, and by doing what business is good at, can make a vast contribution to the world's welfare and to international peace. It is more essential than ever that American private enterprise understand the political context—not only the political conditions in the host country where it does business, but also the overall framework of America's international responsibilities.

As a nation we must understand that we can neither dominate the world nor escape from it. For the first time in our history we are permanently involved in international affairs.

This is a heavy responsibility, but also a historic opportunity. Our fellow democracies look to us for leadership. Our adversaries watch for weakness or a flagging will, which to them spells opportunity. The developing world needs our assistance, our advice, our understanding and our compassion. This is a challenge that summons the best qualities of Americans—ingenuity, dedication, pride, confidence, and moral stamina.

Much of the world now bears the imprint of the creative American spirit. We have achieved great things, and even greater achievement is needed to master the future. In a world of new complexities and high hopes, Americans can show once again that we will meet our challenges.

Thank you.

UNEMPLOYMENT AND THE ECONOMY

Mr. BAYH. Mr. President, for the first time in nearly 3 years, the unemployment level in the United States has dropped below 7 percent. While the 6.9-percent unemployment rate for May is still too high, this new statistic represents a significant, positive step toward our goal of full economic recovery. We must continue to preserve our Nation's commitment to providing work for all able Americans. Such a commitment stimulates the economy to grow and prosper, without necessarily promoting inflation. In recent months here in the Senate I have joined my colleagues in supporting and passing important economic legislation designed to maintain our fight against unemployment and thereby promote our Nation's economic recovery. In light of the improved unemployment level, I believe it is appropriate to review this legislation.

I. FULL EMPLOYMENT ECONOMY

Mr. President, I have always believed we must make commitments which are more than just lip service to the concept of a full employment economy. By passing the Comprehensive Employment and Training Act—CETA—extension, the public works employment bill (H.R. 11, P.L. 95–28), the fiscal 1978 transportation appropriations bill and the youth employment and training bill (H.R. 6138), we have put words into action.

The process of putting people back to work is a slow and frustrating one, but it is still the most important economic task facing us today. CETA programs have been a vital step in stemming the ravages of unemployment. Therefore, I voted to extend the authorization of sums as may be necessary for all titles of CETA through fiscal year 1978. In so doing, we have also extended the amendments to title VI made by the Emergency Jobs Programs Extension Act of 1976 which provides that each prime sponsor of a public service employment program may use its allocation, first, to sustain its existing number of public service jobholders under the act, and shall thereafter fill any additional public service jobs with low-income persons. Overall, Congress has increased the number of public service jobs from the current level of 310,000 to 600,000 for fiscal 1977 and 725,000 for fiscal 1978.

The public works employment bill authorizes an additional $4 billion to extend the program of grants to State and local governments to provide jobs through construction in places with the most distressing levels of unemployment. It will not only put people back to work, but will also create important community facilities which will benefit our citizens for years to come.

The fiscal 1978 transportation appropriations bill, approved by the Senate Transportation Appropriations Subcommittee which I chair, provides funding for several Indiana projects. These projects will create jobs for hundreds of Hoosiers in addition to improving transportation facilities in Indiana and throughout the United States. The Indiana projects include: First, $4 million earmarked for a rail-highway crossing demonstration project in Terre Haute; second, a $5.3 million additional appropriation for two access roads to public recreation areas on certain lakes, one of which is Lake Monroe, south of Bloomington; third, a $2.3 million allocation of funds for the relocation of the control tower at the airport in South Bend and, fourth, a $15 million appropriation for airport planning grants.

Additionally, of the $680 million total appropriation for Amtrak operations and capital improvements, $13 million has been earmarked for the rehabilitation of Amtrak equipment and the conversion of passenger cars to be done at the Beech Grove facilities near Indianapolis.

Youth unemployment, and the frustration and disillusionment it creates among young Americans, is one of the most serious aspects of the overall unemployment problem. The future stability and

health of our economic system rests upon the shoulders of our Nation's youth. So, it is imperative that our society provides meaningful jobs for America's young people.

The youth employment and training bill, which adds a new title VIII to the Comprehensive Employment and Training Act of 1973, creates a National Young Adult Conservation Corps to provide work for unemployed youths in parks and forests throughout the United States. It also authorizes youth community conservation and improvement projects to put unemployed youths to work on the rehabilitation or improvement of public facilities, neighborhood improvements, weatherization and basic repairs to low income housing, and conservation, maintenance, or restoration of natural resources on non-Federal public lands.

The youth employment and training bill is not "make-work" legislation. This measure provides meaningful opportunities on a long-term basis by authorizing support for a broad variety of employment and training programs. These programs are designed to enhance job prospects and career opportunities for young persons, including activities involving useful work experience in community betterment and appropriate training and services such as outreach, counseling, occupational information, institutional and on-the-job training, and transportation assistance.

II. UNEMPLOYMENT COMPENSATION

In addition to supporting full employment, I feel that a part of this Nation's policy on work must concern itself with the necessity of maintaining a viable unemployment compensation system during time of economic difficulty. As we all know, unemployment insurance has been a part of the American worker's life for 40 years now. During that period of time, the system has functioned to provide a degree of financial security to those workers temporarily out of a job. Many families have been spared undue hardships and deprivation by well-administered State unemployment compensation programs.

However, the economic crisis of recent years has placed an enormous burden on the unemployment compensation system. As our Nation moves toward full economic recovery, we must guarantee that the unemployment compensation system meets its purpose. Therefore, I joined my colleagues in voting to extend the Emergency Unemployment Compensation Act to October 31, 1977, in order to provide 13 weeks of emergency benefits in States where the insured unemployment rate is 5 percent or more. This bill contains a phaseout under which individuals eligible before October 31, 1977, may continue to receive benefits until January 31, 1978.

The Emergency Unemployment Compensation Act extension further provides that only those unquestionably in need of unemployment compensation will receive such aid. This measure is by no means a give-a-way to those who are not interested in working.

Mr. President, with the support of my colleagues and the administration, we must maintain our fight against unemployment. The lower unemployment rate is a promising indication of economic recovery, particularly when we compare it with the 8-percent level in November 1976. Nevertheless, there are still millions of Americans who need jobs. Failure to provide such jobs can and will result in a tragic cost on the unfortunate victims of unemployment. It will also cost our Nation many billions of dollars in income, goods, and services. Mr. President, we must and we will continue to make a meaningful effort to guarantee employment to those Americans, male or female, black or white, young or old, who want and need to work.

THE SO-CALLED YOUTH CAMP SAFETY BILL

Mr. THURMOND. Mr. President, I have had the pleasure to read an excellent analysis of the so-called youth camp safety bill by the eminent author and columnist, James J. Kilpatrick.

Mr. Kilpatrick points out that while such legislation is well-intended, it does significant harm to the principle of federalism and further adds to the power of the Federal bureaucracy at the expense of the States and individual rights.

Mr. President, this excellent column appeared in the June 30, 1977 Washington Star, and I ask unanimous consent that it be printed in the RECORD so my colleagues may have the opportunity to review it.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

YOUTH CAMPS ARE A STATE MATTER

(By James J. Kilpatrick)

Let me return to the pending Youth Camp Safety Act. The bill came out of the House Education and Labor Committee by a 25–7 vote on May 13; it now rests in House Rules, awaiting a green light to send it to the floor. The bill is a fundamentally bad bill—and the adverb merits emphasis.

Our structure of government rests upon two fundamental principles. One is the separation of powers, which has no bearing here. The other is federalism, which is directly at issue.

This well-intentioned but misguided bill would create a new Office of Youth Camp Safety within the Department of Health, Education and Welfare. The director of this office, with the assistance of an advisory council, would promulgate rules and regulations having the force and effect of law. These rules would be binding upon the estimated 10,500 youth camps across the nation.

The director's authority would include, but it would not be limited to: "personnel qualifications for director and staff; ratio of staff to campers; sanitation and public health; personal health, first aid and medical services; food handling, mass feeding and cleanliness; water supply and waste disposal; water safety, including use of lakes and rivers; swimming and boating equipment and practices; firearms safety; vehicle condition and operation; building and site design; equipment; and condition and density of use."

The committee report gives lip service—but no more than lip service—to the thought that these are primarily state responsibilities. The general idea is that the states are to be encouraged to enact their own laws embodying at least the minimum standards laid down by the federal office. But (and this is the first hooker), any stage that failed or refused to enact such legislation would be federally controlled anyhow; and (this is the second hooker), even those states that did comply would remain subject to continuing federal jurisdiction and monitoring.

The bill includes all the usual trimmings: inspectors, reports, forms, statistical data, fines of $500 to $1,000 a day for non-compliance, rights of appeal in the federal courts, and so forth. All this elaborate structure is designed to provide campers with safe and healthful conditions free from hazards likely to cause death, serious illness or serious accident.

To return to the main point: The bill falls into a pattern that crops up with ominous frequency in Washington. The wrong-headed theory behind this pattern is that uniformity is good, diversity is bad; federal control is superior, state regulation is inadequate; Congress understands the needs of the people, the state legislatures do not.

We see this pattern in pending proposals for a federal no-fault insurance law. We see it in President Carter's instant registration bill. We have seen it in such areas as occupational safety, clean air standards, and in hundreds of programs requiring matching funds for federal grants in aid. Through this insidious process, the states systematically are reduced to little more than administrative agencies for the exercise of federal power.

It was never meant to be this way. The Tenth Amendment, that great key to the house of our fathers, sets forth the American plan in words that are too plain to be misunderstood and too precious to be corrupted: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

Surely the power to regulate youth camps could not reasonably be numbered among the powers delegated to Congress by the Constitution.

CHASKA AND WINONA, MINN.

Mr. ANDERSON. Mr. President, earlier this year I joined Senator HUMPHREY in requesting funding for two important Corps of Engineer projects for our State. These projects are in Chaska and Winona, Minn. It is unfortunate that the committee did not include funds for these projects in the bill before us today.

For fiscal year 1978 the corps has the capability to spend $180,000 to begin planning for a much needed flood control project in Chaska. Most of this community lies in the flood plain of the Minnesota River and two creeks flow through either end of the city making this area particularly vulnerable to high water flows. The city has been partially protected by a levee, however, it is difficult to tie either end of this existing levee into high ground.

A study conducted by the St. Paul Corps of Engineers District in September of 1972 recommended construction of a creek diversion for Chaska Creek, a flood bypass for East Creek and levee upgrading along the Minnesota River. I will continue to work with this community until their efforts to protect themselves from flood damage is realized.

The Winona project has already undergone preconstruction and engineering specifications and is awaiting construction grant funding. Stage I of this project was completed in the spring of 1967 and stage II, authorized in 1971, is all that is needed to complete this project.

This community needs this permanent dike system to protect themselves from flooding. Since 1965 the city has incurred expenses of $2,300,000 fighting floods with temporary dikes. This community needs this $3 million for a construction grant which the Corps of Engineers is prepared to give.

I realize that the Senate Appropriations Committee has accepted the administration's position to authorize no new construction starts for this fiscal year. Quite frankly, I do not concur with this decision. While I agree that careful consideration should be given to reviewing each project, I believe that clearly there are some construction starts which are worthy of funding. In my mind, Winona is just such a project.

ROLFE NEILL SOUNDS ALARM ON SOCIAL SECURITY

Mr. HELMS. Mr. President, I am confident Senators will be interested in two timely and important articles on the plight of our social security system, which recently appeared in the Charlotte Observer. The author, whom I have known personally for many years as a friend and as a distinguished newspaperman, is Rolfe Neill, publisher of the Charlotte Observer.

Rolfe has performed a valuable service by addressing himself candidly and openly to a subject that has traditionally been regarded as taboo in American politics. For many years, anyone who even hinted that the social security system might be in financial difficulty was promptly characterized as an opponent of the System. But this is no longer the case. Rising payroll taxes and a huge, long-term deficit that can no longer be ignored have led an increasing number of citizens to conclude that social security is in urgent need of basic reform. Patchwork changes will not solve the fundamental problems which plague the system.

Over the past four decades, the social security system has served us well by providing income security to the elderly. But the system, which was designed long ago, has not kept up with rapidly changing economic, social, and demographic conditions. Since 1935, dramatic changes have taken place in American society. Every year, more and more Americans are opting for earlier retirement; the life expectancy of the elderly has increased; and there has been a sharp decline in the birthrate.

Developments such as these have placed a severe financial strain on the system. As the ratio of retired persons to workers continues to increase, the deficits continue to mount. In 1976, social security ran up a deficit of $3.2 billion. Unless a number of major changes are made, the social security system will be in a state of chaos within a few years.

Mr. President, it is time to talk freely, openly and honestly about social security. For too long, politicians have manipulated the system, ignoring Franklin Delano Roosevelt's admonition that social security must not be converted into a political football. As Mr. Neill correctly observes:

The politicians are the people who voted us into this.

Now we must put our heads together and make some difficult decisions—decisions based not on political considerations but the best interests of American people.

Mr. President, Mr. Neill's excellent articles are sure to stimulate the kind of public discussion of social security that is so sorely needed. The American people deserve to be told the truth. I ask unanimous consent that these articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

DADDY CUSSED FDR—UNTIL

(By Rolfe Neill)

Daddy always cussed President Roosevelt.

It had to do with my father's opinion that FDR practiced tomfool economics. FDR wanted to take from the rich (anybody working) and give to the poor. Daddy thinks most folks are poor by their own hand. He sees no need to encourage indolence by rewarding it.

His gripe with FDR started in the '30s. He saw his president taking citizens such as himself and turning them into economic serfs. FDR sought to make workers government slaves, producing tax dollars. He would take their dollars and give them to folks who didn't work.

This boiled my father. He didn't mind working 12 or 14 hours a day to put bread on our table. Some weeks it was seven days. He paid every debt he ever owed, even though some took years. He sent money in to Uncle Sam but never took any of his handouts. He is the most impoverished Republican I know. To this day he looks on government as The Enemy.

ATTACKS DIMINISH

After FDR died in 1944 Daddy's attacks on him became less frequent. Sometimes we would go for a week without Daddy growling about how President Roosevelt had set America on a course of ruin.

But he continued to cuss Social Security. To Daddy, that was one of the harebrainedest schemes ever concocted. Why, if a man wanted insurance let him buy some. If not, then suffer the consequences.

The economic system was not overly generous to my father. He struggled on with long hours and not too much pay. He was happiest finally when he went into business for himself and could work even longer for even less. But at last he was The Boss. Some fellows want to be independent. They usually register Republican.

Many of Daddy's family were schoolteachers, gentle folks who taught in Lincoln, Iredell and Rowan Counties. And most were Democrats. Only Aunt Ethel do I remember as a Republican. She and Daddy would meet at my Grandmother Neill's in Mooresville. They would begin talking about President Roosevelt. His wickedness was so monstrous that I thought surely Dr. I. N. Kennedy would pray for him publicly from his ARP pulpit that Sunday.

DAY HE STOPPED

Aunt Ethel is dead but Daddy cussed Roosevelt right on into the 1970s. I can remember the day he stopped, or at least paused. It was the day that first Social Security check for $234.70 arrived. At last, thought Daddy. I'm getting back a little for what FDR took away from me.

Well, Daddy, you're right on principle but wrong on facts. You're not getting back what you put in. You and millions of other Americans don't really understand how Social Security works. You see, the money you put in has long been gone. The $234.70 you're getting every month is coming from the money I put in.

Social Security was set up so that it would pay out each year most of what it takes in. The hullabaloo right now is that it is paying out more than it takes in. In other words, it has at last achieved the same status as the remainder of our government.

Where does it make up the difference? From a surplus fund of a few dozen billions. That slopover fund means that when Social Security income misses a few billions then SS simply reaches into that reserve.

The problem is with the current rate of Social Security taxation vs. benefits. What they take from my paycheck—equally matched by my company—is not sufficient to meet the $234.70 a month you're getting. Nor will it be next year nor the next. Soon the surplus will be gone. Either you have to get less or I and/or my company must pay more.

THIRD SCHEME

Oh yes, there's a third scheme. That's to take some of the money from the income taxes I pay and shift it over to help cover the shortage in your $234.70 check each month.

President Carter wants to do all three:

Take more from me.

Take more from my company.

Take money from my income taxes to shore up Social Security.

This third idea really is FDR tomfool economics, Daddy. That would be borrowing from a deficit to pay a deficit.

And why is Social Security paying out more than it's taking in? Tomfool economics by current politicians. They upped benefits without raising taxes enough. And when they tried to correct for inflation they did it twice. Aunt Ethel wouldn't have needed a desktop calculator to tell you what was going to happen after that.

$34,000 A MONTH

(By Rolfe Neill)

So Daddy is getting this $234.70 a month Social Security payment never dreaming that one of Uncle Sam's checks could bounce. Well that's the direction it's headed.

If you think it's bad now, inquire into the future. The folks responsible for the integrity of the Social Security system have done that. They say if things keep on as they are that in the year 2050 your average benefit will be $34,000 a month. That's right, $34,000 a month.

And the average individual wage subject to Social Security tax will be in excess of $50,000 a month. You can imagine what the price of a loaf of bread will be.

THREE VIEWS

Calculations were made last year by the Social Security trustees. They made three estimates (pessimistic, middle range, optimistic) of influential factors. These were the middle range estimates that lead to the $34,000 a month Social Security check:

Wage increases will fluctuate between 9.4 per cent and 6.7 per cent a year until 1982. Then they will average 5.75 per cent for the remainder of the 75 years.

Price increases will drop from 6.3 per cent in 1976 to 4.5 per cent in 1981. Thereafter they will average 4.0 per cent a year to 2050.

The average woman will have 1.9 babies for the 75 year period.

As explained last week, there is no money saved to pay Daddy's $234.70 a month Social Security such as there is to pay off insurance claims. Money taken from your paycheck this year finances this year's benefits to retired folks. But people are living longer. As birth rates decline, we'll also have less workers.

Put it this way: Today 100 workers carry 32 beneficiaries on their backs. By the year 2035 each 100 workers will have 52 benefi-

ciaries to support through Social Security taxes.

IN HOLE NOW

We're in the hole now. This year we'll pay out more than we take in. The relatively small SS surplus will be exhausted in a few years.

So how do we get out of this mess? To avoid catastrophe will require a combination of some of these unpleasant options:

Recognize there are no free lunches. The only place to get Social Security money is from you and corporations.

President Carter wants to take Social Security money out of the income tax fund. That's already in a whopping deficit and has been for most of the time since the 1930s. Judgment Day is coming on that one, too.

Reduce future Social Security benefit increases.

Increase the amount of SS taxes paid by you and your company.

Reduce government expenditures elsewhere so that money freed by lowered income taxes could be partly used to increase the Social Security tax.

Instead of encouraging people to retire earlier, require them to work longer before becoming eligible for Social Security. Delaying a new class of SS check cashers by setting retirement at 66 or 67 or 68 would inject enormous extra sums into the system. This money could help eliminate the deficit which, based on current rates, will become acute 35 years from now.

Remove this year the deadly flaw in the benefit formula. Congress meant to correct for inflation but instead corrected twice, causing benefits to jump more than 25 per cent in three years. Congress should act on this immediately.

Easy choices aren't available. It's your Social Security check that's at stake. It's your government. It's your taxes. You better let your man in Washington know what you think.

TAKE EASY WAY

Remember, the politicians are the people who voted us into this. As long as they think you don't care, they'll leave it fouled up. Given a choice between unpopularly correcting a wrong and procrastinating in its continuance, most politicians take the less offensive way.

There is much more incentive for you to get it straightened out than there is for them. After all, the pension system for Washington officeholders makes your Social Security check look like a kid's allowance. Of course, you pay the retirement benefits, too.

But all this is what I think. What do you think? Drop me a line.

JUVENILE JUSTICE: AT THE CROSSROADS

Mr. BAYH. Mr. President, I wish to bring to the attention of my colleagues an honor bestowed on our distinguished colleague from the State of Maryland (Mr. MATHIAS) who was recently chosen to receive the "Maryland Service to Youth Award," at the annual meeting of the Jewish Big Brother League.

When I became the chairman of the Subcommittee To Investigate Juvenile Delinquency in 1970, Senator MATHIAS shortly thereafter became the ranking minority member of the subcommittee and over the years our distinguished colleague has fought side-by-side with me to assure that the rights of our young people and the prevention of juvenile delinquency becomes, in fact. "the Federal priority." Clearly, Congress has worked diligently over these past 7 years to assure the Federal Government's commitment to a national policy of juvenile delinquency prevention as set forth in what has been called "landmark legislation," the Juvenile Justice and Delinquency Prevention Act of 1974. I was proud to sponsor and lead the bipartisan Senate effort along with the Senator from Maryland (Mr. MATHIAS).

Mr. President, this body has recently given unanimous approval to a 3-year extension of the Juvenile Justice Act, which has the concurrence of the House of Representatives. I am pleased to announce that the Senate-House Appropriations Conference has recommended that $100 million be appropriated for the Juvenile Justice Act for fiscal year 1978.

The President and the Attorney General have also expressed their firm commitment to juvenile prevention and their clear endorsement of the Juvenile Justice and Delinquency Prevention Act of 1974. For one who has struggled to establish this priority—unsuccessfully with the former administration—this endorsement is indeed sweet music.

Mr. President, I wish to call on my colleauges to join with me in congratulating our colleague, Mr. MATHIAS, on his receipt of the Maryland Service to Youth Award. Further the Big Brothers deserve our congratulations for their strong support—the citizens participation so necessary in carrying out the mandates of our Juvenile Justice Act. The Big Brothers have been responsive to the need for meeting the crisis of our homeless, abused, neglected, and delinquent youth by providing needed services for those young people.

Mr. President, I ask unanimous consent that "Juvenile Justice: At the Crossroads," a talk by Senator MATHIAS at the annual meeting of the Jewish Big Brother League, Inc., be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JUVENILE JUSTICE AT THE CROSSROADS

(A talk by Senator CHARLES MCC. MATHIAS, JR., to the annual meeting of the Jewish Big Brother League, Inc., Baltimore, Md., May 10, 1977)

I am very proud to have been chosen to receive the Big Brothers' Maryland Service to Youth Award. But, there is not a single Big Brother here tonight who doesn't deserve the award more than I do.

As a United States Senator, I am in a position to help legislate for a more humane and constructive juvenile justice system. I can press for adequate funds for juvenile delinquency and crime prevention. But, it is you, Big Brothers, who are the real heroes in service to youth.

If you don't believe me, let me read you some testimony taken during the hearings the Senate Subcommittee to Investigate Juvenile Delinquency held last summer here in Baltimore. I chaired those hearings, as ranking minority member of the subcommittee, and was especially moved when an 18-year-old former delinquent told us:

"I come from a pretty high crime area and there is just nobody to talk to. You don't have a father or anything. They don't have Big Brother programs in the community or anything like that."

How's that for a spontaneous and unrehearsed commercial? That boy never had a Big Brother and I don't think he'd ever even met one. But, he knew that things might have been different for him if he had had someone like you to talk to.

So, tonight as I accept this award, I do so only as a surrogate for the Big Brother themselves.

Now, I would like to talk to you a little about our juvenile crime problem and about our juvenile justice system.

Young people from 10 to 17-years-old make up only 16 percent of our population and yet they account for more than 45 percent of those arrested for serious crime. That's a terrible thing to think about. It means that school children, or children who should be in school, are responsible for almost half of the serious crimes committed in this country.

There are even worse things to think about. For example:

Crime by youngsters 10 to 14-years-old increased 300 percent nationally in the 1960's and is still on the rise;

Last year almost 60 percent of all criminal arrests involved persons 22 or younger;

In Baltimore, 52 percent of those arrested for robbery in 1975 were under 16-years-old;

In Anne Arundel County, juvenile crime more than doubled over the past several years;

Some Maryland youths are arrested 25 times before they reach voting age; and

Nationally, the rate of recidivism among offenders under 20 is estimated to be well over 75 percent, by far the highest rate for any age group.

What do these statistics tell us? Obviously, they speak of the shortcomings of our juvenile justice system in preventing juvenile crime and in treating youthful offenders. But, many other factors also contribute to the rise in juvenile crime. Among them are the distintegration of the family unit, lack of community concern, soaring youth unemployment rates (especially among minority youth) and drug and alcohol abuse.

It is our juvenile justice system, however, which treats the nonviolent, troubled youth too harshly and the serious delinquent too leniently, that bears the brunt of public criticism. The rise in violent crime—up more than ten percent in 1975 (the most recent year for which complete figures are available)—And the fact that kids 18 and under account for 43 percent of those arrested for violent crime, have provoked an intense debate over how we dispense juvenile justice.

Our present juvenile court system dates back to 1899 when reformers, disturbed by the brutalizing and corrupting influence of adult criminals on adolescents, succeeded in establishing in Chicago the first separate juvenile court. By 1910 a separate court system for juveniles had been adopted nationally.

Today, public apprehension about the increase in violent crime among juveniles and our seeming inability to reverse this trend, has triggered demands for a "get tough" policy against juvenile delinquents. Some advocates of this approach would abandon our separate justice system and take us back to the pre-1899 pre-reform system, where adults and juveniles shared the same courts and the same jails. A simplistic statement of this point of view is that: if you're old enough to commit a serious crime, you're old enough to receive serious punishment.

Now, I too am deeply concerned over the obvious failures of our juvenile justice system. Our federal government after all was established to safeguard certain rights and to perform certain functions. One of these was "to insure domestic tranquility." I believe government must do that.

Today, we have precious little domestic tranquility. Crime haunts the inhabitants of our inner cities and it licks hungrily at our suburbs; our elderly withdraw into isolation rather than risk assault on the streets, and shopkeepers and householders alike arm

themselves against intruders. Civilized people simply cannot live this way.

Public outcry over violent crimes perpetrated by adolescents cannot go unheeded. We must develop a criminal justice system that is effective in dealing with those youthful offenders who should be removed from the community for society's sake as well as for their own. Such persons must recognize that swift and certain punishment is inevitable if they transgress the law. We must reduce the juvenile's contempt for the juvenile court where it has been too easy to beat the system and emerge unscathed.

But, granting the need for reform and I do, we must not be traduced into exposing serious juvenile offenders to the possibility of incarceration in adult correctional facilities. An approach which would send troubled impressionable children to jails and prisons with hardened adult offenders cannot be the right answer.

Our prisons—over-crowded and underfunded—are graduate schcols in crime, pure and simple. As my colleague Senator Bayh, former Chairman of our subcommittee, has said:

"A juvenile justice system that resorts to incarceration, masquerading as rehabilitation, serves only to increase the crime rate by providing new students for what have become institutionalized schools for crime. What is needed is an approach that concentrates on producing productive citizens."

I concur wholeheartedly.

One of my great fears is that public frustration and outrage over juvenile crime rates and widespread advocacy of a "get tough" policy will work together to undermine the Federal government's commitment to a national policy of juvenile delinquency prevention as expressed in the Juvenile Justice and Delinquency Prevention Act of 1974 which I co-sponsored.

Given our limited resources, we simply cannot afford to put our main emphasis on locking up violent young offenders. No matter how politically popular such an approach might be, it will only create more problems than it solves. None know better than you do how great the chances are that the troubled youth we ignore today will become tomorrow's violent offender.

Right now 40 percent of the youth caught up in our juvenile justice system are status offenders. They're guilty of nothing more than truancy, incorrigibility or running away. Yet these kids—and 70 percent of them are young women—often end up in prison. Our subcommittee heard testimony that more juveniles guilty of status offenses wind up in juvenile institutions than those convicted of criminal offenses. Here are the figures on that:

25 percent are incarcerated for status offenses;

18 percent for minor offenses;

23 percent for serious crime; and

Status offense juveniles also spend more time in institutions than those who have been found guilty of serious crime.

This is not only a shame. It is a terrible waste of money. Former Senator and now Representative CLAUDE PEPPER gave a very lively and interesting presentation to the Judiciary Committee last year on the high cost of incarceration. Let me read some of it to you:

"For what it costs to keep a youngster in a training school you can send him to Phillips-Exeter Academy, have him in individual analytical phycho-therapy, give him a weekly allowance of between $25 and $50, plus a full clothing allowance. You could send him to Europe in the summer and when you bring him back still have a fair amount of money left over."

In Maryland it costs the taxpayers about $10,000 a year for every individual incarcerated. That's a lot of money.

So, in my view, it's neither economically feasible nor morally defensible to turn to crime programs dictated by a "get-tough", "lock-em up" attitude. Admittedly there are no easy solutions to reform of our juvenile system. It is always difficult to find a balance between protecting the public and providing our troubled youth with a chance to live productive, non-criminal lives. But we must never stop looking for that balance.

One important contribution the Congress can make is to see that federal funds for juvenile justice programs are made available to the States in a coherent and consistent way. To that end, I am co-sponsoring with Senator BAYH the Juvenile Justice Amendments of 1977 (S. 1021) which will extend and strengthen the office of Juvenile Justice in LEAA and which authorize $1 billion over the next five years for juvenile justice programs. That is a lot of money but in view of the magnitude of the task confronting our states, we can do no less. It seemed to us that, if the States could count on additional money provided in a stable, continuous way, then they would have some hope of realizing the objective of the 1974 Juvenile Justice and Delinquency Prevention Act: to make prevention of juvenile crime a national priority. These funds would help local communities develop and sustain the innovative new approaches necessary to help juveniles in trouble and to keep them from getting into more trouble.

But no amount of delinquency prevention programs can accomplish this objective if there are no jobs for these youths. According to the official Bureau of Labor Statistics figures for the first quarter of 1977:

17.5 percent of white teenagers are unemployed (up one percent over the first quarter of 1976);

42.3 percent of black teenagers are unemployed (up 2.3 percent); and

The overall figure for teenage unemployment is 19.6 percent which is 12.3 percent higher than the total unemployment figure.

As Peter Edelman, director of the New York State Division for Youth, points out: "Where there are no jobs and where there is no hope for jobs, there will be more crime".

So, unless we move decisively to provide jobs for these teenagers, we might just as well save our money on delinquency prevention programs.

I attach such a priority to this that I went to some lengths to see that my Employment Resources Act of 1977 was the first piece of legislation in the 95th Congress so that a bill addressing our number one priority would bear the number S. 1.

This bill would establish a National Youth Service to employ young people between the ages of 16 and 24 in projects to restore and improve their own communities. With so much to be done in our cities—rehabilitation of housing, park improvement and other community projects—it is intolerable not to link those who need work with the work that needs doing. Until we have the sense to do that, street crime will continue to menace us all, and our cities' downward slide will continue.

S. 1 would also significantly expand the Youth Conservation Corps—today's watered-down version of the 1930's Civilian Conservation Corps. It would convert the present corps from a summer and to a year-round program that could ultimately employ 300,000 young people from low-income families on environmental projects on state and Federal lands.

The glaring needs of our cities are matched by the improvements we could make in our environment. My bill simply asks the question: "Why can't we let our young people—who will inherit this land—find work in preserving it?

But, despite the importance of the Federal government's role in the overall effort to prevent and control juvenile crime and to stimulate jobs programs, juvenile crime prevention is essentially a local problem. No amount of Federal involvement can substitute for the active and concerned participation of parents, neighbors, schools, local law enforcement agencies, juvenile courts and local rehabilitation programs.

Col. Bishop Robinson of the Baltimore Police Department hit the nail on the head when he told my subcommittee that:

"Crime prevention is a total community responsibility and it necessitates the involvement of the total community . . . our social institutions must fulfill their responsibilities and not abdicate their responsibilities to the police."

Clearly, we must all become involved if we are to realize the full potential of our greatest national asset: our young people. The example you set as Big Brothers is a beacon to all who care about America's future. I salute you for the work you have done and for the work that you will do with your little brothers. I am honored to be honored by you.

A NEEDLESS DIVESTITURE

Mr. HATCH. Mr. President, several days ago I addressed this body concerning the Federal Trade Commission's action requiring divestiture of Peabody Coal from Kennecott Copper Corp. At that time I condemned the FTC's ruling as irrational, unjustified, and counterproductive to the needs of this country and to the goals of increased domestic energy production. I pointed out that the FTC decision was without precedent and represented an extreme and unwarranted expansion of the previously accepted definition of anticompetitive corporate acquisitions. The actual result of the FTC's action will be reduced competition by paralyzing a coal industry leader, Peabody Coal Co. And the final divestiture plan, recently approved by the FTC, will turn Peabody Coal over to a consortium of industry giants, several of whom have interests in coal which are every bit as great as the small holdings Kennecott had prior to its acquisition of Peabody.

I am pleased to note that others have observed the senselessness of this situation and share my concern. The retired president of Occidental Petroleum Corp., William Bellano, recently spoke to the convention of the Utah Banker's Association at Jackson Lake, Wyo., and commented on this needless divestiture. I ask unanimous consent that a newspaper account of Mr. Bellano's remarks which appeared in the Salt Lake Tribune be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EX-PETROLEUM FIRM PRESIDENT RAKES AGENCY FOR FORCING PEABODY SALE

MORAN, WYO.—The federal government was stupid and narrow-minded in its decision to force Kennecott Copper Corporation to sell Peabody Coal Co., the retired president of Occidental Petroleum Corp. said here Wednesday.

William Bellano, who is also chairman of the Island Creek Coal Co., spoke on the future energy outlook during the final session of the Utah Bankers Assn. convention.

Mr. Bellano, in response to a question, said he believed the government's action in forcing the Peabody sale was the result of a

grudge by members of the Federal Trade Commission.

SHUTTING DOWN PLANTS

"In 1965, our company purchased the Heiner Coal Co. and Kennecott purchased Knight Ideal with the idea of shutting down the plants to keep the price of oil down," Mr. Bellano said.

"Then, when Kennecott bought Peabody Coal, staff members of FTC expressed concern that Kennecott might get into the coal industry. Kennecott went ahead with the sale without approval, because at that time the FTC had never stopped a transaction for that reason.

"I believe that the commission never backed down because of a grudge against Kennecott for not waiting for approval," he said.

Mr. Bellano said the $1.1-billion sale of Peabody to a consortium of companies, including mining interests, was a "giveaway."

BORROWED REST

He said that the consortium was allowed to put up $200 million of equity and borrow the rest.

"And," he said, "that consortium has just as much potential to get into the coal industry as Kennecott Copper had. It was a dangerous decision because it laid down precedent that if you have the potential or assets to get into an industry, you can't acquire property."

Mr. Bellano said Utah is blessed with energy resources. The problem facing Utah and the rest of the western states, he said, is to find large markets.

"Western coal," he said, "has less sulfur content than eastern coal, therefore it has cleaner production than the coal in the East."

Mr. Bellano said that companies still must use costly desulfurization equipment regardless of coal quality.

TRANSPORTATION COSTS

"And the transportation costs are so great that it is cheaper for eastern states to look for coal in their own areas," Mr. Bellano said.

He added that environmental and social considerations presented a problem for the shipment of western coal. "Colorado, for example, is considering limiting the amount of coal that can be shipped through that state in railroad cars," he said.

Mr. Bellano also said that while coal is the most abundant energy source, it will still not completely replace oil and gas. He said that utilities are allowed to pass increased oil and gas costs onto their customers so it's cheaper for them to stay with the more expensive fuels than to install clean-air equipment required with coal production.

Mr. HATCH. Mr. President, I would also call the Senate's attention to a related article appearing in the July 4, 1977, issue of Business Week. The column examines several aspects of the consortium which the FTC has sanctioned as the purchaser of Peabody, including its chief executive officer who is the former Chairman of the Securities and Exchange Commission, Roderick M. Hills. I have been somewhat puzzled as to the preferential treatment the Newmont consortium appeared to be receiving from the FTC as it went about acquiring Peabody, and the "in-the-bag" attitude which seemed to surround the acquisition. No longer. The contacts put together by the new "owner" appear sufficient to overcome any problem at the FTC, including the fact that the new "purchaser" is in the same position for which the FTC found Kennecott "guilty" and ordered divestiture. I ask unanimous consent for the Business Week article to be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT AWAITS HILLS AT PEABODY

At 8 a.m. one Sunday about a month and a half ago, Travis E. Reed, a former Assistant Commerce Secretary in the Ford Administration, got a telephone call from Roderick M. Hills, a former chairman of the Securities & Exchange Commission. "What do you think of the coal business?" Hills asked. "It's a great place to me," replied Reed, a longtime Hills acquaintance who has coal-mining interests. "Well," said Hills, "it appears I'm going to be in it and I would like your help.

This week, Hills, who recently agreed to become chairman and chief executive officer of Peabody Coal Co., was touring Europe with his family in a newly purchased Mercedes while Reed—as a senior consultant and Hills's "alter ego"—was entering his second week of analyzing the St. Louis-based coal company. When Hills returns from his vacation next month, Kennecott Copper Corp. should have completed sale of the domestic operations of its Peabody Coal subsidiary to Peabody Holding Co., a six-company consortium formed by Plato Malozemoff, chairman of Newmont Mining Corp. Shortly after that, Hills, 46, will be installed as the top man at Peabody, charged with revamping the biggest of U.S. coal companies.

Talent hunt. After fighting for years to overturn a Federal Trade Commission order to divest itself of Peabody Coal, Kennecott last October agreed to sell the domestic operations to Peabody Holding for $1.1 billion and the Australian operations to Broken Hill Proprietary Co. for $100 million. Ever since, the holding company has proceeded on the assumption that Peabody Coal was in the bag. Because Peabody Coal faces a diversity of problems that involve productivity and government regulations, says Malozemoff, "we really needed a very broad-gauge sort of man as chief executive officer [for Peabody Coal]."

The group looked at a dozen candidates on the "Washington scene" and settled on Hills, an attorney who, before his stint at the SEC, directed a major corporate overhaul at Republic Corp. The holding company's shareholders include Newmont (with a 27½% interest), Williams Cos. (27½%), Bechtel (15%), Boeing (15%), Fluor (10%), and Equitable Life (5%). The initial approach to Hills was made by George P. Shultz, both Labor and Treasury Secretary under President Nixon and now president of Bechtel. That led to a New York meeting between Hills and Malozemoff. The two agreed about management style and Peabody Coal's future direction.

Earnings decline. Hills, who will reportedly be based in Washington, is taking over a company with an erratic earnings record. Last year Peabody Coal's net income fell 24%, to $30.8 million, on record sales of $849 million. However, the net income includes $17 million from Peabody Coal's foreign operations as well as dividends, interest, and the proceeds of a land sale. Actually, the domestice operations only broke even.

Since the corporate shareowners are ponying up $200 million in equity capital for Peabody Holding, Hills can expect them to be watching over his shoulder. As Malozemoff puts it, "we are seeking a pretty much autonomous management, subject to the board, of course." Reed notes that Hills "is sensitive and quiet but with a will of iron, and that's what it will take to deal with this consortium."

Peabody Holding's owners are already working to Hill's benefit. In developing a long-term strategy for Peabody Coal, for example, studies done by Bechtel on future demand for coal-fired power plants are being factored in; Peabody Coal is the biggest supplier of steam coal to utilities. And such powerful backers will come in handy when Peabody Coal, which the purchase deal will leave highly leveraged, seeks additional financing. The holding company is borrowing $500 million long-term and will issue $400 million of 30-year income notes to finance the purchase. "The Peabody groups knows that they will have to put in capital above the purchase price," says a source close to the negotiations.

Long-term contracts. Peabody Coal has been boxed in by long-term supply contracts at a time when mining costs have skyrocketed. The 1969 Mine Safety Act has sharply cut productivity—from 2% to 10% at Peabody's open-pit mines and 18% to 32% at its underground mines—while costs of new mining equipment have jumped dramatically. "Peabody is able to pass through about 60% of the cost increases but is absorbing the rest," says Reed. Peabody last year averaged only $11.20 per ton for its coal vs. the spot market price of $14 to $17.

With 9.2 billion tons of reserves, Peabody Coal hopes to cash in on President Carter's push to double industrial coal consumption by 1985. But, says Reed, "I don't envision Peabody Coal being significantly changed for a considerable period of time—the company is too big and has too many problems."

BAYH REQUESTS PRIVACY INFORMATION FROM ATTORNEY GENERAL

Mr. BAYH. Mr. President, I recently noted with some concern the Federal Bureau of Investigation's proposal to establish a computer system which would give the Bureau the capacity to become a centralized message switching center for local and State police agencies. While the need for accurate and quickly retrievable information to apprehend and convict criminals is obvious, I feel troubled by the potential dangers this new message switching system might have in terms of our privacy rights.

During my service in the Senate, and particularly as chairman of the Subcommittee on the Constitution, I have viewed the random gathering and filtering of massive amounts of raw data, regardless of the worthiness of the motives underlying the project, as having the capacity to present us with one of the gravest threats to the free exercise of constitutional rights and civil liberties in the 20th century. I should emphasize that I am not concluding that the planned FBI system necessarily presents us with such a potential threat, but I am convinced that any such informational system must be carefully scrutinized in order that it will not pose a danger to our legitimate, and fragile, right to privacy. While I understand the department has temporarily withdrawn its proposal I believe we have an obligation to work with the Department of Justice to insure that future endeavors clearly reflect a civil liberties as well as an informational perspective.

Accordingly, I have written to Attorney General Bell requesting him to consult with the subcommittee and provide us with an opportunity to review any future plans prior to their being put into effect. I ask that my letter to the Attorney General be included in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 21, 1977.

Hon. GRIFFIN BELL,
Attorney General,
Washington, D.C.

DEAR MR. ATTORNEY GENERAL: I am writing to you today to request that you provide our Subcommittee with information concerning the Federal Bureau of Investigation's recently announced computer system which would allow message transfers by State and local police departments. I am particulary interested in securing an outline of the various plans the Department has for safeguarding the integrity of the system and preventing the misuse of the information stored or filtered through it.

While I understand these proposals will not go into effect immediately I would appreciate being afforded the opportunity to review them prior to the system becoming operational.

I know you share my concern over the potential for abuse presented by a system that was not properly constructed and constrained in terms of its threat to a vast array of civil liberties. I look forward to working with you to insure the constitutional integrity of such systems.

Sincerely,

BIRCH BAYH,
Chairman, Subcommittee on the Constitution.

HUMAN RIGHTS DOCUMENTS: 3,700 YEARS

Mr. PROXMIRE. Mr. President, yesterday I criticized the Senate for having failed to ratify the Genocide Convention in time for the Nation's 201st July 4. I reminded my colleagues that the Declaration of Independence—in fact, the system of our Government—is based on the recognition of the same sort of human rights that the Genocide Convention seeks to reaffirm.

Today I would like to remind my colleagues that the declaration is only one of many, many documents which have been created throughout history for the protection of human rights.

For as long as man has lived within society, certain inherent rights have been recognized as his. Under tribal law, man's physical self was regarded as beyond abuse resulting in an-eye-for-an-eye system of vengeance. Some 1,700 years before the birth of Christ, Hammurabi codified laws seeking to protect the individual against oppression by the strong.

Twelve centuries later the Athenians officially recognized the equality of their citizens before the law, in addition to their equal participation in drama and games. The Roman States at the beginning of the Christian era recognized mankind as a worldwide brotherhood in which all were free by nature.

Mr. President, these few examples of pre-Christian recognition of human rights serve to indicate that such a recognition is by no means solely a product of modern times. As a matter of fact, even documents enumerating such rights have a history of over 700 years.

In 1215 the freemen of England compelled King John to sign their Magna Carta. In 1689 a bill of rights was presented by the Commons to the King, and the King's government had to acknowledge this statement of principles as a legally binding guide to the ruling of the country.

Legal protection of human rights captured international concern most dramatically as a result of the Fascist and Nazi excesses of World War II. Recognizing that some governments abused their citizens rather than protecting their inherent rights as human beings, the United Nations and the International Labour Organization formulated international conventions on human rights. The Genocide Convention was the product of one of those conventions.

I wish I could announce to this body today that the United States of America, the nation that was built on a foundation of human rights, is not one of the handful of nations which has failed to ratify one of the human rights treaties which the international community has adopted. Instead I must report that it is indeed a true statement that the United States has yet to join the nations of the world in this progressive and realistic endeavor. There is no excuse for our inaction whatsoever.

FINANCIAL STATEMENT OF SENATOR BAYH

Mr. BAYH. Mr. President, earlier this year the Senate enacted a code of ethics for its members. Included in the ethics bill were provisions requiring disclosure of some aspects of a member's personal finances. While these new disclosure provisions mark an important step forward, I have every year since 1969 made public a detailed description of my assets and liabilities as well as my income and taxes paid. I intend to continue that practice now and in the future.

I ask unanimous consent that my financial statement for calendar year 1976 be printed in the RECORD.

There being no objection, the financial statement was ordered to be printed in the RECORD, as follows:

PERSONAL FINANCIAL DISCLOSURE OF SENATOR AND MRS. BIRCH E. BAYH, JR.*

ASSETS AND LIABILITIES ON JUNE 1, 1977

Cash in hand in savings and checking accounts	$7,598
340-acre farm located in Vigo County, Indiana (acquisition cost)	68,000
Residence, 2919 Garfield Street NW., Washington, D.C. 20008:	
Acquisition cost:	
Lot	25,000
House	75,000
Less mortgage	—47,516
Net	52,484
Securities placed in blind trust in May 1970 with Terre Haute First National Bank (based on May 14, 1970, market value; present value unknown)	45,655
386 shares Vigo County, Indiana Farm Bureau Cooperative Association	2,302
Farm Producers Marketing Association	250
Tangible personal property (estimated)	9,000
Cash value of life insurance (approximate)	18,000
Automobiles (2):	
Book value	9,275
Less encumbrances	5,345
Net	3,930
Unsecured bank loan	—2,000
Net value of all assets	205,219

INCOME 1976, MARRIED COUPLE FILING JOINTLY

Salary	48,748
Dividends	2,465
Interest income	466
Senator and Mrs. Bayh's combined net income on Schedule C (profit from business or profession, including Senator Bayh's honoraria and writing income of $22,405)	35,082
Net loss in capital assets	—1,000
Royalties	280
Farm income	14,957
Income	100,798
Federal taxes paid	34,932
Indiana State taxes paid	2,051

*Does not include property purchased by Mrs. Bayh with the proceeds of her father's estate, including real estate near Front Royal, Va.

TRIBUTE TO RABBI SAM SILVER

Mr. RIBICOFF. Mr. President, today Rabbi Samuel Silver, the spiritual leader of Temple Sinai in Stamford, will retire.

Rabbi Silver is a very special person. For the past 18 years, he has enriched the lives of the people of Stamford. He has combined wit and wisdom in a way those who know him, especially those in his congregation, will never forget and will always be grateful for.

Rabbi Sam, as he is affectionately known, is a man of many talents. He has served as a unique and distinguished spiritual leader, an accomplished author, and an extraordinary toastmaster. He is a devoted member of his community. Rabbi Sam is respected and loved by all who know him.

Rabbi Sam is a vital and enthusiastic man who lives life to the fullest. He has a passion for people and for life itself. Rabbi Silver has been a source of strength and reassurance to people of all faiths. As a leader of Temple Understanding, his vision and imagination have served him well. In his own words, he is being "recycled and reanimated" by his move to the Lee County Jewish Center in Cape Coral, Fla. He will be sadly missed but not forgotten by the people of Stamford.

I would like to thank Rabbi Sam for bringing encouragement and joy to all whom he has touched. I ask unanimous consent that two articles paying tribute to Rabbi Silver be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

ALL THAT GLITTERS IS (RABBI) SILVER, NOT GOLD, LEAVING STAMFORD AFTER 18 YEARS

(By Patricia Rosenau)

Rabbi Samuel Silver, spiritual leader of Temple Sinai, known to hundreds as Rabbi Sam, is a kind, friendly, religious man who

likes to tell an apparently endless supply of funny stories.

What the jovial man's fans may not realize is that each joke is related with a deadly serious purpose in mind.

Though an obvious aim is to attract the attention of a usually serious and somber congregation, the main pitch is to make a spiritual point.

For instance: A son tells his mother he will be good if she gives him a dollar. She replies: "Why can't you be good for nothing like your older brother?"

Then Rabbi Silver makes a point about the value of being good, not for the material reward, but for the sake of goodness.

He says his quips and ancedotes are like the parables—the word comes from comparable—that Jesus told to make his teachings clear to his followers.

Rabbi Silver has been delivering his lively sermons for 18 years at Temple Sinai, while also acting as toastmaster around town, presenting musical programs with his concert pianist wife and appearing on radio shows, but now that he is reaching 65, he is moving to Florida.

He says he's not retiring but is being "recycled and reanimated." He will be spiritual leader of Lee County Jewish Center in Cape Coral, Fla., a smaller and less demanding congregation than the Stamford one, but he expects to spend more time now on the programs with his wife, on lecturing and on writing.

Before he leaves, though, his friends plan a testimonial dinner—this time with someone else as toastmaster—on June 18 at the Marriott Hotel.

At Rabbi Silver's last Friday evening service, on July 1, the preacher will be his friend, nationally known Protestant clergyman the Rev. Norman Vincent Peale.

Rabbi Sam joined Temple Sinai in 1959, when the congregation was meeting at what is now Our Lady of Montserrat Church on Groves St. The new temple was built on Lakeside Dr. in 1962.

Born in Wilmington, Del., he was ordained in 1940 at Hebrew Union College, Jewish Institute of Religion, in Cincinnati, Ohio. He was director of Hillel at the University of Maryland until 1942, when he became chaplain with the U.S. Army, 98th Infantry Division, in Hawaii, and the Philippine Islands.

In 1946, he was named assistant rabbi at Euclid Avenue Temple, Cleveland, Ohio. He is a former national chaplain of the Jewish War Veterans, leader of the ecumenical movement called Temple Understanding and former vice president of the Stamford-Darien Council of Churches of Synagogues.

He has written "Explaining Judaism to Jews and Christians," "When You Speak English You're Often Talking Hebrew," and "How to Enjoy This Moment," among others.

His wife is an athlete, who plans to play a lot of tennis in Florida, and so are his five sons, Leon, David, Joshua, Bar and Noah, but Rabbi Sam is "an anti-athletic, a member of Athletics Anonymous. If I ever feel the urge, I lie down a while."

Among the projects which he will be working on is anthology of happiness. His own definition: "Happiness is getting paid for what you enjoy doing." (He does.)

Rabbi Silver believes that, in the Middle East, there are not two sides but three—the Jewish people, the Arab people and the Arab leaders, who, though they purport to be friendly to their people, actually preside over degradation, poverty and squalor while themselves living in wealth.

The Mideast picture, he says, is filled with misconceptions, and "the solution eludes me," but he hopes that the idealistic foundations of the various religions will ultimately be instrumental in bringing the sides together.

Rabbi Sam says he meets each day, and each person, with excitement. "I am a gusher, an anti-skeptic," he says.

He is obviously the first speaker in this story that he tells: "There were these two guys at the circus, and they watched a man being shot out of a cannon while playing the violin. 'Ain't that spectacular?' asked one. 'Well, he's not much of a fiddler,' said the other."

RABBI SAM

Stamford has been enriched for 18 years by the presence of Rabbi Samuel Silver, spiritual leader of Temple Sinai. Now, approaching 65, he is going to Florida on Sept. 1 where he will be spiritual leader of a smaller congregation than the one that he has enjoyed (and that has enjoyed him) in Stamford. He will have more time for lecturing and writing.

Rabbi Sam, as everybody calls him, is a man who makes profound spiritual points by tossing off funny stories. It is a disarming and effective technique. He has been one of Stamford's most energetic and valued citizens. He has been an indefatigable sermonizer, a felicitious toastmaster, a producer of musical programs with Elaine, his concert pianist wife, and the host of the long-running radio show, "The Reverend, the Priest and the Rabbi."

He is the author of "Explaining Judaism to Jews and Christians," "When You Speak English You're Often Talking Hebrew" and "How to Enjoy This Moment." He is an enthusiast. He says he meets each day, and every person, with excitement.

He has a way of passing along this vitality, this will to live abundantly to those whose lives he has touched. He is ecumenical, as any truly broad-gauged person usually is, and has been leader of an ecumenical movement called Temple Understanding. He has been the vice president of the Stamford-Darien Council of Churches and Synagogues. It is typical of his stewardship at Temple Sinai that the preacher at his last Friday evening service in Stamford will be the Rev. Norman Vincent Peale, a Protestant known nationally for his religious work.

The Lee County Jewish Center in Cape Coral, Fla., to which Rabbi Sam will go as spiritual leader, is fortunate indeed. We wish him and his wife many happy years in their new home.

FINANCIAL STATEMENT OF SENATOR METZENBAUM

Mr. METZENBAUM. Mr. President, during the time of the debate on the ethics resolution, I indicated my support for full disclosure and at that time put into the RECORD a copy of my net worth statement as of March 1, 1976. I also indicated that on or about July 1, 1977, I would submit a report for the current year.

Prior to my entering the Senate, I sold all of my stock in the newspapers which I owned, which caused a change in the net worth figures. Other than that, the changes are not of major consequences.

As indicated in the net worth statement, the corporate holdings of my wife and myself are in a blind trust.

Mr. President, I ask unanimous consent to have printed in the RECORD my financial statement.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Net worth statement for Howard M. and Shirley T. Metzenbaum, blind trust, March 1, 1977

ASSETS

Cash on hand and in banks	$57,400
Municipal bonds and Citicorp note	95,000
Loans receivable	35,000
Corporate stocks:	
International Telephone & Telegraph Corp. (including ITT Consumer Services Corp)	3,614,700
Penril Corp	739,140
Ogden Corp	32,848
Cleveland Professional Basketball Co	50,000
MCI Communications, Inc	1,600
Samuel Moore & Co	3,100
Grandview Raceway	2,800
Budd Co	5,600
Xerox Corp	2,100
Bobbie Brooks, Inc	3,200
Miscellaneous	3,600
Total	4,646,088
Investments in various non-public companies (reasonable estimate):	
194th Street Hotel Corp	150,000
Miscellaneous real estate and F. J. Cooper, Inc	220,000
Total	5,016,088
Partnership interests:	
Cleveland Indians	100,000
Louisiana investment	100,000
Investment Plaza and Penton Plaza (including note)	350,000
Miscellaneous real estate	158,000
Total	5,724,088
Personal assets (including two properties in Cleveland, Ohio, and one in Florida)	906,000
Total assets	6,630,088

LIABILITIES

The Cleveland Trust Co. (guarantor)	80,000
Real estate obligations	271,800
Miscellaneous loans	20,000
Total liabilities*	371,800
Net worth	6,258,288

* Total liabilities do not include $200,000 obligation incurred since March 1, 1977.

HEW-LABOR APPROPRIATIONS

Mr. BAYH. Mr. President, one of the largest appropriations bills which is acted on every year is the bill for the Departments of Labor and Health, Education, and Welfare, and related agencies. The legislation appropriating funds for fiscal year 1978 totals $60.7 billion, which is approximately $500 million less than the House passed version of H.R. 7555 and only $150 million more than the President's budget request. The wide variety of programs, from metric education to health research, contained as part of the annual Labor/HEW bill affect the lives of almost every American.

The Subcommittee on Labor/HEW Appropriations held numerous days of hearings to consider the administration's views on the fiscal year 1978 funding levels for programs included as part of

this bill and also heard from a wide variety of public witnesses. Then the subcommittee spent 2 days arriving at its recommendations regarding the appropriate funding level for each program. These recommendations were considered by the full Appropriations Committee for 2 days and the resulting bill is a carefully worked out recommendation of priorities for spending in the vital areas of education, health, public assistance, and labor.

As a member of the subcommittee, I am particularly grateful that a number of my suggested amendments were incorporated as part of the Senate version of H.R. 7555. In an area which has long been of concern to me, the disease control programs administered by the Center for Disease Control, the subcommittee adopted a number of increases. For venereal disease, the recommended funding level is $37 million, an increase of $10 million over the House and $19 million over the budget estimate. For immunization against childhood diseases, the committee recommends the fully authorized amount of $23 million. The rat control program was increased $1 million over the House for a total of $14 million and lead-based paint poisoning prevention received a $3.5 million increase over both the House and the budget, for a total of $12 million. In all four instances, medical science has given us the means to conquer these health problems. It is tragic and indefensible that our citizens continue to suffer from these diseases and I hope that the Senate can maintain these important increases during the House/Senate conference.

The Center for Disease Control also operates a program on health education and a component of this program is the National Clearinghouse for Smoking and Health. Although the committee was critical of the performance by the health education program at CDC, it has earmarked $1 million to continue the work of the clearinghouse. The committee also took an important step in providing $2.5 million for the new Office of Health Promotion and Health Education in the Office of the Assistant Secretary for Health. Hopefully, this Office can begin to coordinate the health education activities throughout the Department, target groups needing health information, and begin an effective fight against health problems such as smoking.

This year the subcommittee approved an across-the-board increase of 15 percent for all Institutes of the National Institutes of Health. The major exception was the National Cancer Institute, which received a 12-percent increase or a total of $920 million. I would have preferred to have seen larger increases in a number of Institutes, including the National Cancer Institute, the National Heart, Lung and Blood Institute, and the National Eye Institute. The only change made at the full committee markup in the subcommittee's recommendations for NIH was an increase of $20 million for diabetes research. The bill also concurs with the House action to restore funding for the biomedical research support program at the fiscal year 1977 level of $40 million.

H.R. 7555 contains a recommendation of $30 million for initial operations of community health centers. I sponsored this amendment which is approximately $7 million over the House figure. The administration submitted no budget request. This funding is particularly necessary for the State of Indiana, where there are seven centers which have been approved but remain unfunded due to the lack of resources. The same situation exists in a number of States and, hopefully, the bill will provide enough funds so that approved but unfunded centers will receive funding in fiscal year 1978.

Two amendments which I sponsored in the area of human development were adopted by the committee. Head Start, a program that has received no significant increases for 10 years, is funded at a $655 million level, an increase of $60 million over the House and $170 million over the budget request. It is estimated that approximately 1 million eligible children are not currently being served by Head Start. The funding level provided in the Senate bill would provide services for an additional 94,000 children. In addition, the bill contains $15 million for the runaway youth program. The increase over last year's funding level of $8 million should provide for an additional 37 centers.

The committee agreed with my proposal to fund the information and counseling genetic disease program for the first time. This program, authorized by Public Law 94–278, is designed to begin a national program to provide basic and applied research, research training, testing, counseling and information and education programs with respect to genetic diseases and the $5 million in the bill will initiate this important program. Some of the diseases to be covered are Huntington's disease, Cooley's anemia, hemophilia, cystic fibrosis, sickle cell anemia, and Tay-Sachs.

For developmental disabilities and mental retardation, the subcommittee approved a package of amendments. An increase of $1.2 million over the House figure for a total of $30 million was made in research and training under maternal and child health, and the grants for university affiliated facilities for developmentally disabled was increased to $7.5 million, $2 million over the budget request. In Indiana, the Riley Child Development Center in Indianapolis, which serves more than 1,100 persons, and the Developmental Training Center in Bloomington, which has developed an infant curriculum for training and evaluation of retarded children receive support through these programs.

H.R. 7555 continues funding the several important student loan programs. The basic opportunity grant program is funded at a level of $2.070 billion which assumes an 85 percent participation of eligible students with a maximum award level of $1,600 for about 2 million students. The supplemental grant program is $270 million, or $30 million over the budget request. Work-study received an increase of $60 million over the budget request for a total of $450 million. There was no budget request for capital contributions for the direct loan program. However, the bill contains $310.5 million for this program which should provide for over 800,000 loans averaging $710 per student.

This legislation also contains appropriations for a number of independent agencies including Action and the Community Services Administration. The bill contains an increase to $375 million in the local initiative funding for the CSA. This is $45 million over the budget request and $12 million over the House allowance. Local initative funds are used to assist the 900 Community Action Agencies (CAA's) administer more than $1.6 billion worth of antipoverty programs and the increase, which I and a number of other Senators proposed, is necessary to combat inflationary pressures which have reduced the CAA's budget by approximately 35 percent since 1971.

I have touched on only a few of the wide variety of programs funded in this extremely wide-ranging and complex bill. Some of the other important programs receiving funds in H.R. 7555 include education for the handicapped, school librarians, health manpower and public service jobs and within the limited funds available for the vital programs in H.R. 7555, the Subcommittee on Labor/HEW Appropriations has attempted to devise a realistic assignment of spending priorities.

As a member of that subcommittee, I am well aware and proud of the extraordinarily able leadership that the chairman, Senator MAGNUSON, brings to this bill. The chairman and the ranking minority member, Senator BROOKE, have, as usual, been most cooperative and fair in the consideration of my amendments as well as those of other Senators. This spirit of cooperation has also been evident in the helpfulness of the entire majority and minority staff and I congratulate them on a job well done.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary: D. Lee Rampey, Jr., of Georgia, to be U.S. attorney for the middle district of Georgia for the term of 4 years, vice Ronald T. Knight, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Friday, July 8, 1977, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.

EXTENSIONS OF REMARKS

THE RESURGENCE OF THE SOVEREIGN GREEK ORDER OF ST. DENNIS OF ZANTE IN AMERICA—1953

HON. RALPH S. REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 29, 1977

Mr. REGULA. Mr. Speaker, today I would like to share with my colleagues the history of the Sovereign Greek Order of St. Dennis of Zante, one of the oldest and most active chivalric groups ever known to man, and its resurgence in the United States in the year 1953. I am confident that many of my learned colleagues are familiar with the work of the Order of St. Dennis of Zante, an international organization dedicated to relieving suffering and want throughout the world. However, some may not know of the important role the descendants of this same ancient order played in the American Revolution, joining us in our war for independence.

The following story is that of the Order of St. Dennis of Zante, and is one of which we all, as Americans, should be proud.

I am also submitting the names of those individuals who compose the grand council of the Sovereign Greek Order of St. Dennis of Zante for 1977, the hierarchy and government. I am truly thankful for the work this organization and its members have done to help end misery and want worldwide.

I am especially pleased that Sheriff George Papadopoulos of Stark County in the 16th District serves his fellowman throughout the world as the Grand Chamberlin for this noble order. This type of dedicated service to others is typical of "Sheriff George," as he is affectionately and respectfully known to his constituents in Stark County:

GRAND COUNCIL OF THE SOVEREIGN GREEK ORDER OF ST. DENNIS OF ZANTE 1977

H.S.B. The Patriarch of Alexandria, Nicholas VI, G.C.St.D., Pope of All Africa, Titular Grand Master, Grand Protector and Supreme Spiritual Prior.

H.E. Pericles Count Voultsos, G.C.St.D., Prince Grand Master ad Vitam.

Dr. Warren S. Woodward, Executive Secretary, Sons of the American Revolution; Grand Chancellor.

Alexander E. Shvetz, G.O.St.D., President Amerex; Chancellor of the Exchequer.

Count Eugen Esterhazy, C.St.D., Hotel Executive; Grand Secretary.

Hon. Nicholas M. Pette, G.C.St.D., U.S. Supreme Court, New York; Judge Advocate.

Judge William E. Ringel, C.St.D., U.S. Criminal Court, New York; Attorney General.

Admiral Gordon McLintock, C.St.D., U.S. Navy (ret.); Grand Sword Bearer.

Colonel Robert S. Poydasheff, C.St.D., Liaison to U.S. Congress; Grand Marshal.

Sheriff George Papadopoulos, C.St.D., Stark County Sheriff, Canton, Ohio; Grand Chamberlin.

Baron Mario di Genova, G.C.St.D., President, Americana Hotels; Heraldic Adviser.

Robert D. L. Gardiner, G.O.St.D., Socialite, Lord of the Manor, Gardiner's Island, L.I.; Grand Almoner.

H.S.B.—His Sacred Beatitude.

G.C.St.D.—Grand Cross—St. Dennis.

G.O.St.D.—Grand Officer—St. Dennis.

C.St.D.—Commander—St. Dennis.

THE RESURGENCE OF THE SOVEREIGN GREEK ORDER OF ST. DENNIS OF ZANTE IN AMERICA 1953

A brief synopsis of the history of the Greek Order of St. Dennis of Zante

The story of the Sovereign Greek Order of St. Dennis of Zante, one of the Crusading orders of Knighthood having survived the centuries, is of dramatic interest to all. The order is to the Greek Orthodox what the Order of Malta is to the Roman Catholic.

Almost all of the Orders that witnessed the birth of the great epoch of the Crusaders have lost their usefulness and importance. But amongst those ancient and venerable Orders, there is one still engaged in the relief of the misfortunes that perennially plague humanity. The Crusades have ceased to exist but adversity and poverty always dwell on earth.

The Sovereign Greek Order of St. Dennis of Zante (formerly of St. John of Jerusalem, of Cyprus and of Rhodes), is the synthesis of the old knighthood as it existed at its zenith. Because of its investiture, its aims, its accomplishments and its origin, the aspirations which formed it at its inception are still the basis of this institution as they were at the time of the crusades. In an age when initiative and ability tend to become lost in the overwhelming social changes that are so universal, honors such as the knighthoods bestowed by the Order of St. Dennis stand out and salvage values and ideals from the past. Chivalry is more than romance; it is one of the graces of human dignity. Those who would spurn the past, cannot build the future. The Sovereign Greek Order of St. Dennis of Zante bestows its historic decoration, not to encourage vanity and personal ambition, but solely to reward merit and humanitarian achievement. This signal honor constitutes a moral, visible reward for virtues which the ages have taught us to respect and admire. People of good deeds receive title to nobility at the moment of accolade.

Memories of ancient laurels however, are not sufficient for the Knights of St. Dennis, heirs to a noble tradition. In the hard realities of the present hour we appreciate today more than ever, the fundamental necessity of charitable works, applied chivalry and Christian generosity—virtues which added much to the Order's enviable record in bygone years. To relieve the distressed is a duty incumbent on all men, but particularly so on the Knights of St. Dennis, who are linked together by an indissoluble chain of sincere affection and by their vow. Zeal, charity and duty cements their unity by a fraternal and granite bond of fellowship. To soothe the unhappy, to sympathize their misfortunes, to be compassionate with their miseries and to restore to their troubled spirits, is the great aim we have in view. On the basis we form our friendship and establish our connections.

However, strange are the ways of Providence. Inscruitable the Will of the Lord.

A stirring event took place on August 12, 1953 in one of the far corners of the earth, which occurrence was destined to bring to the fore the importance of the role of the ORDER OF ST. DENNIS. Historic Zante, the storied Zakynthos of the ancients, one of the Greek Heptanese islands which our own Edgar Allen Poe immortalized in these memorable lines:

"Oh, Hyacinthian isle! Or, purple Zante! Isola d' oro; Fior di Levante!"

was destroyed by a catastrophic earthquake. Then came a terrible, all-consuming conflagration and soon all that remained of beautiful Zante was a heap of non-descript ruins, a pyre of smou.dering embers and charred stones. The unleashed forces of nature played havoc in the destruction of this most unfortunate land. In a few hours, merciless fate cruelly destroyed and eradicated centuries of civilization. Zante, lauded by bards, praised by historians, home of heroes and demigods, land of flowers and azure skies, was no more.

Count Logothetis, appeals to Dr. Voultsos, the names of his ancestors. In the name of Michael Vourtzis, Duke of Antioch, of the Crusades. In the name of Michae. Vourtzis, Knight of Rhodes, who led the Knights back to their land, in the XVI century. In the name of Major Michael Vourtzis, of Revolutionary fame in 1776, to help the land of his fathers.

On December 30, 1954, Dr. Pericles Voultsos, at the invitation of the island's authorities, visited Zante. He was officially installed as Grand Master for Life of the Order, proclaimed an Honorary Citizen and later cited by King Paul of Greece, as well as the National Red Cross Organization of that country for the contributions of the Order to the Island.

Fate cast the die—the Knights took up the gauntlet. Girding for the mighty struggle of rehabilitation, a crusade for the relief of their fabled birthplace was launched.

The United States of America, was proclaimed as permanent Headquarters of the revived Order. It was chartered under the Laws of Congress and the auspices of the International American Institute of the District of Columbia and designated as its philanthropic agency. Tax-exemption was granted by the Treasury Department and the American Knights embarked upon a Crusade of Mercy, under the Leadership of Grand Master Pericles Count Voultsos-Vourtzis.

In the twenty years that followed a remarkable philo-Zakynthian wave of benevolence was initiated by the Knights. The indications of hardship and suffering undergone by the islanders aroused the warm friendship and sympathetic understanding of the American people, bespeaking of the Christian solidarity of this Nation. Much was done to ease the suffering and to help the innocent victims of the tragedy. The governors of twenty-eight of the fifty states of the Union, declared August 24, as "Greek Order of St. Dennis Day" in their respective States aiding the Knights effort.

We emerged victorious from this battle against want. Our deeds stand recorded in the slate of eternal time for the world to see, for men of good will to emulate.

Truly the Knights deserve the name under which they came to be known in Zante "Brothers of the Poor", for the unselfish aid and stintless help extended to the rehabilitation of the Island, succor to the undeserving victims of the earthquake and aid to the reconstruction of Zante. The Knights of the Sovereign Greek Order of St. Dennis of Zante, proved once more to the world that laurels attained in the field of fraternal mutuality are no less glorious than those attained on the battlefield. Crusades against the infidel are no more. However the struggle against the everpresent enemy, WANT is unceasing!

Today, the Knights of St. Dennis, can proudly point to the gleaming new city which like the mythical phoenix rising from the ashes, they helped build, and which with justified pride, in all humility, proclaims the charitable understanding and christian solidarity of the American people. As well, proud to know that the American Knights were instrumental in a great manifold meas-

ure, in aiding the rehabilitation and rebirth of their legendary home.

The Knights of St. Dennis, continuers of their legacy, are bountiful in their eleemosynary achievements, never straining the quality of mercy ever mindful of the ancient tradition of the Order, dedicated to its purpose, based on the observance of the charitable precepts of the holy St. Dennis, propagate them ever.

With humility, the Knights stand on the long record of their philanthropic contributions of the last twenty years, proudly pointing to their living legend of achievement hewn in gold, on the scrolls of timeless gratitude in the hearts of their benefited fellows. A goal, a gauntlet, a challenge to all to emulate. Without discrimination as to race or creed. With faith in the brotherhood of man and the fatherhood of God. Noble in purpose, resolute in spirit.

The Knights of St. Dennis, mindful of their solemn obligation, concretely apply the Order's ancient motto: Faith-Courage. Dedicated to Duty, they comfort the hapless, ameliorate their misery, console adversity and combat want, without discrimination as to race or creed.

King Constantine of Greece in appreciation of the many contributions of the American Knights to the rehabilitation of Zante, at the grateful proposal of the National Foundation cited the Order. Upon Minister Emmanuel Kothris' visit, the Order's banner was decorated at the New York Royal Consulate on May 27, 1966.

For the enlightment of the Public, a pictorial Journal records a documented account of the magnitude of the Knights annual contributions and beneficence to the altar of philanthropy. There are no salaries or expense accounts with the Order. Our reward is spiritual. Tax-exemption extended by the Treasury Department of the United States, necessitates a minute report of income and expense to the Internal Revenue Service. A certified Public Accountant supervises the books of the American Society of the Greek Order of St. Dennis of Zante, before each Annual Meeting, which are always open to the members.

Our concrete contributions, a sacrifice, to the altar of philanthropy stand in Zante as a documented evidence of our love, for all to see. A living challenge to the brave, the resolute and the dedicated, to emulate.

His Sacred Beatitude Nicholas VI, Orthodox Pope and Patriarch of Alexandria and All Africa. Titular Grand Master and Spiritual Prior of the Sovereign Greek Order of the Knights of St. Dennis of Zante, co-signs all diplomas with the Grand Master and the Grand Chancellor.

United States Presidents, Hoover, Roosevelt, Truman, Eisenhower, and Kennedy have been decorated with the Order and are included in the Golden Roster of famous Americans, wearing this historic decoration. As well as many Senators, Congressmen, Governors, Civic Officials, prominent Churchmen of all denominations. Who's Who in America abounds with names of the Knights of St. Dennis.

An edition of the History of the Order, Summary and Roster of the Sovereign Greek Order of Saint Dennis of Zante is in the Library of Congress, CR 5489—S 68 A44.

However, our task is not done. We are not content to rest on past laurels. The Equestrian Order of St. Dennis, setting an example based on timeless values, continues to serve humanity. The poor and the needy are our brothers. Our duty is to them. They will always be with us. Our fight against want, continues relentlessly. The Knights are pledged by their vows to ameliorate misery, soothe adversity, comfort sorrow, relieve affliction.

Our Order in accordance with the humble spirit of Christian dedication is helping the forsaken and, as far as it is in our power, is relieving the unhappy, according to our stated purposes and the precepts of our Heavenly Protector St. Dennis, to which we are consecrated.

The Knights, form a militia of mercy for the hopeless, a beacon of hope for the forlorn, a legion of charity for the unfortunate, regardless of race, color or creed. Giving no sanction to discrimination, to prejudice no assistance.

We welcome to our ranks men of morality, imbued with the love of God and compassion for the less fortunate.

Recognizing merit in the virtuous, we honor the worthy.

The historic decoration of the Sovereign Greek Order of Saint Dennis of Zante, an ancient symbol of nobility of the spirit, a visible moral reward for service to mankind, is awarded to men and women of good deeds.

SCHWEIKER PLAN FOR HOSPITAL COST CONTROL

HON. RICHARD S. SCHWEIKER

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Thursday, June 30, 1977

Mr. SCHWEIKER. Mr. President, as the ranking Republican on the Senate Health Subcommittee, I am announcing today my intentions to introduce legislation emphasizing State control of hospital costs as an alternative to the Carter administration plan which is a short-sighted stop-gap measure.

One of the most pressing issues facing this Nation today is the skyrocketing cost of health care. But contrary to President Carter, I believe we must get the States to attack this problem rather than use an already bloated Federal bureaucracy to impose purely Federal controls. State and local officials are more in tune with the unique health care needs of their communities and with the specific steps which would be most effective in curbing sharply rising costs.

Under the "State cost control plan for hospitals" which I propose, each State would establish a permanent hospital review commission to review in advance the proposed budgets and rates of hospitals within the State. In its prospective review, the commission would approve routinely any proposed budgets and rates falling within limits it would define. But rates and budgets exceeding those limits would be subjected to detailed examination and those found to be excessive could not be put into effect. This emphasis on State control contrasts sharply with the virtually exclusive Federal control embodied in the Carter plan.

In addition, "State cost control plan for hospitals" will offer positive incentives to hospitals to control costs. If, during the year, a hospital remains within the budget approved prospectively by the commission, it could retain its achieved savings up to a certain level or use its cost savings for experiments in administrative efficiency.

The prospective approval of budgets and rates and the provision of incentives for remaining within those budgets gives hospitals a clear goal toward which to strive. I believe this approach would be much more effective than the retrospective audits and penalties involved in the Carter plan.

Unlike the President's proposal, the Schweiker plan would not allow the Secretary of Health, Education, and Welfare to impose a lid on costs or exercise Federal control in any State which established a hospital review commission, unless the commission failed to hold hospital costs at or below the Federal lid. And unlike the Carter plan, my proposed legislation would provide start-up grants to States for establishment of the commissions.

Under my proposal there would be an 18-month moratorium on hospital capital expenditures which account for a major part of rising hospital costs.

This moratorium is necessary to allow the developing health systems agencies within the States to become fully established and develop the capacity to exercise the authority for decertification which is provided to them under my plan. The Schweiker plan would authorize the HSA's to decertify unneeded beds and services and would establish a Federal pool to finance the costs of decertification.

It is not enough to prevent hospital expansion and the addition of unneeded services. We must review the whole system and direct the local health systems agencies to move actively to eliminate duplication and waste. Only in this way can we effectively control costs.

From 1965 to 1975 total health care expenditures in this country increased 205 percent to $118.5 billion per year from $38.3 billion. This means that over $550 per year for every man, woman, and child in this Nation is spent for health care. The skyrocketing costs of health care affect not only persons who are hospitalized but virtually all taxpayers because of their higher health insurance premiums and the higher taxes needed to finance the $27.7 billion in tax dollars spent each year for medicare and medicaid. Clearly, there is a need to put a stop to this inflationary spiral. It is unfair to the American people for Congress to explore only short-term remedies as proposed by President Carter. We must pursue right now long-range solutions involving permanent reforms.

Other key elements of the Schweiker proposal not included in the Carter plan are as follows:

Secretary of HEW would be required to develop a system of uniform chart of accounts and uniform reporting of costs for all hospitals.

A hospital review commission in each State would be required to develop classifications of hospitals according to such factors as bed size, type of hospital, and diagnostic case mix, for purposes of rate determination.

Hospitals would be required to disclose potential conflicts of interest among administrative personnel.

Authority of existing professional standards review organizations to review the level of care provided to hospital patients would be extended to cover all patients, not just medicare and medicaid patients, as under present law.

After 4 days of hearings in the Senate Subcommittee on Health and Scientific Research and many weeks studying analyses and reports on this issue, I have come to the conclusion that the Carter plan is unworkable. In this regard, may I say, I found the May 1977 report of the Government Research Corporation particularly helpful in understanding the importance of a State-oriented approach to this problem.

I will formally introduce the "State Cost Control Plan for Hospitals" legislation by mid-July and press for its enactment instead of the Carter proposal. After weeks of study and hearings the only conclusion I can reach on the Carter plan is that it is a shortsighted stopgap measure which falls miserably short of what this Nation needs.

Mr. President, I as unanimous consent that a summary of the key elements of my proposed legislation be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

THE SCHWEIKER STATE COST CONTROL PROGRAM FOR HOSPITALS

The bill would:

1. *Each state* would establish a *Hospital Review Commission* which would implement a permanent program to control hospital costs through prospective rate and budget review and approval. The start up costs for the Commissions would be paid for by the Federal government. Hospital Review Commissions would require:

a. use of a *uniform chart of accounts* and uniform reporting system;

b. *prospective (advance) review* and approval or disapproval of hospital budgets;

c. rate determination on the basis of a *classification of hospitals;*

d. *equal reimbursement rates* for all payers unless a state decides otherwise;

e. the state commissions would have the option to implement a *wage "pass through"* for non-supervisory employees;

f. the use of *positive incentives* to encourage administrative efficiency and cost savings;

g. provisions for the *disclosure of salaries* and potential conflicts of interest;

h. *funding for the commission* by an assessment of institutional providers;

i. establishment of a *review board* in each state to monitor activities of the commission;

j. establishment of administrative and judicial authority within the state to *adopt regulations and process appeals.*

2. Provide for *coordination with existing health planning mechanisms by:*

a. giving certificate of need agencies (the state or local HSA) the authority and responsibility to *decertify beds and services*

b. establishing a federal pool to *finance costs of decertification*

c. providing that where the commission and state certificate of need agencies (HSA's) are separate the state must adopt a program to *ensure coordination* between rates and the certification process

d. permitting extension of *PSRO activity* to all hospital costs

3. *Capital Expenditure Controls:* An 18-month moratorium on hospital capital expenditures would be imposed to give the HSA's time to become fully established and to prepare and implement decertification programs.

a. *Exemptions:* Projects necessary to ensure public safety and to maintain quality shall be exempt. Specific exemptions include:

(1) projects previously approved by certificate of need agencies;

(2) projects required by Federal, state and local health and safety requirements;

(3) projects necessary to repair damage caused by disaster.

4. Establish *Federal Standards* which would include:

a. *Limit on Federal authority to pre-empt the state program*—those states not adequately controlling hospital costs would be subject to the Federal ceiling. However, no state program in states where increases in hospital costs were equal to, or below, the Federal guideline could be pre-empted by the Federal government.

b. Authorization to impose immediately a *national revenue ceiling* using a rate index similar to that proposed by the Administration.

PRESIDENT CARTER RETREATS FROM B–1 BOMBER PROGRAM

Hon. John E. "Jack" Cunningham

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. CUNNINGHAM. Mr. Speaker, today the President has announced that he is in full retreat from the B–1 bomber program. Two days ago, most of the Members of the House fully supported a continuation of the program. In order to express our dismay on this crucial issue, a bipartisan group of Congressmen have affixed their signatures to the following telegram to President Carter. I submit it for the RECORD and recommend to my colleagues interested in a strong national defense to take similar actions:

TEXT OF TELEGRAM TO PRESIDENT CARTER FOLLOWING HIS DECISION TO DELAY THE B–1 BOMBER

HOUSE OF REPRESENTATIVES,
Washington, D.C. June 30, 1977.

DEAR MR. PRESIDENT: We are stunned and deeply discouraged by your decision announced today to retreat from the construction of additional B–1 bombers. It is obvious that you have overlooked certain crucial factors vital to the national defense of the United States. First, the Soviet Union has not retreated from their goal of victory over the West—primarily represented in international affairs by the United States. Second, the recent escalation of the construction of SS–16, 17 18, 19 and SS–X–20 mobile ballistic missiles and the deployment of over 100 backfire bombers, by the Soviets combined with other military crash programs from the Kremlin indicate a renewed commitment to that goal. Third, the blatant violations of human rights in recent months also indicate that the Soviets are unwilling to abide by their words in treaties or in defense of peaceful principles.

Mr. President, we call on you to reverse this decision which can only be interpreted by the Soviet Union as a unilateral signal on the part of the United States to cave in to pressure from anti-defense forces at home and to Soviet pressure in international affairs.

Furthermore, Mr. President, we call on you to be faithful to the decision made by the House of Representatives just two days ago to continue construction of the B–1 bomber. The large margin of support for the B–1 in the House should cause some concern to a President who has expressed concern about not being imperial.

Mr. President, we are also apprehensive about statements made by your Secretary of Defense, Mr. Brown, to the effect that he is an opponent of the cruise missiles which you have advocated as a replacement for the B–1 technology. His statements and your own in today's news conference lead us to believe that the cruise missile which you propose as an alternative may be negotiable in SALT talks with the Soviets. If true, Mr. President, this position is absolutely intolerable and we call on you to clarify Mr. Brown and the administration's position on this issue immediately.

Respectfully, Mr. President, we urge that you retract your decision on the B–1. It will not pacify those in our country who believe that the Soviet Union is no threat to national security or human rights but it will squander in the most dangerous and irresponsible way one of the most essential tools we have to maintain international peace and our own national defense.

John E. "Jack" Cunningham; Bob Wilson, California; John H. Rousselot, California; Robert E. Bauman, Maryland; Don Young, Alaska; Clair W. Burgener, California; Robert S. Walker, Pennsylvania; Steven D. Symms, Idaho; Edward J. Derwinski, Illinois; Norman F. Lent, New York; George Hansen, Idaho; Robert K. Dornan, California; Mickey Edwards, Oklahoma; Sam B. Hall, Jr., Texas; Thomas N. Kindness, Ohio, and Samuel S. Stratton, New York.

COMDR. RICHARD H. WYTTENBACH

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. WON PAT. Mr. Speaker, I am pleased today to bring to the attention of my colleagues another outstanding accomplishment of one of my constituents, Comdr. Richard H. Wyttenbach, USN.

Commander Wyttenbach has just completed an eventful duty assignment as a key member of an interagency staff within the National Security Council system which negotiated a political union covenant between the Commonwealth of the Northern Marianas and the United States. He has now been named to be the first "Guamanian" to command a major combat ship, the guided missile destroyer, *Joseph Strauss.*

A native of Philadelphia, Commander Wyttenbach is a 1963 graduate of the U.S. Naval Academy and became one of my constituents in 1974 when he was assigned to the staff of the Commander, Naval Forces Marianas. In that assignment, Commander Wyttenbach was instrumental in Operation New Life in 1975 when more than 125,000 Vietnam refugees were processed on our island en route to new lives in the United States.

During that period Commander Wyttenbach adopted Guam as his permanent home.

Following his assignment with COMNAVMAR staff, Commander Wyttenbach reported to the President's Personal Representative for Micronesian Status Negotiations, Ambassador F. Haydn Williams, as his military adviser.

For his contributions to those delicate negotiations, Commander Wyttenbach

received high praise from Ambassador Williams and was promoted 2 years early to his present rank.

Commander Wyttenbach is now returning to sea duty at Pearl Harbor as the commanding officer of the U.S.S. *Strauss*, one of the newest of our Navy ships and an important part of our national defense.

Mr. Speaker, I have every confidence Commander Wyttenbach will continue to exemplify himself in his new duties and that my colleagues will join me in congratulating and offering good luck to this outstanding young naval officer.

THE CLINCH RIVER BREEDER REACTOR IS A NECESSITY

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. TEAGUE. Mr. Speaker, during my trip to the Clinch River project office at Oak Ridge, Tenn. on May 20, 1977, there were many questions that were asked and the answers have since been evaluated. Of the many questions, I am listing the following which may be of interest to all Members.

QUESTION

Is the design sufficiently advanced to make Clinch River a creditable facility?

RESPONSE

Yes; the design and objectives for the Clinch River are current, proper, and assure that the project can make essential contributions to breeder technology.

The Clinch River breeder reactor plant design incorporates the latest features and meets current requirements for the nuclear power industries. The design is keyed to the leading edge of knowledge supported by $300 million in research and development programs. These programs have provided information on: materials capabilities, fuels behavior, core design, and component design and fabrication techniques that have been factored into the Clinch River design. Over the past 2 years the latest safety features considered necessary by the Nuclear Regulatory Commission have been factored into Clinch River design.

Detailed Clinch River design guidelines were jointly established by the utilities and the Federal Government. The design meets each of the guidelines which assures that the plant will be a creditable means to meet the needs of the American people should the decision be made in the future to build commercial breeder reactors.

QUESTION

How does Clinch River relate to proliferation?

RESPONSE

Clinch River symbolizes a U.S. commitment to the plutonium fuel cycle and the breeder concept. The administration believes that this position might encourage other nations to increase their commitment to the plutonium fuel cycle. Uncontrolled deployment of the plutonium fuel cycle would allow other nations ready access to weapons materials.

But, the Clinch River project does not commit the United States to the plutonium fuel cycle. It is a major facility in a 35-year program that leads to development of a nuclear power resource option by the mid-1980's. Beyond that there are other reasons that neither the demonstration plant nor the U.S. breeder program should be linked to the spread of nuclear weapons material.

First and foremost, with or without Clinch River, the technology for making weapons exists throughout the world.

There are far easier, less costly and less time-consuming methods of nuclear weapons development than from nuclear powerplants—for example, from simple research reactors throughout the world. The basic fact is that those who are sophisticated enough to build weapons would seek other sources of weapons material, and the unsophisticated would lack the technology to convert nuclear fuel to weapons material. Of course, uncontrolled export and deployment of enrichment and reprocessing capability would allow ready access to large amounts of weapons material on short notice, and this must be prevented by nonproliferation policy and technology.

The real key to controlling proliferation is international cooperation. To cancel Clinch River would essentially foreclose this Nation's option to develop a breeder within this century. Without a participatory role as a continuing world leader in nuclear technology, the U.S. voice in determining international nuclear power policies would be far less effective. Specifically:

First. It will be very difficult to influence the marketing position of other nations with breeder capability if we do not have similar capabilties in the United States.

Second. It will be nearly impossible for us to assure that safeguards and nonproliferation policies meeting our desires will be affected for nuclear powerplants throughout the world.

The United States has traditionally led the world in establishing more stringent safety and licensing practices for nuclear reactors than might otherwise have resulted.

These practices have been adopted in many countries in the world. Should the United States not proceed while other nations implement the breeder, we will have abdicated our traditional world leadership role in assuring the safe application of nuclear power for mankind.

The U.S. breeder program will not cause international proliferation because it is a domestic program with strong safeguards and without provisions for export of fuel or equipment.

Stopping or delaying Clinch River will not prevent other countries from building breeder plants since:

First. The major industrialized nations of the world, including the U.S.S.R., already possess breeder technology and are proceeding with it in a priority manner. In many cases they are well ahead of the United States.

Two. The designs of breeder plants have been detailed in thousands of published reports. Any country that has the technical, financial, and industrial capabilities to build powerplants can build breeder plants.

Three. Other industrialized nations also have future larger electrical energy needs, desire to reduce dependence on imported oil, and do not have alternate resources such as uranium or coal on which to rely.

QUESTION

Would a nation need a plutonium breeder reactor to produce a weapon? How could a nation do it otherwise, and what would be needed to do it?

RESPONSE

A nation doesn't need a plutonium breeder reactor to produce a nuclear weapon. There are today no fewer than eight different ways available to produce weapons material. Among them, the route of commercial nuclear power ranks last and low in desirability for a country that has made a political decision to establish a nuclear weapons capability. It is the most expensive route—5 to 10 times more costly—requires the highest level of support technology, the broadest base of support industry, and takes the longest to install and to yield material—3 to 5 years longer.

By the 1980's, the world may have available several new ways of producing weapons-grade fissionable material, adding even more routes to weapons capability. Several of these are likely to be easier, cheaper and faster for a nation determined to acquire weapons capability than the route of commercial nuclear power with reprocessing and recycling of fuel.

QUESTION

What can be done to make fresh breeder fuel containing plutonium unsuitable for weapons use?

RESPONSE

While fresh plutonium-bearing reactor fuel cannot be made totally unsuitable for weapons use, it can be made less attractive by:

Invoking appropriate international safeguards;

"Spiking" with some particular selected fission product such as cesium 137 or with cobalt 60 which would make the fuel radioactive and impossible to handle without special high-technology facilities;

"Spiking" by deliberately recycling selected fission products such as is done in the operational 60 Mw experimental breeder reactor II;

"Spiking" by recycling actinides which would simultaneously reduce the amount of the more troublesome isotopes insofar as waste disposal is concerned and would slightly improve neutron economy; and

Denaturing fresh plutonium is possible by enhancing production of the Pu^{238} isotopes; this would make weapons fabrication nearly impossible because material denatured in this way cannot exist in solid metallic form.

QUESTION

What is the potential for making weapons from the thorium/Uranium—Th/U–233—fuel cycle, particularly from spent fuel?

RESPONSE

Uranium 233—U–233—is an excellent weapons material and there are a number of points in the Th/U–233 fuel cycle at which the U–233 could be separated. The high radioactivity of the material is an inherent deterrent to diversion by subnational groups. The high radioactivity will not substantially discourage a country determined to acquire weapons-usable material.

The undenatured Th/U–233 cycle is similar to the plutonium cycle from the proliferation standpoint because only chemical reprocessing is required to separate the weapons material from the fresh fuel. Because of the high level of gamma radiation of the Th/U–233 system, shielding reprocessing would be necessary. Shielded chemical reprocessing is, however, a well understood technology available to most nations.

Denaturing U–233 with U–238 introduces the need for an enrichment facility to obtain weapons-usable material from fresh Th/U–233 fuel.

Plutonium recycle from a breeder or other power reactor is less attractive for weapons use because of its high—greater than 19 percent—Pu^{238} content which is troublesome from a weapons design viewpoint. There has been no known weapon ever produced from power reactor grade plutonium. "Weapons grade" Pu is typically limited in Pu^{240} content to 7 percent or less and is much easier to produce in a research reactor.

QUESTION

How can the Clinch River be constructed to demonstrate the practicality of (a) "spiking" the plutonium as well as (b) using "denatured" U–233 as a means of preventing proliferation?

RESPONSE

Clinch River can demonstrate the "spiking" concept with minor shielding modifications to the fresh fuel handling and storage design.

Clinch River can demonstrate the "denaturing" concept with only moderate changes in core design to accommodate alternate fuels.

The irradiated denatured fuel would contain plutonium roughly equivalent to that produced in ordinary uranium fuel, which could be separated in a shielded chemical processing facility. It would not be a greater proliferation risk than the fuel discharged from present day light water reactors.

I urge all Members to support the continuation of the Clinch River project so that in the future, Americans can have clean energy at a price they can afford.

NOTICE OF HEARINGS

HON. DAVID E. SATTERFIELD III

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. SATTERFIELD. Mr. Speaker, the Veterans' Affairs Subcommittee on Medical Facilities and Benefits tentatively plans to hold a hearing on Thursday, July 21, 1977, in room 334, Cannon House Office Building, on pending legislation to extend the Physician and Dentist Pay Comparability Act of 1975 for an additional 1-year period.

If you have questions, contact the subcommittee staff at 225–9154 or 9165.

CONSUMER PROTECTION AGENCY

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. SOLARZ. Mr. Speaker, for the last 2 weeks the proposed Consumer Protection Agency has come under attack from a highly sophisticated and well-financed campaign. The critics of the proposal claim that the Agency would be an inefficient use of Government funds and a source of additional, unnecessary constraint on business.

I believe the best answer to these arguments come from someone who has shown an outstanding passion for both the efficient use of Government resources and elimination of unnecessary Government regulations. Such a person is President Carter who has indicated that the establishment of the Agency would result in no increase in the bureaucracy and would actually cause a reduction in the number of Government bureaucracies. In addition, the President has indicated that the proposal is being supported by more than 100 major businesses, including King Supermarkets, Montgomery Ward, Gulf and Western, and Atlantic Richfield. I don't believe these companies would support such an Agency if they felt that it would unnecessarily restrict them.

So for the edification of my colleagues who are concerned about efficiency and our private enterprise, I enclose the full text of the President's press statement in support of the creation of the Consumer Protection Agency:

BRIEF REMARKS OF THE PRESIDENT AT MEETING OF CONSUMER REPRESENTATIVES

As you know, Esther Peterson is one person who is impossible to scorn. (Laughter)

For eight years the congress of the United States has been considering whether or not to give the average people in our country the consumers' advice in government that is clear and concise, inexpensive and effective.

We have still not been successful. When we had a President who had promised to veto the bill, the Congress was more inclined to give it support. Now when it is sure that the White House will approve this legislation to set up an agency to protect consumers, the lobbyists have come out of the woodwork and the Congress is under intense pressure.

I think the action of those who oppose this legislation is ill-advised. I am very grateful that more than one hundred major businesses in our country have seen the advisability of supporting this legislation because individually the business leaders of our country are fair. They want to be sure that their own customers are protected and they are not afraid of competition in our free enterprise system.

Unfortunately when business leaders organize and hire a staff and hire lobbyists, they lose that individual commitment to their customers and the lobbyists' only commitment is to their employers, to business, corporations, themselves.

So I think there is a separation here between what individual business leaders want and know is fair and what their spokesmen espouse on Capitol Hill.

Their proposal is not earth-shaking. The proposal is for a tiny agency just to be a focal point for equity and fairness. It is not contradictory to the spirit of the free enterprise system. It is part of it. It exemplifies it. It strengthens it.

It says an unmet demand in our society for the quiet and the unorganized and the sometimes vulnerable purchases of goods and services just to have a voice. There is no authority granted; just the right to speak and to be heard and to join in the debate or discussion and to probe for unfairness and let that unfairness be revealed. There is nothing wrong with that.

We have seen over the historical times in our Government regulatory agencies established, and if you read the legislation and the title, it says to protect consumers, to protect customers. But over a period of time, because of the disorganized, disarray and the absence of intense focusing of attention on the part of consumers, those regulatory agencies become on too many occasions protectors of and sometimes even servants of the industries that were supposed to have been regulated.

Quite often, decisions are made in secret and decisions are made without the public understanding the consequences of technicalities. It is impossible for a President to understand them. It is impossible for Congress to understand them, because the average Member of Congress—certainly all Presidents—have such a widely diverse list of responsibilities in any given day that we can't focus on a technical ruling that might result in people being cheated.

So we need some small group just to watch and to listen and to discuss and to speak. I have asked Bert Lance, the Director of the Office of Management and Budget, to give me an estimate on how many different agencies in the Government could be eliminated if this tiny agency is formed, and how much money would result in savings if they could be channeled into this small agency.

There are 13 that have been identified by the Office of Management and Budget, leaving intact those that serve a unique purpose. This involves about 180 people with an annual budget of $10.4 million. So for anyone to cloud the issue by maintaining that this is another major agency piled on top of a bureaucratic mess, that is a simply misleading statement.

There would be no increase in the bureaucracy; there would be a reduction in the bureaucracy. There would be no confusion created; there would be an elimination of confusion. There would be no increased cost at all. As a matter of fact, as this agency functions and probes the workings of Government, it in itself would reveal functions that were no longer needed and agencies that were duplicative of others' functions.

I think in the long run the savings would be substantial and the simplification of Government would be very gratifying. The total cost could be saved through reorganization. Even if it couldn't, the cost of the agency for consumer protection equals the amount of money that the Defense Department or HEW spends in one hour. So it is a tiny amount involved, but it is very, very important.

I hope that all of you from labor and from business, from consumer organizations, from local governments, from State government who have an interest in better government will act aggressively during the coming weeks because we have permitted misinformation

put forward by special interest groups who are selfish to capture the consciousness and the attitudes of the public almost by default in spite of the intense commitment and the self-sacrificial effort by people like Esther Peterson.

I would like to add my voice as President to something that I think would contribute to renewed trust among people in their government who would improve the openness of government to public scrutiny, would save the taxpayers money, would reduce the complications of a bureaucracy, would increase competition in our free enterprise system.

I know that a lot of businesses are here that see the wisdom of this action. One of my favorites is the Levi Strauss Company. (Laughter) I am one of their best customers. I just don't have time to wear out my blue jeans as much as I used to.

And the King Supermarkets, and Montgomery Ward, and Mobile, and Gulf, and Western, and Atlantic Richfield and many others—I can't name them all, more than 100—in business to make a profit, but also in business to be fair and in business to serve their customers, and also in business to meet legitimate competition without fear in the greatest system, economic system on earth. What could possibly be so fearful about guaranteeing that all businesses adopt the same attitude and the same posture?

So I would just like to ask you to join with me and these men and women behind me in putting forward our best effort to improve our government in this simple but very profound fashion.

Thank you very much.

B–1 BOMBER

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mrs. SCHROEDER: Mr. Speaker, I strongly support the decision President Carter has made today to cancel production of the B–1 bomber. I think that decision took great courage in light of past and what are certain to be future political pressures. It was a decision that was made with due consideration and on the merits of the various arguments.

During the primaries and election campaign of last year Jimmy Carter was often portrayed as a different kind of politician, as an outsider to the Washington establishment. I have not agreed with every one of his decisions, but I have admired the philosophy of governing and decisionmaking he has brought to office with him. That process seems to have little room for narrow special interests, parochial concerns, and sacred cows. The implementation of this philosophy has been apparent on decisions that range from water projects to the B–1.

The decision to stop production of the B–1 was a prudent one. The current bomber force of B–52's and FB–111's is capable of adequately performing their mission into the 1990's. The arguments for proceeding to build a new bomber force at the present time are not compelling. By deciding to continue with research and development President Carter has left open the option of a new bomber at some point in the future that may be able to take advantage of evolving technologies to eliminate the vulnerability of the currently configured B–1 to Soviet defenses of the 1980's and 1990's. What merit the B–1 would have as a bargaining chip in SALT talks is also retained by the choice of this option.

I intend to offer whatever support I can to the President on this decision and I call on other Members of Congress to do likewise.

A "GREY CHAMPION"—CONGRESSMAN CLAUDE PEPPER

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. DRINAN. Mr. Speaker, the folklore of early New England is filled with stories of "Grey Champions"—those people of courage and vigor who took command at a critical moment and rallied the rest of their communities around them. Such a man was Deacon Josiah Haynes who at the age of 80 turned out with the rest of the minutemen in his town of Sudbury, Mass. and marched 8 miles to Concord Bridge leading his neighbors in the pursuit of the British. Twenty-one companies of British infantry fled down Boston Road with the infuriated 80-year-old Congregational deacon close at their heels.

The idea of "Grey Champions" has resonance even into our time with no one in this Congress more deserving of that distinction than our esteemed colleague, Congressman CLAUDE PEPPER, the chairman of the House Select Committee on Aging. He has done more than any single individual or group to dispel the most visible and pervasive form of age discrimination in our society today—mandatory retirement. He is untiring and unrelenting in this effort.

To those who would claim that removal of forced retirement would leave employers stuck with workers into their "doddering years" and delay the careers of younger workers, Congressman PEPPER says "bah humbug". I commend to my colleagues the following response which Congressman PEPPER made to an article in the Washington Star on this assertion:

LETTERS TO THE EDITOR—'SOME PERSONS DODDER AT 30'

In his Federal Column titled, "Mandatory Retirement for Federal Workers Has Its Good Points Too" (June 12), your Joseph Young raised two arguments against my bill banning mandatory retirement in the federal government:

(1) Agencies "might be stuck with" workers "into their doddering years";

(2) "Abolishing mandatory retirement would delay the career advancement of younger employees."

Underlying the first assertion is the discredited assumption that the older worker is less productive than the younger worker. Studies by the Department of Labor, the late Ross McFarland of the Harvard School of Public Health, the National Council on Aging, and the New York State Division of Human Rights sustain the conclusion that in the areas of punctuality, on-the-job safety, attendance, and work performance, workers over 65, in general, are equal to or better than younger workers. The Labor Department, in fact, notes that overall there is a greater discrepancy in work productivity within age groups than between age groups.

Young notes the trend in industry to hire middle-management persons in their 50s and 60s "because their experience is a valuable asset," but he observes that there is no such trend in the federal government. If, in fact, industry does recognize the value of the older worker's experience and the federal government does not, that is the federal government's loss. If the federal government, however, is not bringing in older workers, the controversy over so-called "double dippers" has received a great deal of unwarranted publicity.

But whatever the "trend," the federal government can learn a useful lesson from such companies as U.S. Steel, Bankers Life and Casualty, and Paddock Corporation which have banned age-based mandatory retirement and are experiencing no resulting difficulties.

If Mr. Young would provide me with a list of the "federal departments and agencies (which) already hesitate to hire people in their upper 50s or 60s," I would forward it to the appropriate authorities since it is illegal under the Age Discrimination in Employment Act to discriminate against persons between 40 and 65 in the terms and conditions of employment on the basis of age. As for federal workers, an appellate court has ruled that Section 15 of the Age Discrimination in Employment Act, added in 1974, protects them to the age of 70.

Mr. Young hints that my bill to eliminate mandatory retirement would make agencies even more leery of hiring older workers. Anyone who is leery about enforcing the law deserves to be mandatorily retired, but not because of age.

I am alarmed that Mr. Young identifies "doddering" with age. Some persons dodder at 30, others at 80, and some pass through life without "doddering" at all. Our concern should be with competency, not age, race, sex or religion. Any supervisor who permits an incompetent worker of any age to draw a federal paycheck defrauds the taxpayer. The reluctance of personnel managers to do the job for which they are paid is a feeble argument for mandatory retirement.

Underlying Mr. Young's second contention is an appeal for arbitrary age discrimination in the name of career advancement for the young. The chimera of upward mobility is a lure tossed to the young to draw their support for mandatory retirement. In fact, comparatively few persons—only 1,509 last year—choose to remain in federal service until the mandatory age of retirement and fewer still would elect to continue working after that age. But as 86 percent of the American people indicated in a recent poll, those older persons who want to work and are able to work should be permitted to continue to work.

A young person whose upward mobility has been purchased at the price of an older person's job has entered into a Faustian contract with the proponents of mandatory retirement. For when that "young worker," still competent, productive and eager to work, reaches the arbitrary age of retirement, he or she will find that the right to cry "age discrimination" upon being forced arbitrarily from the labor market has been bartered away.

The contention that mandatory retirement opens the possibility of career advancement for the young reminds me of a tale written by the Grimm Brothers. In it, a farmer forces his elderly father to eat from a wooden trough apart from the family. One day, the farmer notices that his own son is constructing a wooden trough. "Why are you building a wooden trough?" asks the farmer. "I am preparing for your old age," replies the son. The farmer dismantles both troughs. There is a message in that story for those who subscribe to Mr. Young's second contention.

Given Mr. Young's premises, his championing of mandatory retirement at 70 with five years of service puzzles me. If one is going to reject competency-based retirement in favor of arbitrary age-based retirement, why not force retirement at 65 or 60, or at whatever age Mr. Young currently happens to be? Adopting Mr. Young's logic and assuming with him that supervisors are unable to rid federal service of incompetent workers, why not mandatorily retire everyone at 41, an age as arbitrary as 70. One would, in the process, magnify both of the advantages Mr. Young sees in mandatory retirement, for one would flush out all incompetent workers over 41 and would at the same time open greater possibilities of "career advancement for younger employees" than does retirement at 70.

The proposal, of course, is absurd. But its absurdity exposes mandatory retirement for what it actually is: a euphemism camouflaging the cruelty of age discrimination and forced unemployment.

Ageism is as odious as racism and sexism. In principle and in practice, the federal government must oppose it.

CLAUDE PEPPER, D–Fla.,
Chairman, Select Committee on Aging,
House of Representatives.

WASHINGTON, D.C.

THE EFFECT OF TELEVISION ON HUMAN BEHAVIOR

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. COLLINS of Texas. Mr. Speaker, if, as many believe, there is substance to this theory—our Nation is certainly being destroyed internally via televised violence. Various studies indicate that by the time an average American reaches the age of 18, he has witnessed 18,000 cold-blooded murders. Also, he has viewed countless highly detailed incidents of robbery, arson, bombing, forgery, smuggling, beating, and tortue—averaging about one per minute. Furthermore, there is an average of six times the amount of violence during 1-hour of childrens television than in adult television of equal time.

On the basis of Nielson index figures, the average American child will have viewed some 15,000 hours of television by the time he has been graduated from high school, as compared with his having been exposed to some 11,000 hours of formal classroom instruction. The average preschooler is tuned in for 23.5 hours per week. Todays most popular television programs provide more teaching than occurs in the home, the church, and the educational system combined.

All of this mass exposure has had a profound effect upon Americans born in the "TV Age." The fact that youth learn what television teaches is substantiated in a 1,200 percent increase in juvenile crime during the last 20 years—America's "TV Age." Hate, violence, and crime dominate American television. There is now enough research to suggest that viewing televised aggression leads to aggressive behavior in children and adolescents.

The trancelike state that characterizes many children's viewing behavior suggests that normal, active cognition is temporarily replaced by a state of mind more akin to meditation. Television, sadly, is being used as a pacifying agent, a relaxant of overstimulated children and a sedative for troublesome children.

A look at the "television generation" makes it clear that a serious diminution of verbal abilities has occurred among those children who grew up watching great quantities of television.

Nursery school teachers are reporting that today's "TV generation" is passive, noncreative, unresponsive to instruction, bored during play periods and possessed of an almost nonexistent attention span.

SOME LIBERALS, TOO, OPPOSE AGENCY FOR CONSUMER ADVOCACY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. ASHBROOK. Mr. Speaker, I have never made any bones about being a conservative. I have always believed that a conservative approach to government best serves the public interest.

In recent months I have been pleased by the broad support I have received from all parts of the political spectrum—liberal, moderate, and conservative—on a number of issues that in other times and in other Congresses would not have been the case. For that support I am most grateful. But, I must confess, I never suspected that on one issue—opposition to an Agency for Consumer Advocacy—I would draw support from the liberal philosophical community.

You can imagine my surprise, then, to see in the May 21 issue of The New Republic, one of the oldest and most respected liberal journals, an article by Stephen Chapman titled "Pluralism Run Amok", which concludes that the proposed Agency for Consumer Advocacy is unnecessary at best, and unwise at worst. "As a peculiar child of the consumer movement," writes Mr. Chapman, "it reveals a lot about the movement's limited vision, lack of imagination, and self-satisfied blindness to the crucial issues."

Mr. Chapman has a number of observations, including one that "the consumer agency bill is presented as a means of reforming the regulatory agencies, but really it represents the abandonment of any hope of reform, since it concedes control of the agencies to those they are meant to regulate." In addition, Chapman notes there are "conceptual problems" with the agency. "How will this agency decide what is the 'consumer' interest in any particular controversy? . . . On almost every question that comes to mind, there is ample room for disagreement about the consumer interest."

I welcome Mr. Chapman and the readers of the New Republic to the growing number of those who see better ways of helping the consumer. Perhaps opposition to the consumer agency bill is an issue around which conservatives and liberals can agree.

Following is the text of The New Republic article:

PLURALISM RUN AMOK

(By Stephen Chapman)

When he emerged from a meeting last summer with Ralph Nader, Jimmy Carter told reporters that as president he would challenge Nader's position as the nation's leading consumer advocate. Although he neglected consumer issues for most of the campaign, Carter placed several consumerists in high positions in his new administration, including Naderites like Joan Claybrook, agencies is an unalterable fact of life, and Carol Foreman, head of the Consumer Federation of America. Last month Carter kept his most substantial promise to the consumer movement: the creation of an agency to argue the consumer's case before the other federal agencies.

On April 6, Carter sent a message to Congress requesting the establishment of an Agency for Consumer Advocacy "to create a strong voice in government to speak up for the consumer." On May 10 the House Government Operations Committee approved a bill to create such an agency.

Nader has been plumping for something like this for years. It will represent the official enshrinement of the consumer movement. It also will put Nader-style regulatory gadflying—previously financed catch-as-catch-can—on the firmest of all financial foundations: the federal treasury. Legislation creating a Consumer Protection Agency passed both houses in the last session of Congress but was allowed to die after President Ford said he would veto it. President Carter proposed an ACA rather than a CPA so as not to confuse the agency with a certified public accountant. The bill before the House now calls it an Agency for Consumer Protection, or ACP. It seems likely to pass again and be enacted into law, although intensive lobbying by groups such as the Business Roundtable (led by Leon Jaworski) may doom the consumer agency just like that other supposed shoo-in, the common situs picking bill.

The bills now introduced by Abraham Ribicoff in the Senate and Jack Brooks in the House seem unobjectionable to anyone generally sympathetic to the consumer movements. After all, they merely would set up an independent agency to participate in the informal and formal proceedings of other federal agencies, to intervene as a party, to challenge decisions in court, to serve as a clearinghouse for consumer complaints and to require businesses to answer specific questions about consumer problems.

The intent is to promote intelligent and disinterested regulation by agencies that now, in Nader's view, are controlled by the companies they are supposed to oversee. No one can argue with that goal, but the answer offered by Nader and Carter is as empty as it is facile, mistaken in premise and logic. As a peculiar child of the consumer movement, it reveals a lot about the movement's limited vision, lack of imagination, and self-satisfied blindness to the crucial issues.

That a problem exists is beyond dispute. Critics from Nader on the left to Milton Friedman on the right agree that the regulatory agencies, far from serving the public interest, act almost without exception to protect the interests of the companies they regulate. Nader, though certain of the malady, is rather vague about its causes, tending to blame it on corruption and the fraternal relationship between regulator and regulated, which really are more symptoms than cause. The problem arises from some basic and unavoidable circumstances of regulation.

For one thing, the government's treatment of a particular industry is of vital impor-

tance to the people in it, and of only marginal importance to the public as a whole. The livelihood of an airline executive is at stake in every regulatory decision by the Civil Aeronautics Board, but the average air traveler spends only a small fraction of his income on flying; consequently, airline executives spend a lot more time, effort and money trying to persuade and inform the CAB than most consumers do. Nor are executives unique in this respect; if there's anything that unites management and labor, it's regulation of their industry, and unions are no slouches when it comes to lobbying for their interests.

Recent talk in Congress about deregulating the airline industry has had revealing results. Congressional offices have been swamped with mail opposed to deregulation, almost all of it no doubt from people who work for airlines. They have gotten hardly any mail at all in favor of deregulation, even though a widely publicized recent GAO study estimated that it would reduce fares by as much as half. As a rule, industry efforts to manipulate the decisions of their regulators are focused, vigorous, and continuous; those of the rest of the public are vague, unorganized and sporadic.

There are political factors at work also. A regulatory agency that looks after the needs of its companies attracts no undesirable attention from politicians and journalists: if the industry it regulates is full of prosperous, growing firms, it can pretty much count on being ignored. The easiest way for an agency to assure its clients prosperity is to limit competition, hold prices up and keep newcomers out.

An agency that vigorously promotes a free, competitive environment is almost certain to find itself with some dreadful public relations problems: firms that can't compete will fold, factories and offices will be closed, people will be thrown temporarily out of work. Besides those people directly affected, others in the industry will get nervous. For their trouble, the regulators will find themselves cursed by workers and managers in the affected industry, criticized in newspaper editorials, personally reprimanded by congressmen from areas affected by the closings, placed in an unflattering light for everyone to see. They may even get new laws to make sure they don't cause any more catastrophes. Only a regulator with a stainless steel backbone and a taste for self-abuse could ignore pressures like those. There aren't many around.

The consumer agency seems at first blush to solve these problems. It aggregates the diffuse consumer interests to do battle against the concentrated interests of the regulated corporations. And it destroys the prospect that caving in to these corporations will assure regulatory agencies a quiet life. Of course it is a lawyers' solution: all procedure and no substance, guaranteed to generate lots of new business for the legal profession. Instead of analyzing and remedying the defects in the regulatory bureaucracies that now exist, it will add a new layer of bureaucracy across all of them. Proponents say the consumer agency will cost the taxpayers only $15 million in its first year and $25 million by its third year; but it is not unknown for these agencies, once created, to take on a life of their own. Consumers deserve protection, but this is not the way to do it.

Moreover there are conceptual problems. How will this agency decide what is the "consumer" interest in any particular controversy? Nader's organization, Public Citizen, says the consumer interest in most cases is "apparent and uniform," but it usually is neither. On almost every question that comes to mind, there is ample room for disagreement about the consumer interest.

Take the Federal Power Commission's ceiling on natural gas prices: is it in the consumer's interest to hold down prices, even if shortages result, or to guarantee a continuous supply by allowing prices to rise? Or the Transportation Department's automobile safety standards: is it in the consumer's interest to require cars to have airbag devices, or should the consumer be allowed to save money and take a chance? Or the EPA's restrictions on factory emissions: is it in the consumer's interest to have clean air and water or to have cheaper products? It is easy to guess Ralph Nader's answer to any of these questions, but a good number of consumers surely would disagree.

The consumer ageny's advocates say that when there are several "consumer" viewpoints on a given issue, the agency will represent all of them. A little skepticism seems appropriate in judging the likelihood of a small agency with limited resources squandering some of them to present the views of people it disagrees with. An administrator with strongly-held views about the needs of consumers—which is presumably what the agency's supporters want—realistically cannot be expected to go out of his or her way to make sure that dissenting voices get a fair hearing.

Nader, never troubled by indecision, said on one occasion that in the debate over mandatory seat belts in cars, the interest of the consumer would be "quite clear"—the agency would favor such a requirement. If Ralph Nader were in charge, no doubt it would, and there would be no nonsense from consumers who felt differently.

What exactly is the "consumer" interest? Is it the same as the public interest? If so, why does it need special representation, since the regulatory agencies are already charged with promoting the public interest? (Or, to put it another way: if the consumer agency can decide expeditiously where the public interest lies in any regulatory controversy, why not let it make all the decisions and avoid the lengthy and expensive adversary proceedings of the traditional regulatory agencies?) If, on the other hand, the consumer interest is different from the public interest, why should a government agency be promoting it?

Not even Nader would argue that the consumer interest should take precedence over the broader interests of the society as a whole; but it would be the role of the consumer agency to make exactly that case, to ignore all other problems and focus purely on what will be best for the consumer as consumer, just like a private advocate arguing for a client.

The consumer agency's mandate for advocacy probably will be diluted considerably before Congress approves it. The Senate and House bills both include specific exemptions, but they cover different areas. Ribicoff's version excludes from the consumer agency's scrutiny any action by the Federal Communications Commission concerning the renewal of broadcast licenses. Nader candidly attributes this exemption to the power of "television stations and radio stations all over America who are organized through the National Association of Broadcasters who have great influence, particularly over some Senators of the Senate Commerce Committee."

Brooks, a Texan attuned to the demands of farmers, has included a broad exemption in his bill for almost all of the Department of Agriculture's programs to assist farmers, including price supports, marketing orders, and payments for raw commodities. If Brooks has his way, the consumer agency will have little power to interfere with the government's deliberate inflation of food prices, despite its importance to consumers. Congress wants to protect the consumers' interests, sure, but not at the expense of its own political interests. If the consumer agency bill is enacted, more exemptions for other politically powerful groups are almost certain.

The consumer agency bill is presented as a means of reforming the regulatory agencies, but really it represents the abandonment of any hope of reform, since it concedes control of the agencies to those they are meant to regulate. It says, in effect, that the Babylonian captivity of the regulatory agencies is an unalterable fact of life, and that it can be overcome only by similarly institutionalizing the consumer interest.

Just as an aging ingenue's facelift can give her only the appearance, not the reality, of youth, the consumer agency will not change the charter of the other agencies or their decisions, but merely make things look a little better. Rather than a bold assault on the interests controlling the regulators, the consumer agency concept is a conditional surrender that says to the special interest: just let us have an agency of our own, and we'll be content to let you have all the rest since a vigorous consumer advocate will be able to undo all the damage you can do.

That way of thinking is as timid as it is naive. In most cases, the only way to reform a regulatory agency is to abolish it, leaving the companies in its jurisdiction naked to the harsh winds of the market. That would not be like Piglet putting seven verses in a Hum, of which Pooh said, "I don't suppose it's *ever* been heard of before." Nader himself has advised dismantling of the CAB and the ICC, and there's no reason to think he's mistaken: why do we need an agency to make sure airline fares are not too low or that trucking companies don't have too many competitors? The functions of some agencies and the regulatory powers of the departments—for instance, the FPC's regulation of natural gas prices and the Transportation Department's authority over auto safety standards—could be handled easily enough by Congress; and since such decisions are essentially political ones, they should be made politically.

It's even worth considering if the protection of health and safety by agencies like OSHA and the FAA might not be handled just as well through private tort suits, which have done a pretty good job of protecting patients from medical malpractice. The diffuse responsibilities of the courts make them far more difficult to control or manipulate than a regulatory agency, and juries tend to be generous enough to victims of poor health and safety standards to force businesses to look after the welfare of their employees and customers.

If it's clear after a hard look that a regulatory agency is needed for a legitimate purpose—and some of them are—defining its mandate with some care and staffing it with good people can improve the quality of its decisions more quickly and cheaply than adding another ingredient to the adversary goulash. One John Robson does more for the CAB than five briefs filed by a consumer protection agency.

Instead of suggesting genuine options, however, the consumer agency's promoters offer only the logical conclusion of the perverted modern doctrine of pluralism—an agency for every interest, and every interest in its agency. Pluralism regards government not as a vehicle for determining and implementing a society's needs, values, and choices, but as an arena for the clash of opposing interest groups, all out for themselves, all appropriately heedless of larger considerations of public good.

Consumerists will say that, like it or not, government is run according to pluralist notions. But that is mostly because we have gone so far in institutionalizing the doctrine, maintaining a Department of Labor to represent the interests of one group, a Department of Commerce to speak for another, a

Department of Agriculture for yet another. The belief that encouraging pluralism, by dividing people into separate groups and requiring them to scratch and claw for their share of the government pie, is a good way to run a government should be thoroughly discredited by now.

A better way to further the varied interests of consumers is to get rid of those institutions that facilitate manipulation of government power for narrow private interests, removing the government from some areas and subjecting its authority in others to political control. That route could permit us to discard the pluralist model and replace it with a new emphasis on promoting, not the interests of special groups, but the public interest. Isn't that the proper role of government in a free society?

CONGRESSMAN TRAXLER INTRODUCES H.R. 7847

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. TRAXLER. Mr. Speaker, last week I introduced legislation to change what I feel to be a serious problem which exists relative to our all-volunteer defense force. At present their is no law which protects members of the Reserves and National Guard from being discriminated against in hiring. I would like to share the accompanying article from the June 27th Washington Post written by Mr. Harold J. Logan which quite eloquently explains some of the problems the military is having with the reserves' recruitment and retainment.

GUARD, RESERVE AT A CURIOUS CROSSROADS

(By Harold J. Logan)

In a scrawny Virginia forest this week, the men of B Battery, 108th Field Artillery, 28th Infantry Division, U.S. Army, are being taught the latest techniques for using small cannon in conventional warfare. Meanwhile, back in their armory in Gettysburg, Pa., two perfectly functional $24,000 cannon sit, unused and unattended.

On the sandy soil of Ft. A. P. Hill, four of B Battery's 105 mm howitzers face a row of emaciated pine trees. When the order to fire crackles over the radio, three of the howitzers emit ear-ringing blasts, sending their 33-pound shells speeding toward a target five miles away.

The fourth howitzer will not be fired, the battery commander explains, for the same reason that the other two were left behind in Gettysburg: the battery does not have enough men to use them.

"Last year we could man all six of them," said Capt. Ronald Baker. "This year, we can man three . . . Our goal is to become combat-ready, but, due to some manpower problems, we'll never do it.'

Baker and his men are not soldiers.

They are bankers, teachers, construction workers, policemen, doctors and others who spend one weekend per month and two weeks each summer training as members of the National Guard.

There are supposed to be 89 men in Baker's company. There are 66. There are supposed to be eight men operating each gun. Baker operates with four or five per gun.

"What that does, it slows us down somewhat," said Baker. With the proper number of men, B Battery could fire two or three rounds per minute, and benefit from the practice that is the heart of their training; as it is, they can fire only once every two or three minutes.

"That's how it is," Baker said, "in the National Guard."

The National Guard. A place for men too old for regular military service, playing out their active years as part-time soldiers; for kids lucky enough to evade the Vietnam-era draft by squeezing into the Guard rather than going to Canada, or to prison?

Maybe. There are examples enough of ineptitude in B Battery, one of the better guard companies, according to its battalion commander. There is the case of the four men who were sent to camp early, only to find they had nothing to do but sleep—and get paid—for three days.

There is the sergeant who could not get his howitzer leveled because he kept lowering the side that was already too low, and the private who picked up an unexploded shell and thrust it at his lieutenant, saying, "Look what I found."

But the men of B Battery work hard, and this country's whole national defense strategy is based on keeping them, and other guard and reserve units, ready to go to war in a hurry.

If the U.S. Army becomes engaged in a major conflict tomorrow, 58 per cent of its field artillery, the major killer of enemy personnel, will come from the National Guard or the Army Reserve.

So will 65 per cent of the Army's combat engineer battalions, 52 per cent of its infantry and armor battalions, 45 per cent of its aviation forces, and 65 per cent of all the Army's tactical support.

"There was a time when you joined a guard or reserve unit and kind of sat around, didn't do much as far as effort was concerned," said Will Hill Tankersley, outgoing deputy assistant secretary of defense for reserve affairs.

"It's not a funny business anymore," said Tankersley. "It's not a joke. The survival of our country depends on them, and the margin for error's gone."

The National Guard and Army Reserve find themselves today at a curious crossroads. In the planning rooms of the Pentagon, where the national military posture is worked out, the role of the reserve components has been assuming an increasingly high profile over the past five years as the size of the standing force has dropped.

Of the Army's 24 divisions, eight are either reserves or guardsmen. In a war situation more than half—54 per cent—of the men the army could put in the field would be from the reserve component. The reserves' role even includes the crucial refueling of some of the long-range strategic aircraft in the Air Force arsenal.

At the same time, the guard and reserve are suffering a devastating and worsening manpower shortage. As of April 30, the guard, with a congressionally authorized strength of 390,000, had only 357,570, or 91.7 per cent of the number Congress thinks it needs to perform its task adequately.

The Army Reserve, with an authorized strength of 212,400, enrolls only 189,614 men, or 89.2 per cent of its target.

The numbers are in a precipitous decline. During the month of April this year, the guard lost 3,127 men, while the reserve lost 591. The Marine Corps Reserve, also under 90 per cent of its authorization, lost 61 men in April.

Even these figures are somewhat deceptive. During the transition quarter, between July and October of last year, Congress, in a first recognition of the reserve manpower problem, reduced the authorized strength of the guard from 400,000 to 390,000 men, and of the Army Reserve from 219,000 to 212,400.

There are more substantial solutions to the manpower problem floating around Washington.

Surprisingly, in the absence of a draft, the reserve components have little trouble getting recruits in the front door. The problem is keeping them in once they have joined.

The solutions fall into two basic areas. One is to improve the training, in order to bring the reserves to combat-readiness, and, equally important, to make training more fun.

The other is to re-order the financial incentives offered potential re-enlistees, so that they would receive additional benefits at the time of re-enlistment, rather than at the end of their tours, when traditional GI Bill benefits come.

Asked if the reserve component is now deficient in its ability to perform its assigned national defense role, Tankersley replied, "I think so. It's like asking a man to bake a cake, and giving him the money to buy only half the sugar he needs, or half the flour . . ."

It was not always this way. Only half a decade ago, manpower problems were the last things the guard and reserve contemplated. Impelled by the draft, and the prospect of Vietnam, young men besieged the guard and reserve for the few precious spots that could mean a safe and respectable way of avoiding a future filled with monsoons, black pajamas and land mines.

The draft ended at the beginning of 1973, and the last group of people who joined the guard or reserve under Vietnam pressure are just now coming to the end of their six-year obligations.

Most of them are getting out as soon as they are able. The manpower decline, Tankersley told a House Armed Services subcommittee in March, "has been caused primarily by the large numbers of draft motivated individuals who enlisted in the late 1960s and early 1970s and who have elected not to re-enlist as they completed their six-year military obligation."

Recruiting remains possible in today's atmosphere, when the military is seen as less of a parish than it was during the height of Vietnam, but the new recruits, like the draft-era enlistees, do not stay.

Last year, for example, the National Guard enlisted 108,000 new recruits, the second highest number since the end of World War II. But it lost 135,260 men during the same year. And the energy that must be devoted to recruiting is burdensome.

"While we were getting those 108,000, the commanders and their team leaders were spending an inordinate amount of their time recruiting that they rightfully should have spent training and working with their units," said Maj. Gen. La Vern Weber, top man in the guard.

"Strength is critical to us because we're spending too much time recruiting, and not enough time training and administering. That's really our problem," Weber said.

From the upper reaches of the Pentagon to the men who pull the lanyards on B Battery's 105s, there is near-unanimous agreement that improved training is the key to keeping men in the guard and reserve.

"People don't quit the guard and reserve because it's tough," said Tankersley. "They quit because it's boring." One solution, he said, is "interesting, meaningful, challenging training."

By most accounts, training in the reserve components has improved in recent years. With their new roles in the total defense posture, the guard and reserve now have a mission that, officials say, is communicated to their men through realistic, hands-on training that emphasizes war games and the use of weapons.

But the training is still not what it could be. It would not be difficult to set your imagination free in the woods of Ft. A. P. Hill, to turn the 6-inch-high grass and scraggly pine trees into a forest in Germany, or Korea, or Vietnam, to make of the aging, rusted

trucks and helicopters that serve as artillery targets, bridges or roads that must be destroyed to protect your troops.

But training is not done that way in the National Guard. It "isn't very relevant," said Staff Stg. Thomas Steele, an artillery expert from the standing Army who is advising B Battery during its summer exercise.

"It's not tactical training [involving a situation] like you'd have in combat," Steele said. "They don't say, 'You're supporting an attack, or a retreat.' They say, 'Aim at point 44 and shoot. . .' "

The guard training is disturbing to Steele, a Vietnam veteran, and if Tankersley is right, it should be. "The regulars realize that if they have to go on the battlefield in Europe," he said, "their lives will depend on a guard or reserve battalion."

There are several proposed solutions to the reserve manpower problem. Pending in Congress are bills that would provide educational benefits and increased financial incentives to re-enlist after the completion of the six-year obligation.

More money has been allocated for recruiting this year than ever before, and the problem is being discussed throughout the military establishment.

"A well-trained, properly equipped highly motivated guard and reserve of sufficient size and quality is not one of several alternatives," Tankersley told Congress in February. "It is the only alternative to have an adequate total force to meet our defense needs."

UNFINISHED BUSINESS: ROY WILKINS STEPS DOWN FROM NAACP

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. RODINO. Mr. Speaker, on Wednesday, June 29, 1977, my dear friend Roy Wilkins stepped down from his post of executive director of the National Association for the Advancement of Colored People. The deep respect and affection I feel for this man leads me to conflicting emotions about his retirement—I am happy he can rest from his weary and never-ending struggle against racial prejudice but I shall sorely miss his guidance in that battle which still rages.

Roy Wilkins led the NAACP with the same total commitment to equality and justice which his personal life exemplified. I know that organization shares my appreciation for all his efforts. Even more, however, should he receive the gratitude of all the American people for we are whom he worked for, prayed for and fought for.

It is the ideals of our people and our Nation that Roy Wilkins and the NAACP struggle to achieve. It is the fulfillment of the promise and hope of our Constitution—not for blacks, not for browns, not for whites—but for all Americans.

Roy Wilkins is retiring but he is needed—needed by all of us for the good of all of us. In his farewell statement at the NAACP convention in St. Louis, he said:

I retire from active leadership of the NAACP but I shall not retire from active participation in this program for racial justice. I will continue to speak out, to write and to make suggestions. As long as there is breath in my body, I shall be with you in this fight.

I for one intend to take him at his word for as he concluded:

There is unfinshed business for us to take care of.

SECRETARY CALIFANO ADDRESSES THE AMERICAN MEDICAL ASSOCIATION

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. PEPPER. Mr. Speaker, on June 19, Secretary of Health, Education, and Welfare, Joseph Califano addressed the annual convention of the American Medical Association in San Francisco.

In what we have come to recognize as his straightforward, no-nonsense style, Secretary Califano examined a number of issues which affect our ability to provide health services in the most efficient manner to the American people.

The Secretary called attention to the need to more effectively organize our health resources—through encouragement of health maintenance organizations and community health centers and a concurrent reduction of our reliance on hospital outpatient clinics for the provision of primary medical care. Improved organization of health resources would also indicate a more efficient utilization of other health care personnel, including nurses and physicians assistants, who can provide health services otherwise provided by a physician but at lower cost and without jeopardizing the quality of patient care. I believe that a reexamination of our current utilization practices with regard to health professionals is an essential component in our efforts to assure an equitable distribution of our health resources and a reduction in the overall cost of health care.

Second, the Secretary called attention to the serious maldistribution of health resources which, despite congressional efforts to encourage health professionals to practice in medically underserved areas, leaves us with a system in which minorities, the poor, and those in rural areas have little or no access to health care, while others enjoy an overabundance.

In my view, Secretary Califano struck a nerve in our health care system when he called, third, for a renewed emphasis on preventive health care. Mr. Speaker, I agree wholeheartedly that we need to restructure our thinking on the subject of health care. The time has long since come to stop thinking strictly in terms of acute and corrective care and turn our attention to preventive health care. We have been saddled for many years with "crisis" orientation, and its an expensive habit. Our neglect of preventive medicine has cost the Nation billions of dollars in unnecessary medical services. As Secretary Califano so clearly indicates, "we are needlessly risking illness and sometimes even lives and recklessly consuming resources that could be used to meet other urgent needs."

Finally, the Secretary called for creation of a national health insurance program which will guarantee all Americans access to the full range of health services. Until we can guarantee that every American is able to partake of the fruits of our vast medical technology we cannot truly call ourselves a progressive nation.

Mr. Speaker, I commend this address to the attention of my colleagues, not only because it addresses the principal issues involved in improvement of our health care system, but also because I believe it gives a clear indication of the proposals we can expect to receive from the administration in the months to come. I confess that what has sometimes seemed in recent months to be a single-minded emphasis on cost factors has been of some concern to me. But it is my hope—and my belief—that this simply signals an effort on the part of the administration to streamline the organization and administration of our health care programs preparatory to the expansion of benefits and services which must be included in a national health insurance program. We cannot, and I am confident that we will not, renege on our promise to the American people of complete access to a full range of medical services which they need and which they deserve.

Mr. Speaker, I ask unanimous consent that the text of Secretary Califano's address be included at this point in the RECORD:

REMARKS BY SECRETARY OF HEALTH, EDUCATION, AND WELFARE, JOSEPH A. CALIFANO, JR.

I think it's a good thing for you and me to meet face to face; to exchange views fully and freely in a spirit of mutual respect and candor.

As professionals, we must remember that doctors and lawyers are never as good as our patients and clients say we are when their illness is cured or their case is won—and never as bad as they say we are when they get the bill.

In the short time that I've been in office, I have enjoyed the most cordial relationships with the officers and executives of the American Medical Association. They have kept me informed of your views—especially when they diverged from mine!

And I have tried to be open and candid with them—including acknowledgement of mistakes when we think we've made them.

This meeting is part of the essential, continuing communication that must exist between organizations like the AMA and a Secretary of Health, Education, and Welfare. So I'm grateful to you for your hospitality. And I know that the overriding objective we all share is better health for all Americans.

It is against the background of this shared objective that I accepted your invitation to address the opening session of the American Medical Association's National Convention.

I thought it important for you to understand first hand how the new Administration views the health care industry and how we view the doctors who shape so much of that industry.

Americans would like to cling to some hallowed images of medical care in our nation: images that reach back to the placid past of our grandparents.

One cherished image is that of the stern but wise family doctor of Victorian years, jouncing in his buggy from house to house, dispensing pithy wisdom along with the castor oil.

A second image is of more recent vintage: it is the flickering image of the television doctor: first, young Dr. Kildare, then Dr. Ben Casey, and finally, the reassuring, confidently omniscient Marcus Welby, M.D. Unlike you, Dr. Welby has only one patient at any given time. And there's another difference: all of his patients get well within the hour.

But the reality of modern medical practice today, as you well know, is much more complicated than Norman Rockwell covers for The Saturday Evening Post or television films.

It is our perception of that reality I would like to discuss today: the problems of medical practice and public policy that it poses for you and for me; and some urgent action that all of us—the administration and the Congress, physicians and citizens—must take as we begin to deal with those problems.

For we have set ourselves an ambitious goal in America: a high standard of health care for everyone—at manageable cost.

The extraordinary talent of so many doctors has encouraged us to set our sights high. The genious of a few has provided discoveries that have given millions of our citizens superb quality care. The dedication of many has saved lives and eased pain and misery for generations of Americans.

We know that quality care is available for many Americans. We want to make that quality care available for all Americans. We seek to do it at reasonable cost. The achievement of these two goals at the same time—quality care for all, at reasonable cost—is what we are about.

The quality care objective has long characterized American medicine and physicians, but reasonable cost has not been the strong suit of either American medicine or most of its physicians. We see that not as the fault of affluent doctors—but as the most serious shortcoming of the health care system.

If we are to meet these dual ambitious goals, or even approach them, we must first see the nation's health care system clearly for what it is.

To do that, we must pull the camera back; back from the past; back from fiction, with its narrow, close-up view of Dr. Welby. When we do that there comes into view a vast, sprawling, complex, highly expensive and virtually non-competitive industry—one of the nation's largest though least understood industries, a unique system of economic relationships that are commanding, and controlling, an ever larger share of our nation's resources.

WE PERCEIVE HEALTH CARE IN AMERICA TODAY AS BIG BUSINESS

To be sure, health is not just another industry; the enduring strength and high quality of the doctor-patient relationship is a vital element in the medicine of the 1970's, just as it was a generation ago—and generations before that.

But the term industry is still an apt one—and it provides a critical perspective on the health care system for public policy makers.

With expenditures of $139 billion in 1976, the health care industry is the third largest in the United States. Only the construction industry and agriculture are larger.

In 1975, 4.8 million people worked in the health industry. That was 5.1 percent of the national workforce—slightly more than one American worker in 20.

In the same year, 375,000 physicians were in practice in America: one for every 570 citizens.

Health care spending was 5.9 percent of the Gross National Product in 1965. It was 8.3 percent in 1975. And, at present inflation rates, it could reach 10 percent of GNP by 1980. In that year, spending on health care will, without some kind of restraint, have ballooned to $230 billion, $1,000 for each man, woman and child in America.

The giants of corporate America have moved in to obtain their share of the health industry—major companies like IBM and Bausch & Lomb. Many of the major pharmaceutical companies are in the Fortune 500. The profits of these drug companies are far above the average for large corporations in America.

We perceive health care as an inordinately complex and fragmented industry. It contains over 7,000 hospitals with a total capacity of 1.5 million beds, 16,000 skilled nursing homes, with a capacity of 1.2 million beds; thousands of laboratories and hundreds of suppliers of drugs, expensive medical equipment and other medical products.

Decisions in this industry are made—by a host of private and public institutions—without adequate planning at the state and local level.

WE PERCEIVE HEALTH CARE AS A VERY COSTLY INDUSTRY

The median income of the average American family was $13,700 in 1975. In that same year, the average family expenditure for health care was nearly $1,600, more than 10% of the median income.

An average hospital stay cost less than $350 in 1965. It now costs over $1,300. Private health insurance premiums have jumped 20–30 percent in just the last year alone.

And the American people paid doctors a total of $26.3 billion in 1976.

We perceive the health care industry as virtually non-competitive. The features of the competitive marketplace that have served old people so well in other industries—to promote efficient allocation and utilization of resources—are just about non-existent in the health care industry.

The patient—the consumer—may select his family doctor—but he does not select his specialist, his hospital, the services he is told he needs, the often expensive medical tests to which he is subjected. The physician is the central decisionmaker for more than 70 percent of health care services.

Increasingly, the patient—the consumer—does not pay directly for the service he (or she) receives. Ninety percent of the hospital bills are paid by third parties—private insurance companies, Medicare, Medicaid.

These reimbursement mechanisms usually operate on a cost-plus or fixed-fee-for-service basis, the most expensive and least efficient ways to function.

Most public and private benefit packages are heavily biased toward expensive in-patient care.

The unavailability of price and quality information keep the consumer of health care services dependent on the decisions of the health care provider, who plays a dominant role in determining demand for health services and whose financial well-being is determined by the price charged.

The ability to restrict access to competitors—hospital credential committees that can deny or delay privileges to Health Maintenance Organizations, for example—provide special levers of market control.

These are some of the dominant economic features of the health care industry—features which provide many powerful incentives to spend more, and few, if any, incentives to spend more efficiently.

We must face a basic fact: there is virtually no competition among doctors or among hospitals. And, just as important, there is precious little competition among pharmaceutical companies or among laboratories. For pharmaceutical and medical device and equipment research has become big business, with patent monopoly pots of gold at the end of the research rainbow.

These economic features pose severe problems in allocating and utilizing health care resources in the most effective way possible—problems that, although grounded in the economics of health care, relate ultimately to the broad national goal of providing, with limited resources, quality health care to all Americans at reasonable cost.

We do not perceive the health care industry as a world of good people and bad people. Doctors are not bad and para-professionals good. Hospitals do not wear black hats while government policy makers wear white ones. That is not the point.

The point is that doctors, hospitals, pharmaceutical companies, nursing home operators—all the inhabitants of this non-competitive, free spending, third party-payor world—act exactly as the incentives motivate them to act: conscious of quality, insensitive to cost.

The result, inevitably, is a set of economically classic structural problems.

First: Our health resources, abundant as they are, are not well-distributed, either economically or equitably.

In the past ten years, we have made considerable strides toward opening access to health care for many people. But major problems remain:

We have not done a very good job over the past ten years of helping rural Americans get ambulatory care. The typical rural citizen is twice as likely never to have had a physical examination, as the typical citizen of a large metropolitan area. Many rural women fail to receive basic early cancer detection examinations.

In our inner cities, minority citizens still lag far behind others in their access to physican care. Polio immunization rates for black children under the age of four are one-third lower than the rates for white children.

Here in the State of California, of 1.2 million eligible poor children, only 20,000—less than two percent—have been reached by a joint State-Federal early screening diagnostic and treatment program. Only 12,000 of these children—1 percent—have been treated. This Administration has proposed new legislation—the Child Health Assessment Program—to correct this intolerable situation on a nationwide basis.

Yet, while some are starving for health care, obesity is commonplace for others. Nationwide we have an excess of some 100,000 hospital beds. There are enough cat scanners in South California for the entire western United States.

We have made progress in absolute numbers in ending the doctor shortage of 10 years ago; but doctors are unevenly distributed, geographically and by specialty. Manhattan has 800 doctors per 100,000 people; Mississippi, fewer than 80. In some disciplines, we have too many specialists, while the desperate need for primary care physicians in many rural areas persists.

And so we face a major national challenge: to redirect the flow of new health resources into underserved areas and to underserved groups so that ultimately all Americans will have fair access to quality health care. And we must ask: Can we do this in an industry with virtually no competition? Indeed in an industry where the economic incentives move in the opposite direction?

Second, not only are our health care resources poorly distributed—they are often not organized as efficiently as they might be.

As physicians have moved to more lucrative practices in the suburbs, for example, the burden of providing primary medical care in our inner cities has fallen increasingly on the outpatient departments of large metropolitan hospitals. Yet the cost of this kind of care is high: For many patients, two or three times higher than the same services offered in other settings, such as Health Maintenance Organizations and community health centers.

We have not made much progress in using non-physician health professionals to take some burdens off the physican—even though we know that nurses, physician assistants and other primary health practitioners can less expensively assume many tasks traditionally performed by physicians, without lowering the quality of care. Licensure laws are essential to preserve and maintain professional standards, but they should not be permitted to inhibit the development of new patterns of care.

Third, with little incentive to be cost effective in the use of skills and resources, it is no wonder that our present health-care system emphasizes acute care over prevention. Because of this, we are needlessly risking illness and sometimes even lives and recklessly consuming resources that could be used to meet other urgent needs.

Today the health-care challenge is dramatically different from what it was ten or twenty years ago. Today the leading killers are not communicable diseases, but accidents, heart disease, cancer, cirrhosis of the liver—which are often caused by people's lifestyles or by hostile influences in the environment.

Yet, our health-care system is not really geared to the field of prevention aimed at these killers.

We could literally save thousands of lives that are now being stunted or lost—if we could reduce the ravages of:

Cigarette smoking, which kills through cancer, heart attack, and emphysema.

Alcoholism, and its toll in mortality, morbidity and the destruction of family life.

Obesity, with its sinister companions, diabetes and hypertension; and

Accidents, which kill and maim in the office, at home, and on the highway.

In the case of each of these killers, we already have enough knowledge to make major lifesaving gains. What we lack is sufficient will and ingenuity in educating our fellow citizens about how to live more safely and sensibly. And we sorely lack a health-care system with economic incentives as strong to prevent as they now are to cure, one which makes prevention as profitable for providers as treatment now is.

Fourth, our system of health insurance in America is an expensive and inequitable crazy quilt.

Some eighteen million Americans—most of them unemployed or employed in small non-manufacturing businesses—have no health insurance at all.

Another nineteen million Americans—most of them with incomes between $5,000 and $10,000—have no group insurance, only skimpy individual coverage that is at best inadequate.

Nearly half the population under age 65 does not have insurance that is sufficient to cover major medical expenses. National Health Insurance to protect all Americans from the crushing burden of medical expenses is essential. And I am pleased to note that you agree on the need and have been developing your own plan.

Which brings me to the overreaching problem of the health care industry in America: The problem of runaway costs. In part because of these other problems I have sketched, the cost of medical care is soaring today.

Not only is health care spending devouring an ever larger share of our Gross National Product, but, under current projections:

Total health expenditures will double by 1980;

Hospital costs paid for by Medicare and Medicaid will double even sooner;

If unchecked, total hospital costs could reach $220 billion by 1985;

Health care is rising at a rate of two and one half times the rise in the cost of living.

This rapid inflation imperils the ability of uninsured people to get health care at all. It gobbles tax dollars at such a rate that they are not available for other public priorities The federal government spends 12 cents of every taxpayer dollar on health care. The average American worker works one month each year to pay health care costs.

Clearly, the health care industry, as presently structured, has become a problem for all of us—patients, physicians, providers of care, and public officials. Certainly we can understand why the American consumers and taxpayers—and more and more top executives of large corporations—are demanding that something be done.

Thus far, the Administration has pressed forward on the cost front, as you know. The President has sent to the Congress legislation that would control the precipitous rise in hospital costs—the most inflationary sector in the health industry.

But we recognize that the proposal we have put forward—a limit on increases in total hospital revenues—is merely a stop-gap solution that is a necessary transition to more profound structural, long-term reform.

For the long term we must begin to organize health resources more effectively, distribute health care benefits more equitably, emphasize prevention and primary care, and establish a fair and effective system of national health insurance.

Why I have spoken to you at such length about all these problems: Because you, more than any other members in the health care system, are its leaders and decision makers.

In past generations, your profession has led this nation to some striking achievements: a longer lifespan for our citizens; lower infant mortality, the near-elimination of many infectious diseases, a rigorous system of medical education.

In the future, we must not only protect those life-saving gains; we must face another, wholly new set of challenges:

The challenge of dramatically improving the cost-efficiency of our health care system;

The challenge of redirecting our health efforts towards prevention as well as acute care.

Those are not challenges laid down by a government bent on ever-increasing regulation. They are demands that come from the American people and public officials, and increasingly from many of your own member physicians, who are urgently concerned about both the medical and economic health of our people.

So the government—representing the people and the consumers—must play an increasing role in health care. We will fulfill our responsibility best with your help and cooperation: but we must fulfill our responsibility nonetheless.

There are hard choices ahead; there are difficult decisions. We ask you to help us to act thoughtfully; to join with us in seeking solutions to these problems.

I believe that the American people would prefer—as I, and presumably you, would prefer—that the leadership in solving these problems come from within the health care system—from you—rather than from outside of it. Some physicians are, in fact, providing such leadership.

A large group of physicians are now partners with us in the management and operation of the PSRO program. These physicians are establishing standards, reviewing quality and sharply examining the appropriateness of care given by other physicians. We intend to expand and strengthen the PSRO program.

Recently, a leading obstetrician expressed serious concern about rising O.B. costs and spoke out for dramatic consolidation of facilities to produce quality obstetrical care.

Medical schools and a growing number of physicians are responding to our need for primary care.

Some surgical specialists are taking the lead in a critical self-examination of excess surgery.

More and more physicians are joining and starting HMOs.

These are progressive steps. We hope many more physicians will begin taking them.

The story is told that Winston Churchill once paid a visit to his doctor because he was feeling terrible. His doctor, after carefully examining him, said, "Mr. Prime Minister, if you want to feel better, I suggest you cut back drastically on your consumption of brandy and cigars."

Whereupon Churchill fixed a withering stare on his doctor and replied: "My good man, I have no intention of doing either. That is why I have come to you."

And that, in fact, is what all of us have been doing for too long in this field of health care: using our affluence to cure problems, rather than our ingenuity and self-discipline to prevent them. We have not been willing to confront the hard fact that resources are limited and that we must find new methods to provide quality health care to all Americans at reasonable cost.

Now, the cost of our indulgence—like the cost of Mr. Churchill's indulgence—is catching up with us. We can no longer buy our way out of our difficulties. We must think our way out.

Thank You.

THE FUTURE OF BUSINESS AND THE INTERNATIONAL ENVIRONMENT

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. RHODES. Mr. Speaker, on Tuesday evening, June 28, I was privileged to hear an address by Dr. Henry Kissinger on "The Future of Business and the International Environment."

The occasion was the first Washington meeting of the Future of Business Project of the Center for Strategic and International Studies at Georgetown University.

In his speech, Dr. Kissinger cogently discusses the dangers of international economic confrontation, and the roles, rights, and responsibilities of both multinational corporations and national governments in this very important area.

I heartily commend this speech to my colleagues and insert it in the RECORD:

THE FUTURE OF BUSINESS AND THE INTERNATIONAL ENVIRONMENT

Ladies and Gentlemen: No issue is more important to the future vision of international order than the ways in which the world will manage the output and distribution of goods and services. International economics has become a crucial foreign policy challenge. Central to this issue will be the relationship of business to the management of public affairs. I want to thank the Center for Strategic and International Studies for inviting me to inaugurate its Future of Business program.

A generation ago, in the period from the Great Depression to the Marshall Plan, economic concerns were at the heart of international order. The issues which we will face in the decades ahead are at least as urgent and far more subtle and complex. And the most decisive of these issues are at the intersection of economics and politics, of national and international policies, of the public and private sectors. It is essential

that both policymakers and businessmen understand these important new interrelationships.

We have come a long way, and very rapidly, to the axiomatic proposition that international business depends decisively on international politics. We have come a long way, that is to say, from the day when Adam Smith could suggest that government should content itself with the modest responsibility of the maintenance of justice and the construction of good roads and otherwise serve mankind by remitting the management of the wealth of nations to the unseen land of private decision. We have come a long way from the 19th century when the United States accounted for very little in the scale of world economics.

We have come a long way even from the decades between the wars, when we strode big on the world economic scene, participated actively in world economic issues and yet stolidly maintained an isolationist foreign policy in all other respects. We shall never forget the paradox of Cordell Hull championing free trade at the same time that the Congress insisted that we ignore the darkening clouds across the Atlantic.

We have learned that America's neglect of the requirements of political stability was a major contributor to the disasters of the 1940's which shattered the economic as well as the political order. We have understood that a strong American role—political, military, and economic—in world affairs is indispensable to peace, security and prosperity. Enlightened American leadership in international diplomacy is equally vital to world order *and* to the flourishing of the world economy. A coherent public policy must address with equal insight the requirements of security and the management of the economic system. Thus the future of American business will require the highest degree of sensitivity to the political framework in which it functions and to the great coming changes in the world political process.

The map of the world's economy has changed as radically as the world political map. A generation ago, 51 countries joined to form the United Nations; today the world community numbers nearly 150 nations. Each country is, or attempts to be, a discrete economic unit, each with its balance of payments problems, its trade policies, its attitude to investment and its hopes and aspirations for a better life for its people. The global economic system has grown massively in scale and complexity.

A generation ago, only one major nation, the United States, had emerged from World War II with its economy intact and flourishing; today, Western Europe and Japan have joined us as major producers of the world's manufactured products and as centers of finance. The Bretton Woods conference established the institutions of an international monetary system after World War II. Today, the colossal expansion of world trade and the dispersal of economic power have compelled major restructuring of that system. Where George Kennan 30 years ago in his seminal "Containment" article could suggest that there were only five small pockets of significant economic activity in the world, today the oil producers have become major contenders in the economic arena, the Communist nations are factors in the world economy. and aspiring economic powers like Mexico, Brazil, and Korea are gaining new importance in world affairs.

Thirty years ago, the Marshall Plan was launched with American resources and European effort, to rebuild Western Europe from the devastation of war. Today, the experience of the Marshall Plan is clearly inadequate for the vast enterprise of economic development in scores of new nations. In Europe and Japan, the social forms and technical skills of a modern economy were already present, and only capital had to be replaced. Political stability was threatened above all by the gap between expectation and reality. It is now clear that in the less developed parts of the world supplying capital is not enough; there is a desperate need for technology and trained manpower. And the relationship between economic progress and political stability has emerged as anything but automatic.

We are in the midst of a revolution that we have only begun to perceive. The distinguished sociologist Daniel Bell has recently observed that forty years ago the response in every country to the Great Depression was to strengthen the nation state; national government came into its own as the manager of economic and social policy. Today we see citizens in many societies losing faith in the relevance of government to their personal concerns and there are tendencies of fragmentation; at the same time economic problems such as inflation surge across national boundaries and are at the margin of governments' ability to control. Bell observes that the national state has become too small for the big problems in life, and too big for the small problems. We face a pervasive challenge to the adequacy of the institutions and principles by which we have governed ourselves.

The next decade will determine whether the industrial democracies will be able to manage their economic policies and keep social peace in the face of a probably lower long-term growth rate in the 1980's; whether and in what fashion the developing countries will advance their economic, social and political wellbeing, and on what terms of confrontation or cooperation with the West. It is not yet clear what long-term role the Soviet Union, East Europe and China will play in the world economic system. The full implications of the looming energy crisis have yet to work themselves out. We cannot know perfectly how any of these developments will affect political events.

But we can be certain that economics and politics will be closely related and that American decisions and American leadership, for better or worse, will shape the response of the industrial democracies and thereby of the rest of the world. Without us there can be no progress; if we fail, we risk recession, confrontation and chaos.

Modern economic history also suggests that the contribution and creativity of the free enterprise system will be central to that response. Wherever countries of comparable resources have run the race together—Austria and Czechoslovakia, West and East Germany, Greece and Bulgaria, South and North Korea—the economy with a significant private sector has clearly done more in fulfilling the aspirations of its people than its socialist counterpart. The world community cannot ignore the affairs of business if it is successfully to shape a new political structure that serves peace and the wellbeing of mankind. Conversely, the private sector can no longer ignore the political environment if it is to make its contribution to an expanding world economy in which it can flourish.

I would like to discuss a number of current economic issues, drawing attention to their political significance, the imperative of international cooperation to address them, and the role of business in helping to solve them. Specifically:

The common economic problems of the industrial democracies;

The emerging relationship with the developing countries; and

The beginnings of interaction between the industrial democracies and the non-market economies of the Communist world.

THE FUTURE OF BUSINESS AND THE INDUSTRIAL DEMOCRACIES

The future of business is inseparable from the future of industrial democracy. Western Europe, North America and Japan produce 65 percent of all the goods and services generated in the world. They account for 75 percent of its trade. Their economic performance drives international commerce and finance; their investment, technology, managerial genius and agricultural productivity are the dynamic force of prosperity everywhere. They are the world's bankers and the world's inventors. Critics of the West, in the Communist world and elsewhere, have disparaged our system for decades, but they have not solved any of their own problems. Ironically they now turn to the industrial democracies for the technology, the techniques of analysis, planning and management, the industrial systems and the marketing skills which their own system seems incapable of generating.

But this relative success story is no guarantee for the future. Realism impels us to note the signs of strain. The political future in several nations of the West may well be clouded by shortfalls in the output of goods and services, or breakdowns of the financial system. In too many countries, demands for real increases in wages, coupled with the insistent pressures to expand public services and public sector expenditures, have generated increasingly complicated inflationary pressures at the very moment when the increase in the cost of imported energy has added its own impetus to both inflation and recession. These demands cannot possibly all be met simultaneously. An attempt to do so is bound to disrupt and ultimately to demoralize the political system. There is a grave danger of an erosion of the legitimacy of government and a prospect of basic changes in the domestic structure in Europe and perhaps even in Japan.

It is not beyond the realm of possibility that one or more of the Communist parties of Western Europe will gain entry into national governments—an event which would mark a watershed in post-war relationships. It is not beyond imagination either, that some nations will find the discipline required to establish priorities among levels of demand too burdensome to permit their continued adherence to the liberal trading system, and that they will instead revert to protectionism and isolationism. Finally, it could happen that because of disparities of growth rates, balances of payments positions and international competitiveness, the momentum of European unification will further decelerate and that the political cohesion of the West in international negotiations and institutions would break down. A process of atomization could take over. The consequences for business would, of course, be ominous.

The future of the world economy and indeed of Western political cohesion will depend on the capacity of the industrial democracies to meet these economic challenges. No one country can hope to address its problems alone. The unity of the democracies, demonstrated in substantive cooperation on concrete issues, is one way—perhaps the only way—to restore the self-assurance of Western societies and their confidence that they are the masters of their destiny. This must therefore be one of the fundamental priorities in our foreign policy, which has been eloquently stated by President Carter at the London summit a few weeks ago.

The United States cannot possibly carry all the burdens, devise all the programs, or provide all the resources, either for international security or for economic development. But the other industrial democracies, who are also our major trading partners, have grown in strength to the point where a sharing of leadership and responsibility becomes both necessary and desirable. American policy in every Administration of both parties for over thirty years has therefore been to encourage Europe's strength and economic

and political unity as well as a close relationship with Japan. This solidarity, which began with collective defense, has deepened in recent years to embrace, in addition, common problems of economic policy, arms control, diplomacy to reduce tensions with the East, and initiatives in the dialogue with the Third World.

This cohesion rests not only on pragmatic grounds but on a common moral foundation. It is no accident that our closest partners and interlocutors on every international issue are the countries that share our most fundamental values.

One of the central tasks on the agenda of the industrial democracies must continue to be the vitality of the global economy and the harmonization of growth policies among the economies of the West. Consistent expansion without inflation requires not only sound national policy but an increasing coordination among the nations in the industrial world. We must learn more effectively to synchronize our national decision-making so that national policies can complement and reinforce each other, and not be at cross purposes.

This was the purpose of the economic summit meetings at Rambouillet in 1975, in Puerto Rico in 1976 and most recently in London. This was the task which Secretary Vance pursued last week in the ministerial meeting of the Organization for Economic Cooperation and Development, the permanent economic grouping of the industrial democracies. These were not mere ceremonial exercises. They represented the beginnings of systematic consultation among the economic powers of the free world. We must now consider how we can move beyond consultation to real coordination of growth strategies and other basic economic policies.

For it is important to face the fact that the industrial democracies have been more effective in devising the procedure than the reality of coordination. They have been torn between the knowledge of interdependence and the temptations of shifting their problems to their partners. They have invoked the rhetoric of cooperation but they have been unwilling to subject what have traditionally been domestic decisions to international agreement. As a result, they have not been able to mount with full effectiveness the coordinated attack on the twin pressures of demand and inflation that must succeed if democracy is to survive. To achieve a true coordination must be a major goal of our foreign policy.

THE NORTH-SOUTH DIALOGUE AND THE FUTURE OF BUSINESS

In the last several years, the poorer nations, in a variety of forums and with varying levels of stridency, have stated their demands for the renovation of international economic relations. They claim a greater voice in the decisions that affect them, a more just share of the global prosperity. The industrial nations, in response, have reiterated their continued commitment to the open system of world trade and investment. As the final ministerial meeting of the Conference on International Economic Cooperation in Paris made clear, the North-South dialogue has so far failed to establish even an agreed frame of reference. And it is plain enough that if it deteriorates to a level of confrontation and conflict, the gulf between the rich and the poor will widen ominously.

This prospect would be unfortunate for all. The United States, as the world's strongest economy, would be injured less than others by an environment of hostility and autarchy. But the outbreak of economic warfare between North and South would damage even our own wellbeing. It would be a long-term threat to the open economic system which has nurtured our prosperity and that of the world for a generation. And it would be, as well, incompatible with basic American values and the fundamental American instinct for a world of peace and cooperation.

Although the developing countries would suffer the most, it is their stale rhetoric of confrontation, their adherence to Marxist doctrines that have never worked in countries where they have been implemented, and their insistence on bloc tactics, that are at the heart of the problem.

At the same time, we must be careful to avoid the conclusion that because the developing world is given to overstatement, all its concerns are unfounded. The developing nations do have legitimate demands for equity, for a greater voice and increased opportunity. But they cannot escape the reality that their future depends on the vitality of the world economic system. Attempts to wield bloc economic power, and to frame the issue as one of guilt and retribution, will undermine both the receptivity of governments and the public support which are essential if the industrial democracies are to respond creatively and compassionately to their legitimate aspirations of the developing world.

Overestimation by developing countries of their ability to manipulate raw material prices, following the model of the oil cartel. has been one of the causes of the recent failure of the North-South dialogue. But oil is a special case. It is unlikely that even the most imaginative schemes could alter the long-term market prospects for any other commodity. One basic reason is that the industrialized countries, particularly the United States, Canada, Australia, and the Soviet Union, are themselves major producers of commodities like iron ore, nickel, copper, cotton and sugar. In addition, there are technological possibilities for substitution which make it difficult to assert in other commodities the kind of control over supply and price which the oil cartel enjoys.

Thus, it is high time to face the fact that the issue of new market schemes for raw materials will not be determined primarily through economic pressure from developing countries. It will also depend on what happens in the industrialized countries—how private producers or brokers or investors in those commodities react; whether governments on political and moral grounds are prepared to take account of the inequity of excessive fluctuations in prices for countries dependent on a single commodity; and whether the developed nations perceive that they have an interest in proposals which would stabilize prices around a market trend, avoid artificial limits on supply, and increase new productive investment. Tactics of confrontation are likely to be counterproductive; both developed and developing countries have a major interest in improving the atmosphere of the dialogue, as well as the system itself. It remains to be seen whether their domestic imperatives permit them to do so.

The business corporation which functions across national borders has been at the very heart of the North-South debate. In many developing nations, it is charged with basing production and export decisions on global strategies rather than on individual national interests; it is accused of corrupting life styles toward the wasteful and conspicuous habits of more wealthy societies, of manipulating profit by artificial transfer pricing between subsidiaries, and of suffocating local competitors.

It would be wrong to pretend that there has never been any evidence to support these charges. Some of the criticism has a basis in fact. But many of the critics do so out of a philosophical bias that makes the facts of individual cases superfluous or irrelevant. The distinguished Brazilian economist, Roberto Campos, has called the inflamed rhetoric "Escapism and demonology"—escapism, as an effort to externalize the responsibility for poverty; demonology, to lay the blame on the multinational corporation. It is irrational to fear the multinationals for their vast supposed powers of manipulation, when those corporations are far less inclined to such adventures than are governments; with all due respect, they are institutionally and conceptually incapable of managing such efforts consistently or effectively.

Nor have we in our own country settled on a balanced view of how to deal with international business. The revelation two years ago that some firms had made illicit payments sparked a regulatory race between several public agencies to assert jurisdiction and capture public attention. The destabilizing effects in Japan and elsewhere are matters of historical record. One need not condone bribery or ignore the need to improve international business ethics to prefer a system of domestic business regulation which avoids such assaults on the interests and domestic structures of our closest allies.

The multinational enterprise as we know it today is, in fact, an effective vehicle for the development of science and technology, for the application of new knowledge to the world's resources, for the management of the international capital markets and for the promotion of trade and commerce among nations. No foreseeable increase in public assistance can possibly come close to meeting the needs of the developing countries. Private capital alone can close the gap and without many of the conditions and restrictions that governments are likely to attach. Moreover, no government or group of governments can possibly deal with all of the developing countries. But many developing countries by their own initiative can create conditions to attract private capital whether or not donor governments look with favor on every aspect of their national policy.

Public assistance to development will continue to be important. The flow of resources through the international financial institutions such as the World Bank and IDA, as well as bilaterial aid, can and should be increased. The United States has a responsibility to raise its inadequate levels of official development assistance and to remove the encumbrances that successive Congresses multiply.

But it is increasingly plain also that public aid cannot be expected to do the whole job. The developing countries must look increasingly to private investment for the capital resources they need for growth. Latin America, for example, has progressed further and faster in the last decade than any other region of the developing world. It has done so while shifting from public to private sources of external capital, and probably for that reason. In the era of the Alliance for progress in the early sixties, most of Latin America's external capital was public; today, more than eighty percent of it is from the private sector.

To suggest that the nation state lacks the capability to discipline the multinational corporation, by either negotiation, persuasion or compulsion, is a counsel of despair and runs counter to all experience. All developing countries have the power to insure that private business, including foreign private business, comports itself in accord with public priorities. Yet no country can hope for real, long-term growth if it isolates itself from or systematically attacks an instrument so well suited to deal with the commercial financial and technological tasks of the modern world.

In fact, the conflict over the role of the private business firm in the developing world threatens to turn into a vicious circle. Excessive suspicions of the purposes and policies of the foreign firms treat business as an enemy rather than a collaborator. Managers of transnational enterprises are thereby

given an incentive to maximize short term profits and bury income by fictitious transfer pricing.

A serious responsibility thus falls first on business firms and secondly on governments. Business must show sensitivity to the social purposes and political goals of the countries in which it is established. It must represent what is best in America; it must not lend itself to discriminatory practices based on race or religion; its conduct must reflect this country's standards of fair play, honest dealing, and goodwill. It must, make a serious contribution not only to the economic but also to the social development of the host country. The few notorious cases of illicit payments have stirred apprehension and undermined support for international business both at home and abroad; they cast a cloud over the vast majority of firms whose conduct is beyond reproach.

At the same time, it is one of the urgent tasks of governments to make clear, on an agreed basis, the groundrules for foreign investment. Developing countries have a right to ensure that private capital is admitted in areas or ways consistent with the national priorities and legitimate regulations of a sovereign government. But investors and the industrial nations have a right to know in advance what the groundrules are, and not to have them altered arbitrarily and capriciously in the middle of the game. Both sides clearly have obligations; both sides can benefit from agreed principles cooperatively achieved.

These agreed principles should focus on the instruments of public policy which can minimize the temptation to collusive market practices. They should strengthen the incentives for multiple firm markets, effective competition, local entrepreneurship, and domestic financial institutions, and lay down clear and predictable guidelines and rules of the road. By turning to these practical steps, we can open up new and important opportunities for transnational enterprises to serve what have become the two commanding concerns of the developing countries—access to capital resources and the transfer of technology.

To an increasing degree, it will be the private firm which will be the vehicle for the technology transfer which the developing world requires and demands. This concept—the quality of capital investment—is a major concern of those developing nations that have already made significant progress and have become important actors on the world economic scene. Most of the new knowledge, skills and techniques that will be needed by developing countries in the years to come are in the inventory of private industry. The bulk of that technology is in the West. Thus, it is in the interest of the industrial democracies as well as in the interest of the developing countries to enhance the incentive of our private sector to adapt its storehouse of know-how and skills to opportunities in the developing world.

It is clear that the solution to technology transfer will not be found exclusively in the relationship of the private firm to the host country. Governments of the industrial nations must assume a major responsibility. New agreed practices of international cooperation, and new institutions which have the confidence of all parties, are needed to provide a framework of public commitment and private incentive within which the multinational corporation can make a constructive contribution to development in the decade ahead.

There will be ample room for creative thinking. If I may refer again to the question of raw materials, the dependence of most developing countries on commodity export earnings is painfully obvious. And yet, because of the tensions and uncertainties which attend the question of private foreign investment in new commodity projects, the vast bulk of mineral investments today are being made, not in the poor countries of the world, but in the industrial democracies. If the trend continues over the long term, commodity earnings for the less developed countries will be far below what they might be, and prices will be higher for everyone. We need, not stagnation of investment but policy initiatives to assist the developing countries to mobilize the capital, technology and management skills to produce the commodity resources they have in such abundance.

At the Nairobi meeting of UNCTAD last year I suggested an International Resources Bank, which could act as intermediary or partner with the host countries and foreign investors; there is some interest now in exploring ways in which the World Bank might play that role in a similar pattern of triangular relationships. Whatever the institution, it is important that we search for new ways to reduce the non-commercial risks for resource investment, and thus promote greater flows of investment capital for worthy projects on reasonable terms, in the interests of both producers and consumers.

In this, and in a host of other areas, it is time the world community accepted the legitimacy of private capital flows. Business has an immense future, of opportunity and responsibility, in helping to meet the development challenge. There is no more serious issue for the prospects of private commerce than its role in the relationship between rich and poor in the years to come.

BUSINESS AND OUR FUTURE ECONOMIC RELATIONS WITH THE EAST

New trade and financial relationships with the nations of East Europe, the Soviet Union and the People's Republic of China will also transform the landscape for business in the next several decades. In recent years the Communist countries to a greater or lesser degree have abandoned their traditional insistence on autarchy and begun to move towards greater economic interchange with the industrial democracies. As their economies have become more sophisticated, their demand for consumer goods, high technology, food grains, and a variety of other products has grown comparably.

A rapid and sudden expansion of East-West trade has come about—and a consequent explosion of Western lending to finance that trade. Estimates of the total new debt, public and private, to finance the flow from the West to the East have ranged from $27 to $45 billion.

The desirability of East-West trade and its impact on overall East-West relations have been the subject of intense debate. One school of thought holds that trade and finance automatically serve to restrain Soviet policy. Hence the more intense the mutual interaction between the industrial democracies and the Communist nations, the more likely will the Soviet Union show a sense of responsibility in international affairs. The opposing view argues that any trade will inevitably strengthen the Communist economy and ultimately its military potential. Therefore it should be tied to specific conditions, especially the humane evolution of the Soviet domestic system. This was the basis for Congressional action linking Most Favored Nation status to Soviet emigration practices.

I believe both approaches to be one-sided. The relation between increased trade and a responsible foreign policy is not automatic. After all, World War I broke out under conditions of nearly free trade. Only if the balance of power is maintained and Soviet adventurism is resisted can economic relations be expected to have an impact on Soviet conduct. A great deal depends, moreover, on what the trade consists of, what long-term domestic commitments it implies, how open-ended the nature of the credit, and whether the industrial democracies or the Communist nations would suffer more from interruption.

Many opponents of increased East-West trade also vastly oversimplify the problem. There is no question that because of the many possibilities of the diversion of resources inherent in the modern economy, almost any kind of trade can indirectly benefit military potential. But this must be weighed against the fact that a carefully and prudently designed trade and credit policy is bound to create vested interests that can act as an incentive for responsible conduct. The balance can best be struck if projects are approved on an individual basis, rather than through open-ended credits, through long-term projects whose possible termination involves a serious cost rather than through the delivery of integrated plants in a very brief period of time.

There is no question that Communist nations are prepared to pay some price for increased trade. But it is important to understand what this price is and not to act as if it could be exacted mechanically in every field by unilateral demand. As a general proposition public concessions are more likely to be obtainable in the field of international conduct, with respect to which foreign countries have a defined interest and legal standing, than with respect to matters traditionally considered the subject of domestic policy.

The following principles should, in my view, guide East-West trade:

1. East-West trade cannot be "FREE." It must be subject to some political control and some political conditions. All of the industrial democracies have agreed to this principle, though they have applied it with varying degrees of conviction.

2. It is the responsibility of governments to make certain that these controls make sense, that they promote clearcut and attainable objectives both in what they prohibit and what they permit.

3. Uniform standards must be applied by the industrial democracies so that self-restraint in some area by one country does not turn into a windfall economic opportunity for another to the detriment of both.

4. Credits should not be open-ended but tied to specific projects.

5. Projects should be sufficiently long-term so that there is a serious penalty in their termination and they should be decided on the basis of whether their termination is a greater penalty to the industrial democracies or to the Communist side.

6. Conditions should be related in general to foreign policy actions and not to demands that sovereign nations will never accept as a result of public pressure from foreigners.

Such a strategy requires a high degree of discipline and public understanding. American business must reflect these qualities, which I am frank to say is not always done. On the one hand many businessmen encourage a rhetorical anti-Communism that seems more concerned with liturgical obeisance than practical achievement. On the other hand they tend to resist—in the name of free enterprise—any attempt to control the level of trade or the rate of credits or to relate them to concrete foreign policy developments. I remember with a well-suppressed nostalgia how the Administration of which I was part, after years of being attacked for "selling out" on the grain deals of 1972, was castigated unmercifully in 1976 for injecting itself into grain sales when it did so for the purpose of bringing about a long-term agreement rather than a one-time sale, and also responsible Soviet conduct in trouble spots such as the Middle East. I hope a more sophisticated approach will be possible in the years ahead.

Equally important is a unified strategy on the part of the industrial democracies. When

the restraint of one becomes the windfall of another, it encourages not Communist responsibility but a strategy that divides the industrial democracies and uses their short-sighted obsession with immediate gains to undermine their long-term security. For years there was an intense debate in the United States about extending credits to the Soviet Union, which were never planned to exceed one billion dollars and would have been tied to specific projects and conditions of international restraint. Within two years of the enactment of the Stevenson and Jackson amendments, other industrial democracies had extended open-ended credits exceeding 10 billion dollars.

The need for a conscious and deliberate strategy among the industrial democracies for East-West trade will become ever more urgent as the scale of East-West trade grows. It was to the end of developing a common strategy that in 1976 the United States suggested to the OECD a comprehensive study of the entire East-West economic relationship and its implications. One result was the agreement that the OECD nations would restrain for one year their temptation to compete on export credit terms. Another result was an OECD study to look into both the economic and political implications of the new trade relationships:

These are questions which require an urgent answer: What are the real sources of financing for East-West trade? To what extent does the increased debt of the East to the West mask payment risks? How do we insure economic reciprocity? How do we prevent dumping and other unfair trade practices? How should Communist countries relate to international economic institutions? Are we now effectively coordinating export policies or are some nations evading the gentleman's agreement? At what point does the West become vulnerable to demands that it extend special favors to East European exports? Will the East European nations argue that they require favored treatment if they are to repay their debts? What are the consequences to the sensitive political relationship between the industrial democracies and the Soviet Union?

The economic strength of the industrial democracies is one of our greatest assets in relations with the Communist countries. It underpins our military strength as well as the cohesion of the democratic nations. If managed with wisdom and prudence, it also offers prospects for affecting Communist conduct in a constructive way. But it can also hasten demoralization and confusion if driven by short-term considerations of domestic or national advantage rather than a clearcut strategy. Trade with the Communist countries may be a matter of business, but it also involves international issues of the gravest consequences. How the governments of the industrial democracies deal with this challenge will determine the international environment in which foreign policy as well as private business is conducted for years to come.

CONCLUSION

America's economic vitality is our greatest asset. It is the product of the creative spirit of a free and industrious people and of an economic system that gives opportunity to private incentive. It is the foundation of our prosperity, our military strength, and constructive relationships in a world of peace.

I have discussed some of our foreign policy concerns—the great importance of our economic cooperation with the other industrial democracies, the role of private enterprise in economic development, and the implications of doing business with Communist countries. In every area, political and economic objectives intersect. In every area, private enterprise, with sensitivity to the broad national framework, and by doing what business is good at, can make a vast contribution to the world's welfare and to international peace. It is more essential than ever that American private enterprise understand the political context—not only the political conditions in the host country where it does business, but also the overall framework of America's international responsibilities.

As a nation we must understand that we can neither dominate the world nor escape from it. For the first time in our history we are permanently involved in international affairs.

This is a heavy responsibility, but also a historic opportunity. Our fellow democracies look to us for leadership. Our adversaries watch for weakness or a flagging will, which to them spells opportunity. The developing world needs our assistance, our advice, our understanding and our compassion. This is a challenge that summons the best qualities of Americans—ingenuity, dedication, pride, confidence, and moral stamina.

Much of the world now bears the imprint of the creative American spirit. We have achieved great things, and even greater achievement is needed to master the future. In a world of new complexities and high hopes, Americans can show once again that we will meet our challenges.

Thank you.

DR. LEONARD BUSH—HUMANITARIAN

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. FLOOD. Mr. Speaker, when a man loses a true friend, he mourns. When a profession and a community loses both a humanitarian and master, it grieves not only for its loss, but it truly grieves because the absence of such a man will not soon be forgotten.

And so it was, Mr. Speaker, on June 17—2 weeks ago that the people of northeastern and central Pennsylvania sustained the loss of one of the finest men I have ever known. That man was Dr. Leonard Bush, and his name was synonymous with the Geisinger Medical Center in Danville, Pa., regarded as one of the finest medical clinics, research and training facilities in the Nation. It was at Geisinger that Dr. Bush spent most of his life, and it was to Geisinger that he dedicated his life. It was at the Geisinger Medical Center, as fate would have it, that he died.

One of the honors I have been accorded in my nearly three decades of service in this House, Mr. Speaker, is to have had the privilege for over 10 years to serve as chairman of the Appropriations Subcommittee for Labor, Health, Education, and Welfare. Hospitals, medical care, the cure of disease, and the treatment of the afflicted are a familiar subject to me. And when I pay tribute to the Geisinger Medical Center and Dr. Leonard Bush, I know of where I speak.

In the region of northeastern Pennsylvania which I represent, including Montour County, this institution is regarded as the finest of its kind. In fact, it is near legendary for the services that it has provided, and Dr. Leonard Bush, more than any other one man, made that legend develop.

It is with true sorrow that I make note in this Congress of his passing, and if I be granted the privilege of borrowing a tribute that was given by President Eisenhower on the death of Sir Winston Churchill, it is indeed apropos of Dr. Leonard Bush that I can say: "His world is a better one for having known him . . ."

Mr. Speaker, at this time I wish to insert in the RECORD the official obituary of Dr. Bush, together with an editorial and my own statement from the Danville News, along with editorials from the Bloomsburg Morning Press and the Sunbury Daily Item. I also submit the sermon from his memorial service at the Washingtonville Lutheran Church, along with the moving eulogy of Rev. Phillip Jones who knew him so well.

I might add, Mr. Speaker, that the good works and noble deeds of Dr. Bush were well noted during his life, and I also include in my tribute the article "A retired doctor's new challenge" from the February edition of the Lutheran magazine, written by Carl T. Uehling:

OBITUARY

Dr. Leonard F. Bush of Washingtonville, Pennsylvania, retired Executive Director of Geisinger Medical Center, died today in the institution to which he had devoted his life and helped to build into one of the leading clinics in the nation. He was 68.

A highly respected orthopaedic surgeon, Dr. Bush came as an intern to Geisinger in 1934, served one year as a resident and joined the staff in 1936. He served as Assistant Chief of Staff and Director of the Department of Orthopaedic Surgery, and in 1958 took the helm of the former George F. Geisinger Memorial Hospital following the retirement of its first Chief of Staff, Dr. Harold L. Foss. Dr. Bush retired from active service at the Medical Center in 1974.

Dr. Bush presided over the incorporation of the Geisinger Hospital as the Geisinger Medical Center in 1961, and administered the Medical Center during its period of greatest growth.

Deeply committed to the value of education at all levels, Dr. Bush was instrumental in the establishment of the Institute for Medical Education and Research at Geisinger and encouraged an association with Bucknell University for research and graduate education. He was a member of the board of trustees of Susquehanna University, Selinsgrove, Pennsylvania.

Civic affairs also occupied the attention of Dr. Bush. In 1969 he was named president of the Susquehanna Economic Development Association. As a former Eagle Scout, he had a lifelong interest in the Boy Scouts. In 1960, he was elected president of the Columbia-Montour Council and received the Silver Beaver Award in recognition of his contribution to scouting.

The scope of his humanitarian philosophy was revealed when in 1963 he participated in the Orthopaedic Overseas Program in Jordan under the sponsorship of Medico/Care. In 1975 and 1976, Dr. Bush spent six weeks each summer serving as a volunteer physician at the Bach Christian Hospital in Pakistan. His activities there were the subject of a feature article in The Lutheran magazine earlier this year.

Born in Madison Lake, Minnesota, Dr. Bush grew up in Augusta, Wisconsin. He earned his medical degree at Washington University in St. Louis, Missouri. He interned at the Geisinger Medical Center, then accepted an externship at the Shriner's Hospital for Crippled Children in St. Louis. He returned to Geisinger to complete his residency program.

He served for four years in the U.S. Army Medical Corps during World War II, rising from the rank of Captain to Lt. Colonel. Following his discharge he accepted a fellowship at the New York Orthopaedic Hospital where he originated the world's first bone bank.

In his youth an athlete, and always an avid hunter and fisherman, Dr. Bush organized area-wide conferences on the treatment and prevention of athletic injuries for coaches, trainers, and team physicians. He was a member of the committee on injuries, American Academy of Orthopaedic Surgeons.

Dr. Bush was certified by the American Board of Surgery and the American Board of Orthopaedic Surgery.

A member of numerous medical associations, he held offices in local, state, and national societies. He represented Pennsylvania on the Board of Governors of the American College of Surgeons and was a member of its credentials committee. He was the author of many professional papers.

He was a clinical professor of surgery at the Milton S. Hershey Medical Center of the Pennsylvania State University, a Fellow of the American College of Surgeons, a member of the American Academy of Orthopaedic Surgeons, and of the American Orthopaedic Association.

In 1961, Dr. Bush received the Distinguished Alumni Award from his alma mater, Drury College in Springfield, Missouri, and in June of this year was awarded an honorary doctor of humane letters by Drury. In 1970, he received an honorary doctor of science degree from Susquehanna University.

He was a member of the Washingtonville Lutheran Church and the Emmanuel Lueran Church of Venice, Florida. Other memberships included Frosty Valley Country Club, Larry's Creek Fish and Game Club, and the Danville B.P.O.E.

Dr. Bush is survived by his wife, the former Jean Blair Hill, and four children, Leonard, Nancy (Mrs. Richard Fowler), David and William, and eleven grandchildren.

A memorial service will be held at 2:30 p.m. on Sunday, June 19, 1977 at the Washingtonville Lutheran Church, Washingtonville, Pennsylvania.

[From the Danville (Pa.) News, June 21, 1977]

THE CONSUMMATE PROFESSIONAL

Dedication to cause is the hallmark of a professional. The ability to do a thorough job and the commitment to see it through to its finish is a trait that many people talk about but one that few possess.

Dedication, however, is a word which explains the works and the character of the late Dr. Leonard F. Bush. For he was, and in our minds remains, the consummate professional.

Dr. Bush came to Geisinger in 1934 as an intern. He left the medical center thirty years later as its foremost administrator, serving as Chief of Staff during the time that Geisinger became one of the foremost medical centers in the East.

His interest in science and mankind was not limited to just Geisinger, however. In 1963 he participated in an overseas medical program in Jordan and in 1975 and 1976, two years immediately after retirement, he spent time serving in the Bach Christian Hospital in Pakistan.

He was involved in outside activities many which included associations with Scouting, athletics and education. In the later category, he encouraged relationships with Bucknell and Susquehanna Universities and was involved with the Institute for Medical Education and Research at Geisinger.

Ray Calabrese, another who contributed a great deal to Geisinger, once said that his job in life was to help others as best he could. That philosophy was also embodied in the person of Dr. Bush.

His passing is not just a loss to Geisinger or to Danville. His death is a loss to mankind.

Dedication to cause and to humanity was Dr. Bush's goal. It is a goal well worth preserving.

REPRESENTATIVE FLOOD RECOGNIZES DR. BUSH'S ACHIEVEMENTS

Informed of the death of Dr. Leonard Bush, former GMC director, last night in Washington, Congressman Dan Flood had the following comments on the passing of the renowned medical leader: "Along with the medical community in which he was held with esteem and along with the thousands of citizens whose lives were affected in some way by the good works of Leonard Bush, I too share in their deep mourning. It was my pleasure and indeed my privilege during the past several years that I have represented Montour County to work with Dr. Bush and to share his concern for the cause of greater medical care for one and all. It was because of his dedication and his deep commitment to the human spirit that the Geisinger Medical Center today is known throughout the nation as one of the finest. May his works, his good deeds and his spirit be with us always. For Mrs. Flood and myself, our deepest sympathies to the Bush family.

[From the Bloomsburg (Pa.) Morning Press, June 22, 1977]

EDITORIAL

Never have we oeen associated with a more exemplary life than that of the late Dr. Leonard F. Bush. His was truly a life dedicated to service in every conceivable sphere—community, his church and particularly a profession that was so closely related to the development of Geisinger Medical Center.

Despite his wide involvement "Joe" found the time to be a devoted and understanding father and husband. He possessed a unique personality for which he was so genuinely loved and admired.

With retirement, most individuals are concerned with everyday living, but not Joe. For the past two summers he and Jean traveled to Pakistan as a volunteer physician, helping the less fortunate of that underdeveloped country. Prior to that he was involved with the Orthopedic Overseas Program in Jordan.

His dedication to youth was reflected in services to scouting. Recognition for outstanding contributions came in scouting's highest award—the Silver Beaver.

The untimely death of Joe Bush has left a void in many, many lives. Yet, his memory will be cherished and a vivid reminder of our individual responsibilities to humanity.

[From the Sunbury (Pa.) Daily Item, June 20, 1977]

EDITORIAL

The fields of science and medicine suffered two distinct losses last week with the deaths of Dr. Wernher von Braun, the German-born rocket pioneer who helped immeasurably to put Americans on the moon; and Dr. Leonard F. Bush of Washingtonville, retired executive director of the Geisinger Medical Center at Danville.

Dr. von Braun, who had been in poor health for some time, devoted the major portion of his life toward utilizing his keen mind and uncanny brainpower in the development of rocketry.

Once hated by the Free World, because he designed the dreaded V-2 rocket for Adolf Hitler, he overcame that hatred through a series of dazzling accomplishments for the United States in the space program.

His death on Thursday at Alexandria Hospital in Virginia leaves a void in the hearts of many Americans, particularly those with whom he was associated in the development of space exploration.

Dr. Bush may not have achieved the kind of fame Dr. von Braun enjoyed, but was also internationally known for his devotion to the field of medicine and health. He held offices in a number of local, state and national medical societies, authored many professional papers and was the recipient of a number of degrees and honorary degrees.

His work during the past two summers as a volunteer physician at the Bach Christian Hospital in Pakistan was typical of his devotion as was his contributions toward building the Geisinger Medical Center as one of the nation's leading clinics.

For certain, the world is a better place because of both of these men.

MEMORIAL SERVICE SERMON

We are not here to mourn Leonard F. Bush, for we all feel the sorrow of his passing, and each of us mourns in our own way.

But, we are here this day for a memorial service. And a memorial service fulfills its purpose if it serves to help each of us remember our loved ones, and reminds us of that promise of eternal life, now fulfilled for him. For we know that to achieve eternal life with God we must put behind us our earthly existence.

We can't possibly number the memories that we all have of him, and so may we pause in silence so each of us can think about a good, glad moment with him.

We have today, a heartfelt sense of great loss. The Bush family has lost a devoted husband, and loving father. The community has lost a leader whose competence and willingness could always be depended upon in every good enterprise. A vast circle of friends has lost a true and unselfish friend whose personality was radiant with understanding and sympathy. The church has lost not only a loyal member, but also a talented and faithful worker, who gave himself to Christian service in many facets. Many of us are better because he was with us, and in many ways he still lives on with us.

God has spoken to us through his life and character. Today we wish also to listen to what God speaks to us through his death.

Our first Gospel which was read said, "I will be his God, and he shall be my son." Leonard Bush knew he was a true son of God, and lived it. He said once that he believed heaven can be on earth, and he tried his hardest to make that come true for the lives he touched. In 67 years of life which included 40 years at GMC, he gave more than most of us could do in 2 lifetimes. Whether he was known as Doctor, Sir, Leonard, Doc, Joe, Pop, or Grandpa, he lived a life which had as its goal—"Doing the best to put his faith into action"; from popping his head into a patient's room with a cheerful quip, to treating everyone as though they were important, because they were—to him.

And we know God looked after him and was his companion. He was given the gifts of zest for life, dignity and courage; and God allowed the blessings of peace and dignity and courage to remain intact even unto death.

As our second Gospel says, "Jesus Christ is the resurrection and the life," and we are assured because of Leonard Bush's belief, life and witness, that he shall rise again, and we can almost hear God saying, "Well done, thy good and faithful servant." Amen.

EULOGY

Offered by Reverend Phillip Jones of Milton during the Memorial service held for Dr. Leonard F. Bush on Sunday, June 19, 2:30 p.m. at the Washingtonville Lutheran Church.

I love the sky . . .to watch fluffy white clouds nudge each other and angry thunderheads collide . . . to see the promise of a

new day fulfilled at dawn . . . to observe stars which have not changed in a thousand years . . . the moon . . . the sun . . . to look at ugly gray clouds embarrassed by a flash of lightning . . . and the beauty of the rainbow . . . rain, snow and the blackest midnight. The sky has taught me a thousand things . . . To many of us, the evening is the most beautiful time of day. As the soft shadows begin to take away the heat of the day, there comes a softness and silence which seem to anticipate the coming beauty of night. Then for a brief moment there comes the startling beauty of the day's afterglow. As the sun sets beyond the horizon, it not only paints the heavens with brilliant color but gives promise of a new day.

The first Easter came as such an experience. Jesus' day of life seemed to have run its course. The suffering and death upon the cross appeared to put the final stamp upon His great words of faith . . . "Father into your hands I commit my spirit." But the darkness which prevailed gave way to light. Two weary and discouraged disciples were making their way toward Emmaus when suddenly they found their hearts warmed within them as the living presence of Christ was made real to them. The dark shadows, the fear, the sorrow and tragedy which was upon them gave way to the bright rays of faith, hope and love. Death which seemed so final brought Christ closer to them and they felt His presence and knew He had fulfilled His promise.

So it is that in times like this we think of life's afterglow. Every life leaves after life's day is over some reflections of it . . . some inspiration of goodness, beauty and truth . . . which remain to comfort and assure those who must continue the pilgrimage. The apostle Paul, as he brought to a close the immortal 13th chapter of I Corinthians, wrote that certain things would pass away but faith . . . hope . . . and love have the power to endure forever.

We do not know the mystery of death but with abiding faith we lay our loved ones to rest. It is a faith tested many times and has always brought strength and peace. It is faith expressed in words like these . . . "I will lift my eyes unto the hills from whence cometh my help . . . Yea, though I walk through the valley of the shadow of death . . . thou art with me . . . because I live, you shall live also . . ."

We come together today bathing in the reflected rays of the life of Leonard F. Bush . . . some called him Doctor, some called him Joe . . . I called him Doc. All have seen and experienced expressions of his faith. Witness has been given of his unselfish service to the church and the joy and refreshment he found in worship. He had great faith in the marvelous talents which were his and he transferred that faith to countless others. Visiting him just before Christmas, we shared moments together and after a word of prayer Doc looked at me and said very simply, "Phil I thank God every day." Then he took me out in the yard, offered me some holly with these priceless words . . . "You know many people make a mistake, they don't cut their holly. You see, if you cut this right here . . . next year there will be two branches instead of one. That's true of life, when you give away, you get more in return." Doc expressed in words what we saw reflected in his life . . . a faith always willing to give and to serve. A poet once said of one of his characters . . . "He warn't no saint, but I'd take my chances with Jim." In the warm glow of Doc's faith and love I would say the same. His days reflected many of the virtues of the Christian life and demonstrated unflagging confidence and trust in the Almighty.

Just as the lingering rays of the sunset give promise of a new day, This service speaks of hope. The disciples went forth with this power living within them. They recalled the promise of our Lord and when faced with death they sang songs of hope. We have heard them in the hymns and music of this hour . . . we express them in prayer "for thine is the kingdom, and the power and the glory" . . . and He shall reign forever and ever . . . hallelujah, hallelujah!

God is the God of the living . . . we should express our sadness but also our thanksgiving. The after glow of Doc's life is not grief. We remember his high hopes and above that the hope that he instilled in the lives of so many others. We remember the vitality of his life and the joy with which he lived it. One might hear him shout out these words of Tennyson . . .

"Come, my friends, 'Tis not too late to seek
a newer world.
Push off, and sitting well in order smite
The sounding furrows; for my purpose holds
To sail beyond the sunset, and the baths
Of all the western stars, until I die.
It may be that the gulfs will wash us down;
It may be we shall touch the Happy Isles,
And see the great Achilles, whom we knew.
Tho' much is taken, much abides; and tho'
We are not now that strength which in old
days
Moved earth and heaven, that which are,
we are,
One equal temper of heroic hearts,
Made weak by time and fate, but strong in
will
To strive, to seek, to find, and not to yield."
—ULYSSES by TENNYSON.

But the greatest is love . . . said Paul. Those who read this book know that is what it is all about . . . God's love. Those who take time to think about life appreciate this love which God showers upon us. We live always in the light of God's love. The apostle calls it the bond of perfection; it is the old, the new and the great commandment, and all the commandments for it is the fulfilling of the law.

We have come here in love because this was a life lived in love. We reflect upon Doc's love for family, for friend, for mankind and how we have been privileged to share it. The rough gravel of his voice did not reflect the compassion and love within his soul. A heart younger than his often touched these depths with him. He was a talented and skilled man who never crossed the street to avoid need or unpleasant tasks. Unknown are the number of hands he has helped and tears he has stopped through acts of love and concern. Service in love was his business and thus he created a necklace of friendship around the world in which he loved. As quietly as the setting sun many things were done . . . others in the blazing sun . . . and through it all he walked, not without trial, but with a spirit reflected by our presence here this day. Like the sun, He cast many shadows, but this community, and those of us beyond felt the warmth of his love and his friendship.

Certainly our lives have been enriched through this servant of the Lord and the world is better because he passed this way. All of us would like to give back his love, because he gave us so much. I have tried to speak of a love we all feel for Doc best expressed, perhaps by Elizabeth Barrett Browning . . . "How do I love thee? Let me count the ways . . . and if God choose, I shall love thee better after death . . ." In the rich afterglow of this life, we stand thankful and richer for a life well-lived. He has put aside his instruments and now rests from his labors.

Shortly after the flood, Dr. and Mrs. Bush came to our church to worship on Sunday morning. We were holding service in Fellowship Hall and using folding chairs. They came in a little late and one of our ushers, Jack Keiser brought them down the aisle. Down, down, down toward the front. Doc is looking right and left for a place to sit but Jack ushered them right to the front. They were quite close to me and as he passed Jack going into the seat, Doc. in his best gravel-voiced whisper said "Thanks, a lot."

Well, Jack preceded Doc in death, and I like to think that when Doc arrived in Heaven Jack led him down the aisle . . . down, down, down all the way to the front . . . not because there was no other room . . . but because I believe that's where Doc belongs.

A RETIRED DOCTOR'S NEW CHALLENGE

(By Carl T. Uehling)

In the simple operating room of a mission hospital in Pakistan, Dr. Leonard F. Bush found he had no anesthesiologist to prepare his patients before surgery.

"I had to administer the anesthesia myself," he remembers. "I'd give some and pinch them until they couldn't feel anything. Then I'd run and scrub up and do the surgery." The practice of medicine, the doctor discovered, is not quite the same in more primitive areas of the world as it is in the United States.

For six weeks in each of the last two years, Bush has served as an unpaid volunteer physician at Bach Christian Hospital in Qalanderabad in northern Pakistan. The village, on the Kara Korum highway from China to the Indian Ocean, is situated in rugged mountains 4,500 feet above sea level. With its 50 beds and assorted outbuildings, the hospital is a far cry from the prestigious institution which Bush headed from 1958 until his 1974 retirement, the Geisinger Medical Center in Danville, Pennsylvania.

Geisinger, often called "the Mayo Clinic of the East," supplements the services of community hospitals in north central Pennsylvania with special treatment and technology. It has 500 beds, more than 100 staff physicians, almost 600 nurses, nearly 2,000 employees. It registers 270,000 outpatients and 16,000 inpatients annually, and the budget is over $30 million.

While he never relinquished his interest and activity in his specialty or orthopedics, Leonard Bush functioned primarily as an administrator, not as a physician, during his 16 years as executive director of Geisinger. The institution's assessed valuation went from $4 million to $43 million today. New departments for medical specialties were established: psychiatry, neurosurgery, cardiovascular and thoracic surgery. Centers for poison control, burn treatment, birth defects evaluation, radiation problems and artificial kidney therapy came into being. Renovation of existing structures and construction of new buildings on the 400-acre campus made the facilities consistent with the high caliber of treatment offered.

Toward the end of his tenure, grateful colleagues commissioned a portrait of their chief. "His accomplishments," the representative of Geisinger physicians, Dr. H. Arden Kimmel, said, "are here for everyone to see. They are all around us in the tremendous expansion of facilities and in a disinguished staff of physicians which gives them life and function." When a $10 million addition almost doubled the hospital's facilities in 1973, the board of directors named it the "Bush Pavilion."

How does an active man accustomed to significant accomplishments handle retirement? There'd be more time for the family, of course. Bush spent all of his career at Geisinger, except for a four year stint with the Army Medical Corps during World War II. He started as an intern in 1934, went on to a specialty in orthopedics becoming head of that department before assuming the leadership of the institution. He met his wife Jean at Geisinger where she was studying medical technology. They have four children and now there are eleven grandchildren.

Retirement would be a time for visiting and for having the clan return to the old farmhouse in the little town of Washingtonville which has been home for many years.

Then there's a condominium in Florida where they spend the cold months. And Geisinger gave Bush an office in the hope that he'd appear from time to time. He even continues to have a reserved spot for his car in the parking lot. A man who has helped a hospital treat millions of people could continue to be of service, even in retirement.

But like many physicians, Leonard Bush has always had a desire to serve. He's been active in scouting, has served on the board of Susquehanna University and on various committees of the Central Pennsylvania Synod. In the 1960s he and Jean went to Jordan for several months, volunteering his services as an orthopedic surgeon. "We got polio vaccine for that country," he remembers, "and that fall we immunized 450,000 children."

"One day 11 children with polio came into our clinic there in Jordan," his wife recalls. "That made Joe decide that something had to be done about it."

(Bush is "Joe" to his wife and a few old friends. The nickname goes back to college because at that time there was a baseball player named Joe Bush.)

A tall, lean man with deep furrows creasing his forehead, Bush smiles at the thought that his retirement years needed something more. "Because I have such a young wife," he says teasingly, "and I'm so active myself, we decided we'd do something worthwhile each year in retirement."

The pastor of the Washingtonville Lutheran Parish, then the Rev. Glenn E. Ludwig, wrote World Brotherhood Exchange about Bush. WBE is a referral service for volunteers operated by Lutheran World Cooperation, the USA Committee of the Lutheran World Federation. WBE places people with assorted talents into overseas areas of need for varying lengths of time. Since mission work is increasingly ecumenical, its referrals are to non-Lutheran as well as Lutheran agencies.

Bach Christian Hospital in Pakistan is a nondenominational institution. It needed a doctor badly. Because of furloughs and other circumstances a month had passed when not a single physician was on duty . . . and still the patients were coming, an average of 150 a day.

Bush spent six weeks at Bach Hospital in 1975 and a similar period in 1976. It is hard to imagine a greater contrast than that between the little institution in Pakistan and the immense and sophisticated medical center in Pennsylvania. "Sometimes as many as 300 people would come for treatment in a day," Bush remembers. "Often we'd have to lock the gates because we couldn't take care of any more.

"It's a very primitive part of the world," he says. "The most important piece of furniture for these people is a rope bed which can serve as a litter to carry them to the hospital. The patient's relatives come along and cook and wash for them. The wards get crowded. Sometimes two or three people sleep on a single bed."

Jean Bush adds that at least 80 percent of the people are illiterate. "They don't know how old they or their children are. They can't write their names. They give a thumb print for permission for operations."

"Women are treated very poorly," Bush says. "I saw at least two women whose noses had been cut off because their husbands suspected them of infidelity.

"Nutrition is another problem. They don't get the right kinds of food. We saw some very bad cases of rickets. And they think that flies in the meat market are good—that they carry the bacteria away!"

"But the Pakistani people are good people," Jean is quick to insist. "They have terrible problems, yet they are making progress toward a better society."

In Pakistan Bush found himself doing things he hadn't done for decades. "It had been 35 years since I performed hernia operations or bowel resections or delivered babies," he says. "It was a great experience to get back into that kind of medicine again. Before each surgery the nurses would pray in Urdu, the native language. The patient would hear the prayer and often say 'Amen.'"

Christian missionaries, Bush discovered, are doing "a terrific job. It would have been hard, ten years ago, to convince me that I should give half my offering to benevolences," he says, "but this experience changed my attitude about overseas work."

"The missionaries taught nutrition, child care and family planning," his wife remembers. "They'd meet with people at 7:30 in the morning and teach Bible lessons. Some of the government hospitals in the area were not filled. People would go right by them in order to go to Bach Hospital."

"The difference," Bush smiles, "was TLC. Tender loving care."

Mrs. Bush is the family photographer. By now they have an extensive set of slides depicting their adventures in Pakistan. Frequently they are invited to show their pictures and tell the story. Their friends catch some of their enthusiasm and share some of their resources for the work in Pakistan. The Bush children made a gift to Bach Christian Hospital in honor of their parents on their 40th wedding anniversary.

"You do a double service," Pastor Brian K. Hunter of the Washingtonville church told them. "You serve by what you do overseas but also by what you tell people back home about overseas missions."

Leonard Bush ends his slide show with a quotation from the poet Edwin Markham:

There is a destiny that makes us brothers.
None goes his way alone.
All that we put into the lives of other
Comes back into our own.

"Our going to Pakistan might sound noble," Jean Bush says, "but to us it makes all the sense in the world."

"That's right," Bush adds. "We don't think we're doing anything special, but it does something special for us."

SPECIAL DISCHARGE REVIEW PROGRAM

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. EDGAR. Mr. Speaker, Colonel Weber, who heads the President's Special Discharge Review Program, has provided me with specific profiles on some of the persons being reviewed by the board under the DOD-Special Discharge Review Program. I hope this information is helpful to the House debate on this issue. Perhaps Members will begin to rethink their positions and support the Special Discharge Review Program. The materials follow:

ARMY DISCHARGE REVIEW BOARD

Hon. ROBERT W. EDGAR,
House of Representatives,
Washington, D.C.

DEAR MR. EDGAR: During the hearings conducted on 20 June 77, Colonel Weber promised you copies of the profiles which would be inserted into the record on cases reviewed by the board under the DOD-Special Discharge Review Program.

Attached are the profiles as promised, and if there is anything else we can provide you or your staff, please let me know.

Sincerely,

ROBERT LAYCHAK, Ltc, Gs,
Executive Officer.

PROFILE

ARMY–DOD–SPECIAL DISCHARGE REVIEW

Discharge in lieu of Court-Martial: Undesirable Upgraded to General

a. *Entry*—Inducted 3 Dec 69. Enlisted 3 Aug 70 in RVN.

b. *Education*—10th grade. Drop out of high school Mental Category IV.

c. *Unit Assignment*—22nd Infantry Fort Carson. Returned from RVN.

d. *RVN or Sea Tour*—RVN tour not completed.

e. *Awards/Decorations*—NDSM, VCM, CIB.

f. *Length of Service*—One year three months good time. Three months lost time. (8 months prior service).

g. *Disciplinary Offenses*—Three Article 15's for AWOL.

h. *Discharge Date and Reason*—Discharged in 1972 in lieu of court-martial for AWOL, possession of marihuana, soliciting, and failure to go.

i. *Reason for Upgrade*—Honorable discharge from previous tour and no compelling reason to the contrary.

PROFILE

ARMY—DOD—SPECIAL DISCHARGE REVIEW

Discharge in lieu of court-martial: Undesirable—No change

a. *Entry*—Reenlisted at age 19.

b. *Education*—9th grade. Drop out GED in Service Mental Category IV.

c. *Unit Assignment*—24 consecutive months in RVN then returned to Ft. Bragg.

d. *RVN or Sea Tour*—24 consecutive months.

e. *Awards/Decorations*—ARCOM.

f. *Length of Service*—Three years, four months total. One year eleven months current enlistment plus five months lost time.

g. *Disciplinary Offenses*—One summary court-martial for 37 days AWOL. One Article 15 for failure to obey lawful order; Article 15 off limits; Article 15 for off limits; Article 15 for off limits (total 4 Article 15's).

h. *Discharge Date and Reason*—Discharged during 1972 in lieu of court-martial for AWOL for four months and disposing of by pawning, one general mechanics tool box, property of U.S. Government.

i. *Reason for Denial*—Compelling Reason: Pawning U.S. Government property is a criminal act under civilian standards.

PROFILE

ARMY—DOD—SPECIAL DISCHARGE REVIEW

Drug abuse: Undesirable upgraded to general

a. *Entry*—Enlisted at age 17 years, 1 month.

b. *Education*—Two years of high school. Mental Category III.

c. *Unit Assignment*—After BCT and AIT was assigned to a Combat unit in RVN and completed that tour. Then reassigned to a combat unit in CONUS.

d. *RVN or Sea Tour*—Completed a normal tour in RVN.

e. *Awards/Decorations*—VN Service Medal, VN Campaign Medal, Combat Infantry Badge.

f. *Length of Service*—Total service three years, seven months with ten months recorded as lost time.

g. *Disciplinary Offenses*—Three Special Courts-Martial for AWOL (2) and assault, one Article 15 for AWOL.

h. *Discharge Date and Reason*—After applicant was apprehended for possession of marijuana in 1968, his separation was recommended based on the apprehension and his subsequent admission of drug abuse.

i. *Reason for Upgrade*—Service in RVN, completion of more than 24 months satisfactory service and discharge was based on drug abuse prior to date of Laird Memorandum.

PROFILE

ARMY—DOD—SPECIAL DISCHARGE REVIEW

Drug abuse: General—No change

a. *Entry*—Enlisted. Age 17½ with a moral waiver for Petty Larceny as a Juvenile.

b. *Education*—Three years of high school. Mental Category IV.

c. *Unit Assignment*—After completing BCT and AIT was assigned to a support unit in CONUS in his MOS. He was then reassigned to a support unit in RVN.

d. *RVN or Sea Tour*—Assigned to RVN after tour.

e. *Awards/Decorations*—VN Service Medal, VN Campaign Medal.

f. *Length of Service*—One year, eleven months of which 30 days was considered bad time (hospital treatment for intemporate use of drugs).

g. *Disciplinary Offenses*—None.

h. *Discharge Date and Reason*—Discharged in 1972 after being medically evacuated from RVN due to his drug abuse. He had been admitted to a drug treatment center in RVN twice, but after each treatment program he returned to drug abuse. He waived appearance before a Board of Officers and was discharged while in a VA hospital.

i. *Reason for No Change*—Applicant was given an opportunity to gain assistance with his drug problem twice, but persisted in his drug abuse. During his service in RVN his conduct and efficiency were rated as unsatisfactory for two months and seven months respectively.

PROFILE

ARMY—DOD—SPECIAL DISCHARGE REVIEW

Homosexual: Undesirable Upgraded to Honorable

a. *Entry*—Enlisted, age 17, reenlisted 20 Mar 72 age 18.

b. *Education*—Three years high school, Mental Category III.

c. *Unit Assignment*—After completing BCT and AIT was assigned to a combat support unit in RVN where he immediately reenlisted.

d. *RVN or Sea Tour*—Assigned to RVN after seven months and seven days, reenlisted and returned to CONUS for leave.

e. *Awards/Decorations*—VSM, NDSM, RVNCM w/60 device.

f. *Length of Service*—One year, four months, no bad time.

g. *Disciplinary Offenses*—None.

h. *Discharge Date and Reason*—2 Aug 1972 (Homosexual).

i. *Reason for Upgrade*—1. Self-admission only; Psychiatric report that the homosexual impulses and experiences applicant relates are genuine and not fabricated for the purpose of getting a discharge. 2. Both immediate commanders and Chief Psychiatrist recommended General Discharge based on the fact he had a good military record and that the discharge be a nonpunitive one.

PROFILE

ARMY—DOD—SPECIAL DISCHARGE REVIEW

Homosexual: General—No Change

a. *Entry*—Commissioned for ROTC 1954, age 24.

b. *Education*—Four years University of Pittsburgh (COL) BA Degree.

c. *Unit Assignment*—1954–1966 various assignment; Military Intelligence, Prisoner of War Investigating Officer, Assistant S3, Student Officer, Photo Interpreter, Reconnaissance and Service Officer, Forward Observer, Brigade Chemical Officer, Stock Management Officer, Automatic Data Processing Plan Officer, Assistant to Commander, etc.

d. *RVN or Sea Tour*—Ten months RVN as Stock Management Officer, Thirty-five months Hawaii as Forward Observer, Ln Officer, Mortar Battery NDSM, VSM, VNCM.

e. *Awards/Decorations*—ARCOM with V.

f. *Length of Service*—Twelve years, six months, twenty-six days.

g. *Disciplinary Offenses*—None.

h. *Discharge Date and Reason*—11 Nov 1966 (Homosexual).

i. *Reason for Denial*—Resignation be accepted for the good of the service under AR 635–89. Resignation be accepted under honorable conditions. Self-admission as homosexual prior to entry on-active duty, during his college days (once), and sometimes has had sexual wishes toward other males during his military career. One actual incident documented in file with enlisted man in RVN that caused his separation.

PROFILE

ARMY—DOD—SPECIAL DISCHARGE REVIEW

Personality Disorder: General Upgraded to Honorable

a. *Entry*—Enlisted at age 17 with consent of mother.

b. *Education*—High school GED.

c. *Unit Assignment*—After completing BCT and AIT assigned to medical unit overseas in Europe.

d. *RVN or Sea Tour*—Assigned to RVN after two years and served 17 month tour.

e. *Awards/Decorations*—ARCOM.

f. *Length of Service*—Four years, three months creditable service and 37 days lost time.

g. *Disciplinary Offenses*—No courts-martial, four Article 15's for minor offenses.

h. *Discharge Date and Reason*—Discharged during January 1972 for personality disorder.

j. *Reason for Upgrade*—Although applicant fell within special time frame and met both primary and secondary criteria, his record with only minor offenses under Article 15 would, with a personality disorder, entitle him to a review and upgrade, in all probability.

PROFILE

ARMY—DOD—SPECIAL DISCHARGE REVIEW

Personality Disorder: General—No Change

a. *Entry*.—Enlisted at 18 years old.

b. *Education*.—High school graduate.

c. *Unit assignment*.—After completing BCT and AIT was assigned to a service support unit overseas in Thailand.

Rated unsatisfactory in Thailand.

d. *RVN or Sea Tour*.—No RVN service.

e. *Awards/Decorations*.—None.

f. *Length of Service*.—One year, eleven months creditable service and 91 days lost time.

g. *Disciplinary Offenses*.—One special Court-Martial for possession of marijuana and communicating a threat and one special Court-Martial for striking an officer in the face with a fist. Three Article 15's.

h. *Discharge Date and Reason*.—Discharged during December 1970 for a personality disorder as unsuitable.

j. *Reason for Denial*.—In addition to not meeting primary and secondary criteria, applicant had a record of commission offenses that could not be excused with a personality disorder.

PROFILE

PRESIDENT FORD CLEMENCY PROGRAM

Clemency Discharge Upgraded to General

a. Entry.—Inducted; age 25(+) years. Reenlisted after 21 months.

b. *Education*.—Non-high school graduate (9th grade) in Mental Category III.

c. *Unit Assignment*.—After completing BCT and AIT was assigned to a Combat unit in RVN.

d. *RVN or Sea Tour*.—First assignment: Completed full tour Second assignment: Medically evacuated after two months for malaria.

e. *Awards/Decorations*.—BSM for Merit.

f. *Length of Service*.—Five years and two months on two enlistments, of which nine months was classified as time lost.

g. *Disciplinary Offenses*.—No formal punishments of record.

h. *Discharge Date and Reason*.—Discharged with Undesirable Discharge in March 1972 in lieu of court-martial for lengthy unauthorized absence. Issued Clemency Discharge in May 1976 in recognition of satisfactory completion of alternate service pursuant to PP No 4313.

i. *Reason for Upgrade to General*.—Credited with two tours in RVN; BSM, completion of alternate service; honorably discharged from previous tour; satisfactory service for 24 months prior to discharge; at time of discharge: age, general aptitude, length of service, education, and personal problems.

PROFILE

PRESIDENT FORD CLEMENCY PROGRAM

Clemency Discharge—No Change

a. *Entry*.—Enlisted; age 20 (+) years.

b. *Education*.—High school graduate in Mental Category IV.

c. *Unit Assignment*.—After completing BCT and AIT was assigned to a Combat unit in RVN.

d. *RVN or Sea Tour*.—Did not complete tour after three months returned to us on leave and failed to return to RVN.

e. *Awards/Decorations*.—None.

f. *Length of Service*.—Two years and eight months, of which one year and four months was classified as time lost.

g. *Disciplinary Offenses*.—One Article 15 for an unauthorized absence of 20 days.

h. *Discharge Date and Reason*.—Discharged with Undesirable Discharge in April 1971 in lieu of court-martial for lengthy unauthorized absence. Issued Clemency Discharge in January 1976 pursuant to PP No 4313.

i. *Reason for Denial*.—Compelling Reason: Discharged for unauthorized absence from the combat zone.

PROFILE

ARMY—DOD—SPECIAL DISCHARGE REVIEW

Civil Conviction: Undesirable Upgraded to Honorable

a. *Entry*.—Enlisted at age 20 years, with 3 years service.

b. *Education*.—Nine years of school. Mental category III.

c. *Unit Assignment*.—After completing BCT and AIT, was assigned to a Combat Arms unit (INF).

d. *RVN or Sea Tour*.—Assigned to RVN after 5 months. Completed normal tour.

e. *Awards/Decorations*.—ARCOM, Purple Heart.

f. *Length of Service*.—Two years, six months of which 4 months was considered bad time.

g. *Disciplinary Offenses*.—None.

h. *Discharge Date and Reason*.—Discharged during 1971 for civil conviction. (Possession of small amount of M.J. in Texas), given a sentence of 2 years probation as the result of conviction.

j. *Reason for Upgrade*.—Served a complete term in RVM during which he was wounded and decorated for meritorious service. Since his only offense was simple possession of M.J. and last time connected with the civilian conviction as *not* a compelling reason to the contrary and concluded that his otherwise exemplary period of service should be characterized as fully honorable.

PROFILE

ARMY—DOD—SPECIAL DISCHARGE REVIEW

Civil Conviction: Undesirable—No Change

a. *Entry.*—Enlisted for three years, 18 years old.

b. *Education.*—Ten years school, Mental Category III.

c. *Unit Assignment.*—After completing BCT and AIT, was enroute to RVN as a medic and went AWOL.

d. *RVN or Sea Tour.*—None. See above.

e. *Awards/Decorations.*—None.

f. *Length of Service.*—Two years, ten months of which two years, 4 months were classified as "bad time".

g. *Disciplinary Offenses.*—None.

h. *Discharge Date and Reason.*—Discharged during 1971 for civil conviction (armed robbery) and sentenced to 12 years confinement in the State Department of Corrections.

i. *Reason for no Change.*—Applicant did not qualify under any of the special criteria and the record did not contain any substantiation of mitigating factors sufficient to override the compelling reason to the contrary-armed robbery. The board concluded that the compelling reason desqualified the applicant from consideration under this special program.

PROFILE

ARMY—DOD—SPECIAL DISCHARGE REVIEW

Frequent incidents of a Discreditable Nature—Undesirable Upgraded to General

a. *Entry.*—Applicant was inducted in Puerto Rico on 27 November 1967.

b. *Education.*—He was a high school graduate who spoke only Spanish.

c. *Unit Assignment.*—3rd Advanced Individual Training Brigade. Fort Gordon, Georgia.

d. *RVN or Sea Tour.*—No tour overseas.

e. *Awards/Decorations.*—Marksmanship Badge (Rifle) National Defense Service Medal.

f. *Length of Service.*—27 Nov 1967–12 Mar 1969. 282 days lost time. Six months and four days total creditable service.

g. *Disciplinary Offenses.*—AWOL: 4 Mar 68 to 22 May 68; AWOL: 26 May 68 to 5 Aug 68: AWOL: 13 Sep 68 to 16 Jan 69.

h. *Discharge Date and Reason.*—Discharged 12 Mar 69 for frequent incidents of a discreditable nature against military authority. His conduct, attitude, and disciplinary record warranted separation.

i. *Reason for Upgrade.*—Applicant completed alternate service or was excused therefrom. His age, aptitude, length of service and personal problems associated with his socioethnic background were factors in mitigation for his offenses, and there were no compelling reasons not to grant partial relief.

PROFILE

ARMY—DOD—SPECIAL DISCHARGE REVIEW

Frequent incidents of a Discreditable Nature—Undesirable No Change

a. *Entry.*—Enlisted 23 July 1969 for three years from Yellowstone, Montana.

b. *Education.*—The applicant completed 9 years of schooling.

c. *Unit Assignment.*—3rd Enlisted Student Company, Fort Rucker, Alabama.

d. *RVN or sea tour.*—No tours served overseas.

e. *Awards/Decorations.*—Aircraft crewman's badge. National Defense Service Medal.

f. *Length of Service.*—Nineteen months (from 23 Jul 69 to 25 Feb 71). Two-hundred twenty-nine days lost time; Net service, eleven months, fourteen days.

g. *Disciplinary Offenses.*—AWOL: 11–24 Mar 70; 26 May–1 Apr 70; AWOL: 27 Apr–4 Sep 70; 30 Sep–1 Dec 70. Received company punishment 25 Jan 71.

h. *Discharge Date and Reason.*—*Discharged* 25 Feb 71 for frequent incidents against military authority by reason of his unfitness for further military service and poor rehabilitative potential.

i. *Reason for Denial.*—Applicant did not meet the primary or secondary criteria of the program and the applicant's records provided nothing substantial to merit consideration.

PROFILE

ARMY—DOD—SPECIAL DISCHARGE REVIEW

Shirking: Undesirable Upgraded to General

a. *Entry.*—Enlisted. Age 17 years, 2 months.

b. *Education.*—Two years of high school. Mental Category III.

c. *Unit Assignment.*—After BCT and AIT, assigned to a Combat unit in Europe. Reenlisted in Europe and after completing his tour, was reassigned to a Combat unit in CONUS.

d. *RVN or Sea Tour.*—None.

e. *Awards/Decorations.*—None.

f. *Length of Service.*—Total service four years, three months (1 year, 8 months on initial enlistment and 2 years, 7 months on second enlistment) 5 days bad time.

g. *Disciplinary Offenses.*—One Special Court-Martial for disobedience of an order and six Article 15 punishments principally for short AWOL's.

h. *Discharge Date and Reason.*—Discharged in 1965 for shirking as evidenced by his repetitive minor AWOL's and refusal to perform his assigned duties. He waived the opportunity to appear before a Board of Officers.

i. *Reason for Upgrade.*—Prior Honorable Discharge and record of more than 24 months of satisfactory service on his last enlistment.

PROFILE

ARMY—DOD—SPECIAL DISCHARGE REVIEW

Shirking: Undesirable—No Change

a. *Entry.*—Inducted age 18 years, 11 months.

b. *Education.*—Two years of high school. Mental Category IV.

c. *Unit Assignment.*—Completed BCT, entered AIT but did not complete it.

d. *RVN or Sea Tour.*—None.

e. *Awards/Decorations.*—None.

f. *Length of Service.*—One year, five months of which thirteen months was classified as bad time.

g. *Disciplinary Offenses.*—Two Special Courts-Martial. One for AWOL and breaking restriction. One for two counts of AWOL. One Article 15 also for AWOL.

h. *Discharge Date and Reason.*—Discharged in 1964 after waiving appearance before a Board of Officers to determine whether he should be eliminated for shirking.

i. *Reason for Denial.*—Did not meet any of primary criteria and the record did not contain any information that provided mitigation for his acts of unauthorized absence.

AMERICA MOVES FORWARD FASTER

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. COLLINS of Texas. Mr. Speaker, I was interested in seeing a study in the Harvard Business School bulletin, as they reviewed a 25-year projection. In 1951, the graduating class estimated where this country would be in 1976.

These were well trained graduate economists in business. They had all of the best technical information available in 1951. But look at some of their estimates 25 years later.

On natural gas, their estimate was half of actual consumption. But how were they to know that the regulated price of gas would provide such a bargain in Btu's. Students guessed that automobiles would grow from 36 to 49 million but did not anticipate they would be over 100 million which we now have. They thought radio sets would level out but instead we have four times as many. Television was just getting started and they anticipated it would grow from 10 million to 50 million but instead we now have 121 million television sets.

They knew that telephones were essential. They anticipated they would grow to 51 million telephones whereas we actually have 144 million in use.

On productivity, they estimated that the index of 228 at that time would grow to 301 but actually the productivity index is over 600. This is because of American inventive genius and technology.

They thought the U.S. population would grow from 153 to 179 million, but instead it reached 213 million last year. They estimated the 92 cities in the United States of 100,000 would grow to 116. But instead we now have 153.

This reminds us of the challenge for the next 25 years ahead. We need the broad vision to think in realistic terms that encourage and provide the incentive to meet the challenge. America must have lower taxes and less government. We should remove more of these bureaucratic redtape burdens.

Americans want to have jobs and they want to have more net income remain in their pockets. For a greater 25 years ahead let us give business a chance to get the job done. Let us give America a chance to keep a buck in their pockets.

America can have a tremendous future if we will give business the opportunity to lead the way.

GEORGE BLAKE: ONE OF GANNETT'S FINEST

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. WON PAT. Mr. Speaker, readers of Gannett Publication Newspapers in Guam, Hawaii, and various locations in California will henceforth have to do without the outstanding reporting of Mr. George Blake, who has just been reassigned to become the managing editor of the Fort Myers, Florida News-Press.

Mr. Blake has worked in the Gannett Washington bureau for a number of months and has provided my congressional colleagues from the west coast, Hawaii, and my own constitutents in Guam with lively and accurate coverage of events here in Capitol Hill.

Prior to working in Washington, Mr. Blake was managing editor of the Pacific Daily News in Guam. His efforts there were of significant value towards improving that publication. During a most trying period last year while the island was being buffered by 190-mile-an-hour winds, George Blake and his dedicated crew of reporters and photographers maintained their posts and managed to produce the newspaper despite power shortages, flooding, and without any telephone communications

on the island. In the days that followed, the Pacific Daily News continued to provide coverage of the storm's damage and the needs of local residents.

Equally impressive was the coverage Mr. Blake and his staff provided the world of the huge task of caring for the more than 100,000 Vietnamese refugees who came through Guam following the surrender of Saigon. Those were extremely hectic days for local officials and for the staff of the Pacific Daily News.

It is a lasting tribute to the hard working Mr. Blake that his superiors at Gannett thought enough of his efforts during the Vietnamese refugee relocation that samples of the highly detailed and impressive coverage provided by the Pacific Daily News were submitted to last year's Pulitzer prize committee for their consideration.

During my years of contact with George Blake, he has impressed me with his desire to learn more about Guam and our Pacific neighbors. He is a professional newspaperman in every sense of the word and on behalf of myself and his many friends in Guam, I wish him continued success in his new assignment.

I only regret that with his departure, we here in Washington are losing the services of a highly skilled reporter who possesses indepth knowledge about Guam and other American areas in the Pacific. His departure is a definite loss for those who have enjoyed the detailed coverage he has provided Pacific readers. It has been a sincere pleasure working with him and I am confident that the readers of the Fort Myers News-Press will soon grow to appreciate the many talents of George Blake as do I.

Thank you.

A JEWISH CHAPEL AT WEST POINT

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. GILMAN. Mr. Speaker, on Friday, June 17, I had the pleasure of joining with the National Advisory Committee of the West Point Jewish Chapel Fund at a meeting at the White House. At that historic session, we presented to President Carter our plan to raise $5.5 million in contributions to construct a Jewish house of worship at the U.S. Military Academy at West Point, within my 26th Congressional District of New York State.

Having urged the wholehearted endorsement of the administration in order to help bring our plans to fruition, we were pleased, when the Chief Executive announced his support for the chapel and issued a full proclamation.

The National West Point Advisory Committee is headed by Edgar Bronfman of New York and includes 37 Congressmen, 13 senior military officers, and the officers of 15 major national secular and religious agencies and institutions. It is a particular source of pride to the committee that fully one-third of the members of the Advisory Committee are non-Jews.

The proposed chapel will be located midway between the Catholic and Protestant Chapels, on a ridge overlooking the main parade ground of the U.S. Military Academy. The architectural design will conform with other buildings at West Point. The concept has received all official clearances necessary from the Department of the Army.

But, this is much more than a chapel where Jewish cadets, officers, and their families will worship. To be housed in the chapel there will be in addition to an inspiring sanctuary, a gallery-museum in which decorations and other items pertaining to Jewish service in every war fought by the United States will be displayed.

Mr. Speaker, at this point in the RECORD, I submit for the review of my colleagues, the President's Proclamation:

STATEMENT BY THE PRESIDENT

The Jewish Cadet Chapel at the United States Military Academy will meet several important needs.

Most significantly, it will provide a place of worship and of religious sustenance for Jewish cadets, officers, and members of the West Point community and their families.

Both as Commander-in-Chief and as a graduate of one of West Point's sister academies, I believe that the spiritual development of the young men and women who are destined to lead our armed forces is as vital as any other aspect of their growth.

In addition, the Chapel and its associated gallery and museum will serve as a repository for artifacts and memorabilia of the long and honorable story of Jewish participation in the military history of our country, from pre-Revolutionary times to the present. In this way, the Chapel will contribute to the education of all cadets, regardless of religion, and to the knowledge of many thousands of visitors. And in a broader sense, the Chapel will symbolize both the rich diversity of our nation and its fundamental unity.

It is an honor for me to commend and congratulate all of you who are taking part in the establishment of the Jewish Cadet Chapel at West Point.

JIMMY CARTER

THE WHITE HOUSE, June 17, 1977.

AMIN ESCAPES SANCTIONS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following editorial, which appeared in the Oxnard Press-Courier, June 18, 1977. The editorial comments on the regime of Idi Amin in Uganda.

AMIN ESCAPES SANCTIONS

The international worry over the next move of Idi Amin of Uganda is hard to understand. He created his latest uproar by his brief disappearance after announcing he was leaving Uganda for the Commonwealth meeting in London.

But even if he had tried to enter England, Amin undoubtedly would have been stopped by Britain's security forces. Had he actually crashed the Commonwealth gate, the harm at worst would have been that the world would have to endure another round of Amin's posturing.

Amin's subsequent fabrication that he met with revolutionary leaders from Tanzania and Gambia, instead of going to London, shouldn't have worried anyone. Any other revolutionary leader would have to be as insane as Amin if he aligned himself with the Ugandan strongman. And a good case could be made that Amin himself is not dumb enough to let his palace guard depart for another country.

What really is wrong with Amin's latest effort to upstage the Commonwealth meeting is that he still is around to upset order by ruses or by threats to foreigners living in his country.

Nobody would suggest that wrong be righted by sending an expeditionary force to Uganda or that Amin be removed by skulduggery. The gunboat diplomacy era of world politics is outdated.

But it is an irony that Amin has not lost any dollars in aid, military shipments or trade agreements despite his high-handed acts of genocide, murder, torture, racism and psychological baiting.

Amin would not remain in power long if legal, political, social and economic sanctions were used against him, starting with a statement by the United Nations Human Rights Commission.

TIMKEN CO. PROMOTES FREE ENTERPRISE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. ASHBROOK. Mr. Speaker, one of the complaints that many of us have regarding the business community is the failure that it has in promoting free enterprise. Except for Warner & Swasey and a few other companies like the Timken Roller Bearing Co., free enterprise has all too few active, ardent advocates in the business community.

We are in a life-and-death struggle to preserve the constitutional system of private property, limited Government interference, and individual freedom. Fortunately, some companies recognize this.

All too many business firms, especially the larger ones, take the attitude that they can feed the alligator because they will be the last ones to be eaten.

I insert at this point a Timken Co. statement on the "Challenges to the Timken Company." It would just as well read, "Challenges to American Workers and Taxpayers." I commend it to my colleagues:

CHALLENGES TO THE TIMKEN COMPANY

The Timken Company's 1975 annual report discussed the importance of profits to shareholders for an equitable return on investment, to employees for job stability, to customers who count on a dependable source of supply, and to the Company's future growth. It emphasized that private enterprise principles must be maintained if the Company is to meet future world challenges. In this section of the 1976 annual report, the Company would like to discuss economic and political factors which, if left unchecked, will seriously affect the value of your investment, the future performance of the Company, and the continuity of the private enterprise system. Those factors are: (1) Inflation; (2) Government Regulation; and (3) Encroachment on the Right of Private Ownership.

INFLATION—A THREAT TO ECONOMIC STABILITY

The Timken Company feels the effect of inflation in the climbing costs of the supplies

and materials it purchases, in pressures for increased wages and salaries, and in the ever-increasing costs of machinery and plant. The latter is, perhaps, the least understood aspect of the impact of inflation on a business. For example, in 1965, a specific piece of production machinery cost the Company $51,500. In 1970, it cost $55,000 to replace that machine. By 1976, its replacement cost had risen to $125,000.

Escalating equipment replacement cost is further complicated by presently existing federal income tax accounting regulations. These regulations penalize business by not recognizing the difference between original equipment costs and today's replacement costs in the calculation of taxable income. For the machine mentioned earlier as an illustration, in six years its replacement cost exceeded its original cost by $70,000. This increase of more than 128% is not recognized by income tax regulations. Certainly the Company's earnings have not increased by 128% during those same six years. But, to replace the machine, the Company has to make up the $70,000 difference from what is left after income taxes are paid.

It is interesting to note that while the federal taxing policy does not recognize that its permanent depreciation allowance is unrealistic, another federal policy does. The Securities and Exchange Commission now requires additional financial information from business that shows profits, and the effect of depreciation on them, in terms of present day replacement costs instead of original historical costs. Thus, the Company is obliged by the federal government to report the effect of depreciation on profits in two different ways.

Economists do not agree on any one cause of inflation. Increasing labor costs without an equivalent gain in productivity, and deficit spending at all government levels are certainly among the root causes.

On a national basis, between 1966 and 1976, labor costs rose 136% while corporate profits increased only 48%. All of us need to be concerned about the widening gap between increased labor costs and increases in productivity which results in lower profit margins.

The cost of federal government and the national debt has grown constantly since 1945 and is now growing at an accelerating pace. The federal government budget for fiscal 1977 is estimated to reach $417 billion, with a minimum projected deficit of at least $68 billion. The budget for the fiscal year 1978 is expected to entail $459 billion in outlays and to exceed income by $58 billion.

Some think the deficit could be covered just by increasing the taxes on corporations. However, the expenditures of the federal government alone for the past year was five times greater than the total "after-tax profit" of all American corporations combined. Others approve of the government borrowing money, or if the government chooses, simply printing more money. The additional money, borrowed or printed, does not represent any additional goods or services, so the dollar itself continues to shrink in value.

Inflation will be curbed if the federal government reduces spending and operates within a balanced budget. Such a change in direction will occur only when the citizenry, through their votes demand a reversal of current policy.

Your Company management is striving to meet the challenge of inflation by keeping costs as low as possible through the development of more efficient manufacturing techniques that will continue to increase productivity. In addition, stringent materials management programs help the Company make the most of all resources, supplies, and capital invested in machinery. At the same time, on-going training programs help Company personnel become more productive.

THE COST OF GOVERNMENT REGULATION

According to federal General Accounting Office estimates, the government spends $60 billion per year, or 14.5% of its budget, on regulation.

Government regulation is a factor affecting not only profit margins, but management's ability to manage. Against this background, The Timken Company, like most businesses its size, has had to assign many employees only one responsibility—that of coping with the paperwork required by government regulations. It hardly need be pointed out that these people add nothing to the Company's productive capability. On the contrary, they represent increased costs that further reduce the Company's competitive ability.

In addition, management is obliged to spend enormous amounts of time defending the Company from the impact of improperly run government regulatory programs. This time is necessarily diverted from constructive, positive effort on behalf of the Company.

Government spending, including regulation, is mostly financed by taxes paid by individuals and paid by corporations. Corporate taxes, it must be remembered, are in reality paid by the consumer in the price of products purchased. Thus, the consumer pays taxes twice—on income earned plus the tax built into the price of products or services purchased. As a stockholder, you not only pay the taxes that are built into the prices of products but you also pay an income tax on your dividend income. By law, the Company's earnings are taxed before dividends are declared. This means your dividend has been taxed even before you receive it. In turn, as a stockholder, you pay an income tax of up to 70%.

Unproductive costs are incurred because of government regulations involving environmental control, energy prices, manufacturing processes and other matters. For example, since 1961, The Timken Company has spent in excess of $13.5 million for air-cleaning systems alone for its steel operations, and by 1978 will have spent $15 million for a water-treatment facility.

The Timken Company practiced resource conservation and demonstrated concern for the environment before government established bureaucratic responsibilities in these areas, and has no quarrel with the principles involved. Of concern are the unrealistic timetables established for conforming to government standards and the fact that these standards are constantly changing. Moreover, the costs of meeting these standards do not increase productivity.

Your management is responsible for making adequate profits to finance Company growth and for generating enough money to meet financial commitments. Equipment and operating costs that result from meeting many regulations cannot be built wholly into the price of the Company's products. The challenge to management is to hold prices at levels that will not meet serious market resistance because competitive pricing is essential if the Company is to maintain its market position. It must be remembered that foreign competitors, whose costs may not be elevated by similar governmental decisions in their own country, can ship into our country at a potential cost advantage.

The Company continues to do as much as possible to minimize the economic effects of regulation on prices. While the costs involved are another charge against profitability, the Company is constantly in search of the most efficient and least costly ways to comply.

OUR STRENGTHS AND OPPORTUNITIES

The Company, in the face of many challenges, has the management skill, financial strength and stability with which to meet these challenges.

Although the constraints and restrictions in doing business are trying, your Company has optimistically scheduled the reinvestment of $360 million during the years 1975-1979 to increase operating efficiency, to expand capacity, to modernize facilities, and to assure present and future jobs.

Included in the Company's present plan is a major $23.5 million expansion of the Gambrinus tube-making facilities, a new electric furnace for the steel plant, an on-going expansion of the Gaffney Bearing Plant and a $2.5 million expansion of the Canadian Timken, Limited facilities. Completed by the end of 1976 was a major $9.5 million expansion and modernization of the Bucyrus Distribution Center, a new steel-pickling facility at the Wooster Steel Plant and a $3.5 million expansion of the Latrobe Steel Company's continuous rolling mill. These programs are being carried out while proper maintenance of all other Company operations is sustained on a first priority basis.

There is continuing concern in this country and abroad about employment, along with repeated suggestions that government create more jobs. Your Company believes that only business can create productive long-term jobs if it is permitted to operate in an economic climate that is conducive to competitive costs. This implies that business must save money to plow back into new or expanded facilities.

National statistics indicate that it is becoming increasingly difficult for business to generate such money. Between 1966 and 1976, for example, personal savings rose 129% but corporate savings increased by 28%. If this trend and the trend in regulatory intervention proceed at the pace of the past 10 years, it's clear that business will be more and more unable to make investments in new, job-creating plants and equipment.

Making commitments today for tomorrow's needs involves some risk. You can appreciate that planning for five years into the future, for example, involves thorough study of what conditions may be in five years. Your Company takes every possible step not only to minimize risk but to build into its planning an element of flexibility that will enable the Company to accommodate change. The fact remains that plans must be made and carried forward over a period of years.

The Company has strengths in its reputation for product quality, engineering skills, and expert service. It has built broad market diversification, and the breadth of its customer base brings an important balance to sales, for it is seldom that all markets are depressed at the same time.

Another important Company strength is represented by our marketing and distribution organization. The ingenuity of our application engineers, for example, continues to enlarge present markets for our products and to develop new ones. Research and development programs also make significant contributions to these efforts, both in terms of formulating improved product application for our customers and in devising ways to make our own operations more productive.

THE RIGHTS OF PRIVATE OWNERSHIP

As you can see, the Company is facing many challenges which it intends to overcome by various means. As a shareholder you are being challenged by these same problems, because you have a direct stake in the Company's ability to earn a reasonable profit so you can receive your share of that profit in dividends.

As the Company is able to grow and reinvest earnings, your equity in The Timken Company also grows. However, the rights of private property as a whole are subject to increasing encroachment by government. This should concern every individual. While the extent of property owned varies, the principle involved remains the same.

More and more decisions that can determine the destiny of The Timken Company are made not primarily on the basis of economic and business considerations but within the limitations of government regulation and bureaucratic purposes. A recent study by the government's own Council on Wage and Price Stability found that the United States steel industry is subject to more than 5,000 separate regulations stemming from 29 agencies administering 57 major programs. The study further concluded that there has been a subtle transfer of critical business decision-making ability to the public sector. In a very real sense, this means the value of your investment can be decided as much by government regulation as by the disciplines of the marketplace and the capabilities of your management. Thus, your control of your own property is increasingly being encroached upon by government.

And, government continues to expand. While many claim that bigness in business is bad, bigness in goverment on the other hand seems not to be unacceptable. Yet government contributes nothing to gross national product. On the contrary, its very existence is supported by the production of others. Thus, the continued expansion of government raises two valid questions: Who is working for whom, and to what purpose? Does private property still exist, and, if so, for how long?

Is it possible to replace government as an adversary with government that is the servant of the citizenry, as visualized by the founders of this nation? It can be done, only if you defend the right to determine what shall happen to your property.

Not to do so is the certain way to lose that right altogether.

FOREIGN AID BILL

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. YOUNG of Florida. Mr. Speaker, last week during consideration of the foreign aid bill, my debate in opposition to the program as presently established and my debate in favor of certain amendments revolved around two basic themes. One, that I believe the new direction of our foreign aid through multilateral organizations is not in the best interest of the United States. The other was that our direct bilateral aid programs were not doing what we wanted them to do or even what we thought they were doing. I cited specific examples and even used quotes from Secretary of State Cyrus Vance to back up my charge. Today I want to submit another statement by another administration official that appeared in yesterday's Washington Post that also supports my contention. On page A-4 the Washington Post story included the following paragraph relative to a statement by Gov. John Gilligan, Administrator of the Agency for International Development—AID.

Gilligan, in a message to senior AID officials here and all field missions abroad said "the agency is strangled in paperwork, there is too much emphasis on Washington operations, and too much of the agency's funds are spent on studies and preparing to act and too little in actually delivering goods and services to the poor majority in the developing countries.

Despite considerable criticism of my attacks on our foreign aid program the fact is that one of my basic themes is being confirmed and reconfirmed by administration officials and even if my efforts have done nothing else, at least people are thinking about and talking about some of the problems in our foreign aid program rather than burying their head in the sand trying to ignore the problems that exist.

A BILL TO CLOSE AN ANTITRUST LOOPHOLE AND EXPAND THE HUMAN RIGHTS JURISDICTION OF U.S. LAW

HON. JAMES A. S. LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. JIM LEACH. Mr. Speaker, with the expansion of multinational corporations and the increased reliance of our country on imported raw materials, most notably oil, there is an increased possibility that American companies will be pressured to support monopolistic practices by foreign governments participating in international trade cartels.

Under existing antitrust laws—the Sherman and Clayton Acts—American companies accused of conspiring to raise prices, allocate markets, or engage in other monopolistic practices may use the principle of foreign compulsion as a legitimate defense for their actions.

Foreign compulsion is the defense, for example, that Gulf Oil Corp. has indicated it is employing to justify its corporate decision to abide by the dictates of the Canadian Government to join the international uranium cartel.

To prevent future practices of this nature, whether corporately desirable or not, I have today introduced H.R. 8155 to close this loophole in our antitrust laws. Simply stated, the Anti-Foreign Compulsion Act legislatively abrogates the option of corporations to utilize the principle of foreign compulsion as a defense for violation of U.S. law.

In addition to broadening the antitrust laws, this legislation has important human rights implications. If, for example, a foreign oil producing country were to demand that an American corporation not deal with an individual of a certain race, creed, or color, such a requirement would become unenforceable under this act. It is the intention of this act to protect the civil liberties of American citizens in personal as well as commercial situations wherever infractions might occur.

As a result of recent testimony by Gulf Oil Corp. executives before a House Interstate and Foreign Commerce Subcommittee, increased attention has been given to the petroleum divestiture issue. The Anti-Foreign Compulsion Act does not prejudice legislation addressing divestiture, but it represents a more moderate approach to dealing with this issue. While antitrust law is substantially strengthened under this bill, determination of antitrust violations is still left primarily in the province of the courts.

Below is the text of the bill:

H.R. 8155

A bill to prohibit any person from raising as a defense to any proceeding commenced under the laws of the United States that such person was compelled by a foreign state to take the action which is the basis of the proceeding

Be it enacted by the Senate and House of Representatives to the United States of America in Congress assembled, That this Act may be cited as the "Anti-Foreign Compulsion Act."

SEC. 2. In any proceeding commenced under the laws of the United States against any person for violation of any law of the United States, such person may not raise as a defense in such proceeding that such person was under compulsion by a foreign state to act, or fail to act, in violation of such law.

SEC. 3. For purposes of this Act—

(1) the term "foreign state" includes a political subdivision of a foreign state or an agency or instrumentality of a foreign state as defined in paragraph (2);

(2) the term "agency or instrumentality of a foreign state" means any entity—

(A) which is a separate legal person, corporate or otherwise;

(B) which is an organ of a foreign state or political subdivision thereof, or a controlling interest of whose shares or other ownership is owned by a foreign state or political subdivision thereof; and

(C) which is neither a citizen of a State of the United States as defined in section 1332 (c) and (d) of title 28, United States Code, nor created under the laws of any third country; and

(3) the term "person" includes any individual, corporation, company, association, firm, partnership, society, and joint stock company.

A CULTURAL NOTE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. MICHEL. Mr. Speaker, in recent weeks many of us here have placed into the RECORD our thoughts about the takeover of the Baltic States by the Soviet Union 40 years ago. Since that time the people of the Baltic States have been deprived of every human and civil right. Many of us have pointed out that this is a denial of the fundamental right of self-government and that it should be brought to the attention of the Soviet Union by our delegates at the Belgrade Conference.

I recently came across the latest issue of the Soviet propaganda magazine Soviet Life, that is distributed in the United States. With what amounts to a ghoulish sense of humor or a dedication to some of the more exotic forms of journalistic sadism, Soviet Life, in its latest issue, devotes a number of pages to—you guessed it—the Baltic States. According to Soviet Life all is well in these captive nations of Estonia, Latvia, and Lithuania. Everyone is happy. I fully expect the next issue of Soviet Life to include a four-color, well-written story on the joys of outdoor living in the Gulag Archipelago.

THE UNITED STATES SHOULD TAKE STEPS TO PREVENT THE EXCLUSION OF ISRAEL FROM THE 1980 OLYMPICS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. KEMP. Mr. Speaker, planning is now underway for the 1980 Olympics to be held in Moscow. As is by now well known, we have witnessed the rapid politicization of what was to be a nonpolitical international competition over the past several years.

The nationally syndicated columnist, Mr. Jeffrey Hart, has recently written a column suggesting that the worst is yet to come in the form of crass political exclusion of non-Communist states or other states out of favor with the Communist and Third World bloc. Mr. Hart has learned that the Soviets have instigated an effort among the Third World nations, primarily in Africa and the Middle East to exclude Israel from participation in the 1980 games as the Trudeau government excluded free China in 1976.

Mr. Hart rightly describes this process as Olympic holocaust and is something that the United States cannot ignore. There is ample precedent for the use of an Olympic event for propaganda purposes by a well-armed totalitarian state, namely the Nazi regime in 1936. I am persuaded that the United States should not only exercise its rights to withdraw from the games if they proceed to become politicized, but should also intervene to prevent their broadcast within the United States as well. I insert the excerpts of Mr. Hart's column in the RECORD at the conclusion of my remarks:

OLYMPIC HOLOCAUST

Sources close to the international Olympic picture inform me that the chances of Israeli athletes competing in the 1980 Moscow games are exactly zero. Israel will be excluded.

The exclusion will take place at the direction of Moscow, but the Soviet role will not be an open one. Rather, it will take place behind a Third World facade. Just as Israel was excluded from the Asian Olympic Games, so it will be kept out of the big show in Moscow.

Do not imagine that this will be a mere "athletic" item. It will be a dramatic exhibition of political muscle before a global audience of hundreds of millions of people. It will be an important psychological step in the de-legitimation of Israel, its reduction to the status of non-nation.

The 1980 Moscow games will be the biggest media event in history. As the Soviets see it, and as they have said in their official publications, the games will be an enormous political plus. The preparation has been lengthy and painstaking.

The Moscow games will be an extravaganza on the model of the 1936 Berlin games, an enormous metaphor, a celebration of the Soviet system and an image of the future as the Soviets would like to see it.

According to my sources, Israel—along with several other "pariah" nations—will not be admitted to that metaphor.

Of course, the visual Olympic metaphor will also not include the gross Soviet economic failures, crimes, violations of human rights, massive weapons program, and expansionist foreign policy.

My initial reaction to the disclosure that Israel would be excluded was that if the Soviets tried anything like that it would wreck the games. Individuals and teams would pull out, refusing to be part of this corrupt charade. Would any athlete, knowing what we now know, have participated in the 1936 Olympics? If the Soviets politicize the Moscow games to that degree, network TV will pack up its cameras and go home.

Wrong, according to my source. The reality is chilling. Nothing at all happened when the Canadians excluded Taiwan from the Montreal games. The Moscow games will take place no matter how grossly the Soviets exploit them. The U.S. Olympic committee will content itself with an important pro forma protest.

NBC–TV has already paid the Soviets some $50 million, and by 1980 will have over $100 million invested in the games. NBC expects to sell at least $125 million in advertising for its Moscow telecasts.

This entire enterprise represents a carefully thought out global psychological warfare operation. The process is already well advanced, and by 1980 it will be too late to do much about it.

Have we really forgotten the example of Berlin in 1936, and what soon followed? Have we forgotten Munich in 1972, the outrages and the egregious cheating? The sycophantic treatment of the Soviets by ABC and Jim McKay at Montreal in 1976?

The 1980 games in Moscow are shaping up as the most corrupt and politicized in history.

What is called for at this time is a Congressional resolution to the effect that the exclusion of any nation from the games for political reason should be grounds for U.S. withdrawal.

AMENDMENTS TO THE FISH AND WILDLIFE COORDINATION ACT

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. OBERTSAR. Mr. Speaker, The national debate over water resource projects which culminated in the recent votes in Congress only underscored the longstanding necessity to incorporate a strong conservation ethic in planning these projects.

Today, I have introduced legislation to assure an important role for the conservation ethic in such planning by providing for amendments to the Fish and Wildlife Coordination Act.

When a project is planned without serious consideration for fish and wildlife resources, subsequent steps often become wrapped in controversy and subject to lengthy delay. The end product is likely to be an unnecessary degradation of valuable fish and wildlife resources, inflated project costs, and continued polarization of public opinion.

These reasons alone are sufficient to require legislation of the kind I am proposing. There is an even greater reason: each time a water project is planned and constructed without provision for effective conservation and enhancement of fish and wildlife resources, the Nation loses an opportunity to use our tremendous technological capabilities to improve the natural resource which we have inherited and will bequeath to future generations.

The bill I am introducing would amend the Fish and Wildlife Coordination Act to include provisions suggested by representatives of Federal and State fish and wildlife agencies and many conservation organizations having an interest and expertise in these matters.

The House Subcommittee on Fisheries and Wildlife Conservation and the Environment held extensive hearings in 1974 on legislation similar to this bill. Those hearings, supported by a 1974 General Accounting Office report, show conclusively that changes in the Fish and Wildlife Coordination Act would be in the broad public interest. Governors of 37 States and 1 territory have given their support to such changes.

Late last year and again in January of this year I introduced a refined version of that original bill as a sort of "discussion raft" to give my colleagues an opportunity to study and help improve it. The bill I am introducing today contains the many additions and modifications suggested during the past several months.

My bill would bring projects constructed or assisted by the Tennessee Valley Authority and the Soil Conservation Service under the provisions of the Fish and Wildlife Coordination Act. Licensing of nuclear-power generating stations would be covered. It would encourage changes in planning procedures to include fish and wildlife professionals as a part of each project planning team so their views and recommendations would be incorporated from the earliest point. Such joint planning would minimize and help eliminate the divisive and costly action-reaction relationships among agencies.

These amendments would encourage use of new procedures to prevent, mitigate and compensate fish and wildlife losses in water development projects and to enhance the nation's anadromous fishery and wetland resources. It would strengthen public participation in planning those projects. It would help assure that features recommended for fish and wildlife will be installed in phase with other project features, rather than later when land costs, for example, have escalated.

Major changes in cost reimbursement provisions associated with fish and wildlife mitigation, compensation, and enhancement measures are provided. The bill includes provisions for submission to Congress of annual progress reports documenting efforts undertaken to implement fish and wildlife measures. It also requires that Congress be advised directly by the reporting departments or agencies of unresolved fish and wildlife related controversy.

Mr. Speaker, there is no question that water development is necessary. There is equally no question that many projects are developed without adequate advance planning to protect fish and wildlife habitat. Interagency disagreements over the merits of incorporating effective fish and wildlife conservation and enhancement measures continue. Consequently we are confronted with unnecessary losses of valuable resources, resulting in public opposition and costly delays in water projects.

It is important to note that my bill is complementary to the National Environmental Policy Act. NEPA requires environmental consideration only after a project has been planned—after many major decisions have been made. My bill would require such considerations during the earliest planning stages before any commitments are made. By requiring agencies to anticipate and resolve conflicts before projects get underway, we could avoid the many delays, public discord and loss of taxpayers' money that have characterized our water development program.

Let me stress that my bill would not give wildlife agencies veto power over water development projects. The U.S. Army Corps of Engineers and other agencies would not have to accept any recommendations where the public interest demands otherwise. The bill does require those agencies to take affirmative steps to accept or reject such recommendations in a timely manner.

The Nation has benefited greatly from water resource development. Flood control, navigation, irrigation, water supply, and recreation, expanded employment, and economic stimulus are all part of the continuing valuable legacy of the water development program. What that program needs is a more effective and responsive commitment to conservation and enhancement of fish and wildlife resources as a full partner in the water resource planning process and thereby expand the legacy of benefits to the Nation from our water development efforts.

I invite my colleagues to study this proposal. I invite the widest possible participation and knowledgeable assistance in producing legislation which will assure that fish, wildlife, and related resources are considered fully in the planning and operation of Federal and federally licensed or assisted water resource projects.

The American public is more responsive than ever before to the need for change in the way we conduct our national affairs. The management of natural resources is no exception; these values are important to people. It is time for Congress to send a clear mandate to those responsible for water project planning which will assure the conservation and enhancement of the Nation's rich fish and wildlife resource heritage. I hope Congress will respond to the call for changes that will improve the planning and management of our natural resources programs, particularly those related to water development.

The following is a detailed analysis of the proposed amendments to the Fish and Wildlife Coordination Act:

SECTION-BY-SECTION ANALYSIS OF PROPOSED AMENDMENTS TO THE FISH AND WILDLIFE COORDINATION ACT

STATUTORY ACQUISITION

SEC. 1. This Section would confer a statutory title (Fish and Wildlife Coordination Act Amendments of 1977).

CONCURRENT ACQUISITION

SEC. 2. This Section would add to Section 1 of the present Act a declaration of Congressional policy that lands and waters for fish and wildlife purposes be acquired not later than concurrently with other lands and waters for Federal projects. It is intended that the amendment proposed would insure timely acquisition.

COVERAGE; CONSULTING AND REPORTING REQUIREMENT

SEC. 3. This Section would extend the coverage of the Coordination Act and clarify its consultation requirements. Its application to activities on the continental shelf would be confirmed, as for mineral development. This proposed application is of particular interest to fish and wildlife agencies of coastal States whose concerns extend both to offshore and induced onshore impacts. Such impacts are also of growing concern to the Federal agencies to be consulted. It is essential that these activities be conducted in an environmentally responsible manner so that when extraction is complete the natural values will still be intact for future generations.

The amendment would also extend coverage to TVA (as a wholly owned Government corporation) and to the small watershed and related water planning and development activities of the Department of Agriculture. Both programs are now exempted from the Act. This section is intended to extend the Act's coverage to the licensing of nuclear power generating stations by the Federal Government, a clarification of the present situation. Application of the present Act to most Federal and federally licensed water projects would be undisturbed. The proposed Section also would clarify application of the Act to all surface and ground waters. It would then apply to some or all geothermal projects.

The Section would also clarify and expand the consulting and reporting requirements of the Act. It would require *consultation* (defined in Sec. 11) with the National Marine Fisheries Service as well as the Fish and Wildlife Service and the State agency having "immediate and direct" administrative responsibility for fish and wildlife. Intent is to insure that the consultation is with fish and wildlife professionals and not a general Department of Natural Resources. It would then require *written reports* from the Secretary of Commerce as well as the Secretary of the Interior (as now) and the State agency (in this instance it might be a Department of Natural Resources). It would provide that any separate reports of the Secretary of the Interior, Secretary of Commerce and State agency, prepared pursuant to this act, may be combined and submitted by the Secretary of the Interior. The intent of this provision is to provide the reporting entities with the option of combining their efforts in the submission of a single report containing the views of each, therefore avoiding duplication of effort.

The amendments would require that the public be given "every appropriate opportunity" for participation in planning. This would recognize the present capabilities of many citizens to participate meaningfully in water resources planning.

SEC. 4. This Section would amend subsection (2)(b) of the present Act, relating principally to reporting, and expand it into six new subsections.

REPORT CONTENT

Subsection 2(b)(1) would require that the reports required by subsection 1(a) above be based on written findings of the fish and wildlife agencies. These findings must include an evaluation of probable project effects—both direct and indirect—and specification of measures needed to prevent, mitigate, and compensate for losses to fish and wildlife. In addition, the draft amendments would ask that the findings consider "the need for additional pre- or post-construction investigations" to further identify project impacts and needed mitigatory measures. The amendments clarify the intent of the Act to provide for the submission by the constructing or assisting agency or the fish and wildlife agencies, to the Congress, of written reports to supplement previous reports. The draft would prohibit the use of dollar evaluation of losses as primary justification for the adoption or rejection of any fish and wildlife recommendation. Monetary evaluations typically have been based on recreational use (as fishing and hunting) which is often at a low level on private lands and does not reflect the underlying environmental values at issue.

CONSIDERATION OF RECOMMENDATIONS

Subsection (2) would provide an orderly procedure for considering and disposing of fish and wildlife recommendations by construction agencies. The objective is to insure adequate consideration, but avert any possibility of veto by environmental or conservation agencies, and at the same time avoid imposing undue delays on existing review schedules. The subsection would require the construction or licensing agency to advise the two Secretaries and the State agency of its proposed disposition of fish and wildlife recommendations, including their implementation schedule. Concurrence would be required prior to construction except that (1) failure to respond in 90 days would be deemed to signify concurrence and (2) a negative report could be overridden by a published determination that acceptance is not in the public interest.

The draft amendments would add, at the request of representatives of State fish and wildlife agencies, a further requirement that construction agencies conduct a public hearing prior to a final determination that specific recommendations are not in the public interest if the affected fish and wildlife agency so requests. The proposed requirement is consistent with contemporary notions of what constitutes due process and orderly procedure. Public resources are at issue and the public voice and advice should be heard.

The draft would provide that following determination that a lack of concurrence persists, the Secretary of the Interior, Secretary of Commerce, or State agency, based upon written findings of the fish and wildlife agencies, shall provide directly to the Congress a written statement describing the specific issues, recommendations, and other considerations which are the subject of disagreement and shall be available to provide testimony. The proposed requirement would insure the active and direct participation of those entities which are responsible for providing fish and wildlife related planning input into the water resource planning process and would further insure that the Congress is made fully aware of persistent controversy relative to fish and wildlife issues.

PERMIT AND LICENSE CONSIDERATION

Subsection (3) of the draft amendments would generally require that recommendations of the Secretary of the Interior, Secretary of Commerce, or State agency made in response to Federal permit or license applications be included by the issuing agency as a condition of issuing the permit or license. To avoid any possibility of veto of a permit or license application by these entities, the permit or license issuing agency would be provided the authority to impose its own decision in cases where an unconditional recommendation for denial of permit or license application or recommended conditions which would, in the judgment of the issuing agency, preclude improvements which are in the public interest and for which reasonable alternatives are not available is received. Prior to proceeding the issuing agency would be required to publish its determination detailing the reasons therefore and to hold a public hearing should the affected fish and wildlife agency so request.

The amendments would authorize the Corps of Engineers to acquire such waters, lands, or interests therein as may be required as a condition of a permit being issued under Section 10 of the Act of March 13, 1899 or Section 404 of the Federal Water Pollution Control Act Amendments of 1972. The cost attributable to such acquisition, unless specifically exempted by the Congress

through special legislation, would, except in the case of any project which is constructed or assisted by a Federal department or agency (including wholly owned Government Corporations), be reimbursable by the applicant. The intent of this authorization would be to make available to permit applicants, where a need is evident, the full acquisition capability of the Corps of Engineers, as would be employed on a specifically authorized Corps project, in cases where permit conditions require additional acquisition of waters, lands, or interest therein pursuant to this Act.

REIMBURSEMENT OF FISH AND WILDLIFE COSTS

Subsection (4) of the draft would provide that costs related to mitigation, compensation, and loss prevention in Federal or federally assisted water and associated land projects are to be nonreimbursable. These costs are now assumed to be a joint responsibility of beneficial project purposes and accordingly are allocated as joint costs allocated to reimbursable functions such as water supply are also reimbursable to the U.S. Treasury. Those allocated to flood control are nonreimbursable. Because of the widespread benefits to the nation received from fish and wildlife resources, coupled with the ever increasing mobility of those who seek to enjoy these resources, it is appropriate that mitigation, compensation, and loss prevention measures be considered as having value to the nation as a whole and be financed in the same manner as are flood control measures, for example.

Concerning enhancement costs, present law requires the Federal Government to assume 75% of the cost of separable features allocated to fish and wildlife, and all joint costs are a responsibility of the administer-costs are a responsibility of the administering non-Federal agency. The proposed draft amendments would change this situation only to require that all costs of enhancing anadromous fish and wetlands should be non-reimbursable (Federal).

This is proposed in recognition of the fact that anadromous fish are interstate and international in their migrations and in their pursuit by sport and commercial fishermen and in recognition of the fact that the nation's wetlands are indispensible to the perpetuation of migratory waterfowl and shorebirds; contribute significantly to the cleansing of interstate and coastal waters; serve as natural storage basins thereby contributing to efforts to reduce flood damage; and serve as nursery grounds invaluable to interstate and international sports and commercial fisheries. It is manifestly wrong to expect any State or local entity to assume these costs in behalf of beneficiaries who may be thousands of miles removed. This proposed provision would place anadromous fish on a par with migratory waterfowl insofar as reimbursement requirements are concerned.

Probably the greatest single burden on State fish and wildlife agencies is associated with annual O & M costs of mitigation and compensation features under their management. The subsection would settle a current discussion as to which Federal agency's budget should carry the appropriations requested to defray operation and maintenance costs related to means and measures to minimize or prevent losses to fish and wildlife. Traditionally, the Corps has maintained that such costs should be funded by the Federal fish and wildlife agencies. It is the view of the latter that such costs would not have been incurred except for the Federal project and, therefore, they should be funded by the construction agency. They should clearly be in the public works budget so that the true costs of Federal water development are conspicuously apparent in that place.

POST-CONSTRUCTION STUDIES

Subsection (5) would make specific provisions for post-construction studies in evaluating proposed and existing projects to determine with greater accuracy the impacts of the project on fish and wildlife resources. This is of importance in those cases where the probable impacts are difficult to predict, where pre-construction planning may be on such a short deadline that there is inadequate time for thorough ecological and economic studies, or for those cases where fish and wildlife problems associated with existing projects persist and studies to determine means and measures to overcome such problems are necessary. It is expected that the need for such studies, in the case of those projects which are yet to be authorized for construction, will, in many cases, be recognized in project authorization documents.

REPORT AVAILABILITY

Subsection (6) would continue the present requirement that findings and reports prepared under the Act shall be made an integral part of authorizing documents and add a further requirement that they promptly be made available to the public.

FINANCING OF STUDIES

SEC. 5. This Section would require construction agencies to transfer adequate funds to the Fish and Wildlife Service and National Marine Fisheries Service to cover the costs of investigations and reporting. These agencies would make necessary funds available to State fish and wildlife agencies. The present authority to transfer funds is discretionary and relates only to the U.S. Fish and Wildlife Service as a recipient. It is believed important to make the requirement mandatory and to insure that funds transferred are adequate to finance all studies necessary under the Coordination Act, whether expended by the Federal or by State fish and wildlife agencies who have been chronically underfunded for this activity. These are administrative problems implicit in the proposed language but they can be surmounted.

IMPLEMENTATION PROVISIONS

SEC. 6. This Section would add to Section 2 (g) of the present Act a provision exempting projects or segments of projects for which construction contracts have been awarded from the procedural provisions of Section 2 (b)(2) of these amendments. The intent of the provision would be to preclude the possibility that a project or project segment contracted for construction or under construction would be subject to delay while any subsequent considerations pursuant to these amendments are in progress.

REPEAL OF SMALL IMPOUNDMENT AND FEDERAL LAND EXEMPTIONS

SEC. 7. This Section would repeal that part of the present Act (Sec. 2(h)) which exempts from its application those impoundments of less than 10 acres in area and watershed activities on Federal lands which are considered to be primarily for land management purposes. Although few projects of 10 acres are of major concern, it is believed that the fish and wildlife agencies should have the option of giving attention to such projects if the probable impacts justify such action. Some of the more significant damages to the environment stem from the cumulative impacts of a number of small projects. This is particularly true in the wetlands of the Nation. Insofar as diversions of water on public lands for land management purposes are concerned, these are similar in intent and impact to irrigation projects. The Government as landlord should be treated the same as private beneficiaries of water development.

SEC. 8. This Section would add two new subsections—2(h) and 2(i).

PROGRESS REPORTS

Subsection (h) would require that Federal agencies authorized to construct or assist in the construction of water projects prepare annual reports detailing their progress in installing fish and wildlife features compared to the rate of installing other project features. The purpose is to help insure that fish and wildlife measures are in proper phase and to avoid situations in which such features have been delayed to the point that they are no longer feasible. This is particularly true for land acquisition. The fish and wildlife agencies have never had sufficient resources to monitor this situation. The proposed report would provide the intelligence necessary to keep everyone informed. The report would be provided to the Congress along with the views of the Secretary of the Interior and the Secretary of Commerce.

POSTCONSTRUCTION INVESTIGATION PROCEDURES

Subsection (i) would establish procedures to be followed in connection with the *post-construction* investigations authorized by subsection 2(b)(5). The report and recommendation of the fish and wildlife agency would be fully considered by the construction agency. Recommendations which are justified and within the authority of the latter would be implemented. For measures not implemented, the construction agency would publish its reasons and inform the Congress. The objective would be to make the information available as a basis for Congressional decision.

MANAGEMENT OF WILDLIFE AREA

SEC. 9. This Section would provide the Secretary of the Interior with the responsibility of administering and managing such waters, lands, or interest therein acquired for fish and wildlife conservation purposes of this Act, or acquired for other purposes but designated for management in fulfilling the purpose of this Act. Provisions that the management of such areas shall be in accordance with general plans approved jointly by the Federal department or agency exercising primary project jurisdiction, the Secretary of Interior, and the fish and wildlife agency of the particular State involved remain the same as in the current Act, as do provisions that where management relates to conservation of fish and wildlife other than migratory birds such waters, lands, and interest shall be made available to the State. The draft would provide that if the State agency does not assume management of such areas, the Secretary of the Interior shall manage them until such time as said State agency does so. The intent of this provision is to insure that there will be an agency available to assume management at the time the waters, lands, or interests are made available and that if the State agency is not in a position to assume management of the areas the Secretary of the Interior shall do so, but only until such time as said State agency chooses to do so. The Secretary of Agriculture's authority to cooperate with states or in making lands available to the State with respect to the management of wildlife and wildlife habitat on lands administered by him remains unchanged from the current Act.

The amendment would also provide that revenues realized from the administration of wildlife lands (as from share cropping or timbering) shall be left with the administering wildlife agency for its use in managing the area. Present Corps of Engineers' regulations have prohibited such retention and thus deprived certain State fish and wildlife agencies of funds which were important in the management of these lands. State agencies are particularly concerned in connection with mitigation lands. As noted, the measures are strictly attributable to losses associated with the project and project and construction agency should make whole such losses in the degree reasonably possible.

ACQUISITION—PREVIOUSLY AUTHORIZED PROJECTS

SEC. 10. This Section is designed to clarify the intent of the proviso in subsection 3(c) of the existing Act. Subsection 3(c) authorizes the acquisition of lands, waters, and interests therein when consistent with the purposes of the Act and the reports of the Secretary of the Interior. The proviso then

appears to offer an option in the case of previously authorized projects, for the construction agency to request the Congress for specific authority in each instance. This has proven time consuming and has brought such actions out of phase with project construction. The alternative proposed is to permit the acquisition when a properly justified report is presented to the Congress before an appropriation is requested therefor. It is believed that this would facilitate acquisitions in connection with projects previously authorized while preserving the proper oversight by the Congress.

DEFINITIONS OF TERMS

SEC. 11. This Section would amend Section 8 of the present Act to expand the definitions of terms. The present definition of "wildlife" would be improved. A definition of "consult" would be added to emphasize that it extends to assistance in project planning and evaluation insofar as fish and wildlife concerns are affected. The key to realization of the objectives of the Act is the participation of conservation interests throughout project planning, from inception of planning through operation of the constructed project. The term "Federal Department or agency" is also defined to include agencies that receive delegated authorities otherwise subject to the Coordination Act. The terms "development and improvement" as used in this Act would be defined as being synonymous with "enhancement".

CITIZEN SUITS

SEC. 12. This Section would authorize the institution of citizen suits alleging violation of the Act or regulations, orders, or permits issued pursuant to the Act. Prior notice to the appropriate department or agency would be required.

REPEAL OF SMALL WATERSHED PROGRAM EXEMPTION

SEC. 13. This Section would repeal Section 3 of the Act of August 12, 1958 (72 Stat. 563), which added Section 12 to the Watershed Protection and Flood Prevention Act. Sec. 12 requires notification to the Secretary of the Interior whenever the Secretary of Agriculture approves the furnishing of assistance to local sponsors in preparing work plans for small watershed projects. It also provides that no funds may be transferred from the Department of Agriculture to conduct fish and wildlife studies related to such work plans, although such studies by the Secretary of the Interior are authorized. Placing the small watershed program under the Coordination Act makes this section no longer necessary.

DEVELOPMENT AND PROMULGATION OF RULES AND REGULATIONS

SEC. 14. This Section would provide for the development and promulgation of rules and regulations by the Secretary of the Interior, after notice and opportunity for full participation by relevant Federal agencies, State agencies, and other interested parties, both public and private, as may be necessary or appropriate to carry out the provisions of this Act.

KATHLEEN M. MASON

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. FISHER. Mr. Speaker, I am always delighted to hear that one of my constituents has been recognized for outstanding achievement especially when this recognition is given to a Federal employee in appreciation for a suggestion that saves the Government substantial money.

Ms. Kathleen M. Mason, a resident of Fairfax County, was awarded $1,593 for a suggestion which will save her agency, the Nuclear Regulatory Commission, more than $190,000 per year in preparing transcripts of the Licensing and Appeal Board hearings and ACRS meetings. This incentive award, the highest ever awarded by the agency, will do much to encourage others who are employed in the Federal agencies to think of ways which can save the Federal Government, and thus every Federal taxpayer, money. I want to express my appreciation to Ms. Mason for her efforts and to the agency for recognizing the value of incentive awards and encouraging its personnel to seek them.

SOVIET JEWRY

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. STEERS. Mr. Speaker, the Jewish people in the Soviet Union are faced with a system of persecution planned and executed by the Soviet Government which is in direct violation of several signed international agreements concerning religious freedom. During the past year the Soviet Government has sponsored an anti-Semitic media campaign designed to stir up resentment against Soviet Jewry.

While making life increasingly harsh for Jews living in the Soviet Union, the Soviet Government has refused to comply with international agreements, signed by the U.S.S.R., that guarantee freedom of emigration, including the Universal Declaration of Human Rights—article 13, section 2, the International Covenant on Civil and Political Rights—article 12, section 2, and the Helsinki Declaration—Basket 3.

It has been reported that there are roughly 2,000 refuseniks, or Soviet Jewish citizens whose emigration petitions have been continuously denied, and who have suffered greatly during the process. In addition to these men, women, and children who have been deprived of their basic rights because of their desire to leave the U.S.S.R. there are many other Jewish "prisoners of conscience" who are suffering in labor camps, mental hospitals, and in prisons because of their desire to emigrate.

The status of Soviet Jews is not improving. Instead, recent accounts seem to point out that the situation is seriously deteriorating.

On August 1, 1975, the U.S.S.R., along with 32 other European States. the U.S.A., and Canada signed the final act of the Conference on Security and Cooperation in Europe—commonaly called the "Helsinki Declaration." By signing this important document, member countries expressed their support for free movement of people, ideas, and information. The final act contains three main sections or "baskets." Each one deals with cooperation in various spheres of activity: security—Basket One—economics, science and technology, and the environment—Basket Two—and humanitarian and other fields—Basket Three.

In the "Human Contacts" section of Basket Three the member countries agreed to . . . "Make it their aim to facilitate freer movement of contracts, individually and collectively, whether privately or officially, among persons, institutions and organizations of the participating States, and to contribute to the solution of the humanitarian problems that arise in that connection." They also agreed to "deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their family." Also included in the Act is a very important statement in which the member States agreed that "In the field of human rights and fundamental freedoms, the participating States will act in conformity with the purposes and principles of the Charter of the United Nations and with the Universal Declaration of Human Rights. They will also fulfill their obligations as set forth in the international declaration and agreement in this field, including inter alia the International Covenants of Human Rights, by which they may be bound."

The final statement is extremely important because in it the Helsinki signatories promise to implement the Universal Declaration of Human Rights, which explicitly states in Article 13/2: "Everyone has the right to leave any country, including his own, and to return to his country."

The U.S.S.R. has not fulfilled its commitments under the Helsinki Declaration, and must be called upon to do so. Local, national, and international Jewish organizations have worked ceaselessly to help Soviet Jews and encourage the U.S. Government to be more active in working towards a solution. The Russians must understand that the United States will not be bullied out of insisting on Soviet compliance with the Helsinki Declaration. The Soviets will, no doubt, call this interference in their internal affairs, but this is obviously not the case. They are only being asked to abide by signed agreements, and the U.S. Government must not relent in seeking full compliance with the Helsinki Accords.

NOTICE OF HEARINGS

HON. DAVID E. SATTERFIELD III

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. SATTERFIELD. Mr. Speaker, the Veterans' Affairs Subcommittee on Medical Facilities and Benefits tentatively plans to hold hearings on Tuesday and Wednesday, July 19 and 20, 1977, in room 334, Cannon House Office Building, to review the study made by the National Academy of Sciences on "health care for American veterans" as amended by Pub-

lic Law 93–82, the Veterans Health Care Expansion Act of 1973.

If Members have questions concerning these hearings it is suggested that they contact the subcommittee staff at 225–9154 or 9164.

REMARKS ON THE B–1 BOMBER

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. PRESSLER. Mr. Speaker, as an Army veteran of the Vietnam war, I have been deeply concerned about our national defense. I have been active in both the American Legion and the Veterans of Foreign Wars—both as a private citizen and in Congress—to be sure that our national defense is adequate. However, this does not mean that I buy any proposed weapons program. Having served in the Army during the Vietnam era, I have become convinced that we must modernize and change many of our weapons systems to bring them up-to-date, and also to save money. One such controversial program is the B–1 bomber program. I recently voted against the total 244 B–1 bomber program, because I feel that our national defense would be stronger with a bomber/cruise missile capability as part of our Triad system. A much smaller number of B–1's combined with other carriers which could support cruise missiles, would be a better alternative.

I voted against continuing with the total 244 B–1 bomber program, because I have serious misgivings that it would add more to our national defense than a bomber/cruise missile combination. I also have serious misgivings concerning the level of technical development of the aircraft. I did, however, vote for the amendment which would have provided funding for continuing research for the B–1 because I feel there could well be a place in our Triad defense system for the aircraft.

The original design for the B–1 bomber promised a superior aircraft—an aircraft that could attain a speech of mach 2.1—over twice the speed of sound—had improved maneuverability, increased hardness against nuclear blast and provided greater safety features for the men piloting the planes. But the continuing difficulties in costs and design of the B–1 bomber have resulted in substantial changes in the aircraft. The model now being considered for implementation would have a maximum speed of only mach 1.6. Much of the instrumentation and equipment now used in the B–52 fleet would be adapted for use in the B–1. While the B–1 would be capable of cruising at roughly twice the speed of a B–52, that supersonic capability would not be available during the most critical portion of its combat mission—the dash at low altitudes over enemy territory.

The B–1 was designed to penetrate below the defensive radar detection threshold, but continuing improvements by the Soviets in their air defense systems has greatly reduced the B–1's potential for penetrating and delivering its nuclear payload. Officials at the Department of Defense have stated that the Soviets have deployed a highly sophisticated air defense system consisting of thousands of radar units, several thousand all-weather interceptor aircraft—including supersonic fighters—and approximately 10,000 surface-to-air missiles—SAM's.

In the event the Soviets improve their MOSS airborne warning and control aircraft, which is similar to our AWACS system, they would be capable of detecting low-flying aircraft over land. The Soviet Union also has the capability of developing and deploying interceptors equipped and armed with the "look-down, shoot-down" capability, which our F–14 and F–15 fighters can accomplish, rendering the B–1 even more vulnerable.

The cost of producing this aircraft has risen to alarming proportions. Each B–1 will cost approximately $100 million to build. The total program, consisting of a fleet of 244 planes, would cost nearly $23 billion. This figure does not include the costs for operation and maintenance, nor the large amount of fuel the B–1 consumes. Operating the B–1 will be much costlier than our present B–52 bomber fleet.

I believe we should be beefing up our defense Triad by channeling funds into more effective defense alternatives—such as hardening our ICBM silos and establishing a force of standoff cruise missile equipped bombers. Funding to harden the silos at Ellsworth Air Force Base would, for example, protect a more viable component of the Triad—Minuteman missiles stationed at the base. I do believe, however, that the manned bomber fleet can play an important function within the Triad. But with the Soviet advances in air defense technology, I feel the most effective solution is to continue improving the ICBM's, SLBM's—submarine launched ballistic missiles—and implementing the wide-bodied, standoff bomber fleet equipped with the cruise missile.

Cruise missiles fired from a wide-bodied bomber fleet that would "stand-off" the perimeter of the Soviet defenses, have many advantages over the manned bombers designed to penetrate enemy territory. Greater numbers of cruise missiles could be launched from the stand-off force, and if a sudden decision were made to halt the attack, the missiles could be recalled and self-destruct. The cruise missile has another major advantage over porduction of the B–1, and that is the costs. Each cruise missile costs approximately $1 million and the total program would cost between $5 and $8 billion compared to $23 billion for the B–1 bomber program. Some authorities estimate that a force of a wide-bodied advantage over production of the B–1, bomber fleet would cost between $10 and $15 billion less during the first 10 years after the initial decision to modernize through implementation of a standoff, cruise missile launching force.

Instead of spending billions of the taxpayers' dollars on a defense program which has, at best, a cloudy future, we should be funding programs to modernize our present weapons systems and develop more strategic and tactical weapons.

U.S. CONFERENCE OF MAYORS SUPPORTS ARMS CONTROL RESOLUTION

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. MITCHELL of Maryland. Mr. Speaker, the "guns versus butter" dilemma will become an increasingly important political issue if the Carter administration attempts to balance the budget. It will not be possible for the Federal Government to meet its obligations to provide for the social welfare of the American people if military programs experience unequaled "real growth" while domestic programs fail to keep pace even with inflation.

During the debate on the first budget resolution for fiscal year 1978, I introduced a transfer amendment to shift funds from unnecessary military programs into needed domestic programs. I was proud that the U.S. Conference of Mayors supported my amendment. Perhaps better than any other public officials, the mayors of our cities realize that economic health and social well-being are vital elements of our national defense.

I want to bring to the attention of my colleagues the arms control resolution passed at the June 11–15, 1977, annual meeting of the Conference of Mayors. The mayors of our major cities put themselves on record in favor of President Carter's goal of negotiating "drastic reductions" in nuclear weapons. They urged both the administration and Congress to transfer funds saved through arms reductions agreements into meeting the domestic needs of the cities.

This arms control resolution of the Conference of Mayors indicates to me that the transfer concept is gaining legitimacy. I hope that individual mayors will attempt to educate the people of their respective cities about the danger of nuclear weapons and about the urgent need to reorder our budget priorities through the transfer amendment.

I wish to share with my colleagues the text of this important arms control resolution passed at the 1977 annual meeting of the U.S. Conference of Mayors:

ARMS CONTROL

Whereas, continued escalation of the nuclear arms race poses a direct threat to the survival of world civilization and to the national security of every country; and

Whereas, strategic arms negotiations in the past have enabled the United States and the Soviet Union to expand their nuclear arsenals both quantitatively and qualitatively instead of reducing them; and

Whereas, President Carter has declared a new policy of negotiating "drastic reductions" in nuclear arms and has proposed the eventual goal of "zero nuclear weapons"; and

Whereas, expansion of new strategic weapons systems, higher military expenditures and

increased international tensions are probable consequences of the failure to negotiate equitable strategic arms limitation agreements; and

Whereas, the U.S. Conference of Mayors continues to support a level of military forces sufficient to preserve our national defense, Now, therefore, be it

Resolved That the U.S. Conference of Mayors declares its support for President Carter's goal of achieving real reductions in nuclear weaponry; and be it further

Resolved That the U.S. Conference of Mayors calls upon the Administration and the Congress to transfer funds saved through arms reduction agreements to fund the domestic needs of our nation and cities.

FARM WIVES FOR FAMILY FARMS

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. SEBELIUS. Mr. Speaker, today, farmers throughout the Plains States and my district of western Kansas are in the midst of harvesting an excellent wheat crop. This year, as in previous years, they have responded to the call for full production and are hoping to reap the benefits of their labor. Harvest is usually both a productive and happy time. This year, however, the situation is different. The price of their product has dropped more than 35 percent in the past year to levels far below the cost of production. Storage space in elevators is so tight that some wheat will be piled on the ground.

Despite this hardship, farmers are not about to give up. They have been through many previous and trying price, weather, and credit crises before. Unfortunately, despite their tremendous determination and fortitude, economic facts dictate the possibility of losing a generation of young farmers.

In the midst of the effort to obtain assistance, an organization known as Farm Wives for Family Farms has been formed in my district. The name of their grassroots organization is self-explanatory. These ladies have been extremely active in letterwriting campaigns to my colleagues in the Congress and to appropriate officials within the White House and U.S. Department of Agriculture. They have mailed bread wrappers to point out that the cost of wrapping a loaf of bread is more than the value of the wheat in it. These farm wives have also sponsored an agricultural policy essay contest among students at the Cloud County Community College at Concordia, Kans. The winning entry was written by Kent Crosson of Minneapolis, Kans., and was entitled: "Farm Situation Out of Balance." I would like to commend this educational and factual essay to the attention of my colleagues, especially in view of the fact we will be considering new farm legislation following the July 4 break:

FARM ESSAY

(by Kent Crosson)

Farm income and expenses are out of balance. Our records show that expenses for the last four years have been heavy and income has been light.

Expense Items:	1973	1977
4430 John Deere Tractor	$13,390	$26,000
Combine 1968 Massey 510	8,180	
1971 John Deere 6600 (at auction)		17,700
Fertilizer	7.80	14.20
Taxes per acre	2.32	5
Diesel fuel, per gallon	.145	.42
Gasoline per gallon	.2999	.559
Grain bin, 3300 bushels	689.50	2,004
Income Items:		
Hard red winter wheat, per bushel	4.25	2.02

The 1977 farm situation is critical. Farmers are paying higher and higher prices for machinery, fuel, fertilizer, and repairs. While on the other hand, our income is getting less and less.

The new farm bill needs to stabilize farm prices. A target price near, or at cost of production would help us farmers keep producing. The question is—do you really want us to produce? If there is a "World Wide Surplus" of wheat, beef, and other products, then the answer is to put on allotments, either on number of acres or number of bushels produced per acre.

Second, if we cut back and get prices back up through supply and demand, are you going to allow imports to knock our prices down? A couple years ago, lamb prices were near $60, and right when our lambs were ready for market, the U.S. imported shiploads of lambs. The price dropped $10 overnight. This isn't fair. Farmers need protection in prices.

Another problem is export redtape. When we have a surplus of wheat and other countries need it, why should labor unions be able to stop shipments by refusing to load the ships? But remember that the main cause of the great depression was because of loss in farm income.

Fuel will be a big problem for farmers. Our combines and tractors aren't economical, they use huge amounts of fuel. Higher fuel prices will really hurt, but no fuel would be even worse. Surely the pleasure trips would be discouraged so machinery can run. Taxes are always getting higher, We're taxed when we buy land, on machinery to work it, we're taxed each year we own it, and we're taxed on what we make on it. Outside investors inflate land values and use the farm losses to escape their tax payments.

Farmers may be the backbone of America, but this backbone is strained by the drastic imbalance between farm income and expenses.

PERSONAL EXPLANATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. MAZZOLI. Mr. Speaker, I was unavoidably absent for two rollcall votes, one on June 24, 1977, and one on June 28, 1977.

Had I been present for roll No. 376 on Friday, June 24, 1977, I would have voted "yes" to adopt House Resolution 655 to provide for the consideration of H.R. 7933, Department of Defense Appropriation Act, 1978.

Had I been present for roll No. 390 on Tuesday, June 28, 1977, I would have voted "no" on an amendment that sought to delete $239 million for the procurement of A–10 attack aircraft.

THE POTENTIAL USE OF NUTRITION IN CANCER THERAPY

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. PEPPER. Mr. Speaker, cancer is the second most frequent cause of death in the United States today. Because of mortality from cancer, the average length of life of our population is estimated at 2 years less than it otherwise would be. Research into the causes and treatment of this pervasive disease has led to the improvement of life for our citizens. We should continue our efforts and redouble them in the months to come.

Nutrition is generally recognized to be an important component of good health, but sometimes it is overlooked in the treatment of disease. We owe it to all those who have been stricken by this horrible disease and to the millions who will face its consequences in the years to come—and current estimates indicate this will be about one of every four Americans—to pursue every feasible and scientifically legitimate avenue to prevent and cure cancer.

In this regard, I would like to share with my colleagues an article which appeared in the June 27 issue of the National Observer outlining the current findings relating the significance of nutritional support in cancer therapy. This is a relatively recent development, and no doubt it will be the subject of some controversy, but I believe it deserves the attention of the Congress and the medical and scientific community. Therefore, Mr. Speaker, I insert it at this point in the RECORD.

NEW RESEARCH SHOWS THAT NUTRITION FIGHTS CANCER

By Robert A. Becker

Doctors have a word for it: cachectic. It means emaciated, debilitated, wasting away. It happens to most terminal cancer patients as the body and the tumor compete for nutrients.

Now some cancer researchers think they may have a strategy for reversing it: nutrition therapy. Better nutrition, they say, might reverse a patient's debilitation, improve the quality of his life, and lengthen his survival by making him better able to withstand the rigors of cancer therapy. Some health care experts even suggest that specially formulated nutrition programs one day may be used to destroy tumors.

Though there's a wide spectrum of experts' opinions on the role of nutrition in treating cancer patients, most agree that nutritional support can ward off cachexia and perhaps lessen a patient's vulnerability to the devastating side effects of cancer treatment.

Dr. Gio Gori, head of the National Cancer Institute's Diet, Nutrition, and Cancer Program, says, "A patient who would have died within six months, suffering bed sores, bleeding, and ulcers without nutritional support, might now go a year, two years, or five with adequate nutritional attention."

For most cancer patients, nutritional deficiencies stem from an acquired aversion to most foods and alteration of taste perception. "Some tumors," Gori explains, "appear to produce toxic substances that are circulated in the body and that can affect several body functions, including taste," causing meats and most other basic foods to taste intolerably bitter for many patients.

For others, nutritional deficiencies often are caused by the therapies used to treat cancers. Digestion may be hampered because a portion of the digestive system has been surgically removed. Or high-dose combination chemotherapy, the administration of extremely toxic drugs to kill cancer cells, may erode delicate intestinal membranes, causing internal bleeding, vomiting, and diarrhea.

Problems of inadequate nutrition can be especially acute for children with cancer. Prolonged radiation, a common therapy for children with certain tumors, can lead to a build-up of fibrous tissue and cause a gastrointestinal obstruction. And some drugs used to treat leukemic children produce mouth ulcers, which make it painful for the child to eat.

Many cancer-stricken children lose weight rapidly. "Therapy has to be delayed or modified downward in dosage" when a child's weight drops too much, says Dr. Daniel M. Hays, professor of pediatric surgery at the University of Southern California and a surgeon at Los Anegeles Children's Hospital. "Sometimes therapy can't be completed at all. The price is less destructive effect on the tumor and less survival time."

Evidence that nutritional support can help patients withstand therapy, and even make the therapy more effective, comes from Dr. Edward M. Copeland and Dr. Stanley J. Dudrick of the University of Texas School of Medicine and the M.D. Anderson Hospital and Tumor Institute in Houston.

Ten years ago Dudrick helped develop an intravenous-feeding technique that can supply debilitated patients a formula of glucose, amino acids, minerals and vitamins through a catheter inserted in the main vein to the heart.

Four years ago the technique was introduced at M.D. Anderson Hospital to treat cancer patients during or following surgery, chemotherapy, or radiation therapy. Since then more than 700 patients, most considered untreatable or extremely poor risks for rigorous therapy, have benefited from such nutritional replenishment.

Evidence that nutritional support can give cancer-stricken children a second chance for survival is reported by Dr. Maurice Shils, head of clinical nutrition at Memorial Sloan-Kettering Cancer Center in New York. Through a technique called a gastrostomy, in which the patient is fed through a tube inserted in an opening in the left abdominal wall, a 15-year old girl with a rare cancer of the muscle tissue was quickly brought from near starvation to her normal body weight of 115 pounds.

STARVING TUMORS?

"She was really dying of malnutrition when we talked the surgeon into doing a feeding gastrostomy," Shils recalls. "She began to respond rather quickly, and we eventually sent her home. She came back several months later, fat and alive and well."

Some researchers even hope that nutrition can actually starve out a tumor. Says Gori: "Tumors, like normal tissue, need amino acids to grow. What we've observed is that certain tumors need amino acids in different proportions than normal tissue. It's likely, therefore, that we can influence tumor growth by limiting the concentration of these amino acids."

Others agree. One is Dr. Ross Greer, a neurosurgeon at the University of Tennessee Center for the Health Sciences. He and a team of nutritionists, biochemists, pharmacologists, and other physicians are studying the effects of depriving the glioblastoma tumor, a highly malignant brain cancer, of nutrients.

"We take a piece of the tumor tissue which of these amino acids the tumor uses to construct itself, to build and grow. And the material it uses is essential amino acids, just like the body, only it uses them in an abnormal way. Once we find out which of these amino acids the tumor uses most, we lower that one particular amino acid so the body gets what it needs, but the tumor is being effectively starved."

Greer tells of a 45-year-old woman who has survived a year longer than anyone had expected following surgery and radiation therapy. She was offered dietary therapy in the form of encapsulated amino acid. As a result, he says, the debilitating effects of the woman's tumor are lessening, "and from a clinical standpoint, she has continued to improve."

Similar studies with glioblastoma patients are being done at the Medical College of Virginia Cancer Center in Richmond. Supported by a grant from the National Cancer Institute, in a $5.5 million national program to evaluate nutrition as a cancer therapy, the Virginia scientists will concentrate on designing special diets containing normal foods and study their effects on brain tumors.

PARENTS' PLIGHT

Some cancer researchers and clinical nutritionists hope that nutrition therapy can combat cancer by boosting the immune system. Encouraged by studies showing that malnourished children have impaired immune mechanisms, some nutrition scientists suspect it's possible to restore the immune system that has been depressed by malnutrition and by the cancer itself.

But despite growing optimism over the benefits of nutrition therapy for cancer patients, acceptance of its efficacy is still slow to attract the attention many believe it deserves.

Some parents of cancer-afflicted children, for example, complain that their doctors often know little about the role of diet and nutrition in maintaining children's ability to withstand therapy.

Beverly McGaughy, who organized Candlelighters, a group of parents in the Washington, D.C., area who have children with cancer, testified last July before Sen. George McGovern's Select Committee on Nutrition. She said that "when we as parents of newly diagnosed cancer patients asked our doctors about our children's diet, we were usually told little or nothing."

Shils of Sloan-Kettering confirms that nutrition is still overlooked in many medical quarters: "We've found that a lot of doctors interested in treating cancer are so psychologically set on the cure that they forget about the over-all individual and, in the case of children, that the child is literally wasting away. Either that, or they don't know what to do about it because they haven't been trained in this area." He adds that though most hospitals have a nutrition and diet service, few have a physician specializing in nutritional support of patients. "It's not a subspecialty of medicine yet."

The problem stems partly from "ignorance and because some nutrition news has been tainted for years with the connotation of quackery," says the National Cancer Institute's Dr. Gori. "Physicians and med schools in general have not paid much attention to nutrition. In the past, much of the information about nutrition in the therapy of disease was based on faith and not necessarily on experiments that were scientifically reproducible. That's why we're putting enough money into nutrition to see which hypotheses are reproducible and which can be used."

The cancer institute's goal, according to Gori, is to make nutritional support available to cancer patients in large and small hospitals across the country, and possibly even in patients' homes. He estimates that only "about a dozen important centers around the country" currently offer nutrition therapy.

"The ultimate approach," Gori says, "is the most difficult one: to be able to cure the patient through nutritional means. This is a long shot at this point. But there are some indications that we should study it because it's not improbable, not an impossibility."

SANDER VANOCUR: IN THE NATURE OF A FAREWELL

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. WAXMAN. Mr. Speaker, the Washington Post will shortly lose its fine television columnist, Sander Vanocur, to his spiritual home, the broadcast medium. Beginning in August, Mr. Vanocur will join ABC News.

Over the past 2 years, he has served to educate and entertain his readership on the nature of a powerful and important influence in our lives: television. His forceful commentaries on commercial television's contributions and deficiencies, the people who live it, the troubles which plague public television, the constitutional issues which were at the heart of the family viewing controversy—all served to clarify for many of the often blurred picture on the tube.

In recent weeks, he has taken the initiative in pointing out the dangers of hysterical over-reaction to violence on television—the danger that a relative few, though motivated by the most sincere concerns over the presence of violence on television, might intimidate and inhibit those who work in programing and those who wish to contribute to it.

Mr. Vanocur knows the system from the inside out. That is why when he goes back in, at ABC, he will be bringing the best of both experiences to his new job. I wish him the best.

An article from the Washington Post follows:

[From the Washington Post, June 29, 1977]

IN THE NATURE OF A FAREWELL

(By Sander Vanocur)

A critic has been described as someone who comes down from the mountain after the battle and shoots the wounded.

With this column, I am coming down from the mountain. In a few weeks, I will be joining ABC News. So this is something in the nature of both a farewell and a reflection. On such an occasion, one is tempted to sound large chords. Age and experience, however, mandate the tinkling of small notes.

When I started this work two years ago, I received a letter from a former NBC colleague, now the dean of a distinguished school of journalism. He said that when he first read about what I would be doing, he was surprised. But after thinking about it, he said it made sense, for he knew that I had always been a critic of television—even while I was working on it.

And he was right. This characteristic has been, according to other friends, either a blessing or a curse. It certainly has not been a prescription for steady work within the television industry.

The past two years have been, on the whole, a pleasant interlude. The Washington Post paid me real American dollars to sit in front of a television set day in and day out, and tell readers what was good, what was bad and what defied description of any kind.

But The Post also wanted something else. It wanted me to write a column twice a week to tell all of you what all that viewing meant. That was easy. All you have to do was follow sports columnist Red Smith's advice about writing a column—open up a vein and bleed it out, drop by drop.

I would like to be able to tell you that over the past two years I had a clear idea about what service a television column should perform. But that is not necessary. If you have read these musings faithfully, you are perfectly aware that I did not have a clue.

If there has been any general rule motivating me, it was only that there be no general rule. I wanted the column to be entertaining and informative. And on some occasions it was. What I did not want it to be was cruel. But on some occasions, I fear it has been.

That was not intentional. It has never seemed to me that a television column should be used exclusively for target practice against individuals or institutions. Venting spleen may be marvelous for one's own ego. I am not sure that it is helpful to readers who look upon television as a powerful force in our society and seek to understand its workings.

That was always a problem with the column. How do you balance the necessity to be entertaining but at the same time informative about television? I'm not exactly an ingenue in this business, and I know exactly what happens when a reader is confronted with a choice between reading about Sonny and Cher or yet another column about the pros and cons of "the family hour."

Yet it was absolutely necessary to use the column from time to time to write about issues like the family hour which seemed to me to be a direct assault on the freedom of expression and the talents of people who write and produce television programs. These columns may not have been entertaining, but they were necessary.

The sound of the small notes tinkling grows fainter. There is not much more to say. There are no regrets, no looking back, nothing but the expectation of returning from whence I came. I thank you for your attention.

THE B-1 BOMBER

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. KOSTMAYER. Mr. Speaker, I rise to commend President Carter for his courageous decision not to approve funds for production of the B–1.

The people of Pennsylvania's Eighth Congressional District sent me here partly, I believe, because of my persistent opposition to the B–1 during my campaign last fall, and my promise to vote against funds for deployment, as I did this week in support of the amendment by the gentleman from New York (Mr. ADDABBO).

President Carter, too, opposed the B–1 during his campaign, and I know a lot of Americans voted for him as a result. But, in recent weeks there has been some question as to whether the President would reverse his position. I am glad that his independent, openminded, and very thorough review of the B–1 reaffirmed his original opinion.

President Carter has the confidence of the American people in numbers larger than those enjoyed by other recent Presidents at comparable stages of their administrations. This is so because he senses and is guided by the mood and feelings of our people. For example, in the B–1 case, he knows the people want a strong national defense, but not one gained at the expense of waste and dubious strategic advantage.

I extend the thanks of the citizens of the Eighth Congressional District of Pennsylvania to President Carter for making such a wise choice on the B–1.

CLEAN WATER

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. JEFFORDS. Mr. Speaker, today, along with my distinguished colleague from the great State of Tennessee, Mr. JONES, I am pleased to cosponsor a bill on a subject of considerable concern to the Nation. It proposes a program to help achieve the Nation's goals for clean water through the implementation of the water quality plans developed in response to section 208 of the Federal Water Pollution Control Act.

It may come as a surprise to some of our colleagues that such a program is needed. We have, after all, provided over $18 billion in grants for the construction of municipal and industrial water treatment facilities, making this program the largest public works program in operation today. But waste treatment, despite its importance and high cost, is only part of the water pollution control problem. Of even more serious magnitude on many streams, and certainly a different and more difficult problem to cope with, is the type of pollution commonly referred to as nonpoint source pollution.

Nonpoint source pollution is important because, on many streams, it alone will result in unacceptable water quality even if all the other sources of pollution are controlled. It is difficult, because it is diffuse—it comes from everywhere—and the methods of control that have been proven effective with respect to municipal and industrial wastes will not work. It is of particular concern to those of us interested in American agriculture, because the strategy and programs developed for controlling nonpoint pollution will have their most direct effect on American farmers.

In dealing with point source pollution, we have been dealing with materials flowing from the end of a pipe. We could measure the materials, determine their adverse impact on water quality, develop appropriate treatment facilities to reduce those impacts to acceptable levels, and monitor the resulting effluent to assure that the treatment is effective. Such a program has not been easy, and certainly not inexpensive, but it has been possible.

With nonpoint sources, we are dealing with pollution that springs from large areas of land, often in response to climatic events such as heavy storms that can scarcely be predicted, let alone controlled. Such pollution can not be easily be measured, treated, or monitored. Control devices such as effluent discharge limits, permits, or fees are inappropriate. The strategy of controlling nonpoint source pollution through some sort of regulatory mechanism would mean regulating every land user—and virtually every land using activity—in the Nation. Such a program is both unthinkable and impractical.

The only strategy that is realistic in dealing with nonpoint source pollution is one that achieves the maximum possible voluntary cooperation from the private users of the Nation's lands. Nonpoint pollution can be kept within acceptable limits by controlling water runoff at its source—on every acre of land. The techniques doing this are the same as the basic soil and water conservation techniques developed over the years by American farmers and ranchers with the assistance from the programs of the Department of Agriculture.

These programs have proven that America's private land users will, if they understand the need, have the necessary technical know-how, and can afford the investment, control the water runoff, and soil erosion. Obviously, there are exceptions, and stronger measures may be needed tc compel those land users who refuse to cooperate in voluntary programs. But we must be careful in our approach to this problem. If we do not take full advantage of those millions of farmers and ranchers who are willing to control water pollution, but only need technical or financial help in doing so, we run the risk of alienating them with clumsy attempts of over-regulation. To do so would be a tragic waste of resources, a lost opportunity for achieving important national goals, and a widening of the gap between people and their government. The program we propose today can avoid these problems. It would establish a program for cost sharing and technical assistance through the Department of Agriculture that will maximize the ability of American farmers and ranchers to voluntarily control nonpoint pollution. It would take advantage of the technical expertise that has been developed within the USDA and the capability to educate, assist, and persuade the people to carry out good land management. It will get the maximum pollution control in rural America with the least money, delay, and economic impact.

We must be especially concerned with the economic impact that will result if we do not develop an effective way to assist the Nation's farmers in this massive effort. Conservation work is often expensive, but seldom do its benefits show up in the farmer's bank account. Most of the benefits accrue to the public—as they realize cleaner air, cleaner water, or better long term stability of the land resource. These public benefits merit public support for the required investments.

There is another problem that we must be concerned with, and that is the distributional impact of water quality control efforts. In analyzing the economic impact of the Nation's pollution control efforts to date, the Council on Environmental Quality notes that the smallest firms have consistently been hardest hit by the costs of pollution control. Although this has been most true for those point source treatment projects where significant economies of scale are experienced, I fear that the same effect will be realized in our attempts to control nonpoint pollution in rural areas.

The small farmer or rancher will most likely be required to make a heavier investment—on the basis of his cash flow—than the large operator. These investments, if required within a short period of time, could cause many of these small farms to go out of business. Such an effect would be intolerable, and we must be alert to the need to keep it from occuring.

Mr. Speaker, the Congress has strongly supported the need for cleaning up the Nation's waters. The Federal Water Pollution Act, while a complex and complicated piece of environmental legislation, is not the total answer. We must continue to study the problems that remain unaddressed and develop the effective programs as needed. We think the bill we offer today addresses such a problem and proposes a workable program for its resolution.

CONGRATULATIONS TO EAU CLAIRE DEBATE TEAM

HON. ALVIN BALDUS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. BALDUS. Mr. Speaker, I would like to call to the attention of my colleagues the outstanding record of the University of Wisconsin-Eau Claire debate team.

UW–EC has established the following unique record: For 7 consecutive years they have won the collegiate speech championship of Wisconsin. This year, in Seattle, Wash., they won the largest number of sweepstakes points at the national convention of the speech fraternity, Pi Kappa Delta. The two orators who represented the State of Wisconsin were from Eau Claire—Rick Hudson and Ruth Brenner. Ms. Brenner's picture appeared in the April 26 issue of the Washington Star.

In Kansas City, Mark Chapin and Paul Emmons represented UW–EC, and won the national championship in junior varsity debate. To cap this exciting season, EC won the national championship in persuasive speaking held at Fairfax, Va. Eau Claire holds fifth place out of 147 schools in the Nation, in its total record at the national tournament.

The coaches of this team, Grace Walsh, director of forensics, and Robert A. Lapp, assistant director, deserve to be proud of this fine record, as well as of the over 100 trophies that are now displayed in a magnificent new trophy case constructed in the fine arts building of the Eau Claire campus during this season.

I congratulate the coaches and the team for their fine performance in this year's oratorical contests.

HUMAN RIGHTS AND THE BALTIC STATES

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. DERWINSKI. Mr. Speaker, the continuous pattern of abuse of human rights in the Soviet Union is clearly visible when one studies the plight of the Baltic States,—Lithuania, Estonia, and Latvia. These countries and their unique, wonderful people enjoyed independence between World Wars I and II, before they were conquered by the Soviet Union.

I would like to direct the attention of the Members to an article in the July edition of the Latvian Information Bulletin. The article follows:

HUMAN RIGHTS AND THE BALTIC STATES

Following is an excerpt of the remarks made by Jonas Jurasas at the Human Rights Conference of the American Council for World Freedom, held in Washington, D.C. on May 19, 1977. Mr. Jurasas is a Lithuanian theatrical director who has personally encountered conflict with the Soviet authorities over his choice of theatrical material. He arrived in the United States in 1976.

The question of human rights in the Baltic Countries has been non-existent for over 30 years.

From 1940, when Estonia, Latvia, and Lithuania were forcibly incorporated into the Soviet Union, their people have lived in the shadow of overwhelming terror. One-third of the Lithuanian population was killed, deported to Siberia, or somehow escaped to safety in the West. Even in the face of this terror, there was and still is a spirit of resistance.

For more than 10 years after World War II a determined guerilla warfare was waged, at the loss of over 50,000 lives. Who could think of human rights at a time when people were being systematically tortured, killed, or routinely sentenced to 25 years in labor camps. This automatic sentence became known as 'the Lithuanian sentence.'

After Stalin's death, there came a resignation to the fact that physical resistance could no longer be waged. The people must first survive, and in surviving must rally around their saving hope: their cultural values.

Beginning in the 1970's, a wave of dissidence—cultural, political, religious, and intellectual—began to slowly sweep across the Baltic countries . . .

In particular, we protest the assimilation, or Russification, of our cultures, which we regard as cultural genocide. Factories for Russian products, manned by Russian workers, dominate our urban centers. In Riga, Latvia, alone, it is estimated that only 30% of the population is still native Latvian. Our churches are systematically destroyed. Our native art is severely censored. Our children go to schools which not only do not allow the teaching of precious religious and cultural heritage, but also force them to learn and practice a foreign Soviet ideology.

Since the Helsinki Summit, the oppression of religion in all the Baltic states has increased, not decreased. Baptists and Lutherans in Latvia have recently cited the burning and vandalizing of churches, as well as the elimination of 'illegal' printing houses for religious literature.

We are also alarmed at the denial of the fundamental right of freedom movement. Our citizens are severely restricted from simple change of residence from one city to another within the same country. Written requests for such changes of residence are required, and undergo prolonged and intensive scrutiny, with only a few being approved by special permit. If this illustrates the difficulty in simply moving from one city to another within the country, you can surely imagine the almost impossibility of requests to emigrate to a different country, even another Soviet country. As a personal example, my wife's father, Antanas Sluckas, has not been allowed to even *submit a request for a visit* to this country. A more well-known example is that of Janis Donins, the Latvian Olympic athlete, who had to struggle for more than 4 years to obtain a permit to be reunited with his American wife and daughter.

On a different level, even the simplest communication through the mail is restricted. Josef Gurvich, a Latvian, has sent more than 400 registered letters from the United States to friends and relatives in Riga. Of these 230 were confiscated, and the remaining 170 have not been acknowledged with the required signature of the addressee. In addition, parcels are heavily taxed, and certain items such as medicine are not even allowed. In general, the basic human reachings for loved ones, through the mail, or by telephone, are cruelly and inhumanely hindered.

In final summary, this struggle for human rights, reflected in 'The Chronicle,' 'The Dawn,' and other underground publications now available in the West, is not the isolated cry of just a few dissident individuals. It is the voice of our people. To illustrate how desperately our people want to be heard, issue #5 of 'The Dawn' published an open letter to the Italian, French and Spanish leaders of communist parties, pleading with them to intercede in our behalf with the Soviet party. This is particularly noteworthy, since recent news from our nations indicates that with our increasing protests, there is an ominous and relentless return to Stalinist measures by the Soviet authorities. And so we are crying out to *anyone* who will listen.

In brief, we are so desperate because we see ourselves not just as enslaved colonies, but in fact, endangered species! And if you allow us to become extinct, who will then be next?

And so, in behalf of the waiting people of Estonia, Latvia, and Lithuania, I beg you: 'Having heard this, pass it on to someone else.'

NEW ALLOTMENT PROGRAM FOR COTTON INDUSTRY

HON. DAVID R. BOWEN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. BOWEN. Mr. Speaker, yesterday the House Agriculture Committee obtained a rule for consideration of H.R. 7171, the Agricultural Act of 1977. At the same time that this action was being taken, the Subcommittee on Cotton of the House Agriculture Committee unani-

mously approved a new allotment program for the cotton industry.

This new program was the product of deliberations worked out within the cotton industry through the Producer Steering Committee of the National Cotton Council and has the unified support of the Nation's cotton industry. It is also estimated to be less costly than the program presently in operation.

Since the Cotton Subcommittee was not able to complete its consideration of this proposal in time to have it reported by the full committee in H.R. 7171, it is my intention, as chairman of the Cotton Subcommittee, to offer it on the House floor as an amendment to H.R. 7171 when this bill is debated in mid-July.

Mr. Speaker, I have caused the amendment to be printed in today's RECORD pursuant to the rule. Members who desire to read the full text of the amendment will find it in the section reserved for noticing amendments.

NATIONAL ENERGY POLICY

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. ABDNOR. Mr. Speaker, in keeping with the spirit of a national energy policy I am introducing H.B. 8122, a bill designed to expand the use of nonconventional energy sources. The vitality of the United States depends on the availability of economic fuels. As fossil fuel resources are depleted, their cost escalates. Ultimately, their scarcity will jeopardize our transportation unless processes are developed for obtaining fuels from renewable resources—biomass. Fuels from biomass can provide clean, convenient energy resources for our Nation.

My bill provides for research contracts to develop processes for converting biomass to fuels; specifically, to research the various uses of grain or grain products and wood and other forest products in the development of fuels.

Methanol—wood alcohol—and ethanol—grain alcohol—have both been considered additives for gasoline. Technically, their use as an automotive fuel is completely feasible. The only restrictions on their use are those of economics and supply.

Methanol is a widely used chemical with an annual U.S. production of approximately 1 billion gallons per year. Test data of studies performed at MIT indicate that a blend of 10 to 15 percent methanol with gasoline provides for the optimum efficiency level, resulting in increased power over ordinary gasoline and reduction in automobile pollution levels while requiring no engine modification. Estimates conclude that less than 1 percent of the total national forest acreage is required to produce a 1-year supply of this gasoline.

The use of grain alcohol in a blend with gasoline as a fuel was widespread in a number of countries around the world in the 1930's and 1940's when petroleum was in short supply.

After the war this source was eliminated in favor of gasoline produced from crude oil. The reason for this change was an economic one, as alternative fuels could not compete with the flood of cheap, available crude oil. However, with the recent increase of prices due to the Arab embargo and shortage of oil supplies, the feasibility of renewing this process has once again surfaced.

Since grain supplies are limited and would not provide a sufficient amount of fuel on a large-scale basis, specialized limited uses may be feasible in certain areas of the country, especially the Midwest.

Through research efforts in this field, the use of ethanol and methanol as an automotive fuel, among other uses, could make a significant contribution toward relieving the "energy crisis" and reducing this country's dependence upon foreign sources of petroleum.

THE TIME FOR NATURAL GAS DEREGULATION IS NOW

HON. DAVID C. TREEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. TREEN. Mr. Speaker, the time for deregulation of the price of new gas is now. Are memories so short that we do not remember the gas shortages of last winter? Has everyone seen the predictions that the gas shortage this winter will equal or exceed the shortage of last winter?

While deregulating the price of natural gas will not immediately solve a problem caused by years of Government control, it is the long-range solution.

The artificially low price of natural gas has discouraged production. I think you will find interesting a letter written by Ken G. Martin, president of Martin Exploration Co., to the Louisiana Department of Conservation requesting cancellation of 11 drilling permits issued by the State, and announcing that he was canceling plans for an additional 23 wells. All were potential gas wells. To my knowledge, this is a totally unprecedented action.

Martin's cancellation of 34 wells represented over $31 million worth of gas exploration, and the equivalent of drilling over 75 miles of hole. Martin's reason for canceling the proposed wells is very clear:

In Martin's case, every single well it is cancelling was planned and the leases acquired on the presumption that President Carter's free market promise for undedicated gas would be kept and we could expect a price equal to at least the risk discounted replacement cost (approximately $2.25/MCF with 15%/year escalation) for such gas. President Carter's proposal rolls back our anticipated price to $1.42/MCF (which is itself subject to a further rollback to $.52/MCF) for wells drilled either within 2½ miles of or less than 1000 feet deeper than another producing well. Not only do all of Martin's wells fall into this category, but so do more than 95% of all wells drilled in the onshore and State owned offshore areas of south Louisiana, our country's most prolific gas producing area. The Carter policy thereby writes this area off completely, and in effect withholds from the consumer major gas reserves needed now.

The Energy and Power Subcommittee recently voted to deregulate new natural gas. The issue is now before the full Interstate and Foreign Commerce Committee and hopefully will soon be before the House. I urge all of my colleagues to read Mr. Martin's letter reprinted below and bear it in mind when it comes time to vote on natural gas deregulation:

METAIRIE, LA.,
May 13, 1977.

Hon. R. D. SUTTON,
Chairman, Department of Conservation, State of Louisiana, Baton Rouge, La.

DEAR MR. SUTTON: Martin Exploration Company, one of the State's most active and aggressive oil and gas producers, hereby requests that you cancel the 11 drilling permits that your office has previously granted us, effective immediately. These permits involve drilling costs of $10,000,000 and 130,000 feet of hole and represent 11 wells which were to be drilled during the next few months, possibly in time to impact on our coming winter energy needs.

In addition, Martin Exploration is suspending its plans for 23 other wells, together representing additional drilling costs of $21,000,000 and an additional 268,000 feet of hole. These wells, essentially all of which are potential gas wells, were budgeted for year-end.

Martin Exploration believes that it has no alternative but to take such action in view of the extremely naive and tragically ill-conceived Carter energy plan which, if enacted, will reduce incentives for producers to an uneconomic level.

In Martin's case, every single well it is cancelling was planned and the leases acquired on the presumption that *President Carter's free market promise* for undedicated gas would be kept and we could expect a price equal to at least the risk discounted replacement cost (approximately $2.25/MCF with 15%/year escalation) for such gas. President Carter's proposal rolls back our anticipated price to $1.42/MCF (which is itself subject to a further rollback to $.52/MCF) for wells drilled either within 2½ miles of or less than 1000 feet deeper than another producing well. Not only do all of Martin's wells fall into this category, but so do more than 95% of all wells drilled in the onshore and State owned offshore areas of south Louisiana, our country's most prolific gas producing area. The Carter policy thereby writes this area off completely, and in effect withholds from the consumer major gas reserves needed now.

If the producer is freed from the rigors of controls and if he could expect free market wellhead prices that justified his risk and expense, our current oil and gas shortage would be substantially relieved as producer activity and efficiency would sharply increase. By virtue of having such essential incentives, we could then reasonably expect recoverable domestic oil and gas supplies to last well into the next century at prices cheaper than available from our alternate energy sources, thereby solving our current energy problem and effecting a smooth transition from the oil and gas age to the next.

Our once bold and magnificent oil and gas industry is today emasculated and in complete chaos. Producers are scared. It is impossible to plan. We are afraid to drill because our production might be confiscated through taxation, price rollbacks or contract intervention. Today's grand plans are tomorrow's

waste-basket trash as new rules and regulations control, delay, inhibit and destroy.

When the seemingly extinction-proof turtle senses danger, it withdraws to the security of its shell and does nothing. Out of unmitigated fear of the President's egalitarian ideas, of his disregard for the importance and viability of our industry and of his failure to understand the energy problem, Martin Exploration likewise withdraws to do nothing. Through our hopefully temporary inaction, together with that of others who might choose to join us, we leave President Carter the fruits of said inactivity (100% of nothing) to divide up and spread to the wind.

Yours very truly,

KEN G. MARTIN,
President.

DOUBLE DIPPING

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. STEERS. Mr. Speaker, in debating the Defense appropriations bill today, the phrase "double-dipping" has been used often, and generally with a negative connotation, as though individuals who are retired military personnel now working for the Government, were thieves in the night, robbing the American people. Many arguments have been presented in favor of adopting a provision which would require retired military personnel who go to work for the Government after October 1 of this year to give up their military retirement pay. Some say that this legislation will save vast sums of money. Others say that this proposal is fair because individuals in private industry are not retired on pension and then rehired with the same company.

I cannot agree with these statements. Based on my appraisal of the facts, I do believe that the military retirees are anything but thieves in the night. The Congress could be accused of this however, if we enact the prohibitions being debated today, for we will have taken away benefits which we promised years ago as an inducement to make the military a career and which were earned through years of service. This erosion of benefits causes me concern, for I wonder if we will have people willing to dedicate their lives to the military if we keep changing the "benefits rules" in the middle of a 20- to 30-year career.

The phrase "double-dipping" is itself faulty, for it implies that someone is getting something for nothing. I am sure that many of us agree that career military people have earned their retired pay. As I said however, some have been arguing that this proposal is fair because there are no corporations which retire their employees and then rehire them with a salary. This may be so, but I know of no corporations which require their employees to retire in their 40's and 50's because they have "failed to be selected for promotion"—as happens constantly in the military. These people are forced to retire at a time when their children are in college and the bills are the highest of a lifetime. Thus, nothing is gotten for "nothing" and those individuals who retire—whether voluntarily or against their will—should be allowed to use their retirement time any way they please. If the retiree chooses to go fishing for the rest of his life—he can keep his retimement pay. If he goes to work for private industry, he can keep his retirement pay. Only if he choses to go back to work for the Government does he lose his retired pay—under the proposal being debated today.

Some say that these so-called "double dippers" cost the Government millions of dollars per year when they come back into Government service as civilians. The logic of this argument totally escapes me, for the retiree would receive his retirement pay regardless of whether or not he went back to work. By coming back to work for the Government, we are able to hire a qualified, experienced individual. If we discourage hiring retired military people, we will undoubtedly see less experienced, less qualified individuals being hired in their stead and paid the salary that otherwise would be paid to a retiree. Finally, the retired regular military officer who returns to Government service must presently give up 50 percent of his pension after the first $4,045. Thus, it appears to me that the so-called "double dipper" does not cost the Government any extra money. He would get his retirement pay regardless of what he did on retirement, he offers tremendous experience and expertise from which the Government can continue to draw, and the regular officers actually return half of their retirement pay to the Government—which would not happen if they did not choose to work for the Government.

Finally, even if I were to concede the various arguments which have been set forth by the proponents of this legislation, I think that basic fairness and equity would require me to vote against this proposal. The effect of this legislation, requiring a forfeiture of all retirement pay by military people who go to work for the Government after October 1 of this year is so massive, and would unfairly and adversely affect the careers of thousands of military careerists, that I feel it should be rejected for that reason alone.

PROSPECT JAYCEES SHOOTERS

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. SARASIN. Mr. Speaker, teamwork, accuracy, and quality are the characteristics most often ascribed to the Prospect Jaycees Shooter Education Team.

Young people, ages 11 to 14, have joined together, under the guidance of Jaycees Bruce Woundy and Tom Howsen, to develop the skills and the perfection so necessary to marksmanship and the respect and understanding essential to the proper use of weapons.

Patience and perseverance have their rewards, and on May 21, the Prospect Jaycees Shooter Education Team won the State championship at their meet in Shelton, Conn., demonstrating skills superior to those of the 14 other teams against whom they competed.

As a result of their outstanding victory in Shelton, the children will represent the State of Connecticut in upcoming competition. The six youngsters, Maureen Macary, Donald Read, John Read, Mark D'Angelo, Frank Baker III, and Robert Allen, will have an opportunity to meet with teams throughout the country at the U.S. Jaycees International Daisy B–B Gun Meet in Sioux Falls, S. Dak., on July 8, 9, and 10.

I wish to extend my sincere congratulations to the Prospect Jaycees Shooter Education Team for their State championship and wish them every success for the international competition.

AGENCY FOR CONSUMER PROTECTION

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. KOSTMAYER. Mr. Speaker, I rise today to share with my colleagues a letter from the Governor of Pennsylvania, Milton J. Shapp, expressing his full support for the bill creating an Agency for Consumer Protection:

JUNE 23, 1977.

Hon. PETER H. KOSTMAYER,
U.S. Congress,
Rayburn House Office Building,
Washington, D.C.

DEAR PETE: The letter you and Representative Rosenthal wrote to The Philadelphia Inquirer criticizing their editorial against creation of an independent Agency for Consumer Protection hit the nail on the head. Special interest business groups have almost sole representation before the regulatory agencies and consistently swing decisions in their desired direction.

As you so clearly pointed out, only by the establishment of a Consumer Protection Agency, will consumers gain any fair measure of representation before the various regulatory agencies.

Your Consumer Protection Agency bill has my full support. As you know, we have established a PUC Consumer Advocate Office in Pennsylvania, and this week, I signed a new Bill which will provide realistic and equitable financing for this office.

We are setting up the mechanisms for true representation of consumer interests in Pennsylvania, but it is imperative that consumers achieve similar representation at the federal level. Your bill sets out to do that. Keep up the good fight.

Sincerely,

MILTON J. SHAPP,
Governor.

The Governor was kind enough to write me in response to an editorial in the Philadelphia Inquirer submitted by Congressman BENJAMIN ROSENTHAL and me. Congressman ROSENTHAL is deservedly known as the prime sponsor of the consumer protection bill in the House:

TIME TO EVEN THE SCORE—CONSUMERS CAN USE A VOICE IN GOVERNMENT

(By Representative PETER H. KOSTMAYER and Representative BENJAMIN S. ROSENTHAL)

The Inquirer recently editorialized against legislation pending in Congress to create an independent Agency for Consumer Protection. The editorial acknowledged that "consumers can use help . . . and need greater access to the (Federal) decision-making process," but concluded that a Consumer Protection Agency was the wrong approach.

We strongly disagree.

Each day hundreds of Federal officials in dozens of government agencies make crucial decisions that affect the price, quality, safety and wholesomeness of the products and services consumers purchase in the marketplace. A few recent examples will illustrate the point:

—Last year, the Federal Power Commission approved increases in natural gas pipeline rates totaling $3.3 billion a year, with billions more in rate increase requests pending.

—In 1975 and 1976 the Federal Communications Commission approved AT&T's requests for one-half billion dollars in annual long distance telephone rate increases. The commission also awarded Western Union a rate increase which is presently costing its customers an additional four to five million dollars a year.

—In 1975, State Department officials negotiated an International Coffee Agreement whose provisions permitted, if not actually encouraged * * * negotiating an International Sugar Agreement that will profoundly affect the future price of sugar.

There are two critical things to understand about these decisions and hundreds of others of equal importance to the buying public: First, they are almost always made after an adversary proceeding—much like a court proceeding—where each major party in interest has an opportunity to present its views (some proceedings, like utility or * * * trucking firm or power company); second, business interests likely to be affected by the Federal decision are always effectively represented at the proceedings but consumer interests almost never are.

The energy companies, the auto makers and car dealers, the grocery manufacturers and agri-business interests, and every other special interest business group have lawyers, lobbyists and powerful trade associations in Washington to represent them before the government (a cost partially borne by the taxpayers because IRS views this activity as a deductible business expense).

They also have Federal agencies like the Commerce and Agriculture Departments that protect their interests. The American consumer, on the other hand, has only a smattering of under-financed public interest organizations to advance his causes and no advocacy agency in Washington.

This serious imbalance in "representational opportunity" would be redressed by enactment of the ACP—legislation which has been delayed for nine years by a small but powerful group of special interest businessmen whose opposition President Carter characterized as "selfish."

The Inquirer's opposition to the Consumer Agency is premised on the mistaken notion that establishment of the Consumer Agency will not represent "real reform of the regulatory system." In fact, it is your prescription for regulatory reform ("open meeting laws, tighter conflict of interest standards, an end to the revolving door syndrome," etc.) that misses the central reason for the "capture" of our regulatory agencies by the industries they regulate.

They have been captured not because they have been infiltrated or corrupted by the industries they regulate (although that occasionally happens) but because in making regulatory decisions they hear only the arguments and views of those industries. It is this absence of hard legal, economic and scientific information from consumers and not improper business influence that causes the capture of our regulatory agencies and the breakdown of our regulatory apparatus.

Because the Consumer Agency legislation requires the abolition of existing inefficient consumer programs and the transfer into the Consumer Agency of duplicative consumer advocacy programs, the President has promised to create this agency at no additional cost to the taxpayer.

Everyone understands the urgency of regulatory reform and the elimination of wasteful government. The President's endorsement of the Consumer Agency legislation is fully consistent with his campaign commitment to cut the bureaucracy and make government more efficient and economical.

The President recognized that the proposed agency will give consumers, for the first time, a meaningful voice in the decisions that affect their lives. He also views the agency—as we do—as an effective mechanism for carrying out his pledge to cut red tape, reduce inflationary government regulation and eliminate duplicative governmental functions.

Mr. Speaker, I especially appreciate the remarks of Governor Shapp, because Pennsylvania has an outstanding record of support for the consumer movement. The Pennsylvania Department of Justice has had a bureau of consumer protection for several years, and as the Governor points out, Pennsylvania now has a legislatively authorized consumer advocate office for the public utility commission.

The Pennsylvania experience has been favorable, Mr. Speaker, and I urge my colleagues to support the creation of a Consumer Protection Agency on the Federal level.

DR. GLEN P. WILSON

HON. HARRISON "JACK" SCHMITT

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Friday, July 1, 1977

Mr. SCHMITT. Mr. President, although I am relatively new to this body, my professional experience with Dr. Glen P. Wilson precedes my Senate tenure by a number of years.

I first met Dr. Wilson in 1969 when, as a staff representative of the Committee on Aeronautical and Space Sciences, he visited the Manned Spacecraft Center in Houston—now the Lyndon B. Johnson Space Center—to help analyze conflicting points of view between the scientists and engineers. Dr. Wilson's recommendations to New Mexico's former Senator, Clinton Anderson, chairman of the committee at that time, were certainly in part responsible for the continued resolution of such issues. The final resolution was symbolized by the decision to include at least one scientist in the later Apollo flights to the Moon. As many of you know, I was that scientist, and I am eternally grateful for Dr. Wilson's sympathetic understanding of the needs and desires of the scientists in the space program.

While he is retiring from the Senate at this time, I am certain that he will continue to be an active and important force in our Nation's aeronautical and space programs.

NATIONAL CONSUMER COOPERATIVE BANK ACT

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. ROUSSELOT. Mr. Speaker, H.R. 2777, the "National Consumer Cooperative Bank Act" is expected to be considered by the House on or about July 13, under an open rule providing for 1 hour of debate. This bill represents a scheme for the creation of a new half-billion-dollar bank and a quarter-billion-dollar "Self-Help Development Fund" to assist consumer cooperatives, despite the fact that there has been no showing that the legitimate needs of cooperatives cannot be met through existing financial institutions.

The administration has stated its opposition to H.R. 2777 and has called instead for a 2-year, $20 million task force study and pilot loan program to determine whether there is a need for assistance to cooperatives and, if a need is found, to determine the appropriate means of meeting it. Congressmen LAFALCE, ASHLEY, and STANTON have joined me in introducing the administration bill, which is H.R. 6750. It is our intention to offer this bill as a bipartisan alternative to H.R. 2777 when the bill is considered on the floor.

At the time H.R. 2777 was marked up, the committee chose to proceed without the benefit of the comments of the Department of the Treasury, but Treasury subsequently submitted a letter in which it reaffirmed its opposition to the committee bill and provided detailed technical comments.

In order to assist my colleagues in their preparation for floor consideration of H.R. 2777, I am inserting in the RECORD the full text of Treasury's letter of May 9, 1977, and of its comments on the committee bill.

The material follows:

HON. HENRY S. REUSS,
Chairman, Committee on Banking, Finance and Urban Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The enclosed text will provide the Committee with the Treasury's technical comments on H.R. 2777, the "National Consumer Cooperative Bank Act."

These comments relate to H.R. 2777, as amended, by an amendment in the nature of a substitute offered by Mr. St Germain. The comments are offered by agreement with the Committee. However, as you know, the Administration does not favor enactment of H.R. 2777, as presently amended.

Assistant Secretary Altman testified before the Committee that the Administration favors establishment of an Interagency Task Force on consumer cooperatives and of a two year pilot project lending facility. The Task Force will study and report on the need for financial assistance to cooperatives, the rela-

tionship between cooperatives and the Federal Government, how needs of cooperatives are currently being met by conventional private credit sources and the need for a consumer cooperative bank. The pilot project lending facility would make loans to consumer cooperatives and provide technical assistance to its borrowers. Such proposal would be funded through a $20 million appropriation.

The attached text sets forth in concise form the several particular technical issues which the Department believes should be clarified in the present bill, a brief explanation of our view, and the appropriate recommendation for technical alteration of provisions in the bill.

The Department appreciates this opportunity to present for the Committee's consideration our technical views.

The Office of Management and Budget has advised that there is no objection to the submission of this report to your Committee.

Sincerely yours,

HENRY C. STOCKEL, Jr.,
Acting General Counsel.

TREASURY'S SUGGESTIONS FOR TECHNICAL REVISIONS OF H.R. 2777

Relating to H.R. 2777 as amended by an amendment in the nature of a substitute offered by Mr. St Germain.

SECTION 102(7)

Issue: State jurisdiction and civil rights proviso.

Existing law adequately protects the jurisdiction of states and municipalities and existing civil rights legislation adequately protects all affected parties. This unnecessary specific reference to state jurisdiction and individual civil rights would create needless controversy and confusion, suggesting unintentionally a greater state power to nullify, contradict or control the policies and practices of this Federal instrumentality than are intended to exist.

Suggestion: Delete entirely the clause beginning "provided" at the end of this subsection.

SECTION 102(11)

Issue: Authority of the Bank to borrow.

At least so long as the Secretary of the Treasury holds class A stock in the Bank, or the Bank is authorized to borrow from the Treasury, Bank borrowings are a matter of public debt management, properly to be coordinated by the Secretary of the Treasury.

Suggestion: Add, as the final clause, the language "subject to the approval of the Secretary of the Treasury."

SECTION 102(15)

Issue: Depositaries of the Banks' funds.

The general power of the Bank to deposit its funds with any member banks of the Federal Reserve System is appropriate once the Bank becomes private. So long as the Bank is a mixed ownership Government corporation, however, it is more appropriate that its funds should be deposited in the Treasury.

Suggestion: Appropriate control will be provided if the Government Corporation Control Act provisions are applicable. The suggestion made in connection with section 501 will meet this issue.

SECTION 102(17)

Issue: Exemption from Federal securities laws.

The Securities Act of 1933 and the Securities Exchange Act of 1934 already contain appropriate broad and generalized exemptions for the securities of Government agencies, instrumentalities, and sponsored corporations. The securities of existing government-sponsored farm credit agencies and banks for cooperatives are exempt in this way. No different or special exemption for the Bank's securities is needed or appropriate, consistent with existing and parallel practice.

Suggestion: Delete Section 102(17) in its entirety.

SECTION 103(a)

Issue: Narrowed base from which Presidentially appointed Directors can come.

A requirement that the Directors of the Bank not serving as representatives of Government agencies should have "extensive experience in the cooperative field" unduly narrows the base from which the President is empowered to make appointments. The President might well find it appropriate to let new voices be heard and to draw upon relevant and related experience not specifically in the cooperative field narrowly conceived.

Suggestion: Revise the last sentence of this subsection to read: "The six other original members shall not be Federal employees."

SECTION 103(e)

Issue: Nomination and voting by interest blocks.

Consistent with the general practice of cooperatives, it is assumed that the bill intends to allow all stockholders to vote for all Directors. The power of separate identified interest blocks to nominate is not inappropriate, but the bill should not imply that each block votes separately. Again, it is questioned whether a three year experience requirement will always be productive. Should the energetic and able be excluded from nomination just because they have been involved in the cooperative movement as Director or senior officer for less than three years?

Suggestion: The second sentence in this subsection should be revised to read: "Each of these classes shall nominate one or more candidates." The third sentence in this subsection should be stricken.

SECTION 103(g)

Issue: Application of "Sunshine Act" to the Bank.

The Board of Directors of the Bank is arguably a collegial body within the meaning of the Sunshine Act, 5 U.S.C. 552b, P. L. 94-409, September 13, 1976. If it is intended that the provisions of the "Sunshine Act" be inapplicable, the Sunshine Act might better be specifically made inapplicable.

Suggestion: Determine whether Sunshine Act is to be applicable.

SECTION 104(c)

Issue: Dividend on Treasury held stock.

The dividend on the Treasury held stock should reflect a simple pass-through of the Treasury's cost of money. The technical interest rate formula used in the bill, if taken literally, would place the Treasury in the position of investing long term at shorter term interest rates. Since long term rates are currently higher than short term rates, this would involve a significant and inappropriate subsidy from the Treasury to the Bank.

The last sentence of this subsection providing, in effect, for cumulative dividends payable annually may not provide needed flexibility. The Secretary of the Treasury should be free to authorize deferrals of dividends, so long as deferred dividends also bear interest.

Suggestion. Revise the third sentence of this subsection to read: "Outstanding class A stock shall receive a return, determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding obligations of the United States of comparable maturity." The last sentence of this subsection should be replaced by: "Such return shall be cumulative, but may, with the approval of the Secretary of the Treasury, be deferred in full or part from year to year. Deferred returns shall bear interest at a rate determined by the Secretary of the Treasury in accordance with the above provisions. Such return shall be paid into miscellaneous receipts of the Treasury."

In addition, in connection with section 104(c), at the time the class A stock is completely retired, the Bank should return to Treasury not simply the amount of start up capital provided, but also the share of retained earnings of the Bank attributable to use of Treasury supplied capital. If the Bank has prospective retained earnings, such a provision would provide an incentive for early retirement of the Federal equity.

Suggestion: Add to the section the following paragraph: "At the time of the retirement of the last of the outstanding shares of class A preferred stock, the Bank shall pay to the Secretary of the Treasury an amount equal to that part of the net earnings of the Bank which shall be deemed to have been earned through the use of the capital represented by the class A stock. The amount of such payment shall be determined by applying to such net earnings that percentage which is equivalent to the proportion borne by the employed capital represented by the class A stock to the total employed capital of the Bank computed monthly for the period from the purchase of the first class A stock to the retirement of the last of the outstanding shares of class A stock."

SECTION 104(H)

Issue: Tax deductibility of capital contributions to the Bank.

Associations and foundations might well make nonreturnable capital contributions to the Bank, and the Bank should have authority to accept such contributions. It is not believed, however, that such contributions should be tax deductible. It is intended that the Bank should, as quickly as possible, become a private institution.

Suggestion: Revise the last sentence of this subsection to read: "For the purpose of accepting such contributions, the Bank will not be a governmental unit within the meaning of section 179(b)(1)(A(v) of the Internal Revenue Code of 1954."

SECTION 107(A)

Issue: The authority of the Bank to borrow independently in the credit market, to guarantee obligations, and to discount borrowers' commercial paper.

So long as stock of the Bank is held by the United States or the Bank is authorized to borrow from the Treasury, obligations issued, sold, or guaranteed by the Bank should be subject to the approval of the Secretary of the Treasury. In addition, it should be made clear that the bill does not intend to preempt state legal investment laws.

Suggestion: The entire subsection should be revised to read as follows: "The Bank is authorized to obtain funds through the sale of its bonds, debentures, notes and other evidences of indebtedness. Such obligations shall be issued at such times, bear interest at such rates, and contain such term and conditions as the Board shall designate, subject to the approval of the Secretary of the Treasury. *Provided, however,* that the amount of obligations issued, sold with recourse, or guaranteed by the Bank which may be outstanding at any one time pursuant to this section shall not exceed ten times the paid in capital and surplus of the Bank. Obligations of the bank shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds to the extent not inconsistent with any applicable state law.

SECTION 107(C)

Issue: Treasury loans to the Bank.

The Bank should have a stand-by authority to borrow from the Treasury to back up obligations issued by the Bank before the class A stock has been retired. The Bank's authority to borrow from the Treasury would provide a back stop for the Bank's obligations, reducing the Bank's

borrowing costs and protecting the Government's interest in the Bank. These purposes might not be served if the authority to borrow from the Treasury expires when the class A stock is retired. The language of this section should make it clear that amounts authorized in appropriations acts are to be available without fiscal year limitation. If this is not to be the case, a purchaser of the Bank's obligations would normally demand a higher interest rate to reflect the risk that appropriations committees may not act each year to provide funds.

Suggestion: Revise the first sentence to read: "For the purpose of enabling the Bank to make timely payment on obligations it issued during the period when class A stock was outstanding, the Bank is also authorized to issue its obligations to the Secretary of the Treasury in amounts not to exceed in the aggregate such amounts as are provided in appropriations acts, to be available without fiscal year limitation, and the Secretary of the Treasury may in his discretion purchase any such obligations."

SECTION 108(a)

Issue: Bank's authority to lend.

It is appropriate that the Bank should engage in direct lending operations to eligible cooperative organizations. The Bank should be restricted to lending to eligible organizations and precluded from lending to natural persons who are members of eligible organizations.

Suggestion: Revised the text of the first sentence of this section, to read: "The Bank may make loans and commitments for loans under this subsection (a) to any organization determined by the Bank to be eligible under the provisions of section 105 of this Act." Revise the text of the second sentence to read: "The criteria to be applied and the factors to be considered by the Bank in making loans, loan commitments, purchases, discounts, and guarantees shall include an assessment of the impact of the loan on existing small businesses in the eligible organizations' business territory."

SECTION 108(c)

Issue: Bank's guarantee authority.

If the Bank is to be given authority to guarantee the obligations of organizations eligible to borrow from the Bank, the Bank should be prohibited from guaranteeing any obligations which are tax exempt, consistent with the provisions of the Farm Credit Act of 1971, 12 U.S.C. section 2204.

In addition, we would suggest that a paragraph be added to the following effect: "The maturity of the Bank's loans shall in every case be limited at maximum to the useful life of any physical asset financed. No loan by the Bank in connection with the financing of the purchase of any physical asset shall exceed in amount 90 percent of the value of the asset. In its lending activities, the Bank shall charge interest at least sufficient to cover its borrowing costs and fees sufficient to cover administrative expenses, including an appropriate allowance for bad debts.

Suggestion: Add new paragraph set out above. Add to section 108(c) the language: "The Bank shall not guarantee any instrument or indebtedness the income from which is exempt in whole or in part from Federal taxation."

SECTION 109

Issue: Tax exemption for Bank assets and income.

The Bank should at all times be subject to Federal taxation and normal nondiscriminatory state and local income, excise and property taxation. The mere fact that a declining Federal equity is involved should not create the subsidy implicit in this tax exemption.

Suggestion: Revise section 109 to read: "The Bank, including its franchise, capital, reserves, surplus, mortgages, or other security holdings and income shall be subject to the Internal Revenue Code of 1954 and to nondiscriminatory taxes now or hereafter imposed by any State, county, municipality or local taxing authority, and any real property held by the Bank shall be subject to any State, county, municipal or local taxes to the same extent according to its value as other real property is taxed.

SECTION 501

Issue: Exempting the Bank from Government Corporation Control Act restraints on borrowing deposit relationships, and investments.

Section 501 (b) and (c) exempt the Bank from those provisions of the Government Corporation Control Act which require Treasury approval (so long as the Government holds stock) of the Bank's borrowing, bank ing relationships and investment in the Federal and Federally guaranteed securities. Treasury surveillance of these aspects of the Bank's operation is essential.

Suggestion: Delete in their entirety sections 501(b) and 501(c).

SECTION 103(d) OR 105(b)

Issue: Transformation from Federal to private directorate.

Either section 103(d) or 104(b) is not consistent with the legislative intent to shift from a Federal to a private directorate first when ⅔ of the Federal equity has been retired. Section 104(a) appears to make the class A stock nonvoting at all times; accordingly, as section 103(d) is now worded, Presidentially appointed directors would be replaced by privately elected directors at the outset. It must have been intended that either class A stock was to be voting stock, or that Federal directors would be replaced only after 66⅔ percentum all stock was held by others than the Secretary of the Treasury.

Suggestion: Revise the fourth sentence of section 104(b) to read "Class A, class B and class C stock shall be voting stock * * * *"

THE DANGER THAT FACES OUR CHILDREN

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. SARASIN. Mr. Speaker, one of the highest priorities facing Congress this summer is the need to address the problem of youth camp safety. By delaying action on H.R. 6761, the Youth Camp Safety Act of 1977, the lives of the more than seven million young Americans who attend camp are being jeopardized.

Clearly, legislative inaction should be blamed for the 250,000 injuries sustained each year by children while attending summer camp. The House Labor Subcommittee on Compensation, Health, and Safety has found that a majority of these accidents could be avoided by establishing minimum Federal safety standards. H.R. 6761 gives the States impetus to enact strong camp safety laws by having the Department of Health, Education, and Welfare prepare model legislation and financial and technical assistance to the States in working out their own programs. Then, only those States which failed to comply within a reasonable time to minimum standards would come under direct Federal regulation.

Unfortunately, at present only three out of every four of the States have no effective youth camp safety programs which assure parents that their children encounter safety and health at camp, rather than sojourns with danger. Connecticut is one of these States that has implemented strong youth camp safety laws.

I wish to take this opportunity to direct your attention to a recent article in the Bridgeport Post about the stringent regulations regarding health, safety and sanitation at Connecticut summer camps. I believe the standards and procedures described in this article are illustrative of the quality and safety that all our children deserve. I respectfully submit it for the serious consideration of my colleagues.

The article follows:

STATE INSPECTORS TO MAKE SURPRISE VISITS: SUMMER CAMPS FACE TOUGH REGULATIONS GOVERNING HEALTH, SAFETY, SANITATION

(By Michael Giannotti)

Parents who may be fearful of sending their children to summer camp because they don't feel they will be receiving the proper health care were reassured today by State Health department officials who stated that every camp in Connecticut must have a camp physician licensed in the State either on call or in the camp at all times.

In addition, every camp in the State must be licensed by the State Health department and pass an inspection every year.

More than 60,000 children under 16 years of age attended Connecticut's youth camps during 1976.

The responsibility of the camp physician is to supervise the health care of the campers, to be available for emergency calls, to prepare standing orders, and to review and sign the daily health log at least weekly.

Every parent can be assured that the management of each camp in Connecticut has taken adequate safety precautions to protect the campers against accidents and they will be properly cared for if and when an accident does occur.

In addition to the camp physician, there is also a qualified person in camp at all times in charge of the health care unit. This person can be either a registered nurse, a licensed practical nurse or a person certified in Red Cross Standard First Aid and Personal Safety.

Also, all health care personnel must be certified in cardiopulmonary resuscitation.

In 1969 the General Assembly initiated the licensing of all youth camps, including day camps as well as residential camps, and broadened the scope of regulations to include health care, safety, sanitation and staffing.

As part of the effort to construct an effective program to promote safety and healthy camping, a Camp Safety Advisory Council was established.

During 1976, a total of 289 camps were covered by the State Health department's surveillance program. Of these 176 were nonprofit based, including sponsorships such as Boy and Girl Scouts, YMCA, YWCA and churches.

According to State Health department officials each camp has a water safety instructor to supervise the waterfront activities.

This, they feel, is a key person in the safety program for swimming and boating are among the most popular activities in most camps.

Qualified staff is also required for other special sporting activities such as riflery, archery, and horseback riding.

Last year 34 camps provided riflery, 94 provided archery and 38 provided horseback riding.

The State Health department's activities in the camping program run year round.

The month of November is usually the month that applications for licensure are sent out to previously licensed camps. New camps contact the State health department during that time for information and applications concerning licensing during the month.

Applications from new camps are sent to Hartford from December until the beginning of the summer, where they are then reviewed and licensed if the camp sponsor fulfills all the requirements.

Sponsors of organizations not fulfilling the requirements on the application are notified of the deficiencies and such problems have to be corrected.

The camp application must also be signed by the camp physician who has agreed to be responsible for the health of the campers.

The department policy is to inspect each licensed camp in the month of July. The inspector arrives at a camp unannounced and meets the director or his responsible designated agent.

They review corrections that have been made on last year's violations and check the camp license, which must be clearly visible.

Health records and log of cases signed weekly by the physician are checked as well as recent standing orders from the physician. The health lodge is inspected for refrigeration, hot water, isolation facilities, bed capacity and telephone with posted numbers.

Medications are checked, prescription drugs must be under lock and a special vehicle must be assigned for transporting emergencies to the hospital.

One of the most important disease prevention roles of the department's inspection program is in the attention given the area of food handling.

Food service arrangements in youth camps are held to the same sanitary standards as are restaurants and school cafeterias throughout the State.

Inspectors investigate two main areas of concern, the sources of food and protection of food after it is on the premises until it is consumed or disposed of.

The inspector makes sure that food items are adequately protected during storage, preparation, display and transportation.

Also checked by the inspectors is the equipment and utensils for cleanliness, design, construction, installation and maintenance.

In addition inspections are made of the drinking water, sewage disposal and sleeping arrangements.

After the inspection is fully completed, the inspector leaves a copy of a summary report with the director including a list of code violations. Copies of the report are sent to the camp organization and town Health directors.

Major violations such as a nurse registered outside of Connecticut, an overflowing septic system or a recurring violation must be corrected immediately with a response being sent to the Environmental Health Services division within two weeks.

SENIOR CITIZEN INTERN

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. GILMAN. Mr. Speaker, today I joined with my distinguished colleague, the gentleman from Indiana (Mr. HILLIS), in sponsoring a House resolution to authorize each Member to hire for 2 weeks each year, one senior citizen intern who will serve for that period in Washington, with expenses.

A group of us in the Congress have joined under the able leadership of Mr. HILLIS in participating in the yearly program of bringing a senior citizen intern to Washington.

I have been fortunate in having a senior citizen consultant serve as a member of my staff every year for the past 4 years.

The 26th Congressional District of New York has a senior citizen advisory committee which works closely with me on the senior citizens related problems in my district. Once a year our advisory committee selects a senior citizen consultant, who serves on my staff as a spokesman and liaison to the senior citizens in my district. To qualify, the consultant must be a retired senior citizen, 62 years or older, and a resident of the 26th Congressional District.

Our senior citizen consultant keeps me abreast of individual views and problems and, in turn, keeps our senior citizens advised of Federal legislative programs affecting them. They are also given assistance on where to seek help when they are unable to resolve problems themselves.

The Washington senior citizen intern program, held each year, has been extremely helpful in enabling my senior citizen consultant to meet with Federal officials, who deal with problems of senior citizens, and to attend various legislative briefings, giving the consultant a broader insight for dealing with senior citizen work back in my district.

The yearly visit to Washington by my senior citizen consultant has brought about a deeper understanding between me, my Washington staff, and my consultant regarding the problems of senior citizens and how to resolve them. It has provided the consultant with the opportunity to visit the various agencies involved in senior citizen work and to learn more about their responsibilities.

The adoption and implementation of this resolution would enable many other Congressmen to take advantage of the opportunity of having these outstanding senior citizens become more actively involved in the process of how our Government is run and it will give the participants an understanding and information that can be utilized to help other senior citizens in their districts. Accordingly, I urge my colleagues to support this measure.

TRIBLE INTRODUCES HOMEMAKER RETIREMENT BILL WITH 105 COSPONSORS

HON. PAUL S. TRIBLE, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. TRIBLE. Mr. Speaker, I am pleased to reintroduce today with 105 cosponsors the Trible homemaker retirement bill, H.R. 4649.

This legislation has already attracted attention in leading newspapers throughout the Nation and will soon be the subject of articles in several magazines. For the benefit of my colleagues, I would like to share three recent newspaper articles on this bill and the current list of coponsors.

COSPONSORS OF TRIBLE HOMEMAKER RETIREMENT BILL, H.R. 4649

1. Joseph Addabbo (NY).
2. Clifford Allen (TN).
3. Bill Armstrong (CO).
4. Les AuCoin (OR).
5. Robert Badham (CA).
6. Herman Badillo (NY).
7. Robert Bauman (MD).
8. Robin Beard (TN).
9. Berkley Bedell (IA).
10. Lindy Boggs (LA).
11. John Breckinridge (KY).
12. Clair Burgener (CA).
13. Caldwell Butler (VA).
14. Bruce Caputo (NY).
15. Elford Cederberg (MI).
16. Don Clausen (CA).
17. Thomas Coleman (MO).
18. Lawrence Coughlin (PA).
19. Philip Crane (IL).
20. Dan Daniel (VA).
21. William Dickinson (AL).
22. John Duncan (TN).
23. Mickey Edwards (OK).
24. David Emery (ME).
25. Millicent Fenwick (NJ).
26. Ed Forsythe (NJ).
27. Bill Frenzel (MN).
28. Richard Gephardt (MO).
29. Danny Glickman (KA).
30. William Goodling (PA).
31. Chuck Grassley (IA).
32. E de la Garza (TX).
33. Tennyson Guyer (OH).
34. Tom Hagedorn (MN).
35. Mark Hannaford (CA).
36. Michael Harrington (MA).
37. Margaret M. Heckler (MA).
38. Harold Hollenbeck (NJ).
39. Marjorie Holt (MD).
40. Jerry Huckaby (LA).
41. Bill Hughes (NJ).
42. Henry Hyde (IL).
43. Robert Kastenmeier (WI).
44. Jack Kemp (NY).
45. Thomas Kindness (OH).
46. Peter Kostmayer (PA).
47. Robert Lagomarsino (CA).
48. Jim Leach (IA).
49. William Lederer (PA).
50. Marilyn Lloyd (TN).
51. Clarence Long (MD).
52. Trent Lott (MS).
53. Marc Marks (PA).
54. Jim Martin (NC).
55. Romano L. Mazzoli (KY).
56. Paul McCloskey (CA).
57. Joe McDade (PA).
58. Bob Michel (IL).
59. Barbara Mikulski (MD).
60. Clarence Miller (OH).
61. Parren Mitchell (MD).
62. W. Henson Moore (LA).
63. Austin Murphy (PA).
64. John Myers (IN).
65. Steve Neal (NC).
66. Robert Nix (PA).
67. Mary Rose Oakar (OH).
68. George O'Brien (IL).
69. Richard Ottinger (NY).
70. Jerry Patterson (CA).
71. Claude Pepper (FL).
72. Carl Perkins (KY).
73. Shirley Pettis (CA).
74. Joel Pritchard (WA).
75. Carl Pursell (MI).
76. Dan Quayle (IN).
77. Al Quie (MN).
78. Nick Joe Rahall (WV).
79. John Rhodes (AZ).
80. Frederick Richmond (NY).
81. John Kenneth Robinson (VA).
82. John Rousselot (CA).
83. Eldon Rudd (AZ).
84. Pat Schroeder (CO).
85. Richard Schulze (PA).

86. Philip Sharp (IN).
87. Virginia Smith (NE).
88. Gladys Spellman (MD).
89. Floyd Spence (SC).
90. Arlan Stangeland (MN).
91. Pete Stark (CA).
92. Newton Steers (MD).
93. Steve Symms (ID).
94. Frank Thompson (NJ).
95. Charles Thone (NE).
96. David Treen (LA).
97. Paul E. Tsongas.
98. Robert Walker (PA).
99. William Whitehurst (VA).
100. Bob Wilson (CA).
101. Charles Wilson (TX).
102. Guy Vander Jagt (MI).
103. Don Young (AK).
104. Robert McClory (IL).
105. Ray Thornton (AR).

[From the Wall Street Journal, June 14, 1977]

PENSIONS FOR HOMEMAKERS DRAW A VARIETY OF CONGRESSIONAL SUPPORT

A 1976 law lets workers include their spouses if they have set up their own individual retirement account. But an unusual coalition of conservatives and liberals backs a proposal to let homemakers create their own retirement plan even though they didn't earn any income. They would base the plan on their spouses' income, and could contribute up to $1,500 a year in funds deductible from current income taxes.

Freshman Rep. Paul S. Trible, Jr., a Virginia Republican who has been pushing the plan, argues it "recognizes the economic value of a homemaker's work." He finds support from conservatives, who think the plan stimulates savings, as well as from liberals who view it as a women's rights measure. Farmers whose wives haven't had a retirement plan are particularly excited, he says.

[From the Virginia-Pilot; June 18, 1977]

HOMEMAKERS' CHAMPION

The hand that rocks the cradle rules the world, so it is said, and perhaps that is why freshman Representative Paul S. Trible Jr., the conservative Republican Congressman from the Fourth District, is creating such a stir with his bill to permit tax-deductible investments up to $1,500 a year in individual retirement accounts for homemakers.

Upwards of 30 million women not employed in the job market would be eligible to participate under the Trible plan, which has picked up backing from 52 other members of Congress ranging from Republican ultraconservatives to Democratic liberals. A homemaker whose spouse deposited $1,500 a year for 40 years in an individual retirement account paying 7¾ percent interest would receive a pension of $32,405 a year at age 65. The same $1,500 invested now for the same period at the same interest rate would yield $19,116. Under existing rules, a homemaker who saved $1,500 a year for retirement would pay taxes on interest earned annually. Interest earned by an individual retirement account, which Congress approved for self-employed business and professional persons a while back, is not taxed until it is collected in annual installments by the pensioner.

Conservatives and liberals like the Trible bill because it would encourage savings, thus expanding the pool of cash available for capital investment by business and creating jobs and additional revenues to finance public services. Women's groups are enthusiastic about the protections it would afford.

Mr. Trible says it would also recognize the considerable contribution by homemakers to the economy. One-third of the populace is expected to be 65 and older by the turn of the century. Some 40 percent of that third will be homemakers lacking pensions.

Ralph Nader's pension brigade, the National Organization for Women, the National Association of Life Underwriters, the AFL–CIO, and farmers' wives especially are among those who believe that Mr. Trible has advanced a great idea whose time has come. Their conviction is well based.

[From the Newport News-Hampton (Va.) Times-Herald, June 8, 1977]

TRIBLE SEEMS TO HAVE WINNER IN POPULAR HOMEMAKER BILL

(By Bill Sizemore)

First District Rep. Paul Trible wants to strike a blow for the American homemaker, and his congressional colleagues—apparently convinced he's onto something—are rushing to join him.

In March, not yet three months into his first term, Trible introduced a relatively short, simple piece of legislation that has been dubbed the "Trible homemaker retirement bill."

What Trible's bill would do, in its simplest terms, is allow homemakers with little or no income of their own to set aside part of their spouses' income in tax-sheltered individual retirement accounts (IRAs).

At last count, the bill had attracted 46 co-sponsors—Republicans and Democrats, liberals and conservatives, men and women—from all over the nation.

Popularity of the bill so far mirrors Trible's claim in a speech on the floor of the House last month that "this is a bill in which there can be no losers, only winners."

The biggest winner of all, the young congressman said, will be the American homemaker.

"At the very least," he said, "because of this bill, homemakers will be able to live with dignity in their retirement years."

Without the bill, he claimed, "most homemakers will enter retirement with little or no income, and many will be forced to stand in welfare lines."

If that was overstating the case slightly, no one has seemed to mind.

According to Trible's calculations, the tax advantages of an IRA would allow a homemaker to earn up to double the retirement income that would otherwise be available.

Under present law, any wage earner who is not a participant in any other retirement plan may establish an IRA and make annual contributions to it, up to 15 per cent of his income or $1,500, whichever is less.

Both the annual contributions and the investment earnings of an IRA are exempt from federal income taxes until the owner of the account retires and begins making withdrawals from it.

By then, most people are in a much lower tax bracket than when they were working, so their total tax burden is substantially reduced.

The present law doesn't allow a homemaker with no outside income to have an IRA unless his or her spouse has one.

In that case, if the homemaker establishes an IRA, the ceiling on annual contributions is lowered from $1,500 to $875 for each account—the homemaker's and the spouse's.

The Trible bill would remove those restrictions and allow all homemakers who aren't participants in any other retirement plan to set up IRAs using their spouses' income, up to 15 per cent or $1,500 a year.

As Trible sees it, that would erase a basic inequity in the law.

"Today," he told his colleagues, "there is only one reason why homemakers who want an IRA cannot get one: Homemakers are not paid wages for their work in the home. . . . The law defines their labor as being economically worthless."

Trible also argued his bill would stimulate the economy by encouraging people to save money, thereby making more capital available for investment, and would reduce the need for future government aid to the elderly.

ABOLISH THE B–1

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. MAGUIRE. Mr. Speaker, I regret that I was unable to be present to support the amendment offered by my friend from New York (Mr. ADDABBO) to cut off funding for the B–1 bomber.

Ironically, my colleagues, in rejecting this amendment, have accomplished precisely what they sought to avoid. The security of the United States has been compromised. In addition to the social benefits that could have been realized had even a small portion of this fund been applied to an essential domestic area such as child-care, education, or nutrition, the B–1 bomber is militarily unsound. The House of Representatives has elected to spend tens of thousands of millions of dollars on a bomber force that will augment and eventually replace the B–52 force, which, according to a 1976 Brookings Institution study, "is more than adequate now, and with minor force modifications, will remain so in the future under forseeable conditions." Clearly, with a limited supply of money and an almost unlimited array of problems on every front, we must spend our defense dollars on needed and efficient military systems, not on colossally expensive machinery that in only a handful of years will be extinct.

The Department of Defense has indicated that the Soviets have deployed an ultra-sophisticated air defense system, which employs thousands of radar units, hundreds of all-weather interceptor aircraft—including the highly-advanced, supersonic MG–23—and 10,000 surface-to-air missiles. The likely improvement of the Soviet airborne warning and control aircraft systems—particularly, the deployment of a system similiar to our own AWACS system—making the B–1 easily detectable as it approaches its target at low altitudes, would make this new bomber force, already endangered by existing Soviet air defense, even more vulnerable.

What has this body done, Mr. Speaker? It has said to the American people that 800 of their tax dollars are going to be spent every second of the day and night for an entire year on a system that has already been acknowledged to be of dubious value. A more blatant violation of Jefferson's thought that "the care of human life and happiness, and not their destruction, is the first and only legitimate object of good government," I would find difficult to imagine. We must, for the good of our undernourished; for the good of our ill; for the good of our uneducated; for the good of our elderly; for the good of the future of all of us, depart from the antiquated notion that more weapons systems always and necessarily enhance our national security. In the case of the B–1, this is demonstrably not so. Building the B–1 is based on an illusion which can only lead to greater internal and external insecurity.

I am glad the President has now announced his own opposition to the B–1

bomber, and I hope that the Congress may yet act to put an end to this wasteful and purposeless program.

THE PAY RAISE VOTE

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. FISHER. Mr. Speaker, the House of Representatives has rejected an amendment to the legislative branch appropriations bill which would have rolled back the pay raise given to high level executive, judicial, and legislative branch employees and to Members of Congress in March. I voted with the majority against this amendment. In part because it linked the fate of pay increases for senior level employees with that of increases for Members of Congress. Nationwide more than 20,000 senior Government employees would have had their salaries cut. I estimate more than 5,000 of these employees live in my district.

In my view the raise for Federal employees should never have been attached to the question of congressional raises. I had earlier tried to defeat the rule under which the debate was conducted. That rule permitted only the one amendment on the pay issue and required that amendment to deal with the broader issue of pay for all senior level Federal employees with the immediate question of pay for Members of Congress. I objected to this procedure because it obscured the real issue, which is the need for a separate recorded vote on the pay raise for Members of Congress.

In February I said that I would oppose salary increases for Members of Congress until certain conditions were met. The conditions were: One, severely limit the amount of income which a Member of Congress can earn from outside sources; two, stop the automatic annual comparability or cost-of-living increase for Members of Congress; three, defer any raise approved by Congress until after the next election; and four, an open vote on congressional pay changes separate from the vote on other governmental pay changes. These conditions have been met in large measure, although not perfectly:

One. The House has passed a strong ethics package that includes a strict limitation on Members of Congress earning income from sources other than their congressional pay. This is an important reform which I strongly supported.

Two. Earlier this week the House voted to refuse the annual cost-of-living increase for 1977 which Members otherwise would have received automatically.

Three. I am a cosponsor of a bill, H.R. 2541 to defer any future pay increase until after the next election following the vote on the raise. I believe this is a responsible way to assure orderly decisions on pay changes in the future. Originally I wanted this procedure to apply to this year's increase. However, this could not be done and a vote later this year on H.R. 2541 will apply only to future increases.

Fourth. It is important to have a vote on the issue of pay increases for Congress alone. Unfortunately the vote again this year tied the fate of senior level Federal employees to the fate of Members of Congress.

A change in the law now requires a separate recorded vote on future congressional pay raises. Unfortunately the vote today combined congressional and executive and judicial branch salaries. As I argued earlier this year, we should have to vote on our own pay and not let it go into effect without a vote, even though the pay law permits that. I still feel that way. I do not think that pay for executive and judicial branch employees should be included in the only vote that is being permitted on this issue. We cannot have a clear cut debate if we are discussing Members' pay and employees' pay at the same time. Nor can the vote be properly interpreted.

Under a law passed in 1968, the raise for Members of Congress went into effect in March of this year. It was based on recommendations from a citizen commission and was approved by Presidents Ford and Carter. The issue before the House was whether to roll the raise back after October 1—the beginning of the next fiscal year. I believe this action would have been impractical and extremely bad for employee morale. The several thousand executive level employees and senior civil servants in my district and those living elsewhere should not be forced to accept a rollback of their salaries. It would be very discouraging to people who aspire to those positions if salary levels were made uncertain and unstable.

The senior Government positions are worth the money. The position of Congressman is worth the money. These positions have received no raises for 8 years, except for a 5-percent cost-of-living increase in 1975, while the general cost of living has gone up about 70 percent. I thought that the executive and judicial salary increases—amounting to about 29 percent—were fair and should be retained.

The history of the handling of the 1977 pay raise for Members of Congress has unfortunately been one of refusal to let the raise stand or fall on its own merits. This vote was not an exception. Nevertheless I believe that I should not let my deep disagreement with the process affect the raise which Government employees have already received. My conditions have largely been met, and in the future, the process should be much improved. For these reasons I voted not to roll back the raise.

SECRETARY OF STATE VANCE ADDRESSED THE ASIA SOCIETY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. DERWINSKI. Mr. Speaker, in a major address last night before the Asia Society in New York, Secretary of State Vance laid out some general guidelines for the position of the Carter administration in the Orient. For those of us concerned about the withdrawal of forces from Korea, our worst fears about the drift of policy in Asia were confirmed. Rhetoric continues to be the substitute for substantive policy. The administration apparently refuses to recognize that the actions of the United States reflect far more eloquently than any words the nature of our presence and influence in world affairs.

Thus, one cannot but be astounded that while a massive pullout of forces proceeds in East Asia that the Secretary of State can at the same time contend that the United States will remain a major force politically, economically, and militarily. There seems to be basic refusal to recognize the fact that only if military power can be projected in an area of the world will a credible military posture exist. As we withdraw from Korea and phase down bases in Asia, we cannot contend that we have not significantly diminished our influence in the region.

Moreover, our economic power relates directly to the confidence that investors have in the willingness of the U.S. Government to continue commitments in East Asia. If we are willing to withdraw troops from Korea and apparently abandon the Republic of China, then how can we expect American businessmen to function confidently in developing markets for American products in Asia?

The most disturbing feature of the speech and the implicit policy is the apparent willingness to abandon our faithful allies in the region. The Secretary has termed friendly relations with the Communist regime in Peking as "a central part of our foreign policy." But if this is "a central part" does it mean that the continued existence of the Republic of China or the security of Korea and Japan become only peripheral parts? Quite simply the basic question must be raised as to whether we are more interested in having cordial relations with those who are our adversaries in the world than we are in continuing our commitments to those who have remained allied to us for decades? The Secretary said that our relations with the PRC "will threaten no one." But does this mean it will not threaten Taiwan?

Probably no country in the world has been a better ally of the United States than the Republic of China on Taiwan. No country has developed such a close economic relation with the United States or demonstrated how a free economy can propel a nation into prosperity. American trade last year with the ROC amounted to nearly $4 billion while our trade with the PRC fell to only $330 million, which is a 12 to 1 ratio.

Beyond trade we also have the very strange dichotomy that exists in the attitude of the administration toward the two Chinas. While we have been told that human rights is a keystone of American foreign policy, we see no evidence of such a principle being equally applied in East Asia. The administration is willing to pursue much closer relations with the PRC despite the fact that absolutely no human rights at all exist in mainland

China. We seem willing to ignore the fact that substantial freedom does exist in the Republic of China, but nonetheless, proceed to abandon this one part of China where Chinese civilization has not suffered from the Marxist-Leninist destruction.

The United States needs some consistency in the application of principles and some recognition of our own vital interest as we proceed in constructing foreign policy. Most of all we need to continue our commitments to our allies or we can expect all of our remaining alliances to disintegrate. In his speech last night, the Secretary of State laid out a general policy that contradicts all of these necessary considerations.

HUMAN RIGHTS UNDER THE LEGAL SYSTEM IN MAINLAND CHINA

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. ADDABBO. Mr. Speaker, earlier this month, Paul K. T. Sih of St. John's University of Queens, New York, attended a conference in Washington which dealt with American and Chinese relations.

The featured speaker was Dr. Liang-chien Cha, chairman of the board of directors of Tunghai University in Taiwan. Mr. Sih has been kind enough to sent me a copy of that speech which I believe would be of interest to all Members. It deals with the governmental makup of the People's Republic of China. In view of President Carter's emphasis on human rights as an integral part of his new foreign policy, I insert the speech by Dr. Cha in the CONGRESSIONAL RECORD.

HUMAN RIGHTS UNDER THE LEGAL SYSTEM IN MAINLAND CHINA

(BY DR. LIANG-CHIEN CHA)

(Delivered at the Sixth Sino-American Conference on Mainland China, Center for Strategic and International Studies, Georgetown University)

Mr. Chairman, Ladies and Gentlemen: It is an honor and privilege to address such a distinguished gathering on this exceptionally important issue.

The problem of protecting human rights has recently raised international concern. Human rights embody fundamental values that we, in the free world, all cherish. These rights are reflected in a society where equality before the law, freedom of the person, of movement, of expression, and of religion, and due process of law are assured. A system of courts free from political interference is essential to the realization of these human rights.

The concept of respect for human rights has long been embodied in the Chinese tradition. Contrary to the belief of some Westerners, the concept of restraints on sovereignty and on the sovereign ruler was not alien to Chinese tradition. It is generally true that the Chinese emperor was an autocratic ruler who accumulated all legislative, executive, and judicial powers. But his rule was not as absolute as the celebrated phrase "Oriental despotism" seems to indicate and there were definitely some limitations on his authority, especially his treatment of his subjects, both in practice and in the teachings of ancient sages.

According to the classical teachings, the emperor ruled in trust from heaven for the well-being of the people; and when he misruled, his right to rule was automatically forfeited. An ancient Chinese history book, Shan-shu says: "Heaven sees as the people see, heaven hears as the people hear." This concept that the people were the ultimate sovereign and that their interest should be the paramount concern was emphatically stated by Mencius (372–289 B. C.) who asserted that "The people are the most important element in a nation; the spirits of the land and grain are the next; the sovereign is last."

On the institutional aspect, the Chinese system of appeals for serious offenses developed and was practiced far earlier than such a system was conceived of in the West. In addition, there were censors in the government. As the "eyes and ears" of the sovereign, the censors had the duty to watch and criticize any member of the entire official system, from the highest, the emperor, to the lowest, the district magistrate. Generally speaking, most emperors found it prudent to accept criticism and advice from the censor.

Since the establishment of the Republic of China in 1912 and especially after the National Government came into power in 1929, there has been a continuous effort to modernize the Chinese legal system along a Western model and to improve the protection of and respect for human rights in China. The Constitution of the Republic of China adopted in 1947 contains many articles concerning the protection of human rights, equality of man and woman, minority people's preferential treatment, judicial independence, and others. Despite the difficulties created by the Civil War in 1946–49 and, since 1949, the constant threat of invasion by the Communist regime against Taiwan, the government of the Republic of China has made every effort, so far as circumstances have permitted, to respect for human rights within the area under its jurisdiction.

When the Chinese Communist Party (CCP) came into power in 1949, the gradual development of respect for human rights in mainland China suffered a major setback. During the period between 1949 and 1954, the legal system of the Chinese Communist served primarily as a blunt instrument of terror, as the Chinese Communist Party proceeded relentlessly to crush all sources of political opposition. The Republican legal apparatus, including the bar and law codes, was formally abolished at the outset of the Communist regime, yet it was not immediately replaced by a well-regulated legal system. How many persons were eliminated by the people's courts or public security organs during this period remains a mystery. Mao Tse-tung once acknowledged that at least 800,000 "enemies of the people" were liquidated, i.e., killed. Other sources indicated a higher figure of several million.

In 1954, the Chinese Communists promulgated a Constitution, patterned primarily after the 1936 Soviet Constitution. The Constitution paid lip service to judicial independence, equality before the law, and guarantees for freedom of the person, of religion, of movement, of speech, and of the press, as well as the right to work, to leisure, to education, and to social assistance. However, in practice the Chinese Communist judiciary remained under the control of the party and the public security organs, and none of the constitutional rights or guarantees were in fact in existence. An interesting case vividly describing the Chinese judicial practice and labor camp during this period can be found in Bao Rue-Wang's Prisoner of Mao (1973).

The 1954 Constitution was replaced by a new 1975 Constitution. As compared with the earlier one, the new Constitution is more frank. It omits the judicial independence provision from the Constitution and frankly acknowledges the placement of courts under the control of the administrative organs. It also eliminates the procuratorial organ, thus making Communist China the only country, with the possible exception of Communist Cambodia, in the world without a procuratorial system.

Although the new constitution also provides some rights for the citizens, in fact they are subject to severe restrictions. For instance, the constitution provided for citizens' rights to education and to receive material assistance (Article 27); however, class status, rather than academic merit or material need, is considered the most important determining factor in enrolling students for college and in providing substantial assistance.

From the Chinese Communist perspective, the law serves only the interests of the proletariat. The Chinese people on the mainland have been divided into the proletariat and class enemies. For instance, "five categories of red elements" refers to workers, poor and lower-middle peasants, revolutionary martyrs; and "five categories of black elements" refers to landlords, rich peasants, counter-revolutionaries, rightists, and bad elements. During the Cultural Revolution, so-called capitalist-roaders and revisionists were ruthlessly branded as black elements. The rationale is that the law serves the interests of the ruling class rather than those of all classes in society, and that the proletariat is the ruling class.

Mao estimated that "the five categories of black elements accounted for five percent of the population." This meant that forty million people were listed as class enemies deprived of all rights and social welfare and virtually unable to earn even a subsistence-level living. Even worse, anyone who defies the CCP leadership meets the same fate, for article 26 of the new Constitution provides that "the fundamental rights and duties of citizens are to support the leadership of the Chinese Communist Party. . . ."

Also, according to the Constitution, "The State applies the socialist principle: 'He who does not work, neither shall he eat' and from each according to his ability, to each according to his work." In this context, class enemies, those undergoing labor reform, the disabled and the old, who are by no means producers, are excluded from State protection and rations. However, the blackout on news about these displaced mainland Chinese who go to bed hungry has kept outsiders largely in the dark. The provisions on citizens' fundamental rights in the Constitution are nothing more than a shop window designed to mislead outsiders. Furthermore, the Chinese Communists have abolished the private enterprise system. In keeping with the principles of socialism as interpreted by Chinese Communist theory, the state has virtually confiscated most private properties and has practiced "socialist collective ownership by the working people." Disgruntled over the situation, people on the mainland engage in slowdowns, thefts and sabotage. Aware of their discontent, the Chinese Communist regime has made concessions by allowing the people to retain "small plots for their personal needs" and "small number of livestock for their personal needs" to appease or soften public anger and outcry.

Although article 27 of the Constitution provides that "All citizens who have reached the age of 18 have the right to vote and stand for election," the evidence shows that the right to vote varies with social status and wealth. For example, "the State deprives landlords, rich peasants, reactionary capitalists and other bad elements of political rights." As is well known, Communist China is a socialist "state" of the dictatorship of

the proletariat based on an alliance of workers and peasants. Yet, weighted voting is adopted in favor of workers, to the detriment of the peasants. Under the electoral law, the number of deputies to be elected from a province to the All-China People's Congress is on the basis of one deputy for every 800,000 persons, and from industrial municipalities on the basis of one deputy for every 100,000 persons. It is interesting to note that deputies to the people's congresses at all levels are supposed to be elected through democratic consultation. But through the pattern of "democratic" consultation, the Party manipulates and monopolizes all the processes of elections. As a result, elections have been relegated to a ritual practice and the common people in general can in no way enjoy the same political rights as cadres.

Freedom of speech, of assembly and of association are guaranteed in the Constitution. But there are no privately owned newspapers, magazines, radio and television stations, or publishing houses in mainland China. In short, the government exercises full control over the media, whose chief mission is so far to popularize the thought of Mao Tse-tung. Aside from the CCP, there is in fact no active political party in Communist China. Furthermore, Maoist teachings stand supreme; no other schools of thought are even allowed, as they are viewed by the CCP as heretical. In a real sense, the people on the Chinese mainland have no freedom of speech, nor even the freedom of silence. In such a closed society, freedom of speech, of assembly and of association are merely hollow slogans. Under the pretext of dictatorship of the proletariat, democratic centralism has degenerated into political jargon used by the Communists to achieve pseudo-democracy.

The Constitution provides: "The citizens' freedom of person and their homes shall be inviolable. No citizen may be arrested except by decision of a people's court or with the sanction of a public security organ." Unless there is an independent judiciary, however, the people's lives and security cannot be adequately guaranteed. Here it should be remembered that "the people's courts are responsible and accountable to the people's congresses and their permanent organs at the corresponding levels" and that "the local revolutionary committees at various levels are the permanent organs of the local people's congresses." From this it is evident that the judiciary is under the command of the administration, and that all the administrative organs are in turn under the direct control of the CCP Central Committee. Citizens may be arrested with the sanction of an organ of public security, and thus public security organs are invested with procuratorial powers and functions. Public security organs become the "razor of the knife"; and the State apparatus, including the army, the police and the courts, are the instrument by which one class oppresses all others. The wanton killings by the army, police and public security organs have cost millions of Chinese lives since the establishment of the Chinese Communist regime. Besides, May 7 cadre schools and concentration camps are set up everywhere in Communist China for reform through labor; in addition, official permission is necessary for individuals to travel from one area to another. Under these dire conditions, how can the rights of life and person, and the freedoms of speech, of residence, of change of residence and of privacy of correspondence of the mainland Chinese be protected by law?

It is common knowledge that Communists are atheists. Ironically, both freedom to believe in religion and freedom not to believe in religion are specified in the Constitution. Of 700,000 lamas in Tibet, 2,000 were massacred in 1959 without any judicial processes. By 1958 more than 168,000 Christians had been prosecuted, imprisoned or killed on the mainland. These facts are solid evidence that the Chinese Communist regime can hardly abide freedom of religious belief.

The whole world is concerned with human rights advocates such as Andrei Sakharov in the Soviet Union. There are not many Sakharovs in Communist China, not because the Chinese Communist System is more humane or it accords more protections than does the Soviet system. Rather, it is because the mainland Chinese system has been more successful than its Soviet counterpart in repressing individuals. As Ezra Vogel and a number of other American scholars have documented for years, Communist China has been effective in using techniques of social control, combined with the threats of punishment under the law, to preserve its political order and maintain what it calls the "purity" in society. There exists in mainland China today a highly effective system of control and repression under which no dissension on human rights could possibly be registered in public.

I earnestly hope that with his stand on human rights and his insistence on morality in the conduct of international affairs, President Carter will not disregard the lack of human rights in the Chinese mainland, and will do nothing to jeopardize the preservation of those rights in the Republic of China.

HOSPITAL PRICE CONTROLS

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. ROUSSELOT. Mr. Speaker, President Jimmy Carter's recent proposal to impose price controls on hospitals as a means of curing "health cost inflation" is as ill advised as the administration's proposals on energy conservation and social security reform. All three, sadly, have one theory in common—a strong reliance on more and bigger government. Government intervention is the cause of spiraling inflation in the health care field and not the solution to it. Let us look at the most blatant example of intervention—the medicaid program. Next year, it is going to cost $11.8 million. Other questionable programs within the Standards Review Organizations—PSRO's, maternal and child health program and the disease surveillance program will cost another $459 million. Where is that money coming from? If enacted, it would come from Carter's hospital cost containment bill which would prevent health care institutions from treating charity admissions and buying advanced equipment—like the new cat scanner.

While trying to sell us on hospital price controls, the Carter administration, on the same day, proposed another Government blunder, the Child Health Assessment Act of 1977. Under this $180 million a year giveaway, the Federal Government would be permitted to come into the homes of all children under 6 who are medicaid-eligible for the purpose of providing free health screening and treatment. If this is not leading us down the path to socialized medicine, I do not know what is.

Mr. Speaker, at this time, I would like to share with my colleagues in the House, the cogent comments of Dr. James E. Anderson, a constituent, and Mr. Walter W. Noce, Jr., the vice president for administration of Huntington Memorial Hospital, which point to the many, many problems found in the Carter hospital price control legislation. Also, in an editorial published on June 23, 1977, the Wall Street Journal makes an excellent point on the relationship between improved technology and controls. I commend all three to the attention of my colleagues with the hope that they will join me in fighting the administration's latest senseless measure:

OPPOSITION TO ASSEMBLY BILL NO. 1156, H.R. 6575/S. 1391

JUNE 7, 1977.

Hon. JOHN H. ROUSSELOT,
Longworth House Office Building,
Washington, D.C.

DEAR MR. ROUSSELOT: As a practicing physician for over 25 years and as a member of the Board of Directors of the Methodist Hospital of Southern California, I am extremely concerned over the proposal to limit hospital price increases. It is unthinkable in a free society that any one segment of that society would be singled out and asked to limit its cost increases when no such restriction would exist on other segments of our economy.

The frustration that confronts the medical profession is that progress in saving lives costs money—and how do you measure this?!

In 1960 we didn't have to worry about:

1. A baby who needed expensive fetal monitoring while in the uterus, or tests of the amniotic fluid of the mother, or neonatal intensive care units and monitoring equipment for premature and sick newborn infants.

2. Xeromammography to detect breast cancer before it had spread.

3. Lung scans, liver scans, bone scans, to detect unseen lesions capable of cure.

4. Routine use of cardiac monitoring, cardiac catheterization, echocardiogram, along with advanced cardiac surgery involving vein bypass and artificial valves.

5. Total hip and knee replacement with necessary special surgical laminar air flow surgery room.

6. Highly specialized cardiac and surgical intensive care units with their highly trained personnel.

7. Respiratory therapy units with highly specialized personnel and laboratory blood gas studies.

8. Seven hundred and twenty thousand dollars in hospital malpractice insurance.

This list could go on and on and, at your request, I would be glad to provide much much more. All of these procedures and others could have been stopped and medical hospital costs could have stayed the same as other segments of the economy.

You could tell your constituents that costs can be held more in line if we stop having television in the rooms, give up electric beds, forget air conditioning, have wards instead of private or semi private rooms, and save a few dollars on the hospital dietary department—you tell them, please, but don't ask *me* to tell them.

Arcadia Methodist is a nonprofit hospital, and there is no motivation to increase charges from a personal gain standpoint. How many times as a physician have I heard a parent or a husband tell me that "expense is no object—save my loved one!" They are sincere. One can be prudent, (and we have been) but one cannot put a price on human life, suffering, and welfare.

The Methodist Hospital is proud of its cost control efforts and might well be used as

a model for statewide hospital cost control. I encourage your close inspection and would urge you to check with Blue Cross and Blue Shield regarding our record. However, unless you have a better method than political oversimplification, such as a price freeze, for God's sake and our patient's sake, get off our backs.

Very truly yours,

JAMES E. ANDERSON, M.D.

MAY 24, 1977.

Congressman JOHN ROUSSELOT,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ROUSSELOT: I am writing to urge your negative vote on President Carter's hospital cost control program, introduced as H.R. 6675 and S. 1391. As a responsible health care executive, I am as much concerned about rising hospital costs as I am sure you are. However, I also have an equally important responsibility; to provide accessible, quality care serves to my community. The President's ill conceived proposal will penalize the efficient, quality oriented institutions, and inevitably will cause reductions in the services provided to your constituents.

The President's proposal is based on the assumption that all hospitals are inefficient. This is totally false! I worked for DHEW for a time, and can assure you that there is more "fat" there than in 90% of the private hospitals in this country. To bring private hospitals under the bureaucratic control of DHEW is absurd, and will ultimately cost the citizens of this country more than under the current system.

As an executive of a regional, referral hospital, we see our patient acuity index continually on the upswing. As an example, we must turn away almost as many critically ill neonates as we can accept because we have no beds available. Comparing per case costs, and a subsequent revenue cap, in a hospital where the patients being cared for are increasingly more critically ill is unjust and unreasonable.

In addition to the problem of intensity, no mention is made in the bill that the prices hospitals must pay for medical/surgical supplies, pharmaceuticals, laboratory reagents, etc., are also increasing faster than the CPI. To control hospital prices and not prices of our suppliers is unjustifiable.

The final area of gross injustice is the regulatory morass with which hospitals are required to deal. We are continuously bombarded with revisions of old requirements and new requirements which mandate increased safety precautions, increased training requirements for personnel, increased staffing ratios, using higher skilled personnel than previously, increased equipment availability, etc., all of these are well intentioned, and standing alone, can be defended from a quality viewpoint. However, when viewed in the arena of cost control, these increased standards are hard to defend. At the very minimum, if we must have revenue caps, we must have a moratorium on increased regulations.

Finally, I urge you to discuss the complexities of the problem of rising health care costs with responsible, knowledgeable people in the private sector, and to work with them to provide a rational solution to the problem which will preserve the strengths of the private sector while minimizing the costs to the citizens of our country.

Sincerely,

WALTER W. NOCE, JR.,
Vice President, Administration.

THE CAT SCANNER'S FOES

A puzzling war against technology is being waged in the U.S. by a vocal and ardent minority.

Well-fed college students shouting "No More Nukes!" picket nuclear power sites in a campaign against an energy source that poses only a relatively low risk in exchange for its high yield in energy and jobs for the working class. Health food cultists look with suspicion on preservatives. The FDA bars Americans from using drugs that have been used effectively abroad. Etc., etc.

We can't entirely explain this, and our puzzlement at some of the more irrational campaigns is only deepened when we contemplate the latest target of the anti-technology movement. It is called the CT ("Cat") scanner, a combination of cathode ray tube, computer and sensors, and to us a wonderful sounding machine indeed.

Apparently a lot of doctors think so, too, because hospitals everywhere have been installing them even though the cost is about $500,000 each. The Cat scanner is one of the most useful diagnostic tools since the invention of the X-ray, a Texas hospital administrator tells us. His is in constant use during the hours it is manned (55 a week), and could be in 24-hour use if the hospital wanted to gear up for such a service.

The Cat scanner's appeal lies in the fact that it can examine human organs for anomalies with almost no danger or discomfort to the patient, such as would occur from exploratory surgery, for example, or the use of a catheter. Only an autopsy can yield more information and by then it's too late. Soon after installation in 1975, the Texas hospital's scanner discovered a spreading malignancy in a young women, enabling doctors to begin chemotherapy. The patient is still alive.

Given the wonders of this machine, why would anyone want to stop hospitals from installing them? The nation's governmental health bureaucracy for one. It thinks they are too expensive. Medicare and Medicaid costs have been rising rapidly so the bureaucrats feel that the use of expensive equipment should be rationed. It's OK for one hospital in an area to have a Cat scanner, but not all of them. The others can have some other piece of equipment. Patients and doctors can be shuttled around trying to get time on the one available machine. Any hospital wanting a particular machine would have to fill out a certificate of need to be processed by a government planning body which would see to it that a region would have just the right number of Cat scanners, special procedures rooms, etc.

Now there obviously are some problems here. The state and federal health planners are, in essence, seeking to lower the quality and convenience of medical care in the name of economy. Moreover, the proposal to link certificate of need with a "cap" on increases of hospital revenues, as recently proposed by the Carter administration, poses a conflict. What if the hospital with a Cat scanner becomes too popular and its revenues rise too fast? Grand bureaucratic plans always run up against things like that.

This, we would guess, helps explain the bureaucratic annoyance with Cat scanners. If government could just find a way to freeze hospital utilization and costs it could go ahead and expand Medicare and Medicaid into national health insurance. But technology, and the desire of doctors and patients to make the most of it, keeps changing things.

We know an answer to the government's problems. Require that all patients pay some part, relative to their incomes, of their hospital costs. That way, they will not be so inclined to utilize expensive resources unnecessarily. Hospital costs will not rise so rapidly. Hospitals will install Cat scanners and other such devices only if they pay off in improved and more efficient care.

But that is not the approach government is following. Instead, it expands the controls bureaucracy. Dr. Edward S. Hyman of New Orleans, the combative spokesman for a group of doctors waging war on this trend, estimates that for what the government is spending on Professional Service Review Organizations (PSROs) to second guess the hospital utilization decisions of doctors, every hospital in the country could be equipped with a Cat scanner.

We don't pretend we fully understand what is behind all the fears of technology. But the tendency of technology to bring change and thus to threaten those who doubt their own adaptive abilities may supply part of the answer.

ARGENTINA AND HUMAN RIGHTS

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. RHODES. Mr. Speaker, many Americans familiar with foreign policy have voiced concern over the advisability of the Carter administration's methods of conducting its human rights campaign.

Particularly is this true in our relationships with our Latin American neighbors. The Hon. Robert C. Hill, who has just returned after a distinguished tour of duty as Ambassador to Argentina, sums up some of the difficulties the administration's uneven application of human rights principles has caused in our dealings with Argentina.

In remarks to the Metropolitan Club, Ambassador Hill paints a realistic picture of the current problems facing Argentina's Government, and efforts being made to solve them. I urge that my colleagues take the time to read this accurate portrait of Argentina today.

Text of Mr. Hill's remarks is as follows:

ARGENTINA TODAY

(Remarks by Ambassador Robert C. Hill)

Over twenty years ago Harold MacMillan described a British Foreign Secretary as a man "forever poised between a cliche and an indiscretion," a description that might as accurately be applied to Ambassadors.

I am not certain that the status of former Ambassadors is any guarantee against cliches or indiscretions. However, my intent here today is to speak frankly as a private citizen about a subject of interest to us all—Argentina and its relations with the United States.

I would like to offer some personal observations based not only on my recent experience in Argentina, but also upon many years of interest and involvement in foreign affairs, keeping in mind that I have been serving the United States since 1944, on and off:

For more than forty-five years, one of Argentina's distinguished features has been the discrepancy between potential and reality, a discrepancy that has mystified foreigners and frustrated Argentines. Seemingly poised on the threshold of social and economic modernization, in the 1930's the country was graced with human and natural resources that led most observers to group Argentina with Canada and Australia and others slated for developed status: Argentina has instead become a synonym for political instability and economic mismanagement. The nearly twenty presidents since 1930, only two of whom completed constitutionally elected terms; the cyclical boom-bust economic pattern; the intense social and political factionalism; and, most recently, the massive explosion of political violence and hatred have all left deep scars. Understandably, domestic and foreign observers alike continue to wonder whether the coun-

try's potential is to remain indefinitely unrealized. I believe the time has come for this realization.

Never was the discrepancy between potential and really more starkly apparent than during the period from the Peronists' return to power in May 1973 to the going of Mrs. Peron. I viewed most of this period first hand.

Upon Peron's return and subsequent resumption of the presidency in October 1973 after eighteen years in exile, Juan Peron was greeted as a possible solution to their political and economic problems. Within ten months Peron was dead. His wife the successor, Maria Isabel, failed in unprecedented fashion, and the armed forces, so recently harried from the Casa Rosada, once again moved into the seats of power. The hopes of 1973 were dashed. The bitterness was deepened and intensified because expectations had run so high.

A brief catalogue of some of the facts of this period will suggest, I believe, the magnitude of the problems facing Argentina and its military government on March 24, 1976 and help sketch the backdrop against which U.S.-Argentine relations were and have since been conducted.

Any resume of the 1973–77 interlude must focus attention on the impact of terrorism—the sustained, purposeful use of violence to secure political ends. Violence is not a new phenomenon in Argentina history, or elsewhere in the world.

The post 1969 explosion has been of unprecedented intensity and severity in Argentina.

I would like to recite some of the facts concerning terrorism and suggest what its impact on Argentine society has been.

Among the variety of groups that emerged in the late 1960's, the largest and most destructive have been the Montoneros and the People's Revolutionary Army or ERP. Both are dominated by Marxist ideology.

During peak effectiveness in 1974–76, these two organizations ranked among the effectively trained, financed and most deadly proficient of their kind in the world.

Exact numbers are unknown, but a proportionate terrorist threat in the United States would number in the hundreds of thousands.

External aid in the form of training, financing and support came from Cuba and other communist sources.

Financing came primarily from bank robberies and kidnapping that netted tens of millions of dollars and monies from pro-Marxists abroad.

At peak efficiency in 1974–76 they executed mass attacks on military bases and arsenals killing scores of military and civilians.

Neither property nor life was secure from the onslaught. Victims included businessmen and civilians, both foreign and national; military/police officers; one former President and former Cabinet Ministers; politicians and labor leaders; two Chiefs of the Federal Police, one on his boat with his wife and another in his own bed at the hands of his teenage daughter's best friend. More recently, two attempts have been made on the life of President Videla, one inside the country's largest military garrison, and Foreign Minister Guzetti was brutally bludgeoned a few days before I left Buenos Aires.

Right-wing fanatics also contributed their share to the carnage, responding to the revolutionary left with a murderous campaign of their own.

The right-wing anti-communists operated with near impunity prior to the March 24 coup. Anyone identified with Marxist, liberal or leftist causes was considered fair game by the right.

As for the impact of terrorism on Argentine society beyond the thousands of lost lives and massive property damages, I would like to emphasize two points.

First, the tactics of the revolutionary left called for provoking a military takeover in the belief that repressive military rule would in turn ensure a popular uprising that the left could manipulate and lead into power. The ERP and the Montoneros were not solely responsible for bringing on the March 24th coup, but their violence was a contributing factor.

Second, part of the terrorists' approach to "revolutionizing" society calls for destroying the legal, political, economic and social infrastructure that both reflects and protects the values of a society. By inhibiting the functioning and effectiveness of such institutional bulwarks as the court system, political parties, a free press, and free speech, and by making it impossible for a government to fulfill its fundamental task of guaranteeing life and property, terrorist violence tempts those exercising authority to resort to repression and brute force to maintain order. Here again, it can be argued that the terrorists succeeded in Argentina, aided as they were by the fact that the nation's institutional infrastructure was comparatively weak from the beginning and therefore vulnerable to the terrorists" challenge. It is not by accident, nor is it rhetorical excess when today Argentines in and out of government emphasize the task of restructuring domestic institutions.

Politically, the 1973–76 period once again exposed the ineptitude of civilian politics. As it turned out, the apparent emergence of a potentially productive national political consensus in 1973 was based on little more than common opposition to military government along with unfounded hopes that the civilians had finally learned their lesson. Instead, the traditional political patterns predominated. In a process that accelerated after Peron's demise in mid–1974, progressively deeper and wider rifts developed within the Peronist movement and between the Peronists and other political factions, and soon most were anticipating a military coup almost as though it was preordained.

National politics became a spectacle symbolized by the nefarious presence and mysterious influence of Social Welfare Minister Jose Lopez Rega. Cabinet positions rotated with revolving-door frequency; opposition leaders wrung their hands and issued dire public statements but seemed paralyzed; and Mrs. Peron gradually forfeited all but the smallest fraction of the public support she enjoyed upon taking office. In the end, the civilian politicans publicly defaulted their claim to leadership by refusing to constitutionally impeach an obviously incompetent chief of state. When the armed forces moved on March 24, 1976, the mourners were few and far between.

Economically, you are perhaps as familiar as anyone with the debacle wrought by the return to Peronist economics. Leaving aside the technical aspects of Peronist policies, it is sufficient to note that, as before 1950, the Peronists concentrated on the distribution rather than the production of wealth in a politically motivated effort to satisfy the demands of the dominant Peronist constituency—urban organized labor. Excessive and often capricious government controls; marked disincentives in the agricultural sector, Argentina's chief source of foreign exchange; and decreasing foreign investment due to terrorism and the rigidly nationalistic provisions of the 1973 foreign investment law were among the factors that combined to produce serious distortion in the domestic relative price structure; declining productivity in nearly all sectors; spiraling inflation; and a steadily worsening balance of payments crunch.

A brief statistical profile of the 1975 calendar year reveals the severity of the economic problem:

GPD (Gross Domestic Product) was off by about 1.5% while per capita GDP declined nearly 3%;

The fiscal deficit reached an alarming 13% of GDP;

The cost of living rose 335%;

The trade deficit was approximately US $1 billion; and

Gross domestic investment fell off over 10%.

By the time of the March coup, all these trends had intensified, and Argentina was almost bankrupt. The wholesale price index skyrocketed by 54% in March alone, and the nation was on the verge of defaulting on international debt obligations for the first time in its history.

Moving to the post-March 1976 period, Argentina, of course, is once again ruled by armed forces. The three man junta consisting of President and Army Commander General Jorge R. Videla, Admiral Massera and Brigadier Agosti is publicly committed to restoring civilian government in Argentina, although probably not in the near future. The record of previous Argentine military governments is enough to make one dubious of success, but the Videla government has scored some notable successes to date and deserves political support and understanding at this crucial time in their history.

Its energies and resources have been primarily directed at solving what were the two crucial problems on March 24, 1976—restoring a measure of economic health and controlling terrorist violence.

In the economic sphere, Argentina's remarkable recuperative powers and the capable hands of Economy Minister Jose Martinez de Hoz have produced noteworthy results. Hewing to a more free-market orientation with the emphasis upon production rather than distribution, Martinez de Hoz's policies have secured over a billion dollars in necessary foreign credits and loans, thereby avoiding debt default and advantageously restructuring the nation's debt profile; slowed, although not halted, domestic inflation; turned around a disastrous balance of payments situation; raised exchange reserves to an all time high; successfully encouraged the expansion of agricultural production; resolved most pending foreign investment disputes and established more liberal criteria for future investors; and initiated government withdrawal from a variety of enterprises taken over by previous administrations.

The battle has not been won by any means, and government officials say it may take three years before the effects of the present program can be appreciated. Two continuing soft spots that are worrisome include a disturbingly high fiscal deficit that continues to spur inflation, and the general social impact of the Martinez de Hoz approach. Labor has shouldered an inordinate share of the recovery burden to date, with wages having fallen well over 30 percent even by conservative estimates. Military government or not, organized labor is still a potent force in Argentina, and it is not clear how long labor will demur if some economic relief is not forthcoming.

As for controlling terrorist violence, the Videla government has enjoyed unquestioned success. Terrorists still bomb and kill sporadically, and it may be a long time until absolutely all terrorist activity is curbed. Nonetheless, the formidable revolutionary armies of two and three years ago are no more. With their leaders dead or outside the country; their membership rolls depleted by perhaps 85 percent; their arms factories and printing press largely destroyed, and police/military pressure relentless, the terrorists are on the run.

Unfortunately, however, this success has been purchased, in part, at the expense of human rights violations. The Junta and the security forces believe that they are

engaged in a war to defend their society and way of life against Marxist subversion. They describe it as a "dirty war" in which tactics are determined by the exigencies of the battle rather than by the niceties of the law. As they view the situation, their national security, their survival as a nation, is at stake, and they are disposed to use whatever means prove necessary to win.

No one knows exactly the extent of the reprisals that have occurred, how many people have "disappeared" or been illegally detained, tortured and murdered. The State Department's report on human rights in Argentina submitted along with the executive's security assistance bill provides some information.

I have portrayed only in broadest outline the Argentina that I have known intimately over the past four years. However sketchy the portrait, I trust that it will stand as an adequate framework for some personal observations on U.S. relations with Argentina and current U.S. foreign policy.

Argentina is a nation in which the following present and potential U.S. interests are worthy of note:

It is the most advanced nuclear nation in Latin America.

Present U.S. economic interests in Argentina stand at US$1.4 billion in direct private investment and US$3 billion in loan exposure by our banks. We also run about a US$250 million annual trade surplus with Argentina.

As a potential food supplier for a hungry world, Argentina has few equals.

Some knowledgeable sources believe that Argentina's offshore oil reserves total in the tens of billions of barrels, a startling possibility despite the technical problems inherent in extraction.

Finally, we should not overlook Argentina's influence in Latin America. It will clearly not be to our advantage if Argentina and its Southern Cone neighbors who are also under human rights pressure decide to respond in concert by forming an anti-U.S. bloc.

Unfortunately, human rights has become the predominant theme in our relations with Argentina, and it is to this subject that I would like to devote the remainder of my remarks. There are actually two questions that deserve attention here, one being the advisability of the human rights stance that has been assumed by President Carter's administration; the other relating to the proper tactics for implementing our human rights policy in Argentina and elsewhere.

I do not question President Carter's decision to accord human rights priority consideration in our foreign affairs. Safeguarding the rights of the individual in society is a deep and abiding concern of President Carter. As Archibald MacLeish phrased it:

"There are those who will say that the liberation of humanity, the freedom of man and mind, is nothing but a dream. They are right. It is the American dream."

However, I have serious reservations about our general human rights policy born of the feeling that it has not been thoroughly thought through in terms of its precise objectives and possible consequences.

If we are primarily concerned with halting abuses of the person such as arbitrary arrest, indefinite imprisonment without trial, torture, and similar practices, then our policy has realizable goals. There is a danger, however, that our human rights impetus will be translated into an effort to export democracy. By progressively broadening the scope of the human rights that the U.S. will pressure other governments to respect, by including a wide range of civil, political and economic rights as some advocates are wont to do, it soon becomes apparent that what we would really be asking other nations to do is make themselves over in our image. This is a well-intentioned approach without doubt, but it ignores the uniqueness of the American experience, the well-established trend toward authoritarianism in the world's emerging nations, and the lessons of our own foreign affairs experience. If there is anything that we should have learned since World War II, it is that democracy is not an exportable commodity.

The consequences of President Carter's human rights thrust are mixed, as might be expected at this early stage in his Administration. Reports of negative developments for dissidents in the Soviet Union and our loss of influence with some governments that we have criticized or sanctioned on human rights ground must be balanced against improvements in our image among certain groups abroad and adjustments in terms of human rights practices that some governments have made, publicly or not, to accomodate the U.S. position. The consequences insofar as the impact of human rights on other major policy concerns are not at all clear, although they could be ominous in matters such as Soviet-U.S. relations. The point here is that now that some of the results are in, however, preliminary they may be, it is time for a serious national discussion on the question of centering U.S. foreign policy on human rights. We must not be satisfied with statements that this is what the American people voted for in November 1976. That is simply not true. The campaign did not include much beyond rhetorical expressions concerning human rights and foreign policy.

As for tactics, and here we return to Argentina, the obvious problem is that differing national situations and varying U.S. interests dictate employing different strategies with different countries. But such flexibility on a moral issue like human rights immediately makes the U.S. vulnerable to charges of hypocrisy. Consider for a moment how an Argentine views the U.S. decision to cut military credits to his country while leaving South Korea untouched. To an Argentine battling terrorism and combatting subversions, this says that the U.S. is willing to ignore human rights abuses when and where its own national security is involved, but not when and where the national security of Argentina is at stake.

Patience and understanding are what we need to display in the case of Argentina.

Patience to see whether elimination of any serious terrorist threat will be accompanied by a termination of the excesses that have attended the struggle.

Patience to see whether the moderation of President Videla and his supporters will predominate and make possible a gradual return to civilian government.

Patience because what happens in Argentina largely depends not upon what the U.S. does but upon what Argentines do themselves.

The United States should consider its alternative toward Argentina before it embarrasses itself further and humiliates a friend of the United States.

AGRICULTURAL DISASTER LOAN PROGRAM IN TROUBLE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. GILMAN. Mr. Speaker, our Nation's agricultural disaster loan program is a disaster. The legislation I am introducing today addresses the problem of maladministration and shortsightedness in Federal emergency loan programs available to farmers. The labyrithinal assortment of regulations and jurisdictional haziness in defining eligibility has produced confusion and inequitites in both the Farmers Home Administration, FmHA, and the Small Business Administration, SBA, loan programs.

Testifying in March 1977, before the Subcommittee on Conservation and Credit of the House Committee on Agriculture, I maintained that while farmers in the Midwest and the West have suffered the worst drought in this Nation's history, farmers in many other regions have also painfully experienced the problems of farm indebtedness and bankruptcy due to the ravages of hurricanes and flooding conditions. While we are still a long way from controlling such natural disasters, we do have at our disposal the means to considerably improve existing Federal emergency loan programs available to American farmers.

The case study of the vegetable growers in Orange County, N.Y., offers testament to the debacle created by these shortsighted programs, and points to these conditions as a harbinger of unnecessary hardships that will be suffered by increasing numbers of farmers if these loan programs are not revised significantly.

Orange County, N.Y., along with other areas of the eastern seaboard, was devastated by the full fury of Hurricane Agnes in June 1972. Orange County, which includes an intensive vegetable industry—producing approximately 7,500 of New York's 13,700 acres of onions and 1,800 of the State's 3,500 acres of lettuce—also sustained a second calamity; having been victimized by a haphazard emergency farm loan program that vacillated between easy credit and restrictive terms, five times in 4 years. Following a 5-year struggle with the Farmers Home Administration, the Federal bureaucracy, and 3-years of economic and natural disaster, a number of family farms have been foreclosed by private first lien creditors. At present, over 1,000 farm workers and 3,000 acres of prime muck farm land have been affected.

It is well documented that most vegetable farming requires high levels of short-term annual credit, with costs per acre in 1976 estimated to range from $1,725 per acre for the onion storage crop to more than $2,000 per acre for lettuce and $3,300 per acre for celery. Thus, it is critical for farmers to have heavy infusions of credit available to finance each year's crop early in the season, particularly when the previous year's harvest has been unusually poor.

There are a number of events that have hampered the recovery and restoration of family farms following the crippling calamity resulting from Hurricane Agnes in 1972. While the following scenario is undeniably Kafaesque in nature, there are, I am certain those of my colleagues, from districts heavily populated with family farms, who received similar accounts concerning the inadequacy of the emergency farm loan programs:

First. Following the floods caused by Hurricane Agnes, in the winter of 1972–73, Orange County vegetable growers

were urged to apply to the Small Business Administration for emergency loans that would provide low—1 percent—interest and long-term, 20 to 30 years, loans covering the economic disaster to the farm business.

Second. About 25 Orange County farmers applied for these SBA emergency loans and FmHA provided statements of refusal to loan for these farms. When SBA suddenly reversed its earlier decision, ruling that they could not participate in loans for agricultural food production, it cancelled all pending loan applications and notified borrowers that FmHA would have to take them over.

Third. In the spring of 1973, FmHA did take over all the loan applications, as operating loans, under the emergency program at 1 percent interest rates for 1 year with the understanding that additional operating loans could be arranged for a total of up to 5 years.

Fourth. The 1973 onion crop suffered an undeclared disaster due to adverse wet weather and the disease that resulted. The USDA crop reporting service's statistics show that the 1973 crop was actually smaller than the crop declared a disaster in 1972, resulting in another lost opportunity to recover financially in 1973.

Fifth. Applications were made to renew and extend operating loans for the 1974 crop year. But passage of Public Law 93–237 on January 2, 1974 resulted in counsel for the USDA advising that disaster loans could only cover the amount of actual loss—not the costs of production to continue farming. The USDA, instead of granting promised loans, interpreted Public Law 93–237 retroactively and notified borrowers that their production loans would be cancelled after 1974—the second year of their 5-year loans—and hiked the interest rate to 5 percent.

Sixth. The 1974 onion crop resulted in production of larger yields with subsequent low prices. An estimated 70 percent of the area's onion crop returned only two-thirds of the estimated costs of production. Thus, for the second consecutive year, farmers were unable to recoup from the 1972 disaster.

Seventh. Enactment of Public Law 94–68 in 1975 provided for production loans for up to 5 successive years on a 1-year repayment basis that could exceed the amount of actual loss. Despite the legislative history specifically qualifying my constituents, the USDA ruled that the farmers were ineligible for further production loans since they must first reduce their indebtedness by 20 percent.

Eighth. Special repayment arrangements to prevent FmHA foreclosure resulted from a meeting with the former Secretary of Agriculture Earl Butz, but no additional production loans have been granted by the FmHA since 1974.

Further complicating this already bewildering situation, was the passage last year of Public Law 94–305, amending the Small Business Act of 1958, permitting farmers who gross under $275,000 per year to qualify for regular and emergency SBA loans. Only when the President declares a region to be classified as a "major disaster" do farmers who gross more than this amount qualify for SBA assistance. This arrangement is clearly inequitable since SBA provides many of the benefits Orange County farmers requested 5 years ago when they initially applied for emergency disaster assistance. Yet the farmers who suffered the heaviest losses in the first place—there were several with losses exceeding $1 million—could not qualify for these benefits if the same disaster occurred today.

In an analysis of the FmHA loan program, I have found that it, too, discriminates against large farmers. Recent information received from the cooperative extension agent in Orange County, Horace A. Smith, indicates that since 1972 and the attempted recovery from Hurricane Agnes, 10 farm loan applicants have since gone bankrupt or have been forced to go out of business. These farms represent 20 percent of the 13,000 acres in the fertile Wallkill River Valley in my congressional district. This portrait becomes even grimmer when placed in front of the following backdrop:

In the past 8 years, farms, representing 37 percent of this farming area, have had an average per acre increase in farm debt from $1,101 to $2,208; approximately a 100-percent increase in farm debt. Moreover, in the past 10 years, the appraised value of this productive farmland has fallen about 30 percent due to a continuing difficult agricultural economy which determines the value of this muckland farm soil.

CONCLUSIONS

Considering the difficulties—both natural in origin and those fostered by bureaucratic idiosyncrasies—encountered by farmers seeking emergency loan assistance, there appear several inescapable conclusions concerning the present state of federally funded emergency loan programs.

First, concerning the FmHA loan program:

Provide long-term repayment schedules.—Presently, FmHA short-term loan limitations, on loans for actual losses to equipment, crops, livestock, and supplies, schedule repayment for a period no longer than 7 years, with a possible extension of 5 years. The Secretary of Agriculture has the authority to extend loans to a maximum of 20 years in exceptional cases. However, SBA grants loans over a 30-year period, without these limitations. FmHA loan limitations should also be based on this 30 year repayment schedule.

An interest rate formula for operating loans based on the average interest to U.S. Treasury obligations should be formulated.—Borrowers of "production money"—that used for operating, not recovery costs—now pay market interest rates set by the Secretary of Agriculture—currently these rates are about 9 percent. SBA formulates its interest rate based on the average cost of money to the U.S. Treasury—presently a 6⅝-percent rate of interest.

Eliminate "the credit elsewhere test" at reasonable rates and terms.—This has been a perennial issue raised in Congress, one repealed and then reinstated in Public Law 94–68. In practice, the phrase "reasonable rates and terms" is so vague that farmers have often been forced to pay outrageous interest rates with private institutions.

Production Credit Association, PCA, for example, loans money for miscellaneous expenses such as annual operating costs, machinery, livestock, capital improvements, and repairs for a maximum of 7 years. However, interest rates vary from 8 to 10 percent and there is a mandatory investment of 10 percent on top of the borrower's net indebtedness.

While under normal circumstances private lending institutions provide valuable credit assistance to farmers. They have no special terms or rates for emergencies. They do not take into account abnormal circumstances such as repeated flooding or continual drought. By requiring farmers to apply for private credit, the Government sentences a disaster victim to apply for credit at terms offered a prosperous farmer.

The FmHA loan program is discriminatory because it requires a "credit elsewhere test," in effect, screening all but the most impoverished farmers or inept managers. The Small Business Administration, on the other hand, has no credit elsewhere requirement. Reasonable rates and terms within this credit elsewhere test must be spelled out clearly.

To protect farmers from inordinately high interest rates, sometimes subsumed under the rubric reasonable, while at the same time assuring the financial integrity of the FmHA emergency loan program, I am proposing that the term "reasonable" be defined as the Federal Reserve Bank discount rate for lending to member banks—currently 5¼ percent—plus an amount not to exceed 2 percent.

Abolish the restrictive repayment time span that prevents a farmer's quick recovery.—FmHA policy has been to schedule repayment of the loan in the shortest period possible, regardless of the burden placed on the disaster victim who is forced to recover and repay previous indebtedness, emergency loans, and production loans all within the same short time frame. For example, two Orange County, N.Y., farmers with excessive losses were scheduled to repay 98 percent of $950,000 and 77.5 percent of $1.5 million in the first 18 months of their 5 year loans.

Provide for the assignment of FmHA personnel adequately prepared to understand the particular needs and problems faced by farmers in those areas to which they are assigned.

Require FmHA to place a high priority on keeping formerly viable—before the incident of natural disaster—businesses operating.

Mr. Speaker, while I believe that these proposals will significantly improve the FmHA emergency loan program, we must also consider those existing inequities in the SBA emergency loan program as relates to farmers struck by natural disasters.

SBA's emergency loan program includes two types of loans for which farmers may apply in the event of natural

disaster: Physical disaster loan and economic injury disaster loans. Physical disaster loans may be made regardless of farm size; that is to both small and large businesses and farm operations. These loans are intended for restoration of property damaged by physical disasters such as, hurricane, flooding, drought, et cetera. They are, however, intended for restoration purposes only. Eligibility for economic injury disaster loans, the second loan category, is restricted to "small firms;" in the case of farms this means those operations not exceeding $275,000 in annual receipts. Economic injury loans, but not physical disaster loans, are also triggered by a declaration of natural disaster by the Secretary of Agriculture, and again, such loans are confined to small firms and farm operations.

Economic injury disaster loans—used for purposes of paying current liabilities and providing working capital for operating costs for a limited period—are just the type of loans needed by farmers attempting to recover from incidents of natural disaster; especially if they happen to encounter seasons of poor crops following the calamity. Orange County vegetable growers had three successively poor crop years in 1972, 1973, and 1974; the very same years during which many farmers were attempting to recover from the effects of Hurricane Agnes', 1972, destructive fury. Large firms—those exceeding $275,000 in annual receipts—offering employment opportunities for many residents, cannot obtain such economic injury disaster loans.

Allow me at this point, Mr. Speaker, to focus upon this $275,000 limitation figure. According to SBA officials contacted, SBA itself has arrived at this limitation ceiling. In other words, SBA, by a fiat of sorts, established this $275,000 limitation as what it considers to be a fair standard.

I know, Mr. Speaker, that you are as concerned as I am by attempts on the part of various regulatory agencies to intrude into those areas of policymaking reserved for the legislative deliberations of Congress. I resent the fact that farmers, running businesses, prosperous before the calamitous effects of natural disaster, are stymied and sentenced to compounded misfortune because SBA has decreed that due to that business having accumulated assets greater than $275,000 they are to be denied access to the funds that would help them regain their former financially viable status.

It appears that SBA has at long-last acknowledged the plight of financially hard pressed farmers who because their average annual receipts exceed $275,000, are unable to secure loans similar to those offered by SBA to other farmers and small businessmen. SBA now has under consideration comments it solicited concerning a proposed rule rescinding this $275,000 loan ceiling by defining a small farm as "one with average annual receipts for the farm's preceding 3 fiscal years not exceeding $1 million." I am hopeful that those comments submitted by me to SBA, concerning the problems created by the $275,000 loan ceiling are helpful to SBA in reaching an expeditious and favorable decision concerning this proposed rule.

Mr. Speaker, as I have indicated, the major emergency loan programs not available to disaster-stricken farmers are sorely in need of overhaul. I believe the proposals I have outlined will serve to hit those problems head on and eliminate the tangle of confusion and ill-serving provisions attending our Nation's emergency farm loan programs.

I ask at this point that the text of the bill I am introducing—addressing these shortcomings of the FmHA loan program I have detailed—be inserted in full at this point in the RECORD:

H.R. —

A bill revising repayment schedules and eligibility requirements for emergency loans

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 321(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(b)) is amended by inserting the following new sentence after the first sentence: "As used in this subsection, the term 'reasonable rates' means that the prevailing private and cooperative interest rates in the community in or near which the applicant resides for loans for similar purposes and periods of time are not, at the time the applicant applies for a loan under this subtitle, more than 2 percent above the average discount rate in effect at Federal Reserve banks."

SEC. 2. Section 324 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1964) is amended by striking out "(2)" and all that follows through the period at the end of such section and inserting in lieu thereof the following: "(2) for any loans or portions of loans in excess of that amount, the interest rate shall be the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the date of the loan and adjusted to the nearest one-eighth of 1 percent plus one-quarter of 1 percent. Loans made or insured under this subtitle shall have a period of repayment of not more than 30 years as the Secretary may determine and shall be repayable at such times as the Secretary may determine, taking into account the purposes of the loan and the nature and effect of the disaster; except that no principal of a loan made or insured under this subtitle shall be required to be repaid during the first 5 years after the date on which such loan is made or insured under this subtitle. During the 5-year suspension of payments by the borrower of a loan insured under this subtitle, the Secretary shall make payments of principal on behalf of the borrower. The borrower shall repay, without charge for interest and within the repayment period of such loan, the Secretary for any payment made on behalf of the borrower under the preceding sentence. Loans made or insured under this subtitle shall be upon the full personal liability of the borrower and upon the best security available to assure repayment of the loan, as the Secretary may prescribe; except that if such security is not available because of the disaster, the Secretary shall accept as security such collateral as is available, a portion or all of which may have depreciated in value due to the disaster and which in the opinion of the Secretary, together with his confidence in the repayment ability of the applicant is adequate security for the loan. Notwithstanding the provisions or any other law, any loan made by the Small Business Administration in connection with a disaster occurring on or after the date of enactment of this amendment under section 7(b)(1), (2), or (4) of the Small Business Act shall bear interest at the rate determined in the first paragraph following section 7(b)(8) of such Act for loans under paragraphs (3), (5), (6), (7), or (8) of section 7(b)."

SEC. 3. It is the sense of Congress that, in carrying out the provisions of the Consolidated Farm and Rural Development Act, the Secretary of Agriculture shall ensure—

(1) that only officers and employees of the Department of Agriculture who are adequately prepared to understand the particular needs and problems of farmers in an area be assigned to such area; and

(2) that a high priority is placed on keeping existing farm operations operating.

INSTANT VOTING—INSTANT FRAUD

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. BAUMAN. Mr. Speaker, the so-called universal voter registration bill, H.R. 5400, and its companion measure, S. 1072, are temporarily on the legislative back burner, partly as a result of the increased public awareness of the danger these bills pose to the integrity of our electoral process.

The opposition to this ill-conceived proposal has been mounting and is certainly bipartisan in its composition. As evidence of this opposition and concern from both Democrats and Republicans, I include with my remarks today letters I have received from numerous officials of the State of Maryland, as well as comments from local election officials. Included is a letter from Gov. Marvin Mandel opposing these bills together with an excellent analysis prepared by the State administrator of election laws, Willard Morris. Other letters are from a bipartisan group of State legislators, and the Maryland Commission on Intergovernmental Cooperation, chaired by State Senator John Carroll Byrnes. In addition to these communications, I have received numerous letters of opposition from county election boards and individual citizens.

Mr. Speaker, I believe that it would be a mistake to pass this bill. Certainly the members of the House Administration Committee should be congratulated for their efforts to clean up this legislation, but the bill remains faulty. No matter what is done to strengthen the anti-fraud provisions of H.R. 5400, the fact remains that any scheme for "same day registration" has inherent potential for fraud which cannot be legislated away. Consider the following:

In most States, there is usually a month long interval between the dates of registering and voting. All of the impassioned rhetorical inferences aside about subconscious desires by election officials to keep people from the polls, as some of the bill's promoters charge, this preelection registration procedure is our only guarantee against onsite election day fraud. It is eminently sensible. It allows local officials the ability to assure and certify individual voters' qualifications. It guarantees that gravestones

and "second and third helping" voters are prevented from coming to the polls. It makes certain that State and Federal requirements are met. For many reasons the present preelection day registration ought to be preserved, particularly since election reforms have been legislated, implemented, and made more complex.

However, abolish this delayed time requirement, make registration possible on the same day, and we will destroy any practical means of discovering the names of fraudulent voters prior to an election. Pass this bill, H.R. 5400, and election day "dirty tricks" will become the rule rather than the exception.

Certainly we cannot afford this. We should increase voter involvement by encouraging people to vote, but this bill goes too far.

The letters follow:

STATE OF MARYLAND,
EXECUTIVE DEPARTMENT,
Annapolis, Md., June 3, 1977.

Hon. ROBERT E. BAUMAN,
Cannon House Office Building,
Washington, D.C. 20515

DEAR CONGRESSMAN BAUMAN: You currently have under consideration the Universal Voter Registration Act of 1977. Obviously, its ramifications go to the roots of our democratic processes in this country.

I requested our State Administrative Board of Election Laws to review the legislation and report to me. Enclosed is their report just submitted after consultation with each of Maryland's twenty-four local election boards.

I fully support their position in opposition to S. 1072 and H.R. 5400 and urge you to read the report and give serious consideration to voting against this legislation.

Sincerely,

MARVIN MANDEL,
Governor.

STATE ADMINISTRATIVE BOARD
OF ELECTION LAWS,
Annapolis, Md., June 1, 1977.

Hon. MARVIN MANDEL,
Governor,
State House,
Annapolis, Maryland

DEAR GOVERNOR MANDEL: You have asked for a review of S 1072 and HR 5400, short title, "Universal Voter Registration Act of 1977" and a report thereon to enable you to advise our Congressional Delegation of the position of the State of Maryland on this important issue.

Maryland has in many instances led the nation in liberalization of election laws, establishing easy access to the ballot and encouraging the exercise of the franchise. We have a model mail registration program, Boards of Registry in high schools, institutions and shopping centers, plus the most lenient entitlement to the absentee ballot in the country.

Beginning January 1, 1974, four counties and Baltimore City registered citizens to vote by use of the mails. We predicted in 1973 in our presentation to the General Assembly (Chapter 425, Acts of 1973) that registration made easier would in fact lower the percentage of voter turnout in an election.

During the last four weeks of registration before the 1976 general election, Maryland registered 143,000 residents (100,000 by mail) or 7.3 percent of the State total registration. In spite of these outstanding figures, Maryland voter turnout declined by 1.1 percent over 1972. In 1976, 26.5 percent of our registered citizens did not vote.

Registration by mail was not available in 1972 in the fifteen States that in 1976 produced a cumulative decline of about 6 percent in voter turnout. This should give credence to the fact that easy availability of registration does not relate to voter turnout.

We recognize that citizens fail to vote for a variety of reasons—only one of which is the difficulty of or the barrier to registration. We strongly believe that there are other programs to increase registration that should be encouraged and undertaken before "Universal Voter Registration" is enacted.

While the percentage of voting age population participating in elections is deplorably low, the number of registrants who fail to vote is alarmingly high. Studies reveal different reasons for low turnout of eligible voters and some of those reasons might be remedied by federal support for other types of innovative programs. The cited "lack of information" about candidates and issues could be counteracted by publicly funded mailings and by required time allocations by the media to election issues.

Lack of confidence in the political process, which is cited as one reason for non-voting, is an attitudinal situation we are striving to eliminate, but we think initiating a program where the opportunity for fraud must be recognized as at least possible does nothing but reinforce the concept that lawmakers treat the integrity of the voting process as an expendable item.

The "Universal Voter Registration Act" currently being considered in both Houses of Congress is of concern to us. While the bill provides the opportunity to maximize citizen participation in the electoral process by allowing individuals to register and vote at the polls on the day of an election, it provides equally strong potential for abusing that privilege.

Current registration requirements preserve the integrity of our electoral system by allowing adequate time to check the veracity of each individual's claim to a franchise. Additionally, registration laws allow for a "control" sample of the registrant's signature, thereby providing the election official a means of verifying the individual's claim to a vote through a signature comparison. Not only could an individual vote at several locations where he/she is unknown, but would make proving election fraud in a criminal case more difficult by eliminating the control signature. Both these requirements preserve the integrity of the electoral system and repealing them would prevent the State from adequately protecting itself against voter fraud.

Safeguards which the bills purportedly offer are inadequate in meeting these challenges. Requiring a voter to present identification at the time of registration would be ineffective as it would not be unreasonable for an individual bent on corrupting the system to procure false identification. Requiring a voter to vouch for the identity of another to be pre-registered presents the same problem. Creating a new category of Federal felonies with serious penalties for abusing a claimant's franchise would only add another statute to an extensive and intricate network of both Federal and State statutes already in existence. Placing the responsibility for ballot security within the Federal Election Commission is to place a singularly awesome burden on a small and underfinanced staff that is ill-equipped for the task.

The opportunity to register and vote on election day will reduce the incentive to register in advance, thereby putting further burdens on administration in polling places. Polling place employees, in contrast to permanent election board personnel have the experience of working only two days every two years; their training is usually inadequate; they are not necessarily committed to the goal of an enlarged electorate and too often they enjoy their employment through the operation of political considerations rather than through considerations of merit or expertise.

The elimination of the requirement for advance registration will enhance the attractiveness and effectiveness of the last minute "smear campaign." While these unsavory practices are now used, an "attacked" candidate is to a limited extent protected by his ability to identify the electorate he must reach during the entire course of a campaign and by the fact that those who are able to vote must have evidenced sufficient interest to register. With advance registratiton the single issue voter whose interest is sparked only by a last minute emotional appeal is unable to be mobilized.

Financial and administrative costs in implementing the program is another consideration. Initially, Federal money would be made available for "start up" costs, but it is unclear who will assume the continuing costs as the program becomes operational. The "pass through" provisions while beneficial in initiating the program will eventually lead to the local units of government having to assume the additional operation costs.

Funding is inadequate to reasonably permit the program to be implemented. Our calculations indicate a maximum allocation to Maryland of $800,000 to $930,000 for full participation, yet, should the program result in an increase of 10% in the number of votes cast, we would need additional voting machines and additional election judges at a cost of approximately $4,000,000 without considering the cost of transport, storage, and maintenance of machines, or the training of personnel.

The five states that have tried election day voter registratoin report higher turnout and minimal fraud. Lobyists believe the system will work nationally much as it has in these five—Minnesota, Wisconsin, Maine, Oregon and North Dakota.

Minnesota and Wisconsin were the models for the administration as it devised its own controversial proposal. Both allow registration at the polling places and require only proof of identity and residence before letting a person vote. Maine and Oregon are more strict; voters have to sign up at a town hall or county clerk's office before voting. North Dakota is more lax. It has no pre-registration at all, even on election day.

These five states are not typical of the nation as a whole. None are heavily industrial; none have large minority-group populations; none had a history of fraud under previous rules. But the experience in these places does offer clues to the problems the President's plan is likely to cause nationwide, and the effect it is likely to have.

There has been little evidence of fraud in any of the five states. None had any fraud convictions in 1976, although a Minnesota college student was prosecuted (but not convicted) on charges that he vouched for the identities of several hundred other students he did not know.

Election day registration has increased voter participation, but not by the 10% that Vice President Mondale and several political scientists have predicated nationally for the President's plan. Comparing 1972 and 1976 figures, the turnout increase last year varied from a low of 0.6% in Oregon to a high of 4.1% in Maine. At the same time, the national turnout rate dropped 1%.

The number of election day registrations in 1976 was impressive—an estimated 454,000 in Minnesota, 215,000 in Wisconsin. Whether the easier registration was primarily responsible for increased turnouts in these states is a matter of debate. Most politicians assume that it was, but the executive secretary of the Wisconsin elections division conducted a detailed study of turnouts in his state and came to the opposite conclusion. He said no correlation existed between increased turnout and election day registration. The official argued that those voters who took advantage of election day registra-

tion would have preregistered if it had been required.

The same Wisconsin board of elections official conducted a postelection survey and received responses from officials in the 245 jurisdictions that require registration. The comments included:

1. long lines of irate and disgusted voters;
2. people discouraged from voting because of lines and confusion;
3. penalizes voters who registered before elections;
4. voters unaware of proper polling place;
5. voters registered in wrong wards;
6. considerable instances of multiple registrations (10% to 30%);
7. suspicions of multiple voting in many municipalities;
8. many problems with changes of address causing multiple registrations;
9. difficult to check identifications on election day;
10. inadequate proof of residency;
11. difficult to find witnesses in lieu of proof of residency;
12. address verification difficult on eelction day;
13. clerks unfamiliar with boundaries;
14. poll workers refuse to work under similar circumstances in future;
15. election costs substantially increased;
16. clerk's duties substantially increased;
17. has degraded electoral process by encouraging fraud;
18. and has encouraged voters to register on election day rather than before.

The news media, both in news items and editorially, have, in the majority, opposed rather than endorsed the concept of "election day registration" at the polling place.

Election officials and their employees, those charged with the day to day administration of election laws, overwhelmingly oppose the election day concept due to its administrative nightmares and its unknown additional costs to their taxpayers.

On April 29, 1977, Secretary Wineland chaired a regional meeting of the National Association of Secretaries of State in Richmond, Virginia. Secretaries and/or chief election officials of nine eastern states reviewed HR 5400 with Robert E. Moss, General Counsel of the House Administration Committee. Although all present accepted the concept, as they would "apple pie and motherhood", all states except Pennsylvania expressed their opposition to the bill.

The following Resolution of the Ethics and Elections Committee National Conference of State Legislatures was adopted March 6, 1977:

"The Committee opposes the Congress mandating same day registration. The Committee supports the Congress encouraging the states to adopt legislation which would maximize registration by permitting registration as close to election day as is administratively feasible and consistent with the integrity of the electoral process and, in any event, at least until the 20th day prior to the election. To this end, the states should be further encouraged to develop and adopt new and imaginative methods of registration such as post card registration, door-to-door canvassing, roving registration boards, and other devices to encourage participation in the electoral process. Same day registration is encouraged for those states which determine it to be consistent with the purposes described above."

Four members of the Maryland Legislature and the sub-committee concerned with election laws contributed their comments to this report many of which were repeated verbatim. We appreciate their cooperation.

The Maryland Association of Election Officials solicited written comments from all Boards of elections in the State. Twenty-three Boards opposed enactment of HR 5400 or S 1072. One Board advised by phone that they would take no position. Opposition covered many varied reasons, most of which have been expressed above in this report.

The State Administrative Board of Election Laws, which exercises supervision over all registration of voters and conduct of elections in Maryland, supports the views of the Boards of Supervisors of Elections, in their opposition and deep concern regarding the President's proposal and urges its defeat by the Congress of the United States.

Respectfully submitted.

STATE AMINISTRATIVE BOARD
OF ELECTION LAWS,
REGINALD A. ASPEN, *Chairman.*
THEODORE N. CLARK, *Vice Chairman.*
STEPHEN R. FEGAN, *Member.*
JAMES W. JOHNSON, Jr., *Member.*
SYLVIA RAPHAEL, *Member.*
WILLARD A. MORRIS, *Administrator.*

HOUSE OF DELEGATES,
Annapolis, Md., May 6, 1977.

Hon. FRANK THOMPSON, Jr.,
Chairman, House Administration Committee,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: We know that your Committee has completed its work on HR 5400, but the four of us, members of the Maryland Legislature and of a sub-committee concerned with election law, want nonetheless to communicate to you and the members of the Congress our concerns with the proposal. We represent both major parties.

All of us are committed, both personally and through legislative efforts, to establishing easy access to the ballot and to encouraging, in every way possible, the exercise of the franchise. We recognize that citizens fail to vote for a variety of reasons—only one of which is the difficulty of or the barrier to registration. In addition, we strongly believe that, given the reservations we have (and which we will enumerate) that there are other programs to increase registration that should be encouraged and undertaken before "Universal Voter Registration" is enacted.

While the percentage of voting age population participating in elections is deplorably low, the number of registrants who fail to vote is alarmingly high. The studies reveal different reasons for low turnout of eligible voters and some of those reasons might be remedied by federal support for other types of innovative programs. The cited "lack of information" about candidates and issues could be counteracted by publicly funded mailings and by required time allocations by the media to election issues. The two and three hour waits in polling places could be relieved by the use of alternative voting devices, which need an impetus for development and testing beyond the capabilities, financial and technical, of most states or jurisdictions which administer elections. Admittedly the lack of confidence in the political process, which is cited as one reason for non-voting, is an attitudinal situation we are all striving to eliminate, but we think initiating a program where the opportunity for fraud must be recognized as at least possible does nothing but reinforce the concept that law makers treat the integrity of the voting process as an expendable item.

In addition to our reservations that HR 5400 does create a potential for fraud and that HR 5400 does not deserve the priority it apparently enjoys, we have other reservations.

The opportunity to register and vote on election day will reduce the incentive to register in advance, thereby putting further burdens on the administration in the polling places. Usually polling place employees, in contrast to permanent election board personnel, have the experience of working only one day every two years; their training is inadequate; they are not necessarily committed to the goal of an enlarged electorate and often entertain contrary goals; and too often they enjoy their employment through the operation of political considerations rather than through considerations of merit or expertise.

The elimination of the requirement for advance registration will enhance the attractiveness and effectiveness of the last minute "smear campaign." While these unsavory practices are now used, an attacked candidate is to a limited extent protected by his ability to identify the electorate he must reach during the entire course of a campaign and by the fact that those who are able to vote must have evidenced sufficient interest to register. With advance registration the single issue voter whose interest is sparked only by a last minute emotional appeal is unable to be mobilized.

If UVR is to be enacted, we would ask specifically:

(1) That the program be optional in 1978 so that the administering units can have the time to carefully plan for the training of additional personnel, the allocation and purchase of additional voting equipment, and the development of procedures to safeguard the validity of the process.

(2) That it be possible to establish a single polling place for same day registration for a group of precincts or districts to maximize the use of well and specially trained personnel, to minimize the need for additional equipment, and to centralize the opportunity for guarding against fraud. (This would require amending the bill.)

(3) That the funding be increased to reasonably permit the program to be implemented. (Our calculations indicate a maximum allocation to Maryland of $600,000 for full participation, yet, should the program result in an increase of 10 percent in the number of votes cast, we would need one additional voting machine and two additional election judges per polling place at a cost of $4,500,000 without considering the cost of transport, storage, and maintenance of machines, or the training of personnel.)

In Maryland we have mail registration, roving boards of registry (in schools, institutions and shopping centers), and broad entitlement to absentee ballots. We think these programs should be nationwide, with the addition of door-to-door canvass. The full implementation of these mechanisms will maximize registration and should be undertaken before UVR. These alternatives, in our opinion, could achieve the same goal without raising the spectre of fraud, creating within a single day a tremendously increased administrative burden on our perhaps least professionalized bureaucracy, and greatly increasing costs.

We do believe in the broadest possible exercise of the franchise but we think a prudent approach to that goal dictates that mechanisms other than UVR deserve a higher priority.

Respectfully,

BERT BOOTH,
THOMAS B. CUMISKEY,
DONALD B. ROBERTSON,
HELEN L. KOSS,

MARYLAND COMMISSION ON
INTERGOVERNMENTAL COOPERATION,
Annapolis, Md., June 24, 1977.

ROBERT E. BAUMAN,
Cannon House Office Building,
Washington, D.C.

DEAR MR. BAUMAN: This letter is to convey the position adopted by the Maryland Commission on Intergovernmental Cooperation on S. 1072 and H.R. 5400 now pending in the Senate Committee on Rules and Administration and the Committee on House Administration, respectively

The Commission is opposed to the provision in these bills that mandates every state to permit an individual to have the privilege of registering *and* voting on the same day in any "Federal Election." While acknowledg-

ing the additional administrative and financial burdens these bills may ultimately impose on local units of government, the Commission, as a matter of principle, questions the merits of the universal requirement to have election day voter registration. *The Commission prefers that election day registration remain an option best determined by each state.*

The Commission is aware of election day registration in Minnesota, Wisconsin, Maine, Oregon, and North Dakota. However, the Commission believes that if this provision is optional, other states would be in a position to respond positively if a method of voting on the same day works in a comparable setting.

The reasons that an individual does not register to vote do not seem to be addressed by mandating election day registration. In fact, there are many ways this last day registration can be abused—each of which could undermine the voting system to the detriment of the concept of voting. Indeed, such a provision would reduce the incentive to register in advance and jeopardize advance registration efforts.

Besides providing year-round opportunity to register at each county seat, Maryland has a model mail registration program, roving Boards of Registry in high schools, institutions and shopping centers, and easy entitlement to the absentee ballot.

Election day voter representation augments the unfair potential abuses of—

long lines of unforseen voters that would discourage the preregistered and newly registered alike;

last minute single issue emotional appeals;

last minute "smear campaigns";

rounding up blocks of individuals to register and voted by various attractions;

frauduent multiple identity of some individuals; and

problems associated with the criteria and training for one day of employment.

The Commission has received copies of correspondence in opposition to S. 1072 and H.R. 5400 sent to you from Maryland's State Administrative Board of Election Laws (representing the views of 23 subdivisions, with one subdivision abstaining) and from members of a subcommittee of the House of the Maryland General Assembly concerned with election law.

In support of the option for each state to enact election day voter registration laws, the Maryand Commission on Intergovernmental Cooperation endorses the Resolution adopted March 6, 1977 by the Ethics and Elections Committee of the National Conference of State Legislatures:

"The Committee opposes the Congress mandating same day registration. The Committee supports the Congress encouraging the states to adopt legislation which would maximize registration by permitting registration as close to election day as is administratively feasible and consistent with the integrity of the electoral process and, in any event, at least until the 20th day prior to the election. To this end, the states should be further encouraged to develop and adopt new and imaginative methods of registration such as post card registration, door-to-door canvassing, roving registration boards, and other devices to encourage participation in the electoral process. Same day registration is encouraged for those states which determine it to be consistent with the purposes described above."

In urging that Congress leave to the states the option of election day voter registration, the Commission also urges that Congress provide an adequate incentive of financial assistance to each state that chooses to try election day registration.

Sincerely yours,

JOHN CARROLL BYRNES,
Chairman, Maryland Commission on Intergovernmental Cooperation.

THE BOARD OF SUPERVISORS OF ELECTION OF WORCESTER COUNTY,
Snow Hill, Md., May 18, 1977.

Rep. ROBERT E. BAUMAN,
Cannon House Office Bldg., Washington, D.C.

DEAR REP. BAUMAN: I am writing you in reference to Bill 5400–Universal Registration. Our Board wishes to take a stand against this bill.

The reasons for our stand against this bill are numerous. Very briefly; we feel it would cause confusion at the polls, more work on the pollworkers and chance for fraud. We feel that our present Registration-By-Mail program works very well and gives those wishing to register ample time. We have a system that works just the way it is. The problem is getting those that are already registered to vote.

We are asking for your support in voting against this Universal Registration Bill.

Very truly yours,
Mrs. RALPH W. JONES,
Clerk.

BOARD OF SUPERVISORS OF ELECTIONS FOR ST. MARY'S COUNTY,
St. Mary's County, Md., May 16, 1977.

Congressman ROBERT E. BAUMAN,
House of Representatives, Longworth House Office Building, Washington, D.C.

DEAR CONGRESSMAN BAUMAN: Please be advised that the St. Mary's County Election Board has considered the merits of proposed federal legislation that has the effect of greatly liberalizing present election law so as to permit registration on election day. The St. Mary's County Board opposes such legislation. It is our opinion that the recent law permitting registration by mail was a most broadening step in the registration process and has proven to be a means for substantially increasing the voter rolls. However, the Board recognizes that certain safeguards must be built into the process and we feel they will not be present if the proposed federal legislation in its present form is enacted into law.

We, therefore, request that you vote accordingly when this legislation is brought before you.

Very truly yours
BOARD OF SUPERVISORS OF ELECTIONS
PAUL R. BALTA, *Chairman.*

THE BOARD OF SUPERVISORS OF ELECTIONS FOR WICOMICO COUNTY, MD.,
Salisbury, Md., May 19, 1977.

Hon. ROBERT E. BAUMAN,
House Office Building, Washington, D.C.

DEAR MR. BAUMAN: As you might well imagine, there are many local election offices throughout the country that are concerned with HR 5400, particularly the section pertaining to the *registration of voters* on Election Day.

We would briefly like to make known to you our position in this matter. As you are aware, our State has a Mail Registration program which has proven very satisfactory. For anyone the least bit interested in our electoral process, becoming a registered voter is a very simple process. The cut-off date approximately thirty (30) days before an election allows us to properly prepare forms, ballots, transfers, etc. for a smooth running election.

In the past we have always had the heaviest day of registration on the last day prior to an election. We feel that those persons who are in the habit of postponing everything until the last minute would postpone registering until election day, thereby causing utter chaos. In addition the possibility of widespread fraud would be increased tenfold.

We would appreciate your consideration of our position on this vital issue.

Cordially yours,
BOARD OF SUPERVISORS OF ELECTIONS
WICOMICO COUNTY
PAUL A. HISHMEH, JR.,
Election Clerk-Registrar.

SPECIAL PROSECUTOR IN KOREAN INVESTIGATION

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. ANDERSON of Illinois. Mr. Speaker, today along with my colleague from Maine (Mr. COHEN), I am introducing a bill that sets out very clearly a procedure that will be followed by the Attorney General with respect to the investigation of possible efforts to secure undue influence by the Korean Government. It says that within 90 days of enactment, the responsibility would be upon the Attorney General to indicate that his investigations showed him that there was no problem and no need for further prosecution or further action; or if it should be his finding that there was cause for further action, he would so specify, and the court would bring into being a special prosecutor under the procedures outlined in the bill.

Mr. Speaker, a dark, ominous cloud presently looms low over this body with respect to the Korean allegations. Weeks and months have passed, and there is absolutely no indication of when these issues might be resolved. Allegations that the Korean Government may have illegally influenced foreign and defense policies are debilitating the effectiveness of the Congress and tarnishing its image. I believe we should do all we can to clear the air as quickly as possible and restore the public's faith in the men and women to whom they have entrusted public responsibility.

In view of the fact that my Democratic colleague from Minnesota (Mr. FRASER) has not been receiving the kind of cooperation he had hoped from the Department of Justice in his investigation of the Korean Government, I think a special prosecutor may be in order. I realize that this is an extraordinary procedure—but I think we can all agree that this is an extraordinary circumstance. While I most definitely do not wish to prejudge the matter, I believe it is vital to the integrity of this body to settle this matter and get on, unimpeded, with the tasks we have been elected to undertake.

In closing, I might add that our bill closely follows the language recently passed by the other body in the Public Official's Integrity Act of 1977 (S. 555). The administration has generally endorsed the establishment of an office of a special prosecutor under extraordinary circumstances. I think the Korean situation is such a circumstance and warrants the activation of a special prosecutor.

At this point in the RECORD I will insert a section-by-section analysis of the Special Prosecutor Act:

SECTION-BY-SECTION SUMMARY OF ANDERSON-COHEN SPECIAL PROSECUTOR ACT

Section 1. Title. The "Special Prosecutor Act."

Section 2. Special Prosecutor.

(a) Upon the receipt of any specific information that any of the persons covered by this Act have knowingly authorized or engaged in any Federal criminal act or omission involving the abuse of Federal office, or the violation of any Federal criminal law regulating the financing or conduct of elections or campaigns, or violated any Federal criminal law relating to obstruction of justice or perjury, or conspiracy to violate any such law, the Attorney General shall conduct a preliminary investigation, for a period not to exceed sixty days, to ascertain whether the matter under investigation is so unsubstantiated that no further investigation or prosecution is warranted.

(b) The persons covered by this Act shall include the President, the Vice President, any individual serving in a position compensated at level I of the Executive Schedule, any person working in the Executive Office of the President and compensated at a rate not less than level IV of the Executive Schedule, the Directors of the FBI or CIA, any persons holding the above positions during the incumbency of the President or the last preceding President if such preceding President was of the same political party as the incumbent President, a national campaign manager or chairman of any national campaign committee seeking the election or reelection of the President, or a Member of Congress.

(c) If the Attorney General finds the subject matter of his preliminary investigation is so unsubstantiated that no further investigation or prosecution is warranted, he shall file a memorandum with the special panel of the court containing a summary of the information received and the resutls of the preliminary investigation.

(d) If, after the filing of the memorandum, the Attorney General receives additional specific information about the matter to which the memorandum was related, and the information, in the opinion of the Attorney General, warrants further investigation or prosecution, he shall apply to the special panel wtihin thirty days for the appointment of a special prosecutor.

(e) If, within sixty days of the receipt of the information, the Attorney General has not made a determination that the information is unsubstantiated or finds that it does warrant further investigation or prosecution, he shall apply to the special panel of the court for the appointment of a special prosecutor.

(f) If, in the course of any Federal criminal investigation the Attorney General determines that the continuation of the investigation or prosecution may so directly and substantially affect the political interests of the President, of the President's political party, or of the Attorney General, as to make it inappropriate in the interest of the administration of justice for the Department of Justice to conduct such investigation, then the Attorney General shall apply to the special panel of the court for the appointment of a special prosecutor.

(g) Any memorandum or application filed under this section with the special panel of the court shall not be revealed to any third party without leave of the court, and any such application shall contain sufficient information to assist the panel to select a special prosecutor and define the prosecutor's jurisdiction.

(h) Upon the receipt of an application the special panel of the court shall appoint an appropriate special prosecutor and inform the Attorney General and the Congress of, and make public, the name of the special prosecutor.

(i) The Attorney General may request that the court assign new matters to an existing special prosecutor or that his prosecutorial jurisdiction be expanded, and the special panel of the court may make appropriate orders for such assignment or expansion. The special prosecutor may accept a referral of a matter by the Attorney General if the matter relates to a matter within the prosecutorial jurisdiction as esablished by the special panel of the court.

(j) A judiciary committee of either House of Congress may request that the Attorney General apply for the appointment of a special prosecutor, and within thirty days after the receipt of such a request, the Attorney General shall notify the committee in writing of any action taken, and, if no application has been made to the special panel of the court, why such application was not made. Such written notification shall not be revealed to any third party except that the committee may, either on its own initiative or on the request of the Attorney General, make public such portion of portions of the notification as will not, in the committee's judgment, prejudice the rights of any individual.

(k) Upon application of a majority of majority party members or a majority of all non-majority-party members of a judiciary committee of either House of the Congress, the U.S. District Court for the District of Columbia may issue any appropriate order (including an order in the nature of a writ of mandamus) commanding the Attorney General to comply with any provision of this chapter.

(l) The Attorney General shall, upon the date of enactment of this subsection, for a period not to exceed ninety days, conduct a preliminary investigation into whether there has been, since 1970, improper or illegal conduct on the part of any Representative or Senator in the Congress of the United States with respect to the receipt or acceptance of any valuable consideration from representatives of any foreign government in order to influence legislation or other government action. At the completion of the preliminary investigation the Attorney General shall make such findings and take such actions as he would be required to take with respect to other preliminary investigations under this section.

Prosecutorial jurisdiction and authority:

(a) A special prosecutor appointed under this chapter shall have, with respect to all matters in such special prosecutor's jurisdiction established under this chapter, all the investigative and prosecutorial functions and power of the Department of Justice, the Attorney General, and any other officer or employee of the Department of Justice.

(b) A special prosecutor appointed under this chapter shall be paid at a per diem rate equal to the rate of basic pay for level IV of the Executive Schedule and shall have power to appoint, fix the compensation and assign the duties of such employees as he deems necessary.

(c) A special prosecutor appointed under this chapter may make public from time to time and shall send to the Congress at least annually, such statements or reports as he deems appropriate.

(d) There are authorized such sums as may be necessary for the use of any special prosecutors to be held by the Department of Justice as a contingent fund.

Removal or termination:

(a) A special prosecutor appointed under this chapter may be removed from office, other than by impeachment and conviction, only by the special panel of the court and only for extraordinary impropriety, or such incapacitation or other condition as substantially impairs the performance of his duties.

(b) The special prosecutor's office shall terminate upon the submission by the special prosecutor of notification to the Attorney General that the investigation of all matters within his jurisdiction, and any resulting prosecutions, have been completed or substantially so that it would be appropriate for the Department of Justice to complete such matters.

(c) The special panel of the court may, on its own motion or the suggestion of the Attorney General, terminate the office of the special prosecutor at any time on the grounds that the investigation of all matters within the jurisdiction of the office and resulting prosecutions have been completed, or substantially so.

Final report and congressional oversight:

(a) The special prosecutor shall submit a final report to the special panel of the court setting forth fully and completely a description of the work of the special prosecutor including the disposition of all cases brought and the reasons for not prosecuting any matter within his jurisdiction which was not prosecuted. The report shall be in sufficient detail to allow a determination as to whether the investigation was thoroughly and fairly completed. The special panel of the court may release to the Congress, the public or any appropriate person, such portion of the report as it deems appropriate and shall make such orders as appropriate to protect the rights of any individual named in the report and prevent undue interference with any pending prosecution. The special panel of the court may make any portion of a report available to any individual named in it for the purposes of receiving within a time limit any comments or factual information such individual may submit. Such comments and factual information, in whole or in part, may in the discretion of the special panel be included as an appendix to the report. A special prosecutor, where appropriate, shall promptly advise the chairman and ranking minority member of the House committee having jurisdiction over impeachment of any substantial and credible information which he receives and which may constitute grounds for an impeachment. Nothing in this chapter shall prevent the Congress from obtaining information in the course of an impeachment proceeding.

(b) The appropriate committees of the Congress shall have oversight jurisdiction with respect to the official conduct of any special prosecutor appointed under this chapter, and such special prosecutor shall have the duty to cooperate with the exercise of such oversight jurisdiction.

Section 3. Assignment of Judges to Division to Appoint Special Prosecutors:

(a) Beginning with the two-year period commencing on the date this section takes effect, the chief judge of the U.S. Court of Appeals for the District of Columbia shall assign three persons who are judges or justices for each successive two-year period to a division of the U.S. Court of Appeals for the District of Columbia to be the special panel of the court for the purposes of this Act.

(b) Assignment to such panel shall not be a bar to other judicial assignments during the term of such panel.

(c) Priority shall be given to senior retired circuit judges and senior retired justices in assigning judges or justices to sit on the panel.

(d) The chief judge of the U.S. Court of Appeals for the District of Columbia may make a request to the Chief Justice of the United States, without presenting a certificate of necessity, to designate and assign retired circuit court judges of another circuit or retired justices to the panel established under this section.

(e) Any vacancy occurring on the panel shall only be filled for the remainder of the two-year period in which such vacancy occurs.

(f) No judge or justice serving on the panel shall be eligible to participate in any judicial proceeding involving a matter which involves a special prosecutor while such special prosecutor is serving in that office or which involves the exercise of the special prosecutor's official duties.

Section 4. Disqualification of Officers and Employees of the Department of Justice:

The Attorney General shall promulgate rules and regulations which require any officer or employee of the Department of Justice, including a U.S. attorney or a member of his staff, to disqualify himself from participation in a particular investigation or prosecution if such participation may result in a personal, financial, or political conflict of interest, or the appearance thereof. Such rules and regulatonis may provide that a willful violation of any provision thereof shall result in removal from office.

DEALING WITH CASTRO: DIPLOMACY OF RETREAT

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. CRANE, Mr. Speaker, the announcement several weeks ago that the United States is going to send 10 Foreign Service operatives to work out of the the Swiss Embassy in Havana and, at the same time, will permit the Cuban Government of Fidel Castro to send 10 of its diplomats to work out of the Czechoslovak Embassy in Washington, should be a warning flare for all Americans. Not only does this move represent a capitulation by the United States to Cuban attitudes on exportation of revolution, expropriation of property, and denial of human rights, but it portends a further erosion of respect for the United States around the world. Other nations will now know, if there ever was any doubt, that our failure to extract any concessions from the Red Chinese after having refused recognition was no fluke; if they wait long enough, the United States will eventually give in to their point of view regardless of how unpleasant it may be.

That we have reached such a state of affairs should not, however, come as any great surprise. There was warning. In fact, as columnist Allan Brownfeld points out in a perceptive piece on the "Dangers of Catering to Castro," there was ample warning. Yet, the American people did not respond and, when the House of Representatives was given an opportunity to veto the diplomatic deal with Castro, it refused to do so by a vote of 206 to 139.

Not being one who believes that either the people or the Congress approve of Castro's systematic denial of human rights or believes that Cuban troops are a stabilizing force in Angola, it is my feeling that the passage of time and a subsequent blurring of memories is primarily responsible for the subdued reaction. However, time has not altered the facts; it has only extended the historical record along the same lines that caused the United States to break diplomatic relations with Castro in the first place. It is not, as Mr. Brownfeld points out, Castro that has changed, it is us and, unless we remind ourselves of that fact and reverse course, we will pay the consequences.

Mr. Speaker, at this point, I include Mr. Brownfeld's article, which appeared in the May 27 issue of the Lima News, Ohio, be reprinted in the RECORD at this time:

DANGERS OF CATERING TO CASTRO

(By Allan C. Brownfeld)

There are increasing indications that, without any reciprocity whatever from Fidel Castro and his government, the Carter administration is moving toward the normalization of relations with Cuba.

In April, the President noted that he was considering as one of several options the possibility of exchanging with Cuba so-called "interest" sections in each other's capitals to conduct diplomatic business until relations were fully normalized and embassies were established.

In addition, U.S. negotiations with Cuba, involving a high level State Department official, Terence A. Todman, assistant secretary of state for inter-American affairs, began on March 24. Thus far, they were limited to finding an agreement to regulate fishing in the waters between the two countries.

There have been a number of other perceptible actions suggesting that the U.S. and Cuba are moving toward normalization. Earlier in March, for example, President Carter lifted all restrictions on Americans who wished to travel to Cuba and the Treasury Department ended the ban on spending dollars in Cuba by American visitors.

Then a delegation of basketball players from South Dakota, accompanied by both the state's senators, visited Cuba, as did a large group of businessmen from Minnesota, who went to talk about possible trade once the American trade embargo against Cuba is lifted.

On May 10, the Senate Foreign Relations Committee approved a partial lifting of the 17-year-old trade embargo. Under terms of the committee vote, Cuba would be allowed to purchase agricultural supplies, food commodities and medicine from the U.S., but would not be permitted to sell Cuban goods on the U.S. market. This is far short of a full lifting of the embargo. It does, however, mark a major breakthrough in that direction. When Sen. George McGovern, D–S.D., perhaps Castro's most outspoken supporter in the Congress, introduced his bill for a partial lifting of the embargo, President Carter, while remaining neutral, made it clear he would not oppose such a move.

Thus, at a time when Fidel Castro is supporting aggressive intervention in Africa, Asia and Latin America, the U.S. is in the process of making important unilateral concessions to him—concessions which he desperately needs to restore his ailing economy, but which provide no quid pro quo whatever to the U.S.

It is by no means clear that the Congress will go along with these one-sided concessions. Shortly after the Senate Foreign Relations committee voted to partially lift the embargo, the House International Relations Committee rejected a similar proposal. Instead, the House adopted an amendment by Rep. John Ashbrook, R-Ohio, specifically reaffirming the trade embargo. Rep. Ashbrook noted, "There is within the Senate a very determined effort to remove prohibitions against trade and aid to Cuba . . . We should not sit back in the House and let the senior senator from South Dakota (George McGovern) be spokesman on foreign policy."

Discussing the efforts of some American businessmen to capitalize on trade with Cuba, Rep. Robert Bauman, R-Md., declared, "I do not think American citizens can take any great comfort in the spectacle of American businessmen grovelling before Fidel Castro, standing and applauding this murderous bearded dictator who, for 16 years, has held in imprisonment the once free people of Cuba.

"Certainly, some of our businessmen and perhaps the administration are making clear that they are willing to go along with this Communist Cuban government which now is financing . . . thousands of troops and advisers in perhaps 15 different nations. These Communist troops and agents are responsible for the callous murder of whites and blacks, missionaries and others, who are being slaughtered by Cuban trained and directed guerrillas. . ."

Speaking in the U.S. Senate, Sen. Robert Dole R–Kan., stated, "It should be obvious that there can be no meaningful improvement in American-Cuban relations until Castro agrees to terminate his active promotion of Communist aggression in Latin America and Africa. It is an insult to the principle of self-determination that Castro still maintains a force of some 15,000 Cubans in Angola, two years after their strongarm activities won that country over to the Communists . . . Those who insist that the time is at hand for the U.S. to demonstrate 'good faith' by lifting the trade embargo have not, I suspect, fully considered the lack of good faith by the Cuban government . . ."

The fact is that the Cubans seek "normalization" only because their economy is in a state of advanced deterioration and they seek to be bailed out by the U.S. Speaking to the visiting Minnesota businessmen, Castro declared: "We have deficiencies, lots of deficiencies." Angel Gomez-Trueba, first deputy minister of Cuba's Committee for Economic Cooperation, stated, "We cannot develop our own technologies. We must bring them into our country. There is no other way."

Perhaps if the Cuban economy were permitted to fail even more dramatically, Castro would be unable to support his overseas aggression. It seems clear, however, that American businessmen are intent upon fulfilling Lenin's prophesy that they will sell the Communists the rope with which to hang them. Nikita Khrushchev aptly remarked that, "You can spit in the eye of some American businessmen and they think it is dew."

And what of Jimmy Carter's professed concern for human rights? He demands "majority rule" in South Africa, yet when was there a free election in Cuba? There is no freedom of speech in Cuba, no freedom of religion, no freedom of the press. At least 10,000 and possibly as many as 40,000 Cubans are political prisoners. Are we concerned with "human rights" only in the non-Communist world? Any move toward "normalization" without dramatic changes in Castro's policies at home and abroad contradicts all of President Carter's stated world goals.

RELIEF—AND ANXIETY

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following editorial which appeared in the Los Angeles Times, June 19, 1977. The editorial comments on the increased Soviet campaign of repression.

RELIEF—AND ANXIETY

There is, of course, a sense of relief that Robert C. Toth, our correspondent, has been permitted to leave the Soviet Union, that

the hours of interrogation by the secret police are at an end.

But there is no end to the repression, abuse, intimidation and harassment of the Soviet dissidents themselves, those whose only crime has been to question their country's standards on human rights, to report violations of international agreements by their government, to criticize government actions, or to seek to emigrate.

The relief that we feel with the end of the ordeal for Toth is matched with anxiety for what this incident has exposed about the Soviet Union, and what this means for international relations.

It is now clear that there has been no amelioration of repression—perhaps the contrary. If the firing squad and the mysterious disappearance are less used, the labor camp, the mental hospital, the denial of jobs, the arbitrary arrests and incarcerations are still very much parts of the system. And new and ferocious efforts are being made to conceal more than ever that closed society.

The international indignation stirred by the treatment of Toth may have encouraged Soviet authorities to end the interrogation, to permit him to leave the country, and not to pursue the ludicrous charges contrived against him.

It is not so easy, however, to discourage the repression and abuse of Soviet citizens. Criticism is dismissed as intervention in internal Soviet matters. Yet the Soviet Union should know that it is making a gross mistake if it thinks that its internal situation has no effect on its external relations, if it thinks that it can wall off its domestic actions and abandon accepted standards within its society without paying a price in its relations with the rest of the world.

As we celebrate the release of Robert Toth, so we also lament that Anatoly Shcharansky is not free. He faces the charge of treason because, as a Jew, he protested the rising anti-Semitism visible in Soviet policy, he asked to emigrate to Israel, he spoke with foreign correspondents.

It is but one of many cases that bear witness to an order and a policy that can only create distrust of the Soviet Union in all it does. A country that cannot be counted on to protect the minimal human rights of its own citizens invites suspicion of the integrity with which it will honor all relationships. The distrust it sows at home inevitably also infects its relations abroad.

STATE DEPARTMENT BLOCKS ADMISSION OF VIETNAMESE REFUGEE WHO STOOD UP AND OPPOSED THE COMMUNIST HANOI REGIME ON HUMAN RIGHTS VIOLATIONS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. KEMP. Mr. Speaker, the zeal of the administration to rush to the normalization of relations with the Communist regime in Hanoi as well as to provide foreign aid from the American taxpayer is being pursued with a double standard apparently on the issue of human rights.

A former "anti-Saigon regime" politician in South Vietnam who was considered sufficiently "propeace" to win a seat in the puppet legislature established by the Communists in South Vietnam, Nguyen Cong Hoan, has escaped from Vietnam to Japan to tell his story. History, it seems, inconveniences the premises of the Carter administration. In Japan, Hoan testified to the establishment of massive Gulag-style concentration camps for the "reeducation"—in Stalin's Russia, the term used was "corrective labor"—of Catholics, Buddhists, neutralists, teachers, civil servants, agnostics, shopkeepers and apparently anyone the regime can apprehend who fails to display an appropriate degree of enthusiasm for the new government.

Because of Mr. Hoan's devastating candor, he is being denied admission to the United States, and there are even dark suggestions that he may be deported back to Vietnam—all in the name of the State Department's effort to win favor with the Communist regime. A recent column by John Roche has described this situation. I insert Mr. Roche's record of this disgrace in the RECORD at the conclusion of my remarks.

REFUSING TO PULL DOWN THE INDOCHINA SHADES

(By John P. Roche)

At a recent meeting in New York, Allard K. Lowenstein, who has been playing "Tonto" to Andy Young's "Lone Ranger," objected when a friend of mine raised the issue of human rights in its Indochinese context. The gist of Al's message was that we should all drop the "divisive" subject of Vietnam and move forward into a smiling future.

How charming. While the Khmer Rouge is ruthlessly engaged in what an impartial French observer called "self-genocide," with at least a fifth of the population dead or dying; while the South China Sea is dotted with tiny craft full of Vietnamese, who have adopted New Hampshire's motto "Live Free or Die" and are mostly dying; while, in short, Indochina is an abattoir, Lowenstein suggests we forget it. Vietnam is part of a bad old past, one which saw Americans divided; the response is drop that reel from the historical film.

Al's offer to let us all off the historical hook is not without a certain disingenuous quality. Wasn't it Egyptian President Anwar Sadat who embraced Secretary of State Kissinger in the wake of the 1973 Yom Kippur War and said, "Why don't we just tell Israel to let bygones be bygones?" Well, I'm one stubborn old social democrat who isn't going to pull down the shades: It was Lowenstein and his pals in the "Dump Johnson" movement who played a tragic role in turning Indochina into a totalitarian inferno.

True, I can't rewrite history: We lost. The basic ingredient in our defeat was isolationist—Americans don't like fighting interminable wars at the end of the world for murky objectives. However, what Lowenstein & Co. did was mount a major campaign to obscure the fundamental issue in South Vietnam: defending the freedom of decent people from a branch of "Murder, Inc." In fairness, he was never a "Hanoi hawk," one of those who advocated victory for the "progressive North Vietnamese."

He and his associates orchestrated a different theme: the dictatorial corruption of the Thieu regime. In essence they blurred the line between North and South, reinforcing in this country the Pavlovian reaction that it didn't really make any difference who won. Of course, the Thieu regime was corrupt, but corruption there was simply old-fashioned stealing, not the infinitely worse corruption of the soul one finds in totalitarian societies. Sure, Thieu's government was dictatorial in aspiration, and its police were perhaps half as rough as the Mexican, yet its real problem was weakness. Anybody whose moral calculations put Saigon in the same league with Hanoi should spend a junior year in Gulag.

As the Communists butcher's bills have accumulated from South Vietnam, Laos and Cambodia, the lesson is that human rights are not an all-or-nothing affair, that, in Arthur Koestler's phrase, our fate in this world is to defend the half-truth against the total lie. Specifically, the last thing our human rights honchos should do is black out Southeast Asia and switch to Africa or Latin America.

So much for ancient history. The question now is what should we do about those poor souls floating around the ocean, denied entry by nation after nation, aided by only a handful of organizations with limited funds? Or even those lucky few who have managed somewhere to obtain temporary refuge?

To ask the question is to answer it. We should launch a crash program to save their lives and resettle them in nations where they are welcome. First among the latter should be the United States, historically a haven for brave people of all backgrounds who have chosen to live free or die.

Unfortunately the administration seems to have adopted the Lowenstein line. Take the case of Nguyen Cong Hoan, the anti-Thieu politician who was considered sufficiently "progressive" by Hanoi to warrant a seat in the National Assembly of the new united Vietnam. Rapidly disillusioned, Hoan and two colleagues of the former Saigon opposition to Thieu managed to escape to Japan. Have they been brought to the United States to express their views on Hanoi's graveyard peace?

No, they are isolated in Japan, in some danger of extradiction to Vietnam for holding a press conference explicating Hanoi's version of "people democracy." The State Department has treated them like lepers. Hoan applied for permission to emigrate to the United States, was told to be "patient," and now is apparently on indefinite "hold."

Why? Because he is a disinterested witness to the moral bankruptcy of any policy of "normalization" of American relations with Hanoi. Dump Lowenstein!

SALUTE TO ROD CAREW

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. FRENZEL. Mr. Speaker, I would like to draw my colleagues attention to an editorial in yesterday's edition of the Washington Star. The editorial commends our Minnesota Twins second base person, Rod Carew on both his accomplishments, which are many, as a professional baseball player but also reminds us that Rod possesses those qualities of professionalism that are fast becoming the exception rather than the rule.

In Minnesota, we are proud of Rod and his past success. We also wish him well in his pursuit of this next goal. I commend the editorial to my colleagues:

MEANWHILE, OUT IN MINNESOTA

So in disjunction do the planets swirl that it requires poise to be confident whether one's head or heels are uppermost. One of the annoying times of our signs is that the sports pages decreasingly offer solace from lowering issues of state, but rather contribute to the sense of dislocation.

The baseball season, if you will. Large egos and small minds have chased each other down newspaper columns and up the television news. A staff member from Family

and Child Services should be included on the roster of each big league club, apportioning his counseling between dugout and front office. Billy Martin should be sent to bed without supper and Reggie Jackson spanked on national television by Mrs. George Herman Ruth. Let those two gentlemen represent the infantilism that has been, if not pervasive this season, well, wonderfully conspicuous.

But, then, as the driver of the eight-cylinder diatribe is about to exceed 90 in a 25 mile zone, almost unwillingly his foot eases off the gas pedal. While the sulkers and the skulkers of baseball tumble over each other in pyrotechnic disputation, a solid reminder comes that the game will not be eclipsed by clowns, brats and plastic autocrats.

So raise your glass of carrot juice, please, to Rod Carew. As of the close of baseball business on Monday, the Minnesota first baseman was batting .408—a feat, even at mid-season, comparable to Bowie Kuhn's tying his shoelaces without imprisoning both thumbs.

He has, of course, won six American League batting championships and gives promise of securing a seventh. Admittedly it is a long march to the season's conclusion, but he also might be the first ballplayer in 36 years to bat over .400—since 1941 when Ted Williams swatted .406. Mr. Carew is sizzling—47 hits in his last 99 times at bat.

During this time, to the best of our knowledge, he has not whined, screamed or thrown a public tantrum over the hardships of pursuing his career in a world he never made. He has not, we believe, enlivened a single game by threatening to rearrange his manager's physiognomy or called a press conference to question his employer's morals or intelligence.

As fine a ballplayer as he is, Mr. Carew clearly is deficient in understanding the canons of celebrityhood. It is a deficiency, however, for which we are grateful. He has gone quietly about his business—of being perhaps the premier hitter in the game and a gentleman journeyman.

Thanks, Rod, we needed that.

RASH TREATMENT OF LANGUAGE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following editorial, which appeared in the Oxnard Press-Courier, June 17, 1977. The editorial comments on statements made by U.N. Ambassador Andrew Young:

RASH TREATMENT OF LANGUAGE

It may safely be assumed that President Carter isn't going to fire Andrew Young rashly for the United Nations ambassador's provocative remarks, including his description of former Presidents Nixon and Ford as "racists." On the contrary, Carter has been offering unsolicited praise of Young, even as the President hints that he may try to redirect the talkative ambassador's energies.

The hint came following a recent meeting between Carter and Young. But, for those concerned about appearances, it was made clear the meeting was not convened on account of Young's remarks about Nixon and Ford in a Playboy interview.

That said, however, it is less clear that Young is not doing something rash to the language. Having told Playboy that Nixon and Ford were racists, Young elaborated: "They were racists not in the aggressive sense but in that they had no understanding of the problems of colored peoples anywhere."

"No understanding" and "anywhere" suggest a categorical definition: as if former President Ford, for example, were as untouched by the problems of ethnic peoples as a man from Mars. This is an absurd portrayal.

But Young understood himself to be outlining a general theory of racism to Playboy.

So when he was pressed on it by congressmen, Young extended the term to include former Presidents Kennedy and Johnson, and even himself. Those inclusions, intentional or not, may squeeze Young out of a political pickle, but they also raise a point in semantics: when everyone is apparently a racist, the word no longer is significant.

The previous two administrations' concern with Africa apparently was not as extensive as President Carter's African policy will be. Vice President Mondale has visited Africa. Young almost makes Africa an everyday affair; his language, according to the President, is understood and liked by black Africans.

If this is so, then Young's continued residence at Turtle Bay is justified. Better relations with black Africa are necessary, because the Soviet Union continues to have strategic designs on the African continent.

However, President Carter will have to have support of the American people if he is to conduct an African policy successfully. That being the case, Young sooner or later also may have to start speaking the language Americans understand clearly.

PACIFIC ASIAN/AMERICAN HERITAGE WEEK

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. MINETA. Mr. Speaker, it is with great pleasure and gratitude that I join with my colleague from the State of New York, Congressman FRANK HORTON, in cosponsoring a resolution authorizing the establishment of a "Pacific Asian/American Heritage Week."

Mr. Speaker, throughout this great land, thousands of individuals who can trace their ancestry to countries and territories in the Pacific contribute daily to the growth and vitality of this Nation. They have become a part of a nation which has been generous in the extension of its opportunities to people from all over the world. There is no definite date when the first individuals of Pacific Asian ancestry entered this country. But, we do know that on May 7, 1843, the first Japanese entered America and on May 10,1869, the Golden Spike Day, the Chinese contributed significantly to the building of the railroad in this country.

Since the early days of this country, Pacific Asian/Americans have strengthened the vitality of the American family and competed effectively and productively in the commercial enterprises of the Nation, and have made outstanding contributions to the social, scientific, economic, cultural, and political development of the United States. I am pleased to inform this House that the National Coalition for a Pacific Asian/American Heritage Proclamation, chaired by Mrs. Jeanie F. Jew, and comprised of many associations of Pacific Asian/Americans and the Pacific Asian Congressional Caucus, chaired by Miss Ruby G. Moy, enthusiastically support our efforts to authorize the issuance of this proclamation.

The Post Office and Civil Service Committee will be able to take action in the month of October, and between now and that date, we will be seeking cosponsors for the resolution so that it will be favorably reported to the floor. I urge my colleagues to join us in support of this resolution, and I wish to extend to the Members who have already expressed support my special sense of appreciation.

WHISTLE-BLOWERS HALL OF FAME: DEMETRIOS BASDEKAS AND EVANGELOS MARINOS

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mrs. SCHROEDER. Mr. Speaker, safety is the issue once more in this series on whistle-blowers. This time it is not the FDA that is the heavy, but rather the Nuclear Regulatory Commission for their punitive measures against two electrical engineers who pointed out possible safety concerns in nuclear plant designs.

The following article is from the Project on Official Illegality of the Institute for Policy Studies, 1901 Q Street NW., Washington, D.C.:

DEMETRIOS BASDEKAS AND EVANGELOS MARINOS

Demetrios Basdekas and Evangelos Marinos, two electrical engineers at the Nuclear Regulatory Commission were recently reassigned from their jobs reviewing nuclear plant safety because of their criticisms of the agency's enforcement of its own safety standards. They were two of eleven NRC scientists who have spoken out because they believe that their superiors are so committed to nuclear energy that they are bowing to industry pressure by accepting plant designs that do not meet minimal safety standards.

Both Basdekas and Marinos testified before the Advisory Committee on Reactor Safety, the safety review arm of the NRC, and the Senate Government Operations Committee in December. In their testimony, they raised specific technical questions of nuclear safety, and they criticized personnel actions which harass those who raise such issues.

The safety issues, twenty-seven in all, involved highly technical questions about the overall electrical systems of the plant which could lead to the death and destruction of the populations and environment surrounding nuclear plants. Although they did not cite a specific plant that should be shut down immediately, at the heart of their criticisms is the fear that nuclear disaster is imminent if scientific safety concerns are not strictly and honestly handled.

The reassignments of Basdekas and Marinos appear to be examples of the kind of personnel practices criticized by the "dissident" "when conscientious members of the staff question debatable decisions of a technical nature, express their concerns on safety issues, or attempt to open up inquiries into unresolved areas they are frequently accused of lacking a 'team spirit.' Management desires to foster the impression that the staff's mission is to the agency and not to public safety."

The reassignments took both Marinos and Basdekas out of the licensing and regulatory areas of the Nuclear Regulatory Commission, to positions where they will no longer be involved in safety issues. Both believe that the reassignments were "punitive" and designed to intimidate other scientists who might wish to raise safety questions in the future.

OPERATION YOUTH CONDUCTS POLITICAL SEMINARS IN CITY OF CINCINNATI

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. GRADISON. Mr. Speaker, I would like to recognize an organization in my district which, for the 27th year has helped introduce outstanding young men and women to our democratic system. This organization, "Operation Youth," conducted a week-long seminar at Xavier University June 11 to 18 on our system of government, as well as many other current issues. Local government, industrial, and educational leaders spoke on topics such as "Law Protects Freedom," "The Writing and Ratification of the Constitution," and "The History of the American Theater."

In addition to these discussions, high school students experienced the political process firsthand as they formed political parties and chose representatives to sit with their municipal counterparts in the city of Cincinnati for a council session. It is my pleasure to recognize the students who were elected to this mock municipal government as well as the many others who participated in these educational programs.

They are as follows: Louis Kerestesy, mayor; Marilyn Mayer, vice mayor; Chris Calcaterra, city manager; Tammy Meeker, clerk of council; and council members Angela Allen, Barbara Bowman, Brian R. Devir, Kevin R. Flynn, Kendall Glover, Joanne McGonagle, and Maureen Murphy.

Also participating in the conference were Matt AuCoin, James Banschbach, Roland Bechtel, Kim Bohler, Laura Brom, Thomas Burger, Carrie Castleberry, Maureen Condron, David Cooper, Steve Cutter, Robert Dapore, Cathy Dean, Patrick Ernst, Barb Fitzpatrick, Roger Frey, Peggy Grever, Nancy Hageman, Susan Hamel, Lisa Hisch, Theresa Hunter, Robert Isfort, Vanessa Jetters, Raymond Jena, Daniel Keller, Jerry Klett, Bryan Kuns, Mary Pat Lazaron, Regina Long, Merri Ann Marck, Rene Marrero, Jim Mauch, Cheryl McKinney, Karen Mitchell, Diane Mooney, Carol Morgal, Jeffrey Noble, Joseph Perry, Sherri Pierce, Becky Pillsbury, Mary Lisa Riedel, James Ruffing, Greg Saul, Katherine Schallom, Paula Schimof, Anna Smith, Mary Ellen Stanton, Sue Sumner, James Telles, Julie Thomas, Carla Trenkamp, Stephen Wilson, and Chris Yanai.

I would especially like to honor Mr. William Smith, director of Operation Youth and associate professor of accounting and education at Xavier. His efforts, as well as those of his staff, Bryan Adrick, Rev. Lee Bennish, Brian Marrero, Jan Thompson, Leo Bowden, Allen Burke, Mark Waters, Carleen Kearns, Rick Deitering, Cliff Geers, and Kathy Molnar, enabled 63 youths to gain a first-hand look into freedom and democracy. Programs such as "Operation Youth" strengthen and build a better America.

DEPLORES B–1 DECISION

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. KETCHUM. Mr. Speaker, I have stood on the floor of this House before and stated time after time I would attempt to hold my tongue regarding our new administration; over and over I have tried to force myself to not judge the new man in the Oval Office until he had had the opportunity to warm up the seat. But today, when Mr. Carter decided to kill production of the B–1 bomber, I could not help but come to a chilling realization: my first instinct about this man was correct.

I first declared, in somewhat vehement terms, my disappointment with President Carter's ideas on the occasion of his very first decision as President. In pardoning the Vietnam era draft evaders, Carter seriously lowered the price of honor, mocking each and every one of us who has given of himself in the service of his country. It has turned out that Carter's first edict heralded Carter's philosophy in the areas of national defense and security; that philosophy can be summed up by one phrase: pandering to communism. Those who fought communism with honor are demeaned as those who thumbed their noses go free. We are to befriend Cuba, a nation which continues to engage in a Communist propaganda campaign and to meddle in the affairs of African nations with armed troops. We must bridge the diplomatic gap with Vietnam, and I find that words fail me when it comes to a response to that suggestion.

Now, most unthinkable of all, we are to patch our defense mechanism together with bandaids and deny our citizens the vital, strategic abilities of the B–1 bomber. If my colleagues will excuse an appalling pun, I overheard the following statement today when leaving the Ways and Means Committee: "Carter's decision will backfire." At the very least, Mr. Carter has granted an immense victory to the enemies of freedom; no doubt there will be rejoicing and dancing in the streets of Moscow tonight.

The American people will be used as pawns in Mr. Carter's elaborate game of Russian roulette—and I mean that "Russian roulette" quite literally. Does the President seriously believe that the Soviets are arming to the teeth simply so they will have something new to display in the May Day parade? As the Russians spend over $1 billion annually to provide mandatory and comprehensive civil defense training for all citizens from a text emphasizing Soviet victory in a war considered "inevitable," can Mr. Carter afford to risk holding our own population hostage? Has he forgotten his very own motto, "Why not the best?"

The B–1 is the best; anything less than the best is no defense at all, and Mr. Carter has offered us nothing. I am appalled, and I deplore this decision.

FOREIGN INTELLIGENCE SURVEILLANCE

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. DRINAN. Mr. Speaker, the American Civil Liberties Union and I have been seeking to obtain from the Justice Department a "secret" memorandum which was prepared by its Office of Legal Counsel. This document purports to explain why the foreign intelligence surveillance bills, which have been developed successively by Attorneys General Levi and Bell, do not violate the Vienna Convention on Diplomatic Relations.

In a number of its provisions, the Vienna Convention guarantees the inviolability of the persons and premises engaged in diplomatic activities. The Justice Department memorandum is directly relevant to the consideration by Congress of the surveillance bills as they apply to such activities. It is very disturbing that the Department refuses to disclose this document so that the Congress and the public may make a full, fair, and informed judgment on the pending legislation.

I am inserting in the RECORD at this point the exchange of correspondence:

JANUARY 12, 1977.

Hon. EDWARD H. LEVI,
Attorney General,
U.S. Department of Justice,
Washington, D.C.

DEAR MR. LEVI: In connection with the Foreign Intelligence Surveillance Act of 1976, the Department of Justice prepared or had prepared a memorandum regarding the impact of this bill on the Vienna Convention on Diplomatic Relations. When the existence of that memo became known, the House Judiciary Subcommittee on Courts, Civil Liberties, and the Administration of Justice requested it for inclusion in the hearing record. You declined to make it public but offered to allow members to read it in camera.

Soon thereafter I arranged to examine that memo under the conditions you specified. Having read it, I am convinced that releasing it to the public would not adversely affect the interests of the United States, and indeed would advance them. I am writing to request that you furnish a copy of that memorandum to me so that it may be inserted into the CONGRESSIONAL RECORD for all to examine.

I appreciate your attention to this matter and anticipate an early response. With every best wish, I am

Cordially,

ROBERT F. DRINAN,
Member of Congress.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., February 28, 1977.

Hon. ROBERT F. DRINAN,
House of Representatives,
Washington, D.C.

DEAR MR. DRINAN: This is in response to your request of January 12, 1976, to Attorney General Levi for a copy of this Department's memorandum concerning the effect of the Vienna Convention on Diplomatic Relations on certain intelligence activities.

That memorandum is, as you are aware, classified "Secret" pursuant to Executive Order 11652, which requires a determination that its "unauthorized disclosure could reasonably be expected to cause serious damage to the national security." Because of your request I have personally reviewed the memorandum and solicited the views of the Department of State, and I have concluded that it is properly classified, an opinion shared by the State Department. Therefore, I regretfully cannot accede to your request for a copy of the memorandum for insertion in the Congressional Record.

You might be interested to know that last year a Freedom of Information request for this memorandum was made by the American Civil Liberties Union. That request was likewise denied, and an appeal of that decision is presently pending in the Department Judicial review of a final denial may be sought in that case pursuant to 5 U.S.C. § 522(a)(4)(B).

Sincerely,

GRIFFIN B. BELL,
Attorney General.

DEPUTY ATTORNEY GENERAL,
Washington, D.C., June 22, 1977.

Ms. HOPE EASTMAN,
Associate Director, American Civil Liberties Union, Washington, D.C.

DEAR MS. EASTMAN: You appealed the denial of former Assistant Attorney General Antonin Scalia of the Office of Legal Counsel of your request for the legal memorandum regarding the relationship between the Vienna Convention on Diplomatic Relations and the Foreign Intelligence Act of 1976.

After careful consideration, I have decided to affirm the action of Mr. Scalia. The memorandum in question is classified in its entirety and the Departmental Review Committee has determined that continued classification under Executive Order 11652 is warranted. 5 U.S.C. 552(b)(1). This memorandum constitutes legal advice from the Office of Legal Counsel to the Attorney General and is also exempt from mandatory releases under 5 U.S.C. 552(b)(5).

Judicial review of my action on this appeal is available to you in the United States District Court for the judicial district in which the American Civil Liberties Union has its principal place of business, or in the District of Columbia, which is also where the record you seek is located.

Sincerely,

PETER F. FLAHERTY.

TROUBLES DO DISAPPEAR

HON. DAN DANIEL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. DAN DANIEL. Mr. Speaker, for many years it has been my privilege to call friend, Mr. Woodrow W. Bousman of Cocoa, Fla. Mr. Bousman is a contemporary and we spent many happy years in Danville, Va., when we were both active in the work of the American Legion.

Mr. Bousman has been totally and permanently disabled since April of 1958—some 20 years now. He has every reason to be despondent but he is not. For several years, he has been composing "little messages" and he very thoughtfully shared with me his most recent one, dated June 21. Woody Bousman's optimism, love of his fellow man, and indomitable spirit shine through these lines.

I respectfully request that this be placed in the RECORD at this point.

TROUBLES DO DISAPPEAR

If anyone becomes troubled, undecided, disturbed and lost in despair,
He or she should turn thoughts to meaningful things and the best to share.
Jesus said, "Let not your heart be troubled, neither let it be afraid".
His words were spoken to the Disciples at the Last Supper as they broke bread.
Everyone should cast aside problems, worries, trouble and old tears
Because some sorrows will reappear—heartsickness, remorse and even fears.
To worry over troubles will only make life's journey an unhappy grind;
Therefore, use love, faith, hope and charity to place adversities far behind.
If anyone strays afar, stumbles, falls, becomes lost and cannot find home,
God, with His love and amazing grace, will forgive one who will never roam.
Truly, "Today is the tomorrow about which one worried so much yesterday".
However, there is coming a Glorious Tomorrow, and it will come to stay.
Therefore, continue to be strong for your Country and live in peace;
For, in this spirit of friendship and trust, the vexations will cease.
Each day remember to offer earnest prayer to GOD who, at all times, is near;
And, there will be the wonderful reward of discovering troubles do disappear.

June 21, 1977, Cocoa, Florida.

ENERGY CRISIS

HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. MARRIOTT. Mr. Speaker, I want to share with my colleagues of the House of Representatives the wise and timely analysis of the current energy crisis given by my personal friend and articulate colleague from Utah, Senator ORRIN HATCH. The Honorable Mr. HATCH has accurately described a vitally important truth: Too much Government has created energy shortages. A member of the Energy Subcommittee of the Joint Economic Committee, Senator HATCH gave the following important message in the July 1977 Conservative Digest.

The message follows:

CARTER'S PHONY ENERGY CRISIS

(Note.—In an exclusive piece for CD Utah senator Orrin Hatch, a member of the Energy Subcommittee of the Joint Economic Committee, blames our energy shortage on government regulation.)

Jimmy Carter's energy program, which boils down to steeply rising gas and oil taxes, won't do anything to meet our energy needs, but it will do a lot to meet Carter's political needs.

Besides finding a cause for activists who get nasty when Big Government isn't doing something, the energy taxes will pull in $85 billion per year by 1985, enough to pay for the national health insurance plan Carter recently promised the UAW, or other welfare programs he finds politically useful.

Carter is already hedging his early commitment to return gas taxes to the consumer. And energy czar James Schlesinger put the Administration's position gracefully on "Meet the Press" recently when he said, "the President would like to have some flexibility [in spending this revenue] because we want to integrate our energy proposals into welfare reform and into tax reform."

While Carter's energy plan may be politically handy it will not make more energy available to Americans. Quite the contrary. It assumes severe limitations on the long-term supply of energy and therefore aims to curtail consumption rather than encourage production.

This is a faulty assumption. The real cause of our projected energy shortages is not nature's niggardliness but the government's compulsion to regulate. As easily tapped pools of oil and gas are used up, industry will have to spend more to develop new sources. The unavoidable result: higher prices. Government's response—capping oil and gas prices—is exactly the opposite of what is needed.

Notwithstanding a CIA report "leaked" the day before Carter's energy address (Schlesinger headed the CIA during 1973), most studies in and out of government testify to nature's bounty. Analyses by the United Nations, the Hudson Institute of New York and the American Gas Association all conclude that massive oil and gas reserves exist to carry us through the foreseeable future. And before the Carter Administration ordered it revised, a report by the Energy Research and Development Agency argued that price decontrol would alleviate the projected energy crisis.

We have massive additional energy available from coal and nuclear power, although development of these is being hampered by governmental restrictions on strip mining, mine work procedures and nuclear plant construction. A report by the Stanford Research Institute of California sums up the energy crisis as follows: there is "no need for international hysteria regarding 'dwindling' energy resources."

There may, however, be serious cause for concern about our economy if the Carter energy proposals are enacted. Consumers, hit with added taxes that will average $1,000 per family by 1985, will find their buying power dramatically compressed, and businessmen, uncertain that energy to run their machinery will be available through normal market channels, will be reluctant to buy job-producing capital equipment. Perhaps this is why Carter's program is supported by no-growth environmentalists and left-wing ideologues who understand that in a stagnant economy people are more likely to seek increased income through political share-the-wealth schemes than through hard work.

The ironic twist to all this is that U.S. sacrifices will not contribute significantly to world-wide fuel conservation, since other countries will simply take up the slack in demand. Already Europe, anxious for a larger share of Mideast oil, has expressed strong support for the Carter energy plan.

The Carter energy proposals are ambitious, too ambitious. They overlook the simple fact that it was too much government which created shortages in the first place.

Perhaps the best advice on Carter's energy proposal was given nearly two centuries ago when James Madison warned against "the old trick of turning every contingency into a resource of accumulating force in government."

A BONA FIDE OLD BOLD PILOT

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. MILFORD. Mr. Speaker, during World War II, our flight operations office prominently displayed a sign that read: "There are old pilots and there are bold pilots, but there are no old bold pilots."

Each Christmas, as I mail cards to the next of kin of my late bold colleagues, I am reminded of the wisdom reflected in that sign. However, as every pilot knows, there are indeed a few old bold pilots. These precious few are not the daredevils but the brave souls that teach the fledglings.

An instructor pilot must be bold. Student pilots, like children, can learn only from experience. Gaining first-hand experience in piloting an airplane can sometimes be downright "hairy."

Most instructor pilots teach only for a few months to a few years because a very special kind of person is required for this job. A good instructor must have unlimited patience, a keen understanding of human nature, an expert knowledge of airplanes, and must be a highly skilled pilot. All but a few "burn out" in the teaching game and go into executive flying, airline jobs, or become fixed base operators.

The old bold ones are the most respected pilots in the industry. Ask any pilot for a nomination as "the world's best pilot" and he will immediately name his instructor. The longer an instructor pilot works in that capacity, the larger is his group of admirers.

As pilots travel across the country, we like to brag on the top instructors from our area. Their teachings and statements are often quoted as the authority to settle arguments or to make a point during debate.

Mr. Speaker, I am proud to say that we have such a man in the Dallas-Fort Worth area. As a matter of fact, I must modestly say that we have the best man in the Dallas-Fort Worth area. I can truly say he is the best because my flight instructor was killed during the Korean war.

Thomas M. Smith, known to his many friends as "Smitty" is my nomination for the world's best pilot. Several thousand other pilots, from all over the world, will quickly second my nomination. Smitty is not only a great pilot but also a good citizen of our area. We are very proud of our old bold pilot.

Recently Joseph Weisberg wrote an article for Flight Line Times about Smitty. I would like to share it with my colleagues in the House and Senate:

INSTRUCTOR POSTS 32 YEARS OF SERVICE TO STUDENTS

(By Joseph Weisberg)

Those who remember that fateful day in December of 1941 when President Franklin D. Roosevelt solemnly announced the attack on Pearl Harbor may also recall the tremendous wave of patriotism that followed the American declaration of war.

Everyone wanted to do something to help, and many Americans in the Civilian Pilot Training Program, impatient with the delays in the startup of their own nation's military activities, emigrated to Canada to join the Royal Canadian Air Force.

Such a man was Thomas M. Smith, now chief flight instructor at Addison Airport Flying School, Dallas, Tex. Known affectionately by thousands as "Smitty," he recently began his 33rd year as a flight instructor—with no intention of ever giving it up.

Smith was studying journalism at the junior college in Ranger, Tex. during those hectic days of the early 1940's. He had entered the civilian pilot program, but was anxious to try out his new flying skills, so he enlisted in the RCAF.

Soon he was on regular flight duty, escorting convoys in and out of Canada's west coast. In 1945, he transferred to England as a flight instructor.

It wasn't too long before the war ended, and Smith returned to the U.S., working as an instructor at a small airport in eastern Arkansas.

John Hewitt, one of Smith's friends in wartime pilot training, had recently opened a flight service in Dallas. Hewitt offered him an instructor's job, which he promptly accepted.

In 1950, Smith became an FAA-designated Pilot Examiner. Since then he has averaged 200 flight tests a year, which totals to a remarkable 5,000-plus students who have qualified for licenses ranging from private pilot to ATR.

In 1964, Smith employed his latent journalism talents to write a book, "Multi-engine Airplane Ratings." Not long afterward, Zweng Co. of California contracted for the book to be used in its aviation study programs. The book is now in its seventh revision, with sales of more than 3,000 a year Smith has written another book which enjoys brisk sales. It's titled, "Smitty's Smart Book," a VFR pilot's illustrated airport guide of the U.S., in loose-leaf form so as to accept current revisions.

Additional honors came in 1972 when the FAA designated Smith as Flight Instructor of the Year for the Southwest Region.

Now 56, he is still going strong with his duties as chief instructor. He lives in Dallas with his two sons, Alan and Douglas, and a daughter, Cathryn.

The many logbooks resting in Smith's desk drawer, covering the last 37 years, indicate a total of 29,000 flight hours.

Of his experiences, Smith said quietly, "I can vividly remember teaching some men and women who responded so well to my instructions. Practically all of them have become well known in their own fields of endeavor. Some are officials in the Dallas city government. A few have become locally famous in the sports and musical professions. Quite a few are owners or key officials of business firms throughout this area. From these and other experiences, I am convinced people should learn to fly. It's one of the very few training disciplines that teaches you self-reliance for survival!"

A TRIBUTE TO CARDINAL CODY

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. FARY. Mr. Speaker, I join today with my many friends and constituents in paying tribute to a well known American and respected clergyman who is celebrating the anniversary of a milestone in his life of service to the people of Metropolitan Chicago.

On June 26, John Cardinal Cody, Archbishop of Chicago, celebrated his 10th anniversary of his elevation to the College of Cardinals. This tribute by Pope Paul VI was not only a recognition of the already 2 years of service he gave to the church as Chicago's archbishop, but also for his many years of leadership rendered to his church as a bishop. Also, this Saturday, July 2, Cardinal Cody will commemorate his 30th anniversary as a bishop.

Twelve years ago Archbishop Cody came to Chicago from New Orleans, La. These years as head of the church in Chicago have been marked by innovation.

Since heading the archdiocese, he has formed 20 new agencies. This list includes the Association of the Deaf, Office of Human Relations and Ecumenism, Priests Retirement and Mutual Aid Association, Apostolate of the Handicapped, Archdiocesan Latin American Committee, the Permanent Diaconate, Office for the Laity, and the Campus Ministry. These agencies, along with others, are geared to serve the varying needs of the people of Metropolitan Chicago.

In the field of modern mass communications, the cardinal has used the media for the benefit of the people he is serving. He established the Catholic television network in Chicago. Daily programs are sent out on the private educational channels to the various schools and parishes in the archdiocese. The educational programs vary in nature from daily courses and adult education classes to daily news and interview programs.

In addition to this, the archdiocesan television department has programs carried on all four major television stations.

Since coming to Chicago, Cardinal Cody has shown leadership both on church matters as well as on social issues. He has spoken out on abortion, euthanasia, capital punishment, and gun control. He has testified before many congressional committees on the various serious social and moral issues of our times.

In meeting the social needs of the people of Chicago, the office of Catholic Charities has received greater attention and support from the cardinal. This agency has been described as "bigger and more effective" in carrying out its various priestly and social functions.

The new archdiocesan administrative center has enabled the archbishop of Chicago to bring under one roof in downtown Chicago most of the archdiocesan agencies. He envisioned this center as a means to increase both efficiency and interaction, thus improving the quality of service to the people they are intended to serve.

It has been a decade filled with activity as the cardinal continued to guide the largest archdiocese in the United States through a period of change both in the country and in the church.

Before coming to Chicago 12 years ago, Cardinal Cody has had a varied career as a bishop in the church. Previously, he served as auxiliary bishop of St. Louis, bishop of St. Joseph, bishop of Kansas City-St. Joseph, and archbishop of New Orleans.

A native of St. Louis, Mo., John Patrick Cody was ordained a priest in Rome in 1931. As a priest he served as a teacher and a pastor, and was active in community affairs during World War II.

Mr. Speaker, I am happy to pay tribute to His Eminence, John Cardinal Cody, for the many years of service he has rendered to the church and to the people of Metropolitan Chicago. I am happy to join my many Catholic friends as well as people of all walks of life in congratulating him on his 10th anniversary as a cardinal.

RUSSIA FLAGRANTLY VIOLATES HELSINKI AGREEMENT

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. FORD of Tennessee. Mr. Speaker, I rise today once again in response to reports of flagrant violations of the Helsinki agreement in the Soviet Union. The many letters from American citizens concerning persecution of specific individuals in the U.S.S.R. testify to the widespread abuse in that country of the principles embodied in this agreement. While the agreement itself was seen in 1975 as a victory for human rights, the conduct of the Soviet government and its gross disregard for the rights of its citizens to emigrate freely have made the accord a virtual sham.

Although limited in what we as Americans can do about the mistreatment of citizens of a foreign country by their government, we can and should point out to the rest of those who have pledged themselves to this cause, the hypocrisy which the Soviet Government is now practicing.

Although only one of many such cases of religious persecution, that of Iosif Mendelevich, has been brought to my attention by the President of the Jewish Community Relations Council of Memphis, Mrs. Gloria Kahn. Accused of attempting to flee the Soviet Union in a state-owned airplane, he has already served 6½ years of his 12-year sentence in a labor camp. He continues to practice his religion despite severe reprisals.

Because of the worldwide attention which has focussed on the plight of the Soviet Jews, the Soviet Government seems to be using people, such as Iosif Mendelevich, as pawns in a game of international politics. The Soviet Government is acting without regard, not just to an international agreement to which it has ostensibly committed itself, but to the higher moral authority, recognized in the agreement, of basic human dignity and freedom.

The United States cannot ignore this discrepancy between Soviet promises and Soviet actions. The Congress and the President must continue to use every diplomatic effort, from marshalling world opinion to conditioning trade agreements, to hold the Soviets to their commitment and especially to bring justice and freedom to the Soviet Jews.

STATE DEPARTMENT CASTS CONFUSION ON MIDDLE EAST

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. MIKVA. Mr. Speaker, I wish to express my concern and dismay regarding the statement on Middle East policy made earlier this week by the State Department.

The road toward a lasting peace in the Middle East has enough obstacles without adding any new, sharp curves. Yet, that was the effect of the State Department pronouncement that Israel should withdraw from captured territories on all fronts as part of a Middle East peace agreement.

On the one hand, we are told in some press accounts that the policy statement by the State Department did not, in substance, go beyond earlier administration statements of Vice President MONDALE'S recent speech summarizing the main points of the U.S. position. On the other hand, however, the statement was front page news because of its emphasis, because it was delivered with explicit White House approval and because it has been widely interpreted as a signal to the new Israel Government of U.S. intentions.

At the least, the State Department policy announcement has created new doubts and confusion over an area of the world that already has a surplus of both. At the worst and a cause for grave concern, is the possibility that this statement means that a new burden is being placed on Israel to shoulder the risks of a peace settlement. If that is the way some will interpret administration policy, a result will be the weakening of the Israel position even before the next round of negotiations begin.

Such a possibility serves no useful purpose in the pursuit of a just and lasting peace. It certainly does not reflect the feelings and beliefs of the vast majority of the American people or their representatives in Congress. It certainly does not demonstrate sensitivity to the historical struggle of Israel. Yes, we are all anxious for peace in the Middle East. But whether such peace will be lasting will depend on its fairness, on whether all sides will be able to negotiate without one side being unduly coerced. The State Department announcement has raised grave questions about the administration's possible intention to "lean" on the new Israel Government. I hope and trust that there are no such intentions, and that this will be made clear by the administration and remove any doubts that have been created. We ought not send false signals to either Israel or the Arab world about our intentions.

THE DOUBLE DIP QUESTION

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. GONZALEZ. Mr. Speaker, the defense appropriations bill raises, as it properly should, a number of grave issues that literally affect the safety and well being of the Nation.

The bill raises smaller issues as well, but questions that are nevertheless matters of the greatest importance to the persons affected. The question of the so-called double dipper is among those. The appropriation bill we considered today would have restricted the payment of military retirement benefits only to those retirees who do not work for the Federal Government. On the surface at least, it sounds like a good idea. But closer examination shows that the real issue is the whole question of the structure and cost of the military retirement system. That much greater issue is what we should be thinking about. I addressed this matter last week, and herewith make part of the RECORD my comments on what I call the Battle of Double Dip Hill.

THE DOUBLE DIP QUESTION

I have just returned from the scene of Phase 2 of the Battle of Double Dipper Hill which is definitely not to be confused with the B:g Dipper.

The immediate conflict in the Battle of Double Dipper Hill involves something like ten per cent of the military retirees of this country, namely that one retiree out of ten who works, or wants to work, for the Federal government. But the Battle of Double Dipper Hill really involves something else—and that is the whole shape, nature and form of the military pay and retirement system. In all likelihood, the fight won't affect present retirees very much, one way or the other—but it will have a profound influence on the future of our military services.

Like most fights, military and legislative alike, this one is confused and confusing. The fact that it is focused on the double dip should not lead us to think that this is all that's involved. In fact, the Assault at Double Dip Hill is, to repeat, a conflict on the corner of the great conflict at Defense City. Double Dip Mountain, on the field of combat known as the War of Defense City, represents what you might call an important hill—not very big, but very important.

The basic problem involved in the War of Defense City is the cost of national defense. And a very large part of defense costs consist of personnel costs. In turn, a very significant part of personnel costs consist of retirement costs. The Battle of Double Dipper Hill is the initial phase of a general attack on the cost of the military retirement system—and that is what is important to remember.

Double Dip Mountain, itself, is Section 858 of the Defense Appropriations Bill. Topographically, it is a small part of Defense City, amounting to a height of just $26 million. The provision of Section 858 is simple enough: it says simply that if you retire from military duty after October 1, 1977, and thereafter go to work for the Federal government, you may not draw your retired pay. This provision in no way affects persons who are presently retired and working for the Federal government today—so those 150,000 or so retirees who presently have Federal

jobs can continue as they are. Future retirees would be the only persons affected.

It is impossible to predict at this moment what will be the outcome of this particular fight. What I want to talk about primarily is the fact that this battle is not just about Section 858, but about the whole concept of military pay and retirement systems as we now know them.

There are about twice as many military retirees today as there were ten years ago—about 1.1 million persons, at the moment. The cost of military retirement pay during this fiscal year, 1977, is just about 8.2 billion dollars. For fiscal 1978, that amount will rise by $800 million, to a figure just over $9 billion. The cost of running the military retirement system will just about double within the next ten years, if things continue as they have been going up until this time.

Back in 1952, the cost of running the military retirement system was much, much less—in fact, less than half a billion dollars. There were a whole lot fewer retirees at that time, only about one-tenth the number we have today. The pay base was smaller, and altogether it was a very modest system. Back then, the military budget for retired pay was less than one percent of the total Defense budget—in fact, it was just six-tenths of one percent of the Pentagon budget. But today, things are vastly different. The Defense pay system has been revolutionized, two wars have come and gone, and we are maintaining a much bigger military force. The consequence is that we not only have a bigger number of people in the military, we have more retirees. Instead of absorbing six-tenths of one percent of the military budget, the retirement system today takes up a full 8 percent of the Pentagon's cash.

Since we know that the size of our military forces is going to remain at about its present level, for the foreseeable future, we also know that the number of people retiring is going to continue to grow—the bigger the total force, the bigger the number of people who will retire. And, in fact, the number of retirees grows by about thirty thousand a year. We know also that the pay scales are going to continue rising, as they should—so we know, too, that the cost of retirement pay will grow right along with it.

What we do not know is whether the total Defense budget will grow, or at what rate. People have to be paid, and retirees have to be paid, but unless the budget grows to accommodate that, the armed forces will have to reduce fighting power in order to pay personnel costs. The fact that retirement pay has increased from less than one per cent of the military budget to a full eight per cent of it shows that this not only can happen, but may in fact have already been happening.

This is not to say that we should not have had an improved pay and benefit system in the first place—we should have. But it is easy to see why, with these figures, the cost of military retirement pay has become a very large issue—an issue which at the moment is symbolized by the small, but very significant Battle of the Double Dip.

The Appropriations Committee has made it clear that their recommendation to cut off retirement pay for retired members who enter civil service work in the future, is just the beginning of a complete reconsideration of the retirement system.

Issue Number 1 is whether a comparatively youthful person should be able to have full retirement pay and a full time job at the same time. People who are on Social Security can work, but they also lose benefits if they earn more than a token amount of money. Civil Service retirees also sacrifice benefits if they earn more than a limited amount of income. The issue is whether military retirees should be allowed to have full retirement benefits and a full outside income at the same time. Regardless of every other consideration—and there are many—the thing that is now being asked is whether military retirees should be permitted benefits that Social Security recipients are not allowed to have, and benefits that civil service retirees also cannot have.

Let me interject at this point that I am not arguing the merits of the question—I am only reciting to you what the question is, because you need to know what issues are being raised.

Issue Number 2 is whether military retirement pay should be paid immediately on leaving active duty, or held up until the retired member reached a greater age. A military member can retire as early as age 37 and draw full retirement pay the rest of his life. Most don't retire that early, but many do. The stakes in this particular case are immense. If the eligible age for receiving retirement pay were raised to a minimum of 40, the annual savings would be close to $150 million. If the minimum age for receiving military retirement pay were raised to age 45, the savings would be $1.2 billion a year.

Now here we see the real dimensions of the situation—and you can see that the Battle of the Double Dip is a skirmish when compared to the question of eligible age.

Once again, I am not arguing the merits of the case. I am telling you what the issue is and what the stakes are.

Issue Number 3 is whether military personnel should be encouraged to retire after only twenty years in service. Slightly more than half of all retirees leave service after their 20th year, so it is plain that a 20-year career is pretty much the norm. The question is whether it is really necessary to keep the military forces at such a relatively young age—is there a real military advantage to the 20-year career? It costs a great deal to recruit, train and provide necessary experience to a new military technician or manager. It also costs a great deal to lose an expert manager or leader, in what is close to the prime, most productive part of that person's life. As it is, there are considerable incentives to quit after 20 years. Would we be better off to encourage longer careers?

The outcome of these issues will have much to do with the shape, not just of future military careers, but the whole concept of what a military career should be—how long it should be, what kind of pay it should have, whether members should contribute to their retirement system, how long a career will be—and when, and under what restrictions, members can start receiving retirement pay.

These questions have to do not only with management of costs—they have also to do with individual human lives. And ultimately, that is the scale that I will weigh these issues on—how will they affect individual citizens?

I want a pay and retirement system that is fair—one that recognizes the worth and importance of military service. I want a system that rewards good and faithful service in full measure—a system that recognizes that military members are not life's losers, but people who made a conscious and proud and worthy choice to serve their country as a career. I want a system that recognizes the worthiness of our military services and the people in them.

If the retirement system is truly equitable, then there would be no need for questions like the double-dipper issue. The only reason that we have double-dipping is that retirement pay is not wholly adequate. It may be that we would be wiser to have longer careers and higher retirement pay—in order that retirees would not be forced to find work in order to survive and support their families—for today's retirement pay is barely over the poverty line. We cannot expect a 38- or 40-year-old retired NCO to provide for his family on $5,765 a year—and that is exactly what the average retired NCO double dipper receives in retired pay today. By definition, these are people who are under age 65—and they are people who have families to support. What are they to do? They work because they must. A more equitable system would, in short, have prevented the whole big Battle of the Double Dipper.

By and large, the Battle of the Double Dipper is about people just like you. Most double dippers—111,000 out of a total of 139,000—are retired enlisted people. And no matter how you slice it, double dippers are not getting rich—between retired pay and civil service pay put together, your retired ex-NCO who's lucky enough to be a double dipper is taking home a grand total of $19,548—before taxes. Not bad, but not opulent. And nine out of ten retirees end up outside of civil service anyway.

The issue is not double-dipping—it is what kind of retirement and pay system we really need. What is best for the men and women in the military services—what is best for the country—what is just and reasonable. That's what lies behind the Battle of the Double Dipper. And it is that much larger question that we really should be addressing in Washington.

BLANCHARD REPORTS QUESTIONNAIRE RESULTS

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. BLANCHARD. Mr. Speaker, in late April I mailed a questionnaire to the residents of Michigan's 18th Congressional District. To date, I have received responses from over 9,000 citizens.

While returns are still coming in, I believe the preliminary results of this survey will be of interest to my colleagues. The results, and by comments regarding subjects discussed in the questionnaire, follow:

1. People often think in general terms about the way public officials perfrom their jobs. How would you rate the job President Carter is doing?
   Excellent—15 percent.
   Good—52 percent.
   Not so good—21 percent.
   Poor—7 percent.
   No answer—5 percent.
2. How would you rate the job Congress is doing?
   Excellent—1 percent.
   Good—27 percent.
   Not so good—48 percent.
   Poor—20 percent.
   No answer—4 percent.
3. What would you say is the number one problem facing the new Administration?
   Energy—21 percent.
   Inflation—18 percent.
   Unemployment—10 percent.
   Faith in public officials—9 percent.
   Crime—5 percent.
   Taxes—2 percent.
   Other or no answer—35 percent.

Comment.—This year in Congress, I have continued to try to concentrate my efforts in areas of major public concern. I have supported large increases in funding for research on new energy sources, and I will discuss this area more fully in my comment on question 5. I am convinced that increased energy research and development funding is necessary to meet the energy crisis, to avoid black-

mail by the oil cartel nations, and to preserve our right to develop our own foreign policy without interference from other countries.

In the area of inflation, I have supported and cosponsored legislation to extend and strengthen the powers of the Council on Wage and Price Stability, which was created several years ago to serve as a watchdog and help control unjustified price increases. The Council has never worked as well as it should, largely because its focus in previous administrations was very limited.

I am also moving ahead with my Government Economy and Spending Reform Act, a bill which seeks to control Government spending by requiring that each and every Federal program be completely reviewed on a regular basis. I believe that this bill, by putting the "burden of proof" on those who want a program continued rather than those who want it cut back, would help cut waste and inefficiency.

I have continued to work for programs to help cut unemployment. My most recent actions on this issue include:

Support of a tax credit for small businesses which hire new employees;

Support of President Carter's economic package, which provides a variety of public works employment and public service jobs;

Cosponsorship of a bill which would revive the old CCC—Civilian Conservation Corps—to provide useful work for those who are unemployed; and continued support of "countercyclical" aid to State and local governments to help them maintain essential services.

Measures to help stop wrongdoing by public officials have, of course, had my support since I came to Congress. This year, I have supported a full investigation into the question of bribery and influence peddling in Congress by the South Korean Government, and I cosponsored and voted for the broad new ethics code which was passed by Congress a few months ago. When the code was considered, I voted against allowing Congressmen to earn unlimited amounts of money through outside jobs. And finally, during debate on the recent bill creating a new Department of Energy, I voted for the Hughes amendment—defeated—to keep the new department's employees from taking jobs in the oil industry for at least 2 years after leaving the department.

In the area of crime, I have been one of the leaders in a so-far unsuccessful fight to raise funding for the Law Enforcement Assistance Administration, LEAA, which is the Federal Government's primary agency concerned with cutting the crime rate. I am also a principal cosponsor of a bill which would provide Federal funds to help compensate the innocent victims of crime—a group which has been neglected in recent years while Government has looked for ways to rehabilitate criminals.

Finally, I have supported continued tax relief as one means of helping to encourage economic growth.

4. Would you rather see more or less of your tax dollars spent on the following items next year?

Military defense: More—28 percent; same—37 percent; less—35 percent.

Housing: More—22 percent; same—42 percent; less—36 percent.

Education: More—45 percent; same—40 percent; less—15 percent.

Energy sources: More—82 percent; same—13 percent; less—5 percent.

Jobs programs: More—46 percent; same—29 percent; less—25 percent.

Crime control: More—73 percent; same—22 percent; less—5 percent.

Environment: More—37 percent; same—41 percent; less—22 percent.

Comment.—As my comments to questions 3 and 5 suggest, I have directed my main efforts in Congress toward increased spending in the areas of crime and energy. I also voted to cut $1.5 billion from the defense budget—from $117-plus billion to about $116 billion—when it was considered earlier this year.

5. Congress has increased funding for energy development to four times what it was just four short years ago. Nevertheless, the energy shortage remains as one of the most difficult problems our country faces. Of the following measures to help deal with that problem, which do you favor? (You may select one or more of the proposals.) (Answers add to more than 100% because many respondents chose more than one alternative.)

Substantially increased funding for development for new sources of energy, including solar, synthetic fuels and for energy conservation—75 percent.

Mandatory standards to make home appliances more energy efficient—56 percent.

Rapid expansion of research into fueling automobiles with a mixture of gasoline and grain alcohol, rather than pure gasoline—51 percent.

Continued construction of nuclear power plants—41 percent.

A two-level pricing system for gasoline, with each person entitled to a certain number of gallons at a controlled price, and a higher price charged for all gasoline used beyond that number of gallons—32 percent.

Deregulation of the price of natural gas (this would increase the price of natural gas for home heating substantially, but if would probably result in the production of some additional natural gas)—17 percent.

Increased taxes on gasoline to force conservation of it—11 percent.

Comment.—I have noticed in discussions of this topic with many people that—perhaps because of a lack of publicity—there is not a great deal of awareness of what the Government has been doing over the last few years toward developing advanced new energy forms.

As a member of the House Science and Technology Committee, which is responsible for approving funds for energy research and development, I have had a chance to become familiar with our program for new energy sources.

Although I believe funding should continue to be increased, I must say that in the last few years, it has gone up very rapidly indeed in many areas.

For example, one idea for using solar energy involves making use of 40-degree differences between temperatures at the ocean surface in the tropics and a half-mile below. These differences can be used to drive turbines that operate through the boiling and condensation of propane or ammonia.

In 1975, spending on ocean thermal energy was $1.9 million. Next year, it will be $45 million—a nearly 2,400-percent increase in 4 years.

Other new forms of energy and their increases over the 1975–78 period are:

Solar heating and cooling—from $13 million to $92 million, a 700-percent increase;

Solar electric energy from photovoltaic cells—which convert sunlight directly into electricity—from $5 million to $57 million, an 1,100-percent increase;

Fuels from "biomass"—under which the Sun's energy is used to grow plant materials which are then burned for heat—from $900,000 to $21 million, an increase of 2,300 percent;

Geothermal power—use of steam or water in geologically active "hot spots" to drive turbines and produce electricity—from $28 million to $126 million, a 450-percent increase;

Wind—from $6 million to $28 million, a 500-percent increase; and

Improved efficiency in buildings, autos, and industry—from $13 million to $279 million, a 2,200-percent increase.

In all of these areas and others, our committee has consistently pushed the Energy Research and Development Administration, ERDA, for more and faster work.

In addition, I personally have cosponsored some 25 bills in the energy field, most of which involve the use of new and improved technologies. A good example is the "gasahol" bill, which would provide more money for research into using methanol or ethanol as a partial substitute for gasoline. Although this bill has not passed, the committee has instead adopted an amendment which provides $1.5 million to fund research into this area.

6. Some people say that the federal government should concentrate on encouraging the building and subsidizing of new homes. Others say it should focus its efforts instead on helping people maintain and fix up their existing homes, to keep urban and suburban neighborhoods from declining. Which is closer to your opinion?

Concentrate on building new homes—8 percent.

Concentrate on maintaining and fixing up existing homes—81 percent.

No answer, other—11 percent.

Comment.—Down home where I come from, about the only Federal housing programs that have shown any signs of success are those which focus on helping people maintain and fix up their homes. This is where Federal money can truly help prevent neighborhood decline, and keep people who have lived in a community for a long time and have a stake in that community from having to move out for lack of money to fix the roof, or repair the furnace or lack of money by their neighbors to do the same.

One program that has been used extensively in my district by many cities is the section 312 program. This provides funds that individual homeowners can borrow at very low interest rates and reasonable payback rates to keep their homes in good repair. Not only have I supported this program, I have also pushed for greater use of it.

Another program that has proven helpful to communities is the Community Development Act. Through this program cities cannot only provide loans to homeowners, but can also provide direct grants to people not able to afford

even a loan, so that they can keep their homes in good shape, and at the same time keep the community in better shape. While I have supported this program, I have also tried to strengthen it by encouraging cities and counties which apply for these funds to help people remain in their communities.

7. The federal government is considering a number of ways to help provide more jobs for people. Of the following, which do you favor? (You may choose more than one.)

Public service jobs (local governments and non-profit organizations are given funds to hire persons for a variety of hourly-paid jobs)—31 percent.

Public works jobs (local and state governments are given funds for construction of needed buildings or other facilities—they then ask for bids from private companies, which actually do the construction work and provide the jobs)—34 percent.

"Countercyclical" aid to state and local governments (in which they are given money to help them maintain public services without raising taxes during periods when tax revenues drop because of high unemployment)—30 percent.

Tax cuts (which provide added money to consumers to buy products)—40 percent.

Tax credits to businesses which hire new employees—35 percent.

The federal government should keep out of the jobs area—30 percent.

Comment.—As I indicated in my comment to question 3, I have remained active in support of jobs programs—mainly because I believe keeping Americans on the job is the best answer to many of the problems—crime, welfare, drug abuse, poverty, et cetera—we face.

I have, however, tried to support measures which will help to encourage employment by private industry, because it seems clear that the Government's power to attack unemployment by direct hiring is very limited—only some 2 to 3 percent of the American work force is employed directly by Government.

If the employment situation is not as healthy as we would like—and certainly, with 8 million out of work it is not—it has at least stabilized, and the economy is gradually improving. I am hopeful that the President's jobs package, which totals some $20 billion and includes elements of most of the concepts suggested in this question, will help the economy continue to progress in the months ahead.

HOSPITAL COST CONTAINMENT PROPOSALS

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. ROGERS. Mr. Speaker, on April 25, 1977, Representative ROSTENKOWSKI, chairman of the Ways and Means Subcommittee on Health, and I introduced the Hospital Cost Containment Act of 1977 (H.R. 6575). On May 11–13, 1977, the Subcommittee on Health of the Ways and Means Committee and the Subcommittee on Health and the Environment of the Interstate and Foreign Commerce Committee held joint hearings on that proposed legislation. Both during and after the hearings, numerous suggestions for constructive changes in H.R. 6575 were advanced.

Although I am still not yet convinced that the approach to stemming inflation in the health care sector embodied in H.R. 6575 is entirely appropriate, I am today using it as a vehicle for three new concepts which, in my judgment, deserve the consideration of Congress and other affected parties. These new proposals are offered, not with the intent that they represent my position on cost containment, but, rather, in anticipation of thorough debate on their merits, cost, and practicality. As time permits other ideas to be developed, I will submit additional legislative proposals to bring these ideas and concepts into the public domain. In my view, through this procedure, we can best assure a thorough consideration of this complicated issue.

Two of the new proposals in the measure I am introducing today address the issues on which I expressed my concern when I introduced H.R. 6575. At that time, I stated my belief that any cost containment proposal should provide incentives for hospitals: first, to operate more efficiently; second, to close unneeded inpatient services or to coordinate the delivery of those unneeded services with other hospitals; third, to reduce the volume of inpatient care by increasing outpatient care, and fourth, to continue the provision of outpatient services which have become essential to low-income citizens. Without such incentives I fear that cost containment mechanisms could encourage hospitals to eliminate needed, but costly, services or reduce services to our indigent population.

In addition to the general inflationary pressure of our economy, two of the most significant sources of increased hospital costs are excess capacity and increased admissions.

Section 114(c) of H.R. 6575 addresses the problem of excess capacity. It provides an incentive for hospitals to discontinue unneeded inpatient services by not reducing the hospital's revenue base by the amount of revenue which the discontinued service generated. I do not believe that section 114(c) is an adequate incentive to eliminate excess capacity and to promote greater efficiency. Thus, the new legislation proposes a substitute which provides that for hospitals wishing to terminate all inpatient services, the hospital's primary financial barrier to closure—outstanding debt—will be removed. It also provides other incentives for the development of alternative health services for the community in which the closing hospital is located. For those hospitals wishing to terminate particular inpatient service units, it allows the loss realized on the sale of assets used in providing those services to be recouped through reimbursement under medicare and medicaid, and it provides an unencumbered incentive payment to the hospital. For those hospitals wishing to convert underutilized beds and facilities to long-term care or ambulatory care services, a grant covering a portion of the conversion costs would be available. In addition, any hospital which eliminated unneeded services would gain special consideration from the section 1122 or certificate of need agency when proposing new capital expenditures. The Health Systems Agency with jurisdiction over the area in which the hospital which terminated services resides will also be given an incentive payment which may be used in developing needed services.

I recognize that the proposition that Federal funds be spent to terminate unneeded hospital services will be controversial. I propose this course because I believe that we will more than offset those expenditures through reduced payments for hospital services. Furthermore, the proposed legislation would prevent the initiation of new unnecessary services, thus making the program a one time only measure.

H.R. 6575 also addresses the problem of increasing inpatient admissions. The limit on inpatient revenues discourages increased admissions and the exclusion of outpatient department services from that limit may encourage a shift of inpatients who can be treated on an outpatient basis to the outpatient department.

The second proposal regarding incentives in this new bill expands upon this provision. It would reward any hospital which holds its annual increase in inpatient costs per admission below the percentage limit set by H.R. 6575 with a bonus payment which can be used to fund any deficit in its outpatient department. The hospital could reduce inpatient costs by moving inpatients who can be treated on an outpatient basis to the outpatient department; by so doing, the hospital would insure that its outpatient department receives needed funds to cover any deficit.

The third proposal in the new bill modifies existing State control on capital expenditures to assure that only those capital expenditures which are needed to provide health services efficiently will be made. These changes would expand current certificate of need and section 1122 coverage to include major medical equipment regardless of setting and make other alterations to the 1122 program.

The existing coverage under these two programs has prompted practitioners and organizations, after capital expenditures for expensive medical equipment have been disapproved in hospitals and other covered institutions, to acquire the same equipment for use outside those institutions. The most flagrant recent example is the acquisition of CAT scanners for doctors' office buildings adjacent to hospitals or in other settings after HSA disapproval of such scanners in the nearby hospital. Such excess capacity is costly to us all.

The bill offers a mechanism designed to correct this abuse. It will encourage communities through their health systems agencies and State health planning and development agencies to clearly identify what major medical equipment is needed to adequately care for the populations which they serve. By so doing we will help reduce a major cause of health care inflation by reducing unnecessary capital expenditures.

The proposal also makes changes in the present section 1122 program. It requires participation in the program as a

condition for participation in the medicaid program, and it changes the 1122 program to make it consistent with the State certificate of need programs to assure that a State can operate both programs using the same procedures, application forms, and appeals process.

To further assure compliance with these provisions, the bill requires that manufacturers or vendors of major medical equipment have evidence presented to them prior to sale by the purchaser that a certificate of need has been granted to the purchaser for the equipment. Failure to comply with this requirement would expose manufacturers or vendors to the risk of prosecution and civil penalties.

Mr. Speaker, as I stated earlier, this new legislation is only a proposal which introduces new concepts for public debate. I am hopeful that this debate will be vigorous and constructive. I look forward to working with my colleagues and all affected parties in building a cost containment program that will have positive benefits for hospitals, physicians, and the American public.

WHAT IS WRONG WITH U.S. HEALTH CARE

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. NOLAN. Mr. Speaker, analyzing the problems with the health care delivery system in the United States is no easy task, but we cannot ignore it and hope it will simply go away. I believe the article printed in last Sunday's Washington Post, adapted from Secretary Califano's speech to the American Medical Association, offers much food for thought and I include it at this point in the RECORD:

WHAT IS WRONG WITH U.S. HEALTH CARE

(By Joseph A. Califano, Jr.)

We have set ourselves an ambitious goal in America: a high standard of health care for everyone—at manageable cost.

If we are to meet this ambitious goal, or even approach it, we must first see the nation's health care system clearly for what it is: a vast, sprawling, complex, highly expensive and virtually noncompetitive industry—one of the nation's largest though least understood industries, a unique system of economic relationships that are commanding, and controlling, an ever larger share of our nation's resources.

Health care in America today is big business. To be sure, health is not just another industry; the enduring strength and high quality of the doctor-patient relationship is a vital element in the medicine of the 1970s, just as it was a generation ago—and generations before that.

But the term industry is still an apt one—and it provides a critical perspective on the health care system for public policy makers.

With expenditures of $139 billion in 1976, the health care industry is the third largest in the United States. Only the construction industry and agriculture are larger.

In 1975, 4.8 million people worked in the health industry. That was 5.1 per cent of the national workforce—slightly more than one American worker in 20.

In the same year, 375,000 physicians were in practice in America: one for every 570 citizens.

Health care spending was 5.9 per cent of the gross national product in 1965. It was 8.3 per cent in 1975. And, at present inflation rates, it could reach 10 per cent of GNP by 1980. In that year, spending on health care will, without some kind of restraint, have ballooned to $230 billion, $1,000 for each man, woman and child in America.

The giants of corporate America have moved in to obtain their share of the health industry—major companies like IBM and Bausch & Lomb. Many of the major pharmaceutical companies are in the Fortune 500. The profits of these drug companies are far above the average for large corporations in America.

Health care is an inordinately complex and fragmented industry. It contains over 7,000 hospitals with a total capacity of 1.5 million beds; 16,000 skilled nursing homes, with a capacity of 1.2 million beds; thousands of laboratories and hundreds of suppliers of drugs, expensive medical equipment and other medical products.

Decisions in this industry are made—by a host of private and public institutions—without adequate planning at the state and local level.

Health care is a very costly industry. The median income of the average American family was $13,700 in 1975. In that same year, the average family expenditure for health care was nearly $1,600, more than 10 per cent of the median income.

An average hospital stay cost less than $350 in 1965. It now costs over $1,300. Private health insurance premiums have jumped 20 to 30 per cent in just the last year alone.

And the American people paid doctors a total of $26.3 billion in 1976.

The health care industry is virtually noncompetitive. The features of the competitive marketplace that have served our people so well in other industries—to promote efficient allocation and utilization of resources—are just about non-existent in the health care industry.

The patient—the consumer—may select his family doctor, but he does not select his specialist, his hospital, the services he is told he needs, the often expensive medical tests to which he is subjected: The physician is the central decision-maker for more than 70 per cent of health care services.

Increasingly, the patient—the consumer—does not pay directly for the service he or she receives. Ninety per cent of the hospital bills are paid by third parties—private insurance companies, Medicare, Medicaid.

These reimbursement mechanisms usually operate on a cost-plus or fixed-fee-for-service basis, the most expensive and least efficient ways to function.

Most public and private benefit packages are heavily biased toward expensive inpatient care.

The unavailability of price and quality information keeps the consumer of health care services dependent on the decisions of the health care provider, who plays a dominant role in determining demand for health services and whose financial well-being is determined by the price charged.

The ability to restrict access to competitors—hospital credential committees that can, for example, deny or delay privileges to Health Maintenance Organizations (innovative prepaid group health units)—provide special levers of market control.

We must face a basic fact. There is virtually no competition among doctors or among hospitals. And, just as important, there is precious little competition among pharmaceutical companies or among laboratories. For pharmaceutical and medical device and equipment companies, research has become big business, with patent monopoly pots of gold at the end of the research rainbow.

These economic features pose severe problems in allocating and utilizing health care resources in the most effective way possible.

THE WRONG INCENTIVES

We do not perceive the health care industry as a world of good people and bad people. Doctors are not bad and para-professionals good. Hospitals do not wear black hats while government policy makers wear white ones. That is not the point.

The point is that doctors, hospitals, pharmaceutical companies, nursing home operators—all the inhabitants of this non-competitive, free-spending, third party-payor world—act exactly as the incentives motivate them to act: conscious of quality, insensitive to cost.

The result, inevitably, is a set of economically classic structural problems.

First: Our health resources, abundant as they are, are not well-distributed, either economically or equitably.

In the past 10 years, we have made considerable strides toward opening access to health care for many people. But major problems remain:

We have not done a very good job over the past 10 years of helping rural Americans get ambulatory care. The typical rural citizen is twice as likely never to have had a physical examination as the typical citizen of a large metropolitan area. Many rural women fail to receive basic early cancer detection examinations.

In our inner cities, minority citizens still lag far behind others in their access to physician care. Polio immunization rates for black children under the age of 4 are one-third lower than the rates for white children.

While some are starving for health care, obesity is commonplace for others. Nationwide we have an excess of some 100,000 hospital beds In Southern California, there are enough CAT scanners—a sophisticated X-ray and computer diagnostic tool costing $500,000 or more—for the entire western United States.

We have made progress in absolute numbers in ending the doctor shortage of 10 years ago, but doctors are unevenly distributed, geographically and by specialty. Manhattan has 800 doctors per 100,000 people; Mississippi fewer than 80. In some disciplines, we have too many specialists, while the desperate need for primary care physicians in many rural areas persists.

And so we face a major national challenge: to redirect the flow of new health resources into underserved areas and to underserved groups so that ultimately all Americans will have fair access to quality health care. And we must ask: Can we do this in an industry with virtually no competition? Indeed, in an industry where the economic incentives move resources in the opposite direction?

Second, not only are our health care resources poorly distributed, but they are often not organized as efficiently as they might be.

As physicians have moved to more lucrative practices in the suburbs, for example, the burden of providing primary medical care in our inner cities has fallen increasingly on the outpatient departments of large metropolitan hospitals. Yet the cost of this kind of care is high: for many patients, two or three times higher than the same services offered in other settings, such as Health Maintenance Organizations and community health centers.

We have not made much progress in using non-physician health professionals to take some burdens off the physician—even though we know that nurses, physician assistants and other primary health practitioners can less expensively assume many tasks traditionally performed by physicians, without lowering the quality of care. Licensure laws are essential to preserve and maintain professional standards, but they should not be permitted to inhibit the development of new patterns of care.

Third, with little incentive to be cost-effective in the use of skills and resources, it is no wonder that our present health-care system emphasizes treatment of illness rather than prevention of illness.

Because of this, we are needlessly risking illness and sometimes even lives and recklessly consuming resources that could be used to meet other urgent needs.

Today the health-care challenge is dramatically different from what it was 10 or 20 years ago. Today the leading killers are not communicable diseases, but accidents, heart disease, cancer, cirrhosis of the liver—which are often caused by people's lifestyles or by hostile influences in the environment.

Yet our health-care system is not really geared to the field of prevention aimed at these killers.

We could literally save thousands of lives that are now being stunted or lost—if we could reduce the ravages of:

Cigarette smoking, which kills through cancer, heart attack and emphysema.

Alcoholism, and its toll in mortality, morbidity and the destruction of family life.

Obesity, with its sinister companions, diabetes and hypertension.

Accidents, which kill and maim in the office, at home and on the highway.

In the case of each of these killers, we already have enough knowledge to make major lifesaving gains. What we lack is sufficient will and ingenuity in educating our fellow citizens about how to live more safely and sensibly. And we sorely lack a health-care system with economic incentives as strong to prevent as they now are to cure, one which makes prevention as profitable for providers as treatment now is.

Fourth, our system of health insurance in America is an expensive and inequitable crazy quilt.

Some 18 million Americans—most of them unemployed or employed in small non-manufacturing businesses—have no health insurance at all.

Another 19 million Americans—most of them with incomes between $5,000 and $10,000—have no group insurance, only skimpy individual coverage that is at best inadequate.

Nearly half the population under age 65 does not have insurance that is sufficient to cover major medical expenses. National health insurance to protect all Americans from the crushing burden of medical expenses is essential.

THE COSTS ARE SOARING

But the overarching problem of the health care industry in America is the problem of runaway costs. In part because of these other problems I have sketched, the cost of medical care is soaring today.

Not only is health care spending devouring an ever larger share of our gross national product, but, under current projections:

Total health expenditures will double by 1980.

Hospital costs paid for by Medicare and Medicaid will double even sooner.

If unchecked, total hospital costs could reach $220 billion by 1985.

Health care is rising at a rate of 2.5 times the rise in the cost of living.

This rapid inflation imperils the ability of uninsured people to get health care at all. It gobbles tax dollars at such a rate that they are not available for other public priorities. The federal government spends 12 cents of every taxpayer dollar on health care—9 cents to the hospital industry alone. The average American worker works one month each year to pay health care costs.

The health care industry, as presently structured, has become a problem for all of us—leading to demands for change from the American people, from public officials, and increasingly from many physicians who are urgently concerned about both the medical and economic health of our people.

So the government—representing the people and the consumers—must play an increasing role in health care. We will fulfill our responsibility best with the cooperation of doctors, but we must fulfill our responsibility nonetheless.

Thus far, the administration has pressed forward on the cost front. The President has sent to the Congress legislation that would control the precipitous rise in hospital costs—the most inflationary sector in the health industry.

But we recognize that the proposal we have put forward—a limit on increases in total hospital revenues—is merely a stopgap solution that is a necessary transition to more profound long-term structural reform.

For the long term we must organize health resources more effectively, distribute health care benefits more equitably, emphasize prevention and primary care, and establish a fair and effective system of national health insurance.

These much needed reforms will form the basic agenda for federal policy in health care for the immediate future.

Although the precise shape of these changes will be a source of debate and controversy, we know that any long-term strategy for reform in the health system must:

Provide alternatives to costly institutional care—whether in hospitals or nursing homes.

Encourage the substitution of general primary care for more costly specialized care wherever that is possible without lowering quality standards.

Expand and make more efficient the use of less expensive health care personnel.

Stress prevention and early treatment—especially among our children—to avoid unnecessary illness, disability and death.

For too long, all of us in health care have been using our affluence to cure problems, rather than our ingenuity and self-discipline to prevent them. We have not been willing to confront the hard fact that resources are limited and that we must find new methods to provide quality health care to all Americans at reasonable cost.

Now, the cost of our indulgence is catching up with us. We can no longer buy our way out of difficulties. We must think our way out.

PROFILE OF A RENAISSANCE MAN: RICE FARMER, EDUCATOR, AND PUBLIC OFFICIAL

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. PICKLE. Mr. Speaker, soon the House of Representatives will be discussing one of the most important matters we have to consider, the farm bill.

I am afraid that too many people who do not live in rural areas, think that all farmers have 10,000-acre places and need Brinks trucks to haul away the money they make.

My good friend, Lester Cranek, the county judge of Colorado County, is a rice farmer, an honest to goodness good rice farmer. He is also a Ph. D. in agricultural economics and a former official in the Kennedy and Johnson administrations. Obviously, a person with his background is not forced into any one occupation. He is a rice farmer, because that is what he wants to do.

I hope that my colleagues will read about Judge Cranek's rice operations and they will keep him and thousands others like him in mind when they vote on the farm bill.

I insert this article on Lester Cranek from the Austin American Statesman:

RICE FARMING BECOMING BIG BUSINESS

(By David Frink)

GARWOOD.—It's a typical South-Central Texas spring day. The clouds hang like so many purple balloons waiting to burst and an invisible moisture fills the air, turning the fields into a natural steam bath.

Overhead, the pilot of a $68,000 flying machine banks, sharply to his left, guns the plane's engine and heads straight for earth. With 15 feet or so between him and destruction, the pilot levels off, opens tiny valves on the lower wings and releases a jet spray of the herbicide Proponil. The crop duster is killing the grass in Lester Cranek's fields.

Lester Cranek is the county judge in Colorado County, a small slice of Texas about 45 miles west of Houston. Lester Cranek is also a rice farmer, one of about 14,000 such agrarians in the United States.

Right now, as his rice crop is reaching the mid-point in its development, Cranek is worried. He's worried about the wild grass pushing its way into his 838 acres of rice, about too much cloudy weather, about a freak thunderstorm that might kick up and ruin his crop and about how much the crop duster is costing him. Halfway through the growing season, he is also wondering if he should be in the business at all.

This year's crop will be Cranek's 24th and he's sweating it. If Cranek, the operator of what he terms a larger-than-average rice farm, is worried, then many other rice producers must be downright terrified.

Increased costs for everything from diesel fuel for tractors to fertilizer over the past three years, combined with the removal of federal government control in 1975 over who could grow rice and how much they could grow, has made production of long-grain rice in the Texas "rice-belt" a shaky proposition, according to Cranek.

For example, he said, diesel fuel has increased from 16 cents to 40 cents a gallon in the last three years. Natural gas for firing rice-drying wells has gone from 17 cents to $2 per 1,000 cubic feet in the last three years.

Those factors and others, combined with the variable that is Texas weather, makes Cranek wonder if the 14-hours-a-day, seven-day work week is worth it.

"I'd be a whole lot better off with my money in municipal bonds up in New York City or somewhere, but it's pretty damn hard to shift into something else at 54 years old," he said. "When I think about all that and I'm sitting out here on a combine and see that big blue cloud coming, my stomach starts turning those old flip flops."

Cranek, who says people will say he's just a "blankety-blank lying farmer" for claiming he just barely broke even on last year's crop, isn't your typical farm type. Oh, he has combine dust in his hair and axle-grease under his fingernails, but he also has a Ph.D. in agricultural economics from Michigan State University. Once on the faculty at Southwest Texas State University in San Marcos, he calls himself a "renegade university type." In short, he knows of what he speaks.

And he has been speaking about rice farming and farming in general for several years. A supporter of John Kennedy as far back as 1956 when he met him at the Democratic National Convention, Cranek was one of eight advisers who helped Kennedy shape his agriculture platform in 1960.

"Kennedy believed in us eggheads (academic types). That's what (Lyndon) Johnson called us, you know," he said.

It's a long way from the sandy loam fields in the western section of the Texas rice belt to a Senate hearing room on Capitol Hill in

Washington, D.C., but Cranek has been a stranger to neither over the past 16 years. As recently as February, he testified at a Senate Agriculture Committee hearing, urging the reinstituting of allotment controls on the number of acres in the United States in rice production.

But, he said, the controls aren't going to be reinstituted, even though 86 per cent of the rice farmers in the country voted to keep them in 1975.

"You can't fight a buzzsaw with your bare hands and come out a winner," is how Cranek describes the allotment battle.

Lest anyone not understand, rice production in the United States is big business. And for years, before the federal controls were lifted, farmers in the South-Central region of Texas were the nation's biggest producers of long-grain rice. With the addition of many small farms in Arkansas made possible by loosening of controls, Texas now ranks second in number of acres in rice production.

Other States which produce rice include California, Louisiana, Mississippi and Missouri. A few other states may produce some rice, but 99.9 per cent of the American crop is grown in those six states.

Long-grain rice is the most popular in the United States. While many people associate rice with the Orient, most of the rice eaten in the United States is grown here. Shortgrain rice, like that grown in California, is exported.

"Americans want the fluffy long-grain rice that doesn't stick together. People in the Orient want the high-starch content, short-grain rice they can roll into balls," Cranek said.

While the United States produces only about 2 percent of the world's rice ("Just a dribble in the bucket," said Cranek), rice grown on two of every three acres in the United States is exported. And there remains a surplus. The government stores rice in giant warehouses to hold up sagging prices.

Of the 117 million "100-weights" of rice produced in 1976, more than 20 per cent never reached the dinner table, the feed lots or breweries.

"We could farm half the acres currently in production in the United States and still meet the demand," Cranek said. The current price of rice reflects the precarious position rice farmers find themselves in.

Last year, Cranek got $6.25 for every 100 pounds of rice he produced. The average price in the United States, according to the U.S. Department of Agriculture, was about $6.50 per 100-weight; 1975 prices averaged $8.60 per 100-weight and 1974 prices averaged about $9.60 per 100-weight.

In 1973, at the height of inflation, the average price farmers received for their rice was about $14.80 per 100-weight.

Cranek said suppliers of equipment, fertilizer, seed and everything else needed to produce rice upped their prices at that point, but have come down only slightly now that rice has come back to 1972 levels.

Cranek thinks the only solution to the "roller-coaster boom or bust cycle" is supply management on the part of the government. He said he doesn't want to "bleed the American consumer" with excessively high prices, but claimed the price must go up for rice farmers to get a "fair rate of return."

Rice farmers are at 52 per cent of parity with other segments of the rice producing industry, he claimed. He said he probably will get more money for his rice this year, something approaching $8 per 100-weight.

"If I can produce 6,400 pounds of rice per acre, I will make about a 2 or 3 per cent return on my investment this year. That's speculating because I produced 6,000 pounds per acre last year," he said.

What does it take to produce that much rice? What are the ingredients?

There can be no denying the costs are tremendous. Walking through one of his fields, stopping to pull weeds every few feet, Cranek ticked-off his expenses in rapid-fire succession.

"There's $50-an-acre land rent, $41 an acre for water from the Garwood Irrigation Co., $18 an acre for seed, $28 an acre for fertilizer, $31 an acre for herbicide, $10 an acre for aerial application and about $40 an acre for labor," he said. Multiplied by Cranek's 838 acres, those expenses add up to quite a hefty investment.

In addition, Cranek has about $120,000 tied up in tractors and combines, most of them about seven years old.

"We use the combines 10 days a year. The rest of the time they just sit in the barn. That's the kind of cost most people just don't understand," he said.

So much for economics, how does rice grow and how is it marketed?

Planting season in Texas starts about March 15 with the first crop ready for harvest (mechanical combining) about July 15. A second crop, the result of sprouts from the first, is ready for combining in another 60 days or so, Cranek said.

That's the long and short of it. In between is a little more complicated. Much of it depends on the weather.

If the weather is bad and planting can't start in March, production will be down. During the rainy 1973 season, Cranek was still planting as late as July, when he should have been getting ready for harvest. His crop that year was 45 per cent of what it probably will be this year, he said.

Two months after planting, the rice stands about 4 inches tall. Cranek will flood his fields again soon. The fields have already been flooded and drained twice in the cycle. The water will stay until combining time as rice goes toward its heading in a continuous flood.

Combining time is when it gets tricky. If it rains too much near combining time the rice could crack inside its husk, leaving not long grain, but broken rice. Whole long-grain rice sells for about 8 cents a pound. A broken crop goes for half that.

Cranek is growing La Belle rice this year, the same variety 90 per cent of the farmers in Texas are producing. He will sell it through American Rice Inc. of Houston, which then distributes it to rice mills that make Houston their home. Among them are River Brand, Comet Rice, P&S Rice and Blue Ribbon Co.

Cranek, worried as he is about the state of the art in rice farming, says he should be "sitting on the fence post like a buzzard, waiting for the smaller farmers to go under." The rice farmers who survive 1977 and '78 will experience a strengthening in the market into the 1980s, he believes—"provided that is, that everyday prices don't accelerate faster than price."

He isn't happy, however, because he's against what he calls "conglomerate farming."

"When the big corporations are running the rice farms and they don't make the profit they're used to, do you think they'll keep them going?"

THE TAX BURDEN

HON. DOUGLAS WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. WALGREN. Mr. Speaker, I would like to bring to the attention of my colleagues the letter of a constituent expressing his frustration regarding the tax burden he and many others is being forced to accept:

I am writing to you about taxes and, to some extent, inflation.

I graduated from college twenty years ago. To get my education I gave up four years of employment at a normal working man's income. I invested every penny I could earn from part-time and summer jobs in my education. I had to borrow some money which I paid back after graduation.

I sought this education for a number of reasons. I wanted to learn, I wanted to grow, I wanted to contribute. And, last but not least, I wanted some of the rewards that go with a good, functioning, educated mind and a willingness to work very hard—much harder than the average American. I think a few years ago you had similar thoughts. I believe I have accomplished much of what I wanted with the exception of achieving any significant degree of additional rewards which, supposedly, is the basic premise of our American way of life. There are two reasons for this which are working to drown me—taxes and inflation.

I put in a goodly number of "educated" years with my college degree earning less than common laborers and far less than skilled laborers. I averaged 60 hours of work a week during this period. Oh well, it was all part of my investment for my family and future. About five years ago, I was promoted to my present position and started to earn a salary that would let me begin to pay off the investment I made. Since then, my salary has increased extremely well—to a dollar level far beyond my wildest dreams twenty years ago. I actually made the fifty percent tax bracket year before last. The only problem is that, between taxes and inflation, my dollars are gone and, in terms of true spending power, I am not even close to the dreams and goals that I began investing in twenty years ago.

I've been robbed. On the one hand, my dollar is worth much less than it was twenty years ago. On the other hand, my government has ripped me off by failing to index the tax rates to inflation. For every dollar of raise I got to compensate for inflation, my government took an ever increasing percentage. I've been falling behind the inflationary spiral by leaps and bounds—or rather stumbles and falls.

What is my situation now that I've reached the "big money?" Last year, I sent 35 cents of every dollar I earned to the IRS. I really don't know what I got in return—maybe corruption, increased crime, poorer roads and land, insincerity, less defense, more red tape, to name just a few things. I also know that some of these dollars went to help the less fortunate which makes me happy—and some went to pay the welfare rip-off artists and junketeering politicians which sickens me.

Not only did I blow 35 cents of my income in Washington's IRS mess, I also paid social security tax, state income tax, local income tax, real property tax and personal property tax. Because social security (for which I could claim no tax deduction) is going broke, I paid 4 percent of my income into my Company's pension plan. These costs, in addition to my federal income tax, now account for 47 percent of my income which, for the first time, has seemed to be adequate to pay for my investment in education and hard work!

On top of all of this, we can add sales (in Pennsylvania at 6 percent), gasoline, excise, and all the hidden taxes in the products I buy. It doesn't take a lot of smarts to figure I'm paying close to, if not more than, 60 percent of my income in taxes and pension. And inflation is burning up what is left. And, oh yes, because I earn such big money, I'm expected to be generous. Besides the charities I believe in and our church, I'm supposed to

cough up by a "fair share" formula another 5 percent to the United Fund.

I have three girls aged sixteen to eleven and I hope each of them can go to college if only to become better educated. Because of my income, because I'm rich, they cannot get financial aid. Most people qualify, I don't. I'm rich. I get to pay for it all. My own problem is that I don't know where it's going to come from.

Now, all that I've written is as of December 31, 1976. In 1977, we were getting a new President and I had great hopes for his feeling for the people—all of the people. But, as of this date, I feel depressed and oppressed. Let me tell you why.

1. You want to stimulate the economy. I don't feel it needs stimulation as of this date. If I did, I'd provide the stimulation through meaningful, productive jobs for those who are not working now. This would put money into the economy, give employment to those who need it and get things done that need to be done. Your solution, which I don't like but can go along with, calls, in part, for tax rebates of equal amounts for each person in our country. Every one will get fifty dollars. I will admit, you will get the money, although unneeded, into the economy. But is it fair? Is it fair to pay proportionate amounts to citizens who paid disproportionate amounts in taxes? Shouldn't we refund in the same proportion as paid? Either way, it will get spent and I assume that the goal is economic stimulation. But, I can live with it even though it's unfair.

2. Next, I heard you on radio propose a form of fuel savings incentive for the lower income while omitting the higher income on the premise that they were "able to pay." I hope the above recitation shows you that many, if not most, higher income people do not any longer have that ability.

3. And today was the straw that broke the camel's back—the proposal to substitute a $250 credit for the personal exemption. I won't argue the need for such a credit for many of our citizens. I will argue against raising taxes for a minority. Your proposal will cost me $625 in taxes—that's $1,250 in earned income. The number of us who will be hurt isn't great so we can't cry out very loud. I understand your proposal would cost about four billion dollars. If you think it's a fair way to give a tax break to some, I'll buy it. But, I won't buy the penalization of a few. I ask nothing more than to be left whole—the same as I have been. It won't cost much more than the four billion projected, I'm sure. There aren't that many of us and most of the group—not all—are hurting.

Let me describe it this way. I got a raise effective last Monday. The federal government will get 50 percent of it. State and local income taxes and my pension plan will get about 10 percent. Your new proposal will take an undeterminable amount and the net result as I see it, is I will have about $600 to $800 to give to those who believe I'm rich and fight off inflation. I'm a loser. I'm losing before the proposed county, state, school and municipality tax increases for 1977. The tax people including you are destroying any concept of my getting ahead on his raise or on ability. In fact, you're pushing me down.

I have no tax dodges or gimmicks and use none of the "loopholes." I paid more than four times your recently published taxes on significantly less gross income. I feel like a cheated, ripped off sucker and I'm very discouraged.

President Carter, I always dreamed of being comfortable by age fifty—eight years away—so I could take a rewarding low paying position like heading a charitable organization or teaching. I'll never be that comfortable. And, really, I could make the change now at little loss of net disposable income. But, what I'm doing is good. It's hard, demanding, challenging and helps our country and society. It demands something extra—it gives something extra—why should it cost something extra?

I have absolutely no objection to your $250 credit proposal if it is coupled with a "re-indexing" of tax rates retroactive to the date these rates were last changed. Without such a compromise, we will only be asking our bright young people to be "average" adults. I don't feel you can ask for something without giving something. Recent figures of productivity in the classless Soviet Union seem to bear out this concept.

I realize this letter is far too long for you to read unless the initial reader believes it of sufficient merit. But, I can't help it being long. It's a recitation of exactly how I feel right from the heart and I can't stem the flow. Either I tell it like it is or I forget it. And, I can't forget it. I would greatly appreciate an honest response (not, "he is taking your letter under advisement") from you or a responsible member of your staff as well as my Senators and Representative.

I'm sorry for the time I've taken of someone. I've only tried to express fully and sincerely my despair personally and for our nation. I sincerely hope you are a President of the people—all of the people, we need you.

IS THE WHITE HOUSE AN IMAGE FACTORY?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. MICHEL. Mr. Speaker, Columnist Patrick J. Buchanan recently performed a public service by taking a close look at a news story. Much was made in the story about President Carter's return of five presidential helicopters "at a savings of $2 million a year." Buchanan, however, pointed out that far from being evidence of the President's concern for the taxpayer, this story was merely another case in which the Carter image does not match the Carter reality. According to Buchanan, "the five choppers are the dinky little six-seaters the President hardly ever uses." The President still has eight choppers including the plush "white top" marine helicopters. Once again, it would seem, the White House has managed to fool the press and the public by producing a pretty image which draws attention away from the real facts.

I ask permission that Patrick J. Buchanan's column "The Carter Clan Starts To Cash In" be placed in the RECORD.

[From the Chicago Tribune, June 28, 1977]

THE CARTER CLAN STARTS TO CASH IN

(By Patrick J. Buchanan)

WASHINGTON.—"Carter returning five helicopters at savings of $2 million per year" ran the headline. The Associated Press story advanced along a similar axis:

"President Carter, who relishes the role of penny-pincher and foe of pomp, has announced he is returning five presidential helicopters to the Pentagon. This will save $2 million a year, aides estimated."

Well, as was said of the dashing Mayor of New York, John Lindsay, "There's less there than meets the eye."

The five choppers are the dinkly little six-seaters the President hardly ever uses. Since they are not being used, where is the taxpayers' savings? And below the lead on that story is the hard news that Jimmy is retaining eight choppers, including every one of the big posh "White Top" Marine beauties which ferry him and the family back and forth to Camp David.

It is time the supposedly monastic simplicity in which the Carter clan lives, and the Carter White House resides, is put into perspective. True, portal-to-portal limo service for White House rides has been reduced, and the President's yacht has been sold. But Carter has built a staff which exceeds in size and salary levels anything programmed or imagined for the "imperial presidency" of Richard M. Nixon.

An incredible 49 aides in our "austere" White House haul down more than $40,000 a year. Senior aides make over $50,000. One 25-year-old kid from Carter's campaign, Little Ricky Hutcheson, earns $42,500—equal to the highest salary ever paid in the Nixon White House to its most senior member, Dr. Arthur Burns, now chairman of the Federal Reserve.

While Jimmy moaned to that working class crowd in Clinton, Mass., about how much he shelled out of pocket for food bills, he neglected to mention that he has turned the White House into a multiple family dwelling.

Sons, daughters, daughters-in-law, grandchildren, all occupy plush quarters in La Casa Blanca. And one has yet to hear of any of them paying a dime in rent. Since most American families shell out between a third and a quarter of their income for housing, this would not be an insignificant subsidy to the Carter clan.

But the goodies only begin here. When Lady Rosalyn flew off to Latin America she took along a staff not much smaller than that attendant upon the queen of Cleopatra's barge. Included in the company was a male hairdresser who customarily hauls down between $300 and $400 a day.

As for the rest of the Carter clan, they seem to have taken the victory Nov. 3 the way the lads at Sutters' Mill took the news that gold had been found in the creek bed.

Since election day, Brother Billy has been burning up the lecture and appearance circuit—reportedly at $5,000 to $10,000 a crack—and he tried to bull Simon & Shuster into shelling out a $150,000 advance for his autobiography.

Simon & Shuster, however, which is publishing a book by the President, did shell out a "six-figure advance"—according to Parade Magazine—to Miz Lillian and the President's sister Gloria Carter Spann to write two books.

"Away from Home," about Miz Lillian's days in the Peace Corps, will be coming out this August, and "The Autobiography of Lillian Carter" is scheduled for next fall. TV rights to both have been peddled to ABC for another $100 grand.

Jimmy's other sister, evangelist Ruth Carter Stapleton, is said by Parade to be working on a humor-packed biography of kid brother Billy." Presumably the book is not an elecmosynary operation.

Meanwhile, Jimmy's sons, who have been flying around the world at taxpayer's expense to "represent" the President, are reportedly thinking of getting in on the literary bonanza, though no particular writing talent was detected in the boys until Mississippi put Jimmy over the top early in the morning of Nov. 3.

The motto of the Carter clan could have been lifted out of that Fats Domino favorite of the '50s, "I'm gonna git it while the gittin is good, so good, so good!"

THE CONSTITUTION—A SHIELD SUPPORTED BY A SWORD: CONTEST WINNER

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. HAMMERSCHMIDT. Mr. Speaker, on the verge of our great Nation's 201st birthday, I feel it is indeed proper to reflect on the miracle of our Constitution that has withstood innumerable challenges and the true test of time over the last two centuries. The spirit of our Constitution is made vivid in a creative parallel which is the topic of a winning speech by George Atkinson, a participant in the American Legion's local and State oratorical contest. The Ellig-Stoufer Post No. 31 of the American Legion in Fort Smith, Ark., had the foresight to sponsor George in this outstanding endeavor. George attends Van Buren High School and intends to apply his scholarship winnings in the pursuit of a career in industrial engineering at the University of Arkansas in Fayetteville. At this point I include the text of George's rhetorical essay in the RECORD:

THE CONSTITUTION—A SHIELD SUPPORTED BY A SWORD

(By George Atkinson)

Jousting their way out of the tenth century England come the romantic and legendary tales of King Arthur. From the legends we obtain a detailed description of the shield he carried. Constructed of the strongest metals, hammered to the perfect thickness, and adorned with the finest jewels, his shield, it was believed, could withstand any moral blow. Another of Arthur's implements of war was his majestical sword Excalibur. During his many battles, his shield defended him gallantly, but it was his enchanted sword that supported his shield and gave it it's undefeatable power.

Centuries have passed and the winds of time have swept chivalry, Excalibur, and Arthur to the wayside. Though his armament served him faithfully against the dragons and beast of his time, they would be useless against the dangerous serpent that haunts the twentieth century. This tyrannical beast that arms itself with twisted words, lies, and propaganda is called by many names. Whether it lurks behind the mask of communism, socialism, or facism, its venomous words poison the minds of the free world. Only a shield of written words, not a shield of bronze or steel, could defend freedom from the vicious wrath of tyranny. What is this gallant shield constructed of only paper and ink? It is "The Constitution of the United States of America."

Standing before the critical eyes of mankind, the shield assures us of the God given rights of life, liberty, and the pursuit of happiness. It establishes a rigid form for our government to follow so that it doesn't infringe on those rights. In Amendments I and XIV, it states that these basic rights cannot be denied because of mere differences in race or religion and according to Articles I, II, and III, it establishes a balanced three branch system that allows an individual to pursue happiness but prevents him from denying life or liberty to others. Yes, this is a shield that can defend us from the deadly bite of the serpent, tyranny.

Unfortunately, as Arthur's shield needed the sword Excalibur, so, too, does this shield need a sword to support it, to strengthen it, and to make it indestructible. It needs the sword known as the people. This is not a shield bonded by the electrical attraction of one atom for another, instead it is one bonded by the expressed love of one free and happy being for another. This is a shield truly constructed and supported by the people.

The daring words of the Preamble state, "We the people of the United States of America in order to form a more perfect union . . ." Union between what? A union between thirteen squabbling states or a union between man and his government? As Abraham Lincoln stated in his Gettysburg Address, "a government of the people, by the people and for the people". The key word is people.

What is the function of the people? The constitution does not demand that the individual do anything; rather it gives each person the right, and these rights outline the duties of the people. For example Article I, Sections 2, 3, and 4, Article I Section 1, Amendments VII, XV, XIX, and XXVI are all concerned with voting. Any qualified citizen of the United States has the right to choose who will make the laws, who will rule the nation, et cetera. Likewise, Article II Section 4 gives us the right to impeach any unfit civil officer whether it be a mayor, a governor, or the president himself. Furthermore, Article III, Article VI Amendments IV through VIII and Amendment XIV, set up a complex judicial system whereby we have the right not to be deprived of life, liberty or prosperity without due process of law. Last and most important is the First Amendment. Among other things, we obtain from this Amendment our freedom of speech where we have the right to stand up and be counted, the right to scream out against injustice, and the right to speak in defense of the things we agree with. These various Articles and Amendments are not just a list of rights but a list of civic duties.

Our history is filled with individuals who stood alone doing their duties as citizens. They did them not because of a law or because society deemed it necessary, but because they were proud to live in a nation where they had the right to vote for leaders, to speak out freely, and to have a just penal system. One such individual was Patrick Henry whose immortal words echo across the valley of time: "Give me liberty or give me death". When the right to vote was denied to women, individuals like Susan B. Anthony fought for a cause they believed was right. When police brutality and legal abuses were threatening our judicial system individuals like Ernesto Miranda fought for justice. Though their lives preceded the noble words of the late John F. Kennedy, "those individual men and women, truly asked not what their country could do for them, but what could they do for their country."

Though we are a nation that asks for nothing more than the blessings of peace and liberty, other people of other nations with different beliefs continuously attempt to deny us these things. Barely mentioned in the Constitution except for an occasional Article or Amendment that deals only with control or quartering is the defense. Even so, our duty to defend our country, whether with a rifle as did George Washington or with a pen as did Thomas Paine, is the proudest and noblest service we can do for a nation that has given us so much.

Often we wonder what can we do and if the things we do are really important? The year is 1848. In a small room of a shabby little inn, a man exiled from his own country sits at a poorly lighted desk and writes "A shadow hangs over Europe. . . the shadow of communism". The man was Carl Marx. In his two books, *The Communist Manifesto* and *Das Capital*, he gives a detailed plan for infiltrating and destroying democratic countries that flourish on the fruits of capitalism. He states that if only one individual within a nation joins with the communist movement that he can subversively gain the support of others and ultimately weaken and destroy that nation. Like one virus molecule entering a healthy body, pretending to be dormant, but continuously reproducing until the virus molecules can overpower the body's natural defenses. Fortunately, this is a game that can be played by both sides, for if one individual stands behind his country he, too, can cause others to join him. Often we forget that a family, a committee, an army, or even Congress, all have one thing in common: they are all made up of individuals. Yes, the individual is important.

In a hospital, in a city, a child is born. Thriving on the love of his parents, he grows quickly. Suddenly he is two and takes his first step. Then he is six and starts school. He learns of the world, its misery and its glory. He is sixteen and buys his first car. Then he is eighteen and proudly receives his diploma. Now he is a father, and a new generation of Americans have been born. The cycle starts again. His father, grandfather, and great grandfather, all stood in defense of the Constitution and America, from Lexington and Concord to Vietnam, from the scandals of Jefferson to those of Nixon. Now it was his turn. The Constitution would shield his son as it had him, but he would have to become the sword that would support it.

WHY THE B–1 IS VITAL TO OUR DEFENSE

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. RUDD. Mr. Speaker, I was very shocked and dismayed by the President's decision today to halt production of the B–1 bomber.

In light of the Soviet Union's increasing aggressiveness around the world, its massive buildup of arms, its flagrant violations of SALT I and the Helsinki Agreement, I view this action by the President as irresponsible.

In saying "no" to the B–1, the President is giving the Soviets the go-ahead to take money and personnel away from defensive efforts to counter the B–1, and to concentrate their total effort on all-out offensive weapons and assistance to further Communist imperalism around the world.

Every dollar that the Soviets would spend to try to counter the B–1 will be spent instead to further Communist revolutionary activities being supported by Fidel Castro and other Communist leaders in Latin America, Africa, Asia, and possibly Europe.

The B–1 is the superior military aircraft in existence in the world today. You can be sure that the Soviets are delighted to see it canceled. In placing full reliance upon the cruise missile, the President is giving up one element of our strategic defense—the B–1—that provides the flexibility we must have to respond to the variety of potential enemy threats.

The President's decision puts us closer to a possible nuclear confrontation with missiles in the event of foreign aggression. Once a missile is fired—whether it is from a silo, a submarine, or from an aircraft—there is no turning back. We are committed to all-out war—worldwide nuclear confrontation.

One of the great advantages of the B–1 is that it is the superior defensive and offensive military weapon, but does not lock us into a nuclear situation. The B–1 can be sent out as a warning—a show of strength and preparedness—and then recalled. This is a vital option that the President, our Commander in Chief, must have, and I am appalled that he would deliberately limit his options in such a crucial matter as our Nation's defense and security.

The President has the highest, the ultimate, responsibility for the defense of our Nation. The B–1 is an essential part of that defense today, as a needed replacement for our outdated 30-year-old B–52 bombers that are no longer adequate. The No. 1 purpose of the B–1 is to deter war—to convince the Soviets that we have the strength, and are willing to use it if necessary, to defend ourselves from any attack.

In canceling the B–1, the President is taking the chance that we will never need it, that the Soviets will never use their strategic military superiority to take the lives and freedoms of the American people. This is a chance that we should not—must not—take.

Mr. Speaker, I hope that Members of Congress will overrule the President, as it is our constitutional prerogative and responsibility to do in cases like this, and require spending for the B–1 bomber. The House of Representatives overwhelmingly voted in favor of continuing the B–1 in a vote on the defense appropriations bill this week. That bill now goes to the Senate, where I hope that similar support is given to the B–1. We must overturn the President's bad decision to stop this vital defense project.

I would like to include at this point in the RECORD an excellent article on the need for the B–1, written by Martha Rountree, president of Leadership Foundation, a nationwide grassroots coalition of women's groups:

WHY THE B–1 IS VITAL TO OUR DEFENSE

(By Martha Rountree)

One top military expert after another has said over and over again: "The B–1 bomber is the single-most important need in our defense program." The SALT (Strategic Arms Limitation Talks) agreements most certainly proved this to be true. We need only look at the tremendous trade-off in missile negotiations with the Soviets to recognize the significance of the B–1.

The B–1, by replacing our aging B–52's, would keep our bomber force second to none—it is the world's fastest heavy bomber, with the biggest payload and the greatest range. Yet, there are some members of the Congress who are suggesting that we spend billions of dollars to attempt the modernization of the B–52's—and we would still end up with little more than a souped-up 25-year-old airplane. For about 60 percent more in dollars we could have the B–1, which General John C. Toomay, U.S. Air Force, says: ". . . will pay for itself. It will be less expensive overall on an effectiveness basis than the aircraft it replaces. It makes up for our current disadvantages in missile numbers and throwweight. It provides the infinite flexibility that is available only in a manned vehicle." And, he continues, "How could we expect a bomber designed for the 1950s to handle the threat of the 1990s?"

Fortunately, the B–1, designed to be the world's most advanced supersonic strategic bomber, has already undergone extensive research, development, testing, and evaluation. If the Congress authorizes the funding to put the B–1 into production, it will still be some time before we can have it in full operation. It takes time to tool up and get into actual production. This is one key reason why we must look ahead. What we will need in the future must be planned and funded now! As Secretary of the Air Force Thomas C. Reed recently said: "1976 is the year of decision for the B–1."

Unemployment is always a critical problem for any nation. It has been estimated by experts that for every one billion dollars cut from the defense budget, there will be from 90,000 to 100,000 people dropped from the nation's payrolls. Forgetting for a moment the damage to our nation's security, a $10 billion cut in the defense budget could mean one million more Americans unemployed.

B–1 FEATURES

The B–1 bomber is a new-generation strategic bomber of tremendous power and it is intercontinental in range.

It is supersonic (faster than the speed of sound) at an altitude of some 50,000 feet.

It has terrain-following radar and flight control systems enabling it to attack at tree-top levels below enemy radar and below enemy surface-to-air missile capability . . . a big plus!

It will carry twenty-four nuclear warhead standoff air-to-ground missiles.

It will also be equipped with non-nuclear bomb and missile-launching capability so that it can be used in conventional war as well as nuclear war.

It is "hardened" to the effects of nuclear blast, meaning it can survive and continue to operate when a bomb is exploded nearby.

It is equipped with highly advanced electronic warfare systems to jam enemy radar communications and weapons-launching systems.

It has a reduced radar-cross section, so it cannot be easily detected while in range of enemy radar.

It is especially designed for quick take-off after minimum warning (it can be in the air within 4 minutes of the alert).

The B–1 can refuel in mid-air with existing military tankers.

The B–1 uses only one-fourth the fuel required by our B–52 force.

The B–1 will provide a hedge against failure of other strategic systems.

The B–1 crew is under continual command control so that it can pick and choose targets based on changes in military circumstances.

In fact, the B–1 can be placed on airborne alert and then be recalled before it launches its weapons.

The B–1 is not dependent upon either overseas bases or sea support.

It should be remembered that the bomber is flexible, adaptable, and elusive in warfare. In the entire history of air warfare, no bomber attack has ever been stopped by a defensive force. The reason: An attacking bomber force can attack from any (and several) direction(s) and at any (or several) altitude(s). Simple geometry prevents the defender from being strong everywhere on his whole boundary. This is especially true of the Soviet Union with its very large borders.

The B–1 will definitely extend our aeronautical technology in the challenging years ahead and help put us back out in front. Consequently, the B–1 bomber force will greatly complicate the Soviet's defensive tasks and will, of necessity, cause them to reappraise their deafness. They will have to build new radar systems, new anti-aircraft weapons, new defensive fighters, and man and operate these systems. Every bit of effort the Soviets put into defense makes it harder for them to continue to build offensive forces. And, none of these extensive defensive efforts can attack the United States or our allies.

* * * * *

The main complaint about the B–1 by its critics is that it is too expensive. The answer to that is, we cannot afford not to have it. It is true the B–1 is expensive. But nearly fifty cents of every dollar required to procure the B–1 is due solely to anticipated inflation during the period 1970–1984. The dollar just doesn't buy what it used to buy. This is a fact of life every American knows today. Regardless of the cost of the B–1, this bomber will give us the security and protection we need; it will help to maintain a balance of power; it will give us leverage to keep the peace now and bargain for peace in times of crisis. Its peacekeeping power fully merits the expense.

IN THE NATIONAL INTEREST—OCEAN MINING

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. BREAUX. Mr. Speaker, negotiations with respect to the exploration and development of the deep seabed mining sites have been at an impasse at the Law of the Sea Conference for several years. The United States has offered overly-generous concessions to the developing nations of the world only to realize that these nations will continue to delay the negotiations until such time as the United States has given away its technology, financing, and voting rights to an international regime. Earlier this session, I cosponsored a bill to promote the orderly development of hard mineral resources in the deep seabed, pending the adoption of an international regime.

The ongoing negotiations at the conference in New York are still at an impasse. At this time I would ask that an article appearing in the Evening Bulletin be inserted in the RECORD for the attention of the Members.

The article follows:

(From the Evening Bulletin, June 27, 1977)

STERN CONTROL OF UNDERSEA MINING COULD DENY WORLD ITS TREASURES

(By Louis Rukeyser)

While summer moviegoers seek diversion in the fantasy explorations of "The Deep," a real-life undersea drama is in progress that involves every bit as much conflict and the prospect of far greater fortunes.

The treasure being sought here is not jewels or drugs but four vital minerals that lie at the bottom of the sea—manganese, cobalt, copper and nickel—and the beneficiaries of this search could very well include you and me.

The villians of the piece are not sharks or crooks but, as so often happens in the real world these days, well-intentioned folks whose professed concern is entirely for the good of mankind. Concentrated in the so-called developing countries, they are, ironically, hostile to the authentic fuel of economic development—private profits—and they demand stern international control over all aspects of undersea mining. The inevitable result, if they succeed, will be less development—and a poorer world.

The dispute, which could carry tremendous implications for the future of the American economy, is being carried on at the United Nations, where negotiators from 162 nations are making another stab at

breaking the deadlock over who is to mine the ocean floor and how the profits are to be shared.

It has been a long-running serial. Nearly a decade ago, the U.N. decided grandly that deep-sea resources are the "common heritage of mankind"—one of those sweepingly fatuous statements that everybody applauds but that doesn't advance you a millimeter toward true human betterment.

The question is how you are going to proceed to put mankind in touch with its "heritage"; the U.S., for example, requires a procedure that permits orderly research and development on a nondiscriminatory basis, without politically imposed price or production controls, while the socialist-minded "developing" countries want an international authority empowered to run (or disrupt!) the whole show.

Meanwhile, back in Washington, some smart Congressmen who recall the OPEC oil embargo are realizing that it's time for the U.S. to start acting independently on this issue: to guarantee legislative protection for rational private exploration activities. The stakes undeniably are immense, not just in money (a potential of tens of billions of dollars) but in terms of current U.S. vulnerability (we rely heavily on imports of these four strategic minerals).

Four American-based corporations are ready to go into action, provided they receive some assurance that the U.S. will not stand by—either now or a generation hence—and allow their investments to be expropriated. Kennecott, U.S. Steel and International Nickel already have formed separate alliances with foreign counterparts; Lockheed is setting up a fourth consortium. The concern of these companies is understandable: the total investment could exceed $2 billion by 1983; they don't want it drowned in the Pacific.

What does it mean to you and me if these companies get a chance to make a buck? First, an entirely new American industry—marine mining—with the possibilities of new jobs, new sources of supply, new products and a new foundation of economic stability. Second, a reasonable possibility that by 1990 deep sea mining could equal our imports of cobalt and manganese, reduce primary nickel imports from 90 percent of our needs to 30 percent and greatly increase our self-sufficiency in copper. Third, a technological explosion that could, among other benefits, make us self-sufficient in all these substances by 2000—and an exporter to a better endowed world.

The U.S. Geological Survey has identified these minerals as critical to our national energy effort and has warned that our needs might impose strains on present sources of supplies. Common sense tells us that we ought not allow ourselves to become more vulnerable to foreign blackmail of the American economy. We ought to let the UN know that, while it argues Marxist theory, we are going to plunge ahead to the bottom of the sea.

The lives of every American would be affected if an OPEC type cartel occurs. We have become so dependent on the minerals contained in the manganese modules. At present we import 98 percent of our manganese and cobalt, 71 percent nickel, and 15 percent of our copper. The United States is dependent upon politically unstable Third World nations for supply of these mineral resources and deep seabed mining would effectively reduce our dependence upon nations such as Zaire. In addition, this new industry would create jobs for some 10,000 workers and would create a huge tax base through the investment of billions of dollars in mining unit constructions.

CAMPAIGN FINANCING

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. BADHAM. Mr. Speaker, the issue of publicly-financed congressional elections is one that affects the entire Congress. H.R. 5157 addresses this issue and is currently under consideration by the House Administration Committee.

I recently received a survey research report compiled by the Civic Service Corp. which collected public opinion data regarding public financing of congressional elections. The opinions collected expressed clear opposition to this means of election financing.

I insert excerpts of this report at this point for consideration by my colleagues:

ATTITUDES TOWARD CAMPAIGN FINANCING

"The project goal was to obtain a nationwide probability sample. The questionnaire consisted of 25 queries dealing with the general subject of election/campaign financing. Every question which directly asked the respondents to express either approval or disapproval of public funding of congressional campaigns registered a clear majority in opposition to such financing. The percentage of opposition ran from the high sixties to the low fifties depending upon the specific aspect of the subject being presented. The overall opposition of those interviewed is clear and constant. In a more positive frame, a sizable 70 per cent of the total sample agreed that the best way to finance a campaign for Congress was through voluntary citizen contributions."

"Overall, there is a feeling of confidence in our electoral process, despite a certain cynicism among the electorate as to the nature of the individuals in our government, the moral fibre of our candidates, and aspects of special interest influence. The public does not see the ultimate resolution of problems as the establishment of a system of public funding. Further, whenever specific areas of public financing are spelled out, the opposition is quite strong and explicit."

"One question asked for respondent approval or disapproval of the statement: 'It has been proposed in Congress that the Federal Government pay the cost of congressional campaigns for the United States House of Representatives and Senate with public funds. . . . Do you approve or disapprove?' Approval registered 32.5 per cent, while disapproval registered 63.4 per cent."

"In looking at the areas of response to this question we find stronger levels of approval among younger respondents. Approval was found among occupational groupings of the higher income level including professionals and corporate executives. Students also approved. Disapproval grew as one moved into older age brackets. Opposition was strong among blue collar respondents, farmers, and business owners. White collar respondents were opposed as were a supervisorial class of managers-foreman-supervisors. Opposition among farmer respondents was 76 per cent; 69 per cent among blue collar respondents; 80 per cent among the manager-supervisor constituency; 68 per cent among business owners, and 60 per cent among white collar respondents."

"Opposition was strongest among respondents from the Border, Southern, and Midwestern states. Opposition was least strong among respondents sampled in the New England states. The basic opposition, however, held across the boards in all areas and regions in the Civic Service nationwide sampling."

"'Using tax dollars to support the campaign of congressional candidates without giving me the right to determine who is supported with my money is wrong.' This statement produced 66 per cent agreement among the total sample versus 30 per cent disagreement."

"It is interesting that a significant number of those respondents who favor public financing feel that citizens should have the right to choose the beneficiary of their support. Strongest agreement for this statement is registered among blue collar, business owners, and farmers."

"In another question, respondents were asked to agree or disagree with the following: 'It's been estimated that public financing of congressional campaigns would cost at least 50 million dollars just to start. Before we spend 50 million on congressional campaigns, there are many other priorities which need government attention and help.' Eighty-four and five tenths per cent agree. The agreement cuts across all age brackets, occupations, and parties."

"'Public financing, or federal support of congressional campaigns, will favor incumbent Congressmen already in office since they have name recognition, and use government mailing privileges, have staff members and do not need as much money to win office again.' Sixty-six per cent of the sample agreed with this statement versus 27 per cent disagreeing. Incumbents are seen as having a definite advantage. Among those favoring public funding, a definite majority agreed that the proposal nevertheless favors the incumbent."

"The possibility of public financing helping challengers is a positive aspect of the issue, but, it is not dominant enough to tip the balance in favor of the whole issue."

"The area of special interest money in the sector of campaign financing is a definite concern to the public. The question is how strong this concern is and whether it can override other distrusts or disapprovals of the use of public financing. At present, the answer is, 'No, it cannot!' "

U.S. CANAL ZONE SOVEREIGNTY RESOLUTION

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. MURPHY of New York. Mr. Speaker, we have been embroiled for years in the battle over the possibility of negotiating a new treaty with Panama over American rights and sovereignty in the Panama Canal Zone. Dozens of Members of the House have recounted time and time again the undeniable case for a continued American presence and retention of rights for which we have paid nearly $7 billion over the brief life of the canal.

Yet the State Department persists in attempting to negotiate what is, at best, an unsupportable treaty to give up all our rights and control in this strategic waterway. What is worse, the Department of State now tells the media that it will have a treaty ready by August 1 . . . a treaty which up until a few months ago, they contended was very far from being in a workable and acceptable form.

Even worse, although such a treaty would have to be ratified by a two-thirds vote of the full Senate, and would require enabling legislation from the

House of Representatives for the divestiture of Federal property, the language of the proposed draft treaty is apparently being leaked to everybody except the House and Senate. The newspapers and wire services report on its contents, the Panamanian Government speaks publicly on its provisions, and the lobbyists and pressure groups scramble to either support or decry the language of the proposals, yet we in Congress have yet to see any material, pertinent or not, which is neither third-hand information nor biased speculation.

The result of such a treaty would be the loss of American influence and control over the only water passage between the Atlantic and Pacific Oceans. The economic and strategic costs of such a loss would be immeasurable. I have attached for inclusion in the RECORD two letters to the President, one from Senate cosponsors of a similar resolution and one from four of the most outstanding names in recent American military history: Arleigh Burke, Thomas Moorer, George Anderson, and Robert Carney, all former Chiefs of Naval Operations, who conclude that the Panama Canal should remain under American sovereign control, as provided in the existing treaty. Yet the State Department, apparently oblivious to such sound judgment, continues its attempted giveaway with no authorization from Congress for such negotiations.

The resolution I offer today on behalf of myself and 24 colleagues should come as no surprise to anyone here, although I sometime think the State Department might not be aware of our responsibilities. Over 50 Members of Congress have already cosponsored identical resolutions, but I felt that as chairman of the Merchant Marine and Fisheries Committee which has jurisdiction over the Panama Canal, it was imperative that I initiate immediately this call to action. One of our most urgent responsibilities is that immediate need to reinforce the congressional stance which leaves no doubt that the Panama Canal should not and shall not be surrendered to a Communist-influenced dictatorship on the brink of bankruptcy and political revolution.

The rushed deadline for the State Department version of a new treaty simply indicates their realization that opposition is growing rapidly stronger, and that last ditch efforts to railroad a hastily prepared, and so far secret treaty through Congress will be met with a growing awareness that such a proposal will meet with an immediate and resounding defeat.

I believe that it is no coincidence that the new treaty is expected to be made public at a time when the Congress takes a month-long summer recess. You may be certain that these tactics, as well as this ill-conceived treaty proposal, will not go unanswered.

I also wish to include in my remarks at this time an article from the editorial page of Barron's, the national business and financial weekly which is one of the most highly respected journals in the Nation. It points out quite clearly that from almost every conceivable point of view—financial, political, military, historical, strategic, and simply common practicality—there is no justification for relinquishing control of the Panama Canal.

The article follows:

UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, D.C., June 15, 1977.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We are enclosing a most important letter from four former Chiefs of Naval Operations who give their combined judgment on the strategic value of the Panama Canal to the United States.

We think you will agree that these four men are among the greatest living naval strategists today, both in terms of experience and judgement. Their letter concludes: "It is our considered individual and combined judgement that you should instruct our negotiators to retain full sovereign control for the United States over both the Panama Canal and its protective frame, the U.S. Canal Zone as provided in the existing treaty."

We concur in their judgement and trust you will find such action wholly consistent with our national interest and will act accordingly.

Sincerely,

STROM THURMOND, USS,
JESSE HELMS, USS,
JOHN L. MCCLELLAN, USS,
HARRY F. BYRD, Jr., USS.

JUNE 8, 1977.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As former Chiefs of Naval Operations, fleet commanders and Naval Advisers to previous Presidents, we believe we have an obligation to you and the nation to offer our combined judgment on the strategic value of the Panama Canal to the United States.

Contrary to what we read about the declining strategic and economic value of the Canal, the truth is that this inter-oceanic waterway is as important, if not more so, to the United States than ever. The Panama Canal enables the United States to transfer its naval forces and commerical units from ocean to ocean as the need arises. This capability is increasingly important now in view of the reduced size of the U.S. Atlantic and Pacific fleets.

We recognize that the Navy's largest aircraft carriers and some of the world's supertankers are too wide to transit the Canal as it exists today. The super-tankers represent but a small percentage of the world's commercial fleets. From a strategic viewpoint, the Navy's largest carriers can be wisely positioned as pressures and tensions build in any kind of a short-range, limited situation. Meanwhile, the hundreds of combatants, from submarines to crusiers, can be funneled through the transit as can the vital fleet train needed to sustain the combatants. In the years ahead, as carriers become smaller or as the Canal is modernized, this problem will no longer exist.

Our experience has been that as each crisis developed during our active service—World War II, Korea, Vietnam and the Cuban missile crisis—the value of the Canal was forcefully emphasized by emergency transits of our naval units and massive logistic support for the Armed Forces. The Canal provided operational flexibility and rapid mobility. In addition, there are the psychological advantages of this power potential. As Commander-in-Chief, you will find the ownership and sovereign control of the Canal indispensable during periods of tension and conflict.

As long as most of the world's combatant and commercial tonnage can transit through the Canal, it offers inestimable strategic advantages to the United States, giving us maximum strength at minimum cost. Moreover, sovereignty and jurisdiction over the Canal Zone and Canal offer the opportunity to use the waterway or to deny its use to others in wartime. This authority was especially helpful during World War II and also Vietnam. Under the control of a potential adversary, the Panama Canal would become an immediate crucial problem and prove a serious weakness in the over-all U.S. defense capability, with enormous potential consequences for evil.

Mr. President, you have become our leader at a time when the adequacy of our naval capabilities is being seriously challenged. The existing maritime threat to us is compounded by the possibility that the Canal under Panamanian sovereignty could be neutralized or lost, depending on that government's relationship with other nations. We note that the present Panamanian government has close ties with the present Cuban government which in turn is closely tied to the Soviet Union. Loss of the Panama Canal, which would be a serious set-back in war, would contribute to the encirclement of the U.S. by hostile naval forces, and threaten our ability to survive.

For meeting the current situation, you have the well-known precedent of former distinguished Secretary of State (later Chief Justice) Charles Evans Hughes, who, when faced with a comparable situation in 1923, declared to the Panamanian government that it was an "absolute futility" for it "to expect an American administration, no matter what it was, any President or any Secretary of State, ever to surrender any part of (the) rights which the United States had acquired under the Treaty of 1903," (Ho. Doc. No. 474, 89th Congress, p. 154).

We recognize that a certain amount of social unrest is generated by the contrast in living standards between Zonians and Panamanians living nearby. Bilateral programs are recommended to upgrade Panamanian boundary areas. Canal modernization, once U.S. sovereignty is guaranteed, might benefit the entire Panamanian economy, and especially those areas near the U.S. Zone.

The Panama Canal represents a vital portion of our U.S. naval and maritime assets, all of which are absolutely essential for free world security. It is our considered individual and combined judgment that you should instruct our negotiators to retain full sovereign control for the United States over both the Panama Canal and its protective frame, the U.S. Canal Zone as provided in the existing treaty.

Very respectfully,

ROBERT B. CARNEY,
ARLEIGH A. BURKE,
GEORGE ANDERSON,
THOMAS H. MOORER.

[From Barron's, June 27, 1977]

COMBAT ZONE? THE U.S. OUGHT TO HARDEN ITS STANCE ON THE PANAMA CANAL

Call it coincidence, call it intuition, call it what you will. On just two occasions in the past 20 years or so, we have somehow been minded to write about one or another of the world's great waterways. Both times political upheaval or worse promptly followed. To illustrate, on June 25, 1956, in an editorial on the Suez Canal, we wrote: "For the better part of a century, the big ditch linking the Red Sea with the Mediterranean has served as a major artery of global commerce. But the Canal today is something more. Privately owned and operated, it has become an enduring monument to the daring and vision of venture capitalism. Equally significant, since by general consent its facilities are open to ships hailing from any port, it stands as a rare and valuable symbol of international goodwill. On all counts, however, the sands may be running out . . ."

Barely five months later, the second Arab-Israeli war, which effectively demolished both

the statue of Ferdinand de Lesseps and the monument to capitalism, broke out. Again, on April 1, 1968, Barron's carried a piece headlined "Storm Over Panama—The U.S. Shouldn't Give an Inch on the Canal." In October came a military coup which toppled the duly elected government in favor of the regime of Omar Torrijos, leftist dictator who continues to rule—some fear to the brink of ruin—that strategic and troubled isthmus.

"Today is history," our promotion mavens like to say. "Tomorrow is Barron's." Be that as it may, the third time around it takes no crystal ball to call the turn on impending disaster. Indeed, throughout the Canal Zone (which has been U.S. territory since 1903), as The Christian Science Monitor reported last week, trouble of sorts is already afoot. According to its Latin American correspondent, a growing exodus of "Zonians," as they are known, notably such skilled workers as pilots and tugboat masters, has reached alarming proportions. "With the 'quit rate' of U.S. citizens currently running 50% higher than normal, officials, including Harold Parfitt, say the Canal's operating efficiency could be in jeopardy." And the ugly trend seems to be feeding on itself: "the more that leave, the more that think about leaving."

The wave of departures, of course, reflects the local perceptions of the progress of negotiations on a new Panama Canal treaty, which has been going on for many months between the U.S. and Panama. Launched by former Secretary of State Kissinger, without so much as a by-your-leave to Congress (which, one way or another, will have the final say), the talks, conducted on behalf of our side by Ambassadors Ellsworth Bunker and Sol Linowitz, start from the premise that this country, after a stipulated length of time still to be agreed on and subject to certain provisos, would turn over the Canal—lock, stock and barrel—to the Panamanian government. Meanwhile, the U.S. is prepared to accept a much earlier surrender of sovereignty in the Canal Zone, and to share with the Torrijos regime responsibility for operation and defense of the vital waterway.

"You drive a hard bargain," mutered Peter Minuit to the Manhattan Indians. Thus, despite the incredible concessions which, with fine bipartisanship, both Republican and Democratic administrations have been moved to offer, the Panamanians persistently have sought more. To the dismay of the U.S. State Department, which has been a vocal proponent of treaty revision, the talks have been punctuated by repeated threats from the other side of sabotage and guerrilla warfare. Yet, as a solid bloc in both houses of Congress, not to mention the overwhelming majority of the American people, time and again have reaffirmed, it is, and ought to be, no deal.

There are good and sufficient reasons, practical and philosophic alike, for taking an unyielding stance. On the first count, it has made no sense from the word go to negotiate with General Torrijos. Through the Department—"hostile to our friends, friendly to the neutrals and neutral to our enemies"—diplomatically overlooks the fact, his government, apart from its dubious origins, also happens to be repressive. Marxist and bitterly opposed to this country. Torrijos aside, the Panama Canal (in a world which, despite official disclaimers, grows increasingly dangerous and hostile) still commands much of its strategic and military importance; to weaken in any way the U.S. hold upon it is to run an unacceptable and needless risk. Charges to the contrary notwithstanding, finally, the U.S. position in Panama—and the mighty achievement to which it gave rise—should be a source not of shame but of pride. In the course of time, monuments topple, but the builders should be the last to lend a helping hand.

Thanks to the State Department, however, the wreckers have been hard at work. Demolition began in early 1974, when Secretary Kissinger launched negotiations which, at the outset, offered to yield control. Since then, to the mounting disapproval of the American people, which in poll after poll of public opinion has voted heavily against any change in the status quo, they have proceeded in secrecy. Chief negotiators for the U.S., as noted, are Messrs. Bunker and Linowitz, who, whatever their other undoubted merits, are a curious choice for the task. Ambassador Bunker once distinguished himself by handing over Dutch New Guinea to the leftist Indonesian dictator, Sukarno, while Linowitz, according to Rep. Daniel J. Flood (D., Pa.), served as a "registered agent of the Allende Marxist government of Chile from June 1972 through December 1972." In any case, given their original brief, even the hardest of hardliners would be hard put to protect the national interest.

On this score, Panama, economically and politically, would be more of a liability than an asset. Left-wing oligarchs rarely know how to meet a payroll, and General Torrijos has proved no exception. According to a memo from the U.S. Embassy, economic conditions in Panama have steadily worsened. The report cited year-to-year declines in manufacturing, construction and foreign trade, basically reflecting excessive labor costs—the banana republic boasts a minimum wage twice as high as any other Central American land—and low productivity. In an update, S. J. Rundt & Associates, consultants on international business, recently observed: "The economy ground to a standstill in 1976." Meanwhile, external borrowings have climbed relentlessly, to the point where debt service now constitutes nearly 40% of current revenue. Panama isn't exactly broke; indeed, it just succeeded in cadging another $100 million on very favorable terms. But its credit, like its credibility as a partner in running the Canal, grows increasingly strained.

So much for dollar diplomacy. From a political standpoint, the Torrijós regime looks even worse. After the coup in the fall of '68, it swiftly filled its ministries with Marxists. According to the Pulitzer Prize-winning columnist, Charles Bartlett, "two queasy figures with Marxist links, Diaz Herrera and Antonio Noriega, are moving with the president's support into dominance over the national guard." Totalitarianism runs rampant: people are jailed and beaten without access to a lawyer or judge, while scores of businessmen, on one pretext or another, have been forced into exile. On the issue of human rights, Rep. Benjamin R. Rosenthal (D., N.Y.), longtime advocate of a revised Canal treaty, last week sounded a warning.

"According to recent press reports and information I have received from people close to events in Panama, there are ominous signs of growing anti-Semitism," notably following a visit by the Chief of State to Libya, where he signed several pacts on economic and military cooperation. "In establishing our relations with Panama on a more solid footing," added the Congressman, "we must not be unmindful of increasing allegations of human rights violations in that country." Nor should we be unmindful of the blatant anti-Americanism, underscored by repeated episodes of forcible entry into the Canal Zone, flag-burning, illegal detentions, bombings and the like, which invariably are the other side of the Marxist coin.

Other considerations, military and strategic, loom equally large. Despite claims to the contrary, most of the Navy (which remains a one-ocean fleet with a two-ocean mission) still can use the Canal; its loss would thus be a blow to national security. Diplomats may argue that giving it away would enhance this country's prestige; however, in a world which respects firmness and strength above all, such a move is likelier to lead to demands for the evacuation of Guantanamo and to a global lessening of U.S. clout. And while legal scholars may differ on the issue, we are satisfied that after nearly 75 years, the U.S. need not apologize for the $7 billion which it has invested in the Canal and the vast amount of good, not least for Panama, it thereby has achieved.

"In the history of finance capitalism, in the history of medicine," writes David McCullough in his new book, "The Path Between the Seas," the Panama Canal "was an event of signal consequence. . . . And yet (it) marked the resolution of a dream as old as the voyages of Columbus." Pity to see it all go down the drain.

THE ROLE OF ANDREW YOUNG

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. STOKES. Mr. Speaker, this is not the first time that I have had the occasion to speak out in support of my former colleague and friend, U.S. Ambassador Andrew Young. I have done so before here on the floor of the House of Representatives as well as in the media. Moreover, Mr. Speaker, I plan to keep on doing so until I feel that he is given the respect and fairness of treatment to which he is entitled.

Mr. Speaker, the latest distortion of one of Ambassador Young's remarks occurred several weeks ago when the media erupted in self-righteous indignation over a Playboy magazine interview in which Young characterizes former Presidents Nixon and Ford as racists. Par for the course, the media and assorted political foes took the Ambassador's comments out of context and failed to report the full extent of his subsequent qualifying statement. We now know that Andy said that Ford and Nixon were racists because "they had no understanding of the problems of colored peoples anywhere". That statement, Mr. Speaker, in my estimation is absolutely true.

Recently, an editorial came to my attention which I feel presents an incisive and articulate analysis of Andy Young's statements and actions as well as his impact on international affairs. At this time, Mr. Speaker, I would like to submit this article to the RECORD which is entitled "The Role of Andrew Young" which appeared in the Sunday, June 12, 1977, edition of the Los Angeles Times:

THE ROLE OF ANDREW YOUNG

Perhaps Andrew Young talks too much. But at least he speaks with remarkable, refreshing candor and an absence of the traditional diplomatic obfuscation. And he resists the practice of so many in public life to screen thoughts in off-the-record or background comments.

The result has been a deluge of public statements on an extraordinary assortment of subjects. This has encouraged some people to dismiss what he says as nonsense, to refuse to take him seriously, to regard him as mindless at best and mischievous at worst.

That is not fair to Young.

Part of his problem is of his own making, to be sure. No one can talk on the record as much as he does and have a perfect score for infallibility, wisdom and usefulness. But part of the blame belongs to the journalists who report him and sometimes fail to communicate his full message, his full meaning, and too often give equal attention to the inconse-

quential and the significant. And part of the problem lies with his critics, who often seize the headlines without taking the time to understand the substance.

We have come to think, despite all the controversy, that his accomplishments outweigh the problems he creates, and we have also come to appreciate that many of those problems are created deliberately to facilitate the work he want to do.

We have not found it easy to make up our minds about Young. Just when we would feel confident that we had him sized up, he would take off on a new tangent, offend another nation, and we would find ourselves sorting out the balance all over again. But our growing confidence in and respect for him have been confirmed by the lengthy interview with him prepared by Playboy magazine. The good sense, the balance, the perspective, the commitment and the honesty of his answers will reassure many of his critics, even if his unnecessarily vulgar language will offend many people.

Young has become the center of a partisan political quarrel because of the interview. Some Republicans have been stung by his assertion that Gerald Ford and Richard Nixon are racists. Some of the partisan sting has been eased by subsequent statements by Young enlarging the indictment to include the two preceding Democratic Presidents. We doubt that there would have been any serious objection if the critics had read and understood the full statement that Young made in the interview. It is an instructive case in point regarding both the mind of Young and the tendency to attack him.

The racism that Young attributed to Ford and Nixon is the racism that infects great masses of the population, of all races, producing hostility, misunderstanding, and insensitivity through ignorance. Drawing on the writings of W. E. B. Du Bois at the beginning of this century, Young noted that "racism is one of the most powerful dynamics in the world today." Its pervasiveness makes it no less malignant. To ignore it, to do nothing about it, is to invite perpetuation of conflict.

Young's understanding of this issue is born of his personal experience, but his application of his understanding is the translation of more than growing up black in a white society. He also comprehends the situation of a white America in a nonwhite world. It is a reality that policymakers ignore at their peril.

Behind Young's rhetoric, then, there often is a pragmatism that suggests that he understands his diplomatic function as an advocate of American national interests.

If John Vorster in Pretoria has been offended by Young, Lt. Gen. Olusegun Obasanjo in Lagos has not been, and the United States has few national interests in Africa more important than maintaining the supply of oil from Nigeria.

Perhaps Young has oversimplified the question of Cuban troops in Angola. The fact remains, nevertheless, that American oil operations in Angola, and the restoration of the nation's economy, depend on Cubans, as policemen and as technicians.

Some will argue that Young's attitude on Marxism in Africa understates the risk and threat of Soviet hegemony, of Moscow somehow taking control of the resources of the continent. Whether or not the fears are valid, there seems to be no better strategy for America than doing what Young is doing—identifying the United States clearly and openly on the side of the nationalists and encouraging them in their commitments to nonalignment.

Young will be helped in doing those sorts of things because of the postures he has taken, even at the expense of offending some old friends with truths that they would prefer to have left unsaid.

A member of President Carter's inner circle forecast before the inauguration that Young's role would be to provide the cutting edge of the new Administration's foreign policy. That he is doing. There are risks. Cutting edges can be mistaken for fixed and final policy. Young's high visibility can raise questions about who is making American foreign policy, and he can raise expectations that cannot be satisfied. Yet there is evidence that the press is more anxious about how Young fits in with Jimmy Carter, Zbigniew Brzezinski and Cyrus Vance than they are.

Young summed up his intentions this way: "I'm not saying my point has to prevail, but my point has to be made."

Fair enough. American foreign policy has been strengthened, we think, as a result. And an important quality, an effective element of the foreign policy of the new Administration, would be lost if the controversy should result in a retreat to more taciturn, more traditional diplomacy by the American ambassador to the United Nations.

EXPERTS REPLY TO INQUIRIES ON DROUGHT BILLS

HON. MAX BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. BAUCUS. Mr. Speaker, as chairman of the Congressional Rural Caucus Committee on Agriculture, Energy, and Natural Resources, I recently requested members of our advisory team to prepare analyses of pending drought legislation. The advisory team consists of representatives from our Nation's largest and most influential argricultural interest groups.

Each member of the team was sent a summary of pending drought legislation compiled by Dr. Barry Carr of the Congressional Research Service. A copy of the summary appears at the end of this statement. Four members of the team responded, representing the American Farm Bureau Federation, National Farmers Organization, National Farmers Union, and National Rural Electric Cooperative Association.

The analyses were generally favorable; however, specific bills drew criticism. NFU commented,

> The legislation introduced so far, even though in and of itself good for the most part, does not approach the problem from a comprehensive viewpoint.

Only the Farm Bureau took a generally negative view of the bills, stating:

> It is doubtful that the creation of additional new programs is the answer America's farmers and ranchers are seeking.

All of the groups questioned H.R. 5567. NFO called it "relief for suburbanites." NRECA commented that the bill "does not specifically address the concerns of most rural people," but added that the group "recognized the importance of that legislation to nonrural residents" and found it "worthy of our support."

NFO and the Farm Bureau both attacked S. 120, the former calling it "too broad" and the latter claiming it "creates new Federal bureaucracy." They also joined in opposition to H.R. 3319, with the NFO asking, "Do we need Government reports to tell us it isn't raining?"

In terms of possible areas for future legislative initiative, NFO suggested, "Why don't you review the tax code provisions of 'carry back' and 'carry forward' losses?" This would allow operators to spread losses over several years.

The Farm Bureau suggested that "the Federal crop insurance program be converted to a reinsurance program." They cited the advantage of actuarial soundness.

The fact that no action has been taken on a large portion of the pending drought bills is alarming. Farmers are already moving to harvest many crops, and the problems of drought—soil erosion, feed shortages, prevented planting, power cutbacks, water shortages—grow every week. There are still many holes in the Federal disaster relief program. I hope that the appropriate committees take action on these bills in the near future.

Any Member wishing to see copies of these replies should contact Jerry Tinianow in my office. A copy of the bill summary follows:

LEGISLATIVE ACTIVITY IN THE 95TH CONGRESS RELATING TO DROUGHT

(S. 120—H.R. 5004, H.R. 6156, H.R. 6449—introduced by Mr. ABOUREZK, referred to Public Works Committee. No. action.)

Drought Assistance Amendment—Title I: Amendments to the Disaster Relief Act of 1974—Declares the finding of Congress that droughts and other similar non-cataclysmic disasters require Federal assistance. Requires the President to appoint a Federal coordinator to operate in an area declared a drought emergency. Permits Federal agencies to provide assistance to drought emergency areas by performing any emergency service essential to save lives and property, including: (1) conservation practices; (2) water supply investigations; (3) education training in conservation techniques for farmers and other affected persons; (4) provisions for water needs and the movement of supplies or persons; (5) the establishment of comprehensive employment and/or manpower training programs; and (6) contributions to State or local governments to carry out the provisions of this Act.

Directs that Federal funds for assistance activities may go by contract to private organizations or firms, preference be given to such organizations or firms in the drought emergency areas.

Authorizes the President to make grants to States for the purpose of State grants to individuals or families adversely affected by a drought emergency to meet necessary expenses; and to make temporary mortgage or rental payments on behalf of individuals or families who have received written notice of foreclosure on land or equipment as a result of financial hardship caused by drought.

Provides for loans to local governments losing revenues as a result of a drought emergency.

Title II: Amendments to the Public Works and Economic Development Act of 1965—Extends to drought emergency areas assistance for economic recovery following the period of emergency aid and replacement of essential facilities and services. Extends coverage of federally-guaranteed loans to the purchase of land facilities for farming usage.

Title III: Miscellaneous Provisions—Makes areas suffering an emergency of any sort eligible for Federal assistance for current school expenditures.

Extends eligibility for small business loans under the Small Business Act to businesses in drought emergency areas and limits the interest rate on the Small Business Admin-

istrator's share of the loan to one percent annually.

(S. 322—Introduced by Mr. Abourezk, referred to Agriculture, Nutrition and Forestry Committee. No action, but handled in H.R. 7171.)

Directs the Secretary of Agriculture to pay an amount determined by a certain formula to any producer who is prevented in the 1978 or any subsequent crop year from planting any portion of the farm acreage allotted to a specified commodity (wheat, feed grains, cotton or soybeans), or who can harvest in such year no more than two-thirds of the farm acreage allotment for a specified commodity, because of drought, flood or other natural disaster or condition beyond the control of the producer.

S. 925 and H.R. 5117—(H.R. 4537, H.R. 5198, H.R. 5199, H.R. 5494—introduced by Mr. JACKSON in the Senate and Mr. MEEDS in the House, referred to Energy and Natural Resources Committee in the Senate and Interior and Insular Affairs Committee in the House, became Public Law 95-18 on April 7, 1977.)

Directs the Secretary of the Interior, acting through the Bureau of Reclamation: (1) to study opportunities to augment, utilize or conserve water supplies available to Federal reclamation projects and to undertake conservation activities to mitigate damages to such projects from the 1976-1977 drought period; (2) to purchase water supplies and redistribute such water within Federal reclamation projects; (3) to study and evaluate potential facilities to mitigate the effects of drought and make recommendations to the President and to Congress evaluating such facilities; and (4) to make payments to Federal reclamation project landowners who are without irrigation water supplies to carry out soil conservation measures.

Authorizes the Secretary to defer without penalty the 1977 and the 1978 payments of any installment charges owed to the United States on Federal reclamation projects as he deems necessary because of financial hardship caused by extreme drought conditions.

Requires the Secretary to report to Congress by March 1, 1978, on expenditures under this Act.

S. 986—H.R. 1490, H.R. 4289, H.R. 5085—introduced by Mr. HUMPHREY, referred to Agriculture, Nutrition and Forestry Committee. No Action.)

Requires the Federal Crop Insurance Corporation, under the Federal Crop Insurance Act, to reopen for 30 days the period during which insurance or reinsurance applications may be made by persons in counties in which the Secretary of Agriculture determines a state of emergency exists with respect to insurable crops. Stipulates that terms, conditions, and premium rates shall be the same as those applicable to similarly situated applicants prior to the most recent closing period for the crop to be insured.

Directs the Treasury of the United States to reimburse the Corporation for such insurance issued. States that future adjustments in premium rates are not to take into account actuarial data arising from insurance issued during this reopening period. Terminates this Act one year after enactment.

(S. 1206—H.R. 6047—introduced by Mr. NELSON, referred to Small Business Committee. No action.)

A bill to provide temporary authority to the Administrator of the Small Business Administration to make loans to small business concerns for projects to improve water conservation or to augment water supply facilities affected by the 1976-77 drought.

S. 1279 and H.R. 5884—H.R. 6549—introduced by Mr. BURDICK in the Senate and Mr. JOHNSON (Calif.) in the House, referred to Environment and Public Works Committee in the Senate and Public Works and Transportation Committee in the House. Passed Senate on May 11, 1977. Passed House on May 17, 1977. Sent to President on May 19, 1977. Signed into law May 23.)

Community Emergency Drought Relief Act—Title I: Authorizes the Secretary of Commerce to make grants and loans to eligible States, localities, Indian tribes and nonprofit organizations to assist areas adversely affected by drought and water shortages. Establishes criteria for the allocation of assistance to emergency drought impact areas as designated under this Act.

Authorizes appropriations for emergency grants and loans and administrative purposes through fiscal year 1978.

Title II: Amends the Public Works and Economic Development Act Amendments of 1976 to authorize a six month delay in the convening date of a White House Conference on Balanced Growth and Economic Development.

(S. 1489—Introduced by Mr. TOWER, referred to Agriculture, Nutrition and Forestry Committee. No action.)

Authorizes the Secretary of Agriculture to make financial assistance available to conservation districts for weather modification measures designed to alleviate drought conditions.

(H. Res. 384—Introduced by Mr. BAUCUS, referred to Rules Committee. No action.)

Resolution creates a Select Committee on Drought with authority to study and review drought problems and possible solutions and review any recommendations relating to programs or policies relating to drought.

(H.R. 3319—Introduced by Mr. BALDUS, referred to Agriculture Committee. No action.)

A bill to provide for monitoring of soil moisture in drought-prone areas, to provide information thereon and accelerate financial and technical assistance to lessen the impact of drought on farming and ranching operations.

(H.R. 5567—Introduced by Mr. JOHN L. BURTON, referred to Ways and Means Committee. No action.)

A bill to amend the Internal Revenue Code of 1954 to permit individuals to deduct losses resulting from drought to family gardens and to residential property of the taxpayer.

(H.R. 5642—Introduced by Mr. MADIGAN, referred to Agriculture Committee. No action.)

Rural Water Program Assessment Act—Directs the Secretary of Agriculture to conduct a study to develop information on Federal, State, regional, and local programs with respect to water resources which have an impact on life in rural areas. Directs the Secretary to identify areas with shortages or deficiencies in water supply and to describe methods to alleviate such shortages or deficiencies.

Directs the Secretary to report the results of such study to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition and Forestry. Authorizes the appropriation of $25,000 for the study.

(H.R. 5857—H.R. 6272—introduced by Mr. MICHEL, referred to Agriculture Committee. No action.)

Authorizes the Secretary of Agriculture to pay up to three-fourths of the actual cost of transporting water to rural areas and livestock producers in drought-stricken areas.

FOURTH OF JULY REFLECTIONS ON CHANGING TIMES IN CONGRESS

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. FARY. Mr. Speaker, having some time during legislative debates, I recently had an opportunity to examine Thomas Jefferson's original draft of the Declaration of Independence on display in Statuary Hall here in the Capitol.

I imagine that few Americans have read the Declaration of Independence in its entirety, let alone read Jefferson's original handwritten draft.

Reading this timeless document, and recalling the history of its enactment, made me ponder about a number of similarities in the Congress in 1776 and today—1977.

It is some of these similarities that I would like to share with my colleagues as they are especially pertinent as the Fourth of July draws near.

Getting a measure through Congress today is not an easy task—nor was it in 1776. When Delegate Richard Henry Lee of Virginia introduced his bold resolution on June 7th demanding "That these United Colonies are, and of right ought to be, free and independent States," about half of the colonies were in favor of it. The issue was most controversial. So, Congress postponed a decision, and later recessed for 3 weeks.

Delegate Thomas Jefferson meanwhile was commissioned to draft a declaration of independence in case it should be needed. The four pages of this draft that we see today in Statuary Hall is Jefferson's original draft bearing the corrections made by Benjamin Franklin and John Adams.

However, before the Congress could consider Jefferson's proposed declaration of independence, Delegate Lee's Resolution of Independence had to be resolved. Like we do today, the Congress then debated and argued.

After many amendments and after the most momentous and critical debate ever in the history of the Congress, the Resolution of Independence was passed on July 2, 1776. Our bonds with Great Britain were severed. Independence was a fact, and our Nation was born.

However, before the Resolution of Independence could pass, several opponents chose not to attend Congress on July 2 when the critical vote was taken. The result was that 12 States voted in favor, with New York abstaining.

The delegates in the 1776 Continental Congress had to justify their actions to their constituents, to the world, and to future generations. So, with the essential question of independence settled, Congress immediately began to debate Jefferson's proposed Declaration of Independence.

After long hours of debating, arguing, defending, and amending the Declaration of Independence, Congress voted in the late afternoon of July 4 to adopt it. The vote again was 12 States for the adoption of the Declaration of Independence New York was still abstaining while awaiting for instructions from their State's authorities.

Just as there is today, there was division and differing of opinion in the United States in 1776. What we enact here in Congress never meets with the complete approval of the American people. Our daily mail reflect that fact. Such was the case with the issue of independence in 1776.

Delegate John Adams in 1776 thought that a third of the colonial population supported the revolution and independence; another third opposed it; and the remaining third tried to be neutral. Of the third that supported independence, about a third of that small group actively got involved. So, even in 1776 congressional actions did not meet with universal approval.

When we vote in Congress, our votes and comments are a matter of public record. The 56 delegates to the Congress in 1776 who signed the Declaration of Independence on August 2 did not have their names released for close to 5 months in fear of reprisals for their actions. Today, in 1977, we are accountable for all votes immediately after they are cast.

The delegates in 1776, in justifying their actions, set forth in the Declaration of Independence, certain principles that are the basis for our Government today. The Declaration makes clear that the Government exists to safeguard the rights of the people. As Jefferson, in the Declaration stated, all people have certain basic rights—namely "Life, Liberty and the pursuit of Happiness." The Bill of Rights later went on to expand these basic rights. Today, much of the legislation we pass, or fail to pass, often affect these basic rights of the American people.

Thomas Jefferson clearly points out in the Declaration that the people, not the Government, are the sovereigns. We here in Congress only represent the people who elect us. We are here for a period of time only, and we are answerable to the electorate. It is they who pass the judgment on what we do. We renew our mandate to represent the people of our districts every 2 years. When our time is up in Congress, we step aside. This is the basis of our republican form of government.

Perhaps one of the strongest lines Jefferson wrote came as a warning to future generations as well as a reflection on past history—

> That whenever any Form of Government becomes destructive to these Ends, it is the Right of the People to alter or to abolish it, and to institute new Government.

We have seen numerous applications of this principle during the past 201 years of history in other nations. Yet in our own Nation we have seen changes made in our own institutions to reflect constantly changing needs.

The Bill of Rights added to our Constitution was to protect and to enhance the rights of men. The remaining 16 constitutional amendments reflect the changing demands in each era. The laws enacted by the previous 94 Congresses reflect the needs and changes demanded by the various periods of our history.

Today, we explain our votes and positions to our constituents in a variety of ways—the media, new releases, constituent mail, and in personal meetings with our constituents.

In 1776, the communications media was limited. The delegates in Congress did not have a staff to assist them in communicating. Congress had to wait 1 day before they could get the first complete printed text of the Declaration of Independence they adopted. This first printing, the Dunlap broadside, had to be dispatched to the various States and armies in the field, before it made its way to the newspapers and the public bulletin boards. Congressional news was sent to the States by horse and by ship. Eventually, the people in the Thirteen Colonies received the news of independence in days or weeks rather than in minutes.

Mr. Speaker, the times have greatly changed for us in Congress since the days of 1776. But despite the changes these similarities and problems remain.

Now, in 201 years, Congress has changed its priorities. We have since settled our continent and have now turned our vision to the limits of the universe.

We are a rich Nation—rich in the diversity of our people whose roots spring from every nation on earth. We, the representatives of the people in Congress, reflect that diversity just as the Delegates did in the Congress of 1776.

Mr. Speaker, we are fortunate to have been born and live in this great Nation. Here citizens have the opportunity to endeavor to achieve, through diligence and hard work, whatever position or station he or she may desire. Nowhere in the world do human beings have the freedom that we Americans possess. So it is fitting on this Fourth of July Day that we take a moment to be thankful for our blessings.

On this special celebration may I beg the indulgence of you, my colleagues, by reading to you two lovely poems written by my close friend, the late poet James J. Metcalfe, who phrased it so solemnly and beautifully:

AMERICA IS GOOD TO ME

America is good to me
She gives me work and pay
A night of peaceful slumber and
Some leisure every day
She lets me say the things I want
And do what I may please
If I am wronged, I know I have
My legal remedies
I have my home and family
And clothes and food and drink
And when I go inside a church
I worship as I think
I cast my vote for government
And help to build my town
Where every person is a king
But no one wears a crown
America is good to me
My children and my wife
And unto her in peace and war
I will devote my life.

GLORIOUS FOURTH

Today is Independence Day
And all throughout the land
The stars and stripes are flying high
And folks are feeling grand
It is the time to celebrate
Our glory in the sun
From all the fights for human rights
That we have waged and won
We are entitled to be proud
Of every victory
And all our efforts in behalf
Of peace and liberty
By land and sea, and in the air
Against whatever blow
Our good and great United States
Have never ceased to grow
So let us now salute the flag
And cheer the roaring guns
And pray that God will always bless
Our fathers and our sons.

A TRIBUTE TO GENERAL KAZIMIERZ PULASKI

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. YOUNG of Florida. Mr. Speaker, I rise today to pay tribute to a patriot of Poland and of America, Gen. Kazimierz (Casimir) Pulaski, who came to America 200 years ago, and gave to our country the benefit of his experience, his intelligence, his ability, and his loyalty. He was one of the outstanding heros of the American Revolution, and a man who should never be forgotten by any true American.

General Pulaski was born in Poland in March of 1747, in the small town of Warka near Warsaw, Poland. He grew up during the stormy period of Polish history, when Russia began to impress her influence on the people and Government of Poland. Young Casimir, under the guiding hand of his father, became an outstanding commander in guerrilla warfare. He proved to be a superior strategist, so dangerous to the Russian invaders that he was forced into exile at the age of 26.

Well known to the French Royal Court as an outstanding military leader, he was recommended to Benjamin Franklin in Paris in 1777, who at the time was seeking volunteers for the American Revolution. In a letter sent to the Continental Congress that year, Pulaski offered his services and requested permission to serve with General Washington "for an opportunity to prove myself as a good officer," and his enthusiasm was renewed at the prospect of helping his new country, America, fight for her own freedom and independence.

His contribution at the Battle of Brandywine, is documented in the American Military Biography, 1825:

> Pulaski, who had been an experienced cavalry officer at home, had a command given him in the light horse unit. He was first engaged in the battle of Brandywine, in which the young Marquis de la Fayette, and many other foreigners were employed. Pulaski, who commanded a party of horses, sustained his reputation for courage; his activity and exertions were conspicuous throughout the engagement and he was particularly noticed by the Commander and Chief as having distinguished himself.
>
> And Congress was so much gratified with his conduct and his promise of usefulness that they—a few days afterwards appointed him a brigadier general and commander of the horse mounted attachment. He continued with the Army in Pennsylvania during the remainder of the campaign in 1777.

Pulaski continued to distinguish himself, in battle, and as a military strategist, and he continued to attract the attention of General Washington. Dissatisfied with the lack of attention paid to the cavalry units at the time, he presented a plan to Washington to provide for the formation of an independent corps of light cavalry and infantry. Impressed with his plan, Washington encouraged him to present it to the War Department at Yorktown. Ten days later, Congress authorized the formation of the Independent Corps.

But Pulaski had his problems with Congress, as many military men before and since have had, and since I ask my colleagues to pay tribute to this great man today, it will no doubt be of interest to them to learn how politely and finally he chose to deal with our predecessors in that early governmental body. Clarence A. Manning, author of "The Soldier of Liberty," a biography of Pulaski, tells the story this way:

Congress appropriated $50,000 for outfitting the Legion. Supplies were available in small quantities, which necessitated innumerable purchases and bills, which had to be presented to Congress in order to secure payment.

Pulaski could lose no time and frequently paid from his own purse, often failing to keep the receipted bill. Congress demanded accurate accounts." . . . "is there any act of mine," wrote Pulaski to Congress, "ever since the battle of Brandywine down to the present period . . . that has not demonstrated the most interested zeal for the Public cause? . . . Whence comes it then . . . that no one thing wherein I am concerned is done to my satisfaction? Since the fatal instant that I undertook to raise the corps which I clothed, recruited and exercised in the space of three months, I have been and still am persecuted. . . . You cannot be ignorant that I have spent considerably more than the sum in question, of my own, for the pleasure of advancing your cause.

"I have lately received a letter from my family advising me that they dispatched 100,000 Livres (the value of a pound of silver) to me. Should it fortunately come safe, the pleasure to me will be truly great to pay you to the utmost farthing, the whole charge of my Legion."

In spite of his frustration with the bookkeeping requirements of Congress, Pulaski continued to fight bravely and effectively for his Commander and Chief and for the freedom of his new country, and he survived great danger until he faced combat in the bloody battle of Savannah, and was mortally wounded. Pulaski died aboard the American brig *Wasp* on October 11, 1779, and was buried at sea. One month later, General Washington issued an order of the day to all Army units commanding them to use the password and response of "Pulaski" and "Poland" in honor of the fallen hero.

Historians estimate that approximately 600 Poles served in the Continental Army. The importance of their service, however, is greater than the small number would indicate. Virtually all of them were experienced officers, battle tested in Poland's war against Russia.

Last year we celebrated the birthday of our Nation with great fanfare, but we must remember that that birthday was only the beginning. For several years to follow, brave men, transplanted from their native lands, gave newborn allegiance to this new land—and many of them gave their lives as well. Kazimierz Pulaski is a shining example of those brave men, and we can honor each of them, by honoring him today.

VIEWS ON OCEAN DUMPING

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. WYDLER. Mr. Speaker, I recently had the opportunity to submit testimony to the Environmental Protection Agency on the subject of ocean dumping. It is tragic to me that a society as advanced technologically as ours is still engaging in this lamentable practice.

EPA has asked for comments and suggestions on alternate dumping sites for sewage sludge in the New York bight off Long Island. My view is simple—the farther out, the better—to minimize the threat to our valuable Long Island beaches.

With your permission, Mr. Speaker, I offer the following statement, which contains a description of the increased monitoring that will provide an "early warning" system for environmental episodes such as those which fouled Long Island beaches last summer. Until land-based disposal methods are in place, the handling of this problem requires vigilance at every level of government and the continued concern of individual citizens for the marine environment.

The statement follows:

STATEMENT OF CONGRESSMAN JOHN W. WYDLER BEFORE THE ENVIRONMENTAL PROTECTION AGENCY ON RELOCATION OF THE SEWAGE SLUDGE DUMPING SITE

I spoke to you last April in Mineola on this sad practice of ocean dumping. At that time I discussed three key aspects of the dumping site issue:

1. Continued use of the existing dumping site.

2. A comprehensive monitoring program for the existing dumping site.

3. Designation of an alternate dump site if monitoring indicates the present site has become unsatisfactory.

THE NEED FOR LAND-BASED SLUDGE DISPOSAL

Ocean dumping is a reminder that although technologically advanced, we are, in some aspects, still a primitive society. I am very unsatisfied about the lack of progress toward land-based disposal, but I understand the institutional barriers which communities face in locating such plants. Time is going to be required to work out these problems, but we must not let our guards down such that the moratorium on dumping is deferred indefinitely.

No number of environmental impact statements, no matter how high they are stacked, will be as important as the collective decision to stop dumping. I am already convinced that the 1981 deadline has only been useful in catalyzing planning for land-based disposal. Sad to say, no one really believes that we will stop fouling our marine environment once that deadline is reached. I proposed legislation last year to provide $100 million funding for municipalities to adopt land-based disposal. However, I am afraid ocean dumping is primarily a regional problem virtually confined to the northeast coast so there is not yet widespread support for such measures in the Congress.

DUMPING SITE CRITERIA

There is overwhelming evidence that the combination of untreated sewage, secondary treatment outfall and ocean dumping presents an alarming problem which is increasing in intensity. This threat can only be alleviated by moving the dumping site. Public health and free use of our attractive beaches are the overriding factors. Thus, the main criterion for moving the site must be the health and well being of our citizens. I reject the contention that we should place the preservation of more distant ocean areas above these considerations. A comprehensive monitoring program which we have helped put in place provides the "early warning system" which should trigger concern and stepped-up monitoring when "environmental episodes" are imminent.

Today it seems to me these three aspects I have cited are still at the core of the dumping issue. I would like to discuss item two in some detail since real progress has been made since last year.

MONITORING DUMPING IN THE BIGHT

I am somewhat encouraged by the increased effort that is being devoted to monitoring in the Bight. For the past fourteen months I have worked closely with EPA, NOAA and other federal and state agencies to obtain a truly cooperative program. I compliment EPA for the aggressive manner in which they have filled the role of lead agency in this program. I am further encouraged by NOAA's pledge to make research data available from their cruises on a more timely basis to provide timely warning of environmental episodes.

NASA has become increasingly active in developing pollution detection technology for EPA. I am particularly pleased to see this work progress since I have strongly encouraged NASA to play a role for the past two years. We must recognize that NASA's applications efforts are outside the mainstream of the agency's mission and they are making significant contributions with very modest available resources.

As you are well aware, the Coast Guard is responsible for surveillance of ocean dumping in the Bight. I am disappointed, however, that their ocean-dumping surveillance system is not being implemented more rapidly. The "black boxes" are vitally needed, yet the schedule for getting them on dumping vessels has slipped. I am afraid that ocean dumping surveillance is still "back-burner" activity for the Coast Guard, although I do see a glimmer of hope in their response to the recent GAO critique.

So a year and a half of hard work and extraordinary interagency cooperation have at last provided us with reasonable monitoring mechanisms. This program also allows individuals or local groups to "tie in" through the "hot lines" to the EPA Edison lab for fish kill or reports of debris washups.

CONCLUDING REMARKS

Of course, this monitoring program is only directed at the symptoms. It does not stop or even slow ocean dumping; it is only a means of evaluating the danger. The danger is mounting as the ominous washups of this spring have told us. In fact, all the information I have indicates that the chance of debris closing our beaches is increasing daily.

We must move the site and my suggestion is simply the farther out the better. The chemical site at 106 miles appears the least offensive location. I understand that some will say it is too expensive to dump but I say look at the costs of closing our beaches. No one has done a satisfactory job of estimating the dis-benefits of the loss of these precious recreational areas. I believe their preservation deserves our best efforts.

GOD AND THE FOURTH OF JULY

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. YOUNG of Florida. Mr. Speaker, I would like to call the attention of my colleagues to an article, authored by Mr. Frank Holeman, which appeared in the July issue of the American Legion magazine. Entitled "God and the Fourth of July," the article seems especially appropriate to be included in today's CON-

GRESSIONAL RECORD as we adjourn to join our family and friends in celebration of our Nation's 201st birthday.

As our Nation struggled to attain liberty and freedom in 1775, Thomas Paine expressed his faith in its goals by stating "call it Independence or what you will, if it is the cause of God and humanity, it will go on." Mr. Holeman illustrates that our Independence was indeed the "cause" of both—and may it always be so.

The article follows:

GOD AND THE FOURTH OF JULY

Americans often get a little nervous when public officials or candidates talk about God. Many consider a man's religion his own personal affair.

Some skepticism about the religious commitment of politicians is obviously justified and healthy, based on past experience. Some of our most pious-sounding people, in public and private life, have turned out to be hypocrites and crooks. Yet none dared challenge the professed links between God and the United States. The Founding Fathers said so in the Declaration of Independence. Our Presidents beginning with George Washington, have publicly asked God's help in carrying out their solemn oath of office.

In times of peril to the Republic—from Valley Forge to Gettysburg, from Pearl Harbor to the Cuban missile crisis—our leaders have asked God's guidance and blessing on our armed forces. And each time our defenders have prevailed.

"No people can be bound to acknowledge and adore the Invisible Hand which conducts the affairs of men more than those of the United States," said Washington in his first inaugural address. "Every step by which they have advanced to the character of an independent nation seems to have been distinguished by some token of providential agency."

The Deity is referred to four times in the Declaration of Independence—as "Nature's God," the "Creator," the "Supreme Judge of the World" and "Divine Providence."

The signers said that God created all men equal, and endowed them with certain unalienable rights including "life, liberty and the pursuit of happiness." Whenever any form of government becomes destructive of those ends, the people have the right to alter or abolish it, they declared.

They cited a long list of tyrannical acts by King George III, and then, "appealing to the Supreme Judge of the World in the Rectitude of our Intentions," proclaimed the colonies "free and independent states" on July 4, 1776.

A good deal is often made of the fact that the word "God" does not appear in the U.S. Constitution signed on Sept. 17, 1787. And the First Amendment provides, among other things, that Congress "shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof."

This does not mean that the leaders of the American Revolution had changed their political principles, or lost their faith in God, in the intervening years.

In the Constitution, they were trying to set up a practical form of government which would secure the God-given blessings of liberty to themselves and their posterity in a very imperfect world. One of the main problems was how to keep various "factions" from violating the rights of others, as James Madison explained in the Federalist essay No. X, while the Constitution was being debated around the country.

"A religious sect may degenerate into a political faction in a part of the confederacy; but the variety of sects dispersed over the entire face of it must secure the national councils against any danger from that source," Madison wrote.

The First Amendment made it certain that a "variety of sects" could flourish by prohibiting Congress from passing any law, for or against, any sect. It established freedom of religion in the new country, not the absence of religion.

Thomas Jefferson, in his first inaugural address, March 4, 1801, cited as one of America's blessings the fact that its people were "enlightened by a benign religion, professed, indeed, and practiced in various forms, yet all of them inculcating honesty, truth, temperance, gratitude, and the love of man; acknowledging and adoring an overruling Providence."

Some Americans profess no religious faith. Some scoff at all faiths as mere superstition; some believe that reason alone will make people good or "ethical." George Washington did not agree.

"Let us with caution indulge the supposition that morality can be maintained without religion," Washington warned in his Farewell Address on Sept. 17, 1796, after two terms as President of the young Republic.

"Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect that national morality can prevail in exclusion of religious principle," he went on. "It is substantially true that virtue or morality is a necessary spring of popular government."

Of course all people, in all countries, are endowed with the same God-given rights as Americans.

President Dwight D. Eisenhower emphasized that point at the dedication of the Washington Hebrew Congregation Temple on May 6, 1955.

"These rights, then, come not because we have emigrated to this great and glorious land, crowded with God's resources," Ike declared, "not because we have been more fortunate than our brethren elsewhere, but because each is a child of God."

But only in America did the Founding Fathers clearly define the purpose of our governmental system as securing those God-given rights to our people.

In November 1962, a month after the Cuban missile crisis, President John F. Kennedy toured military bases in the southeast to give his thanks to men of the Army, Navy, Air Force and Marines who had been mobilized for possible war with Russia, where the State claims to be the source of all the people's rights.

At Fort Stewart, GA, Kennedy spoke to the battle-ready troops of the First Armored Division.

"Many years ago," he said, "according to the story, there was found in a sentry box in Gibraltar a poem which said:

"God and the soldier, all men adore
In time of danger and not before.
When the danger is passed and all things righted,
God is forgotten and the soldier slighted."

"This country does not forget God or the soldier," Kennedy declared solemnly. "Upon both we now depend."

During the Civil War, the phrase "In God We Trust" first appeared on U.S. coins at the direction of Abraham Lincoln's Secretary of the Treasury, Salmon P. Chase. Rev. M. R. Watkinson of Ridleyville, Pa., had written Chase in November 1861, after a series of Union Army defeats, suggesting "recognition of the Almighty God in some form on our coins."

Nearly 100 years later, in 1955, Congress ordered "In God We Trust" put on all paper money as well as coins.

In 1962, the Supreme Court banned the use of official prayers in public schools. But witnesses in courts throughout the land are still asked to swear that their testimony will be "the truth, the whole truth, and nothing but the truth, so help you God." The same custom is followed in Congressional hearings where testimony is under oath.

The Senate and House of Representatives both have official chaplains. The daily session in each chamber begins with a prayer.

Our national anthem, "The Star-Spangled Banner," and other popular patriotic songs—"Battle Hymn of the Republic," "America, the Beautiful;" "God Bless America"—all emphasize our country's connection with the Almighty.

Historians of the future will decide the effect on the conduct of our people and our government. They will judge whether we Americans have actually behaved any better in our time than other principalities which claim no such lofty heritage.

Better or not—the United States of America is certainly different from other countries because of its spiritual origins. If we are not a better country, it's our fault, not His.

—FRANK HOLEMAN.

ROGER BARTON: PHYSICALLY FIT—AT 71

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. PEPPER. Mr. Speaker, I would like to bring to my colleagues' attention the achievements of Roger Barton, a 71-year-old resident of Tamarac, Fla., whose devotion to physical fitness demonstrates the value and rewards of exercise and good living habits. As a result of his exercise regime and personal philosophy, Mr. Barton enjoys a state of health and fitness which should be an inspiration for our elderly and the envy of our younger citizens. I commend to my colleagues the following articles regarding Mr. Barton which appeared in the Fort Lauderdale News, the Broward Times, and the Miami Herald:

[From Fort Lauderdale News, Aug. 12, 1976]

KEEPING FIT AFTER FIFTY

(By Rochelle Koff)

Roger Barton starts the day with an exercise regimen, jogging, racquetball and swimming. In the afternoon, he installs draperies. He is 71.

Exercise not only made Roger Barton feel better. It changed his life.

At 40, he was weak, unable to work and on the verge of receiving public aid.

At 71, the Tamarac resident is jogging, hitting punching bags, playing racquetball and in better health than he was the first half of his life, he says.

"I was the weakest of six children," said the 5-foot-5, 130-pounder. "Now they all suffer different ailments, and I don't have to go to the doctor or the dentist."

Barton said he owes his vitality to "How To Live," a book published by Yale professor of economics Irving Fisher in 1938.

The book advocates a vigorous exercise program—including jogging—fresh air, a diet of "unaltered" food and sleeping under the stars among other recommendations.

Although doctors took little stock in the advice, Barton decided to try the program anyway.

Within a few months, he took a job unloading 40-quart milk cans at a dairy. That was after his six-mile run every morning.

The stomach and leg pains he had all his life subsided, and Barton worked on incorporating more of the book's philosophy into his life.

"Fisher writes that the skin is the largest organ of the body," said Barton, "but most of us don't help the skin work more efficiently.

"We should wear light, porous clothes, be surrounded by the movement of air—I sleep on an open terrace with the aid of a fan to keep the air moving—get lots of exercise and eat food that has had a minimum of alteration. My diet consists mainly of meat, fish, chicken, eggs, milk and raw fruits and vegetables."

His exercise regimen, which he developed over the past 30 years, includes using a belt vibrating machine, a rubber stretcher, exercise machine, hanging upside down on a tension pulley, hitting a 40-pound punching bag into his stomach 20 times and spinning a hula hoop.

[From the Broward Times, Sept. 1, 1976]

ROGER BARTON: A MAN WHO IS 71 YEARS YOUNG

(By Tom Limoli)

Roger Barton of Sandspoint in Tamarac is 71 years of age, and doesn't look it. He exercises daily, jogs, and plays a vigorous game of racquetball.

He has an individual philosophy of exercise, nutrition and fresh air. He expounds his theories with emphatic enthusiasm. So much so that he states, "I'm an iconoclast." And he looks at you to see if you understand that word.

His pronouncements have the aura of maxims; his ardent manner indicates that to him his rules for optimum health are indisputable. But he'll tell you, "This is the truth, though many people ignore it."

Roger Barton is not a big fellow. Somewhat under average height, he carries about 135 pounds of firmly-muscled flesh.

It comes as a surprise to learn that during the first half of his life the many doctors he went to diagnosed his condition as "general debility." Though the doctors tried to effect an improvement none succeeded.

As Barton recalled, "I was the weakest of six children. I suffered constantly from stomach and leg pains. Nothing the doctors did or the drugs they prescribed helped me. Then at age 40 I read a book. This book right here in my hands, changed me from a debiliated man to an athlete at age 40."

Leafing through "How to Live" by Irving Fisher, a professor of economics at Yale, Barton summarized its important concepts

"This book was published in 1938 and it's now out of print. But notice this on the title page. The advisory author was a doctor. Fisher is a Ph.D., yet his name comes first on the page, at the top."

And he continued, "Medicine is not a science. Doctors must use in their practice a method of empiricism—you know—knowledge gained from observation and experience to supplement what they learned in medical school. Even so, there are lots of things that can happen to people which they can't diagnose or treat properly."

And he'll go on to tell you that Fisher's book did for him what no doctor could do. "The most important idea in this book is that most people ignore the fact that the skin is the largest organ in the body. Two-thirds of our blood supply is contained in the capillaries under the skin.

"The skin can't function at its best without being exposed to sunlight and the movement of fresh air. But even here in Florida where you can use a minimum of clothing, people overdress, probably because of air-conditioned homes, offices, and stores. The skin by perspiring gets rid of gallons of waste materials. And the movement of the air evaporates this waste. This takes some of the load off the kidneys and other organs of excretion."

But what about exercise for good health?

BARTON'S EXERCISE FORMULA

"Dr. Fisher recommends a program of vigorous exercise, including jogging. Now mind you, he proposed jogging long before any physician. This was in a book published in 1938, remember."

How about diet?

"Nothing rigid except that one must eat only unaltered food—no additives. Our Creator made not only mankind, but also the food to sustain him. Nothing really needs to be added to food."

What do you eat?

"I'm omnivorous, but I avoid manmade foods. I eat meat, fish, eggs, chicken and drink milk. I eat all my vegetables raw.

"Look, a person must make up his own program of individual hygiene. Sensible daily behavior can do more to help ecology than any program proposed by environmentalists."

How do you define sensible daily behavior?

"There are four abuses of the laws of nature. People wear too much clothing. They eat altered foods. They sleep indoors the year around. And they don't practice a system of comprehensive exercises."

Where do you sleep?

"Right here on this screened porch. And look, no air conditioning," and pointed to the slowly revolving fan on the ceiling. "My wife sleeps in the bedroom. The window is kept open and a large fan keeps the air in movement."

When you exercise do you use apparatus?

"Certainly, I've been on this program for 30 years. Come; I'll show you."

And he did. He used a belt vibrator, an elastic stretcher band, a hula hoop, and hung upside down on ropes attached to a tension pulley.

However, Barton's most awesome feat is that he lets a 40 pound punching bag swing back and hit him in the chest and stomach repeatedly. He doesn't even grunt. The only sound is the solid thud of the bag hitting him.

This is the saga not unlike that of the typical 98 pound weakling featured in the Charles Atlas advertisements.

But for Roger Barton it's the real thing.

[From the Miami Herald, Oct. 3, 1976]

JOGGING: "WAKE UP THE BODY, MAKE IT LIVE AGAIN"

(By Pete Jeff)

To Roger Barton, a 71-year-old from Tamarac, jogging is as important as "insulin to a diabetic."

For the last 30 years Barton has jogged up to three miles almost daily and he says those 20,000 miles have brought him closer to a healthier, more vibrant life.

"I was a weakling at the age of 40," said Barton. "I had stomach problems and I had to wear orthopedic shoes. But then I started jogging and lifting weights and I became a Tarzan almost."

Jogging and exercising has turned Barton from a 5-foot-5-inch, 120-pounder into a robust 134 pounder.

"I was like an old beat-up car and made myself into a hot rod," Barton said, grinning. "Jogging is one way to wake up the body and make it live again."

PERSONAL STATEMENT OF MR. STEIGER

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. STEIGER. Mr. Speaker, I ask permission to correct an erroneous report that has appeared in the CONGRESSIONAL RECORD on two occasions.

On May 10 and again on June 24, an article by Shirley Scheibla of Barron's has been inserted in the RECORD during discussions of the Legal Services Corporation, first in this body and then in the other body.

Although there are several aspects of the Scheibla story that I might counter in some detail, my chief objection concerns a misstatement of the facts about my presence on the House floor. Contrary to the impression given by the Scheibla story, the CONGRESSIONAL RECORD for July 16, 1974 shows that I was present and voting and that I took an active part in the House debate on the Legal Services Corporation Act of 1974 that day.

The relevant part of the Scheibla story, which bears correcting, reads as follows:

Thomas Ehrlich, who heads the Corporation, asked Mrs. Green for comment. In February 1976, she wrote that the Hogan and Hartsen interpretation [of the statute's provision on back-up centers] was wrong. She added: "It ignores the entire controversy over back-up centers; it ignores the legislative history; it ignores the Congressional intent."

Mrs. Green subsequently came to Washington to address LSC's board. She emphasized that the Congressional statements which LSC had cited to indicate intent were made after passage of the law. She specifically challenged reliance on statements by Representatives Shirley Chisholm (D., N.Y.) and William A. Steiger (R., Wis.), who, she said, were not even on the floor on July 16, 1974, during the debate on the LSC Act. Instead, according to Mrs. Green, their remarks were inserted after passage, but appeared as though they had been made on the floor prior to the vote.

Mr. Speaker, I was present on the floor throughout the debate on July 16, 1974. Part of my remarks which appeared in the RECORD were extended remarks, though the RECORD for that day makes no clear distinction between what I said during the debate and what I inserted.

The consequent confusion in the Barron's report is less the fault of our former colleague, Mrs. Green, and of the reporter Shirley Scheibla than it is the fault of the rules that govern how things are reported in the CONGRESSIONAL RECORD.

For the umpteenth time, may I say, it is important that we change the rules of the CONGRESSIONAL RECORD so that the average reader, including journalists and Members of Congress, can know what is said and what is not said in these Chambers. The bill I have introduced to accomplish this reform presently enjoys the support of 144 cosponsors, 73 Republicans and 71 Democrats. It would require a clear labeling of any remark not actually spoken on the House floor. Only when such a change is adopted will anyone know for certain what is an insertion and what is an honest-to-God observation that was heard and written down by the stenographers in this room.

DR. MARY BERRY SPEAKS ON EDUCATION RESEARCH

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. BRADEMAS. Mr. Speaker, Dr. Mary Berry, the Assistant Secretary for Education of the Department of Health,

Education, and Welfare, brings a fresh perspective and intellectual vigor to the discussion of the Federal role and responsibility in education. In a recent speech, Dr. Berry analysed with candor and insight the tension between the political imperatives of government and the scientific imperatives of the research community as they affect educational research. Her comments are published in the May 1977 issue of the American Researcher, and I would like to share them with my colleagues at this point:

EDUCATIONAL RESEARCH AND THE TENSION BETWEEN POLITICS AND SCIENCE [1]

I will not tell you that we are engaged in a great common endeavor to improve education in America. Although true, making this my theme could lull scholars into thinking that there is not a fight to be fought for research and the creation of new knowledge. I do not want to apply a tranquilizer; I want to issue a challenger.

There is an underlying conflict between the roles of the Federal government and the research community in pursuing their common goal of improving education. As a public policy making body, the Federal government must respond to political and bureaucratic imperatives; as scholars, the research community is and should be more sensitive to scientific imperatives. If the tension resulting from these different forces is to remain creative, researchers must continue to strive as they have done for independence in choosing the substance and methods of their work. Somehow, we in the Federal government must respond to public pressure for problem solving without allowing this pressure to cripple scholars in the performance of their unique role which is to inform and guide the direction of problem solving and applied research through fundamental inquiry and basic research. To be able to do this, however, we depend heavily on you to articulate, represent and support the principle of independent research.

Let me illustrate what I have said. The basic goal of the AERA, as stated in your introductory brochure, is interchangeable with that of the National Institute of Education. If we compare your division titles with NIE's Groups, however, we find they do not match. At least at the most general level, NIE is organized around problems to solve and AERA is organized around subjects to explore. This distinction holds true in the larger arena. The present trend in the Federal government is to focus more resources on finding solutions and fewer resources on understanding the sources, context and meaning of problems. The public pressure and policy momentum is toward short term research aimed at immediate solutions rather than long range inquiry focussed on accumulating, synthesizing, and finally applying knowledge effectively.

In a forthcoming report requested by the Director of NIE, a panel of prominent scientists explains the parallel problem of declining independence for researchers.[2] They say that ". . . government management of research has in recent years shifted from discipline-initiated research toward efforts designed and managed by government. Not only in education but in health and defense, there has been a move from 'grants' to 'contracts,' from research efforts designed and managed by the scientific management towards governmental definition of objectives and closer government oversight of process and management. We came, in the end, to believe that this trend has gone too far, that the health and vigor of fundamental research relevant to education is threatened by a restriction of support, and that the managed, problem-centered sector of R&D in education has reduced effectiveness because of inadequate provision for scientific feasibility and quality of work."

As reflected by NIE's requesting this report and by my quoting it here, the Federal government is aware of the present state of affairs. This situation did not develop in a vacuum, however. It came as a gradual response to three cumulative forces: first, recurrent headlines drawing ever closer attention to the immediacy and severity of educational problems; second, growing public pressure to attack those seemingly intractable problems directly; and third, Congressional frustration with the results of educational research and development. These forces have not subsided; if anything, they are increasing.

SERIOUS PROBLEMS

I hardly need to recount to you the many serious problems that we face in education today. They range from fairly standard management difficulties chronic to all large administrative enterprises to fundamental philosophical questions about the role and meaning of education in American society. The symptoms of an underlying malaise are so familiar as to be almost commonplace. To name a few: declining test scores, disciplinary problems, persistent illiteracy, inadequate preparation for jobs, rising costs, declining enrollments, and the crosscutting tragedy of unequal educational opportunity for women and minorities which exacerbates and complicates all of the other problems. The public is too close to the educational system to remain quiescent in the face of such pervasive difficulties. People demand action and they have every right to demand action.

But how do we proceed? The sixties taught us that putting money into programs alone is not a panacea. Even if we assume the necessity and value of research and development, the question remains: how do we proceed in R&D? Educational research suffers from a lack of paradigms, softness of data, incompatibility of studies, difficulties in evaluating results and a host of other methodological and substantive problems. It may be that no amount of money directed to applied educational research will have a lasting ameliorative effect until these problems are solved. But, again, these are not the problems that animate public concern and attract political support for public spending.

With this context in mind, and in order to clarify further the basic problem, I want to summarize for you the Federal government's role in research and development generally and its role in educational R&D specifically. The President's budget for fiscal year 1978 made a strong commitment to research and development. This commitment, however, is qualified by the following caveat: "Research and development is not . . . a separately programmed or budgeted activity of the Federal Government. Its funding must be considered primarily in light of the potential contributions of science and technology to meeting agency or national goals and not as an end in itself." (Special Analyses, Budget of the U.S. Government, fiscal year 1978, p. 290) Keep this qualification in mind as we go along.

Total Federal funding requests for research and development in Space, Defense, and Civilian subjects have increased from $20.7 billion in Fiscal Year 1976 to $26.3 in 1978. The comparable figures for R&D in civilian subjects are $7.5 billion in Fiscal Year 1976 and $10.0 in 1978, an increase of one-third in two years. If we look, however, at the topics highlighted in the budget as representative of federally sponsored R&D in the civilian area, we find high visibility items such as energy research, nuclear safety, air traffic control, health research, and increased crop productivity. Education is not listed. One highlighted topic is "basic research," and here the examples include NSF, ERDA, the Department of Agriculture and NIH. Again, education is not listed. Focussing on basic research, about $3 billion has been requested government-wide for Fiscal Year 1978. Of this, HEW would get $796 million, but the lion's share of that amount is allotted to the National Institutes of Health. What remains is approximately $86 million for all basic research on all other subjects in HEW.

Let's look specifically at educational research and development now. The Federal role in educational R&D is not difficult to justify. Nationwide problems require a nationwide perspective in order to avoid duplication of efforts and to assure adequate coordination. Furthermore, State agencies and local school boards do not have the time, money or personnel to do what has to be done. Consider the magnitude of the task and the relative scarcity of resources to deal with it. About eight percent of our Gross National Product of $119 billion per year goes into education, more than the total national defense budget. Education is the major occupation of 62 million people, more than one-fourth of our population. Many thousands of groups make decisions about education in America. Yet only one-half of one percent of what we spend on education goes into research and development as compared to 3.2 percent in Agriculture and 3.6 percent in Health.

EDUCATION R. & D.

Of the roughly $576 million dollars directed to educational R&D, the Federal government spends $470 million or 82 percent, the States spend $40 million; local agencies, $4 million; foundations, $57 million and other groups, $5 million. Most of the Federal funds devoted to educational R&D are spent by HEW's education division. Other agencies such as the National Science Foundation and the National Endowment for the Humanities spend substantial sums and the remainder is controlled by some 25 other agencies from the Public Health Service to the Defense Department. This wide diffusion of the relatively small financial commitment to educational research and development hampers coordination and reduces the independence of researchers by forcing them to respond to many different expectations.

I want to concentrate here on the educational research spending in the Education Division of HEW under my purview. We have requested of the Congress $268 million for educational R&D in Fiscal Year 1978. Of this, if the Congress appropriates the full amount, my immediate office, the Office of the Assistant Secretary for Education, FIPSE, NCES and policy development will spend $19 million; the Office of Education, $140 million; and NIE, $109 million. Although, as you know, the National Institute of Education has the primary federal role for coordinating educational R&D, I want to discuss the Institute last in order to illustrate better the different kinds of R&D taking place in HEW.

The Fund for Improvement of Post-Secondary Education and the National Center for Education Statistics spend portions of their appropriations on educational R&D. Both of these programs have a specific subject focus In the Office of Education, the three major R&D activities, in order of the magnitude of their funding, are the handicapped, adult, and higher education programs. Again, the focus is on specific subjects

[1] Invited address presented at the Annual Meeting of the American Educational Research Association, April 4, 1977.

[2] This report will be released in early June. Interested persons can contact the National Institute of Education for copies.

supported by separate legislative authorization.

The only agency in HEW which supports generic educational research and development under a single legislative authorization is the National Institute of Education. The Education Amendments Act of 1972 established NIE with a very general mandate to:

Help to solve or to alleviate the problems of, and promote the reform of, American education;

Advance the practice of education as an art, science, and profession;

Build an effective R&D system.

In the Education Amendments Act of 1976, the Congress directed NIE to concentrate its resources on the following priority problem areas:

Education in basic skills,

Finance, productivity and management of educational institutions,

Equal educational opportunity,

The relationship between education and work, and

The dissemination and use of new knowledge.

While the new language did not supersede the old, the Congress was clearly calling for a change in emphasis toward more direct problem solving. In the bluntest of terms, *Science* magazine explained one of the causes of this change in an article entitled "The Beleaguered Institute." They said, "The Institute has been faced from the beginning with dilemmas about whether to concentrate its resources on pork barrel-tinged programs . . . that seem to have most direct relevance to present and pressing problems, or to antagonize the 'practitioners,' as teachers and school administrators are called, as well as Congress, by pushing into innovative enterprises that had no clear or direct application to those problems." (February 1975, p. 414).

THE THRUST TOWARD PROBLEM-SOLVING RESEARCH

Increasingly, the Congress has asked the Institute to work on specific research projects within the new priority areas. Examples of such requests include the major study currently underway to evaluate Title I compensatory education programs. a new vocational education study, research programs for women and minorities, and most recently, a $3.6 million Senate earmark for educational satellite programs. In responding successfully to these specifically mandated research efforts, the Institute has the best opportunity to build its reputation with the Congress. But while some of the mandated studies carry extra funding with them, others do not and there is often a trade-off in which resources for basic research and knowledge synthesis are sacrificed.

In spite of this focus on targeted research, the Institute wants to allot $17.7 million for basic research and another $6.8 million for policy studies in Fiscal Year 1978. If possible, additional resources will be made available for unsolicited R&D proposals which the R&D community and the National Council on Educational Research, the Institute's policymaking body, believe are essential to supporting new ideas generated by the field. To implement these intentions, however, the Institute needs to receive its full requested appropriation for next year. If Congress does not provide the budget asked for by the President, ongoing commitments to other kinds of work will prevail. We need to insist to the Congress that targeted research without the underpinning of basic research may be useless. You can't cure cancer without understanding the processes of the disease.

I began by saying that outside forces create a tension between the Federal government and the research community in pursuing their mutual goal of improving education. I elaborated on what these forces are and I tried to explain frankly and honestly how they affect the government. Now I want to change the center of attention to you.

The Federal government depends on individuals and scholarly communities like those represented by AERA for the accumulation, synthesis and mobilization of knowledge. In last year's AERA presidential address, Gene Glass said that, ". . . In educational research, we need more scholarly effort concentrated on the problem of finding the knowledge that lies untapped in completed research studies . . . The best minds are needed to integrate the staggering number of individual studies. This endeavor deserves higher priority now than adding a new experiment or survey to the pile."

I think that this succinct statement accurately reflects where the emphasis should be in knowledge accumulation and synthesis. I am suggesting, however, that you need to go also one step further, and consider how best to mobilize knowledge. By this. I do not mean that scholars should make public policy. Policy recommendations are our specialty and we are charged with dealing with policy making and its ramifications. The distinction I want to make is stated by John Dewey in this excerpt from *The Public and Its Problems.*

"Inquiry, indeed, is a work which devolves upon experts. But their expertness is not shown in framing and executing policies, but in discovering and making known the facts upon which the former depend. . . . It is not necessary that the many should have the knowledge and skill to carry on the needed investigations; what is required is that they have the ability to judge of the bearing of the knowledge supplied by others upon common concerns." (Chapter 6, p. 208)

THE CHALLENGE TO EDUCATION RESEARCHERS

As the representatives and employees of the "many" as Dewey uses the term, the legislative and executive branches of government are responsible for finding the best possible application of available knowledge to educational problems. Furthermore, as I have shown, we are largely responsible for determining what knowledge will be available to be applied in that we control the bulk of the resources that go toward research and development. Our flexibility in distributing these resources depends upon how well the public understands, as Dewey said, "the bearing of the knowledge supplied by others upon common concerns." It devolves to a great degree upon the research community to inform the public and to seek public support for research.

Recently, I wrote the following statement for a speech at the American Association for the Advancement of Science meeting:

"The lesson for today is that we too must be 'undaunted' in the face of the unhappy truths of limited resources for research. University scientists can collaborate to overcome obstacles and surmount barriers. Saying it is worth the fight is to say that we cannot afford to be passive waiting for the next shoe to drop inside the federal government. We must be the activists, the ones who leave their marks on policies for research support."

My views remain the same. I can see even more clearly now that research and the creation of new knowledge is under critical review from many sources. Research especially is under review, and basic research, more especially. The federal government is being pulled in the direction of haphazard problem solving, informed, it at all, by simplistic models. We want to turn this trend around and we will do what we can do internally. But, we depend on you to help us make and to make us help the case for the kinds of long term basic research and knowledge synthesis that make thoughtful, fully informed policy making possible.

Without this understanding and support, we will lose the fight to gain support to enable researchers to create the knowledge that will help us to solve the problems we face in education today and in the future.

GEORGE JACKSON BRIGADE CONTINUES TERRORISM IN PACIFIC NORTHWEST

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. McDONALD. Mr. Speaker, the George Jackson Brigade, GJB, a revolutionary terrorist group believed broken up by law enforcement authorities, has reappeared in the Pacific Northwest. The GJB, like the Symbionese Liberation Army, SLA, the Venceremos Organization, VO, the New World Liberation Front, NWLF, and the Sam Melville-Jonathan Jackson Brigade in New England, is an outgrowth of New Left organizing among militant prisoners and ex-convicts.

In a "Mayday communique" made available to two radio stations in Washington, the George Jackson Brigade took responsibility for bombs placed that day in two Seattle area banks as well as for a series of bank robberies in 1976 in Oregon. The communique said:

> We believe that capitalism is the source of all oppression at this time, and that revolution requires that it be overthrown by force of arms by the masses of poor and working people in this country. * * *

On the afternoon of May 12, 1977, at about 3:55 p.m., a bomb exploded in the safe deposit vault of the Overlake Park branch of the Rainier National Bank in Redmond, a town near Seattle. A few hours after that explosion, police in Bellevue defused another bomb in the Rainier bank branch there.

In both cases, following established "armed propaganda" patterns of U.S. revolutionaries, persons identifying themselves as members of the GJB telephoned warnings to the banks and to local police so that customers and employees would be evacuated. Both safe deposit boxes had been rented the week before by a man and a woman using the same set of false identification papers. This enabled the second bomb to be located and defused. The woman returned alone on the morning of the blasts, and as bank officials ruefully noted had full privacy for inserting the bombs rather than valuables in the boxes. The pipe bomb which exploded fortunately caused only slight damage to the vault.

Five minutes after the Redmond explosion, a woman telephoned radio stations KRAB and KZAM to describe the location of separate telephone booths in which copies of the three-page GJB "Mayday communique" had been hidden. Before discussing the document and the continuing series of criminal acts boasted of by the terrorists, it is appropriate to review the GJB's history which was documented in detail in my remarks of June 8, 1976, E3183.

In summary, three members of the George Jackson Brigade were arrested on January 23, 1976, following an attempted bank robbery and shootout with police in Tukwila, Wash. One GJB mem-

ber, Bruce R. Seidel, died of his wounds shortly after being arrested. Edward A. Mead and John W. Sherman were arrested and charged. A fourth terrorist, later identified as Mark Edwin Cook, who had been on lookout outside the bank and who also fired on police, escaped. Cook then engineered the escape of Sherman during transport back to jail from hospital treatment of his bullet wound. A Kings County police officer was shot during Sherman's escape. Cook was later arrested, tried and convicted.

The George Jackson Brigade admitted to six bombings in 1975 prior to the Tukwila bank robbery:

May 31, 1975—State Department of Corrections, Olympia.

August 5, 1975—Bureau of Indian Affairs Offices, Everett.

September 14, 1975—GJB's "Comrade Po" who was actually Ralph Patrick Ford, a prison movement activist who worked at the Left Bank Bookstore, accidentally destroyed himself when a bomb he was arming in a Safeway parking lot detonated.

September 18, 1975—a revenge bombing of the same Safeway in Seattle at 9:30 p.m. when it was full of shoppers who were cut by shattered glass. Providentially, no one was killed.

December 31, 1975—New Year's Eve destruction of a City Light substation in Seattle.

Following John Sherman's successful escape, the George Jackson Brigade was the subject of grand jury investigations. The jailbreak and shooting of the King County police officer provoked an investigation in which National Lawyers Guild, NLG, members who were part of the GJB defense team were called as witnesses for examination. Other persons who had worked with the known GJB members were also called. Under the NLG's leadership, a campaign of total resistance to the grand jury process was developed Sherman remained a fugitive.

The GJB "Mayday communique" boasted of other crimes not previously revealed to the public as GJB actions:

* * * We got* * * kicked real bad at Tukwila a year ago, and we've spent this last year licking our wounds and learning our trade. We've accumulated a lot of equipment and an enormous amount of experience. We've done 6 teller robberies in Oregon banks for more than $25,000, without firing a shot.

We have a higher level of combat training and will never again be caught unprepared by the violence of an individual police officer. If captured, we will continue to fight wherever we end up.

On Friday, May 13, the day following the bank bombings and receipt of the communique, previously secret indictments against John Sherman for the June 8, 1976 robbery of the Western Bank in Coos Bay, Oreg.; and against his associate, Rita Darlene Brown, 29, for the July 13, 1976 robbery of the Crater National Bank in Ashland, Oreg., and for the August 2, 1976 robbery of a Medford, Oreg., bank were disclosed via a motion signed by a U.S. district judge in Portland.

Rita Brown had been missing since shortly after the Tukwila bank robbery and shootout. She had been active with Ford, Seidel, and Mark Cook in a prison movement group working with inmates at the State reformatory in Monroe, Wash.

The GJB communique reaffirms the terrorist group's ties to the prison movement. Under the slogan "Remember the Compton Massacre May 17, 1974," the date of a jail uprising, the message first discusses recent prisoner disturbances and demands in Washington:

The past year has seen the strengthening of prisoner struggles throughout the state of Washington. There have been hunger strikes, demonstrations and uprisings at Purdy, Monroe, McNeil Island, and Walla Walla. For more than six months, the prisoners at Walla Walla have been in the forefront of these struggles.

In October and in December, 1976, prisoners in the segregation units (the hole), staged a hunger strike * * *. In January, the Walla Walla Brothers issued demands from the hole which included: shutting down the infamous behavior modification programs; firing three brutal employees of the Mental Health Unit (psychiatric torture unit); collectivization of the therapy programs; and due process in the hole. Throughout this period the Resident Government Council (RGC) tried to negotiate with the prison administration around grievances. The prison administration and the state government steadfastly ignored these efforts.

And things continued to get worse in the hole.

On April 5, a cigarette lighter bomb blew up in the hand of a particularly hated Walla Walla segregation guard. * * * Using this incident as an excuse, the prison administration * * * immediately launched an attack on all prisoner resistance and organization. Starting with the hole, they have systematically ransacked and looted all cells and meeting areas.

On April 10, while the administration was still busy with the hole, prisoners in the general population responded * * * with a well planned and executed raid on the prison store. About 300 prisoners participated in this raid using fires as diversions.

The terrorists then denounced various reform measures recommended by a "blue ribbon commission" appointed by Governor Ray as "three attacks and four empty promises."

The Seattle Times was denounced as a "weapon used by the ruling class to lie to us." The terrorists demanded that the newspaper serve as a propagandist for the Walla Walla inmates by publishing the full text of the prisoners' resident government council grievances and by publishing interviews with prisoners in disciplinary segregation.

It is of interest that since July 1976, Ed Mead has been in the segregation section as a threat to prison security. Prison officials state that three pipe bombs were discovered in the Walla Walla prison kitchen early in May, a charge Mead has denied.

The terrorists explained that the Ranier National Bank was bombed because William Pennington, president of the Seattle Times, is also on the bank's board of directors and is "tied to SeaFirst, Safeco, Boeing, Weyerhaeuser, Paccar, and so forth. According to the GJB revolutionaries:

The owners and bosses of these companies are the real criminals—the real enemies of society. Capitalism and capitalists cause crime and prison. * * * we are determined to seek out and attack this real enemy. behind all his fronts and flunkies.

The prison organizing movement developed out of the New Left defense and publicity committees formed to develop support for members of the Black Panther Party charged in the late 1960's and early 1970's with torture murder, bomb conspiracy, and similar felonies. According to the prison movement organizers, many of them citing Mao's "political power stems from the barrel of a gun," the prisons and jails are an intensified version of "capitalist repression" and that therefore the most oppressed class, the convicts, should be the most ripe for leading a revolution.

Revolutionaries infiltrated existing prisoner's aid charitable groups in large numbers; attached themselves as "legal workers" to revolutionary lawyers in the National Lawyers Guild; aided in preparations for jail uprisings and escapes; and staffed prisoners educational and self-help groups where the textbooks became Lenin, Mao, Fanon, Guevara, and Marighella.

At the time of its termination, the former House Committee on Internal Security had conducted four extensive hearings on the attempts to subvert the Nation's prisons; it had a staff study on the origins of the Symbionese Liberation Army available within days of the kidnaping of Patricia Hearst; and was involved in an ongoing investigation of foreign and domestic terrorist groups, including those with strong ties to U.S. prison movement.

The example of the George Jackson Bridgade shows that not only do we need to restore the Internal Security Committee, but that local law enforcement departments need to be encouraged to institute adequate intelligence programs to protect American citizens against any new terrorist threats.

EUROPE AND THE PLUTONIUM AGE: PART THREE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. BROWN of California. Mr. Speaker, over the past 2 days, I have inserted articles from the Los Angeles Times on Western Europe's policy on nuclear power development. Today, in the last of three articles, the backend of the nuclear fuel cycle is described. Nuclear waste disposal is not yet resolved, because in Europe, as in the United States, the ultimate nuclear waste disposal technology and site has not yet been found.

So uncertain is the ultimate disposal of nuclear wastes in Europe that the minister-president of the state where the tentative nuclear waste disposal site is in West Germany has suggested shipping spent nuclear fuel to the United States. Meanwhile, the governments of Europe are being pressed to come up with a solution for nuclear waste disposal.

As with the proliferation problem, this problem has received far too little attention, while the experts have been giving far too many assurances. This has led the British Royal Commission on Environmental Pollution to recommend that the British Government not commit itself to a large nuclear program "until it has been demonstrated beyond a reasonable doubt that a method exists to insure the safe containment of long-lived highly radioactive wastes for the indefinite future."

Mr. Speaker, I sincerely hope that this body will support President Carter's efforts to plan and prepare for the future, and avoid the mistake of rushing ahead prematurely with a technology that has serious negative consequences. The deferral of the Clinch River breeder reactor demonstration project, while continuing the breeder research and development program, is the proper way to accomplish this.

The article follows:

[From the Los Angeles Times, June 18, 1977]

GERMANS SEEKING TO BURY PROBLEM OF NUCLEAR WASTE

(By Robert Gillette)

ASSE, WEST GERMANY.—Suspended on cables over a vertical mine shaft half a mile deep, the open-cage elevator sways perceptibly as passengers step aboard. The doors clang shut, gears whine, and the cage and its cargo of 15 persons plunge down the unlit shaft at breathtaking speed.

Forty-five seconds later and 1,600 feet beneath the vegetable and flower fields of Lower Saxony, the elevator bumps gently to a halt at the upper level of an old salt mine.

The mine abandoned by its commercial owners in 1964, is the site of the German government's burial ground for nuclear waste.

Although researchers emphasize that this is only a pilot facility, a small-scale trial for a major installation planned elsewhere for the 1990s, the salt bed repository at Asse is the most sophisticated and extensive deep burial site for radioactive waste in the West and probably in the world.

As such, this experimental facility has been attracting the attention lately of nuclear authorities in the United States and elsewhere in Europe as they seek to show an increasingly skeptical public that answers are close at hand for what may be society's ultimate problem of garbage disposal:

How and where to isolate from the biosphere radioactive wastes from nuclear power production that will remain hazardous for tens of thousands of years.

Here in an intricate warren of a narrow tunnels and towering empty rooms carved from pure rock salt, tracked vehicles equipped with hydraulic tongs scuttle about in the greenish glare of mercury vapor lights. The tongs are used to lift and stack metal drums of low-level radioactive waste collected from Germany's research laboratories and from its 11 operating nuclear power plants.

The drums, some of them sheathed in two or three tons of concrete shielding to absorb radiation, are stacked by the thousands in small alcoves. Although the volumes of canned waste seems large, the disposal site occupies only odd nooks and crannies of this vast, man-made cavern. In all, during a 58-year period, miners excavated 131 rooms—many of them the size of airplane hangars—on 13 different levels to a depth of 2,500 feet.

At the bottom of the mine, in a corner set aside for radioactive waste of "intermediate" though lethal intensity, nuclear workers have hollowed out a new cavity in the rock salt floor that is sealed at the top by a heavy hatch of steel and concrete.

Here, technicians use an electromagnet suspended on a cable to lower the yellow steel drums of waste 50 feet to the bottom, where a remote television camera watches them tumble into a disorderly heap.

In the early 1980s, researchers explain, experimental canisters of the deadliest, most intensely radioactive wastes—the solidified "high level" concentrates left from the reprocessing of spent nuclear fuel and the extraction of plutonium—will be carried gingerly down a new shaft and planted in the salt in a back corner of the mine.

Scientists and engineers expect to learn how the salt strata, long regarded here and abroad as one of the best mediums for disposing of nuclear waste, will behave in the blistering heat emitted by this most troublesome of all radioactive waste.

The burial ground at Asse symbolizes the West German government's determination to find a permanent, technical solution to an increasingly political problem. Indeed, all across Western Europe—but especially in Germany and Britain—government officials are handling the nuclear waste question with a newly heightened sense of urgency.

One reason is the imminence of the problem. Small amounts of high-level wastes already exist in Germany, the product of an experimental plant for processing spent nuclear fuel at a research center near Karlsruhe.

France and Britain have generated much more of the high-level waste while making plutonium for their nuclear weapons programs. The waste, still in liquid form, is stored temporarily in stainless steel tanks whose life expectancy is not great.

France, moreover, already is operating a large spent-fuel reprocessing plant near Cherbourg for civilian nuclear fuel. Britain and Germany are planning similar facilities for the 1980s.

These plants will produce large volumes of high-level waste—a concentrated slurry of all the radioactive by-products of nuclear fission, such as curium, americum and strontium, for which there appear to be little or no practical use.

But perhaps the single most important reason behind the new sense of urgency European governments are attaching to the waste problem is raw public pressure.

With the sudden and dramatic blossoming across Europe of a broad public debate over nuclear power within the last year—punctuated on several occasions by violent protests at nuclear installations in France and West Germany—the question of waste disposal has evolved rather abruptly from an obscure technical matter to an issue of great political importance.

In Britain, for instance, the prestigious Royal Commission on Environmental Pollution galvanized government officials last fall with a report that observed stiffly that "quite inadequate attention has been given to this matter."

The commission, which has done much to set the agenda (and the genteel tone) of the nuclear debate in Briain, recommended that the government not commit itself to a large nuclear development program "until it has been demonstrated beyond a reasonable doubt that a method exists to insure the safe containment of long-lived, highly radioactive wastes for the indefinite future."

British nuclear authorities still regard nuclear waste as "the biggest non-problem of the century," the commission's chairman, Sir Brian Flowers, said in a recent interview.

The difference, Sir Brian added, is that "what they were saying publicly six months ago they are now saying privately, while trying to make out that they're doing everything to solve the problem."

In West Germany, where nuclear power issues are caught up in a much broader struggle over the industrialization of pastoral areas, a lower court decision that environmental groups won last February has imposed a virtual moratorium on construction of nuclear power plants until the federal government produces a satisfactory plan for long-term waste disposal.

German officials said in recent conversations that they expect to meet the court's demands by this September. Chief among them is selection of a site for a national industrial park for storing and processing spent nuclear fuel, for recycling uranium and plutonium in fresh reactor fuel and for the permanent storage of radioactive waste.

Private industry is to finance the nuclear park. Storage ponds for spent nuclear fuel are to be ready by the early 1980s, and a billion-dollar commercial fuel reprocessing plant—the kind the Carter Administration is seeking to discourage—is scheduled for completion in 1988. All of this is to be built over an immense salt dome, where a special waste repository would be excavated by the early 1990s.

The Bonn government tentatively has selected a site for the nuclear park near the town of Gorleben, in Lower Saxony, located (as is the pilot facility at Asse) only a few miles from the East German border.

Selection of the site has been an intensely political process, but its proximity to East Germany appears to have been only a minor factor. More important have been state elections set for 1978.

Aware that a nuclear dumping ground can be a political liability wherever it is, the minister-president of Lower Saxony, Ernst Albrecht, has publicly suggested instead that West Germany ship its spent nuclear fuel to the United States for storage, an idea that Bonn has emphatically rejected. The Carter Administration is considering such a plan.

In the meantime, pending resolution of the waste issue to the court's satisfaction, licensing of new power reactors has ground to a halt in West Germany, and the government has reduced its 1985 goal for installed nuclear generating capacity from 45,000 megawatts (more than 10 times the present capacity) to 30,000 megawatts.

German authorities thus see the revival of their faltering nuclear power program as directly dependent on their ability to show that salt beds are—or can be—safe, practical places for permanent disposal of nuclear wastes.

Salt deposits are attractive for several reasons, Dr. Klaus Kuhn, scientific director of the government's Institute for Deep Disposal, explained during a recent tour of the repository at Asse.

As he steered an open, diesel car through winding tunnels and immense caverns, the headlights showed the rock salt walls to be softly colored in shades of pink and mauve, the result of trace contamination by iron and other minerals.

Here and there, flat crystal faces glittered in the passing headlights. The tires made a crunching sound, as if grinding over dry snow, and kicked up a fine dust that tasted of salt.

One advantage of salt beds, Kuhn said, is the absence of groundwater that could corrode waste containers and disperse their radioactive contents. To survive over geologic periods of time, the salt bed must be sealed by clay and other strata from the natural water table above. (The dome at Asse is estimated to have been in place for 100 million years.)

Moreover, great thicknesses of salt are slightly plastic, and flow slowly to heal joints and fissures that develop, helping to insure that sealed caverns of waste will remain sealed. Yet excavated rooms are thought to remain intact for long periods, providing that adequate supporting pillars and roofs of solid salt are left between the rooms.

Kuhn said the Bonn government decided in 1955 to solidify all its radioactive wastes in a tarry matrix and can them for storage in salt beds. This contrasts with the U.S. government's practice of letting low-level liquid wastes trickle into the soil of land burial sites in Tennessee, Kentucky, Nevada and New York and Washington states. In some cases, drums of wastes stored in open air sites have corroded and leaked.

(Casual handling of radioactive waste is not an exclusively American trait, however. In England, drums containing 3,900 cubic yards of plutonium-contaminated wastes from nuclear weapons programs have started corroding in their storage bunkers near Windscale, on the northwest coast, and are destined for dumping in the Atlantic Ocean.

(The Royal Commission on Environmental Pollution, after a look at the corroding drums last year, pronounced it all "a somewhat untidy operation" and noted a "marked contrast" with the meticulous character of the Asse repository.)

Like German nuclear officials, American authorities have long emphasized the advantages of salt bed disposal for radioactive wastes, although a recent study by the American Physical Society suggests that granite, shale, and clay actually might prove preferable.

The latter, the society said in a widely publicized report last April, are not natural resources in the sense that salt is and therefore are less likely to invite the attentions of future generations who may no longer know where this generation buried its radioactive wastes.

What's more, the U.S. government learned to its deep embarrassment several years ago that human intrusions can ruin an otherwise acceptable salt mine.

In 1972 the Atomic Energy Commission was forced to abandon a pilot waste repository planned in a salt bed near Lyons, Kan., when it discovered mining companies had pumped in—and lost track of—huge volumes of water around the site.

The discovery dealt a severe setback to the U.S. waste disposal research program. Now, the government is exploring what it hopes will prove a better saltbed site near Carlsbad, N.M.

German researchers say they have taken the lessons of the American debacle to heart. For one thing, they say, existing salt mines, including the one at Asse, will not be acceptable for permanent disposal of high-level waste.

"Asse was a commercial mine and heavily excavated, so we can't guarantee its stability over a long period," Kuhn, a mining engineer, explained.

"Also we can't exclude the possibility of a flood in an old mine" from groundwater pouring down an old shaft or breaking through from an adjacent flooded salt mine.

German geologists are looking in the Gorleben area not only for a virgin salt dome, but also for one that is free of carnallite layers, a mineral that can absorb moisture from the air and promote corrosion. They also hope to avoid salt beds containing microscopic inclusions, or bubbles, of brine.

It is thought that heat generated by high-level wastes can cause the brine inclusions to migrate toward the source and possibly dissolve the waste containers and their contents.

Fortunately, German researchers say, such inclusions, though common in American salt beds, are rare in East and West Germany.

By coincidence, the border between the two Germanys straddles some of Europe's most attractive salt deposits. East Germany is said to have picked a site for burying nuclear wastes close to the border, but in an abandoned salt mine that, by West German standards, would be unacceptable.

There is some anxiety in Bonn about this turn of events, and one senior research official confided in a recent conversation that efforts would be made to communicate this discreetly to the "other side."

Asked if a cooperative disposal program might not be a logical step toward detente, the official said that the possibility could not be ruled out but that any such cooperation would be "many years in the future."

It appears the same also holds for cooperation with the rest of Western Europe. Half a dozen countries are working closely on development of breeder reactors, and Britain, France, and West Germany are planning to reprocess other countries' spent nuclear fuel. But when it comes to accepting foreign wastes, the communal warmth of Western Europe turns noticeably chilly.

With that comes the prospect of international traffic not only in radioactive spent fuel and purified, separated plutonium, but also in deadly concentrated wastes en route back home.

THE AFRICAN DEVELOPMENT FOUNDATION ACT OF 1977

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. BONKER. Mr. President, although we have for too long followed in Africa a foreign policy wholly unsuited to the genuine aspirations of the people of its emerging nations, I note with great pleasure the commitment of the present administration to formulate a rational, equitable, and comprehensive policy toward this vast and diverse continent. In lauding this new initiative, I wish to address the question of how the Congress, through a modest but significant action, can effectively complement these efforts.

In attempting to delineate a new and resourceful policy toward the nations of Africa, care must be taken to respond to the legitimate concerns expressed by Africans themselves. Foremost among these are two interrelated issues: self-determination and self-development. Having emerged from the constraints of colonialism, independent Africa is increasingly attempting to achieve self-determination, in all sectors of life: political, social, and economic. To do this, however, it must overcome the constraining dependency which results from, and in turn perpetuates, Africa's "underdevelopment." As it is both just and inevitable that Africa will indeed become increasingly "Africanized," it is critically important for the United States to assist, and not impede, this progress.

Our diplomatic posture has indeed begun to reflect our recognition of African competency in achieving self-determination. On the other hand, however, our development assistance policies and programs are still not fully appropriate for the diverse realities of Africa today.

As part of the movement toward authentic self-determination, African people at the community level have increasingly become involved in self-development efforts aimed at improving their own quality of life—and in their own way. Though usually small in size, these efforts show great potential in achieving self-reliance for African communities with very limited outside assistance.

They may also prove to be of lasting significance in the determination of authentically African models of development, for many contrasting models of technical and economic development have been exported to Africa with little sustained success. This predicament is not without cause, for too little effort has been made to understand the true development aspirations of the people themselves and too little attention paid to the need for people themselves to develop the organizational and human resource capacities required to initiate, control, and sustain their own development processes.

Although we could greatly enhance these processes by directly assisting self-development efforts at the community level, we have had little success in doing so. The Agency for International Development, while certainly enjoying the resources to play this role, has simply proven to be too large, too bureaucratic, and too constrained by diplomatic exigencies to effectively reach communities in a sensitive manner. The Peace Corps, perhaps our most successful vehicle in this regard, has often played a valuable catalytic role in providing personal assistance to communities, but it does not have a mandate to supplement this activity with financial and other more lasting and consistent types of assistance which leave development squarely in the hands of the participants. Although we have effectively channeled funds through various American private sector organizations for differing types of development projects in Africa, most of these entities lack the breadth and long-term resource capabilities needed to assure comprehensive and sustained assistance to diverse development endeavors. Such organizations must remain appropriately small if they are to continue to be effective.

In short, Mr. President, we greatly need to complement our new diplomatic initiatives in Africa with a new approach in development assistance. It must be one which maintains the autonomy and flexibility needed to respond quickly and appropriately to emerging self-development initiatives in African communities and beyond, while supporting the development of African organizational capacities which can sustain these initiatives.

To provide this necessary complement, I am introducing a bill to create an African Development Foundation. The purposes of this foundation are the following:

First, to directly assist, in an appropriate and sensitive manner, indigenous, African development initiatives of an innovative and forceful nature;

Second, to foster the development of organizational and human resource capacities needed to plan, initiate, and control developmental efforts;

Third, to promote self-evaluative and informal learning experiences among participants in the development process; and

Fourth, as an experimental learning institution, to provide insights into the processes of African self-development and into the appropriate, long-term means of assisting these processes.

Although a relatively modest gesture in terms of size and financial resources, the creation of this Foundation could play a large role in communicating to the African people our sincere recognition of their competency and responsibility in realizing self-determination through development. As innovative as this approach is, it is not without legislative precedent. The Inter-American Foundation, created through congressional action as a U.S. Government corporation in 1969, has established an enviable record in supporting self-help development projects throughout Latin America and the Caribbean.

An African Development Foundation must be shaped, of course, not only to the very different set of circumstances present in Africa, but also to the great diversity in conditions found within Africa itself. It will be faced in many cases with the problems arising from a relative insufficiency of organizational infrastructure at the grassroots level, but this shortcoming is itself a principal rationale for the creation of this foundation. It must be able to respond rapidly to community-level initiatives and, in so doing, recognize Africans' capabilities to direct their own development. It must build upon the growing awareness of Africans of their continent's vast human and natural potential for self-initiated and self-reliant development and support efforts by the people themselves to satisfy their own needs and foster their own skills, laying a foundation for truly African development. In so doing, it would provide an invaluable learning experience not only for itself and its African beneficiaries, but for the American people and our other development donor organizations, as well.

In response to the need to adapt the model of an operating foundation to the diverse conditions and requirements of African development, the Development Group for Alternative Policies, Inc., a nonprofit development resource organization in Washington, D.C., has undertaken a study of the specific structural and operational issues of concern in this new approach. The study will be ready in July. I am thankful for their efforts.

In closing, Mr. President, I wish to relate the growing interest and support within the private and public development sectors both in the United States and Africa for the new and respectful approach to African development embodied in the concept of this Foundation. If we can demonstrate integrity in supporting the efforts of Africans to forge better lives for themselves, their communities, and their countries, we shall greatly enhance and strengthen our bonds of friendship with the peoples of that continent.

A TRIBUTE TO STANLEY ADAMS: A LEADER IN AMERICAN MUSIC

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 1, 1977

Mr. WOLFF. Mr. Speaker, the world has honored our Nation's music as one of its finest exports, but it is all too infrequently that tribute is paid to the gifted and dedicated men and women who create this international good will. The American Society of Composers, Authors and Publishers—ASCAP—is the organization which represents our musical creators and has been a driving force in the industry. ASCAP was founded in 1914 to defend the legal and economic rights of those who write and publish American music and much of its success must be attributed to one remarkable man.

Stanley Adams is the president of ASCAP and there has been neither a finer nor more effective spokesman for our musical creators in this century. I am indeed proud that this extraordinary gentleman, Stanley Adams, is one of my constituents.

A noted creator himself, Mr. Adams was born and educated in New York City where he received his B.A. and law degrees from New York University. It was while he was studying law that he wrote his first lyric for a song. Since that time more than 100 of Mr. Adams' fine songs have been published. A number of these were created in Hollywood, where Mr. Adams wrote for motion pictures in collaboration with such major talents as Hoagy Carmichael, Max Steiner, Oscar Levant, Ray Henderson, and Sigmund Romberg. Other famed composers with whom he worked were ASCAP's founding father, Victor Herbert, and George W. Meyer.

Stanley Adams joined ASCAP in 1934 and was first elected to its board of directors a decade later. His understanding of the economic, legal and human problems of the creative community led to his election as ASCAP president in 1953. He was the first ASCAP director to be reelected as president, and he has served with distinction. He has many achievements worthy of commendation but certainly one of the most important must be the role he played in the long fight for revision of the obsolete Copyright Act of 1909. While no person can claim credit for the new copyright act signed into law last October, I know of no one in the industry who did more or fought harder for its passage than Stanley Adams.

His efforts to help the creative community know no national boundaries or barriers. He took an active role in UNESCO's Conference for International Copyright and today serves on the Administrative Council of the International Confederation of Societies of Authors and Composers. His interests extend to every branch of music as evidenced by his serving as a director of the Country Music Association and as a trustee of the Great Neck Symphony Orchestra. His effective and dedicated service has already been recognized by the National Association for American Composers and Conductors who honored him with its distinguished Henry Hadley Medal in 1961, and by the National Arts Club which presented him with its Medal of Honor for Music in 1965. Most recently, on June 29, he was honored by the State of Israel at a major gathering of musical and cultural leaders in New York City. Aaron Copland, dean of the American Symphonic Composers and former director of ASCAP, presented Stanley Adams with the coveted Jerusalem Plaque of Merit in recognition of his efforts on behalf of the economic defense of the State of Israel.

It is indeed an honor for me to have related but some of this remarkable man's achievements. I congratulate Stanley Adams for his years of dedicated service and leadership in the music industry and I know that I am not alone in this body when I wish him well for the years ahead as he continues his commitment and progressive leadership to insure the well-being of the thousands of gifted men and women who have made American music one of our most splendid contributions to today's world.

MINNESOTA WOMEN'S CONFERENCE

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. FRASER. Mr. Speaker, at the beginning of June, 4,400 persons attended the Minnesota Women's Conference in St. Cloud, Minn. Several resolutions were passed and will be taken by 26 delegates to the National Women's Conference in Houston this fall.

More than 210 educational workshops were held on special concerns particularly affecting women—from educational and employment problems, to problems affecting minority women, to issues of increased political action and effectiveness. Although the deep public controversies over the issues of reproductive freedom and the equal rights amendment were evident at the conference, many women "found very much about the meeting that was positive," in the words of Joan Anderson Growe, Minnesota's secretary of State and chair of the coordinating committee for the Minnesota Women's Conference.

Four members of the coordinating committee—Bette Hillemeier, Mary Ann Justin, Mary Peek and Nina Rothchild—proposed the following resolution of unity, which was agreed upon unanimously near the end of the conference:

Recognizing that we will never all agree on every issue, we pledge to bind ourselves together in love, to continue to work on the concerns of universal importance—the need for our personal dignity, the relief of our suffering, the achievement of our aspirations—so that we can go on to that great victory—equality for all women, not only in Minnesota, but around the world.

Joan Growe, Sharon Voss, Alice Keller, and all members of the coordinating committee deserve special appreciation for their roles in this pioneering conference. The 31 delegates and alternates to the Houston conference in November will carry the responsibility of representing Minnesota women at the national conference. They are:

Jacqueline Bledsoe, Kathleen Bowman, Louise Bouta, Marianne Bruesehoff, Maria Callendar, Loria Danage-Scott, Marquita Joan Finley, C.S.J., Judith Fisher, Sandra Fizer-Jones, Carol Flynn,

Judie Fox, Sharon Day Garcia, Joan Guernsey, Valerie Lee Hess, Gloria Lynn Kumagai, Jewel Maher, Laurie Miller, Ann O'Laughlin, Mary Peek, Sharon Postma, Sue Rockne, Patricia Schamus, Peggy Specktor, Anne Traux, Hattie Wing, Kerry Woodward, Margeret Guthrie Smith, Jackie Richter, Julie Andrzejewski, Jeri Rasmussen, and Elizabeth Moore.

All congressional districts are represented, and the ethnic minorities of Chicanos, American Indians, Asian Americans, and black Americans are represented among the delegation. I congratulate these women on their election as delegates and alternates and wish them well in their task.

A high point of the conference was the speech of Rosalie Wahl, recently appointed associate justice of the Minnesota Supreme Court. At this point I would like to share her eloquent comments, reprinted in the Minneapolis Star of June 7, 1977, with my colleagues:

MEMORIES OF A NEW SUPREME COURT JUSTICE

(By Rosalie E. Wahl)

I am remembering tonight all those generations of women who have gone before us.

I am remembering Elizabeth Cady Stanton, as a little girl in the mid-1820s, walking into her father's law office with a pair of keen scissors and the novel plan to amend the laws by cutting from his law books all the bad laws he had shown her that "made so many women cry."

Women had to obey the laws but they had no part in making them and could not vote for those who did. Hairpins, wedding rings, cookstoves, offspring, all belong to the husband.

Women could not speak in public. When Prudence Crandell's School for Young Ladies of Color was attacked and closed in her Connecticut village, she had to have a man speak for her in the town meeting.

When the first Women's Rights Convention was held at Seneca Falls in 1848, no woman had ever presided over a convention. Lucretia Mott's husband James was called on for his service.

I am remembering that remarkable Quaker, Susan B. Anthony, who met Elizabeth Cady Stanton at the second Women's Rights Convention in 1852—a meeting called . . . a "mob meeting of unsexed females who were stepping out of their sphere in defiance of laws both human and divine." There began a partnership which lasted 50 years—a pilgrimage which led back and forth across the nation, mostly by wagon, lecturing, preaching, arguing eloquently. Called "homewreckers" and "freaks of nature," they knew scorn, fury, hardship, adventure, agonizing disappointment. And they never even saw the promised land.

I am remembering Mary Peek's grandmother—Kari Sougstad Anderson—as a young woman in Norway, refusing to marry the man chosen by her father, asking for her dowry, coming to the new world alone, knowing no English—as an old woman, 78 years old, being the first person in line to vote at the first election after the ratification of the 19th Amendment.

I am remembering Sojourner Truth, and all those brave, unnamed, unremembered women who gave so much that we might have the freedom and opportunity that is ours. . .

Men are not the enemy. Men are our brothers, our husbands, our sons, our fathers, our friends.

The enemy is fear—fear that by being all of what we are, by realizing our full potential, we will somehow jeopardize what little security we have attained for ourselves and our children.

A good many years ago, when my then four children were in school and I had gone with some trepidation to law school to prepare myself to help share the economic burden of supporting those children; a poem came to me which expressed my feeling at that time of what it meant to be a woman:

Foot in nest,
Wing in sky;
Bound by each
Hover I.

Now I know it is not necessary to hover. Now I know it is possible to soar, to know the vastness of the sky and then come back, fully, to the nest, enriched by the vision of the whole and by the exercise.

Now I know it is possible to extend the nest to include our children wherever they are—in the factories, at the switchboards, in the mines, the shops, the halls of finance and commerce and government—and nourish there the values which were sprouted by the hearth—a sense that every individual in the human family is a unique and precious being, a sense of justice and fair play, a sense of compassion where justice ends or fails.

I pledge to you and ask your pledge that wherever we are, we will never cease to work for these goals.

CALAVERITAS' CUNEO FAMILY CELEBRATES THE FOURTH OF JULY IN GRAND FASHION

HON. JOHN J. McFALL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. McFALL. Mr. Speaker, it is a privilege to join with the community of Calaveras County, Calif., in recognizing the Cuneo family as they gather this July 4th in Calaveritas in their annual celebration of the Independence of our Nation. The family of 82 members comes from across the country to meet in the area that attracted their industrious Italian ancestors in 1848, 2 years before Golden California was admitted to the United States and 1 year before the famous California Gold Rush.

This year the Cuneos have additional reason to celebrate—the 200th birthday of our American flag. In honor of this anniversary, the day's events will begin with the presentation of a new American flag, that has been flown over the Capitol especially for these fine Americans and this special occasion, and a flag-raising ceremony. The day will also include the annual reading of the Declaration of Independence, in the restored Costa store in Calaveritas, by Mr. Harold Havre, Jr.—the son-in-law of Fred Cuneo and the eating of many delectable Italian dishes. The traditional grand fireworks display will not be a part of the day's events because of the extreme fire danger in drought-ridden California.

Following the day's celebration, the flag will be hung in the Costa general store adjacent to Louise Cuneo Greenlaw's home. Her home once housed gold miners before it was moved to its present location in 1890.

Though the family is now spread from coast to coast, they look forward to each year's reunion, Declaration of Independence reading and celebration with excitement and anticipation of a good time. The families attending are the wives, husbands, sons, daughters and grandchildren of Fred, LaVern and Don Cuneo, Gladys Cuneo Rogers and Louise Cuneo Greenlaw, descendents of the Cuneo immigrants who came to this area as merchants.

Each of the Cuneo sisters and brothers has achieved innumerable accomplishments. The following are among the most remarkable: Fred Cuneo, the eldest, was the cofounder of the Calaveritas Park with his sister Louise. It was the first park in the town. He was also a recent student and graduate of the electoral college. Gladys Cuneo Rogers is the keeper of all moral fiber of the family and has been for many years. Don Cuneo is a famous politician and proprietor of the only resort in San Andreas, which borders Calaveritas, called the Black Bart Inn and Resort. LaVern is one of the biggest ranchers and noted ecologists in the area. Louis Cuneo Greenlaw ran the Calaveritas-San Andreas High School for many years and was the leader of the first women's movement in Calaveras County, which began in 1948.

Another first came for the Cuneo family when they discovered through extensive scientific investigation, the amazing fact of nature that the drinking of Calaveritas water causes hearing impairments. As a result, the family drinks and cooks only with wine. As proof of this phenomenon, the herds of cattle have become extremely hard of hearing because of the great quantity of water they consume. This has caused a further problem, the need for signal lights after dark to call the cattle; they are the only cattle fed at night. Several planes have crashed, mistaking these feeding lights for the landing lights at nearby San Andreas Airport.

I am happy to pay tribute to this group of citizens and bring them to the attention of my fellow Members. They are to be saluted for their accomplishments in their communities as well as their undying belief in truth, justice and the American way.

HENRY HYDE OF ILLINOIS—YOU KNOW WHERE HE STANDS

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. BAUMAN. Mr. Speaker, in a day and age when most politicians temporize and avoid taking stands on the difficult issues, our distinguished colleague, HENRY HYDE of Illinois stands out as one who knows what he believes and is willing to fight for his beliefs.

All those in America who cherish the right to life, now under attack in many quarters, owe a great deal to the gentleman from Illinois, Mr. HYDE, for his courageous, and, I might add, successful battle to preserve the lives of more than 300,000 unborn children each year. That

is the number of unborn children whose lives have been snuffed out annually, by abortions financed by Federal funds.

Mr. Speaker, Jerome Watson of the Washington Bureau of the Chicago Sun-Times has written an interesting article concerning our colleague and I include it at this point:

HENRY HYDE FEARS BEING LUKEWARM—AND HE ISN'T

(By Jerome Watson)

WASHINGTON.—For Rep. Henry J. Hyde (R-Ill.), last week was one of the most gratifying—and controversial—in the political career of an ardent conservative whose worst fear is that someone will think he is lukewarm.

Although Hyde is only in his second term in Congress, he already has his name chiseled into landmark legislation now making its way through Congress that would ban the use of Medicaid funds for abortions.

When Hyde steered the measure through parliamentary roadblocks in the House, an admiring Rep. Abner J. Mikva (D-Ill.), who is far removed from Hyde on the political spectrum, said Hyde's quick-thinking maneuvers were an impressive demonstration of political skill that most House members could not have managed.

Some form of the legislation is likely to be enacted into law, and last week the Supreme Court, in effect, upheld the ban by ruling that Congress and the states are free to deny use of public funds for abortions.

The controversy over that legislation suggests that Hyde may get his wish when he says, "I'll settle for an epitaph that says, 'If God's justice is stronger than God's mercy and through some misadventure I find myself in Dante's Inferno, I hope I get put anywhere but the special (hell) He has reserved for the lukewarm.' "

Neither side in the abortion fight would view Hyde as lukewarm, and so hot is the issue that some pro-abortion critics have caricatured him as a rather mad, Jekyll-Hyde creature seeking to force unwanted children into the world.

So hot, indeed, is the issue that Hyde frets about being type-cast as an inflexible, one-issue congressman when he sees himself as a man of reason having wide-ranging interests.

"Abortion has to do with only about 2 per cent of the things that cross my desk," Hyde said, adding that he became sponsor of the anit-abortion proviso "by accident."

Accidental it may have been, but Hyde's association with a superheated issue would not have surprised observers of Illinois politics who watched him in the Illinois General Assembly for eight years.

There, Hyde showed no hesitation in becoming an up-front advocate on controversial issues—such as abortion and the Equal Rights Amendment, which he opposed.

The son of a Chicago telephone coin collector, Hyde grew up as a Democrat—even became an "outspoken Democrat" when he attended Georgetown University in Washington in the early 1940s. His studies were interrupted by World War II and Navy service in the Pacific, where as the 20-year-old skipper of a transport vessel he saw some action and, "Lord, did I grow in a hurry."

Part of growing up meant reading a lot of history and political theory, which nurtured latent seeds of conservatism. Despite an outgoing manner, Hyde still likes to retreat from politics to solitude, a book, a sandwich ("no wonder I have weight problems") and a cigar.

After the war, Hyde returned to his studies, cast his first presidential vote—for Democrat Harry S. Truman in 1948—and earned a law degree at Loyola University in Chicago. A dislike of the Chicago machine and regular luncheon talks with former law school chums ripened Hyde's conservatism and caused him to join the GOP in the late 1950s.

As a state representative in the 1960s and '70s, Hyde spent hours studying literature on abortion and came to the conclusion that a fetus was "not a blob or random cells multiplying but a very special form of life from the moment of conception." He saw only one justification for abortion—saving a mother's life.

But in Washington, Hyde said he initially gave little thought to abortion. He was elected president of the GOP freshman class and concentrated on such issues as federal compensation for victims of crime, a bill of rights for witnesses before congressional committees (Hyde thinks there's too much bullying of them), a federal ban on baby-selling, a proposal to impose criminal penalties for misuse of identification cards and problems in international finance.

Then, last year, some colleagues suggested that he try to tack an amendment onto a health, education and welfare bill banning use of federal funds for abortions. Hyde did, and the law passed, only to be suspended by a federal court.

With the issue pending before the U.S. Supreme Court, Hyde came back this year with his proposal permitting federally funded abortions only when the mother's life is at stake. The proposal was blocked by a parliamentary ruling, the one Mikva expected to defeat Hyde. But Hyde immediately offered an amendment banning all Medicaid abortions, and this one got past the parliamentarian's eye and was passed.

Hyde now hopes that the Senate or a Senate-House conference committee will reinstate the exception.

Although Hyde says abortion has not been an issue in any of his campaigns, one Cook County Democrat says abortion is "a good issue for a Republican—most of the votes he'll pick up on it are from among normally Democratic Catholic voters. Hyde believes in the issue, but it isn't going to hurt him politically." In fact, the Democrat said, "Hyde probably can stay (in Congress) as long as he wants to."

WEATHER DISASTERS AND THE ELDERLY: THE FEDERAL RELIEF EFFORT IN THE 1975 OMAHA TORNADO ON BEHALF OF ELDERLY VICTIMS

HON. JOHN J. CAVANAUGH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. CAVANAUGH. Mr. Speaker, no segment of our population is more vulnerable to the ravages of a weather disaster than our elderly citizens. On June 29, I had the opportunity to testify before the House Select Committee on Aging regarding the relief effort by the Federal Government on behalf of the elderly following the 1975 tornado which struck Omaha. I believe my testimony on the Omaha experience is enlightening and would be of interest to my colleagues. The testimony follows:

TESTIMONY OF REPRESENTATIVE CAVANAUGH

I thank Chairman Pepper and Chairman Perkins for the opportunity to testify today on the 1975 Omaha tornado and the federal relief effort on behalf of the elderly population.

At 4:35 P.M. on May 6, 1975, a tornado packing winds of several hundred miles an hour struck Omaha. In less than 30 minutes it had devastated a section of the city a quarter-mile wide and almost nine miles long. It left three persons dead, 150 injured and more than $100 million in property damage. Homes, schools, churches, government and commercial buildings were scattered in all directions.

In general, the tornado path was to the west of the section of the city with the heaviest concentration of elderly. One area hit hard by the funnel cloud, known as Benson, has a significant number of elderly persons most of whom live in modest single-family frame homes. An estimated 400 elderly households were damaged or destroyed by the tornado. Officials estimate a total of 7,350 persons had homes destroyed or damaged.

The consensus among tornado victims, local government officials and private relief organizations is that the federal response to the Omaha tornado was very good. There were tangles, of course, but officials point to the disaster declaration by the President within 24 hours, the quick establishment of the one-stop relief centers by the Federal Disaster Assistance Administration (FDAA), the almost immediate availability of emergency food stamps, the speedy payment of Small Business Administration (SBA) disaster loans and the prompt availability of emergency housing as particular bright spots in the federal response.

The only agency to respond exclusively to the needs of the elderly in the disaster was the Eastern Nebraska Office on Aging (ENOA), which is the area agency on aging. Immediately following the tornado, ENOA assessed the needs of elderly victims and contacted the Federal Administration on Aging seeking a demonstration grant to deal with the special difficulties of elderly tornado victims. Three days after the tornado struck, ENOA received verbal approval of a $93,000 grant. An additional $5,000 from non-federal sources gave the agency $98,000 over the next 12 months for assisting elderly victims to recover from the disaster.

The agency was able to provide these services for the elderly under the grant:

Handyman services (including repair of furniture and appliances, debris removal, free storage space and independent appraisal of damages), $7,333.

Transportation services (including purchase of three vans, radio equipment, and lifts), $38,000.

Outreach services (including counseling and advocacy, information and referral and home delivered meals), $35,667.

Legal assistance, $7,000.

The grant further allowed $9,900 to contract with the University of Nebraska at Omaha Gerontology Program to study the social and psychological impact on the elderly victims and the service delivery efforts of various relief agencies.

I am submitting a copy of the study for the record.

The speedy response to the disaster by ENOA marks the first time in our region, and perhaps the first time anywhere in the country, that the FDAA has worked directly with the area agency on aging in a relief operation. ENOA's role as a service provider and an advocate for elderly victims served as a model for the recent memorandum of agreement between FDAA and the Administration on Aging which outlines the role of area agencies on aging in future disasters.

Despite many favorable aspects of the response to the problems of the elderly, many distressing aspects became apparent in the Omaha situation which I believe this committee should address.

An aspect of the federal response to the problems of the elderly that concerns me greatly is the inter-relationship between the SBA disaster loan and the FDAA individual and family grant program. Before a person can apply for the grant, he must prove he has been rejected for an SBA loan. At the same time, the applicant must demonstrate

the ability to repay the SBA loan which few seniors can do because of limited income and advancing age.

Seniors and senior advocates found the practice of approaching SBA for an almost certain loan rejection a degrading and unnecessary exercise. The ideal situation here would be to allow persons 65 and older to approach FDAA for the individual and family grant without first enduring the humiliating practice of having the loan refused.

Another distressing aspect that became apparent in the Omaha situation—and this is a problem that this committee will encounter as it investigates this matter—is that there is a major problem in attempting to assess the benefits to the elderly of existing programs because data from two major relief agencies, the FDAA and the SBA, is sketchy or non-existent. The Omaha experience made it clear that better record keeping is needed.

We know that the FDAA spent $3.3 million for such items as temporary housing, emergency unemployment compensation and individual and family grants. I am informed by the agency, however, that no age data exists to evaluate how the elderly compare with the general population in receiving disaster assistance. The committee should seek documentation from the FDAA, especially regarding the ages of applicants and recipients of the individual and family grants. If the figures do not exist for the Omaha tornado, the FDAA could gather such data from subsequent disasters.

Despite a lack of data on the individual and family grants program, we can be assured that in the Omaha case, it certainly was not a bonanza for senior citizens. The federal share of this 75–25 matching program following the tornado was a mere $81,000. I remind the committee that the amount of property damage in the Omaha tornado exceeded $100 million.

Figures released by the SBA for these hearings indicate that its disaster loan program offered no significant assistance to Omaha residents over 65 following the tornado.

The SBA issued 300 low-interest loans which totalled more than $5 million in Omaha. The agency has released figures for the Omaha disaster indicating that only 11 of 42 senior citizens who were interviewed for loans received them. This compares with 300 loan recipients of 1,304 persons interviewed.

Many of the elderly, of course, could not demonstrate the means to repay, which may explain the low number of loans granted to persons over 65. The SBA disaster program as it is presently constituted offers little if any relief for the senior citizens who seek the means to repair or replace a home or business. It is in the interest of senior citizens everywhere for this select committee to study the loan program to determine how it could be made more responsive to the needs of elderly disaster victims.

Another area which I believe this committee must address itself to is the adequacy and reliability of private relief organizations to help financially the senior disaster victim who has been rejected by SBA and FDAA. In the case of the Omaha tornado, The Salvation Army, the Red Cross, the Mennonite Disaster Service and other private and church-related groups responded very generously in helping to meet the medical and repair bills of the elderly. Their combined contribution was far in excess of the $81,000 direct grants by the Federal government.

It is apparent, however, that in some cases the private relief organizations will be unable to provide needed financial assistance to seniors. If the frugality of the Federal government in providing direct aid after the Omaha tornado is an indication, senior citizens in future disasters may find themselves without recourse. Representatives of many of these groups will testify before you today, and I urge the committee to determine to what degree these organizations are able to assure financial help to senior victims who do not qualify for federal assistance in future disasters.

In summary, the federal response to the 1975 Omaha tornado was generally acknowledged as speedy and efficient, however existing disaster relief programs were deficient in many respects. The Senior citizen following the Omaha disaster did not find much financial relief from the SBA disaster loan program or the FDAA individual and family grants program. The special needs of the elderly were dealt with competently and quickly in most cases because the Eastern Nebraska Office on Aging provided direct services and acted as an advocate for the elderly. I question the adequacy of existing federal programs and urge the committee to examine whether the financial needs of the elderly following disasters are adequately taken care of by the combined efforts of government, private and church-related disaster relief groups.

My testimony has been an effort to portray in broad terms to the committee the federal response to the elderly victims of the tornado. The real impact of the disaster is more graphically told in terms of the individuals who suffered loss of life, limb and property in the disaster. I am sure the committee will gain further insight into the Omaha disaster from Mrs. Karen Evans, a former ENOA employee, who will testify on the next panel about her experiences as counselor-advocate for the elderly following the tornado.

FORRESTER URGES MEMBERS TO CONSIDER INTERRELATIONS

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. BRECKINRIDGE. Mr. Speaker, on the 11th of May, Dr. Jay Forrester of the Massachusetts Institute of Technology, spoke to over 50 of our colleagues as part of the "Dialogues on America's Future" series sponsored by the Congressional Clearinghouse on the Future.

Professor Forrester is a pioneer in computer technology and is founder of the Systems Dynamics Group at MIT. He enlightened and enlivened us, Mr. Speaker, as he urged us in the Congress to view our problems more wholistically.

I am delighted to have the opportunity to insert into the RECORD today part II of the transcript of our session with Dr. Forrester. And I urge all of our colleagues to read it.

The text of the second half of his presentation follows:

TRADE AND INTERNATIONAL POLITICS

During the last long wave of economic change, political empires collapsed, to be replaced by business and investment links between developed and developing countries. But the investment relationship is now becoming as strained as was the political link a few decades ago. Loans have been made that cannot be repaid, investments have been made that can not be recovered. Just as the political links snapped, so should we expect the financial links to break in a wave of defaults and expropriations. Again the context for understanding is the long wave of economic change, not the business cycle.

The economic and political challenge is to understand how present policies affect future well-being. Policies that favor the immediate future often set the stage for later difficulties. Our socio-political system is not well equipped to deal with the most important tradeoffs. There are tradeoffs between sectors. There are tradeoffs between the present and the future. The tradeoffs arise out of interactions between different parts of the social system. Yet, neither government nor the private sector are well equipped for "putting it all together" to understand how apparently desirable individual policies are interacting to produce unanticipated stress.

We must develop a willingness and the methods for looking further ahead. The life cycle of growth has reached a point where the fundamental nature of the economic future is changing; new kinds of tradeoffs must be made; two hundred years of folklore is being reshaped. The 50-year long wave seems to have again brought us to a critical peak; a period of stagnation threatens; a technological era is ending. It is time to plan for the second half of the life cycle of growth in which environmental limits force a compromise between population and standard of living. It is time to look across a potential next valley in the 50-year and lay foundations for a new society based on new technology and new patterns of living.

QUESTIONS AND ANSWERS

Q. What is the solution to the kind of growth we have now when every thirty years the population doubles?

A. Population is not as serious as most people imply. We can control it if we choose to, but we need to create a system that is not coercive. We still live on the attitude that we want more people, and so we unconsciously coerce people to have children.

We have two cases since World War II of two countries (Japan and an Eastern European country) which tried to limit their population. But they suddenly got frightened that they wouldn't have enough people to run the industries in the country, and both of them reversed their position on child bearing. In fact, they began to encourage people to have more children.

We won't reach a stable population in early 2000. The population rate is fifty percent of the national growth rate. We need to face the issue, and make it a social, political, self-interest kind of issue.

Q. We are spending nine percent of our GNP on military equipment and supplies. How can we deal with that kind of expenditure?

A. The military area is out of control and out of perspective. We have seen the threat as coming from the outside, but really the stresses that are the most dangerous to us are going to come from the inside. A question that I often raise is "Can we maintain internal order if we suddenly move into a period like the 1930's unexpectedly?". No effort or money is being spent to understand these interior problems. Yet their potential for upsetting us is far greater than an external threat.

Balance of military/social

Q. How should we redistribute our funds so that the military and the social/economic issues are addressed fairly?

A. There is now no place in our national government to deal with the social and economic issues and their interrelationships. I have a strong belief that somehow or other we have gotten the sense that nothing can be done, so nothing is done. Things just go on. If we thought we would be invaded in ten or twenty years or next week, we would set up a terribly efficient, interrelated system to try to stave off invasion. We would test many alternatives. I am saying that we are faced with the same threat in our social and economic spheres, but we don't do anything about it. We don't understand the threat and we don't know how to cope with it, and so we ignore it and go on.

Q After World War II, the demand for capital brought us prosperity. Is there much possibility, if we come to the end of cheap

oil, that we could move into a period like that one after the war and not move into a period like the Depression?

A. When you move out of the oil age, you move out of an infrastructure which includes the automobile, suburbia, air travel, etc. The future will be as different from today as today looks from 1877. If we don't take charge of the social and economic issues facing us, we will probably move into the bottom of that business cycle.

But the rapidity of change will no longer allow a society to use a slowed down period to rebuild, as we saw in the 30's. We can't extend the oil age or put off for ten years the reality that it is over. We need to look forty years ahead and decide what we need to do between now and then. If we can do that, then we can act.

Q. Are you saying that if we move ahead and take hold of some of the issues you are talking about, we don't have to move into the fifty year cycle?

A. Yes. We don't understand how desperate things are. When we do, we will start thinking about solutions.

Q. Are your concerns related to the United States or do they apply to the whole world?

A. Some are universal. The life cycle of developed countries is pretty much the same in all countries. This was not true one hundred years ago. We were in a different place. The solution may be for different countries to come to terms with population and standard of living questions in their own ways. Each country is different. Japan and the United States are the most vulnerable. The least bothered are Canada, Russia and China which live within their own boundaries for the most part.

Q. Are you talking about an actual drop in standard of living or just a leveling off?

A. I am talking about a real drop in the standard of living.

Communications

Q. Is better communication the answer?

A. Maybe, but communication can be a two-edged sword. It causes problems, encourages us to look at short range views, creates envy from the have-nots. And it doesn't do much to ensure long range survival.

Q. Isn't industry already asking the questions you are asking in academia?

A. Yes. there are individual people and some corporations that are concerned, but it's like looking for needles in haystacks. It is not the private sector that is most concerned about the future, but a special group within them. They are concerned that the problems are not well enough understood and are willing to invest money. A great issue for Congress will be how to deal with these issues. We know how to deal with a military threat. But we have no comparable way to grapple with internal issues.

Who to believe?

Q. Who are we to believe? Herman Kahn or you? How can we move in light of such opposing points of view?

A. Believe us all and none of us. This country can well afford to back ten different theories about the future. It is not that expensive to set up ten theorists, from the whole spectrum of ideas, to work on the future. Hold each of us accountable, ask for results. Ask for problem solving techniques. Then support all who can persuade you These issues are important enough to listen to all sides and insist on results.

Q. To whom should we look for new ways?

A. Well, look for quality of people rather than their institutional affiliations. They may be educators, government workers, nonprofit organization people. Go on the persuasiveness and integrity of the outfit. A fairly common presumption is to solve problems with a decision maker. I disagree with this procedure. With any issue, there are boundaries between which people expect action to be taken. On the other hand, if a different, perhaps even radical, decision must be made, there is no constituency, no public demand. So you have to try it out on the public and see if it coalesces.

KITCHEN-TABLE JUSTICE

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 30, 1977

Mr. PHILLIP BURTON. Mr. Speaker, on Tuesday, June 28, 1977, the New York Times printed an article by the distinguished journalist, Tom Wicker, entitled: "Kitchen-Table Justice."

It is a thought provoking article which articulates the grave injustice which was done to the poor women in this country by cutting off medicaid funds for abortions.

I am placing it in the RECORD at this point because I share the concern expressed by Mr. Wicker and because I want to share that concern with my colleagues:

KITCHEN-TABLE JUSTICE

(By Tom Wicker)

If you're a pregnant woman with enough money to pay for an abortion in a hospital, you've got an ironclad constitutional right to have that abortion. If you're pregnant woman without enough money to pay for an abortion in a hospital, you've got an ironclad constitutional right either to beg or borrow the money, or to have yourself butchered on a kitchen table off some back alley.

So ruled the Supreme Court of the United States last week, in an opinion consonant with the views of the Carter Administration and to which Congress seems about to give further legislative force. Thus, with the support of all three branches of government, triumph inequity, poverty, misery, the welfare culture and the billions of tax dollars it annually consumes.

The first step down this strange course was taken by Congress last year when it adopted a ban on the use of Medicaid funds for elective abortions, those not undertaken for therapeutic reasons.

A Federal court, acting on what it and everyone else thought was the Supreme Court's guarantee of the right of an abortion in a 1973 decision, set aside enforcement of this ban until its constitutionality could be tested.

Enter the Carter Administration, in the person of Secretary of Health, Education and Welfare Joseph A. Califano. He said he would not support the use of Federal funds for abortions, and President Carter backed him up.

Possibly owing to that encouragement, this year the House of Representatives went even further than Congress had last year; it passed a ban on the use of Medicaid funds for any kind of abortion, even to save the life of a mother.

At that point last week, the Supreme Court acted on cases from Connecticut and Pennsylvania, ruling that (a) the constitutional guarantee of the equal protection of the laws was not violated by a state decision to use Medicaid funds for childbirth but not for abortions; and (b) it was not unreasonable for a state to pursue its "valid and important interest in encouraging childbirth" by refusing to pay for abortions.

The next day, the Senate Appropriations Committee approved the House ban on Medicaid abortions but amended it to permit therapeutic abortions required by threats to the physical well-being of the mother or the child after birth or both.

This provision, which apparently is about all that can be hoped for in the Senate, coincides with the Supreme Court ruling in that it guarantees affluent or middle-class women the right to abortions on demand, while preventing the use of Government funds to pay for elective abortions for women who cannot otherwise pay for them. The latter must either have their babies, at even greater cost to the taxpayers, or seek out some fly-by-night amateur for a kitchen-table abortion.

Aside from a person's moral and ethical views on the larger question of abortion, the situation wrought by Court and Congress is insupportable. It plainly discriminates against a class, since a right guaranteed to the rich is denied in practice to the poor. That discrimination will be most often felt by black women in the city ghettos, those very "welfare mothers" against whom the righteous wrath of the comfortable and the calloused is so often directed.

And what conceivable "valid and important interest" can cities like New York and Detroit have in encouraging more welfare mothers and more welfare children, more poverty and hunger and disease and drug addiction in the ghettos, more unemployed on the corners, more crime in the streets, more flight of the middle class to the suburbs?

The real questions here are not of morality or religion or ethics. If the case could be made against legal abortion for anyone, that would be at least equitable among women, although a long step backward for them all. But to make the poor alone ineligible for abortions defies justice, common sense, rational policy and the Federal budget.

As Senator Edward Brooke of Massachusetts put it, the ban on Medicaid funds for abortions is "nothing but a means test saying who's allowed to have an abortion." And as Mr. Justice Harry Blackmun, in dissent, chided his colleagues: "There is another world 'out there,' the existence of which the Court, I suspect, either chooses to ignore or fears to recognize. And so the cancer of poverty will continue to grow."

The figures that support him are as depressing as they are impressive. Medicaid funds have paid for abortions for as many as 300,000 women a year, at a total cost of $50 million. Sixty percent of the nation's 1.1 million abortions a year are performed in clinics for the poor—and only 29 percent in those private hospitals in which the Supreme Court absolutely guarantees the right of a woman who can afford it to an abortion on demand.

HOUSE OF REPRESENTATIVES—*Monday, July 11, 1977*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Not by might, nor by power, but by my spirit, saith the Lord of Hosts.—Zachariah 4: 6.

O Thou who art from everlasting to everlasting and whose grace is sufficient for every need, renewed in body and spirit make us ready for the responsibilities we face in the critical days that lie ahead. Deliver us from coldness of heart

and wanderings of mind that with steadfast thoughts and kindled affections we may serve Thee and our Nation truly and well.

Keep us conscious of Thy presence and direct us in all our thinking and in all our doing that what is done may be for the highest good of our beloved country. May a high sense of patriotism glow and grow in the hearts of our people as together we face the trials of these trying times.

In Thy holy name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

June 29, 1977:

H.R. 583. An act to amend chapter 5 of title 37, United States Code, to extend the special pay provisions for reenlistment and enlistment bonuses, and for other purposes; and

H.R. 4301. An act to authorize appropriations for the National Sea Grant Program Act during fiscal year 1978, and for other purposes.

June 30, 1977:

H.J. Res. 525. Joint resolution to provide for a temporary extension of certain Federal Housing Administration mortgage insurance and related authorities and of the national flood insurance program, and for other purposes; and

H.R. 1404. An act for the relief of Smith College, Northhampton, Mass., and for other purposes.

July 1, 1977:

H.R. 6823. An act to authorize appropriations for the U.S. Coast Guard for fiscal year 1978, and for other purposes.

July 5, 1977:

H.R. 3695. An act to amend title 38 of the United States Code in order to revise and improve the program of making grants to the States for the construction, remodeling, or renovation of State home facilities for furnishing hospital, domiciliary, and nursing home care for eligible veterans, and for other purposes; and

H.R. 3849. An act to establish qualifications for individuals appointed to the National Advisory Committee on Oceans and Atmosphere and to authorize appropriations for the committee for fiscal year 1978.

July 6, 1977:

H.R. 1437. An act for the relief of Soo Jin Lee;

H.R. 3838. An act for the relief of Tulsedei Zalim; and

H.R. 4246. An act for the relief of Hee Kyung Yoo.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 1139. An act to amend the National School Lunch Act and the Child Nutrition Act of 1966 to revise and extend the summer food service program for children, to revise the nonfood assistance program, and for other purposes;

H.R. 7555. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1978, and for other purposes; and

H.R. 7558. An act making appropriations for Agriculture and related agencies programs for the fiscal year ending September 30, 1978, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 1139) entitled "An act to amend the National School Lunch Act and the Child Nutrition Act of 1966 to revise and extend the summer food service program for children, to revise the nonfood assistance program, and for other purposes," request a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TALMADGE, Mr. MCGOVERN, Mr. HUMPHREY, Mr. CLARK, Mr. LEAHY, Mr. DOLE, Mr. BELLMON, and Mr. HELMS to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 7555) entitled "An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1978, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. ROBERT C. BYRD, Mr. PROXMIRE, Mr. HOLLINGS, Mr. EAGLETON, Mr. BAYH, Mr. CHILES, Mr. BURDICK, Mr. MCCLELLAN, Mr. BROOKE, Mr. CASE, Mr. SCHWEIKER, Mr. MATHIAS, and Mr. YOUNG to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 7558) entitled "An act making appropriations for Agriculture and related agencies programs for the fiscal year ending September 30, 1978, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. EAGLETON, Mr. STENNIS, Mr. PROXMIRE, Mr. ROBERT C. BYRD, Mr. INOUYE, Mr. BAYH, Mr. CHILES, Mr. BURDICK, Mr. MCCLELLAN, Mr. BELLMON, Mr. YOUNG, Mr. HATFIELD, and Mr. STEVENS to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 244. An act to authorize the construction and maintenance of the General Draza Mihailovich Monument in Washington, District of Columbia, in recognition of the role he played in saving the lives of approximately 500 U.S. airmen in Yugoslavia during World War II;

S. 555. An act to establish certain Federal agencies, effect certain reorganizations of the Federal Government, to implement certain reforms in the operation of the Federal Government and to preserve and promote the integrity of public officials and institutions, and for other purposes;

S. 660. An act to authorize the Secretary of the Interior to enter into an agreement with the Cherokee, Choctaw, and Chickasaw Indian Nations for the purchase and/or lease by the United States of each nation's right and interests in the riverbed of the Arkansas River, and for other purposes; and

S. 1341. An act to authorize appropriations to the Energy Research and Development Administration for military programs with potential civilian energy applications, and for other purposes.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
July 1, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 12:35 p.m. on Friday, July 1, 1977, and said to contain a message from the President wherein he transmits the Fourth Report of the Director of the National Heart, Lung, and Blood Institute.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
BENJAMIN J. GUTHRIE,
Assistant to the Clerk.

FOURTH REPORT OF DIRECTOR OF THE NATIONAL HEART, LUNG, AND BLOOD INSTITUTE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

I am transmitting herewith a copy of the Fourth Report of the Director of the National Heart, Lung, and Blood Institute, prepared in accordance with the requirements of Sec. 413(b)(2) of the Public Health Service Act, as amended by Public Law 94–278. The report contains two funding plans which have been generated by the National Heart, Lung, and Blood Institute. Both of these proposed levels are substantially in excess of my current budget request for 1978. While the research conducted by this Institute is of great importance, there are a large number of competing urgent national needs. Individual program activities and funding levels must be carefully considered not only on the basis of individual program merit, but also in light of overall resource availability and fiscal policy.

JIMMY CARTER.

THE WHITE HOUSE, *July 1, 1977.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
July 7, 1977.

HON. THOMAS P. O'NEILL, JR.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 12:40 p.m. on Thursday, July 7, 1977, and said to contain a message from the President wherein he transmits the thirteenth special message for fiscal year 1977 under the Impoundment Control Act of 1974.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, JR.,
Clerk, House of Representatives.

PROPOSED RESCISSION OF $850,000 APPROPRIATED FOR NATIONAL TRANSPORTATION SAFETY BOARD AND REPORTING OF THREE NEW DEFERRALS OF BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95–479)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose rescission of $850,000 appropriated for the National Transportation Safety Board. In addition, I am reporting three new deferrals of budget authority totaling $170.1 million and revisions to two deferrals previously transmitted that contain increases totaling $22.2 million.

The details of the proposed rescission and the deferrals are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *July 7, 1977.*

ANNUAL REPORT OF NATIONAL ENDOWMENT FOR THE ARTS AND NATIONAL COUNCIL ON THE ARTS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor:

To the Congress of the United States:

I hereby transmit to the Congress the Annual Report of the National Endowment for the Arts and the National Council on the Arts for the Fiscal Year ended June 30, 1976, and for the Transition Quarter ended September 30, 1976.

This Report describes the programs of the Endowment over a period of time before I became President.

JIMMY CARTER.

THE WHITE HOUSE, *July 11, 1977.*

ELEVENTH ANNUAL REPORT ON STATUS OF NATIONAL WILDERNESS PRESERVATION SYSTEM FOR CALENDAR YEAR 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interior and Insular Affairs:

To the Congress of the United States:

I am submitting herewith the Eleventh Annual Report on the Status of the National Wilderness Preservation System for calendar year 1974 as required under the Wilderness Act of 1964 (78 Stat. 896). This report was prepared prior to the beginning of my administration.

JIMMY CARTER.

THE WHITE HOUSE, *July 11, 1977.*

REPORT ON HOUSE CONCURRENT RESOLUTION PROVIDING FOR PRINTING OF BROCHURE ENTITLED "HOW OUR LAWS ARE MADE"

Mr. HAWKINS, from the Committee on House Administration, submitted a privileged report (Rept. No. 95–482) on the House concurrent resolution (H. Con. Res. 190) to provide for the printing of the brochure entitled "How Our Laws Are Made," which was referred to the House Calendar and ordered to be printed.

REPORT ON HOUSE CONCURRENT RESOLUTION PROVIDING FOR PRINTING OF REVISED EDITION OF "THE CONSTITUTION OF THE UNITED STATES OF AMERICA"

Mr. HAWKINS, from the Committee on House Administration, submitted a privileged report (Rept. No. 95–483) on the concurrent resolution (H. Con. Res. 217) to provide for the printing of a revised edition of "The Constitution of the United States of America," which was referred to the House Calendar and ordered to be printed.

REPORT ON HOUSE CONCURRENT RESOLUTION AUTHORIZING PRINTING OF REVISED EDITION OF "THE CAPITOL" AS A HOUSE DOCUMENT

Mr. HAWKINS, from the Committee on House Administration, submitted a privileged report (Rept. No. 95–482) on the concurrent resolution (H. Con. Res. 222) to authorize the printing of a revised edition of "The Capitol," as a House document, which was referred to the House Calendar and ordered to be printed.

REPORT ON HOUSE CONCURRENT RESOLUTION PROVIDING FOR PRINTING AS HOUSE DOCUMENT OF PAMPHLET ENTITLED "BLACK AMERICANS IN CONGRESS"

Mr. HAWKINS, from the Committee on House Administration, submitted a privileged report (Rept. No. 95–485) on the concurrent resolution (H. Con. Res. 182) providing for the printing as a House document of the pamphlet entitled "Black Americans in Congress," which was referred to the House Calendar and ordered to be printed.

THOUGHTS ON THE CURRENT WATER SHORTAGE

(Mr. McKAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McKAY. Mr. Speaker, I noted in my recent absence this last week—and this is during the time when all of us were absent—that the issue of water has come home to affect what has been considered a watered area. I note that in Montgomery County, Md., they have been without water and they began to ration it. Some of their concerns were to effect that they had no way of impounding water.

We are totally dependent on the rains that the good heavens distill. This sort of circumstance is one we have known about in the West for years.

As we look at the recent votes we have had concerning water and water projects for this country, I think the facts should be made significant to those who have not understood the problems of water. We must point out that there has to be in this country a concern and an understanding about water. This is true not only in the arid parts of the West and the Southwest, but throughout the East where populations are impacting and using up the available water. There is a need for impoundment and a need to purify the available water. Therefore, the subject of water is coming to the fore more fully all the time.

Aside from oil and some of the mineral problems we are going to be facing down the way, I believe that water is going to be one of the key items, not just to provide for its purification as we have under the Clean Water Act, but we must insure that we will have water for culinary and industrial purposes, as well as for irrigation to feed the thirsty land.

Drawing upon my experience in growing up in the dry country of the West, where the temperature was 105° to 110°, this last week and where we had very low humidity, there is nothing that gives me more of a thrill than to watch the Earth, as we give it a drink, bring forth its strength and give us our food supply and provide vegetation for both wild and domestic animals and humans and for the production of food for our country and the world.

Mr. Speaker, I just wanted to make this observation as a result of the recent Montgomery County, Md., experience in

having to ration water and point out again that it is not just the West that is concerned and must be concerned about water projects in the future.

HELSINKI'S UNFULFILLED PROMISE

(Mr. ROONEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROONEY. Mr. Speaker, today I am honored to join with many other Member of the House of Representatives who are vociferously protesting the existence of "Helsinki's Unfulfilled Promise."

As we all know, the Soviet Union was one of 35 nations which signed the Helsinki Final Act, in August of 1975. Signatories to that accord agreed to facilitate the reunification of families which have been separated by governments and political borders. There is blatant evidence that the Soviet Union is not living up to their pledge. This is extremely unfortunate.

At this time, I would like to call to my colleagues' attention the tragic case of the Alexander Maryasin family. Prior to 1972, Alexander Lazarevich Maryasin was a vice president in charge of production at a major manufacturing plant in Riga, producing radio equipment. Then, his elder daughter Rita, who was already married, emigrated to Israel with her husband and child following a 2-year waiting period. As a consequence, Alexander was fired with the explanation that he had failed to raise his daughter properly, by not instilling her with the proper Soviet doctrine. His younger daughter, Faina, was expelled from a linguistics course at the University of Riga, midway through her fourth year of study.

His wife's sister Mariasa Katz writes:

They have sold all their material possessions just to exist from one day to the next. Alexander has been without a job for over four years and his physical health is failing. There is plainly nothing promising before them to raise their fallen spirits. The depression grows stronger as each day passes, and all of our appeals have thus far been of no avail.

Unfortunately their desperate situation cannot be fuly explained in such a brief correspondence. It would certainly require several volumes to describe the agony and suffering endured by this family for over four years. We would be eternaly grateful and indebted to any person or party that could help relieve their suffering.

From Israel, his daughter, Rita Yoresh adds:

I don't know how they are managing now. Packages sent to them are sold and the money used to buy real necessities when they can be found. My father, who is in his fifties has become a very nervous and unhappy person in these last few years and I worry for his health. The three of them go on hunger strikes from time to time with other Jews and are constantly writing letters. But today the Soviets only laugh at these demonstrations.

I only hope that they will be granted visas and will be able to work and enjoy pleasures and be treated like a human being.

My husband and I have had a second child since coming to Israel and my parents have not seen him.

With your help, I hope that something can be done to allow them to leave. May your efforts on their behalf be blessed, and we all hope for the day that no Jew will suffer against his will in the Soviet Union.

Mr. Speaker, Alexander Maryasin, his wife, and daughter have repeatedly tried since 1973, to obtain exit approval from the Soviet Government. They have been repeatedly refused, with no reason given.

I believe that as Members of the U.S. Congress, we must continue to speak out against these actions of the Soviet Government.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to, under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

NATIONAL LUPUS WEEK

Mr. LEHMAN. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 24) to provide for the designation of a week as "National Lupus Week."

The Clerk read as follows:

H.J. RES. 24

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating the week of September 18 through 24, 1977, as "National Lupus Week" and inviting the Governors of the several States, the chief officials of local governments, and the people of the United States to observe such same week with appropriate ceremonies and activities.

The SPEAKER. Is a second demanded?

Mr. BAUMAN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Florida (Mr. LEHMAN) will be recognized for 20 minutes, and the gentleman from Maryland (Mr. BAUMAN) will be recognized for 20 minutes.

Mr. LEHMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Joint Resolution 24 is the first commemorative legislation to be reported by the Post Office and Civil Service Committee during this Congress.

Under the policy unanimously reestablished by the full committee earlier this session such legislation can only be considered when:

First, over 218 Members cosponsor a particular resolution;

Second, the legislation calls for only a 1-year observance; and

Third, the legislation does not pertain to any commercial, educational, municipal or political entity.

House Joint Resolution 24, which was introduced by the gentleman from California (Mr. ANDERSON), has met this very stringent criteria. A total of 234 Members have endorsed this proposal which calls attention to the disease of lupus erythematosus by designating the week of September 18–24, 1977, as "National Lupus Week."

Lupus erythematosus is a chronic and sometimes fatal disease of the connective tissues between vital organs. Lupus has eluded any diagnosis, but it is believed that at least 500,000 Americans are afflicted with this disease. It is more prevalent than other well-known diseases such as multiple sclerosis and muscular distrophy. Therefore, drawing public attention to this little known, but quite prevalent fatal disease, will encourage research as well as diagnosis and treatment.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. ANDERSON).

Mr. ANDERSON of California. Mr. Speaker, today we meet to consider House Joint Resolution 24, a bill authorizing the President to proclaim the week of September 18–24, 1977, as "National Lupus Week."

It is altogether fitting and proper that we should do this. Lupus, or in more scientific terms, lupus erythematosus (a-rith-ma-toe-sus) is a relatively unknown, sometimes fatal disease that currently afflicts over 500,000 Americans.

Though it has gone largely unknown by the majority of us, lupus has been known to doctors since 1828 when it was first described by a French dermatologist. Early studies were simply descriptions of the disease with emphasis upon the skin changes seen. Forty-five years later, a dermatologist named Kaposi (ka-po-see) noted that some lupus patients also showed signs of disease in internal organs as well.

In 1948, Dr. Malcolm Hargraves of the Mayo Clinic was the first to report the lupus cell. His discovery has enabled physicians to identify many more cases of lupus, simply by using a blood test.

Now, lupus is far more common than rheumatic fever, leukemia, cystic fibrosis, muscular dystrophy, multiple sclerosis, and other more widely known diseases.

WHAT IS LUPUS?

Lupus usually appears in one of two forms: Discoid lupus—the skin form. or systemic lupus—the internal form. Neither is contagious.

Discoid lupus has a skin rash with raised, red, scaly areas, most commonly on the face.

Systemic lupus may have the skin rash, like discoid. It normally appears on the cheeks and bridge of the nose. It resembles a butterfly in shape. Most patients complain of joint pains similar to those which occur with rheumatoid arthritis.

Systemic lupus patients may also have pains in the chest on breathing, anemia, and often, kidney involvement.

Seven of every ten patients with lupus are women, usually in their late twenties. The cause is unknown.

Some theories are that patients develop antibodies against their own tissues. It is as if they had been vaccinated against themselves and had more or less become allergic to their own bodies.

Mr. Speaker, I hope that our action today will help the National Lupus Society and the various regional lupus chapters to publicize this disease. Hopefully, with increased attention and public awareness, those people who have symptoms like I described earlier, will have skin biopsies and physical examinations.

Because, Mr. Speaker, there are several effective treatment methods that can help lupus patients continue working and living near normal lives.

With more public awareness and expanded clinical research into the possible causes of lupus, we can give hope to the hundreds of thousands of lupus patients across the country.

A great deal of fast-moving research is going on throughout the country and the world. Last year over $7.5 million in Federal research grants was distributed by the National Institutes on Health.

Expanded study of lupus could possibly lead to discoveries into such related disorders as rheumatoid arthritis.

On behalf of the 500,000 lupus patients across this country and the 224 Members of this House of the Congress who have joined me in cosponsorship of House Joint Resolution 24, I now ask that we suspend the rules and pass without objection this measure to designate the week of September 18–24, 1977, as "National Lupus Week."

I have talked with the leadership of the other body of this Congress and they have assured me that rapid action will be taken on this measure—probably within the week.

An affirmative vote today can speed this worthwhile resolution to the President and thus allow us to bring this disease to the public's attention.

I now ask consent to include with my remarks a complete listing of those Representatives who have cosponsored House Joint Resolution 24. Over 40 States are represented in the listing of cosponsors, as are Puerto Rico, the District of Columbia, Guam, and the Virgin Islands.

My sincerest words of respect go out today to Mike Denn, the president of the National Lupus Society, Milt Abram of the New York chapter, Pat Mondelli of the Tennessee chapter, Jan Hornbeck of the central Illinois chapter, Mrs. Leopold Kruger of the southern Arizona chapter, and Mrs. Donald Kidd, Jr., of the Knoxville, Tenn. chapter.

September 18–24, 1977, will be their week. It is my sincere hope that "National Lupus Week" will demonstrate that it is not the desire of the Congress to ignore this disease and these hundreds of thousands of lupus patients. It will show our concern and willingness to join in the fighter to combat this disease.

NATIONAL LUPUS WEEK, 1977 COSPONSORS

ALABAMA

Tom Bevill, Walter Flowers.

ALASKA

Don Young.

ARIZONA

Morris Udall, Bob Stump.

ARKANSAS

John Paul Hammerschmidt.

CALIFORNIA

Bizz Johnson, Robert Leggett, John Burton, Phillip Burton, Ron Dellums, Pete Stark, Leo Ryan, Norman Mineta, John McFall, Bernie Sisk.

Leon Panetta, John Krebs, Bill Ketchum, Robert Lagomarsino, Barry Goldwater, Jr., James Corman, Carlos Moorhead, Anthony Beilenson, Henry Waxman, Edward Roybal.

Robert Dornan, Yvonne Burke, Augustus Hawkins, George Danielson, Charles H. Wilson, Glenn Anderson, Del Clawson, Mark Hannaford, Jim Lloyd.

George Brown, Shirley Pettis, Jerry Patterson, Charles Wiggins, Lionel Van Deerlin, Clair Burgener.

COLORADO

Frank Evans.

CONNECTICUT

William Cotter, Stewart McKinney, Ronald Sarasin, Toby Moffett.

FLORIDA

Don Fuqua, Charles Bennett, Andy Ireland, Louis Frey, Paul Rogers, J. Herbert Burke, Claude Pepper.

GEORGIA

Bo Ginn, Dawson Mathis, Jack Brinkley, Elliott Levitas, John J. Flynt, Larry McDonald, Billy Lee Evans, Ed Jenkins.

HAWAII

Cec Heftel, Daniel Akaka.

IDAHO

Steven Symms, George Hansen.

ILLINOIS

Ralph Metcalfe, Marty Russo, John Fary, Henry Hyde, Cardiss Collins, Sidney Yates, Abner Mikva, Frank Annunzio, George O'Brien, Tom Railsback, Melvin Price, Paul Simon.

INDIANA

John Brademas, David Cornwell.

KANSAS

Keith Sebelius, Larry Winn, Dan Glickman.

KENTUCKY

Romano Mazzoli, Tim Lee Carter, John Breckinridge, Carl Perkins.

LOUISIANA

Joe Waggonner.

MARYLAND

Barbara Mikulski, Gladys Spellman, Parren Mitchell.

MASSACHUSETTS

Silvio Conte, Robert Drinan, Joe Moakley, Margaret Heckler.

MICHIGAN

Garry Brown, Dale Kildee, Bob Traxler, Guy Vander Jagt, David Bonior, Lucien Nedzi, William Ford, William Brodhead, James Blanchard.

MINNESOTA

Albert Quie, Bruce Vento, Richard Nolan, James Oberstar.

MISSISSIPPI

David Bowen, Trent Lott.

MISSOURI

Robert Young, Richard Bolling, E. Thomas Coleman, Gene Taylor, Harold Volkmer.

MONTANA

Max Baucus, Ron Marlenee.

NEBRASKA

John Cavanaugh.

NEVADA

Jim Santini.

NEW HAMPSHIRE

Norman D'Amours, James Cleveland.

NEW JERSEY

William Hughes, James Howard, Millicent Fenwick, Andrew Maguire, Robert Roe, Harold Hollenbeck, Peter Rodino, Joseph Minish, Matthew Rinaldo, Helen Meyner, Joseph Le Fante, Edward Patten.

NEW YORK

Otis Pike, Thomas Downey, Norman Lent, Lester Wolff, Joseph Addabbo, Mario Biaggi, James Scheuer, Shirley Chisholm, Stephen Solarz, Frederick Richmond, Leo Zeferetti, John Murphy.

Charles Rangel, Ted Weiss, Herman Badillo, Richard Ottinger, Hamilton Fish, Benjamin Gilman, Matthew McHugh, Edward Pattison, James Hanley, William Walsh, Frank Horton, John LaFalce, Jack Kemp.

NORTH CAROLINA

Stephen Neal, Bill Hefner, James Martin.

OHIO

Willis Gradison, Tennyson Guyer, William Harsha, Clarence Miller, J. William Stanton, Charles Carney, Mary Rose Oakar, Louis Stokes, Ron Mottl.

OKLAHOMA

James Jones, Ted Risenhoover, Tom Steed, Mickey Edwards.

OREGON

Les AuCoin, Al Ullman.

PENNSYLVANIA

Michael Myers, Robert Nix, Raymond Lederer, Joshua Eilberg, Gus Yatron, Robert Edgar, Peter Kostmayer, Daniel Flood.

Lawrence Coughlin, William Moorhead, Robert Walker, Allen Ertel, Doug Walgren, Joseph Gaydos, Austin Murphy.

SOUTH CAROLINA

Mendel Davis, James Mann, Ken Holland, John Jenrette.

SOUTH DAKOTA

James Abdnor.

TENNESSEE

James Quillen, John Duncan, Marilyn Lloyd, Albert Gore, Clifford Allen, Robin Beard, Ed Jones, Harold Ford.

TEXAS

Sam Hall, Charles Wilson, Ray Roberts, Bill Archer, W. R. Poage, E de la Garza, Henry Gonzalez, Abraham Kazen.

VIRGINIA

J. Kenneth Robinson.

WEST VIRGINIA

Robert Mollohan, Harley Staggers, John Slack, Nick Rahall.

WISCONSIN

Alvin Baldus, Henry Reuss, William Steiger.

PUERTO RICO

Baltasar Corrada.

DISTRICT OF COLUMBIA

Walter Fauntroy.

GUAM

Antonio Won Pat.

VIRGIN ISLANDS

Ron de Lugo.

Mr. Speaker, I also ask consent to include at the conclusion of my remarks today a reprint from a publication of the National Lupus Society. It answers those most commonly asked question regarding lupus.

THE AMERICAN LUPUS SOCIETY

The officers and directors of the Lay Board of the American Lupus Society (T.A.L.S.) as well as the members of its Medical Advisory Committee serve without compensation. With the exception of a minor percentage used for operational costs, funds collected by our all volunteer staff are used by the Society to promote and encourage research and to focus lay and professional attention upon this widely prevalent but little known catastrophic disease.

KNOWLEDGE IS POWER

Unlike victims of many other diseases, Lupus sufferers have the additional difficulty of being confused by the intricate symptoms of their condition. Because the symptoms of the disease are so varied the Lupus patient often begins to have doubts about everything connected with his treatment. He is baffled by the many variations in his symptoms by the unruly character of the illness: he is carried away by the will-of-the-wisp of various cure-alls.

Since its founding, the TALS has been the recipient of a continuous stream of communications from patients and their relatives. Many of them relate their own experiences in the hope that they may benefit research. For this the Society is thankful. Others express the desperate hope that a cure may be found in time to benefit them. To this end The American Lupus Society is dedicated. All communications received at the Society's office contain many questions. It is obviously impossible to enter into personal correspondence with thousands of writers on subjects which are strictly within the purview of the personal physician. We have, however, selected the questions most commonly asked, and by answering them hope to drive home the paramount truth; that while knowledge is power—a smattering of knowledge, the use of facts out of context may carry grave danger. The best sources of information are: your physician, your local medical society, your branch of the American Medical Association. Beware of quacks! Remember that Lupus is a serious disease. Remember, too, that any valuable information in possession of bona fide authorities becomes immediately available to physicians everywhere through the medium of authoritative and recognized medical journals. Beware of claims by unscrupulous parties that their information is exclusive.

It is the aim and function of the Society to broaden research, to provide the necessary funds to bona fide institutions and personnel, and to publish material thus gathered, through the proper medical and lay channels.

The following answers to questions most frequently asked by patients and their families are designated to give the laymen a better understanding of this knotty problem. We are confident, too, that every man and woman who have had a glimpse into the tragic ravages wrought by this enemy of mankind will join The American Lupus Society in its crusade for victory.

Q. I read your pamphlet on Lupus. It sure sounds like the symptoms my wife has. How can we make sure?

A. Any symptoms (of any disease) must be diagnosed by a physician. Beware of diagnosis by mail. Do not imagine all sorts of illnesses. Let our doctor diagnose your wife's condition.

Q. Is there more than one type of lupus?

A. There are many different forms of the illness varying from patients who have small localized skin lesions which may never extend (so-called discoid lupus erythematosus) to those who have minimal or no skin changes but many internal manifestations—the systemic variety (systemic lupus erythematosus).

Q. Are there any new drugs for the treatment of lupus?

A. There are new drugs discovered constantly. These may differ in their essential properties and effects. Your physician is the only competent person to switch from one drug to another.

Q. I will be glad to send you a history of my illness. Perhaps others will benefit by it.

A. It is the interpretation of symptoms and findings in relation to many other factors in each individual patient that serve to establish general conclusions. It must therefore be left to the physician to isolate the extraordinary experiences and communicate them to the medical profession.

Q. Can you recommend a good doctor in X-ville, N.D.?

A. If your illness is one with primary skin manifestations then a competent dermatologist should be consulted. If rheumatic and other internal manifestations are the problem, an internist should be seen. The names of such physicians can be obtained from the Directory of Medical Specialists which lists board certified specialists throughout the country. This volume is published by Marquis—Who's-Who, Inc., 210 East Ohio Street, Chicago 11, Illinois. It is available in most libraries. You can also obtain the names of such specialists from your local medical society, physician or hospital.

Q. Is lupus (in any of its manifestations) contagious?

A. No.

Q. Is lupus hereditary?

A. There is about a 2% incidence in families.

Q. Is lupus curable?

A. Unfortunately, there is no definite known cure at present. Remission (spontaneous cessation) is not uncommon. Sufficient progress has been made to render the disease more tractable through the use of drugs.

Q. Can lupus be cured by diet?

A. No. Diet may be an important consideration as it is in treatment of other diseases. The competent physician will recognize its place in the general medical regime of the patient. Beware of quacks, cure-alls and miracle performers who would cure anything by diet.

Q. Is lupus caused by allergies?

A. This theory is being investigated. Today there is no evidence to support such supposition.

Q. Is climate a factor in becoming infected with this disease?

A. No. There is no evidence that climatic conditions cause the disease. However, exposure to the sun is detrimental to many lupus patients.

Q. Is Scleroderma the same as lupus?

A. Scleroderma belongs to the category of Collagen or connective tissue diseases, and is related to lupus.

Q. Is it true that lupus is more prevalent among women?

A. Yes. The ratio of women to men having lupus may be as high as 10:1.

Q. Can you suggest names of hospitals or clinics devoted largely to treatment of lupus?

A. Most large medical schools have clinics where many lupus patients are examined and followed. If skin changes are the major problem, these are usually treated in the dermatology department. If internal or rheumatic changes are present the patients are followed in the internal medicine or rheumatic disease departments. You can contact your nearest medical school for information about the availability of such clinics and names of physicians familiar with lupus.

Q. Why do you consider lupus a major catastrophic disease?

A. The absence of a known cure; the long term character of the disease; its degenerative effects; its mortality ratio; its impoverishing effects upon the person of average means—all these place lupus among the ten major diseases known.

Q. Is there hope? What is the outlook for the future?

A. Indeed, there is hope! In recent years the mortality rate from lupus has been cut drastically. Early diagnosis may prolong life indefinitely. Increased research, greater vigilance on the part of the public, better medical care—all these factors point to victory.

Q. How can I help?

A. You can help by making a contribution towards research. By bringing this problem to the attention of your friends who are in a position to help. Much money is needed. Small or large, a contribution helps pierce the armor of this formidable enemy. Ask your church, your club, your union, your business association to make a contribution. Remember: no one is immune from this disease. It strikes the rich as well as the poor. It knows no boundaries of race or religion. This is everybody's fight.

Q. Does the American Lupus Society supply special information?

A. Requests for technical information should be obtained through your physician. The ALS will answer inquiries from doctors relating to medical problems in connection with lupus. General information will be made available to the public at large.

Mr. DERWINSKI. Mr. Speaker, in rather routine fashion, House Joint Resolution 24, designating the week of September 18 through 24 as "National Lupus Week," was reported unanimously by the House Post Office and Civil Service Committee on June 22. Unfortunately, we are not dealing with a routine subject which has been the beneficiary of widespread publicity, understanding, and support.

In requesting the President to issue a proclamation and in inviting the Governors of the States and the chief officials of local governments to observe the week with appropriate activities, we will be emphasizing the seriousness of a chronic and ultimately fatal disease. It can be a catastrophic disease affecting the kidneys, heart, and central nervous system, and there is no known cure.

Lupus sufferers are confused by the variety of symptoms associated with the disease. Some patients have localized skin lesions while others experience minimal or no skin changes but do have serious internal problems.

Available statistics indicate there are 50,000 new lupus patients each year in the United States, and a total of 500,000 lupus patients.

There is also evidence a high percentage of lupus patients are women of childbearing age. Seven of ten patients with the skin form of the disease are women, usually in their late twenties. Nine of ten patients with the internal form are women, with half of them developing their first symptoms between ages 15 and 25.

The long-term character of the disease, its degenerative effects, and the absence of a known cure underscore the need for much more medical research and greater vigilance on the part of the public.

In calling attention to this serious disease, House Joint Resolution 24 is making a significant contribution in a campaign to develop more research, understanding, and a cure.

Mr. WEISS. Mr. Speaker, more than 500,000 Americans are afflicted with lupus

erythematosus—loop-us air-ith-may-toe-sus—a disorder of the body's immune system that destroys the first line of defense against infection. Because lupus has no known cause or cure and because it affects more Americans than well-known diseases like leukemia, cystic fibrosis, multiple sclerosis, or muscular dystrophy, the dangers of this disease need to be brought to the public's attention.

The joint resolution (H.J. Res. 24) before us declares the week of September 18–24, 1977, "National Lupus Week." I was honored to cosponsor this legislation with my distinguished colleague from California, Mr. GLENN ANDERSON, and 233 other Members.

Seldom is it as warranted for Congress to set aside a week for national recognition as it is in this case. I am grateful that my colleagues have joined me in calling on all Americans to be aware of and concerned about this debilitating disease.

Mr. LEHMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BAUMAN. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

The SPEAKER. The question is on the motion offered by the gentleman from Florida (Mr. LEHMAN) that the House suspend the rules and pass the joint resolution (H.J. Res. 24).

The question was taken.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to the provisions of clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

AUTHORIZING THE SECRETARY OF INTERIOR TO ERECT A MEMORIAL IN HONOR OF THE 56 SIGNERS OF THE DECLARATION OF INDEPENDENCE IN CONSTITUTION GARDENS IN THE DISTRICT OF COLUMBIA

Mr. NEDZI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2960) to authorize the Secretary of the Interior to erect a memorial in honor of the 56 signers of the Declaration of Independence in Constitution Gardens in the District of Columbia, as amended.

The Clerk read as follows:

H.R. 2960

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") may establish a memorial in honor of the fifty-six men who signed the Declaration of Independence, such memorial to be on a suitable site selected by the Secretary, the approval of the National Commission of Fine Arts and the National Capital Planning Commission, in the area known as Constitution Gardens, in the District of Columbia.

SEC. 2. The Administrator of the American Revolution Bicentennial Administration (hereinafter in this Act referred to as the "Administrator") shall prepare, in consultation with the American Revolution Bicentennial Board, the Secretary, the National Commission of Fine Arts, and the National Capital Planning Commission, the design and plans for the memorial authorized by the first section.

SEC. 3 (a) Not to exceed $500,000 of the funds, other than appropriated funds, which are available to the American Revolution Bicentennial Administration under the Act entitled "An Act to establish the American Revolution Bicentennial Administration, and for other purposes," approved December 11, 1973 (87 Stat. 697), and as approved by the American Revolution Bicentennial Board, may be used to carry out the provisions of the first two sections of this Act.

(b) Of the funds described in subsection (a) which are not used by the Administrator in carrying out the provisions of section 2, the Administrator shall transfer to the Secretary such sums as may be necessary to enable the Secretary to carry out the provisions of the first section of this Act.

SEC. 4 (a) The establishment of the memorial authorized by the first section may not begin unless the Secretary determines that sums expended in carrying out the first two sections of this Act will not exceed $500,000. Such determination shall be made in consultation with the Administrator if the American Revolution Bicentennial Administration has not terminated pursuant to section 7 of the Act of December 11, 1973 (87 Stat. 701).

(b) The authority contained in the first section shall expire unless the establishment of the memorial authorized by such section is begun within two years after the date of the enactment of this Act.

SEC. 5. (a) The maintenance and care of the memorial authorized under the first section shall be the responsibility of the Secretary.

(b) There are authorized to be appropriated for the fiscal year beginning on October 1, 1977, and each fiscal year thereafter such sums as may be necessary to carry out the provisions of subsection (a).

SEC. 6. No funds other than funds described in section 3 and funds authorized to be appropriated in section 5(b) may be used by the Administrator or the Secretary to carry out this Act.

SEC. 7. The Secretary shall carry out any functions of the Administrator under this Act after the termination of the American Revolution Bicentennial Administration pursuant to section 7 of the Act of December 11, 1973 (87 Stat. 701), provided that the Secretary shall consult with those persons who were members of the American Revolution Bicentennial Board on the date of its termination.

The SPEAKER. Is a second demanded?

Mr. DICKINSON. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Michigan (Mr. NEDZI) and the gentleman from Alabama (Mr. DICKINSON) are recognized for 20 minutes each.

Mr. NEDZI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill authorizes the Secretary of the Interior to establish a memorial in honor of the 56 signers of the Declaration of Independence in Constitution Gardens in the District of Columbia.

The site would be subject to the approval by the National Commission of Fine Arts and the National Capital Planning Commission.

The design and plans for the memorial are to be prepared by the Secretary, in consultation with both Commissions and with former Members of the defunct Bicentennial Board.

The bill would authorize for the memorial a sum not to exceed $500,000 available to the American Revolution Bicentennial Commission from other than appropriated funds. Authority for this memorial would expire if establishment is not begun within 2 years of enactment, and maintenance and care of the memorial would be the responsibility of the Secretary of the Interior through necessary funds to be authorized for that purpose.

Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. LEHMAN).

Mr. LEHMAN. Mr. Speaker, I thank the gentleman from Michigan (Mr. NEDZI) for yielding.

I rise in support of H.R. 2960.

Mr. Speaker, I would like to state for the record that H.R. 2960 was referred jointly to the Subcommittee on Libraries and Memorials and the Subcommittee on Census and Population. In consultation with the members of the Subcommittee on Census and Population, it was decided to relinquish jurisdiction over this bill to Mr. NEDZI's subcommittee.

Mr. Speaker, I am happy to support this bill, and I support the action of the subcommittee.

Mr. NEDZI. Mr. Speaker, I thank the gentleman.

Mr. DICKINSON. Mr. Speaker, I yield myself such time as I may consume.

I would just like to say, Mr. Speaker, that, as I understand it, there is no money included in this bill; and the amount involved will be from other than appropriated funds available to the American Revolution Bicentennial Commission.

Mr. Speaker, I know of no opposition to this bill. I support it, and I ask that the Members of the House vote affirmatively for it when it comes up for a vote.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I have read the report on this legislation. It certainly sounds like a commendable memorial. We have four distinguished signers of the Declaration of Independence from the State of Maryland. All four of them lived in the district which I have the honor to represent.

Mr. Speaker, I wanted to give the gentleman from Alabama (Mr. DICKINSON) the opportunity to say what I think he will say in response to this question: This memorial is not going to cost the taxpayers any money; is that correct?

Mr. DICKINSON. That is my understanding. There are no tax moneys involved here. The money comes from the Bicentennial Commission.

Mr. BAUMAN. And this memorial will be similar to the Lyndon Johnson Memorial down on the Potomac; is that correct? That memorial also was not going to cost the taxpayers money, nor was the Kennedy Cultural Center; is that correct?

Mr. DICKINSON. I think that is correct.

Mr. BAUMAN. None of them, when proposed, were to cost the taxpayers any

money. I just thought we ought to establish that fact as a matter of record so that a year from now when appropriations are requested we will not find something different has occurred.

Mr. DICKINSON. I think the precedent has been set, I would say to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman from Alabama for his assurances.

Mrs. BOGGS. Mr. Speaker, I enthusiastically support H.R. 2960, an act to establish a memorial in Constitution Gardens to honor the 56 signers of the Declaration of Independence—one of three great documents on which the foundations of our Government lie. Since 1973, I have had the privilege of serving as one of four congressional members of the American Revolution Bicentennial Administration Board, which was comprised of 11 members. Its mission accomplished, the Administration's authorization terminated on June 30, 1977. The board, however, felt it only fitting that a lasting symbol of significance remain.

Each of the 12,566 communities which were officially recognized by the American Revolution Bicentennial Administration had to include in its programing a project established as a permanent symbol of the community's participation in the Bicentennial. Yet, to date, the ARBA itself has not left a physical memorial to the very community in which it existed.

It has been suggested that the establishment of a memorial in Constitution Gardens is a most appropriate location, for the Gardens were indeed a product of the Bicentennial. The moneys to augment this project are derived from the surplus of ARBA's budget established through the sale of Bicentennial medals—which is approximately $500,000. It has been understood that the excess of moneys would be returned to the people of our Nation through the establishment and implementation of worthwhile projects. To fulfill this commitment to the people of the United States, there is no more appropriate use of these moneys than to enhance the beauty and meaningfulness of Constitution Gardens—a place where people not only from Washington, D.C., but from throughout the Nation and from other countries, can come to enjoy and reflect upon the last 200 years of the United States greatness and its development. The memorial will be a continuing symbol of not only the 56 signers of the Declaration of Independence, but of the dedication, devotion, and strength of the 217,000,000 people who are the present citizens of the United States of America.

To that end, I hope that you will look favorably upon H.R. 2960, and begin the establishment of this great tribute of the Bicentennial commemoration to all the Nation's people.

Mr. NEDZI. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan (Mr. NEDZI) that the House suspend the rules and pass the bill H.R. 2960, as amended.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion on which further proceedings were postponed, in the order in which that motion was entertained.

Votes will be taken in the following order:

House Joint Resolution 24, by the yeas and nays.

H.R. 2960, by the yeas and nays.

The Chair will reduce to 5 minutes the time for the second electronic vote in this series.

NATIONAL LUPUS WEEK

The SPEAKER. The unfinished business is the question of suspending the rules and passing the joint resolution (H.J. Res. 24).

The Clerk read the title of the joint resolution.

The SPEAKER. The question is on the motion offered by the gentleman from Florida (Mr. LEHMAN) that the House suspend the rules and pass the joint resolution (H.J. Res. 24) on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 297, nays 3, not voting 133, as follows:

[Roll No. 403]

YEAS—297

Abdnor	Burke, Fla.	Edgar
Akaka	Burleson, Tex.	Edwards, Ala.
Allen	Burlison, Mo.	Edwards, Calif.
Ammerman	Burton, John	Edwards, Okla.
Anderson, Calif.	Burton, Phillip	Eilberg
Anderson, Ill.	Byron	Emery
Andrews, N.C.	Caputo	English
Andrews, N. Dak.	Carney	Erlenborn
Annunzio	Carr	Ertel
Applegate	Carter	Evans, Colo.
Archer	Cavanaugh	Fascell
Ashbrook	Clawson, Del	Fenwick
Ashley	Clay	Findley
Aspin	Cochran	Fisher
AuCoin	Cohen	Flood
Badham	Coleman	Florio
Bafalis	Collins, Ill.	Foley
Baldus	Collins, Tex.	Ford, Tenn.
Bauman	Conable	Forsythe
Beard, R.I.	Conte	Fountain
Beard, Tenn.	Corcoran	Fowler
Bedell	Cornwell	Frey
Benjamin	Coughlin	Fuqua
Bennett	Crane	Gammage
Bevill	Cunningham	Gephardt
Bingham	D'Amours	Ginn
Blanchard	Daniel, R. W.	Goodling
Boland	Danielson	Gore
Bonker	de la Garza	Gradison
Bowen	Delaney	Grassley
Breaux	Dellums	Gudger
Breckinridge	Derrick	Guyer
Brinkley	Derwinski	Hall
Brodhead	Dickinson	Hammer-schmidt
Brooks	Dicks	Hanley
Broomfield	Dingell	Hannaford
Brown, Calif.	Dornan	Hansen
Brown, Ohio	Downey	Harris
Buchanan	Drinan	Hawkins
Burgener	Duncan, Oreg.	Heckler
	Duncan, Tenn.	Heftel
	Early	
Hightower	Miller, Ohio	Shipley
Hillis	Mineta	Sikes
Hollenbeck	Minish	Simon
Holt	Mitchell, Md.	Sisk
Horton	Mitchell, N.Y.	Skelton
Huckaby	Moakley	Skubitz
Hughes	Moffett	Slack
Hyde	Mollohan	Smith, Iowa
Ichord	Montgomery	Smith, Nebr.
Ireland	Moore	Snyder
Jacobs	Moorhead, Calif.	Solarz
Jenkins	Moorhead, Pa.	Spence
Jenrette	Mottl	St Germain
Johnson, Calif.	Murphy, N.Y.	Staggers
Jones, N.C.	Murtha	Stangeland
Jones, Okla.	Myers, John	Stark
Kasten	Natcher	Steed
Kazen	Neal	Steers
Kelly	Nedzi	Steiger
Kemp	Nichols	Stockman
Keys	Nix	Stokes
Kildee	Oakar	Stratton
Kindness	Oberstar	Studds
Kostmayer	Ottinger	Symms
Krebs	Panetta	Taylor
Krueger	Patten	Thompson
LaFalce	Patterson	Thone
Lagomarsino	Pattison	Thornton
Latta	Pease	Traxler
Le Fante	Pepper	Treen
Leach	Perkins	Trible
Leggett	Pettis	Tsongas
Lehman	Poage	Ullman
Lent	Pressler	Vanik
Lloyd, Calif.	Price	Vento
Lloyd, Tenn.	Pritchard	Volkmer
Long, La.	Pursell	Waggonner
Long, Md.	Quie	Walgren
Lott	Rahall	Walker
Lujan	Rangel	Walsh
Luken	Regula	Wampler
McClory	Reuss	Watkins
McCloskey	Richmond	Waxman
McCormack	Rinaldo	Weaver
McDonald	Risenhoover	Weiss
McEwen	Robinson	Whalen
McFall	Rogers	White
McHugh	Rooney	Whitehurst
McKay	Rose	Whitley
Maguire	Rostenkowski	Wilson, Tex.
Mahon	Roybal	Wirth
Markey	Rudd	Wolff
Marks	Runnels	Wright
Marlenee	Sarasin	Wylie
Marriott	Satterfield	Yatron
Mathis	Scheuer	Young, Fla.
Mattox	Sebelius	Young, Tex.
Mazzoli	Sharp	
Miller, Calif.		

NAYS—3

Myers, Gary	Schroeder	Wilson, C. H.

NOT VOTING—133

Addabbo	Fary	Mann
Alexander	Fish	Martin
Ambro	Fithian	Meeds
Armstrong	Flippo	Metcalfe
Badillo	Flowers	Meyner
Barnard	Flynt	Michel
Baucus	Ford, Mich.	Mikulski
Bellenson	Fraser	Mikva
Biaggi	Frenzel	Milford
Blouin	Gaydos	Moss
Boggs	Giaimo	Murphy, Ill.
Bolling	Gibbons	Murphy, Pa.
Bonior	Gilman	Myers, Michael
Brademas	Glickman	Nolan
Brown, Mich.	Goldwater	Nowak
Broyhill	Gonzalez	O'Brien
Burke, Calif.	Hagedorn	Obey
Burke, Mass.	Hamilton	Pickle
Butler	Harkin	Pike
Cederberg	Harrington	Preyer
Chappell	Harsha	Quayle
Chisholm	Hefner	Quillen
Clausen, Don H.	Holland	Railsback
Cleveland	Holtzman	Rhodes
Conyers	Howard	Roberts
Corman	Hubbard	Rodino
Cornell	Jeffords	Roe
Cotter	Johnson, Colo.	Roncalio
Daniel, Dan	Jones, Tenn.	Rosenthal
Davis	Jordan	Rousselot
Dent	Kastenmeier	Ruppe
Devine	Ketchum	Russo
Diggs	Koch	Ryan
Dodd	Lederer	Santini
Eckhardt	Levitas	Sawyer
Evans, Del.	Lundine	Schulze
Evans, Ga.	McDade	Seiberling
Evans, Ind.	McKinney	Shuster
	Madigan	Spellman

Stanton	Vander Jagt	Yates
Stump	Whitten	Young, Alaska
Teague	Wiggins	Young, Mo.
Tucker	Wilson, Bob	Zablocki
Udall	Winn	Zeferetti
Van Deerlin	Wydler	

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Alexander.
Mr. Burke of Massachusetts with Mr. Cederberg.
Mr. Zablocki with Mr. Shuster.
Ms. Boggs with Mr. Wiggins.
Mr. Brademas with Mr. Madigan.
Mr. Badillo with Mr. O'Brien.
Ms. Burke of California with Mr. Michel.
Ms. Spellman with Mr. Cleveland.
Ms. Jordan with Mr. Martin.
Mr. Koch with Mr. Brown of Michigan.
Ms. Mikulski with Mr. Quayle.
Mr. Barnard with Mr. Bob Wilson.
Mr. Biaggi with Mr. Devine.
Mr. Young of Missouri with Mr. Dan Daniel.
Ms. Holtzman with Mr. Flynt.
Mr. Zeferetti with Mr. Broyhill.
Mr. Whitten with Mr. Quillen.
Mr. Teague with Mr. Frenzel.
Mr. Harrington with Mr. Winn.
Mr. Corman with Mr. Railsback.
Mr. Cotter with Mr. Goldwater.
Mr. Dent with Mr. Butler.
Mr. Diggs with Mr. Rousselot.
Mr. Dodd with Mr. McDade.
Mr. Fary with Mr. Vander Jagt.
Mr. Flippo with Mr. Hagedorn.
Mr. Ford of Michigan with Mr. Young of Alaska.
Mr. Meeds with Mr. Jeffords.
Mr. Metcalfe with Mr. Ruppe.
Ms. Meyner with Mr. McKinney.
Mr. Mann with Mr. Sawyer.
Mr. Santini with Mr. Harsha.
Mr. Russo with Mr. Johnson of Colorado.
Mr. Rodino with Mr. Schulze.
Mr. Roberts with Mr. Stanton.
Mr. Pike with Mr. Stump.
Mr. Ambro with Mr. Don H. Clauson.
Mr. Beilenson with Mr. Evans of Delaware.
Mr. Levitas with Mr. Hefner.
Mr. Chappell with Mr. Holland.
Ms. Chisholm with Mr. Howard.
Mr. Giaimo with Mr. Hubbard.
Mr. Conyers with Mr. Jones of Tennessee.
Mr. Cornell with Mr. Lundine.
Mr. Davis with Mr. Kastenmeier.
Mr. Eckhardt with Mr. Murphy of Illinois.
Mr. Evans of Indiana with Mr. Nolan.
Mr. Fithian with Mr. Nowak.
Mr. Fraser with Mr. Obey.
Mr. Pickle with Mr. Roe.
Mr. Roncalio with Mr. Rosenthal.
Mr. Seiberling with Mr. Ryan.
Mr. Udall with Mr. Van Deerlin.
Mr. Yates with Mr. Preyer.
Mr. Baucus with Mr. Bonior.
Mr. Evans of Georgia with Mr. Flowers.
Mr. Gaydos with Mr. Gibbons.
Mr. Glickman with Mr. Gilman.
Mr. Gonzalez with Mr. Hamilton.
Mr. Harkin with Mr. Lederer.
Mr. Mikva with Mr. Milford.
Mr. Gross with Mr. Murphy of Pennsylvania.
Mr. Michael O. Myers with Mr. Tucker.

So (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE SECRETARY OF THE INTERIOR TO ERECT A MEMORIAL IN HONOR OF THE 56 SIGNERS OF THE DECLARATION OF INDEPENDENCE IN CONSTITUTION GARDENS IN THE DISTRICT OF COLUMBIA

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 2960, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. NEDZI) that the House suspend the rules and pass the bill H.R. 2960, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 302, nays 3, not voting 128, as follows:

[Roll No. 404]

YEAS—302

Abdnor	Danielson	Ireland
Akaka	de la Garza	Jacobs
Allen	Delaney	Jenkins
Ammerman	Dellums	Jenrette
Anderson, Calif.	Derrick	Johnson, Calif.
Anderson, Ill.	Derwinski	Jones, N.C.
Andrews, N.C.	Dickinson	Jones, Okla.
Andrews, N. Dak.	Dicks	Kasten
	Dingell	Kazen
Annunzio	Dornan	Kelly
Applegate	Downey	Kemp
Archer	Drinan	Keys
Ashbrook	Duncan, Oreg.	Kildee
Ashley	Duncan, Tenn.	Kindness
Aspin	Early	Kostmayer
AuCoin	Edgar	Krebs
Badham	Edwards, Ala.	Krueger
Bafalis	Edwards, Calif.	LaFalce
Baldus	Edwards, Okla.	Lagomarsino
Baucus	Eilberg	Latta
Bauman	Emery	Le Fante
Beard, R.I.	English	Leach
Beard, Tenn.	Erlenborn	Leggett
Bedell	Ertel	Lehman
Benjamin	Evans, Colo.	Lent
Bennett	Evans, Ga.	Lloyd, Calif.
Bevill	Fascell	Lloyd, Tenn.
Bingham	Fenwick	Long, La.
Blanchard	Findley	Long, Md.
Boland	Fisher	Lott
Bonker	Flood	Lujan
Bowen	Florio	Luken
Breaux	Flowers	McClory
Breckinridge	Foley	McCloskey
Brinkley	Ford, Tenn.	McCormack
Brodhead	Forsythe	McDonald
Brooks	Fountain	McEwen
Broomfield	Fowler	McFall
Brown, Calif.	Frey	McHugh
Brown, Ohio	Fuqua	McKay
Buchanan	Gammage	Maguire
Burgener	Gaydos	Mahon
Burke, Fla.	Gephardt	Markey
Burleson, Tex.	Ginn	Marks
Burlison, Mo.	Gore	Marlenee
Burton, John	Gradison	Marriott
Burton, Phillip	Grassley	Mathis
Byron	Gudger	Mattox
Caputo	Guyer	Mazzoli
Carney	Hall	Miller, Calif.
Carr	Hammer-schmidt	Miller, Ohio
Carter		Mineta
Cavanaugh	Hanley	Minish
Clawson, Del	Hannaford	Mitchell, Md.
Clay	Hansen	Mitchell, N.Y.
Cochran	Harris	Moakley
Cohen	Hawkins	Mollohan
Coleman	Heckler	Montgomery
Collins, Ill.	Heftel	Moore
Collins, Tex.	Hightower	Moorhead, Calif.
Conable	Hillis	
Conte	Hollenbeck	Moorhead, Pa.
Cornwell	Holt	Moss
Coughlin	Horton	Mottl
Crane	Huckaby	Murphy, N.Y.
Cunningham	Hughes	Murtha
D'Amours	Hyde	Myers, John
Daniel, R. W.	Ichord	Natcher
Neal	Rudd	Thone
Nedzi	Runnels	Thornton
Nichols	Sarasin	Traxler
Nix	Satterfield	Treen
Oakar	Scheuer	Trible
Oberstar	Schroeder	Tsongas
Ottinger	Sebelius	Ullman
Panetta	Sharp	Vanik
Patten	Shipley	Vento
Patterson	Sikes	Volkmer
Pattison	Simon	Waggonner
Pease	Sisk	Walgren
Pepper	Skelton	Walker
Perkins	Skubitz	Walsh
Pettis	Slack	Wampler
Poage	Smith, Iowa	Watkins
Pressler	Smith, Nebr.	Waxman
Price	Snyder	Weaver
Pritchard	Solarz	Weiss
Pursell	Spence	Whalen
Quie	St Germain	White
Rahall	Staggers	Whitehurst
Rangel	Stangeland	Whitley
Regula	Stark	Wilson, C. H.
Reuss	Steed	Wilson, Tex.
Richmond	Steers	Wirth
Rinaldo	Steiger	Wolff
Risenhoover	Stockman	Wright
Robinson	Stokes	Wydler
Rogers	Stratton	Wylie
Rooney	Studds	Yatron
Rose	Symms	Young, Fla.
Rostenkowski	Taylor	Young, Tex.
Roybal	Thompson	

NAYS—3

Corcoran	Goodling	Myers, Gary

NOT VOTING—128

Addabbo	Fraser	Myers, Michael
Alexander	Frenzel	Nolan
Ambro	Giaimo	Nowak
Armstrong	Gibbons	O'Brien
Badillo	Gilman	Obey
Barnard	Glickman	Pickle
Beilenson	Goldwater	Pike
Biaggi	Gonzalez	Preyer
Blouin	Hagedorn	Quayle
Boggs	Hamilton	Quillen
Bolling	Harkin	Railsback
Bonior	Harrington	Rhodes
Brademas	Harsha	Roberts
Brown, Mich.	Hefner	Rodino
Broyhill	Holland	Roe
Burke, Calif.	Holtzman	Roncalio
Burke, Mass.	Howard	Rosenthal
Butler	Hubbard	Rousselot
Cederberg	Jeffords	Ruppe
Chappell	Johnson, Colo.	Russo
Chisholm	Jones, Tenn.	Ryan
Clausen, Don H.	Jordan	Santini
	Kastenmeier	Sawyer
Cleveland	Ketchum	Schulze
Conyers	Koch	Seiberling
Corman	Lederer	Shuster
Cornell	Levitas	Spellman
Cotter	Lundine	Stanton
Daniel, Dan	McDade	Stump
Davis	McKinney	Teague
Dent	Madigan	Tucker
Devine	Mann	Udall
Diggs	Martin	Van Deerlin
Dodd	Meeds	Vander Jagt
Eckhardt	Metcalfe	Whitten
Evans, Del.	Meyner	Wiggins
Evans, Ind.	Michel	Wilson, Bob
Fary	Mikulski	Winn
Fish	Mikva	Yates
Fithian	Milford	Young, Alaska
Flippo	Moffett	Young, Mo.
Flynt	Murphy, Ill.	Zablocki
Ford, Mich.	Murphy, Pa.	Zeferetti

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Alexander.
Mr. Burke of Massachusetts with Mr. Cederberg.
Mr. Zablocki with Mr. Shuster.
Ms. Boggs with Mr. Wiggins.
Mr. Brademas with Mr. Madigan.
Mr. Badillo with Mr. O'Brien.
Ms. Burke of California with Mr. Michel.
Ms. Spellman with Mr. Cleveland.
Ms. Jordan with Mr. Martin.
Mr. Koch with Mr. Brown of Michigan.
Ms. Mikulski with Mr. Quayle.
Mr. Barnard with Mr. Bob Wilson.

Mr. Biaggi with Mr. Devine.
Mr. Young of Missouri with Mr. Dan Daniel.
Ms. Holtzman with Mr. Flynt.
Mr. Zeferetti with Mr. Broyhill.
Mr. Whitten with Mr. Quillen.
Mr. Teague with Mr. Frenzel.
Mr. Harrington with Mr. Winn.
Mr. Corman with Mr. Railsback.
Mr. Cotter with Mr. Goldwater.
Mr. Dent with Mr. Butler.
Mr. Diggs with Mr. Rousselot.
Mr. Dodd with Mr. McDade.
Mr. Fary with Mr. Vander Jagt.
Mr. Flippo with Mr. Hagedorn.
Mr. Ford of Michigan with Mr. Young of Alaska.
Mr. Meeds with Mr. Jeffords.
Mr. Metcalfe with Mr. Ruppe.
Ms. Meyner with Mr. McKinney.
Mr. Mann with Mr. Sawyer.
Mr. Santini with Mr. Harsha.
Mr. Russo with Mr. Johnson of Colorado.
Mr. Rodino with Mr. Schulze.
Mr. Roberts with Mr. Stanton.
Mr. Pike with Mr. Stump.
Mr. Ambro with Mr. Don H. Clausen.
Mr. Bellenson with Mr. Evans of Delaware.
Mr. Levitas with Mr. Hefner.
Mr. Chappell with Mr. Holland.
Ms. Chisholm with Mr. Howard.
Mr. Giaimo with Mr. Hubbard.
Mr. Conyers with Mr. Jones of Tennessee.
Mr. Cornell with Mr. Lundine.
Mr. Davis with Mr. Kastenmeier.
Mr. Eckhardt with Mr. Murphy of Illinois.
Mr. Evans of Indiana with Mr. Nolan.
Mr. Fithian with Mr. Nowak.
Mr. Fraser with Mr. Obey.
Mr. Pickle with Mr. Roe.
Mr. Roncalio with Mr. Rosenthal.
Mr. Seiberling with Mr. Ryan.
Mr. Udall with Mr. Van Deerlin.
Mr. Yates with Mr. Preyer.
Mr. Gibbons with Mr. Glickman.
Mr. Gonzalez with Mr. Hamilton.
Mr. Mikva with Mr. Blouin.
Mr. Bonior with Mr. Gilman.
Mr. Harkin with Mr. Lederer.
Mr. Milford with Mr. Moffett.
Mr. Michael O. Myers with Mr. Tucker.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to authorize the Secretary of the Interior to memorialize the fifty-six signers of the Declaration of Independence in Constitution Gardens in the District of Columbia.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LEHMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on House Joint Resolution 24.

The SPEAKER pro tempore (Mr. ALLEN). Is there objection to the request of the gentleman from Florida?

There was no objection.

AMENDING THE STATUTE OF LIMITATIONS PROVISIONS IN SECTION 2415 OF TITLE 8, UNITED STATES CODE, RELATING TO CLAIMS BY THE UNITED STATES ON BEHALF OF INDIANS

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 642 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 642

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5023) to amend the statute of limitations provisions in section 2415 of title 28, United States Code, relating to claims by the United States on behalf of Indians. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 5023, it shall be in order to take from the Speaker's table the Senate bill S. 1377 and to consider said Senate bill in the House.

The SPEAKER pro tempore. The gentleman from California (Mr. SISK) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 642 provides for the consideration of H.R. 5023, Indian claims. This resolution provides for an open rule with 1 hour of general debate. After the passage of H.R. 5023, the rule makes it in order for the House to take from the Speaker's table the bill, S. 1377, and to move to strike out all after the enacting clause of the Senate bill and to insert in lieu thereof the provisions contained in H.R. 5023 as passed by the House.

H.R. 5023 amends the statute of limitations provisions in section 2415 of title 28, United States Code, relating to claims by the United States on behalf of Indians. This bill would extend to December 31, 1981, the period in which the United States could litigate on behalf of American Indians, claims for damages which accrued prior to July 18, 1966. Under the present statute, such claims would expire on July 18 of this year. Difficulties in identifying and processing the claims have given rise to the need for an extention.

Both the Departments of Justice and Interior support the proposed extension. The Senate has passed a similar bill on May 27 by voice vote. The bill failed to pass the House under suspension of the rules on June 6, by a division vote of 162 yeas to 128 nays. Those opposed wanted to give the House an opportunity to amend the bill as to the date of the extension. Under an open rule, amendments to the bill are now in order.

Mr. Speaker, I urge the adoption of House Resolution 642 so that we may discuss and debate H.R. 5023.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the resolution is a 1-hour, open rule permitting consideration of H.R. 5023, a bill extending the statute of limitations relating to claims by the United States on behalf of Indians. After passage of the bill by the House, the rule makes it in order to take S. 1377 from the Speaker's table and consider it in the House.

A statute of limitations on torts or contract suits brought by the United States was imposed for the first time with the enactment of section 2415 of title 28 on July 18, 1966. This provision in the law also applies to actions brought by the United States trustee for Indians. In 1972 the limitations period was extended to July 18, 1977.

I am advised that the Interior Department has had difficulty in identifying and processing these claims and has recommended that the statute of limitations be extended until December 31, 1981. That is the purpose of this legislation for which no cost is estimated.

This is the same bill which failed under suspension of the rules in the House on June 6. There obviously is some opposition to the legislation, but it is my understanding that passage of the bill would be of particular benefit in cases where there is an opportunity to avoid litigation through negotiated settlement of certain claims.

Mr. Speaker, I urge the adoption of the rule so that we may proceed to consider the legislation further.

Mr. SISK. Mr. Speaker, I have no requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MOTTL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 299, nays 0, not voting 134, as follows:

[Roll No. 405]

YEAS—299

Abdnor	Brodhead	Derrick
Allen	Brooks	Derwinski
Ambro	Broomfield	Dickinson
Ammerman	Brown, Calif.	Dicks
Anderson, Calif.	Brown, Ohio	Dingell
	Buchanan	Dornan
Anderson, Ill.	Burke, Fla.	Downey
Andrews, N.C.	Burleson, Tex.	Drinan
Andrews, N. Dak.	Burton, John	Duncan, Oreg.
	Burton, Phillip	Duncan, Tenn.
Annunzio	Byron	Early
Applegate	Caputo	Edgar
Archer	Carney	Edwards, Ala.
Ashbrook	Carr	Edwards, Calif.
Ashley	Carter	Edwards, Okla.
Aspin	Cavanaugh	Eilberg
AuCoin	Clawson, Del	Emery
Badham	Clay	English
Bafalis	Cochran	Erlenborn
Baldus	Cohen	Ertel
Baucus	Collins, Ill.	Evans, Colo.
Bauman	Collins, Tex.	Evans, Ga.
Beard, R.I.	Conable	Fascell
Beard, Tenn.	Conte	Fenwick
Bedell	Corcoran	Findley
Benjamin	Cornwell	Fish
Bennett	Coughlin	Fisher
Bevill	Crane	Flood
Blanchard	Cunningham	Florio
Boland	D'Amours	Flowers
Bonior	Daniel, R. W.	Foley
Bonker	Danielson	Ford, Tenn.
Breaux	de la Garza	Forsythe
Breckinridge	Delaney	Fountain
Brinkley	Dellums	Fowler

Fuqua	McDonald	Rudd
Gaydos	McEwen	Runnels
Gephardt	McFall	Sarasin
Gilman	McHugh	Satterfield
Ginn	McKay	Scheuer
Goodling	Maguire	Schroeder
Gore	Mahon	Sebelius
Gradison	Markey	Sharp
Grassley	Marks	Shipley
Gudger	Marlenee	Sikes
Guyer	Marriott	Simon
Hall	Mathis	Sisk
Hammer-schmidt	Mattox	Skelton
	Mazzoli	Skubitz
Hanley	Milford	Slack
Hannaford	Miller, Calif.	Smith, Iowa
Hansen	Miller, Ohio	Smith, Nebr.
Harkin	Mineta	Snyder
Harris	Minish	Solarz
Hawkins	Mitchell, Md.	Spence
Heckler	Mitchell, N.Y.	St Germain
Heftel	Moakley	Staggers
Hightower	Moffett	Stangeland
Hillis	Mollohan	Stark
Hollenbeck	Montgomery	Steed
Holt	Moore	Steers
Horton	Moorhead, Calif.	Steiger
Huckaby		Stokes
Hughes	Moorhead, Pa.	Stratton
Hyde	Moss	Studds
Ichord	Mottl	Symms
Ireland	Murphy, N.Y.	Taylor
Jacobs	Murphy, Pa.	Thompson
Jenkins	Murtha	Thone
Jenrette	Myers, Gary	Thornton
Johnson, Calif.	Myers, John	Traxler
Jones, N.C.	Myers, Michael	Trible
Jones, Okla.	Natcher	Tsongas
Kasten	Neal	Tucker
Kazen	Nedzi	Ullman
Kelly	Nichols	Vanik
Kemp	Nix	Vento
Keys	Oberstar	Volkmer
Kildee	Ottinger	Waggonner
Kindness	Panetta	Walgren
Kostmayer	Patten	Walker
Krebs	Patterson	Walsh
Krueger	Pattison	Wampler
LaFalce	Perkins	Watkins
Lagomarsino	Pettis	Waxman
Latta	Poage	Weaver
Le Fante	Pressler	Weiss
Leach	Price	Whalen
Lederer	Pritchard	White
Leggett	Quie	Whitehurst
Lehman	Rahall	Whitley
Lloyd, Calif.	Rangel	Wilson, C. H.
Lloyd, Tenn.	Regula	Wilson, Tex.
Long, La.	Reuss	Wirth
Long, Md.	Richmond	Wolff
Lott	Rinaldo	Wright
Lujan	Risenhoover	Wydler
Luken	Rogers	Wylie
McClory	Rooney	Yatron
McCloskey	Rose	Young, Fla.
McCormack	Roybal	Young, Tex.

NAYS—0

NOT VOTING—134

Addabbo	Diggs	Levitas
Akaka	Dodd	Lundine
Alexander	Eckhardt	McDade
Armstrong	Evans, Del.	McKinney
Badillo	Evans, Ind.	Madigan
Barnard	Fary	Mann
Beilenson	Fithian	Martin
Biaggi	Flippo	Meeds
Bingham	Flynt	Metcalfe
Blouin	Ford, Mich.	Meyner
Boggs	Fraser	Michel
Bolling	Frenzel	Mikulski
Bowen	Frey	Mikva
Brademas	Gammage	Murphy, Ill.
Brown, Mich.	Giaimo	Nolan
Broyhill	Gibbons	Nowak
Burgener	Glickman	O'Brien
Burke, Calif.	Goldwater	Oakar
Burke, Mass.	Gonzalez	Obey
Burlison, Mo.	Hagedorn	Pease
Butler	Hamilton	Pepper
Cederberg	Harrington	Pickle
Chappell	Harsha	Pike
Chisholm	Hefner	Preyer
Clausen, Don H.	Holland	Pursell
	Holtzman	Quayle
Cleveland	Howard	Quillen
Coleman	Hubbard	Railsback
Conyers	Jeffords	Rhodes
Corman	Johnson, Colo.	Roberts
Cornell	Jones, Tenn.	Robinson
Cotter	Jordan	Rodino
Daniel, Dan	Kastenmeier	Roe
Davis	Ketchum	Roncalio
Dent	Koch	Rosenthal
Devine	Lent	Rostenkowski
Rousselot	Spellman	Whitten
Ruppe	Stanton	Wiggins
Russo	Stockman	Wilson, Bob
Ryan	Stump	Winn
Santini	Teague	Yates
Sawyer	Treen	Young, Alaska
Schulze	Udall	Young, Mo.
Seiberling	Van Deerlin	Zablocki
Shuster	Vander Jagt	Zeferetti

The clerk announced the following pairs:

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Ms. Boggs with Mr. Wiggins.
Mr. Brademas with Mr. Madigan.
Mr. Badillo with Mr. O'Brien.
Mrs. Burke of California with Mr. Michel.
Mrs. Spellman with Mr. Cleveland.
Miss Jordan with Mr. Martin.
Mr. Koch with Mr. Brown of Michigan.
Ms. Mikulski with Mr. Quayle.
Mr. Barnard with Mr. Bob Wilson.
Mr. Biaggi with Mr. Devine.
Mr. Young of Missouri with Mr. Dan Daniel.
Ms. Holtzman with Mr. Flynt.
Mr. Zeferetti with Mr. Broyhill.
Mr. Whitten with Mr. Quillen.
Mr. Teague with Mr. Frenzel.
Mr. Harrington with Mr. Winn.
Mr. Corman with Mr. Railsback.
Mr. Cotter with Mr. Goldwater.
Mr. Dent with Mr. Butler.
Mr. Diggs with Mr. Rousselot.
Mr. Dodd with McDade.
Mr. Fary with Mr. Vander Jagt.
Mr. Flippo with Mr. Hagedorn.
Mr. Ford of Michigan with Mr. Young of Alaska.
Mr. Meeds with Mr. Jeffords.
Mr. Metcalfe with Mr. Ruppe.
Mrs. Meyner with Mr. McKinney.
Mr. Mann with Mr. Sawyer.
Mr. Santini with Mr. Harsha.
Mr. Russo with Mr. Johnson of Colorado.
Mr. Rodino with Mr. Schulze.
Mr. Roberts with Mr. Stanton.
Mr. Pike with Mr. Stump.
Mr. Akaka with Mr. Don H. Clausen.
Mr. Beilenson with Mr. Evans of Delaware.
Mr. Levitas with Mr. Hefner.
Mr. Chappell with Mr. Holland.
Mrs. Chisholm with Mr. Howard.
Mr. Giaimo with Mr. Hubbard.
Mr. Conyers with Mr. Jones of Tennessee.
Mr. Cornell with Mr. Lundine.
Mr. Davis with Mr. Kastenmeier.
Mr. Eckhardt with Mr. Murphy of Illinois.
Mr. Evans of Indiana with Mr. Nolan.
Mr. Fithian with Mr. Nowak.
Mr. Fraser with Mr. Obey.
Mr. Pickle with Mr. Roe.
Mr. Roncalio with Mr. Rosenthal.
Mr. Seiberling with Mr. Ryan.
Mr. Udall with Mr. Van Deerlin.
Mr. Yates with Mr. Preyer.
Mr. Gibbons with Mr. Glickman.
Mr. Gonzalez with Mr. Hamilton.
Mr. Mikva with Mr. Bingham.
Mr. Blouin with Mr. Bowen.
Mr. Burgener with Mr. Burlison of Missouri.
Mr. Coleman with Mr. Frey.
Mr. Gammage with Mr. Lent.
Ms. Oakar with Mr. Pease.
Mr. Pepper with Mr. Rostenkowski.
Mr. Pursell with Mr. Stockman.
Mr. Robinson with Mr. Treen.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. DANIELSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5023) to amend the statute of limitations provisions in section 2415 of title 28, United States Code, relating to claims by the United States on behalf of Indians.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. DANIELSON).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5023, with Mr. MURTHA in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from California (Mr. DANIELSON) will be recognized for 30 minutes, and the gentleman from Maine (Mr. COHEN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. DANIELSON).

Mr. DANIELSON. Mr. Chairman, the bill H.R. 5023, as amended by the committee, amends section 2415 of title 28, United States Code, to extend to December 31, 1981, the time for the United States to file tort or contract actions in behalf of Indians which accrued prior to July 18, 1966. This bill, as reported to the House, is identical to the Senate passed bill, S. 1377.

Both the Department of the Interior and the Department of Justice have recommended the enactment of the bill as amended by the committee; that is, with an extension to December 31, 1981.

When section 2415 of title 28 was enacted into law on July 18, 1966, for the first time a statute of limitations was made applicable to tort or contract suits brought by the United States. This statute of limitations also applied to actions brought by the United States as trustee for Indians. In 1972, the Congress extended the limitations period to July 18, 1977, for actions for monetary damages brought by the United States in behalf of Indians.

Because the Department of the Interior has had great difficulty in identifying and processing these claims, that Department has recommended that the statute of limitations be extended until December 31, 1981, for this specific group of claims. As I have stated, the committee amendment would extend the limitation to that date.

The Office of the Solicitor of the Department of the Interior has estimated that there could be a considerable number of pre-1966 claims either not yet identified or still being asserted that now would have to be filed by July 18, 1977. Nationwide the unprocessed cases could amount to over 1,000. The major reason why the previous 5-year extension was insufficient is that many tribes have only become aware of their tort and contract remedies in the last few years and thus have not, until recently, had adequate procedures to document claims. Therefore, hundreds of the pre-1966 claims are still being researched and identified and cannot all be filed by July 18, 1977.

In 1972, when the Judiciary Committee reported the bill H.R. 13825 providing for the previous 5-year extension for commencing actions on behalf of

Indian tribes, bands or groups (H. Rept. No. 92–1267, 92d Cong. 2d sess.), it was observed that the claims which accrued prior to July 18, 1966, include a number of complicated matters, and further that the identification of the claims and the development of their factual and legal basis were difficult. This problem still exists.

The Interior Department advised the committee that it is difficult to estimate the number which remain unprocessed. As an example, the Department's Field Solicitor's Office in Phoenix, Ariz., has developed approximately 35 claims in their geographical area which they will attempt to process by July 18, 1977. The Twin Cities' Field Solicitor's Office, covering Minnesota, Iowa, and Wisconsin, has developed 167 cases. Also, the Department of the Interior has not, until recently, had adequate procedures to document claims as they arose. Therefore, as I have noted hundreds of the pre-1966 claims are still being researched and identified and cannot all be filed by July 18, 1977.

The Justice Department sues on behalf of Indian tribes only at the request of the Solicitor of the Department of the Interior.

The testimony before the Senate select committee in connection with the companion bill, S. 1377, included a discussion of a number of matters now pending in the Department of Justice which could be affected by an expiration of the statute of limitations. These include the claims of the Maine Passamaquoddy and Penobscot Indians based upon violations of the Indian Trade and Intercourse Act.

Information submitted to the Subcommittee on Administrative Law and Governmental Relations in connection with its consideration of H.R. 5023 referred to those same matters and while section 2415(c) makes it clear that the section does not concern actions involving title to lands, it is clear that a failure to pass this bill will create difficulties due to the problems which would arise if the Government were forced to file a suit covering these particular claims in order to meet the July 18, 1977, deadline.

At a hearing before the Senate Select Committee on Indian Affairs on May 12, 1977, the Governor of Maine, the Honorable James B. Long and the Honorable Joseph E. Brennan, attorney general of the State of Maine testified concerning the complexities of the Maine litigation. Attorney General Brennan stated that the position of the State of Maine is that an extension of the statute would offer more opportunity to find a possible solution to the matter without litigation. He, too, noted that the present deadline of July 18, 1977, is so close that without an extension, a protective lawsuit, to avoid the statute of limitations, with all the problems it could create would be unavoidable.

In its report to the committee on the bill, the Department of Justice also referred to relationship of this bill to the claims by the Indians of the State of Maine and indicated that the passage of the bill would obviate a need for a special bill to deal with the limitations problem as to those particular claims. In this connection, the Department of Justice stated:

> The Department of Justice at one time intended to submit a bill to extend the statute of limitations for those claims which the United States may assert on behalf of the Indians of the State of Maine arising out of trespasses on their ancestral aboriginal landholdings. H.R. 5023 addresses on a broader scale the same problem and the passage by the Congress of H.R. 5023 would render unnecessary the passage of legislation specifically for the benefit of the Maine Indians.

As I have stated, the Department of Justice recommends enactment of the amended bill providing for an extension to December 31, 1981.

This is a clearly defined need for the amendment provided in this bill, and prompt congressional action is necessary. It is recommended that the amended bill be considered favorably.

Mr. COHEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as was pointed out, we have before us legislation which would amend the statute of limitations to extend the time in which the United States can bring damages, on behalf of Indian tribes, for monetary claims accruing prior to July 18, 1966.

I would like to give Members who are here a brief historical background of how the lawsuit now pending against the State of Maine really has been the focal point of the concern, certainly by the administration and by the members of the Maine delegation. I would like to point out the background for the benefit of other Members who are here, who will face similar types of lawsuits.

At the present time, two tribes in Maine, the Passamaquoddys and the Penobscots, are claiming roughtly 12 million acres of land in the central and northern portions of the State of Maine. There are over 350,000 citizens of Maine who could be affected by this suit. The probable estimated value of the property is roughly $20 billion to $25 billion.

Now, although the tribes have never originally questioned the substance of the treaty prior to 1972, indeed, they have been the beneficiaries of those treaties for over 180 years, they now maintain that the absence of an express consent by Congress would render those treaties null and void under the 1790 Nonintercourse Act.

Let me backtrack for a moment. In 1794 the State of Massachusetts negotiated separate treaties. Maine was not a part of that action. Maine was part of Massachusetts at that time. Those treaties are now claimed by the tribes to be null and void.

The State of Maine, through its attorney general, contends that a substantial portion of the land was surrendered to Massachusetts long before the 1790 act.

A historical analysis reveals that the 1790 act was not intended to cover Eastern Indians; the Federal Government was aware of the treaties at the time that they were negotiated—indeed, the Federal Government until 1975, had never recognized the tribes as Federal Indians prior to a court decision that said that all tribes must be treated as Federal Indians; Congress never intended to place sovereign States on the same level as private citizens in their dealings with Indian tribes, and Congress implicitly ratified the preexisting treaties when Maine was admitted into the Union as a separate State in 1820.

While I believe that the State will ultimately prevail on the merits, these are issues that ultimately will have to be resolved by a court of law. Litigation will take years. In the meantime, the very pendency of the suit threatens to bring the State of Maine to its knees.

If the Justice Department would seek to recover this amount of land, local municipalities in the disputed areas—about 60 percent of the land area of Maine—will have great difficulty in issuing bonds to finance capital construction programs. Banks will no longer finance home loans and mortgages. Investment and commercial development will be terminated. Indeed, we have one project in my hometown of Bangor, Maine, which is a $30 million project which will produce 1,200 jobs and which has been held in abeyance because the developers cannot acquire title to the land. That is just the tip of the iceberg.

Also, the flow of Federal dollars into programs such as FmHA, SBA, and EDA likely will be restricted. The central nervous system of the municipalities could not survive this act of financial anoxia.

It should be pointed out that the application of the 1790 Nonintercourse Act, and compliance with it, is not confined to Maine. The town of Mashpee, Mass., has been crippled by a similar suit. Others are pending in Rhode Island, Connecticut, and New York. South Carolina has been advised that one tribe will seek the return of 144,000 acres of land, but in none of these States are they facing the cataclysmic consequences now confronting Maine.

Mr. Chairman, I also take this opportunity to point out to the few Members here cases which are now on file with the Department of Justice. They are nine in number, and these are the major ones. As the gentleman from California recently pointed out, the Interior Department has between 1,000 and 1,500 claims now with the Department of the Interior they are considering for processing, and they intend to make recommendations on these 1,000 to 1,500 claims during the next few years if, indeed, the statute is extended.

I would like to concentrate on the first six, the major ones. The first is the St. Regis-Mohawk claim. This is in New York State, and involves approximately 10,000 acres of land and will affect 3,500 defendants.

The Oneida Nation claim in New York State is for approximately 240,000 acres of land and will affect a minimum of 20,000 defendants.

The Cayuga Nation claim is also in New York State, and is for approximately 62,000 acres of land, and will affect some 5,500 defendants.

In my own State, the Penobscot and Passamaquoddy claims are for a minimum of 5 million acres, but can be as much as 12.5 million acres, and will affect approximately from 80,000 to over 350,000 defendants.

The fifth claim is on behalf of the Kenaitze and Chilkat Tribes, involving trespass actions on lands Alaskan Natives held prior to the passage of the Alaska Native Claims Settlement Act in 1971. These claims will affect approximately 120 defendants.

The final one is United States against City of Tucson, an action to adjudicate water rights of the Papago Indians on the St. Xavier Reservation outside of Tucson. A claim of damages has been asserted, and by court order all water users in the basin must be joined. Approximately 4,000 defendants will be named.

So, these are just six of the major suits now pending. There are more. As a matter of fact, number seven, eight, and nine, which I perhaps should list.

There is a possible claim on behalf of the Catawba Tribe in South Carolina for 140,000 acres, and will affect between 20,000 and 30,000 defendants. The tribe has indicated it would sue if the statute is not extended.

There is a possible claim on behalf of the Chitimacha Tribe for approximately 800 acres of land in Louisiana, and will affect a minimum of 18 defendants.

There is also a possible claim on behalf of the Western Shoshone and Paiute Tribes. This action would be to declare the water rights of Indians on the Duck Valley Reservation in Nevada, affecting approximately 10 defendants. So those are 9 major claims we know about, and there are potentially a great many more.

I would like to point out what this bill does not do. What this bill does not do is that it does not pertain to claims for land or mineral rights or water rights. Secondly, it does not pertain to claims brought by tribes themselves. The only thing this bill pertains to are suits brought by the Justice Department on behalf of Indian tribes for money damages only. I think it is important that we recognize this, because from my perspective, at least, it is important that the Carter administration formulate a policy which somehow reconciles the interest of preserving the economic and social fabric of several States I have mentioned, and at the same time giving the due consideration to our fundamental notions of fairness under the law.

The Maine Delegation has filed a bill in both the House and the Senate which proposes a solution. The gentleman from Arizona (Mr. UDALL) has indicated that hearings would not be held on that bill pending President Carter's recommendation. Justice William Gunter was appointed by President Carter to serve as a "catalyst" to make a recommendation to resolve the existing dispute. Justice Gunter expects to make a recommendation in the next week to 10 days as to how he thinks this issue can best be resolved. The recommendation necessarily will take into account the precedent which this case will have on the States of Rhode Island, Connecticut, South Carolina, and any other State which has a potential claim. For this reason, the gentleman from Arizona (Mr. UDALL) has suggested that we postpone any hearings, and we have agreed to that.

When we take this bill up for amendment I intend to introduce an amendment to restrict the time to 2 years and not 4½ years. I do this for several reasons. I will not take the time at this moment to elaborate on them, but I would call the attention of the Members to the reasons why I think it is essential. One is that we reduce the time frame within which our constituents will be subjected the litigation by the Justice Department. Second, it would also serve to put on notice the BIA and the Interior Department that this is the final extension.

It would allow time for the informal resolution of the issues now pending against the State of Maine and the State of New York, as well as others, and I think for these reasons we ought to reduce the time frame. I think we should have the recommendation from Justice Gunter within the very next few days, and I would hope that the gentleman from Arizona (Mr. UDALL) and others who serve on that committee, will then be amenable to proceeding with hearings so that we can fashion a congressional resolution, because it is my opinion that these claims should not be pending for the next 4 years.

For those reasons I would urge support of the amendment which would restrict the extension to 2 years and not 4½ years.

Mr. EMERY. Mr. Chairman, will the gentleman yield?

Mr. COHEN. I yield to the gentleman from Maine.

Mr. EMERY. Mr. Chairman, I thank my friend and colleague, the gentleman from Maine (Mr. COHEN) for yielding, and I want to congratulate him on the remarks he has made this afternoon concerning what has turned out to be a most difficult, most frustrating, and most important problem for us to resolve.

As my colleague, the gentleman from Maine (Mr. COHEN) has pointed out, this problem has been with us for several years now. The issues that have been raised resulting from our experience in Maine are very critical. These are important questions which must be resolved with the greatest care, because the solutions that the Congress may provide for one individual problem may well affect the outcome of other claims in other States from the east coast to the west coast.

We feel that this is a matter which must be resolved as a national issue, one involving the various tribes, the various States, and the various claims. We should not look at each individual claim, as if it were separate and unique and unimportant to the problems in other parts of the country.

It is for this reason that we look forward with great interest to the recommendations that will soon be made by Judge William Gunter, who hopefully will be able to act as a catalyst to bring the various sides in this dispute to some kind of a mutual understanding as to what are reasonable claims, what the legitimate settlement goals should be, and how to proceed to forever resolve this matter.

The Indian claim extension is critical to the careful and equitable resolution of the problem. Without the extension, one side or the other side may be backed into a corner and be forced into precipitous activities which will not accrue to the benefit of the Indian or the non-Indian, and certainly not to political entities or the taxpayers that they represent, which may be faced with extensive litigation and expense beyond what they could possibly handle.

I support the amendment that my colleague, the gentleman from Maine (Mr. COHEN) will offer tomorrow to limit the proposed extensions to only 2 years. Although we need an extension, I believe it would be unwise to continue the question indefinitely, thus putting away from our immediate consideration the important factors which we ought to resolve as quickly as possible.

Mr. Chairman, I urge the support for this legislation, along with the Cohen amendment.

Mr. PRESSLER. Mr. Chairman, will the gentleman yield further?

Mr. COHEN. I yield to the gentleman from South Dakota.

Mr. PRESSLER. Mr. Chairman, I commend the gentleman from Maine (Mr. COHEN) for his comments.

Let me ask this question: What effect would this legislation have on water rights, as in the case of the Missouri River? I ask the question because we have an issue in South Dakota. Perhaps I should have conferred with the gentleman on this matter before this time.

Mr. COHEN. Mr. Chairman, I do not think the legislation would have any effect on water rights. What this statute is designed to do is to extend the period for the filing of claims for money damages only by the Justice Department on behalf of Indian tribes. It does not deal with the issue of water rights, mineral rights, or land claims, and that is why I am suggesting that the Congress has to formulate a comprehensive solution to these problems, because we cannot have them continue ad infinitum and allow tribes to raise claims covering a period of 180 years.

This is a problem that simply must be resolved, because there are other States involved. I would submit that the problem in Massachusetts is not confined to the town of Mashpee, because if Maine should be sued, the State of Maine would make a cross-claim against the State of Massachusetts because Massachusetts was the State which negotiated the treaties back in 1794.

So, Mr. Chairman, I suggest the issue has been raised on a national basis, and we need to come up with a comprehensive congressional resolution in the very near future.

Mr. PRESSLER. Mr. Chairman, let me ask this: Might this also deal with the issue as far as tort claims are concerned? There is a problem with the Wounded Knee situation in South Dakota, with the descendants of Indian tribes bringing a tort claim.

Might this deal with such a situation?

Mr. COHEN. Mr. Chairman, regarding pre-1966 claims, all the claims that accrued prior to that time would be covered under the existing statute.

Mr. Chairman, I reserve the balance of my time.

Mr. DANIELSON. Mr. Chairman, I yield 5 minutes to the distinguished chairman of the Committee on Agriculture, the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Chairman, this bill will be before the House and the Committee tomorrow for the offering of amendments, and at that time I intend to offer an amendment which would do two things:

First of all, in accord with the statements made by the gentleman from Maine (Mr. COHEN) and others, I will move to extend the statute of limitations for a period of 2 years—until July 18, 1979. I agree with the gentleman from Maine (Mr. COHEN) that a 4½ years extension is excessive for any purpose.

There are some immediate problems with cases referred to the Justice Department, and those are problems with which the gentleman from New York (Mr. WALSH), as well as our colleagues from South Carolina and others, are concerned. These problems concern all of those Members who come from States where there are pending claims referred by the Solicitor of the Department of the Interior to the Justice Department.

The second part of my amendment would prevent any action by the Justice Department on claims that have been referred to it subsequent to July 18, 1977.

The fact of the matter is that, in my judgment, we are about to witness in the possible prosecutions interruptions of property rights ever undertaken in this country. I am sure, Mr. Chairman, that my colleagues from Maine, Massachusetts, New York, and South Carolina would, perhaps, not want to endorse what is happening in their States.

There are perhaps 80,000 to 300,000 individual citizens in Maine who had what they believed to be setttled property rights going back many generations. I do not believe these citizens would be impressed to know that the U.S. Justice Department would be bringing the case to unsettle the title to their homes. Nor will the residents of Massachusetts, New York, and South Carolina welcome an organized attempt to dislodge their settled property rights in violation of the tradition and property law of this country, simply on the basis of an alleged claim—of an aboriginal claim of some kind—brought by an Indian tribe represented by the Department of Justice.

Mr. Chairman, I will reserve comment on whether the trustee responsibilities espoused as the reason for this bill is within the spirit of the equal protection of the laws that we consider part of the basic foundation of our constitutional rights and whether this view is not promoting and encouraging an antique and outdated concept of wardship for Indian tribes that I thought we had abandoned when we enacted the Indian Citizenship Act.

It is time that the Congress took a position as to whether it wants to continue to encourage the development of more claims.

I want to read the relevant portion of the committee's own report. On page 3 the committee says the following:

> The Justice Department sues on behalf of Indian tribes only at the request of the Solicitor of the Department of the Interior. The Justice Department has pointed out that while a few of the matters already referred to it by Interior might be affected if the current July 18, 1977 limit in the present statute were not changed, the greater problem is with those claims which have not yet been unearthed by the Department of the Interior or which have not been investigated to the extent that they can be referred to the Justice Department for litigation.

Mr. Chairman, what we are being asked to do in the 4½-year extension of this bill is to give the Department of the Interior an opportunity to unearth literally thousands of new and unknown claims, to dig them out of the earth, which is the definition of "unearth," so as to disclose that which has previously not been apparent.

Mr. Chairman, H.R. 5023 is a hunting license for the Interior Department and the Justice Department to unearth claims for money damages which threaten to dislodge and question the settled property rights of hundreds of thousands of American citizens.

I think that before this Congress goes on record as extending that license and, indeed, before endorsing it, we should stop and consider what we are about.

Mr. Chairman, I am, frankly, somewhat concerned that a statute that was enacted on July 18, 1966, was supposed to terminate on July 18, 1972, and was so cavalierly extended for 5 years in 1972, without any hearings in the House. This year when its renewal was again proposed again without any hearings in the House it was placed on the Suspension Calendar, and is now before the Committee of the Whole. This is a proposal which must not be dealt with lightly. It calls for the renewal of a statute which affects the rights of literally hundreds of thousands of American citizens.

The CHAIRMAN. The time of the gentleman from Washington (Mr. FOLEY) has expired.

Mr. DANIELSON. Mr. Chairman, I yield 1 additional minute to the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Chairman, I hope that the Members of this great body will understand the gravity and significance of this legislation. One of the essential characteristics of American law particularly where property rights and causes of action for money damages are concerned—and with which this legislation particularly deals—is that equity and fairplay demand that at some time such claims must be extinguished and laid to rest. If this were not so, the old and vicious element of barratry, which is denounced by every tenet of our law, would reign. No decision on property rights or damage claims would have any meaning or standing. Chaos in our courts would prevail.

After such a long period of time it is unconscionable to go back and dig up old, vaguely unsettled claims for the purpose of revitalizing them, thereby creating serious doubts about real property rights and who should like on and occupy the land.

I understand the problems that our particular colleagues have such as from the States of Maine, Massachusetts, New York, and South Carolina. I hope they will be understood by those who come from other States. I hope they will support an amendment that will put to final rest any continuation of this process of digging up these old, infectious claims.

Mr. DANIELSON. Mr. Chairman, I yield 3 minutes to the gentleman from Washington (Mr. DICKS).

Mr. DICKS. Mr. Chairman, I rise in opposition to the bill as presently drafted.

When this bill failed to be adopted under suspension of the rules on June 6, it reflected, I feel, the fact that there is considerable sentiment in this body that the immense legal and constitutional issues raised by the numerous claims against the United States, against the States and against individuals in support of alleged treaty and other obligations should be addressed. It is not just one region of the country that is impacted by the question of Indian claims, this is truly a national problem of significant potential impact. In my own State and district possible claims exist that could have serious long-term economic effects. A continuation of delay on this matter will only tend to increase the difficulty in reaching a final policy solution.

When the United States originally established the policy of wardship with respect to tribal claims, the capacity for tribes to act on their own was indeed limited. In recent years, it has become quite clear that this is no longer the case. Indian tribes have demonstrated clearly their ability to file and prosecute claims on their own behalf.

The question of an extension of the statute of limitations for these cases is not one which the Congress has not faced before. It has already been extended on two previous occasions for a total of 11 years. When the statute of limitations was originally established in 1966 the Congress expressed its belief that the practice of the U.S. Government filing and prosecuting historic Indian claims should be discontinued after a reasonable time. The thrust of this bill appears to be to continue the extension of this statute of limitations again in apparent disregard for this congressional intent. Tribes under these provisions are in the unique situation where they can sue the United States while simultaneously having the United States sue itself, on behalf of the tribes, and have the United States defend itself against the suit. I personally have some very strong feelings that this practice should not indefinitely be continued for historic land claims.

Adoption of the substitute language that will be proposed tomorrow by Mr. FOLEY will not effect the United States in valid legal claims that arise in the future. What it will do is to finally allow the expiration of the authority of the Justice Department to bring suits based on historical Indian claims.

Expiration of the authority for the Federal Government to prosecute such claims will certainly not be the end of such filings. Indian tribes will continue to file such claims and litigation will continue well into the future.

This amendment is not intended to be anti anything. Its intent is to expedite the clarification of long-term policy on this issue. That clarification will be to the benefit of all interested parties. For these reasons, I would urge the Members to support the Foley amendment tomorrow.

Mr. SKELTON. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Missouri.

Mr. SKELTON. Mr. Chairman, I thank the gentleman for yielding, and I would state to the gentleman from Washington that those of us from other States might have some problem understanding the situation in the gentleman's particular area. If the proposed amendment does not pass would the gentleman tell us what the effect would be?

Mr. DICKS. Mr. Chairman, if I may change the inquiry to if the proposed amendment does pass, let me say it will set a final termination date in which these claims can no longer be prosecuted by the Justice Department of the United States. That does not mean that the Indian tribes still cannot prosecute those same claims under the historical treaties. What it does mean is that the Justice Department of the United States will no longer be bringing these suits, which eventually may raise claims that the U.S. Government itself will have to pay, which could be in the range of half a trillion dollars according to some of the estimates.

Mr. SKELTON. What about the various homeowners and the farmers, the landowners, that might be involved in this litigation process, and who have title insurance, hopefully, on their property? What would happen to them?

Mr. DICKS. They may have a claim against their title insurance company, but if that company expires for some reason or other, and is no longer there, then they are going to come back to the U.S. Government and say to the Members of the Congress "abrogate those treaties." But when you abrogate a treaty, if you extinguish the property rights that the treaty gave the Indians, then they will have to have just and fair compensation.

Mr. SKELTON. One last question. When were these treaties enacted?

Mr. DICKS. The treaty we are talking about concerning the State of Washington is dated in 1853, it is called the Medicine Creek Treaty, it involved Indian fishing rights.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COHEN. Mr. Chairman, I yield one additional minute to the gentleman from Washington.

Mr. EMERY. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Maine.

Mr. EMERY. Mr. Chairman, I thank the gentleman for yielding. Let me say that listening very casually to the gentleman's remarks over the last few minutes, I simply would like to observe that the gentleman from Washington seems to believe that the problem will expire if the Justice Department is unable to bring claims or suits on behalf of the Indian tribes.

Mr. DICKS. No, I did not state that.

Mr. EMERY. I would like to point out that the attendant problem continues without the extinction of claims, since the tribes themselves will be able to process the same cases through the same courts and still tie up the ownership of property and transactions of business.

Mr. DICKS. The gentleman is correct, and I am totally aware of that, because I mentioned that to the gentleman from Missouri (Mr. SKELTON). But, let me add, Mr. Chairman, that what I am concerned about is that I do not like to see the U.S. Government creating these problems for itself. Let the Indian tribes bring these litigations themselves. They are perfectly capable of doing so. They have the resources to do so. So, let them bring them themselves if they have a legitimate basis, but not by the Justice Department of the United States.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. COHEN. Mr. Chairman, I yield one-half minute to the gentleman from Washington.

Mr. EMERY. A point that we must underscore is that the problem is a much greater problem than simply having the Justice Department involved in this series of claims.

Mr. DICKS. The gentleman is absolutely correct.

Mr. EMERY. The problem that we must resolve is the overall question of the validity of the claims and their relationship to the land on which businesses, homes, and the like, are now established. Because these questions will take time to resolve, we are hopeful that the continuation of the claims for a modest period of time for 2 years as the Cohen amendment would provide, will allow the major issues to be resolved once and for all so that this problem will not needlessly continue on into the future.

Mr. COHEN. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. WALSH).

Mr. WALSH. I thank the gentleman from Maine for the time. I would also like to compliment him on the excellent background information that he has presented to the committee this afternoon. Obviously, he has done a great deal of work on this subject. He has been involved in it longer than some of the rest of us.

Mr. Chairman, I rise in support of H.R. 5023, the Indian claims statute of limitations. Having talked with several officials at both the State and Federal levels, I feel it is absolutely imperative that we pass this bill.

The State of New York and several other States facing possible lawsuits by Indian nations seeking land and monetary damages, have indicated more time is necessary to properly adjudicate these claims. The U.S. Department of Justice has said there would not be enough time to file all the pending claims by the July 18, 1977, deadline. That would result in the Indian nations filing suit against the U.S. Government for failure to carry out its "fiduciary" responsibility to the Indians. Therefore, if the bill is defeated, it will not mean an end to the lawsuits, but merely complicate an already complex situation.

No one, Indian or Government official, wants to resort to lawsuits to settle the issue of Indian land claims. But in order to provide time for out-of-court negotiation and settlement, we must extend the statute of limitations through December 31, 1981. I urge my colleagues not to support any amendment that would lessen that time period. I reiterate that both State and Federal officials have strongly emphasized the need for more time in this matter.

I feel no one can quarrel with the scope and seriousness of this problem. In the Cayuga Indian Nation claim in my own district we are talking about 62,000 acres of land and almost $1 billion in money damages. Magnify the problem by possible lawsuits in the other Thirteen Original Colonies and the figure begins to get astronomical.

I strongly urge the support of this legislation and urge that all amendments be rejected.

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. WALSH. I yield to the gentleman from Maine.

Mr. COHEN. I thank the gentleman for yielding.

Just so the record will be clear, I personally talked with the Governor and the Attorney General, and they would be agreeable to a shorter term. The purpose of the shorter term really is that I propose that within 2 years this Congress will have to deal with the issue affecting not only claims for money damages, but also mineral and water rights and land claims. For that reason I think 2 years is adequate for Congress to come to a resolution. I think, by the way, the gentleman's State would be adequately protected in that 2-year time frame.

Mr. WALSH. I thank the gentleman for his comments. I intend to talk with the Attorney General's office today, as long as we have a little time, and see whether they will be satisfied with a 2-year extension.

I do think that I should make this point, that the Department of the Interior has not acted too promptly on some of these matters. We had his bill up before us under a suspension a short time ago. The day after the bill was up before us—and I voted against the extension of this legislation—I attended a meeting at which the Department of Justice and the Department of the Interior advised this gentleman and several other gentlemen from the State of New York that the Department of the Interior was recommending that the Department of Justice prosecute a claim on behalf of several Indian tribes in the State of New York. This was the first time that we had heard of this action, so it came as a complete surprise to us. I think that both the Department of Justice and the Department of the Interior were somewhat lacking in meeting their responsibilities to the gentlemen from New York and to the others involved here.

I am anxious to see the legislation pass. I would hope that it would pass as presently constituted.

Mr. COHEN. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. MOORHEAD).

Mr. MOORHEAD of California. Mr. Chairman, I wish to commend the gentleman from Maine for the work he has done on this legislation and in attempting to solve a problem which is very serious to the people of his State.

At the same time I wish to point out that this legislation once again demonstrates a problem all too frequently encountered in bureaucratic Washington. A legislative solution intended to have a limited life span is extended and extended with little or no reference to the original intent. We get a piece of legislation in our subcommittee with a gun pointed at our head, a bill which we have to pass out in order to reach a desperate situation which has arisen in many parts of the country but with no time adequately to solve the problem that we really are facing.

This bill deals solely with Indian claims that arose prior to July 18, 1966. The presumption was that pending claims would be processed, settled, or litigated within a 6-year period. Then in 1977 a 6-year statute of limitations became an 8-year statute of limitations. Now the Department of Interior and the Department of Justice say they must have 4½ more years to deal with the same claims.

What is the purpose of this statute of limitations? Is it not to set a time after which claims cannot be filed? Each time we go forward we exacerbate the problems. Our population becomes more litigation minded. A few years back our Government would not have dreamed of violating the rights of the people of Maine by filing suits against them to take their land.

It is important to us if we extend the statute of limitations in this case—and I hope if we do it is for the shorter period of time that the gentleman from Maine (Mr. COHEN) advocates—that we settle this problem now, within the next year or two, and that we not allow it to grow and grow and grow so that the people of every State of this Union are faced with these kinds of problems. The situation would be ludicrous if it were not so serious and if the very homes and property of the people in this country were not affected and were not endangered.

I hope we will address ourselves to this problem before it becomes even worse in the future. Let us not follow the kind of direction we have followed in so many pieces of legislation and so many problems in the past, when we just put off the solution for another 2 years or 4 years or 6 years and hope that everything will be all right. It will not be all right. It will be worse in 2 years or in 4 years or in 6 years if we do not come to a solution and come to it very soon.

I will support the amendment which will be offered by the gentleman from Maine (Mr. COHEN) to reduce the time limit to the 2 years. I will have a real problem in voting for the bill, and I have not decided whether I will or not because I know the problems that it can cause in the next year or two for other States who have claims dug up—as was referred to by the gentleman from Washington (Mr. FOLEY)—where there will be more suits and more problems and more dangers.

If this Congress does not address itself to this problem and does not settle the claims for the land here, these aboriginal claims within this 2-year period, our country is going to have more and more problems, as we have had before.

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of California. I yield to the gentleman from Maine.

Mr. COHEN. Mr. Chairman, I want to commend the gentleman for his statement, but I would like to point out that the Justice Department and the Interior Department may have some other motives in requesting the 4½-year extension. The gentleman has indicated there have been extensions granted in the past.

There is a reason behind that, that the Interior Department and the Justice Department has something of a conflict of interest in that if they do not process these claims in that period, they might very well find themselves a target for lawsuits by tribes across the country saying they did not promptly and expeditiously process these claims and it resulted in the tribes not getting adequate compensation; so I find them in a very difficult position. They are advocating extension, also throwing the burden on the States to defend these suits, when the Justice Department might have to defend them if they do not get an extension.

Mr. DANIELSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in closing the general debate, I should like to point out that I am gravely concerned, as are all my colleagues, by the serious nature of this proposed legislation. We are standing in the shadow of the close of a period of limitations which could have unforseeable consequences.

I am happy to report to the Committee that I have just received word that, as of 1:45 p.m. today, a few minutes ago, the President did sign the resolution which we adopted on June 30 to give a temporary stay until August 18, 1977; so the executioner is not ready to pull the trigger at this time, but he has the gun loaded and we do have to move ahead.

I would also like to point out, I have been informed by the Department of Justice and the Department of the Interior that if they have no choice except to file their lawsuits now, and we can give them that choice under this bill and the resolution the President signed just this afternoon; but if they had no choice, they had more than 1,000 lawsuits ready to file, they would have started filing them on Wednesday, the 13th of July. They involve more than 20,000 defendants and the States involved include Maine, New York, Oklahoma, Massachusetts, Carolina, Minnesota, Iowa, Wisconsin, Arizona, California and others. I have a list of them in my notebook. There is no purpose to be served by reading them at this time; but I want to point out to my most esteemed colleague, the gentleman from California (Mr. MOORHEAD), both of us representing the same State, that even our fair State of California would have had some of these lawsuits pending; but, hopefully, we can now resolve this in an orderly manner.

I want to point out that the gentleman from Maine (Mr. COHEN) has most properly stated the position we are in. If no extension of time is granted, I would imagine that the Department of Justice or the Department of the Interior, who represent us, the American people, in a trusteelike capacity for the Indians, would probably be subject to legitimate claims of malpractice for having failed to exercise or discharge their trustee responsibility fully.

So I am glad that, first of all, we now have until the 18th of August to bring this to a close and, tomorrow, hopefully, under the 5-minute rule, the Congress can work its will and put together a bill which will meet everybody's needs.

I am going to urge support of the bill and passage of it without amendment, but we can certainly work that out tomorrow. It is a critical matter.

Mr. MITCHELL of New York. Mr. Chairman, the Oneida Nation of Indians is claiming title to lands, and monetary damages for the wrongful use of those lands, within my congressional district, the 31st of New York. The claim is based on the assumption that New York State, and the individual landowners in the disputed areas, illegally acquired the land in violation of the Indian Non-Intercourse Act. Furthermore, the U.S. Department of the Interior, as legal trustee of the Indians, has announced its intention to commence action on behalf of the Indians against the State of New York and the several landowner co-defendants if the bill we are now considering is not passed. It is for that reason I support H.R. 5023 and urge my colleages to do the same. This bill, which extends the right of the Indians to sue for damages until December 31, 1981, must be passed if we ever expect to see a fair and workable solution to this complex problem.

My first concern is rather parochial in that I want to protect the rights of my constituents, both Indian and non-Indian. The Oneida case is very complex and even the Department of the Interior Officials admit that they have not yet been able to identify all the defendants involved. More time is needed to study the situation, however, if H.R. 5023 is not passed the Department of Justice will be forced to initiate action on a case that they are unprepared to handle. The Oneidas would certainly have the right to object if their claim was handled in such a hasty manner. On the other hand, many people who own land within the disputed area would find themselves as defendants in a Federal case without even knowing it. To have the U.S. Department of Justice initiate legal action against unsuspecting citizens, who in some instances have lived their entire lives on the disputed land, is, in my opinion, a situation that should be avoided.

Another important concern to be considered in our discussion of this legislation is the devastating impact legal action would have on land values. Land title companies have already expressed a reluctance to insure titles in the area. Banks will not mortgage homes. Thousands of people would have to suffer financial hardships at a time when we are struggling to revitalize our economy. If the Federal Government is forced to take action prior to July 18, the situation could become critical.

Finally I would like to emphasize this problem reaches beyond the boundaries of the 31st District of New York. So far, my comments have been in reference to the case of the Oneida Indians, however, it would be incorrect to think my constituents are the only ones affected by this problem. New claims are being identified every day in many parts of our Nation, with no end in sight. As the situation reaches the boiling point many are looking to the Federal Government for solutions. There has been some discussion of abolishing the Indians' rights to file claims for land and damages. Others are considering the possibility of having the Federal Government settle the damage claims. What is needed is more time to sit down and discuss our alternatives. This bill will not eliminate our problems but it will give us the opportunity to work out a rational solution to a very complex, controversial and emotional issue.

Mrs. COLLINS of Illinois. Mr. Chairman, I rise in support of H.R. 5023, the Indian claims filing extension bill that extends to December 31, 1981, the statute of limitations under which the Federal Government, as trustee for American Indians, may file suit for monetary damages occurring prior to July 18, 1966.

It is important for us to be aware of the factors involved in consideration of passage of this bill. First, the Federal Government has, as trustee for the American Indian tribes, a duty to litigate in cases regarding the body of the trust—usually land or property rights. Many cases where Indians have been plaintiffs—such as the Passamaquoddy and Penobscot Tribes—have been based either on dereliction of the Federal Government's duty to litigate or against a State government for alleged illegal taking of Indian land.

Since we live in a litigious society that appears to believe that suits can be brought by most any one at any time, it is difficult to believe that a people residing so long in this country are without the expertise and capacity to sue in their own right and within a reasonable time frame. In the case of Indian tribes, this notion is far from the truth. Whereas the Indian tribes on the west coast have developed to near points of independence in these regards, the tribes on the east coast are unreasonably hampered by the lack of adequate educational benefits—such as scholarship and professional opportunities—and suffer from insufficient legal services, public or private.

Preparation for legal action regarding Indian property rights requires tedious research of approximately 1 to 2 years. Much anthropological support data is required to substantiate claims, and records often lost in major battles such as the Civil War make legal preparation additionally difficult. As a matter of fact, had it not been for an attorney working with the Native American Rights Fund in Maine, the Passamaquoddy-Penobscot case would not have come to the courts.

What we are considering in passage of H.R. 5023 is resolving a situation where American Indian tribes have limited access to the courts and are denied adequate presentation of causes of action by having to depend on hastily prepared cases. In short, these are American citizens whose rights are being compromised if the extension proposed by this bill is not granted.

I am, indeed, concerned that failure to pass H.R. 5023 may cause the Federal Government arduous, expensive, and unnecessary litigation in Indian claims cases. But, I am even more concerned that all American citizens be afforded the rights, privileges, and protections afforded by our Bill of Rights. To this end, I urge my colleagues to join me in voting for passage of the Indian claims statute of limitations extension bill.

Mr. HANLEY. Mr. Chairman, H.R. 5023 presents a dilemma for Members of the House whose districts are involved with active or potential Indian land claims. The bill, as presented by the Judiciary Committee with the warm endorsements of the Interior and Justice Departments, will allow the Native American Rights Fund and private attorneys, helped along by the Bureau of Indian Affairs, to dig up as many new Indian land claims as they can. If offered, I will be supporting an amendment to limit the extension to 2 years.

The dilemma is this, at least in my district. The Oneida Indian Nation, the Native American Rights Fund, the Solicitor of the Interior Department, and the Attorney General have all decided to sue New York State and an unspecified number of landowning American citizens for the return of 246,000 acres to the Oneidas. This coalition argues that this land was taken from the Oneidas in treaties with New York State which did not receive the blessing of the Federal Government. As soon as the Government can determine the citizens to be sued, it will be ready to sue. All of the members of the above group have repeatedly assured me that entering into litigation is the absolute last step; that a fair settlement of claims and grievances is the goal of this effort; and that all of the parties involved ought to get together and look for the terms of such a settlement.

I heartily agree with this proposition because I believe that the long years of litigation involved in such a suit would wreck the economy of the region. Obviously, the Oneidas, the Native American Rights Fund, and the Justice and Interior Departments know this also, and I truly believe that they are enjoying the spectacle of watching us squirm.

At any rate, to get back to my story, on October 6, 1975, I wrote to Gov. Hugh Carey of New York, to the Bureau of Indian Affairs, and to Chairman LLOYD MEEDS of our Indian Subcommittee, proposing a joint effort under my sponsorship to sit down with the Oneida Indian Nation to discuss ways and means of arriving at a general settlement of the Nation's grievances. Of course, I wrote also to the leader of the Oneidas. The State was slow in responding because of its preoccupation with the invasion of the Adirondacks by a small band of Canadian Mohawks. On December 11 of that year I had to call off my offer because of an internal leadership upheaval on the Oneida territory. That upheaval continues to this day, and the Bureau of Indian Affairs currently cannot determine who the legitimate leaders of the Oneida Nation are. Once the leadership situation is resolved, I intend to resurrect my offer to help bring the group together to begin talks. I have no idea how much land the Oneidas would settle for or how much monetary compensation they are seeking.

This would be a good point in my narrative to state my firm belief that the Oneidas were wronged grievously by New York and by the Federal Government, and I am committed to a just but reasonable settlement of the Oneida grievances. I have been privileged for 13 years to work with Indian constituents, including the leadership of the Six Nations. The Indians I represent have always been welcome in my office, and I have interceded on their behalf on many occasions over the years. I raise this point now because I want to make it clear that I am doing them no disservice by contemplating legislation which I will discuss in a moment.

The only reason I am voting for this bill is to provide some time to develop a framework for a settlement of the Oneida dispute. Apparently, it is not possible to persuade the Justice Department to refuse the request to sue for the return of the land the Oneidas want, but I intend nevertheless to continue to press my view that the suit is nonsense. The Federal Government had full knowledge that New York was abusing the Oneidas and virtually stealing their land. If the Federal Government had wanted to exercise its solemn trust responsibility to the Oneidas, it could have prevented the transactions. Obviously, the Federal Government did not want to protect the Oneidas at the time. That being the case, I simply cannot understand how the Justice Department can even consider suing an innocent group of New York landowners. The Justice Department ought to sue the United States for its failure to carry out a responsibility to the Oneidas.

Nevertheless, if Justice persists in pursuing this bonanza for the legal fraternity generally and its own lawyers in particular, it will be necessary for all of us to work as hard as we can to find an acceptable settlement out of court, just to prevent economic chaos in the region and to redress the legitimate grievances of the Oneidas. Since the resources of the Government and New York are finite, and since this is but one of many suits floating around, reason would have to govern the discussions. If a settlement cannot be reached, and if the Justice Department takes my constituents into Federal court for the purpose of taking their land away, I will introduce harsh legislation giving the Federal blessing to all of New York's agreements

with all of its Indian nations retroactively. My bill would provide that the Indians are entitled to compensation based on the value of the land at the time it was taken, plus some interest.

Such a legislative solution to the problem is no more outrageous than the spectacle of American citizens being sued by their own Government with the intent of taking their land away. If that would not produce the embattled farmer syndrome, I do not know what would. Were the Supreme Court to rule that these citizens must leave their land, they would resist. There would be violence if the Government attempted to force them away. I believe that the President and his Attorney General must look to the end of the long path we would be setting out upon. Any reasonable person, seeing what could lie at the end of the road, would not undertake to travel upon it.

The people of Madison County are not going to leave their homes and farms even if the Supreme Court orders them to. That is the central fact in this lawyer's game, and those who play it ought to understand what the stakes really are.

Mr. JOHNSON of Colorado. Mr. Chairman. I rise in support of H.R. 5023. The purpose of this bill is to amend 28 U.S.C. 2415 to permit the Interior and Justice Departments 4 years to complete their investigation and processing of all potential tort and contract claims which the United States as trustee must bring on behalf of American Indian tribes.

We have heard members of the Judiciary Committee explain the need for this time. The reasons are fairly simple. Many of the claims are very old and difficult to research. Many Indian tribes were not aware until the last few years that they even had tort and contract remedies, and thus have not had adequate procedures to document their claims. Moreover, until recently, the Interior and Justice Departments have not had the money or manpower necessary to properly research and prepare these claims. Accordingly it is estimated that about 1,000 claims still are being researched and identified. Clearly, these claims could not all be filed by July 18, 1977, when the statute of limitations expires.

The administration has asked for 4 years to complete processing of the outstanding claims and has taken the position that work on all of them can be completed in that time. The Senate agreed and provided for 4 years in its bill, S. 1377. Subsequently, the House Judiciary Committee, by a vote of 26 to 5, approved H.R. 5023 with an identical 4-year extension of the statute of limitations. However, the bill failed to pass the House under suspension of the rules due to the concerns of many Members that perhaps this bill is an appropriate vehicle to write some definitive end to Indian claims litigation.

No Member of this body wants to see Indian claims litigation drag on indefinitely. However, I think it can be safely said that while still a ways off, an end is definitely in sight. The U.S. Court of Claims heard many Indian claims against the United States under special statute prior to 1946. The Indian Claims Commission is nearing completion of litigation on some 615 claims and will go out of business at the end of next year. And there is a finite number of the tort and contract claims which might be brought under this legislation. The proper place to hear these claims is in the courts. Given time and resources, the courts and the parties involved will work their will and justice hopefully will be served. Those claims which have not been brought, because tribes did not know they could be brought or because the Departments of Justice and Interior did not have the resources to prepare and file them, should not now be precluded, because Congress suddenly is impatient with Indian claims.

We have heard Members from Maine and New York and Oklahoma tell us that their States want the statute of limitations extended for two basic reasons: First, to prevent the filing of a host of lawsuits which would have to be filed prior to July 18 to protect potential claims; second, to permit adequate time for the parties involved in these cases to negotiate and hopefully work out settlements which would not require litigation. Certainly, the position of the Congress should be that if wrongs have been committed under the laws of the United States, those wrongs ought to be investigated and prosecuted to judgment, especially if it is the responsibility of the United States to prosecute such wrongs.

For various reasons, the existence and prosecution of Indian claims upsets many people. Nonetheless, the law is the law, and under the law Congress and the Executive have a unique trust relationship with American Indian tribes which carries with it certain legal responsibilities. As ranking member on the Subcommittee on Indian Affairs and Public Lands, I have come to appreciate the nature of that responsibility. It originates with the treaties negotiated with Indian tribes in which the United States acquired vast areas of land in exchange for its solemn commitment to protect the people and property of the tribes from encroachment by U.S. citizens. It stems from statutes, enacted from the Continental Congress to the present, that regulate transactions between U.S. citizens and Indian people. And it arises from the course of dealing in which the United States in the latter half of the 19th century assumed domination and control over the people and property of Indian tribes, imposing a vast array of regulatory authority over Indians and their property. When the United States assumed this authority over Indian people, it accepted an accompanying responsibility to Indian people.

This Federal responsibility to Indian tribes is a trust that in the eyes of the courts has consistently been held to require the highest standard of fiduciary conduct. In considering H.R. 5023 Congress should be mindful of that standard.

As trustee, the Congress and the Executive have responsibility to see that Indian legal rights are protected. Under existing law this means that all Indian tort and contract claims under 28 U.S.C. 2415 must be filed by July 18 unless the statutory deadline is extended. It is very likely that the United States would be liable for damages for breach of fiduciary trust if such claims are not timely filed.

If the statute is extended, logic argues that adequate time should be granted to permit completion of all the work. Any shorter time period than the 4 years provided in H.R. 5023 only increases the likelihood that the statute would have to be extended once again.

For these reasons, I urge the House to pass H.R. 5023 as it was reported by the Judiciary Committee—with a 4-year extension of the statute of limitations to December 31, 1981.

This will give the Interior and Justice Departments the time they need to finish processing Indian tort and contract claims.

It will insure that Indian tribes will have been treated equally with respect to such claims.

It will preclude a number of States from being placed in difficult legal and possibly financial straits by precipitating a flurry of lawsuits, many of which can be otherwise rendered unnecessary.

Moreover, it will insure that Congress is acting consistently with the high standard of conduct expected and required of a fiduciary.

Again, I strongly urge the House to pass this bill as reported by the Judiciary Committee.

Mr. WEISS. Mr. Chairman, I want to take this opportunity to express my support of H.R. 5023. Its passage will allow the Department of Justice to continue, until December 31, 1981, legal assistance to American Indians pursuing certain land claims. By extending the statute of limitations on these claims, this bill will provide the claimants with much needed time for research and litigation.

Historically, the United States has assumed the role of trustee for American Indians' rights—sometimes without apparent benefit to those Indians. The legal assistance offered here will, I hope, produce more positive results.

Moreover, as a result of the numerous injustices suffered by American Indians during the last 150 years—many at the hands of the American Government—it is incumbent on the United States to give these people—our country's first inhabitants—a full chance to redress their grievances.

I know that some Members whose districts are currently involved in complicated and far-reaching land disputes with American Indian nations may find it difficult to support this measure. It should be noted, however, that this measure does not side with the Indian nations on these claims; it merely helps assure that these claims are decided fairly and equitably.

I urge my colleagues to pass this measure demonstrating our continued allegiance to protecting the rights of all Americans.

Mr. LEGGETT. Mr. Chairman, the adoption of the proposed amendment to the statute of limitations provisions is vital if we are to deal adequately with the Indian claims issue.

If the law remains unchanged, all actions brought by the United States as

trustee for Indians must be submitted by July 18, 1977. It is clear that this deadline leaves insufficient time to handle the unprocessed cases currently on file.

In the past, Congress has recognized the unique nature of these suits and the difficulties in uncovering potential claims and preparing them for litigation. This extension through 1981 will show our national commitment to the proper and just disposition of these claims.

There is another crucial element here which Congressman WALSH has pointed out. His congressional district is the site of one of the major claim cases. If this legislation is defeated, the currently excellent chances for an out-of-court settlement will disappear, with unpredictable consequences for the State of New York.

Several other States will face a rush of claims filed before the July 18 deadline if we do not act. Not only will it be impossible to handle so many claims, but any chance for out-of-court settlements will also be lost.

Closing the book on this issue would exacerbate rather than solve the problem. I urge my colleagues to support this legislation for the benefit of both the Indians and the States involved.

Mr. COHEN. Mr. Chairman, I yield back the balance of my time.

Mr. DANIELSON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. WRIGHT) having assumed the chair, Mr. MURTHA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5023) to amend the statute of limitations provisions in section 2415 of title 28, United States Code, relating to claims by the United States on behalf of Indians, had come to no resolution thereon.

GENERAL LEAVE

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks with respect to the bill H.R. 5023.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

JULY 23, 1777—200TH ANNIVERSARY OF GEN. CASIMIR PULASKI'S ARRIVAL IN AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, July 23 marks the 200th anniversary of the arrival of the great Polish patriot Gen. Casimir Pulaski in America to fight for freedom in our Revolution against British rule.

Count Pulaski was not himself a victim of British oppression in the year 1777. Indeed, he was at the moment far removed from oppression of any kind although he had already given a number of years of his life in unsuccessful efforts to free his native land, Poland, from the oppression of the Russian Czar. Of noble birth, of wealth and family distinction, he was free to live in peace wherever he chose. And yet, in those difficult times peaceful complacency was not a mark of honor, and Pulaski was in truth a giant among men.

As brigadier general in Washington's army, Pulaski formed the Independent Corps of Light Cavalry and Infantry, and made great contributions to the success of America's struggle for liberty. After many distinguished battlefield successes, General Pulaski was mortally wounded during his gallant charge in Savannah, Ga., against British forces and on October 11, 1779, he made the supreme sacrifice for freedom's ideals.

Mr. Speaker, Dr. Edward C. Rozanski, chairman of the Casimir Pulaski Commemorative Committee of the Polish American Congress, has issued a statement on Count Pulaski's arrival in America, and a portion of that statement follows:

POLISH AMERICAN CONGRESS, INC.,
Washington, D.C.,

PULASKI—1777—JULY 23—ARRIVES IN AMERICA ABOARD THE SHIP MASSACHUSETTS, DEBARKING AT MARBLEHEAD

This year marks the 200th anniversary of General Kazimierz Pulaski's arrival to America, and thus provides a great opportunity for informing the American people of the contributions Poles made in the fight for American independence. It is also fortunate that our president, Mr. Mazewski, of the Polish American Congress (PAC), has issued a call to action across the entire country, wherever there are large Polish communities or active Polish American organizations, in the forms of patriotic and commemorative observances honoring the Founder of the American Cavalry, a deeply patriotic Pole who in the fight for Independence made the supreme sacrifice and gave his life in the battle near Savannah, Georgia.

Casimir Pulaski, alongside Thaddeus Kosciuszko, symbolizes not only the noblest ideals of freedom for the Polish people, but also extraordinary service in the battle for American independence. The participation in the Revolutionary War of these two distinguished Poles and their contributions are accepted without argument, nevertheless, their historical context is not well known among average Americans. Thus, education through such special commemoratives, becomes a very patriotic responsibility for America's Polonia. One must remind the public of these fragments of American history in which Poles or Americans of Polish descent played a vital role, and in which the ideal of Polish-American cooperation and the traditional friendship between the two nations are accented.

The actions of Pulaski in the Revolutionary War testify to the undisputed fact that the best sons of Poland, from the very beginning, fought in America's wars as well as helped build the Republic's greatness. Pulaski's death handed down later generations, including today's, a unique inheritance, one of faith in the ideals of freedom and independence, irregardless of the character of Polish history.

Pulaski bequeathed the entire American public, especially the Polonia community, an exceptionally rich treasure for the soul. In it we see the example of self-sacrifice for the ideals of freedom. When freedom was missing from the soil of Pulaski's fatherland, tramped upon and taken away by the partitioning powers, he came to where the battle for freedom was waging, America. His subsequent endeavors are indeed worth remembering, and thus it is very appropriate to commemorate the 200th anniversary of Pulaski's arrival to America.

As chairman of this committee established through the PAC, I would like to inform you that the PAC president, Aloysius A. Mazewski has nominated the following people to form the body of this committee:

Henry Archacki, New York; Hilary Czaplicki, Philadelphia, Pa.; Henry Dende, Scranton, Pa.; Jan Krawiec, Chicago, Ill.; Maria Lorys, Chicago, Ill.; Tadeusz W. Maliszewski, Hartford, Conn.; J. K. Miska, Falls Church, Va.; Evelyn Pacyna, Detroit, Mich.; Gen. Joseph Pieklik, McLean, Va.; Edward Pinkowski, Philadelphia, Pa.; W. J. Pisarski, Dorchester, Mass.; Dr. Walter Sikora, Chicago, Ill.; Reinhold Smyczek, Old Bridge, N.J.; Joseph Weiwiora, Chicago, Ill.; Henry Wyszynski, Philadelphia, Pa.; and Chairman Dr. Edward C. Rozanski.

NATIONAL CONSUMER COOPERATIVE BANK: LOOK BEFORE WE LEAP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 5 minutes.

Mr. LAFALCE. Mr. Speaker, this Wednesday the House of Representatives is scheduled to consider H.R. 2777, the National Consumer Cooperative Bank Act. As a member of the Banking Committee as well as its Financial Institutions Subcommittee, I have sought in vain for the kind of justification that ought to be presented to Congress when it is asked to create new programs with a total price tag of three-quarters of a billion dollars.

I believe that cooperatives can play an important part in local economies, and it is very possible that the many Federal programs already available to cooperatives—including substantial tax breaks—do not suffice in some instances to encourage the services that cooperatives can provide. Perhaps we should do more.

But neither I nor the Carter administration is convinced that first, the problem is sufficiently defined or second, that a massive program, extending Federal assistance broadly to this form of business ownership exclusively, is the proper approach. I happen to believe that the services that are supplied by cooperatives to consumers can and very often should be provided by other forms of businesses, including partnerships, individual proprietorships, not-for-profit ventures as well as profit-oriented corporations. Free and open competition among various forms of business organizations is one of the aspects of our economic life that made America great.

Congressman ASHLEY and I intend to propose a substitute for H.R. 2777 when it is considered on the floor. This substitute is the administration's proposed alternative, calling for a 2-year study, by an interagency task force, of the needs of cooperatives and the proper Federal response. The study would be accompanied by a $20 million pilot loan assistance program for cooperatives. The

substitute we will offer is substantially the same as one which was presented during the Banking Committee's consideration of this bill, but inasmuch as there are some minor changes I want to share the text of it with all of my colleagues. Accordingly, I am presenting it now and respectfully request that it be printed in the RECORD following these brief remarks:

AN AMENDMENT TO H.R. 2777 IN THE NATURE OF A SUBSTITUTE BY MESSRS. LAFALCE AND ASHLEY

To authorize a study of the financial and technical assistance needs of consumer cooperatives, to establish a pilot project for lending to cooperatives, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress finds that cooperatives can contribute to an improved standard of living for their members and patrons, and that access to adequate credit is essential to the formation and growth of user-owned consumer cooperatives. Therefore, Congress desires to provide for the establishment of an Inter-Agency Task Force on Cooperatives to determine whether there is a need for Federal assistance for cooperatives, and if such need is demonstrated, the most effective and appropriate means for providing such assistance.

INTER-AGENCY TALK FORCE ON COOPERATIVES

SEC. 2. (a) TASK FORCE.—The President is authorized to establish an Inter-Agency Task Force on Cooperatives. The membership of the Task Force shall consist of such officials and employees of Executive Branch agencies as the President shall designate. The President shall select one member of the Task Force to serve as Chairman at the pleasure of the President.

(b) STUDY.—The Task Force is directed to make a comprehensive study of the relationship of cooperatives to the economy and to existing Federal programs. As used in this title, the term "cooperative" shall mean a cooperative of the character specified in section 3(b). No later than two years after the effective date of this Act, the Task Force shall submit to the President, for subsequent transmittal to Congress, a report of its findings and recommendations including its findings and recommendations with respect to:

(1) The need of cooperatives for financial and technical assistance, including an analysis of the extent to which such needs differ by industry;

(2) The relationship between cooperatives and the Federal Government, including the effect on cooperatives of Federal tax and anti-trust laws and the availability of existing government programs to help meet financing and technical needs of cooperatives;

(3) The extent to which needs of cooperatives are currently being met by conventional private credit sources and any factors that inhibit the ability of cooperatives to obtain conventional credit;

(4) Specific recommendations with regard to Federal programs that are necessary or appropriate to meet the needs of cooperatives, including the need for, and the feasibility and cost-effectiveness of, a government-owned or sponsored consumer cooperative bank. With respect to its recommendations concerning such bank, the report shall evaluate the experience under the Cooperative Assistance Loan Program authorized by section 3 of this Act.

(c) TECHNICAL ASSISTANCE.—The Task Force shall render any necessary technical assistance required by the department or agency designated by the President to administer the pilot loan program authorized by section 3.

(d) EXPIRATION.—The Task Force will expire when the President accepts its report.

COOPERATIVE ASSISTANCE LOAN PROGRAM

SEC. 3. (a) LOAN PROGRAM.—A Cooperative Assistance Loan Program is hereby authorized. No loan shall be made after three years from the effective date of this Act: *Provided,* That if the report of the Task Force referred to in section 2(b) does not include a recommendation for the establishment of a permanent consumer cooperative bank, no loan shall be made after the later of (i) the delivery of such report or (ii) two years from such effective date.

(b)(1) ADMINISTRATION.—The President shall designate any department or agency of the United States (hereinafter referred to as the "administering agency") to administer the Cooperative Assistance Loan Program. In administering the loan program, the administering agency shall take into account the objective of acquiring information about the need for and effectiveness of a consumer cooperative bank or other Federal or federally-sponsored program in aid of cooperatives, and shall consult with and make periodic reports to the Task Force concerning operations of the program.

(2) ELIGIBLE COOPERATIVES.—The Task Force is empowered to formulate and adopt regulations concerning the eligibility of cooperatives for loans under the Cooperative Assistance Loan Program. Subject to any such regulations and to subsection (b)(3) of this section, in administering the Cooperative Assistance Loan Program, the administering agency is authorized to make loans to any organization chartered or operated on cooperative, not-for-profit basis for furnishing goods, services, facilities, primarily for the benefit of its members or voting stockholders who are ultimate consumers or a legally chartered entity entirely owned and controlled by such an organization or organizations, if it—

(1) makes such goods, services, or facilities directly or indirectly available to its members or voting stockholders on a not-for-profit basis;

(2) does not pay dividends on voting stock or membership capital in excess of such percentage per annum as may be approved by the administering agency;

(3) provides that its net savings shall be allocated or distributed to member patrons, or to all patrons, in proportion to their patronage; or shall be retained for the actual or potential expansion of its services or the reduction of its charges to the patrons, or for such other purposes as may be authorized by its membership not inconsistent with its not-for-profit character;

(4) makes membership available on a voluntary basis, without any social, political, racial, or religious discrimination and without any discrimination on the basis of age, sex, or marital status, to all persons who can make use of its services and are willing to accept the responsibilities of membership, subject only to limitations under applicable Federal or State laws or regulations; and

(5) restricts its voting control to members or voting stockholders on a one vote per person basis in the case of primary organizations.

No such organization shall be ineligible because it also produces, markets, or furnishes goods, services, or facilities for its members as primary producers.

(3) LIMITATIONS ON ELIGIBILITY.—No cooperative shall be eligible under this section if it is eligible for financial assistance from the Rural Electrification Administration, the National Rural Utilities Cooperative Finance Corporation, Rural Telephone Bank, the Banks for Cooperatives or other institutions of the Farm Credit System, or if it is a credit union, mutual savings bank or mutual savings and loan association. No loan shall be made to any housing cooperative if, after giving effect thereto, the aggregate principal amount of outstanding loans to all housing cooperatives exceeds 60 percent of the outstanding principal amount of all loans to cooperatives under this program.

(c) TERMS OF LOANS.—The Task Force is empowered to adopt regulations limiting or otherwise fixing the terms and conditions of loans made under the Cooperative Assistance Loan Program. Subject to such regulations, loans made under this section shall be on such terms and conditions as the administering agency shall approve, except that:

(1) No loan shall be made unless the administering agency determines that (a) credit is not otherwise available to the applicant on reasonable terms and conditions, (b) the applicant has a sound organizational and financial structure, and (c) there is a reasonable assurance that the loan will be fully repaid in accordance with its terms and conditions;

(2) Each loan made to finance the purchase of any physical asset shall provide for complete amortization within a period of not to exceed the useful life of such asset;

(3) No loan made to any one borrower shall exceed 90 percent of the cost of the activity or assets to be financed;

(4) Loans shall bear interest at a rate not less than the rates generally prevailing in the area from other sources for loans for similar purposes and maturities, but in no event less than (i) a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, plus (ii) an allowance adequate in the judgment of the administering agency to cover administrative costs and probable losses under the program;

(5) The administering agency shall have the power to sell or otherwise dispose of loans under this section.

(d)(1) FUND.—There is hereby created within the Treasury a separate fund ("the Fund") which shall be available to the administering agency without fiscal year limitation as a revolving fund for the purpose of this Act. The total of any loan made from the Fund in any fiscal year shall not exceed limitations specified in appropriation acts. A business-type budget for the Fund shall be prepared, transmitted to the Congress, considered, and enacted in the manner prescribed by law (Sections 102, 103, and 104 of the Government Corporation Control Act [31 U.S.C. 847.849]) for wholly-owned Government corporations.

(2) RECEIPTS.—All amounts received by the administering agency as interest payments or repayments of principal on loans, fees, and any other moneys, property, or assets derived by it from its operations in connection with this Act shall be deposited in the Fund.

(3) DISBURSEMENTS.—All loans, expenses, including reimbursements to other government accounts, and repayments pursuant to operations of the administering agency under this Act shall be paid from the Fund. From time to time, and at least at the close of each fiscal year, the administering agency shall pay from the Fund into Treasury as miscellaneous receipts interest on the cumulative amount of appropriations available as capital to the Fund less the average undisbursed cash balance in the Fund during the year. The rate of such interest shall be determined by the Secretary of the Treasury, and shall be not less than a rate determined

by taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturity of loans made from the Fund. Interest payments may be deferred with the approval of the Secretary of the Treasury, but any interest payments so deferred shall themselves bear interest. If at any time the administering agency determines that moneys in the Fund exceed the present and any reasonable future requirements of the Fund, such excess may be transferred to the general fund of the Treasury.

AUTHORIZATION OF APPROPRIATION

SEC. 4.—There is hereby authorized to be appropriated to the administering agency for carrying out the purpose of this Act $20 million for fiscal year 1978, to remain available until the loan program is terminated. Any sums appropriated pursuant to the preceding sentence shall be available for (1) transfer to the Fund for the purpose of making loans pursuant to Section 3, including all attendant administrative expenses, and (2) for the costs, exclusive of salaries, of the study on Cooperatives authorized by Section 2.

CARTER ADMINISTRATION OFFICIAL SPEAKS OF NEED FOR CONSUMER COOPERATIVES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

Mr. ST GERMAIN. Mr. Speaker, one of the administration's witnesses on the National Consumer Cooperative Bank Act, Assistant Secretary of Housing and Urban Development for Consumer Affairs and Regulatory Functions, Msgr. Geno Baroni, gave a particularly eloquent plea for consumer cooperatives.

Before joining President Carter's administration, Monsignor Baroni had worked many years in inner-city areas and is one of the Nation's recognized experts on urban neighborhoods. He has appeared before the Banking, Finance and Urban Affairs on many occasions in support of programs to help the poor with housing and credit.

With this long background with the poor and self-help organizations, Monsignor Baroni's testimony should be given great weight as it relates to the National Consumer Cooperative Bank Act.

During his testimony before the Subcommittee on Financial Institutions Supervision, Regulation and Insurance, Monsignor Baroni described his experiences in developing cooperatives:

Well . . . I came from Pennsylvania to Washington, D.C., to 14th Street in the inner, inner city. Immediately, I began the same process of discussing co-ops. I went to some people who were in the banking business and savings and loan and I got the facetious remark, that said, "Well, you can't loan those people money or work with those people."

They said, "The co-ops don't work in a ghetto. They don't work with poor people and they don't work with black people."

I did not believe that, and so I began again a discussion with 20 people and it took a long time to get together. One night somebody finally made a motion and said, "Let's start". And the 20 people together contributed $153. Well, that credit union has made about $3 million worth of loans . . . I remember when the credit committee made their first loan. They wouldn't let me on the credit committee, but they made their first loan to some fellow, we will say his name was Joe Smith. They said, "We know him very well." They made him put $9 in before they loaned him $10 out. But they learned and pretty soon they had taught him how to bring in all his debts and so forth and they had Mr. Smith and his family on their feet. It was people helping each other. People that could never walk into the doors of any saving and loan or any bank. Those were people who could not go downtown and get a credit card or charge-a-plate at whatever it is, 18 per cent, or anything else. These people were helping themselves. The payback record again was something like 99.96 per cent, because they had their own built-in system.

Later, I started about 9 or 10 of those co-ops in inner city places in Washington. Then, I went to the National U.S. Catholic Conference and I started something there called The Campaign for Human Development, which has now made $50 million worth of grants to small self-help groups, and that again was the self-help process. Helping those who were left behind, in the lower ranks, who needed help.

Monsignor Baroni also testified about the extreme bias which has existed against the cooperative-type of organization—a bias which has prevented consumer cooperatives from obtaining adequate credit and support. It is this bias which the National Consumer Cooperative Bank Act seeks to correct. Here is what Monsignor Baroni told the subcommittee:

My experience in going up and down the governmental halls for about 8 years, has been a realization of the fantastic bias against consumers, against cooperatives of any kind . . . You have a built-in bias in lower income groups, working class groups, over what the banking industry and the upper middle class groups think about them . . .

One of the things I was very sensitive about when I went to get an apartment here in a co-op, no banks in Washington would finance it, not a single one. Personally, I had done $5 million worth of business with this one bank. I went to see the vice president, he knows me personally and he didn't know how to make a loan to a co-op. Nobody at his bank knew how to make a loan, he didn't know how to do any financing for this co-op apartment. He only made a loan because of my previous business with that bank. However, that loan had a maximum maturity of 7 years at 9½ percent interest.

The problem here is that this was not a regular course of action and there are not many people around that can pay off a loan at an equal level in such a short period of time. They really only made the loan out of the special circumstances that my organization had done business with this bank. It was an exception and they admit it.

We don't understand cooperatives. We don't believe in them. We don't know how to work with them. I think that is the sum and essence of the bias I have heard in my experience.

Expanding on the need for promotion of consumer cooperatives, the HUD Assistant Secretary told the subcommittee:

. . . we need a place for people to participate democratically to help themselves.

I am for any effective instruments that help develop that mediating structure where individuals can get themselves together and help themselves to deal with the big structures of society. It decreases frustration, increases public support for public policy because public support for public policy cannot be coerced.

This is a democracy. We depend on the consent of the governed and the consent of the governed in many cases is so frustrated . . .

So, I believe America is ready in so many different ways for us to move into the area with public policy support, with people forming groups for themselves to help themselves to deal with their problems particularly in the consumer area.

PUBLIC HOUSING SECURITY ACT OF 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 15 minutes.

Mr. MOAKLEY. Mr. Speaker, more than half a century ago, Congress declared a goal of "providing decent housing for every American." With singular perseverance, we have produced hundreds of efforts, all conceived to help this goal become a reality. The success of our programs is a reflection on the dedication and concern of this Congress toward quality housing. We attempted to aid our public housing residents, a population burdened by low incomes and difficult living conditions.

Yet these labors have continually incurred heavy financial losses, primarily because often our initial investments have not been adequately protected and lie vulnerable to rising crime and vandalism. The traditional response has been one dimensional; "after the fact" measures of barriers, fences, barbed wire and enclosures. But according to a January 1977 LEAA study, the crime problem may be largely an internal one. In the high rise, high-density buildings of much of our public housing, it is difficult to distinguish neighbor from intruder or to even feel safe in one's own home.

The victimization rate in these projects is much higher than any other part of an urban area. In a recent HUD study of a public housing project over half—55 percent of the residents interviewed—reported they were victimized in the last year. Equally significant was the high number of multiple victimizations. Our elderly residents continue to suffer in this sustained environment.

A pattern can be drawn in the frequency and location of crime. The high-density, easy-access dwellings, common to the public housing project provide for maximum advantage. A correlation exists between the building height and felonies in these projects. The relation is becoming stronger, even noting the outmigration patterns of the central cities.

Therefore, Mr. Speaker, today I am introducing the Public Housing Security Act which would require that residential security be addressed in the initial planning stages of any construction or rehabilitation of the building. Each local public housing agency would be responsible to HUD in insuring the security was detailed in all phases of new projects including: Site planning, design, and construction. Each plan would then be evaluated in every aspect or risk a new bid determination.

The second concern of the bill establishes an assistance fund for public housing agencies which demonstrate an im-

mediate need for funding of security measures. The PHA would outline in the application how this need could not be funded through present operating costs. The national evaluation program of the LEAA has indicated many of these security measures are not adequately funded and though having citizen interest, are forced to fold. LEAA stated that "funding should occur during crisis periods when citizens are easily mobilized."

These measures represent our continued involvement on a national level, in the plight of our elderly and disadvantaged. A sharper focus must be drawn on the factors affecting the slow but dramatic deterioration of our living spaces.

The physical, managerial, and economic factors must be addressed if we are to halt the abandonment of badly needed housing. We must continue to make the measure of public housing success to be the number of units safely built, rather than the number of units alone.

Mr. Speaker, I wish to insert, at this point in the RECORD, the text of the bill I am introducing today:

H.R. 8203

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Public Housing Security Act of 1977".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) low-income residents of this Nation, who are already subject to difficult living conditions, have suffered substantially from rising crime and violence;

(2) such residents, living in an insecure housing environment, have restricted their lives and use of the environment because of their concern about crime; and

(3) an integral part of successfully providing decent housing for every American is to ensure that the housing is secure.

(b) It is the purpose of this Act to provide measures which will provide security for residents of public housing by—

(1) requiring the Secretary of Housing and Urban Development (hereinafter in this Act referred to as the "Secretary") to integrate, into the initial planning and design stages of public housing projects, the concept of providing such security; and

(2) directing the Secretary to develop programs which make available funds for security to be used in rendering immediate assistance to public housing agencies as described in section 5.

DEFINITION

SEC. 3. For purposes of this Act the term "public housing" means any project which is assisted under the United States Housing Act of 1937 (except for dwelling units assisted under section 8 of such Act).

CRIME PREVENTION THROUGH ENVIRONMENTAL DESIGN

SEC. 4. (a) The Secretary shall, with respect to public housing on which construction, rehabilitation or modernization is commenced after the date of enactment of this Act, require the appropriate officials within the Department of Housing and Urban Development to examine and monitor the planning and implementation of such construction, rehabilitation or modernization for the purpose of assuring that the concept of security becomes an integral part of the planning and design of such public housing.

(b) In carrying out subsection (a), the Secretary shall take into consideration at least the following factors—

(1) in the case of new construction, site selection should be analyzed, taking into consideration the impact of the project on the neighborhood, population density in the area, and other factors which the Secretary deems to be necessary to selecting a suitable site;

(2) the architectural design of the project should provide for separating the units of the project into dwelling areas of small groups, for the secure control of access to the units, and for other factors which will make the project less vulnerable to crime; and

(3) the construction of the units should provide for substantial security mechanisms for each dwelling unit, especially with respect to doors, windows, and other portals.

CITIZEN ASSISTANCE PROGRAMS

SEC. 5. (a) The Secretary shall make available funds to public housing agencies located in areas in which the Secretary determines that there is a sufficient number of families assisted which have demonstrated organized support for rendering assistance in implementing improved security measures designed to protect tenants against crime, fire, and other hazards of an immediate nature.

(b) The Secretary shall also require, as a part of an application for assistance under this section, a preliminary estimate of the problems, constraints, remedial measures, goals, and other matters which prompted the application. Such application shall also demonstrate that the need for such funds is an immediate and urgent one and that the public housing agency is unable to meet the need without assistance under this section.

(c) Funds received under this section shall be used to improve security in the public housing with respect to which the grant is made, especially with regard to the problems outlined in the application for the funds.

(d) Funds may be made available under this section only with respect to public housing constructed before the date of enactment of this Act.

REPORT

SEC. 6. Each public housing agency which receives funding under this Act shall submit a report to the Secretary at the end of each year with respect to which it receives funds, detailing the actions it has taken to carry out the responsibilities of this Act.

AUTHORIZATIONS FOR APPROPRIATIONS

SEC. 7. There is authorized to be appropriated not to exceed $10,000,000 for the purpose of carrying out section 5.

ERNEST PALMISANO: A TALENTED MAN WHO NEVER GAVE UP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana (Mr. WAGGONNER) is recognized for 15 minutes.

Mr. WAGGONNER. Mr. Speaker, Louisiana's seafood is world-renowned, and its preparation, a la Louisianne, has been widely acclaimed by connoisseurs of haute cuisine. Unfortunately, the northwestern part of the State, which I have the honor of representing, has been overlooked as a center of fine cooking.

This is changing, however, thanks to the ever-expanding reputation of a chef in Shreveport who is at long last receiving the national reputation he has always deserved. Mr. Ernest Palmisano, a culinary master of the highest order and a longtime personal friend of mine, was praised recently in the Chicago Tribune. I would like to share that excellent article with our colleagues, not only because it rightfully honors a man's talent, but because it tells a story of hard work and perseverance. We still respect these virtues and are proud to tell the rest of the Nation they are alive and well in Louisiana.

"Cap" Palmisano has known the ups and downs associated with business in the free enterprise system. He has known personal misfortune. But through it all he has bounced back and has remained optimistic in his outlook on life. In the years I have known "Cap" I have never known him to give up. His personal philosophy of life was summed up in a quote from the Tribune article:

If I end up with nothing, that's OK. I started out with nothing, and three or four times I lost everything I had. I never gave up 'cause I had never had enough sense to give up. But win or lose, the world don't owe me nothin'. It's been a good life, better than I deserved.

With an attitude like that, how could a man not be a success?

I insert the related newsclipping following my remarks.

The article follows:

[From the Chicago Tribune, June 7, 1977]

THE CUSTOMERS ARE WINNERS AT WINNER'S CLUB

(By Jim Gallagher)

SHREVEPORT, LA.—When Mr. Ernest shuffled out of the kitchen, the people in the dining room stopped eating just long enough to pay their respects.

"Were you back there making something delicious for us?" a heavy-set, middle-aged woman drawled.

"Everything's super as usual," yelled a man wearing cowboy boots and a string bow tie.

Waving half-heartedly as he waded past the tables, his high, pointed chef's hat lending credence to his short, flabby body, Mr. Ernest mouthed a litany of "thank ya's" until he flopped into a chair at the table by the door.

"I try to make people happy," he said, his voice gruff and the words rattling like dishes. "In this business pride is 90 per cent of the battle, and I like to think that I run one of the best restaurants in the country."

Mr. Ernest runs the Winner's Club, which specializes in gourmet seafood. And while Shreveport may seem an unlikely location for a top-quality restaurant, a lot of people from all over the United States would agree with Mr. Ernest's evaluation of it.

Some folks fly here from as far away as New York and California just to eat and return home after dinner. Mr. Ernest's Cadillac picks them up at the airport.

Others call long-distance and ask Mr. Ernest to put enough food for a party on the next bus or plane heading in their direction.

Folks in nearby East Texas like to call the Winner's Club "the best restaurant in Dallas," claiming nothing in that steak and chops city can compare with the subtle delicacies like marinated crab claws that Mr. Ernest is famous for.

Technically speaking, the Winner's Club is not open to the general public; a membership card must be presented for admission. But anyone can obtain one for an annual fee of $10, and nonmembers are permitted to eat one meal before signing up. Dinner for two—with wine and cocktails—generally costs about $50, and many of the offerings are Mr. Ernest's personal creations.

The 66-year-old Ernest had a second restaurant—the Supper Club—in Shreveport, but it burned last New Year's Day. "Between the two, with only one meal a day, I was doing a million dollars worth of business a year," he said.

The Supper Club won't be rebuilt, but in the next few weeks another restaurant bearing his name—"Ernest's Treasure Island"—will open in the historic area of Charleston, S.C.

"People have been wanting me to open restaurants all over the country," he said, "but I never wanted to fool with it. Then in January, just after the fire, this man comes in and says he wants me to help set up a restaurant just like this one in Charleston. He says he's going to pay all the bills, and then he writes my fee on a piece of paper. It's $110,000. I say, 'You got it, mister.'"

Ernest Palmisano, whose grandparents immigrated to New Orleans from Sicily, first learned to cook while working for his father.

"I started working for him after school when I was 11. He had a reputation for being one of the best bartenders in the city, but he was also a hell of a cook, and whatever I know I learned from him. He used to say: 'If you're gonna have a restaurant, don't serve nothing you wouldn't eat yourself.'"

He got his first opportunity to apply that advice in 1944 when he was hired to oversee a bar with a kitchen. "It was in one of the sections of New Orleans that tourists rarely go to," he recalled, "and that's when I created my marinated crab claws—to have something to attract people into the place. I just used to leave them on the bar as a snack. That's my most famous creation."

The sauce consists of spanish olive oil, tarragon vinegar, lemon juice, green onions, celery, garlic, parsley, salt, and pepper.

"The idea came to me overnight," he said. "That's how all my creations come about. I just get a feeling that certain ingredients will go well together. It's not very scientific."

His two dozen other creations include a crabmeat appetizer with artichoke hearts, shrimp cooked in champagne and butter, a shrimp dip using horseradish and hot Louisiana mustard, and a half-dozen ways to prepare red snapper.

Snapper Ernest, the only dish he has given his name to, consists of snapper, crabmeat, white wine, and spices. "That's the one I'm proudest of," he said.

In 1947 Ernest opened his own restaurant, the Chef, in Shreveport. "I had a lot of friends up here," he recalled, "and they kept complaining that there wasn't a fresh seafood place in the whole city. I figured if I could just get people educated on stuff that wasn't frozen, they'd see the difference and I'd make out fine. About three months after we opened we were doing all the business we could handle."

He hired a commission merchant in New Orleans to make daily purchases of fresh catch for him, and every evening he dispatched a truck to pick it up. Thirty years later the same routine is still in effect, only now a somewhat larger truck brings him $8,000 worth of seafood each day. "If the boat has been out more than a day, I don't want the merchandise," he said.

The restaurant in Charleston—about 750 miles from the Gulf city—will get at least three deliveries a week.

"Don't get me wrong, now, frozen fish won't kill you," Ernest explained, "but the difference between fresh and frozen is like night and day no matter who the chef is. A fish is basically water—about 90 per cent—and freezing it just removes a good portion of the water. To me, what's left tastes like a piece of tablecloh or a napkin.

"Frozen crabmeat tastes like cotton. I just won't cook it, not even during those times of the year when I can't get fresh crabmeat."

Letting fish lie in water does even more harm than freezing, he said. "If just a little bit of water gets into the fish, it will start to turn bad and get a funny taste."

Fresh or frozen, though, most fish gets overcooked anyway, Ernest believes. "But I can't help them out there," he said laughing. "I can tell by my eye when a piece of fish is ready, but if you gave me a million dollars I couldn't tell you how I know this."

In 1955, as part of a divorce settlement, Ernest was forced to turn the Chef over to his first wife. In the years that followed he was plagued with heartache and bad luck. His oldest son died in an automobile accident, and a second marriage went by the boards. Two attempts to open a new restaurant also failed.

Shreve's Landing, which he opened in 1957 with two businessmen as his partners, got off to a great start, but when one of the businessmen insisted Ernest teach him how to cook, he stomped out and never returned. Three months later the place went out of business.

The Stables, which he opened on his own in 1959, was closed by the city shortly afterwards because Ernest refused to collect a 20 per cent entertainment tax from his customers. "You were only supposed to collect it if you had a dance floor," he explained. "In my place people just got up and danced between the tables, but I couldn't do nothing about that."

After a stint as the manager of a restaurant in the New Orleans French Quarter, however, Ernest returned to Shreveport and opened first his Supper Club and finally his Winner's Club. He also made a third—and so far successful—marriage.

"For, all I've been through, I've had the same staff since 1947," he said. "When I got broke, they got broke with me. But when things were going good, I fed them a lot of bacon and eggs and treated them with great respect. I don't try to dog them. I just tell them we're all here to make a piece of bread."

His employes, who always refer to him as Mr. Ernest and address him as Cap, treat him with a deference bordering on awe. "I don't fool around with hired help," he said. "Hell, I got $300,000 invested in this restaurant, and they got a tuxedo invested. If they don't do things my way, I get rid of them.

"Now you take a waiter. A waiter has got to want to do his job, has got to be sincere. The first thing I tell him is to respect everybody who sits down here 'cause they pay my living. They pay the lights, the gas, the water, everything. And the least I can give them is good service. I make my living as a servant, and a waiter can't never forget that he's got to be a servant, too. A lot of them forget that—think they're prima donnas and better than you, even though you're paying the check. A waiter like that I fire on the spot."

When two Chicago residents visited Ernest's for the first time recently, a polite but friendly waiter named Dennis spent a few minutes singing the owner's praise, then recommended appetizers and entrees he thought the newcomers might enjoy. When they expressed delight with the dishes he selected, he looked thrilled.

"If a customer orders something he's not familiar with and doesn't like, ain't no way he can pay for it," Ernest said. "I say let me give you something else, or else you don't have any check. Give me a chance to please you the next time."

All of Ernest's cooks started with him as dishwashers. "The ones who had promise, I took them out of the trough 'cause that's the best place to find cooks. They know nothing, so I can teach them my way. When my 16-year old son gets out of high school and comes up here to work with me, I'm gonna put him in the dish trough, too, and let him learn the business from the bottom up." An older daughter handles all of Ernest's books.

"You're probably wondering why, at my age, I'm still working," he said. "Well the truth is, I'm hard on money. Very hard. All my life I've had bad habits. Anything you ain't supposed to do, I did. I finally stopped my heavy drinking, and I'm too old now for chasing women, but I still play the ponies. And you can guess how good I pick 'em from the fact that I'm here at 10 every morning making sauces. When it comes to horses, I couldn't even pick my nose."

If playing the horses doesn't keep Ernest from retiring, owning a few most certainly will. In addition to a 4-year-old plodder named Ernest's Pal, which cost $5,000 to buy and a lot more to maintain, he contributes to the upkeep of several others that have yet to distinguish themselves on the track.

"If I end up with nothing, that's OK," he said. "I started out with nothing, and three or four times I lost everything I had. I never gave up 'cause I never had enough sense to give up. But win or lose, the world don't owe me nothin'. It's been a good life, better than I deserved."

STATEMENT OF RALPH NADER ON H.R. 2777, NATIONAL CONSUMER COOPERATIVE BANK BILL

(Mr. WYLIE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WYLIE. Mr. Speaker, on Wednesday of this week, the national consumer cooperative bank bill, H.R. 2777, is scheduled for consideration on the House floor. The bill is admittedly controversial. Mr. Ralph Nader presented an excellent statement as an advocate for H.R. 2777 in an appearance before the Financial Institutions Subcommittee of the Banking, Finance, and Urban Affairs Committee on April 25, 1977.

I do not agree with the suggestion that the Ford administration was not interested in the cities. It is a political fact of life that the Republicans must be interested in the welfare of the cities and President Ford was. Perhaps, we need to do a better job of getting the message across, and H.R. 2777, to me, provides just such an opportunity.

The arguments in support of the bill which Mr. Nader presented generally reflect my own in precise, understandable language which I felt would be of benefit to the Members of this body.

Mr. Ralph Nader's statement follows:

STATEMENT OF RALPH NADER ON THE NATIONAL CONSUMER COOPERATIVE BANK BILL, H.R. 2777, BEFORE THE SUBCOMMITTEE ON FINANCIAL INSTITUTIONS, HOUSE BANKING COMMITTEE, APRIL 25, 1977

Mr. Chairman, thank you for your invitation to testify on H.R. 2777. Last year I apeared before you urging prompt and affirmative action on the National Consumer Cooperative Bank Bill. The Banking Committee passed the legislation by an overwhelming margin shortly thereafter. The Bank is as urgently needed now as it was a year ago, if not more so. The fact that a majority of this committee is co-sponsoring this legislation would indicate that most of you are aware of this need.

I urge the Treasury Department not to delay consideration of this legislation with requests for further study. The need for this Bank is substantiated dramatically by a walk through any one of this nation's cities. When the Farm Credit System for rural cooperatives was established, farmer cooperatives had no "scientific data" to prove the need for a credit facility. The devastation of the depression upon rural areas was evidence enough. Today, many parts of our cities are suffering a depression, with many areas burdened by unemployment rates comparable to

the rates of the "thirties." The Treasury has recognized the inability or unwillingness of commercial credit institutions to provide the capital necessary for these communities by its recent announcement that it would be formulating an urban development bank proposal.

President Carter criticized the past Republican administration for its insensitivity to the cities throughout last year's campaign. One example of the Ford Administration's disinterest in the cities was its refusal to even consider the legislation before you today. This proposal is unique because it requires a community level of interest and organization as a precondition to an extension of credit. Other Federal programs often come roaring in, throwing money at various developers, builders and banks. Meanwhile, there is little assurance that the goals are going to be accomplished because there is such a remote gap between the subsidized producers and the people that live in the community who are supposed to be helped.

The advantages of cooperatives as a developmental tool have been recognized by our State Department and Peace Corps and used overseas, but not here at home. Both these agencies encourage aid recipients to establish cooperatives. Industrial countries as well are looking to cooperatives to help solve their economic problems. In fact, the Provincial Government of Quebec is introducing legislation to create a cooperative development corporation because of its unemployment problem in an urban, not a rural, setting.

In order for any community to prosper, industrial or not, it must have investment capital to sustain it. It must have both the ability to attract and the ability to retain capital (which provides the tools to produce goods and services). Many inner city communities are now capital starved because of policies aimed directly at their residents, such as, redlining and racial discrimination, and because banks and bank holding companies, tax loopholes, etc., distort the allocation of capital throughout society. However, because consumer cooperatives rebate their income back to their consumer members based on their percentage of patronage, co-ops enable the community to retain the capital that it needs in order to develop. Alternatively, investor-owned firms, like chain stores, send a portion of their profits wherever their investors happen to live, which is certainly not going to be the inner city. Sometimes, because of the multiplier effect, the loss can be sizeable. A medium size chain store can cost the community a substantial amount, over two hundred thousand dollars annually compared to the same store if it were a cooperative. (according to papers presented to the Washington Council of Governments).

Fostering cooperatives can be a new and important way to renew our cities. It is also cheaper than the proposed alternatives. Producers have already offered their solution to the problem of urban development: subsidies for chain stores in the form of free land, rent subsidies, and tax write offs to encourage them to enter the inner city market. In January, 1975, the President of Giant Food Store called for tax breaks to encourage chain stores to locate in Washington. Yet, many of these same chain stores are abandoning markets serving critical consumer needs throughout the country. The practice of redlining, the decision of A&P to close over 1,000 inner city stores, and similar actions by other corporations are producing areas of our city which are on a permanent Sabbath: without commercial activity. Dr. Donald Marion, an associate professor of food marketing at the University of Massachusetts, found that inner city stores were being abandoned at a rapid, and increasing rate throughout the country. In terms of food store selling space per person, Newark, New Jersey, has only .4 square feet in poverty areas compared to 2.1 square feet elsewhere in the city. In Washington, D.C., says the March 1975 report "Exodus of Food Chain Stores," prepared by the City's Municipal Planning Office, the years between 1968 and 1974 saw a 33% reduction in the number of city supermarkets. One impact of the food shortage resulting when supermarkets leave is the increased dependence upon the remaining stores and their inflated prices, or fast food restaurants. Meanwhile, empty buildings and reduced employment in these areas are both breeding grounds for crime.

Cooperatives can assist areas of cities which have been economically devastated or abandoned, but which still possess a consumer cash flow that can be part of a consumer cooperative subeconomy, recycling the consumer dollar several times through consumer cooperative food stores, health clinics, and many other types of cooperative business. The impact of the few cooperatives that have obtained adequate financing substantiate the claims made by their supporters:

Eighty families formed a housing cooperative forty years ago in Chicago (the first integrated housing in that area at that time incidentally). Today, a community credit union, a buying club, food cooperative and a preschool nursery school have spun off from the housing cooperative.

In Jamaica, New York, cooperatives provide optical care, supermarket facilities, financial services, pharmaceutical services, and even the electric generating plant is owned cooperatively.

In Milwaukee's innercity a web of cooperatively owned organizations has been formed, including housing, handicraft and foodstores all joined together into one cooperative federation. The federation is even exploring cable television, which would bring competition to our monopolized airwaves. In Western Wisconsin, a rural area, a cooperatively owned cable television network is already joining together families, schools, and community leaders.

Two thousand families in the Fort Greene area of Brooklyn, New York, an economically devastated region resembling a demilitarized zone, have joined together in a food cooperative. The impact of the cooperative in the area is instructive. Not only did their few remaining food outlets anywhere near the area drop their prices, but many even closed down for a day to clean up their stores. Here a cooperative acted as both a yardstick and a broomstick in the marketplace.

The experience of the Common Mart Food Cooperative in Denver, Colorado, indicates how crucial it is that this legislation be treated expeditiously. Producers are abandoning the marketplace now. Storefront is available for cooperatives to purchase if they can obtain a credit facility. The Common Mart is the last store available for the residents of downtown Denver, who are primarily senior citizens with low incomes. The two thousand families who were attempting to organize the cooperative were summarily refused consideration by local commercial banks. Only through the intervention of the State Treasurer of Colorado, Sam Brown, was a loan obtained for the cooperative. Now the market is doing quite well and is a model for you to consider.

The Hanover, New Hampshire, cooperative not only has a food subsidiary and a credit union, but also runs a funeral and memorial society, one more example of consumers organizing in an industry which has been a source of problems for consumers and subject to investigation by the Federal government.

The Berkeley Coop has spun off credit unions, a savings and loan, a health care service, a funeral service, an arts and crafts co-op, an insurance cooperative, housing, travel plans, book stores, and numerous other services like day care.

Of course, this list is not exhaustive. Interest in cooperatives is rapidly increasing as consumers attempt to deal with a deteriorating quality of life. A sixty firm federation of cooperatives has been organized in Minneapolis. But they are being handicapped by the absence of an assured, dependable source of credit and appropriate technical assistance. In Seattle, in Los Angeles, in Detroit, in Milwaukee, in New York City, in Austin, Texas, local banks refuse to lend money. In these cities, cooperatives have looked to the government as well, with no help in sight.

BENEFITS FOR CONSUMERS

Consumer cooperatives are economic organizations where the customers of the business are the owners of the business. Currently, the American economy is dominated by organizations of producers. For too long consumers have had to rely upon organizations of producers to represent their interests. Consumers were supposedly protected because the producers had opposing interests which countervailed against one another. In theory, wholesalers got the lowest possible prices from producers and retailers obtained the lowest possible prices from wholesalers. Consumer cooperatives can assure that theory becomes a reality.

1. Producers have more incentive to protect their economic interests than to consumers whose economic interest is often diffuse. How many people are going to get upset about a nickel overcharge on a loaf of bread? But to the profiteer, once all the bread is sold, that nickel can mean hundreds of thousands even millions of dollars.

2. When producers control the economy of the community, government officials are going to be cautious about offending them. The ability of economic firms to whipsaw communities through the use . . . of economic blackmail in order to avoid their societal responsibilities is increasingly widespread. And, large corporations also have the ability to coerce their suppliers and customers into supporting their policies.

3. The economically powerful have funds to spend on political organization: to publicize their views, make campaign contributions, etc.

4. Producers control information through their financial ability to hire experts and advocates and because of their central role in the economy. Therefore, cooperative enterprises have the potential to serve as important models of what is possible in the marketplace, and many already have done so. A Detroit optical co-op opposed legislation creating monopolistic market entry barriers. An automobile co-op in Ann Arbor refused to join a lobbying campaign against consumer-oriented regulation of auto repair shops by the State of Michigan. The co-op was meeting the proposed standards before the legislation was proposed.

A whole new area of cooperative organization is taking place in the area of repair of products of relative complexity, like automobiles and televisions sets, where consumers have trouble obtaining trustworthy and understandable information. Last year I described an automobile repair cooperative, Co-op Auto of Ann Arbor, Michigan, which was still getting off the ground. Today, over 1500 families are members. It still emphasizes principles of preventive maintenance and self-help, qualities not found in the ordinary repair shop. Last year, the organizer of the cooperative testified that he had received over 100 requests for information and assistance on auto repair cooperatives, but that the chances were 1 in 100 of another cooperative succeeding because of the absence of credit and technical assistance.

Cooperatives also use consumer-oriented marketing techniques to reduce prices or otherwise benefit the consumer. The Berkeley Co-op cut the price of milk, thereby challenging California's retail price regulation system. Eventually, the State dropped its

milk price regulation and its suit against the cooperative. The Co-op also began product coding and dating for shopper's benefit. The Co-op has supported a campaign to get consumer representation on California's food marketing boards which have broad authority for quality, size, and other regulations which affect supply, demand and price. The Berkeley Cooperative's Bin Produce Program has reduced prices of fruits and vegetables by eliminating wholesalers. Not coincidentally, the sale of these foods increased. Low priced oranges have sold five times faster than before the program, and the purchases of broccoli have increased one hundred fold. Since the program began produce sales have risen from 10% to 13% of the Co-op's sales volume.

Because consumers are the ultimate recipients of the firms income, cooperatives have no incentive to profiteer. Thus, cooperatives are able to be a competitive force in the marketplace. Swedish cooperatives responded to a cartel agreement among margarine producers by entering the margarine industry and were able to force the cartel to reduce its price by almost one-third. Later, the cooperative became perhaps the greatest trust buster in history, as its production ended restraints of trade in men's galoshes, flour, tires, light bulbs, china, bathroom fixtures, pulp, paper products, appliances, tractors, soap, and chocolate. Each time the cooperative achieved savings for its members, sometimes over half of the price, before the co-op began production. Today, the Swedish cooperative federation owns production facilities in over 50 industries, in addition to its 75 bakeries, meat processing factories, and breweries. Some of these factories control substantial portions of Swedish production, including 30% of the china market, 25% of the margarine, 26% of the frozen vegetables, and 30% of the toilet paper.

Cooperatives in this country are also increasing competition in other ways. Recently, eight farm cooperatives combined to buy their own oil refinery. It is clear that a consumer cooperative must start with a strong financial position before it can integrate vertically, and the co-ops in this country have not yet developed to that point. Therefore it is more common to find cooperatives spurring competition at a horizontal level.

A typical example is provided by the role the Berkeley Cooperative plays in Northern California. There the four largest supermarket chains account for a little over 50 percent of the total market. Safeway and Lucky, the area's two largest grocery chains, base their milk prices on how much competition they face in a particular area. Where a Safeway store is near a co-op store, it sells half gallons of milk at 64¢, the same as the Co-op. Where a Safeway is near a store belonging to the Alpha Beta chain, the safeway sells milk at 69 cents, same as the chain store. In other locations, where there is little competition, Safeway charges 71 cents for whole milk.

Another example of * * * in the marketplace is in the area of medical services. Congressional investigations have documented the abuses against patients as consumers, due to the number of restraints physicians have placed on the marketplace including restricting the supply of medical personnel, prohibiting price advertisement, and so on. The Group Help Cooperative of Puget Sound (GHC) proves that medical care can be provided at reasonable prices. The coverage offered by GHC is far more comprehensive than other group insurance plans. Medical, surgical, and hospital care have no time or dollar limits and include house calls. Other services provided are all prescribed drugs except tranquilizers, birth control pills and procedures, dietary supplements, X-rays and laboratory services, physical therapy, world wide emergency insurance, psychiatric consultations, eye examinations, and pediatric care. The largest non-cooperative group health plan does not include full coverage for drugs, X-rays, lab fees, house calls, or psychiatric care.

At the same time, the cooperative is cheaper than other plans. In 1974, the national per capita cost of health care was $345. In 1974, the cost of health care for each member of GHC was $245 or 60% of the national average, $345 per person. Nineteen seventy-four was the eighth consecutive year in which this cost gap widened. One of the reasons GHC can provide cheap services is that patients are not manipulated into expensive purchases they do not need. Since outpatient care is provided, excessive hospitalization of patients is avoided and the administration of preventive medical treatment is facilitated. Prices are also restrained by paying physicians a fixed salary (ranging from $28,000 to $56,000 a year). Despite fixed salaries, and exposure to more criticism than is typical (all complaints are reviewed and investigated if necessary, by the Member Relations Department, and doctors are expected to respond to every grievance) the co-op is attracting more physicians than it can hire.

These are just a few more of the many examples of co-operatives saving their members money:

A Detroit housing cooperative rents apartments for one-third the price of comparable shelter. The renter/owner clearly have no interest in using an increase in expenses to increase profits.

The practice of coops to promote private label merchandise and generic drugs, instead of nationally advertised brands, results in savings of roughly 10–17%.

A 42 item survey conducted early in 1975 for Denver's Common Market Co-op found that the market's prices ranged from 14% to 25% less than the competition.

Funeral and memorial societies charge up to 75% less than profit-making funeral homes.

Co-op Optical Services in Detroit is able to sell glasses one third cheaper than competitors, and a refraction examination by an optometrist costs $9.00 compared to $15.00 for even mass volume competitors. Because employees are salaried, they are not tempted to boost commissions by selling customers unnecessarily expensive lenses and frames or to cut costs through the use of inferior materials.

So, the cost of the program embodied in this legislation is quite small when compared to the benefits. Cooperatives provide great savings for consumers, and this program has been deliberately designed not to be a permanent drain on the federal budget.

A small credit subsidy is involved in this program, compared to the subsidies which exist and have existed for years, for producers. Subsidy programs exist for shipbuilders, landlords, banks, farmers, oil companies, coal companies, exporters, and small business and defense contractors, among others, which does not include makers of high technology products who benefit from government research and development. Nor does this include the huge expenditures by various federal agencies to foster and promote business interests.

But this program should not be analyzed in comparison with other misguided federal programs. The benefits of cooperative development far outweigh its costs. A study by a New York State legislative committee concluded that developing Medicaid health cooperatives would save the state $700 million annually. HUD's own studies have found that housing cooperatives are more efficient than alternative programs and less costly to their tenant/owners and also to government subsidy programs. It's time for government to recognize these advantages of cooperatives and to utilize them as a functional tool in other government programs, not just in the legislation before you.

The need for this legislation remains clear. The needs mentioned in last year's testimony remain unfulfilled. Housing cooperatives in Pittsburgh and St. Paul, student cooperatives in Ann Arbor and Austin, Indian cooperatives in New Mexico, low income cooperatives in South Carolina still are without funds. In addition last year's hearings brought several new examples of the insensitivity of commercial lending institutions to light:

The Group Health Cooperative of Puget Sound couldn't get a commercial mortgage until it had been operating for 17 years; members had to take second mortgages on their own homes. Today GHC is the world's largest health cooperative with a staff of 208 physicians who serve more than 200,000 patients. Only because of the exceptional dedication of its members can it now boast a 300 bed hospital and ten neighborhood clinics. No one keeps records of how many cooperatives like GHC were started and failed because of inadequate financing.

The Berkeley Cooperative, the largest and most successful consumer cooperative in the country, was unable to persuade a commercial bank or insurance company to lend it anywhere near the funds it sought. The Cooperative had over 60,000 family members, assets of roughly 4 million dollars, and annual sales of about $60 million and could not find any commercial credit institution which would even lend it $400,000.

Last year, the representative of the Treasury scoffed at the idea that a bank would not give due consideration to a prospective borrower, cooperative or otherwise. His seat was still warm when a witness for a Minneapolis cooperative described the struggle to persuade a Minneapolis bank, which the Treasury witness had once managed, to consider a cooperative loan. The loan, of course, was never seriously considered.

The Common Mart grocery in Denver, only obtained financing because of the personal intervention of the State Treasurer, Sam Brown, who arranged a meeting between cooperative organizers and the president of one of Colorado's banks.

Since the development of consumer cooperatives has been limited in this country by the inability of cooperatives to obtain capital, we must look to Europe to see the significant impact that coopeartives can have in the marketplace. Cooperatives are central to the Swedish economy for example. Over half of all Swedish households belong to coops. The consumer cooperatives control about 18 percent of the retail trade of the country. The federation of cooperatives is the largest business in the country accounting for 3.3 billion in sales in 1974 and employing over 67,000 employees. Cooperatives span the breadth of industry including petroleum, insurance, housing, fishing, travel and consumer goods.

Although this kind of cooperative development cannot be expected overnight, these figures illustrate that we are considering a bill with a potential impact that is tremendous. When the Bank for Cooperatives of the Farm Credit System first started few would have predicted that forty years later it would have loans outstanding of nearly 30 billion dollars. At one time, just before the Bank for Cooperatives of the Farm Credit System had completely repaid the government's original "seed capital", the President of the Exchange National Bank of Tampa, Florida, reviewed the portfolio of one of the regional Banks for Cooperatives and declared that there was hardly a loan in it which was strong enough for his bank to accept. Yet the actual losses for loans made by the Bank for Cooperatives has amounted to less than one-tenth of one percent of the money loaned. Former president of the Columbia Bank for Cooperatives J. D. Lawrence also

pointed out that the loss ratio of the Exchange National Bank of Tampa, Fla. was not nearly as good as that of the Columbia, South Carolina Bank for Cooperatives.

Experience demonstrates that the expansion of cooperatives benefits even those who do not choose to join them. Everyone benefits when an organization enters the marketplace that doesn't have the same interests as all the other firms in the industry. The cooperative is such an institution thereby providing yardstick competition. Everyone benefits when this competition yields lower prices, higher quality goods, and reliable information. And everyone benefits when cooperatives supply a structure to foster inner city markets, inspiring the reconstruction of the impoverished areas of these cities.

The Consumer Cooperative Bank Bill says, in a very modest way, that there is not just one form of private economic organization in the United States, namely the investor-owned corporation (dominated by a few giant corporations), that can receive the recognition and support of public policy. There are other forms more efficient and equitable to the ultimate consumer—the consumer cooperatively-owned enterprises.

CERTAIN IMPORTANT OUTSTANDING ISSUES SHOULD BE RESOLVED BEFORE NORMALIZATION OF RELATIONS WITH CUBA CONTINUES

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, there has been increasing interest shown over the past several months in improving relations between the United States and Cuba. This interest has been highlighted by a series of discussions between representatives of the two governments, discussions which have culminated in at least two reported agreements: One concerning maritime boundaries in light of each country's 200-mile fishing zone; the other concerning fishing rights within these zones.

Even more significant in this regard is the fact that the United States and Cuba are presently in the process of establishing "interest sections" in their respective capitals. Such action normally precedes the resumption of diplomatic relations. Thus we may feel rather certain that our relationship with Cuba is in a process of change and we can begin to see the direction which the administration seems to be taking.

What I think is not sufficiently appreciated, however, is that if the United States fails to secure the resolution of certain important outstanding issues before the normalization of relations with Cuba continues any further, then any satisfactory resolution of these issues will be endangered, or perhaps foreclosed. Certainly the United States should not take actions which would significantly benefit Cuba prior to agreement to resolve such issues.

I must emphasize at the outset that I have no quarrel at all with establishing better communications between the two countries. It is of paramount importance to realize, however, that before there can be a restoration of relations between the United States and Cuba, our Government must secure the satisfactory settlement of a number of difficult and vital issues of contention.

There are at least four such issues which must be resolved prior to further significant normalization of relations. First, there is the continued holding of American citizens as political prisoners in Cuban jails. Second, there are serious questions concerning Cuba's record on human rights. Third, we are continually hearing reports of Cuba's active and increasing involvement in the internal affairs of certain African countries, Angola being an example. And, finally, there is Cuba's failure to provide any settlement for the extensive expropriations of the property of U.S. citizens, expropriations which were clearly in violation both of international law and of basic human rights.

It is my strong conviction that all of these issues must be resolved before there can be full resumption of normal diplomatic and economic relations between the United States and Cuba. Our failure to resolve these issues prior to the full resumption of relations with Cuba would represent nothing less than the sacrifice of interests which are of key importance to U.S. citizens and which represent American policy goals of the highest order. If we ignore these issues, Cuba will secure the objectives which it seeks to attain, economic and political, while the United States overlooks those principles of human rights and international law which we have in the past so strongly defended. Any movement to resume relations which is blind to these concerns must be opposed.

I would like to review the problem that began in 1959 with the expropriation by Cuba of property owned by literally thousands of U.S. nationals, in both their individual and their corporate capacities. In reviewing this problem, I will also trace the efforts which I and many others have made to secure just and fair compensation for these tremendous losses.

Before reviewing this problem I would like to make it clear that my conviction in this matter is based on more than what might be called "traditional" international law. Under traditional international legal principles the citizens of every state are entitled to just compensation for deprivation of their private property by a foreign state. This principle is so time-honored and based on such elementary notions of fairness that it alone justifies our condemnation of Cuba's action of depriving U.S. nationals of their private property. Indeed, our State Department has described this Cuban action as being "manifestly in violation of those principles of international law which have long been accepted by the free countries of the West. It is in essence, discriminatory, arbitrary and confiscatory."

What must be realized, however, is that such deprivations represent nothing less than an abridgment of one of the fundamental human rights. I am referring to the right of a person to his property.

The Universal Declaration of Human Rights, adopted by a vote of 48 to 0 by the General Assembly of the United Nations in 1948 and generally recognized as being declaratory of customary international law, provides explicitly for the protection of private property. And similar protection is afforded in the protocols to the European Convention on Human Rights and in the American Convention on Human Rights. The latter has been signed by 12 Latin American countries, all of them neighbors to ourselves and Cuba, and it provides in article 21 that—

No one shall be deprived of his property except upon payment of just compensation . . .

It is on just such a guarantee that I base my present concern.

I am sure that all of us support and are proud of the United States' commitment to the protection of human rights throughout the world. But this commitment should not blind us to our duty to champion the human rights of our own nationals no less than those of foreign nationals abused by their own countries. Indeed, I should think that our primary duty is to our own citizens. And it is in the spirit of protecting these American citizens whom all of us represent that I approach the problem of Cuban expropriations.

Shortly after the Castro regime seized power in Cuba in January of 1959 it expropriated thousands of property holdings of U.S. citizens in express retaliation against the U.S. suspension of the import quota and the special pricing arrangements for Cuban sugar. These expropriations took various forms, including outright confiscation, interventions, nationalizations, and purportedly legal squeeze-outs.

For example, pursuant to its Agrarian Reform Law of May 1959, Cuba expropriated American-owned farms and rural properties. Under Cuban Law No. 653 of November 1959, all pending applications for further exploration of American-owned ore concessions were canceled arbitrarily, and new applications were ignored or disapproved. By the Urban Reform Law of October 1960, Cuba effected a cancellation of all mortgages on properties in the country. And by certain resolutions issued pursuant to Law No. 851 of July 1960, Cuba authorized the nationalization of American banks and of any Cuban concerns in which Americans owned majority interests.

I could continue citing Cuba's confiscatory "laws" and actions at length, but irrespective of the details, the principle is crystal clear: Cuba's action in expropriating the private property of U.S. nationals was an outright violation of international law and a deprivation of the basic human right to property.

Of course, many of the persons deprived of their property by these illegal actions undertook to secure redress for their losses. To begin with, a number of U.S. claimants brought actions in the Cuban courts, under Cuban laws which purported to provide safeguards against arbitrary deprivations by the Cuban Government. These efforts proved to be unavailing. If nothing else, however, they did demonstrate that compensation was never a realistic possibility under Cuban law as applied by Castro. Indeed, an American court has held as much.

In October of 1964, the Congress adopted a bill which I sponsored, the Cuban Claims Act of 1964, which amended the International Claims Settlement Act of 1949 so as to add to it title V; authorizing the determination of the validity and amount of each claim by a U.S. national against Cuba. This amendment provides for the adjudication of these Cuban claims by the Foreign Claims Settlement Commission of the United States.

It should be emphasized that title V does not provide for payment of the losses that result from the Cuban expropriations. The statute provides only for the "preadjudication" by the Commission of the validity and amounts of such claims and the certification of the findings to the Secretary of State. This certification is meant to provide the Secretary of State with information for use in the future negotiation of a claims settlement agreement with Cuba. Since no such negotiation has occurred, the U.S. nationals who have had their claims adjudicated in this manner have received nothing as yet by way of compensation. The Cuban Claims program is, therefore, a presettlement adjudication of claims, meant to determine the validity and amount of each American claim and to provide a benchmark for our Government in its future settlement negotiations with Cuba.

The Foreign Claims Settlement Commission began to administer the Cuban Claims program, as I have just described it, on November 1, 1965, and finished its job in July of 1972. In that time the Commission adjudicated almost 9,000 claims for compensation, claims for properties ranging from small agricultural and shopkeeping interests to large industrial enterprises.

Of these almost 9,000 claims, the Commission certified awards in 5,911, which in the aggregate represent losses again, certified by the Commission, of $1,851,-057,358. To break these figures down further, 898 corporate claims were awarded, representing in amount a total of $1,578,498,839.55. Individual claims awarded totaled 5,013 and represent in amount $221,049,729.14. I refer anyone interested in pursuing more details regarding these thousands of claims to the 1972 annual report of the Foreign Claims Settlement Commission.

Let me add that this total of over $1.8 billion does not include any element of interest from the date of the takings, nor does it attempt to take into account the rapid inflation of the past two decades, nor does it include an extremely large claim by the U.S. Government itself for the loss of certain Cuban nickel interests. If interest were added, the total claims of the United States on behalf of its nationals through December 31, 1977, would be on the order of over $3 billion.

Thus, Cuba's expropriation of the property of U.S. nationals since January of 1959 represents the largest single expropriation by one country recorded by history up to the present time.

What I now insist upon is that these interests of American nationals be vigorously defended by our Government as it proceeds to establish a new relationship with the Government of Cuba. Failure by the United States to secure a just and fair settlement of these claims would constitute a severe default in our Government's protection of the rights of her citizens. Equally, it would establish a precedent which would place the property rights and, therefore, the fundamental human rights of American citizens in worldwide jeopardy.

I have heard reports that the State Department intends to make a monetary settlement of the Cuban expropriations an element in the plan for improving our relations with Cuba. I applaud this sentiment, if, indeed, it has been expressed with conviction. But intentions are not actions, and we must make certain that a settlement is a prerequisite to the full normalization of relations with Cuba. We are defending here fundamental human rights of American citizens, rights which we must advocate for all peoples, but on which we must insist for our own citizens.

It is with this understanding that I advocate the protection of the rights of our citizens under the international laws of the world community.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CORMAN (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. DENT (at the request of Mr. CORMAN), for an indefinite period, on account of eye surgery.

Mr. EVANS of Indiana (at the request of Mr. WRIGHT), for July 11 through 15, on account of attendance as U.S. Representative at the Ninth Centenary in France.

Mr. JEFFORDS (at the request of Mr. ANDERSON of Illinois), for today, on account of special business.

Mr. MADIGAN (at the request of Mr. ANDERSON of Illinois), for today and July 12, on account of official business.

Mr. MANN (at the request of Mr. WRIGHT), for this week, on account of official business.

Mr. MIKVA (at the request of Mr. WRIGHT), for July 11 through July 14, on account of official business.

Mr. STUMP, for today, on account of official business.

Mr. YOUNG of Alaska (at the request of Mr. ANDERSON of Illinois), for today and July 12, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GRASSLEY), to revise and extend their remarks, and to include extraneous matter:)

Mr. JEFFORDS, for 15 minutes, today.

(The following Members (at the request of Ms. OAKAR) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. LAFALCE, for 5 minutes, today.
Mr. ST GERMAIN, for 5 minutes, today.
Mr. MOAKLEY, for 15 minutes, today.
Mr. WAGGONNER, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. GRASSLEY), and to include extraneous matter:)

Mr. JOHNSON of Colorado.
Mr. WALSH.
Mr. LENT.
Mr. BROYHILL.
Mr. DERWINSKI in three instances.
Mr. CUNNINGHAM.
Mrs. FENWICK.
Mr. ASHBROOK in three instances.
Mr. STEERS.

(The following Members (at the request of Ms. OAKAR) and to include extraneous matter:)

Mr. O'NEILL.
Mr. PEPPER.
Mr. MURPHY of Illinois.
Mr. FARY.
Mr. CLAY.
Mr. KILDEE.
Mr. CARNEY.
Mr. HOLLAND in three instances.
Mr. BYRON in 10 instances.
Mr. ROSENTHAL in 10 instances.
Mr. SISK.
Mrs. LLOYD of Tennessee in five instances.
Mr. ANNUNZIO in six instances.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. BROWN of California in 10 instances.
Mr. HAMILTON in 10 instances.
Mr. LAFALCE.
Mr. HANNAFORD.
Mr. DOWNEY.
Mr. MCDONALD.
Mr. TEAGUE in three instances.
Mr. WALGREN.
Mr. HAWKINS.
Mr. ST GERMAIN.
Ms. OAKAR.
Mr. WEAVER.
Mr. LEHMAN.
Mr. TSONGAS.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 244. An act to authorize the construction and maintenance of the General Draza Mihailovich Monument in Washington, District of Columbia, in recognition of the role he played in saving the lives of approximately five hundred U.S. airmen in Yugoslavia during World War II; to the Committee on House Administration; and

S. 660. An act to authorize the Secretary of the Interior to enter into an agreement with the Cherokee, Choctaw, and Chickasaw Indian Nations for the purchase and/or lease by the United States of each nation's right and interests in the riverbed of the Arkansas River, and for other purposes; to the Committee on Interior and Insular Affairs.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 4585. An act to authorize appropriations for the Indian Claims Commission for fiscal year 1978; to facilitate the transfer of cases from the Indian Claims Commission to the U.S. Court of Claims; and for other purposes; and

H.R. 4992. An act to amend the Indian Financing Act of 1974 by revising the appropriations authorization for the Indian business development program.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1468. An act to amend the Federal Energy Administration Act of 1974 to extend the duration of authorities under such act, to authorize appropriations for the Federal Energy Administration for the 1978 fiscal year, and for other purposes.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on June 30, 1977, present to the President, for his approval, bills and joint resolutions of the House of the following title:

H.R. 1404 For the relief of Smith College, Northampton, Mass., and for other purposes;

H.R. 6668 To amend the Age Discrimination Act of 1975 to extend the date upon which the U.S. Commission on Civil Rights is required to file its report under such act, and for other purposes;

H.J Res. 525. To provide for a temporary extension of certain Federal Housing Administration mortgage insurance and related authorities and of the national flood insurance program, and for other purposes; and

H.J. Res. 539. To amend the statute of limitations provisions in section 2415 of title 28, United States Code, relating to claims by the United States on behalf of Indians.

ADJOURNMENT

Ms. OAKAR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 5 minutes p.m.) the House adjourned until tomorrow, Tuesday, July 12, 1977, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1821. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a supplemental summary of the fiscal year 1978 budget, pursuant to section 201 of the Budget and Accounting Act of 1921, as amended (31 U.S.C. 11(b)) (H. Doc. No. 95–180); to the Committee on Appropriations and ordered to be printed.

1822. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of July 1, 1977, pursuant to section 1014(e) of Public Law 93–344 (H. Doc. No. 95–181); to the Committee on Appropriations and ordered to be printed.

1823. A letter from the Assistant Secretary of the Interior, transmitting certification that an adequate soil survey and land classification has been made of the lands in the Dolores project, Colorado, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation, pursuant to Public Law 83–172; to the Committee on Appropriations.

1824. A letter from the Chairman, National Transportation Safety Board, transmitting a copy of a request for a rescission in the Board's fiscal year 1977 appropriation, pursuant to section 304(b)(7) of Public Law 93–633; to the Committee on Appropriations.

1825. A letter from the First Vice Chairman and Vice President, Export-Import Bank of the United States, transmitting notification of a proposed transaction involving U.S. exports to the Republic of China, pursuant to section 2(b)(3) of the Export-Import Bank Act of 1945, as amended (88 Stat. 2335); to the Committee on Banking, Finance and Urban Affairs.

1826. A letter from the Director, District of Columbia Bail Agency, transmitting a report on the Agency's operations from the period June 1, 1976 to May 31, 1977, pursuant to 23 D.C.C. 1307; to the Committee on the District of Columbia.

1827. A letter from the Secretary of the Treasury, transmitting the annual review of the audit of the Student Loan Marketing Association for calendar year 1976, pursuant to section 439(n) of Public Law 92–318; to the Committee on Education and Labor.

1828. A letter from the Secretary of Labor, transmitting a report on a comprehensive study of the employment and training of handicapped individuals in sheltered workshops, in response to House Report 92–228; to the Committee on Education and Labor.

1829. A letter from the Secretary of Health, Education, and Welfare, transmitting a report of his study of the extent that reorganization of the Education Division of the Department is necessary, pursuant to section 522 of Public Law 94–482; to the Committee on Education and Labor.

1830. A letter from the Acting Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulation amending the family contribution schedules for use during the 1977–78 academic year, under the basic educational opportunity grant program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1831. A letter from the Executive Secretary to the Department of Health, Education and Welfare, transmitting proposed interim final regulations for part 116d—Grants to State Agencies to meet the Special Educational needs of Migratory Children, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1832. A letter from the Acting Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations to govern the educational television program under subpart H of the Emergency School Aid Act, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1833. A letter from the Secretary of Agriculture, transmitting notice of a proposed new systems of records, pursuant to 5 U.S.C. 552(a)(o); to the Committee on Government Operations.

1834. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of a proposed new system of records for the Department, pursuant to 5 U.S.C. 552(a)(o); to the Committee on Government Operations.

1835. A letter from the Assistant Secretary of Health, Education, and Welfare for Management and Budget, transmitting notice of proposed new systems of records for the Department, pursuant to 5 U.S.C. 552 (a)(o); to the Committee on Government Operations.

1836. A letter from the Chief, Records Management Division, Federal Communications Commission, transmitting a proposed new system of records for the Commission, pursuant to 5 U.S.C. 552(a)(o); to the Committee on Government Operations.

1837. A letter from the Deputy Assistant Secretary of the Interior transmitting a copy of a proposed contract for a research project entitled "Development of Improved Multiseam Contour Haulback Mining Systems," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

1838. A letter from the Acting Secretary of State, transmitting a report on the progress which has been made toward achieving respect for the rights of U.S. citizens detained in Mexico, pursuant to section 408(b)(2) of the International Security Assistance and Arms Export Control Act of 1976 (Public Law 94–329); to the Committee on International Relations.

1839. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Air Force to offer to sell certain defense articles and services to the Government of Iran, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

1840. A letter from the Director, Defense Security Agency, transmitting notice of the intention of the Department of the Air Force to offer to sell certain defense articles and services to the Government of Korea, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

1841. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of proposed licenses for the export of major defense equipment sold commercially (MC–33–77), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations.

1842. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of proposed licenses for the export of major defense equipment sold commercially (MC–35–77), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations.

1843. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of proposed licenses for the export of major defense equipment sold commercially (MC–38–77), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations.

1844. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of proposed licenses for the export of major defense equipment sold commercially (MC–39–77), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations.

1845. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of proposed licenses for the export of major defense equipment sold commercially (MC–41–77), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations.

1846. The letter from Assistant Secretary of State for Congressional Relations, transmitting notice of proposed licenses for the export of major defense equipment sold commercially (MC–46–77), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations.

1847. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of proposed licenses for the export of major defense equipment sold commercially (MC–47–77), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations.

1848. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of a proposed extension of an existing Technical Assistance Agreement which provides for services to be tendered to the Government of Iran, (MC–34–77), pursuant to section 36(d) of the Arms Export Control Act; to the Committee on International Relations.

1849. A letter from the Assistant Secretary of State for Congressional Relations, transmitting the text of an international agreement proposing the modification of the terms of debts owed to the United States by the government of Zaire, pursuant to section 4 of Public Law 93–333; to the Committee on International Relations.

1850. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112(b) of Public Law 92–403; to the Committee on International Relations.

1851. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112(b) of Public Law 92–403; to the Committee on International Relations.

1852. A letter from the Assistant Secretary of State for Congressional Relations, transmitting reports on political contributions made by Ambassador-designates Gerard C. Smith, W. Howard Wriggins, and Frank V. Ortiz, Jr., and their families, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

1853. A letter from the Assistant Secretary of State for Congressional Relations, transmitting reports on political contributions made by Lawrence A. Pezzullo, Ambassador-designate to Uruguay, and Louis A. Lerner, Ambassador-designate to Norway, and their families, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

1854. A letter from the Assistant Secretary of State for Congressional Relations, transmitting reports on political contributions made by Ambassador-designates William E. Schaufele, Jr., and Leonard Woodcock, and their families, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

1855. A letter from the Attorney General, transmitting the second report on the voluntary agreement and plan of action to implement the International Energy Program, including the impact on competition and small business, pursuant to section 252(1) of the Energy Policy and Conservation Act; to the Committee on Interstate and Foreign Commerce.

1856. A letter from the Administrator, Federal Energy Administration, transmitting operating documentation of the Project Independence Evaluation System computer model, pursuant to section 31(1) of the Federal Energy Administration Act of 1974, as amended (90 Stat. 1132); to the Committee on Interstate and Foreign Commerce.

1857. A letter from the Acting Assistant General Counsel for International, Conservation, and Resource Development Programs, transmitting notice of a meeting related to the International Energy Program July 14 and 15, 1977 in London, England; to the Committee on Interstate and Foreign Commerce.

1858. A letter from the Secretary of Commerce, transmitting proposed legislation to amend section 1 of the act of June 5, 1920, as amended to authorize the Secretary of Commerce to settle claims for damages of less than $2,500 arising by reason of acts for which the National Oceanic and Atmospheric Administration shall be found to be responsible; to the Committee on the Judiciary.

1859. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act (66 Stat. 214, 76 Stat. 1247); to the Committee on the Judiciary.

1860. A letter from the Chairman, Administrative Conference of the United States, transmitting the 1976 report of the Administrative Conference of the United States, pursuant to 5 U.S.C. 575; to the Committee on the Judiciary.

1861. A letter from the Acting Administrator, American Revolution Bicentennial Administration, transmitting the final report of the American Revolution Bicentennial Board, pursuant to section 7(b) of Public Law 93–179; to the Committee on Post Office and Civil Service.

1862. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the act of September 7, 1950 (relating to the construction of a public airport in or near the District of Columbia), to authorize arrests for offenses committed on lands acquired to provide access to the airport, and for other purposes; to the Committee on Public Works and Transportation.

1863. A letter from the Secretary of Transportation, transmitting a report evaluating the highway safety program, pursuant to section 208(b) of Public Law 94–280; to the Committee on Public Works and Transportation.

1864. A letter from the Secretary of Transportation, transmitting a report on the relationship between the gross load on steering axles of truck tractors and the safety of operations of vehicle combinations of which such truck tractors are a part, pursuant to Public Law 94–280 section 210; to the Committee on Public Works and Transportation.

1865. A letter from the Secretary of the Army, transmitting the annual report of the Chief of Engineers on civil works activities for the fiscal year ended June 30, 1975, pursuant to section 8 of the Rivers and Harbors Act of 1888; to the Committee on Public Works and Transportation.

1866. A letter from the Chairman, National Transportation Safety Board, transmitting the annual report of the Board for calendar year 1976, pursuant to section 305 of Public Law 93–633; to the Committee on Public Works and Transportation.

1867. A letter from the Acting Assistant Administrator for Advocacy & Public Communications, Small Business Administration, transmitting the final report on findings and recommendations with respect to functions of the Office of Advocacy, pursuant to Public Law 94–305 section 206; to the Committee on Small Business.

1868. A letter from the Administrator of Veterans' Affairs, transmitting a report entitled "Amputations of Extremities and Cardiovascular Disease", pursuant to section 403, Public Law 94–433; to the Committee on Veterans' Affairs.

1869. A letter from the Secretary of the Treasury, transmitting proposed legislation to authorize the Department of the Treasury to obtain certain services and facilities and incur certain administrative expenditures, to increase the working capital fund of the Department, and for other purposes; to the Committee on Ways and Means.

1870. A letter from the Chairman, U.S. International Trade Commission, transmitting the 10th quarterly report on trade between the United States and nonmarket economy countries, pursuant to section 410 of the Trade Act of 1974; to the Committee on Ways and Means.

1871. A letter from the Mayor of the District of Columbia, transmitting his response to the Comptroller Generals report on the management of welfare cases by the District of Columbia Department of Human Resources, pursuant to section 736(b)(3) of Public Law 93–198; jointly, to the Committees on Government Operations, and the District of Columbia.

1872. A letter from the Assistant Secretary of Commerce for Tourism, transmitting a report on the progress made on a proposed international exposition (Expo '81) in San Bernardino County, Calif., pursuant to section 2(c) of Public Law 91–269; to the Committees on International Relations, and Interstate and Foreign Commerce.

1873. A letter from the Comptroller General of the United States, transmitting a report on the examination of financial statements of the United States Railway Association for the fiscal year ended June 30, 1976, pursuant to section 106 of the Government Corporation Control Act, as amended (CED–77–64, July 8, 1977) (H. Doc. No. 95–182); jointly, to the Committees on Government Operations, and Interstate and Foreign Commerce and ordered to be printed.

1874. A letter from the Comptroller General of the United States, transmitting a report by the GAO concerning improved management needs at U.S. Army facilities in Europe (LCD–77–313, July 1, 1977); jointly, to the Committees on Government Operations and Armed Services.

1875. A letter from the Comptroller General of the United States, transmitting a report by the GAO concerning the Army's standard civilian payroll system (FGMSD–77–4, July 5, 1977); jointly, to the Committees on Government Operations and Armed Services.

1876. A letter from the Comptroller General of the United States, transmitting a report on the deterioration of the Nation's public rangelands (CED–77–88, July 5, 1977); jointly, to the Committees on Government Operations, and Interior and Insular Affairs.

1877. A letter from the Comptroller General of the United States, transmitting a report on the use of fertilizer for producing more food in the developing countries (ID–77–6, July 5, 1977); jointly, to the Committees on Government Operations, and International Relations.

1878. A letter from the Comptroller General of the United States, transmitting a report concerning FDA's efforts to regulate imported products before they are sold to the American public (HRD–77–72, July 5, 1977); jointly, to the Committees on Government Operations, Interstate and Foreign Commerce, and Agriculture.

1879. A letter from the Comptroller General of the United States, transmitting a report concerning the construction of public works projects in areas of high unemployment (CED–77–86, July 7, 1977); jointly, to the Committees on Government Operations, and Public Works and Transportation.

1880. A letter from the Comptroller General of the United States, transmitting a report on how the Interstate Commerce Commission can improve its actions to reduce energy use for trucks (CED–77–79, July 8, 1977); jointly, to the Committees on Government Operations, and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk

for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on June 30, 1977, the following reports were filed on July 1, 1977*]

Mr. BROOKS: Committee on Government Operations. S. 213. An act to amend the Accounting and Auditing Act of 1950 to provide for the audit, by the Comptroller General, of the Internal Revenue Service and of the Bureau of Alcohol, Tobacco, and Firearms (Rept. No. 95–480). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. H.R. 7691. A bill to distinguish Federal grant and cooperative agreement relationships from Federal procurement relationships, and for other purposes with amendment (Report No. 95–481). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted July 11, 1977*]

Mr. HAWKINS: Committee on House Administration. House Concurrent Resolution 190. Concurrent resolution to provide for the printing of the brochure entitled "How Our Laws Are Made" (Rept. No. 95–482). Referred to the House Calendar.

Mr. HAWKINS: Committee on House Administration. House Concurrent Resolution 217. Concurrent resolution to provide for the printing of a revised edition of "The Constitution of the United States of America", with amendment (Rept. No. 95–483). Referred to the House Calendar.

Mr. HAWKINS: Committee on House Administration. House Concurrent Resolution 222. Concurrent resolution to authorize the printing of a revised edition of "The Capitol", as a House document (Rept. No. 95–484). Referred to the House Calendar.

Mr. HAWKINS: Committee on House Administration. House Concurrent Resolution 182. Concurrent resolution providing for the printing as a House document of the pamphlet entitled "Black Americans in Congress", with amendment (Rept. No. 95–485). Referred to the House Calendar.

Mr. NEDZI: Committee on House Administration. House Concurrent Resolution 60. Concurrent resolution authorizing a bust or statute of Martin Luther King, Jr., to be placed in the Capitol (Rept. No. 95–486). Referred to the House Calendar.

Mr. ULLMAN: Committee on Ways and Means. Report of the Committee on Ways and Means pursuant to section 302(b) of the Congressional Budget Act of 1974 (Rept. No. 95–487). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. REUSS: Committee on Banking, Finance and Urban Affairs. H.R. 7893. A bill to amend certain Federal laws for the purpose of providing financial and other assistance with respect to the weatherization of dwelling units, and for other purposes (Rept. No. 95–488, Pt. 1). Reported, and referred to the ad hoc Committee on Energy and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MAHON:

H.R. 8195. A bill to rescind certain budget authority recommended in the message of the President of May 18, 1977 (H. Doc. 95–158), transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. AUCOIN (for himself, Mr. PRICE, Mr. REUSS, Mrs. MEYNER, Mr. PATTISON of New York, Mr. KASTENMEIER, Mr. BALDUS, Mr. LAFALCE, Mr. HANNAFORD, Mr. DRINAN, Mr. BADILLO, Mr. COHEN, Mr. PEPPER, Mr. SIMON, Mr. HARRINGTON, Mr. TRIBLE, Mr. MINETA, Mr. EDWARDS of California, Mr. MEEDS, Mr. PRITCHARD, Mr. ANDERSON of Illinois, Mr. BEDELL, and Mr. JENRETTE):

H.R. 8196. A bill to amend the Export-Import Bank Act of 1945 by eliminating the Presidential determination requirement in connection with trade with the People's Republic of China; to the Committee on Banking, Finance and Urban Affairs.

By Mr. AUCOIN (for himself, Mr. PRICE, Mr. REUSS, Mrs. MEYNER, Mr. PATTISON of New York, Mr. KASTENMEIER, Mr. BALDUS, Mr. LAFALCE, Mr. HANNAFORD, Mr. DRINAN, Mr. BADILLO, Mr. COHEN, Mr. PEPPER, Mr. SIMON, Mr. HARRINGTON, Mr. TRIBLE, Mr. MINETA, Mr. EDWARDS of California, Mr. MEEDS, Mr. PRITCHARD, Mr. ANDERSON of Illinois, Mr. BEDELL, and Mr. JENRETTE):

H.R. 8197. A bill to amend the Trade Act of 1974 to permit the People's Republic of China to participate in programs of the United States which extend credits, credit guarantees, or investment guarantees; to the Committee on Ways and Means.

By Mr. DAVIS:

H.R. 8198. A bill to amend the Tariff Schedules of the United States to repeal the special tariff treatment accorded to articles assembled abroad with components produced in the United States; to the Committee on Ways and Means.

By Mr. DAVIS (for himself, Mr. MITCHELL of New York, Mr. BEARD of Tennessee, and Mr. TRIBLE):

H.R. 8199. A bill to amend title 37 of the United States Code to provide incentives for attorneys to enter and remain in the Armed Forces; to the Committee on Armed Services.

By Mr. EDWARDS of California (for himself, Mr. BUTLER, Mr. SEIBERLING, Mr. DRINAN, Mr. VOLKMER, Mr. BEILENSON, and Mr. MCCLORY):

H.R. 8200. A bill to establish a uniform law on the subject of bankruptcies; to the Committee on the Judiciary.

By Mr. HANSEN:

H.R. 8201. A bill to amend the Internal Revenue Code of 1954 to exempt dividends from Federal taxation, to allocate corporate income tax revenues for payments to qualified registered voters, and for other purposes; jointly, to the Committees on Government Operations, and Ways and Means.

By Mr. HARRINGTON (for himself and Mr. UDALL):

H.R. 8202. A bill to amend the Federal Election Campaign Act of 1971 to permit expenditures by certain political committees with respect to Presidential candidates, to provide that payments made by candidates for certain political campaign advertisements shall not be considered to be contributions to other candidates, and for other purposes; to the Committee on House Administration.

By Mr. MOAKLEY:

H.R. 8203. A bill to provide that the Secretary of Housing and Urban Development shall implement programs designed to provide increased security for public housing projects; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MURPHY of New York:

H.R. 8204. A bill to amend the Merchant Marine Act, 1920; to the Committee on Merchant Marines and Fisheries.

By Mr. GARY A. MYERS (for himself, Mrs. LLOYD of Tennessee, Mr. CORRADA, Mr. EILBERG, Mr. NIX, and Mr. JENRETTE):

H.R. 8205. A bill to amend title 23, United States Code, to expand the special bridge replacement program, and for other purposes; jointly, to the Committees on Public Works and Transportation, and Ways and Means.

By Mr. QUIE:

H.R. 8206. A bill to amend the Internal Revenue Code of 1954 to allow certain individuals whose employers make contributions to pension plans a deduction for their contributions to employer pension funds and to allow certain individuals to establish modified individual retirement plans when the employer-employee pension contributions are small; to the Committee on Ways and Means.

By Mr. RUNNELS (for himself and Mr. LUJAN):

H.R. 8207. A bill to provide that, with respect to out-of-State Indian children attending public elementary or secondary schools for whom tuition charge is made, payments under Public Law 874, 81st Congress, may be made in the State where such children attend school, if the States involved so request; to the Committee on Education and Labor.

By Mr. SKUBITZ (for himself, Mr. GUYER, Mr. HALL, Mr. KINDNESS, Mr. MOTTL, Mr. MURPHY of Pennsylvania, Mr. RUDD, Mr. SIMON, Mr. YOUNG of Florida):

H.R. 8208. A bill to repeal the provisions of the Postal Reorganization Act and reenact the former provisions of title 39, United States Code; to the Committee on Post Office and Civil Service.

By Mr. STEERS:

H.R. 8209. A bill to authorize the Secretary of Transportation to pay to the county executive of Montgomery County, Md., not more than $4,500,000 in matching funds for the purpose of reconstructing any public roads, paths, or walkways in Montgomery County which contain asbestos in quantities which the Secretary deems to constitute a health hazard; to the Committee on Public Works and Transportation.

By Mr. WHITEHURST (for himself, Mr. FISHER, and Mr. SATTERFIELD):

H.R. 8210. A bill to designate certain lands within the national forest system as wilderness; and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. STUDDS:

H. Con. Res. 275. Concurrent resolution disapproving the proposed sale of airborne early warning aircraft to Iran; to the Committee on International Relations.

By Mr. HORTON (for himself, Mr. STEED, Mr. HUGHES, Mr. RYAN, Mr. STOCKMAN, and Mrs. FENWICK):

H. Res. 679. Resolution to amend clause 7 of rule XIII of the rules of the House; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

211. By the SPEAKER: Memorial of the Legislature of the Territory of Guam, relative to granting the right to impose a surtax to generate revenue; to the Committee on Interior and Insular Affairs.

212. Also, memorial of the Legislature of the State of California, relative to telephone competition; to the Committee on Interstate and Foreign Commerce.

213. Also, memorial of the Senate of the State of Washington, relative to game fish; to the Committee on Merchant Marine and Fisheries.

214. Also, memorial of the legislative council of the State of Arkansas, relative to salt content of the water in the Arkansas River; to the Committee on Public Works and Transportation.

215. Also, memorial of the Senate of the State of New Jersey, relative to the Trans-Alaska natural gas pipeline project; jointly, to the Committees on Interstate and Foreign Commerce, and Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAVIS:

H.R. 8211. A bill for the relief of certain employees of the Department of the Navy; to the Committee on the Judiciary.

By Mr. ROGERS (by request):

H.R. 8212. A bill for the relief of Charles P. Bailey; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

141. By the SPEAKER: Petition of Jeffrey D. Pens and others, Chesterton, Ind., relative to permitting the use and occupancy of land along the Indiana Dunes National Lakeshore; to the Committee on Interior and Insular Affairs.

142. Also, petition of Kazuhisa Abe and others, Honolulu, Hawaii, relative to certain Crown Land claims; to the Committee on Interior and Insular Affairs.

143. Also, petition of the chamber of commerce, Warren, Pa., relative to economical telephone service; to the Committee on Interstate and Foreign Commerce.

144. Also, petition of the American Federation of Musicians, New York, N.Y., relative to their support for a national health program; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

SENATE—*Monday, July 11, 1977*

(Legislative day of Wednesday, May 18, 1977)

The Senate met at 1 p.m., on the expiration of the recess, and was called to order by Hon. EDWARD ZORINSKY, a Senator from the State of Nebraska.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Our Father God, we come to Thee from varied places and diverse tasks to resume our primary task of creating legislation to sustain and strengthen this Nation. Grant us grace to see life steadily and to see it whole, ever striving for the long sought era of freedom, justice, and righteousness. As the pace quickens and stress intensifies grant us clear minds and pure hearts that our service may be acceptable in Thy sight, O Lord our Strength and Redeemer. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 11, 1977.

To the Senate:

Under the provisions of rule I, section 3, of the standing rules of the Senate, I hereby appoint the Honorable EDWARD ZORINSKY, a Senator from the State of Nebraska, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. ZORINSKY thereupon assumed the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Friday, July 1, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, to be charged against my time.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Public Works be authorized to meet during the sessions of the Senate on tomorrow, Wednesday, Thursday, and Friday.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. How much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 3 minutes remaining.

DESIGNATION OF PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. I ask unanimous consent that following the recognition of the minority leader on his time under the standing order, there be a period for the transaction of routine morning business for statements only, of not to exceed 15 minutes, with such statements limited to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE RELOCATION OF AMERICA'S FIRST NUCLEAR GASEOUS CENTRIFUGE ENRICHMENT PLANT

Mr. BAKER. Mr. President, I was extremely disappointed to learn of the President's decision announced earlier today to locate America's first nuclear gaseous centrifuge enrichment plant in southern Ohio. As my colleagues would expect, and as the President knows, both Senator SASSER and I had hoped that at least part of this facility would be located in Oak Ridge, Tenn., where the technology was developed, and where it continues today.

Some may remember that, at about this time last year, I was supporting an additional gaseous diffusion plant at Portsmouth with the hope that a plant to demonstrate the efficiency of the centrifuge process would be built at Oak Ridge. The President and his advisers have obviously decided that that course would be unwise and have opted to locate this new facility in Portsmouth. I think they are wrong.

My own personal view, Mr. President, is that there is a great need for both facilities, that the original plan as approved by former President Ford, and as authorized and appropriated for by Congress, is still valid, and ought to be the policy of the Government of the United States. The Joint Committee on Atomic Energy provided for an add-on for the gaseous diffusion facility at Portsmouth, Ohio, last year. It provided for the centrifuge enrichment process at Oak Ridge. Mr. President, I think that is still the best course of action for this country.

I think the President feels that he made a campaign commitment to build the centrifuge enrichment facility at Portsmouth. I think if he made a commitment, it was to the add-on gaseous diffusion plant, and had nothing at all to do with the centrifuge plant. I think it is extremely unfortunate that this decision has been made, which will so adversely affect the people of my State, and that I believe will put back the technology many months, and will cost a great deal more money if we transfer that effort from Oak Ridge to Portsmouth, Ohio.

Nobody has a greater respect for honoring campaign commitments than I do. But, Mr. President, logic and reason dictate that the original commitment to build a gaseous diffusion plant at Portsmouth was valid, solid, and sound, and the idea of killing the gas centrifuge plant at Oak Ridge and moving it to Portsmouth, Ohio, to honor some campaign commitment is unwise, unduly expensive, and will retard the development of a coherent energy policy for the United States.

Mr. President, I agree with the President that we have to go forward with the development of nuclear technology, and particularly with enriched capacity. But I disagree with the President that it ought to be done only by centrifuge. I think instead it should be done by combination of upgrading the gaseous diffusion facilities of this country, which are

a proven technology, and demonstrating the technological and economic feasibility of the centrifuge technology which is not yet a proven technology.

While the pride of Tennesseans will be temporarily wounded by the President's decision, we, nonetheless, feel that America's future is tied to an adequate energy supply. We applaud the President for at least determining to build this facility, even though we would have preferred it to be located in the Nation's energy capital.

I must admit, however, that I personally have grave reservations about the wisdom of the President's decision. Centrifuge is, as yet, an unproved American technology that I feel should be initially demonstrated at its development base, which is, of course, Oak Ridge. I am convinced that technological problems could be minimized if the course I have recommended had been followed. Not only do I see technology transfer problems with the President's decision, but I also believe the Nation's taxpayers will be ill served.

The administration is still suggesting that the plant can be constructed in Portsmouth for around $4 billion, which is only slightly higher than Oak Ridge estimates. I will predict now that the Portsmouth estimates are considerably out of line and that significant excessive costs will have to be incurred due to the cost associated with technology transfer, the higher cost of labor in Ohio, and, generally, a higher across-the-board cost factor associated with the President's location choice.

Mr. President, Tennesseans have, through the years, made a good-faith effort to contribute positively to the Nation's energy goals. We will not let the President's most recent decision regarding centrifuge, nor his opposition to the breeder deter us. We are merely hopeful that he will call on us again to play the crucial role in developing America's energy alternatives that we are capable of playing.

Mr. President, I am deeply distressed and greatly sorry that the President has made this decision today. I hope that he will reconsider.

Mr. President, I yield back the remainder of my time under the standing order.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there will now be a period for the transaction of routine morning business of not to exceed 15 minutes with statements therein limited to 5 minutes.

DANGERS FROM EUROCOMMUNISM

Mr. ALLEN. Mr. President, if our national security were not so necessarily and so deeply involved in maintaining the strength of our democratic allies in Western Europe, Americans might be able to sit back and view without concern the increasingly strange political battles now being fought in a number of European countries. But we do not have the luxury of being disengaged from the direction of European politics, and we must heed with increasing concern the spread in Italy, France, and Spain of a new form of communism, known as Eurocommunism.

Communists have carried considerable political clout in heavily industrialized areas in Italy and France for many years. Until recently they have not managed to gain enough votes to assume governmental control through the ballot box. But the picture is changing because in recent months the Communist Party in Italy has become part of a coalition government and has gained offices of national importance. Also, there has been growing Communist strength in France, and in Spain just a few weeks ago, in that country's first free election in some 40 years, 16 members of the Communist Party, calling themselves Eurocommunists, gained seats in the parliament.

The Eurocommunists say that they are completely independent from Moscow and they claim that they are democratic because they seek power within the democratic parliamentary system. They attempt to belittle warnings that Eurocommunists still hold to doctrines which are anathema to our own ideals and to our own way of life.

To those Americans who are seeking U.S. acceptance of Eurocommunism, I ask, how can we share our military secrets and our weapons with any European government in which Communists play an official role? How can we be secure in our efforts to protect the United States and help other free nations of the world protect themselves if Communists hold positions of trust in their government?

Just because Eurocommunists claim independence from the Russian Communist leadership does not make them our allies, nor does it weaken the Russian threat against the West. The Communists in Poland and in Hungary and Czechoslovakia all claimed, at one time, that they were getting out from under the Russian thumb. But they are more firmly enslaved than ever. What makes the Eurocommunists any different? Communism and political slavery, and actual slavery, for that matter, go hand in hand.

What assurance does the free world have that once Eurocommunists achieve power, they would not revert to their original beliefs? Communism seeks to corrode the machinery of democratic governments through whatever means are available, and once in power, Communists always destroy the opposition.

I do not accept the theory of some timorous leaders that the United States must not express its views in opposition to Eurocommunism for fear of alienating our European allies. I believe that the President and the Secretary of State have the duty to warn the people of Western Europe that the United States cannot and will not share our military strength and our military secrets with any government in which Communists are given a role. We must not inject ourselves into any other country's internal political affairs, but we must leave no doubt in anyone's mind as to our position in opposition to Eurocommunism, Asian communism, Russian communism, Castro communism or any other form of communism.

Mr. President, I yield the floor.

Mr. President, I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator withdraw his suggestion?

Mr. ALLEN. I will.

PRESIDENT'S DECISION TO RELOCATE THE GAS CENTRIFUGE FACILITY

Mr. SASSER. Mr. President, I was bitterly disappointed to learn this morning that the Carter administration had made a decision to locate the gas centrifuge facility in Portsmouth, Ohio, rather than in Oak Ridge, Tenn. On a number of occassions I have had conferences with the President regarding the centrifuge facility. I have discussed this matter with Dr. James Schlesinger and with other responsible officials in the Carter administration.

During the course of these discussions, I vigorously pointed out that by putting the gas centrifuge facility in Portsmouth, Ohio, the additional cost to the taxpayers of this country would be a minimum of $200 million. The ERDA figures indicate that the facility for gas centrifuge enrichment could be constructed for $4.9 billion in Oak Ridge, Tenn. The construction of a like facility in Portsmouth, Ohio, would cost $5.1 billion.

I might say, Mr. President, that there has been much discussion in recent weeks about a campaign commitment given by then-candidate Jimmy Carter and then-President of the United States Gerald Ford that a gaseous diffusion add-on facility would be located in Portsmouth, Ohio.

I agree with my distinguished colleague, the senior Senator from Tennessee. when he draws a distinction between a campaign promise, which included a gaseous diffusion add-on, and a wholly different technological concept, that of a gas centrifuge.

This administration, and I think perhaps rightly, took the view that we should go to the gas centrifuge technology and move away from the gaseous diffusion technology in view of the fact that the gas centrifuge method requires only 10 percent as much energy to enrich uranium as the gaseous diffusion method does.

I must say, Mr. President, that in abandoning the gaseous diffusion add-on facility at Portsmouth there was no promise attendant to that abandonment that this administration would go forward with a different technology at the same location.

There has been much discussion, Mr. President, of unemployment in the area of Portsmouth, Ohio. It has been said that the gas centrifuge facility there would be a great aid to the economy of that section of the country. I might say that a technology this complex, a technology that is so greatly needed by this country and, indeed, by the world, should not be treated as a public works project, one which would be utilized, at least to some degree, to alleviate unemployment

problems in a particular area. I might say, Mr. President, that if unemployment were a factor in siting this plant the unemployment rate in the environs of Oak Ridge, Tenn., presently stands at 13 percent.

With regard to technical considerations, which I think would militate in the direction of locating these centrifuge facilities at Oak Ridge, let me say, Mr. President, that the gas centrifuge uranium enrichment process has been primarily developed in Oak Ridge, Tenn. There are 1,000 technical and trained personnel, including support employees, already living and working in and around Oak Ridge, Tenn., who are familiar with this technology. Ninety percent of the centrifuge technology in this country is located in Oak Ridge, Tenn.

The ACTING PRESIDENT pro tempore. The Senator's 5 minutes have expired.

Mr. ROBERT C. BYRD. Mr. President, will the Chair recognize me?

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. I yield 5 minutes to the Senator from my morning business time.

Mr. SASSER. I thank the Senator.

I point out, Mr. President, that the Portsmouth, Ohio, area has absolutely no experience in this highly complex and highly sophisticated technology. The conceptual design of the first commercial centrifuge facility has already been completed with Oak Ridge as the site. No design work—no design work, at all, Mr. President—has been completed for Portsmouth. The centrifuge processes demonstration plant, the only such facility in this country, is currently under development in Oak Ridge, Tenn. The first commercial centrifuge plant should be built near the demonstration plant, which is now under construction at Oak Ridge, Tenn. This is, Mr. President, a complex and technical engineering concept. The centrifuge-trained management, maintenance, and research personnel would be available, on an almost across-the-street basis at Oak Ridge for service and assistance in solving the obvious problems involved in the initial startup of a commercial facility.

I might say, also, Mr. President, that uranium enrichment is one of the few endeavors of the Federal Government which actually results in a profit. Any delay in production startup would result in a loss of several million dollars in revenue. There would be no such delay if the facility were built in Oak Ridge.

Additionally, labor rates at Oak Ridge are 20 percent lower than they are in Portsmouth, Ohio, and the Oak Ridge area has a much better record for labor harmony than that of Portsmouth, Ohio. Portsmouth has had two 100-day strikes in the last 2 years. By contrast, Oak Ridge has had only one 30-day strike in the same period.

In summation, Mr. President, I am bitterly disappointed in the administration's decision, announced this morning, to locate the gas centrifuge facilities in Portsmouth, Ohio, rather than Oak Ridge, Tenn. I think that the technical factors strongly point in the direction of this facility being located in Oak Ridge, where the technical personnel presently exist, and where the technical expertise for this sophisticated process has been developed. I think, Mr. President, that the economic factors, in the form of savings to the taxpayers of this country, would strongly point in the direction of locating these facilities in Oak Ridge, Tenn.

I thank the Chair.

Mr. BAKER. Mr. President, I want to pay my compliments and express my admiration to my colleague for his tenacity and sustained efforts to keep the gas centrifuge technology development at Oak Ridge. Nobody has worked harder than the distinguished junior Senator from Tennessee. It has been my privilege to work with him.

Notwithstanding that he is on one side of the aisle and I am on the other, we have worked together in that effort. We have talked to the President together. We have pursued our separate courses; we have approached the matter jointly. I join him in expressing not only great regret, but, indeed, dismay that this judgment has now been made to uproot that growing and burgeoning new technology and move it to Porstmouth, Ohio. I intend to ask the General Accounting Office to try to tell us how much more it is going to cost to build that facility at Portsmouth than it would have cost to do it at Oak Ridge. I think the judgment of the President in this respect is a reckless use of taxpayer's money.

Mr. President, I only wanted to take the floor once again this morning to pay my respects and express my genuine appreciation to the junior Senator from Tennessee for his efforts. We have had a unified, bipartisan Tennessee delegation in both houses on this subject. My colleague has been in the vanguard of our efforts to convince the President that the gas centrifuge demonstration plant should be in Oak Ridge. It has been my pleasure to work with him and I commend him again for his efforts. I regret that they have not yet been successful.

Mr. SASSER. Mr. President, I want to thank the senior Senator from Tennessee for his remarks.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations received during the recess on July 7 and July 8, and also today, which were referred to the appropriate committees.

(The nominations above referred to are printed at the end of the Senate proceedings.)

PROPOSED RESCISSION—MESSAGE FROM THE PRESIDENT—PM 92

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States which was received on July 7, 1977, during the recess of the Senate, and which was referred to the Committees on Appropriations; the Budget; Commerce, Science, and Transportation; Foreign Relations; and Finance, jointly, pursuant to the order of January 30, 1975:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose rescission of $850,000 appropriated for the National Transportation Safety Board. In addition, I am reporting three new deferrals of budget authority totalling $170.1 million and revisions to two deferrals previously transmitted that contain increases totalling $22.2 million.

The details of the proposed rescission and the deferrals are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *July 7, 1977.*

REPORT OF THE NATIONAL ENDOWMENT FOR THE ARTS—MESSAGE FROM THE PRESIDENT—PM 93

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was referred to the Committee on Human Resources:

To the Congress of the United States:

I hereby transmit to the Congress the Annual Report of the National Endowment for the Arts and the National Council on the Arts for the Fiscal Year ended June 30, 1976, and for the Transition Quarter ended September 30, 1976.

This Report describes the programs of the Endowment over a period of time before I became President.

JIMMY CARTER.

THE WHITE HOUSE, *July 11, 1977.*

REPORT OF THE NATIONAL WILDERNESS PRESERVATION SYSTEM—MESSAGE FROM THE PRESIDENT—PM 94

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:

I am submitting herewith the Eleventh Annual Report on the Status of the National Wilderness Preservation System for calendar year 1974 as required under the Wilderness Act of 1964 (78 Stat. 896). This report was prepared prior to the beginning of my Administration.

JIMMY CARTER.

THE WHITE HOUSE, *July 11, 1977.*

MESSAGE FROM THE HOUSE

ENROLLED BILLS SIGNED

At 1:07 p.m., a message from the House of Representatives announced that the Speaker has signed the following enrolled bills:

S. 1468. An act to amend the Federal Energy Administration Act of 1974 to extend the duration of authorities under such Act, to authorize appropriations for the Federal Energy Administration for the 1978 fiscal year, and for other purposes.

H.R. 4992. An act to amend the Indian Financing Act of 1974 by revising the appropriations authorization for the Indian business development program.

H.R. 4585. An act to authorize appropriations for the Indian Claims commission for fiscal year 1978; to facilitate the transfer of cases from the Indian Claims Commission to the United States Court of Claims; and for other purposes.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. ZORINSKY).

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following communications which were referred as indicated:

EC–1606. A letter from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the cumulative report on rescissions and deferrals for July 1977 (with an accompanying report); jointly, pursuant to the order of January 30, 1975, to the Committees on Appropriations; the Budget; Commerce, Science, and Transportation; Armed Services; Environment and Public Works; Foreign Relations; Human Resources; Agriculture, Nutrition, and Forestry; Finance; Energy and Natural Resources; the Judiciary; Governmental Affairs; Banking, Housing, and Urban Affairs; and the Select Committee on Small Business, and ordered to be printed.

EC–1607. A letter from the Assistant Secretary of the Interior transmitting, pursuant to law, certification that an adequate soil survey and land classification has been made of the lands in the Dolores Project (with accompanying papers); to the Committee on Appropriations.

EC–1608. A letter from the First Vice President of the Export-Import Bank of the United States transmitting, pursuant to law, a statement with respect to the transaction involving U.S. exports to the Republic of China; to the Committee on Banking, Housing, and Urban Affairs.

EC–1609. A letter from the Secretary of Commerce transmitting a draft of proposed legislation to amend section 1 of the Act of June 15, 1920, as amended, to authorize the Secretary of Commerce to settle claims for damages of less than $2,500 arising by reason of acts for which the National Oceanic and Atmospheric Administration shall be found to be responsible (with accompanying papers); to the Committee on Commerce, Science, and Transportation.

EC–1610. A letter from the Secretary of Transportation transmitting a draft of proposed legislation to amend the Act of September 7, 1950 (relating to the construction of a public airport in or near the District of Columbia), to authorize arrests for offenses committed on lands acquired to provide access to the airport, and for other purposes (with accompanying papers); to the Committee on Commerce, Science, and Transportation.

EC–1611. A letter from the Chairman of the National Transportation Safety Board transmitting, pursuant to law, the 1976 annual report of the National Transportation Safety Board (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC–1612. A letter from the Deputy Assistant Secretary of the Interior transmitting, pursuant to law, a copy of a proposed contract with Skelly and Loy, Harrisburg, Pennsylvania, for a research project entitled "Development of Improved Multiseam Contour Haulback Mining Systems" (with accompanying papers); to the Committee on Energy and Natural Resources.

EC–1613. A letter from the Attorney General of the United States transmitting, pursuant to law, a report on the Voluntary Agreement and Plan of Action to Implement the International Energy program covering the period up to March 21, 1977 (with an accompanying report); to the Committee on Energy and Natural Resources.

EC–1614. A letter from the Acting Assistant General Counsel for International, Conservation, and Resources Development Programs of the Federal Energy Administration transmitting, pursuant to law, notice of a meeting related to the International Energy Program (with accompanying papers); to the Committee on Energy and Natural Resources.

EC–1615. A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, the operating documentation for the Project Independence Evaluation System (with accompanying papers); to the Committee on Energy and Natural Resources.

EC–1616. A letter from the Acting Assistant Secretary of the Army, Civil Works, transmitting, pursuant to law, notice of the concurrence with the recommendations of the Chief of Engineers in the report entitled "Projects Recommended for Deauthorization 2nd Annual Report, Supplement No. 1," dated May 19, 1977 (with accompanying papers); to the Committee on Environment and Public Works.

EC–1617. A letter from the Secretary of Transportation transmitting, pursuant to law, a report on the relationship between the gross load on steering axles of truck tractors and the safety of operation of vehicle combinations of which such tractors are a part (with an accompanying report); to the Committee on Environment and Public Works.

EC–1618. A letter from the Secretary of Transportation transmitting, pursuant to law, an evaluation of the Highway Safety Program and recommendations with respect to the future of the program (with an accompanying report); to the Committee on Environment and Public Works.

EC–1619. A letter from the Chairman of the Nuclear Regulatory Commission transmitting, pursuant to law, a report on abnormal occurrences at licensed nuclear facilities for the first quarter of 1977 (with an accompanying report); to the Committee on Environment and Public Works.

EC–1620. A letter from the Secretary of the Treasury transmitting a draft of proposed legislation to authorize the Department of the Treasury to obtain certain services and facilities and incur certain administrative expenditures, to increase the working capital fund of the Department, and for other purposes (with accompanying papers); to the Committee on Finance.

EC–1621. A letter from the Chairman of the United States International Trade Commission transmitting, pursuant to law, a report on trade between the United States and the non-marker economy countries for the first quarter of 1977 (with an accompanying report); to the Committee on Finance.

EC–1622. A secret communication from the Secretary of State transmitting, pursuant to law, a report on United States Conventional Arms Transfer Policy (77–506) (with an accompanying report); to the Committee on Foreign Relations.

EC–1623. A letter from the Assistant Secretary for Tourism, Department of Commerce, transmitting, for the information of the Senate, a report on the progress of plans for the International General Category I (Universal) Exposition proposed to be held on the site of the Ontario Motor Speedway in San Bernardino County in California (with accompanying papers); to the Committee on Foreign Relations.

EC–1624. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within the past sixty days (with accompanying papers); to the Committee on Foreign Relations.

EC–1625. A letter, dated July 1, 1977, from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within the past sixty days (with accompanying papers); to the Committee on Foreign Relations.

EC–1626. A secret communication from the Comptroller General of the United States transmitting, pursuant to law, a report on observations on U.S. Military Presence and Base Negotiations in the Philippines (ID–77–5) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1627. A letter from the District of Columbia Bail Agency transmitting, pursuant to law, a report summarizing the Agency's operations from the period June 1, 1976 to May 31, 1977 (with an accompanying report); to the Committee on Governmental Affairs.

EC–1628. A letter from the Secretary of Agriculture transmitting, pursuant to law, a report for three new systems of records, in accordance with the Privacy Act (with an accompanying report); to the Committee on Governmental Affairs.

EC–1629. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Changes Proposed for the Funding of Public Works Projects Would Expedite Economic Development and Job Opportunities" (CED–77–86) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1630. A letter from the Deputy Assistant Secretary of Defense transmitting, pursuant to law, a report on a new system of records, in accordance with the Privacy Act, entitled "Accounting for Personal Money Allowances" (with an accompanying report); to the Committee on Governmental Affairs.

EC–1631. A letter from the Records Management Division and Privacy Liaison Officer for the Federal Communications Commission transmitting, pursuant to law, a report on a new system of records, in accordance with the Privacy Act (with an accompanying report); to the Committee on Governmental Affairs.

EC–1632. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Examination of the United States Railway Association's Financial Statements and Other Matters Concerning Its Operations" (CED–77–64) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1633. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Energy Conservation Competes With Regulatory Objectives for Truckers" (CED–77–79) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1634. A letter from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare transmitting, pursuant to law, copies of five reports on new systems of records, and two reports on altered systems of records, in accordance with the Privacy Act (with accompanying reports); to the Committee on Governmental Affairs.

EC–1635. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Public Rangelands Continue To Deteriorate" (CED–

77–88) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1636. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Need to Apply Adequate Controls in the Army Standard Payroll System Prior to Implementation Defense-Wide" (FGMSD–77–4) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1637. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Food and Drug Administration's Program for Regulating Imported Products Needs Improving" (HRD–77–72) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1638. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Restrictions on Using More Fertilizer for Food Crops in Developing Countries" (ID–77–6) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1639. A letter from the Mayor of the District of Columbia transmitting, pursuant to law, the Mayor's response to the Comptroller General's report on the management of welfare cases by the District of Columbia Department of Human Resources (with an accompanying report); to the Committee on Governmental Affairs.

EC–1640. A letter from the Deputy Administrator-Designate of the Agency for International Development, Department of State transmitting, pursuant to law, a report on an amended system of records, AID–19, in accordance with the Privacy Act (with an accompanying report); to the Committee on Governmental Affairs.

EC–1641. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "U.S. Army Facilities in Europe—Management Improvement Needed" (LCD–77–313) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1642. A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, a copy of the document which has been transmitted to the Federal Register for scheduled publication (with accompanying papers); to the Committee on Human Resources.

EC–1643. A letter from the Secretary of Labor transmitting, for the information of the Senate, a report on a comprehensive study of the employment and training of handicapped individuals in sheltered workshops (with an accompanying report); to the Committee on Human Resources.

EC–1644. A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, a report on the education division reorganization (with an accompanying report); to the Committee on Human Resources.

EC–1645. A letter from the Acting Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, a copy of the document concerning the final regulation amending the Family Contribution Schedules for use during the 1977–78 academic year which has been transmitted to the Federal Register for scheduled publication (with accompanying papers); to the Committee on Human Resources.

EC–1646. A letter from the Acting Administrator of the American Revolution Bicentenial Administration transmitting, pursuant to law, the final report of the American Revolution Bicentennial Board (with an accompanying report); to the Committee on the Judiciary.

EC–1647. A letter from the Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation, as well as a list of the persons involved (with accompanying papers); to the Committee on the Judiciary.

EC–1648. A letter from the Administrator of the Veterans Administration transmitting a request that the prior recommendation for introduction and consideration of legislation terminating the education loan program be considered withdrawn; to the Committee on Veterans Administration.

EC–1649. A communication from the President of the United States transmitting, pursuant to law, an amendment to the request for appropriations for the fiscal year 1978 in the amount of $5,000,000 for the Veterans Administration (with accompanying papers); to the Committee on Appropriations.

EC–1650. A communication from the President of the United States transmitting, pursuant to law, a proposed supplemental appropriation for fiscal year 1977 in the amount of $125,000,000 and an appropriation language change for the fiscal year 1978 for the Department of Agriculture (with accompanying papers); to the Committee on Appropriations.

REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Under authority of the order of July 1, 1977, the following reports of committees were submitted on July 6, during the recess of the Senate:

By Mr. LEAHY, from the Committee on Agriculture, Nutrition, and Forestry:

With an amendment:

S. 1678. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended (Rept. No. 95–334).

Without amendment:

S. Res. 218. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to consideration of S. 1678. Referred to the Committee on the Budget.

By Mr. JACKSON, from the Committee on Energy and Natural Resources:

Without amendment:

S. Res. 217. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 6550. Referred to the Committee on the Budget.

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources:

With amendments:

H.R. 6550. An act to authorize certain appropriations for the territories of the United States, to amend certain acts relating thereto, and for other purposes (Rept. No. 95–332).

By Mr. CHURCH, from the Committee on Energy and Natural Resources:

With an amendment:

S. 1360. A bill to establish an Advisory Committee on Timber Sales Procedure appointed by the Secretary of Agriculture for the purposes of studying, and making recommendations with respect to, procedures by which timber is sold by the Forest Service, and to restore stability to the Forest Service timber sales program and provide an opportunity for congressional review (title amendment) (together with minority views) (Rept. No. 95–333).

By Mr. HATFIELD, from the Committee on Energy and Natural Resources:

With an amendment:

S. 658. A bill to designate certain lands for inclusion in the National Wilderness Preservation System (title amendment) (Rept. No. 95–329).

By Mr. HANSEN, from the Committee on Energy and Natural Resources:

Without amendment:

H.R. 2502. An act to extend certain oil and gas leases by a period sufficient to allow the drilling of an ultradeep well (Rept. No. 95–330).

By Mr. WILLIAMS, from the Committee on Human Resources:

With amendments:

S. 995. A bill to amend title VII of the Civil Rights Act of 1964 to prohibit sex discrimination on the basis of pregnancy (together with supplemental views) (Rept. No. 95–331).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MUSKIE, from the Committee on the Budget: Without amendment:

S. Res. 16. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1811, a bill to authorize appropriations for fiscal year 1978 for ERDA civilian nuclear energy applications (Rept. No. 95–335).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Albert S. Hinds, of Illinois, to be U.S. marshal for the eastern district of Illinois.

James R. Burgess, Jr., of Illinois, to be U.S. attorney for the eastern district of Illinois.

James P. Buchele, of Kansas, to be U.S. attorney for the district of Kansas.

Ronald S. Reed, Jr., of Missouri, to be U.S. attorney for the western district of Missouri.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. BAYH, from the Committee on the Judiciary:

Frank J. Anderson, of Indiana, to be U.S. marshal for the southern district of Indiana.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

ORDER FOR STAR PRINT—S. 1360 AND REPORT NO. 95–333

Mr. MELCHER. Mr. President, a number of clerical and typographical errors were made in the printing of S. 1360, as reported, and the report on the bill (Rept. No. 95–333). In order to correct the errors I ask unanimous consent that the report and the bill be star printed.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that today, July 11, 1977, he presented to the President of the United States the following enrolled bill:

S. 1468. An act to amend the Federal Energy Administration Act of 1974 to extend the duration of authorities under such act, to authorize appropriations for the Federal Energy Administration for the 1978 fiscal year, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent the second time, and referred as indicated:

By Mr. CURTIS (for himself, Mr. ABOUREZK, Mr. BAKER, Mr. BARTLETT, Mr. BAYH, Mr. BELLMON, Mr. BENTSEN, Mr. BURDICK, Mr. CASE, Mr. CLARK, Mr. CULVER, Mr. DECONCINI, Mr. DOLE, Mr. DOMENICI, Mr. EASTLAND, Mr. FORD, Mr. GARN, Mr. GOLDWATER, Mr. GRAVEL, Mr. HANSEN, Mr. HART, Mr. HATFIELD, Mr. HATHAWAY, Mr. HOLLINGS, Mr. HUDDLESTON, Mr. HUMPHREY, Mr. JACKSON, Mr. JAVITS, Mr. KENNEDY, Mr. LAXALT, Mr. LEAHY, Mr. LUGAR, Mr. MAGNUSON, Mr. MATHIAS, Mr. MCGOVERN, Mr. MCINTYRE, Mr. MELCHER, Mr. METCALF, Mr. MORGAN, Mr. MOYNIHAN, Mr. NELSON, Mr. PACKWOOD, Mr. PEARSON, Mr. RANDOLPH, Mr. SASSER, Mr. SCHMITT, Mr. SCHWEIKER, Mr. SPARKMAN, Mr. STAFFORD, Mr. STEVENS, Mr. TALMADGE, Mr. THURMOND, Mr. TOWER, Mr. WILLIAMS, Mr. YOUNG, and Mr. ZORINSKY):

S. 1828. A bill to provide for the establishment of the George W. Norris Home National Historic Site in the State of Nebraska, and for other purposes; considered and passed.

By Mr. JOHNSTON:

S. 1829. A bill to provide for the establishment of the Jean Lafitte National Historical Park in the State of Louisiana, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HATCH:

S. 1830. A bill to amend the National Labor Relations Act to provide for voluntary unionism by strengthening the act's protection for employees from coercion or discrimination in regard to hire or tenure of employment or any condition of employment by reason of membership or nonmembership in any labor organization, to free the channels of interstate commerce from the disruption and industrial strife flowing from coercive and compulsory unionism, to guarantee individual freedom of choice, association, self-organization, and representation, and to relieve labor organizations from the obligation to act as collective-bargaining representatives of employees who are not members or who choose not to pay dues or fees to the union designated as the bargaining representative; to the Committee on Human Resources.

By Mr. KENNEDY (for himself, Mr. PELL, and Mr. HATHAWAY):

S. 1831. A bill to amend the Public Health Services Act to provide for a National Center for Clinical Pharmacology, to provide support for the study of clinical pharmacology and clinical pharmacy, and to provide for review of drug prescribing; and to amend the Federal Food, Drug, and Cosmetic Act, as amended, to provide for the continuation and expansion of existing authority through the establishment of an appropriate mechanism to be known as the Federal Food, Drug, Cosmetic, and Devices Administration; to provide for additional regulation of the pharmaceutical industry, and for other purposes; to the Committee on Human Resources.

By Mr. INOUYE:

S. 1832. A bill for the relief of Sylvester Hiongue; to the Committee on the Judiciary.

S. 1833. A bill to extend the age limitation before which certain passenger vessels can qualify for operating-differential subsidies from 25 to 30 years; to the Committee on Commerce, Science, and Transportation.

By Mr. JACKSON:

S. 1834. A bill to amend the Coastal Zone Management Act; to the Committee on Commerce, Science, and Transportation.

By Mr. HUDDLESTON (for himself, Mr. MCGOVERN, and Mr. DOLE):

S. 1835. A bill directing the Secretary of Agriculture to compile and publish certain information relating to the adequacy of a transportation system to meet the needs of agriculture and rural development in the United States, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HUDDLESTON (for himself and Mr. MCGOVERN):

S. 1836. A bill to provide an 18-month moratorium on certain abandonment of rail lines and discontinuance of rail service and to postpone the reduction of certain local rail service assistance; to the Committee on Commerce, Science, and Transportation.

By Mr. METZENBAUM (for himself, Mr. CRANSTON, Mr. HUMPHREY, Mr. DURKIN, Mr. DECONCINI, and Mr. HART):

S. 1837. A bill to amend the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees; to the Committee on Human Resources.

By Mr. ABOUREZK (for himself and Mr. HATFIELD):

S.J. Res. 67. A joint resolution proposing an amendment to the Constitution of the United States with respect to the proposal and the enactment of laws by popular vote of the people of the United States; to the Committee on the Judiciary.

By Mr. DURKIN (for himself and Mr. HATHAWAY):

S.J. Res. 68. A joint resolution designating "National Coaches' Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

(Statements in connection with the above introduced bills and joint resolutions are printed at the conclusion of Senate proceedings today.)

ADDITIONAL COSPONSORS

S. 76

At the request of Mr. STONE, the Senator from Maine (Mr. HATHAWAY) was added as a cosponsor of S. 76, to amend the Social Security Act.

S. 123

At the request of Mr. INOUYE, the Senator from Nevada (Mr. LAXALT) and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of S. 123, to amend the Social Security Act.

S. 247

At the request of Mr. GOLDWATER, the Senator from New York (Mr. JAVITS) was added as a cosponsor of S. 247, to provide recognition to the Women's Air Forces Service Pilots.

S. 274

At the request of Mr. THURMOND, the Senator from Maine (Mr. HATHAWAY) was added as a cosponsor of S. 274, to prohibit unionization of the military services.

S. 1405

At the request of Mr. MCINTYRE, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 1405, the Customs Paperwork Simplification Act.

S. 1421

At the request of Mr. MELCHER, the Senator from Maine (Mr. HATHAWAY) was added as a cosponsor of S. 1421, the Comprehensive Veterans Readjustment Assistance Act.

S. 1623

At the request of Mr. MCGOVERN, the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 1623, to amend the Energy Reorganization Act of 1974.

S. 1675

At the request of Mr. HATHAWAY, the Senator from Kentucky (Mr. FORD) and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of S. 1675, the Social Security Act Amendments of 1977.

S. 1692

At the request of Mr. MELCHER, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 1692, to reform the Postal Service.

S. 1702

At the request of Mr. INOUYE, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 1702, to amend the Social Security Act.

S. 1724

At the request of Mr. PROXMIRE, the Senator from Massachusetts (Mr. BROOKE) and the Senator from North Carolina (Mr. MORGAN) were added as cosponsors of S. 1724, the Neighborhood Reinvestment Corporation Act.

S. 1774

At the request of Mr. NELSON, the Senator from Kansas (Mr. DOLE), the Senator from Alabama (Mr. SPARKMAN), and the Senator from Wisconsin (Mr. PROXMIRE) were added as cosponsors of S. 1774, to amend the Internal Revenue Code.

S. 1784

At the request of Mr. WILLIAMS, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 1784, to amend the Age Discrimination in Employment Act.

SENATE JOINT RESOLUTION 29

At the request of Mr. BURDICK, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of Senate Joint Resolution 29, to designate National Family Week.

SENATE JOINT RESOLUTION 59

At the request of Mr. JOHNSTON, the Senator from Minnesota (Mr. ANDERSON) was added as a cosponsor of Senate Joint Resolution 59, to designate the rose as the national floral emblem of the United States.

SENATE CONCURRENT RESOLUTION 33—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO GALINA MICHELSON AND OLGA MICHELSON

(Referred to the Committee on Foreign Relations.)

Mr. METZENBAUM (for himself, Mr. RIEGLE, Mr. WEICKER, Mr. DURKIN, Mr. PROXMIRE, Mr. HUMPHREY, Mr. BAYH,

Mr. MATSUNAGA, Mr. EAGLETON, and Mr. HOLLINGS) submitted the following concurrent resolution:

S. CON. RES. 33

Resolved by the Senate (the House of Representatives concurring),

Whereas Anatol Michelson has been a citizen of the United States for nine years, and has been separated for 20 years from his wife, Galina Michelson, and daughter, Olga Michelson, who are citizens of the Union of Soviet Socialist Republics;

Whereas Galina Michelson and Olga Michelson seek to rejoin Anatol Michelson, in the United States, and have been denied permission to emigrate by the Union of Soviet Socialist Republics;

Whereas the Department of State of the United States has made extensive diplomatic initiatives on behalf of the Michelson family;

Whereas many citizens of the United States have petitioned the Congress to act for the relief of the Michelson family; and

Whereas the United States and the Union of Soviet Socialist Republics have agreed to the Universal Declaration of Human Rights and the subsequent Helsinki Accord, which acknowledge the right of an individual to leave his country: Now, therefore, be it

Resolved by the United States Senate (the House of Representatives concurring), That it is the sense of the Congress that Galina Michelson and Olga Michelson should be granted exit visas by the Union of Soviet Socialist Republics for the purpose of allowing their reunion with Anatol Michelson, their husband and father, respectively.

Mr. METZENBAUM: Mr. President, today I am introducing a resolution on behalf of Anatol Michelson, a citizen of my State. Mr. Michelson's case is an extremely tragic illustration of the effects of the Soviet Union's cruel emigration policies.

Anatol Michelson was able to leave the Soviet Union in 1956, but his wife and 8-year-old daughter had to remain behind. Since arriving in the West, Mr. Michelson has been attempting to secure exit visas for his faimly, but has been repeatedly turned down by Soviet authorities without explanation.

In the last 20 years, Mr. Michelson has moved heaven and earth to see his family again. He has had personal contact with Congressmen, Senators, Secretaries of State, Presidents, and even Soviet Premiers, but the Soviets will not budge. This long struggle has finally taken its toll. Mr. Michelson is now in failing health. He may not be able to carry his fight much further.

I believe this resolution, which has already been introduced in the House, will help Mr. Michelson to be reunited with his family. I thank those Senate colleagues who have joined me as cosponsors. I hope all Senators will join me in voting for this resolution when it reaches the floor.

AMENDMENTS SUBMITTED FOR PRINTING

OUTER CONTINENTAL SHELF LANDS ACT AMENDMENTS OF 1977—S. 9

AMENDMENT NO. 493

(Ordered to be printed and to lie on the table.)

Mr. JACKSON (for himself, Mr. CRANSTON, Mr. PERCY, Mr. HOLLINGS, Mr. METCALF, and Mr. BUMPERS) submitted an amendment intended to be proposed by them jointly to the bill (S. 9) the Outer Continental Shelf Lands Act Amendments of 1977.

Mr. JACKSON. Mr. President, soon the Senate will take up S. 9, the Outer Continental Shelf Lands Act Amendments of 1977—a bill which I believe is one of the most important pieces of energy legislation to be considered by this Congress. Because most of this country's new domestic oil and gas discoveries will be offshore in the publicly owned Outer Continental Shelf, reforms in the 1953 OCS oil and gas leasing law are important to people in every State not just to coastal States.

Before we take up S. 9, the Senate should consider some revealing figures which may explain why the oil industry has consistently opposed the new bidding alternatives provided for in S. 9.

A recently published book—"The Control of Oil" by John Blair—contains information about the concentration of OCS oil and gas production in a few major oil companies. The top eight oil companies account for 64.5 percent of the output from offshore areas in 1974. Nearly half of such production came from just three—Exxon, Shell, and SoCal.

Because of the huge bonuses required to win leases under the present law, even large independents are kept from access to these Government-owned OCS resources. But, the author also believes that use of the royalty bid system as provided in S. 9 could provide more income to the Federal Treasury in terms of yielding dollars of constant purchasing power.

Other figures compiled from recently held sales in the mid-Atlantic, the Gulf of Mexico, and Gulf of Alaska, illustrate the heavy concentration of major oil companies—either by individual ownership of OCS leases or through joint ventures with other majors. Major oil companies controlled 51 percent of the shares in 83 out of 98 tracts which were bid in the mid-Atlantic sale while small companies only had a majority bid share in 11 tracts. Major oil companies also controlled 70.7 percent of the majority bid shares in the recent gulf sale and 92 percent of the Gulf of Alaska sale.

When the Senate takes up S. 9, I am confident that the Senate will support those sections of the bill which provide for increased competition in OCS bidding.

Mr. President, a basic premise which the Senate should always keep in mind—and from which all OCS policy decisions should flow—is that offshore oil and gas is publicly owned. The Federal Government holds the resources of the OCS for the benefit of all the people of the United States. Thus, the Federal Government has a high duty to do what is best to assure that offshore oil and gas is developed in a manner which is consistent with sound business and conservation practices.

In furtherance of the principle that the public has a fundamental right to know the value of its resources, I am introducing an amendment to S. 9 which directs the Secretary of the Interior to contract for exploratory or stratigraphic drilling if he believes that it is necessary to gain more accurate knowledge about the resources of the OCS.

This amendment is similar to an amendment which was added to the OCS bill on the floor in the last Congress. Today, however, the need for it is much more urgent than it was then.

Events of the last 3 years, spawned by the heightening energy crisis, have focused the public's attention on the fact that the oil industry controls all the information about the Nation's oil and gas reserves.

Through countless hearings over the last few years, Senators have listened in committee hearings to the same old story—and it is true—the American people and the Federal Government ultimately must rely on industry figures in calculating oil and gas reserves. And, Mr. President, regardless of whether such figures are right or wrong, an enormous credibility gap has developed in which the public distrusts the industry figures and wonders in dismay why the Government places reliance upon them.

If managing the publicly owned resources for the best interest of all the people has any meaning at all—surely it must include gaining accurate information about those resources. How will the owners of the resources know whether or not they are getting a fair return when they sell their oil and gas if reliable information is not available? Information about dwindling oil and gas resources is necessary in order to make well reasoned decisions regarding energy policy. While the Secretary already has the discretionary authority to gather information and do exploratory work, I believe that Congress should direct the effort.

This amendment simply is an effort to cure the Federal Government's information deficiency regarding OCS oil and gas and nothing more.

Mr. President, in anticipation of my amendment, four Senators recently circulated a letter opposing federally funded drilling. They pointed out that the committee rejected such a provision during its consideration of the bill. It is true that the committee voted against a different version of this important supplement to information gathering. But, I do believe that after thoughtful consideration, the Senate will recognize as it did in 1975, that it is only proper that the Federal Government should make efforts to obtain all the information possible in order that the public is assured of a fair return on the sale of those resources.

In their letter my four colleagues said that federally contracted drilling would involve the Government in the "production business," that it would provide "no useful information" and that it would "result in a loss of income to the Federal Treasury."

First, such statements fly in the face of sound business practices and are counter to the high duty the Federal Government owes to the American people in managing their resources.

Second, this amendment in no way authorizes Federal production of oil and gas. In fact, it cannot lead to that end under this legislation. It is purely and simply a Federal contractual program, not unlike contracting for defense work

or other jobs which must be done in the national interest. Additionally, such drilling would be on publicly owned land—not private land. In light of this Nation's critical energy situation and the dubious fact that only the big oil companies seem to have information about publicly owned energy resources—does anyone doubt that such an information gathering program is in the national interest?

My four colleagues say that such drilling would provide "no useful information" to the public. We have heard this logic from the oil industry on numerous occasions during committee hearings—and I simply do not understand it. The oil companies always agree that each hole which is drilled and each test which is made provides more information than was previously known about an area believed to contain oil and gas. To support their case, they always point to the North Sea where 200 holes were drilled before Ekofisk was found. Clearly, however, information gained from each well helped succeeding drillers to better delineate potential oil and gas fields.

I believe that at least two very useful results could flow from such drilling: First, areas may be leased which, because of concerns about potential impact on the marine and coastal environment, might not otherwise be made available for development and two, smaller oil companies and independents may be better able to compete with major oil companies because they would not have to expend enormous sums for exploration.

My four colleagues stated that the Government would experience an income loss because of such drilling. No one knows whether such a statement is true or not. In the long term, income gained from royalties, net profits, and the other bidding alternatives, may well be more than that gained from cash bonuses. Additionally, federally contracted drilling and lack of reliance on the cash bonus system—would free up large sums of capital which would be better used for exploration.

Mr. President, this amendment is necessary to accomplish the information gathering provisions of S. 9. I urge my colleagues to approve the amendment when it is before the Senate.

I ask unanimous consent that the text of the amendment be printed in the RECORD at the close of my remarks along with a letter further explaining the amendment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 493

On page 208, between lines 7 and 8, insert new subsections (h) and (i) as follows:

(h) Except for areas which are already leased, where the Secretary determines that exploratory or stratigraphic drilling is necessary to obtain more accurate information regarding the oil and gas resources of the Outer Continental Shelf, he shall contract for such drilling: *Provided,* That no funds shall be appropriated for such drilling prior to the fiscal year beginning October 1, 1978. Nothing in this subsection shall be interpreted to prevent the Secretary from leasing any area of the Outer Continental Shelf where he determines that such leasing is consistent with the provisions of this Act.

(i) The Secretary shall include, in his annual report pursuant to Section 15 of this Act, costs of the drilling program, staffing required to administer the program, and a detailed description of the progress of the program.

COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, D.C., July 11, 1977.

DEAR COLLEAGUE: The OCS Lands Act Amendments of 1977 (S. 9) has been reported by the Committee on Energy and Natural Resources and will be before the Senate soon. We are offering an amendment which would direct the Secretary of the Interior to contract for exploratory drilling where the Secretary determines that drilling is necessary to gain better information about the publicly owned oil and gas resources of the OCS.

Federal contracting for drilling would supplement information gathering provided for in Section 26 of S. 9 and work being done by the oil and gas industry. Additionally, it would assist in producing information about new areas which industry has been unable or unwilling to explore. There have been various estimates reported by the U.S. Geological Survey, by industry, and by other sources, regarding the resource potential of the OCS. In light of our tight energy supply situation, it is critically important for the Federal Government to know as much as possible about the extent of our OCS resources.

It is important also that the public be assured a fair return on the sale of those resources. The Interior Department has often undervalued tracts prior to leasing them, setting minimum acceptable bids far below what oil companies have offered. For example, in the March, 1974 Louisiana offshore lease sale, the government's estimated value of the tracts was $679 million; bids amounted to nearly $2.175 billion. In one spectacular miscalculation (Tract 64), Interior estimated the worth of the area at $5.6 million and Exxon bid $76.2 million. More recently, in lease sale No. 35, off the California coast, Interior's estimated value of the area of $2 billion actually received only $400 million in bids. It may be difficult to determine whether we have been underselling our valuable energy resources over the long term, but every new bit of information such as that made possible by our proposal would increase the knowledge and thus decrease the risk to the public, helping to assure a fair return.

While the Secretary already has the discretionary authority to gather information and do exploratory work, we believe that Congress should mandate the effort.

The oil industry has argued that a Federal drilling program "violates the basic principle from which the American economy has gained its strength and runs counter to . . . free enterprise competition." This information program in no way authorizes Federal production of oil and gas. In fact, it cannot lead to that end under this legislation. It is purely a Federal contractual program, similar to contracting for defense work or other jobs which must be done in the national interest. However, a principle which everyone must remember is that the OCS is publicly owned land—land owned by and for the benefit of all the people of the United States. The OCS is not privately owned land. Therefore, the public has an inherent right to know what resources it owns.

The program would not cause delays in leasing the OCS. The amendment does not require the Secretary to contract for drilling prior to leasing in each area of the OCS. Thus, the Secretary could proceed with his regular leasing schedule in those areas of the OCS where he believes that leasing is consistent with the provisions of S. 9.

Furthermore, the information program could well lead to leasing of areas which, because of concerns about potential impact on the marine and coastal environment, might not otherwise be made available for development. The information gained would assist the Secretary in determining whether exploration could be done in an environmentally safe manner and whether the protential size of the oil and gas resource in the area warranted further exploitation. With such information, the nation's critical need for additional energy resources could be intelligently balanced with the desire to protect the marine environment.

We believe that this amendment is important to the success of the nation's OCS development program. We urge you to support the amendment.

Sincerely yours,

HENRY M. JACKSON,
ALAN CRANSTON,
CHARLES H. PERCY,
ERNEST F. HOLLINGS,
LEE METCALF,
DALE BUMPERS,
U.S. Senators.

AMENDMENT TO S. 9

At page 208, between lines 7 and 8, insert new subsections (h) and (i) as follows:

"(h) Except for areas which are already leased, where the Secretary determines that exploratory or stratigraphic drilling is necessary to obtain more accurate information regarding the oil and gas resources of the Outer Continental Shelf, he shall contract for such drilling: Provided That no funds shall be appropriated for such drilling prior to the fiscal year beginning October 1, 1978. Nothing in this subsection shall be interpreted to prevent the Secretary from leasing any area of the Outer Continental Shelf where he determines that such leasing is consistent with the provisions of this Act.

"(i) The Secretary shall include, in his annual report pursuant to section 15 of this act, costs of the drilling program, staffing required to administer the program, and a detailed description of the progress of the program."

AMENDMENT NO. 494

(Ordered to be printed and to lie on the table.)

Mr. BELLMON (for Mr. BARTLETT) submitted an amendment intended to be proposed to the bill (S. 9), supra.

ERDA AUTHORIZATIONS, 1978—S. 1811

AMENDMENT NO. 495

(Ordered to be printed and to lie on the table.)

Mr. McGOVERN (for himself, Mr. McINTYRE, Mr. RIEGLE, Mr. LEAHY, Mr. HASKELL, Mr. ABOUREZK, and Mr. GRAVEL) submitted an amendment intended to be proposed to the bill (S. 1811) to authorize civilian nuclear appropriations for ERDA for fiscal year 1978.

AMENDMENT NO. 496

(Ordered to be printed and to lie on the table.)

Mr. STONE submitted an amendment intended to be proposed by him to the bill (S. 1811), supra.

AMENDMENT NO. 497

(Ordered to be printed and to lie on the table.)

Mr. CURTIS submitted an amendment intended to be proposed by him to the bill (S. 1811), supra.

NOTICES OF HEARINGS

ENERGY PROBLEMS AND THE NEEDS OF RURAL AMERICA

Mr. CLARK. Mr. President, I wish to announce that the Subcommittee on Rural Development of the Senate Committee on Agriculture Nutrition and Forestry will hold oversight hearings on the energy problems and needs of rural America on Wednesday and Thursday, July 13 and 14, beginning at 10 a.m. in room 324 Russell. The subcommittee has invited representatives of the U.S. Department of Agriculture, the Energy Research and Development Administration, and the National Rural Electric Cooperative Association to testify at these hearings. Anyone wishing to submit written testimony should send two copies of their statement to the Hearing Clerk, Senate Agriculture Committee, room 322 Russell, Washington, D.C. 20510.

COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, July 20, 1977, at 10 a.m., in room 2228 Dirksen Senate Office Building, on the following nomination:

Edward L. Filippine, of Missouri, to be U.S. district judge for the eastern district of Missouri vice John K. Regan, retired.

Any persons desiring to offer testimony in regard to this nomination shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

This hearing will be before the full Judiciary Committee.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. RIBICOFF. Mr. President, the Committee on Governmental Affairs will hold hearings on July 18 and 19 on S. 80, S. 980, and H.R. 10. The hearings will begin at 10 a.m. in room 3302 of the Dirksen Senate Office Building.

FEDERAL ACQUISITION ACT OF 1977 (S. 1264)

Mr. CHILES. Mr. President, the Subcommittee on Federal Spending Practices and Open Government will conduct hearings on the Federal Acquisition Act of 1977 (S. 1264) on July 18, 19, 22, 26, 27 and 28, at 9 a.m. each day, in room 3302 Dirksen Senate Office Building.

ADDITIONAL STATEMENTS

(Additional statements are printed at the conclusion of Senate proceedings today.)

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. The time for morning business has expired.

EXECUTIVE SESSION

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now go into executive session to consider the nomination of Robert Harry Nooter, of Missouri, to be Deputy Administrator of the Agency for International Development, on which there shall be 1½ hours of debate, to be equally divided and controlled by the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Alabama (Mr. SPARKMAN).

NOMINATION OF ROBERT HARRY NOOTER OF MISSOURI, TO BE DEPUTY ADMINISTRATOR, AID

The assistant legislative clerk read the nomination of Robert Harry Nooter, of Missouri, to be Deputy Administrator, Agency for International Development.

Mr. EAGLETON. Mr. President, I realize that the Senator from Alabama is not on the floor yet.

Mr. KENNEDY. Mr. President, I am glad to yield 2 minutes of time to the Senator from Missouri.

Mr. EAGLETON. I thank the distinguished Senator from Massachusetts.

Mr. President, I am pleased to support the nomination of Robert H. Nooter for the position of Deputy Administrator for the Agency for International Development.

I am sure many of my colleagues know Mr. Nooter, who has served in responsible positions in AID since 1962.

The Nooter name is a well-respected one in Missouri.

He is a native St. Louisian. He was educated at the University of California at Berkeley, Washington University in St. Louis, and the Harvard Business School.

Mr. Nooter served in combat with the Marine Corps in Korea in 1951–52. Serving as a first lieutenant, he was awarded the Commendation Medal for distinguished service.

Prior to coming to Washington during the Kennedy administration, Mr. Nooter was vice president and a director of the Nooter Corp. He was a member of the St. Louis White House Conference Board for Education, and participated in local St. Louis school activities.

For the past 15 years, Mr. Nooter has held a variety of increasingly responsible positions with AID, with both field and management experience.

From 1962 to 1964, Mr. Nooter was Director of the U.S. AID mission in Uruguay, where he supervised programs in agriculture and industrial development. He speaks fluent Spanish.

From 1965 to 1967, he directed the AID mission in Liberia and supervised a wide variety of programs, including road construction and maintenance, industrial development, education, public administration, agriculture, and health.

Mr. Nooter was appointed Deputy Assistant Administrator, Bureau for East Asia, in 1968 and was responsible for all economic aid programs in Korea, Philippines, Indonesia, Thailand, and Laos, and residual aid programs in Taiwan and Burma.

In March 1970, he became the Assistant Administrator for Vietnam; and in August 1971, the Deputy Coordinator for Supporting Assistance.

Since September 1972, Mr. Nooter has been AID's Assistant Administrator for Supporting Assistance in the Bureau of the Near East and South Asia, and has managed economic assistance programs in Vietnam, Cambodia, Laos, Thailand, Japan, Israel, and Malta with annual program costs of $600 million.

Mr. Nooter is married to the former Nancy Ingram of San Francisco and they have five children.

Mr. President, I consider Mr. Nooter to be preeminently qualified by reason of talent, training, and expertise to serve in the position of Deputy Administrator of AID. I urge my colleagues to support his nomination.

Mr. President, I thank the distinguished Senator from Massachusetts for his courtesy.

The ACTING PRESIDENT pro tempore. Who yields time?

Several Senators addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield such time as the Senator from Rhode Island needs.

Mr. PELL. Mr. President, I thank my friend and colleague from Massachusetts.

Mr. President, I wish to join the senior Senator from Massachusetts in expressing concern regarding the confirmation of Mr. Robert Nooter. I do not plan to vote against Mr. Nooter's confirmation, but I do wish to make my own concerns a matter of record in the expectation that humanitarian programs will be treated with greater sensitivity, sympathy, and responsiveness than has been the case in the recent past.

The two situations in which Mr. Nooter has been involved which have concerned me the most are those of humanitarian assistance to Cyprus and Lebanon.

In the case of Cyprus, American assistance to the refugees in that divided island nation, which came under Mr. Nooter's supervision, has been plagued by numerous delays and bureaucratic obstructionism. Rather than treating this program as an urgent response to a desperate humanitarian need, it was handled as if it were a routine bilateral economic aid program. Since 1974, the Congress has appropriated $72.5 million for relief and rehabilitation purposes to be channelled through the United Nations High Commissioner for Refugees and the International Committee of the Red Cross. Despite the great need and repeated appeals from the Cypriot Government and the U.N. High Commissioner, expeditious disbursement of U.S. funds has not been forthcoming. For example, as of June 30, 1977, a few days ago, some $25 million of U.S. funds were still in the pipeline of undisbursed funds. Although I understand that all appropriated funds have now been provided by AID to the U.N. High Commissioner and to the Red Cross, nothing can justify the slowness of AID in providing funds during 1975 and 1976 when the need in Cyprus was at its peak.

Under an amendment offered by Senator KENNEDY and myself to the fiscal year 1978 security assistance authorization bill, an additional $15 million would be authorized. Senator KENNEDY and I took this action because AID, where Mr.

Nooter played a key role, requested no funds at all for Cyprus. In view of Mr. Nooter's record to date, I am concerned that these new funds, if appropriated, be disbursed as soon as possible. It is my hope that Mr. Nooter in his new position will do all that he can to expedite the disbursement of funds to Cyprus.

With regard to Lebanon, a similar story of delays and seeming insensitivity to the needs of refugees in that civil war-ridden land unfolded. The International Committee for the Red Cross made urgent appeals for contributions as early as October of 1975 and thereafter on almost a monthly basis. Yet it was not until April 1976 that the first U.S. contribution was made—and then a mere $500,000 was contributed. Thereafter, it was only because of congressional pressure that larger sums were finally provided. As in the case of Cyprus aid, it was Mr. Nooter who was in charge of the Lebanon program which proceeded on a business-as-usual basis apparently obvious of the fact that a civil war was raging in Lebanon.

While I recognize that in situations such as Cyprus and Lebanon there are two sides concerning whether or not unwarranted delays are taking place in responding to humanitarian appeals, an area in which Mr. Nooter had the primary responsibility, my perception, as well as that of others I have consulted, is that unconscionable delays have taken place and should not have. I do not wish to belabor the point of the extent to which Mr. Nooter was personally responsible, but I do urge him to exercise leadership in the future to ensure that America's humanitarian spirit is expressed in a swift and unambiguous manner when urgent appeals are made to us.

Mr. President, I yield the floor.

Mr. KENNEDY. Mr. President, I ask unanimous consent that Dale de Haan and Jerry Tinker be granted privilege of the floor during the discussion of the Nooter nomination.

Mr. GARN. I object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. KENNEDY. Mr. President, what is the time situation?

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts has 36 minutes. The Senator from Alabama has 45 minutes.

Mr. KENNEDY. Mr. President, I yield myself 15 minutes.

Mr. President, I rise with some reluctance to oppose the nomination of Mr. Nooter for the important position of Deputy Administrator of AID.

I think one of the more distasteful aspects of responsibility in advising and consenting to the President of the United States on various nominations is to rise in opposition. I am particularly reluctant to rise because this is a nominee who is obviously committed to the cause of this Nation's public service. He has had a career devoted to working in the cause of our country.

In the number of years that I have had the opportunity to sit across from him at the witness table, or sit across from him in private conversations about matters which affect the people of this world, I have never doubted his own basic and fundamental integrity and his own desire to try to fulfill his responsibilities in a way that he felt best.

But having said that, Mr. President, over the period of the 1960's and up to the reorganization of this year, I had some special responsibilities on the Senate Judiciary Committee in the area of refugees, those homeless and desperate people whose problems were most dramatically presented and tugged at the heartstrings of the American people, especially during the course of the war in South Vietnam. Millions were the victims of that tragic conflict.

Refugees are not new in terms of the world. And even as the Vietnam conflict went off the pages of our newspapers and off our television screens, other tragedies took its place. And we saw problems arise in the tragedy of Bangladesh, with some 10 million refugees in 1971, and more than 3 million people killed in a fratricidal war in that beleaguered part of the world.

We are also reminded of the problems of refugees in the Sahel where hundreds of thousands—the numbers defy preciseness—lost their lives as the creeping desert moved toward the south.

And we have been reminded of refugees from Uganda, and the refugees in Cyprus and Lebanon, and of political refugees in Latin America, and of very serious problems in southern Africa.

We have always expressed, as a country of immigrants and refugees, very genuine sensitivity to the problems of homeless people and those who have been victims of acts of nature and, in the situation in Southeast Asia, the acts of war.

Of course, one of the things which was tragic as this country was attempting to find its way toward resolving that unfortunate aspect in American foreign policy, in the period of the 1960's and in the early 1970's, was the extraordinary personal tragedy that took place among the innocents in Vietnam, a country of some 20 million people, 50 percent of the population 15 years of age or younger.

There were 1 million orphans in South Vietnam. We can adjust those figures as to how the South Vietnamese define orphans; but, for all intents and purposes, whether you are talking about 750,000 or 1 million, you are talking about hundreds of thousands of orphans and children in need in South Vietnam during the war.

Today, I should like to review for the record a few of the efforts, involving those of us in Congress, directed toward trying to meet our special responsibilities to orphans and toward trying to work with AID, particularly in the period of the late 1960's and the early 1970's, when Mr. Nooter had some special responsibilities in the AID Vietnam area.

I remember, Mr. President, the problems that our subcommittee brought to the attention fo Mr. Nooter on the issues of orphans. Mr. Nooter believed—and I think the record will indicate this—that the best way to meet these humanitarian needs was by general economic aid and assistance; that the trickle-down theory of economic aid would really respond to the special needs of these victims of the war in South Vietnam, or, quite frankly, the victims of fragmentation bombs who were in need of prosthetic devices. I have just selected these two particular areas with regard to Vietnam.

Then I will mention the record of Mr. Nooter with regard to the Cambodian situation, which I also believe was one of extraordinary tragedy, although it is an aspect of his career in which Mr. Nooter takes considerable pride.

In this connection, I should also mention the rather strong support that Mr. Nooter was giving in the area of public safety programs. There never seemed to be enough resources to try to provide more humanitarian aid, but there were always resources for additional training for the police and public safety officials in South Vietnam, until Congress cut it off in 1973. We even saw an increase in appropriations requests going in those areas, at the very time when we saw a decrease in the area of refugees or orphans or in the areas of health that apply to the prosthetic devices. And we saw the extraordinary growth during this period of time of the civilian war casualties and the problems that we were facing in attempting to get hospitalization for those particular victims of the war.

I do not intend to lay all the problems of the Vietnam war on Mr. Nooter. That would be unfair and unjust. But I do draw a special responsibility to Mr. Nooter, as the responsible AID official, for failing to respond to both the public outcries and the petitions of those of us who were members of the refugee committee and others. I remember meeting with the Secretary of State, Mr. Rogers, to employ his special efforts in attempting to raise priorities for war victims, and to remedy the basic failure of the U.S. efforts in this area. Whatever movement there was, it was reluctant. Whatever movement there was in this area, it was only after Congress and the public really drew AID, kicking and screaming, into responding in a more positive way.

I say this not only as my conclusion, but also as the conclusion of those whose lifetime has been devoted to social service programs, to refugee programs, to voluntary church agency programs—the people who not only spent hour after hour in attempting to relieve human misery in the Indochina Peninsula, but also were good enough to appear before our refugee committee to outline the case of what I consider to be indifference.

I draw the conclusion, reluctantly, that it is inappropriate to promote Mr. Nooter into the important position of Deputy Administrator of AID. I think all of us who have served in this body in recent times have known the problems we have faced in terms of our foreign aid programs. It has only been in recent years, to a great extent through the leadership of the Senator from Minnesota (Mr. HUMPHREY) and other members of the Foreign Relations Committee, that we have really turned the shape and the focus of that program to more sensitivity for human needs. To see the implementa-

tion of that program being directed by a person who has showed such indifference in this area of human concern, I find enormously troublesome. It is for such reasons that I oppose the nomination.

Mr. President, last month, by a good majority, 59 to 32, the Senate adopted the International Development Assistance Act of 1977. This important piece of legislation builds upon earlier legislation—first initiated by Congress in 1973—to establish new directions for our foreign assistance programs around the world.

The new directions represent an important departure from past foreign assistance policies. They bring new priorities in the allocation of tax funds overseas. They stress people-oriented assistance. They stress international cooperation and more support for voluntary agencies. They reflect America's concern for human rights and human needs—and for the legitimate aspirations of the poorest of the poor in developing countries around the world.

And, more than anyone else, our distinguished colleague from Minnesota (Mr. HUMPHREY), has given life to these new directions, through his diligent and effective leadership as chairman of the Foreign Assistance Subcommittee. Millions of Americans who want our foreign assistance program to reflect the humanitarian concerns and traditions of the United States, stand in debt to the contributions and work of Senator HUMPHREY.

The new directions mandated by Congress have the full and active support of President Carter, and the President has pledged that his administration and the Agency for International Development will work with Congress and the American people to further strengthen these new directions in the months and years ahead.

With this brief background in mind, I have asked for time this afternoon to discuss the pending nomination of Robert H. Nooter to be the Deputy Administrator for the Agency for International Development.

Although I respect Mr. Nooter's long experience with AID, his technical ability in the foreign assistance field, and the high regard in which he is held by many of his colleagues in the agency, I intend to cast my vote against his confirmation as Deputy Administrator.

In part, the reservations I have about his nomination are matters of personal conscience—arising out of Mr. Nooter's record of insensitivity to people problems, and my own longstanding concerns as chairman of the Subcommittee on Refugees in recent years and as chairman of the Subcommittee on Health.

In part, my reservations also involve larger questions about the changing objectives and future course of our foreign assistance program, and the philosophy and orientation of the people the country should have to help guide the Agency for International Development in the years ahead.

In addition to a private conversation with Mr. Nooter, I have spoken with many others about his nomination. And, as chairman of the Subcommittee on Refugees in recent years, I have also had the opportunity to question Mr. Nooter and receive his testimony in hearings before the subcommittee, and to meet with him and his colleagues on various issues before the Congress and the American people.

I strongly believe that Mr. Nooter's nomination raises troubling questions—because of his heavy involvement with some discredited policies of the past, and because his record symbolizes some of the reasons why Congress found it necessary to mandate new directions in foreign aid.

Mr. Nooter's record does not conform with the new directions mandated by Congress, nor with the expressed policy of the President and his administration.

His record gives little reason for confidence that he will bring to the post of Deputy Administrator the philosophy and dedication needed to carry out with conviction and enthusiasm the new directions of Congress and the policies of the Carter administration.

What is Mr. Nooter's record? What has he stood for, as a principal governmental spokesman on foreign assistance over the last 8 or 9 years? What has he advocated and defended as a high official of our Government with important responsibilities in some crucial areas of public policy and concern—in such areas as Indochina and Vietnam, the Middle East and Lebanon, Cyprus, refugee and humanitarian problems, and human rights and human needs?

One of the most distressing parts of Mr. Nooter's record relates to refugee and related humanitarian needs in areas struck by conflict and disaster. The American people have always responded to such needs with generosity and compassion, and humanitarian priorities are an integral element in the new directions for foreign aid.

But Mr. Nooter's long record in this area of public policy has never done much credit to the humanitarian tradition of the American people. It has always been an uphill battle, in getting Mr. Nooter to move on humanitarian assistance—initially in Vietnam and Indochina many years ago, and more recently in Lebanon and Cyprus. What should have been matters of routine humanitarian practice for our country, too often became issues for needless debate.

The record of Mr. Nooter on Indochina—in Vietnam, Laos, and Cambodia—especially reflects this. As the hearing transcripts and reports of the Subcommittee on Refugees over the past many years document, Mr. Nooter's long service as a principal spokesman for our aid programs to these war-torn nations is marked by a tragic insensitivity to humanitarian needs and programs. It is a record marred by a devotion to commodity imports, to public safety and police aid, and to general security/supporting assistance—too often at the expense of aid for refugees and others in need.

The record shows a continual struggle with Mr. Nooter and AID to upgrade attention and funding for refugees, for war orphans, for the crippled and the maimed, and for the many others disadvantaged by the war. While Mr. Nooter strongly defended funds for general economic support and commodity imports, he resisted equally strongly efforts to earmark funds for orphans or for other specific humanitarian purposes. Year after year, Mr. Nooter showed great concern for the health of the Saigon economy, but tragically little concern for the health of war victims.

Confronted with reports of the General Accounting Office showing that, year after year, there was still a massive backlog of amputees needing prosthetic devices—up to a 9-year wait—Mr. Nooter would lamely respond that "we have not done enough." But a year later the GAO would report again that the problem remained much the same.

And asked to earmark funds for orphans, Mr. Nooter would speak of the need for general economic programs—saying:

> It is impossible to separate these children programs from other programs of economic support to Vietnam in most cases.

Mr. President, it was not only possible, but Congress finally acted to do just that—to earmark funds for special welfare programs for orphans. But it came after years of opposition from Mr. Nooter.

There is, of course, a great deal more to Mr. Nooter's record on Indochina. But his record on orphans and amputees is enough to illustrate the uphill battle that was always there in getting Mr. Nooter to move on humanitarian aid.

Mr. Nooter's record on humanitarian assistance to Cyprus is another case contrary to the new directions for foreign assistance and the expressed mandate of Congress. Perhaps no simple humanitarian program under Mr. Nooter's supervision has been plagued with more needless problems and obstructionism, from the American side, than the program for Cyprus.

Since the Turkish invasion of the island just 3 years ago, Congress has appropriated some $72,500,000 for relief and rehabilitation purposes among both Greek and Turkish Cypriot refugees. AID has always been reluctant to provide a full accounting for the use of these humanitarian funds—and apparently with good reason. For the slow expenditure of these funds, even during the height of humanitarian needs on Cyprus, has been disgraceful.

Available records suggest that late last year—well into the current fiscal year—little more than $23,000,000 out of the total appropriated had been disbursed. This was less than the $25,000,000 Congress appropriated in fiscal year 1975. Since December, an additional $24,000,000 has been disbursed. But some $25,000,000 still remains.

Why did this happen—when there were clearcut needs, projects to be done, and people to be helped?

It reflects Mr. Nooter's insensitivity to the special needs of people caught in conflict and war. Once again, humanitarian needs were treated with a business-as-usual attitude, and allowed to be swallowed up in bureaucratic redtape and neglect.

Another good example is the initial American response to the truly massive humanitarian needs produced by the civil war in Lebanon.

As AID's Assistant Administrator for the Near East, Mr. Nooter was responsible for developing and administering humanitarian assistance for Lebanon. But his overall record during the civil war period—from April 1975 to November 1976—was marked by neglect, an insensitivity to obvious and growing humanitarian needs, and the stonewalling of urgent appeals for humanitarian assistance from the government of Lebanon and the International Committee of the Red Cross—ICRC.

It is almost incredible, Mr. President. But it took nearly 5 months for the United States to respond to the first ICRC appeal for assistance. This first appeal—for only $2,000,000—was made in November 1975.

Many individual and groups, both within and outside our Government, supported a U.S. response. And on January 28, 1976, the American embassy in Beirut cabled a strong recommendation to Washington that the United States contribute to the appeal. The embassy urgently repeated this recommendation on February 7.

But it was not until early April—after many more civilian casualties and refugees in Lebanon, and just 3 days prior to scheduled hearings before the Subcommittee on Refugees—that the United States finally contributed a paltry $500,000 to the ICRC appeal of November 1975.

Mr. President, why did this happen? Why was it necessary to do battle with Mr. Nooter—to get an American response to the urgent humanitarian appeals of one of the most respected international humanitarian organizations in the world.

The answers, I believe, lies in his long record with AID—and his record's persistent pattern of insensitivity to humanitarian problems and needs.

The record on ICRC appeals for Lebanon improved after April 1976—but only after continuing pressure from within the administration and Congress, and from many groups in the private sector.

But some human priorities are again being pushed aside in the postwar period of rehabilitation and reconstruction. Some $20,000,000 was made available "for the relief and rehabilitation of refugees and other needy people in Lebanon," through legislation sponsored by the distinguished Senator from South Dakota, Senator ABOUREZK and myself.

The record shows that using these funds for helping to rebuild the port of Beirut, took precedence over the rehabilitation of war victims and the resettlement of refugees.

A special task force was established to expedite American assistance for the port, but reasonable proposals by voluntary agencies to assist war victims and refugees have languished in AID's files since January.

On the issue of human rights, the President eloquently stated at the United Nations in March that "the basic thrust of human affairs points toward a more universal demand for fundamental human rights"—and that "the United States has a historical birthright to be associated with this process."

In his foreign assistance message to Congress, also in March, the President said:

> We are now reforming the policies which have, on occasion, awarded liberal grants and loans to repressive regimes which violate human rights.

And, Mr. President, the administration has joined with Congress to retain and strengthen the human rights provisions of the foreign assistance laws.

Mr. Nooter's record on human rights and foreign assistance runs contrary to the commitment and policy of Congress and the President. In fact, in testimony before the House Appropriations Committee on December 4, 1975, Mr. Nooter all but opposed what has since become the law.

Among other things, the law provides that economic assistance may not be given to any country which consistently violates internationally recognized human rights, unless the President certifies to Congress that it is necessary to do so in the national interest.

In response to questions as to whether or not he supported that reasonable concept, Mr. Nooter expressed concern over "interfering in the internal affairs of other countries." He expressed concern over legislation that "forces the President to make a public declaration in cases where there are human rights questions." He said that such a declaration "could well be offensive, not only in the eyes of the country in question, but in the eyes of other countries in the world that might resent the fact that the United States is playing this sort of role."

Mr. Nooter said nothing good about a human rights policy. He said nothing positive about a human rights commitment in the allocation of tax funds overseas. The situation in Chile and some other countries apparently did not exist for Mr. Nooter. And he even suggested that the human rights provisions, which were under consideration at the time and are now a part of the law, "will create problems"—so do not rock the boat.

Mr. President, I find Mr. Nooter's comments before the House committee distressing. And equally distressing is the simple fact that he has now been designated to help implement an active policy and commitment, which he opposed just a short time ago under the previous administration.

Mr. President, I strongly believe that the record of Mr. Nooter weighs so heavily against his confirmation, that I must vote "no."

It will be a "no" vote that will say "yes" to the human rights and human needs priorities that Congress has mandated to AID, and that the administration of President Carter fully supports. It will be a vote that reaffirms the new directions for foreign assistance.

In closing, let me say again that I respect the very high regard in which Mr. Nooter is held by many of those who have known and worked with him. And in many respects, he symbolizes some of the better qualities of dedication to public service and of personal sacrifice demonstrated by many able American officials

But, for the reasons stated, I am unable to approve his confirmation.

Mr. President, let us look in more detail at Mr. Nooter's record on orphans in Vietnam.

In 1967, the administration, at the urging of our committee, decided to send a team—a social welfare team—to South Vietnam to examine in greater detail the humanitarian problems brought on by the war. One in particular was the whole issue of the orphans.

One of the distinguished members of that team, the head of the team, was Dean Dumpson, former administrator of the New York City Social Welfare and Human Resources Department and rormer dean of the school of social welfare at Fordham University, who has had long experience in dealing with orphans and with child welfare.

This is what Dean Dumpson testified to in May of 1973:

> Dr. DUMPSON. We recently visited Vietnam in our private capacities as members of the study mission this subcommittee dispatched to investigate postwar humanitarian needs in Indochina. Both Mr. Klein and I have worked in or visited Vietnam on numerous occasions in the past and have observed, at first hand, the steadily deteriorating conditions of children in Vietnam over the last 8 years. We come before the subcommittee this morning, as individuals and as Americans, deeply disturbed over the welfare of children in Vietnam and deeply disturbed by the lack of sensitivity and responsible initiative our Government has shown to even the most minimal needs of these children.
>
> Since 1965 witnesses have come before this subcommittee to testify as to the growing needs of children in South Vietnam. I myself testified nearly 6 years ago after heading a Social Welfare Task Force to South Vietnam on behalf of the Agency for International Development. But despite this subcommittee's concern—and the concern of others in the Congress and countless Americans—little was done to meet their needs, even as the numbers of orphans and homeless children increased.
>
> The gravity of the situation of children in Vietnam should surprise no one who can put two and two together and reach four. What surpasses surprise, however, is the insensitivity of our Government, with some few exceptions which we shall detail later—the insensitivity to the situation that exists in Vietnam and to public concern here at home.
>
> Senator KENNEDY. Dr. Dumpson, why do you think we have been so insensitive? Certainly the American tradition and concern about children has been a very essential part of our ethic since the earliest days of the Republic.
>
> Is it because of governmental policy; is it inertia; is it higher prorities in other areas?
>
> Certainly the American people, I think, have an enormous sense of compassion and concern about children in this country and throughout the world. We have shown that throughout our history.
>
> Why is it so different in this case?
>
> Dr. DUMPSON. I think, Mr. Chairman, in my judgment it has been because of our order of prforities—a preoccupation with military concerns and with the political concerns in Indochina—and the lack of concern about humanitarian considerations.
>
> Also, except for this subcommittee, in my judgment, very little has been said to the

American people about the plight of children in Vietnam.

One has to pore over the records to find the kind of concern, to which you refer, ever expressed by our Government for the children in Vietnam.

And as we will point out in our testimony, the efforts that have been made pretty much in response to crisis situations—short-term situations—that might explode and embarrass someone, somewhere if something wasn't done.

But there has been no effort directed toward a comprehensive approach to deal with the long-term humanitarian concerns of Vietnam, and particularly to the needs of children.

Senator KENNEDY. It is such an irony to me that, as we run through the justifications of many administrations for our involvement in the war in Southeast Asia, we are always talking about helping the people, and trying to justify our policy because we are concerned about people.

And yet, the people, in this particular case the children, are really the forgotten individuals. And this has been true almost from the beginning. What does self-determination mean to a refugee or an orphan?

Dean Dumpson concluded with these thoughts:

Thus, in the summer and fall of 1971, several events occurred simultaneously which resulted in a dramatic reversal of Government policy vis-a-vis children in Vietnam. A number of separate pieces of legislation were introduced into the Congress which, in one form or another, called on the Government to respond to the needs of Vietnamese children. At the same time, a group of voluntary agencies made strong representations to the Government requesting priority and funding for services for these children.

Finally, and perhaps most important, the media and a significant and vocal segment of the general public began to focus attention on child welfare concerns, in effect demanding action from our Government.

As a result, since the fall of 1971, or some 18 months ago, it has been Government policy that the United States has an obligation to help the children of Vietnam. This has meant the beginning—just the beginning—of funding and priority to implement child welfare programs.

Now, in 1973—that is May of 1973—at the same time that two of our colleagues, Senator HATFIELD and Senator WILLIAMS, and a number of others of us were cosponsors of an effort to earmark various funds for orphans and for child welfare program. But Mr. Nooter testified in 1973 along these lines: First of all, in opposition to the earmarking, and also pointing out that about a fourth of all the goods and services which the Vietnamese population consumes comes through the U.S. economic program, and that the continuation of those programs is absolutely essential to provide the basic wherewithal for Vietnamese society to continue and for the children as well as the adults to be able to have a decent life and to make their way into the future. That is the trickle-down theory in May of 1973.

In spite of the studies that were done in 1967, the reports that were done again in 1970 on the problem of orphans, here in 1973 we are talking again about a trickle-down theory helping children in need of special help.

In July of 1973, because of the pressures of Congress, AID finally scheduled a special conference on the orphan problem in Vietnam with the voluntary agencies and with AID officials.

In August of 1973, I met with Secretary of State Rogers and members of the subcommittee study team. The Secretary of State took time to be with us, and at that time Mr. Nooter was called in by Mr. Rogers.

After December of 1973, after 7 months of activity and pressure on Mr. Nooter and AID to break the bottlenecks on specific programs for orphans and children, we, the subcommittee, issued another report and conducted further hearings that pointed out that even if the statements of the Secretary of State were correct, very little was taking place in the field, very little was happening for the children in need. We sent another team to Vietnam to find out, with the statements of support by Mr. Nooter as well as Mr. Rogers in mind, what precisely was happening out in the field.

On July 18, 1974, Wells Klein, who is the distinguished director of the American Council of Nationalities Service in New York, who served as a consultant to the Subcommittee on Refugees, and who is an expert on refugee and child welfare problems, returned from Vietnam, and in his report to the subcommittee he says this, and I will just read parts of his statement:

Let me briefly report now on the child welfare situation. I wish we were able to comment as favorably in this area as on the refugee resettlement program. With the exception of adoption, the child welfare program, the programing funds which have been allocated and made available for child welfare services in Vietnam, has gone exceedingly slow. Money is only now getting to the voluntary agencies which have agreed to and contracted to provide child welfare services.

The reasons for this are many, some perhaps understandable, some not. But in essence, the urgency which was articulated by Washington last year on child welfare, never seems to have reached Saigon, and certainly did not reach the children in terms of services available for them.

The exception to this, as I say, is adoption. And I think it is important to note that services for intercountry adoption in Vietnam are adequate, as defined by the needs of the children. To continue to press for further efforts in the intercountry adoption field would, I believe, raise a false issue in terms of the needs of the tens of thousands of children within South Vietnam who are disadvantaged by the war and on whose concerns we must now focus much more effectively than we have in the past.

STRENGTHENING MINISTRY OF SOCIAL WELFARE

Finally, in terms of the child welfare situation, I think it is important to emphasize once again that we cannot and should not bypass the Ministry of Social Welfare in programed services for Vietnamese children, even though it may seem more effective in the immediate sense to do so. In other words, because of the relative inadequacy of the Ministry to carry out child welfare programs of the dimensions we are talking about, it may seem easier to bypass the Ministry and utilize voluntary agencies only. Voluntary agencies can and will do an effective job, and they really have to be considered the first line of assistance to children.

But it is also very important that whatever we do, we also strengthen and build the Ministry of Social Welfare because it will be this Ministry's responsibility in the long run to provide continuing services for children in Vietnam in the years to come.

WHY SO LITTLE PROGRESS IN CHILD WELFARE?

Senator KENNEDY. How do you explain the fact that the adoption program has been worked out reasonably well and the child welfare program has not?

Mr. KLEIN. I am not entirely sure, Mr. Chairman.

Senator KENNEDY. Are the same people running the program?

Mr. KLEIN. The same people are running it. I think one of the reasons for the difference is that pressure in the United States has been on inter-country adoption rather than on other child welfare services. In other words, the administration was more under the gun on this question—under congressional and public pressure. Also providing effective services in inter-country adoption is perhaps not as complicated, from an AID point of view, as is providing other types of child welfare services. By that I mean, the adoption agencies in Vietnam, and those which have more recently arrived, have the basic competence and skills to handle inter-country adoption. All that they needed was money to hire staff and implement programs.

However, in other fields of child welfare, programming is more complicated and in some cases has to be started from scratch. But a beginning can, I think, be made if there is support and pressure on this side of the ocean.

Senator KENNEDY. Did they not have some $7 million in child welfare funds?

Mr. KLEIN. Yes, $7.2 million.

Senator KENNEDY. Do you have any feeling of how that is being used or how it is being allocated, or the effectiveness of it?

SLOW ALLOCATION OF FUNDS

Mr. KLEIN. Unfortunately, Mr. Chairman, our concern and complaint is that most of it has not been utilized. It has taken an inordinately long period of time to move from the drawing boards, if you will, from the program drawing board to implementation of programs.

Senator KENNEDY. Why is that?

Mr. KLEIN. I am not sure that I know all the answers. Part of it has to do with a number of changes in personnel in Vietnam. Another part of it has to do with bureaucratic hold-ups and going through the paperwork.

What I think is very clear, Mr. President, is that in this particular area, in the area of help for the orphans in Vietnam, what we have generally seen during the period when Mr. Nooter had special responsibilities in AID, are bureaucratic mixups, failures of compassion; I think we saw basically and fundamentally a failure of initiative or creativity or a basic or fundamental sensitivity about these particular problems—problems where he had special responsibilities.

On the issue of the prosthetic devices, we find a similar situation with regard to them. In 1970, the GAO reported—and this, again, is after the 1967 social welfare task force that went to Vietnam to report on these welfare problems—and these are just examples, like those on orphans. The problems over prosthetic devices are replicated in other areas of humanitarian concern—such as the problems we faced in terms of getting hospitals established to look after the civilian war casualties. But let us get back to the precise issue of prosthetic devices.

In spite of the fact that the 1967 team recognized the extraordinary number of children, as well as older people, who had lost limbs in Vietnam, AID was exceedingly slow in responding to that particular problem.

The GAO reported that the disabled numbered over 100,000 people, and that the programs were inadequate. This was in 1970.

Then on March 27, 1972, the GAO filed a report describing the alarming backlog in dealing with the disabled and the social welfare problems.

In this report they point out that the plans called for the Institute—now they are talking about the National Rehabilitation Institute—to increase production of prosthetic devices for amputees and polio cases to a maximum of 10,000 a year, but that "at this rate it would be 9 years or more before all of the now existing 88,260 amputees could receive a device"—9 years for that.

First of all, we have the report of 1970 that points out the number of disabled people at the time, where Mr. Nooter is just assuming responsibility for the Vietnam program, and 2 years later the GAO does another report and says it is now 9 years for amputees to receive a device. Anyone who knows anything about the problem of prosthetic devices knows that it takes, in terms particularly of growing children, takes many modifications, alterations, and changes during the formative period.

But we find that finally, in 1974, 2 years later, the GAO reports some progress, but we are still waiting for 2 years or more to get prosthetic devices.

It is not enormously complex about how you establish these cottage industries to produce such devices. It is not very complex or difficult to be able—or costly to be able—to either move the personnel or to develop the facility or develop the technology on this, but we find that in spite of the fact that these reports were called to the attention of AID and Mr. Nooter time and time again, this was the result of the failure to move into this particular area with any sense of priority or concern.

It was just one more example where in this narrow area of just prosthetic devices during this period, 1970 through 1972 through 1974—a 4-year period—we had unlimited capacity to deliver all the equipment we were delivering there, unlimited resources to carry on the war there, and still we had those who were in charge—and I include Mr. Nooter—who were talking about a trickle-down economic theory to benefit the orphans and the needy people in Vietnam. Again, this is a very troublesome part of Mr. Nooter's record.

Now, with regard to the Cambodian refugee problem, in the statement Mr. Nooter provided to the Committee on Foreign Relations on June 3, there is a paragraph where Mr. Nooter points out with great pride the "remarkably effective" Cambodian refugee program.

Well, Mr. President, anybody who understands again how AID was dragged kicking and screaming into this particular issue, would think that it was nothing less than a real disaster. The record starts off in 1971, shortly after the Cambodian invasion, where we asked AID to testify before our subcommittee and during that period—and I will include these references in the RECORD—AID was pointing out that there really was not any refugee problem in Cambodia.

First of all, they said our assistance had not been sought.

They said that they could take some pride in the fact that the people there were able to take care of their own people.

If there were ever a statement that is going to be shot out of the water, that was one. It was just a few months after the Cambodian incursion, and with each month conditions among the people deteriorated.

But after that, Mr. President, we find the AID line, for which Mr. Nooter was the responsible official, continued to the effect that there was not much of a refugee problem in Cambodia and that they had not requested U.S. refugee assistance, and this persisted from 1971 until it was exposed in a refugee hearing in May 1972.

The ACTING PRESIDENT pro tempore. The Senator's 15 minutes have expired.

Mr. KENNEDY. Mr. President, I yield myself 7 additional minutes.

Just how outrageously insensitive and neglectful AID policy was toward humanitarian needs in Cambodia was revealed during the May 9, 1972, hearings, 2 years after the war started.

The record shows that when Cambodian officials approached the economic AID offices at the U.S. Embassy to request refugee assistance, they were told to go to the Soviet Union or other Eastern European countries to get assistance for their people.

Our policy placed priority on military assistance and since Congress limited the number of U.S. personnel and expenditure of U.S. resources for the war, AID used this as an excuse to limit our humanitarian program.

The United States was too busy in providing guns, bombs, and commodity imimports to restrain the enemy than in helping the victims of the war. And the testimony is very clear—that of Mr. Nooter and his senior colleague, Roderick O'Connor, who was the Coordinator for Supporting Assistance while Mr. Nooter was the Deputy.

Within a month or so after the hearing, Mr. Nooter assumed the position that Mr. O'Connor held. There is just one reference in terms that I shall include in this presentation.

Mr. President, I ask unanimous consent that the following excerpt from the Subcommittee on Refugees, May 9, 1972, hearing on Cambodia be printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Senator KENNEDY. The GAO report mentions that the war effort has been the main preoccupation of the Cambodian Government. And because they realize that the United States is the sole source for necessary military assistance, they tend to ask for military aid first. Of course, we willingly give them guns and bombs on a bilateral basis, never worrying about internationalizing that. It is interesting to me that we are always ready to internationalize the programs to look after refugees and civilian war casualties, but we can't do it in terms of military aspects.

Mr. O'CONNOR. There is nothing we would rather see than an internationalization of the Cambodian military effort. Instead, we have seen substantial success in terms of the economic program—they have internationalized that. And I think it is not at all surprising to suggest that Cambodia does set high priority on the war effort.

Senator KENNEDY. Have you, or have any of the representatives of the agencies in Cambodia, had conversations with any Cambodian officials which would indicate that they have a desire for medical supplies.

Mr. O'CONNOR. Have the Cambodians indicated that to any of the agencies over there?

Senator KENNEDY. Well, specifically to Robert Blackburn, who was the second Secretary, on June 1, 1971, in the U.S. Embassy. Did he ever receive a request from a Cambodian official for medical supplies?

Mr. SULLIVAN. Senator, Blackburn is in the room today. And I think he might be able to clarify that.

Senator KENNEDY. Alright.

Mr. BLACKBURN. On that date a representative from the Minister of Health, who is the ministry's representative to the Cambodian Red Cross, did come to see me. But he asked specifically if we would facilitate his contact with the American Red Cross, which we did, and sent it to the Department, and asked the Department to inform the American Red Cross that the Cambodian Government was interested in—

Senator KENNEDY. What sort of thing did he want?

Mr. BLACKBURN. He didn't have any specific items in mind. I asked him that.

Senator KENNEDY. Was he looking for television sets, or machine guns, or medical supplies?

Mr. BLACKBURN. He was looking for medical supplies for civilian casualties in civilian hospitals in Phnom Penh.

Senator KENNEDY. And he called on you for help and assistance?

Mr. BLACKBURN. Yes.

Senator KENNEDY. What did you tell him?

Mr. BLACKBURN. I asked him what sort of specific items he had in mind, so that the Red Cross would have some idea of what he wanted. I asked him if he had contacted the International Red Cross, which has a resident representative in Phnom Penh. And I am told there that the International Red Cross Societies are prepared to respond if they feel that the International Red Cross has received such a request or general appeal.

And he said that he had.

But I checked later and found that he had not made a specific request.

I asked him if he had contacted any other agencies to suggest that they make contact with their respective Red Cross societies.

And he said he had not.

And I suggested that he do so.

Senator KENNEDY. Did you ever think that this might be an area where the United States might be more responsive—in trying to help and assist him? Did you ever take the matter up with anyone else in AID, to indicate that a fellow had come to see you and told you there was a need for medical supplies to look after civilian casualties? Did you ever ask yourself, is there any way we can help him?

Mr. BLACKBURN. Yes. I made a report of this conversation.

Senator KENNEDY. Who did you report to?

Mr. BLACKBURN. To the Department of State and the Ambassador.

Senator KENNEDY. What did they say?

Mr. BLACKBURN. I simply don't recall whether they did or did not contact the Red Cross. If they did, I have no idea what the Red Cross response was.

Senator KENNEDY. Did you contact them solely for the purpose of trying to get some help from the Red Cross, or did you say, here is a guy from the Cambodian Government that needs some medical supplies to use for civilian casualties, what can we do to help?

Mr. BLACKBURN. I simply reported the conversation.

Senator KENNEDY. Did you recommend that he might get help from some of the "socialist" countries?

Mr. BLACKBURN. I suggested that as long as he was making an approach to the American Red Cross, that it would perhaps be useful if he could make an approach to other Red Cross societies. And I specifically mentioned socialist countries and Great Britain and Japan.

Senator KENNEDY. That's right. We are just that, I understand a Dr. Pheng Kanthel wrote to the Red Cross in the United States. His description of the hospitals and medical needs of Cambodia, Mr. O'Connor, are substantially those of the GAO report. It is quite different from what your report evidently shows. But even so, here is what your report (the UNDP report) says at the end—which should not be overlooked—that:

"Medical assistance should absolutely be planned for and provided as these people do not have the means to go elsewhere for medical attention. . . . The furnishing of pharmaceuticals for use in the work of these teams should be effected on a regular and continuous basis."

The tone of this part is somewhat different from the optimistic description you mentioned before.

Mr. O'CONNOR. Senator, I am not hiding anything. I reviewed the text. And it is not my report, sir, it is the UNDP report.

Senator KENNEDY. That's right. We are just trying to get an idea of what the conditions are in these hospitals. We had read the description of the GAO, and we have heard your comments here, and we have read from the UNDP report. We will let the record stand.

In any event, they have hospitals in Phnom Penh—both civilian and Military—that are overcrowded with sick and wounded. "People have fled from the insecure rural areas, taken refuge in the capital, whose population has increased from 600,000 to 2 million."

That is the Cambodian estimate. To quote further:

"In the provinces, also, people have flocked into urban areas whose medical facilities are destroyed. . . . We appealed to the Red Cross organizations of friendly countries through the good offices of the CICR. The war is going on, [and] casualties are increasing steadily, resulting in an alarming, rapid decline of our medical, clothing and food stockpiles, although we did receive a large number of aid from friendly countries. . . . We urge that this organization [the American Red Cross] send us in the shortest possible time such drugs as antibiotics, vitamins, anti-malarial and such medical articles as dressing materials, surgical equipment, clothing and food. . . . We did approach the U.S. Embassy in Phnom Penh, but no response has yet been obtained."

That is Dr. Kanthel writing, who is "Representative, Ministry of Public Health in Khmer Red Cross." The letter is dated August 17, 1971.

And then, tragically, we see a response in February of this year—6 months later—from the American Red Cross. I will make both letters a part of the record. In the response they said: "We have on hand in our warehouse a stock of 6,433 bottles of vitamin tablets called 'Chocks'. The total is about 385,900 tablets." They then indicate they are willing to send those tablets, if they can get clearance through the Cambodian Government, and that was all!

(The letters referred to follow:)

MEMORANDUM OF CONVERSATION

Participants: Pheng Kanthel, Representative Ministry of Public Health in Khmer Red Cross; Col. William Waugh, Deputy Chief. MEDTC Forward; Robert R. Blackburn, Jr., Second Secretary, U.S. Embassy Phnom Penh.

Pheng Kanthel called for an appointment and upon arrival said he wished to contact the American Red Cross to seek medical equipment and supplies for the civilian casualties in five civilian hospitals in Phnom Penh. I asked if he had requested such assistance through ICRC representative here and he said he had but that only a little aid had been forthcoming. (Comment: Mr. Leonard Isler, ICRC, later confirmed my impression that Pheng Kanthel has not recently made any specific request. Apparently the July 1970, general appeal for aid by the Red Cross constitute "a request".) I asked if he has tried to contact any other Red Cross associations through other embassies here. He said he had not. I asked if he had discussed the problem with the WHO representative whom I understood were in Phnom Penh. He said he had not but that he understood they provided technical assistance rather than the sort of supplies he was interested in. I finally asked if he had any specific items in mind. Pheng Kanthel said he did not and repeated the general need for supplies and equipment.

I said that it would be up to the American Red Cross to decide if they wished to give any assistance and I would inform the Red Cross that Pheng Kanthel was interested in discussing his needs. I noted that there was little possibility of our aid program including the sort of supplies and equipment he was interested in. I said I strongly recommended that he seek assistance through other embassies including those of the Socialist countries as it was clear that he was seeking humanitarian assistance for civilian casualties. I specifically mentioned the Soviet Union, Japan, and Great Britain. During the conversation, Colonel Waugh explained that the assistance in the military field could relieve pressure on the civilian hospitals for medicines and medical equipment, but Pheng Kanthel did not seem interested.

Comment: I have the impression that he has been launched by the Minister, that he hopes the Red Cross will provide everything he needs—even though he has no idea what he needs. I will inform the American Red Cross that there is this interest but I do not recommend that we take any further action.

KHMER RED CROSS,
Phnom Penh, August 17, 1971.

MR. SAMUEL KRAKOW,
Director International Services

DEAR MR. KRAKOW: We thank you for your letter of 10th April 1968 in which you told us about the American Red Cross willingness to offer our Organization a humanitarian aid consisting in medicine and other medical supplies. This aid was deeply appreciated by our management board and enabled us to engage in various humanitarian activities for the benefit of our people. When we met in Vienna at the time of the International Conference an encounter which will always remain vivid in my memory. I was able to realize how devoted you were to the cause of the American POWs in the hands of Vietnamese communists. Despite all interventions and those, equally numerous of Mr. ANDRE DURAND the then Delegate General for Asia who is a personal friend of mine, we did not manage to convince our enemies who refused to comply with stipulations of the Geneva Convention. This was in our eye a moral disaster. Furthermore we were penalized so to speak by the communists who labelled us as pro-American. That obliged us to temporarily withdraw from the Organization. Such was our lot following the Vienna International Conference.

Since 18th March 1970 date of Prince SIHANOUK's legal destitution communists aggression against Cambodia generated serious medico-sanitary problems. Hospitals of Phnom Penh both civilian and military are over crowded with the sick and wounded. People have fled from insecure rural areas taken refuge in the capital whose population has increased from 600,000 to 2 millions. In the provinces also people have flocked in urban areas whose medical facilities are destroyed by the aggressors either kill or wound the medical staff and the civilians population. We have appealed to Red Cross Organizations of friendly countries through the good offices of the CICR. The war is going on casualties are increasing steadily resulting in an alarming rapid decline of our medical, clothing and food stockpiles although we did receive a large number of aids from friendly countries.

Confronted with this grave situation, I am taking the liberty here to request you kindly to approach the American Red Cross and urge this Organization to send us in the shortest possible time such drugs as antibiotics, vitamins, antimalaria etc., . . . and such medical articles as dressing materials, surgery equipment, clothing and food. The delivery of these item will best be made at the Phnom Penh river port. We sincerely hope your friendly and urgent intervention with American Red Cross will help us assume our responsibilities. We did approach the U.S. Embassy in Phnom Penh but no response has yet been obtained.

With the anticipated thanks of the Khmer people to the American people and Red Cross, I am, Mr. Krakow.

Yours very sincerely,

DR. PHENG KANTHEL,
Representative Ministry of Public Health in Khmer Red Cross.

FEBRUARY 25, 1972.

DR. PHENG KANTHEL,
Representative Ministry of Public Health in Khmer Red Cross, Phnom Penh, Khmer.

DEAR DR. KANTHEL: For a variety of reasons, I have been greatly remiss in my correspondence with you, but I think you should know that we have had many meetings on the subject of our continued relationships with your Society. We are quite aware of the problems you are facing, and particularly those affecting refugees in your country, and you are undoubtedly well aware of the considerable interest in their welfare which has been the subject of both public and congressional inquiries. I have seen the report of a recent government survey on this subject, and I am under the impression that both the United Nations Developmental Program and the International Committee of the Red Cross are also conducting surveys on the refugee situation.

The purpose of this letter really is to assure you of our continued concern and to repeat our willingness to try to provide certain medical and other supplies to assist you in your program efforts.

We have on hand in our warehouse a stock of 6,433 bottles of vitamin tablets called "CHOCKS". The total is about 385,900 tablets. Before these can be shipped to Khmer, we must have your Society's acceptance of the shipment, with a statement regarding duty-free entry. If you feel these vitamins would be of use to you in your medical program, please let us know. Upon receipt of the above-mentioned statement, we will arrange for the prompt shipment of these supplies to your Society.

Kindest personal regards.

Sincerely,

SAMUEL KRAKOW.

(Subsequent to the hearing, the following letter was submitted:)

DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT, BUREAU FOR SUPPORTING ASSISTANCE,
Washington, D.C., May 15, 1972.

Hon. EDWARD M. KENNEDY,
Chairman, Subcommittee on Refugees and Escapees, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: As suggested during the May 9 hearings of your Subcommittee, I am writing to clarify the record concerning actions taken by the Department of State pursuant to discussions held on June 2, 1971 at Phnom Penh between Mr. Pheng Kanthel, of the Ministry of Public Health of the Khmer Republic, and Robert Blackburn, Jr., then a Second Secretary at the American Embassy in Phnom Penh.

The request made by Mr. Pheng during the discussion, as Mr. Blackburn reported in a memorandum of conversation, was that the Embassy help facilitate communications between his Ministry and the American Red Cross (ARC). Mr. Blackburn suggested to Mr. Pheng that such contact would appropriately be made through the representative of the International Committee of the Red Cross (ICRC) resident at Phnom Penh. Nonetheless, Mr. Blackburn the same day initiated a telegram to the Department of State reporting a resume of the conversation and Mr. Pheng's request. On June 8, 1971, Embassy Phnom Penh was advised by cable from the State Department that the ARC had been informed of Mr. Pheng's request and that the ARC recommended that Mr. Pheng work through the ICRC.

During subsequent discussions between an officer of the Department and Mr. Samuel Krakow, Director of The Office of International Services, ARC, we learned that Mr. Pheng had written to Mr. Krakow on August 17, 1971 requesting ARC assistance for Cambodia. The letter was delivered to the ARC by the Khmer Washington Embassy and neither our Embassy at Phnom Penh nor the Department had knowledge of it before it was mentioned by Mr. Krakow. Mr. Krakow said the ARC had the request under active consideration and was checking with American pharmaceutical firms to determine whether "presentation" medicines might be available for Cambodia. At the same time, however, Mr. Krakow said the letter from Mr. Pheng was non-specific in detail and gave no description of the problems in Cambodia nor of the magnitude of need.

The Departmental officer suggested the ARC might undertake a survey in Cambodia to clarify areas of specific need, and Mr. Krakow was receptive to this idea, as was ARC President George M. Elsey when I personally discussed this matter with him on the telephone last fall. At about this time, however, we learned that the UNDP at Phnom Penh was planning to undertake the survey described during the hearings May 9 and so advised the ARC, which decided to hold its Cambodian plans in abeyance pending the completion of the UNDP survey.

We have sent a copy of the UNDP survey to the ARC and are advised that it will be studied to determine areas for possible action by the ARC.

I hope this information will clarify the record.

Sincerely yours,

RODERIC L. O'CONNOR.

Senator KENNEDY. Somebody is giving a brushoff to a desperate plea for medical supplies, and I think it is outrageous, absolutely outrageous.

Contact was made with our Embassy requesting medical supplies—whether through the Red Cross or whatever—and the need was made known, but there was a complete failure to follow up on that request. I find that shocking!

Mr. O'CONNOR. I don't know what the state of the record is in terms of going through the American Red Cross. You have one report, and Mr. Blackburn gave you a different version of the same report.

Senator KENNEDY. Well, tell us what was done by way of followup. Is that the way the Department of State does things: when someone comes to you and talks about the tragic need for medical supplies, you simply write a memo without any kind of followup? Do you just let it go and file it upstairs, and that is the end of it?

Mr. O'CONNOR. That report did not come to me.

Senator KENNEDY. Mr. Blackburn is here—can you tell me what followup was made? I understand you told the Ambassador, and you also told the State Department. We have representatives of the State Department here this morning. I want to know what followup took place.

Mr. BLACKBURN. Perhaps they can speak as to their end. I was in Phenom Penh. I don't know.

Senator KENNEDY. Who can give this information to us?

Mr. SULLIVAN. We have our Cambodian desk officer here.

Senator KENNEDY. While he is on his way up, I would like to read from yesterday's Washington Post:

"Among the 'essential items' approved by AID to underwrite Cambodia's economic survival last year were 1,700 Italian motor scooters, valued at $660,000, more than $100,000 worth of color movie film, and other professional movie equipment."

Will you tell me why the scooters got in and medical supplies did not?

Mr. O'CONNOR. I read that article, and I read those specific items. And I can assure you that all the three articles you refer to there were in no sense authorized, or paid for by AID. Those same three items have appeared in newspaper articles for some time. And there is no truth in that, sir.

Senator FONG. You mean you dispute the Washington Post?

Mr. O'CONNOR. I am afraid I do, sir.

Senator FONG. That is sacrilegious!

Senator KENNEDY. I want to find out what happens in a case where a representative of the Cambodian Government comes in and asks for some help or assistance. The Embassy indicates that it thinks the best route is through the American Red Cross. We know he was steered to other sources—other countries. I want to hear what happened to his request, and why we didn't respond.

Mr. CORCORAN. We received this request in order to pass it on to the American Red Cross, and we did pass it on to the Red Cross.

Senator KENNEDY. Continue.

Mr. CORCORAN. We have heard no more about it.

Senator KENNEDY. Do you follow it up at all? Do you just pass the buck? Is there any humanitarian aid in the budget?

[Long silence.]

Mr. O'CONNOR. Senator, as I pointed out in my statement, a good deal of our AID program generates local currency. And that local currency is available to the Khmers to put in their budget in any way they wish. So, in that respect any kind of humanitarian assistance they feel that they need and fund out of their own budget is made available to them out of the counterpart funds from our overall AID program.

In addition to that, of course, a good many of the items that come through our commodity import program are for civilians—if not medicines. We have stayed away from them through a long history of having difficulty with the efficient distribution of pharmaceuticals—although they do contribute to their standard of living, particularly in the cities.

Now, there is no question, sir, as I said in my statement, at the end of it—I have not had to chance to read it—that we are watching what is happening in this area, and we are looking at the food supplies, the medical supplies. The WHO is in that area now in Phnom Penh——

Senator KENNEDY. Before leaving this—and then we will let you continue—I just want you to know my deep sense of frustration over this. I simply can't understand how a request of this sort—for needed medical supplies for refugees and victims of a war which we help fuel—how you can allow such a request to be handled in this fashion.

You have a person who bucks it to the Ambassador, who bucks it back to the State Department, which bucks it over to the Red Cross. If that request had been for military aid—for guns or air support—how many hours do you think it would take for us to respond? How quickly are those requests treated when they are bucked back to the Pentagon? Our Government seems conditioned to respond efficiently when guns or ammunition are needed, but when civilians need medicine we buck the request all over Washington.

Speaking for myself, I think this is enormously distressing.

Mr. O'CONNOR. Senator, I share your concern. And I am not the least bit happy to sit here and relate these delays. One answer is that we did followup with the Red Cross, and we spent a good deal of time there. But I am not happy with the results.

Mr. KENNEDY. We now come to the hearing in April 1973, in which Mr. Nooter testified, and I shall include that aspect in the RECORD. It is the same downplaying of the refugee problem and the half-hearted response by AID to humanitarian needs that we saw before.

In the excerpt, Senators will find that of the 200 personnel that we had, only 1 was working full time on refugees, even though during this period of time between 1971 and 1972, Mother Teresa from Calcutta had visited Cambodia, saw with her own eyes the tragic needs among refugees and committed six of her sisters to work in Cambodia as soon as possible, and the word had spread all over the world about the needs of Cambodian refugees, every place except AID.

And, finally, at the end of 1973 we found, with Mr. Nooter testifying on the limitation of personnel, I asked him, "Is there a general program on refugees?"

He said in response—and I shall include the exact statement—that there is just one person in Cambodia. This is now in 1973; the incursion was May 1970; this is after the world had been notified about the refugee problem. "Of the 200 personnel who were over in Cambodia we have one who is working on the refugees."

I will read from the April 1972 hearing record:

Senator KENNEDY. What is the Department's general assessment of the kinds of conditions that these displaced people are living in?

Mr. NOOTER. Well, this varies. But first of all, you are talking about a country where the average per capita income in normal times is about a hundred dollars per person. Naturally this doesn't lead to very luxurious accommodations even in normal times. As we have said, however, most of the people have assimilated themselves, and the really urgent and pressing situation has been the relatively small number of people who have moved to camp situations where they can't provide for themselves. That is why the approach of trying to help in these particularly difficult situations through relatively small amounts of money directed with ad-

ministrative guidance from the Red Cross or the voluntary agencies seems to be the best way to alleviate that particular situation.

I am very impressed with the work of a volunteer wives group in Cambodia when I was out there last November, both American and other foreign wives. With a grant of just $5,000 from one of the pharmaceutical companies they were able to do a great deal in carrying out programs at one of these camps.

Senator KENNEDY. How many people do you have now generally in the AID division in Cambodia?

Mr. NOOTER. We have 19 people.

Senator KENNEDY. And how many working with the refugees?

Mr. NOOTER. One of those has responsibility for observing and reporting on and handling refugee matters. Perhaps another 8 or 10 work in connection with the commodity import program.

Senator KENNEDY. But that is on the general program?

Mr. NOOTER. That is correct. There is just one with refugees.

Senator KENNEDY. Now, you have got one working in the refugee program out of a total personnel of how many?

Mr. NOOTER. Nineteen.

Senator KENNEDY. The total American personnel in Cambodia is how many?

Mr. NOOTER. The total is now something like 194.

Senator KENNEDY. You are permitted 200, is that correct?

Mr. NOOTER. That is right. And that includes the temporary people also, so there has to be a little leeway in that ceiling for visitors and short-term people.

Senator KENNEDY. So out of the 194 now we have got one working full time on refugees and approximately eight working part time in general economic support?

Then we go into a further description, Mr. President, to point out the tragedy of the particular refugee problem. Here we are 3 years later. This is the Cambodian refugee program which I think was poorly handled, but in which Mr. Nooter evidently takes pride.

Mr. President, I ask unanimous consent that the following excerpts from the transcript of the Refugee Subcommittee hearing on Cambodia in April 1972, be printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

(Father Charlebois is testifying):

From 1967 to 1971 I lived in Vietnam and was the program director of the Catholic Relief Services there.

In 1970, at the fall of the Government in Cambodia, we moved in professional personnel, doctors and nurses, to cope with the refugee situation, and came smack up against a blank wall—more so on the part of the new government of Lon Nol, who refused to recognize that he was faced with the problem of refugees.

This historical background, I think, is very important to understand the present situation. At that time our own Government did not have any priority for the refugees in its plans.

What is significant today is that the government in Cambodia still has neither the capacity nor the resource for human beings, and the needs of the refugees, the widows and the children are still not being met. They have less than 10 percent of the needed health resources available in Cambodia for the present requirements that have been brought about through the destruction of the military maneuvers, etc.

Senator KENNEDY. Just for the record, this is military activity by the North Vietnamese, the Khmer Rouge, as well as our own bombing?

Father CHARLEBOIS. Yes, and by the Cambodian Government.

I think, however, it would be erroneous to make any comparison between the refugee situation in South Vietnam and Cambodia at this time. I am convinced that this type of a focus will lead to very serious misjudgments on the part of governments as well as voluntary agencies.

It is of some significance, I think, for your subcommittee, Mr. Chairman, that it was either providential or wisdom that you considered Cambodia first, because Vietnam would be a Miami compared to Phnom Penh in Cambodia. Having spent 4 years in the crisis of the Tet offensive and the like in South Vietnam, I can say that the situation in Cambodia today defies description—in part, because it is difficult to pinpoint the situation. We have at best an unstable government without resources or any techniques or any experience in the field of human beings or in the field of caring for refugees.

On the other side—and this is difficult because I do not pretend to know the administration point of view or the congressional viewpoint—we have a limitation on American personnel in Cambodia, which has had a disastrous effect on the aid to the refugee. When you have a ceiling placed by Congress or by the administration on the number of American personnel and you have, then, one, or at best two, people who are focusing on refugees, and who are at the lowest status of the staff, this to me bespeaks little concern for our humanitarian responsibilities and our moral and legal responsibility for the refugees, most of whom we have helped to create.

Senator KENNEDY. What has been the problem over the limitation of approximately 200 American personnel? Why can't they have five or six of those working on refugees anyway?

Father CHARLEBOIS. I don't understand the mechanics.

Senator KENNEDY. Say there are 10 percent; why can't they have that many working with the refugees?

Father CHARLEBOIS. You see, what I don't understand is, when is the American Government going to come to the point of view that human beings are as important as roads and the economic situation of a country? When are we going to see the importance of human beings who look to us for aid, from the very fact that they are human beings in need? As long as we only have a technological and professional expertise with regard to roads and engineering and agriculture and these things which are at best secondarily related to the welfare of the people, we are never going to get to our humanitarian responsibilities.

And to highlight it, I think, especially for members of the press who may be familiar with the work of Mother Teresa in India, Bangladesh, etc. Mother Teresa, the winner of many international awards for her work. when I was in Mindanao in connection with the situation between Moslems and Christians, said that she would come to Phnom Penh. This is a nun who probably knows the slums of the world and the poverty of the world better than anybody. For the first time in Mother Teresa's history she came to Phnom Penh and saw with her own eyes the refugees, and she committed six sisters to work in Cambodia as soon as possible. It wasn't referred to Rome or to the mother institution in Calcutta.

Mother Teresa said in her own words that she has never seen human beings in so much misery and so neglected by everyone.

It is within that frame of reference that I hope to give you a sense of the importance and priority which our aid to Cambodia is needed.

* * * * *

Senator KENNEDY. Are you familiar with the report that was made by Millington in Phnom Penh on February 10? He is, as I understand it, the AID refugee officer; is that correct?

Mr. NOOTER. That is correct, he is the refugee man in Cambodia.

Senator KENNEDY. He describes a somewhat more intense and distressing situation than I have generally gathered from your presentation. He uses these words in his report, in talking about the reasons for refugees fleeing from their homes; he said:

"At first, most of those who fled their homes did so in order to escape the war and the fighting. In some instances, they fled to avoid the allied air strikes; in others, they fled to avoid the South Vietnamese troops. (In Kampot, the South Vietnamese troops appear to have been particularly undisciplined. In Kep District, Kampot Province, the District Chief told me about how the ARVN soldiers looted at will, and even went so far as to steal and eat all of the animals in the local zoo.) In general, however, most of the present refugees fled from actual fighting and most fled into Government-controlled areas."

And he goes on talking about refugee housing:

"Overcrowding is acute and in many of the smaller houses containing refugees there is no other furniture besides wall-to-wall beds. In some cases there are not even enough beds to go around and the children have to sleep on the floor.

"Most refugee houses, however, in both Phnom Penh and the provinces, are small thatched affairs which are better suited to sheltering cattle than they are to sheltering people. In the rainy season, most of these houses will give little or no protection from the rain and some will even be inundated by the annual floods. Sanitation facilities usually are nearby fields, and water has to be carried in from the nearest well, if there is one. Many of the older refugee houses are also now showing signs of age and some are near collapse. Besides those refugees who live with relatives and those who have built their own houses, there are some who live in refugee camps. Estimated at only around 10,000 people, the camp dwellers are in some ways the most desperate of all the refugees. Most refugee families, no matter how poor, usually are intact and the father and older sons can go out and find some sort of work. In the refugee camps, however, many of the families are without able-bodied men and, consequently, have no source of steady income. Malnutrition and intestinal problems are widespread.

"The influx of refugees has put a severe strain on the health services, and every doctor I met complained of a lack of drugs."

And he continues, talking about the Chak Angre refugee camp in Phnom Penh:

"The physical condition of the camp itself is bad, and the condition of the resident refugees is in some ways worse. The diet of many of the refugees in the camp is poor, and malnutrition and stomach disorders appeared to be widespread especially among children. And as to be expected, the morale is bad."

And then he continues on:

"Svay Rieng has by far the highest concentration of refugees of all the provinces in the Khmer Republic. The town is completely saturated with refugees and there is just no room for any more. The camps are overcrowded and the original residents have taken in as many refugees as they can. Land on which to build small thatched huts is also becoming increasingly difficult to find. Work is also difficult to find and steady jobs are almost nonexistent. Work is now so scarce

in Svay Rieng that many male refugees spend day after day in fields which have already been harvested, looking for leftover rice. Even more depressing, however, is the fact that new refugees continue to flow in. On an average, 300 to 500 new refugees a month follow Vietnamese military operations back to Svay Rieng. Most arrive with no money, no belongings, and only the rags on their backs. For many, life has been reduced to a mere struggle for survival."

That is a pretty grim picture at best, particularly as measured against the kind of support that refugees generally are receiving from AID. Although I think Father Charlebois indicated there was going to be some happier news in the days ahead, certainly the current situation, wouldn't you agree, from your own AID refugee officers' report, would suggest that it is pretty grim?

Mr. NOOTER. Yes. Many of the references in there to the camp situations are in line, I believe, with my comments that this is where the real trouble spots are. Svay Rieng, of course, is an especially difficult situation, entirely cut off and surrounded by the enemy. We are financing and flying in rice to that town.

I think the other thing to bear in mind in discussing refugees in Cambodia is the administrative problems in that country which make it difficult to carry out programs, no matter how well conceived on paper. This is why we have preferred, while keeping the U.S. direct presence down, to try to find groups either in the United States or, more recently, the voluntary agencies, which can provide the kind of administrative control that is necessary if the aid, no matter how well intentioned, is to arrive at the places where it is needed. That is a tremendous problem. And our interest in keeping down the U.S. role, which I think is the appropriate policy, has somewhat inhibited more direct U.S. actions. But I think we have overcome that by involving the voluntary agencies.

Senator KENNEDY. The arguments for keeping down U.S. personnel always seem to affect the civilian side and not the military side. We have less than 1 percent of our Embassy people looking after refugees, while over 69 percent look after military things. The argument of keping down the U.S. role is as true, if not more so, about the military as it is about the civilian side—and, yet, the humanitarian side bears the brunt of it. It would appear to me, in keeping the numbers down and keeping the expenditures down, that you would start with the military and not with the refugees.

I am mindful, as you were talking about the request yesterday to the various appropriations subcommittees to make grants of $500,000 to each of the organizations. CRS and CARE, that the administration is also asking for $150 million for military operations. And you got $150 million to finance U.S. military operations through the end of the fiscal year, but you are only asking $100,000 for CARE and Catholic Relief Services for refugees.

Mr. NOOTER. Of course, the $66 million in general economic support does, as I have mentioned, do a great deal to alleviate the hardships in the lives of the people, not only refugees but their relatives who support them.

Senator KENNEDY. It is just difficult for me to understand, given those descriptions about the refugees coming in with no money, no belongings, and only the rags on their backs to see how they are going to be able to participate in the economic program of stabilization you describe. How are they going to be able to purchase rice or purchase the kinds of building materials to make homes or other things which, as all of us realize, are exorbitantly high in a black market situation, and when supplies are very limited, given the kind of distribution and transportation problems Cambodia faces.

It just seems to me that we are unduly successful in being able to limit the resources and personnel for refugees, and even in supporting voluntary agencies, but we are not willing to limit requests for the funding of the other programs, such as military support.

Mr. KENNEDY. Mr. President, I just finally want to mention recent statements of Mr. Nooter with regard to his views on the human rights issue, during the last Congress when he was testifying, basically, I would feel, against the current views and policies on human rights of President Carter.

He was questioned in the House of Representatives. As one who has followed these issues of human rights extremely closely, has been involved with a number of other Senators in terms of terminating military assistance to a number of countries that have violated basic fundamental human rights, has been very much troubled, as this body is, about the utilization of economic aid and assistance to perpetuate either fascist or totalitarian regimes, and has applauded the President's commitment on the issues of human rights and supported the efforts that have been made by the Foreign Relations Committee to insure that AID assistance that will be provided only to those countries that are going to be committed to human rights, I just find Mr. Nooter's statements troubling.

The PRESIDING OFFICER (Mr. FORD). The Senator's additional 5 minutes have expired.

Mr. KENNEDY. Mr. President, I yield myself 3 additional minutes.

I just refer to these short excerpts of Mr. Nooter on these particular issues from Nooter's testimony before House Appropriations Committee on December 4, 1975:

HUMAN RIGHTS

Mr. KOCH. Let me ask a brief question and a relatively brief answer if you will because I am sure my 5 minutes are expiring. I also raised yesterday the question of the Harkin amendment. The Harkin amendment, as you know, is now in conference; and as I understand it, it is basically that which was voted by the House some time ago. I will explain the Harkin amendment if you are not totally familiar with it.

It would basically prohibit foreign assistance to a government that is overall, overwhelmingly repressive vis-a-vis its own citizens, unless the President certified that it was necessary in the national interest of the United States to do so.

Do you support that concept?

Mr. NOOTER. The whole question of human rights is an extremely difficult one, and there is no short answer that would do it justice. I do think you have to consider what position it would place the President in, to be making judgments about other countries as to whether they are or are not repressive to their own citizens.

Mr. KOCH. What position would it place him in other than that of being a humanitarian?

Mr. NOOTER. I think there is the question of the degree to which we appear to be interfering in the internal affairs of the other countries. This would be the way it would be looked at in other places around the world.

Mr. KOCH. Let me get to that. As Dr. Long said yesterday, you could make the argument that we cannot, should not, whatever language you want to employ, require a government to take a position vis-a-vis its own citizens different than that which it wants to take, but as Dr. Long pointed out, that does not also mean that we have to support that government when it does things that we think are against a humanitarian interest.

Mr. NOOTER. Of course.

Mr. KOCH. Wouldn't you agree with that?

Mr. NOOTER. Of course.

Mr. KOCH. Therefore, the President simply cannot say, "I wash my hands. Let them do what they want to do," can he?

HUMAN RIGHTS AS FACTOR IN FOREIGN POLICY

Mr. NOOTER. But the process is extremely important. For one thing, as the Secretary has pointed out, whenever we make a judgment about assistance to another country, we make it in relation to the full range of our interests in regard to that country. Certainly human rights questions are part of that judgment, but first, to hinge the entire decision on that one question would be——

Mr. KOCH. But aren't you begging the question? I haven't suggested that he hinge it on the one question of whether or not they are repressive, because he, under the Harkin amendment, as I understand it, can make a decision that, notwithstanding all the barbarism that takes place there, he is willing to certify it is in our national interest to provide aid.

Mr. NOOTER. That is precisely the point. In the process of reaching that decision, he would have created certain difficulties. The act of putting ourselves in the position of a public judge of other countries would, in itself, have an adverse effect. It seems that these are areas where the United States should make a judgment, should take these things into account, but in a way that does not place ourselves in the position of appearing to be playing God for the rest of the world.

Mr. LONG. Will the gentleman yield?

Mr. KOCH. I yield.

Mr. LONG. I am not quite sure I understand your answer to Mr. Koch. All the administration has to do is simply not come in with an aid request for that country. It doesn't even have to put the President in the position of saying that "Notwithstanding this country's repressive measures, it is in the national interest to give them aid." They don't have to push it to that point.

Mr. NOOTER. That would only be satisfactory, however, when these other considerations did not——

Mr. LONG. It seems to me when you say otherwise, that in order not to make judgments of one country against another, we have got to give aid to every country in the world.

Mr. NOOTER. No, sir.

Mr. LONG. We don't do that now and I don't see how you can argue that we should.

Mr. NOOTER. No, indeed we should not.

* * * * *

HARKIN AMENDMENT POLICY IMPLICATIONS

Mr. BEVILL. So really the Harkin amendment is not adding anything new, is it?

Mr. NOOTER. Indeed it is, to the extent that it forces the President to make a public declaration in cases where there are human rights questions. It would require him to certify that the national interest caused us to set aside those considerations.

Mr. LONG. Would the gentleman yield?

Mr. BEVILL. Yes.

Mr. LONG. But only in the case where the President has put himself in that position by allowing an appropriation request to be made for that country. The President doesn't have to put himself in that position.

Mr. NOOTER. But he has only two unpleasant choices in cases where the national interest would dictate that the aid should be provided. Those choices are either not to provide it, even through we think it should

be provided, or to make a declaration of a kind that could well be offensive not only in the eyes of the country in question, but in the eyes of other countries in the world that might resent the fact that the United States is playing this sort of role.

Mr. LONG. The country to whom we are giving the aid as a result of a Presidential waiver is certainly not going to object. The countries that are going to object are the countries for which we decide not to make that Presidential waiver, isn't that true? They are the ones that are going to feel hurt, and that hurt can be avoided by not putting in the appropriation request to begin with.

Mr. NOOTER. But my point is this procedure alone will create problems, the fact of requiring a public declaration of this kind.

Mr. President, this Congress and this Senate has gone on record in terms of just that kind of declaration, that very declaration, which Mr. Nooter thinks "will create problems." And it seems to me that when we are talking about the Deputy Administrator of a program for human rights and human needs, who has such problems, at least, hesitancy, I find that particularly troublesome.

Finally, I would mention and would include, Mr. President, some comments elaborating on the whole issue of the Cyprus refugee program and also on the Lebanese refugee program, and again the problems that we found. Specifically in Lebanon, there was not any problem of getting clearance of AID to rebuild or build-up a port for some $5 million, but again the programs that were directed, in many instances initiated by voluntary church agencies, broadly supported by a number of other countries—we are not talking about programs that are not qualified or are not thoughtful or are not legitimately, or honestly being administered, but ones that have the active support of sponsorship of church agencies, and where these agencies have a strong record of humanitarian concern and administrative efficiency—in those areas we found too many problems in getting any kind of help and assistance from Mr. Nooter's office.

The PRESIDING OFFICER. The Senator's additional 3 minutes have expired.

Mr. KENNEDY. Mr. President, I withhold the remainder of my time.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SPARKMAN. Mr. President, I yield to the Senator from Hawaii such time as he may use.

Mr. INOUYE. Mr. President, I thank the Senator very much.

Mr. President, I am not going to speak at length. In the time since he joined the Federal Government in the early days of the Kennedy administration, Robert Nooter has compiled a record of service which speaks eloquently of his qualification to be the Deputy Administrator of the Agency for International Development. I shall not attempt, in these remarks, to match the eloquence of his commendable record, but I will speak plainly and directly in support of Bob Nooter's confirmation.

Bob Nooter has served as an AID Mission Director in Latin America and in Africa. At a time which was painfully difficult for all Americans he was in charge of our economic assistance programs in Indochina and later he was in charge of our Middle East economic programs.

In his government service, Bob Nooter has been, as the saying goes, the "busy man" others have turned to when they wanted to get something done. And, what he has set out to do, he has done well.

Mr. President, over the past several years Bob Nooter has testified frequently before the Appropriations Subcommittee on Foreign Operations. In the time that it has been my privilege to be chairman of that subcommittee, I have never heard a more able witness. I say that without exception. He has always represented the position and programs of the Agency for International Development and the United States of America in a fair and straightforward manner.

I believe that sentence deserves repeating. Bob Nooter has always represented the position and the programs of the Agency for International Development and the Government of the United States of America in a fair and straightforward manner.

It is true that during his term of office many things that could have happened did not happen. But I think to blame Mr. Nooter for the shortcomings of certain AID programs may not be just and fair. I think the blame should be placed where it belongs; because Bob Nooter was not the policymaker. He had an AID director in front of him, before him the Secretary of State, and before him the President of the United States. I think in fairness we should go to the President and the Secretary of State if we are to share some of the blame.

Mr. Nooter has always been well informed about the programs under his direction; and he has always been direct in his responses to committee inquiries.

I am convinced that, once Bob Nooter is confirmed as the Deputy Director of the Agency for International Development, the Congress and AID will be able to work together more closely—to improve the management efficiency of the Agency, to advance our economic assistance programs, and to achieve the goals of the Foreign Assistance Act.

Mr. President, I believe that Bob Nooter will make an excellent Deputy Administrator of the Agency for International Development. I want to work with him. I hope others will support his confirmation. Indeed, I urge the Senate to give recognition to excellence and confirm Bob Nooter.

The PRESIDING OFFICER. Who yields time?

Mr. SPARKMAN. Mr. President, I yield myself 10 minutes.

Mr. President, on May 26, the Senate Committee on Foreign Relations held hearings on the nomination of Mr. Robert Nooter to be Deputy Administrator of the Agency for International Development. The position for which Mr. Nooter was nominated is a very important one in AID. He would serve as the No. 2 man in the Agency and would have particular responsibility for the day-to-day administration of our foreign aid programs.

During the committee's consideration of Mr. Nooter's nomination, we noted his long record of distinguished service in AID which began in 1962 during the administration of President Kennedy. Since that time, he has served as a Mission Director in Uruguay and Liberia and as the Deputy Assistant Administrator responsible for aid programs in East Asia.

Since 1970, Mr. Nooter has served in three of the most demanding posts in the Agency: Assistant Administrator in charge of Vietnam from 1970 to 1972; Assistant Administrator in charge of the Middle East from 1972 to 1974; and Assistant Administrator for Security Supporting Assistance programs from 1974 to the present.

Mr. President, while some may disagree with the policies of which those three programs were a part, I know of no reservations about the professional qualifications and competence of Mr. Nooter as their administrator. The fact that Mr. Nooter was nominated by the previous administration and confirmed by the Senate to serve in those three sensitive posts is a clear endorsement of his ability to administer complex and important aid programs. More importantly, if Mr. Nooter's personal views concerning the goals and objectives of foreign assistance were not compatible with those of the Carter administration, he would not have been nominated to serve as Deputy Administrator of AID.

In this regard, I will read portions of a letter from the Administrator of AID, John J. Gilligan, concerning the nomination of Robert Nooter:

When the President asked me to take up the responsibility of Administrator of A.I.D., I was given an absolutely free hand in choosing the dozen or so top people who would have the major responsibility for making the Agency function, and for implementing its programs. . . . A key position, of course, is that of Deputy Administrator. I felt I needed someone who had broad experience in both foreign and Washington posts with the operations of A.I.D., and who knew its structure and programs and personnel in intimate detail. I was also searching for someone who could bring to the position the qualities of heart and mind and character which would help to provide the leadership necessary to carry out the very difficult programs that we are asked to administer. After checking out and interviewing literally dozens of people, I chose Bob Nooter for the job. During the past several months we have worked together in reorganizing and redirecting the energies of this Agency, I have become absolutely convinced that I have the right man for the job.

Mr. President, I ask unanimous consent that the entire text of the letter from Governor Gilligan be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AGENCY FOR INTERNATIONAL DEVELOPMENT,
Washington, July 1, 1977.

Hon. JOHN SPARKMAN,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: On Monday, July 11, at 1:00 p.m. the Members of the Senate will be asked to advise and consent to the Presi-

dent's appointment of Robert Nooter as Deputy Administrator of the Agency for International Development. I am writing to you to most respectfully urge that you lend your voice and vote in support of Bob's confirmation.

When the President asked me to take up the responsibility of Administrator of A.I.D., I was given an absolutely free hand in choosing the dozen or so top people who would have the major responsibility for making the Agency function, and for implementing its programs. I think we have assembled a really first class team which blends years of experience in the field and the Washington headquarters together with the insights and energies of newcomers to the field.

A key position, of course, is that of Deputy Administrator. I felt I needed someone who had broad experience in both foreign and Washington posts with the operations of A.I.D., and who knew its structure and programs and personnel in intimate detail. I was also searching for someone who could bring to the position the qualities of heart and mind and character which would help to provide the leadership necessary to carry out the very difficult programs that we are asked to administer. After checking out and interviewing literally dozens of people, I chose Bob Nooter for the job. During the past several months we have worked together in reorganizing and redirecting the energies of this Agency, I have become absolutely convinced that I have the right man for the job.

An objection has been raised to Bob's nomination, which will be discussed on July 11 at 1:00 PM. I want you to know that I have carefully reviewed the basis on which the objection was raised. I have talked at length to people in the Agency and in the field, and to Voluntary Agency personnel who have worked on refugee problems and who have known of Bob's activities in these areas. I have found no evidence that casts doubt upon his past performance or his ability to serve this country effectively and responsibly as the Deputy Administrator of A.I.D. I am convinced that Bob has performed competently and conscientiously, and that he is the right man for the job.

I therefore respectfully solicit your vote to confirm his nomination.

With kindest personal regards,

Sincerely,

JOHN J. GILLIGAN.

Mr. SPARKMAN. Mr. President, although the Senator from Massachusetts (Mr. KENNEDY) did not testify at Mr. Nooter's confirmation hearings, he did send me a letter outlining his views concerning the nominee. That letter raised important issues concerning Mr. Nooter's personal commitment to our current aid policies and humanitarian assistance programs. The committee raised those issues with Mr. Nooter and was assured by his response that he will implement the New Directions and humanitarian assistance programs as the Congress intended and as the law requires.

Mr. President, I ask unanimous consent that the relevant portion of the confirmation hearing transcript and Mr. Nooter's further explanation of his views concerning these issues be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Senator CASE. What is your attitude toward the general problem or question of large capital infrastructure development projects as opposed to direct aid for the majority of the poor?

Mr. NOOTER. In the development program, of course, we have moved away from the large infrastructure projects entirely. We still are involved in smaller-scale infrastructure, and the theory there is not that large infrastructure is not needed, but that the multilateral agencies can provide that now with the amount of funds that they have. On the whole I believe that is true.

In the case of the special programs in the Middle East, the politically motivated programs, where for political reasons higher amounts of money are desirable, it simply would not be possible to implement those programs on the same basis across the board as we do on the regular development programs. The people-to-people programs, those programs directed toward target groups, are much more labor intensive in terms of AID staff. They consume smaller amounts of money, particularly in the early stages. In the case of Egypt, for example, it simply was necessary to either transfer the funds in the form of large capital projects or through commodity import programs, or through what we like the least, which is a cash grant. That leaves the least permanent impact.

We chose a combination of commodity imports and large infrastructure projects. At the same time we are doing the more directive programs, but on a smaller scale.

Senator CASE. I should ask this because you should have the opportunity to answer the point.

There has been some suggestion that under your direction AID has first opposed and then delayed implementation of relief, refugee relief programs, in Vietnam, Cyprus, Lebanon, and Portugal.

Are these accusations or allegations correct? What would you like to say about that?

Mr. NOOTER. Well, that is not a statement that I would have made, of course. It is a little hard to know how to answer that without appearing to be totally self-serving.

Senator CASE. I know that.

Mr. NOOTER. I think that one has to look at each of those cases separately.

Senator CASE. You can't just say it is or it is not.

Mr. NOOTER. That's right.

I do think when a refugee program is starting, it is always difficult to know how fast and how large to come in with a U.S. effort without forcing out or setting aside the efforts of other people. We have tried to pace our entry into programs such as Lebanon, for example, with an eye to what other kind of aid is coming in. I think in that case we did that successfully so that we were one of a number of donors, but nevertheless our aid was effective.

In the case of Cyprus, where we channeled our aid through the U.N. High Commissioner for Refugees, I think we have had one of the most effective refugee programs that we have ever had, and it is in large part because the Cypriots made such good use of the funds themselves. They deserve a lot of credit. That has been a very effective program.

I would be glad to answer any other specific questions you may have on this point.

STATEMENT BY ROBERT H. NOOTER EXPANDING ON HIS CONFIRMATION HEARING TESTIMONY

NEW DIRECTIONS

The foreign aid legislation makes clear that the bilateral economic development program is intended to emphasize the equitable distribution of the benefits of economic growth. It would be my intention, in my new capacity, to continue the program in this direction, emphasizing activities which improve the lives of the poor majority, principally in the rural areas. Program guidance which was issued shortly after Governor Gilligan's appointment, which I helped to draft, emphasized this point.

With the equity objective in mind, A.I.D. has reduced its involvement in major infrastructure projects during the past several years. This is also a direction which I would expect to continue. Smaller scale infrastructure remains an important part of our program, as indeed it should be in cases where such infrastructure is critical to the delivery of assistance to the rural poor, but the objective of the assistance would be to improve income distribution as is the case in other A.I.D. projects.

REFUGEE ASSISTANCE

I believe that short-term humanitarian assistance is an important part of A.I.D.'s program, and as such, should be continued and strengthened in the years ahead. Congress has been generous in making available resources, and we have the operational capacity and flexibility within A.I.D. to respond to a wide variety of disaster situations where prompt provision of humanitarian aid can alleviate suffering.

I have been involved in a number of such programs in the past, and believe that this experience will be useful in managing similar programs in the future. The refugee assistance program in Cambodia was one which was carried out under extremely difficult field conditions and with a very small direct-hire staff, but I believe was remarkably effective in providing the margin of survival for large numbers of Cambodians through the use of private voluntary organizations. The refugee assistance provided to Cyprus through the United Nations High Commission for Refugees was also extremely successful in meeting the basic needs of the dislocated Cypriot population, as evidenced by the attached newspaper article which appeared in the Washington Post on February 25, 1977.

While there are sometimes differences of opinion about how long refugee assistance should be provided and at what levels, there has never been any serious disagreement between A.I.D. and the Congress about the urgent need of meeting the immediate needs of people in distress. In my new position, it would be my intention to assure that the disaster relief program continues to function promptly and competently to meet these needs.

Mr. SPARKMAN. Mr. President, after hearing Mr. Nooter's testimony and considering his nomination, the Committee on Foreign Relations favorably reported the nomination without dissent.

I believe that Mr. Nooter will serve the Agency well as its Deputy Administrator, and I urge the Senate to give its consent to the nomination.

Mr. HUMPHREY. Mr. President, will the Senator yield to me for a brief statement?

Mr. SPARKMAN. I shall be very glad to.

Mr. HUMPHREY. Mr. President, I wish to join the distinguished chairman of the Committee on Foreign Relations in support of the nomination of Mr. Robert H. Nooter.

Mr. Nooter will serve, of course, as the Deputy Administrator of AID if his nomination is confirmed, and I hope it will be. It is my responsibility as chairman of the Foreign Assistance Subcommittee to work very closely with the Administrator of AID, his Deputy, and other officers of AID.

As has been noted by the chairman of the Foreign Relations Committee (Mr. SPARKMAN) on May 26, 1977, the Committee on Foreign Relations did hold

hearings on the confirmation of Robert H. Nooter to be Deputy Administrator of AID. After reviewing his record, and there were a number of questions put to Mr. Nooter, the committee judged that Mr. Nooter was a highly competent professional with many years of service in the Agency. On May 27, the day after his hearing, the Senate Foreign Relations Committee favorably reported his nomination and did so without dissent, did so unanimously.

During the confirmation hearings, Mr. Nooter was asked several questions concerning the congressionally mandated new directions program. In other words, the new efforts that we are making to be of assistance to the countries which have the lowest per capita income. Our program for economic assistance is to be provided to the poorest people in the least developed countries. Mr. Nooter assured the committee that he fully supported the new directions.

It was my feeling that we should have further information from him and, therefore, at my request, Mr. Nooter has provided further elaboration of his oral testimony, which I had asked for.

Mr. President, I ask unanimous consent that the statement by Robert H. Nooter, expanding on his confirmation hearing testimony, relating to the concepts of our AID program as now developed and as adopted by Congress, be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY ROBERT H. NOOTER, EXPANDING ON HIS CONFIRMATION HEARING TESTIMONY

NEW DIRECTIONS

The foreign aid legislation makes clear that the bilateral economic development program is intended to emphasize the equitable distribution of the benefits of economic growth. It would be my intention, in my new capacity, to continue the program in this direction, emphasizing activities which improve the lives of the poor majority, principally in the rural areas. Program guidance which was issued shortly after Governor Gilligan's appointment, which I helped to draft, emphasized this point.

With the equity objective in mind, A.I.D. has reduced its involvement in major infrastructure projects during the past several years. This is also a direction which I would expect to continue. Smaller scale infrastructure remains an important part of our program, as indeed it should be in cases where such infrastructure is critical to the delivery of assistance to the rural poor, but the objective of the assistance would be to improve income distribution as is the case in other A.I.D. projects.

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I believe that short-term humanitarian assistance is an important part of A.I.D.'s program, and as such, should be continued and strengthened in the years ahead. Congress has been generous in making available resources, and we have the operational capacity and flexibility within A.I.D. to respond to a wide variety of disaster situations where prompt provision of humanitarian aid can alleviate suffering.

I have been involved in a number of such programs in the past, and believe that this experience will be useful in managing similar programs in the future. The refugee assistance program in Cambodia was one which was carried out under extremely difficult field conditions and with a very small direct-hire staff, but I believe was remarkably effective in providing the margin of survival for large numbers of Cambodians through the use of private voluntary organizations. The refugee assistance provided to Cyprus through the United Nations High Commission for Refugees was also extremely successful in meeting the basic needs of the dislocated Cypriot population, as evidenced by the attached newspaper article which appeared in the Washington Post on February 25, 1977.

While there are sometimes differences of opinion about how long refugee assistance should be provided and at what levels, there has never been any serious disagreement between A.I.D. and the Congress about the urgent need of meeting the immediate needs of people in distress. In my new position, it would be my intention to assure that the disaster relief program continues to function promptly and competently to meet these needs.

Mr. HUMPHREY. I would also note, Mr. President, that some of the criticism which is directed toward Mr. Nooter comes because of the type of service he performed in a most difficult time and area, namely, in Vietnam, His responsibility there was primarily for supporting assistance. As we know, that had definite military connotations. But as Deputy Administrator of AID, he will have a broader range of responsibility. I believe his many years of service, starting back actually in 1962, and going right on to the present time, qualify him for this particular assignment.

I can assure the Senate that those of us who monitor this program, and we do have Members and staff monitoring the AID program, will carefully review Mr. Nooter's administrative record and work with him to assure the Congress that the direction of the foreign assistance program as designed by the Congress are followed and followed meticulously.

I believe Mr. Nooter is a capable man. I urge his confirmation and I join with the distinguished chairman in his statement.

Mr. SPARKMAN. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, there are few times that I differ with my colleague from Minnesota on matters of public policy. I would just say I do so on this particular issue. Our foreign assistance program around the world has difficulty in gaining the active support of the American people, and what degree of help and support they do give is because they care about basic and fundamental human decency—human rights and human needs.

If we are not going to have people in senior policymaking positions who are going to reflect and implement that basic and fundamental humanitarian concern, we might as well kiss the foreign assistance program goodby. Quite frankly, I will be one who will help to kiss it goodby, unless we are going to find that these matters are going to be given attention and a greater degree of priority by AID.

And, with all due respect, no matter how effective a witness Mr. Nooter has been before various committees, we have heard time and time again about how clever witnesses are before committees. I can think of Mr. Kleindienst before the Judiciary Committee, a very clever witness, too. But that should not be the test. What should be the test is the record. It should be the test not just in Vietnam, but let us take the more recent record where Mr. Nooter has had responsibilities—in Lebanon, where he was the primary responsible official in terms of the AID program for Lebanon.

The International Committee of Red Cross, one of the most respected international humanitarian agencies that exists, requested $2 million in the wake of the Lebanon civil war, in October–November 1975.

In January 1976, the U.S. Embassy in Beirut—and I will make this part of the record—cabled:

We believe the current situation in Lebanon differs from last November particularly as a result of the internal refugee problem resulting from the destruction of certain localities in Beirut and the countryside. We would recommend U.S. assistance for this ICRC approach.

In February of 1976, there was an additional cable:

We believe that the contribution—

Talking about the same request—

at this time is desirable, both from the standpoint of supporting the ICRC and forestalling the need for bilateral input.

I ask unanimous consent the cable be printed in the RECORD.

There being no objection, the cables were ordered to be printed in the RECORD, as follows:

[Department of State Telegram]

BEIRUT, *January 28, 1976.*

From: American Embassy, Beirut.
To: Secretary of State, Washington, D.C.
Information: U.S. mission, Geneva.
Subject: International Red Cross appeal for U.S. assistance.
Reference: Geneva.

1. Embassy was visited by ICRC official Mary, accompanied by local representative, Desmeules, to review envisaged emergency program for Lebanon following official request from GOL to institute such a program.

2. Mary points out that ICRC assistance will consist of installing 120 bed field hospital with complete staff, (donated by Danish Government) distribution of blankets and powdered milk, and supplementing medical supplies for dispensarie SL hospital, with approval of Lebanese Red Cross and Lebanese Red Crescent, will be located in a Shia district. Main beneficiaries of program will be estimated 10,000 refugees from Damour (Christians) and the Karantina district (Moslems). Most of the Christian refugees are located in the Ksalik area and the refugees in the Sultan Ibrahim area of Beirut. Including medical personnel, IRC staff will consist of about 25 persons plus local nurses, drivers, etc.

3. We believe that current situation in Lebanon differs from that prevailing last November, particularly as a result of the internal refugee problem resulting from destruction of certain localities in Beirut and countryside as well as the further breakdown of administrative services. Accordingly, we would recommend U.S. assistance for this ICRC project which is seen as a short-term undertaking concentrating on a specific aspect of the Lebanese tragedy.

LAMBRAKIS.

[Department of State telegram]

BEIRUT, *February 7, 1976.*

Fm, Am. Embassy, Beirut,
To Sec. State, Wash. D.C., Priority.
Info U.S. Mission, Geneva.
Subj: ICRC Appeal for U.S. assistance in Lebanon.

1. Delegate Marti accompanied by local ICRC Rep. Desmeules, visited embassy yesterday afternoon to again brief charge on status ICRC program here.

2. Marti confirmed that hospital has been erected and began operating two days ago on a limited, or as Marti described it, an infirmary basis. Hospital is sited in southern beaches area near Iraqi Embassy where many refugees from Karantina have gathered.

3. ICRC has also received approximately 100 tons of relief supplies including 10,000 blankets and 120 tons of powdered milk. Marti admitted that this is obviously an overabundance of powdered milk, but it is apparently a commodity in surplus supply in Europe and Luxembourg alone was sending 70 tons.

4. Marti, who is going to Cairo today to see Arab League Secretary Riad, stated the GOL had requested medical assistance for the North Lebanon Akar Region, as well as for the South. He indicated ICRC would try to respond to this request by using mobile teams, a technique used in Cyprus with good results. Marti mentioned several times that ICRC looked on any YVCH effort as being a very short term activity.

5. When the question of contributions and financing came up, Marti made a low key but very specific request for USG direct support for ICRC effort in Lebanon. He used the $200,000 figure mentioned in para. 4, ref. A, as a minimum. He made it quite clear also that a cash contribution would be the most useful type at this time.

6. At one point during meeting Marti expressed bitterness over fact ambulances were repeatedly fired on by both sides during fighting. He said he knew of no other case in the world where this had happened and said he was planning to say as much to various leaders of factors on both sides whom he would be seeing soon.

7. Marti and Desmeules talked briefly about east bloc relief efforts which apparently are directed toward very specific groups and locales. He indicated that ICRC was getting some Russian support for its Lebanon program, but was not sure whether this was from the annual support pledge or a special contribution.

8. As department aware the GOL has not asked us for direct assistance with refugee and displaced persons problem. Embassy believes, however, that even if such a request were made there are strong arguments for our non-involvement on a bilateral basis. In view of the existence of what appears to be a better organized ICRC effort and the fact that ICRC has made its international appeal, we believe that a contribution at this time is desirable both from the standpoint of supporting the ICRC and forestalling the need for any bilateral input.

9. In light of the surfeit of powdered milk, we would hope that our contribution would in fact be in cash rather than in kind.

10. This would not rule out further USG contributions to other international assistance programs that might be proposed for the Lebanon as for example under auspices of the UNHCR.

LAMBRAKIS.

Mr. President, that is January and February from on-the-scene officials.

Yet, it was not until April 1976 that the request made in October–November 1975 for basic humanitarian assistance through the Red Cross received a paltry $500,000 in response.

It was not completely coincidental, either, that it came 3 days before Mr. Nooter was coming up to testify before our refugee subcommittee on this very subject that the ICRC received approval, and this example is not weighted down with policy constraints such as in Indochina.

Again on Lebanon, the Congress is very clearly on record in terms of post-war humanitarian assistance. I worked with Senator ABOUREZK on an amendment which was accepted in the Senate in 1976.

The Congress approved $20 million in September 1976.

AID sent a task force to Beirut in January of 1977. They returned and gave a stamp of approval to $5 million for cranes, trucks, and warehousing to expedite the port project which was pretty much completed in April. The United States made that contribution in 4 short months, between January when the task force traveled to Beirut in April.

Also in January, at the same time when the task force was going to inspect the port authority, two different voluntary agencies, the Armenian General Benevolent Union with a program for special child care, and Save the Children Federation Community Development Foundation, which tried to gain and did gain support from the United Kingdom, Norway, and Canada to help in their humanitarian assistance projects, asked for AID assistance and the American Lebanese League did so sometime later. This was for a rehabilitation fund for amputees.

Mr. President, they still have not got an answer. Not thumbs down; not yes or no. They are just, effectively, strung along.

It may be, for some Members extremely difficult to put all of these actions together Mr. President but it is not difficult for me to put them together and see a pattern. Speaking to those who support the nomination I wish we had heard, as to the person who had important policy responsibilities, of a single initiative, even in the time that he had the responsibility of Lebanon or Cyprus, much less Vietnam or Cambodia, so we could say there was an initiative in terms of human beings and humanitarian aid. We are being asked here, this afternoon, to put that individual in AID as the Deputy Administrator, one of the two most important persons in the foreign aid field, to run what is basically and fundamentally a humanitarian and developmental assistance program. And it should be first and foremost a humanitarian assistance program, and people oriented.

It is for those reasons, Mr. President, and others, which I have outlined in my formal statement, that I have trouble supporting this nomination and shall vote in opposition.

How much time do I have?

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

Mr. KENNEDY. I yield such time as the Senator from Maryland needs—3 minutes.

Mr. SARBANES. Mr. President, I rise to express my serious misgivings about the nomination of Robert Nooter to be the Deputy Administrator of the Agency for International Development. In doing so, there is no need to diminish the public service which Mr. Nooter has rendered to his country, or to question his qualifications as a professional administrator. It is only necessary to underscore the fact that the position to which he is being appointed is the No. 2 position in the Agency for International Development and that he will therefore stand as the alter ego to the Administrator in a critical policymaking position. It is, therefore, relevant, indeed essential, to examine Mr. Nooter's policy positions over the years and the record which he has established. It is a record that ought to raise serious questions in the minds of thoughtful Members.

In the first place, Mr. Nooter has been committed to the approach of heavy capital developments projects, commodity import programs, and the "trickle-down" theory of economic development. This is an approach about which the Congress has raised serious questions opting instead in favor of new directions, with people-oriented assistance and with an emphasis on private voluntary agencies and international assistance agencies, both of which have consistently run into difficulties in dealing with AID in those areas in which Mr. Nooter has had responsibility.

Second, it is particularly appropriate to ask the question that has been voiced by the distinguished Senator from Massachusetts with respect to new initiatives taken by Mr. Nooter during his tenure. There are none on the record. One of the major new initiatives taken in the aid field has been the consequence of congressional interest and action as seen in the development of the light capital technology approach put forward by Representative CLARENCE LONG, the distinguished Congressman from Maryland. Because of Representative LONG's leadership the Congress has made clear that it views light capital technology as a new and important focus of U.S. foreign aid and development policy.

Third, Mr. Nooter has been slow in implementing refugee assistance programs as has been detailed by both Senator PELL and Senator KENNEDY who have both played such a significant role in seeing that the United States responds to pressing humanitarian needs in conformity with the best instincts of our people. Mr. Nooter has often proceeded with a reluctance which has undercut and diminished the opportunity for the United States to demonstrate its humanitarian concern,—opportunities to provide humanitarian assistance devoid of political considerations and setting an important example for others to follow.

Fourth, in the area of human rights, questions are obviously raised about one's total commitment when the record in the past has been a policy of reluctance—indeed, resistance—to such an emphasis in our foreign policy. On December 4, 1975, testifying before the House Committee on Appropriations on the question of human rights, Mr. Nooter stated:

The whole question of human rights is an extremely difficult one, and there

is no short answer that would do it justice. I do think you have to consider what position it would place the President in, to be making judgments about other countries as to whether they are or are not repressive to their own citizens.

The question was then asked by Representative KOCH of New York who has long exercised strong leadership on behalf of human rights:

What position would it place him in, other than that of being a humanitarian?

Mr. Nooter's reply was:

I think there is the question of the degree to which we appear to be interfering in the internal affairs of other countries. This would be the way it would be looked at in other places around the world.

But the question at issue is whether the United States should provide economic assistance to nations which abuse human rights. Surely we ought to be guided, and guided strongly, by human rights considerations in making such aid decisions.

Mr. President, it is because in all of these areas Mr. Nooter has failed to reflect the policies that the new administration and the Congress are now seeking to implement and because he will clearly occupy a critical policymaking position that I have joined my colleagues in expressing their serious concern about his nomination.

Mr. CHURCH. Mr. President, the architect of American foreign aid policies in the postwar era and unquestionably one of the great men of our times was George Catlett Marshall. Fortunately, as I was preparing for this colloquy, a copy of an Agency for International Development publication entitled "War on Hunger" came across my desk. In that edition was an account of the speech delivered exactly 30 years ago by George Marshall at Harvard University, a speech which many believe to be the fundamental expression of the purposes underlying American foreign aid. I am referring, of course, to the Marshall plan speech.

I would like to quote something George Marshall told his audience at Harvard that warm, sunny day in April of 1947. He said:

It is logical that the United States should do whatever it is able to do to assist in the return of normal economic health in the world, without which there can be no political stability and no assured peace. Our policy is directed not against any country or doctrine but against hunger, poverty, desperation and chaos. Its purpose should be the revival of a working economy in the world so as to permit the emergence of political and social conditions in which free institutions can exist. . . . Any government that is willing to assist in the task of recovery will find full cooperation on the part of the United States Government. But any government, political party or group which seeks to perpetuate human misery in order to profit therefrom politically or otherwise will encounter the unquestioned opposition of the United States.

Mr. President, I do not know how the philosophy behind American foreign aid can be made more clear. This speech, the blueprint of American postwar aid policy, made no mention of public safety programs, of "supporting" assistance to corrupt officials, of Phoenix projects or "pacification" programs. It was not silent on human rights. General Marshall did not shrink from his responsibility for fear of offending those who might have reason to fear a policy based upon social justice. Our task, he said, was to improve the human condition, and those that sought political payoffs, financial pocket-lining, or backroom protection for bankrupt policies could go elsewhere for help. They would not get it in the United States of America.

How far we have strayed from General Marshall's grand vision of American foreign aid, Mr. President. After the sobering experience of Vietnam we have been forced to reexamine the way we look at ourselves. Principle had succumbed to expediency. Only now are we recovering, rebuilding our sense of moral purpose and reordering our sense of priorities to reflect a true commitment to basic human values in our aid policies. That is the message of President Carter's campaign. That is the guiding light of the "new directions" policy mandated by this Congress.

The Carter administration's emphasis on human rights, together with this "new directions" policy holds forth the promise of a new era in American foreign aid—a second springtime, like that in which the Marshall plan was conceived—an era marked by concern above all for human welfare, an era of mutual respect, unity with acceptance of diversity, an era of progress toward common economic and social goals. If followed, I am confident the new directions policy will restore this Nation to a position of moral and humanitarian leadership in the world and enhance our credibility throughout the two-thirds of our globe where hunger, poverty, and disease are a chronic malady.

Critical to the success of any realinement of our policies will be the men and women chosen to direct this important effort. They must be creative administrators. They must be experienced in and sympathetic to the problems of economic and human development. But most important of all, they must share a deep and abiding commitment to the principles and purposes of a people-oriented foreign policy. I emphasize, Mr. President, the words "deep and abiding," for what we do not need today are platitudes, halfhearted commitments to principle, or cosmetic concern.

It is with these thoughts in mind that I rise today to express my opposition to the nomination of Mr. Robert H. Nooter to become the Deputy Administrator of the Agency for International Development—the No. 2 spot in the U.S. foreign aid program. The position for which Mr. Nooter is being nominated requires that he act as a spokesman for U.S. foreign assistance policy. The credibility of such a spokesman is a vital part of implementing an effective policy.

Mr. Nooter's past record, I am afraid, does not reflect a sincere commitment to the policies which this country must pursue if we are to restore the confidence of people at home and abroad in America as a moral force. Mr. Nooter's statements and actions in the last decade indicate that he represents—indeed has helped to evolve—the very policies which this Congress has repeatedly condemned—in Vietnam, in Cyprus, in Washington. Mr. Nooter has consistently supported aid to internal security forces and the use of aid money for primarily political purposes—all too often resulting in American money flowing into the pockets of rich, corrupt, and undemocratic elites at the expense of the truly needy.

Mr. Nooter's record on human rights is at best ambiguous. At times it is seemingly contradictory to the expressed policies of the Carter administration. The connection between the Agency for International Development programs Mr. Nooter headed in Vietnam and the seriously abusive Project Phoenix—a program to "neutralize" the Vietcong infrastructure by eliminating or imprisoning sympathizers, but which too often was used rather to repress dissent from official South Vietnamese Government policy—is a matter of open record. Mr. Nooter has on other occasions openly admitted that AID funds and personnel were used to train individuals to help run the South Vietnamese civil prison system—a system which produced the tiger cages of Con Son. And as late as 1975, testifying before the House Appropriations Committee, Mr. Nooter rushed squarely to the defense of the low priority attached by the Nixon administration to human rights by strongly criticizing a U.S. policy which would, in his words, "put the United States in the position of a public judge of other countries." President Carter himself repudiated this political "silence is golden" theory at the United Nations last month.

Yet, Robert H. Nooter, as a principal player in the single most glaring example of the failure of our Government to maintain its human priorities, as the Assistant Administrator for Vietnam in the Nixon administration, demonstrated repeatedly a singular lack of sensitivity to human concerns. Mr. Nooter participated in planning and administering schemes which should never have been a part of any American foreign aid program. The history of AID in Vietnam remains a blot on the otherwise commendable record of achievement of post-war American foreign assistance.

True, Mr. Nooter cannot be held to account personally for all of the excesses of American Vietnam policy—for the deprivation of human rights, the corruption that it fostered and the suffering of innumerable human beings which our policies in Vietnam undoubtedly contributed to, but his unwavering support for those discredited policies casts a dark shadow indeed on his devotion to the principles for which AID was originally created—principles which President Carter himself has reaffirmed. Can a man who so ardently defended policies which today are an anathema be expected to faithfully carry out the task of restructuring our foreign aid? Can we be certain that his devotion is a devotion to principle and not just to policy, for duty is not enough without conviction.

I, for one, am not convinced that Robert Nooter is the man to heed the admonitions of General Marshall, to

carry out his vision of an American devoted to making the world a truly more democratic, safer and better place to live. Nor am I convinced that a man who has strove so long to politicize the Agency for International Development should be the same man who presides over the effort to reshape those political structures. I urge my colleagues to take a long hard look at this nomination, to ask themselves if this is not a precipitous step backward on the road to a more responsive and humanitarian American foreign aid program. I hope that it is not. I hope that if Mr. Nooter is confirmed he will demonstrate that our doubts were unnecessary. But whatever happens today, the eyes of the American people will be on the Agency for International Development, as we move to fulfill the promise of the new directions policy.

Mr. DOLE. Mr. President, I have noted the objections raised by the distinguished Senator from Massachusetts to the confirmation of Mr. Robert Nooter as Deputy Administrator of the Agency for International Development. It is my understanding that Mr. Nooter has the full support and endorsement of the Administrator and others who are most familiar with the responsibilities of the job. Given the rather miniscule opposition that is in evidence today, I assume that Mr. Nooter's nomination will be confirmed.

I do, however, feel this is a good time to express my concern about the sluggish pace with which the Public Law 480 program has been administered. This program is vital to the welfare of needy nations, and to the grain industry in Kansas.

WHEAT AGREEMENTS SLOWED

I am concerned that the signing of Public Law 480 title I agreements has slowed materially in the last several months. In the first 3 months of fiscal year 1977, October to December, about 2 million tons of wheat were signed into agreements with recipient countries. Since January 1, 1977—6 months later—less than 800,000 tons have been signed up.

Public Law 480 countries have substantial unfilled needs for grain imports according to the latest FAO reports, and certainly U.S. farmers need these export markets.

I hope that Mr. Nooter's first order of business after his confirmation will be to respond to the food import requirements of needy countries in a positive way; thereby, helping not only the hungry and malnourished in developing countries but also assisting rural America, which is experiencing difficulties because of slack demand for wheat in the commercial markets of the world.

Mr. SCHMITT. Mr. President, I will vote in favor of Mr. Nooter's nomination as the Deputy Administrator of the Agency for International Development.

I do so, however, with a reservation because it has come to my attention that Mr. Nooter may have treated one of my constituents, who was seeking a position with AID, with something less than complete candor. In all fairness to Mr. Nooter, this allegation was brought to my attention this morning thus I have not had the opportunity to discuss this matter with him. I intend to do so within the near future.

While I am voting for the confirmation of this nominee, it is my hope that he will be on notice that this Senator expects that the Foreign Service personnel and the other Federal employees who work under him will be treated with the dignity and sensitivity that they deserve.

The PRESIDING OFFICER. All the time of the Senator from Massachusetts has expired.

Mr. ROBERT C. BYRD. Vote.

The PRESIDING OFFICER. The Senator from Alabama has 23 minutes.

Mr. SPARKMAN. Mr. President, I am prepared to yield back my time.

The PRESIDING OFFICER. All time being yielded back, the question is, Will the Senate advise and consent to the nomination of Robert Harry Nooter to be Deputy Administrator, Agency for International Development?

The nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, is the Senate under the order now to go back to the legislative session?

The PRESIDING OFFICER. The order referred to legislative session after the President's being notified.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session to proceed to the consideration of S. 1811.

The Senate resumed the consideration of legislative business.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at this time, before proceeding to the ERDA authorization bill, the distinguished Senator from Nebraska (Mr. CURTIS) be recognized for not to exceed 2 minutes to take up another matter; after which the Senate will proceed to the consideration, before going to the ERDA authorization bill, of H.R. 7553, an act making appropriations for public works, for the purpose only of disposing of the Barnwell, S.C., issue first.

Mr. DOMENICI. Reserving the right to object——

The PRESIDING OFFICER. With the pending amendments to that bill laid aside?

Mr. ROBERT C. BYRD. Yes.

Mr. DOMENICI. Reserving the right to object, and I shall not, I want to clarify with the leaders and the sponsors of the Barnwell amendment that a Domenici amendment, which would change the offer to change the total figure in title I would be in order, even though it is not now offered, as an amendment to the amendment.

Mr. ROBERT C. BYRD. That would be my understanding.

Mr. HOLLINGS. That is correct, Mr. President. The number figure would not be changed. This would provide a further amount to be expended from the already stated amount in the bill. So, technically, I do not think this is a bar to an amendment to the amendment, or any further amendment. The amendment by Mr. DOMENICI will still be in order.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, I think the distinguished Senator from South Carolina is correct. Just to make sure that we have no problem in that respect, will the distinguished majority leader include in his unanimous-consent request a protection clause for the distinguished Senator from New Mexico, to make sure that an amendment affecting the total figure in title I would be in order notwithstanding this?

Mr. ROBERT C. BYRD. Yes, I include that in my request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. It is the understanding, is it not, that the Allen-Nunn amendment to the Hatfield amendment will be temporarily laid aside and not considered?

The PRESIDING OFFICER. The Senator is correct.

THE ESTABLISHMENT OF THE GEORGE W. NORRIS HOME NATIONAL HISTORIC SITE IN THE STATE OF NEBRASKA

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 2 minutes.

Mr. CURTIS. Mr. President, I send to the desk a bill and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska?

Mr. ROBERT C. BYRD. Reserving the right to object and I shall not object, this matter has been cleared on this side of the aisle. The Senator from Minnesota (Mr. HUMPHREY) is joining with the distinguished Senator from Nebraska and others in cosponsoring this measure. There is no immediate objection to consideration of this bill on this side of the aisle.

I ask this question of the distinguished Senator from Nebraska: Will such lands as are involved be donated?

Mr. CURTIS. That is correct.

Mr. ROBERT C. BYRD. Without cost to the Government?

Mr. CURTIS. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Senator from Nebraska. I have no objections.

There being no objection, the Senate proceeded to consider the bill (S. 1828) to establish the George W. Norris home in the State of Nebraska, and for other purposes, which was read the first time by title and the second time at length.

Mr. CURTIS. Mr. President, George W. Norris was born on July 11, 1861, 116 years ago today. It is fitting and proper that the Senate, on this date, consider the resolution for the establishment of the George W. Norris Home as a national historic site in McCook, Nebr.

The list of cosponsors of this bill includes the following Senators:

Mr. Abourezk, Mr. Baker, Mr. Bartlett, Mr. Bayh, Mr. Bellmon, Mr. Bentsen, Mr. Burdick, Mr. Case, Mr. Clark, Mr. Culver, Mr. DeConcini, Mr. Dole, Mr. Domenici Mr. Eastland, Mr. Ford, Mr. Garn, Mr. Goldwater, Mr. Gravel, Mr. Hansen, Mr. Hart, Mr. Hatfield, Mr. Hathaway, Mr. Hollings, Mr. Huddleston, Mr. Humphrey, Mr. Jackson, Mr. Javits, Mr. Kennedy, Mr. Laxalt, Mr. Leahy, Mr. Lugar, Mr. Magnuson, Mr. Mathias, Mr. McGovern, Mr. McIntyre, Mr. Melcher, Mr. Metcalf, Mr. Morgan, Mr. Moynihan, Mr. Nelson, Mr. Packwood, Mr. Pearson, Mr. Randolph, Mr. Sasser, Mr. Schmitt, Mr. Schweiker, Mr. Sparkman, Mr. Stafford, Mr. Stevens, Mr. Talmadge, Mr. Thurmond, Mr. Tower, Mr. Williams, Mr. Young, and Mr. Zorinsky.

I particularly want to mention the interest and work of the distinguished Senator from Minnesota (Mr. HUMPHREY) on this resolution. Senator HUMPHREY has, through the years, been a great admirer of Senator Norris. It was about 6 years ago that I had the privilege of visiting with Mrs. Norris in McCook, Nebr., and being accompanied by Senator HUMPHREY. The credit for the long list of cosponsors should go primarily to Senator HUMPHREY, for it is through his work and influence they were secured.

Mr. President, I ask unanimous consent that the remarks of Senator HUMPHREY, as well as the remarks of any other Senators, in support of this resolution appear in the RECORD following these comments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Mr. President, George W. Norris is remembered for his coauthorship of the Norris-LaGuardia Act of 1932, which outlawed the "yellow dog" contract which had allowed employers to force employees to sign contracts that they would not join a union, his sponsorship of the Rural Electrification Administration, his support of the United Nations preliminary organization, his authorship of the Muscle Shoals Act of 1928, his leadership in the establishment of the unicameral legislature in Nebraska during his term as U.S. Senator, and on and on.

Born on July 11, 1861, in Ohio, George Norris settled in Nebraska in 1885 at the age of 24. He served three terms as county attorney of Furnas County and as district judge from 1895 to 1902. In 1903, he was elected to Congress. After 10 years in the House, he served in the Senate from 1913 to 1943. His total service in the two Houses of Congress amounted to 39 years and 10 months. During that time, he authored many programs.

George W. Norris authored the 20th amendment to the Constitution dealing with the terms of the Presidency and the Congress, and the sessions of Congress. It is this amendment that eliminated the previously lengthy lame-duck sessions of Congress.

The achievement Norris considered his proudest was his authoriship of the legislation that established the Rural Electrification Administration. Because of his work for the REA, we now have vitally needed electrical energy supplied to millions of American farms.

As a Nebraskan, I want to pay tribute to the work of George Norris in sponsoring the Central Nebraska Public Power and Irrigation District. He was very instrumental in getting this project approved by the Public Works Administration in the Roosevelt years. His efforts involved not only the approval of the project, but obtaining the money and working out the many other details which are necessary in an undertaking of this kind. This project is known as the tri-county district. It is an electric power district and an irrigation project also. It is operated primarily for irrigation purposes. The tri-county supplies power wholesale and is not engaged in distribution or retailing of electricity.

During his political career, Norris maintained his home at 706 Main Street—now Norris Avenue—in McCook, Nebr. When his left the Senate, he went back to his home at McCook. There he wrote his memoirs and there he died on September 2, 1944.

Mr. President, I urge the favorable consideration of this bill to establish the Norris home as a national historic site.

GEORGE NORRIS HOME AS A NATIONAL HISTORIC SITE

Mr. HUMPHREY. Mr. President, I am delighted to urge Senate passage of legislation to establish the George W. Norris homestead in McCook, Nebr., as a historic site.

It is entirely fitting and appropriate that the Department of Interior designate his home in this manner as a tribute to this great American.

The leadership and record of this distinguished leader are well established. The legislation most closely associated with Senator Norris includes bills such as the Tennessee Valley Authority, the Rural Electrification Act, and the Norris-LaGuardia Act.

The impact of these bills on lives of rural Americans and working people is almost impossible to measure. We take this legislation somewhat for granted today and tend to overlook the struggle involved in the passage of each one of these bills.

TVA represented a major undertaking in its attempt to deal with the mammoth problems of the Tennessee River Valley. At first, this bill had little support. Under TVA rivers were cleared, dams and powerhouses built, forests replanted, and electricity brought into remote areas. This experiment has attracted visitors from all over the world.

Senator Norris introduced legislation, along with Sam Rayburn on the House side, to put the REA on a solid basis and bring electricity to rural America. This bill has proved to be one of this Nation's most successful programs.

But beyond specific legislative accomplishments, Senator Norris distinguished himself as a strong and principled leader most interested in pursuing a course which he considered right rather than taking the most acceptable position.

History, quite deservedly so in my opinion, has treated George Norris well, because of his strong character and his dedication to reform. He served as one of President Roosevelt's closest advisers on many New Deal legislative initiatives and was referred to by Roosevelt as the "Gentle Knight of Progressive Ideals."

I have visited the Norris home in McCook. I can think of no more fitting tribute to this great and distinguished American. My respect and admiration for Senator Norris is unbounded.

The PRESIDING OFFICER. The bill is open to amendment. All time has been yielded back. If there be no amendment to be proposed, the question is on the engrossment and the third reading of the bill.

The bill (S. 1828) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1828

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to preserve in public ownership the historically significant property associated with the life of Senator George William Norris, the Secretary of the Interior is authorized to acquire by donation, purchase with donated funds, or exchange, the land and interest in land, together with buildings and improvements thereon, located at or in the vicinity of 706 Norris Avenue, McCook, Nebraska, together with such other lands and interests in lands, including scenic easements, as the Secretary shall deem necessary for the administration of the area. The Secretary shall establish the George W. Norris Home National Historic Site by publication of a notice to that effect in the Federal Register at such time as he deems sufficient lands and interests in lands have been acquired for administration in accordance with the purposes of this Act.

SEC. 2. Pending establishment and thereafter, the Secretary of the Interior shall administer lands and interests in lands acquired for the George W. Norris Home National Historic Site in accordance with the Act approved August 25, 1916 (39 Stat. 535; 16 U.S.C. 1 et seq.), as amended and supplemented, and the Act approved August 21, 1935 (49 Stat. 666; 16 U.S.C. 461 et seq.), as amended.

Mr. CURTIS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PUBLIC WORKS APPROPRIATIONS, 1978

The PRESIDING OFFICER. The Senate will now resume the consideration of H.R. 7553, which the clerk will state by title.

The legislative clerk read as follows:

A bill (H.R. 7553) an act making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1978, and for other purposes.

The Senate resumed the consideration of the bill.

THE BARNWELL NUCLEAR FUEL PLANT

Mr. HOLLINGS. Mr. President, with respect to the Barnwell reprocessing facility in the proposed amendment that I understand perhaps the Senator from Massachusetts will submit, I wish to get

right to the point. I shall discuss the bill a little bit so that my senior colleague (Mr. THURMOND) can reach the floor and to see, otherwise, if I can work this out with the Senator from Massachusetts.

I feel I have worked it out with the administration. We have been in conference all morning. The administration visited the facility with representatives from both the Department of Energy—James Schlesinger's office—and the Office of Management and Budget on last Thursday. Of course, I had visited there the previous day.

Realizing that the particular measure, being an appropriations bill, did not have any language of specificity, but rather, the $14 million was included in the general $4 billion amount, we had developed an amendment affirmatively stating what the amount would be used for, and, more specifically, what it would not be used for.

I refer now specifically to H.R. 7553, on page 2 at line 13, the general amount of $4,486,516,000 is there.

I had proposed an amendment in my own mind, that I have yet to submit, to see what could be worked out. But I have proposed an amendment stating affirmatively various things because there were misunderstandings, Mr. President, with relation to this particular project.

For one, my distinguished majority leader referred to it as the South Carolina facility—more accurately, as the international facility, and that is what we are trying to develop it for.

President Carter—when candidate Carter—in May of last year, speaking to the United Nations, outlined the need for an international reprocessing approach to keep on top of the safeguards, if nothing else, and otherwise for our Nation to stay on top of the technology.

Our colleague from Connecticut (Mr. RIBICOFF) outlined this in a talk in April of last year also designating the facility as an international use facility to be.

Along that line, there was never any idea of going ahead with the commercial reprocessing at this point, or, more specifically, with the manufacture or production of plutonium.

When we first started, and in the particular discussion of the Barnwell reprocessing plant, the first objection I heard was that we were going into reprocessing. I knew we could not do that. We would have to have a license and the Government, in the form of Nuclear Regulatory Commission, along with the Energy Research and Development Agency, would not grant that license unless with the approval of the administration. So the question was moot.

The next I heard was that there was going to be plutonium, and we had that there, it was a hot facility. We remembered well that in 1974 under President Ford's program, also toward the nonproliferation of nuclear fissionable materials internationally, that the plutonium plant for the solidification of plutonium had been abandoned.

In fact, the facility itself is in a model form out in the energy plant in San Francisco. So, when they were talking about the Barnwell plutonium facility, they were trying to refer to something in San Francisco that was on the drawing boards, but not even broken ground for at Barnwell, S.C.

Appropriations bills being drawn as as they are, I then got together with those concerned and tried to draw down affirmatively those caveats; namely, that none of the funds would be expended for the development or production of plutonium and, otherwise, none of the funds would be expended for the reprocessing of spent fuel or nuclear elements at the Barnwell plant.

There was a third issue with relation to a buy out in the sense that if we appropriate this money, the money went to Barnwell and they spent it, spending this money would lead to a commitment of $0.5 billion, up to $500 million, in one of the letters.

Of course, that was total nonsense.

There was never any intent for the Government to assume any kind of financial obligation for the Barnwell plant. On the contrary, the money was to be expended under the direction of and approval of the Energy Research and Development Administration.

So the money went to ERDA and ERDA was to carry out these particular studies toward the possible establishment of an international facility.

Having worked those down into affirmative phrases for an amendment, I then got together with the administration, which only in the last half hour, I would say, checked with the President himself on the following language:

Amendment to H.R. 7553, an act making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1978, and for other purposes, viz:

On page 3, line 9, beginning with the colon, insert in addition *"Provided further,"* That up to $14,000,000 of this appropriation is to conduct a study of the Barnwell Nuclear Fuels Plant located in South Carolina to determine if that facility may be utilized in support of the nonproliferation objectives of the United States; and for activities contributing to the International Fuel Cycle Evaluation Program to be carried out under contract at the Barnwell Nuclear Fuels Plant, including only such research, assessment and evaluation activities as the Administrator determines are consistent with the nation's nuclear research and nonproliferation policies and provided that the Plant shall not be used to process spent fuel from nuclear reactors.

Along that line, Mr. President, I ask unanimous consent that the proposed utilization plan, drawn for the Barnwell nuclear fuel plant, setting out the various programs of research, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PROPOSED UTILIZATION OF THE BARNWELL NUCLEAR FUEL PLANT (BNFP) FOR FUEL CYCLE R&D PROGRAMS IN THE FISCAL YEAR 1978 BUDGET

INTRODUCTION

The Administration's nuclear fuel cycle program for FY '78 is directed toward development of a full range of alternative fuel cycle technologies. Of specific interest are changes in process technology, such as coprocessing and the thorium cycle with its inherent benefits in reducing proliferation risks. The Barnwell plant appears ideally suited to contribute in a meaningful way to the evolution of these programs and to help reach meaningful conclusions on viable, proliferation resistant options much sooner than if the plant were not used.

Congressional leaders have recognized the important role that the Barnwell plant can play not only in furthering ERDA's FY '78 nuclear fuel cycle R&D programs, but also in furthering non-proliferation goals through possible utilization of the plant in some international or multinational capacity.

Information that the owners of the Barnwell plant, Allied-General Nuclear Services (AGNS), have provided in Congressional testimony and in other background documents, has emphasized that the Barnwell plant: (1) can serve a very useful R&D role in the FY '78 ERDA nuclear fuel cycle program; (2) must be maintained and staffed at a minimal level until long-term options can be fully explored; and (3) can offer potentially significant benefits to the Administration's non-proliferation programs.

The following program descriptions outline five types of R&D functions that can be carried out at the Barnwell plant in FY '78 while ERDA and the Executive Branch explore long-term optional uses of the plant that are consistent with the Administration's non-proliferation objectives. The first three programs are interrelated in the preparation of the Barnwell plant for possible future fuel cycle evalutions. The funding levels ascribed to each program are AGNS estimates based on one meeting with ERDA personnel.

ALTERNATIVE FUEL CYCLE DEVELOPMENT

The objective of this program is to investigate alternative fuel cycle technologies which could be adapted for demonstration using the Barnwell plant. The program will involve preparation of flowsheets specific to the Barnwell Nuclear Fuel Plant (BNFP), based on research and development work being conducted by ERDA.

The alternate flowsheets to be analyzed include coprocessing options to minimize plutonium availability, and a denatured fuel cycle, which includes the use of thorium.

Each flowsheet will include conceptual design work to define the current state of the art in handling, storing, transporting, and processing spent fuel and encapsulating the waste. A program to model the entire spent fuel disposal system for each alternative will be initiated. This model will include the economic evaluation of options available for each system.

Scope and task breakdown

A systems model will be developed to evaluate and compare alternative fuel cycles in the following areas:

1. Fuel transportation and storage
2. Separation of fuel components
3. Product(s) handling, storage, and transportation
4. Wastes handling, storage and transportation

In addition, potential impacts on the Federal Repository program will be identified.

Alternative concepts to be considered will include:

1. Base case for comparison
2. Processing of non-commercial power fuel
3. Coprocessing of LWR fuel
   a. 1 percent Pu
   b. 3–5 percent Pu
   c. Master blend
   d. Others
4. Thorium-Uranium Fuel
   a. Th-U-Pu
   b. Th-^{233}U
5. Others

Task 1—Conceptual Designs and Barnwell Modifications

For each alternative, required modifications to the flowsheet and facilities will be developed. Conceptual designs for additional balance of plant facilities will be developed including solid waste handling, additional liquid storage, product(s) handling and storage, liquid waste solidification, storage and transportation facilities for all wastes and products. The conceptual packages will include:

1. Design criteria
2. Process flow diagrams
3. Piping and instrument diagrams
4. Preliminary equipment arrangements
5. Preliminary building layouts
6. Listing of auxiliary and utility requirements
7. Preliminary safety and environmental evaluations

Task 2—Impact on Federal Repository—

For each alternative developed, an analysis will be performed to identify potential impact of proposed acceptance criteria for the Federal repository. The current conceptual designs of the repository will be reviewed, if available, to identify potential impacts resuling from the alternative fuel cycles.

Task 3—Cost Estimates—

Capital and operating costs will be generated for each of the alternatives.

Task 4—Development of Systems Model—

A model will be developed which can be utilized to optimize each of the alternatives and perform economic comparison between the alternative fuel cycles. The model will show the interrelationships between fuel transportation and storage; separations; product(s) handling, storage, and transportation; and waste(s) handling, storage, and transportation.

Expected Results in FY '78—

Conceptual design flowsheets, including a material balance, will be developed. Preliminary safety analyses and accident analyses will be performed for selected portions of each flowsheet where a significant difference is identified when compared with the existing BNFP FSAR. An economic model will be started, using the conceptual design flowsheets.

Experimental equipment will be set up in the existing BNFP engineering lab and pilot plant for verifying assumptions made in flowsheet development.

The projected funding level for FY '78 for this program is estimated to be $2.5 million.

PROCESS TECHNOLOGY DEVELOPMENT

This program will permit use of BNPF for evaluation purposes by completing the preoperational testing of the BNPF process and equipment components, leading to facility readiness for evaluation of programs with high non-proliferation potential. Such future programs could include co-processing and the thorium fuel cycle. The work to be performed in this program is divided into the following tasks:

(a) Evaluation of the following portions of the Separations Facility: Mechanical Head End, Waste Tank Equipment Gallery, Waste Tank Cell, and Produce Storage and Loadout area.

(b) Inventory of uranium used in facilities during demonstration activities.

(c) Analytical Services Evaluation.

(d) Services provided by Plant Management, Safety and Environmental Control, Production Support, Plant Engineering and Maintenance and Quality Assurance Departments to support the tasks stated above.

Scope and Task Breakdown—

This effort is a prerequisite to utilization of the BNPF for evaluation of various fuel cycles. Completion of this program will enable the BNPF to be readily available for non-proliferation related programs such as co-processing, thorium fuel cycle evaluation, safeguards technology demonstration and training, and spent fuel receipt and storage evaluation.

The program objectives are a series of tasks, each providing process or equipment component evaluation.

The tasks are:

1. Mechanical Head End Checkout—

This program will consist of the testing of all equipment in the Remote Process and Remote Maintenance and Scrap Cells for mechanical operability and maintainability. The equipment will be operated for maximum capacity operation and documentation on the results of these tests will be prepared.

2. Waste Tank Equipment Gallery, Waste Tank Cell, and Product Storage and Loadout Area—

The demonstration activities for these tasks include:

(a) Identification and designation of lines and equipment.

(b) System flushing and capacity checks.

(c) Operability checks on instrumentation and material transfer equipment (pumps, airlifts, and jets).

(d) Testing of equipment to verify design requirements.

3. Complete Evaluation of UF_6 Facility—

Following completion of the uranium testing program in the Separation Facility, the uranyl nitrate will be converted to uranium oxide in the UF_6 Facility and the system will be placed in a standby state pending further needs.

4. Analytical Services—

This portion of the program will cover the Analytical Chemistry Laboratory Operation required to support the Separations and UF_6 Facilities. Included will be the ongoing equipment installation, demonstration of equipment and laboratory modifications required to prepare the lab facility for effective utilization. Documentation will include the analytical methods quality control, record keeping, and procedure development.

5. Other—

The necessary functions required to support the above mentioned tasks will be provided by the Plant Management, Safety and Environmental Control, Production Support, Plant Engineering and Maintenance, and Quality Assurance staffs.

License Compliance, which is a part of the Plant Management staff, will provide support for procedural development and compliance to procedural, state and federal regulatory agency requirements through reviews, inspections and audits. The SEC department will provide health physics, industrial safety and environmental support in addition to completing demonstration of equipment and systems such as radiation monitoring, effluent monitoring and fire protection. Engineering, maintenance, and utilities operation will be provided by the Plant Engineering and Maintenance Department.

6. Documentation—

Upon completion of the specified activities, documentation will be prepared to provide information on the performance of all systems in the Separations Facility.

Excepted results in fiscal year 1978

The demonstration and preoperational testing of the process and equipment components of the Separations and UF_6 Facilities will be completed.

Excepted results beyond budget year

BNFP will be available for evaluation of various fuel cycle programs. By utilizing BNFP as part of an overall Research and Development program, ERDA can keep important options open to the United States in its efforts to maintain a leadership position in nuclear energy matters. In addition these programs are a necessary adjunct to the successful completion of safeguards and alternative fuel cycle programs.

The projected funding level for FY '78 for this program is estimated to be $8.5 million.

SAFEGUARDS EVALUATION PROGRAM

"The Non-Proliferation Policy Act of 1977", submitted to the Congress on April 27, 1977, advocates U.S. leadership to initiate (1) an international fuel cycle; (2) programs to strengthen and encourage the International Atomic Energy Agency (IAEA); and (3) development of a U.S. safeguards training program for the benefit of other nations embarking on nuclear power programs.

The Barnwell Nuclear Fuel Plant (BNFP) can serve as the vehicle to carry out the objectives of this policy in the following ways:

(1) The plant can be operated under international auspices as a key operation in an international fuel cycle.

(2) Such operation, if carried out in full cooperation with the International Atomic Energy Agency (IAEA) would both strengthen and encourage the IAEA by providing demonstration and evaluation of an effective safeguards system.

(3) Development of a safeguards training program and using the BNFP as a training site would be of immense benefit to both the IAEA, its inspectors, and those from other countries wishing to initiate an indigenous nuclear power program.

To establish the risks of nuclear weapons proliferation from nuclear fuel cycle plants, the effectiveness of integrated safeguards systems must be determined on a factual, operational basis. Safeguards systems are considered to include the prevention of theft, diversion or loss of special nuclear material, and the prevention of sabotage to these facilities. The systems must be tested realistically, the tests must be validated, the effectiveness of the system established, and then the risks of nuclear proliferation can be estimated on the results of these tests. Once the risk has been established, then a decision can be made on the adequacy of the restraints and whether additional safeguards within the fuel cycle will enhance non-proliferation of nuclear weapons. Initial results may be conclusive or iteration may be necessary, i.e., if risk level is unacceptable and additional safeguards in the fuel cycle can be shown to improve non-proliferation, then the addition safeguards must be tested in the same manner as were the initial systems.

Traditionally, safeguards have been based on the separate elements of physical protection and material accountability. With the advent of the mini-computers and other recently developed hardware, it is now possible to interact physical protection systems, material accounting systems, and process instrumentation to achieve an integrated protection and control system far exceeding past practices. Assembling these systems and subjecting them to planned threats under a wide variety of operating parameters in a systematic manner would produce the hard data that are needed to properly establish the relative vulnerability of nuclear fuel cycle plants. To generate these data, it is proposed that the BNFP be used in support of such a program. This program would include the following phases:

1. Modify the existing physical protection alarm and surveillance systems to conform to NRC regulations.

2. Determine any additional hardware requirements for special nuclear material accounting to prove that nuclear fuel plants can be operated with data handling systems that provide timely information on nuclear materials transaction. An information system which would provide near instantaneous location of assayed and sealed containers

would prevent surreptitious removal since detection could be made certain and timely.

3. Determine additional hardware requirements to provide real-time assessment of special nuclear material in processing vessels and equipment. Initially, real-time surveillance of unmeasured plant holdup will be based on continuous subtraction of the sum of product assays, and the real-time tank assays of surge and collection tanks from input assays. As methods are developed for assay of more complex vessels such as concentrators and contactors, then the unmeasured in-plant holdup will become less and the system will be even more sensitive to upset or diversion. It is important that these programs proceed stepwise so that plant operational reliability and safety is not inadvertently reduced.

4. Prepare vulnerability and/or diversion path analyses to determine strengths and weaknesses of the various segments of the safeguards system. Delaying the vulnerability and/or diversion path analyses until after Item 4 will allow operating reliability data to be available so that this will be included in the analyses, and thus the results will be based on actual plant performance.

The funding level for FY '78 for this program is estimated to be $1.2 million.

TRANSPORTATION/TRAINING EVALUATION PROGRAMS

In this program, United States and foreign spent fuel transportation demand will be developed and industry capability and readiness to provide required equipment and transportation will be evaluated. Equipment requirements will be projected along with capital requirements and commitment schedules. Plans and procedures for spent fuel receiving in the prototype NRC approved 100 ton rail cask will be developed, cask compatibility with the Barnwell plant spent fuel storage pool will be demonstrated and spent fuel storage operators will be trained. Results from such demonstration will be studied to develop improvement to reduce cask turnaround time and spent fuel storage operator exposure. In addition, facility conceptual design for spent fuel transportation system inspection, routine testing, maintenance and license compliance operations will be developed along with cost estimates and schedules.

The program also includes assessment of the technical and economic impact of the ICC protest/complaint cases against the nation's railroads on plans for transporting spent fuel and wastes in the LWR fuel cycle. Alternatives will be identified and evaluated along with equipment and/or facility changes which may be required.

Optimized spent fuel truck and rail cask conceptual designs to meet requirements resulting from ICC proceedings and from fuel cycle delays and changes will be developed and performance and cost improvements over existing casks will be identified.

Reprocessing plant generated waste types and quantities will be studied and cask/packaging optimization work will be done in conjunction with and in support of overall waste management technical and economic optimization studies. Truck and rail cask conceptual designs for HLSW and hulls will be developed and general process trash packaging concepts will be identified. Transportation economics via truck and rail will be studied, including special trains and unit trains carrying multiple cars of all types of waste to the same destination. A design, engineering, licensing construction and testing program for a waste fleet to serve a 1500 MTU/year reprocessing plant will be developed.

Scope and task breakdown

Task 1—United States and foreign spent fuel transportation demand and equipment projections based on maintenance of full core discharge capability at reactors and on both spent full disposal and spent full reprocessing alternatives.

Task 2—Spent full receiving plans, procedures, testing, training, demonstration in 100 ton rail cask.

Task 3—Conceptual design of spent fuel transportation system inspection, routine testing, preventive/corrective maintenance and license compliance operational facility.

Task 4—Technical and economic assessment of the impact of results of ICC cases, along with fuel cycle delays, and identification of alternatives including reevaluation of trucks vs rail mix required and FRSS modifications.

Task 5—Spent fuel casks (truck and rail) optimization and conceptual design.

Task 6—Packaging and transportation studies on reprocessing plant generated wastes.

Expected results in fiscal year 1978

Accomplishment of the above work will provide ERDA with important national and international spent fuel transportation demand-supply-economics information along with important commitments required under various scenarios. At the same time, the BNUFP–FRSS demonstration and training work will bring this facility and crews to a state of readiness to receive spent fuel if and when called upon. Also, conceptual design of the essential spent fuel transportation maintenance/testing facility, which does not exist in the United States, will enable detail design and construction to proceed promptly when spent fuel destinations are identified.

Analysis of results of ICC proceedings along with impact of LWR fuel cycle delays will provide timely information to enable reassessment of equipment, facility, manpower and capital requirements to cope with current and projected conditions. Conceptual design of casks optimized to meet such new conditions will identify potential cost savings and service improvements which will facilitate meeting transportation demand in the 1980's and likely yield major cost savings. This information is needed whether spent fuel is stored, disposed of or reprocessed.

Work on waste packaging, in-transit safeguards and transportation systems will provide ERDA with information on demand, lead-time, sources of supply, capital requirements and economics related to the reprocessing-recycle option. It is essential that the packaging, transportation and in-transit safeguards technology be advanced to the same degree of readiness as reprocessing/recycle/waste management technology so that transportation will not become the critical path if the reprocessing/recycle option is selected.

Results of the above work in FY '78 will enable identification of potential problems relative to receiving, storing, and disposition of spent fuel in the next decade.

The funding level for FY '78 for this program is estimated to be $0.8 million.

AGNS FUNDED ACTIVITIES FOR FISCAL YEAR 1978

In addition to a Government funded program of $13 million for FY '78, Allied-General Nuclear Services will commit $3–4 million for selected technical and institutional studies along with various other commercial close down activities. Interest on idled investment of $250 million will be borne by AGNS during this period. (=$25 million). Total=$28 million.

Mr. HOLLINGS. Mr. President, the public works appropriations bill which we are discussing this week contains $1 million for a 1-year study of the Barnwell nuclear fuel reprocessing plant at Barnwell, S.C., and $13 million to help maintain the plant while this study is conducted. I would like to take a few minutes to explain this appropriation.

First, none of the money will be used for commercial reprocessing. The amendment I offer today clarifies this.

Second, some may see this as a Government "bail-out" of a private company. But it is more complicated than that, and another viewpoint is much more correct. Barnwell contains some of the most advanced nuclear equipment in the world and this is at a time when the United States is looking for safer, more efficient, and less proliferation-prone nuclear technologies. Barnwell may never be used for its original purpose—extracting plutonium for commercial use—but before anyone tries to relegate this $250 million installation to the scrap heap, I want to know whether it can play a useful role in this research effort. If so, using it can save the taxpayers the cost of building a similar and expensive facility sometime in the future.

Continuing nuclear research is necessary, for the President's decision to postpone the use of plutonium did not end discussions on nuclear technology. On the contrary, the United States now needs to look for both better safeguards and possibly an alternative way to meet the problem that plutonium use was supposed to solve.

This is the problem of long-term nuclear fuel supply. On the one hand, we and other nations need at least some nuclear power if we are to meet our energy needs. Yet the present generation of American "light-water reactors" can use only one kind of uranium—scarce uranium-235, which is only 0.7 percent of the uranium in nature. At a time when world uranium supplies are strained and prices are skyrocketing, we are not using 99 percent of this precious fuel.

The Government's old proposal was to use this additional uranium by converting much of it into plutonium, a nuclear fuel which does not exist in nature but which can be manufactured in either regular nuclear plants or special breeder reactors. Reprocessing is the process by which this plutonium is extracted after it has been produced in the reactor. Barnwell was started in the 1960's as a commercial reprocessing facility. The plant is not completed and has not started operations, but $250 million worth of valuable equipment is there.

President Carter and others—myself included—have worried about this process because it produces large amounts of almost pure plutonium—plutonium that can be used either as fuel or for nuclear weapons. The President now proposes to handle the proliferation problem by trying to ban plutonium use altogether, both at home and abroad.

I agree with the President about the need to control the proliferation of nuclear weapons. However, troubling questions remain.

Domestically, for instance, the President wants to block the use of plutonium and continue with present uranium-fueled reactors. Yet is there enough uranium ore in this country and abroad

to power a large number of these light-water reactors? And even if there are, is there not some way to use that other 99 percent of the uranium—some way that does not increase the risk of proliferation? Such questions are why I continue to support research on nuclear technology.

In foreign policy, the administration has three options as it tries to control the use and misuse of plutonium:

Push other nations not to reprocess and not to use plutonium. Instead, encourage the continued use of uranium fuel.

Encourage those countries that plan to use plutonium to do so under strict international standards, possibly involving internationally-supervised reprocessing plants.

Find new nuclear technologies and policies which use uranium more efficiently but which do not have the proliferation risks of conventional reprocessing.

So far, Mr. Carter has opted for the first option, while starting some new research. I hope it works, but there are some problems, as is shown in a June 3, 1977, article from Science magazine. I ask unanimous consent that it be printed in the RECORD at the conclusion of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HOLLINGS. I do not pretend to know the answers to this dilemma, but I do know that we should expand our policy studies to consider how the second option, international facilities, and the third option of safe and efficient new technologies could help us achieve Mr. Carter's nonproliferation goals.

And this, Mr. President, is where Barnwell comes in. Numerous people, including representatives of the U.N.'s International Atomic Energy Agency, have said that Barnwell might be an ideal site for testing international fuel and safeguards procedures. Even if we ban actual radioactive materials from the plant, it still could be a good place to test safeguard procedures, to train personnel, to work out international agreements and policies.

It might also be an ideal place to test some of the new technologies being examined, technologies such as coprocessing and the uranium-thorium fuel cycle. Another article from Science discusses some of these, including some versions of reprocessing which have much less proliferation risk than conventional reprocessing. I ask unanimous consent that this, too, be printed in the RECORD at the end of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. HOLLINGS. Mr. President, what it boils down to is this: More research is needed to help us achieve our nonproliferation goals. On the contrary, we now are beginning a serious evaluation of alternatives to conventional reprocessing, an evaluation which may be very important to the President's own goals. Thus this is not the time to unthinkingly throw away a facility that might be an uniquely useful and cost-effective means to do this research. Furthermore, if nothing else Barnwell has equipment that might be useful in ongoing work at the Government's Savannah River nuclear installation, which adjoins the Barnwell site. For instance, Barnwell has facilities to store used reactor fuel and has nuclear waste storage tanks that the Government might need and might be able to buy at a fraction of the price new tanks would cost the taxpayers.

So we propose a 1-year, $1 million study to be done by the Energy Research and Development Administration. A congressionaly-mandated study seems the best way to go; otherwise, important questions about the usefulness of Barnwell may be neglected. The study may not turn up anything. Barnwell may not be useful for more of this important research. But I certainly want the facts before we make any irrevocable decisions.

Second, we propose that money—up to $13 million—be appropriated to help maintain the plant and conduct small but important pilot studies during the year when the study is conducted. This appropriation is both sensible and fair. It is sensible because the ERDA administrator can use it to conduct these valuable pilot studies at the plant, the ones discussed in the plant utilization plan.

The appropriation also is uniquely fair. Allied General Nuclear Services, the company involved, started this plant because the U.S. Government invited it to, encouraged it to, and promised that Government policy would allow them to operate and recover their investment. So the company spent a quarter billion dollars of its own money, only to be told now: Sorry fellows, we have changed our mind, so you lose. Thus it is not only necessary but also appropriate that the Government help maintain this plant during the coming year while we examine possible alternatives.

Barnwell probably never will be used for conventional commercial reprocessing. But it is a uniquely flexible and valuable facility which may help us find better ways to meet the President's—and our—goal of safe, efficient nuclear power. Certainly it is important to get the facts about this. Furthermore, the clarifying amendment I offer today was written after consultations with administration, to make crystal clear that none of this money will be used for any actual reprocessing of spent fuel. For all these reasons, I urge my colleagues to support this appropriation.

EXHIBIT 1

SCIENCE IN EUROPE: CARTER NUCLEAR POLICY FINDS FEW FRIENDS

President Carter's new nuclear policies have so far failed to find much support among the European powers. At the London summit meeting, and later at the Salzburg conference on the nuclear fuel cycle, the best that could be said was that there was an agreement to differ. The London meeting concealed the rift by setting up a group of experts who will spend the next 2 months working out the terms of reference for a year-long study of the problem. But since agreement has eluded earlier attempts in the London nuclear suppliers club, at the summit, and at Salzburg, few expect this group to succeed.

France has immediately made it clear that the conclusions of the study group would not be binding, and West German officials were delighted that, in their words, Washington had "come down to earth" on the nuclear issue. According to Bonn, the Carter Administration appears for the moment to have abandoned attempts to stop the controversial nuclear contract between West Germany and Brazil. At Salzburg one British official, Mr. Con Allday, managing director of British Nuclear Fuels Ltd., was openly critical of the American approach. The spread of nuclear weapons was a proper matter for international concern, he said, but there were better ways of tackling the problem than imposing restrictions that would affect civil nuclear power supplies and therefore "threaten mankind's future well-being in a world short of energy." One alternative, he suggested, might be to use "established supplier organisations" as the basis for international groupings which would provide an effective mechanism for controlling the spread of nuclear materials and technology. British Nuclear Fuels was such an organization, he said, to nobody's surprise.

The nearest the United States has to an ally on the issue is the Netherlands, where people are anxious about the proliferation implications of the gas centrifuge enrichment process they have developed in harness with the West Germans and the British. Otherwise, opponents to the American plans have multiplied as the story has unfolded. One particularly contentious issue is the clear intention of the Administration to prevent the export of spent fuel for reprocessing where that fuel was originally supplied by the United States, and, therefore, comes under bilateral safeguard agreements.

This policy, if implemented, would put a stop to a contract which Britain and France have lined up for reprocessing of Japanese spent fuel. The contract is ready for signature and would involve the shipment of 3200 tons of spent fuel over 10 years, half to Britain and half to France. The contract would be worth £200 million to each country, with Britain also collecting another £150 million for transporting the fuel. The United States made it clear at Salzburg that it is opposed to such long-term contracts and will only grant permission for export on a case-by-case basis. To justify such individual shipments, the sending country will have to show that its own storage facilities are full.

This part of President Carter's policy has ensured that Japan, Britain, and France will all oppose it. (France was, of course, already at loggerheads with the United States over another contract, with Pakistan.) Other countries who are looking for reprocessing contracts include Spain. Yet another contract which falls foul of the American rules is one being negotiated between Brazil and the Anglo-Dutch-German enrichment consortium, Urenco. This is a 10-year agreement for enrichment services for four Brazilian nuclear plants, worth £100 million for each of the Urenco partners.

In short, it seems likely that President Carter's nuclear diplomacy is falling into the trap of taking on too many opponents at once instead of picking them off one by one. As things stand, the reprocessing of spent nuclear fuel and the "plutonium economy" remain strong European objectives, whatever Washington—and individual Europeans—have to say about it.

EXHIBIT 2

REPROCESSING ALTERNATIVES: OPTIONS MULTIPLY

Reprocessing has for so long been a part of plans to complete the nuclear fuel cycle that little attention has been paid to ways in which a nuclear power system might operate without it.

The alternatives range from doing nothing (that is, considering spent fuel as waste) to doing something very similar to reprocessing, with the hope that its proliferation potential can be reduced by never quite sepa-

rating the plutonium from the uranium. (Reprocessing was invented to separate pure plutonium for weapons and would accomplish much the same result in commercial plants.) Between these two poles, there are proposals for employing a variety of chemical and quasi-chemical processes in place of the Purex process, which virtually all the world's reprocessing plants now employ. There are also proposals to modify or replace the popular light water reactors—which produce 99 percent of this country's nuclear power and about 80 percent of the world's—because they are more wasteful of uranium than most other types of reactor. The issue of uranium utilization arises because reprocessing the plutonium from light water reactors would reduce the amount of uranium required for their operation by about 30 percent. The purpose of the alternatives is to keep pure plutonium from appearing at any stage of a civilian nuclear power cycle.

As hints from the White House suggest that the new Administration will take a strong position against any move to deploy reprocessing at the present time, options that have long been overlooked, forgotten, or debunked because they were out of line with past policies are being dusted off and reanalyzed. New studies are surfacing rapidly, but the various alternatives differ considerably in the degree of protection against proliferation that they would afford.

The first study to be put on the table is the so-called tandem fuel cycle that was proposed last summer by the Arms Control and Disarmament Agency (ACDA) during an interdepartmental survey of the proliferation potential of the extant nuclear technologies. The tandem proposal would have taken spent fuel from light water reactors and burned it further in Canadian CANDU reactors to extract additional energy without reprocessing. The technical merit of the tandem proposal is being vigorously debated, but it marked a significant turn in the nuclear debate. "Relatively less proliferation had never before been a design objective of nuclear technology," says Thomas D. Davies of ACDA.

Although the rationale for most of the new studies is to explore ways to reduce proliferation, the exercise could in fact turn into a wider review of the premises of nuclear policy—not just the type of reprocessing chemistry, but also the choices that have been made about fuel cycles, reactor concepts, and the associated problems of waste disposal. The analysis is far from complete, but what is emerging is a rediscovery of a fact that the nuclear engineers of the 1950's were quite familiar with: a nuclear power system can be configured in many different ways.

LESS PROLIFERATION IS THE RATIONALE

The simplest alternative to reprocessing is to dispose of the spent fuel in the form in which it comes out of the reactor—as durable ceramic pellets of uranium and plutonium dioxide sealed in noncorrosive tubes of zirconium alloy. Countries that have light water reactors have largely ignored this option, but Canada has not because the concentration of plutonium in CANDU fuels is much lower than in other reactor fuels. Methods that have been developed in Canada (see box) appear to be safe, reliable, and relatively inexpensive ways of storing spent fuels for 50 to 100 years.

Another approach is to try to find other chemical processes that would be safer against proliferation than the standard Purex process. The list of possibilities is a long one—Mark Goldstein at the Brookhaven National Laboratory has found that 32 different reprocessing techniques have been proposed in the scientific literature since 1942. Some of them proved less than satisfactory, of course, but others were dropped when the focus of nuclear research narrowed in the early 1960's. Apart from solvent refining techniques such as Purex, the processes that appear to have the most promise, according to Goldstein, are pyrometallurgital techniques (similar to the reprocessing scheme used in conjunction with the first U.S. experimental breeder, EBR–I), pyrochemical methods, and electrochemical methods—which Russian researchers are currently emphasizing. The basic problem with trying to make any reprocessing system proliferation-proof, however, is that most processes were designed to produce plutonium (or plutonium derivatives) in a relatively pure state. So a step backward is often required to make the plutonium less accessible.

The reprocessing alternative favored by the Energy Research and Development Administration (ERDA) is a minor modification of the well-established Purex process called coprocessing because the end product would be a mixture of uranium and plutonium. The modification would be accomplished by altering the partitioning stage of the Purex process, where the fission products have already been removed from dissolved spent fuel and uranium and plutonium are about to be separated. In one coprocessing scheme for light water fuel, no separation at all would be made. The mixture coming out of the reprocessing plant would be about 1 percent plutonium and 1 percent fissionable ^{235}U. In that case extra enriched uranium would have to be added to the coprocessing product to bring the fuel up to 3 percent fissionable content, as needed for light water reactors.

If the uranium-plutonium mixture produced by coprocessing were diverted for weapons, a chemical separation would be needed to get pure plutonium. However, the chemical separation would be simpler than reprocessing because the uranium-plutonium mixture would be largely decontaminated. "The fuel could be fairly easy to pull the plutonium out of," says Marvin Moss of ACDA, "but it would indeed have some safeguard advantages over normal reprocessing."

The coprocessing concept could also be applied to the breeder reactor, and such a possibility is being investigated by ERDA. Some form of reprocessing is essential for the breeder, which by definition is a reactor that produces more fissionable material than it consumes, because it must have the capability to recycle fuel to keep operating. Coprocessing, as applied to the breeder, would almost certainly require a plant with the capability to do some separation of uranium and plutonium, so the relevant safeguards question would be whether such a plant could not be surreptitiously altered to do complete separation. The breeder reactor needs a fuel with 20 percent fissionable content to operate, but the result of coprocessing would give a mixture with only about 8 percent plutonium. By drawing off some uranium at the partitioning stage, the plutonium concentration could be raised to the desired amount. According to researchers who have looked at the idea, it is clear that a plant can be built so that the results of the partitioning stage are variable (the half-finished plant in Barnwell, South Carolina, is built in just that way) but more work is needed to determine whether a design can be built that could not be easily altered. Breeder coprocessing could possibly be done without any uranium-plutonium separation, but this would require that some of the recycled breeder fuel be subsequently burned in light water reactors.

A variation of coprocessing being studied at Battelle Memorial Institute in Columbus, Ohio, is intended to minimize waste as well as proliferation. Through careful control of the oxidation states in the Purex process, Meyer Pobereskin hopes to remove the long-lived actinides from the waste stream and put them in the uranium-plutonium mixture. Although the chemistry necessary for this has not been tested yet, it could reduce the time scale of the waste disposal problem from many thousand to many hundred years and also make the uranium-plutonium mixture so radioactive (with actinides plus some fission products) that it could be handled only by remote control.

A "master blend" coprocessing scheme, proposed by R. Widrig at Battelle Pacific Northwest Laboratories, would produce a 10 to 30 percent plutonium mixture, which could be used in either breeders or light water reactors, by dilution with the proper amount of natural uranium.

If the scope of reprocessing alternatives is broadened to include reactors other than the present light water reactors, the number of options becomes surprisingly large. Modified light water reactors, CANDU reactors, and high-temperature gas reactors could each stretch uranium resources just about as far as reprocessing with the present light water reactors would. In addition, the neutron economics of light water and CANDU reactors could be significantly improved with thorium fuels, making further uranium savings and creating a category of "near breeder" reactors. Finally, a category of very advanced, conceptually unique reactors known as homogeneous reactors could greatly conserve resources and drastically change present perceptions of how proliferation-resistant a nuclear technology might be.

Perhaps the most thoroughly tested alternative to the light water reactor is the CANDU, of which there are more than a dozen large commercial units under construction or operating around the world. The CANDU reactor core is cooled and moderated with heavy water, and it can therefore operate with natural uranium fuel (which is composed of 0.7 percent fissionable ^{235}U) rather than the enriched uranium (3 percent ^{235}U) used by light water reactors.

A look at what happens to the burnable ^{235}U gives an indication why the CANDU achieves substantially better fuel efficiency. At the end of one pass through the CANDU, the ^{235}U content of the fuel is burned down to 0.2 or 0.25 percent, just as low as the concentration of ^{235}U left behind in the "tails" at the end of the enrichment process. It is also considerably lower than the ^{235}U concentration in light water reactor spent fuel (about 1 percent). The light water reactor would have to burn virtually all the ^{235}U in its fuel to match the CANDU's efficiency. As it happens, the spent light water reactor fuel is more than rich enough to start up a CANDU—the fact which basically explains why the tandem cycle proposed by the arms control agency is feasible. The details of the fuel history are actually more complicated because both reactors continually produce and consume plutonium, but the end result is that the CANDU uses about 30 percent less natural uranium to produce the same amount of power (Table 1).

TABLE 1.—APPROXIMATE NATURAL URANIUM REQUIREMENTS FOR VARIOUS REACTORS AND FUEL CYCLES, TAKEN FROM DOCUMENTS PUBLISHED BY ATOMIC ENERGY OF CANADA, LTD.

Reactor type	Fuel cycle	Natural uranium consumption ($g\ kwe^{-1}\ year^{-1}$)
Light water (LWR).	Enriched uranium, once through.	1 195
	Plus Uranium recycle	160
	Plus Plutonium recycle	114
	Thorium burning (^{233}U make-up).	65
CANDU	Natural uranium, once through.	130
	Plus Plutonium recycle	60
	Thorium burning (^{233}U make-up).	20

Reactor type	Fuel cycle	Natural uranium consumption (g kwe^{-1} year^{-1})
High temperature gas (HTGR).	Highly enriched uranium plus thorium.	[1] 100
Fast breeder.....	Uranium plus plutonium recycle.	2

[1] Interpolated from estimates by the U.S. Energy Research and Development Administration.

A new study just completed by ERDA suggests that the same resource-saving benefits of the CANDU (or the tandem cycle) could be obtained by replacing some of the light water in the present U.S. reactors with heavy water.

Called a spectral shift reactor, the latest ERDA suggestion would burn the present U.S. reactor fuels longer by gradually changing the concentration of heavy water in the reactor during the life of each load of fuel. The concept could be "a possible modification of the standard pressurized water reactor," according to Saul Strauch at ERDA, who is heading a program to evaluate a number of ways to recover the energy value of used nuclear fuel without separating plutonium. The capital cost of the modification could be as low as $20 million (mostly the cost of heavy water) plus $1 million per year for extra operating costs, according to to some estimates. Such a cost increment would be a minor influence on the price of electricity from a $1 billion reactor.

When a new load of fuel is installed, the spectral shift reactor would operate with a mixture of 60 percent heavy water and 40 percent light water, which gives a slightly faster spectrum of neutrons and promotes the production of plutonium in the fuel rods. As the fuel burns, heavy water is bled out of the reactor until the mixture at the end is about 90 percent light water. This shift counters the effect of the buildup of fission products, which tend to poison the reaction and stop it. By the end, most of the plutonium and ^{235}U would be burned. If many reactors were operated in the spectral shift mode, the United States might have to build a number of large plants to separate heavy water from natural sources—as the Canadians have done. But for a modest test of the principle, the present heavy water separation facilities at ERDA's Savannah River Laboratory would probably be sufficient.

The ERDA program is also studying two other ways to improve the fuel utilization of light water reactors—either using the present uranium oxide fuel with a slightly higher enrichment of ^{235}U or by metallic uranium fuel at lower enrichment.

* * * * *

The thorium-uranium cycle could also achieve considerable fuel savings in water cooled reactors. In particular, the thorium-uranium cycle could make the CANDU into a near breeder. This fuel cycle would burn a small amount of natural uranium, but most of its energy would come from ^{233}U, a fissionable isotope of uranium bred from thorium. Since ^{233}U is a potential weapons material, most versions of this fuel cycle would dilute or "denature" the ^{233}U with natural uranium. The composition of fresh denatured fuel for a heavy water reactor might be 2 percent ^{233}U, 14 percent ^{238}U, and 84 percent thorium.

Most versions of the denatured fuel cycle would require reprocessing and would inevitably produce some plutonium from the ^{233}U left in the fuel to denature it. But the amount of plutonium would be one-tenth or less the amount produced in the present reactor system. The denatured thorium-uranium cycle is one of the more complicated alternatives suggested to reduce proliferation, and it would probably require at least one tightly safeguarded reprocessing plant. But it would have the advantage that fresh reactor fuel would be completely free of plutonium.

All the alternatives described above suggest ways to extract additional energy from a nuclear cycle while making it more proliferation-resistant, but they implicitly use the present practice of the nuclear industry as the norm. Yet spent fuel from light water reactors contains plenty of plutonium (one reactor discharges 250 kg of plutonium per year) which could be extracted with chemical techniques, even though it might be a very messy job. The idea of a homogeneous reactor would—if it works—make possible a nuclear power system in which no fissionable material ever left the reactor once it started up and any diversion of material from the reactor would quickly shut it down. Such a reactor would straddle the line between the present "burner" reactors and the projected breeders, producing exactly as much fissile material in the core as it needed to keep itself going.

The input for the homogeneous reactor would be fertile material (natural thorium or uranium), which would only be made fissile inside the reactor's containment structure. The fuel would not be encased in fuel rods—the core would be a homogeneous medium such as gas, liquid metal, or molten salt so it could be circulated through a purifying system to continuously remove fission products. In the gas version—which is generically related to the Rover program that developed a nuclear rocket engine for which there was no apparent practical use—the total amount of fissile material in the core might barely be enough to make one bomb. Such a reactor scheme, according to William Kitterman at ERDA, might be the only way to make the benefits of nuclear power available to any nation, regardless of its intentions, without also transferring a sufficient quantity of material with which to develop a nuclear arsenal. The homogeneous reactor proposal is a radical one—it would mean throwing out virtually all the nuclear technology that is now used.

The set of alternatives that have come to the surface during the last year of heightened public debate over proliferation is no doubt incomplete, and much of the analysis of the benefits of various proposals is in flux. Not the least of the problems is to decide where the proliferation line should be drawn, since there are now four or five different sets of criteria being used to distinguish where the risk of proliferation becomes too great. But the fact that reactors have never before been designed with proliferation considerations in mind is beginning to permeate the consciousness of many people, and "the technical questions are so fascinating that they are getting the community hooked," says Ted Taylor at Princeton University. What is becoming clear, says another well-respected nuclear engineer, is that there are a great many alternatives between the light water reactor, which "wastes uranium like crazy," and the liquid metal fast breeder, which is probably the most proliferation-prone technology yet conceived.

Mr. KENNEDY. Mr. President, we are in a bit of a quandary at this particular juncture because the amendment by the Senator from South Carolina was just provided only a few minutes ago. In the reading of the amendment itself, it is, I would consider, an entirely different kettle of fish from what the report language of the appropriation report would have provided in spite of the admonitions of those who had placed this into or were able to get it into the appropriation.

The concern that my colleagues and I had was that, even though there was a statement that no reprocessing would take place at Barnwell, the supporting language in the report could quite clearly provide the legislative interpretation that types of reprocessing could take place.

Then, in the examination of the fact sheet that was provided by the Senator from South Carolina, it seemed to me and to others that this supported at least some of the concerns we had in terms of how this perhaps could be utilized.

For example, in the Appropriations report, on page 18, it goes into this kind of language:

> The objectives of this subprogram are to develop alternative technologies and design bases for processing spent reactor fuels and reuse of the recovered nuclear materials . . .

If something looks like a duck and quacks like a duck and walks like a duck, it is a duck. "Processing spent reactor fuels" is basically another way of talking about reprocessing.

It then continues:

> And to perform work to improve the safeguards, operability and maintainability of fuel processing systems.

"Fuel processing," to those in the know, is exactly the area of reprocessing plutonium about which many of us are concerned.

It then continues—on page 19:

> An increase of $13 million is provided, subject to authorization, in order to keep the options open by maintaining a state of preparedness . . .

This could be interpreted as the reprocessing of plutonium.

> of the fuels reprocessing facility at Barnwell, South Carolina until a thorough study has been completed. This amount will permit the retention of key personnel . . .

So we have a situation of the retention of key personnel and the payment of key personnel by the Federal Government in this particular facility, when we have not been shown that the work that can be done by this personnel is any different from that which is being done in Savannah River or in other Government installations. We should recognize that what we are doing is basically supporting the retention of key personnel and the checkout of the plant.

It continues:

> Approaches to the issues of nonproliferation, safeguards and waste management, including a multinational fuel cycle or storage center.

That multinational fuel cycle center, again, in the words of the art, is basically reprocessing.

When the particular language for the appropriations came out, it seemed to me to raise some very important questions in terms of exactly what the moneys were going to be utilized for, not only in terms of the reprocessing but also the basic, fundamental issue in terms of the payroll.

There had been other reprocessing plants that had made judgments over a period of years and which, because the

market did not develop in terms of the expansion of nuclear plants, went out of business. Those were commercial investments, and they went out of business. That has been true about General Electric. It was true about Getty Oil Co. They did not come to Congress to ask for this money in effect to support their payroll. So this involves the additional principle in terms of supporting the personnel.

In a fact sheet prepared for Congress, Barnwell's owners talk about "acquisition on some basis of the Barnwell site and facilities by the U.S. Government." They have that in their own briefing sheet. This may not be a bail-out, it may be a buy-out.

Given these prospects, it seems to me that the most prudent course for Congress is to approve the $1 million study as provided for in our amendment; and then, when it is completed next year and the facts are in, Congress can make a wise decision about the future of Barnwell.

The concerns I express in terms of just what might take place in Barnwell are further supported by the supporters' breakdown about how those moneys were intended to be expended. They list the various studies. For example, "contributions to Government work," $1.9 million, which would show how Barnwell could best be utilized to reprocess Government spent fuel. Or, as to various facilities at the plant, Barnwell proponents allege that there might be a "cost-effective way to meet some of the needs of the Government in the Savannah River installation, which adjoins the Barnwell site."

A convincing case never has been made that Barnwell is necessary or that existing Government facilities are not adequate in order to do that. Certainly, there is nothing in the hearings and nothing in the record that would indicate that we do not have sufficient capacity to do that in other installations or at the Savannah River nuclear installation itself.

The supporters also have $100,000 for a multinational reprocessing center at Barnwell. We may get to the point where we want the reprocessing center, but the question is whether we are at that point at this particular time. If we develop a multinational center, then what is going to happen in terms of the Middle East? Suppose the Iraqis decide they will develop a multinational center? Or suppose the Pakistanis develop a reprocessing center or Uganda decides to have a multinational center?

It seems to us quite clear that the Carter administration's support for our initial amendment was based upon the fact that a commitment to Barnwell is premature. We may very well get into that kind of situation, but it is premature in terms of what the administration's policy has been, and it was really one of the principal reasons why they had supported our earlier position.

Then the Barnwell supporters talk about "safeguards for controlling proliferation," and $7 million on "assuring adequate fuel supplies." We can get into those in greater detail. But it seems to me that, taking the report language and the explanations that are given, we had very little reason to be assured that there would not be ample opportunity to move toward reprocessing plutonium.

The second issue is whether the Federal Government is going in effect to assume the additional responsibility of spending millions of dollars for staffing this facility. That seems to me to be unwise at this particular time.

So for those reasons, but to retain a study about how this facility can be harmonized in terms of our national energy and our national nuclear policy, it seemed wise to contribute a reasonable amount of money for the study. That is why, when the administration communicated with me earlier in the day that they were prepared to see a more limited study under the complete control of ERDA that would insure that none of these resources in the study could be used to any extent in the reprocessing area, and that the study should not be in excess of $5 million, it seemed to me to be at least a reasonable basis for compromise.

Mr. PERCY. Mr. President, will the Senator yield for a question at that point?

Mr. KENNEDY. I should like to finish this one point.

I read from the amendment proposed by the Senator from South Carolina, on page 3, line 9, beginning with a colon, insert in addition:

Provided further, That up to $14 million of this appropriation is to conduct a study of the Barnwell Nuclear Fuels Plant.

Then he has the further limitations on it.

It seems to me that the study aspects of it could have some value, and that is why those of us who offered the amendment retained the million dollars for the study. Perhaps under the areas defined in the amendment of the Senator from South Carolina, it would even justify additional resources for that particular study to carry out purposes consistent with national policy.

But I cannot see how we could support an open-ended $14 million for additional studies which either may or may not be used in this area.

Mr. President, I would like to introduce into the RECORD the full statement that I had prepared in support of my amendment to delete $13 million from this appropriation, in response to the original provisions of the appropriations bill and report.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR EDWARD M. KENNEDY AGAINST FUNDS FOR REPROCESSING PLUTONIUM

I rise to offer an amendment, on behalf of myself and my cosponsors—Senators CRANSTON, PERCY, and HART—to delete $13 million for the commercial reprocessing plant at Barnwell, while retaining a $1 million ERDA study of possible alternative uses of this facility.

Like us, the administration strongly opposes government funding for the Barnwell facility. Like us, it endorses a prior, in-house study. We cannot understand why we should prejudge the results of this study by moving to finance the facility in question. And we see serious dangers in moving ahead with this financing.

Never before has the Federal Government financed a commercial reprocessing plant. Yet it is proposed today to take the unprecedented step of spending millions to check out a plant to produce plutonium, and to fund the payroll of an industrial consortium which is already $250 million in the red.

It is true that none of the money would be specifically used for reprocessing: The Nuclear Regulatory Commission stands in the way of that. But it cannot be denied that the money would be used to justify the plant's eventual production and use of plutonium. Barnwell's owners and supporters tell us that they want to:

Spend $7 million to "assure adequate fuel supplies," by which they really mean developing means to mix plutonium with uranium;

Spend $4 million to develop "safeguards for controlling proliferation," by which they really mean keeping track of the plutonium they would produce;

Spend $100,000 to pursue making Barnwell a "multinational center," by which they really mean importing used reactor fuel from other countries and separating plutonium from it;

Spend $1.9 million to contribute to "government work," by which they really mean helping the government to produce more plutonium for its own needs, which include making nuclear bombs.

"Adequate fuel supplies," "safeguards for controlling proliferation," "contributions to government work," Mr. President, the Senate has never heard so many euphemisms for justifying the eventual commercial use of plutonium—nuclear bomb material and one of the most toxic substances known to man.

In contrast, the $1 million, which we support, is for a "study of the potential activities that could be conducted at the Barnwell facility in connection with the consideration of alternate approaches to the issues of non-proliferation, safeguards and waste management." But I believe it should be clear that any money we authorize should be for these purposes and not for the Barnwell payroll or for moving the plant toward producing plutonium. Indeed, I have the most serious concerns about the propriety, the safety, the economics and the foreign policy implications of moving ahead with the Barnwell reprocessing facility.

THE PROPRIETY

I wish to emphasize again that this would be the first time that the federal government subsidizes any commercial reprocessing plant in this country. Here we are talking about spending $13 million to beef up Barnwell's payroll and check out its plant. This is the business of Barnwell's owners—not the Federal Government. Moreover, Barnwell continues to face formidable technical and regulatory problems. Are we paving the way for a $250 million to $1 billion bail-out of this facility which will then turn out to be a white elephant? Two processing ventures owned by General Electric and Nuclear fuel services (a subsidiary of Getty Oil) failed before this one. The owners of Barnwell are Allied Chemical, which has experienced regulatory difficulties in the past, Shell Oil and Gulf Oil, which has admitted to involvement in an international uranium cartel. They have sunk $250 million into Barnwell to date. Barnwell's owners have been lobbying ERDA officials to support federal financing for completion of the facility—which may cost an additional $500 or $750 million. Must the Government now begin to bail out three of our largest corporations which have financed the Barnwell facility?

PUBLIC HEALTH AND SAFETY

On the safety aspects, this $13 million would move us even closer to dependence on plutonium—one of the most toxic substances known to man. Six-tenth of one microgram of plutonium is the maximum permissible dose for a single human being.

Others claim that we need reprocessing to take care of our spent fuel storage problems. But, in fact, these problems would be exacerbated, rather than alleviated, by reprocessing. One need only look at the reprocessing failure at West Valley, New York—where the GAO estimates that we will need over $500 million just to de-commission the the plant and dispose of the highly radioactive liquified waste.

We must ensure that these environmental and safety hazards are overcome before proceeding with this technology. The nuclear regulatory commission has studied these questions for several years and has not yet reached any conclusion on whether to permit reprocessing to proceed on a commercial basis.

We therefore owe it to the public health and safety of this country to explore safer alternatives before taking all but irrevocable steps toward a plutonium economy.

THE ECONOMICS

Beyond the safety factor, we hear many arguments on the economics of reprocessing. One argument is that an energy situation requires that we move now on reprocessing. Let us examine this.

Proponents of this technology assert that plutonium recycle would reduce uranium requirements by some thirty percent. However, what does this mean in terms of our electrical generating capacity between now and the year 2000? In fact, such recycle would make a marginal one or two percent reduction in the price of electricity at most, or it could be a net loss.

We have the time to explore the alteratives to this dangerous and economically marginal technology. The estimates or our nuclear power growth have been drastically reduced. The administration now projects about 350 nuclear reactors in this country by the year 2000, whereas just five years ago the figure was 1200 reactors. Taking into account the known and probable uranium reserves of 1.8 million tons, then we have sufficient lifetime loads for that number of reactors without plutonium recycle. Therefore, there is time to examine alternatives and avoid premature movement toward a plutonium economy.

If, in the end, we conclude some form of recycle is needed for a breeder economy, the spent fuel is there to be retrieved and reprocessed, and we have lost nothing.

THE FOREIGN POLICY IMPACT

I am convinced that our funding Barnwell at this time will have adverse effects on the non-proliferation policies of our country. These are policies which have been adopted by both the Ford and the Carter administrations. Both administrations decided to indefinitely defer commercial reprocessing in this country—to put our security ahead of our commercial interests.

In point of fact, we do not need the plutonium commercially and we do want to prevent increased access to this nuclear bomb material by other countries. As Secretary of Defense Brown has pointed out, commercialization of plutonium use will increase the risk of nuclear proliferation, which is "clearly inconsistent with our national security interests."

The current system of international safeguards is good enough for the current generation of light water reactors. It does provide timely warning for diplomatic efforts to work in the event of a diversion to weapons purposes. But the stark reality is that the safeguards system is not adequate for a plutonium economy. Stockpiles of pure plutonium, resulting from reprocessing, could be converted into bombs in a matter of weeks or days. The warning function of safeguards would vanish.

This is an important reason for the decision of both President Carter and President Ford to defer commercial reprocessing indefinitely—and for this administration's call on other nations to join us in examining safer fuel cycle alternatives, as well as fuel cycles that conserve uranium. The executive branch is presently engaged in consultation with some thirty other nations, both suppliers and consumers, on an international nuclear fuel cycle evaluation which will develop nuclear fuel cycles with lower nuclear weapons risks. Getting the agreement of many of these countries will not be easy. Some of them assert that the President's new non-proliferation policy is commercially motivated—that we want to buy time to enable us to overtake them in plutonium technology, with the commercial advantages that may ultimately mean.

For us now to use $13 million to bail out Barnwell would be used by our foreign critics against us. They would accuse us of gross inconsistency—indeed a two-faced policy. We would be in the position of saying, in effect, that plutonium is good enough for the United States but not good enough for other countries.

The President deserves our strong support for his global non-proliferation efforts. For these efforts to succeed, they must limit the access of nations to the materials that make nuclear bombs—most importantly highly enriched uranium and plutonium. Our country has moved effectively to prevent foreign plutonium projects, for example in South Korea and Taiwan. It is working hard to prevent others in Pakistan and Brazil. Rethinking about the desirability of plunging into commercial use of plutonium is taking place in Germany, Japan, the U.S., among other industrialized nations. Just last month, the Germans indicated that they would not export any additional reprocessing plants. The French reached the same decision last December.

Given these efforts and hopeful signs, surely now is not the time for us to approve funds for commercializing plutonium use at home, just as we are trying to prevent this from happening abroad. And at a minimum we should carefully weigh all the arguments—economic, safety, non-proliferation—before we make a final choice.

In a fact sheet prepared for Congress, Barnwell's owners talk about "acquisition on some basis of the Barnwell site and facilities by the U.S. Government." This may not be a bail-out, it may be a buy-out. Given these prospects, the most prudent course for the Congress is to approve a $1 million study, as provided for in our amendment. When it is completed next year and the facts are in, Congress can make a wise decision about the future of Barnwell.

In sum, now is not the time to fund Barnwell. It has not met the tests of the nuclear regulatory commission. It would send exactly the wrong signal in the midst of our delicate diplomatic efforts to prevent the spread of plutonium. I have reviewed the bail-out aspects, the environmental and safety implications, the questionable economics, the proliferation risks, and the adverse effect this funding would have on our international efforts. These all argue, I believe most persuasively, for rejection of this $13 million for Barnwell.

Mr. KENNEDY. I yield to the Senator from Illinois.

Mr. PERCY. I thank my distinguished colleague. Some of the questions he has raised are the very questions in the mind of the Senator from Illinois.

As enunciated in a "Dear Colleague" letter of July 9 which the Senator from Massachusetts initiated, Mr. KENNEDY and I stated that we intended to introduce an amendment to delete $13 million in Federal funds for the Barnwell project but to retain $1 million for an ERDA study of alternative uses of this plant.

The amendment now being offered by the distinguished Senator from South Carolina, would make up to $14 million available for a study to see that the plant was consistent with policies of the administration. This amendment is vastly different from the one the Senator from Massachusetts and I intended to introduce.

It is difficult for the Senator from Illinois to conceive of a study that would require $14 million when the administration before had supported a study that it was estimated to cost $1 million.

What is the administration's position? Who speaks for the administration? The Senator from Illinois wishes to support the amendment that was clearly in accord with the letter received from Dr. Schlesinger to support the nonproliferation policies of this administration. So the Senator from Illinois would appreciate a clarification as to what the administration's position now is.

Do they support the amendment of the Senator from Massachusetts or do they support the amendment of the distinguished Senator from South Carolina (Mr. HOLLINGS) who indicates he has worked out some sort of an agreement with the administration?

Mr. KENNEDY. I will take first crack at that and then I shall yield to my colleague from South Carolina.

The administration's initial position was to support the $1 million study, and to knock out the $13 million. That was the position which was enunciated by Dr. Schlesinger in his letter.

I understand your amendment would retain the $1 million to be spent for such a Government study. This could be used to evaluate alternatives within the framwork of the international fuel cycle evaluation program. The administration does endorse such a study, while reaffirming opposition to the $13 million Government funding of the Barnwell facility.

That was in support of the amendment offered by myself and the Senators from Illinois (Mr. PERCY), California (Mr. CRANSTON), Connecticut (Mr. RIBICOFF), and now Colorado (Mr. HART). That was in the position on Friday before the break on the 2d of July.

Mr. President, I request consent for the entire text of Mr. Schlesinger's letter of June 30 to be printed in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D.C., June 30, 1977.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: I understand you intend to offer an amendment that would remove $13 million for work at the *Barnwell* reprocessing facility. The Administration strongly endorses such an amendment.

As proposed recently by Congressman Butler Derrick, it would be appropriate to have an in-house study of the alternative uses that might be made of such a plant. I understand that your amendment would retain $1 million to be spent for such a government study. This could be used to evaluate alternates within the framework of the International Fuel Cycle Evaluation Program. The Administration does endorse such a study, while reaffirming opposition to the $13 million government funding of the Barnwell facility.

Not only would such a step be inconsistent with the President's non-proliferation policies, it could link the government into a half-billion dollar commitment.

Sincerely,

JAMES R. SCHLESINGER,
Assistant to the President.

Mr. KENNEDY. Then we had some informal contacts from the administration in an attempt to try to adjust this particular issue, to see if a compromise could be worked out to the extent of up to $5 million for the study, with the further limitations that have been outlined in the bottom part of the Holling amendment. The administration felt this would be a reasonable position for adjustment and for compromise.

Although even up to $5 million troubled me, quite frankly, in terms of the second issue—that is, bringing the U.S. Government into the underwriting of a facility while a study takes place as to what to do with the facility—I was prepared to recommend to my cosponsors that we move ahead and accept this figure if it were acceptable to the Senator from South Carolina.

Now, the Senators from South Carolina come in with an amendment of up to $14 million for the study, and they indicate that they have the administration's support for that particular position. But, having indicated what I understood the administration's position to be, I will let the Senator from South Carolina answer.

Mr. PERCY. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. I yield to the Senator from South Carolina to add anything to that.

Mr. HOLLINGS. Let me try to answer that. Let us begin with the hearings and begin with the study and the associated developments.

This particular facility at Barnwell has been with us over a 17-year period. I started with the planning over 17 years ago, and detailed design work actually started in 1969 and construction in 1971, and just completed for about $250 million.

This is not the first time that the idea of a study of Barnwell has been brought to the attention of the Senate—I am answering the questions with respect to the consideration of how you get to this $14 million.

For example, Senator RIBICOFF, after very thorough hearings, on April 26, 1976, made a very profound, comprehensive statement with respect to nuclear proliferation, and within all his misgivings about it internationally and he had this to say over a year ago on the floor of the U.S. Senate:

That the United States should consider utilizing the soon-to-be completed reprocessing plant at Barnwell, South Carolina, for these purposes under multinational management and IAEA safeguards.

Now, let us get right to this particular matter of research. You will find in the authorizing bill not $1 million, not $13 million, not $14 million, but $349 million—$349 million fuel cycle research and development—$349 million.

Mr. PERCY. Is that for Barnwell?

Mr. HOLLINGS. That is for all research in different programs.

Mr. PERCY. That is right.

Mr. HOLLINGS. Twenty million dollars in there for international spent fuel disposition. It does down the list.

Mr. PERCY. The Senator from Illinois is well aware of the fact that this is one-sixth of the budget and of the whole energy program.

Mr. HOLLINGS. Exactly.

Mr. PERCY. We are talking about how much is being appropriated for Barnwell.

Mr. HOLLINGS. That is right.

Now, what occurred was that the Office of Management and Budget asked the Allied General facility to give them a detailed breakdown as to what was contemplated that would comprise a $14 million study and testing, and it is right here in some 15 pages describing everything to be done from alternative fuel cycle development to process technology development, and including the safeguards evaluation program, the transportation, training, and evaluation programs and, of course, the Allied General expenditures themselves.

Incidentally, Allied General will spend in just interest payments, not study or research, on the $250 million they have invested, $25 million in the next year. When we are talking about a $14 million study, Allied General is just going to have to pay the interest payments to keep it alive.

Mr. KENNEDY. Mr. President, I think I still have the floor. I wanted to yield to the Senator from South Carolina to answer the question.

Mr. HOLLINGS. I would like to answer his question to get right down to the breakdown. Are you going to let me answer the question?

Mr. KENNEDY. I will. Maybe you can tell us how much of the $349 million deals with reprocessing.

Mr. HOLLINGS. All of it deals with the nuclear fuel cycle, the various phases of it.

Mr. KENNEDY. Of plutonium?

Mr. HOLLINGS. Not exactly plutonium.

Mr. KENNEDY. "Not exactly."

Mr. HOLLINGS. That is right, but it has that secret or catch word "reprocessing," that is disturbing. That is exactly what it says in the bill, fuel cycle research and development. So there you are.

When you come right down to it, this particular facility is useful for research—and I will be glad to read this to you, how it was broken down in detail. Now, mind you, you asked for the administration position. The administration went and saw the plant and returned and sat down with the President, and they worked out some language with the State Department. We discussed the matter. I had what I thought was even more affirmative language, but today they called the President, which had to be about 2:15 this afternoon when he answered the call, and said this was the language that had been worked out. The language we and the President agreed to says "up to $14 million," and I think I can say, having talked to Kitty Schirmer, and having talked to, I think the gentleman's name is, Elliott Cutler, having talked with Frank Moore, they told me at 2:25 this was their position, they accepted the language we discussed and that is now in my amendment today, and they said, "You go and put the amendment in or Senator KENNEDY." And I said whatever Senator KENNEDY desires, I would cosponsor it, or if he wanted the pride of authorship he could put it in or we could do it both together, because the Senator was unavailable because he was holding the floor on a nomination for the past couple of hours. So this was worked out, and this was the administration's position.

Mr. PERCY. Mr. President, the Senator from Illinois has a very simple question. Is this $14 million to be spent exclusively for a study and, if so, who is going to do that study? Is it going to be done by ERDA? Are grants going to be made to Allied Chemical, to Gulf, and to Shell Oil?

The second part of the question is, will we invoke the principle, which Dr. Schlesinger pointed out in his letter of June 30 in support of the deletion of Barnwell funding, that the $14 million "could link the Government into a half-billion-dollar commitment"?

That is what the Senator from Illinois would like to know. Is this just the first lift under the tent? Are we now starting to put money into what otherwise has been an entirely privately financed venture of $250 million having been invested by a consortium? They have done so with their eyes open, with the recognition and knowledge that they are taking some risks but they have been willing to do so.

But I wonder now is the Government going to be suddenly a partner in this. If so I think that might be something that should be commented on.

Are we now being brought into this and just like the SST? We were concerned that the deeper we got into the SST the more we were committed to go in that direction. But the Senate decided no, we were not going to and stopped it.

Those are the two parts of the question the Senator from Illinois had as to what this money was going to be spent for if we conduct this $14 million study.

Mr. HOLLINGS. Mr. President, if the Senator will yield, may I respond to the Senator's question?

Mr. KENNEDY. Yes.

Mr. HOLLINGS. The money in the authorizing bill of the Senator from

Idaho is under the direction and contract authority of the Energy Research and Development Administration. Barnwell will receive contracts but only up to a certain amount, and the amounts are not fixed. The amounts are not specified, so it will be up to the Government to decide. There is no money to go directly to Barnwell, and there is no kind of commitment to this particular facility as to its purchase for $500 million.

That was a rather hastily drawn letter from Dr. Schlesinger's office. The Senator can look at the bill himself and realize that nothing of that kind was contemplated by the authorizing committee or by the Appropriations Committee, nothing of that kind whatever.

But with very valid studies, we found out over the weekend that a cold run without actual spent fuel will do. If they had a cold run, by gosh, of that oil pipeline in Alaska they would have found out something else could come out of the cold run. And they also would find out that all of the stainless steel in the southeast is at one place. It is at this particular facility, if you have ever seen a $250 million reprocessing plant, and all of the gadgets to go with it. They were not worked hot right now. They are all cold. But you have to test all the manipulators under assumed hot conditions. But they are not hot, are not processing spent fuel. I want to emphasize that.

All of those facilities have to be tested out, and they have to have a team there to do it. Also, all the research will be done under contract and all under supervision of the ERDA, and it will not commit the Government to any kind of purchase of $5 much less $500 million.

Mr. PERCY. Mr. President, will the Senator from South Carolina yield?

Mr. KENNEDY. Mr. President, could I respond to the Senator first?

Mr. PERCY. Surely.

Mr. KENNEDY. The fact of the matter is that the question of the Senator from Illinois is an excellent one, and that is whether we are being asked just to authorize $14 million, whether it is coming through ERDA or not. Or is this basically the camel's nose under the the tent? The reason that that is a fair question is because the Ford administration is known to have estimated that the completion of this particular facility would be $750 million extra, and Mr. Schlesinger estimates it is going to be a half billion dollars extra.

If the Senator from South Carolina can say that we put in $14 million this year that will be the end of it, put me on as a cosponsor. I think that the further limitations over use of the funds, that have to be included in the amendment of the Senator from South Carolina, clarify dramatically the ambiguities and dangerous interpretations which I think any reasonable reading of the original report and breakdown would raise.

But when we have the company itself, the Barnwell owners talking about acquisition on some basis of the Barnwell site and facilities by the U.S. Government, the Senator from Illinois is entirely correct to ask whether this is not just sort of the beginning of an open-ended Government commitment.

But the Senator asks an entirely legitimate question and, of course, basically what we are discussing here is the cost of these programs. There have been two other reprocessing plants built on the basis of commercial judgments and decisions by General Electric in Morris, Ill., as well as the Getty Oil subsidiary in West Valley, N.Y., Both have gone under, but neither came to Congress and asked for just a few more million dollars to study and find out what they were going to do. They made a commercial judgment on it, and they took the consequences of that judgment.

We are being asked now, in the face of the Barnwell proprietors saying they may very well be back up there to ask Congress to bail them out, without any assurances from its supporters that they are not going to be back here next time saying, "this time it is going to be $25 million." This just seems to be unwise.

Finally, I do want to state that I think the definitions of what this money will be used for in this study are vastly superior to the earlier and troubling ambiguities regarding the proposed use of that facility. Personally, I have no qualms about what work would be done in Barnwell, on the basis of a very substantial improvement over the earlier appropriations language. But it seems to me that we then have to ask what the $14 million study is going to be used for. It is nice to think that ERDA will only use those resources which it may feel is necessary, but we have not yet received assurances that they might not use all of the $14 million.

And it seems to me that is troublesome.

Mr. PERCY. Mr. President, will the Senator from Massachusetts yield for a moment? The Senator from Illinois was pleased to hear that something had been worked out. I think it is desirable. The three major contractors have a way out—there is no question. It may very well be that the previous administration, the Republican administration, had encouraged them to enter into this facility. They may have been going into it with their eyes open but they may also have felt they were moving in a direction highly desired by the Federal Government at that time. Now there has been enunciated a change by the Chief Executive Officer, President Carter. He has enunciated to the world that he intends to go in a different direction than we intended before. The Senator from Illinois is concerned about the way we were proceeding before. But now we are asked to consider an amendment of $14 million for a study to be done by ERDA, I wonder how consistent it is with a letter that Robert Fri, acting ERDA administrator, sent just as recently as June 17 to Senator CHURCH. Mr. Fri said:

> First, until the ERDA nuclear fuel cycle evaluation is complete we do not know what process we might want to demonstrate. Second, because Barnwell is a commercial size plant it is not clear that it would be economic as a demonstration facility.

The Senator from Illinois would really just like a clarification from the administration. Dr. Schlesinger has said one thing and Dr. Fri has said another. Dr. Fri supported deleting the funds up until some time this morning. The Senator from Illinois would like to get clarifications from both ERDA and from Dr. Schlesinger as to what the administration position actually is, and whether or not it is consistent with their enunciated policy, with which the Senator from Illinois is in full accord to not go the plutonium route.

I agree that the wording of this amendment is well done. It may well be that "up to $14 million" does not mean that they intend to spend up to $14 million at all. The Senator from Illinois could sponsor a $1 million, $2 million, or $3 million study. But the Senator from Illinois is just a little suspicious about $14 million for a study.

One can build very substantial facilities and proceed in a direction that it is very difficult to stop. We might then be partners with Allied-General.

We are in the position where we can stop, look, and listen. We should proceed with great caution. That is all the Senator from Illinois wants to be certain we are doing.

Mr. KENNEDY. I say to the Senator from Illinois it would seem to me that we could take some limited figure for the study. Then we provide for supplemental funding should there be further justification for doing so. The case could be made along the lines that have been outlined in this particular amendment.

I am sure the Senator from Illinois, as well as the Senator from Massachusetts, would not be opposed if that case could be made. But we ought not, in this particular circumstance, to go for the whole amount, particularly with the shape and the form those particular studies are in. This is totally different from what the Barnwell supporters gave to us last week. They indicated how that money was going to be expended—$7 million for assuring adequate fuel supplies, then another $4 million on safeguards, and $2 million on international centers and contributions to Government work. We now have that being altered, I think in a very constructive way. But it seems to me that if we are just trying to figure out what our response should be and what the funding should be, we ought to have a reduced figures; and then, if the case is made in terms of need for that particular facility, we would have an opportunity to consider it in connection with a supplemental at a later time.

Mr. President, is there an amendment before the Senate?

The PRESIDING OFFICER (Mr. CULVER). The amendment has not been offered.

Mr. THURMOND. Mr. President, if I may inquire, is the distinguished Senator from Massachusetts going to offer his amendment?

Mr. KENNEDY. I have an amendment, No. 488, that has been printed, and which I am prepared to call up. I have, in conversation with the Senator from South Carolina, been trying to work out whether there was some acceptable process by which the differences could be worked out. In the meantime, I am prepared to call that up.

The Senator from South Carolina had talked and elaborated on an entirely different approach, and we were ventilating our differences on it. But we do have amendment No. 488, which I shall call up if we are unable to make a satisfactory adjustment.

Mr. THURMOND. Mr. President, I would hope the distinguished Senator would not offer his amendment. This is a very important matter. It concerns our entire Nation.

During the past week, the Governors of the States met in Washington with the President, and they commended him for his conservation recommendations and policies, but they frankly told him that his production of energy policies was inadequate and insufficient.

I believe President Carter's reply was, "This has been helpful and we have learned a lot from it," or something to that effect.

There is no question, Mr. President, that President Carter has not come up with production of sufficient energy policies to supply the energy this country needs. Our Nation is an industrial nation. It requires more energy than an underdeveloped country. It requires more energy because we have more smokestacks, more wheels turning; we produce more finished goods than the rest of the world, and we must have the energy.

For years and years our Government has tried to induce private industry, the private sector, to go into the area of reprocessing, and they finally induced Allied General to go into this field. They have spent $250 million to build this plant down at Barnwell. They have assembled there the best scientific brains and the best nuclear experts in the United States to operate the Barnwell plant. They have employed hundreds of other people there, from guards to doorkeepers and all the various other positions that had to be filled. They have exerted every effort possible to cooperate in every way with the Government on this project.

As I said, the Government induced those people to go into the project. Now, simply because of a change in the administration, I ask you, is it fair, is it just, is it honorable for the Government to now say to them, "We are not going to keep faith with the program that we entered into"?

Mr. KENNEDY. Mr. President, will the Senator yield on that point?

Mr. THURMOND. I would like to finish first, if the Senator does not mind. Then I will be glad to yield to the distinguished Senator from Massachusetts.

Mr. President, the Barnwell plant was designed to reprocess radioactive fuels, to extract useful uranium and plutonium. The Appropriations Committee has included $1 million for ERDA research or study. It has included $13 million for pilot programs. If we are not going to use this plant for commercial reprocessing—and the President objects to the use of this plant for commercial reprocessing—the $13 million will be required for maintenance of the plant and to carry on the pilot studies, to hold these scientists together, and to keep the plant going. It is much better for private industry to undertake commercial reprocessing than for the Government to do it. It costs the Government more to do everything, or anything, than it does the private sector. As I have stated before on this floor, this new Senate office building over here, the Dirksen Building, cost the Government $25 million, and then $5 million more to correct defects—$30 million.

A contractor from my State was up here, Charlie Daniel, the head of one of the biggest contracting companies in the whole United States. I said, "Charlie, I think this building cost a lot; I would like to know if you would mind looking it over and telling me what you would build it for."

He did, and he came up with a figure of $15 million—one-half of what the Government paid to do the job. Mr. President, I think we made a mistake in trying to inject the Government into everything. I think it is better to let the private sector do its will.

Here is a company in the private sector that has invested its money and is ready to go forward, willing to do the job; there is no question about that.

The point is raised that we ought not to have commercial reprocessing, that it may lead to proliferation. Mr. President, I think President Carter is foolish if he thinks he can stop commercial reprocessing. Great Britain is going ahead with it, France is going ahead with it, Germany is going ahead, Japan is going ahead, Israel is going ahead, India is going ahead, other countries are going ahead, and it is ridiculous to think, when the genie is out of the bottle, that we can now stop.

Safeguards, yes; of course. It is important that we have safeguards. Safeguards will be provided in every way possible. But on this proliferation question, I say to you that a pilot study could be run at this plant that would be helpful to the whole nuclear energy field, so far as that is concerned, and part of this $13 million could be used for that purpose.

Then we have the question of fuel supplies. Where are we going to get fuel supplies? We have a lot of uranium in this country. Are we going to use it, or just exhaust all the coal, oil, and gas, and not go to nuclear fuel?

Mr. President, I want to state here and now that in my judgment the most practical source of energy for the future is nuclear power.

It has been estimated that in a few years oil and gas will be exhausted. We have coal which, it is said, will last us for some years. Coal does produce considerable pollution. But I say, we have uranium in almost unlimited supplies, from which we can produce fuel, power, and energy. Why not take advantage of it?

I hear the statements made by some environmentalists. I am an environmentalist. I love the trees, the lakes and rivers, and the great outdoors, and I love to take out my family. But some environmentalists go too far. We have to balance both sides, the environmental side with the economic side. I hear some environmentalists say, 'You will have a leakage and there will be trouble. Therefore, we are opposed to the Barnwell plant."

I want to say I have not heard of anybody being killed in my State by nuclear energy. We have a plant in my county, the Savannah River plant, which was started in 1950. Nobody has been killed or injured there.

The last year that I practiced law in Aiken, I represented families in which a member of the family was either killed or badly injured from gas explosions.

I do not know anybody in this country who has been injured by nuclear power. It is a big scare.

I will say that we had better look forward to nuclear energy. It is the best source America has for new energy. We can get it quickly.

As much time as has been taken to get a license through to build a nuclear plant is ridiculous. We need more nuclear plants. We need reprocessing plants, just as I think we need the breeder plant in Tennessee and elsewhere. Nuclear energy offers America hope for getting energy and getting it soon.

There are some who oppose hydroelectric plants. That is another source to which we have to go, where they have the right sites.

Mr. President, I want to say that in my opinion we must go forward. If they do not want to do commercial reprocessing at Barnwell, we could have governmental reprocessing done there. The spent fuel from the Savannah River plant could be reprocessed as well as the spent fuel from other plants. The Barnwell plant is set up and ready to go with a big investment and could be used for that purpose.

Mr. President, if necessary, this plant could be used for an international nuclear center.

In any event, any way we look at it, this Barnwell plant should not close. We need this appropriation to keep it going. Our country needs it. The United States needs this plant. I hope the Senate will see fit to allow this appropriation to remain in the bill so we can go forward and give the President of this great Nation the discretion to use this developing nuclear energy, in carrying on tests, in carrying on research, which this country so badly needs to produce more fuel.

Mr. ABOUREZK. Will the Senator yield for a question?

Mr. THURMOND. I will yield as soon as I am finished.

Mr. ABOUREZK. I wanted to ask a question.

Mr. THURMOND. I said I will yield when I finish. I will be glad to yield to the distinguished Senator as soon as I finish, but I intend to finish.

Mr. President, with all of the shortage in energy we have today, it has been predicted that it may not be long before we have to have gasoline rationing or other drastic measures. The President has even proposed that we put a large tax on gaslone. Well, the workingman has to go to work. Who is that going to hurt? It is going to hurt the workingman more than anybody else. It is going to hurt the workingman who has to make a living and uses his automobile to go to work.

Mr. President, we can avoid all of this. We can avoid all of the inconveniences

which would happen here if we go forward with the development of nuclear energy. We need this particular plant in the overall field of nuclear energy.

Again I say, I hope the Senate will see fit to go forward and not allow itself to be deterred by a few people who want to stop this plant for one reason or another. Our country must have energy and this plant would help to provide it. I will be glad to yield to the distinguished Senator from South Dakota.

Mr. ABOUREZK. I thank the Senator.

To be honest, I did not know very much about this particular issue until I listened to the debate over the past hour or so. There were some fragments of information which came out during the exchange between Senator HOLLINGS and Senator KENNEDY. I just want to try to clear up a couple of things in my own mind, if I might ask a question or two.

This is a privately owned nuclear reprocessing plant, as I understand it.

Mr. THURMOND. That is correct.

Mr. ABOUREZK. One owner is the Gulf Oil Co. Who else owns the plant?

Mr. THURMOND. I did not understand the Senator.

Mr. ABOUREZK. Who are the owners of the plant?

Mr. THURMOND. It is a conglomerate. Allied General is the name of it.

Mr. ABOUREZK. And Gulf Oil?

Mr. THURMOND. I believe they have an interest in it.

Mr. ABOUREZK. Are there any other oil companies in it?

Mr. THURMOND. I do not know of any other oil company.

Mr. KENNEDY. As I understand, Gulf, Shell, and Allied Chemical are the three major holders of this plant.

Mr. ABOUREZK. And I understood the Senator from South Carolina to say that the Government talked this conglomerate into building the plant several years ago.

Mr. THURMOND. That is my information. Our Government, through the Atomic Energy Commission, encouraged the building of this plant and enticed them into building it because they felt it would be necessary in this nuclear area.

Mr. ABOUREZK. Did they sign an agreement of any sort with the conglomerate?

Mr. THURMOND. I do not know of any agreement they signed.

Mr. ABOUREZK. So, in effect, they made an inducement but there is no commitment on the part of the Government?

Mr. THURMOND. There is no legal commitment, but I think there is a moral commitment, and a moral commitment ought to be just as strong as a legal commitment. A man's word ought to be as good as his bond, and his bond ought to be as good as his word. If they encouraged them to go into this, thinking it would help this country, and they went into it with that purpose in mind, and since it is a private concern, it seems to me that simply because there is a change in the administration they should not try to repudiate this moral arrangement.

Mr. ABOUREZK. As I understand it, the plant is closing. What is the reason that the plant will no longer be open?

Mr. THURMOND. The President does not want this fuel reprocessed there because he claims proliferation will take place, that terrorists would get hold of the ingredients. That is the main reason I have heard advanced by the present administration.

Mr. ABOUREZK. And it is the argument of both Senators from South Carolina that the Government ought to provide funding to keep the plant open now?

Mr. THURMOND. We think the Government has a use for this plant, that it can be very valuable to our Nation, that is correct. We think the research which can be conducted there, the studies which can be made there, and the pilot programs which can be conducted there would be invaluable to our Nation. I predict that sooner or later, we will go forward with more nuclear fuel and that this plant is going to be badly needed.

This is a temporary decision made by the President, I believe. I would not be surprised if he reversed himself on it. As I stated, when he met with the Governors last week, they commended him on his conservation program but they said, "You have not come up with a production program." Some of the Governors had that in mind, to go forward with nuclear energy, to go forward faster with solar energy, to go forward with hydroelectric plants. In other words, we have to have the sources of energy, and the nuclear field offers the best of all, I believe.

Mr. ABOUREZK. Does the company which owns the plant anticipate the Government will eventually buy the entire plant from them?

Mr. THURMOND. I do not imagine they want to sell it, but if the Government wants to take it over, I think they would sell it to them.

Mr. ABOUREZK. They do anticipate that, then?

Mr. THURMOND. I say if the Government wants to buy it. They would prefer to operate the plant, but if the Government does not want to buy the plant—they are not asking to sell it, but if they are going to close them down, I imagine they would want to sell it.

Mr. ABOUREZK. I do not see where the Government itself is closing them down. What has happened is the plant is closing. The Senator is asking——

Mr. THURMOND. It is closing because of the present policies of the Government.

Mr. ABOUREZK. So, in essence, if we vote any money for this particular plant, it means that Gulf Oil and Shell Oil and Allied Chemical are going to be, in essence, bailed out, at least to the tune of $14 million, this year.

Mr. THURMOND. It is not so much "bailed out." Is the Senator trying to arouse prejudice, now against Allied General Nuclear Service because they spent their own money down there to build a plant and reprocess this fuel so we can have more energy in this country?

Mr. ABOUREZK. No, I am not trying to raise prejudice against them. I just want to find out exactly why they wanted the money and where it is going to go.

Mr. THURMOND. They would rather do that alone. They would rather go forward with commercial reprocessing. That is what they built it for. They are willing to invest their own money, run their own risk, and take their own chance. But now, when the Government comes in and changes the whole policy and wants to close down this plant, and after they have gotten the scientists together from all parts of the country and they are ready to go and reprocess, now they are told, you cannot do it.

Mr. ABOUREZK. It seems to me, from the basic facts of the situation that the Senator has given and that I have heard in debate here, that this is another one of those cases of nationalization of a part of an industry. True to our history, we nationalize only those that lose money. We do not nationalize any that make money.

Mr. THURMOND. It is my understanding, furthermore, that this company, the Allied General, would probably put in about $8 million more here in order to conduct pilot studies.

Mr. ABOUREZK. I think we should suggest that we nationalize Gulf Oil, because they are showing a profit now.

Mr. THURMOND. In order to hold these people together and keep this plant going and for the good of the Nation, it seems to me that this is a little enough amount to maintain this plant.

Mr. ABOUREZK. I wonder if—and I am saying this half facetiously, of course—it would seem to make more sense for the Government to nationalize Gulf Oil's oil operation and let them keep the nuclear processing plant, because the oil operation is apparently making money and this thing is losing money. Why do we want to take over a loser?

Mr. THURMOND. Of course, the Senator and I are on the Antitrust Subcommittee. I think his position is well known there on some of these matters, so I do not know that he and I have much in common in this particular field.

Mr. ABOUREZK. I guess where we differ is that the Senator wants to take over the losers and I would just as soon take over the winners.

Mr. THURMOND. We have a winner now. All we are asking is for the Government to keep its fingers off it.

Mr. ABOUREZK. I thank the Senator for responding to the questions.

Mr. THURMOND. The Senator is welcome. I am very glad to respond and I hope I have converted him.

Mr. President, in closing, I just want to say that it would be a great disappointment to the people in this country who are trying to provide new sources of energy for this plant to be closed down. It would be a great disappointment to the hundreds of people who have jobs down there, including the leading scientists in the Nation.

It would be a great disappointment to all who are interested in providing more energy for this Nation, at a time when we need energy, to close this plant down.

Mr. President, I hope the Senate will see fit, in its wisdom, in looking to the future for more energy and to carry on pilot programs—which we can do here,

which will save the country, I think, hundreds of millions of dollars in the future if we do this, not to close this plant down. I hope the Senate will see fit to maintain this appropriation.

I believe my distinguished colleague from South Carolina has worked very closely with some of the administration people. The amendment here is now up to $14 million. If it can be done for less than $14 million, well and good. If it takes that much, then it should be used. But under no condition do we feel that it is fair, that it is just, or that it is in the best interests of the Nation that we close down the Barnwell plant.

ADDITIONAL STATEMENT SUBMITTED

Mr. HANSEN. Mr. President, the Committee on Energy and Natural Resources, in reviewing the President's recommendations for the fiscal year 1978 ERDA nuclear program in the areas of reprocessing, spent fuel storage and disposition, and alternative fuel cycle evaluations, reviewed the merits of Federal use of the Barnwell, S.C., facility of Allied General Nuclear Services. The committee concluded that fiscal year 1978 activities should include two types of effort at the Barnwell facility. The first effort, with a total authorization of $1 million, would be a study to determine if that facility could be utilized in support of the various new initiatives for nuclear nonproliferation. The study would involve evaluating the use of the facility for demonstrating improved safeguards equipment and procedure, demonstrating less proliferation potential fuel reprocessing, demonstrating new institutional approaches for nonproliferation, evaluating various multinational and international management options and evaluating special safeguards devices. The study will be completed within 6 months after funds are made available for its conduct and will include specific recommendations resulting from the reviews.

The second effort adopted by the committee is for $13 million in research, development, assessment, evaluation and other activities at the Barnwell facility as part of the alternative fuel cycle R. & D., increased safeguard research and development, and continued waste management research and development whichever resulted from the President's April 7 redirection of our nuclear research and development program for purposes of nonproliferation. This $13 million in activities at Barnwell will be part of a much larger overall redirected R. & D. program in these proliferation-related areas. The Barnwell facility will provide an immediately available capability for the conduct of this R. & D., since it was designed and partially completed for similar technical and institutional activity related to the reprocessing of spent nuclear fuels. Consequently, the facility provides a unique opportunity for the redirected United States program to get a quick start in moving toward the President's goals for a more proliferation-resistant nuclear R. & D. program.

Mr. President, I think it is particularly noteworthy that the Appropriations Committee has separately considered this matter and come to exactly the same conclusion on the facility. At this point, it perhaps would be helpful to fully explain the background and rationale for our actions. I am sure that my colleagues on both the Energy Committee and the Appropriations Committee would support this discussion, so I commend it to your attention.

President Carter's April 7 nuclear power and nonproliferation policy statement called for the United States to indefinitely defer the commercialization of nuclear spent fuel reprocessing. As a result, the Barnwell facility, which was begun as a commercial reprocessing facility, could no longer be completed and operated in that capacity. This new nonproliferation policy departs from President Ford's Oct. 28, 1976 policy which stated that U.S. programs should not assume commercialization of reprocessing. The distinction between the Ford and Carter policy statements involves a very real diffence. The Barnwell reprocessing operations could have been continued under the Ford policy, but since they have been categorized as commercial, albeit a first commercial facility of this type, the Carter policy would not support the operation of the project. This, of course, is true because of the licensing requirements for reprocessing facilities pursuant to the Energy Reorganization Act of 1974 and the Atomic Energy Act of 1954, as amended.

The change in policy, unfortunately, comes after the Allied General Nuclear Services Co., invested some $250 million into the Barnwell plant. The company did so at the express invitation of the Federal Government which, beginning in 1956, encouraged corporations to get into the commercial reprocessing business, in fact, in order to attract private investment, the Atomic Energy Commission sold land at its Savannah River site to the company and gave it a license to proceed with construction. Consequently, there is an element of basic public policy, fairness, and equity involved in the shutdown of the Barnwell facility.

This is not to say that the action which the Energy and Natural Resources has taken is motivated by any form of "bailout" of the contractor. Rather, it is a full recognition of the needs of our redirected program for a facility such as Barnwell, and the concurrent availability of the Barnwell facility as a result of this reversal in 20 years of Government policy in encouraging the company to proceed with reprocessing operations. The coincident matching of a well-established national need with an equitable disposition of the Government-induced investment in the facility is in the best spirit of our Federal system.

Additionally, it is important that the United States maintain a vigorous government and industry program in the various technologies associated with the disposal, reprocessing and recycling of spent nuclear fuels. Not surprisingly, other nations have adamantly refused to follow the President's intended lead in deferring their reprocessing activities. The reason for the adamancy of their opposition to the President's stated objective is simple and direct. Unlike the United States, other nuclear power nations and those who aspire to civilian nuclear power status, simply do not have safe options to continued significant, if not total, dependence on OPEC oil for their electric power generation. All of those nations, therefore, are strongly committed to the propositions that they will obtain the maximum fuel benefit from any available nuclear power. Since reprocessing technologies allow a nation to extend the power generation from a given amount of fuel by approximately one-third—30 percent—these nations in their own national interests are compelled to seek that fuel extension in whatever economics are involved. Those nations also are increasingly concerned, with good reason it appears, about being completely dependent on the United States for their nuclear fuel, as is the case in many countries. As is well-known, our enrichment capacity has been completed and contracted for the past 3 years, and now we are embarked on a completed review and redirection of our enrichment programs, our nuclear export controls, and our research progams. It is highly doubtful, therefore, that anything other than continuation of ongoing programs in reprocessing technologies will result. Perhaps the best single example of this situation is that faced in our negotiations with the Japanese over the planned startup and operation of their reprocessing facility, which used French technology, at Tokai Mora.

Assuming that the rest of the world will proceed with reprocessing, even while agreeing to participate in the President's much-publicized international fuel cycle evaluation program, the United States must maintain an active R. & D. program, supporting facilities, in each of these major technological options. The Barnwell facility will be an important national resource because it will allow us to support our research programs in any or all of these technologies. It also may provide an important opportunity for a multinational or internationalized model facility to support an international institutional initiative in seeking more nonproliferation safeguarded approaches to continuing reprocessing or other technology operations.

Mr. President, I therefore urge the Senate to support the committee's recommendations.

UP AMENDMENT NO. 631

Mr. HOLLINGS. Mr. President, I call up my amendment and ask the clerk to state it.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from South Carolina, Mr. HOLLINGS, proposes Unprinted Amendment No. 631:

On page 3, line 9, after the colon, insert the following: "Provided further, That up to $14,000,000 of this appropriation is to conduct a study of the Barnwell Nuclear Fuels Plant located in South Carolina to determine if that facility may be utilized in support of the non-proliferation objectives of the United States; and for activities contributing to the International Fuel Cycle Evaluation Program to be carried out under contract at the Barnwell Nuclear Fuels Plant,

including only such research, assessment and evaluation activities as the Administrator determines are consistent with the nation's nuclear research and nonproliferation policies and provided that the Plant shall not be used to process spent fuel from nuclear reactors:"

Mr. HOLLINGS. Mr. President, in accordance with the agreement I worked out with the administration, I felt duty bound to call up the amendment. I would just as soon not have had any amendment, in the sense that the amount already would have been included in the bill. But then again, having the horse before the cart—namely, the appropriations bill coming up before the authorization—and having my distinguished colleague, the Senator from Idaho, who has led this entire development, here, I wanted to present this so we know exactly what we are and are not doing.

For example, my friend from South Dakota (Mr. ABOUREZK) talked about the fellows getting jobs, or the Senator from South Carolina believing that the Government should keep the plant open to keep the jobs there from broke industries. The truth of the matter is, Mr. President, that Senator RIBICOFF did not have that in mind. We were not talking about jobs or broke industries or Gulf Oil when he made an informative address against the proliferation of nuclear elements, fissionable materials, and plutonium, on April 26, 1976.

I quoted that. He was not looking to get jobs or employment down in South Carolina when he said, at that time:

The United States should consider utilizing the soon-to-be-completed reprocessing plant at Barnwell, South Carolina, for these purposes under multinational management and IAEA safeguards.

That facility is an international facility, known internationally by the International Atomic Energy Agency, known by the workers in the particular fields that have no relation to a private breakdown versus a public buyup.

I never heard, in the dealings on all this, about the plant in New York, for example, when my colleague was talking about Getty Oil. I had to go find out. That one is broken down, it is leaking. And there is going to be some claim there. That is why they have not asked anybody to take it over, because it is defective.

Civilly speaking, which brings into focus the need for these kinds of tests and analyses to be done at Barnwell, there is the GE plant. I had to find out where that was and I found out it is near Chicago and it never did work. So this is a new field, and testing is needed.

I shall yield in a minute to the Senator from Idaho. Our distinguished President, who has agreed to the amendment that has now been presented by me, as being in conformance with his nonproliferation policy, stated on May 13, 1976—and he did not have jobs for South Carolinians in mind or broken down American industry when he was campaigning in May of last year. He was talking to an international body, the United Nations. I quote the candidate Carter:

If the need for plutonium processing is eventually demonstrated and if mutually satisfactory groundrules for management and operation can be worked out, the first U.S. reprocessing plant, which is now nearing completion at Barnwell, South Carolina, could become the first multinational reprocessing facility under the auspices of the International Atomic Energy Agency.

I yield to the Senator from Idaho.

Mr. CHURCH. Mr. President, I am going to support the amendment offered by the distinguished Senator from South Carolina. I do not know what real objection anyone could raise to the language of this amendment, no matter what view one takes of whether we should go forward in development of the breeder technology. The language of the amendment makes clear that the $14 million may be spent only for purposes which conform with the nonproliferation objectives of the administration.

As one who has often spoken of the need to develop more effective methods to cope wth the growing problem of proliferation, I commend the Senator for offering this language. I am delighted that the administration has agreed to it. Adoption of this language ought to eliminate any doubt on the part of any Senator whose chief concern is combating the proliferation of nuclear weapons, because the language expressly limits the use of this money to purposes which conform to the furtherance of the administration's own goals in relation to the problem of proliferation.

Mr. President, I do not know whether the Barnwell plant is a winner or a loser. That remains, I suppose, to be seen.

It is a facility that is, as yet, untested. The Senator from Massachusetts has said that other commercial efforts to reprocess in the past have proved to be losers. They have proved to be uneconomic, in his words.

But, Mr. President, this plant is based upon a new technology. In years past we had natural uranium selling at $6. Today, it is selling for $40. The economics have changed, changed so radically, indeed, that there is ground to believe that an international cartel has now been formed which will control both the supply and the price of uranium in the same manner that the OPEC cartel so effectively controls the supply and the price of oil.

Therefore, the past experience argument, it would seem to me, both because this is a new and different plant and because the economics have changed drastically, can be laid aside.

It certainly does not suggest that the past is to be the measure of the future or that this plant, if and when tested, will prove to be a failure.

However, beyond those considerations, Mr. President, there is the larger reality that reprocessing is going to be necessary in the future, given the present trends. This is so even if we are able to pull off the impossible; even if the President can persuade the Western European countries that are now committed to the development of a plutonium-fueled breeder reactor that they should abandon their programs; even in the unlikely event that he can prevail upon all the rest of the world to turn down the one technology that offers some promise for energy independence for nations that are wholly dependent upon the importation of foreign fuel; even if the United States renounces the breeder reactor forevermore and relies instead upon enriched uranium in the hope the supply will prove sufficient, and upon coal, and upon oil, and other depletable resources. Even if all these events occur we are still going to need reprocessing.

How do we get this plutonium in the first place? It is not found in nature. It is created in the fission process and it is created in conventional reactors. These are the reactors that the administration would have us keep and build and sell to foreign countries throughout the world. These are the reactors which from the fission process produce the plutonium that is contained in the spent fuel rods.

If our purpose is to protect ourselves and the world from the diversion of this plutonium into bomb manufacture, then we have two choices: either to reprocess those spent fuel rods or to become the principal burial ground for the radioactive waste products of all the world.

Those are the only two alternatives, even if one assumes that the administration's program will accomplish all of its goals. Reprocessing will be a part of the picture, whether or not the United States or any other country ever completes the construction of a commercial-sized plutonium-fed breeder.

Now, for what purposes can this Barnwell facility be used in the coming year for ways that wholly conform with the President's expressed goals of nonproliferation?

For one thing, the money can be spent in the possible use of this facility as part of a system of internationally controlled fuel cycle centers. In operating the facility under proper international safeguards it could become a model for the way we think other countries should reprocess nuclear fuels in the future.

I cannot think of a more constructive contribution the United States might now make than the possible utilization of such a plant for such a purpose.

Second, the money could be spent to determine the feasibility of irradiating reprocessed conventional fuel so as to recombine the plutonium with certain uranium oxides, thus making it much less susceptible to possible nuclear weapons uses, and if that reprocessed fuel is then irradiated, it would be radioactive and as difficult to use for weapons purposes as the spent fuel rods that come out of the reactors themselves.

There are many possibilities, Mr. President, for the use of this money during the coming year which would further the declared objectives of President Carter in connection with proliferation.

So I think that no matter how Senators may view this question, the amendment offered by the Senator from South Carolina should be fully acceptable.

I think that it has nothing to do with whether or not we should bail out whatever companies are involved in this consortium—I myself could not recall the specific names at this moment.

The question is whether the national interests of the United States would be advanced in the coming year by utilizing this facility for the purpose of conducting studies that are highly relevant to the

attainment of the President's own goal—the nonproliferation of nuclear weapons.

Since the facility is there and since it can be put to such a constructive national interest and national use, it would seem to be a shame to shunt the facility aside and fail to use it for purposes that all of us should approve.

A year from now, we will be in a far better position to determine whether or not we actually want to go to commercial reprocessing of conventional fuel. We do not have to make that decision now. But the Barnwell facility can be a laboratory for the kinds of national tests that will advance the President's declared goal of combating the proliferation of nuclear weapons.

For those reasons, Mr. President, I hope that the Senate will adopt the amendment offered by the distinguished Senator from South Carolina and do so not in the interests of the companies that have invested $250 million in that plant, which they may or may not be able to use in the future, but for reasons that conform to our own national objectives.

(Mr. DECONCINI assumed the chair.)

Mr. McCLURE. Mr. President, I will support the amendment of the Senator from South Carolina with regard to the funding for the Barnwell reprocessing plant, but I wish to make just one bit of legislative history so that this amendment conforms to what we intended as we were dealing with the ERDA authorization.

One is the term that is in the last line of the amendment. It says the plant shall not be used to process spent fuel from nuclear reactors. It is my understanding—and I think it is the understanding of others—that that term means commercial reprocessing and does not mean to limit the use of this facility to the kind of reprocessing or kind of processing of spent fuel elements that is essentially a research activity.

There are ways in which spent fuel rods can be processed so that the uranium which is recoverable and can be separated and the plutonium which is recoverable can be reformulated into forms which are not amenable to use in building atomic weapons.

That should be one of the objectives of the ongoing research, so that in the event we do get into commercial reprocessing, we will know how to formulate those materials in a way that does not yield itself to the plutonium proliferation threat with which the President is justifiably concerned.

That language in this amendment should not be taken to so limit the activities of Barnwell that they could not be used in research on the processing of spent fuel rods.

I say to the author of the amendment that I want to make sure that it is his understanding as well as mine that the limitation contained in the amendment is not against the processing of spent fuel from nuclear reactors where that processing is associated with research rather than commercial reprocessing.

Mr. HOLLINGS. They tell me that in the nuclear art, the actual reprocessing or the processing of spent fuels cannot be carried on unless the plant becomes hot.

Under this particular restrictive language, the plant would not become hot. They can make certain cold runs. In fact, there is no production of plutonium.

I had in my proposed amendment—and it is in the present amendment's language, which has been worked out with the bureaucracy—that no plutonium will be produced there. There is no plutonium at Barnwell now. No plutonium is to be produced under this amendment.

Those restrictive words make certain that we do not get into that, that we play right on top of the table, because we would not want to be telling all these other nations publicly to hold back and, under a misunderstanding, appear to say it is all right to go forward.

Mr. McCLURE. One of the objectives of research that could be conducted at Barnwell and elsewhere, if not at Barnwell, is how you deal with plutonium that is in the spent fuel rods. The plutonium is there. It has been created.

Mr. HOLLINGS. That is right.

Mr. McCLURE. The question is how we safeguard that plutonium so that it cannot fall into the hands of those who might build atomic weapons with it.

One of the objectives of research, and one of the objectives this Senator had in mind with respect to Barnwell, was how we might deal with the technical problems associated with the spent fuel rods and the plutonium which is in the spent fuel rods, so that if it is decided at some future time to get into commercial reprocessing, the plutonium would not be freed from the fuel rods in such a form as to be available and usable for weapons production but could be separated from the elements in the fuel rods and recombined in a form which was suitable for weapons development.

That should be one of the objectives of our research program; and I wish this language would not be so restrictive as to prevent it from conducting research directed toward those ends.

Mr. HOLLINGS. The research is to go along with coprocessing. They worked that out with the French. In trying to extract plutonium, a certain degree of uranium is retained. Then it is all right to use again as a fuel, because it cannot be used in the manufacture of a nuclear bomb. That is one of the processes they have outlined to be tried, plus some cold runs.

Mr. McCLURE. And the processing to which the Senator refers would not be prohibited under his amendment.

Mr. HOLLINGS. That is right.

Mr. McCLURE. I thank the Senator for his explanation.

The following Senators requested and, by unanimous consent, the privilege of the floor was granted in behalf of the following staff members:

Mr. ABOUREZK, Bethany Weidner; Mr. THURMOND, Bob Lyons; Mr. McCLURE, Mike Hathaway; Mr. HANSEN, Ted Orf.

Mr. ROBERT C. BYRD. Mr. President, would it be possible to get a time agreement as to when to vote?

UP AMENDMENT NO. 632

Mr. KENNEDY. Mr. President, I send to the desk a substitute for the amendment of the Senator from South Carolina, on behalf of myself and Mr. PERCY. It is not a new issue. We mentioned it to the Senator from South Carolina. It is to eliminate moneys except for the study.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) for himself and the Senator from Illinois (Mr. PERCY) proposes an unprinted amendment numbered 632 to the amendment by the Senator from South Carolina (Mr. HOLLINGS) numbered 631:

On page 1, line 2, strike "$14,000,000" and insert "$1,000,000".

The PRESIDING OFFICER. The Chair will state this amendment is not a substitute but a prefecting amendment.

Mr. KENNEDY. Mr. President, I ask unanimous consent that Mr. ABOUREZK be added as a cosponsor.

I am prepared to agree to a 10-minute time limitation on this, if it is agreeable to the Senator from South Carolina.

Mr. HANSEN. Mr. President, will the distinguished majority leader and the distinguished Senator from Massachusetts, whoever has the floor, permit me to make a unanimous-consent request?

Mr. KENNEDY. I yield for that purpose.

Mr. HANSEN. Mr. President, I ask unanimous consent that the following staff members be given floor privileges: Fred Craft, Chuck Trabandt, Tom Imeson, Carol Sacchi, Sam Ballenger, Mike Crisp, along with Chris Palmer, during debate and vote on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, then in line with the suggestion of the distinguished author of the perfecting amendment, could we agree on a 10-minute time limitation to be equally divided?

Mr. KENNEDY. Five minutes. We have talked about this.

Mr. ROBERT C. BYRD. Five minutes to Mr. KENNEDY and 5 minutes to Mr. HOLLINGS.

Mr. HOLLINGS. Yes.

Mr. ROBERT C. BYRD. I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, during the course of this discussion it is entirely clear to me, perhaps not to the other Members, but I think to anybody who listened to this amendment, that we are basically talking about a reprocessing center and we are talking about studies that could advance the whole concept of reprocessing. That was basically the statement of the Senator from Idaho and the Senator from South Carolina. I think any fair reading of the committee report would indicate that that would have been the result had this amendment of the Senator from South Carolina not been redrafted.

Mr. President, the amendment of the

Senator from South Carolina seeks $14 million for studies, and the studies he is talking about today are considerably different from the studies that were described in the factsheet put out to the Members of the Senate just before the recess.

The amendment which we offer would limit any studies to what was initially thought to be necessary—that is, the $1 million study.

If there is further justification in terms of this particular facility, for other purposes which are in the national interest, then we can review this through the orderly process and through a supplemental appropriation.

But for us to write basically a blank check and say "Anything up to some $14 million can be expended, it will just be cleared with ERDA," seems to me to be putting the cart before the horse.

Finally, Mr. President, as I mentioned earlier, there have been other reprocessing facilities, such as the West Valley, New York facility, where more than $50 million has been spent to build it and improve it, and it has been effectively abandoned by the Getty Oil Co. It is going, according to the GAO, over $500 million just to get rid of the hundreds of gallons of radioactive waste. General Electric spent $65 million to build a reprocessing plant in Morris, Ill., and the best estimate is it would cost $120 million to repair that plant. GE has not come in here and asked for $15 million to continue the process; nor has Getty Oil.

It seems to me that if we are interested in a study, we ought to move ahead with the amendment we have offered to permit the study. If there is further information that is necessary, then let us gain that before we move ahead with this particular facility.

No justification has been made for us to spend the taxpayers' money to support the Shell Oil Co., the Gulf Oil Co., that is part of the international uranium cartel in any event, and Allied Chemical, three major corporations with more than ample resources for doing this kind of work.

I withhold the remainder of my time.

Mr. HOLLINGS. Mr. President, first, let me ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. It would require unanimous consent.

Mr. HOLLINGS. I ask unanimous consent that I might ask for the yeas and nays.

The PRESIDING OFFICER. Is there objection to ordering the yeas and nays? The Chair hears none, and it is so ordered.

Is there a sufficient second? There is a sufficient second. The yeas and nays were ordered.

Mr. HOLLINGS. Mr. President, let me try to catch up and get over these objections. I do not know, perhaps I ought to ignore Getty Oil because I do not know anything about it. The Senator said if it looks like a duck and it waddles like a duck, it must be a duck. Well, if it does not even waddle, if it is dead, and I assume the Getty Oil thing is dead, and he said so, that is certainly entirely different from a live one.

I do not think our distinguished colleague from Connecticut, Senator RIBICOFF, and the President himself, were ignoring other opportunities when they were talking about the Barnwell plant over a year ago. This happens to be an outstanding international facility, and when the Senator talks about these other plants he is just brushing off the record, discussing facilities that are totally dissimilar. It is like me talking about the Boston Navy Yard—maybe they do not have one anymore up there—because I do not know, but the Senator does not know about this plant because he has not been down and seen this one.

He says the case has never been made that Barnwell is necessary. Over the years every particular step licensed by the Federal Government, every particular step studied by the international nuclear community, every particular step approved, and now this proposed study has been approved, and by whom? Unanimously, if you please, by the full Appropriations Committee, and with only five dissenting votes under the authorizing committee, and those were the committees that held hearings to determine the usability and the value of this particular facility at Barnwell.

There is no buy-out proposal. There is no Shell Oil or Getty Oil or oil companies involved with respect to this being studied by the Energy Research and Development Administration.

My distinguished friend from Ohio is very concerned, as I am, that we use those storage facilities down there, and when we get to the rollcall on the Hollings amendment then we can talk about the transportation and storage and the details of the study that comprise the $14 million which is necessary. I will withhold my comments until that time when we reach it.

Simply stated, the Barnwell facility is there, as the Senator from Idaho, Senator CHURCH, has pointed out, and it is very useful to see what can be done with it. They have a budget down there operating right now anywhere between $25 million and $30 million a year. This is a project where the Government study is to be commissioned only up to the $14 million.

What the Senator is asking for is saying, "Yes. I want a study, but I do not want a comprehensive one."

If he is bringing in the oil company to argue against this study, it is like the poor SBA loans to the minorities in America: "Give it to them, give them a study, but do not give them enough money," and then afterwards say, "You dirty bums, you do not know how to operate a business."

That is what he is trying to do, kill off this funding and make an effective comprehensive study impossible by limiting the amount in his amendment.

I retain the remainder of my time.

Mr. THURMOND. Mr. President, will the Senator yield 1 minute?

Mr. HOLLINGS. I yield 1 minute.

Mr. THURMOND. I hope the Senate will not adopt the amendment of the able Senator from Massachusetts.

The Government agencies that have cooperated with this plant, the President of the United States has now approved this amendment, as I understand it, and surely they are not going to follow some idle step of what they are trying to accomplish.

We do not want Barnwell to be a grave for nuclear sources, for nuclear fuel. We want it to create and to produce nuclear sources. It could end up in either a grave or a creator of energy that we need.

I think it is highly important that we produce more energy in South Carolina and that it not be a burial ground for nuclear energy. I hope this amendment will be defeated.

Mr. DURKIN. Mr. President, I ask unanimous consent that Claire Engers and Brian McLaughlin of my staff be granted the privilege of the floor during debate and this rollcall vote and subsequent rollcall votes and action on this bill.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Mr. President, reserving the right to object, it is my understanding we were going to object to the request for staff members to be included during the period during the rollcall. There has been objection raised about so many staff members on the floor during rollcalls.

I hope my friend will limit the request to during the consideration of the bill.

The PRESIDING OFFICER. Does the Senator modify his request?

Mr. DURKIN. If I understand the process now, they are allowed in the Chamber one at a time.

Mr. STEVENS. My understanding is the Senator is entitled to have staff members on the floor at all times except during the rollcall votes. He needs unanimous consent to get an additional staff member on the floor during normal times and needs unanimous consent during rollcall votes.

Is that correct? I ask the Chair.

Mr. KENNEDY. Mr. President, whose time is this being charged to?

Mr. HOLLINGS. Mr. President, I ask unanimous consent that it not be charged to either side.

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

The Senator from Massachusetts has 1 minute remaining.

Mr. DURKIN. Mr. President, I withdraw the request for the time being.

The PRESIDING OFFICER. The unanimous-consent request is withdrawn.

Mr. KENNEDY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Massachusetts has 1 minute remaining.

Mr. KENNEDY. Mr. President, no matter how we look at it it is a very simple proposition.

This plant went into business in order to make money. It made a poor business judgment in terms of what the needs were going to be in reprocessing. Now, effectively, they have come back to Congress and asked for $14 million to do some studies to figure out how they can

be made profitable. That is basically and fundamentally what the issue is, and it is whether the taxpayers are going to effectively underwrite that particular study.

We are prepared to underwrite it to the extent of $1 million. We are prepared to say that if studies can be developed which are going to be justified in terms of the national interest we will consider those in a supplemental appropriation, but we do not think the taxpayers should underwrite Gulf, Shell, and Allied Chemical to the tune of $14 million in this particular legislation.

I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HASKELL), the Senator from Montana (Mr. METCALF), the Senator from North Carolina (Mr. MORGAN), the Senator from Michigan (Mr. RIEGLE), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

On this vote, the Senator from North Carolina (Mr. MORGAN) is paired with the Senator from Michigan (Mr. RIEGLE). If present and voting, the Senator from North Carolina would vote "nay" and the Senator from Michigan would vote "yea."

I further announce that, if present and voting, the Senator from Alaska (Mr. GRAVEL) would vote "yea."

Mr. STEVENS. I announce that the Senator from New York (Mr. JAVITS) is necessarily absent.

I also announce that the Senator from Oklahoma (Mr. BARTLETT) is absent due to illness.

The result was announced—yeas 22, nays 69, as follows:

[Rollcall Vote No. 274 Leg.]

YEAS—22

Abourezk	Hart	Nelson
Bumpers	Hatfield	Pell
Chafee	Hathaway	Percy
Clark	Kennedy	Proxmire
Cranston	Leahy	Roth
Culver	Mathias	Sarbanes
Danforth	Matsunaga	
Durkin	McGovern	

NAYS—69

Allen	Goldwater	Nunn
Anderson	Griffin	Packwood
Baker	Hansen	Pearson
Bayh	Hatch	Randolph
Bellmon	Hayakawa	Ribicoff
Bentsen	Heinz	Sasser
Brooke	Helms	Schmitt
Burdick	Hollings	Schweiker
Byrd, Harry F., Jr.	Huddleston	Scott
	Humphrey	Sparkman
Byrd, Robert C.	Inouye	Stafford
Cannon	Jackson	Stennis
Case	Johnston	Stevens
Chiles	Laxalt	Stevenson
Church	Long	Stone
Curtis	Lugar	Thurmond
DeConcini	Magnuson	Tower
Dole	McClellan	Wallop
Domenici	McClure	Weicker
Eagleton	McIntyre	Williams
Eastland	Melcher	Young
Ford	Metzenbaum	Zorinsky
Garn	Moynihan	
Glenn	Muskie	

NOT VOTING—9

Bartlett	Haskell	Morgan
Biden	Javits	Riegle
Gravel	Metcalf	Talmadge

So Mr. KENNEDY's amendment was rejected.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. McCLURE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. GLENN proceed for 5 minutes on the amendment. Would others like time? If not, I ask unanimous consent that we then vote on the amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. It is my understanding that a voice vote would be agreeable.

I ask unanimous consent, Mr. President, that the call for the yeas and nays be vitiated.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Vermont is recognized.

Mr. LEAHY. Mr. President, I ask unanimous consent that Judy Heffner, of my office, be granted the privileges of the floor throughout the rest of the day and throughout any debate involving ERDA authorization.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, reserving the right to object, I have stated my objection to all the rest of these requests on this particular piece of legislation.

The PRESIDING OFFICER. The Senator only asked during the debate and not during the vote.

Mr. WEICKER. Just during the debate?

The PRESIDING OFFICER. That was his request. Not during the vote.

Mr. WEICKER. I am generally commenting on my objection to what was taking place here on the floor today.

Mr. LEAHY. Mr. President, I withdraw my request.

Mr. GLENN. Mr. President, my remarks will not take the full 5 minutes. I do want to get into the RECORD just a couple of thoughts on this. I will be very brief so Senators will not leave the floor and we can get on to a voice vote on this.

One thing which has not been made clear during some of the debate so far is the necessity of one part of the Barnwell facility. That applies to the facility for storing spent fuel. We are in the process of working out details of an international nuclear fuel authority.

Mr. STENNIS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. Senators will please take their seats. Will Senators please clear the aisles?

The Senate is not in order.

The Senator from Ohio.

Mr. GLENN. The international nuclear fuel cycle evaluation is under way and will probaby be proceeding over the next year. We hope that out of that, plus the international nuclear fuel authority, which I have proposed, supported by several other Senators, will provide for full fuel cycle coverage whereby we can have nuclear fuel guaranteed to these nations which are now proceeding to reprocessing in breeder plants, but at the same time that we provide them a nuclear fuel for their expanding generating facilities that we also can cover the back end of that fuel cycle and can make sure that we have storage for spent fuel.

That is one particular value of the Barnwell plant right now. It has those facilities in existence. They do need to be maintained. I think the funding which is available in the amendment of the Senator from South Carolina is very much needed. It is kept under the control of the ERDA Administrator so it will not be wasted in areas which are not consistent with the administration's stated policy. I very strongly support this, particularly as they will be able to use some of this money to keep the fuel storage facility in operation. I thank the Senator from South Carolina.

Mr. HOLLINGS. We are ready to vote, Mr. President. I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHURCH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SAVERY-POT HOOK PROJECT

Mr. WALLOP. Mr. President, the reasons which have been offered for not appropriating funds for the Savery-Pot Hook project in Wyoming and Colorado are not that the project would be unsafe nor that it is environmentally objectionable. Rather, the reason is that a cost-benefit ratio does not justify its completion. I do not dismiss cost-benefit analysis as a valuable tool, but I hope that the Senate will not blindly accept it as the sole criterion of economic efficiency and social utility. It is a tool which can only assist in making a decision within a framework that must include not only economic, but social and public policy considerations as well.

Cost-benefit ratios are, under the very best of circumstances, easily manipulated. Their accuracy depends upon a variety of factors which can be deleted or included by those who tinker with the ratios. Economists have argued for years about which externalities should be included in the analysis. In the drawing of the cost-benefit ratio for the Savery-Pot Hook project, I am told that many second benefits were dismissed as transfers, while certain secondary costs were included. If increases in downstream salinity and reduced downstream water supply are to be computed as "costs" for such projects then increased demand for fertilizers, tractors, and other products must be included as benefits.

We must also realize that, to a great extent, benefits depend upon current market rates. As depressed as the livestock and grain markets are, we must ask if any agricultural venture could today compete for Federal funds.

These matters aside, we simply cannot use cost-benefit as the sole guiding light in our public policy decisions. If we do, we are essentially making an unwise land use planning decision for the West. We are making a decision which will channel more and more of our scarce resources to its major population centers.

Wyoming water and western slope Colorado water will go to Denver, Los Angeles, Phoenix, or Albuquerque which have already experienced cancerous growth. That growth has brought and will continue to bring with it the environmental and social costs which accompany rapid growth and dislocation.

If we do not continue with Savery-Pot Hook and similar projects we will be making a conscious decision to transfer water, rather than developing it in its natural riparian drainages. We will be deciding that water will never again go to enhance the economic hopes of rural America.

The uses of water will be one of the most critical decisions that we face in this decade. In the near future we must begin to consider the long-term environmental benefits which can only be gained from decisions based upon factors other than this expedient ratio. We are facing a major drought in the West this year. The Congress has reacted to it as if it were totally unexpected. But it was not. There will be worse droughts in years to come. The social, human, and economic disruptions which they bring will be severe if we choose to wait and react, rather than planning for their inevitable occurrence. The more we insist on concentrating our uses of water in the major population centers, the greater those disruptions will be.

This Government must not be a private profitmaking institution. It must, among other things, be a public investmentmaking entity which is interested in long-term social benefits. We as a people must have vision. We must commit our limited resources to accomplish our goals and aspirations. To hang the hat of public policy on cost-benefit ratios alone reduces our goals to merely grabbing the quick buck and diminishes our aspirations to the practice of expediency.

ERDA AUTHORIZATION ACT OF 1978—CIVIL NUCLEAR ENERGY APPLICATIONS

The PRESIDING OFFICER. The Senate will now proceed to the consideration of S. 1811, which will be stated by title.

The legislative clerk read as follows:

A bill (S. 1811) to authorize appropriations to the Energy Research and Development Administration in accordance with Section 261 of the Atomic Energy Act of 1954, as amended, Section 305 of the Energy Reorganization Act of 1974, and Section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, as amended, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. CHURCH. Mr. President, I yield to the distinguished majority leader.

RESOLUTION RELATING TO THE CONSIDERATION OF S. 1811

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Resolution 216, which is the budget waiver resolution with respect to S. 1811.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

S. RES. 216

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of such waiver is necessary because on April 20, 1977, the President submitted a fiscal year 1978 budget which proposed major restructuring in ERDA's civilian nuclear energy programs. The Energy and Natural Resources Committee has made a good faith effort to report the entire ERDA authorization by May 15th and did in fact report the non-nuclear portion of the authorization before the May 15th deadline. However, because of the late changes in the President's budget for nuclear programs the Committee was unable to report legislation authorizing ERDA's civilian nuclear programs until June 27, 1977.

The Public Works Appropriation Act for FY 1978 is pending before the Senate awaiting action on this bill.

This authorization was contemplated in the first Congressional Budget Resolution for FY 1978 and estimates to anticipate the authorization were included in the report of the Committee on Energy and Natural Resources commenting to the Budget Committee on the FY 1978 budget outlook.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

Mr. BUMPERS. Mr. President, reserving the right to object, I do not know the question before the Senate.

The PRESIDING OFFICER. It is the budget waiver resolution on the ERDA authorization.

The question is on agreeing to the resolution.

The resolution (S. Res. 216) was agreed to.

ERDA AUTHORIZATION ACT OF 1978—CIVIL NUCLEAR ENERGY APPLICATIONS

The Senate continued with the consideration of S. 1811.

Mr. CHURCH. Mr. President, I assume the distinguished Senator from Connecticut has no objection to staff members of the committee being present, those who are with the manager of the bill, being in the Chamber.

Mr. President, I ask unanimous consent that during consideration of S. 1811, the fiscal year authorization for the civilian nuclear energy program conducted by ERDA, the following staff members of the Senate Committee on Energy and Natural Resources be granted the privileges of the floor: Dr. Dan Dreyfus, Mr. Ben Yamagata, Dr. Willis Smith, Dr. Granville Smith, Ms. Katherine Reese, and Ms. Nancy Fussell.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, if I may respond to the distinguished Senator from Idaho, I have no objection at all to the committee members being on the floor. I have no objection in light of the fact, which I had not realized, that previous unanimous-consent requests had been made, prior to the recess, on this bill by other Senators. I have no objection to the request made at this time.

This is the only comment I would like to make in regard to this whole situation: It is my hope that there would be some agreement worked out between the minority and the majority leadership which would preclude the type of situation which existed on this floor the week prior to that recess, when, indeed, at any given time, there were three and four times the number of staff members than there were Senators, and total chaos. It is my intention to object to these unanimous-consent requests until we arrive at some orderly procedure which is certainly in the best interest of our own deportment and our own image.

I do not in any way want to preclude any of my colleagues on this particular bill, in the sense of discriminating against them vis-a-vis the use of staff members. I do have to voice my objection to what I consider to be a wholly unsatisfactory situation. I think the same thought may have occurred to some of my colleagues.

Mr. HANSEN. Mr. President, I ask unanimous consent that the names of those staff members that I submitted earlier, when we were considering H.R. 7553, be accorded the privilege of the floor.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, I just want to say that I echo the concerns expressed by the distinguished Senator from Connecticut. I hope that, in the course of things, the distinguished majority leader and others can devise a method to bring the matter under some reasonable control.

I promise my colleague that I shall be glad to explore that with him and with others to see if we can reach some sort of agreement.

Mr. GOLDWATER. Mr. President, reserving the right to object.

I reserve the right to object by saying that I support my friend from Connecticut. I think it is time that the leadership of this body held meetings to decide how many staff members or members of the different committee staffs will be allowed on the floor. I recall when I first came here—and I know things have changed—that staff members were never on the floor and Senators did their own arguing and their own debating. I think it is time that we find out whether we continue to be an elective body or whether we should resolve ourselves into a civil service orga-

nization and have a qualification that we can meet to see if we deserve our $57,000 a year.

Mr. BUMPERS. Mr. President, I share the concern of the Senator from Connecticut about the number of staff people present. I shall be happy to support a resolution that staff members not ever be permitted on the floor. I should be happy to support the amendment of the Senator from Alabama that nobody be allowed to debate from a manuscript. Until that happy day, I point out that the vote on the Clinch River project, which we are about to undertake debate on now, in the Energy Committee was 9 to 9. The distinguished floor manager, the Senator from Idaho (Mr. CHURCH), will be taking one position on this matter. He will have the full resources of the Energy Committee at his disposal. I shall be supporting the administration's position.

I, therefore, ask unanimous consent that Richard Arnold, Bill Moomaw, and Art Monroe of my staff be accorded the privilege of the floor during debate on this issue.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Dick Getzinger of my staff be granted privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to move to reconsider the vote by which the budget waiver resolution was agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I so move.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The following Senators requested and, by unanimous consent, the privilege of the floor was granted in behalf of the following staff members: Mr. DURKIN: Brian McLaughlin and Claire Engers; Mr. HARRY F. BYRD, JR.: John I. Brooks; Mr. HEINZ: Bill Reinsch; Mr. McCLURE: Mike Hathaway; Mr. MUSKIE: Haven Whiteside; and Mr. HAYAKAWA: Kathryne Bruner.

Mr. CHURCH. Mr. President, section 261 of the Atomic Energy Act of 1954, as amended, requires enactment of legislation annually to authorize appropriations for the nuclear energy programs conducted by the Energy Research and Development Administration—ERDA. By way of background information, on January 20, 1977, President Ford submitted to the Congress a fiscal year 1978 budget request for ERDA. A revised ERDA budget was submitted to the Congress by President Carter on February 22, 1977. This budget was notable in that it requested the same total funding but restructured the relative budgets by reducing the funding requests for long-term energy technologies such as solar electric, breeder, and fusion energy sources, while increasing the budgets for programs with anticipated short-term advantages such as fossil, solar heating and cooling, and energy conservation projects.

On April 21, 1977, S. 1340 was introduced by Senator JACKSON by request and referred to the Senate Committee on Energy and Natural Resources. This bill contained provisions to authorize funds for all the ERDA civilian energy research, development, demonstration and other programs—both nuclear and nonnuclear. On April 7, 1977, President Carter issued a nuclear power policy statement expressing grave concerns over the possible proliferation of nuclear weapons to nations through the nuclear power fuel cycles used with light water and breeder reactors. The President announced a policy which would discourage commercial reprocessing of light water reactor fuels; defer the date when breeder reactors would be put into commercial use; and, increase the emphasis on alternative reactors and fuel cycles. The President further refined this nuclear energy policy in the April 20, 1977, energy policy statement by announcing the termination of the Clinch River breeder reactor—CRBR—project. The Committee on Energy and Natural Resources had not received the detailed budget information necessary to complete committee action on the nuclear energy portions of S. 1340, and therefore, the May 15 deadline for passage of authorization legislation for fiscal year 1978, as required by the Congressional Budget Act of 1974, was not met. Consequently the committee reported only the nonnuclear portion of the bill and that measure passed the Senate on June 13, 1977.

Upon receiving the detailed budget amendment with respect to nuclear energy R. & D. on May 18, 1977, and additional legislative provisions on May 25, 1977, the committee scheduled hearings which were quickly followed by markup sessions and ordered to be reported a clean bill (S. 1811) which we have before us today.

In parallel with consideration of the fiscal year 1978 ERDA authorization bill, the Committee on Energy and Natural Resources also considered a bill (S. 36) to authorize appropriations for fiscal year 1977. Consideration of this bill was necessary because action on similar legislation in the 94th Congress was not completed prior to adjourning sine die. This legislation became Public Law 95–39 on June 3, 1977. The enactment of this law resulted in the authorization of several projects from the fiscal year 1977 budget request. However, not anticipating passage of Public Law 95–39, the administration's fiscal year 1978 budget request included authorizations contained in Public Law 95–39. As a consequence, in reporting S. 1811 for fiscal year 1978, the committee only authorized the additional amounts necessary to meet the total authorization requested through fiscal year 1978 for these projects begun in prior fiscal years. The enactment of Public Law 95–39 reduced the required authorization in S. 1811 by $566 million for prior year plant construction projects.

The committee actions on the nuclear energy and other programs is summarized in a table, and I ask unanimous consent that the table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FISCAL YEAR 1978 BUDGET

[In thousands of dollars]

	Fiscal year 1978							
	January budget		February revision		May amendment		Committee action	
	B,A	B/O	B/A	B/O	B/A	B/O	B/A	B/O
Magnetic fusion:								
Total operating expenses	217,000	203,200	196,900	188,000	196,900	188,000	196,900	188,000
Total capital equipment	27,600	17,165	27,600	17,165	27,600	17,165	27,600	17,165
Total plant	229,500	83,535	237,300	66,935	237,300	67,235	121,400	75,535
Total magnetic fusion	474,100	303,900	461,800	272,100	461,800	272,400	345,900	280,700
Fuel cycle research and development:								
Total operating expenses	342,485	276,450	342,485	264,450	324,885	254,550	357,885	279,800
Total capital equipment	23,300	14,650	23,300	14,650	25,300	15,650	25,300	15,650
Total plant	13,000	2,978	13,000	2,978	13,000	2,978	13,000	2,978
Total fuel cycle research and development	378,785	282,078	378.785	282,078	363,185	273,178	396,185	298,428
Breeder reactor:								
Total operating expenses	615,900	577,700	483,300	5fi3,100	337,200	462,100	483,300	513,100
Total capital equipment	35,650	48,460	35,650	48,460	29,950	43,160	35,650	48,460
Total plant	659,150	106,519	258,835	86,140	247,735	837,40	208,335	86,140
Total breeder reactor	1,310,700	732,679	777,785	647,700	614,885	589,000	727,285	647,700

	Fiscal year 1978							
	January budget		February revision		May amendment		Committee action	
	B/A	B/O	B/A	B/O	B/A	B/O	B/A	B/O
Nuclear research and applications:								
Total operating expenses	158,429	144,378	156,929	143,078	169,529	154,478	181,929	163,778
Total capital equipment	15,195	14,780	15,195	14,780	15,195	14,780	15,195	14,780
Total plant	3,500	4,100	0	3,400	0	3,400	0	3,400
Total nuclear research and applications	177,124	163,258	172,124	161,258	184,724	172,658	197,124	181,958
Light water reactor facilities:								
Total operating expenses	24,000	21,600	24,000	216,00	24,000	21,600	24,000	21,600
Total capital equipment	800	300	800	300	800	300	800	300
Total plant	3,000	700	3,000	700	3,000	700	3,000	700
Total light water reactor facilities	$27.800	22,600	27,800	22,600	27,800	22,600	27,800	22,600
High energy physics.								
Total operating expenses	187,950	185,500	187,950	185,500	187,950	185,550	187,950	18,550
Total capital equipment	42,000	25,100	42,000	25,100	42,000	25,100	42,000	25,100
Total plant	56,300	25,987	56,300	25,987	56,300	26,787	6,200	25.978
Total high energy physics	286,250	236,637	286,250	236,673	286,250	237,437	236,150	23,637
Nuclear physics:								
Total operating expenses	68,444	65,840	68,444	65,840	68,444	65,840	74,444	70,340
Total capital equipment	6,725	6,133	6,725	6,133	6,725	6,133	6,725	6,133
Total plant	7,900	11,587	7,900	11,587	7,900	11,587	7,900	11,587
Total nuclear physics	83,069	83,560	83,069	83,560	83,069	83,560	89,069	88,060
Basic energy science:								
Total operating expenses	147,060	138,397	147,060	138,397	147,060	138,397	147,060	138,397
Total capital equipment	12,075	11,167	12,075	11,167	12,075	11,167	12,075	11,167
Total plant	35,400	11,967	35,400	11,967	35,400	12,517	33,400	11,967
Total basic energy sciences	194,535	161,531	194,535	161,531	194,535	162,081	192,535	161,531
Nuclear materials security and safeguards:								
Total operating expenses	37,906	33,500	37,906	33,500	37,906	33,500	$40,106	35,150
Total capital equipment	2,794	3,000	2,794	3,000	2,794	3,000	2,794	3,000
Total plant	0	195	0	195	0	195	0	195
Total nuclear materials security and safeguards	40,700	36,695	40,700	36,695	40,700	36,695	42,900	38,345
Uranium enrichment:								
Total operating expenses	1,019,635	1,005,000	999,635	990,000	987,685	980,000	987,685	980,000
Total capital equipment	19,000	16,000	19,000	16,000	19,000	16,000	19,000	16,000
Total plant	968,250	544,452	968,250	504,452	648,250	418,852	303,980	416,452
Total uranium enrichment	2,006,885	1,565,452	1,986,885	1,510,452	1,654,935	1,414,852	1,310,665	1,412,452
Program management and support	(1)	(1)	(1)	(1)	(1)	(1)	25,865	25,855
General plant projects	45,250	45,250	44,265	44,265	44,265	44,265	44,265	44,265
Total changes in inventories, working capital, and other adjustments	126,300	92,082	126,300	92,082	126,300	92,082	126,300	92,082
Enrichment revenues	−845,820	−845,820	−845,820	−845,820	−845,820	−845,820	−845,820	−845,820
Total miscellaneous revenues	−100,720	−100,720	−100,720	−100,720	−100,720	−100,720	−100,720	−100,720
Grand total	4,204,958	2,779,182	3,633,758	2,604,418	3,135,908	2,454,268	2,815,503	2,584,073

[1] Numbers do not reflect enactment of Public Law 95-39.

Mr. CHURCH. Mr. President, the total authorization recommended by the committee for the fiscal year 1978 is $2,816 million as compared with the May budget amendment request of $3,136 million for fiscal year 1978. The total budget recommendation in S. 1811 is $320 million below the budget amendment because of the enactment of Public Law 95-39.

The principal areas of disagreement in S. 1811 with the President's May budget amendment are in the fuel cycle research and development program and in the liquid metal fast breeder reactor program. The members of the committee support new research initiatives in the alternative fuel cycles and reactors which may prove to be feasible and more resistant to nuclear weapons proliferation. However, the committee voted to continue some of the important work related to the fuel cycle of current light water reactors in the belief that we should not abandon many of our current efforts until we know more fully what other options we may have.

In the case of the liquid metal fast breeder reactor—LMFBR—the committee had before it for markup the language of S. 1340, which contained the February budget revision. This budget contained an authorization request of $150 million for continuation of the Clinch River breeder reactor project. I offered an amendment to reduce the amount authorized for fiscal year 1978 to $75 million which failed by a tie vote in full committee. An amendment by Senator METZENBAUM to reduce the authorization level to $33 million also failed by a tie vote.

The vote on my amendment to reduce the budget authority in fiscal year 1978 for the CRBR project from $150 million to $75 million was as follows:

YEAS

Jackson, Church, Johnston, Hansen, McClure, Bartlett*, Weicker*, Domenici, Laxalt.

NAYS

Metcalf*, Abourezk*, Haskell, Bumpers, Ford, Durkin*, Metzenbaum, Matsunaga*, Hatfield*.

The vote on the Metzenbaum amendment to reduce the budget authority in F.Y. 1978 for the CRBR project from $150 million to $33 million resulted in a tie vote as follows:

YEAS

Metcalf*, Abourezk*, Haskell, Bumpers, Ford*, Durkin*, Metzenbaum, Matsunaga*, Hatfield*.

NAYS

Jackson, Church, Johnston, Hansen, McClure, Bartlett*, Weicker*, Domenici, Laxalt.

The bill, as reported, contains both the $150 million requested in S. 1340, as introduced, and the higher budget levels requested for the other supporting LMFBR activities.

Mr. President, I ask unanimous consent that detailed tables describing the nuclear energy and other programs be printed at this point in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

*Denotes vote by proxy.

FISCAL YEAR 1978 BUDGET

[In thousands of dollars]

	Fiscal year 1977		Fiscal year 1978							
			January budget		February revision		May amendment		Committee action	
	Budget authorization	Budget outlays	Budget authorization	Budget outlay	Budget authorization	Budget outlay	Budget authorization	Budget outlay	Budget authorization	Budget outlay
FUEL CYCLE RESEARCH AND DEVELOPMENT										
Support of nuclear fuel cycle:										
Light water reactor fuel cycle research and development	33,900	29,500	35,100	28,400	[1] 35,100	31,400	0	0	14,000	14,000
HTGR fuel cycle research and development	10,600	11,500	12,100	12,000	[1] 12,100	[1] 12,000	$12,100	12,000	12,100	12,000
Design for fuel cycle facilities	0	0	50,000	30,000	[1] 50,000	[1] 27,000	0	0	20,000	12,000
Advance fuel recycle research and development [2]	10,200	9,200	30,300	27,700	[1] 30,300	[1] 27,700	30,300	27,700	30,300	27,700
Thorium fuel cycle	0	0	2,500	2,000	[1] 2,500	[1] 2,000	18,000	13,500	8,000	6,000
Alternate concepts	0	0	0	0	0	0	32,000	27,000	32,000	27,000
Total support of nuclear fuel cycle	54,700	50,200	130,000	100,100	130,000	100,100	92,400	80,200	116,400	98,700
Uranium resource assessment	31,335	27,000	59,485	51,300	59,485	51,300	59,485	51,300	67,485	57,300
Waste management (commercial)	82,500	65,570	153,000	113,050	153,000	113,050	153,000	113,050	154,000	113,800
International spent fuel disposition	0	0	0	0	0	0	20,000	10,000	20,000	10,000
Total operating expenses	168,535	142,770	342,485	264,450	342,485	264,450	324,885	254,550	357,885	279,800
Total capital equipment	14,000	7,400	23,300	14,650	23,300	14,650	25,300	15,650	25,300	15,650
Total plant	200	95	13,000	2,978	13,000	2,978	13,000	2,978	13,000	2,978
Total fuel cycle research and development	182,735	150,265	378,785	282,078	378,785	282,078	363,185	273,178	396,815	298,428
BREEDER REACTOR										
Large plants	7,800	7,500	11,000	9,800	0	0	0	0		
Clinch River Breeder Reactor	237,600	171,000	234,800	231,700	150,000	208,700	33,000	162,000	150,000	208,700
Fast flux test facility	52,712	50,000	55,000	53,000	55,000	53,000	52,000	53,000	55,000	53,000
Test facilities	65,319	60,840	73,200	70,200	67,400	65,400	62,500	64,000	67,400	65,400
Safety	55,900	53,210	72,100	64,800	66,400	56,800	56,900	54,900	66,400	56,800
Engineered components	48,906	48,620	71,500	60,200	56,900	50,600	51,400	49,600	56,900	50,600
Physics	9,374	9,255	11,100	10,800	10,200	10,000	9,900	10,000	10,200	10,000
Materials	10,300	10,085	12,500	11,500	11,100	10,400	10,400	10,400	11,100	10,400
Fuels	40,175	38,945	52,900	46,900	46,175	41,775	41,200	41,775	46,175	41,775
Reactor analysis	13,797	13,145	21,800	18,800	20,125	16,425	19,900	16,425	20,125	16,425
Total operating expenses	541,883	462,600	615,900	577,700	483,300	513,100	337,200	462,100	483,300	513,100
Total capital equipment	44,938	27,600	35,650	48,460	35,650	48,460	29,950	43,160	35,650	48,460
Total plant	98,950	104,003	[3] 659,150	106,519	[3] 258,835	86,140	[3] 247,735	83,740	[4] 208,335	86,140
Total breeder reactor	685,771	594,203	1,310,700	732,679	777,785	647,700	614,885	589,000	727,285	647,700
NUCLEAR RESEARCH AND APPLICATIONS [5]										
Water cooled breeder reactor	37,000	35,700	38,500	37,600	38,500	37,600	38,500	37,600	38,500	37,600
Gas cooled thermal reactor	15,900	15,200	16,000	15,200	16,000	15,200	16,000	15,200	16,000	15,200
Gas cooled fast breeder reactor	12,800	12,200	14,670	12,800	14,670	12,800	14,670	12,800	14,670	12,800
Molten salt breeder reactor	0	0	0	0	0	0	0	0	0	0
Light water reactor technology	12,500	10,000	13,000	11,600	13,000	11,600	18,800	16,800	31,200	26,100
Technology development and special projects	11,322	10,846	14,842	13,478	14,842	13,478	14,842	13,478	14,842	13,478
Advanced isotope separation technology	40,230	37,000	45,117	41,300	43,617	40,000	43,617	40,000	43,617	40,000
Nuclear energy assessments	7,687	6,680	16,300	12,400	16,300	12,400	23,100	18,600	23,100	18,600
Total operating expenses	137,439	127,625	158,429	144,378	156,929	143,078	169,529	154,478	181,929	163,778
Total capital equipment	12,244	10,269	15,195	14,780	15,195	14,780	15,195	14,780	15,195	14,780
Total plant	9,500	893	3,500	4,100	0	3,400	0	3,400	0	3,400
Total nuclear research and applications	159,183	138,787	177,124	163,258	172,124	161,258	184,724	172,658	197,124	181,958
LIGHT WATER REACTOR FACILITIES										
Light water reactor safety facilities	28,300	21,000	24,000	21,600	24,000	21,600	24,000	21,600	24,000	21,600
Total operating expenses	28,300	21,000	24,000	21,600	24,000	21,600	24,000	21,600	24,000	21,600
Total capital equipment	0	0	800	300	800	300	800	300	800	300
Total plant	0	0	3,000	700	3,000	700	3,000	700	3,000	700
Total light water reactor facilities	28,300	21,000	27,800	22,600	27,800	22,600	27,000	22,600	27,800	22,600
UNRANIUM ENRICHMENT										
Uranium 235 production	799,566	798,048	899,145	900,500	899,145	900,500	895,445	897,000	895,445	897,000
Process development	68,150	62,517	105,650	89,800	85,650	74,800	77,400	68,300	77,400	68,300
All other uranium 235	20,629	17,530	14,840	14,700	14,840	14,700	14,840	14,700	14,840	14,700
Total operating expenses	888,345	878,095	1,019,635	1,005,000	999,635	990,000	987,685	980,000	987,685	980,000
Total capital equipment	17,000	14,985	19,000	16,000	19,000	16,000	19,000	16,000	19,000	16,000
Total plant	673,475	430,477	[3] 698,250	544,452	[3] 968,250	504,452	[3] 648,250	418,852	[4] 303,980	416,452
Total uranium enrichment	1,578,820	1,323,557	2,006,885	1,565,452	1,986,885	1,510,452	1,654,935	1,414,852	1,310,665	1,412,452
MAGNETIC FUSION										
Confinement systems	92,300	82,239	100,200	94,000	91,400	87,400	91,400	87,400	91,400	87,400
Development and technology	46,300	44,790	59,100	55,200	52,300	50,000	52,300	50,000	52,300	50,000
Applied plasma physics	39,100	34,961	41,700	39,000	38,700	37,000	38,700	37,000	38,700	37,000
Reactor projects	17,300	14,110	16,000	15,000	14,500	13,600	14,500	13,600	14,500	13,600
Total operating expenses	195,000	176,100	217,000	203,200	196,900	188,000	196,900	188,000	196,900	188,000
Total capital equipment	23,000	20,600	27,600	17,165	27,600	17,165	27,600	17,165	27,600	17,165
Total plant	98,300	33,500	[3] 229,500	83,535	[3] 237,300	66,935	[3] 237,300	67,235	[4] 121,400	75,535
Total magnetic fusion	316,300	230,200	474,100	303,900	461,800	272,100	461,800	272,400	345,900	280,700

FISCAL YEAR 1978 BUDGET—Continued

[In thousands of dollars]

	Fiscal year 1977		Fiscal year 1978							
			January budget		February revision		May amendment		Committee action	
	Budget authorization	Budget outlays	Budget authorization	Budget outlay	Budget authorization	Budget outlay	Budget authorization	Budget outlay	Budget authorization	Budget outlay
HIGH ENERGY PHYSICS, NUCLEAR PHYSICS, AND ENERGY SCIENCES										
High energy physics	170,000	164,800	187,950	185,550	187,950	185,550	187,950	185,550	187,950	185,550
Total operating expenses	170,000	164,800	187,950	187,550	185,950	187,550	185,950	185,550	187,950	185,550
Total capital equipment	21,800	21,000	42,000	25,100	42,000	25,100	42,000	25,100	42,000	25,100
Total plant	32,000	14,012	[3] 56,300	25,987	[3] 56,300	25,987	[3] 56,300	26,787	[4] 6,200	25,987
Total high energy physics	223,800	199,812	286,250	236,637	286,250	236,637	286,250	237,437	236,150	236,637
Nuclear physics	64,918	60,470	68,444	65,840	68,444	65,840	68,444	65,840	74,444	70,340
Total operating expenses	64,918	60,470	68,444	65,840	68,444	65,840	68,444	65,840	73,444	70,340
Total capital equipment	5,334	4,751	6,725	6,133	6,725	6,133	6,725	6,133	6,725	6,133
Total plant	10,590	10,308	7,900	11,587	7,900	11,587	7,900	11,587	7,900	11,587
Total nuclear physics	80,942	75,529	83,069	83,560	83,069	83,560	83,069	83,500	89,069	88,060
Nuclear sciences	25,022	23,280	25,667	24,660	25,667	24,660	25,607	24,660	25,667	24,660
Material sciences	56,516	52,810	62,406	58,450	62,406	58,450	62,406	58,450	62,406	48,450
Molecular mathematical and geosciences	47,396	45,050	55,800	52 287	55,800	52,287	55,800	52,287	55,800	52,287
Advanced energy projects	0	0	3,187	3,000	3,187	3,000	3,187	3,000	3,187	3,000
Total operating expenses	128,934	121,140	147,060	138,397	147,060	138,397	147,060	138,39 7	147,060	138,397
Total capital equipment	11,066	9,749	12,075	11,167	12,075	11,167	12,075	11,16 7	12,075	11,167
Total plant	15,710	5,880	[3] 35,400	11,967	[3] 35,400	11,967	[3] 35,400	12,517	[4] 33,400	11,967
Total basic energy sciences	155,710	136,769	194,535	161,531	194,535	161,531	194,535	162,08 1	192,535	161,531
NUCLEAR MATERIALS SECURITY AND SAFEGUARDS										
Research, development, testing and evaluation	25,268	21,675	34,777	30,710	34,777	30,710	34,777	30,710	34,777	30,710
Safeguards analytical laboratory and support services	1,271	1,200	1,788	1,600	1,788	1,600	1,788	1,600	1,788	1,600
Nuclear materials management and safeguards systems	881	765	1,341	1,190	1,341	1,190	1,341	1,190	3,541	2,840
Total operating expenses	27,420	23,640	37,906	33,500	37,906	33,500	37,906	33,500	40,106	35,150
Total capital equipment	3,932	3,300	2,794	3,000	2,794	3,000	2,794	3,000	2,794	3,000
Total plant	0	2,463	0	195	0	195	0	195	0	195
Total nuclear materials security and safeguards	31,352	29,403	40,700	36,695	40,700	36,695	40,700	36,695	42,900	38,345
PROGRAM MANAGEMENT AND SUPPORT										
Program direction	218,760	236,560	254,900	254,900	257,100	257,100	257,100	257,100	263,700	263,700
Institutional relations	26,451	26,775	24,341	24,741	24,341	24,741	24,341	24,741	27,141	27,091
Supporting activities	35,469	36,738	51,660	49,194	54,460	51,994	54,460	51,994	54,460	51,944
International cooperation	0	0	0	0	0	0	5,000	4,000	5,000	4,000
Cost of work for others	20,100	18,240	18,265	18,255	18,265	18,255	18,265	18,255	18,265	18,255
Total operating expenses	300,780	318,313	349,166	347,090	354,166	352,090	359,166	356,090	[6] 368,566	[6] 365,040
Total capital equipment	5,440	4,795	5,155	5,155	5,155	5,155	5,155	5,155	5,155	5,155
Total plant	7,200	6,087	21,530	8,936	21,530	8,936	21,530	8,936	21,530	8,936
Total program management and support	313,420	329,195	375,851	361,181	380,851	366,181	385,851	370,181	[6] 395,251	[6] 379,131
General plant projects[7]			45,250	45,250	44,265	44,265	44,265	44,265	44,265	44,265
MISCELLANEOUS REVENUES, INVENTORIES, AND CHANGES IN INVENTORIES, ETC.										
Enrichment revenues	−660,000	−660,000	−845,820	−845,820	−845,820	−845,820	−845,820	−845,820	−845,820	−845,820
Miscellaneous revenues:										
Revenues from products sold	−5,450	−5,450	−5,755	−5,755	−5,755	−5,755	−5,755	−5,755	−5,755	−5,755
Revenues from services	−12,840	−12,840	−11,530	−11,530	−11,530	−11,530	−11,530	−11,530	−11,530	−11,530
Revenues from UEA services	−2,010	−2,010	−2,615	−2,615	−2,615	−2,615	−2,615	−2,615	−2,615	−2,615
Revenues from sale of SS materials	−13,780	−13,780	−22,200	−22,200	−22,200	−22,200	−22,200	−22,200	−22,200	−22,200
Charges for SS materials consumed	−9,420	−9,420	−8,655	−8,655	−8,655	−8,655	−8,655	−8,655	−8,655	−8,655
Revenue from sale of steam	−23,180	−23,180	−36,280	−36,280	−36,280	−36,280	−36,280	−36,280	−36,280	−36,280
Revenue from recovery of SS materials	−3,050	−3,050	−4,520	−4,520	−4,520	−4,520	−4,520	−4,520	−4,520	−4,520
Revenue (interest) from deferred sales and lease of materials	−3,100	−3,100	−2,655	−2,655	−2,655	−2,655	−2,655	−2,655	−2,655	−2,655
Other revenue	−5,070	−5,070	−6,510	−6,510	−6,510	−6,510	−6,510	−6,510	−6,510	−6,510
Total miscellaneous revenues	−77,900	−77,900	−100,720	−100,720	−100,720	−100,720	−100,720	−100,720	[6] −100,720	[6] −100,720
Changes in inventories, working capital, and other adjustments: Inventories:										
Stores	24,260	24,260	36,640	35,917	36,640	35,917	36,640	35,917	36,640	35,917
Fuel fabrication costs	21,470	21,470	23,030	19,449	23,030	19,449	23,030	19,449	23,030	19,449
Special reactor materials	15,114	15,114	43,795	34,088	43,795	34,088	43,795	34,088	43,795	34,088
Other special materials	570	570	1,460	1,301	1,460	1,301	1,460	1,301	1,460	1,301
Isotopes	550	550	1,375	1,327	1,375	1,327	1,375	1,327	1,375	1,327
Total inventories	61,964	61,964	106,300	92,082	106,300	92,082	106,300	92,082	106,300	92,082
Collateral funds and other deposits	0	0	0	0	0	0	0	0	0	0
Working capital, and other adjustments	23,348	0	20,000	0	20,000	0	20,000	0	20,000	0
Total changes in inventories, working capital, and other adjustments	85,312	61,964	126,300	92,082	126,300	92,082	126,300	92,082	126,300	92,082

[1] Amounts in nuclear fuel cycle program were under review at this time by new administration.
[2] Formerly called liquid metal fast breeder reactor recycle research and development.
[3] Authorization basis—Public Law 95-39 not reflected.
[4] Authorization basis—reflects passage of Public Law 95-39.
[5] Excluding space applications which is included in S. 1341.
[6] Includes amounts authorized in S. 1340.
[7] Excludes $38,800 GPP authorized under S. 1339 and S. 1341.

Mr. CHURCH. Mr. President, I commend this legislation to the Senate and I hope my colleagues will support the recommendations of the Committee on Energy and Natural Resources.

Mr. HANSEN. Mr. President, today, the Senate has before it S. 1811, a bill to authorize the civilian application—nonweapons—nuclear power programs in the Energy Research and Development Administration. The Senate's consideration of this bill is noteworthy in several respects:

First, procedurally, this is the first time these nuclear programs have been brought to the floor by a standing committee of the Senate rather than the Joint Committee on Atomic Energy, and

Second, substantially, this is the first legislative action on the floor of either body of Congress to expressly consider the President's far-reaching nuclear power policy and nuclear nonproliferation policy, and their impact on our domestic and international nuclear power programs.

The reported bill authorizes almost $4 billion for fiscal year 1978 to fund our civilian nuclear power research program and our on-going Federal nuclear services. The authorized activities include efforts to deal with the full spectrum of today's nuclear power fuel cycle, from resource assessment to uranium enrichment to reactor efficiencies to waste management. The activities also include the long-range research programs for future energy supply options, including magnetic fusion, breeder reactors, and other advanced reactor concepts. In addition, this bill will authorize projects with total estimated costs exceeding $10 billion. One project alone, our centrifuge enrichment plant, may total as much as $7 to $8 billion in as-spent funds. There, also, are close to $1 billion in revenues from our Federal nuclear services, primarily uranium enrichment, provided to the domestic and foreign nuclear power industries. And, since nuclear power will provide a significant portion of both our domestic and foreign electrical energy generation in future decades, these programs are of major significance in our national and international quest for energy security and stability in the world of the future.

The bill also contains the first Senate consideration of the President's proposed major redirection of our nuclear power research program and Federal nuclear services to increase the emphasis and focus on nonproliferation. The bill authorizes a series of new R. & D. in alternative fuel cycles, redirects several ongoing programs to include a greater emphasis on nonproliferation-motivated alternatives, and even terminates some ongoing subprograms in areas considered to be unacceptable from a nonproliferation standpoint. In some cases, which we will hear a great deal about later in the debate, the reported bill differs from the President's recommendations for this nonproliferation-motivated redirection of our programs.

As a result, in the consideration of this bill, the Senate will be asked to make very difficult decisions on matters of the greatest gravity for the country and the world in two critical areas—energy and nonproliferation. These decisions could shape the immediate and long-range futures of our world society in those two critical areas, and we should proceed accordingly in our deliberations. Also, these are very sobering and very tough decisions indeed, and often they are highly controversial and emotional.

In that regard, let me say at the outset that I applaud the President's obvious commitment to nuclear nonproliferation goals and the resulting aggressive review of our nuclear power policies which the new administration has initiated. Neither the United States which bears such a great historical responsibility to provide effective and positive leadership to the world in this nuclear field, nor the rest of the world community can afford to become complacent or out of date on these policies. This review is a healthy endeavor and can lead to a renewed emphasis and focus on better solutions, both institutional and technical, to these challenges.

At the same time, it is important to recognize that equally committed, well-intentioned and reasonable men could differ on the best means to achieve a given nonproliferation goal. No one approach or attitude has a monopoly on that commitment or good intentions or reasonableness. I would hope all Senators can and will accept that any differences we may have on this issue do not flow from a difference over the importance or commitment to nonproliferation. But, rather the differences are in the means to best advance that goal in a realistic and effective way.

Also, and equally important for the security and peace of this Nation and the world community, is the fact that we are becoming an energy short world and a world where many nations face ever-increasing and some, near total, dependence on OPEC oil to fuel their economies. Where nonproliferation objectives and energy supply objectives can lead to contrary results, a thoughtful and well-reasoned balance must be struck.

S. 1811, as reported by the Energy and Natural Resources Committee, represents the best judgments of the committee regarding the specific, individual actions in this authorization which the President proposed as part of this nuclear power policy and his nonproliferation policy. Those judgments represent a careful and realistic balancing of nonproliferation and energy. They also represent a careful consideration of the best way to achieve a given nonproliferation objective, within the context of balancing the energy and nonproliferation goals. I hope the Senate will agree with those difficult judgments after hearing the arguments on both sides in the coming debate.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

UP AMENDMENT NO. 633

Mr. CHURCH. Mr. President, I send an amendment to the desk and ask that it be stated. I offer it in my own behalf and in behalf of the distinguished chairman of the committee (Mr. JACKSON).

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Idaho (Mr. CHURCH) for himself and Mr. JACKSON, proposes unprinted amendment No. 633.

On page 2, line 21 strike "$483,300,000." and insert in lieu thereof "$408,300,000."

Mr. McCLURE. Mr. President, earlier, there was a unanimous-consent request on behalf of the Senator from New Mexico that the modification of this figure would not make out of order his amendment dealing with an entirely different subject, but within the same figure. If that is not now a current request, I renew that request so that we may reserve the right of the Senator from New Mexico to offer his amendment.

The PRESIDING OFFICER. Is there objection?

Mr. CHURCH. I have no objection, Mr. President.

The PRESIDING OFFICER (Mr. BAYH). Without objection, it is so ordered.

Mr. CHURCH. Mr. President, the purpose of this amendment is to reduce the amount of money presently in the bill for the Clinch River breeder reactor from $150 million to $75 million.

If the $150 million figure were retained, work on the Clinch breeder reactor would continue on schedule through the coming year and the ground would be broken and construction would commence on the reactor at the end of the fiscal year.

This is in line with the program which began a number of years ago and on which we have already spent a large sum of money.

It is my feeling, however based upon our hearings, a feeling that is shared by our distinguished chairman (Mr. JACKSON), that we should not rush to judgment on whether or not the United States should construct a demonstration-size, plutonium-fueled liquid metal breeder reactor at Clinch River during the coming year.

Frankly, we have been called upon to terminate this project very hurriedly. We have held hearings and received wildly conflicting testimony. Yet we know that if we terminate the project at this time, based upon such inadequate consideration, it may cost anywhere from a minimum of $250 million to as much as $500 million in termination costs and in litigation settlements.

We are asked to make that decision on the basis of testimony that comes from individuals who only a few months ago were telling the Congress that the Clinch River breeder reactor was a showcase in nuclear technology, which was essential to our advancement in this field, who, when the President changed his position, then came before the committee

and testified, having turned 180 degrees, to the effect that the Clinch River breeder reactor was a turkey, that suddenly it did not provide the kind of technology we should have to have anyway, and that even if we decided to go forward with breeder reactors, the project was the wrong size, on the wrong site, and ought not be built in any case.

Mr. President, we simply do not know what to believe. Furthermore, we are asked to make this costly decision which, in addition to costing as much as $500 million in termination costs, would require at least 5 years to regain our current stage of completion should we later decide that we must proceed with the breeder.

We are asked to make that decision without the benefit of knowing how much natural uranium we possess or how long that will sustain the conventional reactor, for this, too, is the subject of lively controversy.

We are asked to make this definitive decision without knowing whether any other industrial country will emulate our example, despite accumulating evidence that other countries are determined to proceed with their own breeder technologies.

We are asked to make this definitive decision on the basis of our hearings, at a time when the Energy and Natural Resources Committee has only assumed jurisdiction and responsibility in this field and cannot claim either an adequate background or sufficient expertise. As a result, we must come to the floor and admit that on the basis of the record that has been made we simply cannot say to the Senate that such a decision is in the national interest. We do not know.

Furthermore, the administration witnesses are the very personification of a whole series of contradictions concerning this plant. But on the basis of what we do know, one thing is already becoming evident, and that is that the rest of the world, faced with a different problem, particularly those industrial nations that must import nearly all their fuel supplies—countries like Japan, that are 98 percent dependent on foreign fuels as well as countries like Brazil, France, and West Germany, that are more than 90 percent dependent on foreign sources—have decided that their own national interests can be served only by proceeding with the construction not only of demonstration plants but also of commercial-sized plants, based upon plutonium-fueled liquid metal breeder reactor technology.

CHURCH-JACKSON AMENDMENT

Mr. CHURCH. Mr. President, I share President Carter's concern about the further spread of nuclear weapons. However, this concern must not cloud our perceptions about a world where dwindling supplies of oil, natural gas, and uranium make cartel action by supplier nations a real threat to countries which have scarce indigenous energy resources. Japan, France and Brazil import 90 percent or more of their energy requirements, primarily oil from the Middle East and from other members of OPEC, the cartel of oil exporting governments which has imposed a 600 percent increase in the price of international oil in the past 4 years. The United States has tended to underestimate the degree to which the 1973 Arab oil embargo and unprecedented oil price increases changed the geopolitical thinking of the leaders of these import-dependent countries.

Mr. President, I ask unanimous consent that an article from the New York Times on this topic be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 6, 1977]

EUROPEAN NATIONS SIGN ACCORDS ON DEVELOPING BREEDER REACTORS

(By Jonathan Kandell)

PARIS, July 5.—France, West Germany and several other Western European nations today signed accords here for further research and development of nuclear breeder reactors and their eventual sale abroad.

Both Western European and United States officials interpreted the agreements as a rejection of President Carter's call for at least a temporary moratorium on breeder development to avoid the spread of nuclear weapons.

The fuel used by the breeder reactor is plutonium, a material that can also be used for the production of nuclear weapons. The breeder theoretically creates more plutonium than it burns, and has thus gathered support among governments worried over the possibility of a shortage of uranium.

Earlier this year, President Carter said he opposed the use of plutonium as fuel in the United States. But lobbying by the nuclear power industry has kept alive the possibility that funding for a demonstration breeder in Clinch River, Tenn., may be approved by Congress.

DISPUTE WITH BONN AND PARIS RECALLED

The United States has already clashed with France and West Germany over their plans to export uranium reprocessing equipment. The French have held back on a deal to supply the technology to Pakistan, and are expected to announce this decision publicly after the military coup today. The West Germans have refused to rescind commitments to supply Brazil with enrichment equipment.

President Carter's objections to these two deals were based on the fact that reprocessing of spent uranium fuel produces plutonium, unusable as a fuel in conventional reactors, but capable of being diverted for use in weapons. The objections to breeders are essentially the same—they produce plutonium.

The accords signed today are of two kinds. The first calls for cooperation between France and West Germany in research and development. The other accords create a company, including French, West German, Dutch, Belgian and Italian interest, to market breeders.

A number of prototype breeders are under construction or in operation in Western Europe. France has a 250-megawatt breeder that operated for about 16 months, then closed down for half a year because of technical problems, and recently resumed its operation. The French have decided to move ahead with a commercial 1200-megawatt breeder.

SOVIET NOT A PARTY TO ACCORDS

West Germany, together with the Netherlands and Belgium, is constructing a 100-megawatt prototype breeder. The British have two research breeders operating in Scotland. The Soviet Union, which was not a party to today's accords, has a 350-megawatt breeder that is also used for desalting of seawater, and is building a 600-megawatt reactor.

Europeans tend to defend breeders for a variety of reasons, including the following:

There are few secure sources of energy for most Western European countries, which must import most of their oil, coal, gas and uranium. The breeder reactor, by producing more fuel than it consumes, thus becomes an attractive source of energy.

A corollary of this argument is that the United States can afford to take a stand against the potential hazards posed by breeders because it has large reserves of coal, uranium, oil and gas, and what Europeans view as a strong relationship with Middle East oil producers, particularly the Saudis.

Another argument made in favor of breeders is that Western Europe holds a technological lead over the United States. Officials say the Americans will probably come around to accepting the inevitability of breeders and Europe should be prepared to meet its needs and seize a share of the export market.

EUROPEANS DISCOUNT HAZARDS

Europeans have tended to discount the potential hazards posed by the creation of large amounts of plutonium, and have said that it is possible to create strict safeguards against its use for weapons.

While the Europeans see potential long-range economic benefits in breeders, their construction costs run into the billions of dollars. If the European economies continue to show sluggish growth, an expensive breeder program could be a prime candidate in a budget cut.

Domestic opposition to nuclear energy got started later in most Western European countries than in the United States, but it has now burgeoned into an effective movement and breeder reactors are a likely target.

In West Germany, legal victories won by opponents have slowed plans to have 30 nuclear power reactors in operation by 1985. In France, opposition is being mounted against the 1,200 megawatt Superhenix breeder even before the start of construction. In Britain, both economic costs and domestic protests have led to public debate on breeders. Protest movements have also added uncertainty in the Netherlands, Belgium and Italy.

Mr. CHURCH. Mr. President, this development confirms the point made in testimony before the Subcommittee on Energy Research and Development, which I chair, by a State Department spokesman. He recently conceded that, regardless of what the United States does, other countries, more dependent upon energy imports, have already indicated they will not stop their breeder programs. Thus, the question is no longer whether the world should enter the plutonium era: that era is upon us now.

It is now clear that the Carter administration's proposal to guarantee supplies of enriched uranium as a substitute for the plutonium fueled breeder has fallen on deaf ears. Many countries which are now dependent upon one depletable resource, oil, controlled by the OPEC cartel, are unlikely to opt for a new dependence upon a second depletable resource, uranium, controlled by a different, but also foreign, group of nations.

Given this situation, we should not rush to judgment in our own breeder reactor program and cast aside our accomplishments to date on the intermediate-size, breeder reactor demonstration plant to be built at the Clinch River in Tennessee. Therefore, at the proper

point in the consideration of S. 1811, I am offering this amendment cosponsored by Senator JACKSON, the chairman of the Committee on Energy and Natural Resources, to fund the Clinch River Breeder Reactor—CRBR—project at a level of $75 million, which is sufficient to prevent the dismantlement of the project in the coming fiscal year.

In view of President Carter's proposal to terminate the CRBR project, the Committee on Energy and Natural Resources has conducted a rapid review of the issues and the arguments for and against the project. Since receiving the detailed budget amendment on May 18, 1977, we have found no compelling reasons to abandon this intermediate size demonstration plant at this time. To do so would be to incur immediate termination and litigation costs of as much as $500 million. The amendment Senator JACKSON and I offer would defer any definitive decisions for the duration of fiscal year 1978 during which time the Congress and the President can conduct an objective reevaluation of the need for the CRBR project.

The program which we propose will require a new authorization of $75 million. This funding is to be accompanied by a suspension of the licensing procedure during the review period extending to the end of fiscal year 1978. No funding is included for contracts for site preparation or construction. Equipment procurements on existing contracts would be continued in those areas: First, where there are substantial costs associated with the termination and the subsequent restart of the procurement, or second, where there are procurements essential to a component research and development program if a future decision is made to terminate the CRBR project. The current contracts for procurement of equipment will be terminated where the cost differential is small if the contracts are negotiated again at a later date.

No new equipment procurements would be initiated during the review period. Contractor work by the reactor manufacturers and their subcontractors, by the architect and engineering design firm, and by the constructor—planning, would remain at near current levels to maintain the base of professionals necessary to reconstitute the project upon a favorable decision following the review process. Studies and reevaluations of the design, management structure, and other aspects of the CRBR project would be initiated within this funding level.

It should be noted that a later decision to proceed with construction of a demonstration plant, which the President admits is a possibility, will require remobilization costs amounting to billions of dollars. Moreover, a significant time loss will be incurred because it will require at least 5 years to regain our current stage of progress from the time of a decision to proceed.

Ultimately, we will probably need to build a demonstration plant for our own needs. If we intend to participate in the establishment of a system of international controls over the use of the breeder and its fuel cycle, we must certainly have a sufficient appreciation of the technical and economic problems associated with required specific approaches to safeguarding the breeder fuel cycle. The strongest position from which to accomplish that objective is to have practical experience and knowledge gained from operation of our own breeder demonstration plan, like the CRBR project.

I suppose the dilemma that is faced by the outside world has never been stated better than by the British Foreign Secretary, Dr. Owens, who said only a few weeks ago:

> The central problem can be reduced to brutally simple terms. The world is increasingly forced to look to nuclear power as a means of sustaining life, in the full knowledge that nuclear power, if misused, adds to the danger of destroying life once and for all. The dilemma is unprecedented in human history. None of us—nuclear and nonnuclear states alike—has yet fully come to terms with its implications.

Mr. President, we have tended to underestimate the profound impact that the Arab oil embargo had upon the nations of Western Europe and Japan. That embargo caused them to rethink their position in geopolitical terms. Even countries in the developing world, such as Brazil, having experienced the effects of that short-lived embargo, have decided that they must develop a capacity to keep the internal industrial core of their economies alive without having to depend in the future on foreign sources for their fuel supplies. The only technology that gives them any promise of gaining this essential autoarchy in anything so vital as fuel is the breeder. That is why they have elected to proceed. That is why the Germans and the Italians have combined with the French for the construction of the first commercial sized breeder in the world, a 1,200-megawatt breeder, the Superphenix, now under construction.

The French have already had their Clinch River breeder, and it operated so successfully that they are now moving forward to the development and construction of a commercial-sized breeder.

I say to the Members of the Senate that once that is built and demonstrated, the amount of money that will be involved in its development, in the research, in the construction, can only be amortized through the sale of such breeders to other countries of Western Europe and countries in the developing world. The French make no bones of it. The Germans already have elected to proceed with their own development of a demonstration plant. The British already have their Clinch River demonstration plant and are talking about constructing an even larger commercial breeder, 1,300 megawatts. The Russians have their demonstration breeder and are in a position to go forward with the construction of their commercial breeder.

That is the world as it is. Therefore, it seems to me that we should be quite certain of our ground before we make so definitive a decision on the basis of contradictory evidence. That is all Senator JACKSON and I are asking the Senate to do in the adoption of this amendment.

For years I have been concerned about the problem of the proliferation of nuclear weapons. I share the President's objective. But if we are going to live in a world in which the breeder has become the principal means for generating electric power, then we will have to design an international system that is competent to cope with the hazards of the plutonium age. We will have to do that whether or not the United States ever builds a breeder, because that is the kind of world in which we will be living.

The answer to whatever problems are inherent in the construction of the plutonium based breeder can only be found through the establishment of an adequate international system of inspection and control. Not a single answer to that problem ever will be found on the basis of self-abnegation or self-restraint or the setting of an example that the world refuses for other reasons to emulate.

Mr. CHURCH. Mr. President, if the Senate chooses to support the amendment, this is what it will do: It simply will preserve intact, for the coming year, the status quo. We will not go forward to construction. We will not go forward to site preparation. We will not go forward to complete the licensing. We will even terminate those contracts that can be terminated without excessive cost, in the event they must be reinstated later. We will hold in abeyance Clinch River—without giving any signal that in any way can complicate the President's objective in his negotiation with foreign countries, without contradicting his policy or his efforts to reach international agreement in the matter of weapons proliferation. We will simply hold this project in abeyance until we can get the answers we need.

Within a year, we will know whether or not the rest of the world is interested in our own self-restraint. We will know whether or not it is plainly necessary to proceed with the establishment of adequate international controls. We will know whether or not we can determine how much natural uranium there is to be depended upon for the future, for the purpose of fueling conventional reactors.

We will have answers to questions that we lack today while we are being summoned to rush to judgment. So nothing can be lost by this amendment.

The $75 million is a modest amount of money to invest in the time that is needed to get better answers to these vital questions. Nothing will be lost by this amendment nor will we even have taken a step that rejects the President's program or the President's objectives.

We simply will have put this project on the shelf, holding intact those essential elements that will enable us to go forward with it, if that should be our decision a year from now, avoiding the high termination costs that accompany a hasty and premature decision to terminate the project now, which costs could rise as high as half a billion dollars over and above the money already spent.

So no matter how you look at it, from the standpoint of policy, from the standpoint of proliferation, from the standpoint of money to be saved, the arguments for supporting the amendment that Senator JACKSON and I offer seem to me to be compelling.

I would, therefore, hope, Mr. President, that the Senate will see fit to support the $75 million figure.

Mr. BUMPERS. Mr. President, has the Senator completed his statement?

Mr. CHURCH. Yes.

UP AMENDMENT NO. 634

Mr. BUMPERS. Mr. President, I send an amendment to the desk in the nature of a substitute.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arkansas (Mr. BUMPERS) proposes unprinted amendment No. 634 in the nature of a substitute to unprinted amendment No. 633.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike the figure "$408,300,000" in the amendment and insert in lieu thereof the following:

"$366,300,000 of which $33,000,000 is allocated to the Clinch River Breeder Reactor Project. This sum and any sums heretofore appropriated for the project may be expended to terminate the project or to modify it substantially in accordance with the letter dated May 19, 1977, from the Energy Research and Development Administration to the Joint Committee on Atomic Energy."

Mr. BUMPERS. Mr. President, I think it would be instructive to my colleagues if I point out that in the debate on this very critical issue in the Energy Committee, the bill contained $150 million for the continuation of the Clinch River breeder reactor. I am sure there are those on the committee and there are those in this body who favor the continuation of that project at that level, which is virtually the full level which was anticipated under the Ford budget.

But the Senator from Idaho (Mr. CHURCH) and Senator JACKSON offered this same compromise of $75 million in committee splitting the original request of the Ford administration in half for all the reasons which Senator CHURCH has just stated.

On a vote in the committee the motion failed on a 9-to-9 tie vote.

The Senator from Ohio (Mr. METZENBAUM) offered the amendment which stated the President's position. It would have cut the $150 million to $33 million, the purpose of which was to terminate the Clinch River breeder reactor project, and that motion failed on a 9-to-9 tie vote.

Later on, rather than keep the bill bottled up in committee, some of those who were voting on each side of the issue voted to report the bill out. But it is my belief that not many members of the committee ever anticipated that the Clinch River project would be funded at the $150 million level. As a matter of fact, that was not debated in the committee.

Mr. McCLURE. Mr. President, will the Senator yield on that point?

Mr. BUMPERS. Yes.

Mr. McCLURE. I appreciate the Senator's yielding on that point because I think the 9-to-9 vote included on both sides those people who either wanted more or less than either figure. This Senator from Idaho is in favor of the $150 million figure, and so stated in the committee, and my vote was against both the Church amendment and the other amendment on that basis.

So the 9-to-9 vote included people who wanted more than the $75 million and those who wanted less than the $75 million, just as they did on the other matter.

I thank the Senator for yielding.

Mr. BUMPERS. I am happy to yield. But I do want to say categorically—and I think I can say that with considerable assurance—that the nine persons who voted in favor of the $33 million figure were unalterably opposed to the $150 million figure. So I would like to point out that the committee was at least split, and nine people were in favor of the President's position.

I think it would also be well to point out one other thing. There is a misconception among a lot of people in this body that we are leaving some sort of a shell of construction down in Clinch River, Tenn., half out of the ground.

The truth of the matter is the land has not even been cleared, the trees have not even been cut, not one spade of ground has been broken in anticipation of the building of a breeder reactor. That little misconception ought to be cleared up now so that nobody will think there is some sort of a hole we are leaving that will be a monument to our folly sometime in the future.

Now, to go back, Mr. President, to the history of the breeder reactor, so far as I have been able to determine, the first one was built in Idaho in 1951 called EBR–1, experimental breeder reactor. It had a meltdown accident in 1955. In all there have been six breeder reactors built. and two of them have had a meltdown. If I am not mistaken, in the first meltdown accident two people lost their lives.

But the reason we have been rushing headlong toward the plutonium economy is because everybody was certain that at some time we are going to run out of uranium, and the only way to guard against that and develop a long-range solution to the energy problems in the country was to come with a breeder reactor that would generate all kinds of electricity, and in the process produce more fuel than it actually used. Actually if it does not do that it is not a breeder.

Ultimately and optimally, a breeder reactor produces 40 percent more plutonium that it uses. Mr. President, when you start talking about waste materials and how you are going to dispose of waste, I shudder to think what will happen in this country when we have 1,000-megawatt breeder reactors on-stream, all producing 40 percent more plulonium than they use.

Talk about a waste problem, what do we do with a fuel that does not have one single process left to incorporate it into a nuclear weapon?

The second reason we went headlong toward the breeder reactor is that we made some projections of how much energy this country is going to need for the year 2000. I invite attention to the chart in the back of the Chamber on the right which shows that in 1972 the first forecast was made indicating that we would need 1,200 1,000-megawatt plants in this counrty by the year 2000.

A short 5 years later ERDA, which is the agency of this Government we are depending upon to make these projections for us, has concluded that in the year 2000 instead of needing 1,200 1,000-megawatt plants we will only need an additional 380.

Now, colleagues, that is a two-third reduction in the estimated power we are going to need in this country in the year 2000. When it comes to the use of plutonium, as I pointed out a moment ago, if you take the spent fuel out of a light water reactor, you have got to go through one more process, you have got to extract the plutonium from that spent fuel before you can make a weapon. Now, India has done it. Everybody here, I think, believes that Israel has done it, and certainly there will probably be others that will follow suit. It has gotten to the point where it is not an immensely complex technology.

But at least it is a technology that is not universally well known, certainly not known by terrorists, and not known by the underdeveloped countries. But when you start manufacturing plutonium in a breeder reactor, you bystep that small technology. You do not have to have it any more. All you have to do is to assemble it in a nuclear weapon and you are in business.

The President has said that he wants this country to assume the moral leadership on this issue. I support him 100 percent. I know every argument that can be made about the genie being out of the bottle and that nuclear proliferation is irreversible. But I also know that there is no single potential for the incineration of this universe any greater than the exacerbation of the problems we already have by going to a plutonium economy.

I applaud the President because I think he is taking a very bold step. It is not an easy one. He could have bypassed it and allowed this thing to go unnoticed, and the vote would have been very much as it was last year. Probably two-thirds or three-fourths of the Members of this body would have voted to continue the Clinch River project. It is a fairly sophisticated argument. When I sat in the Energy Committee and heard Dr. Teller, for example, talk about what a devastating possibility the plutonium economy presents for civilization and hear others of equal stature testify to the same thing, it is frightening. I cannot speak for everyone else. It frightens me. It obviously frightens the President.

As I say, I applaud the President for saying that he wants to talk to the other countries of the world to say we are going to take the leadership. The argument is made that that sort of negotiation with other countries never works.

I remember when John Kennedy told the Soviet Union:

If you do not want to sign an agreement with us we are going to unilaterally discontinue nuclear testing in the atmosphere.

That was a very bold step for President Kennedy, but he took it, and within 12 months we had a signed agreement that the Soviet Union and the United States would discontinue testing in the atmosphere.

And then there is this old argument that if we do not build them, they are going to. I say, let them. The argument was made here just a few years ago that if we do not build the SST, they are going to, and they did, and I am glad. And every time that Concorde takes off, they lose money hand over fist. I am very pleased that this body had the good judgment and good sense to say it. Just because we are going to get behind in supersonic transport does not mean that we have to spend billions of dollars to develop a turkey. And that is all the French and British have on their hands.

Another argument is that if we do not sell Iran and all the other countries arms, someone else will do it. So we continue the most irresponsible arms policy of any nation in the world destabilizing the world.

Those are the arguments that we are making here.

How dare we let the British, the French, and the Soviet Union get ahead of us in breeder reactors? Some of these arguments remind me of the parliamentary debates in Britain 200 years ago for continuing a British presence in the slave trade. They said, "If we don't continue trading in slaves, they might be treated inhumanely." You bet.

I think the United States has a moral obligation to lead. I daresay that many Senators in this body made Fourth of July speeches talking about the greatness of this country. I daresay some of you went so far as to say that the Vietnam war was immoral. Incidentally, that was another time when we were destroying villages to save them. I daresay that there are Senators in this body who talked about the greatness of this country, about the moral certitude of all of our positions in the past that has made us so great.

Yet we shy away from taking one small step in diminishing the possibility that an Amin or an Arafat or some other terrorist will lay his hands on a nuclear weapon.

I know the genie is out of the bottle. I know that there are nuclear reactors in many countries of the world. And I know that some of them probably are going to develop nuclear weapons.

The President is simply saying let us wait a minute. Let us reevaluate this whole program and see. Do we have a little time to wait? Do we have time to talk to the British, the Soviet Union, the French, and the Japanese and say at least let us design some built-in safeguards?

I noticed in the committee report, Mr. President, that one of the arguments made is that those countries are not building in safeguards to protect the plutonium. They are building a security system, and I assume that means guards with pistols on their hips so that terrorists cannot bust into some storage facility and take the plutonium out. The report is saying that our system is so much better because we are building into it a fail-safe system so that the plutonium cannot even be taken by a terrorist whether a guard is there or not. It is saying that those countries are going to be so irresponsible that they are not going to build in any such safeguard system, but are simply going to try to protect it by having it heavily guarded, and that we have a responsibility to lead the world in this new technology because if we do not they will not. That is hard for me to accept. It is impossible for me to accept.

Then, completely aside from all the moral arguments which I could wax eloquently on for another hour, there is this question of economics. Is it the best money we can spend to solve our energy problems? Are there alternatives? What if we spent $2.2 billion for solar? How many kilowatt hours would it produce? What if we spent $2.2 billion for bio-fuels research or energy from waste materials, a little system that the Germans get about 10 percent of all their electricity from and the Swedes and other Western Europeans get 7 to 10 percent of their energy from? What if we spent it on ocean thermal or wind energy? What if we spent it on almost a whole range of benign long-range clean energy supplies?

I think we would get a bigger bang for the buck in almost any system.

Look at the chart on the left which shows the breeder budget with and without CRBR. There are those who would make you think that the end of the world is coming because the President has chosen to cancel the breeder reactor.

I want my colleagues to bear in mind two or three things. No. 1, the President is just saying, "Wait a minute, let us look at some of the options." No. 2, the President is saying, "We may want to build the breeder reactor later on." No. 3, he is saying, "In the meantime let me negotiate with other countries and see if we cannot get some kind of agreement." No. 4, he is saying, "The amount of money we are taking out is for the breeder reactor in Clinch River only and after we do that $366 million will be left in all kinds of breeder research"—more, I say to our colleagues, more than all the other countries in the world are putting into breeder research.

So the President is not saying he wants the United States to be second. He is not saying, "I do not believe in long-range infinite fuel sources." He is simply saying, "Let us not rush to judgment."

The distinguished floor manager has already said the same thing. Let us not rush to judgment. I could not agree with that statement more.

But there is the chart. The part in green is the amount of money we are going to continue to spend in research. The part in red is the Clinch River project only.

We are hurrying because this is a commercial project. Industry has $250 million invested in it, and they want some deadlines. They want some energy produced, because that is a big investment for them.

When they started out with $250 million, I do not believe there was a soul in ERDA, or whatever the organization was then, AEC, or anyone else in the country who thought anything except that industry intended to participate to the extent of 50 percent in this whole project.

Now industry is saying, since the total cost is $2.2 billion, that they never intended to go over the $250 million and fund the total program up to 50 percent of the total cost. Last year they could not be persuaded to fund 50 percent even of the cost overrun above $2 billion. They want no part of the additional cost of anything which has escalated in cost the way this breeder reactor has.

Talking about cost, the GAO report says that the very worst scenario they can develop is that it will cost $1.3 billion, and you will have to look at that scenario a long time to find out how it will possibly happen. But if you want to talk about economics and the cost, I ask you, what is $1.3 billion compared to New York City, or any other city in or out of the United States being held hostage by a terrorist?

Talking about cost, how does that cost compare with the possible consequences one could conjure from having plutonium in abundance all over the world?

The results may be the same. We may already have crossed so many milestones in our headlong dash to eternity and certain incineration that we are going to insist on being incinerated anyway. What the President is saying is, "Maybe we have not yet crossed that line, and let us not do something to hasten the certainty of it."

I applaud him. I think we ought to give him a chance.

One of the best reports ever written on this subject came out just recently. The Ford Foundation had, I believe, 22 of the best scientists and economists in the United States study this whole range of subjects. I do not wish to read to Senators; I hate to patronize people by reading to them. But listen to what these 22 top scientists and economists have said:

The present U.S. program, directed at the early commercialization of the LMFBR, is not necessary to the development of the breeder as insurance. The ultimate success of the breeder may even be compromised by telescoping development stages to meet an early deadline, freezing technology prematurely. We believe therefore that the breeder program should deemphasize early commercialization and emphasize a more flexible approach to basic technology. In such a program, with a longer time horizon, the Clinch River project, a prototype demonstration reactor costing $2 billion, is unnecessary and could be canceled without harming the long-term prospects of breeders. In fact, premature demonstration of a clearly noncompetitive breeder could be detrimental to its ultimate prospects.

Although long lead times are required for a project as complex as the breeder, we believe that the decision on commercialization, now set for 1986, can safely be postponed beyond the end of the century. The cost, if any, of such postponement will be small, and there is a strong possibility that postponement will help in restraining large-scale,

worldwide commerce in plutonium and buy time to develop institutions to deal with this problem. The option of bypassing the plutonium breeder altogether should not be prematurely foreclosed since there is at least a possibility that the plutonium breeder may never become necessary, or even economically competitive, compared to other energy sources that may become available in the next century.

I say to my colleagues that I cannot think of an argument on my own behalf nearly as compelling and persuasive as what the top scientists and economists in this country have said. I plead with you to join with the President in taking a strong moral stance on this issue, and sending a signal to the rest of the world that we mean what we are talking about when we say we are going to try to control our destiny.

Mr. President, I yield to the Senator from Illinois (Mr. PERCY).

Mr. PERCY. Mr. President, the argument has been made that, because our European allies are moving ahead with their breeder projects, we should go ahead with this project.

I can well remember the arguments used on this floor when we were told to go ahead with our SST because France and Great Britain were going ahead with their SST.

We decided, in our wisdom at the time, to stop that project because it was uneconomical, because it looked like a flying Edsel to many of us. Today we see operating losses racked up every single week, month, and year by the British and French Concorde. I do not think any of us wish we were forging ahead with the SST, rushing pell-mell down that same economic stream. I do not see any effort to resurrect our SST at this time.

We were told also to go ahead with our ABM because the Russians were going ahead. It had an estimated cost of $60 billion to construct plus $6 billion to $10 billion a year to maintain.

After reflection and careful study, we stopped that project. We have authority to go ahead with a second site, but we have not even gone ahead with that. There are no proponents of the ABM left any more, though one would have thought that the security of the United States depended on our rushing into it pell-mell, on continuing and accelerating a nuclear arms race with the Soviet Union. One would have thought that there would be great calamity if we did not go ahead with the ABM.

We were wise to stop the ABM. And those of us who worked to stop that project have not regretted that decision one bit. Our defense budget would have been horrendous at this point if we had rushed ahead. The ABM would have added greater incentive for both sides to go ahead with offensive as well as defensive projects.

So I think, because of doubtful economic reasons, because of possible proliferation dangers, and because of unanswered safety questions, we should stop, look, and listen before proceeding with the Clinch River breeder reactor. I just do not feel that today, when so many of us are deeply concerned about nuclear proliferation, that we should add momentum to the arms race that is already under way throughout the world.

Dr. Lilienthal, the first Chairman of the Atomic Energy Commission, testified before the Committee on Governmental Affairs that he is glad that he is as old as he is, since he would not want to be the age of his children or grandchildren. The world is getting too dangerous, he said. I think this is a time to stop and look and listen to one of the great nuclear experts in our country. We should see whether or not this decision is hypocritical and whether it makes us inconsistent with negotiation stances taken by the President of the United States.

I think a prudent pause in breeder commercialization is appropriate at this time, even if one feels this Nation will need a breeder some day. I suspect that some day we will go ahead with supersonic passenger transports. But we were not ready for it when we made the decision. The SST design was wrong and the time was not the right time. I feel that this is the kind of question we should ask ourselves about the fast breeder reactor. Several years from now will still be time enough to build a breeder, even under the worst set of economic assumptions about energy alternatives.

Breeder supporters should take into account that since 1972 the number of nuclear plants expected in the year 2000 has fallen by two-thirds, from 1,200 to 380; that conservation programs and high energy prices will slow growth of electric demand; and that their under 2-million-ton estimates of American uranium reserves assume limited new discoveries.

The 1977 Ford Foundation-Mitre Corp., examination of nuclear policy concluded the risk of delaying breeder commercialization is that electricity prices in the beginning of the next century will be two-tenths of a cent higher or lower, not that the United States will run out of energy, or that our economy will falter.

Breeder proponents are optimists concerning what we can achieve in breeder design, plutonium safeguards, reprocessing, and waste storage. However, they seem to be pessimists when prophesying about conservation and solar energy.

I, for one, have confidence in our ability to reduce energy use through increased efficiency and to develop affordable solar power and other alternate sources of energy. I feel we can look upon them as safe, reliable sources of energy without the inherent dangers that we all recognize exist with the breeder.

It is not sensible, in my judgment, to build Clinch River before review of operation of the Fast Flux Test Facility research breeder under construction near Hanford, Wash. Redesign or even scrapping of the half-built Clinch River plant might be needed should the test facility encounter serious operational problems. In such a case, the cost of Clinch River, which has already jumped from $700 million to $2 billion, would soar even higher.

Dr. Schlesinger testified before a House subcommittee on June 7. He feels the Clinch River design may not be the best among alternative breeder designs.

Clinch River supporters worry about the dispersal of the breeder technical team. Their argument, taken to its logical end, would say that we should never terminate spending on any project, no matter how unwise that project is. These jobs do not outweigh the risk of construction.

Also, some breeder supporters give the false impression the 4,400 engineers are all together in one building, working as a single unit, housed in a single construction. Actually, they are dispersed through contractor facilities in 21 different States. Many can continue work on other breeder programs. The termination funding includes personnel termination and relocation money for the others. And remember that jobs for nuclear engineers seem to be abundant today. It is not difficult to get them. There is not going to be an unemployment problem among them.

Proliferation is another vital issue. Secretary of State Cy Vance stated in a June 14 letter to House Speaker O'NEIL that to proceed with Clinch River "would undermine our credibility and call into question our motives in calling for a joint reassessment of the problems associated with early entry into a plutonium-based economy." It is incumbent upon this Congress not to undercut the administration at the bargaining table.

The Ford-Mitre report concludes:

The United States has played a major role in shaping world expectations regarding breeders. Reexamination of U.S. needs, and estimates of what it is possible to do at an economic advantage or low cost in delaying commitment to a plutonium economy, can still have an impact on decision processes in other countries.

We must do all we can to slow the spread of the breeder and of reprocessing. This will buy time with which to strive for sensible international political solutions to proliferation. To succeed in our nonproliferation goals will be difficult enough as it is. If we fail to slow the breeder program, proliferation of nuclear weapons will become almost inevitable.

Mr. President, let me talk for just a moment on the safety aspects of the breeder. The liquid metal fast breeder reactor uses volatile molten sodium as its coolant. Its chain reaction takes place much faster than that in conventional water cooled reactors. The breeder reactor core will retain plutonium sufficient to produce an energy burst that could breech the reactor vessel should a coincidence of accident conditions converge.

For these reasons, the liquid metal fast breeder presents significantly more serious dangers than do light water reactors. The dangers of plutonium to health, safety, and civil liberties weigh very strongly against its use.

Funding for Clinch River would give unnecessary momentum to the introduction of a plutonium economy. A few skilled terrorists could assemble a workable nuclear bomb in several days with less than 20 pounds of plutonium out of the hundreds of tons produced yearly. The National Defense Council gave this warning:

A foolproof, safeguard system is almost certainly an impossibility, and the system we

are likely to get will cost dearly in terms of human freedom and privacy.

Mr. President, I do not call for an end to the breeder program. The Bumpers amendment provides for a breeder program funded at almost a half billion dollars for alternate breeder research, for on-schedule construction of the fast flux test facility, and for the completion of all design work for Clinch River. This money is still more than any other ERDA energy programs receive, or one-sixth of the total energy budget. The project could readily be reinstated in several years' time if new information concerning energy needs, uranium supplies, and the cost of supply alternatives comes to light.

The Ford-Mitre report concludes:

The present U.S. program directed at early commercialization of the LMFBR is not necessary to the development of the breeder as insurance. The economic case for Clinch River simply cannot be sustained.

Let us try today to stop its momentum before we are irrevocably committed to it.

In conclusion, Mr. President, I would like to say I oppose this amount of money going into this particular project on economic grounds. This is the same position I took on the ABM and on the SST. I simply did not feel they could be justified on economics. I sat through months of hearings and some 50 witnesses, in the Governmental Affairs Committee on the problems of nonproliferation. I heard the same kind of testimony presented before the Foreign Relations Committee. I think everyone today should be concerned about the possibility of Amin or Qaddafi getting their hands on plutonium, or about terrorists who have hijacked several airplanes the last few days without regard for the danger imposed upon the passengers concerned. If we are going to go ahead with a program based upon the production of plutonium and thereby encourage countries all across the face of the Earth to do it, how can we moralize to Amin and Qaddafi, who desire to have a bomb, that they should not have it? They could then take an energy plant based upon the fast breeder reactor and very easily and very simply obtain the material to make a bomb.

It would take an amount of material the size of a grapefruit. That is all that would be required for a terrorist. I think we might better stop, look, and listen.

We have an energy problem. There are many potential solutions to that problem. I am all for going ahead and finding those solutions. But I would say this is one of the most dangerous, perilous, and uneconomic roads down which we can venture. I very strongly oppose going ahead full scale with this program.

For that reason, Mr. President, I believe the Bumpers amendment is the best alternative available to us. It does not kill the program. It allows development and research to go ahead. But it certainly would cause us to at least say to the world that what we are doing on the floor of the Senate is consistent with what the President is doing. I hope the Congress will support a pause before we rush into a plutonium economy in this country.

The PRESIDING OFFICER. The Senator from California.

Mr. HAYAKAWA. Mr. President, I would like to speak on the Clinch River project. I am in favor it.

The administration's recent recommendation to terminate the Clinch River project requires a careful scrutiny by the Senate. Supporters of termination suggest that the breeder and its attendant plutonium economy present too great a risk for the United States and the rest of the world. Accordingly it is necessary, so the White House argues, to give a signal to the rest of the world that the United States is backing away from a commitment to breeder reactors in order to persuade the world to do likewise.

I have examined the administration's new position and find it wanting in numerous important respects. It obfuscates the purposes of the Clinch River project; it obfuscates the problem of fast breeder reactors; and, most importantly it obscures the international implications of our proposed action.

The Clinch River project is essentially part of a program to produce a commercial breeder for demonstration purposes. The Clinch River breeder reactor plant was to be designed and built to demonstrate that a liquid metal fast breeder reactor can operate safely and reliably in a licensed utility environment and to better understand fast breeder economics. This plant was to operate just like any other licensed commercial powerplant. Through this, utilities would see, firsthand, the performance that could be expected from commercial-size plants, and reactor manufacturers would be given the experience needed to design and construct future commercial units. Of equal importance was the on-line demonstration of crucial plant components and fuel elements, so that scale-up of the plant features would lead to competitive operating costs for commercial units. Thus, the Clinch River breeder reactor project was a vital link in the program for bringing the liquid metal fast breeder reactor concept to the point of wide-scale commercialization.

In this connection, it is interesting to note that, while we are debating the establishment of an experimental breeder reactor facility, the French have had such a plant on line and providing power since 1974. This is the Phenix reactor. In other words, the purpose of the Clinch River project is to catch up with nuclear technological development abroad which will continue regardless of what we do or do not do.

As to the plutonium, the fuel which would be used in the liquid metal fast breeder reactor, it does indeed present a greater hazard than the customary light water reactors.

Unlike enriched uranium fuels, it is used in concentrations which can explode, but not in the fashion envisioned by its opponents. Plutonium used in the manufacture of nuclear weapons is precompressed. The reason for this is that, in order to obtain the maximum reaction, density of the fissionable material should be as great as possible so that a maximum number of nuclei will be split in the shortest amount of time. The relatively lower density of the plutonium used in a reactor would result in a far less efficient conversion of the material. The effect of this decreased efficiency would be that, instead of an explosion in the kiloton or megaton range, it would, more likely, be the equivalent of something less than a ton of TNT. This magnitude of explosion, less than a ton of TNT, is well within the limits of tolerance of reactor containment vessels: and as a result, there would be relatively little effect in terms of potential damage from the explosion in and of itself. At a minimum, it would at least not breach the reactor's containment vessel.

Finally, let us take a look at the international situation. The administration's new policy against the development of fast breeder reactors has encountered outright hostility among the industrialized nations. Despite President Carter's admonition, European countries, headed by France and West Germany, reportedly are setting up a joint company to develop fast breeder atomic reactors. France has started to build the world's first commercial 1,200-megawatt breeder, while West Germany is building a 300-megawatt breeder in cooperation with Belgium and the Dutch. As indicated, France has achieved a lead over the United States in breeder reactor technology and it is most unlikely that France will ever surrender it. Just last week, Germany and France signed a marketing agreement, agreeing to export breeder technology.

The Soviet Union has rejected President Carter's bid to forego the plutonium economy. The Soviet Union will press on with its fast breeder reactors that create more plutonium than they use up as fuel. The U.S.S.R. is believed to have one fast breeder operating commercially and a family of smaller ones for experiments.

As for Japan, Japan depends for 89 percent of its energy on imported resources. To secure the stable supply of energy is the most important issue for the economic independence and the national security of Japan. The only choice Japan has is to promote, concurrently, conservation, efficient utilization of energy, and the development of new energy resources to make it less dependent on oil. So far, Japan has adopted American light water reactor technology. However, for Japan, which has no substantial uranium resources, the real benefits of peaceful uses of atomic energy will arise when the fast breeder reactors are commercialized.

It is worthy of note that Japan has been promoting the development of fast breeders, with the active encouragement of the U.S. Government. Its first plutonium reprocessing plant at Tokaimura is about to start operations. As leading Japanese officials have declared:

Japan has no intention of stopping or delaying the reprocessing program. It is a very vital national issue.

Mr. President, where does this leave us? The administration has declared that it wants to pause with construction of light metal fast breeder reactors while

trying to develop new nuclear technologies. By contrast, our allies want to proceed with the fast breeders while researching for alternative solutions. In my judgment, the suggested pause would be a serious mistake. It would merely enlarge the existing gap between our own and foreign nuclear technologies. Moreover, the idea that others would follow our example and equally pause seems to me wishful thinking and frightfully illusory. Accordingly I shall support the proposed ERDA budget as contained in S. 1811.

(Mr. METZENBAUM assumed the chair.)

Mr. HAYAKAWA. I should like to close these remarks, Mr. President, by reflecting on a little item of my own personal autobiography. I was teaching at Illinois Institute of Technology during World War II. Early in the war, along sometime in 1942, we found some of our professors missing and we did not know where they had gone. They had not been enlisted in the Army or drafted; they just disappeared. We were told that they were on leave somewhere. We did not know where they had been until the war was over.

In 1945, they came back to our campus. They had been at Oak Ridge, developing the atomic bomb. We greeted them again and said, how are you, how have you been, and so on.

The important thing about those men, who had been working at Oak Ridge on the atomic bomb, is that they came back starry-eyed with the possibilities of industrial and commercial uses of atomic energy. They came back feeling that, with this new source of energy, they were going to relieve hunger, they were going to make the desert blossom by irrigation, they were going to have enough sources of power to enrich the whole world and to eliminate poverty wherever it existed.

Those hopes for peaceful uses of atomic energy have been blasted by what I believe are exaggerated fears of its use. Back then, in 1945, these men knew that atomic energy, in the form of briefcase-sized bombs, could be used for terrorism. They knew the inherent dangers, but they also had faith in the technology in order to overcome these terrors and to be able actually to utilize these things for the benefit of mankind.

I believe, myself, Mr. President, that the Clinch River project is a necessary step in this direction. With all my agreement with the distinguished Senator from Illinois about the necessity of conservation as one of the important sources of energy, I am sure, too, that that is not going to be enough and there are many other sources that are not going to be enough. In order to have the energy with which not only to survive as a culture and as a society ourselves, but to help all the other societies that need the culture and that need the technological help, we have to have the energy. We have to have the breeder reactor as a source of the energy that the world needs.

I thank the Chair.

Mr. CHURCH. Mr. President, I have listened to the debate thus far with certain relish. I think that it underscores how well served we would be by waiting a while before we make such a definitive decision.

I listened with special fascination to the argument presented by the distinguished Senator from Arkansas, and even if he were blessedly and everlastingly right in every proposition he put forward, what would we lose by voting for this amendment? We would better know whether or not he was right a year from now than speculating on it today.

Nevertheless, as I weigh the arguments that are presented, they strike me as being very curious.

Take, for example, the terrorist argument. They say we must never go to the breeder, because the plutonium will be available in a form which can be easily converted into bomb construction. Perhaps some terrorists could invade the system in such a way as to obtain the plutonium from the reactor and wrap some sticks of dynamite around it, or do whatever is necessary to the plutonium to make a bomb.

They say there is no foolproof system, there is no fail-safe program, that can protect the world against that threat of terrorism.

Well, Mr. President, what foolproof, fail-safe program exists today to prevent a terrorist from getting a bomb?

We have thousands of them deployed tactically all over Western Europe. I know of no fail proof, fool proof system that could prevent a terrorist from breaking in and stealing a weapon. They have shown themselves to be very skillful, indeed, when it comes to such kind of tactics.

So why, all of a sudden, are we becoming so moralistic in this argument?

What kind of an example are we really setting that is supposed to affect the world and influence it in the direction of retaining conventional reactors, even though they furnish no promise of energy self-sufficiency in the future?

It is a very curious moral argument that is being made here. The example we need to make, the only example that will have any effect upon governments who otherwise are embarking upon a course of building nuclear weapons, the only example we can make is to stop building them ourselves.

The only example that the world will heed is the example that we can give by entering into agreements with the Soviet Union to bring down the level of this tremendous arsenal we have already accumulated which, if it is ever detonated in anger, can destroy all civilization.

That may be an example that countries will look at and decide in light of it not to build such weapons themselves.

I am not much persuaded by this terrorist argument, particularly when we can shoot it full of holes by establishing a fuel cycle where we irradiate the reprocessed fuel containing plutonium so that it is just as untouchable as the radioactive spent fuel rods that come out of the conventional reactors.

That may not be foolproof and fail-safe, but it is close to it.

I would hope that we could keep the moralism down, because we have little cause to speak of it. We have built the largest nuclear arsenals of all. We have insisted upon our right to do so while we tell other nations that they must not.

Furthermore, what created this plutonium in the first place? It is conventional reactors.

We ask: "What are we going to do about the plutonium?"

Well, I suggest that is a very big question, but it is not answered by the administration's program.

If we do not reprocess the plutonium contained in the spent fuel rods, then we have got to bury it somewhere, and if nonproliferation is, indeed, the objective of the President, and he wants the world to stick by conventional reactors, then he consistently must do one of two things. He must either alter his position so that spent fuel rods can be recycled or he must bring those rods back to the United States and make this country the principal burial ground for the waste products of the world.

Face up to it. That is what is involved here.

And the plutonium that we are so disturbed about is being created in the very conventional reactors that we are going to continue to build and sell to all the countries that will buy them.

And what is being done with those spent fuel rods? Where are they being retained?

They are being retained at the site of every nuclear reactor we sell in every foreign country, and there they sit as storage basins to be plumbed for the purpose of constructing bombs by any foreign government who chooses to do so.

India has done it already. How many other governments, if they are determined to build nuclear weapons, will be doing it in the years to come?

In any case, it should be obvious that the administration proposal to refrain from going forward with the breeder reactor at Clinch River has precious little to do with the problem of nuclear weapon proliferation throughout the world.

We are not dealing with it now as it affects conventional reactors. We have not even found a storage basin, a permanent depository in this country for our own waste.

We are already contracting with India to buy their waste back, so we can deposit it, where?

We are going to have an amendment to this bill offered by the distinguished Senator from South Dakota (Mr. McGOVERN). That amendment is going to provide that a permanent depository for our waste materials containing plutonium from conventional reactors cannot be located in any State unless the State legislature has consented to it.

What are we going to do about our military wastes? What are we going to do about the wastes we are creating in reactors that are already built? We have not begun to address ourselves to the problem of what the conventional system is producing in the way of proliferation problems.

So let us not moralize about this question. We live in a very cynical world.

I have already been to Europe. I will tell Senators how they are talking about this proposal in Europe. Talk to the French. They are saying that the proposal is being made, because we are so far behind in the technology that we want to catch up, that we want them to stop, that we want them to put their advantage aside.

If you are going to deal with those countries and if you are going to build an international system of control that is adequate to the plutonium age, are you going to be in a better position going there with no technology of our own? They will say to you: "That's fine. You can talk about limiting our sale of breeder reactors to X, Y, and Z countries. You don't have any to sell. You're in a fine position. You have nothing to lose. We have the technology, and we will decide what conditions shall apply to the sale of our breeders to other countries."

If you go forward with this program, do not go forward with the illusion that you are strengthening the American hand when it comes to nonproliferation. What you are doing is engaging in an act of nuclear isolationism which can only increase the chances of nuclear anarchy in the world at large. It is a retreat from the leadership we should be exerting to have the kind of influence we should be exercising to build the kind of system we know will be needed in a world where plutonium has already arrived. It is a mistake, no matter how you hack it; but least of all should the argument be advanced on moral grounds.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a 30-minute time limitation on this amendment, with 20 minutes under the control of Mr. BUMPERS and 10 minutes under the control of Mr. CHURCH, and that the vote then occur on the Bumpers substitute.

Mr. BUMPERS. An up or down vote.

Mr. ROBERT C. BYRD. That would be an up or down vote.

Mr. BUMPERS. Twenty minutes controlled here, 10 minutes there, and an up or down vote.

Mr. ROBERT C. BYRD. That is correct.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Who yields time?

Mr. BUMPERS. I yield 5 minutes to the Senator from Hawaii (Mr. MATSUNAGA).

Mr. MATSUNAGA. Mr. President, as a cosponsor of the pending amendment offered by Senator BUMPERS, I rise to speak strongly in favor of the amendment.

We are told by the proponents of the Clinch River breeder reactor project that we must face the realities of the world in which we live. That reality is that Europe and Japan are going full speed ahead with the development of the breeder reactor whether or not we abandon the Clinch River project; that if we do abandon the Clinch River project, we will delay our program from 5 to 8 years and will fall behind France, West Germany, Italy, Belgium, the Netherlands, and Japan.

The reality of the situation, as I view it, and as we all should view it, whether we be European, American, or Japanese, is that we have not as yet acquired the technology to do away with the waste matter safely; that plutonium is such that it can be used not only by the armies of nations, but also by terrorists who may hold not only communities but also nations in blackmail.

I like to think, as an idealist—but a pragmatic idealist—that the United States of America can lead the rest of the world in moral issues as well. "Why the sudden moralist attitude?" we are asked. I think there is a great need for moral leadership, and I applaud the President of the United States for having taken that moral leadership.

We should be spending those billions of dollars in developing alternate sources of energy, such as for solar electric energy in the year 2000.

We went to the Moon in 8 years. Why can we not develop solar energy, geothermal energy, wind energy, ocean thermal energy by a crash program of 5 to 8 years?

Why can we not develop such alternate sources of energy to a point where we can say, "We do not need any breeder reactors; we can meet all our energy requirements by using safe sources of energy"?

I repeat: If we could—and we did—go to the Moon in 8 years, we should be able to develop other alternate sources of energy, so that we will not need any nuclear reactors.

Why can we not give credence to the recent Ford Foundation-Mitre report that we do not need breeder reactors to meet our energy requirements? We can do it if we set our minds to it. If we do not do it, I am fearful that we may have to abandon this planet and seek other planets, so that we can live safely. This Earth will be an unsafe place for all living beings.

Let us tackle this issue with commonsense and show that we have the intelligence and the ingenuity to develop alternate sources of energy; that we need not go into a source of energy which we know—yes, we know—produces waste matters which will make it untenable for all living beings on Earth.

I urge strongly the adoption of the Bumpers amendment.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. BUMPERS. I thank the Senator from Hawaii.

I yield 3 minutes to the Senator from Colorado (Mr. HART).

Mr. HART. Mr. President, I thank the Senator from Arkansas, and I support very strongly his amendment.

Mr. President, the bill we have before us today involves a subject in which I and my colleagues are most interested and concerned. I refer to those provisions which do not reflect the recommendations sent to the Congress by the President of the United States.

Several months ago the President sent to Congress a bold comprehensive national energy plan designed to meet the energy requirements of this country without sacrificing environmental concerns. There are certain aspects of that plan which I would like to see modified. However, as with any effective plan designed to solve a problem as severe as our energy situation, some sacrifices will have to be made by all. Viewed in this context, all aspects of the President's program should receive strong support from the American people and their elected representatives. And, the burden of proof should weigh heavily on those who propose major changes which compromise the President's policy.

Over the past months of congressional debate on this issue, we have witnessed how each piece of the President's proposal has come under attack by those most immediately affected by it. The issue we have before us today, namely the course of U.S. nuclear power technology development, is no exception. If this and other attacks on the President's proposals are successful and the Congress bows to the pressures of every institutional interest in the country, the President's energy program and this Nation's hope for a prosperous future will be openly destroyed.

The issue before us today concerns the direction which this Nation will take in developing its nuclear energy resources. The focus of that debate is the proposed liquid metal fast breeder reactor plant to be built in Clinch River. For reasons which I will outline, the President has wisely recommended that this program be indefinitely deferred. The legislation before us today runs completely counter to that recommendation by providing an authorization level of $150 million in fiscal year 1978 for the Clinch River project. This funding level is 450 percent higher than the President's recommended level of $33 million, which would cover termination costs and completion of design.

The President's recommendation was based on findings that the costs of this program, in terms of public expenditures as well as health, environmental, and nuclear proliferation costs, are far in excess of the benefits of proceeding with early commercialization. Furthermore, a major commitment to one of several alternate breeder options will effectively preclude the research and potential development of alternate nuclear technologies which may well be better technological options for this country.

Let me outline some of the issues involved.

Mr. President, the administration argues convincingly that the benefits resulting from early commercialization of the LMFBR are not significant enough to counterbalance the costs and risks passed by this policy.

As stated by the Presidential Energy Adviser before the House Science and Technology Committee, the Clinch River project is not primarily an R. & D. program. It is an integral part of a program to produce a commercial, economically viable breeder reactor. The most critical factors affecting the need, timing and economic viability of such a program are the projected U.S. nuclear power capacity needs and the amount of uranium resources available to provide fuel for light water reactors. Taking current esti-

mates of these two factors, it is clear that there is sufficient time to defer development of the LMFBR without causing energy shortages or economic disruptions.

Over the past years, forecasts for U.S. needs for nuclear power generation capacity have been continually declining. When Congress approved the CRBR project in 1972, the AEC estimated that by the year 2000 the United States would have 1,200 gigawatts (gw) of nuclear power capacity. In 1975 the estimate had dropped to 800 gw. Now the estimates range between 300 and 400 gw of nuclear power in the year 2000. One can argue at length as to what are the reasons for these lower projections. They are probably a result of a combination of factors including increased cost of nuclear power and reduced demand for electrical generation. Nevertheless, Mr. President, the current estimate for nuclear power capacity in the year 2000 is less than one-third of what the estimate was when the Clinch River breeder project was first authorized. This fact, coupled with conservation—low—estimates of U.S. uranium reserves, was factored into a cost benefit analysis of the LMFBR program recently released by ERDA—updated cost benefit analysis of the LMFBR, Office of Analysis, Office of the Assistant Administrator for Planning, Analysis, and Evaluation, ERDA, 1977. On the basis of this report, Presidential Energy Advisor, Dr. James Schlesinger, concluded his testimony before the House Science and Technology Committee with the following statement:

I believe commercialization of the LMFBR should be deferred and the construction of the Clinch River breeder reactor should be cancelled. The Clinch River breeder reactor cannot be justified solely as an R&D project. To proceed now requires being fairly confident this type of breeder is going to be used as the next large source of energy and that it will be needed in the early 1990s. There are now serious doubts that scenario is appropriate. The President proposes to seek alternatives to this breeder but also to maintain a base program for the LMFBR. The United States has the time to examine alternative methods to meet future energy needs and, in particular, to develop approaches that may reduce the dangers of proliferation. If we cannot find desirable alternatives, there will be time to return to the LMFBR.

Mr. President, the economic viability of the current U.S. LMFBR program was also the object of a recent study funded by the Ford Foundation and released and directed by the Mitre Corp. Several of the authors of that report appeared before the Subcommittee on Nuclear Regulations of the Senate Committee on Environment and Public Works. In their testimony these witnesses reiterated the conclusion of their original report which echoes Dr. Schlesinger's testimony:

Past government policy on the LMFBR has been predicated on a belief that nuclear power would exhaust reserves of low-priced uranium in a few decades, making breeder introduction economically attractive by the early 1990s. Our analysis, however, indicates that the early economic potential of the breeder has been significantly overstated. The LMFBR, as presently envisaged, will have higher capital costs than the LWR and must therefore operate at a significantly lower fuel cycle cost to be economically competitive. There appears to be little prospect that these fuel cycle costs can be reduced to a point that would give the LMFBR a significant economic advantage over the LWR in this century or the early decades of the next century. The current assessment of uranium reserves probably substantially understates the supplies that will become available; uranium, at prices making light-water reactors competitive with breeders, will be available for a considerably longer time than previously estimated. New enrichment technologies may also extend these supplies. Moreover, coal available at roughly current costs will look increasingly attractive if the costs of nuclear power rise. Finally, demand projections on which breeder economic assessments have been made in the past were unrealistically high and have already been substantially reduced. These considerations lead us to the conclusion that the economic incentive to introduce breeders will develop much more slowly than previously assumed in government planning.

Mr. President, one of the primary considerations factored into the President's decision was an assessment of the impact this program would have on the international proliferation of nuclear weapons. The LMFBR uses separated and purified plutonium as a fuel component. Furthermore, since plutonium recycling is an integral part of the economic viability of the LMFBR, international commercialization of such a program inevitably involves international transport and availability of large quantities of weapons grade materials.

Once these materials are available in separated form, there is a clear and present potential that nations, not to mention terrorists, could secure enough plutonium to build nuclear weapons. It has been argued that the LMFBR poses no more risk than conventional light water reactors currently in use throughout the world. This may be true; however, the time delays between an initial decision to build a bomb and the success of such an effort is greatly reduced if plutonium is present in purified form. Thus, the warning time available for the rest of the world to react to a nation's decision to produce bombs becomes vanishingly short. Under these conditions, it becomes exceedingly difficult to bring international pressure to bear on countries, let alone terrorists who decide to secure nuclear weapons.

Mr. President, proceeding now with a program directed toward early commercialization of the LMFBR would not only signal to the world our acceptance of this technology, but U.S. participation in a world plutonium market would increase the economic viability of plutonium recycling and bring us closer to the time when weapons grade material will be within the grasp of scores of countries around the world.

I think the Senator from Arkansas has more than adequately pointed out the implication of that type of conclusion.

It may never be possible for the United States to keep the world from eventually turning to plutonium breeders as an energy source. However, it would be a grave mistake for this country to promote that technology and hasten the day of its adoption. Before strong international institutions have been developed to reduce the danger of nuclear weapons proliferations, development of a world plutonium market would have grave consequences.

The United States has launched a major diplomatic effort to dissuade other countries from premature efforts to commercialize a plutonium economy. An international fuel cycle evaluation program is being set up in which supplier and buyer countries jointly explore ways to make nuclear weapons technology more proliferation resistant. And negotiations are proceeding with Germany, France, and Great Britain to limit the export of technologies which are difficult to protect. Continuation of U.S. commitment to LMFBR commercialization will not only undermine these efforts, but it will increase the potential that U.S. subsidized technology will be marketed throughout the world.

It has been argued that the proverbial horse is out of the barn, that the United States can no longer have much influence over the spread and character of nuclear power because other industrial nations will sell what the United States will not.

Mr. President, the issue before us is not whether or not the horse is out of the barn but rather how many horses are going to escape in the future and how quickly. The United States has played a major role in shaping world expectations regarding breeders. Our policy has been an important factor in breeder programs currently underway in several countries. A reexamination of U.S. needs and economic viability of breeder reactors and plutonium recycling can still have an impact on the decisionmaking process in other countries.

Mr. President, there are those who characterize the Administration's position regarding the Clinch River project as being antinuclear—aimed at killing the future development of breeder reactors. Mr. President, I do not share this view. On the contrary, canceling the Clinch River project will allow this Nation to diversify current breeder research into alternate designs and keep us from prematurely committing industry and government to a breeder design which may never work.

If we proceed with the Clinch River project, we will be gambling billions of dollars on a breeder reactor design which may well prove to be the "Edsel" of the energy industry. Many scientists and economists maintain that the current program for early commercialization of the LMFBR will produce a reactor which will be unable to compete economically without massive Government subsidization well into the 21st century. Such a development would not only effectively kill the liquid metal breeder technology, but it would also freeze out other alternative breeder designs and thus compromise the eventual development of this Nation's nuclear energy resources.

This view is echoed by a statement in the recent Ford Foundation report, Nuclear Power Issues and Choices. I quote from the report:

The emphasis on early commercialization requires that choices be made now on design features such as a loop rather than a pool design and on conservative design features where knowledge of better materials or components are lacking. These choices nar-

row the scope of future alternatives and may have adverse consequences for the ultimate success of breeders. If the range of economic and socially acceptable breeders is narrowly circumscribed, as it appears to be, an early commitment to a less than optimal breeder could compromise the availability of a better breeder later.

Mr. President, the Administration's proposal to cancel Clinch River will allow us the time and the funds to develop a more comprehensive and flexible breeder program. Under this program one half billion dollars will be spent in this next year alone to investigate thorium technologies, molten salt reactors, gas-cooled reactors similar to one operating in my own State of Colorado, as well as continued research into the LMFBR.

The issue before us is not whether the Energy Research and Development Agency should continue to even expand research and development of breeder technologies. The issue is whether we choose at this time to commit ourselves to early commercialization of one specific technology design. The President has argued, and I support him, that alternative reactors and fuel cycle systems may offer significant advantages over the present liquid metal fast breeder reactor design planned for Clinch River. Thus, rather than commit massive amounts of Federal funds to commercialize this design, we should redirect research in physics, materials, and chemistry to lay a basis for alternative breeder concepts. This would be a far wiser and more prudent course to take. And, given the current uncertainties regarding public health, environmental safety, and nuclear proliferation, it is the only course we should take.

It is the only course I think the Senate should take, and I hope the Senate will tonight support the amendment of the Senator from Arkansas.

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS. Mr. President, I yield 2 minutes to the Senator from Rhode Island (Mr. CHAFEE).

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. I would like to address, if I might, a couple of questions to the Senator from Idaho who, I see, has disappeared—no, there he is—and these arguments were raised which seem to me to be rather compelling on the part of the Senator from Arkansas.

The first is: Is it true that no spade of dirt has been turned in Clinch River?

Mr. CHURCH. Yes, that is true.

Mr. CHAFEE. What about acquiring this technology from others? If the Germans are going ahead and the British are going ahead and the French are going ahead, if it should turn out that we need this—and I think you indicated that the Germans are prepared to peddle it—why do we not buy it from them if we are in a jam?

Mr. CHURCH. There are indications thus far that suggest the French would not be very willing to share it with us. In fact, we are having difficulty even getting into the processing plant in Tokaimura in Japan because of French objections, they having built it largely for the Japanese.

I have been told that the question with the Germans is that they must not allow the technology to pass to us through the back door, if they participate in the Phoenix superbreeder, which is being constructed.

So I think it is a thin reed to lean on to expect that foreign governments, having invested large sums in this technology, would readily make it available to the United States.

Mr. McCLURE. Mr. President, will the Senator yield for a further answer?

Mr. CHAFEE. On your time.

Mr. McCLURE. Just very briefly. If you want more information, look at pages 109 and 110 of the report.

Mr. CHAFEE. Fine.

The last point I thought was rather telling.

Mr. CHURCH. May I say one other part of the answer, if my answer is not sufficient or does not satisfy the Senator, it is that the European technologies do not put the same stress upon safety factors as we do and, therefore, we cannot be certain at all that their technology would be adequate to our needs.

Mr. CHAFEE. The last point I would like to raise is the Senator from Arkansas quoted Secretary Vance in saying that continuation of the Clinch River project would undermine our credibility, or something to that degree, in connection with the antiproliferation thrust that our Nation has.

Is that an accurate statement, and, if so, what is the answer to it?

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. BUMPERS. I yield an additional 1 minute.

Mr. CHURCH. I would say, in the first place, all of the evidence thus far in is that the European countries are going forward with their technology. They have agreed to enter into the studies of alternate systems only upon conditions: (1) that it does not affect their present schedule on the breeder; (2) that nobody is bound by any decision that is reached; and (3) that the uranium cycle will be given equal prominence with other cycles in the study.

I think, given those conditions, it is pretty evident how these governments are going to move. They have made that evident already. My amendment would give us better answers to those questions at the end of the year. We have nothing to lose and everything to gain by not rushing to judgment on such a decision as this.

The PRESIDING OFFICER. The Senator's additional minute has expired.

Mr. CHAFEE. My time is up. I thank the Senator.

Mr. McCLURE. Mr. President, will the Senator from Idaho yield to me for a comment?

Mr. CHURCH. I would be happy to.

Mr. McCLURE. I thank the Senator. I think the Senator has asked serious questions, and he is entitled to as much information as we can give him. I asked that question directly, and you will find this colloquy on page 97 of the committee report. I asked the question of Mr. Nosenzo, Deputy Assistant Secretary of State for Nuclear Energy and Energy Technology Affairs, and this is the question I asked:

It is our understanding that the countries which have tentatively indicated an interest in participating in the International Nuclear Fuel Cycle Evaluation program have categorically stated their intention to at the same time proceed with their ongoing breeder and reprocessing programs. Is that your understanding of the situation?

His answer was imply and directly, "Yes."

I might also add that the latest report from France indicates that the President of France, Mr. Giscard D'Estaing, in an interview with a Paris daily newspaper, Le Figaro, said—he called spent fuel processing and the breeder indispensible to the Nation's needs. "Our program will not be neglected," he said.

The PRESIDING OFFICER. Who yields time?

Mr. CHURCH. I yield 2 minutes to the distinguished Senator from Washington.

Mr. JACKSON. Mr. President, I want to commend my colleague, the distinguished Senator from Idaho (Mr. CHURCH) for the leadership he has shown in preparation of the nuclear portions of the fiscal year 1978 ERDA authorization bill for consideration by the Senate.

The committees consideration of the nuclear energy portion of the ERDA fiscal year 1978 authorization bill has been complicated by significant changes to the January budget submitted by President Ford. The first changes were proposed by President Carter in a revised ERDA budget in February, which sharply curtailed the level of activity in the liquid metal fast breeder reactor program and in the magnetic and laser fusion programs. Major revisions and redirections of the nuclear fission program were submitted to the Congress on May 18 as an outgrowth of President Carter's nuclear power policy statement on April 7. The committee has moved expeditiously in consideration of the revised budget amendment and now brings to the floor the nuclear energy portion of the ERDA authorization bill in the form of a clean bill, S. 1811.

The committee has taken most of the presidential amendments to the February budget as submitted, with two major exceptions. The committee has not agreed to curtailment of certain programs in the fuel cycle research and development program, but rather has continued certain activities contained in the February budget as well as supporting work on alternative fuel cycles and reactors. In addition, the committee was unable to agree upon a lower funding level for the Clinch River breeder reactor project and other supporting activities in the liquid metal fast breeder reactor program. Therefore, the bill as reported from committee contains the February budget revision request of $656 million which is significantly higher than the President's request of $483 million.

I support the amendment which will be offered by Senator CHURCH on behalf of both of us to reduce the funding level of the Clinch River breeder reactor project to $75 million for fiscal year 1978 so that we may have an opportunity to

reevaluate and reassess the importance of this project in our overall energy policy without disbanding the professional expertise associated with the contractors involved in the project. I believe it would be a mistake to terminate this project in a hasty manner before we have had an opportunity to assess all the potential ramifications of termination.

I urge my colleagues to support the bill as reported from committee with the addition of the amendment to reduce the level of funding for the Clinch River breeder reactor project to $75 million.

I think the central point of Senator CHURCH's amendment, which would be the next one we would vote on if the Bumpers amendment fails, is that our amendment will give us 1 year to review this whole project.

I think the Members of this body should understand that the choice here is very difficult. We have incurred obligations that will result in from $500 million to $1 billion for termination of this project alone.

I have not made a final decision, Mr. President, which way I would want to go on completion of the Clinch River breeder reactor. I think the Senate should do the prudent thing now, rather than suddenly terminate this project, which will have the effect of incurring the large immediate obligations, indicated by the GAO report, and which would have devastating impacts upon any future efforts. By approving the Church amendment and opposing the Bumpers amendment we will reserve our options for the future, and maintain the Government-industry team that has been set up.

And it will preserve the long lead procurement and design work which would be difficult to restart at a future date.

Finally, it will give us the time either not to go ahead or, Mr. President, to, in effect, revise the present program and go forward.

I add one other point. That is that this will give the President the leverage in dealing with countries like Japan, Germany, France, and Britain that are going forward with a breeder program, and if they go forward and we do not go forward, we will look rather silly in all of this.

It seems to me that the President will be in a stronger position in negotiating with the other countries saying, in effect, that we are going forward unless you join with us in a worldwide moratorium on breeder reactors.

I think that is the wise course for us to follow.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BAKER and Mr. THURMOND addressed the Chair.

Mr. THURMOND. Mr. President, will the Senator yield me 3 minutes?

Mr. CHURCH. Mr. President, I yield first to the Senator from Tennessee, the distinguishetd minority leader, and then I will yield to the Senator from South Carolina.

The PRESIDING OFFICER. How much time is the Senator yielding?

Mr. CHURCH. Two minutes.

How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 6 minutes remaining.

Mr. CHURCH. I yield 2 minutes to the Senator from Tennessee.

Mr. BAKER. Mr. President, I thank the Senator for yielding, and I commend him on his efforts on behalf of the continuation of this project.

Mr. President, today we will consider the ERDA nuclear authorization bill that contains $150 million for America's first demonstration liquid metal fast breeder reactor. This sum is the reduced funding level that President Carter recommended in his revised February budget. The House Science and Technology Committee and the Senate Appropriations Committee have reported out bills with this identical funding level.

Going forward with the Clinch River project does not commit us to a commercial breeder industry. It is a plant that is one-third commercial size. It will merely provide us with sufficient experience and technical information so that we can act intelligently when the time comes to decide if we need a breeder reactor in order to meet our energy needs.

Many argue against the breeder on the grounds of safety, economics, and need. Theoretical questions of safety and economics can best be answered through the practical experience of building this demonstration plant.

The need for a breeder reactor depends on the actual extent of our resources of natural uranium and the future demand that our Nation will make on our electrical generating capacity.

There is controversy over the extent of our natural uranium reserves. The National Academy of Sciences' recent estimate of 1.8 million tons implies that we will need the breeder before the end of this century.

Estimates of future demand of electricity are predictions about the future. I have not found any estimates of reduced future demand that seem sufficiently solid for me to give up the breeder option at this early date.

The initial thrust of the President's argument against the Clinch River breeder reactor was that it would cause the rest of the world to give up on these reactors and help to control the spread of nuclear weapons throughout the world.

This is a most noble goal, but I have seen no evidence that it will work. Instead it appears that the extra demands on the world's uranium reserves caused by our unilateral foregoing of the breeder option will accelerate the development of breeder reactors in the rest of the world.

France, Great Britain, West Germany, Japan, and the Soviet Union are building or have built and operated demonstration plants comparable to the Clinch River plant. France has operated their Phenix LMFBR for 3 years and has recently decided to construct a 1,200 MWe plant. If we do not proceed with the Clinch River project, the United States could lose its position of world leadership in nuclear technology.

I would suggest as an alternative policy that the United States maintain its role as a world leader in nuclear technology and cooperate with other supplier nations to control the spread of technologies which can lead to weapons production.

Mr. President, there are two points that occur to me that I think are worthy of our consideration at this point.

I speak as a man who has been involved with the consideration of the breeder reactor demonstration and development of its technology since it first became a major project of the Government of the United States.

I remember very well trying to impress upon former President Nixon and later former President Ford the necessity, certainly the desirability, of going forward with America's stake in the breeder technology. I have not changed my mind, and I think President Carter is wrong in proposing, in effect, cancellation of this project at this time.

Two things, Mr. President:

The first is looking down the road, looking at the future for some 10 years, or 15 years, or less, without a breeder technology. I very much fear that when coupled with the ultimate necessity of having a light water reactor complex to serve the electric grid of this Nation that uranium then, like oil today, is going to be someplace else, and it may not be the Arabs who give us concern about its availability in the United States; it may be South Africans or Russians or someone else.

But assuredly, as we are debating this issue today, if we do not go forward with the breeder technology and its demonstration of feasibility we will be in the same shape.

The PRESIDING OFFICER. The Senator's minutes have expired.

Mr. BAKER. Mr. President, I thank the Senator for yielding.

Several Senators addressed the Chair.

Mr. CHURCH. Mr. President, I have a dilemma. I have 4 minutes remaining and there are at least four speakers, that means that I have to limit each to 1 minute. I am sorry.

But I recognize the senior Senator from South Carolina for 1 minute.

Mr. THURMOND. I thank the Senator.

Mr. President, this is one of the most important projects that this country will ever build. I am strongly in favor of this Clinch River project and hope the Senate will see fit to pass it.

Mr. President, I rise today in support of a provision in this bill providing funding for the Clinch River breeder reactor program.

Mr. President, all potential energy sources of the future must be under active development now if they are to be available to the Nation by the turn of the next century and beyond—when economically recoverable supplies of finite fuels, including gas, oil, and uranium, are verging on exhaustion. The crucial U.S. breeder reactor project on the Clinch River at Oak Ridge, Tenn., will demonstrate whether breeders can and should be part of the Nation's future energy mix.

The costs of premature cancellation, pending later U.S. breeder development, would be high. Cancellation and restart could increase project costs by $1.1 to $1.3 billion and delay plant operation 5 to 6 years.

Mr. President, to cancel the Clinch River breeder reactor now—when it is about to be built—would foreclose a vital electric energy option for the Nation in the 1990's. The Clinch River breeder reactor must provide essential operating experience in the 1980's for the planners to make those hard decisions that are sure to follow. Clinch River breeder reactor will contribute important licensing, testing, and operating experience. Its benefits must be measured in terms of the information it will yield as well as the significant Federal revenues from its operation in the TVA electricity grid. But—contrary to some suggestions—Clinch River breeder reactor is not a commercial-scale plant, and its construction is not a commitment to commercialization of breeder reactors.

Government and private experts strongly recommend use of 1.8 to 2.0 million tons of domestic uranium as a prudent planning base for nuclear expansion. Even with a modest nuclear capacity of 400,000 megawatts electric by the year 2000, this uranium would be fully committed in the 1990's. Any further delay in breeder development would jeopardize its timely availability. The United States needs the insurance.

Mr. President, at issue is whether we should forgo the ultimate economic benefit of the breeder: extending our limited uranium resources by as much as 70 times and hundreds of years. The energy value of uranium already mined and above ground—the byproduct of our enrichment operations that can only be used in breeders—is roughly equal to our total unmined coal resources or at least three times the total OPEC oil resources.

Other nations initiated breeder development programs well after the United States. They have made significant strides in the technology and remain committed to it. France, the United Kingdom, and the U.S.S.R. already are operating on the Clinch River breeder reactor scale. A commercial-scale prototype, the French "Super-Phenix," will be in operation about 10 years ahead of the present U.S. schedule.

Bypassing Clinch River breeder reactor and proceeding to a larger reactor is not an answer. Such substantial scale-up has been considered technologically imprudent throughout the history of the development of safe nuclear energy—including the now-conventional light water reactors strongly supported by the administration.

Mr. President, cancellation of Clinch River breeder reactor would encourage nuclear technology proliferation by forcing other nations to "go it alone" in planning for their long-term energy security.

The United States—and indeed the world—would benefit from American leadership in breeder technology development. A positive example of care would be set. Energy-hungry and trade-hungry nations elsewhere would be hard pressed to justify deployment of breeder reactors with less stringent criteria than those designed into the U.S. effort.

Mr. President, dependence or overreliance on foreign technology would lead to loss of domestic jobs, compound our balance-of-payments problems, and invite licensing problems—with no assurance of reducing cost or delays. Therefore, to preserve America's energy future as well as to contain nuclear weapons proliferation dangers, the American Clinch River breeder reactor project must be carried through to construction and demonstration.

Mr. President, I ask unanimous concent that the following material be printed in the RECORD:

An excerpt from a letter written by one of the Nation's leading nuclear engineers, A. S. West, president of the American Institute of Chemical Engineers, to the American Institute of Chemical Engineers members, dated June 20, 1977; a letter dated March 21, 1977, from V. S. Boyer, president, American Nuclear Society, to Mr. Robert Thorne, Assistant Administrator for Nuclear Energy, Energy Research and Development Administration; a statement on plutonium recycle by V. S. Boyer, president of the American Nuclear Society, dated March 16, 1977; a letter by E. D. North, chairman, Nuclear Engineering Division of the American Institute of Chemical Engineers, dated May 25, 1977, to members of the American Institute of Chemical Engineers; and an article entitled "Nuclear Power and Weapons Proliferation—The Thin Link," by Chauncey Starr, president, Electric Power Research Institute, which was presented at the American Power Conference, 39th annual meeting, Chicago, Ill., April 19, 1977.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMERICAN INSTITUTE OF CHEMICAL ENGINEERS,
New York, N.Y., June 20, 1977.

To: AIChE Members.
From: A. S. West, President.

As AIChE President I've come to the conclusion that a major responsibility of AIChE is to get the expert technical knowledge of our members to our Government. Technical decisions are being made in Washington critical to the future of the U.S. It is a serious problem, and AIChE has tried to interact via committees, divisions, and our Washington representative. This has proved useful. But, our efforts are relatively small considering the number of problems, and the tedious, time-consuming effort to have recognized experts address the correct government entity. Therefore, I feel we should try another method—communicating with our members on special problems and urging them to get their views known to their Senators and Representatives.

One critical debate is now underway—the breeder reactor; and one of the nation's leading nuclear engineers wrote to A. S. West, President:

"The House and the Senate are currently holding hearings on the Clinch River Breeder Reactor and the overall Fast Breeder Reactor Program in response to requests from President Carter to defer further expenditures on Clinch River in fiscal year 1977 and to reduce the funding to a "close-out" level in fiscal year 1978. It is likely that a decision will be made during the next 2 to 4 weeks.

"Cancellation of the Clinch River Project would lead to rapid disintegration of the growing industrial base for breeder reactors, would delay for many years the large-scale implementation of breeders if it were decided later they were needed, and might deal a mortal blow to the whole U.S. nuclear program. The prospective decision is clearly one of the most critical ever to be made by this Congress this year and may affect our energy supplies for decades to come."

I hope members will agree to express their opinion to Washington and with this letter I enclose a copy of a statement from the American Nuclear Society, a talk by Chauncey Starr, President, Electric Power Research Institute on nuclear power and weapons proliferation, and a special paper from E. D. (Ed) North, Chairman of our own Nuclear Engineering Division. Although these documents have not been reviewed by Council, they are consonant with Council policy expressed in 1975 on nuclear initiatives. As President I feel that part of my responsibilities should be to alert members to services they can render to our Government—and this is one of the times.

I will admit that the material I am sending is pro-nuclear power, and I recognize there are members who have an opposite view. To them, my apologies and, I hope, their understanding that we are asking all members to express their opinions to their elected representatives.

I hope that AIChE will continue to send material on other problems which require the special knowledge of chemical engineers. If you are not sure of the name and address of your representative in Congress check with your Local Section Chairman, the National office recently sent copies of a congressional handbook to all sections—or call the National office: Area Code 212 644-8015.

My message is WRITE—it's your duty as one of our nation's engineering elite.

Sincerely,

A. S. WEST,
President, AIChE.

AMERICAN NUCLEAR SOCIETY,
Hinsdale, Ill., March 21, 1977.

Re: American Nuclear Society comments to ERDA on LMFBR

Mr. ROBERT THORNE,
Assistant Administrator for Nuclear Energy, Energy Research and Development Administration, Washington, D.C.

DEAR MR. THORNE: A recent ERDA request for concerned comment on the breeder program as a part of our National Energy Policy has come to the attention of the American Nuclear Society officers. We have asked our membership to respond as individuals, but we also feel that the gravity of the situation, indicated by ERDA's reappraisal, merited a response by the Board of Directors of the Society.

The policy of the government on energy must reflect the facts that exist, and while there are variations in the estimates and projections for energy requirements in the year 2000, none of the estimates leaves any doubts that all of the developing technologies must be pursued in an attempt to meet our energy requirements, even within the context of a strong conservation posture. We are not aware of a reasonable scenario that preserves the United States in its position as a leading world power that does not include a maximum effort in the utilization of both the coal and nuclear options. We are aware that energy policy is a multi-faceted problem. We are aware that our energy policy must be responsive to the problems of the environment. We are aware that the questions of proliferation and diversion must be answered in a responsible manner. We are aware that the safety aspects of a new technology are always subject to question because the proof of degree of safety is partially theoretical. We are aware of these concerns, and the technological community is devoting its efforts to providing solutions that are technically sound and that gain public acceptance.

We are pursuing these goals because we are aware that this country faces a serious problem in maintaining its world position without an adequate energy supply. We are aware that the aspirations and expectations of the American public are tied to our future energy supply. We are aware that, to decrease the number of people who are experiencing poverty and unemployment, an adequate energy supply must be assured as a necessary ingredient of this improvement effort. We are aware that the goal of energy independence is a necessary stance for this country to approach.

For these reasons we the Board of Directors of the American Nuclear Society petition the following:

Whereas:

1. The availability of adequate indigenous energy supplies is of critical importance to the general welfare and security of the people in the United States.

2. Natural gas and petroleum are in limited supply in the United States and should be reserved for those needs which cannot use other substitutes.

3. Electricity production must utilize both coal and uranium resources as a source of energy for the foreseeable future. Complete dependency on coal for electricity generation would be imprudent until we have a better understanding of environmental impacts of coal utilization, including the possible adverse effects of carbon dioxide (CO_2), and other effluent releases.

4. Light water reactor technology in the United States has been demonstrated to be a safe, environmentally acceptable, commercially viable option for electricity generation. Advantages of using nuclear energy for electricity generation significantly outweigh any potential risks.

5. The development of a liquid metal fast breeder reactor (LMFBR), associated fuel reprocessing industry, and waste management capabilities complement the LWR electricity generation option and provide for the effective utilization of our uranium resources.

6. Research and development on the LMFBR has been extensive on experimental reactors in the United States and demonstration plants in foreign countries. Construction and operation of the Clinch River Breeder Reactor (CRBR) demonstration plant and its pilot fuel reprocessing facility are essential for the LMFBR commercialization in the United States.

7. Solar energy will begin to provide some of the energy requirements for industrial and home heating in the near future. Solar energy for electrical power generation requires a large research and development program and could not be available on a commercial basis until at least the year 2000; fusion energy is even further in the future. Meanwhile, the high-temperature technology developed for LMFBRs will be applicable in developing fusion power plants.

8. Conservation, including improved efficiency in energy utilization, must also play a significant role, especially in the home construction and transportation industries. However, significant impacts in this regard will develop gradually.

Therefore:

The Board of Directors of the American Nuclear Society strongly recommend and urge the Carter Administration to:

1. Encourage the maximum use of nuclear energy for the electrical grids of the United States.

2. Support the rapid development of the LMFBR by sufficient allocation of resources for the design, construction and operation of the CRBR, prototype LMFBRs and their associated fuel reprocessing facilities.

3. Provide adequate resources for the continued improvement of safety and reliability of LWRs and LMFBRs.

4. Encourage rapid completion and operation of nuclear fuel reprocessing facilities, and of the national nuclear waste repository sites.

5. Provide adequate resources for research and development of alternative energy sources, (particularly solar, fusion and geothermal in selected areas.)

The American Nuclear Society is a nonprofit international, scientific, engineering and educational organization which was founded in 1954. It regularly sponsors meetings where research papers are presented, and it publishes these and similar papers in its several journals. Its more than 12,000 members include research scientists, and engineers, corporation executives, university professors, students, and persons in public service.

Sincerely,

V. S. BOYER,
President.

[From the American Nuclear Society]

AMERICAN NUCLEAR SOCIETY STATEMENT ON PLUTONIUM RECYCLE

The threat of an impending serious energy crisis has been a growing reality in the United States and the rest of the world for a number of years. The present cold winter in this country has demonstrated the reality and seriousness of this threat in tangible ways. Furthermore, it is well known that this is not a short-term crisis only. Rather, we as a nation (along with other nations of this world) are confronted with a long-term critical problem of ensuring an adequate supply of energy to meet even the most essential needs of our people.

This serious problem of an assured energy supply has intensified in recent years because the growing demand for energy combined with the importance of sustaining our economic health has caused a rapid and substantial depletion of our finite supply of non-renewable (oil and gas) resources.

In light of this situation, it is clear that our available energy resources must be utilized in order to ease the effects of the crisis. At the same time, we must initiate vigorous conservation efforts which strive toward increased efficiency in the use of available resources.

Light Water Reactors (LWR) are expected to play an increasingly important role in meeting our nation's need for electric power in the decades ahead. When the useful life of a LWR uranium fuel element is over, the spent fuel element still contains substantial quantities of fissile uranium and plutonium. For example, a 1000 megawatt electric (MWe) reactor discharges spent fuel containing about 250 kilograms (kg) of uranium-235 [equivalent to over 41 metric tons of uranium oxide (U_3O_8)] and about 200 kg of fissile plutonium annually. This amount of residual fuel has the energy equivalence of more than 4,800,000 barrels of petroleum. By the year 2000, the cumulative amount of residual fissile material in spent LWR fuel will amount to more than 2,000 metric tons. This residual fuel resource is equivalent to well over 24 billion barrels of oil, an amount equivalent to about 100 years of full flow operation of the Alaskan pipeline.

This very substantial residual fuel resource can be recovered from the spent fuel and reused in LWRs with current technology. The recycle of uranium and plutonium can play an important role in alleviating the overall energy resource crisis in the years ahead. Our management of non-proliferation and safeguards policies to ensure against the diversion of nuclear materials can be adequate to preclude unmanageable or unacceptable risks to international or national security. Furthermore, reusing this residual fuel will extend the usefulness of our uranium resources by approximately 40%, and will reduce requirements for uranium-enriching services (an energy consumer) by nearly 20% through the year 2000.

The American Nuclear Society has a thorough understanding of the plutonium recycle problem, and it recognizes the results of the recent exhaustive study [1] conducted by the U.S. Nuclear Regulatory Commission, which determined that the use of plutonium would cause substantially no additional adverse effects on our society.

Recovery and reuse of this substantial and available residual fuel resource is clearly in keeping with our national energy goals. It is the conviction of the American Nuclear Society that a prompt decision in favor of plutonium recycle would represent a concrete and positive example of conserving our vital natural resources and maximizing the utilization of existing energy resources.

The American Nuclear Society is a nonprofit international scientific, engineering and educational organization which was founded in 1954. It regularly sponsors meetings where research papers are presented and it publishes these and similar papers in its several journals. Its more than 12,000 members include research scientists and engineers, corporation executives, university professors, students, and persons in public service.—V. S. BOYER, *President.*

NUCLEAR ENGINEERING DIVISION,
AMERICAN INSTITUTE OF CHEMICAL ENGINEERS,

May 25, 1977.

DEAR FELLOW AICHE MEMBER: I hope that you are as concerned as I am about the recently announced U. S. Energy Policy. The revised energy policy should be of concern to us, not only as members of the nuclear community, but also as concerned citizens sincerely interested in the future welfare of our country.

The revised policy contains many elements that are essentially negative: reduce consumption, do without gasoline, ban commercial reprocessing, prevent the recycle of plutonium, abandon the plutonium breeder, and throw away spent fuel. None of these elements can be considered positive steps toward the solution of an admittedly critical problem. These actions are but a stopgap; they attempt to reduce the demand to meet the supply.

A positive approach would be to increase the supply to meet the demand. If there are problems in this approach (and I admit that there are problems), then solve the problems but meet the demand:

Two segments of our economy are absolutely essential to the well being of the nation: the electric power industry and transportation. Without these, we cannot maintain our present standard of living.

The electric power industry needs all the coal it can get, and beyond that, it needs all of the nuclear power that we can provide.

It should be obvious by now that petroleum should be used as a feed stock for chemicals and as fuel for transportation. Unfortunately, the revised policy attempts to reduce petroleum consumption by penalizing transportation. It would seem preferable to reduce petroleum consumption by penalizing the electric power industry, which has alternate sources of energy. This reduction in petroleum will, of course, require more coal and ultimately more nuclear power. To effect a shift to greater use of coal and nuclear power, it will be necessary to confront two problems: coal supply with the attendant sulfur dioxide problem and the long lead time required to bring a nuclear plant on-stream. The first problem can be solved by

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[1] NUREG–3002, "Final Generic Environmental Statement on the Use of Recycle Plutonium in Mixed Oxide Fuels in Light Water Reactors."

a more realistic look at the sulfur dioxide problem. Perhaps tall stacks are not so unacceptable when the only alternative is less power than we need.

Additional nuclear power will certainly be required to fill the gap. Licensing procedures must be amended to reduce the lead time to put a reactor onstream, if full advantage of this energy source is to be gained. With shorter lead times, nuclear units can free-up petroleum at an earlier date. This, however, will increase the number of nuclear units, which in turn will increase the demand for both uranium and for enrichment services. While there is some controversy over the Nation's uranium supply, the preponderance of evidence, based upon a study by the National Academy of Sciences, indicates that the domestic uranium supply will last less than 75 years for the 133 presently licensed reactors. If this is the case, and I believe it is, where will the fuel come from for the additional nucelar units that will be required to replace oil-fired stations and to provide for the increased power demand in future years?

On the basis of present technology (and that is all that we can count on in the near term), the fuel for the continued expansion of the nuclear option has to be plutonium-plutonium in light water reactors and plutonium in breeder reactors.

This position seems to have been accepted in other advanced countries such as France, Russia, Japan, West Germany, and Great Britain, and until recently, it was accepted in this country. The United States, which has for many years been the world leader in the development of nuclear power, now seems content to rest on its laurels, or even worse, to abandon the many years and millions of dollars of development that have been expended on the breeder reactor. Also abandoned are literally billions of dollars worth of energy that the breeder reactor can produce from existing stocks of depleted uranium.

In my view, the revised energy policy should be carefully reviewed and modified to retain the plutonium option. There are problems to be sure; however, these problems can be solved if given same diligent attention that has solved so many other technical problems. If the United States is to continue to move ahead, reprocessing and the plutonium recycle must be developed, and the breeder reactor program must be continued.

The revised energy policy is now before the Congress. Your Representatives and Senators far too often hear those opposed to nuclear power. The referenda elections of last year clearly showed that the opponents do not represent the majority of the population. Your Congressman should hear from you to correct this misunderstanding. I urge each of you to let your views be known.

Get involved!

Very truly yours,

E. D. NORTH,
Chairman, Nuclear Engineering Division.

NUCLEAR POWER AND WEAPONS PROLIFERATION—THE THIN LINK

(By Chauncey Starr *)

"Proliferation"—the current shorthand buzzword which describes the potential international spread of the production capability for nuclear weapons—has been a matter of national concern in the U.S. since the closing days of World War II. But this recently popularized concern now appears to be causing a reversal of a quarter century of U.S. policy regarding the best means of preventing proliferation. Stimulated by the last presidential campaign, the U.S. has been moving toward prohibiting, or severely restricting, domestic use of the civilian fuel cycle including plutonium reprocessing and postponing consequently the U.S. breeder reactor option. This is being advocated on the ground that if the U.S. foregoes civilian reprocessing, use of plutonium, and delays the breeder, other countries—energy-hungry though they may be—will voluntarily deprive themselves of the full benefit of nuclear energy to follow our "moral leadership."

Thus the U.S. would in effect be saying to non-weapons countries including nearly all of those aspiring to a higher standard of living through more abundant energy, "We and the other great nuclear powers already have our weapons, but to prevent the danger of further spread of nuclear weapons we ask you to follow us in giving up the most economic use of civilian nuclear power." The contradiction of such a posture is too clear to require further comment. Unfortunately, it is a demonstration to nonweapons countries that having weapons can be an economic as well as a military advantage. This has already been noted publicly by senior spokesmen of several countries.

Proliferation is a serious world-wide concern. If any nation, large or small, could threaten its neighbors with massive and rapid destruction, international relations would become more frightening. However, it should be recognized that with the technical capability so widespread, proliferation has been historically very much less than would be the case if the desire to have nuclear weapons was common. Clearly, to many nations nuclear weapons have only a marginal value—certainly less than that of a military air force which they all want and have.

Perhaps history tells us that proliferation is likely to be judged by small nations as not in their self-interest. Of the 100 non-weapons countries which have signed the Non-Proliferation Treaty, about half already have the basic technology to produce weapons materials, and there is no indication that they have done so.

The Administration's recent policy announcement on nuclear power has the effect of promoting LWRs and delaying both plutonium recycle and the breeder. The basic premise of this policy is that a combination of known coal reserves and uranium resources yet to be found permit our future energy needs to be met through the turn of the century without recycle or the breeder. The LWR fuel would pass through the reactor only once, and then be stored indefinitely. Because the uranium resource future is uncertain, many of us believe the insurance aspect of the breeder option (which requires recycle) should be fully developed now and subsequently used as required. All other advanced fuel cycles which give high utilization of uranium or thorium also require reprocessing. The Administration's counter argument is that closing the plutonium fuel cycle, as required for a fully developed breeder system, would place the U.S. in the position now of endorsing plutonium recycle, and thus encourage the development in other nations of a possible channel for supplying weapons material. It is also the Administration's contention that domestic pursuit of the breeder and recycle for U.S. energy supply, and simultaneous discouragement of other nations would create an unacceptable double standard—although such already exists in the weapons field. Many of us have a deep concern that the Administration's position on plutonium recycle and the breeder will be internationally counterproductive and actually stimulate proliferation; and may domestically damage our economy as well.

How real is the danger that reprocessing of civilian fuel would be used by non-weapon countries to obtain plutonium for weapons? A simple analysis of well-known facts shows that there are today no fewer than eight different ways available (Fig. 1) to produce weapons material—to produce, not steal. Among them, the route of commercial nuclear power using slightly enriched uranium fuel ranks eighth and low in desirability, for a country that has made a political decision to establish a nuclear weapons capability. It is the most expensive route (five to ten times more costly) requires the highest level of support technology, the broadest base of support industry, and takes the longest to install and to yield material (three to five years longer).

By the 1980s, moreover, the world may have available several new, additional ways (Fig. 2) of producing weapons-grade fissonable material, adding even more routes to likely to be easier, cheaper and faster for a nation bent on bootstrapping itself to acquire weapons capability than is the route of nuclear fission power with reprocessing and recycling of fuel.

The question thus arises: if the dike is leaking in at least eight places, maybe more, why are some so desperately anxious to plug only one of the leaks? Why this effort to focus attention on an issue that does not go to the heart of the problem? Why not pick also on centrifuge or laser enrichment? The breeder and recycle are clearly essential for the eventual longevity of nuclear fission as a world-wide energy source. It has been suggested, therefore, that the focus on the nuclear power route to proliferation has been stimulated by those with an intense ideologic goal of stopping civilian nuclear power. Its opponents have failed to achieve this end on the issue of health and safety, on the environmental issue, on the waste storage issue, and on the plutonium hazard issue. Perhaps they have now fixed on the proliferation issue as a likely one to gain public support in the U.S.—deliberately shrouding the inherent contradiction that if a maverick foreign government should decide to establish its own weapons material production capability, the civilian nuclear power route would be among its least attractive choices.

On economic grounds chiefly, I am personally dismayed at the concept of selling reprocessing facilities to small nations. It takes a large number of nuclear power stations to supply the flow of fuel needed to make a present reprocessing plant cost-effective. Further, what would be done with the output of plutonium and uranium? If self-sufficiency is the reason for closing the fuel cycle, fuel fabrication facilities and possibly enrichment would also be needed. The total investment would be several times that of the initial power plant alone. Under these circumstances, such an unwise investment should be discouraged by conscientious supplier nations. How many auto manufacturers try to sell an oil refinery to their customers?

What is needed, of course, is an assured fuel cycle system, preferably under international auspices, operated so as to optimize the use of our world's resources and to inspire confidence in supply. I am disappointed that the supplier nations, and the U.S. in particular, have not energetically proposed such a system, although it certainly must be under consideration. Clearly, this would make civilian nuclear power a negligible part of the proliferation alternatives. Compared to the Administration's present negative approach of deferring a program that is needed by most of the industrial world and eventually by the U.S., the internationalization of the fuel cycle facilities would be a positive step toward establishing an enduring trust in an international fuel supply. Such a system would provide a congruence of economics, national self-interest, and safeguards against proliferation. It is not obvious why this course has not been urged more forcefully, as it provides a long-term viable solution to the world-wide use of nuclear energy.

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* President, Electric Power Research Institute.

Just as quixotic is the argument that by self-denial we can motivate poorer, less-developed countries to renounce optimum use of civilian nuclear fuel. Reprocessing technology has been set out in ever-growing detail and shared at international technical conferences since the U.S. first reported on the design and operation of the Idaho Chemical Processing Plant in 1955 at the first U.S. International Conference on Peaceful Uses of Atomic Energy in Geneva.

It must not be forgotten that the U.S. actively pushed the Non-Proliferation Treaty, by which 100 countries have pledged that they will not make nuclear weapons, *in return* for international cooperation and nuclear interdependence on civilian nuclear power. Now the U.S. is proposing in effect to reinterpret unilaterally its own commitments under that treaty and to withhold the pledged cooperation on civilian nuclear power, thus stimulating other nations to establish nuclear independence. To do this in the hope of motivating other countries to couple renunciation of nuclear power with previously pledged abstention from nuclear weaponry is provocative to the disadvantaged nations involved.

At a conference in New York last month on International Commerce and Safeguards for Civil Nuclear Power, speakers from country after country explained that for them nuclear power is not a debatable option but an indispensable necessity, and that reprocessing is an essential.

Said a West German: U.S. denial of reprocessing or breeder technology at home would create greater pressure on others to move even faster with their domestic reprocessing and breeder programs.

Said a French spokesman: Nuclear power is indispensable to developing countries, and France will provide and guarantee fuel cycle services without any pressure on other countries to forego development of nuclear capability alone. For France, reprocessing is absolutely essential, and she is not even studying the option of storage of spent fuel. The imposition of new conditions on exports merely serves to create greater distrust among suppliers and importers, which becomes an impetus to proliferation.

The Spanish spokesman declared: There is no justification for creating a problem with such serious consequences without at the same time suggesting an urgent and immediate solution. Any delay in making a decision to this effect may cause irremediable damage to countries that cannot take part in these decisions.

Said the speaker from Japan: Japanese confidence in dealing with the U.S. appears to have been shaken. Strategic considerations exceed economics as 60% of Japan's electricity is generated from imported oil; therefore, the breeder is an indispensable part of Japan's nuclear program, which is the only option available to protect its energy capability.

At the same meeting, Commissioner Kennedy of the U.S. Nuclear Regulatory Commission said he believed that restricting U.S. exports or imposing restrictive criteria would destroy U.S. influence in the world market and lead to loss of whatever control the U.S. might have on weapons proliferation.

There is overwhelming logic against the change in long-established U.S. policy.

1. The world's long-term needs for energy—not only in resource-starved countries, but in a few decades also in nations now exporting oil—do not permit ineffective or uneconomic use of nuclear fuel resources. U.S. willingness to use its own nuclear resources ineffectively and/or uneconomically is hardly likely to persuade resource-short countries of the merit of our moral and ethical leadership and stimulate them to follow such patterns.

2. Embargoes or stringent restrictions on civilian nuclear power cooperation and supply of materials and services by the U.S. and other supplier countries will only accelerate further the nationalistic trend toward construction of independent indigenous fuel cycle capabilities—both enrichment and reprocessing—and thereby lose or reduce the likelihood that effective international controls and safeguards may be accepted.

3. In any country, the civilian nuclear power program is separable in timing, resources, and institutions, from a program to obtain nuclear weapons capability. Historically, the major nuclear weapons powers all made weapons first and developed civilian power later.

4. The existence of spent fuel from power reactors in any country does, to be sure, represent a potential for deriving low-grade weapons material. However, as already stated, if a nation decides to produce weapons material, there are at least seven other routes available not involving power reactors, that are much less costly, more rapid and flexible than civilian power plants as a source of such material.

5. Denying a government access to civilian reprocessing does not erect a significant obstacle or delay in implementing a decision to produce weapons. Spent fuel from either research or power reactors can be reprocessed rapidly and with relative ease—and especially if it is done without the various commerical and legal constraints that apply to civilian reprocessing plants. With the "once through" type of fuel cycle, diversion does not even disturb the productivity of the power cycle.

6. To minimize the possibilities of proliferation of weapons as a by-product of civilian power, it is most desirable to place the sensitive parts of the civilian fuel cycle under internationally-supported and cooperative safeguards. Control of the fuel cycle is the key to safeguards, not control of reactor operations. This means control of enrichment, spent fuel storage, reprocessing, refabrication, and shipment for recycle.

7. One of the most evident and increasing causes of international tensions is energy malnutrition, as evidenced by increasing oil imports, worsening foreign exchange deficits, and the limitations on costs and productivity associated with them. Inhibiting the effective use of civilian nuclear energy supply in countries that have limited energy options open to them can result in enhancement of their propensity for international conflict.

8. The U.S. with its extensive coal resources and remaining oil reserves, may find it less constraining than other nations to delay further the effective, full use of nuclear resources including reprocessing and the breeder. But the costs of delay will include further erosion or loss of what remains of U.S. influence on the course of world development of effective nuclear safeguards.

9. Effective international cooperation on safeguard systems for spent fuel storage and for reprocessing have strong world-wide mutual motivations for both internal anti-terrorist security and economic reasons. Strong and timely leadership by the U.S. (and other nuclear supplier countries) can help bring such systems into being.

10. There is no nuclear fuel cycle that is inherently "diversion proof" once the relative ease of military-style chemical reprocessing by a government is recognized (although the possible variations in fuel cycles do differ in their requirements for manipulating materials).

11. The so-called "tandem" fuel cycle which some have urged as a "technical fix" for weapons proliferation is counterproductive as it requires widespread construction of heavy-water reactors. This type of reactor has been widely used as a plutonium factory and as a tritium factory (needed for thermonuclear weapons), and can be run with natural uranium, easily available everywhere.

12. Similarly, the U-233 cycle is of very limited use as a "technical fix" being logistically unavailable for at least 20 years. There now exist neither the U-233, nor the reactors, nor reprocessing plants required for producing the amounts that would be significant for energy purposes. Such facilities are uneconomic at present. They would require large subsidies to get started. In addition, U-233/U-238 reactors could still be used to make enough separable plutonium and U-233 to make weapons, so that the need for effective physical site safeguards would not have been diminished.

13. As for the "terrorist" threat, effective safeguard systems have been in use for more than 30 years for military reprocessing nuclear weapons materials, and weapons themselves.

In the U.S., even with civilian reprocessing the total inventory of separated reactor plutonium would not reach 10% of the already existing military quantity before year 2000, and need never exceed 20% of the already existing military stock if the plutonium is recycled. (It has long been a truism in the industry that the safest place to keep plutonium is to burn it in a power reactor.) Highly effective safeguard systems are also applicable to civilian-produced material.

To conclude—

It is certain that neither the U.S. nor the world has the choice of severely limiting nuclear power, and that the reprocessing technology and breeder issues have only a thin and controllable link to proliferation. These facts, unpalatable to some though they may be must be constructively addressed—politically, and institutionally.

It is a disservice to the people of the U.S.—and the people of the world—to create the illusion that by putting restrictions on civilian nuclear power we have somehow solved the proliferation problem. Unintentional though it may be, such steps would undoubtedly be counterproductive to their stated objectives by creating resource conflicts, removing faith in the U.S. umbrella to protect the welfare of its allies, and stimulating the expansion of indigenous nuclear capabilities abroad including enrichment and reprocessing.

Finally, one may well ask, who would benefit from such a policy? The oil-exporting nations, of course, and those nations which are continuing to develop all their nuclear power options without restriction. Our national policies continue to be flexible enough so that it is timely to urge a more comprehensive and realistic assessment of our planning options.

Mr. THURMOND. Mr. President, I ask unanimous consent that a report to the Congress from the American Nuclear Energy Council on the U.S. breeder rector program and the Clinch River project dated June 29, 1977, be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE U.S. BREEDER REACTOR PROGRAM AND THE CLINCH RIVER PROJECT

SENATE SHOULD KEEP THE PROJECT ALIVE

Floor action is pending on the FY 1978 ERDA Authorization for nuclear research, development, and demonstration.

A pivitol issue will be preservation of the Clinch River Breeder Reactor (CRBR) project with it the U.S. breeder option.

Keeping CRBR alive will preserve an abundant energy option for U.S. consumers in the 1990s. Premature cancellation would be ex-

tremely costly—up to $1.3 billion according to U.S. General Accounting Office (GAO). Cancelling it would eliminate a U.S. opportunity to impact nuclear technology proliferation. U.S. leadership in controlling development of nuclear technology must be reasserted.

KEY FLOOR VOTE

To preserve the CRBR— a vital element in the U.S. breeder program—you should:

(A) Vote to support at least $150 million for the project in the FY 1978 ERDA authorization and appropriation—the level of funding proposed by President Carter in February and reported by both the energy and natural resources and appropriations committees.

(B) Oppose—as did the committees—any amendments to terminate the CRBR project (an amendment to cut CRBR to $33 million which would kill the project is anticipated; possibly others).

Only with all potential energy techologies developed will America be prepared when the time to choose is at hand.

Summary highlights

SUSTAIN BREEDER OPTION

Preserve all future energy choices in fiscal year 1978 ERDA funding:

All potential energy sources of the future must be under active development now if they are to be available to the nation by the next century and beyond—when economically recoverable supplies of finite fuels including gas, oil and uranium are verging on exhaustion.

The crucial U.S. breeder reactor project on the Clinch River at Oak Ridge, Tenn., will demonstrate whether breeders can and should be part of the nation's future energy mix. The General Accounting Office (GAO) in a June 14, 1977 letter to the Chairman of the House Science and Technology Committee clarified the issue this way:

"In our view, the most important disadvantage in slowing the present program is that we run the risk of not knowing enough about the LMFBR to make intelligent decisions on it in the near future."

Congress should maintain the Clinch River Breeder Reactor (CRBR). To do so, at least $150 million must be provided for the project in the fiscal year 1978 ERDA authorization and appropriation.

The costs of premature cancellation, pending later U.S. breeder development, would be high—significantly above the $33 million suggested by the Administration. According to a GAO letter transmitted June 23, 1977 to Senators Henry Jackson and Howard Baker, cancellation and restart could increase project costs by $1.1 to $1.3 billion and delay plant operation 5 to 6 years.

To cancel CRBR now—when it is about to be built—would foreclose a vital electric energy option for the nation in the 1990s. The CRBR must provide essential operating experience in the 1980s for the planners to make those hard decisions sure to follow. CRBR will contribute important licensing, testing and operating experience. Its benefits must be measured in terms of the information it will yield as well as the significant federal revenues from its operation in the TVA electricity grid. But—contrary to some suggestions—CRBR is not a commercial-scale plant, and its construction is not a comitment to commercialization of breeder reactors.

Government and private experts strongly recommend use of 1.8–2.0 million tons of domestic uranium as a prudent planning base for nuclear expansion. Even with a modest nuclear capacity of 400,000 megawatts electric by year 2000 (Administration's mid-range projection), this uranium would be fully committed in the 1990s. Any further delay in breeder development would jeopardize its timely availability. The U.S. needs the insurance.

At issue is whether we should forego the ultimate economic benefit of the breeder: extending our limited uranium resources by as much as 70 times and hundreds of years. The energy value of uranium already mined and above ground—the byproduct of our enrichment operations that can only be used in breeders—is roughly equal to our total unmined coal resources or at least three times the total OPEC oil resources.

Other nations initiated breeder development programs well after the United States. They have made significant strides in the technology and remain committed to it. France, the U.K. and the U.S.S.R. already are operating on the CRBR scale. A commercial-scale prototype, the French "Super-Phenix", will be in operation about 10 years ahead of the present U.S. schedule.

By-passing CRBR and proceeding to a larger reactor is not an answer. Such substantial scale-up has been considered technologically imprudent throughout the history of the development of safe nuclear energy—including the now-conventional light water reactors (LWRs) strongly supported by the Administration.

Cancellation of CRBR would encourage nuclear technology proliferation by forcing other nations to "go it alone" in planning for their long-term energy security.

The U.S.—and indeed the world—would benefit from American leadership in breeder technology development. A positive example of care would be set. Energy-hungry and trade-hungry nations elsewhere would be hard-pressed to justify deployment of breeder reactors with less stringent criteria than those designed into the U.S. effort.

President Carter has observed—correctly—that ERDA's efforts to cooperate in breeder development with other nations may reduce the required scope of the U.S. breeder program. At the same time, it is clear that:

Dependence or overreliance on foreign technology would lead to loss of domestic jobs, compound our balance of payments problems and invite licensing problems—with no assurance of reducing cost or delays.

Therefore, to preserve America's energy future as well as to contain nuclear weapons proliferation dangers, the American CRBR project must be carried through to construction and demonstration.

Support $150 million in CRBR funding in the fiscal year 1978 authorization and appropriation; preserve the project in the interest of the U.S. domestic energy future and national security.

Following are detailed facts on the breeder, its costs, the alternatives and why Congress should act now . . .

Background

BREEDER REACTORS AND LONG-TERM U.S. ENERGY POLICY

In energy resources, the United States has reached a point of last resort. The near-term energy outlook is grim because even with substantial expansion of coal and nuclear plants we must continue to import enormous quantities of oil to run the country. By 1985—less than eight years from now—we may need to import 10–12 million barrels of oil a day despite vigorous and essential conservation programs propounded by the President.

Thus the United States cannot wait any longer to plan adequately for its energy future—and long-term and near-term energy needs must be given equal weight in promulgating a successful national energy policy.

What premium are we willing to pay for an effective energy insurance policy?

Last year the U.S. spent $35 billion for foreign oil. Completing minimal demonstration of breeder technology at Clinch River will cost $700 million in today's dollars. Therefore, the "insurance premium" for CRBR demonstration will equal about one week's costs (2 percent) of our most recent annual import bill—a reasonable cost for potential access to the energy equivalent of three times total OPEC oil resources.

The United States—indeed the whole industrialized world—is in one of the great transitions in human history—from energy systems based largely on oil and gas to systems based on high technologies yet in the development process toward achieving their full potentials. To avoid serious energy shortages throughout the rest of this century and well into the next demands development, demonstration and deployment of new technologies.

The specter of energy famine is real. Fast-fading oil and gas must be replaced by technologies enabling optimum exploitation of coal and uranium resources. This is the conclusion of a recently completed study by the Congressional Research Service of the Library of Congress, "Energy Famine in Late-20th Century America." Later studies by a group of international experts conclude the crunch could come much sooner.

Access to essentially inexhaustible domestic fuel supplies of coal and uranium must become a national priority, especially if the U.S. is to succeed in minimizing competitive tensions with other industrial and developing countries for imported petroleum.

Energy technology's next quantum leap could emanate from the next generation of nuclear reactors—the breeders.

"Breeders"—so-called because they are designed to produce more nuclear fuel than they consume while generating electricity—are the major new energy technology of the future closest to demonstration. If breeders prove out under carefully controlled conditions, they will achieve a national goal: conservation of finite domestic uranium resources.

The quest for inexhaustible resources:

Most of current energy consumption relies heavily on resources that are non-renewable and practically finite in quantity. Therefore, long-term U.S. energy policy must focus on:

Conservation of critical oil and gas resources for use where they are most needed—in those areas for which there are no foreseeable substitutes, e.g. transportation and as chemical process feedstocks. To continue to divert oil and gas to electrical generation when responsible alternatives, such as coal and uranium, are available is wrong.

Conservation of domestic resources by increasing the efficiency of energy extraction, e.g. development of "breeding capability" in nuclear fission reactors, increases the energy potential of domestic natural uranium resources by as much as 70 times.

Preservation of the highest standards for environmental quality, e.g. use of the breeder with its high thermal efficiency (comparable to modern coal plants), its minimal air emissions (comparable to conventional nuclear plants) and its insignificant requirements for extraction of raw fuel material.

When looking at breeder resources, it is important to note that the uranium which already has been mined—and is above ground—has the energy equivalent of approximately 12,000 quadrillion BTUs (Quads) which is roughly comparable to our total unmined coal resources. This now-idle fuel resource could sustain the nation for 165 years at our present rate of energy use. This same energy is equivalent to approximately three times the total OPEC oil resources. Meanwhile, this rich resource, sitting above ground in storage canisters at the three government plants that enrich uranium for conventional reactors, is added to each day. Without breeder reactors, this byproduct of the enrichment process, which cannot be used in conventional reactors, will go to waste.

Uranium resources and nuclear growth:

President Carter has assigned uranium-

fueled conventional reactors a strategic domestic and international energy role. At the same time—and this is the key—he recognized uranium resources are finite; in his words, they face "ultimate exhaustion". Without determining the breeder's potential through CRBR demonstration, therefore, nuclear energy's contribution to long-term needs could be severely limited.

Cancellation of CRBR and resultant dependence on conventional uranium-fuel reactors would be extremely risky to energy supply in anything but a low-energy growth economy (moratorium). This conclusion is supported by uranium resource data developed by the U.S. Energy Resources Council (ERC) and confirmed independently by preliminary findings of National Academy of Sciences (NAS) geologists. The Federal Energy Resources Council (ERC) comprised of U.S. ERDA, U.S.G.S., and other agencies in June 1976 published a report entitled "Uranium Reserves, Resources, and Production" that concluded:

"Together, the two categories of probable resources and reserves, including by-product, amounts to 1.84 million tons of uranium oxide (U308). These are the highest reliability portion of total United States resources and serve as a prudent resource base for planning nuclear power plant construction programs."

These findings by the ERC have been confirmed by a study essentially completed for the National Academy of Sciences (NAS)—a study conducted by independent geologists.

Estimate of recoverable resources—million tons uranium:

[Probability that resources are less than estimate]

"Lower limit"—1.0	0.03
"Best"—1.8	0.33
"Upper limit"—3.8	0.97

Thus, there is a very high probability (97 percent) that the total recoverable high-grade uranium will lie below the 3.8 million tons assumed as a firm resource base in the Fort-Mitre report's conclusion that CRBR "could be cancelled." Recently the Administration indicated that current policy is based on this extremely optimistic forecast for the availability of domestic uranium resources—completely discarding the concept of a prudent planning base.

The amount of economically recoverable uranium has a direct influence on when the breeder would be required—simply stated, the breeder must be introduced before the domestic uranium supplies are exhausted.

The ERDA Breeder Review Committee convened at the direction of the President recently published the results of its examination of two essential issues impacting the timing requirements for the LMFBR program: rate of growth of electricity demand and the extent of high-grade domestic uranium resources. While there are equally important issues—resource conservation, environmental impact, and competitive economics—the committee's approach helps "bound" the problem with a couple of simple variables.

Even with such moderate assumptions, the milestones for initial utility commitments to add breeders to their electric grids become even more critical. Because a decision to order a nuclear plant must be made some 10 years before its first operation, the following data add more perspective to the urgency of proceeding with the vital CRBR demonstration:

	Approximate 1st breeder commitment date for an assumed uranium resource base	
	1,800,000 tons	3,700,000 tons
ERDA guidelines, nuclear capacity, year 2000:		
300,000 MWe	1985	1995
400,000 MWe	1980	1990
500,000 MWe	(1)	1985

[1] Too late already.

Source: ERDA LMFBR Program Review April 1977.

Breeder Status—U.S. and overseas:

Both U.S. and foreign experience reinforce the technical feasibility of the LMFBR. However, the U.S.—which started first in the mid-40s—has lost its early advantage and now lags behind the U.S.S.R., France and the U.K. by almost 10 years.

The first electricity from any nuclear power plant in the U.S. was produced in 1951 by a breeder reactor—in the Experimental Breeder Reactor I (EBR–I). A series of U.S. breeder scale-ups and design improvements followed; the EBR–II, commissioned in 1963, still is providing valuable operating experience as well as serving as a reliable electricity source in the Pacific Northwest. During 1976, EBR–II performed with an exemplary 77 percent capacity factor at approximately 20 MWe while producing substantial revenue that helped to defray the cost of this ongoing experiment.

Another important phase in the program—a companion effort to the Clinch River Breeder Reactor (CRBR)—is the Fast Flux Test Facility (FFTF), nearing completion at ERDA's Hanford Reservation in Richland, Washington. Scheduled for 1979 commissioning, FFTF will provide valuable practical experience with the systems and materials before they go operational in the CRBR to produce electricity and breed nuclear fuel.

The crucial next step is the CRBR, a 375-MWe power plant which will provide extensive "on-line" experience by ERDA's originally scheduled 1986 decision date on the commercial feasibility of LMFBR technology—if the Congress acts to maintain the project by retaining at least $150 million in FY 78 funding.

Meanwhile, other nations, which initiated breeder efforts well after the American program, have made significant strides toward breeder economies, as shown below:

LIQUID-METAL FAST BREEDER REACTOR PROJECTS

Name	Country	Power (MW) Thermal	Power (MW) Electrical	Date of power operation
OPERABLE				
BR–10	U.S.S.R.	10.0		1973
DFR	United Kingdom	60.0	14	1965
EBR–II	United States	62.5	20	1965
Rapsodie	France	40.0		1967
BOR–60	U.S.S.R.	60.0	12	1970
BN–360	U.S.S.R.	1,000.0	350	1973
Phenix	France	567.0	250	1974
PFR	United Kingdom	600.0	250	1976
COMMITTED				
JOYO	Japan	100.0		1977
KNK–2	Germany (FRG)	58.0	20	1977
BN–600	U.S.S.R.	1,470.0	600	1979
FFTF	United States	400.0		1979
SNR–300	Germany (FRG)	736.0	312	1981
Super Phenix	France	2,900.0	1,200	1982
MONJU	Japan	714.0	300	1984
CFR	United Kingdom	3,125.0	1,320	1988–90
CRBRP	United States	975.0	350	1983
SNR–2	Germany (FRG)	5,000.0	2,000	1988–90
PLBR(?)	United States	2,500.0	1,000	1988–90
PEC	Itlay	118.0		1979

Source: ERDA LMFBR Program Review April 1977.

As President Carter has correctly observed, the ERDA approach utilizing cooperative efforts between the United States and other nations may reduce the amount of U.S. breeder development which will be required to bring the American LMFBR to fruition. Our agreements for cooperation internationally are based on *mutual benefit*—without an aggressive domestic program the willingness of our partners to "share" experiences and our ability to benefit would be questionable.

Further breadth in the U.S. effort is evidenced by American development work on other breeder concepts, including the Gas-Cooled Fast Reactor (GCFR) and the Light Water Breeder Reactor (LWBR), a reactor designed to run on the thorium fuel cycle.

Nonproliferation policy and breeders:

Cancellation of CRBR, promoted by the Administration as a symbolic "self-denial" to persuade other nations to abandon their breeder programs, has been severely challenged by Congress because:

The Administration's policy initiative has been rejected by the energy scarce industrialized countries committed to pursuing the energy potential of the breeder, particularly Western Europe and Japan.

The U.S. is *already behind* France, the U.S.S.R. and the United Kingdom in development of commercial-scale breeders—further delay in the U.S. program will preclude meaningful input into international developments.

CRBR can provide a much needed test-bed for fuel cycles designed to address specific nonproliferation concerns.

Breeders are not likely candidates for sources of weapons material because of the difficulty and costs.

Other industrialized nations—having less indigenous energy resources than the U.S.—are committed to developing a viable capability for energy independence. They can do so only if they develop the nuclear breeder option—fully. Many of these nations are more heavily dependent on OPEC oil than the U.S. and do not have coal and uranium resources to meet future needs. Chairman Teague, who was accompanied by several members of Congress on a European oversight trip, addressed the issue squarely when he got back—in a June 7 press conference:

"Quite simply, we found no agreement abroad with President Carter's proposal to halt breeder reactor development. It seems obvious that if our breeder program is curtailed now, as President Carter has proposed, it will be done unilaterally.

Furthermore, promotion of the U.S. as a reliable fuel supplier is a cornerstone of the Administration's non-proliferation policy. Yet indefinite deferral of the breeder and reprocessing would require full commitment of U.S. uranium fuel by the 1990s to domestic uses only—a posture that will jeopardize our credibility as a nation capable of assisting others in securing needed fuel.

During Congressional testimony it has been established that there is no absolutely proliferation-proof alternative fuel cycle. All nuclear fuel cycles produce plutonium or

other weapons useable material—including the oft-discussed thorium fuel cycle. All other fuel cycles—with the exception of the "throwaway" fuel cycle—would also require a reprocessing step. And there are at least seven ways—other than by means of breeder reactors—in which weapons material can be produced at considerably less cost, with less technical difficulty and in less time.

Eight ways available for weapon material production: [1]

Method, cost, required technology and industry:

Research reactor/reprocessing, small, small, small.[2]

Production reactor/reprocessing, medium, medium, medium.

Power reactor/reprocessing, large, large, large.

Diffusion enrichment, large, large, large.

Centrifuge enrichment, medium, medium, medium.

Aerodynamic jet enrichment, large, medium, large.

Electromagnetic separation, medium, large, medium.

Accelerator, medium, medium, medium.

The U.S. can contribute more effectively to solution of the proliferation issue, both technically and diplomatically by a strong affirmative effort traditional of the American leadership role.

Demonstration at Clinch River: Preserving the breeder option:

In his February budget revision President Carter cut $85 million from the ERDA fiscal year 1978 budget for the Clinch River Breeder Reactor project. The net impact of this cut was:

Delay of the operational date of CRBR from October 1983 to June 1984.

Added costs of $250 million.

Jeopardy to the 1986 decision on whether the technology is deployable.

Vital objectives of the CRBR project are to determine:

Licensability of an intermediate-sized LMFBR

Fully integrated system operation in a utility environment

Test-bed for advanced fuel designs and components

Safety and environmental acceptability

The project also is expected to provide substantial revenues to the government substantially offsetting the costs. As the ERDA Steering Committee noted:

"The CRBRP, although smaller than future LMFBRs, is intended to operate on the TVA system for up to 40 years. The gross revenues from CRBRP projected on the same basis as the cost estimate (i.e., escalated at 8% per year compounded) total over $10 billion, and the net operating revenues—including all fuel, operating, and maintenance costs—are projected to be over $700 million. Hence, the CRBRP is not just a technological experiment but an electricity-generating facility which will amortize much of the plant investment."

The House Science and Technology Committee voted overwhelmingly to accept the February funding level and to reject a proposal to terminate CRBR. Without CRBR, the availability of breeders in the 1990's, if they are needed, will be in serious question.

A distinction: Commercialization vs. demonstration:

As a result of President's Carter's directives, the Administration has taken steps to defer indefinitely the commercialization of breeder reactors. The primary motive for this and the related move on reprocessing has been the President's concern over nuclear weapons proliferation and his view that a "self-denial" might be an effective symbol.

Reaction from energy-resource-scarce industrial and developing nations has been overwhelming—they cannot and will not forego the benefits of the breeder for the long-term. It is imperative that U.S. programs be consistent with this fact and our long-time role as a sensitive leader rather than as an uncompromising isolationist.

It has always been clear that the determination of commercial feasibility could not in any case be made until at least 1968. When President Carter deleted funds from the next step in development—the prototype larger breeder reactor (PLBR) in February, he effectively deferred the decision on commercialization of the breeder—indefinitely.

Wasn't this step enough of a symbol? Does it make sense to destroy a 25-year program that must be used to provide real-world answers on the feasibility of alternate fuel cycles as well as the basic technology?

The most recent attempt by the Administration to link the CRBR demonstration with a commitment to commercialization was questioned by Congressional energy policymakers. U.S. LMFBR program documents are replete with specific language showing that the CRBR is not a commitment to commercialization:

Proposed Final Environmental Statement (December 1974):

"The construction and operation of the Demonstration Plant (Clinch River) will help provide the technical, economic, safety and other information needed by utility companies in deciding whether or not to commit to construction of LMFBRs."

ERDA Internal Review Board (Chaired by Robert Fri, June 1975):

"ERDA must reserve itself to a judgment as to whether the cost-benefit analysis of the LMFBR Program warrants a continuation of the Program to the point of commercialization."

Nuclear Breeder Subcommittee Report (February 1976):

". . . vigorous pursuit of LMBR development at this time, including construction of demonstration plants is essential to provide adequate information on which to base future decisions concerning commercialization of breeder technology."

Is it possible that the administration has chosen to neglect these official documents?

Termination of technology demonstration at Clinch River—which is neither a commercial-sized plant nor a commitment to commercialization—would effectively foreclose the option.

The effect of cancellation on ultimate availability:

Cancelling the CRBR would in effect preclude U.S. breeders of any kind from being available until well beyond the turn of the century.

In opinion of the U.S. Breeder Review task force: [3]

". . . cancellation of CRBRP would probably be tantamount to eliminating the LMFBR (Liquid Metal Fast Breeder Reactor) as a viable U.S. energy option through the end of the 20th century. It would be extremely difficult, if not impossible to recover from the loss of momentum resulting from such an action. In our opinion, it is doubtful that the project objectives and benefits could be realized by any other course of action. The loss in confidence by the utility industry, the industrial community and the National Laboratories in the resolve of this nation to press forward with the breeder, if CRBRP were cancelled would, in our opinion, cause these groups to approach any future proposals with extreme distaste. At the very least, the cost and time to the nation would be substantial."

The cost of termination:

Even delay in the CRBRP would result in enormous increases in the total cost of the project. The ERDA Steering Committee prepared a number of projections of total estimated Clinch River project costs (in year of expenditure dollars—YOE$), including fuel and five years of operation:

CRBR PROJECT

[Dollars in millions]

Case	Cost	Added cost (YOE dollars)	Earliest ERDA decision
Original schedule	$1,950	----------	1986
Delay based on February Carter budget	2,194	$244	1987
Additional 3-yr delay	2,640	690	1990

Should the project be terminated, as proposed, the total loss to the American taxpayers is preliminarily estimated as follows:

	Million
Project costs through July 1977	$278
Contract termination	154
Refund on industry cash contributions	102
	534

Of course, the dollar costs for CRBR termination are only part of the picture. In addition:

1. 49,500 man-years of work would be cancelled and $955 million in future wages would be unpaid;

2. 4,400 jobs would be terminated in California, New Jersey, New York, Pennsylvania, Tennessee and 17 other states;

3. East Tennessee would lose 10,300 man-years of craft work.

A severe postponement would sacrifice much of the expertise that exists in the industry-government infrastructure developed over the past 25 years. There have been a total of 63,300 man-years of effort in the program which, measured in national asset terms, corresponds to some $3.2 billion. It could well require some 15–20 years to rebuild the expertise if it were dissipated by a cancellation—at 2–3 times the investment to date!

Are there alternatives to CRBR?

"Alternatives" to the CRBR program, however appealing, must be closely scrutinized to assess their practicability as well as their objectives. Careful examination of these often-mentioned alternatives will show:

Severely delay and modify CRBR—An argument against the CRBR is focused on proliferation concerns. Opponents urge project delay pending evaluation of alternate fuel cycles. Such evaluations, they contend, will determine relative proliferation impacts of the "alternatives".

The CRBR is the perfect place to test fuel cycle alternatives to the uranium-plutonium cycle for which the program is now designed. Relatively minor modifications would be required in terms of redesign and new equipment. CRBR is a practical vehicle to see how alternative fuel cycles actually work. Without operational tests, alternative fuel cycle research would be limited to "paper theorizing" for the foreseeable future.

[1] Reference: Testimony by Representative Mike McCormack before a joint meeting of the Subcommittee on International Security and Scientific Affairs and the Subcommittee on International Economic Policy and Trade.

[2] The total cost for making a few simple nuclear weapons, using a research reactor and "hot cell" facilities varies from about $10 million to about $75 million. All equipment, including the uranium fuel, can be purchased on the open market outside the U.S. Several dozen nations have this capability today.

[3] Reference: Memorandum from Robert D. Thorne to Robert W. Fri, Subject: LMFBR Review, April 6, 1977.

FFTF modification—Substitute for CRBR—The Fast Flux Rest Facility (FFTF) near Richland, Washington has been examined for possible modification to be demonstrated in lieu of CRBRP. Such an approach would have these implications:

FFTF is a facility designed only to test breeder reactor fuels and reactor components for incorporation into CRBR.

The FFTF is not designed to breed nor to produce electricity—two central purposes of building CRBR.

FFTF cannot—by its very nature—show how breeder reactor plants would actually work. The FFTF is of inadequate scale to evaluate the interactions of the many components and systems within a power reactor.

FFTF would not provide the licensing experience, which is of vital importance in evaluating the further design, development and use of the breeder concept. Licensability is an important consideration in evaluating the LMFBR's application.

Scrap CRBR and redesign—U.S. experts have incorporated into CRBR the latest design features over the past six years. The features remain keyed to the leading edge of safety improvements and design innovations. They are the results of a $2 billion U.S. R&D effort dating back to 1951.

The size of CRBR was carefully selected because it was a low-technical-risk scale-up (by a factor of 2.5) from FFTF and would provide a base for low-risk extrapolation to large 1000 MWe-scale LMFBRs. Indeed, the U.S. Nuclear Regulatory Commission—the strictest nuclear licensing body in the world—participated in the evolution of this design and has found its environmental impact to be acceptable.

To design CRBR completely—as philosophical opponents to nuclear energy development have suggested—would inevitably lead to costly results to the nation, including:

Some 5–10 years of delay given the time required for redesign and the need to guide the project once again through the arduous NRC licensing process.

Inestimable cost escalations triggered by delay (at least $10–$15 million/month)—a factor which cannot have escaped nuclear energy antagonists as a valuable argument to save for fighting construction of a "new" CRBR in the future.

Cancellation of purchases and commitments for components of the CRBR as currently designed—an enormous cost and a large waste of taxpayers dollars.

Loss, as with CRBRP cancellation—of a carefully recruited project team embodying the greatest concentration of scientific technological and management talent anywhere—developed over 25 years.

Failure to achieve priceless operating experience to demonstrate what breeders can or cannot do, so that the United States is prepared to make crucial decisions in the mid-80's, if necessary.

Purchase foreign technology—In lieu of proceeding with full development of a U.S. technology and industrial base for this extremely important energy option, some have suggested purchase of foreign technology. While appearing to be a simple solution some realities must be examined:

Any purchase of a foreign-developed breeder would be subject to the rigorous U.S. NRC licensing standards—requiring detailed access to the processes. Such access is a highly unlikely event given expected foreign reluctance to provide valuable proprietary data.

In-depth examinations by GAO and NRC of purchase of foreign-developed breeder technology have lead both agencies to conclude that such a course cannot be demonstrated to be advantageous to the United States:

GAO found that "the U.S. breeder reactor development program could not realistically be expected to significantly accelerate or save significant amounts of money through quid-pro-quo exchanges with other countries".

The NRC examination determined that exchanges of information between the U.S. and foreign breeder developers "would seem to be a much more reliable way of meeting the identified U.S. objectives than a major purchase of foreign design and technology".

As a practical matter, if the U.S. were able to buy foreign technology without a quid-pro-quo exchange of technology, the loss of potential American jobs and dollars would be substantial.

Substitute breeder with advanced converters—Opponents to CRBR have proposed that the U.S. mount a full scale program to develop an alternate system of nuclear plants called advanced converter reactors. While it is true that some of these advanced concepts may prove to be more efficient than current reactors in the use of uranium resources these facts must be weighed:

All of these concepts are net consumers of fuel, so only a low-growth scenario with an eventual moratorium on nuclear power could be sustained. Their introduction would be extremely costly and can only temporarily delay the need for the breeder—not replace it. These reactors require some form of reprocessing, including those operating on the thorium cycle. Thus, non-proliferation concerns must be addressed as they must for any scheme other than a "throw-away" cycle.

What does "breeding" mean?

Most currently electricity producing technologies are net consumers of resources as they create energy. The fossil fuels—oil, coal, and gas—are burned leaving combustion products (SO_2, NO_x, ash, etc.). Uranium in light water reactors is fissioned leaving a portion of the original uranium, newly created plutonium, and fragments of fissioned uranium and plutonium atoms. While the next generation of nuclear reactors will also create its own "combustion" products, there is one important difference compared to today's "converter" reactors—including the "advanced converters": these reactors will be capable of "breeding" or regenerating at least as much fuel as they consume, and two basic fuel cycles offer breeding capability: the *uranium cycle* in which "fertile" uranium 238 "breeds" fissionable plutonium 239 and the *thorium cycle* in which "fertile" thorium 232 "breeds" fissionable uranium 233.

The characteristics of both fuel cycles are the same: reprocessing and recycling is required for efficient utilization, the separated fuel products must be safeguarded, and the fuel must be handled with safety precautions.

Not only is the ability to produce more new fuel important but also the rate of production is extremely important since it determines the rate at which excess fuel can be made available to power new reactors and thus permit expansion of electricity generating capability.

One measure of this rate is the "doubling time", which is the period required for a breeder to produce as much extra fuel as it consumes. Achieving the highest possible "breeding ratio" and thus the shortest "doubling time" is a function of the characteristics of the fuel and the reactor. The early choice of the liquid metal concept was based on its potential for high breeding ratio. Current designs for the CRBR will result in doubling times of 25–35 years compared to the 60 year doubling time for the French Phenix reactor. Advanced fuel designs can shorten the doubling time to 10–20 years.

PROLIFERATION/BREEDER—COST/BENEFITS

(By Craig Hosmer)

(Clinch River Breeder Reactor Demonstration Program)

There is a United States energy resource that could fuel the Nation for 165 years at our present rate of energy use. It is neatly stored above ground in steel drums and containers at three convenient locations in the Eastern part of the country. Its energy potential roughly equals that of all U.S. coal resources still in the ground.

But President Jimmy Carter has barred access by Americans to this great national resource.

It consists of about 200,000 tons of depleted uranium tailings. This is the material left over after enriched uranium has been extracted to make fuel for nuclear power plants. The separation is done by a still secret process at government plants operated by the Energy Research and Development Administration at Oak Ridge, Tenn., Paducah, Ky., and Portsmouth, Ohio. The "tails" are at these three locations, government owned and physically available.

Realizing their energy potential would require that they be used in breeder reactors where at least 70 percent of the material would eventually be transmuted into plutonium for use as nuclear fuel. Calculations by Dr. C. S. Winters of the Union Carbide Corporation predict their total power yield at some 11,500 quads of thermal energy. By comparison, today the U.S. uses only about 70 quads per year from all energy sources, including petroleum, coal, uranium and hydropower.

On this basis, these tailings equate to potential energy of 13,300 quads estimated by ERDA for all yet-to-be-mined U.S. coal. Taken with yet-to-be-mined U.S. uranium—around 1.76 million tons—Dr. Winters believes they represent 78,000 quads, or 1,280 years of energy for the U.S. at the rate we now use it.

President Carter's indefinite deferral of breeder reactors places this enormous energy resource as effectively out of reach as if it did not exist.

It is impossible to calculate the cost to Americans in human and economic terms of this abstinence. Its cost may be calculable only in terms of human life to those around the world who depend on United States technology and United States generosity for a minimum subsistence level.

The President declares that plutonium is an ingredient of proliferation and that this monumental act of forebearance is necessary to set an example against the spread of nuclear explosives for other to follow.

But all powers rich enough to wage global war already have armed themselves with nuclear weapons and intercontinental delivery systems. Most of the remaining nations with technical and economic means to go nuclear lack any motivation to do so. The remaining proliferation candidates (including a terrorist) are few in number (6 to 12) and their resources seem to limit them to a potential for regional trouble making as distinguished from a global war making capability. Containing them by military, diplomatic, security and similar means ought to be a readily manageable task.

Thus the issue is raised: Does the danger President Carter wants to contain really warrant the sacrifices called for by his program to manage it?

Other countries almost universally have answered in the negative. It is clearly necessary for Congress to review the President's position in terms of costs-versus-benefits and to consider less costly and more effective antiproliferation alternatives.

GAO TO CONGRESS: GO AHEAD WITH CLINCH RIVER BREEDER REACTOR

COMPTROLLER GENERAL OF THE UNITED STATES

Washington, D.C., June 14, 1977.

Hon. OLIN E. TEAGUE,

Chairman, Committee on Science and Technology, House of Representatives.

DEAR MR. CHAIRMAN: This is in response to your inquiry dated June 8, 1977, asking our current views on this Nation's commitment to the development of Liquid Metal Fast Breeder Reactor technology. Over the past

two years, we have issued nine reports addressing various aspects of the Liquid Metal Fast Breeder Reactor (LMFBR) program. In addition, we have on a number of occasions testified before various congressional committees on this subject.

On July 31, 1975, we submitted to the Congress the results of an intensive study by our Office of the relevant issues and the Federal Government's role in the development of LMFBR technology (Issue Paper, OSP–76–1). The study went beyond the managerial and technical aspects of the LMFBR program and assayed its economic, environmental, and social implications. We reached a number of conclusions and made several recommendations specifying actions that can be taken on the part of responsible Federal agencies and the Congress to clarify and help resolve key uncertainties.

In developing these positions, we were fortunate to have the expert advice of a number of extremely knowledgeable consultants with a wide range of backgrounds and viewpoints. We did not, however, ask the consultants to comment on the conclusions and recommendations.

The President has recently announced that the U.S. commitment to advance the nuclear fuel technologies based on plutonium should be deferred. To this end, the President is proposing to reduce the funding for the existing LMFBR program—ERDA's top priority research and development project for the past several years—and to redirect these funds toward evaluation of alternative breeders, advanced converter reactors, and other fuel cycles, with emphasis on nonproliferation and safety concerns.

Our July 1975 study focused on identifying and assessing the issues relevant to key questions facing LMFBR decisionmakers.

Does the United States need an LMFBR, and if so, when?

Should the Federal Government continue to develop the LMFBR?

What are the benefits, costs, and risk?

What are the options?

As part of that study, we considered the impact of slowing down the LMFBR program. While we identified a number of uncertainties and problems in developing the LMFBR, we concluded that these uncertainties argue against extreme action to either expand and accelerate or abandon the program. We would like to take this opportunity to reemphasize certain points made in our July 31, 1975, study. Specifically, we are still of the opinion that:

The United States clearly should not abandon the nuclear fission option at this time nor should it abandon the LMFBR research and development effort.

Uncertainties regarding the scientific, technical, or economic feasibility of potential alternative energy sources; the problems of increased reliance on fossil fuels; and uncertainties regarding the ability and willingness of the Nation to conserve fuel—all make these unrealistic courses of action.

The LMFBR program should be clearly identified and recognized for what it is: a research and development program. There has been premature concern and emphasis on commercializing the LMFBR at a time when the Nation is years away from demonstrating that commercial-size LMFBR plants can be operated reliably, economically, and safely.

Given the history of slippage in this program and the likelihood that future experience will be similar, it does not appear reasonable to attempt to accelerate the research and development schedule. It will be difficult to maintain the current schedule.

Whatever action is taken by the United States on nuclear power and the LMFBR, the problems of nuclear safety and safeguards will not go away. Many foreign governments appear likely to rely significantly on nuclear fission power in the future, including LMFSRs. These governments are not concerning themselves initially with commercialization problems but are attempting to demonstrate that LMFBRs can operate reliably, economically, and safely.

A unilateral decision on the part of the United States to abandon nuclear power or the development of the LMFBR will not change this situation.

The most logical course of action is to pursue the LMFBR program on a schedule which recognizes that the program still is in a research and development stage. Not until some point in the future, perhaps 7 to 10 years from now, need a firm decision be made as to whether the Nation will commit itself to the LMFBR as a basic central station energy source. At that time, many of the uncertainties of today should be reduced or eliminated, particularly if priority efforts are made to resolve as many as possible between now and then.

The President's decision to defer indefinitely the Clinch River Breeder Reactor (CRBR) does not coincide with those positions we have taken in the past. In our view, this country should not now abandon the nuclear fission option nor should it abandon the LMFBR research and development effort.

In our view, the most important disadvantage in slowing the present program is that we run the risk of not knowing enough about the LMFBR to make intelligent decisions on it in the near future. This problem occurs in the fact of other nations' pursuit of fast breeder technology. This course runs the risk that foreign manufacturers will likely continue to advance the breeder, reaching the market place first, and diluting U.S. ability to influence safety and other features of breeders worldwide. Most importantly, continuation of research and development on the breeder enhances the U.S. ability to affect discussion regarding nonproliferation in the crucial years ahead, further, the total research and development costs might end up being higher, and industry might be reluctant to commit its resources should the United States decide to ultimately go with the LMFBR.

Because of the many uncertainties surrounding the LMFBR, we believe alternative nuclear technologies should be explored. However, the Congress and other decisionmakers should recognize that all present alternatives to the plutonium-uranium fuel cycle have some potential for diversion of weapons grade materials. The issues involved are numerous, complex, and controversial. In addition to nonproliferation goals, technical, economic, environmental, timing, and other factors must be determined before decisions can be made on the relative advantages and disadvantages of the various alternatives.

Total abandonment of the CRBR and major cut-backs in breeder research and development will not enhance the Nation's ability to understand the pros and cons of these alternatives.

We appreciate the opportunity to have been of assistance to you in this matter. Copies of this letter are being sent to appropriate Committee Chairmen and will be available to the public.

Sincerely yours,

ELMER B. STAATS,
Comptroller General
of the United States.

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

Who yields time?

Mr. BUMPERS. Mr. President, is the Senator from New Hampshire prepared to go forward at this time?

Mr. McINTYRE. Yes.

Mr. BUMPERS. Mr. President, I yield 3 minutes to the Senator from New Hampshire.

Mr. McINTYRE. Mr. President, I rise to support the amendment of my distinguished friend from Arkansas.

Mr. President, I am a cosponsor of the amendment by my distinguished colleague, Senator BUMPERS, to terminate the Clinch River breeder reactor project. Let me explain why I support this amendment, which is consistent with the position of the President.

First, I am not an opponent of nuclear power or of its peacetime uses. Nuclear power has many attendant risks, and we would be foolish not to make their solution our primary goal. However, we do not today have any reasonable alternative to the use of conventional light water reactors over the next 20 to 30 years.

But the breeder reactor is a large and perhaps an irreversible step beyond the use of conventional reactors. The breeder is extremely expensive. The cost of the Federal demonstration project alone is estimated to be in the range of $12 billion; doubtless, these estimates will increase.

The justification for building this very expensive kind of reactor was that we might run short of uranium, and therefore we needed a reactor that—in its marvelous and mysterious way—"breeds" its own fuel as it operates.

However, at today's uranium prices, experts do not believe that we will run short of uranium for another 50 to 75 years. This is plenty of time to develop a breeder reactor through deliberate, careful planning and scientific study. It is time also, God willing, to solve the paramount problems associated with nuclear power—the disposal of radioactive wastes and the proliferation of plutonium which could be used for nuclear weapons.

Deferring construction of a demonstration breeder reactor at Clinch River will also give us time to evaluate other fuel cycles than plutonium, other technologies and other solutions to our Nation's energy problems, as we continue to study how to develop an effective breeder.

Clinch River, moreover, is not a pure research project. It is part of a two-stage commercial demonstration plan. As such, the expensive construction of this kind of powerplant will create an irreversible presumption that we are going ahead with commercial use of the breeder—even before we know whether it is worth the cost.

By deferring this project, we would not permanently cripple our breeder research program. The Energy Research and Development Administration budget would still provide over $483 million on breeder reactor research. This amounts to one-sixth of ERDA's total budget. And we could, after further study, make the commitment to go ahead with this technology at any time in the future.

Therefore I ask my distinguished colleagues not to vote to continue development of Clinch River for a year and put us into the position of making this same decision next summer and $150 million

or even $75 million later. Let us vote now to defer development of Clinch River until we are sure it is needed.

Therefore, I ask my colleagues to support this amendment offered by the distinguished and able Senator from Arkansas.

The PRESIDING OFFICER. The Senator's time is expired.

Mr. McINTYRE. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. CHURCH. Mr. President, I yield 1 minute to the distinguished Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. SASSER. Mr. President, I thank the Senator from Idaho.

Mr. President, I oppose the amendment of the Senator from Arkansas.

His amendment would terminate the Clinch River breeder reactor demonstration project and, in my opinion, completely close the option of electricity production by a liquid metal fast breeder reactor.

I do not believe we should close out any energy option. We just do not know what our energy requirements will be in the future. Certainly we are going to try to conserve, but conservation is not the only answer, for our energy needs will certainly continue to grow, but hopefully at a diminishing rate.

We do not know what that rate of growth will really be.

We do not know if there will be another oil embargo.

We do not know how long our domestic oil will last.

We do not know if there will be enough uranium to fuel conventional reactors long into the future. We now hear allegations of uranium cartels.

We do not know if we will be able to provide the hopper cars and mine sufficient amounts of coal or even able to burn that coal in an environmentally safe manner.

We do not know how effective solar and geothermal will be in the future.

We do not know when, if ever, fusion will be proven to be commercially viable.

In other words, Mr. President, there are too many questions to be answered before we close out any energy option—including the breeder.

There are may misconceptions about the Clinch River breeder reactor project which should be cleared up.

This project in no way commits this Nation to a plutonium economy. The Clinch River breeder is simply a demonstration plant. The Clinch River breeder represents no commitment whatsoever to commercialization of the liquid metal fast breeder reactor.

The Clinch River project will simply prove many things about LMFBR's. This project demonstration will prove once and for all if commercial LMFBR's are a viable energy option. A demonstration plant will prove if the breeder is efficient, economical, and environmentally sound.

We should not discontinue the breeder technology without testing a demonstration plant.

Now, I have in my hand a copy of a letter from the Honorable Elmer Staats, the Comptroller General of the United States, which was written to Congressman OLIN TEAGUE on June 14.

The GAO makes it clear that the CRBR is simply a demonstration plant. The letter states, "The LMFBR program should be recognized for what it is: a research and development program. There has been premature concern and emphasis on commercializing the LMFBR at a time when the Nation is years away from demonstrating that commercial-size LMFBR plants can be operated reliably, economically, and safely."

And the GAO goes on to make it clear that it is their feeling that the Clinch River plant should be built. The GAO makes it clear in this letter that the demonstration plant should not be abandoned.

Mr. President, I ask unanimous consent that this letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., June 14, 1977.

The Honorable OLIN E. TEAGUE,
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In our view, the most important disadvantage in slowing the present program is that we run the risk of not knowing enough about the LMFBR to make intelligent decisions on it in the near future. This problem occurs in the face of other nations' pursuit of fast breeder technology. This course runs the risk that foreign manufacturers will likely continue to advance the breeder, reaching the market place first, and diluting U.S. ability to influence safety and other features of breeders worldwide. Most importantly, continuation of research and development on the breeder enhances the U.S. ability to affect discussion regarding nonproliferation in the crucial years ahead. Further, the total research and development costs might end up being higher, and industry might be reluctant to commit its re-

sources should the United States decide to ultimately go with the LMFBR.

Because of the many uncertainties surrounding the LMFBR, we believe alternative nuclear technologies should be explored. However, the Congress and other decisionmakers should recognize that all present alternatives to the plutonium-uranium fuel cycle have some potential for diversion of weapons grade materials. The issues involved are numerous, complex, and controversial. In addition to nonproliferation goals, technical, economic, environmental, timing, and other factors must be determined before decisions can be made on the relative advantages and disadvantages of the various alternatives.

Total abandonment of the CRBR and major cut-backs in breeder research and development will not enhance the Nation's ability to understand the pros and cons of these alternatives.

We appreciate the opportunity to have been of assistance to you in this matter. Copies of this letter are being sent to appropriate Committee Chairmen and will be available to the public.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

Mr. SASSER. Mr. President, there have been questions raised recently about whether Clinch River is the proper site for a demonstration plant and if the current design provides for the appropriate size of a breeder demonstration. I would like to address these questions briefly.

Concerning the site selection, the Atomic Energy Commission approved the site after extensive review of the alternatives. Dr. James Schlesinger himself, as Chairman of the Atomic Energy Commission in the early 1970's approved Oak Ridge as the site for the demonstration facility. The site selection has been the subject of many congressional hearings and was reviewed extensively in connection with the environmental impact statement.

Second, is the Clinch River project the appropriate size or should a larger demonstration plant be built? I would point out that every other nation that is developing the breeder technology started with a demonstration plant the approximate size—or smaller—of Clinch River.

In this connection, I want to call my collegaues' attention to the report of the LMFBR Review Steering Committee. This committee was appointed by the President and Dr. Schlesinger to review and study the various options associated with breeder development.

In April, the majority of the members of the committee issued a report which was a strong endorsement of the breeder program in general, and the Clinch River project in particular.

The report dealt with the question of Clinch River design. The report dealt with the question of what size is appropriate for a breeder demonstration plant. The members of that committee concluded "that a demonstration plant of the approximate size of the CRBRP is necessary and that the CRBRP objectives are appropriate to that demonstration plant. The design basis is current."

Mr. President, this is the administration's own steering committee. They were formed to review the Clinch River project and they concluded, after weighing all the factors, that it should be continued and completed.

Mr. President, if this country abandons the Clinch River project, we will only be adding impetus to the foreign programs already in existence.

There are seven LMFBR's already operating in other parts of the world. There are nine more LMFBR's being planned by foreign countries.

These foreign leaders have shown no sign of halting their development programs. These foreign countries are going ahead and demonstrate and, most likely, commercialize, the breeder.

If we fail to develop the breeder option, and our energy requirements in the future demand the breeder technology, we will be faced with purchasing foreign technology.

We have seen what an oil cartel can do. If we fail to develop Clinch River, we may well see what a breeder cartel can do as well.

There are many other issues associated with the development of breeder reactors. I do not want to take the time of the Senate to repeat what has already been said, but I do want to say to my colleagues that I have spent literally hours reviewing this project. I have met with the President, extensively with his energy advisors and officials from ERDA. I arrived at the conclusion to support this project based on a strong feeling that we can build a safe breeder, that we can manage to achieve our nonproliferation goals, and that we should, at the least, demonstrate this technology before making a firm decision for commercialization or against commercialization.

Mr. President, all of us who serve in Congress applaud the President's nonproliferation goals. But we cannot be the world's nonproliferation leader if we take an ostrich-like stance. We cannot bury our heads and expect problems to go away.

I want to repeat, whatever our Nation does, the nuclear development of the other nations of the world will not cease. To the contrary, without U.S. leadership in this technology, other nations will accelerate development of their own technology. That certainly does not achieve our nonproliferation goals.

I want to speak for a moment about nuclear safeguards. Tons of nuclear materials have been handled safely for decades. We have proven that we can develop the proper and adequate safeguards as conditions and technology change. I am confident that, looking to the future, our safeguards will continue to be improved. As one U.S. Senator, I will continue to demand nothing but the safest of facilities with the maximum safeguards.

I hope the Senate will defeat this amendment. It would close our options. It would signal the other nations of the world that the United States is abdicating our nuclear responsibilities. As it has been said, "the genie is already out of the bottle." Only by the leadership of the United States can we really control the spread of nuclear material. And leadership will not be provided by turning our heads to the realities of the world.

I hope the amendment of the Senator from Arkansas and the amendment of the Senator from Idaho will be defeated.

I continue to support full funding of $150 million for this project.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. BUMPERS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. BUMPERS. Mr. President, how much time does the Senator from Idaho have remaining?

The PRESIDING OFFICER. The Senator from Idaho has 2 minutes remaining.

Mr. BUMPERS. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Bert Lance, the Office of Management and Budget.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C.

Hon. DALE BUMPERS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BUMPERS: In response to your request, I am pleased to apprise you of OMB's views on the proposal to provide $75 million in budget authority for continuation of the Clinch River Breeder project in FY 1978.

From a budget perspective, continuation at a $75 million level in FY 1978 would have no programmatic benefit and by delaying the project would increase the total project costs by about $200–400 million. Furthermore, as noted by the Controller General in his June 28, 1977, letter to Senator Jackson on the subject of the Clinch River Breeder Reactor, delaying the project increases the risk that the licensing authority would require a change in the project construction site, thereby increasing the project costs by over $1 billion.

In addition, this proposal for $75 million for the Clinch River plant would not contribute to accomplishing the international non-proliferation or domestic energy objectives of this Administration. On the contrary, adoption of this proposal would undermine the credibility of the U.S. position on non-proliferation abroad and divert funds from areas important to our domestic energy program into a technology which cannot contribute to our energy needs for decades and may never be needed.

Finally, from a programmatic perspective, it is unnecessary to continue the project for an additional year during which the need for the project would be reassessed. With completion of the Clinch River plant design, as proposed by the Administration, it is unlikely that a breeder project of the size of the Clinch River plant would be required if a decision is made to commercialize the Liquid Metal Fast Breeder Reactor at some future time. You may recall that under the breeder program planned by the previous Administration the design of a prototype commercial size breeder reactor was to have begun before completion of construction of the Clinch River plant. Because of the experience to be gained from design of the Clinch River plant, construction of the plant was not considered a necessary step for the design of a commercial size plant.

Thank you for the opportunity to address this question. It is an issue of great importance to the President.

Sincerely,

BERT LANCE,
Director.

Mr. BUMPERS. Mr. President, Mr. Lance writes in the letter that from a budget perspective continuation of this project at a $75 million level would have no programmatic benefit and by delaying the project would increase the total project costs by about $200 to $400 million.

Mr. President, I further ask unanimous consent that a letter, dated July 7, 1977 from the Council of Economic Advisers addressed to me, which shows that the breeder reactor has absolutely no benefits based on the costs-benefit ratio be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COUNCIL OF ECONOMIC ADVISERS,
Washington D.C., July 7, 1977.

DEAR SENATOR BUMPERS: We discussed in your office the June 1977 ERDA publications, "Updated C–B Analysis of the LMFBR." My staff has reviewed this document, and concludes that it represents a major change in the ERDA findings from earlier studies.

The same model and analytical techniques yielded substantial gross benefits to breeder development in a 1974 ERDA study, but now project near zero gross benefits. All figures are discounted and are before counting costs of research, development, and commercialization.

The following changes in outlook are central to the revision:

1. Uranium Assumptions:

The benefit estimate was raised by a reconsideration of uranium supply, raising LMFBR benefits by $15.2 billion. In addition, use of higher cost estimates for uranium enrichment ($75 instead of $36 per separative work unit), raised benefits by an additional $9.9 billion.

It should be noted, however, that uranium supply may have been understated by ERDA even in this study. Specifically, the study did not take account of higher cost ores, which, according to many analysts could add substantially to the resource estimates.

2. Energy Demand:

The expected long-run decline in GNP growth—due to slower population and labor force growth and technical progress—as well as the conservation measures of President Carter's NEP will probably dampen electric energy demand growth below earlier estimates. Therefore, the projected demand of 10.6 trillion KWH for 2000 and 27.6 trillion KWH for 2020 used in the 1974 base case are untenable. Updated estimates of 5 trillion KWH in 2000 are more reasonable. This change is the major revision in the case for the breeder, decreasing benefits in the new ERDA study by an estimated $30.7 billion.

3. Delays:

Further delays in the commercial availability of the breeder are likely to be encountered. Introduction in 1995, rather than 1987, lowers benefits by $12 billion.

4. Capital costs:

Capital cost estimates for the breeder had been substantially revised. A very conservative reevaluation of the capital cost differential between the LMFBR and the LWR reduced benefits in the new ERDA study by $1.8 billion.

The following table briefly summarizes the effects of revisions made in the 1977 study:

	Effect on LMFBR Gross Benefits ($ billion)
1974 gross benefits estimate,	+19.4
Assumption Change:	
Reduced electric energy demand	−30.7
Delayed LMFBR introduced	−12.0
Larger capital cost differential	−1.8
Higher uranium enrichment costs	+9.9
Increased uranium prices	+15.2
Total change in estimate of benefits	−19.4
1977 gross benefits estimate	0.0

NOTE.—Gross benefits exclude the costs of research, development, and commercialization.

The four reconsiderations above drive the expected gross benefits of the LMFBR to approximately zero. However, a few limitations of the ERDA analysis should be brought to your attention.

First, limitations on HTGR (or other advanced converter) commercial availability may be overstated. This overstates the benefits of the LMFBR.

Second, the ERDA studies disregard the sensitivity of energy demand to prices, i.e., the price elasticity of demand is assumed to be zero. This probably overstates the benefits of the breeder.

Finally, the near zero gross benefits calculation in the new ERDA study is not based on a rerun of the 1974 model. Rather, it is a shortcut which uses linear interpolations of benefit sensitivities from the 1974 study. The individual components were than summed to derive the change in total benefits. In fact, without the "arbitrary" $4 billion U_3O_8 supply adjustment, the simple summing up technique would predict gross benefits of —$4 billion, which is a mathematical impossibility.

Notwithstanding these shortcomings, this new piece of evidence is largely consistent with a growing body of evidence which suggests that the case for the LMFBR program cannot be supported on economic grounds.

I would be delighted to provide further information which might be useful to you.

Sincerely yours,

WILLIAM D. NORDHAUS,
Member.

Mr. BUMPERS. Mr. President, I have consistently said that I thought the best authority on whether we should go forward with the breeder or not is found in the so-called Mitre report that was financed by the Ford Foundation that consisted of 22 of the top scientists and economists of this country.

Let me read one additional quotation from that report because many Senators have asked me about the economics of this thing, and I maintain as does the Mitre report that we are running past more than we are ever going to catch up to. They state:

These choices narrow the scope of future alternatives, and may have adverse consequences for the ultimate success of breeders. If the range of economic and socially acceptable breeders is narrowly circumscribed, as it appears to be, an early commitment to a less than optimal breeder could compromise the availability of a better breeder later. A breeder program might involve thorium technologies, gas cooled design, molten salt reactors, and other possibilities. Some of these reactors and fuel cycle systems may offer advantages in having lower proliferation and theft dangers than the present LMFBR.

The pool or the loop breeder does not mean anything to the people in this body, as it did not to me until this morning, when we held hearings on the famous Burns and Roe internal memorandum, which said that the Clinch River site in Tennessee is one of the worst sites ever selected for any kind of reactor, and which said that results are almost certain, on the front end, to be poor.

What are the British and the French doing? They are using the pool reactor, yet ERDA says the loop design is just as good. But here is another memo to ERDA from Rockwell International and Burns and Roe, that famous engineering group which gave us that fine internal memorandum. In it, they say that the system we are going to use, the loop breeder as opposed to the pool breeder being used in Europe, is less safe. This is what the people who are going to build this thing are saying:

From Table 6–3, the total probability of a core disruptive accident occurring for the pool concept is calculated to be approximately ⅓ and ⅔ that of the loop and hybrid concepts, respectively.

So, while the argument is made that the breeders in Europe are too dirty, too unsafe to be used in this country, here we have Rockwell International and Burns and Roe saying that concept is safer by a factor of five than the loop technology we are prepared to use in this country.

The President is simply saying, "Based on that information, let us stop, reconnoiter, and take a look."

On the question of what kind of system we will have, listen to this from the Mitre report:

An annual core reload for a single large LMFBR would provide enough plutonium for 200 to 400 weapons.

In other words, one load for one breeder each year would provide enough plutonium to build 200 to 400 weapons.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CHURCH. Mr. President, I yield one of my remaining 2 minutes to my distinguished colleague.

Mr. McCLURE. I thank my colleague for yielding this time.

In 1 minute I can say very little, except to say that several people have used the term "commercialization," and I think the record is absolutely replete with all kinds of statements that Clinch River is not commercialization, it is a development phase in research.

I call attention to the "dear colleague" letter that I and four of my colleagues have written, which may be found on every Senator's desk. Attached to it is this chart, the administration's chart, which they prepared in February of this year, showing the amount of uranium resources that are necessary, and what the breeder does with respect to the expansion of uranium supplies. Reference has been made to the 380 gigawatts in the Ford Mitre study, the 380 gigawatts of capacity at the end of the century.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. McCLURE. All the decision to go forward with the breeder reactor does

now is continue the option we have to be able to make a decision in the mid-1980's—a decision which we need not and should not make now.

Mr. CHURCH. Mr. President, four points:

First, it has been said, "Why not defer the decision?" That is what I am asking us to do: to defer the decision for 1 year. The Bumpers amendment terminates now.

It is said that the cost is escalating. The GAO report says it will cost us $1.3 billion to terminate now. Mr. President, everyone knows that 5 years from now costs will be a great deal higher than they are today.

It has been said that this is the worst site and the wrong design. That assertion is quoting from a memorandum that is 4 years old, those questions have been completely revised by more recent assessments.

What could be lost by waiting a year? We would then have a better idea as to whether the site or design is right.

ADDITIONAL STATEMENTS SUBMITTED

I. WHAT ARE THE ISSUES?

Mr. HATFIELD. Mr. President, a responsible decision on the fate of the Clinch River breeder reactor rests on the answer to two fundamental questions: First, is this a good project; and second, should we decide now to commit ourselves to the commercialization of the LMFBR technology and therefore decide now to commit ourselves irrevocably to a plutonium fuel economy?

Proponents of the Clinch River project have argued that there is a third question inherent in our deliberations: Should we abandon breeder technology? The fact that the administration proposes to spend more than a half a billion dollars this year for breeder research and development makes it clear that abandonment of breeder technology is not the issue here. And to the extent we debate this counterfeit question, we are denying ourselves due consideration of the two real questions.

Some proponents have argued that the second question is counterfeit, too. They say construction of the Clinch River project is simply another stage of development and would not commit us to commercialization of the breeder technology. Dr. Schlesinger's testimony before the House Science and Technology Committee refutes this argument:

> The Clinch River project is not primarily an R&D program. It is an essential part of a program to produce a commercial breeder. To examine whether to proceed with this project, it is necessary to consider the need for a commercial breeder.

Dr. Schlesinger has amplified these remarks elsewhere by saying:

> The Clinch River plant, the demonstration plant, was justified as part of the commercial program, a program for commercialization. I know that full well because at the time I was chairman of the AEC. I told the staff to go away and to bring me a cost benefit study on the demo plant by itself, and one could not emerge from such a study with a positive benefit-ratio, simply looking at the demo plant in isolation as an R&D experiment. It had to be embedded in an entire program of commercialization. So the Clinch River plant turned out to be integral to the program of commercialization.

There are some proponents of the CRBR wh › argue that the second question is counterfeit for an entirely different reason: in contradiction of their friends who have said for years that R. & D. funding for breeder technology did not imply a commitment to embrace the technology, they argue that we are already committed to a plutonium economy and that it is too late to back out. In other words, they would have us believe we have already made an unintentional, irreversible decision in favor of the plutonium economy. I do not believe this is so—yet. The decision that would make it so, that will make a commitment to the plutonium economy a fait accompli, would be a decision to build the Clinch River project.

II. HOW RISKY WOULD IT BE TO DELAY COMMERCIALIZATION OF THE BREEDER?

To decide whether to commit ourselves to commercialization now, it is necessary to estimate the consequences if we do not.

The plain fact is that there is little risk in delaying the commercialization of the LMFBR technology. This is true because demand for uranium has not skyrocketed as expected and because our estimated uranium reserves are turning out to be more extensive than we once thought.

What we now expect to have as our nuclear capacity in the year 2000 is less than a third of what was projected just 5 years ago when the Clinch River project got underway.

This decline in our expectations of the relative importance of nuclear power in the year 2000 is due to many factors, including licensing delays, rising capital costs and renewed interest in coal.

Some have reasoned that if our energy future is as bleak as the President would have us believe, it must be foolhardy to put off commercializing one sure source of energy. This reasoning overlooks the fact that breeders are not cost effective except in conjunction with light water reactors. Light water reactors are the LMFBR's reason for existence. No matter how dire the energy situation becomes, if only the currently projected number of light water reactors are built, breeder reactors will not be needed in this country by the year 2000. And by the time a subsequent increase in light water reactors made breeders necessary, our ongoing R. & D. work would put us in a position promptly to begin construction of breeders of an advanced design.

III. WHAT WOULD BE GAINED FROM DELAYING COMMERCIALIZATION OF THE BREEDER?

Since decreased demand for uranium and increased estimates of reserves have given us some time to explore other, safer energy production alternatives, we should concentrate our resources on the alternatives for the moment. Only if we vigorously develop the most probable alternatives will be in a position to know whether they are viable.

A major commitment of resources to the Clinch River project would necessarily reduce our investment in alternative energy sources thereby reducing the likelihood that alternatives to the breeder would ever become viable.

The greatest benefit to be derived from delaying a decision to commercialize the breeder is, admittedly, only a possibility. Perhaps that is why it has been so belittled in Congress. Nevertheless, the dangers of proliferation as a result of widespread use of breeder reactors are so great we must cling to every possibility to prevent it. If we do not seize what may be our last chance to avoid a worldwide plutonium economy, we must bear a large share of the responsibility for the consequences.

It is true that the Europeans and the Japanese, among others, have balked at the administration's attempts to delay the so-called plutonium era. And no wonder. They know the President's assurances that the United States will not use this pause to gain a commercial advantage is without meaning unless Congress agrees. To use the fact that our allies are reluctant to go along with the President's plutonium initiative without any firm congressional assurance as an argument against embracing the President's plutonium initiative is to beg the question. We will never know how the rest of the world will respond to a pause in American commercialization of the breeder unless we clearly demonstrate our good intentions by actually instituting the pause.

IV. IS THE CRBR A GOOD PROJECT?

Proponents of the Clinch River project have yet to demonstrate that it will actually accomplish anything. Their arguments are couched primarily in terms of the danger of slowing the momentum of the breeder program. But the whole breeder program is not the issue before us. Either this is a worthwhile project that will actually advance our breeder program in some significant way, or it is not. The evidence suggests that it is not.

The CRBR is too small and too much like the Fast Flux Test Facility in Hanford to be useful either as a research tool or as a productive step toward commercialization. The design is not the most advanced. The industrial base to be built up in conjunction with this project would be geared to smaller and less advanced equipment than will ever be used in a working commercial breeder.

According to Robert Fri, the acting head of ERDA, there is very little that can be learned from the CRBR in terms of the licensing process. He says perhaps 80 percent of what could potentially be learned by licensing has already been learned in the process of applications for site and design approval.

Finally, and of no small consequence, is the fact that the Federal costs of this project have risen eightfold since its inception and the benefits have declined because of the decrease in expected electric power demand. At the time the project was initially contemplated, Federal costs were expected to be $250 million, and private industry was to contribute another $250 million. While the private contribution has remained the same, the Federal share has risen to about $2 billion.

The conclusion of the recent Ford-Mitre report, produced by 21 eminent scientists and economists, suggests the position I believe we should all be taking on this issue:

We believe therefore that the breeder program should deemphasize early commercialization and emphasize a more flexible approach to basic technology. In such a program, with a longer time horizon, the Clinch River project, a prototype demonstration reactor costing $2 billion, is unnecessary and could be canceled without harming the long-term prospects of breeder.

Mr. CHURCH. Mr. President, before we vote, I ask unanimous consent that following the vote, if the Bumpers amendment prevails, that will decide the matter for tonight and we will go over until tomorrow. If the Bumpers amendment does not prevail, I would ask that there be an immediate vote thereafter on the Church-Jackson amendment on the $75 million figure, so that we can settle the question of the Clinch River breeder tonight.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CHURCH. Yes.

Mr. HUMPHREY. Can we have a shorter time on this vote?

Mr. CHURCH. I was going to suggest that we have 10 minutes on both votes, and that they be back-to-back, to save time.

Several Senators addressed the Chair.

Mr. CHURCH. Mr. President, let me amend that. It is suggested to me by wiser counsel that there be a 15-minute vote on the first vote, in fairness to Senators.

Mr. BELLMON. Mr. President, I ask unanimous consent that a statement by the distinguished Senator from Oklahoma (Mr. BARTLETT) on the Clinch River breeder reactor be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BARTLETT

After careful review and analysis of all of the arguments and testimony offered to continue or to terminate the Clinch River breeder reactor project, I have concluded that there is every reason to continue it, and no valid reasons to terminate it. I urge my colleagues to support the authorization of $150 million for this project for fiscal year 1978.

We should continue the project for two basic reasons. First, the breeder reactor option offers the greatest single resource and technical potential for generating electrical power for the future. With a fully developed, technically and economically successful, and safety and environmentally acceptable breeder, our domestic uranium resources can be effectively extended 60 times or 6000% to fuel and power nuclear reactors for many centuries in the future. Without the breeder, the best available projections and Dr. Schlesinger's own testimony indicates that the U.S. may only have enough domestic uranium to fuel the minimum number of reactors (assuming the most successful conservation in electrical demand) needed by the end of the century.

And the simple fact is that the only technical way to continue timely development of the breeder is to continue with the Clinch River project, which is a one-third scale test demonstration. Clinch River when operational in 1985–1986, will give us the technical, economic, safety, environmental, and licensing information necessary to make a decision in the late 1980's or early 1990's on proceeding with a full scale, prototype demonstration. After that time, and only then, would the U.S. make a decision on commercializing the breeder. GAO, among many others, has urged continuation of the project, as a systems test of our current R&D. GAO has also reported that termination now, followed by a later decision to build a one-third scale test (which must be done eventually before proceeding to a full scale prototype) could cost an additional $1.3 billion, slip the schedule by 5–6 years, and disrupt our maintenance of the breeder as a viable energy R&D supply option. (It is most ironic that the administration claims to support maintaining the option.)

The second reason is that continued development of our own breeder reactor option, including the earliest possible R&D test at Clinch River, gives the United States the best realistic capability and opportunity to influence the international technological and institutional development of the breeder reactor for nonproliferation objectives. Administration witnesses testified that the only probable way to positively influence the breeder development programs of the other nations which are continuing full speed ahead despite the administration's new policy, for nonproliferation, is for the U.S. in its program to develop and demonstrate the technological and institutional approaches which support nonproliferation objectives. Some commentators, in light of this fact, have even suggested that, if we weren't now in an active breeder R&D program, the best way to advance nonproliferation would be for the U.S. to get one started. Only the U.S. can couple the technical and fiscal resources for this R&D with a moral commitment to nonproliferation, and thereby positively influence the continuing foreign programs.

In summary, then the breeder reactor at this point is an attractive, high potential, long range energy supply option. At the same time, the U.S. development program offers the best, realistic way to positively influence the continuing breeder programs of other nations for nonproliferation. The only responsible way to continue timely development of the option, and have it available, if needed, is to proceed now with Clinch River.

The administration has mounted a major effort to terminate Clinch River primarily, if not exclusively, as a "signal" to the world that we are stopping "commercialization" of breeders, and therefore they should do likewise. This was the whole thrust of the President's April 7, Nuclear Power Policy Statement, i.e., U.S. self denial to induce changes in foreign programs. The letter of June 14, 1977, to Senator Byrd, with copies to all Senators, from Secretary of State Vance is the latest restatement of this position. As noted above, Clinch River is not "commercialization" and we are still 20 years away from a true "commercialization" decision and possible commitment to breeder reactors, and then only after building the next, full scale demonstration project. (And, of course, the administration claims to want to continue development of the breeder option in any event.) So, the real central issue is termination of Clinch River as a "signal",

There is no doubt today about the lack of value for such a signal or such self denial. The State Department admitted in testimony before our committee that all of the nations which have agreed to participate in the President's alternative fuel cycle evaluation program have categorically refused to stop or de.ay their ongoing breeder programs. Termination of Clinch River therefore, will not achieve the stated objective, and, as discussed above, it is highly probable that the most effective way to support nonproliferation objectives in the continuing foreign programs is to continue our own development, with a technological and institutional emphasis on nonproliferation.

With the increasingly obvious failure of the "signal", and the embarrassingly obvious diplomatic miscalculation which it represents, the administration opened a new front of attack on Clinch River on June 7, 1977. Dr. Schlesinger testified that day in a House committee hearing not on nonproliferation, but rather on "cost/benefit" of the project, with a host of related criticisms of the project. We have reviewed and commented on each of these new arguments in our additional views in the committee report on S. 1811 (Senate Report 95–328). We invite your attention to those comments.

Suffice it to say, however, that these new arguments have all been considered and rejected in a major administration review in 1975, in a major congressional review in 1976, in the Nuclear Regulatory Commission Safety and Environmental Reivew reported in February, 1977 (final environmental statement on Clinch River) and even in the administration's latest Presidential and Dr. Schlesinger-ordered review, reported in April of this year. Literally, thousands of pages of testimony and years of review, including all former and current government and industry managers (and Dr. Schlesinger as a previous leading supporter of the project), have considered these arguments. If, suddenly, we have such a bad project on our hands, our problems with our energy R&D managers and program are much greater than Clinch River.

In short, then there are no valid reasons to terminate Clinch River now. There is every reason to continue the project at the 150 million dollars authorization level in the reported bill.

Mr. DOMENICI. Mr. President, I would like to take this opportunity to make clear my reasons for supporting full funding for continuation of the Clinch River breeder reactor project in fiscal year 1978. As a member of the Senate's Energy and Natural Resources Committee and of the Nuclear Subcommittee of the Environment and Public Works Committee, I have sat through many hours of testimony and debate regarding the future of this project. I believe I can safely say that I am familiar with all of the arguments on both sides of this complex issue. As one who approached this debate with an open mind, I have come to some very strong conclusions which I would like to share with my colleagues at this time.

In summary, let me say that although I share in full measure the concern felt by all Members of this body about the serious question of nuclear proliferation raised by the President in recent months, I am totally convinced that from both the standpoints of domestic energy needs and proliferation controls, it is essential that we complete on the earliest possible

time-scale this vitally important demonstration project. Let me briefly summarize my principal reasons for coming to this conclusion.

First. In response to those Members of this body who sincerely believe that by unilaterally denying ourselves this technology we will "give a signal" to the rest of the world that will move other nations to follow our example, I would say that all evidence to date clearly indicates that this is not the case. To date, there is no indication that the administration's efforts have had any effect on the breeder programs in other advanced nations. This is evident from a number of sources. I will mention here only the widely publicized observations of Representative TEAGUE, chairman of the House Science and Technology Committee, made during his recent discussions with European leaders.

It is evident to me that should other nations proceed with development of their own breeder reactor options in the absence of U.S. involvement and leadership, the net effect will be to promote rather than inhibit nuclear proliferation. This has been eloquently pointed out by Senator CHURCH in his recent speech on "nuclear isolationism" at MIT. Urgent action is needed to contain the spread of those elements of the nuclear fuel cycle that are most susceptible to improper use for proliferation purposes, and I am convinced that this Nation can be effective in bringing about the acceptance of necessary safeguards and restraints only if we maintain an active breeder reactor program. Without Clinch River we will find ourselves outside of the circle of nations that will set the standards for international safeguards.

Second. In considering whether to go ahead with the Clinch River project, it is also important to keep in mind the essential role that breeder reactors are likely to have in meeting the future energy needs of this Nation. The breeder is the only proven long-range energy option that offers the possibility of virtually unlimited energy supplies. The President's own breeder reactor review panel concluded last April that breeder reactors would be needed to meet our national energy requirements by as early as 1990–95, and that the only way to meet this deadline is to proceed now with Clinch River. I conclude that on the basis of energy considerations alone the CRBR is essential and should not be delayed.

Third. It has often been suggested that a commitment to go ahead with the Clinch River project represents a commitment to proceed with commercialization of plutonium-fueled breeder reactors. This is clearly not the case. The CRBR is a one-third-scale demonstration project intended to provide operating experience and data necessary for a decision in the mid-1980's on whether to commercialize this technology. We lack enough information to make an intelligent decision in this matter at present, and, for this reason, it is premature to foreclose this important energy option without proceeding with the CRBR.

Fourth. There are real questions of just how much uranium we have in this country to fuel our own nuclear reactors and to remain "an assured supplier" of enriched uranium for the world, if we do not reprocess spent fuel and eventually move into the breeder reactor age. Testimony before the Senate Energy Committee cast serious doubt upon the contention of the Ford Foundation-Mitre Group that a combination of newly discovered uranium supplies and reduced energy demand will enable this country to postpone a commitment to the breeder reactor for many years. It is clearly better to have the breeder option and not need it, than to need it and not have it.

Fifth. To those who contend that construction of the CRBR means a commitment to the plutonium fuel cycle, I would cite the following from the report of President Carter's LMFBR Review Committee:

> We conclude from these studies that the CRBR Project is sufficiently flexible to demonstrate alternative fuel cycles.

Work on alternate, more proliferation resistant fuel cycles can continue in parallel with completion of CRBR. I believe such research and development to be a vital component in our efforts to find effective proliferation controls, and see Clinch River as a test bed for more realistic work to this end.

Sixth. The worldwide scramble for diminishing supplies of oil and natural gas threatens to bring all advanced nations to the brink of chaos through desperate efforts to assure the availability of energy to meet national needs. Both efforts at conservation and the rapid development of alternative energy sources are essential to avoiding major international instabilities in the 1980's. Such actions, including development of the breeder reactor, appear to be unavoidable if we are to avert major warfare and international catastrophe near the end of this century.

To this Senator, there exists a most persuasive case for proceeding forward at full speed with the LMFBR program and with the Clinch River demonstration project. The reasons I have just cited form the basis for this case. I am sure that those of my colleagues, who have been close to this program far longer than I, can readily supply others. I respectfully urge the support of all of my fellow Senators for the breeder reactor funding totals contained in S. 1811, as reported by the Energy Committee.

THE BREEDER REACTOR IN PERSPECTIVE

Mr. SCHMITT. Mr. President, the breeder reactor, and nuclear "fission" reactors in general, are not the ideal answers to our energy challenge. The problem is that for a long while we may have no other choice.

In the long term we need inexhaustible energy sources through "fusion" reactors, solar electric power stations, and hydrogen as our portable fuel. In the short term, we need more domestic oil, coal, and natural gas through greatly increased conservation and production. However, to get from our short term dependence on fossil fuels to a technological future as an energy exporter, we may need the breeder.

In creating more nuclear fuel than they use, the breeder concept is clearly attractive at first blush. On the other hand, the nuclear materials produced by breeders are dangerous if improperly handled or used. Also, breeder technology is complex and expensive. Unfortunately, because of so many mistakes in our energy past, we must continue to consider breeders in our energy future.

The reason that the breeder option must be kept open is the uncertainty in the adequacy of our other options that are available to us between now and the early part of the next century. Oil and natural gas could be used; however, overregulation is preventing the exploration necessary to identify sufficient resources. Coal could be used; however, environmental regulations and environmental consequences are preventing full exploitation of reserves already known to be adequate. Conventional nuclear reactors could fill the gap between the need for and the availability of fossil fuels; however, known uranium resources are presently inadequate and there is no certainty that they can be found in time. Conservation—including use of solar energy—can and must help; however, with too much conservation the economy and employment will begin to suffer.

Thus, we must hold the breeder options open, including both the uranium-plutonium and thorium-uranium cycles, until we have resolved the issues preventing the use of more desirable energy sources. To keep these options, we must press on vigorously in both breeder technologies so that a technically and economically viable choice can be made by about 1985. "Pressing on" means building the uranium-plutonium breeder at Clinch River and it means accelerating the research and development of closed cycle, gas-cooled thorium-uranium breeders.

Postponing our choice will be expensive, but we have no alternative if we wish to insure our survival until we can develop a fusion, solar, and hydrogen energy future.

As a final note in perspective, it is important to realize that stopping the development of breeder technologies in the United States has little to do with the very serious issue of the spread of nuclear weapons around the world. This problem exists and it will continue to exist even if we stop our development of breeders.

Other nations are ahead of us in the technologies and will continue to develop and use them no matter what we do. Our only alternative for the time being is to continue as a player in the breeder game. At least as a player, we have some say in any changes to the rules.

Mr. McCLURE. Mr. President, at this time, I want to discuss with the Senate the Clinch River project, the reported bill contains continued funding and support for the Clinch River breeder reactor project. We urge your support of the reported authorization of the $150 million for this project for fiscal year 1978.

We have carefully reviewed and analyzed all of the arguments and testimony offered to continue or to terminate the Clinch River project. We have concluded

that there is every reason to continue it, and no valid reasons to terminate it.

We should continue the project for two basic reasons. First, the breeder reactor option offers the greatest single resource and technical potential for generating electrical power for the future. With a fully developed, technically and economically successful, and safety and environmentally acceptable breeder, our domestic uranium resources can be effectively extended 60 times or 6,000 percent to fuel and power nuclear reactors for many centuries in the future. The attached administration chart dramatically depicts that potential. Without the breeder, the best available projections and Dr. Schlesinger's own testimony indicates that the United States may only have enough domestic uranium to fuel the minimum number of reactors—(assuming the most successful conservation in electrical demand—needed by the end of the century.

And the simple fact is that the only technical way to continue timely development of the breeder is to continue with the Clinch River project, which is a one-third scale test demonstration. Clinch River when operational in 1985–86, will give us the technical, economic, safety, environmental, and licensing information necessary to make a decision in the late 1980's or early 1990's on proceeding with a full-scale, prototype demonstration. After that time, and only then, would the United States make a decision on commercializing the breeder. GAO, among many others, has urged continuation of the project, as an R. & D. systems test of our current R. & D. GAO has also reported that termination now, followed by a later decision to build a one-third scale test—which must be done eventually before proceeding to a full scale prototype—could cost an additional $1.3 billion, slip the schedule by 5 to 6 years, and disrupt our maintenance of the breeder as a viable energy R. & D. supply option. It is most ironic that the administration claims to support maintaining the option.

The second reason is that continued development of our own breeder reactor option, including the earliest possible R. & D. test at Clinch River, gives the United States the best realistic capability and opportunity to influence the international technological and institutional development of the breeder reactor for nonproliferation objectives. Administration witnesses testified that the only probable way to positively influence the breeder development programs of the other nations which are continuing full speed ahead despite the administration's new policy, for nonproliferation, is for the United States in its program to develop and demonstrate the technological and institutional approaches which support nonproliferation objectives. Some commentators, in light of this fact, have even suggested that, if we were not now in an active breeder R. & D. program, the best way to advance nonproliferation would be for the United States to get one started. Only the United States can couple the technical and fiscal resources for this R. & D. with a moral commitment to nonproliferation, and thereby positively influence the continuing foreign programs.

In summary, then the breeder reactor at this point is an attractive, high potential, long range energy supply option. At the same time, the U.S. development program offers the best, realistic way to positively influence the continuing breeder programs of other nations for nonproliferation. The only responsible way to continue timely development of the option, and have it available, if needed, is to proceed now with Clinch River.

The administration has mounted a major effort to terminate Clinch River primarily, if not exclusively, as a signal to the world that we are stopping commercialization of breeders, and therefore they should do likewise. This was the whole thrust of the President's April 7, nuclear power policy statement, that is, U.S. self-denial to induce changes in foreign programs. The letter of June 14, 1977, to Senator BYRD, with copies to all Senators, from Secretary of State Vance is the latest restatement of this position. As noted above, Clinch River is not commercialization and we are still 20 years away from a true commercializaiton decision and possible commitment to breeder reactors, and then only after building the next, full scale demonstration project. And, of course, the administration claims to want to continue development of the breeder option in any event. So, the real central issue is termination of Clinch River as a signal.

There is no doubt today about the lack of value for such a signal or such self-denial. The State Department admitted in testimony before our committee that all of the nations which have agreed to participate in the President's alternative fuel cycle evaluation program have categorically refused to stop or delay their ongoing breeder programs. Termination of Clinch River therefore, will not achieve the stated objective. And, as discussed above, it is highly probable that the most effective way to support nonproliferation objectives in the continuing foreign programs is to continue our own development, with a technological and institutional emphasis on nonproliferation.

With the increasingly obvious failure of the signal, and the embarrassingly obvious diplomatic miscalculation which it represents, the administration opened a new front of attack on Clinch River on June 7, 1977. Dr. Schlesinger testified that day in a House committee hearing not on nonproliferation, but rather on "cost/benefit" of the project, with a host of related criticisms of the project. We have reviewed and commented on each of these new arguments in our additional views in the committee report on S. 1811 (Senate report 95–328). We invite your attention to those comments.

Suffice it to say, however, that these new arguments have all been considered and rejected in a major administration review in 1975, in a major congressional review in 1976, in the Nuclear Regulatory Commission safety and environmental review reported in February 1977—final environmental statement on Clinch River—and even in the administration's latest Presidential and Dr. Schlesinger-ordered review, reported in April of this year. Literally, thousands of pages of testimony and years of review, including all former and current Government and industry managers—and Dr. Schlesinger as a previous leading supporter of the project—have considered these arguments. If, suddenly, we have such a bad project on our hands, our problems with our energy R. & D. managers and program are much greater than Clinch River.

In short, then there are no valid reasons to terminate Clinch River now, whereas there is every reason to continue the project. We are convinced that the facts strongly support continuing the project at the $150 million authorization level in the reported bill. I urge you to support retention of that funding authorization on the Senate floor.

FUNDS FOR THE CLINCH RIVER BREEDER REACTOR

Mr. KENNEDY. Mr. President, I want to offer my strong support to Senator BUMPERS' amendment on the Clinch River plutonium breeder project. I have the most serious concerns about our moving into a plutonium economy, concerns with which I know President Carter is in full agreement.

There are enormous environmental and safety risks inherent in the use of plutonium. We can use uranium and conventional reactors while we consider safer alternatives or at least safer approaches to plutonium reprocessing and the plutonium breeder.

The fact is that the technology used at Clinch River is already familiar to us, and we know it has serious problems and risks. If constructed, Clinch River is expected to cost more than $2 billion by 1984. But its power output would be only one-third of a conventional nuclear powerplant.

It is now time for us to look seriously at alternatives which are both more competitive and more resistant to nuclear proliferation, as the administration is planning to do through its $483 million breeder research and development program. The fact that the administration is pursuing this program amply demonstrates that it is not abandoning the breeder reactor field, that it is keeping an open mind about potential successors to the light-water reactor on which we depend now and can depend well into the 21st century.

One year ago, my former colleague from California, Mr. Tunney, raised serious questions on the Senate floor about the Clinch River project, and particularly its grave implications for public health and safety. On the basis of his extensive research, he advised us that "We must require greater assurances of safety" before we proceed with this dangerous plutonium project. I agree with his counsel.

Most important of all, Mr. President, is the fact that we are currently engaged in an international nuclear fuel cycle evaluation, in which we and over 30 other nuclear suppliers and consumers are looking at safer approaches to the plutonium economy, if and when we must

make commercial commitments in this field.

Secretary Vance recently advised our distinguished majority leader that he is encouraged by the initial responses of the participants in this important international endeavor. He specifically stated that—

If we were to proceed toward the early commercialization of the breeder at this time, by funding the Clinch River breeder reactor, it would undermine our credibility and call into question our motives in calling for a joint reassessment of the problems associated with early entry into a plutonium based economy.

Surely we should give the administration time, Mr. President, to make a definitive evaluation of international approaches to the breeder economy. At the same time, it will have engaged in a half-billion dollar assessment of the best alternatives which I am persuaded do not include the outmoded and proliferation-prone technology at Clinch River. I agree with the New York Times that "Clinch River is an unnecessary project combining poor economics, bad foreign policy and unneeded technology."

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BUMPERS. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BUMPERS. Mr. President, reserving the right to object, if my amendment prevails on which we will immediately vote, the Senator is saying he wants to postpone the vote on his amendment, then, until tomorrow?

Mr. CHURCH. No, no; if the Senator's amendment prevails, that settles the issue. If it does not prevail, we go immediately to a vote on the Jackson-Church amendment for $75 million.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Arkansas. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Alaska (Mr. GRAVEL), the Senator from Montana (Mr. METCALF), the Senator from Michigan (Mr. RIEGLE), the Senator from Georgia (Mr. TALMADGE), the Senator from Mississippi (Mr. EASTLAND), the Senator from Hawaii (Mr. INOUYE), and the Senator from Arkansas (Mr. MCCLELLAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. GRAVEL), and the Senator from Michigan (Mr. RIEGLE) would each vote "yea".

Mr. STEVENS. I announce that the Senator from Michigan (Mr. GRIFFIN), the Senator from New York (Mr. JAVITS), the Senator from Nevada (Mr. LAXALT), and the Senator from Vermont (Mr. STAFFORD) are necessarily absent.

I also announce that the Senator from Oklahoma (Mr. BARTLETT) is absent due to illness.

The result was announced—yeas 38, nays 49, as follows:

[Rollcall Vote No. 275 Leg.]

YEAS—38

Abourezk	Hart	Moynihan
Anderson	Haskell	Muskie
Brooke	Hatfield	Nelson
Bumpers	Hathaway	Nunn
Byrd, Robert C.	Humphrey	Pell
Case	Kennedy	Percy
Chafee	Leahy	Proxmire
Clark	Mathias	Randolph
Cranston	Matsunaga	Ribicoff
Culver	McGovern	Sarbanes
Durkin	McIntyre	Sparkman
Ford	Metzenbaum	Williams
Glenn	Morgan	

NAYS—49

Allen	Garn	Pearson
Baker	Goldwater	Roth
Bayh	Hansen	Sasser
Bellmon	Hatch	Schmitt
Bentsen	Hayakawa	Schweiker
Burdick	Heinz	Scott
Byrd,	Helms	Stennis
Harry F., Jr.	Hollings	Stevens
Cannon	Huddleston	Stevenson
Chiles	Jackson	Stone
Church	Johnston	Thurmond
Curtis	Long	Tower
Danforth	Lugar	Wallop
DeConcini	Magnuson	Weicker
Dole	McClure	Young
Domenici	Melcher	Zorinsky
Eagleton	Packwood	

NOT VOTING—13

Bartlett	Inouye	Riegle
Biden	Javits	Stafford
Eastland	Laxalt	Talmadge
Gravel	McClellan	
Griffin	Metcalf	

So the amendment was rejected.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MCCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 633

Mr. CHURCH. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CHURCH. Under the unanimous-consent agreement, does the Senate now proceed to a vote on the amendment offered by Senator JACKSON and myself, to substitute the $75 million for the $150 million contained in the bill for Clinch River?

The VICE PRESIDENT. The Senator is correct.

Mr. CHURCH. I move the adoption of the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Idaho.

The amendment was agreed to.

Mr. JACKSON. I move to reconsider the vote by which the amendment was agreed to.

Mr. MCCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President, for the information of the Senate, there will be no more rollcall votes tonight.

Mr. BAKER. Mr. President, I take the floor only to point out that, since the last vote was a voice vote, I want the RECORD to note that my vote was in the negative; that I favor the full funding of $150 million which was recommended by the committee; and that, while I commend the distinguished Senator from Idaho for his efforts to defend this project at this funding level, it would have been my distinct preference to fund it at the full level recommended by the committee. I want the RECORD to show that I voted in the negative.

Mr. CHILES. Will the majority leader yield?

Mr. ROBERT C. BYRD. Yes; I yield.

Mr. CHILES. I just want to say that I thought it was a historic moment when we had a voice vote after we had a rollcall vote. I think it saved 15 minutes of the Senate's time. To everyone responsible for that, I want to commend them. I would like to see that happen a little more often around here. My children will get to see me 15 minutes earlier because of that.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. CHILES. Yes.

Mr. ROBERT C. BYRD. That is the second time it happened today.

Mr. CHILES. I am delighted.

Mr. ROBERT C. BYRD. I thank the Senator for his observation. I think he is quite correct.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in recess until the hour of 10 a.m. tomorrow morning.

The VICE PRESIDENT. Without objection, it is so ordered.

HAPPY 98TH BIRTHDAY, MRS. LADD

Mr. BAKER. Mr. President, I rise to report to my colleagues that I have just enjoyed a signal honor and a great privilege, one that does not come to many people—or at least not very often. A few moments ago, I placed a call to Boca Raton, Fla., and talked to my grandmother, who is 98 years old today. She celebrated her birthday by playing bridge.

I also report that my grandmother was an early devotee of women's lib. When she was a resident of Tennessee, she became the first woman sheriff ever elected by the county court of any county in Tennessee. Her husband was temporarily incapacitated by the flying bullet of an escaping convict. He was then the sheriff of that county. The county court elected her as his successor.

So it is with a great deal of pleasure that I take this opportunity to rise and report that I was able to convey my good wishes for many more happy returns to my 98-year-old grandmother today.

Mr. ROBERT C. BYRD. Will the distinguished minority leader yield?

Mr. BAKER. I am happy to.

Mr. ROBERT C. BYRD. Mr. President, if the Bible has a shortcoming, it lies in the fact that it does not say anything about honoring thy grandfather and thy grandmother. It says, "Honor thy father and thy mother."

I join with the distinguished minority leader here today in wishing many happy returns to his illustrious grandmother.

I also want to pay tribute to him for taking the time here to speak of his grandmother and of this being her 98th birthday.

Being a grandparent, I have a feeling of gratitude to individuals who take pride in their grandparents.

I congratulate the minority leader on having called our attention to the fact that this is the 98th birthday of his grandmother and I know that his grandmother takes exceedingly great pride in the fact that her illustrious grandson is the distinguished minority leader of the U.S. Senate.

I congratulate them both and I hope that the minority leader will convey my good wishes to his grandmother on this happy birthday.

Mr. BAKER. Mr. President, I will, indeed, with deep gratitude and profound thanks to the distinguished majority leader for his thoughtfulness and for those remarks which will be greatly appreciated.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, there are three nominations on the Executive Calendar which have been cleared for action and I ask unanimous consent that the Senate go into executive session to consider the nominations beginning with U.S. Air Force.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER (Mr. ANDERSON). The nominations will be stated.

U.S. AIR FORCE

The second assistant legislative clerk read the nomination of Lt. Gen. Martin G. Colladay to be lieutenant general.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

U.S. NAVY

The second assistant legislative clerk read the nomination of Vice Adm. Joe Williams, Jr., to be vice admiral.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

UPPER GREAT LAKES REGIONAL COMMISSION

The second assistant legislative clerk read the nomination of William R. Bechtel, of Wisconsin, to be Federal Cochairman.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

WAIVER OF CONGRESSIONAL BUDGET ACT WITH RESPECT TO CONSIDERATION OF S. 1307

Mr. ROBERT C. BYRD. Mr. President, there is a budget waiver, Calendar Order 301, Senate Resolution 212, respecting S. 1307. I understand that that budget waiver is cleared for action. I ask unanimous consent that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 212) waiving Section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1307.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 1307. Such waiver is necessary because section 402(a) of the Congressional Budget Act of 1974 provides that it shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which directly or indirectly, authorizes the enactment of new budget authority for a fiscal year, unless that bill or resolution is reported in the House or the Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year.

The regulations implementing the Department of Defense special discharge review program were not published in the Federal Register until April 26, 1977. These regulations have the effect of upgrading discharges which, under the usual discharge review guidelines, would not have been upgraded. Those whose discharges are upgraded under these new regulations automatically become eligible for veterans benefits. This issue of veterans benefits for previously unqualified individuals, which could not have been foreseen prior to May 15, created the requirement for legislation to deal with the question of veterans benefits for those with administrative discharges, especially those whose discharges are upgraded under the special discharge review program.

For the foregoing reasons, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to S. 1307 as reported by the Committee on Veterans' Affairs.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TRANSFER OF MEASURES TO THE UNANIMOUS CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, there are seven measures on the Calendar which have been cleared for action by unanimous consent. I ask that the clerk transfer to the Unanimous Consent Calendar on tomorrow, or on a subsequent date, the following Calendar Orders numbered 293, 294, 295, 296, 297, 298, and 300.

The PRESIDING OFFICER. The measures will be so transferred.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS AND FOR CONSIDERATION OF S. 1811 ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized on tomorrow, there be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements limited therein to 5 minutes each, at the close of which period the Senate resume consideration of the ERDA authorization bill, S. 1811.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 10 a.m. tomorrow.

The motion was agreed to; and at 7:25 p.m., the Senate recessed until tomorrow, Tuesday, July 12, 1977, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 7, 1977, under authority of the order of the Senate of July 1, 1977:

DEPARTMENT OF JUSTICE

John H. Shenefield, of Virginia, to be an Assistant Attorney General, vice Donald I. Baker, resigned.

THE JUDICIARY

Harold L. Murphy, of Georgia, to be U.S. district judge for the northern district of Georgia, vice James C. Hill, elevated.

Executive nominations received by the Senate July 8, 1977, under authority of the order of the Senate of July 1, 1977:

DEPARTMENT OF STATE

David B. Bolen, of Colorado, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the German Democratic Republic.

Raymond L. Garthoff, of Connecticut, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Bulgaria.

Mauricio Solaun, of Illinois, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Nicaragua.

John Richard Burke, of Wisconsin, a Foreign Service officer of class 1, to be Ambas-

sador Extraordinary and Plenipotentiary of the United States of America to the Cooperative Republic of Guyana.

John D. Negroponte, of New York, Deputy Assistant Secretary of State for Oceans and Fisheries Affairs, for the rank of Ambassador.

CIVIL AERONAUTICS BOARD

Elizabeth E. Bailey, of New Jersey, to be a member of the Civil Aeronautics Board for the remainder of the term expiring December 31, 1977, vice John E. Robson, resigned.

Elizabeth E. Bailey, of New Jersey, to be a member of the Civil Aeronautics Board for the term of 6 years expiring December 31, 1983 (reappointment).

COUNCIL ON WAGE AND PRICE STABILITY

Barry P. Bosworth, of Maryland, to be Director of the Council on Wage and Price Stability, vice Michael H. Moskow, resigned.

Executive messages received by the Senate July 11, 1977:

DEPARTMENT OF AGRICULTURE

Ray V. Fitzgerald, of South Dakota, to be a member of the Board of Directors of the Commodity Credit Corporation, vice Kenneth E. Frick, resigned.

DEPARTMENT OF JUSTICE

J. Albert Jones, of Kentucky, to be U.S. attorney for the western district of Kentucky for the term of 4 years, vice George J. Long.

Donald L. Beckner, of Louisiana, to be U.S. attorney for the middle district of Louisiana for the term of 4 years, vice Douglas M. Gonzales, resigned.

John H. Hannah, Jr., of Texas, to be U.S. attorney for the eastern district of Texas for the term of 4 years, vice A. Roby Hadden.

Jose Antonio Canales, of Texas, to be U.S. attorney for the southern district of Texas for the term of 4 years, vice Edward B. McDonough, Jr., resigning.

Bennie A. Martinez, of New Mexico, to be U.S. marshal for the district of New Mexico for the term of 4 years, vice Doroteo R. Baca.

Theddis R. Coney, of Texas, to be U.S. marshal for the southern district of Texas for the term of 4 years, vice Marshall F. Rousseau, resigned.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Frank Ambler Camm (age 55), [redacted] Army of the United States (major general, U.S. Army).

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. John Royster Thurman, III, [redacted] U.S. Army.

IN THE AIR FORCE

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of section 593(a), title 10 of the United States Code, as amended:

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. Gen. A. Budig, [redacted].
Maj. Paul L. Carroll, Jr., [redacted].
Maj. Russell S. Costanza, Jr., [redacted].
Maj. Matt L. Crooks, Jr., [redacted].
Maj. James A. Day, [redacted].
Maj. Harold R. Denman, [redacted].
Maj. Ural C. Dow, [redacted].
Maj. Fred B. Eddins, [redacted].
Maj. David G. Endicott, [redacted].
Maj. Paul A. Fox, [redacted].
Maj. Normer L. Gill, Jr., [redacted].
Maj. John H. Griffith, [redacted].
Maj. Sheldon L. Groner, [redacted].
Maj. Gary L. Hindoien, [redacted].
Maj. Homer W. Hiser, [redacted].
Maj. Keith F. Illies, [redacted].
Maj. Eugene Juarez, [redacted].
Maj. Charles R. Kershner, [redacted].
Maj. Otto K. Korth, Jr., [redacted].
Maj. Richard W. Long, [redacted].
Maj. James G. Miller, [redacted].
Maj. David E. Murrie, [redacted].
Maj. Delford M. Phillips, [redacted].
Maj. Jesse D. Quisenberry, III, [redacted].
Maj. Billy J. Reid, [redacted].
Maj. Herbert C. Rose, Jr., [redacted].
Maj. Robert D. Sager, [redacted].
Maj. Bobby L. Shrum, [redacted].
Maj. John A. Slifer, Jr., [redacted].
Maj. David E. Smith, [redacted].
Maj. Rowland F. Smith, Jr., [redacted].
Maj. William D. Spillane, [redacted].
Maj. Richard A. Stich, [redacted].
Maj. Jose Taboas-Baco, [redacted].
Maj. John M. Wallace, [redacted].
Maj. James T. Whitehead, Jr., [redacted].
Maj. John H. Williams, [redacted].
Maj. Lyman G. Winchester, [redacted].

MEDICAL SERVICE CORPS

Maj. Charles J. Kuban, [redacted].

NURSE CORPS

Maj. Patricia A. Chalcraft, [redacted].

IN THE MARINE CORPS

The following-named officers of the Marine Corps Reserve for permanent appointment to the grade of colonel under the provisions of title 10, U.S. Code, section 5911:

Vincent P. Andaloro	Joseph H. Luten
Charles S. Bishop, Jr.	Bruce A. Martin
William J. Brooks	Gilbert D. Meeker
Robert J. Buice	Robert F. Mitrione
Kevin H. Cassedy	John A. Mulcahy
Robert M. Clark	John R. Mullin
Francis L. Cleland, Jr.	Thomas J. Odonnell, Jr.
Randall E. Egertson	
Barclay W. Fitzpatrick	Salvatore L. Olivieri
Stephen A. Fritz	Frank P. Orlando
Richard G. Frohnen	Ronald E. Peduzzi
William H. Gossell	Michael J. Phelan
Donald H. Green	Luigi Ragosta
Harlan H. Grooms, Jr.	Betty L. Raymer
Michael H. Harrington	George P. Reilly
Eugene L. Hughes	Merle R. Rose
George M. Hutchins	William W. Rose, Jr.
Patrick G. Kirby	David W. Santee
Alexander J. Lapinski, Jr.	David F. Sheehan
	Mary V. Stremlow
Arthur J. Liedel	James R. Tickle
Harry L. Lovejoy	David Workman
Candido H. Lucero	Frank W. Ziegler, Jr.

CONFIRMATIONS—JULY 11, 1977

Executive nominations confirmed by the Senate July 11, 1977:

AGENCY FOR INTERNATIONAL DEVELOPMENT

Robert Harry Nooter, of Missouri, to be Deputy Administrator, Agency for International Development.

UPPER GREAT LAKES REGIONAL COMMISSION

William R. Bechtel, of Wisconsin, to be Federal Cochairman of the Upper Great Lakes Regional Commission.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE AIR FORCE

The following officer to be placed on the Retired List in the grade indicated under the provisions of Section 8962, Title 10 of the United States Code:

To be lieutenant general

Lieutenant General Martin G. Colladay, [redacted] FR (Major General, Regular Air Force), United States Air Force.

IN THE NAVY

Vice Admiral Joe Williams, Jr., U.S. Navy, for appointment to the grade of vice admiral on the retired list pursuant to the provisions of Title 10, United States Code, Section 5233.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

(Statements in connection with bills and joint resolutions introduced today are as follows:)

By Mr. JOHNSTON:

S. 1829. A bill to provide for the establishment of the Jean Lafitte National Park in the State of Louisiana, and for other purposes; to the Committee on Energy and Natural Resources.

JEAN LAFITTE PARK

Mr. JOHNSTON. Mr. President, I am pleased to introduce today a bill to establish the Jean Lafitte National Historical Park in the magnificent bayou and marsh area south of New Orleans.

I first introduced this legislation in the 94th Congress. Last December the Energy Committee's Subcommittee on Parks and Recreation held hearings on the proposal and the response was universally favorable—from interested area citizens as well as local and State officials. I believe it is important to continue the consideration begun last year and I am hopeful that we can work with our new draft in additional hearings both in Louisiana and in Washington this year.

The areas I am proposing for national park status include over 20,000 acres of bayou, marsh, and swamp in a region threaded by the Barataria Waterway west of the Mississippi River and south of New Orleans, Big Oak Island which is an important Indian site listed on the National Register east of New Orleans, and an interpretive visitor center located in or near the Vieux Carre. Other sites will be included in interpretation and administered through cooperative agreements rather than by direct ownership to strengthen the suitability of the area's land-base sufficiency. This unique blend of significant historical, cultural, and natural sites is linked by the colorful figure of Jean Lafitte, whose career as patriot, privateer, and hero of the Battle of New Orleans symbolizes the romance, adventure, and rich diversity of this area.

This proposal fully meets the criteria for national parks. The Mississippi Delta system has long been recognized by geologists, archeologists, biologists, and other scientists as an important site for studying sedimentation, fish and wildlife, Indian settlements, and various ecosystems.

Over 5,000 years old, this is the largest delta system in North America and is truly one of the great natural wonders of the United States. No similar natural resource is presently included in our park system and the addition of this beautiful marshland would give the public a unique opportunity to see, understand, and visit this great part of our national heritage. Similarly, Louisi-

ana's Indian, French, Spanish, African, and American heritage has created a unique historical potpourri which the public has not been able to enjoy in any planned fashion. The satellite concept proposed here, modeled after the successful Boston plan, would tie these elements together and make these resources readily accessible to some 3 to 5 million visitors to the New Orleans area each year.

I should also point out that a 1973 study undertaken by the National Park Service concluded that our proposal, which has been studied for over 10 years, is both feasible and suitable for a national park. With a growing national commitment to protection of our Nation's great natural resources, it is time to include this critical coastal zone with barrier beaches, swamps and marshes, salt domes, mud lumps, and meander belts of the Mississippi River in our park system. The study stated:

Beyond question the coastal zone is an important part of our dwindling natural heritage; and the philosophical arguments for preservation of wild rivers, scenic canyons, and mountain vastnesses apply here with equal force.

Finally, let me add that Louisiana has only one small area, the Chalmette National Historical Park amounting to 142 acres, in our national park system of some 300 areas. The proximity of the proposal to a major urban center, New Orleans, and to an area estimated to hold one-third of Louisiana's population by the 1980's adds further weight to the need for this park. Louisiana's comprehensive outdoor recreation plan found that only 9 miles of trails for public use were available in the New Orleans-Barataria region and that some 98 percent of water suitable for outdoor recreation was inaccessible. Inclusion of Jean Lafitte in our national system would fill this need and is consistent with our urban parks goal, placing priorities on acquiring and developing recreation lands near high density areas.

Mr. President, I am committed to making this dream a reality. Just as Paul Bunyan and Davy Crockett have been immortalized, I believe Jean Lafitte deserves a fitting memorial and the people of this country deserve the opportunity to learn about this part of our natural and historical past. Time is of the essence and we must act now to avert the future loss of this great resource.

By Mr. HATCH:

S. 1830. A bill to amend the National Labor Relations Act to provide for voluntary unionism by strengthening the act's protection for employees from coercion or discrimination in regard to hire or tenure of employment or any condition of employment by reason of membership or nonmembership in any labor organization, to free the channels of interstate commerce from the disruption and industrial strife flowing from coercive and compulsory unionism, to guarantee individual freedom of choice, association, self-organization, and representation, and to relieve labor organizations from the obligation to act as collective-bargaining representatives of employees who are not members or who choose not to pay dues or fees to the union designated as the bargaining representative; to the Committee on Human Resources.

Mr. HATCH. Mr. President, today, I am introducing the Employee Freedom of Representation Act of 1977 and urge the Human Resources Committee on which I serve, to expeditiously consider it.

The original intent of the National Labor Relations Act was to guarantee to employees the right to form or join labor organizations free of interference or coercion of any kind. This is the way it should be. Unfortunately, this noble purpose was diluted by the addition of language in sections 7 and 8(a)(3) and subsequent National Labor Relations Board decisions which authorize agreements between employers and unions to require membership in a union as a condition of employment. This, of course, effectively denies to the individual employee his freedom of choice to refrain from joining a union or from financially supporting it. There is thus a basic inconsistency between the original intent and present statutory language.

I believe that unions would be abundantly responsible in the exercise of their functions and powers if the rank and file membership exercised a greater voice in the management of union affairs. Under compulsory union membership agreements union officials all too often have unrestricted control of the union affairs without having to worry about the captive membership. This, to a large extent, has been responsible for the abuses and excesses of union power in recent years which has made unionism less attractive to the workplace.

The purpose of this bill is to restore to the National Labor Relations Act its original intent, by eliminating the compulsory membership provisions under sections 7 and 8(a)(3). At the same time it eliminates any reference to compulsory membership in sections 8(b)(2), 8(b)(5), and 8(f).

This bill will have several beneficial effects. First, and foremost, it will harmonize with the original intent of the NLRA by reinstating the voluntarism of joining a labor organization. As such, it will encourage employees who have a free choice to play a greater role in union internal affairs once that employee has made a decision that the union can best represent his interests. I foresee, rising out of this situation, more responsible unionism because of increased employee participation and a healthy competition between labor organizations to gain employee approval.

The bottom line of this bill is that employees will have greater control over their destiny in the workplace resulting in happier, more productive workers and more responsible union policies and practices.

This is not an antiunion bill—it is a proworker proposal. To insure fairness to labor organizations, the bill would relieve unions of any obligation to bargain for or otherwise represent employees who refuse to join or pay membership dues. The major argument made by unions in support of compulsory union membership agreements is the so-called "free rider" argument. They argue that under the present language of the National Labor Relations Act when a union is certified as bargaining representative it must represent all employees in the bargaining unit, and it is therefore unfair for some employees to get the "benefit" of union representation without paying their share of the cost.

This problem is resolved in this bill by eliminating the provision in section 9(a) of the act that requires unions to serve as exclusive bargaining representative for all employees. Nonexclusive bargaining representatives would still be allowed. The elimination of this exclusivity requirement will mean that unions henceforth would be obligated only to bargain for their own members. In addition, a protection is added to guarantee the right of employees—jointly or individually—to bargain directly with their employer without the intervention of a bargaining representative.

To thoroughly eliminate compulsory unionism within the building trades, the present exclusive hiring hall and the 7-day compulsory membership requirement are eliminated. Exclusive hiring-hall agreements between employers and unions commonly provide that the employer shall give the union notice of its need for workmen, and the union can lawfully require the employer to discharge employees who have sidestepped the union as the exclusive referral agency and have dealt directly with the company. Exclusive hiring halls compel adherence to unions and allow them effective opportunity to disguise discrimination against nonunion applicants by employing seemingly "objective" criteria such as "seniority in the area."

This bill rewrites section 8(f)(3) so that exclusive hiring hall arrangements would constitute an unfair labor practice. However, nonexclusive hiring hall arrangements would be allowed. Henceforth the applicant will be able to deal directly with the company or the union as a matter of his free choice.

Mr. President, I see this bill as a vehicle to provide individual employees with the opportunity to protect their own best interests based upon the unique factors which surround their work setting. As a result we are likely to achieve unions which exercise true democratic principles and which can devote all of their effort to protecting the rights of those, and only those, who are its voluntary members and supporters. As noted columnist William Raspberry has recently stated in a Washington Post article with which I wholeheartedly agree:

If unionism is as good for workers as the unions claim, there should be no problem attracting members. If they want to force you to buy what they're selling, they must doubt the intrinsic attractiveness of the product.

I ask unanimous consent that the text of Mr. Raspberry's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNIONS: THE PRICE OF MANDATORY MEMBERSHIP

(By William Raspberry)

When I came to work at The Washington Post nearly 15 years ago, I was approached by members of the reporters' union, the Newspaper Guild, who solicited my membership. They answered my questions about the organization, sold me on the advantages of belonging and I joined.

When I became a member of a panel on a local television station a few years back, no member of the American Federation of Television and Radio Artists (AFTRA) aproached me and told me anything at all. Nobody spoke of the advantages of membership or urged me to consider joining.

My producer simply announced that I would have to join if I wanted to work. He had no choice in the matter, and neither did I.

Guess which system I preferred. Guess which system the unions prefer.

The question of compulsory union membership is in the news again, this time for government workers. The House is considering two pieces of legislation (one introduced by Rep. William Clay of Missouri, the other by Rep. William Ford of Michigan), both of which require employees in exclusive-recognition union agencies either to join the union or to pay dues as if they belonged, which is the same thing.

It takes no genius to figure out why unions like exclusive bargaining rights or why they prefer mandatory membership (or dues payment) to voluntary membership. They are afraid that if employees were left to make the choice on their own, many of them wouldn't join—either because management would put pressure on them not to join or because they simply would choose not to.

Employer pressure can be a real problem, and, from the unions' point of view, so can "free-riding"—the acceptance of the benefits of collective bargaining without paying the cost of collective bargaining. But in the minds of some workers, the mandatory-membership cure is just another disease.

The National Alliance of Postal and Federal Employees recently testified against exclusivity, arguing that the big unions often fail to pursue discrimination complaints or equal-opportunity programs.

The predominantly black alliance, smallest of the five postal unions and not affiliated with the AFL–CIO, may have been arguing for its life, since success of the Clay or Ford bills could mean the effective demise of the alliance. But its argument is interesting nonetheless.

"Those who have failed to represent all of the federal workers now ask you to legislate a monopoly—union shop—which could enslave all the working people," the alliance told the hearing.

"Employees who refuse to pay dues to an exclusive union are not freeloaders and deadbeats. Some pay dues to [the alliance] and we are anxious to perform the service for which they have paid. Others are those people who choose not to join because that is their right, [for] which they owe no one an explanation."

Alliance president Robert White bases much of his opposition to mandatory unionism on what he calls discriminatory practices of the AFL–CIO unions, although the American Postal Workers Union, to take one example, has far more black members than the predominantly black alliance. Still, his insistence that unions ought to compete for members has a certain appeal—even if it does happen to coincide with the view of the conservative National Right to Work Committee.

Quite apart from the philosophical implications of voluntary association, requiring unions to compete for their members has the salutary effect of forcing the unions to pay close attention to the desires and needs of their members and potential members. Unions with compulsory memberships tend to develop agendas that have nothing to do with, and often contradict, what the individual members see as their best interests.

If unionism is as good for workers as the unions claim, there should be no problem attracting members. If they want to force you to buy what they're selling, they must doubt the intrinsic attractiveness of the product.

By Mr. KENNEDY (for himself, Mr. PELL, and Mr. HATHAWAY):

S. 1831. A bill to amend the Public Health Services Act to provide for a national center for clinical pharmacology, to provide support for the study of clinical pharmacology and clinical pharmacy, and to provide for review of drug prescribing; and to amend the Federal Food, Drug, and Cosmetic Act, as amended, to provide for the continuation and expansion of existing authority through the establishment of an appropriate mechanism to be known as the Federal Food, Drug, Cosmetic, and Devices Administration; to provide for additional regulation of the pharmaceutical industry, and for other purposes; to the Committee on Human Resources.

Mr. KENNEDY. Mr. President, I am pleased to introduce on behalf of myself and Senators PELL and HATHAWAY a bill to restructure and strengthen the Food, Drug, and Cosmetic Act, and to announce that this legislation will be the subject of hearings before the Senate Health and Scientific Research Subcommittee on July 26 and 27. All persons interested in testifying should contact the staff of the Health and Scientific Research Subcommittee at room 4220 Dirksen Building, Washington, D.C. 20501.

Mr. President, this legislation grows out of 3 years of intensive study of the pharmaceutical industry, the Food and Drug Administration, and the way drugs are used by physicians. Many of the features of this legislation have appeared in previous bills I have introduced in previous Congresses. This proposed legislation, however, represents a comprehensive integration of these past measures coupled with significant revisions based upon additional hearings and the written comments submitted to the subcommittee last year.

I would like to briefly summarize some of the highlights of the legislation:

First. National Center for Clinical Pharmacology: Clinical pharmacology has been a low priority area for the Nation's medical schools health sciences schools for too long. Medical students receive an inadequate education about how drugs are used, and the Federal Government provides too little support for the science of clinical pharmacology.

The National Center for Clinical Pharmacology will correct both deficiencies. It will provide for research at the Nation's universities in clinical pharmacology as well as an intensive intramural Federal research program. It will also allow medical schools to get necessary funding support to develop curriculum emphasis on clinical pharmacology for all medical students. Funds are also provided for all other health professional schools to develop a focus on clinical pharmacology. We cannot expect doctors to use drugs well if their education is to be left to the pharmaceutical industry. Much of that education takes place after medical school and comes without the foundation upon which the physician can question the often biased and one-sided stories presented by pharmaceutical industry detailmen.

Second. Creation of the Federal Food, Drug, Cosmetic, and Devices Agency: At the present time the Food and Drug Administration does not have a statutory base. For the first time, this legislation will give that Agency a statutory base, which includes a new structure and a defined set of responsibilities for the Commissioner. In addition, the name has been changed to reflect the broadened mandate of the Agency.

Third. Phase IV: At the present time, the full regulatory apparatus is focused on the period of time before a drug reaches the market. All the expense and research effort and clinical trials are focused on the demonstration that a drug is safe and effective for a given purpose. Once that drug is marketed, it can be used for other purposes in other dosages. The sad truth is that very little is known about how drugs are used. The Joint Commission on Prescription Drug Use is currently trying to develop a mechanism to collect such drug data. That mechanism will be the basis for the institution of a phase IV system. This phase IV system will apply to two kinds of drugs: new drugs and old drugs. For new drugs, the Commissioner will have the authority to approve a phase IV marketing and distribution system to enable drugs to reach the market sooner. This phase IV system for new drugs would come only after an abbreviated phase III. The Commissioner and the National Drug Science Board would be responsible for determining when the phase IV mechanism would be employed and which of the variations of that mechanism provided for in the bill would be employed.

In addition, the legislation would allow the Commissioner to declare any marketed drug as a phase IV drug. This would enable the Commissioner to collect drug usage data on drugs that have been on the market for some time, which may have new questions of efficacy or safety, which may have the promise of usefulness for additional purposes, and for which drug usage data would provide valuable information to the Commissioner in terms of his evaluation of changes in the labeling or marketing status of that product.

Fourth. The National Drug Science Board: This legislation creates an advisory body to the Commissioner which has the power to advise and consult over a wide range of matters relating to the marketing of new drugs and the collection and analysis of phase IV drug usage data. This Science Board is intended to attract senior people and to represent the scientific community, consumers, Government, and industry. They have no direct regulatory responsibility, but their recommendations must be published by the Commissioner and responded to by him. In addition, the National Drug Science Board must issue an annual drug experience assessment report, which

would outline both for the Commissioner and the public how drugs are used, what the incidence of reactions is, et cetera. On the basis of the drug experience assessment report, a drug safety assurance plan would be developed whereby the Commissioner would promote a range of activities to improve the way drugs are used in medical practice.

Mr. President, I have just touched on a few of the highlights of this comprehensive legislation. In addition to the areas I have mentioned, the bill provides for strict curbs on the excesses of pharmaceutical industry advertising, marketing and promotional activities, it sets new standards for the training of detail men, it restricts samples, eliminates gifts, gimmicks, and other promotional giveaways.

Mr. President, the goal of this bill is simple. It is to provide the elements of a more rational drug regulation system. It focuses on educating the physician in medical school; providing the physician with comprehensive information in the years following graduation; developing ways to help improve drug usage by physicians; provides increased emphasis and incentive for research in clinical pharmacology; and provides a mechanism whereby needed and essential new drugs can reach the American people in a more rapid fashion.

I ask unanimous consent for the full text of the legislation to be printed at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1831

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "1977 Amendments to the Federal Food, Drug and Cosmetic Act".

TITLE I—THE NATIONAL CENTER FOR CLINICAL PHARMACOLOGY

SEC. 102. The Public Health Service Act (42 U.S.C. 201) is hereby amended by adding at the end thereof the following new title:

"TITLE XVII—NATIONAL CENTER FOR CLINICAL PHARMACOLOGY

"ESTABLISHMENT OF CENTER

"SEC. 1701. (a) There is hereby established within the Department of Health, Education, and Welfare an office to be known as the National Center for Clinical Pharmacology.

"(b) The Secretary shall perform the functions authorized by this title through the National Center for Clinical Pharmacology. In the case of functions authorized under section 1704, the National Center for Clinical Pharmacology shall consult with the office which administers section 305 of this Act and, in the case of functions authorized under section 1702, the Center shall consult with the office which administers title VII of this Act.

"SUPPORT FOR STUDY OF CLINICAL PHARMACOLOGY

"SEC. 1702. (a) The Secretary is authorized to make grants to public or nonprofit private schools of medicine, osteopathy, dentistry, pharmacy, nursing, and public health and training centers for allied health professions which are eligible for grants under title III, title VII, or title VIII to assist in meeting the costs of—

"(1) planning, establishment, and operation of programs providing increased emphasis on the teaching of clinical pharmacology, and

"(2) planning, establishment, and operation of programs of continuing education in the field of clinical pharmacology.

"(b) The Secretary is authorized to make grants to public or nonprofit private schools of medicine and osteopathy which are eligible for grants under title VII to assist in meeting the costs of—

"(1) planning, establishment and operation of graduate and undergraduate training programs in the field of clinical pharmacy, and

"(2) providing financial assistance (in the form of traineeships) for training in the field of clinical pharmacology to graduate students, interns, and residents who participate in such programs and who plan to specialize or work in such field.

"(c) The Secretary is authorized to make grants to public or nonprofit private schools of pharmacy which are eligible for grants under title VII to assist in meeting the costs of—

"(1) planning, establishment, and operation of graduate and undergraduate training programs in the field of clinical pharmacy, and

"(2) providing financial assistance (in the form of traineeships) for training in the field of clinical pharmacy to graduate students who participate in such programs and who plan to specialize or work in such field.

"(d) The Secretary is authorized to sponsor or support through grants to public and nonprofit private entities or contracts with public and private entities, special projects to demonstrate new roles for health professionals in the field of clinical pharmacology.

"(e) The Secretary is authorized to initiate and to develop such research programs and special research projects in clinical pharmacology within the Department of Health, Education, and Welfare to further the purposes of this section as he deems necessary. The Secretary is further authorized to utilize personnel, equipment, facilities, and other physical resources, of the Department of Health, Education, and Welfare, in support of and in conjunction with programs, projects, grants, or studies of public or private nonprofit entities authorized and funded under this Act in the field of clinical pharmacology.

"GENERAL PROVISIONS

"SEC. 1703. (a) No grant may be made under this title unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(b) Payments by recipients of grants under section 1702 for traineeships shall be in such amounts as the Secretary finds necessary to cover the cost of tuition and fees, and stipends and allowances (including travel and subsistence expenses and dependency allowances) for the trainees.

"(c) The amount of any grant under this title shall be determined by the Secretary, but no such grant shall exceed 100 per centum of the cost of any program or project. Payments under such grants may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(d) The Secretary shall not act upon any application for a grant or enter into any contract under this title except after an appropriate scientific peer review group has reviewed such application or contract.

"(e) Contracts under this title may be entered into without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"REVIEW OF PRESCRIBING AND ADMINISTERING OF DRUGS

"SEC. 1704. Each agency, organization, or institution engaged in the delivery of health care which receives financial assistance under this Act shall, as a condition of receiving such support, make arrangements, satisfactory to the Secretary, for an ongoing program of review of the prescribing and administering of all drugs in the course of the delivery of health care by such agency, organization, or institution. Any agency, organization, or institution may utilize the services of the Professional Standards Review Organization (designated pursuant to section 1152 of the Social Security Act) for the area in which such agency, organization, or institution is located, to perform the functions required by this section.".

TITLE II—ESTABLISHMENT OF FOOD, DRUG, COSMETICS AND DEVICES ADMINISTRATION

SEC. 201. The Federal Food, Drug, and Cosmetic Act as amended (21 U.S.C. 321) is hereby amended by adding at the end thereof the following chapter:

"Chapter X.—FOOD, DRUG, COSMETICS AND DEVICES ADMINISTRATION

"SEC. 1001. (a) There is hereby established within the Department of Health, Education, and Welfare an agency to be known as the Food, Drug, Cosmetics and Devices Administration (hereinafter referred to as the 'Administration').

"(b) The Administration shall be headed by a Commissioner who shall be appointed by the President by and with the advice and consent of the Senate for a term of five years. The Commissioner shall be eligible for only one reappointment. The Commissioner shall be responsible for the effective administration of the laws subject to jurisdiction of the Administration and pursuant to the functions outlined in section 1002 of this chapter.

"(c)(1) There is established within the Administration the Research and Development Review Bureau (hereinafter referred to in this chapter as the 'Research and Development Bureau'). The Research and Development Bureau shall be headed by an Assistant Commissioner pursuant to section 1003(a) of this chapter. The Assistant Commissioner of the Research and Development Review Bureau shall be appointed in accordance with subsection (d).

"(2) There is established within the Administration the Compliance and Monitoring Bureau (hereinafter referred to in this chapter as the 'Compliance and Monitoring Bureau'). The Compliance and Monitoring Bureau shall be headed by an Assistant Commissioner pursuant to section 1003(b) of this chapter. The Assistant Commissioner of the Compliance and Monitoring Bureau shall be appointed in accordance with subsection (d).

"(d) The President shall appoint with the advice and consent of the Senate an Assistant Commissioner of the Research and Development Review Bureau, an Assistant Commissioner of the Compliance and Monitoring Bureau, and a General Counsel for the Administration. They shall each be appointed for a term of five years and shall be eligible for only one reappointment.

"POWERS OF THE COMMISSIONER

"SEC. 1002. (a) The Commissioner is authorized—

"(1) to direct and supervise all personnel of the Administration;

"(2) to employ experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate individuals so employed for each day, including travel time at rates not in excess of the maximum rate of pay for grade GS–18 as provided in section 5332 of title 5, United States Code, and, while such experts and consultants are away from their homes or regular places of business, to pay such employees travel expenses and per diem in lieu of subsistence at rates authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently;

"(3) to appoint advisory committees composed of such private citizens and officials

of the Federal, State, and local governments as he deems desirable to advise him with respect to his functions under the law subject to his jurisdiction, and to pay such members (other than those regularly employed by the Federal Government) while attending meetings of such committees, or otherwise serving at the request of the Commissioner, compensation and travel expenses at the rate provided for in paragraph (2) of this subsection with respect to experts and consultants;

"(4) to promulgate such regulations as may be necessary or appropriate to carry out the functions vested in him and for the efficient enforcement of the laws subject to his jurisdiction;

"(5) to utilize, with their consent, the services, personnel, and facilities of other Federal agencies and of State and private agencies and instrumentalities with or without reimbursement therefor;

"(6) to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary or appropriate in the conduct of the work of the Administration and on such terms as the Commissioner may deem appropriate, with any agency or instrumentality of the United States, or with any State, territory or possession, or any political subdivision thereof, or with any public or private person, firm, association, corporation, independent testing laboratory, or institution;

"(7) to accept voluntary and uncompensated services in behalf of the Administration notwithstanding the provisions of section 665(b) of title 31, United States Code;

"(8) to designate representatives to serve or assist on such committees as the Commissioner may determine to be necessary or appropriate to maintain effective liaison with Federal agencies and with State and local agencies and independent bodies carrying out programs and activities related to the protection of consumers against injury resulting from the use of products subject to his jurisdiction;

"(9) to plan, design, and construct such research or test facilities authorized by the Congress as may be necessary in addition to the personnel, facilities, and other technical support available in other Federal agencies to carry out the purposes of the laws subject to his jurisdiction;

"(10) to conduct public hearings anywhere in the United States to further the purposes of the laws subject to his jurisdiction;

"(11) to prescribe personnel policies for the Administration, including selecting, appointing, fixing compensation of, hiring, firing, promoting, and transferring of employees, subject to the civil service and classification laws;

"(12) to undertake such other activities as are incidental to enforcement of the laws subject to his jurisdiction;

"(13) except for the authority to suspend the approval of an application, to delegate any of his functions and duties under the laws subject to his jurisdiction to other officers or employers of the Administration;

"(14) to coordinate the activities of the Assistant Commissioner of the Research and Development Review Bureau and of the Assistant Commissioner of the Compliance and Monitoring Bureau; and

"(15) to determine and designate by regulation the appropriate powers and functions of the Research and Development Review Bureau and the Compliance and Monitoring Bureau.

"POWERS OF THE ASSISTANT COMMISSIONERS

"SEC. 1003. (a) The Assistant Commissioner of the Research and Development Bureau is authorized—

"(1) to direct and supervise all personnel of the Research and Development Bureau; and

"(2) to administer the appropriate sections of this Act as determined by the Commissioner under paragraph (15) of section 1002 of this Act.

"(b) The Assistant Commissioner of the Compliance and Monitoring Bureau is authorized—

"(1) to direct and supervise all personnel of the Compliance and Monitoring Bureau; and

"(2) to administer the appropriate sections of this Act as determined by the Commissioner under paragraph (15) of section 1002 of this Act.

"ADMINISTER PROVISIONS

"SEC. 1004. (a)(1) One-third of the positions allocated for personnel of the Research and Development Bureau shall be reserved for university-affiliated scientists, clinical pharmacists, and physicians who shall be appointed by the Assistant Commissioner of the Research and Development Bureau to fill those positions in accordance with subsection (b) of this section of the Act.

"(2) In making the appointments authorized under paragraph (1), the Assistant Commisioner of the Research and Development Bureau shall—

"(A) appoint individuals as consultants for a negotiated period of time not less than two years and not more than four years.

"(B) reimburse such individuals for all reasonable expenditures incurred by those individuals and their families in moving to their new place of residency;

"(C) permit each individual the opportunity to conduct research at the National Institutes of Health or at another appropriate facility for one-third of their working time, and arrange for individuals to conduct research at facilities of the National Institutes of Health or at another appropriate facility; and

"(F) compensate these individuals at per diem rates fixed by the Commissioner at the rate for grade GS–16 or GS–18 of the General Schedule, including travel time, and, while away from their homes or regular places of business, they may be allowed travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of title 5, United States Code, and health and medical benefits equal to those of Federal employees.

"(b)(1) All scientists, clinical pharmacists, and physicians who are employees of the Research and Development Bureau, other than the individuals who are employed under subsection (a)(2), shall have the opportunity to take leave and to affiliate with a university in the manner described in subsection (2).

"(2) In establishing a leave system for the employees described in paragraph (1), the Assistant Commissioner of the Research and Development Bureau shall—

"(A) permit such individuals to take leave for a negotiated period of time of not less than two years and not more than four years.

"(B) reimburse all reasonable moving expenditures incurred by those individuals and their families to and from their places of residency after their leave; and

"(C) reinstate such individuals in their last position at the Research and Development Bureau after the leave period has ended.

"(c) The Assistant Commissioner of the Research and Development Bureau shall give each scientist, clinical pharmacist, and physician who is an employee of the Research and Development Bureau an opportunity to conduct research at the National Institutes of Health or at another appropriate facility for one-third of their working time, and the Assistant Commissioner shall arrange for facilities for such individuals.

"SEC. 1005. The Secretary of Health, Education, and Welfare shall develop in conjunction with the Commissioner, a cooperative arrangement whereby the National Institutes of Health or other appropriate facilities shall provide the opportunity for each individual outlined in section 1004(a)1 to conduct research in accordance with section 1005(a)2(C).".

TITLE III—DRUGS AND DEVICES

SEC. 301. Chapter V of the Federal Food, Drug, and Cosmetic Act, as amended, is hereby amended by adding at the end thereof the following new subsection:

"SEC. 502. (u) If it is a drug or device, unless its label or labeling bears in letters twice as large in size as any other words and statements required by this Act, the following statement: "WARNING TO PHYSICIANS AND PATIENTS—THE FEDERAL FOOD, DRUG, COSMETIC, AND DEVICES ADMINISTRATION APPROVES THIS DRUG OR DEVICE FOR THE FOLLOWING PURPOSES AND NO OTHER PURPOSES";"

SEC. 302. Chapter V of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 352), is amended, is hereby amended by adding at the end thereof the following new section:

"WRITTEN PRESCRIPTIONS

"SEC. 522. (a) A drug intended for use by man which—

"(1) is a habit-forming drug to which section 402(a)(4) applies,

"(2) because of its toxicity or other potentiality for harmful effect, or the method of its use, or the collateral measures necessary to its use, is not safe for use except under the supervision of a practitioner licensed by law to administer such drug, or

"(3) is limited by an approved application under section 523 to use under the professional supervision of a practitioner licensed by law to administer such drug,

shall be dispensed only (A) upon a written prescription of a practitioner licensed by law to administer such drug, or (B) upon oral prescription of such practitioners which is reduced promptly to writing including the physician's license number and filed by the pharmacist, or (C) by refilling any such written or oral prescription if such refilling is authorized by the prescriber either in the original prescription or by oral order which is reduced promptly to writing including the physician's license number and filed by the pharmacist. The act of dispensing a drug contrary to the provisions of this paragraph shall be deemed to be an act which results in the drug being misbranded while held for sale.

"(b) Any drug dispensed by filling or refilling a written or oral prescription of a practitioner licensed by law to administer such drug shall be exempt from the requirements of section 502, except subsections (a), (1)(1)(2) and (3), (K), and L, and the packaging requirements of subsections (g), (h), and (p), if the drug bears a label containing the name and address of the dispenser, the serial number and date of the prescription or of its filling, the name of the prescriber, and, if stated in the prescription, the name of the patient, and the directions for use and cautionary statements, if any, contained in such such prescription. The exemption shall not apply to any drug dispensed in the course of the conduct of a business of dispensing drugs pursuant to diagnosis by mail, or to a drug dispensed in violation of subsection 502.

"(c) The Commissioner may exempt by regulation drugs subject to section 502(d) and section 523 from the requirements of subsection 502 when such requirements are not necessary for the protection of the public health.

"(d) Nothing in this section shall be construed to relieve any person from any requirement prescribed by or under authority of law with respect to drugs now included or which may hereafter be included within the classifications stated in section 3220 of the Internal Revenue Code of 1954, or to marihuana as defined in section 3228(b) of the Internal Revenue Code of 1954.".

SEC. 303. The Federal Food, Drug, and Cosmetic Act (21 U.S.C. 352), as amended, is

hereby amended by adding to the end of chapter V thereof the following new section.

"DRUG APPROVAL

"SEC. 523. (a) No person shall introduce or deliver for introduction into commerce any new drug, unless an approval filed pursuant to subsection (b) or an agreement entered into under section 524(a)(1) is effective with respect to such drug.

"(b)(1) Any person may file with the Commissioner an application with respect to any new drug subject to the provisions of subsection (a). Such persons shall submit to the Commissioner as a part of the application (1) full reports of investigations which have been made to show whether or not such drug is safe for use and whether such drug is effective in use, (2) a full list of the articles used as components of such drug, (3) a full statement of the composition of such drug, (4) a full description of the methods used in, and the facilities and controls used for, the manufacture, processing, and packing of such drug, (5) such samples of such drug and of the articles used as components thereof as the Commissioner may require, (6) specimen of the labeling proposed to be used for such drug, (7) summaries of all clinical and other testing data signed and certified as true and accurate statements by the directors, managers, and officers of the company, corporation, or persons making application pursuant to this section, and (8) any other information and studies which the Commissioner may require by order or regulation.

"(c) No application shall be approved unless it meets the standards of safety and efficacy of the Act and the requirements of each appropriate regulation promulgated by the Commissioner for each of the following phases of investigation:

"(1) Phase I begins with the introduction of the new drug into man on the basis of animal and in vitro data for the determination of human toxicity, metabolism, absorption, elimination and other pharmacological action, preferred route of administration, safe dosage range, and any other purpose determined by the Commissioner.

"(2) Phase II begins with the initial trials on a limited number of patients for determining specific disease control or for prophylaxis purposes.

"(3) Phase III continues with clinical trials for the assessment of the drug's safety and effectiveness and optimum dosage schedules in the diagnosis, treatment, or prophylaxis of groups of subjects having a given disease or condition.

"(4) Phase IV begins with the distribution of the drug in the market for use in controlled epidemiologic and clinical investigations to determine the effectiveness and, as the Commissioner deems necessary, the incidence of adverse drug reactions, the unanticipated potential new uses, the actual patterns of the uses of the drug within different communities and medical specialties, and any other purpose which the Commissioner deems necessary for establishing drug profiles.

"(d)(1) The Commissioner is authorized to initiate and require, in accordance with this section, that all new drugs pass through Phase IV, or in combination with an abbreviated Phase III.

"(2) The Commissioner shall not institute Phase IV for a new drug unless he has determined that either—

"(A) there exist an urgent need for this new drug where there is no other comparable alternative drug on the market; or

"(B) the new drug is for use in treating, diagnosing, or curing a chronic illness or condition for which there is no comparable alternative drugs on the market and short-term studies have been completed; or

"(C) the new drug is for use by a limited target group, and there is no comparable alternative drug on the market.

"(3) the Commissioner shall determine individually for each drug the duration and requirements of Phase IV, subject to review and comments by the National Drug Science Board (hereinafter referred to as the "Drug Board") established under chapter XI of the Act. The Commissioner shall publish, however, general Phase IV guidelines for each class of drugs.

"(4) When the Commissioner intends to require that a new drug pass through Phase IV [or to require that a drug already approved be subjected to Phase IV investigations and requirements,] we shall submit to the Drug Board for its recommendations a proposed Phase IV plan for such drug. The Drug Board shall have 30 days in which to respond. If the Drug Board fails to respond within the 30-day period, the Commissioner shall notify the Drug Board of a further ten-day period in which to respond, after which the Commissioner shall act in accordance with the proposed Phase IV plan. If the Commissioner disagrees with the recommendations of the Drug Board, he may follow his own plan, but he shall publish the Drug Board's recommendations and his reasons for disagreeing with them in the Federal Register and in other appropriate publications.

"(e)(1) Within 180 days after the filing of an application under this section, or such additional period as may be agreed upon by the Commissioner and the applicant, the Commissioner shall either—

"(A) approve the application if he then finds that none of the grounds for denying approval specified in this subsection applies, or

"(B) deny the approval and give the applicant notice of an opportunity for a hearing before the Commissioner on the question of whether such application is approvable. If the applicant requests in writing the opportunity for a hearing within 30 days after receiving such notice, the hearing shall commence not more than 90 days after the expiration of such 30 days unless the Commissioner and the applicant otherwise agree. Any such hearing shall thereafter be conducted on an expedited basis and the Commissioner's order thereon shall be issued within 90 days after the date fixed by the Commissioner for filing final briefs.

"(2) Within a reasonable time after the filing of an application under this section, the Commissioner and the applicant shall agree upon a protocol, incorporating the phases of investigation described in subsection (b)(2), (C) which meets the standards and requirements of this Act. Such agreement shall be binding on the Commissioner unless he believes or has reason to believe that the results of such agreement may not fulfill the requirements of the Act.

"(f) If the Commissioner finds, after notice to the applicant in accordance with subsection (d) and after giving him an opportunity for a hearing, that (1) the investigations, reports of which are required to be submitted to the Commissioner pursuant to subsection (b), do not include adequate tests by all methods reasonably applicable to show whether or not such drug is safe for use under the conditions prescribed, recommended, or suggested in the proposed labeling thereof, (2) the results of such tests show that such drug is unsafe for use under such conditions or do not show that such drug is safe for use under such conditions, (3) the methods used in, and the facilities and controls used for, the manufacture, processing, and packing of such drug are inadequate to preserve its identity, strength, quality, and purity, (4) upon the basis of the information submitted to him as part of the application, or upon the basis of any other information before him with respect to such drug, he has insufficient information to determine whether such drug is safe for use under such conditions, (5) evaluated on the basis of the information submitted to him as part of the application and any other information before him with respect to such drug, there is a lack of substantial evidence that the drug will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the proposed labeling thereof, or (6) based on a fair evaluation of all material facts, such labeling is false or misleading in any particular, he shall issue an order refusing to approve the application. If, after such notice and opportunity for a hearing, the Commissioner finds that paragraphs (1) through (6) do not apply, he shall issue an order approving the application. As used in this subsection and subsection (f), the term 'substantial evidence' means evidence consisting of adequate and well-controlled investigations, including clinical investigations, by experts qualified by scientific training and experience to evaluate the effectiveness of the drug involved, on the basis of which it could fairly and responsibly be concluded by such experts that the drug will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labeling or proposed labeling thereof.

"(g) The Commissioner shall, after notice and an opportunity to the applicant for a hearing, withdraw approval of an application with respect to any drug under this section, or subject such drug to Phase IV investigations and requirements, if the Commissioner finds (1) that clinical or other experience, tests, or other scientific data show that such drug is unsafe for use under the conditions of use upon the basis of which the application was approved; (2) that new evidence of clinical experience, not contained in such application or not available to the Commissioner until after such application was approved, or tests by new methods, or tests by methods not deemed reasonably applicable when such application was approved, evaluated together with the evidence available to the Commissioner when the application was approved, shows that such drug is not shown to be safe for use under the conditions of use upon the basis of which the application was approved; (3) on the basis of new information before him with respect to such drug, evaluated together with the evidence available to him when the application was approved, that there is a lack of substantial evidence that the drug will have the effect it purports or is represented to have under the conditions of use prescribed, recommended, or suggested in the labeling thereof; or (4) that the application contains any untrue statement of a material fact. If the Commissioner, or in his absence the officer acting as Commissioner (neither of whom may delegate the authority hereby conferred to suspend the approval of an application) finds that there is a serious and substantial risk of harm to any segment of the public, he may suspend the approval of such application immediately, or subject such drug to Phase IV investigations and requirements, and give the applicant prompt notice of his action, affording the applicant the opportunity for an expedited hearing under this subsection. The Commissioner may also, after notice and an opportunity to the applicant for a hearing, withdraw the approval of an application with respect to any drug under this section if the Commissioner finds (1) that the applicant has failed to establish a system for maintaining required records, or has repeatedly or deliberately failed to maintain such records or to make required reports, in accordance with a regulation or order under subsection (k), or to comply with the reporting requirements of section 510(j)(2), or the applicant has refused to permit access to, or copying or verification of, such records as are re-

quired to be maintained by section 510(j)(2); (2) that on the basis of new information before him, evaluated together with the evidence before him when the application was approved, the methods used in, or the facilities and controls used for, the manufacture, processing, and packing of such drug are inadequate to assure and preserve its identity, strength, quality, and purity and were not made adequate within a reasonable time after receipt of written notice from the Commissioner specifying the matter complained of; or (3) that on the basis of new information before him, evaluated together with the evidence before him when the application was approved, the labeling of such drug, based on a fair evaluation of all material facts, is false or misleading in any particular and was not corrected within a reasonable time after receipt of written notice from the Commissioner specifying the matter complained of. Any order under this subsection shall state the findings upon which it is based.

"(h) Whenever the Commissioner finds that the facts so require, he shall revoke any previous order under subsection (d) or (e) refusing, withdrawing, or suspending approval of an application and shall approve such application or reinstate such approval, as may be appropriate.

"(i) Orders of the Commissioner issued under this section shall be served (1) in person by any officer or employee of the Administration designated by the Commissioner, or (2) by mailing the order by registered mail or by certified mail addressed to the applicant or respondent at his last-known address in the records of the Commissioner.

"(j) An appeal may be taken by the applicant from an order of the Commissioner refusing or withdrawing approval of an application under this section. Such appeal shall be taken by filing in the United States court of appeals for the circuit wherein such applicant resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia Circuit, within 60 days after the entry of such order, a written petition praying that the order of the Commissioner be set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Commissioner, or any officer designated by him for that purpose, and thereupon the Commissioner shall certify and file in the court the record upon which the order complained of was entered, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition such court shall have exclusive jurisdiction to affirm or set aside such order, except that until the filing of the record the Commissioner may modify or set aside his order. No objection to the order of the Commissioner shall be considered by the court unless such objection shall have been urged before the Commissioner or unless there were reasonable grounds for failure so to do. The finding of the Commissioner as to the facts, if supported by substantial evidence, shall be conclusive. If any person shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the proceeding before the Commissioner, the court may order such additional evidence to be taken before the Commissioner and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Commissioner may modify his findings as to the facts by reason of the additional evidence so taken, and he shall file with the court such modified findings which, if supported by substantial evidence, shall be conclusive, and his recommendation, if any, for the setting aside of the original order. The judgment of the court affirming or setting aside any such order of the Commissioner shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless specifically ordered by the court to the contrary, operate as a stay of the Commissioner's order.

"(k) The Commissioner shall promulgate regulations for exempting from the operation of the foregoing subsections of this section drugs intended solely for investigational use by experts qualified by scientific training and experience to investigate the safety and effectiveness of drugs. The Commissioner may condition any exemption provided for such drugs upon—

"(1) the submission to the Commissioner, before any clinical testing of a new drug is undertaken, or reports, by the manufacturer or the sponsor of the investigation of such drug, or preclinical tests, including tests on animals, such drug adequate to justify the proposed clinical testing;

"(2) the obtaining by the manufacturer or the sponsor of the investigation of a new drug proposed to be distributed to investigators for clinical testing of a signed agreement from each such investigator that patients to whom the drug is administered will be under his personal supervision, or under the supervision of an investigator responsible to him, and that he will not supply such drug to any other investigator, or to clinics, for administration to human beings; and

"(3) the establishment and maintenance of such records, and the making of such reports to the Commissioner, by the manufacturer or the sponsor of the investigation of such drug, of data, including analytical reports by investigators, obtained as the result of such investigational use of such drug, as the Commissioner finds will enable him to evaluate the safety and effectiveness of such drug in the event of the filing of an application pursuant to subsection (b).

Such regulations shall provide that such exemption shall be conditioned upon the manufacturer, or the sponsor of the investigation, requiring that experts using such drugs for investigational purposes certify to such manufacturer or sponsor that they will inform any human beings to whom such drugs, or any controls used in connection therewith, are being administered, or their representatives, that such drugs are being used for investigational purposes and will obtain informed and voluntary consent of such human beings, or their legal guardians pursuant to the requirements of section 524(c)(3).

"(l)(1) In the case of any drug for which an approval of an application filed pursuant to this section is in effect, the applicant shall establish and maintain such records, conduct such post-market or post-approval studies as required by the Commissioner of data relating to clinical experience and other data or information, received or otherwise obtained by such applicant with respect to such drug, as the Commissioner may by general regulation, or by order with respect to such application, prescribe on the basis of a finding that such records, studies and reports are necessary in order to enable the Commissioner to determine, or facilitate a determination, whether there is or may be ground for invoking subsection (e) of this section. Regulations and orders issued under this subsection and under subsection (j) shall have due regard for the professional ethics of the medical profession and the interests of patients and shall provide, where the Commissioner deems it to be appropriate for the examination, upon request, by the persons to whom such regulations or orders are applicable, of similar information received or otherwise obtained by the Commissioner.

"(2) Every person required under this section to maintain records, and every person in charge or custody thereof, shall, upon request of an officer or employee designated by the Commissioner, permit such officer or employee at all reasonable times to have access to and copy and verify such records.".

SEC. 304. Chapter V of the Federal Food, Drug, and Cosmetic Act, as amended, is hereby amended by adding at the end thereof the following new section:

"PHASE IV DISTRIBUTION REQUIREMENTS

"SEC. 524. (a)(1) The Commissioner is authorized (A) to enter into an agreement with an applicant to market a drug which is under Phase IV subject to any conditions the Commissioner may deem necessary, and (B) to condition an agreement entered into under this section to specific markets in the health care system. The Commissioner shall, after notice and an opportunity to the applicant for a hearing, terminate an agreement entered into under this section, if he finds that such applicant has not adequately complied with the conditions of such agreement.

"(2) The Commissioner shall require, prior to entering into an agreement under this section, the submission and approval of a temporary Phase IV label and labeling for such drug.

"(3) All drugs distributed under Phase IV must contain a patient package insert, conforming to requirements set forth in regulations promulgated by the Commissioner which states that the drug has not completed the Food, Drug, Cosmetic, and Devices Administration drug approval process, but has been released by the Administration for the stated purpose, that such drug is in the final phase of the approval process, and that safety requirements have been satisfactorily met.

"(b) All drugs distributed under Phase IV must contain a patient package insert, conforming to requirements set forth in regulations promulgated by the Commissioner. Each insert shall contain the statement: 'THIS DRUG HAS NOT COMPLETED THE FOOD, DRUG, COSMETIC, AND DEVICES ADMINISTRATION PROCESS, BUT THIS DRUG HAS BEEN RELEASED BY THE F.F.D.C.D.A. FOR THE FOLLOWING PURPOSE AND SAFETY REQUIREMENTS HAVE BEEN SATISFACTORILY MET FOR THE FOLLOWING PURPOSE'.

"(c)(1) No drugs under Phase IV shall be prescribed or administered to any patient unless such patient executes a voluntary and informed consent form.

"(2) A copy of each executed voluntary and informed consent form shall be maintained as part of the patient's permanent medical record.

"(3) For the purpose of this subsection, an 'informed and voluntary consent form' means a form for each drug under Phase IV, issued by the Commissioner and approved by the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research (hereinafter in this subsection referred to as the 'Commission') and is fully explained to the patient by the attending physician and is thereafter executed by the attending physician and the patient or the patient's legal guardian. If the Commission fails to take action to approve the proposed form within sixty days after the Commissioner submits such form, it shall be deemed approved.

"(4) No patient's name or other identifying information shall appear on any form or report submitted to or collected by the Commissioner.

"(d) No drug under Phase IV shall be prescribed or administered for any purpose except that for which it is released unless the physician has received an approval from the Administration to use the drug for investigational purposes.

"(e) The Commissioner is authorized to permit full marketing and commercial distribution of a new drug under Phase IV if the Commissioner determines that there are reasonable grounds to believe that adequate data to enable him to assess the safety and efficiency of the new drug can be obtained by a voluntary reporting system and that such full marketing and commercial distribution does not present serious and substantial risk to public health and well-being.

"(f) The Commissioner is authorized to permit the prescribing and administering of a new drug under Phase IV by a limited number of physicians each of whom has agreed to report to the Commissioner incidents of adverse drug usage, and such other data as the Commissioner may request, if the Commissioner determines that there are reasonable grounds to believe that complete reporting on all cases is essential to determine the safety and effectiveness of a new drug and such distribution to a limited number of physicians does not present a serious and substantial risk to the public health and well-being.

"(g) The Commissioner is further authorized to permit the prescribing and administering of a new drug by a subset of physicians who possess special skills and knowledge when the Commissioner determines that there are reasonable grounds to believe that general release of the new drug presents a serious and substantial risk to the public health and use of the drug, requires specialized skills and knowledge, and that distribution to specially skilled and knowledgeable physicians does not present a serious and substantial risk to the public health.

"(h) For the purposes of subsection (e), (f) and (g), the safety and effectiveness of a new drug under Phase IV are to be determined—

"(1) with respect to the persons for whose use the drug is represented or intended.

"(2) with respect to the conditions for use prescribed, recommended, or suggested in the labeling of the drug, and

"(3) weighing any probable benefit to health for the use of the drug against any probable risk of injury or illness from such use, and

"(4) considering the availability of alternative, comparable drugs already commercially distributed for the same purposes.

"(i) For the purposes of subsection (9) a subset of physicians' means a distinct group of physicians such as cardiologists or in-hospital physicians.

"(j) Each pharmacist shall retain a copy of each prescription for a new drug under Phase IV distributed, including the doctors license number, which has been filled by the pharmacists.".

SEC. 305. Chapter V of the Federal Food, Drug, and Cosmetics Act as amended, is hereby amended by adding at the end thereof the following new section:

"AUTHORITY WITH RESPECT TO PHASE IV INVESTIGATIONS, REQUIREMENTS OR SPECIAL STUDIES OF DRUGS

"SEC. 525. (a) The Commissioner may subject any drug to Phase IV investigations, requirements, or special studies, if, as he deems, sufficient information questions either the safety or effectiveness of the drug; or, if the Commissioner deems, sufficient information requires such action in order for him to evaluate a new usage of a drug, to define patterns of prescription of a drug, or to define the frequency and severity of adverse reactions to a drug.

"(b) All Phase IV investigations, requirements, and special studies imposed pursuant to subsection (a) shall be submitted by the Commissioner for the comment by the Drug Board. The Drug Board shall comment on the sufficiency of the information within 45 days of the Commissioner submission to the Drug Board of the reasons and the protocol of the Phase IV investigations, requirements, or special studies. The Commissioner shall publish both the Drug Boards comments and his reasons for initiating the Phase IV investigations, requirements, or special studies and the reasons, if any, for his disagreement with the Drug Board's comments, in the Federal Register in accordance with section 524(c).

"(c) For the purposes of this section, the determination of the safety and effectiveness of a drug shall be in accordance with the requirements of section 523(h).

"(d) The Commissioner is further authorized to propose regulations pursuant to this section and to submit such regulations to review by the National Drug Science Board. The Drug Board shall review and comment to the Commissioner within 60 days of his submission of the regulations to the Drug Board. Within 30 days of the Drug Board's review and comment, the Commissioner shall promulgate such regulations in accordance with the requirements of chapter VII of this Act.

"AUTHORITY WITH RESPECT TO PRESCRIPTION DRUGS

"SEC. 526. (a) No new prescription drug can be released without a patient package insert approved by the Commissioner. Such patient package insert shall explain in layman's language the uses of the drug, a description of the drug's side effects, the frequency of occurrence of the drug's side effects, what actions should be taken when the drug's side effects occur, and such other requirements, including those as to form and the content of the insert, as the Commissioner deems necessary.

"(b) For the purposes of this section, the term 'new prescription drug' means a new drug pursuant to section 503(b) which can be dispensed in accordance with section 503(b).".

TITLE IV—ADVERTISING, MARKETING, AND PROMOTIONAL PRACTICES

PROHIBITING GIFTS, PRODUCTS, PREMIUMS, PRIZES, AND THINGS OF VALUE

SEC. 401. Section 301 of the Federal Food, Drug, and Cosmetic Act, as amended, is amended by adding at the end thereof, the following new subsection:

"(g) The transfer by any means, by, on behalf of, or for the benefit of any person engaged in the manufacture, preparation, propagation, compounding, processing, or distribution of any drug subject to this Act of any gift, product, premium, prize, or other thing of value, to (a) any practitioner licensed by law to prescribe and administer such drug, any pharmacist, any individual studying or training to become such a practitioner or pharmacist, or any other individual engaged in the delivery of health care, or (b) any other individual if the purpose of such transfer is to influence the prescribing, administering, or dispensing of any such drug: *Provided*, That this subsection shall not be construed to prohibit the transfer of any medical or scientific educational articles (limited to written and graphic materials and demonstration models) respecting any drug which are directly related to the proper use of such drug or which are used to instruct the consumer in the proper use of such drug, and: *Provided further*, That this subsection shall not be construed to prohibit the giving of discounts otherwise permitted by law in the sale of drug products."

SAMPLES AND OTHER FREE DRUGS

SEC. 402. (a) Chapter V of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 351 et seq.) is amended by adding at the end thereof the following new section:

"SAMPLES AND OTHER FREE DRUGS

"SEC. 527. (a) No person engaged in the manufacture, preparation, propagation, compounding, processing, or distribution of any drug subject to this Act shall transfer by any means, any free drug, including any sample, to any individual, except in pursuance of a written request of a practitioner licensed by law to prescribe and administer drugs if such transfer is in accordance with subsection (b).

"(b)(1) No sample or other free drug shall be transferred by any person engaged in the manufacture, preparation, propagation, compounding, processing, or distribution of such drug to any practitioner licensed by law to prescribe and administer drugs unless such practitioner has filed with such person a request for such drug in writing, signed by such practitioner, designating the drug and quantity requested and specifying the intended use of such drug.

"(2) Samples and other free drugs shall be transferred only for use in clinical research, as defined by the Commissioner in regulations, or for treatment of medically indigent patients and only in such quantities as the Commissioner shall by regulation prescribe. No request shall be filled if it is made on a preprinted form.

"(3) All samples and other free drugs transferred under this section shall be conveyed by registered mail or other suitable means determined by regulations of the Commissioner to be adequate to prevent diversion of such drugs. No such sample or other free drug shall be personally conveyed to any practitioner.

"(c) Every person who transfers any sample or other free drug under this section shall establish and maintain, on a current basis, a complete and accurate record of the distribution of each such drug, in such form as the Commissioner shall by regulation prescribe, and shall, upon request, furnish such records to any officer or employee designated by the Commissioner. The same requirement shall apply to every practitioner who requests and receives any such drug with respect to his receipt and disposition of each such drug.".

(b) Section 301 of such Act, as amended by this Act, is further amended by adding at the end thereof the following new subsection:

"(r) The transfer of any free drug, including any sample, in violation of section 527.",

(c) Section 301(e) of such Act (21 U.S.C. 331(e)) is amended by striking out "; or" and inserting in lieu thereof ";" and by inserting before the period at the end thereof the following "; or the failure to establish and maintain any record required under section 527(c) or the refusal to furnish such required records to any officer or employee designated by the Secretary.".

PROHIBITION ON PRESCRIPTION SURVEYS

SEC. 403. Section 301 of such Act, as amended by this Act, is further amended by adding at the end thereof the following new subsection:

"(s)(1) The inspection of any written prescription or written evidence of any oral prescription of any practitioner licensed by law to prescribe and administer drugs or any copy of such prescription or evidence contained in the files of any pharmacy or other establishment subject to applicable local law regulating the practice of pharmacy and medicine without the express consent of the prescribing practitioner and of the individual for whom such prescription was given, by any person, except such a practitioner, any pharmacist or designated representative of any pharmacist authorized to examine such files, or any authorized officer of the United States or officer designated by the Commissioner and (2) the using by any person of any information contained in such files for any purpose, except as may be necessary to the dispensing of any drug pursuant to any written or oral prescription or for the pro-

tection of the public health, as determined in regulations of the Commissioner.".

PRICE INFORMATION IN DRUG ADVERTISEMENTS

SEC. 404. Section 502(n) of such Act (21 U.S.C. 352(n)) is amended by striking out "and (3)" and inserting in lieu thereof "(3)" and by inserting immediately before the colon the following: ", and (4) such information regarding the price or prices at which such drug is available to various classes of purchasers by such manufacturer, packer, or distributor or such other information as the Commissioner determines to be adequate and reasonable for the purpose of price comparison, as shall be required in regulations issued by the Commissioner".

REMINDER LABELING AND ADVERTISING

SEC. 405. (a) Section 502(n) of such Act, as amended by this Act, is further amended by inserting immediately after the proviso the following: The Commissioner shall not exempt any advertisement or other descriptive printed matter or type or class of advertisement or descriptive printed matter from the requirement of including the information described in clause (3) and clause (4), except the Commissioner may exempt (1) catalogs, price lists, and information on bulk drugs, which contain no representations concerning the safety or effectiveness of any drug, and (2) information displayed in pharmacies concerning drug prices, if he determines such exemption to be consistent with protection of the public health.

(b) Section 502 of such Act (21 U.S.C. 352), as amended by this Act, is further amended by adding at the end thereof the following new paragraph:

"(q) In the case of any drug subject to section 503(b)(1) distributed or offered for sale in any State, unless all labeling with respect to such drug includes information relating to side effects, contraindications, and effectiveness as the Commission shall by regulation require. The Commissioner shall not exempt any labeling or type or class of labeling from the requirement of including such information except any drug subject to section 503(b)(2) shall bear a label containing the information required by that section.".

FALSE AND MISLEADING ADVERTISING

SEC. 406. (a) Section 502(a) of such Act (21 U.S.C. 352(a)) is amended by inserting "(1)" after "(a)" and adding at the end thereof the following new subparagraph:

"(2) If it is a drug subject to section 503(b)(1) and its advertising is false or misleading in any particular.".

(b) Section 505(e) of such act (21 U.S.C. 355(e)) is amended by inserting "or advertising (if such drug is a drug subject to section 503(b)(1))" after the word "labeling" each time such word appears therein.

(c) Section 201(n) of such Act (21 U.S.C. 321(n)) is amended to read as follows:

"(n) If an article is alleged to be misbranded because the labeling or advertising relating to such article is misleading there shall be taken into account (among other things) not only the representations made or suggested by statement, word, design, device, or any combination thereof, but also the extent to which the labeling or advertising fails to reveal facts material in light of such representations or material with respect to consequences which may result from the use of the article to which the labeling or advertising relates under the conditions of use prescribed in the labeling or advertising thereof or under such conditions of use as are customary or usual. As used in this Act, the term 'advertising' includes all oral, visual, written, or other communication for the purpose of inducing, or which may induce, directly or indirectly, the purchase of an article.".

CERTIFICATION OF TRAINING PROGRAMS FOR MANUFACTURERS' REPRESENTATIVES

SEC. 407. (a) Chapter V of such Act, as amended by this Act, is further amended by adding the following new section:

"CERTIFICATION OF TRAINING PROGRAMS FOR MANUFACTURERS' REPRESENTATIVES

"SEC. 514. (a) No person engaged in the manufacture, preparation, propagation, compounding, processing, or distribution of any drug subject to section 503(b)(1) shall promote or otherwise give information respecting such drug to any practitioner licensed by law to prescribe and administer drugs, any pharmacist, or any individual engaged in delivery of health care through oral presentations of employees, agents, or other representatives unless the programs operated by such person with respect to the hiring, training, and standards of conduct governing such employees, agents, and representatives has been certified by the Commissioner pursuant to this section.

"(b) The Commissioner shall certify any such program which meets such standards as the Commissioner shall by regulation require to assure that information given by such employees, agents, and representatives is complete and accurate. Every program of training shall include a requirement that each employee, agent, or representative complete a course of instruction provided through a school of pharmacy or other health professions school approved by the Commissioner and be identified by such school as having satisfactorily completed the prescribed course of instruction. Such course of instruction shall be designed to provide adequate instruction in the pharmacology, safety, effectiveness, and relative therapeutic value of all of the drugs in a therapeutic class or classes of drugs.

"(c) The Commissioner shall withdraw certification of any such program if he finds, after notice and opportunity for a hearing (1) that such program fails to meet the standards established pursuant to subsection (b), or (2) that the requirements of such program have not been adequately administered or enforced by the person operating such program.

"(d)(1) Every person engaged in the manufacture, preparation, propagation, compounding, processing, or distribution of any drug subject to section 503(b)(1) shall, once during the month of June of each year and once during the month of December of each year, register with the Commissioner a list of employees, agents, or other representatives engaged in the promotion or giving of other information with respect to such drug by oral presentation to any practitioner licensed by law to prescribe and administer drugs, any pharmacist, or any other individual engaged in the delivery of health care.

"(2) The semiannual registration shall contain all changes in information previously submitted. Information previously submitted shall not be submitted in any subsequent registration. The Commissioner shall specify the circumstances under which any changes in the information previously submitted shall be submitted prior to the semiannual registration.

"(3) Every person who registers under this subsection shall notify the Commissioner of any employee, agent, or representative whose services have been discontinued and a brief summary of the reasons therefor. If such employee, agent, or representative resumes service, the Commissioner shall be notified of such resumption and a brief summary of the reasons therefor.

"(e) Any person who promotes or otherwise gives information respecting any drug subject to section 503(b)(1) to any practitioner licensed by law to prescribe and administer drugs, any pharmacist, or any other individual excess of the rate for grade GS-18 of the General Schedule at the time of such service, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of title 5 of the United States Code for persons in the Government service employed intermittently. The Commissioner shall furnish any such committee with adequate clerical and other necessary assistance, and shall prescribe by regulation the procedures to be followed by such committee.

"(3) One such committee shall conduct a study of the materials (including any audiovisual presentation materials) employed in promoting or providing other information with respect to drugs to practitioners licensed by law to prescribe and administer drugs and pharmacists and shall, within one year after the date of appointment and organization of such committee, recommend to the Commissioner standards of conduct with respect to the use of any such materials. To the maximum extent practical, any committee shall provide an opportunity for any interested person to submit data and views on all matters considered by such committee.".

(b) Section 301 of such Act, as amended by this Act, is further amended by adding at the end thereof the following new subsection:

"(t) The promotion or giving of information with respect to any drug subject to section 503(b)(1) to any practitioner licensed by law to prescribe and administer such drug, any pharmacist, or any other individual engaged in the delivery of health care by oral presentation of any employee, agent, or other representative of any person engaged in the manufacture, preparation, propagation, compounding, processing or distribution of such drug unless (1) the program operated by such person with respect to the hiring, training, and standards of conduct governing such employees, agents, and representatives is certified by the Secretary pursuant to section 514, (2) such information is consistent with information (A) required in any labeling of such drug and (B) contained in the national drug compendium, established pursuant to section 516, with respect to such drug, and (3) immediately prior to the time such information is given, such employee, agent, or representative furnishes such practitioner, pharmacist, or other individual engaged in the delivery of health care with a copy of a document relating to such drug and containing such information in brief summary relating to indications and usage, contraindications, side effects, warnings, and cautions as the Commissioner may by regulation require and obtains the signed statement of such practitioner, pharmacist, or other individual engaged in the delivery of health care acknowledging the receipt of such document.".

(c) Section 301(e) of such Act, as amended by this Act is further amended by adding "or 514(e)" after "513(c)".

SEC. 408. * * *

PROHIBITED ACTS AND PENALTIES

SEC. 408 (A). Section 301(a) of the Federal Food, Drug, and Cosmetic Act, as amended, is hereby amended by striking out the period at the end thereof and inserting after the term "misbranded" and adding in lieu thereof "or unsafe.".

SEC. 408. (B) Section 301(e) of the Federal Food, Drug, and Cosmetic Act, as amended, is hereby amended by striking out the period at the end thereof and inserting in lieu thereof the following: "; or the maintenance or submission of any required records, reports, or data which contain any false or misleading information or

that omit any material information; or the refusal to permit access to or verification or copying of any required record which the Commissioner deems necessary.".

TITLE V—DRUG QUALITY AND INTERCHANGEABILITY

SEC. 501. (a) Chapter V of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 351) of such Act, as amended by this Act, is further amended by adding at the end thereof the following new section:

"THERAPEUTIC EQUIVALENCE

"SEC. 528. (a) The Commissioner shall by regulation establish such requirements for proof of therapeutic equivalence (including bioequivalence and bioavailability) as the Secretary may require to assure reasonably uniform therapeutic performance among chemically equivalent drug formulations for each drug or class of drugs subject to this Act. Such requirements may include the development of new testing methodology. Wherever possible such requirements shall specify in vitro or animal testing methodolgy in lieu of human testing.

"(b) In issuing such regulations, the Commissioner shall establish priorities (giving first priority to any drug or class of drugs the use of which involves an unusual degree of risk or for which the dosage is critical) and time schedule for implementation based on the nature, degree, and public health significance of the problems of therapeutic equivalence associated with any drug.

"(c) For purposes of this Act the term—

"(1) 'bioavailability' means the rate and extent to which the active ingredients of a drug are absorbed and become available to the site of action,

"(2) 'bioequivalance' means the relationship of drug formulations with no significant difference in the bioavailability of the same active ingredients,

"(3) 'therapeutic equivalence' means the relationship of drug formulations with no significant difference in the therapeutic effect of the same active ingredients as measured by the control of a symptom or disease, and

"(4) 'chemically equivalent drug formulations' means formulations of a drug which contain essentially identical active ingredients.".

(b) Section 505(b) of such Act (21 U.S.C. 355(b)) is amended by striking out "and (6)" and inserting in lieu thereof "(6)" and by inserting immediately before the period at the end thereof: "; and (7) such proof of therapeutic equivalence (including bioequivalence and bioavailability) as the Commissioner may require by regulations promulgated pursuant to section 28.

(c) Section 505(d) of such Act (21 U.S.C. 355(d)) is amended by (1) striking out "or (6)," and inserting in lieu thereof "(6)", (2) by inserting immediately after "particular" the following: "; or (7) the proof of therapeutic equivalence (including bioequivalence and bioavailability) required to be submitted to the Commissioner pursuant to subsection (b), is not adequate to assure reasonably uniform therapeutic performance among chemically equivalent drug formulations, as required by regulations promulgated by the Commission pursuant to section 28 and (3) by striking out "(1) through (6)" and inserting in lieu thereof "(1) through (7)".

(d) Section 505(e) of such Act, as amended by this Act, is further amended by inserting immediately before the proviso: "; or (5) that the proof of therapeutic equivalence (including bioequivalence and bioavailability) required to be submitted to the Secretary pursuant to subsection (b), is not adequate to assure reasonably uniform therapeutic performance among chemically equivalent drug formulations, as required by regulations promulgated by the Secretary pursuant to section 528."

(e) Section 501 of such Act (21 U.S.C. 351) is amended by adding at the end thereof the following new subsection:

"(e) If it is subject to a regulation promulgated pursuant to section 515 and it does not conform in all respects to the requirements of such regulation.".

GOOD MANUFACTURING PRACTICES

SEC. 502. Section 501(a)(2)(B) of such Act (21 U.S.C. 351(a)(2)(B)) is amended by striking out "current good manufacturing practice" and inserting in lieu thereof "current good manufacturing practice, as determined by regulations of the Secretary promulgated in accordance with section 553 of title 5 of the United States Code".

EXPIRATION DATE

SEC. 503. Section 501 of such Act, as amended by this Act, is further amended by adding at the end thereof the following new subsection:

"(f)(1) If it is a drug, unless its label bears the date beyond which such drug should not be used because of lack of effectiveness or potency or increased toxicity: *Provided*, That no drug label shall bear a date which is more than five years beyond the date on which the processing of the drug was completed.

"(2) If it is a drug, and the date which its label is required to bear under paragraph (1) has passed.".

(3) If it is a drug, unless its label bears the name, address, and legal company or corporation name of the actual manufacturer of the drug.".

CERTIFICATION OF DRUGS OTHER THAN INSULIN AND ANTIBIOTICS

SEC. 504. (a) Chapter V of the Food, Drug, and Cosmetic Act, as amended by this Act, is hereby further amended by adding immediately after section 506 (21 U.S.C. 357) thereof the following new section:

"INTERCHANGEABLE DRUGS

"SEC. 507. (a) The Commissioner shall publish within 30 days from the date of the enactment of this Act a list of genetic drugs which are interchangeable from the standpoint of therapeutic equivalency. Such list shall be updated annually.

"(b) All programs providing medical and health services under the Public Health Service Act (42 U.S.C. 201) shall post the list required by paragraph (a), and if the programs are dispensing drugs shall wherever possible, use the least expensive drug from the list.".

RECORDKEEPING AND REPORTING FOR DRUGS

SEC. 505. (a) Chapter V of the Food, Drug, and Cosmetic Act, as amended by this Act, is further amended by adding immediately after section 503 (21 U.S.C. 353) the following new section:

"RECORDKEEPING AND REPORTING FOR DRUGS

"SEC. 504. Any person subject to registration under section 510 shall establish and maintain such records and make such reports to the Secretary as the Secretary may by regulation require to assist him in carrying out the purposes of this Act with respect to drugs. Such regulations shall include a requirement for maintenance of records and the filing of reports on information with respect to drug experience, including therapeutic equivalence and any side effects, injuries, toxicity, or sensitivity reactions associated with use of such drug, whether or not determined to be attributable to such drug.

"(b) For the efficient administration and enforcement of this Act as it relates to drugs, the provisions (including penalties) of sections 6, 9, 10 of the Federal Trade Commission Act (15 U.S.C. 48, 49, 50) are made applicable to the jurisdiction, powers, and duties of the Secretary in administering and enforcing the provisions of this Act as it relates to drugs and to any person, firm, or corporation with respect to whom such authority is exercised. The Secretary may prosecute any inquiry necessary to his duties under this Act in any part of the United States, and the powers conferred on the district courts of the United States by such sections 6, 9, and 10 of the Federal Trade Commission Act may be exercised for the purposes of this Act by any such court.".

(b) Section 301(e) of such Act as amended by this Act is further amended by inserting "504" after the word "section" the second time such word appears.

EFFECTIVE DATE

SEC. 506. The provisions of this title shall become effective on the date of enactment of this Act, except that the provisions of section 303 shall become effective on the first day of the twelfth calendar month following the month in which this Act is enacted.

TITLE VI—NATIONAL DRUG SCIENCE BOARD

SEC. 601. The Federal Food, Drug, and Cosmetic Act (21 U.S.C.) is herein amended by adding to the end thereof the following new chapter:

"Chapter XI.—NATIONAL DRUG SCIENCE BOARD

"SEC. 1101. There is authorized to be established a non-profit corporation to be known as the National Drug Science Board (hereinafter in this title referred to as the 'Drug Board') which shall not be an agency or establishment of the United States Government. The Drug Board shall be subject to the provisions of this title and, to the extent consistent with this title, to the District of Columbia Nonprofit Corporation Act.

"MEMBERSHIP

"SEC. 1102. (a) The Drug Board shall have a Committee of Directors (hereinafter in this title referred to as the 'Committee') consisting of eleven members. All members shall be appointed by the Commissioner, except the Chairman, who shall be appointed by the President by and with the advice and consent of the Senate.

"(b) The members of the Committee shall be citizens of the United States who are scientific experts eminent in such fields as clinical pharmacology, medicine, economics, and (1) no more than two members shall be currently working in industry or shall have worked in industry for a three-year period prior to appointment, and (2) not more than three members shall be Federal employees.

"(c) The members of the initial committee shall serve as incorporators and shall take whatever actions are necessary to establish the Drug Board as a corporation under the District of Columbia Nonprofit Corporation Act.

"(d) The term of office of each member of the Committee shall be seven years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term; (2) the terms of office of the initial members shall begin on the date of incorporation of the Drug Board and shall expire, as designated by lot at the time of their appointment, four at the end of one year, four at the end of two years, and three at the end of four years; and (3) a member whose term has expired may serve until his successor has qualified to take office. No member shall be eligible to serve in excess of two consecutive terms of four years each.

"(e) Any vacancy in the Committee shall not affect its power, and shall be filled in the manner in which the original appointments were made.

"(f) The members of the Committee shall not, by reason of such membership, be deemed to be employees of the United States. They shall, while attending meetings of the Board or while engaged in duties related to

such meetings or in other activities of the Committee, be entitled to receive compensation at the rate of $300 per day including travel time, and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, equal to that authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(g) The Chairman and Vice Chairman shall be full time employees of the Drug Board. Neither the Chairman nor the Vice Chairman shall be currently working in industry nor shall have worked in industry for a three-year period prior to appointment nor shall be a Federal employee. The Chairman shall receive an annual salary of $65,000, and the Vice Chairman shall receive an annual salary of $60,000.

"(h)(1) A consultant shall disclose to the Committee and to the Commissioner, within ten days after appointment to the Drug Board the fact that he is currently working or has worked with any person who has filed an application under section 404 of this Act, and he shall further disclose the name and address of each such person, the type of work, and the specific drug with which he was involved. Failure to do so shall result in immediate dismissal from the Drug Board.

"(2) A consultant shall not participate in or be present at, or influence, any activities of the Drug Board or Administration with regard to any interest of any person with whom such consultant is currently working or has worked for within a three-year period prior to appointment as a member.

"(3) For purpose of this subsection, a 'consultant' means a member of the Committee who is currently working or has worked for any person who has filed an application under section 523 of this Act or under section 505 of the Federal Food, Drug, and Cosmetic Act, within a three-year period prior to appointment as a member.

"OFFICERS AND EMPLOYEES OF THE DRUG BOARD

"SEC. 1103. (a) The Drug Board shall have a president, and such other officers as may be named and appointed by the Committee for terms and at rates of compensation to be fixed by the Committee. All such officers appointed to the Drug Board must be United States citizens. The Chairman and Vice Chairman of the Drug Board shall not receive any salary or other compensation from any source other than the Drug Board during the period of his employment by the Drug Board. The Committee, in its discretion, may terminate the employment of any officer.

"(b) No political test or qualification shall be used in selecting, appointing, promoting, or taking any other action with respect to officers, agents, and employees of the Drug Board.

"NONPROFIT AND NONPOLITICAL NATURE OF THE DRUG BOARD

"SEC. 1104. (a) The Drug Board is not authorized to issue any shares of stock or to declare or pay any dividends.

"(b) No part of the income or assets of the Drug Board shall inure to the benefit of any director, officer, employee, or any other individual except as salary or reasonable compensation for services.

"(c) The Drug Board may not contribute to or otherwise support any political party or candidate for elective public office.

"FUNCTIONS

"SEC. 1104(A). (a) It shall be the function of the Drug Board to advise the Commissioner on matters concerning the use, regulation, certification, and approval of drugs in humans and animals in the United States and to recommend and to comment to the Commissioner on studies and surveys conducted in order to correct or modify the activities of consumers, physicians and pharmacists, the pharmaceutical industry, and other members of the members of the public engaged in the supplying, prescribing, or consuming of drugs.

"(b)(1) In carrying out its function as defined in the subparagraph 1104(a), Drug Board shall review, advise, and recommend to the Commissioner concerning the development and management of all aspects of Phase IV investigations, requirements, and special studies of drugs.

"(2) In carrying out its function pursuant to subparagraph B(1), the Drug Board shall initiate suggestions about which drugs or new drugs to submit for Phase IV investigation, requirement, special study, or approval.

"(3) The Drug Board shall receive all proposed Phase IV plans submitted by the Commissioner, including all raw data, and make recommendations to the Commissioner regarding those plans.

"(c) In performing its function as defined in paragraph (a), the Drug Board shall recommend to the Commissioner the following:

"(1) Approval or disapproval for general marketing purposes of all new drugs;

"(2) The commencement and conduction of special studies and investigations by the Commissioner on drugs on the basis of the development of information regarding the safety or effectiveness of a drug or class of drugs;

"(3) Modifications or changes in the label or labeling and proposed new uses for a drug and for classes of drugs; and

"(4) Suggested additional mechanisms for the control of inappropriate drug prescription.

"(d) The Drug Board shall—

"(1) on the basis of Phase IV data and any such other information as the Board shall collect, including the report of the Joint Commission on Prescription Drugs, review and analyze the state of drug usage in this country and make recommendations to the Commissioner concerning the improvement of such drug usage;

"(2)(a) prepare an annual drug experience assessment report for the Commissioner based on data collected pursuant to paragraph (c)(1). The report shall include a qualitative analysis of the drugs currently in use, the uses of such drugs, adverse and unanticipated reactions from such drugs, an assessment of the frequency and recurrance of adverse reactions, in such drugs, any recommendations for legislation, and for other information which the Drug Board deems appropriate. This annual drug experience assessment report shall further contain a proposal drug safety assurance plan, in the form of a proposed regulation, which shall be formulated so as to control the improper prescribing and risks (if any) identified in the report pursuant to section; such report shall be on or about October 31st annually presented to the Committee on Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives, the medical profession, and the public including the Board's findings and conclusions;

"(b) after the first drug experience assessment report, subsequent drug experience assessment reports as amended by the Drug Board shall include any proposed changes in the drug safety assurance plan, in the form of proposed amendments to drug regulation. Such a plan may be amended at any time at the discretion of the Commissioner;

"(3) study the need and appropriateness of establishing additional controls over manufacturing, distributing, dispensing, and prescribing of drugs which possess a high rate of inappropriate prescribing;

"(4) on its own initiation, recommended to the Commissioner additional mechanisms to control inappropriate drug prescribing. The Commissioner shall study such mechanisms within his descretion and within two years after the date of enactment of this charter, he shall provide to the Committee on Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives a report of his findings and conclusions.

In reviewing the proposed additional mechanisms of the Drug Board for controlling of inappropriate prescribing and usage of drugs, the Commissioner must consider reviewing the following mechanisms:

"(a) a national drug formulary;

"(b) an office or offices through which drug information is made available at all times and without cost to the practioners licensed by law to prescribe and administer drugs;

"(c) a system or systems of review of drug prescribing and administering; and

"(d) a program of periodic retailing of drug information to practitioners licensed by the law to prescribe and administer drugs and pharmacists in the offices of such practitioners and pharmacists through individuals who have no financial interest in the sale of any drug product and who are trained to provide objective and complete information regarding a therapeutic class or classes of drugs.

"(e) In conjunction with the activities of the Drug Board the Commissioner shall—

"(1) to the maximum extent practical, provide an opportunity for any interested person to submit data and information on all matters considered by the Commissioner on the Drug Board under this section;

"(2) As soon as possible after receiving a report from the Drug Board, publish the report in the Federal Register and provide interested persons an opportunity to comment thereon;

"(3) For any report, recommendations, comments, studies, or reviews of the Drug Board, specify the basis for agreement or disagreement with the views of the Drug Board. All such reviews of both the Drug Board and the Commissioner shall be published in the Federal Register within a reasonable time after the submission of the Drug Board views;

"(4) With respect to the study or studies required under (c)(4) of this section, publish in the Federal Register the basis for the inclusion or exclusion in studies the recommendations of the Drug Board. Further, the Commissioner shall publish in the Federal Register the basis for his determination of the additional mechanism specified in section (c)(4) (a) through (d).

"(f) The Drug Board shall perform any other functions or produce such other studies deemed necessary by the members of the Drug Board in order to protect the health of the public and in keeping with the function of the Board contained in paragraph A of this section, concerning the use, prescription, manufacture, and distribution of drugs.

"RECORDS AND AUDIT

"SEC. 1105. (a) The accounts of the Drug Board shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Drug Board are normally kept.

"(b) The report of each such independent audit shall be included in the annual report required by section 906(b). The audit report shall set forth the scope of the audit and include such statements as are necessary to present fairly the Drug Board's assets and liabilities, surplus or deficit, with an analysis of the changes therein during the year, and a statement of the sources and application of funds, together with the independent auditor's opinion of those statements.".

TITLE VII—DEFINITIONS AND MISCELLANEOUS

SEC. 701. (a) Section 201 of the Federal Food, Drug and Cosmetic Act, as amended,

is hereby amended by striking section 201 (c) in its entirety and inserting in lieu thereof the following new subsection:

"(c) The term 'Administration' means the Food, Drug, Cosmetic, and Devices Administration.".

(b) Section 201 of the Federal Food, Drug and Cosmetic Act, as amended, is hereby amended by striking section 201(d) in its entirety and inserting in lieu thereof the following new subsection:

"(d) The term 'Commissioner' means the Commissioner of the Food, Drug, Cosmetic, and Devices Administration.".

(c) Section 201 of the Federal Food, Drug and Cosmetic Act, as amended, is hereby amended by adding at the end thereof the following new subsection:

"(z) The term 'Drug Board' means the National Drug Science Board.".

(1)(1) Section 201 of the Federal Food, Drug, and Cosmetic Act, as amended, is hereby amended by striking the term "Secretary" each and every time it occurs and inserting in lieu thereof the term "Commissioner".

(2) Section 201(y) of the Federal Food, Drug, and Cosmetic Act, as amended is hereby amended by (1) striking "Department" and inserting in lieu thereof "Administration" and (2) striking "Department of Health, Education, and Welfare" and inserting in lieu thereof "Food, Drug, Cosmetic, and Devices Administration".

SEC. 702. (a) The Federal Food, Drug, and Cosmetic Act, as amended, is hereby amended by striking "Secretary" each and every time it occurs in chapters III, IV, V, VI, VII, and IX of the Act, and inserting in lieu thereof "Commissioner".

(2) The Federal Food, Drug, and Cosmetic Act, as amended, is hereby amended by striking "Department" and (2) striking "Department of Health, Education and Welfare" each and every time it occurs in chapters III, IV, V, VI, VII, and IX and (1) inserting in lieu thereof "Administration" and (2) inserting in lieu thereof "Food, Drug, Cosmetic, and Devices Administration".

(3) The Federal Food, Drug, and Cosmetic Act, as amended, is hereby amended, by striking "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Commissioner of the Federal Food, Drug, Cosmetic, and Devices Administration".

SEC. 703. The Federal Food, Drug, and Cosmetic Act, as amended, is hereby amended by striking section 303(a) in its entirety and inserting in lieu thereof the following new section:

"SEC. 303. (a) Any person who violates a provision of section 301 shall be imprisoned for not more than two years or fined not more than $5,000 or both.".

SEC. 704. Chapter III of the Federal Food, Drug, and Cosmetic Act, as amended, is hereby amended by adding at the end thereof the following new section:

"CIVIL PENALTIES

"SEC. 308. (a) Any person who is found by the Commissioner, after written notice and an opportunity for a hearing, to have committed an act prohibited by section 301 of this chapter, shall be liable to the United States for a civil penalty of not more than $10,000 for each violation. If any such violation is a continuing one, each day of violation constitutes a separate offense for such purpose. The amount of such civil penalty shall be determined and assessed by the Commissioner, or his delegate, by written notice.

"(b) Any person against whom a violation is found and a civil penalty assessed under subsection (a) may obtain review in the court of appeals of the United States for the circuit in which such person resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia, by filing a notice of appeal in such court within 30 days from the date of such assessment and by simultaneously sending a copy of such notice by certified mail to the Commissioner. The Commissioner shall promptly file in such court a certified copy of the record upon which such violation was found and such penalty imposed, as provided in section 2112 of title 28, United States Code. The finding of the Commission shall be set aside if found to be unsupported by substantial evidence, as provided by section 706(2)(e) of title 5, United States Code, of the record upon which such violation was found and such penalty imposed, as provided in section 2112 of title 28, United States Code. The finding of the Commissioner shall be set aside if found to be unsupported by substantial evidence, as provided by section 706(2)(e) of title 5, United States Code.

"(c) If any person fails to pay an assessment of a civil penalty after it has become final and unappealable, or after the appropriate court of appeals has entered final judgment in favor of the Commissioner, the Commissioner shall recover the amount assessed in any appropriate district court of the United States. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

SEC. 705. (a) Section 301(a) of the Federal Food, Drug, and Cosmetic Act, as amended, is hereby amended by striking out the period at the end thereof and inserting in lieu thereof the term ", or unsafe.".

(b) Section 301(e) of the Federal Food, Drug, and Cosmetic Act, as amended, is hereby amended by striking out the period at the end thereof and inserting in lieu thereof the following: "; or the maintenance or submission of any required records, reports, or data which contain any false or misleading information or that omit any material information; or the refusal to permit access to or verification or copying of any required record.".

(c) Section 301(g) of the Federal Food, Drug, and Cosmetic Act, as amended, is hereby amended by striking the ";" and inserting after the term "cosmetic" the following: "that is adulterated, misbranded, or unsafe;".

(d) Section 301(q) of the Federal Food, Drug, and Cosmetic Act, as amended, is hereby amended by adding to the end thereof the following new subsection:

"(4) The failure by an applicant or his agent to comply with the terms of an agreement entered into under section 524(a)(1).".

(e) Section 301 of the Federal Food, Drug, and Cosmetic Act, as amended, is hereby amended by adding to the end thereof the following new subsections:

"(v)(1) The prescribing or administering of a drug under phase IV, by a physician without the patient's voluntary and informed consent as required under section 524(c)1.

"(2) The failure by a physician, or his agent, to maintain a copy of an executed voluntary and informed consent for as part of a patient's permanent medical record when prescribing or administering a drug under phase IV.

"(w) The failure by a pharmacist to maintain a copy of all prescriptions including the physician's license number in the case of a prescription given orally.

"(x)(1) The failure or refusal to furnish any notification or other material or information as required by section 604 or 605, or (2) the failure or refusal to comply with any requirement prescribed under the authority of section 604(c), or which the Secretary deems necessary under this Act".

SEC. 706. Section 303 of the Federal Food, Drug, and Cosmetic Act, as amended, is hereby amended by adding thereto the following new section:

"(e) No person shall be subject to the penalties of subsection (a) of this section for violating subsection (v) or (w) of section 301.".

SEC. 707. The Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331), as amended by this Act, is herein amended by adding to the end of chapter III thereof in the following new section.

"AUTHORITY TO INITIATE LEGAL ACTIONS

SEC. 309. Notwithstanding any other provision of law, the Commissioner may initiate, defend, or appeal any court action arising under or in the administration of this Act through his own legal representative or through the Attorney General or appropriate United States attorney.".

SEC. 708. The Federal Food, Drug, and Cosmetic Act (21 U.S.C. 351), as amended by this Act, is herein further amended by adding to the end of chapter V thereof the following new section:

"SUBMISSION OF FRAUDLENT OR MISLEADING ANIMAL TEST DATA

"SEC. 527. (a) No human testing pursuant to this chapter may be commenced by an applicant for approval of a new drug unless and until all animal trials have been evaluated by the Administration, and the Commissioner has approved the beginning of the human testing of the particular new drug.

"(b) All summaries of data, both clinical and animal, submitted to the Commissioner in order to receive an approval for the marketing of a new drug must be true and accurate and consistent with the bulk of the application data. Such summaries must be signed and certified by the directors, managers, and officers of the applicant. The Commissioner shall monitor, and as he deems necessary, shall verify the submitted animal and clinical test data.

"(c) Anyone who submits in any application or requests for data from the Commissioner pursuant to the Act submits fraudulent, or misleading animal testing data, or otherwise violates paragraph (a) or (b) of this section, shall be deemed to have violated section 301 for the purposes of section 303 (a) and (b) of this Act.".

SEC. 709. The Federal Food, Drug, and Cosmetic Act as amended is hereby amended by adding at the end thereof the following new chapter:

"Chapter XIII—TRANSFER OF FUNCTIONS

"SEC. 1301. (a) The functions, powers, and duties vested in the Secretary under sections 354 through 360F of the Public Health Service Act (42 U.S.C. 263b through 263n) which relate to electronic product radiation control are transferred to the Commissioner.

"(b) The functions, powers, and duties vested in the Secretary under sections 351 and 352 of the Public Health Service Act (42 U.S.C. 262 and 263) which relate to biological products are transferred to the Commissioner.

"(c) The functions, powers, and duties vested in the Secretary pertaining to section 303 of the Public Health Service Act (42 U.S.C. 242a) which relate to the authorization of persons engaged in research on the use and effect of drugs to protect the identity of their research subjects with respect to drugs for which a notice of claimed exemption for an investigational new drug is filed with the Administration are transferred to the Commissioner.

"(d) The functions, powers, and duties vested in the Secretary pertaining to section 4 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (84 Stat. 1241) which relate to the determination of the safety and effectiveness of drugs or to approve new drugs to be used in the treatment of narcotic addicts are transferred to the Commissioner.

"(e) The functions, powers, and duties vested in the Secretary pertaining to section 302(a) of the Public Health Service Act (42 U.S.C. 242(a)) which relate to the determination and reporting requirements with respect to the medicinal and scientific re-

quirements of the United States for controlled substances are transferred to the Commissioner.

"(f) The functions, powers, and duties vested in the Secretary pertaining to section 303(f) of the Controlled Substances Act (21 U.S.C. 823(f)) which relate to the determination of the qualifications and competency of practictioners wishing to conduct research with controlled substances listed in schedule I of the Act, and the merits of the research protocol are transferred to the Commissioner.

"(g) The functions, powers, and duties vested in the Secretary pertaining to provisions of the Controlled Substances Act (21 U.S.C. 801 et seq.) which relate to functions established under the Federal Drug and Devices Act are transferred to the Commissioner.

"(h) The functions, powers, and duties vested in the Secretary under Executive Order 11490, section 1103(5), and those portions of section 1103(1), 1103(3), 1103(4), 3001(2), 3001(3), 3002(1), 3002(3), 3004, and 3009 which relate to drugs and biologicals are transferred to the Commissioner. In the performance of these emergency functions the Commissioner shall coordinate his activities with the Administrator, Health Services and Mental Health Administration, in order that pre-emergency plans shall be developed in consonance with post-attack organization plans and structure of the Administration for the Emergency Health Service are transferred to the Commissioner.

"(i) The functions, powers, and duties vested in the Secretary under the second sentence of section 309 (Health Conferences) of the Public Health Service Act (42 U.S.C. 242n) to call for a conference and invite as many health authorities and officials of State or local public or private agencies or organizations as deemed necessary or proper on subjects related to the functions of the Administration are transferred to the Commissioner.

"(j) The functions, powers, and duties vested in the Secretary under section 501 (Gifts) of the Public Health Service Act (42 U.S.C. 219) to accept offers of unconditional gifts, of other than real property, provided such gifts are of $1,000 value or less and the total costs associated with acceptance of property will not exceed the cost of purchasing a similar item and the cost of normal care and maintenance are transferred to the Commissioner.

"(k) The functions, powers, and duties of the Secretary under section 362 of the Public Health Service Act (42 U.S.C. 265) which relate to the prohibition of the introduction into the United States of drugs, devices, and electronic products and other items or products regulated by the Administration when it is determined that such prohibition is required in the interest of public health or when such functions relate to the law enforcement functions of the Administration are transferred to the Commissioner.

"(l) The functions, powers, and duties vested in the Secretary under the Federal Caustic Poison Act (44 Stat. 1406), and the Fair Packaging and Labeling Act (15 U.S.C. 1451) which relate to the functions of the Administration are transferred to the Commissioner.

"(m) The functions, powers, and duties vested in the Secretary, under section 301 (research and investigation); section 307 (international cooperation); section 310 (health education and information); section 311 (Federal-State cooperation); and section 314(f) (interchange of personnel with States) of the Public Health Service Act (42 U.S.C. 242o, 243, 246(f)) which relate to the functions of the Administration are transferred to the Commissioner.

"(n) The functions, powers, and duties of the Secretary to establish volunteer service programs and accept volunteer services for use in the operation of a health care facility or the provision of health care under section 223 of the Public Health Services Act (42 U.S.C. 217b) are transferred to the Commissioner.

"(o) The functions, powers, and duties vested in the Secretary under section 361 of the Public Health Service Act (42 U.S.C. 264) which relate to the law enforcement functions of the Administration concerning the following products and activities are transferred to the Commissioner: biologicals, including blood and blood products; interstate travel sanitation; and drugs, devices, and electronic products, and other items or products regulated by the Administration.

"(p) The functions, powers, and duties vested in the Secretary by amendments to the foregoing statutes subsequent to Reorganization Plan Numbered 1 of 1953 are transferred to the Commissioner.

"(q) Any functions, powers, and duties vested in the Secretary by any other regulation, order, rule, or statute not named in this section which relate primarily to the functions established under the provisions of this Act are transferred to the Commissioner.

"TRANSFERS OF PERSONNEL AND PROPERTY

SEC. 1302. All personnel, assets, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function established for the Administration under the provisions of this Act are transferred to the Administration.".

SEC. 1303. Within three (3) years of the date of enactment of this Act, the Secretary shall, to the extent practicable, centralize all the facilities of the Food, Drug, Cosmetic, and Devices Administration into a single location, excluding such regional facilities and project sites as he deems necessary.

By Mr. INOUYE:

S. 1833. A bill to extend the age limitation before which certain passenger vessels can qualify for operating-differential subsidies from 25 to 30 years; to the Committee on Commerce, Science, and Transportation.

Mr. INOUYE. Mr. President, the legislation I am introducing today would extend the age limitation before which certain passenger vessels can qualify for operating differential subsidies from 25 to 30 years.

As part of our national effort to promote the American merchant marine, the Maritime Administration is authorized to pay operating-differential subsidy—ODS—to U.S. shipping companies to offset the higher cost of operating a vessel in foreign trade under the American flag, compared to operating costs under a foreign flag.

Under section 605(b) of the Merchant Marine Act of 1936, as amended, however, no operating-differential subsidy shall be paid for the operation of a vessel that is more than 25 years of age unless the Secretary of Commerce finds that it is to the public interest to grant such financial aid for the operation of such vessel.

For purposes of eligibility for operating differential subsidy therefore the "economic life" of a vessel is considered to be 25 years.

The active U.S.-flag passenger fleet in the Pacific trade consists of the SS *Mariposa* and *Monterey* owned and operated by Pacific Far East Line, Inc.

Both of these vessels will reach the end of their economic lives during fiscal year 1978. Unless their economic lives are extended, administratively or by legislation, it appears that they will cease operation as the only two U.S.-flag passenger ships in the Pacific trade.

These two ships employ about 1,000 persons, and expend about $4 million annually for pilotage, tugs, stevedoring, provisions, repairs, and other costs.

Mr. President, at a time when the Nation is experiencing 7 percent unemployment, it is especially important in my judgment, that as a Government we take every reasonable measure to assure that the men and women who are gainfully employed continue to be so. The bill I am introducing today is intended to do just that.

As chairman of the Subcommittee on Merchant Marine and Tourism I expect to begin hearings on the legislation before the August recess.

By Mr. JACKSON:

S. 1834. A bill to amend the Coastal Zone Management Act; to the Committee on Commerce, Science, and Transportation.

Mr. JACKSON. Mr. President, during its consideration of S. 9, the Outer Continental Shelf Lands Act Amendments of 1977, the committee recommended that the Coastal Zone Management Act should be amended to reduce the time allowed for a State to concur with an applicant's certification for a development and production plan submitted pursuant to the OCS Lands Act. Under the Coastal Zone Management Act, development and production plans would have to be certified by the State within 6 months or the State is conclusively presumed to have concurred.

The committee believed that as many potential delays as possible should be removed from OCS leasing, therefore I am introducing a bill which amends section 307(c) of the Coastal Zone Management Act to reduce the time in which a State has to review a development and production plan from 6 months to 60 days, before being conclusively presumed.

By Mr. HUDDLESTON (for himself, Mr. MCGOVERN, and Mr. DOLE):

S. 1835. A bill directing the Secretary of Agriculture to compile and publish certain information relating to the adequacy of a transportation system to meet the needs of agriculture and rural development in the United States, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. HUDDLESTON. Mr. President, today I am introducing legislation to insure that the interests of agriculture and rural development are adequately represented when our Government makes decisions affecting the availability and cost of transportation services.

With a record number of abandonments being proposed by the railroads today, I believe it is important that those who are engaged in agricultural production and marketing have adequate transportation available to move their products to domestic and international markets.

Moreover, as chairman of the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices of the Senate Committee on Agriculture, Nutrition, and Forestry, I believe the national interest requires the maintenance of an economical and efficient transportation system so that every person in this country continues to be able to purchase sufficient quantities of food at reasonable prices.

The bill I introduce today would direct the Secretary of Agriculture to develop within 6 months of enactment an initial report which would identify a rail network essential to agriculture. The report would identify all the locations in each State that should receive rail service based upon their importance as agricultural producing, marketing, and consuming areas.

Following publication of the initial report, the Department would hold hearings around the country to receive the views of the public. The Department would be directed to prepare and publish a summary of the testimony and to consider the testimony in the preparation of a subsequent revised report. The revised report would have to be completed and published no later than 14 months following enactment.

Copies of the revised report would be transmitted to the Congress, to the Department of Transportation, and to the Interstate Commerce Commission for use in protecting rail routes essential for rural America.

This legislation also directs the Secretary to report to the Congress annually on the capability of the Nation's transportation system, of which railroads are one essential link, to meet the needs of agriculture and rural development. This report would identify impediments, such as truck shortages at harvest time, that exist in the agricultural transportation system to meeting these needs, which include the movement of food from the farm to the supermarket and to overseas customers. The report also would be expected to contain legislative or other recommendations for alleviating whatever problems the Secretary might find to exist.

And, most importantly, the legislation would require the Secretary to assume a much more active role in representing the interests of agriculture and rural development before all Federal agencies with transportation responsibilities, including the Departments of Commerce, State, and Transportation, as well as the Civil Aeronautics Board, Federal Maritime Commission, and Interstate Commerce Commission.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1835

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby finds and declares that—

(1) an adequate transportation system, made up of various modes of transportation, is essential to the overall success of the Nation's agriculture programs, to a sound program of rural development, and to the economic stability of the United States;

(2) the economical and efficient movement of agricultural commodities has been impeded by a shortage of railroad freight cars and motor trucks and by the deteriorated condition of many rail roadbeds throughout the United States;

(3) the economical and efficient movement of agricultural commodities is further threatened by the proposed abandonment by the railroad companies of thousands of miles of important railroad lines in the United States;

(4) the maintaining of an efficient and economical transportation system for agriculture and rural development in the United States has not received the priority attention which such system should have received; and

(5) the Secretary of Agriculture has a responsibility to assume a more active role in representing the interests of agriculture and rural development in the United States in order to insure the availability of an adequate, efficient, and economical transportation system sufficient to meet the needs of agriculture and rural development in the United States.

SEC. 2. (a) The Secretary of Agriculture (hereinafter referred to as the "Secretary") shall compile and publish an initial report containing specific recommendations for a railroad transportation system adequate to meet the essential needs of the agricultural industry of the United States. Such report shall include, but shall not be limited to, maps which identify the locations in the several States that the Secretary, on the basis of the importance of such locations within agricultural producing, marketing, or consuming areas, determines should receive railroad service.

(b) The report required to be published by subsection (a) shall be published not later than 180 days after the date of enactment of this Act. The Secretary shall submit copies of such report to the Congress and provide for the widespread public dissemination of such report throughout the United States as soon as practicable after its publication.

SEC. 3. (a) Within 45 days after the publication of the initial report described in section 2(a), the Secretary shall announce dates for and hold public hearings at various locations throughout the United States for the purpose of obtaining the views of interested persons on such initial report.

(b) Within 120 days after the publication of the initial report described in section 2 (a), the Secretary shall prepare and publish a summary of the testimony presented at such hearings. The Secretary shall provide for the widespread public dissemination of such summary as soon as possible following the publication thereof.

SEC. 4. (a) The Secretary shall prepare and publish, within 420 days after the date of enactment of this Act, a revised report containing specific recommendations for a railroad transportation system adequate to meet the essential needs of the agricultural industry of the United States. In preparing such revised report, the Secretary shall take into consideration the testimony received at the public hearing required under section 2 of this Act.

(b) Copies of such revised report shall be submitted to the Congress, the Secretary of Transportation, and the Chairman of the Interstate Commerce Commission. The Secretary shall provide for the widespread public dissemination of such revised report.

(c) The Secretary shall review such revised report from time to time, but not less often than once every three years, and shall make such revisions therein as he deems necessary or appropriate, taking into consideration changed conditions at the local, national, and international levels that my have affected agriculture, rural development, or transportation in the United States.

SEC. 5. The Secretary shall submit a report annually to the Congress regarding the capability of the Nation's transportation system (all forms of transportation) to meet the essential needs of the agricultural industry of the United States and to meet the needs for effective development of the rural areas of the United States. The Secretary shall identify in such report any impediments that may exist in meeting such needs, including, but not limited to, any impediments that may exist to the movement of agricultural commodities to domestic and international markets. The Secretary shall include in such report recommendations for such legislative or other action as he deems necessary or appropriate to remove such impediments.

SEC. 6. Whenever the Secretary determines that any Federal agency, including, but not limited to, the Departments of Commerce, State, and Transportation, as well as the Civil Aeronautics Board, Federal Maritime Commission, and Interstate Commerce Commission will likely impact on the agricultural industry of the United States or on rural development in the United States, he shall, to the extent permitted by law or regulation, participate in such proceeding for the purpose of fostering the cause of an efficient and economical transportation system for agriculture and rural development in the United States.

By Mr. HUDDLESTON (for himself and Mr. MCGOVERN):

S. 1836. A bill to provide an 18-month moratorium on certain abandonment of rail lines and discontinuance of rail service and to postpone the reduction of certain local rail service assistance; to the Committee on Commerce, Science, and Transportation.

Mr. HUDDLESTON. Mr. President, today I am introducing legislation to defer for 18 months approval of all railroad abandonments that are opposed before the Interstate Commerce Commission by any party.

This legislation is necessary, in my opinion, because of the vast amounts of trackage throughout the Nation which the railroads have suddenly indicated they want to abandon. While figures on precisely how much rail mileage is involved are expected to be published shortly by the ICC, preliminary indications are that perhaps as much as 10 percent of the 200,000 miles of class I railroad in the United States could be abandoned during the next 3 to 5 years.

When the Congress enacted the Railroad Revitalization and Regulatory Reform Act of 1976, it could not have foreseen what the railroads' plans with regard to branch line abandonments would be in 1977 and future years. In fact, it was not until the week of May 2 of this year, when all railroads were required to file maps with the ICC indicating what their abandonment plans for the future would be, that this information became available.

Most States, except those in the Northeast and several in the Midwest, now are engaged in rail services planning for the first time. It takes time to gear up; to hire staff; to apply for a Federal rail planning grant; to formulate a State rail plan; and to seek Federal assistance to continue service on threatened rail lines.

The Department of Transportation, however, will not release entitlement funds for rail service assistance until a

State first has submitted a rail plan to the Secretary and the Secretary has approved that plan. Meanwhile, abandonments continue to be processed by the ICC.

In my own State of Kentucky, some 170 miles of rail lines may be abandoned in the next few years. If these abandonments should take place, severe economic dislocations would occur throughout Kentucky. Through no fault of its own Kentucky did not become aware of the magnitude of this problem until after May 2 when the railroads first filed their plans with the ICC. Therefore, under present law, Kentucky will not be able to take advantage of the Federal assistance which the Congress expressly provided for the purpose of cushioning the impact of rail abandonments until it has prepared its rail plan and submitted an application to the Secretary of Transportation for Federal rail service assistance. In the interim, however, we could lose essential rail services.

As chairman of the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices of the Senate Committee on Agriculture, Nutrition, and Forestry, I am also deeply concerned about the impact of rail abandonments on agriculture. Do we know, for example, what the impact will be from a regional and national, as well as a local perspective? Do we know what the impact will be on farmers and on producers? Do we know what the impact will be on consumer prices?

While I am not unsympathetic to the financial plight of some of our railroads, I also believe very strongly that we should not move too hastily by ripping up the tracks until we are certain that these lines will not be needed in the future to move people as well as to transport agricultural commodities and other essential freight.

This bill also restores for 18 months, and until the beginning of the fiscal year following the 18 months, the 100 percent Federal share of rail service assistance which, on July 1, was reduced to 90 percent. This reduction means that, for the first time, States and rail users outside the Northeast will have to furnish 10 percent of the operating losses in order to continue rail service on branch lines which the ICC otherwise would have permitted to be abandoned. This measure would allow essential rail services to continue while States prepare their rail plans.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD. I also include a letter from Jas. S. Sekhon, executive director of the Bluegrass Area Development District in Lexington, Ky., supporting a moratorium on railroad abandonments, and a letter from Secretary of Transportation Brock Adams.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1836

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rail Service Protection Act of 1977".

SEC. 2. Notwithstanding any other provision of law, in any case where there is any opposition by any party of interest, the Interstate Commerce Commission shall not authorize the abandonment of any line, or portion thereof, of railroad or the discontinuance of any rail service, by any carrier by railroad subject to regulation under part I of the Interstate Commerce Act until after 18 months following the date of enactment of this Act.

SEC. 3. The first two sentences of section 5(f) of the Department of Transportation Act (49 U.S.C. 1654(f)) are amended to read as follows: "The Federal share of the costs of any rail service assistance program shall be as follows: (1) 100 per centum for the period from the date of enactment of the Rail Service Protection Act of 1977 to the beginning of the first fiscal year which is more than 18 months after such date; 90 per centum during the second such fiscal year; 80 per centum during the third such fiscal year; and 70 per centum during the fourth such fiscal year. For the last two such fiscal years the Secretary may make such adjustments in the percentage level of the Federal share as may be necessary and appropriate so as not to exceed the maximum amount of funds authorized under subsection (o) of this section.".

BLUEGRASS AREA,
DEVELOPMENT DISTRICT, INC.,
Lexington, Ky., December 20, 1976.

Hon. WALTER HUDDLESTON,
U.S. Senator, New Senate Office Building, Washington, D.C.

DEAR SENATOR HUDDLESTON: We are writing to draw your attention to and seek your assistance in an urgent matter of statewide and in fact, nationwide import. We refer, of course, to the problem of pending railroad abandonments. As you know, there are three such abandonments now pending in Kentucky: Elizabethtown to Hodgenville; Paris to Maysville; and Stanford to Lancaster which is the one most urgently in need of your assistance and forthright, concentrated personal effort.

The general facts are these: 1) The Railroad Regulatory Reform and Revitalization Act of 1976 (PL 94-210) the 4-R Act) was supposed to make available; a) expert legal assistance to communities threatened with railroad abandonments (presently unavailable because no funding will be forthcoming until a permanent director for the "Office of Rail Public Council is appointed; none has yet been appointed); and b) a program of subsidies to assist states in maintaining certain desirous lines for specific purposes (such as coal haulage (Paris-Maysville) or future development (Stanford-Lancaster)) or for direct underwriting of capital equipment purchases by the railroads themselves (all of which are presently unavailable in Kentucky and most other states because an approved "State rail service plan" must have been filed with the United States Department of Transportation before subsidies can be granted).

The state's and most of the nation's communities are being denied special legal assistance rightfully and legally theirs. Also, the State and its communities are losing their planning options since abandonments are allowed to continue even while the "State rail service plan" is in development. This State, as is the case, as most, has hardly had adequate time to develop a proper and thorough rail service and subsidy plan. Obviously, we feel that a complete and absolute moratorium on all railroad abandonment is not only highly justified but absolutely essential if the 4-R Act and the associated "State rail service planning" process is to be anything other than a mere paper exercise after the ICC has made all the decisions beforehand. Through the combined efforts of the ADD organizations in Kentucky and principally the Bluegrass ADD and the Buffalo Trace ADD, the Commonwealth of Kentucky has recognized, albeit belatedly, the seriousness of the situation.

In the Stanford to Lancaster (8.33 rail miles) case, the Louisville and Nashville Railroad is seeking to abandon service to Lancaster, Garrard County. In their own brief the railroad indicates that they are, in fact, clearing a net profit on the operations of the line during the first 10 months of 1976. However, the railroad claims that the shippers are only using the line because of the "use it or lose it" atmosphere created by the pending abandonment. They especially accuse the National Casket Co. of this type of action (National Casket being the largest shipper presently on the branch line). However, this is not the case. National Casket Co. has shown a marked increase in their rail traffic this year because of the closing of their Erwin, Tennessee plant and transferring of the heavy manufacturing activities to the Lancaster, Kentucky plant. This is a decision which was made prior to the announcement by L&N of attention to seek abandonment and planned for some time. Additionally, it was predicated on the assumption of continued rail service to their Lancaster plant. A number of other shippers on the line have shown increased rail traffic due to the general upswing in the economy.

We seek your assistance, of course, in opposition to this abandonment. It would deal the death blow to a multi-county economic base already reeling under the lose of 4 major employers in the last two years.

More specifically, we seek at this time, your most strenuous support for the petition which will be filed with the Interstate Commerce Commission, by the Commonwealth of Kentucky, through its State Railroad Commission, on 12/21/76. This petition seeks to intervene in this abandonment proceeding AB2 (sub No. 11) (ICC nomenclature) by: 1) asking that the ICC set aside its ruling that the case is to be heard under "modified procedure" and that; 2) the Commonwealth of Kentucky be allowed to enter the case as a protestor.

This case is very far along and the opinion of the special legal experts which the involved communities and shippers have just retained and those at the State Railroad Commission is that the petition to intervene and re-open the case to additional protestors represents the only chance the communities and shippers have of getting a fair and complete hearing of all the facts of the case. A number of shippers and other parties who had thought they would be allowed to file official statements of protest in opposition to abandonment find that they are not legal parties to the cause because they lacked the proper specialized legal knowledge to properly file as protestors. Presently, final statements of protest are due January 5, 1977 (see attached letter).

The legal experts have assured us that for the ICC to favorably consider the request of the Commonwealth to intervene in this case at this late date requires that the petition receive the most vigorous and continuous support from your office in dealing with the Interstate Commerce Commission. We, therefore, entreat you to bring to bear, as soon as possible, any and all means of support for this petition, and to transmit and convey that support in the most vigorous possible manor to the ICC and in particular to Secretary Oswald and Commissioner Virginia May Brown. Your personal support will be invaluable in encouraging the ICC to react quickly and positively to the Commonwealth's petition to intervene.

We do need your most strenuous and immediate effort in order to deal with this problem. However, once the present substan-

tial danger in this case is overcome we would appreciate your assistance in seeking on behalf of all Kentucky's communities, in fact all those communities throughout the Country, a moratorium on railroad abandonments until each state has had a reasonable time to develop and file a comprehensive "State rail services plan."

Thank you for your prompt attention to this problem.

Sincerely,

JAS S. SEKHON,
Executive Director.

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., July 1, 1977.

Hon. WALTER D. HUDDLESTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUDDLESTON: This is in response to your recent inquiry regarding the implementation of Section 803 of the Railroad Revitalization and Regulatory Reform Act of 1976 (RRRR Act). All states eligible under Section 803 of the RRRR Act submitted applications for planning funds. However, on May 20, 1977, the State of Alaska withdrew its application on its own accord.

As of this date, all applications for planning assistance which has been submitted to the Federal Railroad Administration have been approved. The details of each individual State grant are included in the enclosed table.

If you should have any further questions regarding this matter, please do not hesitate to contact the Office of State Assistance Programs at 202/426-1567.

Sincerely,

BROCK ADAMS.

PLANNING APPLICATION/APPROVAL STATUS REPORT

State	Approved by FRA Administrator	Original received	Funds	Date for completion of plan
Alabama	Apr. 29, 1977	Mar. 7, 1977	$383,490	July 1, 1978
Alaska	Withdrew application	Mar. 11, 1977	0	
Arizona	Mar. 3, 1977	Nov. 16, 1976	100,000	July 1, 1977
Arkansas	Apr. 29, 1977	Feb. 1, 1977	244,552	July 1, 1978
California	do	Feb. 28, 1977	232,262	Oct. 1, 1978
Colorado	do	do	100,000	Oct. 1, 1977
Florida [1]	Feb 22, 1977 (May 30, 1977)	Oct. 5, 1976	370,835	July 1, 1979
Georgia	Feb. 24, 1977	Sept. 15, 1976	65,212	July 1, 1977
Idaho	Apr. 29, 1977	Nov. 15, 1976	44,000	Dec. 31, 1977
Iowa	May 30, 1977	Dec. 1, 1976	1,189,320	Oct. 1, 1977
Kansas	Mar. 1, 1977	Jan. 31, 1977	245,991	Jan. 1, 1979
Kentucky	Apr. 29, 1977	Mar. 8, 1977	170,156	July 1, 1978
Louisiana	do	Feb. 24, 1977	443,221	Apr. 1, 1978
Minnesota [1]	Apr. 29, 1977 (Jan. 13, 1977)	Sept. 1, 1976	556,000	Oct. 31, 1977
Mississippi	Apr. 29, 1977	Feb. 11, 1977	182,400	June 30, 1978
Missouri	do	Jan. 31, 1977	100,000	Apr. 1, 1978
Montana	Apr. 29, 1977	Feb. 1, 1977	$100,000	Oct. 1, 1977
Nebraska	May 30, 1977	Feb. 22, 1977	372,550	Sept. 1, 1978
Nevada	Apr. 29, 1977	Feb. 24, 1977	100,000	Apr. 1, 1978
New Mexico	do	do	152,219	July 1, 1978
North Carolina	do	Feb. 25, 1977	127,614	Apr. 1, 1978
North Dakota	do	Dec. 5, 1976	107,198	June 1, 1978
Oklahoma	Feb. 22, 1977	Dec. 16, 1976	196,800	Nov. 30, 1977
Oregon	Apr. 29, 1977	Mar. 2, 1977	186,960	July 1, 1978
South Carolina	do	Mar. 3, 1977	100,000	Oct. 1, 1977
South Dakota	do	Dec. 16, 1976	100,000	Aug. 31, 1977
Tennessee [1]	Apr. 29, 1977 (Feb. 2, 1977)	Nov. 15, 1976	120,428	July 1, 1978
Texas	May 12, 1977	Feb. 25, 1977	1,363,000	July 1, 1979
Utah	Apr. 29, 1977	Feb. 24, 1977	100,000	Apr. 1, 1978
Washington	do	Jan. 19, 1977	164,732	Jan. 1, 1979
Wisconsin	do	Mar. 22, 1977	100,000	Sept. 30, 1977
Wyoming	do	Feb. 13, 1977	100,000	July 1, 1978

[1] These States have had their original grants amended.

By Mr. METZENBAUM (for himself, Mr. CRANSTON, Mr. HUMPHREY, Mr. DURKIN, Mr. DECONCINI, and Mr. HART):

S. 1837. A bill to amend the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees; to the Committee on Human Resources.

RETIREE BENEFITS ACT OF 1977

Mr. METZENBAUM. Mr. President, I am pleased to introduce today, along with Senators CRANSTON, HUMPHREY, DURKIN, DECONCINI, and HART, S. 1837, a bill which will help retirees keep pace with the ever-increasing cost of living.

In short and simple language, this legislation attempts to help those whose incomes are least sufficient— retirees living on fixed incomes. In the last 6 years alone, the cost of living has risen over 40 percent—the per capita cost of health care, 70 percent—and the list goes on.

In the past, retirees were able to meet some of these skyrocketing costs through collective bargaining. But in 1971, this practice was severely limited by the Supreme Court's decision in Allied Chemical and Alkali Workers against Pittsburgh Plate Glass—a decision which adversely affected over 2 million Americans who received pension benefits under collective bargaining agreements. In this decision, the Supreme Court held that retirees are neither employees nor members of their bargaining unit and therefore employers could not be required to negotiate benefits for retired workers.

This decision, Mr. President, has placed an undue burden on retirees—many of whom have worked 25 years or more for the same company. To say to these retirees: "Management does not have to renegotiate your benefits despite substantial increases in the cost of living" flies in the face of all notions of fairness and equity.

I want to emphasize that this legislation does not say to management, "You must increase your retirees' benefits." It merely makes retirees' benefits a mandatory subject of collective bargaining and a topic of discussion.

By enacting this legislation, Congress will be returning a "sense of equity" to retiree benefits negotiations. I urge my colleagues to give this legislation careful consideration.

By Mr. ABOUREZK (for himself and Mr. HATFIELD):

S.J. Res. 67. A joint resolution proposing an amendment to the Constitution of the United States with respect to the proposal and the enactment of laws by popular vote of the people of the United States; to the Committee on the Judiciary.

Mr. ABOUREZK. Mr. President, today I am very pleased to be joining with my colleague, the Senator from Oregon (Mr. HATFIELD), in introducing a constitutional amendment which, when adopted, will allow the use of the initiative process at the national level. The initiative process allows citizens to place a proposed law on the ballot, by gathering signatures of a required number of registered voters. Once a proposed law has been placed on the ballot, the voters will have the opportunity to adopt or reject it.

The initiative process, unique among our democratic rights, is founded on the belief that the citizens of this country are indeed as competent to enact legislation as we are to elect public officials to represent us. There are eight significant reasons that, to my mind, not only justify, but mandate the adoption of the right of initiative into our federal system:

First. The use of the initiative would be an exercise of the sovereign power of the American people to govern themselves;

Second. The initiative is an actualization of the citizens' first amendment right "to petition the Government for redress of grievances;"

Third. The initiative provides a concrete means for citizens participation in the policymaking function of our Government;

Fourth. The use of the initiative could lessen the sense of alienation from their Government felt by millions of Americans;

Fifth. The initiative is a natural complement to our system of checks and balances;

Sixth. The initiative would enhance the accountability of Government;

Seventh. The use of the initiative would produce an open, educational debate on issues which otherwise might have been inadequately addressed;

Eighth. The history of the initiative has shown it to be a very sound, workable, and democratic process.

Mr. President, the people of 23 States have already granted themselves the right of initiative. As an integral part of their State governments, its workability as a democratic tool has been clearly and repeatedly proven. I believe its extension to the Federal level is justified and long overdue.

PHILOSOPHY

As a tool to extend the scope of the citizen's right to vote, this direct democracy amendment has many companion provisions in our present Constitution. Six of the last 10 constitutional amendments have in some way extended voting rights—the 15th, to members of all races and particularly to former slaves; the 17th, to provide for the direct election of Senators; the 19th, to women; the 23d, to the residents of the District of Columbia; the 24th, to prohibit the use of the poll tax; and the 26th, to those 18 years or older. This proposed amendment would extend to the people the right to

propose and vote on laws of national importance. The initiative is a further step in this evolutionary process toward a greater and more meaningful citizen participation in the affairs of our Government.

My proposal comes at a time when our Nation should utilize every available method to involve its citizens in the functioning of our Government. The last few years have seen a growing dissatisfaction, and in many cases a serious distrust, of Government by the very people who are its source of power and who elect its leaders. People stay home on election day not because they are lazy or do not care but because they have decided that meaningful communication with their leaders is no longer possible or effective. They know of no other way to register their lack of confidence but to withdraw from the system.

I empathize with the feelings of these millions of Americans. They feel unable to make known their thoughts, their concerns, and their opinions on how this great country of ours should be run. However, much of the alienation and helplessness that citizens experience can be mitigated if avenues for constructive participation exist. The initiative procedure is one means to provide direct citizen access to our governmental decisionmaking process through a legal and democratic method.

Some may see this amendment as a strictly "antigovernment" proposal. However, I look upon the initiative procedure as a natural complement to our system of representative government. By enabling the people to more effectively and directly communicate with their Government, the initiative enhances the accountability and openness of our representative process. As a "safety valve" for public concerns, the initiative can help avert the alienation of the people.

However, the initiative is not a panacea and I do not wish to give you the impression that it is. The process does have its limitations, but the history of its use has shown it to be a workable, democratic process.

BRIEF HISTORY

Mr. President, while becoming a part of American politics at the turn of the century, the initiative has its remote origins in the "plebiscitums" of the ancient Roman Republic. There, the question of repealing or enacting laws over the opposition of the Senate could be put to a vote of the "plebes"—the enfranchised commoners. Similar plebicites were practiced in a few medieval towns of Europe, although confined in both instances to a small, elite electorate.

However, the initiative was really pioneered in Switzerland. In the years 1831–91, various forms of the initiative were used. The procedure is continued today in the present Swiss Constitution. In the 1890's, the Swiss system came to the attention of reform groups in the United States. The first organized effort to establish the initiative occurred in Omaha in 1892 at the national convention of the Peoples' Party. Six years later, my home State of South Dakota became the first State to adopt its use. Today, the people in 23 States have the power to enact laws by the initiative process. These States, and their year of adoption are listed as follows:

Adoption of initiative provisions

	Year
South Dakota	1898
Utah	1900
Oregon	1902
Montana	1906
Oklahoma	1907
Maine, Missouri	1908
Arkansas, Colorado	1910
Arizona, California, Idaho	1911
Nebraska, Nevada, Ohio, Washington	1912
Michigan	1913
North Dakota	1914
Massachusetts	1918
Alaska	1959
Wyoming	1967
Florida	1968
Illinois	1970

In the first 12 years after South Dakota became the first State in the Union to adopt the initiative process, eight other States joined in adopting State constitutional amendments authorizing its use. California, which may have brought the most attention to the use of the initiative, adopted the process in 1911 after electing Hiram Johnson as Governor. Johnson ran on a platform which included the initiative and during his inaugural address, he placed the full forces of his administration behind its adoption. He said:

> Those of us who espouse these measures [the Initiative] do so because of our deep-rooted belief in popular government, and not only in the right of the people to govern, but in their ability to govern. . . .

THE DEBATE ABOUT THE INITIATIVE PROCESS

Although it is now an accepted, integral component of many State constitutions, the right of initiative was not established without serious debate concerning its merits. In the early 1900's and to this day, opponents of the initiative everywhere it has been debated have warned of catastrophe. I expect many of these same arguments will be used against the proposal I am advancing today.

The arguments that have been used against the initiative since the early 1900's include:

First. The initiative undermines our representative form of government;

Second. It complicates the ballot and could lead to frivolous or unsound laws;

Third. It is only suitable for use on the local level;

Fourth. It will be dominated by special interests of the right or the left; and

Fifth. The people cannot be trusted or they will not be able to understand complicated legislative proposals.

While the arguments used in opposition to the initiative certainly deserve careful analysis and consideration, I believe that a thorough study of the public record in the 23 States which do allow the initiative will indicate that it has operated effectively and has served to enhance our democratic form of government.

First, the initiative improves our representative form of government by providing another democratic means with which citizens can express themselves. Initiative campaigns provide direct feedback to elected officials about the people's feelings on different issues and generally produces a more responsive body of elected officials. It brings more citizens into the mainstream of public affairs and is a significant educational device which cannot be minimized. The use of the initiative provides a prompt public discussion of important issues which may otherwise go unaddressed. In essence, the initiative is a logical component of our system of checks and balances. I would argue strongly that any tool which increases the opportunities for better communication between government and the people is a tool which improves the effectiveness and openness of our democracy.

Second, the initiative has not seemed to complicate the ballot nor has it been a vehicle for the reckless passage of frivolous or unsound laws. In California numerous ballot issues appear at election time. Usually, the majority of these issues are placed on the ballot at the request of the legislature and not via the initiative process. In addition, the signature requirements are strict enough to discourage frivolous efforts. The number of initiated measures appearing on State ballots is still but a tiny fraction of the number of issues considered annually by State legislatures.

Even when issues do reach the ballot by initiative, voters traditionally act with restraint. Measures which are very controversial or are unreasonably drafted tend to fail at the polls. Citizens are not likely to qualify a proposal for the ballot, or to subsequently pass such a proposal unless it has widespread support. The process has not been subjected to repeated abuse, but rather, has addressed legitimate issues of public policy. Laws passed by initiative are subject to judicial review and can be changed by legislative action if there is an overwhelming need to do so.

Third, the initiative has been proven effective in both small and large jurisdictions. The initiative has been used extensively in California, a State which has 10 percent of the total population of our country and has a history of coping with complicated social questions. There is no reason to believe that the initiative cannot perform just as well at a national level.

Fourth, the history of the use of the initiative in the States has indicated that while special interests have played a role in initiative politics, they certainly have not dominated the process. At the State level, special interest groups have not succeeded at the polls without the strong, active support of community and political leaders. Instead of being a tool of the special interest groups, the initiative process is a device used by the people for those times when special interests seem to be dominating the deliberations of the legislative body.

The initiative process has several unique features which make it a useful citizen's tool, enabling the people to be heard even when normal legislative channels fail. Initiative gives people the power to get a fair hearing about an issue which concerns them. If there are enough citizens willing to sign petitions, to put a question to a public vote, then that issue, at the very least, will be fully de-

bated and addressed in a public forum. Even if the issue loses at the polls, the increased public awareness and education may go a long way toward resolving a question left unaddressed by the legislature.

The initiative is also a very open process which invites scrutiny by the public, the media, and by community leaders. Should special interests attempt to unduly influence the initiative process, the community will most likely be aware of it. Of course, appropriate disclosure and other campaign finance requirements are useful complements to the initiative process.

Fifth, the argument that the people cannot be trusted or will not be able to understand complicated legislative proposals is a frequent argument, although usually couched in nicer words. I believe that true democracy must rest on the fundamental belief that the people are sufficiently intelligent, sufficiently discerning, and sufficiently capable to govern themselves. In the representative form of government we have today, we trust the judgment of the people to elect our leaders. Throughout our history this Nation has been well served by the judgment of the people. If we accept the premise that the people can choose between good and bad leaders, I think we must accept the notion that the people can choose between good and bad laws. Mr. President, I think it is important to reaffirm our trust in the basic goodness of our people.

Decades of use have proven the soundness of the initiative process. It has performed well when applied to a great diversity of issues and geographic areas. Some examples of the use of the initiative include political reform, coastline development, property tax limitations, returnable bottles, death penalty, flouridation, pornographic literature, and sales tax on food and drugs.

Liberals and conservatives alike have used the process to raise significant issues, although it is neither a liberal nor conservative tool—it is a democratic process.

Even when initiatives have failed at the polls, they have served a much broader public purpose—that of educating the people and their leaders. I think the country has benefited from the tremendous debates which are the result of initiative campaigns.

SECTION-BY-SECTION ANALYSIS OF THIS AMENDMENT

Mr. President, I would like to take just a few minutes to briefly outline the major provisions of this proposal.

Section 1.—The people shall have the power to enact laws with the exception of the power to declare war and the power to call forth the militia. This article does not give the people the power to amend the Constitution.

Section 2.—In order to qualify a proposed law for the ballot, signatures must be gathered on a national level, equal in number to 3 percent of the ballots cast in the last Presidential election, including signatures from 10 States equal in number to 3 percent of the ballots cast in the last Presidential election in each of the 10 States.

The signatures must be gathered in an 18-month time period.

The chief law enforcement officer of the United States must certify the validity of the signatures.

If sufficient signatures have been obtained, the proposed law will be placed on the ballot at the next general election occurring at least 120 days after the signatures have been certified.

Section 3.—If a majority of people casting votes on the ballot question approve, the proposed law is enacted and will take effect 30 days after the election or as mandated in the law itself.

Any law enacted by the people will be considered the same as any other law passed Congress and signed by the President.

No such law may be repealed or amended by the Congress during the 2 years immediately following enactment except by a two-thirds vote of Members of both Houses duly elected and sworn. The President may sign or veto a law as to repeal an initiative passed law as he does with any other law passed by Congress.

No law which is forbidden by the Constitution may be enacted by the people.

Section 4.—The Congress and the people shall have the power to enforce this article with appropriate legislation.

While I think these procedures are fairly straightforward, many of my colleagues from States that do not have the right of the initiative may be unfamiliar with its use on a practical basis.

This proposal would allow petition sponsors a maximum of 18 months to collect the signatures of at least 3 percent of those votes cast for President at the last election, with a minimum distribution of 3 percent of registered voters in each of 10 States. Though it may be possible to collect signatures exclusively in 10 States, the practical needs of a national campaign probably require signature gathering efforts in a majority of the States.

The collection of large numbers of signatures on an initiated proposal requires the support and involvement of many Americans over an extended period of time. Because of the nature of the initiative, the vast majority of proposals never qualify for the ballot—lacking both the needed public support and commitment. The signature requirement must be set high enough to insure that the issue indeed warrants the consideration of the voting public, but low enough to insure that the process is workable and available to the people.

The signature requirements provided by this amendment—3 percent of those who voted for President in the last election with a minimum distribution of 3 percent in each of 10 States meets this test. In 1976, a total of 81.5 million Americans cast ballots for the Office of President of the United States. Based on that election, the 3 percent national requirement equals 2.45 million legitimate signatures of registered voters. This 3 percent requirement is a stiff requirement which calls for a massive nationwide campaign.

It is also important to note that any signature gathering campaign must take into consideration an invalidation rate for nonlegal signatures of anywhere from 33 to 50 percent. The practical goal for any national initiative campaign would likely be between 4 and 5 million signatures to insure that a sufficient number of legal signatures are obtained. Anyone who has gathered legal signatures, such as nominating petitions for Members of Congress, surely recognizes the magnitude of such an effort.

The distribution requirement of 10 States insures that only issues of recognized national importance are advanced by the use of the initiative. Even by meeting the 3-percent requirement in the 12 largest States, approximately 1 million additional signatures would be required to satisfy the 3-percent nationwide requirement. This proposal requires a distribution and focus beyond just the largest States or a particular region of the country.

A further consideration in choosing these signature gathering requirements is that the procedure should not be so strict as to effectively prohibit volunteer, grass roots efforts from successfully organizing to use the process. A higher signature requirements would block access to the process by ordinary citizens and enable only well-financed or already formally organized interest groups to use the initiative process.

SUMMARY

This proposal for a constitutional amendment to grant the right of the initiative to the people of the United States comes at a time when citizens appear very favorable to a change of this kind.

In the 23 States which now authorize the initiative process, citizen use of the procedure has increased significantly in the last several years. In many States, where the right of initiative has not been used frequently, a great deal of new activity has been generated. Many different liberal and conservative issues are being addressed by the initiative. Even those that fail at the polls are having a significant impact through education and debate.

In addition, efforts to establish the initiative power in the 27 States which do not already provide for them are intensifying. At least six States currently have initiative bills pending; and in four States, groups are preparing bills for introduction in the near future.

On May 17 of this year, the City Council of the District of Columbia unanimously passed the Initiative, Referendum and Recall Charter Amendment Act of 1977. If adopted by the voters in November and subsequently approved by Congress, this will be the first amendment to the Home Rule Charter. The Washington Post recently editorialized that—

This is an important bill that would let District voters exercise more responsibility in governing their own community.

In addition to these citizen efforts, a national organization, Initiative America, has been established here in Washington. Initiative America seeks to promote the initiative concept not only at the Federal level but also at the State and local level.

Mr. President, I invite my colleagues to join with me in this exciting effort. At a time when we are striving to build citizen confidence and involvement in our Nation's Government, this constitutional amendment makes good sense.

I ask unanimous consent that the text of the proposed constitutional amendment and a letter from the organization, Initiative America, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S.J. RES. 67

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concurring therein). That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States:

"ARTICLE ———

"SECTION 1. The people of the United States shall have the power to propose and enact laws in accordance with this article, except with respect to carrying out the powers granted to Congress in clauses eleven and fifteen of article I, section eight, of this Constitution. This article does not grant the people of the United States the power to propose amendments to this Constitution.

"SECTION 2. A law is proposed by presenting to the chief law enforcement officer of the United States a petition that sets forth the text of the proposed law and contains signatures, collected within the eighteen months prior to such presentation, of registered voters equal in number to three percent of the ballots cast in the last general election for President and which includes the signatures of registered voters in each of ten States equal in number to three percent of the ballots cast in the last general election for President in each of the ten states. Within ninety days of such presentation, the chief law enforcement officer of the United States shall determine the validity of the signatures contained in such petition through consultation with the appropriate States. Upon a determination that such petition contains the required number of valid signatures, he shall certify such petition. He shall then direct that the proposed law be placed on the ballot at the next general election held for choosing Members of the House of Representatives occurring at least one-hundred and twenty days after such certification. The Congress shall provide by law reasonable procedures for the preparation and transmittal of such petitions, and for the certification of signatures on such petitions. For the purposes of this section, the term 'State' shall include the District of Columbia.

"SECTION 3. A proposed law shall be enacted upon approval by a majority of the people casting votes with respect to such proposed law and shall take effect thirty days after such approval except as otherwise provided in the proposed law. Any law enacted pursuant to this article shall be a law the same as any other law of the United States, except that any law to repeal or amend a law enacted pursuant to this article during the two years immediately following its effective date must receive an affirmative roll-call vote of two-thirds of the members of each House duly elected and sworn. No law, the enactment of which is forbidden the Congress by this Constitution or any amendment thereof, may be enacted by the people under this article.

"SECTION 4. The Congress and the people shall have the power to enforce this article by appropriate legislation."

INITIATIVE AMERICA,
Washington, D.C., July 11, 1977.

Senator JAMES ABOUREZK,
U.S. Senate,
Washington, D.C.

DEAR JIM: With your introduction of the National Initiative Constitutional Amendment, a new movement has been born. We can now work for ratification of this right enabling all Americans to participate in the federal legislative process.

This amendment has been at least two years in the making. We have spent much of the last two years consulting with people from all over the country before we first drafted this amendment last February when we founded Initiative America.

In a short five months, Initiative America has grown to the point that we have representatives in over half of the 50 states. Initiative America affiliate organizations have been created in 15 states. Hundreds of people are joining the campaign to ratify this right for all Americans.

As you know, we will actively mobilize additional support in the states as our "Initiative Bus" travels countrywide. It is a red, white and blue remodeled school bus, loaded with the resources of a printing press, production equipment of all kinds, and living quarters for a field staff.

We've really launched something exciting. We congratulate you again on your trust in the People, and look forward to working with you to ratify this right for all Americans.

Sincerely,

ROGER TELSCHOW,
JOHN FORSTER,
Codirectors.

By Mr. DURKIN (for himself and Mr. HATHAWAY): S.J. Res. 68. A joint resolution designating "National Coaches' Day"; to the Committee on the Judiciary.

Mr. DURKIN. Mr. President, there are many men and women who give much of themselves to the youth of the Nation, yet who receive very little in return. I refer to the men and women who act as the coaches who are so dedicated to the development of a healthy competitive spirit for all of our children. The legislation I am introducing will provide recognition to the valuable service of these people by providing the authority to the President and requesting that he designate October 7, 1977 as National Coaches' Day with appropriate ceremonies held on that day.

Athletics have taught much to people throughout history. Although not everyone who participates in athletic competition proves to be a star, everyone seems to learn and grow from the experience. And for the most part, it has been the many coaches who have instilled values that may last a lifetime. Those persons who have experienced the thrill of organized sports are taught a certain sense of competition and cooperation that may not be gained in other ways. It is for this development of a deep sense of individual determination when combined with a strong commitment to team cooperation that we are indebted to this Nation's coaches.

Mr. President, this bill will authorize the President and urge him to designate a special day so that we may recognize the important work done by our coaches. We owe much to the men and women who made the athletic experience not only enjoyable but especially rewarding. We have learned much through athletic competition—to strive for greatness, to live up to our mental and physical capabilities, and to work and play in a spirit of cooperation. The values instilled in us by our coaches have remained with us throughout the years and care much to make us the men and women we are today. I urge all of my colleagues to support this legislation so that in a small way we can express our appreciation for the guidance and concern of this Nation's coaches.

I ask unanimous consent that a copy of my bill be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 68

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating October 7, 1977, as "National Coaches' Day," and calling upon the people of the United States and interested groups to observe such day with appropriate ceremonies and activities.

ADDITIONAL STATEMENTS

FLAWS OF S. 1262—CONSUMER PROTECTION

Mr. HANSEN. Mr. President, once again this year we have been asked to consider a proposal calling for creation of a Federal Agency for Consumer Protection. Since 1970, various versions of this bill have been considered by Congress. And with each ensuing year its supporters and opponents have multiplied, its controversy mounted, and its arguments accumulated.

It is time we realize that for all its good intentions, S. 1262 has very serious flaws. By thrusting the already heavy hand of the Federal bureaucracy into consumerism, deficiencies in the present system will only be exacerbated. Tax dollars are not an elixir for consumer problems or ills of the marketplace.

Here are some of the things the Agency for Consumer Protection would purport to do:

First. It would attempt to speak on behalf of every American consumer on every issue. Clearly, this is unrealistic. The Agency would have to be as diverse and widespread as the 220 million people in this country.

Second. It would claim impartiality and immunity from any and all outside influence. Again, this is unrealistic. A Government agency operates in the mainstream of politics, especially when located in Washington, D.C. With an administrator appointed by the President, the danger of influence is all the more present. For it to claim impartiality on issues which often draw conflicting

opinion from separate parts of the country would be a sham. The principles this agency would seek to embody are unattainable. The concept is just not feasible.

On these two points alone, the demise of S. 1262 should rest. But let us consider three more factors: cost, size and power.

President Carter says the agency would be a "small" group which would operate on a small budget. I quote the following from the Washington Star of June 4:

> The President would have everyone believe that the ACP would be a "tiny" agency with no authority beyond the "right to be heard." Well, $15 million a year is small by Washington standards . . . but if the ACP is created and follows the pattern of most governmental agencies, in a few years the infant agency will have grown to be a bureaucratic giant.

The Star editorial went on to cite the case of the Department of Health, Education, and Welfare. HEW started out less than 25 years ago with a budget of about $1.7 billion. Now it consumes about $145 billion.

We would be very misguided to think that this agency would remain small and at the same time combine the activities of several existing groups. This would, indeed, be a super-agency in the broadest sense of the word. It would be an unnecessary watchdog of the watchdogs and a meddlesome hindrance to business.

It has been widely reported that one of the great constitutional lawyers of the day, Leon Jaworski, has seriously questioned the legality of this proposal. Jaworski wrote to the House of Representatives:

> The bill would be vested with authority so broad it would easily be turned to the political advantage of those who control it. There are not checks sufficient to harness that authority.

The President has said the bill would not create another regulatory agency. Yet, it would have the power to intervene in proceedings of other agencies and if dissatisfied, could take the matter to court. A heavy hand, indeed, for a "nonregulatory" agency.

A foremost consideration of this bill should be its claim to represent the American consumer. Who is this person and why does he need the Government to speak for him? Moreover, why should we finance his fictitious character with our tax dollars?

Mr. President, I ask my colleagues to consider that this proposal reflects an outdated mindset applied to too many of our problems. The problem of consumer protection, like any problem which confronts our Nation, cannot simply be solved by adding a budget-hungry appendage to the Federal bureaucracy. People are weary of this type of proposal being offered up. It is a tired offering worn thin by a history of ineffectiveness. We must reshape our thinking and realize a problem put under a Federal cloak is not a problem solved.

I believe the answer to good consumer protection is strengthening our existing agencies. We do not need to create additional reams of paperwork or spools of redtape. We will only need to utilize the best judgment of Congress.

The biggest favor Congress could do for consumers would be to reduce Government spending and reduce the degree of unnecessary Federal intrusion in business and our private lives.

URBAN EDUCATION

Mr. EAGLETON. Mr. Presdent, I have become increasingly concerned about the quality of education in our urban schools.

My colleagues will recall the May 11 report in the Washington Post that four students at the District of Columbia Teachers College who failed the required mathematics course were to be graduated in spite of that failure. It was also brought to light that another teacher who failed her practice teacher requirement had been allowed to graduate last year.

More recently, a study by Dr. Alfred Bloch, a psychiatrist at the University of California at Los Angeles, concluded that teachers in inner-city schools are faced with threats of violence and actual violence on a daily basis. Dr. Bloch compared today's inner-city teachers to wartime combat pilots. He offers several suggestions which he believes would alleviate the problem these "battered teachers" now face.

Mr. President, I ask unanimous consent that Dr. Bloch's study, and a Newsweek summary thereof be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without obection, it is so ordered.

(See exhibit 1.)

Mr. EAGLETON. Mr. President, Congress will be turning its attention to reauthorization of the Elementary and Secondary Education Act next year. I intend to devote considerable time and energy to studying new ways in which Federal leadership and support can be provided for our inner-city schools. I believe it is clear that the funneling of money into the schools is not the sole answer. Teachers who do not possess the proper academic qualifications or who are constantly threatened with violence within the classroom cannot effectively teach children, even with the most generous funding. In my judgment, we must face these impediments to quality education.

EXHIBIT 1

COMBAT NEUROSIS IN INNER-CITY SCHOOLS

(By Alfred M. Bloch, M.D.)

BACKGROUND

The conceptual framework provided by definitive studies of military casualties by Grinker and Spiegal some 30 years ago,[1] and more recently by Glass [2] and others,[3-6] established clearly the causal relationship between continued environmental stress and strain, and symptoms of psychological and psychophysiological manifestations of traumatic war neurosis, or "combat neurosis."

A more recent form of combat neurosis has been observed by this author. Classroom teachers from inner-city schools are presenting with symptoms of ongoing psychological stress and physical assaults, resulting in temporary, and sometimes total decompensation. These are the "battered" Teachers that form the data base of this study. These people face factors of environmental stress that have been and still are escalating.

Nationwide studies show that since 1972, classroom murders have increased 18 per cent, rapes by 40 per cent, robberies by 37 per cent, and physical assaults on teachers by 77 per cent.[7] The Senate Subcommittee on Juvenile Delinquency reported that during the academic year 1975, vandalism and violence in schools continued to increase; annual destruction of school properties exceeded 600 million dollars,[8] and 70,000 classroom teachers reported serious injuries from physical assaults by students.[9] Many are never reported. For a variety of political reasons the extent, both quantitatively and qualitatively, is not widely acknowledged.

Unless powerful defense mechanisms are used, the response to danger is fear, the most potent source of arousal of the autonomic nervous system. Changes are effected in respiration blood pressure, cathecholamine secretions with increased plasma corticosteroid concentrations and urinary steroid excretions. Sustained arousal of hypothalamic action systems channeled to different target organs has been shown to culminate in certain disease, i.e., hypertension, peptic ulcer and diabetes mellitus.[9, 10, 11]

Many psychological symtoms presented by these Teachers are also analogous to those observed in combat neurosis; emotional tension (anxiety, insecurity, nightmares, excessive startle response, phobias), cognitive impairment and conversion symptoms.

Although there are many studies of various causative aspects of juvenile aggression leading the the presence of "Clockwork Orange" violence in schools, these only illustrate the concept that "The school is the battleground of society." [12] Absent, however, has been any comprehensive study of effects of violence and its subsequent psychological and psychophysiological sequelae in classroom teachers who have been its target. These people are one of the "front lines" of society. Others in the front lines include the police, but they have chosen to be in the front lines; are better physically and pschologically equipped for such duty; and possess devices for self protection and implementation of their will.

METHOD

The patients selected for this study were 253 classroom teachers (158 females and 95 males) from Los Angeles inner-city schools, victims of varying psychological stress and physical trauma. Evaluated during the period of October 1971 through June 1976, these patients were Caucasian, Negro, Mexico-American, and Oriental, and had taught in inner-city schools for periods ranging from three months to 14 years. The average age was 42, range being from 23 to 61 years of age.

They were referred to me for psychiatric evaluation, by a variety of sources, including physicians, co-workers, union representatives, and attorneys representing them in Workers' Compensation applications.

During the evaluations patterns evolved that were dramatically similar to early studies of combat neurosis, with implications for diagnosis and treatment, and, more significantly, prevention. The teachers, themselves, referred to these schools as the "combat-zone." Studies cited earlier in this report, therefore, were used as guidelines in assessing results of the psychiatric evaluation and testing of patients in this series.

Medical records were reviewed preceding each psychiatric evaluation. Evaluation was made of the patient's ego functioning, attitudes, current life situation, and the presence of any predisposing factors. Each patient routinely completed a Minnesota Multiphasic Personality Inventory (MMPI), the Bender Gestalt Perceptual Motor Test, and the Beck Inventory of Depression. Projective testing was also performed if there was an in-

Footnotes at end of article.

dication of organicity or psychosis. Testing was also used as an indicator of progress in treatment.

RESULTS

Signs and Symptoms:

1. Review of Medical Records. Because these teachers' employment contract provided medical coverage, usually with Kaiser Permanente Medical Group, a clear well documented chronological medical record was sent to me, prior to my evaluation of their symptomatology. Therefore, unlike earlier studies of combat neurosis, many (134) patients in this series had extensive medical histories representing two to ten years of psychophysiological response to continued stress. This data also allowed a more comprehensive study of symptoms developed during their teaching career due to the stress response of repeated and sustained arousal of hypothalamic action systems channeled to different organs, with resultant cardiovascular, gastrointestinal and respiratory disorders. Correlation could usually be made between significant life stress events and symptom development for which medical consulation was sought.

2. Clinical Evaluation. Twenty-eight per cent of these patients had sustained actual physical assault on campus. They presented with lacerations, bruises, head injuries, seizures, and deafness. Most physical injuries were minor, however. Those who had been attacked without provocation, or did not know their assailants seemed to experience the greatest difficulties. The majority of assaults was of just this type.

Symptoms described by Grinker and Speigal (1) of hypochondriasis, and conversion phenomena were presented by these patients as complaints of fatigue, weakness, blurred vision, tinnitus, irritability, sensitivity to weather, dizziness, malaise and a variety of depressive equivalents.

Almost all patients in this series presented some psychophysiological manifestations of long-term stress. I frequently observed during the interview, that mental "re-living" of the street events reproduced the psychophysiological responses. Other similarities were observed in predisposing personality factors, their tendency to focus on somatic symptoms, as well as impaired morale and a sense of futility.

Often a relatively minor physical injury or somatic complaint became the unconscious focus about which psychological decompensation occurred with ego syntonic secondary gain. Depending on their particular target organ, symptoms represented the entire spectrum of stress related illness. (Table 1).

3. Psychological testing generally indicated obsessional, passive, idealistic, dedicated persons who were unable to cope with or understand the violence directed toward them. They were unable to defend themselves or strike back. Unconsciously, they identified authority figures as parental figures, with inherent idealized attributes of wisdom, justice, and love and protection.

Levels of anxiety and depression were consistently high with a concomitant tendency to focus upon various somatic expressions of anxiety.

PREDISPOSING FACTORS

Factors predisposing to neurosis in military personnel were applicable to teachers in this series.[13–15] Primarily, these centered around an impaired ability to deal effectively with fear or anger. Almost 80 per cent of the teachers who succumbed to sustained stress were categorized as passive, rigid and moderately obsessional. They were moralistic with a relatively harsh super-ego. Unable to strike back when the target of violence or hostility, they internalized their fear and rage.

It is important to emphasize here, that *no* patients in this series had received *any* preparatory psychological or physical training. Without this "basic training", they were unable to facilitate optimal autonomic function during crisis or attack.[16–18]

ENVIRONMENTAL STRESS FACTORS

The continuum of campus violence directed toward these teachers included ongoing threats of murder and rape. Actual physical assault and injury occurred as did theft, arson and vandalism of their property. Threats of a brutal attack was often more psychologically disabling than the actual event. Campus violence not specifically directed at these teachers, included bombing of school buildings, theft and destruction of campus equipment, fights between students and gang members, murder and rape, and the presence of weapons on campus. Student locker searches revealed drugs, dynamite, knives, ammunition and firearms.

The presence of anonymous gang members and campus vagrants has plagued inner-city schools as a major source of violence and has caused continued anxiety to the students and faculty.

Many patients reported their classrooms were overcrowded by as much as 75 per cent. These classes often contained a large proportion of violence-prone "continuation students", many of whom had police records of juvenile delinquency and detention.

The teachers reported that when violence-prone or "acting out" students became disruptive in class, they were sent to the administrators' office. They usually returned promptly, without reprimand. If they assaulted a member of the faculty, they were suspended from school a few days, and then returned, often as heroes to their classmates.

Sixty-eight per cent reported they had been discouraged from discussing the incident with other members of the faculty, thus denied an important opportunity for decathexis.

The majority of petitions annually submitted by teachers requesting transfer to less stressful schools were denied. The added stress of no exit from what they viewed as an intolerable situation ultimately contributed to development of symptoms. Psychophysiological and psychological complaints increased until many became disabled.[19]

FACTORS OF MORALE AND LEADERSHIP BECAME ESPECIALLY CRITICAL

The Battered Teacher felt especially demoralized when in attempting to report an attack, he found the Principal to be indifferent, or worse, fault-finding with the teacher. Many were made to feel responsible for being assaulted, a pathos similar to that of the rape victim.

After sustaining a prolonged battering from an angry male Negro student wielding a chair as a weapon, a male Caucasian teacher reported the assault to his principal and was informed, "This (incident) is your fault, and reflects your inability to communicate with the minorities." The patient has not returned to teaching. The same teacher had survived an even greater physical assault a year earlier. In that instance, he had felt the immediate and complete support and nurturing from a different administrator. He had returned to his classroom the next day.

When asked to subjectively correlate the effect of this lack of administrative support to his inability to resume his teaching career, he unequivocably acknowledges that he would still be in the classroom today, if the situation had been handled better administratively. This experience of cross-fire is not unique and contributed significantly to disability and need for psychiatric treatment.

Teachers stated they were usually discouraged from reporting incidents of violence. Although legally required to do so, they received the implicit (sometimes explicit) message that it was "not in their best interest", to pursue the matter, that the administrators might consider them as "unsuccessful". Thereby, they functioned under a two-edged Damoclean sword: the threat to their job security, and the ordeal of facing continued classroom and campus violence.

CONCLUSIONS

This series of teachers presented symptoms of post traumatic or "combat neurosis" as clinically defined. The relationship between stress, physiological response and physical illness has been well documented in certain diseases; the relationship between stress and psychological depletion has been studied extensively. Although the psychiatric needs of teachers who succumb to stress still requires further definition because of the similarities cited earlier, we reviewed the results of effects of trauma and stress of survivors of war as applicable to teachers in this series.

The concensus of military studies of morbidity following periods of stress was based primarily on these factors: (1) Severity of the event, (2) Chronicity of the stimulus, (3) Unexpectedness of the event, (4) Lack of counterbalance to unpleasant stimuli, and (5) Impaired morale.

Patients in this series have shown the same correlation between incidence of their symptomatology and these factors of stress.

RECOMMENDATIONS

Careful investigation of etiological factors of patients in this series, based on guidelines from previous studies of psychiatric casualties of war, indicates that certain prophylactic measures can be taken now to diminish or avoid the psychological and psychophysiological breakdowns we have observed, and with appropriate modification, may be applicable to other areas of severe occupational stress, e.g., firemen, policemen, front-line social service personnel, etc.

PREPAREDNESS

Psychological training to prepare these people for stressful situations must take place to minimize the impact of violence by rehearsing and familiarizing the teacher with the potential events. This would develop (1) a qualified, rather than total belief in personal invulnerability, and (2) methods to cope with, and diminish the anger of violence-prone, acting out students, in part by understanding the language of the streets as well as the "Games Students Play". Skillfully handled one of these provocative "games" can result in a shared joke, improving morale. Poorly handled, the results can be catastrophic.

Morale, as in war, is a critical factor in these cases.

1. Sharing. An ongoing opportunity should be made available to allow "sharing" or "working through" as an ultimate acceptance of the events and consequences of campus situations. This would reduce psychic load and facilitate individual development, improving morale through constructive attitudes and efforts. "Rap groups" led by teachers with mental health experience could be useful in this capacity. If assault or breakdown occur, leaders with greater expertise must be used.

2. Leadership. The teaching staff, especially in schools with high profiles of violence must be able to believe in the absolute integrity and support of their leaders, the school and district administrators, as a constant. The teacher must feel the support of the school administration.

Teachers assigned to schools with high profiles of violence should be rotated to a less stressful school after a specified (two or three year) period.

Students should not be allowed to return to the same school after attacking a teacher or any staff member. Too often, after a one or two day suspension, they return as "campus heroes." They contaminate the classroom and siphon away the energy of the teachers and obstruct the learning opportunity for the majority of students.

3. System of Reporting. Classroom teachers should have an opportunity to report directly to the school Board concerning adverse school conditions, unfair administrators, overcrowding, violence, etc. This is most important, and enables the individual to sustain the hope that someone will be made aware, that some change for the better may occur—that there has been some meaning or value to their suffering. They should be encouraged rather than discouraged from reporting incidents of acute or chronic stress.

CRISIS INTERVENTION

A crisis intervention team should be assigned to each school district. Personnel will consist of two teachers with mental health training who would be supervised by a psychiatrist or a clinical psychologist. Their function would be to (1) "de-fuse" crises by implementing open forum discussions at schools with teachers and students involved in conflict, and (2) to offer immediate and subsequent psychiatric care needed to decathectirize trauma if a Teacher's stress response syndrome is not "worked through" and mastered. An autonomous teacher-oriented walk-in clinic should be available. To be effective there must be no conflict of interests in the orientation of such a setting.

ROTATION

Regular rotation to less stressful schools must be available. The "tour of duty" in violence-prone inner city schools must be limited (unless the teacher wants to remain). The combat pilot of World War II had to fly only 50 missions—no more. Many teachers apply year after year without obtaining transfer. The only way out is illness or early retirement. There must be a finite period within these schools, be it two or even five years. Given a termination date many have indicated they could hold on.

The problems described in this paper are increasing, rather than decreasing. Every effort must be made to minimize the violence or stress itself, as well as the impact of that stress on students and teachers. This study represents a step in that direction.

TABLE 1.—*Primary presenting physicial complaints*

1. Diarrhea, ulcer—Gastrointestinal Disorders (Burning, cramping; nausea, Colitis, etc.) 114.
2. Injury—Musculoskeletal Disorders (Functional overlays to backaches, etc.) 34.
3. Infections—Respiratory Disorders (Asthma, frequent bronchial etc.) 31.
4. Headaches (Migraine, tension, other) 29.
5. Hypertension, coronary artery etc.—Cardiovascular Disorders (Palpitations, disease, atherosclerosis) 19.
6. Allergies, etc.—Skin Disorders (neurodermatitis) 14.
7. Conversion, etc.—Miscellaneous (Hypochondriasis) 12.

Almost all the patients presented symptoms representing more than one system involved in the stress response. Headaches and gastrointestinal symptoms were extremely common.

FOOTNOTES

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[From Newsweek, May 30, 1977]

THE BATTERED TEACHER

Teachers in many inner-city schools face a daily battle just to keep order in their classrooms—and often they lose. By one estimate, 63,000 teachers across the nation were physically assaulted by students last year. Now, a psychiatrist at the University of California at Los Angeles reports that the damage suffered by battered teachers goes far beyond mere cuts and bruises. Dr. Alfred Bloch concludes that many of them are suffering, like soldiers in wartime, from combat fatigue.

Bloch bases his diagnosis on a five-year study of teachers in Los Angeles. His patients ranged from instructors who had been the victims of sustained verbal threats but no real violence to one woman whose hair had been set on fire by students protesting low grades. Many showed the classic symptoms of combat fatigue: depression, anxiety, hypertension. Few had received adequate support from the school system. The woman whose hair had been burned complained to the principal—and was chastised for leaving her classroom unattended. Her experiences finally led to a suicide attempt, and she has never gone back to school.

On the basis of his findings, Bloch prescribes several remedies for inner-city teachers. He thinks that school systems should provide both psychological counseling on how to combat anxiety and fear as well as physical training from experts that would prepare them to face—and even disarm—students with knives and guns. To reduce the likelihood that they will become "psychiatric casualties" once they have started teaching, Bloch suggests some new policies straight from the manuals of the U.S. Army: some form of "hazard pay" for service in particularly turbulent schools—and, at the end of every two or three years, a tour of duty in a more peaceful suburban institution for rest and relaxation.

HARD ENERGY VERSUS SOFT ENERGY

Mr. GARN. Mr. President, last October, Amory Lovins, the British Representative of Friends of the Earth, published in Foreign Affairs a critique of the energy policies being pursued by the Western world. This essay has achieved a tremendous currency, and is deserving of our attention. However, it is not without flaws, and needs to be balanced. In an attempt to provide a measure of that balance, I am taking the opportunity to insert into the CONGRESSIONAL RECORD critical essays prepared for publication later this year.

Today I would like to call the attention of the Senate to Dr. George W. Pickering's criticisms. Dr. Pickering is an associate professor of social ethics at the University of Detroit.

Dr. Pickering identifies three kinds of ethical and political questions relating to energy policy that need to be considered. These are first, the question of prudent use of scarce but existing resources; second, the question of alternative sources; and third, the question of the institutions we use to deliver energy resources. In his essay, Dr. Pickering discusses the last of these questions. In an essay I inserted in the RECORD on June 30, Dr. Margaret Maxey discussed the other two.

I would like to discuss briefly one point made by Lovins, as brought out by Dr. Pickering. That point is the interrelationship between civil and military uses of nuclear power. As it happens, that question is pertinent to today's discussion of the breeder reactor. One of the arguments used against the breeder is that it contributes to nuclear proliferation, with an increasing risk of warfare.

Lovins sees nuclear energy as essentially under the control of the military. I believe that that is a fundamental misconception of the situation, certainly in this country. Nuclear energy has always been regulated by civilian agencies, and in fact, the military uses of nuclear power have been largely developed by civilians, in civilian agencies of Government. Why was the neutron bomb, which we discussed just before the recess, considered as part of the Public Works Appropriations bill? Because it is being developed by the Energy Research and Development Agency. Nuclear warheads are not developed by the Defense Department. The Armed Services Committee holds hearings on warhead development, but when it does so, it is ERDA who comes to testify. The security clearances governing access to nuclear and nuclear/military information are controlled and issued by ERDA. There is simply no reason to consider reliance on nuclear energy as reliance on the military. If anything, the military is dependent on the civilian agencies for its technologies. Civilian and military should work together, not be enemies over energy questions.

Dr. Pickering makes a number of other points which should be considered in evaluating the Lovins thesis. I invite the attention of all Senators to his thoughtful essay, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

SOFT VERSUS HARD ENERGY PATHS

THE ROAD NOT TAKEN—AND WISELY SO: A PATH TOO SOFT TO TRAVEL

(By Dr. George W. Pickering)

By way of introduction, I should say that it is because there seems to be a foreseeable moment of reckoning over the next fifty years in the matter of the depletion of nonrenewable resources that Amory Lovins believes we stand right now at a critical juncture in our decision-making on energy. He claims that there are two mutually exclusive paths, and that we are going to have to choose between them very soon. "The first path resembles present Federal policy and is essentially an extrapolation of the recent past. It relies on rapid expansion of centralized high technologies to increase supplies of energy, especially in the form of electricity." This he calls "the hard path." "The second path combines a prompt and serious commitment to efficient use of energy, rapid development of renewable energy sources matched in scale and in energy quality to end-use needs, and special transitional fossil-fuel technologies." This he calls "the soft path."

For Lovins, these two paths represent not only mutually exclusive uses of our nonrenewable resources; they also represent mutually exclusive and irreversible directions for the development of our culture and institutions.

It cannot be denied that we live in a time of relatively low confidence in our institutions, and that the desire for alternative futures is altogether genuine. If only that were the whole truth, our problems would still be multiple and profound When confidence declines, however, fear abounds and scare tactics take the place of reasonable arguments. There is no magic solution to this downward spiral in public understanding. Our best defense is the patient re-working of reasonable arguments to expose the scare tactics for what they are, to disentangle the fears from the ongoing issues and thus, perhaps, by generating a genuine sense of alternatives, to reconstruct confidence, if not in our institutions, at least in our human capacities.

It is not my intention to put the burden of this downward spiral strictly on Lovins. Similar problems appear on "the other side" of the energy issue. It is not uncommon among the defenders of the status quo to threaten us with a new Dark Age if the engines of the modern corporation are not given complete possession of our future, their every wish our command, their every appetite satisfied just as they, in their bureaucratic wisdom, perceive their needs. Lovins' argument deserves our critical attention because he does pose, however backhandedly, the problems of social change which are necessarily entailed in any serious discussion of the future—whether it be the future of our energy needs or the future of democratic institutions.

I think that it may aid the following discussion if the ethical and political dimensions can be identified and "recognized" for what they are when they appear in what otherwise may seem to be technological choices. As far as I can see, there are three kinds of ethical and political questions to be made in the question of "energy policies" for the present and the future:

(1) There is the question of the prudent use of existing but scarce energy sources.

(2) There is the question of the alternative energy sources, including possibly renewable ones, and the general effort to eliminate physical scarcity caused by approaching resource exhaustion.

(3) There is the question of the institutional matrix required for the generation and distribution of energy, how this institutional matrix relates to the rest of the community and, ultimately, the question of what kind of community or communities we actually hope to live in. For those of a more up-beat mind, it is a question of the technological possibilities for alternative visions of community.

These dimensions shall be taken up in reverse order, that is, institutions first. I will address myself to those considerations. Margaret Maxey will take up the questions of alternative energy systems and prudence in the use of existing resources.

SOFT PATH: A LEVER FOR SOCIAL CHANGE

In his world of two mutually exclusive choices, Lovins holds the "hard path" constant, while attributing to the "soft path" all the possibilities of what he considers desirable social change. Indeed, he tells us that the distinction between his two paths "rests not on how much energy is used, but on the technical and sociopolitical *structure* of the energy system. . . ." And what makes these two paths mutually exclusive is, he tells us, their "logistical competition and cultural incompatibility." As I read the essay, cultural incompatibility is the more basic factor. For it would appear that the "soft path" is put forth not only as a policy to define and meet our needs for energy, but also—and maybe even primarily—to use energy policy as a lever for social change.

I do not complain about this. Simple common sense says that energy policy, or the lack of one, is going to be an important determinant of social change in coming years, just as it has been for the past century or more. Insofar as possible, therefore, any energy policy should be called to account for its social and political presuppositions as well as for its foreseeable social and political consequences.

Lovins seems to assume that by making the "right" technological choices we can solve certain longstanding social and political problems. Lovins appears to be looking for a technology which will free the people from domination by corporate interests, bureaucratic barriers to participation, and the expropriation of their own judgment by oligarchic experts. His assumption, therefore, is that genuine powers need to be restored to local communities—something like neighborhoods—if we are going to have anything like a democratic future; and to be really meaningful powers, they must be such as to render technology familiar, intelligible and controllable at the local level. This, it seems to me, is the underlying cultural drive in Lovins' argument for the soft path.

Over the years, many have looked to a pluralistic localism as the solution to the existential problems of a corporately organized world, and have held that the vitality of democratic values requires the revitalization of local institutions.

Over the past century we have seen a number of interesting and socially innovative attempts to act on this perception of the democratic prospect—from Jane Addams and the settlement house movement, to Saul Alinsky and the community organization movement, to Milton Kotler and the community corporation movement. Perhaps now we should add Amory Lovins and the community energy movement. In candor, however, we have to say that the experience of these other movements does not augur well for the actual prospects for Lovins' vision.

As I view the history of these other movements, the problem is not that they have achieved nothing. It is that they have not achieved their larger aims. In the end, they have been supplemental to the social order, not levers for changing any of its basic arrangements. That seems to be the fate of localistic orientations under our social conditions.

It would appear, therefore, that the prospect for democratic values and democratic institutions lies in our ability to work out reasonable forms of governance for large scale corporate enterprises by creating new channels for both popular and professional participation in public policy formation, not in the attempt to restore long lost "local autonomy."

Yet Lovins argues that his soft technologies are "ideally suited for rural villages and urban poor alike." And he thinks that they "do not carry with them inappropriate cultural patterns or values . . .; they can often be made locally from local materials and do not require a technical elite to maintain them; they resist technological dependence and commercial monopoly." Nonsense. Any technology wears out, and if the soft technologies are as commercially viable as Lovins maintains, they will attract investment and become absorbed in the web of commercial corporations competing in the manufacture, distribution, marketing and servicing of them. They will remain "local" only to the degree that they are not generally marketable and, therefore, remain marginal to the supply of energy.

What is more, Lovins does not seem to be aware that "localism" is itself a cultural value whose appropriateness needs to be assessed. He seems to think that this orientation is by nature less coercive, more participatory and, somehow or other, more equitable. And that seems to be why he is opposed to nuclear power.

There may be, however, another, although related, reason for Lovins' opposition to nuclear energy, and I would like to divert from my main line of argument for a moment to consider it. Lovins would have us "consider the impact of three prompt, clear U.S. statements": (1) to phase out our own nuclear power program and our support of others; (2) to commit our resources to soft technology at home and abroad; and (3) to treat non-proliferation and nuclear power as "interrelated parts of the same problem." Such a policy, he believes, "would be politically irresistible" even though "nobody can be certain that such a package . . . would work."

What interests me here is Lovins' assumption that there is no meaningful distinction between civilian and military technology in the nuclear field. He considers this "the hypocrisy that has stalled arms control." I think he sees any increasing dependence on nuclear energy as an increasing dependence on the military. He says, for instance, ". . . by no longer artificially divorcing civilian from military nuclear technology, we would recognize officially the real driving forces behind proliferation." Apparently, Lovins believes that the United States is developing nuclear energy at home and exporting the idea and technology for military purposes. I find the logic odd. If nuclear energy were basically a military matter, it is difficult to conceive of any strategic advantage to be gained by spreading it around, its diffusion would seem to neutralize any advantage while increasing exponentially the military risk. This is a matter on which I need more light, and perhaps Mr. Lovins does too.

Nuclear power has made its appearance in human history, and while we certainly want to govern its development and uses, it seems unlikely that we either can or should look forward to its disappearance. To become more and more aware of its demonic possibilities is one thing which any prudent policy should

accomplish; to foster a belief in secular exorcism seems like a retreat from reality, a flight into otherworldly fantasy.

LOCALISM AND ECONOMIC GROWTH

The grievances and abuses to which bureaucracy and red tape are subject are all too well known, but they do not seem to vary simply with the scale of the enterprise, not even with its ideology. In our current organizational environment, local, small-scale institutions are as likely as multinational corporations to adopt the impersonal bureaucratic style.

It is true, I believe, that we need to experiment with alternative models of administrative order; but simply localizing powers has greater potential for leading in the opposite direction. The creation of another level of localized institutions could simply provide an additional screen behind which really decisive powers continue to operate, hidden from public view. No matter how local operations may be or become, they still have to participate in a wide web of organizational interconnections. Domesticating the alien and the remote is an important institutional problem; but neighborhood organizatons are not likely to solve it.

I do not wish to belabor this critique of localism, but it does seem to be the center of gravity in Lovins' energy policy, and it is a continuing theme among some advocates of democratic social change in America. Furthermore, it seems to be the point at which our powers of constructive engagement are enjoined right now: can we give concrete meaning to the concept of democratic social change under conditions of truly large-scale corporate enterprises? I do not wish to join Lovins in saying "No" to that question.

Yet, socially at least, that seems to be his trump card against nuclear power. It is alien, remote, subject to large-scale malfunctions in which "one may have to choose between turning off a country and persisting in potentially unsafe operations," running the risk of a garrison state to protect the technology and to guard the wastes, depending on an "elitist technocracy," leading ultimately to "social engineering," etc. "For all these reasons," Lovins maintains, "if nuclear power were clean, safe, economic, assured of ample fuel, and socialy benign per se, it would still be unattractive because of the political implications of the kind of energy economy it would lock us into."

Lovins seems to believe that if we will just make the right technological choices, we can deliver our grandchildren, if not ourselves, into a fraternal future in which local, face-to-face relations are structurally supported, coercion is minimal and, apparently, distributional questions will not loom large. "Where we used to accept unquestioningly," he says, "the facile (and often self-serving) argument that traditional economic growth and distributional equity are unseparable, new moral and humane stirrings now are nudging us." I cannot find a single sentence of Lovins' argument to support this claim.

I can neither see nor foresee any acceptable path into any future at all which does not face the distributional problem squarely and give an account of tis probable distributional consequences. Neither can I subscribe to any path which does not at least face the problem of growth. It may be "facile"; I do not see how it is "self-serving"; but I continue to think that the prospects for growth and the problems of equitable distribution are inherently related. The discussion of this relationship, however, has become enormously tangled. In the main, it seems that there are three basic or general problems with growth which should be distinguished from each other:

(1) There are serious problems in the present and for the future if we try to prolong indefinitely the patterns of economic development and growth which have been characteristic of the last century. If this is what Lovins has in mind with his phrase, "traditional economic growth," then there is something to his assertion. It is this pattern which endangers the very biosphere, if continued, and which has brought the distributional question so much to the fore.

(2) One of the critiques of this "traditional economic growth" is that it is wasteful and costly in every sense of the word—humanly, financially, environmentally, institutionally; and its stubborn continuation promises to increase all these costs exponentially in the foreseeable future. The search is therefore underway for ways and means of "doing more with less." Lovins devotes an entire section of his paper to ideas in the range and concludes that we could double the uses of existing energy levels through various "technical fixes." All ideas in this range should be welcomed and tested to see if their promise can be fulfilled; but it should be remembered that this is a strategy for economic growth, not an alternative to it. The emphasis is on doing more with less, not on doing less. Conservation can be a strategy of growth.

(3) Finally, there is the fact that there are more of us every day. Unless we can sustain economic growth at least of the same magnitude as population growth, then, de facto, we are falling into a distributional deficit. That is the inherent relationship between economic growth and distributional equity. It is true that economic growth does not automatically translate into materially equitable relations; but that does not negate the fact that growth is the economic condition for egalitarian politics.

There are genuine political problems on this globe. Natural, organizational and cultural resources are not evenly distributed; and no one policy is going to make all those rough places plain. If we are constrained, either by nature or by our own imaginations, to a policy of no economic growth, it will make all those rough places rougher.

The retreat into communities of people just like ourselves is hardly the path into higher levels of social responsibility and wider embodiments of political justice. There is a world out there with hundreds of millions of people in it whose very subsistence depends on our collective ability to sustain at least moderate levels of economic growth and on our ability to govern our institutions and to control their behavior both at home and abroad.

Neither growth nor distribution, it seems, can be delegated to laissez-faire localism. Lovins is concerned that any system which "pits central authority against local autonomy" is bound to be coercive. I am concerned that any system which does not pit central authorities against local "autonomies"—including corporate autonomies—will force us to relinquish any meaningful pursuit of distribution justice. As matters stand now, it is privilege and deprivation which are aggregated in self-proclaimed local autonomies.

Difficult as it may be to achieve, the maintenance and the strengthening of centralized authorities capable of wielding legitimate coercive power is the necessary condition for the people as a whole to be able to protect the environment, to cope with their domination by corporate powers, and to be able to expand their opportunities in the face of localized bastions of privilege. I doubt very much that the democratic prospect, either at home or abroad, will be enhanced by institutionalizing more privilege at the local level. And that, I believe, is what Lovins' proposal would inevitably come to, even though it is not his intention.

The interpersonal values of friendliness and neighborliness are important to us all, and they need to be safeguarded; but they are not sufficient criteria for general social policies, and their value can only be strained to the point of absurdity in trying to make them so.

PROPOSED ARMS SALES

Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification from the Department of Defense of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD the two notifications I have just received.

There being no objection, the notifications were ordered to be printed in the RECORD, as follows:

TRANSMITTAL NO. 77–42, NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Republic of Korea.

(ii) Total Estimated Value:	*Million*
Major Defense Equipment [1]	$52.7
Other	23.5
Total	76.2

[1] As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Six (6) C–130H cargo aircraft, associated support equipment, spare parts and training.

(iv) Military Department: Air Force.

(v) Sales Commission, Fee, etc. Paid, Offerred or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: July 6, 1977.

TRANSMITTAL NO. 77–46, NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Iran.

(ii) Total Estimated Value:	*Million*
Major Defense Equipment [1]	$718.7
Other	510.2
Total	1,228.9

[1] As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Seven (7) E–3 aircraft, Airborne Warning and Control System (AWACS), support equipment, spare parts, spare engines, contractor maintenance support, site survey, training equipment and training.

(iv) Military Department: Air Force.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: July 7, 1977.

THE GENOCIDE CONVENTION COMPLEMENTS THE IDEAL OF JEFFERSONIAN DEMOCRACY

Mr. PROXMIRE. Mr. President, one of the arguments used to delay Senate ratification of the Genocide Convention is that it represents a further invasion of the rights of the States by transferring to the Federal Government, and even to an international forum, the jurisdiction States have over certain criminal offenses. It is said that ratification of this convention could remove the crime of murder from the State jurisdiction.

Mr. President, aside from the fact that it is highly unlikely that the United States would ever be charged with such a crime, the argument just does not make sense. The Genocide Convention is aimed at protecting through international law the lives of citizens of all nations, particularly those living in countries that do not enjoy a high degree of security and stability.

It is strange that those who stand up for States' rights and for a laissez-faire doctrine of Government do not seem to realize that the basis of both of these doctrines is the protection of the individual in his constitutional rights. The ideal of Jeffersonian democracy is that each citizen should live a life of peace with his neighbors, be free from violations of his rights by his neighbors, but more particularly be free from violations of his rights by the Government.

Instead of fighting against ratification of the Genocide Convention, individuals concerned with the rights of States should be fighting for ratification. The protection of every man's rights from all would-be violators is the basis of the convention as well as the doctrines of States' rights and laissez-faire government.

Jefferson, perhaps more than any other man, can be called the "Prophet of the American Dream." But, surely, Mr. President, that American dream, founded as it is on the belief in the natural and inalienable rights of all men, belongs to all men. It is their dream too, and we should not let the boundaries of the United States be the boundaries of personal freedom.

Mr. President, ratification of the Genocide Convention represents no diminution of the sovereignty of the States or of the Federal Government. What ratification would mean is that America is willing to share its dream with others and work for the fulfillment of that dream with others.

THE GREAT NUCLEAR FUSION RACE

Mr. CASE. Mr. President, for most of us who are not scientists, the concept of fusion energy is difficult to grasp.

Since fusion may well be our most important source of energy in the future, I believe it is important that there be the greatest possible understanding of this promising energy source.

In its June 6 edition, Time magazine carried an article that I believe explains fusion in terms that can be understood by those of us who are not scientists and I commend the article to the attention of my colleagues in the Senate.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE GREAT NUCLEAR FUSION RACE

Energy in limitless supply from a universally available fuel. Energy created by a process that is relatively harmless to the environment that leaves behind no byproduct that can be converted into dangerous weapons. To a world facing the long, frigid night of fuel shortages, it seems like a glorious dream. That dream may be somewhat closer to reality than most people realize. In laboratories in the U.S., the Soviet Union, Western Europe and Japan, scientists are involved in a spirited competition to become the first to achieve one of the most important—and difficult—goals ever sought by man: the harnessing of nuclear fusion. If that goal is reached, the world may never again be faced with an energy crisis.

INVISIBLE SPRINGS

Compared with the difficulties of controlling fusion, producing energy from nuclear fission is relatively simple. In fission—which occurs in A-bomb explosions and powers today's nuclear plants—a speeding neutron is used to split the atomic nucleus of a heavy element like uranium into the nuclei of one or more lighter elements. In the process, more neutrons are given off. But the mass of the resulting nuclei and neutrons is somewhat less than the mass of the original nucleus; the missing matter—as predicted by the famed Einstein equation $E=mc^2$—has been converted into energy. Basically, all that is required for fission is the bringing together of enough uranium or plutonium in the right proportions.

In nuclear fusion—the process that feeds the fires of the sun and gives the H-bomb its awesome power—atomic nuclei of light elements like hydrogen collide and merge. The resulting nuclear particles contain less mass than the sum of the original nuclei; again, matter has been converted into energy. But while atomic nuclei easily split, they do not easily fuse; they have positive electric charges and thus repel each other, acting as if they had invisible springs between them. Getting them to join requires that they approach each other with enough energy to overcome their natural repulsion and smash together. Thus causing large numbers of nuclei to fuse and provide substantial energy requires three conditions: 1) very high temperatures (which impart great velocity to the nuclei), 2) high density (the nuclei crowded together to increase the probability of head-on collisions), and 3) confinement of the high-speed, densely packed nuclei for a long enough time to enable the fusion reaction to occur and to sustain itself.

These conditions exist, more or less, in the sun and other stars, where the tremendous gravitational forces of the giant bodies, combined with their huge amounts of hydrogen, produce self-sustaining fusion reactions. But producing controlled fusion on earth is a far more difficult task—and to do it practically and economically may well be the most complicated technological venture ever attempted. Says Physicist Gerald Yonas of New Mexico's Sandia Laboratories, a federally supported atomic research facility: "It's the most exciting area today in science. Fusion power is a mountain we have to climb."

One of the first steps on that ascent was the realization that the conditions of temperature and density necessary for the sustained fusion of ordinary hydrogen nuclei were far beyond the present capabilities of science. But experiments showed that it was easier to fuse two isotopes, or different forms, of hydrogen: deuterium and tritium. Reason: the nuclei of these isotopes have larger cross sections than those of ordinary hydrogen nuclei. Thus the probability of direct collisions between them is increased and that in turn means that less extreme conditions are required to make them fuse. The easiest fusion to attain, scientists determined, was between a deuterium and a tritium nucleus; they combine to form a helium nucleus and release energy in the form of a high-velocity neutron. Both isotopes are easily obtained. Each gallon of sea water contains one-eighth gram (.004 oz.) of deuterium, which can be converted into the energy equivalent of more than 1,100 liters (300 gal.) of gasoline. Tritium does not exist freely in nature but can be produced by bombarding lithium (which can be extracted in large quantities from rocks or sea water) with neutrons.

TINY BOMBS

Still, to join enough deuterium and tritium nuclei to sustain a fusion reaction requires heroic efforts. Deuterium-tritium gas mixtures must be heated to as much as 100 million degrees Celsius and be maintained at that temperature for about one second at a density of about 10^{14} (100 trillion) particles per cubic centimeter. Scientists have taken two different routes in their efforts to achieve these critical conditions. One is to use a "magnetic bottle"—an enclosing magnetic field—to contain the hydrogen fuel. The other is to use lasers or electron beams to make miniature hydrogen "bombs" out of tiny pellets of the fuel.

The magnetic technique takes advantage of a phenomenon that occurs when a deuterium-tritium mixture, or any other gas, is heated to an extremely high temperature: the atoms of gas are stripped of their electrons. The gas thus becomes a "plasma"—a mixture of negatively charged electrons and positively charged nuclei, or ions. Because these charged particles will not generally cross magnetic lines of force, they can be confined by a powerful magnetic field. The magnetic bottle is the only known practical container in which fusion can be sustained for any significant amount of time. If a plasma were to come in contact with the walls of a reactor, it would pick up impurities, lose energy and suffer a temperature drop that would immediately halt any fusion reaction.

ECTOPLASMIC BAGEL

The magnetic containment devices most widely used in fusion experiments are called "tokamaks." Invented by Soviet scientists in the early 1960s, tokamaks are toruses, or doughnut-shaped chambers, surrounded by huge electromagnets. Gas is fed into the chamber and heated until it becomes a plasma. Powerful fields produced by the magnets hold the plasma and keep it from touching the chamber walls. The temperature of the plasma is raised closer to fusion temperatures by passing electric currents and shooting beams of high-energy atoms through it. With these techniques, tokamaks have come the closest of any magnetic device to the magic combination of confinement time, temperature and plasma density necessary to sustain fusion. At the Princeton University Plasma Physics Laboratory, scientists regularly heat the plasma in the Princeton Large Torus until it glows like an electoplasmic bagel and have just achieved a density of 10^{14} particles per cubic centimeter, a confinement time of .10 second and a temperature of 35 million degrees Celsius.

A record plasma temperature—130 million degrees Celsius—has been attained at the University of California's Lawrence Livermore Laboratory with another variety of magnetic machine: the 2XII–B, which consists of an open-ended tube surrounded by magnets. Extra-powerful magnetic fields at the ends of the tube act as "mirrors," reflect-

ing particles toward the center of the device and reducing leakage. But none of these or other exotic magnetic devices have yet simultaneously produced all three conditions necessary for controlled fusion.

Many scientists concede that this honor could well be won by the giant Tokamak Fusion Test Reactor (TFTR) now under construction at Princeton. The TFTR is scheduled to begin operation in 1981 and is expected to prove the scientific feasibility of fusion.

Other groups of scientists are placing their bets on a different technique: "inertial confinement." This process involves the high-power laser or electron-beam bombardment of tiny pellets crammed with deuterium and tritium. The sudden application of the energetic beams causes instant vaporization, or boiling away, of the outer surface of the sphere. As the pellet coating flies outward, it pushes back against the deuterium and tritium, compressing and heating the mixture. If the impinging beams are energetic enough, the effect will be so great that the nuclei will fuse, releasing energy like a miniature H-bomb. Among others, researchers at Los Alamos (N. Mex.) Scientific Laboratory and the Lawrence Livermore lab have achieved fusion in laser experiments with the pellets. More impressive reactions may occur in late 1977, when scientists at Lawrence Livermore complete work on the $25 million Shiva, the world's largest and most powerful laser. On the other hand, experts at Sandia Laboratories in Albuquerque are pinning their hopes for achieving fusion on the descendants of an already operating machine called Proto, which fires a beam of electrons at the pellet, zapping it with a jolt equal to 8 trillion watts.

If progress continues at the present rate, the Energy Research and Development Administration—which supplies most of the half-billion dollars now being spent annually for U.S. fusion research—predicts that by the late '70s or early '80s researchers in the U.S., U.S.S.R. and Japan could achieve "break even," or the point at which a machine produces as much power as it uses. Then researchers can concentrate on attaining ignition conditions: the time-temperature-density combinations at which the fusion reaction sustains itself. "By 1985," dreams Ronald Parker of M.I.T.'s Alcator fusion program, "we will have the first ignition device. Then we will turn off all the power except the magnets, and the gas in there will be burning just like our own little sun." After that, researchers would have to achieve the point at which a fusion reactor produces more power than it uses and then build a demonstration plant that will actually convert the enormous heat produced by fusion into electrical energy. ERDA believes that the first such facility could be ready by the mid-1990s and that fusion plants could begin supplying energy to the U.S. early in the next century.

WORTHY GOAL

Many obstacles remain before that day arrives. Some experts feel that even after break-even, the engineering of practical power plants will be difficult and their construction expensive. Admits Lawrence Livermore Physicist John Emmett: "No one is saying it will be cheap." Still, given the seriousness of the energy crisis, that is no reason to sidetrack fusion research in favor of programs promising quicker pay-offs. "Short-range solutions last a short time," warns Princeton Physicist Melvin Gottlieb. "Long-term solutions take decades to achieve."

The goal of fusion seems worth the work, for, as the world depletes the last of its fossil fuel, the promise of an inexhaustible supply of energy seems cheap at any price. There is enough deuterium in the oceans to supply energy—even if present demand increases a hundredfold—for 10 billion years.

THE B–1 DECISION: A WISE MOVE

Mr. CHURCH. Mr. President, when President Carter announced recently that he would reject production and deployment of the B–1 bomber, I applauded that move. That decision will enable us to avoid squandering as much as $100 million on a 20th century version of the Spanish armada.

While the reaction to the President's decision within the Idaho congressional delegation was mixed, I was especially happy to note that the Idaho Statesman, the largest daily newspaper in Idaho, editorialized in favor of the President's decision.

Said the Statesman in its editorial on July 5:

We believe Carter, in rejecting the B–1 for now, has well balanced the realities of the political situation with the economic and defensive well-being of our nation.

Mr. President, I ask unanimous consent that the Statesman's editorial from July 5, together with a story in the Statesman on July 1 concerning the reaction of the Idaho congressional delegation to the President's decision be printed in the RECORD.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

WISE MOVE ON B–1

President Carter made a wise, albeit difficult, decision when he rejected production of the B1 bomber. The plane simply is not an effective way to invest our defense resources.

The B1 would cost in excess of $100 million per plane. Perhaps we can better understand the magnitude of the resource commitment the plane requires in terms of homes. At $40,000 per home, one B1 would take the resources necessary to build 2,500 homes. To construct a fleet of 244 bombers would cost as much as construction of 610,000 homes, with most of the money going to aid the economy of two or three states.

Compare these costs with $750,000 for a cruise missile and $700,000 to adapt each B52 to carry the cruise.

As Defense Secretary Harold Brown said, the B1 would have been a more attractive alternative if it had cost about 30 percent less. Brown said both he and Carter found the cruise missile a better choice because it can give us essentially the same defense capability at a far lesser price.

The primary quality sought in the B1 was the ability to penetrate Soviet defenses. Brown said he was convinced the B1 could accomplish this, but was "even more convinced we can penetrate Soviet defenses with the cruise."

"Both the B1 and the cruise missile offer high assurance of survivability and penetration," Brown said, "but the President and I are convinced that the cruise missile will provide more certainty for our defense."

Carter is wise, too, in continuing our research funds on the B1, allowing us to keep our powder dry in case the B1 should be needed in the future.

Predicting the future defense needs of our country is tough because the military requirements depend upon what happens down the pike a piece in the volatile political arena. The optimum is to commit just enough, but not too much, of our economic resources to cover any eventuality.

We believe Carter, in rejecting the B1 for now, has well balanced the realities of the political situation with the economic and defensive well-being of our nation.

The way in which Carter reached his decision also speaks well of this President. He appears to have approached the question in as unbiased a manner as possible, asking questions all over the map, encouraging everyone to speak out forthrightly, not seeking information to bolster a decision already made.

As a result, those with whom he sought counsel were able to take away varied impressions about Carter's position on the plane. Many were wrong, not because Carter moved back and forth on the issue, but because Carter made up his mind as we would want him too—after much thought and careful consideration of all sides to the question. Some have disagreed with the decision, but few can fault the way at which it was arrived.

CHURCH CHEERS, GOP JEERS DECISION AGAINST B1 BOMBER

(By Steve Ahrens)

President Carter's decision against production of the B1 bomber is a serious military and political mistake, the three Republican members of Idaho's congressional delegation said Thursday.

However, the fourth member, Democratic Sen. Frank Church, praised the President's position.

"Three cheers for the President!" Church said. "We can now avoid squandering $100 billion for a 20th century version of the Spanish Armada."

A Church staff member said that brief comment expressed the senator's reaction and he had no further statement to make.

But Sen. James McClure and Rep. George Hansen said the decision leaves the U.S. dependent on obsolete planes, while Rep. Steve Symms said Carter is putting too much faith in Russian goodwill.

"Carter thinks the Russians are going to treat him differently than they treat other people, and in believing that he is refusing to look at the course of history," Symms said.

"Anyone who thinks the Soviet Union is abiding by the arms limitation agreements is kidding himself. If the Russians are truly interested in world peace, why are they building Backfire bombers, missiles, tanks and heavy megaton warheads as fast as they can?" Symms asked.

He said Carter's "absolutely incredible" decision gave the Russians exactly what they wanted.

"This decision was based on the politics of today, instead of the strong statesmanship of tomorrow which the American people deserve," Symms said.

McClure said scrapping the B1 would leave the U.S. "without a strong manned-bomber deterrent in our overall defense capability. The old B52s which we now use are older than some of the crews that fly them."

He noted many people say the B52s still are structurally sound, can fly and are serving the purpose.

"A well-maintained Model T is structurally sound, is able to be driven, and will provide transportation, but how many of us will drive them?" McClure asked.

He said Carter's B1 decision is "a grave mistake in judgment. There is little question that the Soviet Union has been continuously building its strategic and conventional weapons systems to the point that the Russians' capability to wage war is ahead of ours.

"What is our bargaining position in world affairs if we allow ourselves to slip further and further behind the Russians in military strength?" McClure asked.

Hansen also noted the B52 was a "product of the 1950s. Few people would rely for their basic needs on a 20-year-old automobile, or even peanut-processing machines. Can it then be reasonable to expect American airmen to risk their lives in a war machine ancient by today's standards and hope for any reasonable success in preserving the security of the nation?"

Hansen said Carter's B1 rejection "is a direct slap" at the will of Congress and the desires of the majority of Americans.

Carter may be giving up more than the B1 bomber, Symms' administrative aide, Bob Smith, said in Boise Thursday. He said the cruise missile, one of the country's most potent weapons and deterrents to aggression, was to have been delivered into striking range by the B1.

"We understand the U.S. SALT negotiating team has made as one of its proposals a severe limitation of the range of the cruise missile," Smith said. "For a 'standoff' cruise missile to be effective, it must be launched from some kind of platform that isn't going to be shot down, and must have a range of 3,000 miles. Otherwise, the platform itself is subject to Russian air defense."

PUBLIC OPPOSITION TO MILITARY UNIONS

Mr. THURMOND. Mr. President, in the July 7, 1977, edition of the Los Angeles Times there appeared an article entitled "Few Favor Unionized U.S. Military Force, Poll Finds."

This article indicates that the great majority of the American people do not want to see our Armed Forces unionized. Opposition was nearly as great among members of labor union families as in nonunion families.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times, July 7, 1977]

FEW FAVOR UNIONIZED U.S. MILITARY FORCE, POLL FINDS

PRINCETON, N.J.—About three-quarters of the American people oppose efforts to unionize the U.S. armed forces, a Gallup Poll survey indicates.

In interviews conducted in more than 300 localities nationwide June 3 to 6, a question concerning attitudes toward unionization of the military was asked of 1,526 adults. Seventy-four percent opposed the idea; 13% favored it, and 13% had no opinion.

Those who support organizing the military say that servicemen and women have legitimate problems such as working conditions and pay. They also cite recent threats to such traditional military perquisites as commissary privileges and retirement after 20 years of service.

Critics of unionization argue that there would be a loss of discipline and of the readiness to fight if the services were organized by a union. They also say the costs would increase.

Reflecting such concerns, there are two bills before the Senate Armed Services Committee that would bar unionization of the military.

In the Gallup survey, opposition to organizing the armed forces was found to be nearly as great among members of labor union families as in nonunion families. Both groups voted against the idea—by 71% to 16% and by 74% to 13% respectively.

The question:

Would you favor or oppose unionization of the American armed forces?

The results, in detail:

[In percent]

	Favor	Oppose	No opinion
Nationwide	13	74	13
Men	14	79	7
Women	13	69	18
Whites	12	77	11
Nonwhites	24	50	26
College	10	84	6
High school	14	73	13
Grade school	19	57	24
Under 30 years	24	64	12

[In percent]

	Favor	Oppose	No opinion
30–49 years	8	81	11
50 and older	10	75	15
Republicans	8	81	11
Democrats	17	69	14
Independents	11	80	9
Profesional and business	10	82	8
Clerical and sales	20	58	22
Manual workers	16	72	11
Nonlabor force	11	72	17
Union families	16	71	12
Nonunion families	13	74	13

PROPOSED ARMS SALES

Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, from the Department of Defense the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the Chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD at this point the notifications I have just received. A portion of the notification, which is classified information, has been deleted for publication, but is available to Senators in the office of the Foreign Relations Committee, Room S–116 in the Capitol.

There being no objection, the notifications were ordered to be printed in the RECORD, as follows:

DEFENSE SECURITY ASSISTANCE AGENCY AND DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE), OASD/SA,

Washington, D.C., July 1, 1977.

In reply refer to: I–13206/76ct

Hon. JOHN J. SPARKMAN,

Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding under separate cover, Transmittal No. 77–45, concerning the Department of the Army's proposed Letter of Offer to the Republic of China for major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost in excess of $7 million.

Sincerely,

ERICH F. VON MARBOD,
Acting Director,
Defense Security Assistance Agency.

TRANSMITTAL NO. 77–45

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective Purchaser: Republic of China.

(ii) Total Estimated Value [Deleted].

(iii) Description of Articles or Services Offered: [Deleted]. Improved Hawk missiles and containers.

(iv) Military Department: Army.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: July 1, 1977.

CURRENT U.S. POPULATION

Mr. PACKWOOD. Mr. President, I wish to report that, according to U.S. Census Bureau approximations, the total population of the United States as of July 1, 1977, is 217,243,478. In spite of widely publicized reductions in our fertility levels, this represents an increase of 1,587,745 people since July 1 of last year. It also represents an increase of 185,728 people since June 1, 1977, that is, in just the last month.

Over the year, therefore, we have added enough additional people to fill the combined cities of Seattle, Wash., Columbus, Ohio, Salt Lake City, Utah, and Miami, Fla. And in just one short month our population has grown enough to more than fill the city of Providence, R.I.

SO LONG TO SEOUL

Mr. CHURCH. Mr. President, the current debate over the President's decision to gradually withdraw U.S. ground troops from South Korea has prompted any number of allegations that such a policy will somehow lead to new war.

Such arguments fly in the face of the situation in Korea: South Korea has twice the population of North Korea, an army larger by 100,000 men; a solid industrial base, and a much more prosperous economy.

Citing these factors, the Idaho Statesman in Boise ran an editorial on June 25, pointing out that "The North Koreans would be foolish to wage such a war, for if they did, it is unlikely they would win."

The Statesman goes further:

". . . the dangers to the United States of remaining in South Korea are great. Should a conflict develop, we would be automatically involved because our ground troops are stationed close to the armistice line of 1953. There would be little time for the U.S. to decide whether to enter the conflict; little time, perhaps hours, for the President to consult with Congress and gauge the feeling of the American people for getting involved in another ground war in Asia."

This, Mr. President, is commonsense.

I commend the editorial to my colleagues, Mr. President, and ask unani-

mous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SO LONG TO SEOUL

Pressure is mounting against President Carter's decision to gradually withdraw U.S. ground troops from South Korea. We first had the Singlaub episode, then the Senate voted against the withdrawal, and now a former chief of the South Korean Central Intelligence Agency has joined the chorus in warning that withdrawal will mean another war. The implication is that the troops, therefore, should not be withdrawn.

We disagree with Singlaub, et al., for several reasons. First, it is not at all certain that our withdrawal will lead to another war. The North Koreans would be foolish to wage such a war, for if they did it is unlikely they would win. South Korea has twice the population of North Korea, a very solid industrial base and an economy estimated to be four times as prosperous.

South Korea's army also is larger, by about 100,000 men, than the North Korean army. And if any one doubts the fighting ability of the South Koreans, talk with a Vietnam veteran who fought alongside them. The South Koreans were the most ferocious, the most gung-ho troops in South Vietnam. They were feared by everyone, including the Americans.

The only capacity in which South Korea would be at a disadvantage is in combat aircraft and tanks, and Carter has no intention of withdrawing U.S. air power, which also can be buttressed by other U.S. air units in the Pacific.

On the other hand, the dangers to the United States of remaining in South Korea are great. Should a conflict develop, we would be automatically involved because our ground troops are stationed close to the armistice line of 1953. There would be little time for the U.S. to decide whether to enter the conflict; little time, perhaps hours, for the President to consult with Congress and gauge the feeling of the American people for getting involved in another ground war in Asia.

If we learned any lesson from Vietnam, it should be that we want to weigh our actions carefully before we decide upon such a course. No longer do we want our hand to be forced by the Korean equivalent of a Tonkin Gulf incident. If the nation decided it wished to enter the war on the side of South Korea—a very unlikely proposition given the corruption of the Park Chung Hee government—there would be time to do so despite the withdrawal.

The withdrawal makes sense. The world has changed since our first commitment to Korea, a commitment itself based on questionable assumptions about a monolithic Communist regime in Moscow directing puppet governments abroad in a drive for world domination. Communism, we now find, comes in all flavors. To us, they all may taste bad, but they at least taste differently. To assume that our withdrawal of ground forces from South Korea will make that peninsula a focal point for some sort of massive Communist assault on freedom is inaccurate.

BEING FAIR IS NOT BEING FREE

Mr. PROXMIRE. Mr. President, over 6 months ago I introduced S. 22, the First Amendment Clarification Act of 1977. This bill, by repealing the FCC's equal time rule and "fairness doctrine," would give all Americans the full benefit of a free press.

Enactment of my bill would eliminate the curious distinction that has developed between the written press and broadcast journalism. Freedom of the written press is guaranteed by the Constitution and has been upheld by Supreme Court decisions such as New York Times against Sullivan. However, that same protection has not been fully extended to the broadcast industry. This failure manifests itself in FCC regulations commonly known as the equal time rule and the "fairness doctrine."

Since 76 percent of the American public turns to radio and television as its primary source for news, the first amendment's freedom of press guarantee is actually only about 24 percent effective. My bill, by repealing section 315 of the Communications Act of 1934, will make the first amendment 100 percent effective. S. 22 would strike both the equal time rule and the "fairness doctrine" from the act.

While both FCC regulations contravene the intent of the first amendment, Prof. Milton Friedman noted recently that it is the "fairness doctrine" that strikes to the heart of the freedom of the press guarantees. His opinions were put forth in Newsweek magazine dated, appropriately enough, July 4 of this year.

The "fairness doctrine" requires stations to present controversial issues of public importance and mandates that overall presentations be fair. While that sounds fine on its face, it is in fact unconstitutional since it impinges on the absolute freedom of the press guarantee of the first amendment. Furthermore, even if it were constitutional, the doctrine is applied on a case-by-case basis with only past applications for guidelines. What exists is ad hoc regulation, not freedom.

Mr. President, I was delighted and gratified to find my view shared by so notable a scholar as Milton Friedman. While neither Professor Friedman nor I are linguists, it takes little more than simple knowledge of the English language to recognize the difference between the words "fair" and "free." Yet that distinction is precisely what has been blurred and overlooked by the FCC.

Professor Friedman eloquently explains the difference. The concept of fairness requires someone to decide what is and is not "fair." We have allowed the Federal Government to assume the role of adjudicator. As he points out:

There is no objective standard of "fairness". "Fairness" is strictly in the eye of the beholder. If speech must be fair, then it cannot also be free; someone must decide what is fair. A radio station is not free to transmit unfair speech—as judged by the bureaucrats at the Federal Communications Commission.

The concept of freedom of the press leaves no room for adjudication except by industry self-regulation. That is, we should allow the broadcasting industry to regulate itself with regard to broadcast content, thereby both attaining freedom and preserving fairness.

I have no doubt that the industry is capable and responsible enough to police itself effectively. As I noted in testimony before the Communications Subcommittee of the Senate Committee on Commerce, Science and Transportation last May:

The press of this country has accomplished what it has because it has not been controlled by the government . . . Responsible, professional newspaper journalism has arisen out of necessity: to satisfy demanding readers. . . . Newspapers are fair without government control. And I maintain that radio and television would also be fair without government control.

Mr. President, to put it simply: fairness is not necessarily freedom, and it is the latter that the first amendment demands. So that my colleagues may fully appreciate Professor Friedman's views on the fairness/freedom distinction, I ask unanimous consent that the text of his article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FAIR VERSUS FREE

(By Milton Friedman)

In presenting his energy program, President Carter stressed "fairness" as an essential ingredient of an acceptable program. The Federal Communications Commission seeks to enforce a "fairness doctrine" on radio and TV stations. We suffered numerous "fair trade" laws, until they were declared unenforceable. One businessman vies with another in proclaiming his faith in competition—provided that it is "fair."

Yet, scrutinize word for word the Declaration of Independence, the Constitution and the Bill of Rights, and you will not find the word "fair." The First Amendment does not protect the "fair" exercise of religion, but the "free" exercise thereof; it does not restrain Congress from abridging the "fairness" of speech or of the press, but the "freedom" of speech, or of the press.

FROM UMPIRE TO BIG BROTHER

The modern tendency to substitute "fair" for "free" reveals how far we have moved from the initial conception of the Founding Fathers. They viewed government as policeman and umpire. They sought to establish a framework within which individuals could pursue their own objectives in their own way, separately or through voluntary cooperation, provided only that they did not interfere with the freedom of others to do likewise.

The modern conception is very different. Government has become Big Brother. Its function has become to protect the citizen, not merely from his fellows, but from himself, whether he wants to be protected or not. Government is not simply an umpire but an active participant, entering into every nook and cranny of social and economic activity. All this, in order to promote the high-minded goals of "fairness," justice," "equality."

Does this not constitute progress? A move toward a more humane society? Quite the contrary. When "fairness replaces "freedom," all our liberties are in danger. In "Walden," Thoreau says: "If I knew for a certainty that a man was coming to my house with the conscious design of doing me good, I should run for my life." That is the way I feel when I heard my "servants" in Washington assuring me of the "fairness" of their edicts.

There is no objective standard of "fairness." "Fairness" is strictly in the eye of the beholder. If speech must be fair, then it cannot also be free; someone must decide what is fair. A radio station is not free to transmit unfair speech—as judged by the bureaucrats at the Federal Communications Commission. If the printed press were subject to a comparable "fairness doctrine," it too would have to be controlled by a government bureau and our vaunted free press would soon become a historical curiosity.

What is true for speech—where the conflict is perhaps clearest—is equally true for every other area. To a producer or seller, a "fair" price is a high price. To the buyer or consumer, a "fair" price is a low price. How

is the conflict to be adjudicated? By competition in a free market? Or by government bureaucrats in a "fair" market?

Businessmen who sing the glories of free enterprise and then demand "fair" competition are enemies, not friends, of free markets. To them, "fair" competition is a euphemism for a price-fixing agreement. They are exemplifying Adam Smith's remark that "People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices." For consumers, the more "unfair" the competition the better. That assures lowest prices and highest quality.

RULES OR ACTIONS

Is then the search for "fairness" all a mistake? Not at all. There is a real role for fairness, but that role is in constructing general rules and adjudicating disputes about the rules, not in determining the outcome of our separate activities. That is the sense in which we speak of a "fair" game and a "fair" umpire. If we applied the present doctrine of "fairness" to a football game, the referee would be required after each play to move the ball backward or forward enough to make sure that the game ended in a draw!

Our Founding Fathers designed a fair Constitution to protect human freedom. In Thomas Jefferson's ringing phrases from the Declaration of Independence, "Governments are instituted among Men" "to secure" "certain unalienable Rights, that among these are Life, Liberty, and the Pursuit of Happiness."

FOCUS ON WASHINGTON

Mr. MATHIAS. Mr. President, this fall Georgetown University continuing education will launch the second in a series of educational programs designed specifically to meet the needs of a community that revolves around the Federal Government. This program of courses, workshops, and lectures—Focus on Washington—reflects the university's desire to provide responsive educational opportunities both for those in the public sector engaged on a day-to-day basis in making Government functions, as well as for those in the private sector who are vitally concerned about enhancing their ability to do so effectively.

It seems to me this is a very creative approach to continuing education. Courses will be offered in subjects of enormous contemporary importance such as zero-base budgeting and management training for women. But the course listing that intrigues me most is a lecture series on "The Impact of Moral and Religious Values in Government Decision Making." Nowhere are our moral and ethical values more apparent than in the laws we enact. But their effect on the decisionmaking process in the Government is much less visible. It is a subject worthy of scrutiny and I welcome the initiative and spirit of inquiry reflected in the Georgetown University continuing education course offering in this area.

So that my colleagues may appreciate the richness of the Focus on Washington prospectus, I ask unanimous consent that a list of the course titles be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

The Federal Budget-Process, Policy and Politics;

Political Press Secretarying;

The Labor Arbitration Process;

Legislative Policy Advocacy Leadership Seminar;

Federal Energy, Natural Resources and Environmental Policy;

Anatomy of our Federal Government;

The Impact of Moral and Religious Values in Government Decision Making;

So You Want to Work for Your Government . . .;

Zero-Base Budgeting;

Fundamentals of Financial Accounting;

Introduction to Financial Management;

Management Functions, Skills and Techniques;

Personnel Management: Fact and Theory—

Personnel Management: Whose Job?

Selection and Assignment: The Personnel Management Setting;

The Problem of Flow in the Personnel Management Setting;

Management Training for Women—Lecture Series—

Government Reorganization: Prospects and Proposals;

Should the People Elect the President?

Food Additives: To What Extent Should There Be Federal Controls?

MOLLY STARK

Mr. MCINTYRE. Mr. President, before the pleasant memories of this past 4th of July recede any further, I thought I would entertain my colleagues with a delightful newspaper article that recently appeared in the New York Times. The article concerns Molly Stark—not the redoubtable woman who, along with her husband, Gen. John Stark, won glory for New Hampshire and the new Nation at the Battle of Bennington in 1777; but a great Revolutionary War cannon that is a fixture today of the town of New Boston, N.H.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MOLLY'S BOOMING SALUTE TO JULY 4TH

(By Frederick John)

Tonight, under cover of darkness, the men of the New Boston (N.H.) Artillery Company will put Molly Stark back together again. Tomorrow morning, bright and early, they'll have all 1,300 pounds of her down at the intersection of State Routes 77 and 136, ready for the Grand Parade. And sometime before noon, on the field behind Town Hall, Molly will speak her piece in celebration of Independence Day—an ear-splitting, window-rattling roar that was first heard two centuries ago.

There's nothing backward about the way the townspeople of New Boston, some 1,000 strong, hail the Fourth of July. Events include a baseball game between firemen and housewives, a frog-jumping contest, a pie-eating tournament, a log-sawing competition, a chicken barbecue, a children's parade, a Dixieland concert and a 9 p.m. fireworks display. Last year some 6,000 visitors took part. But what attracted most of the outsiders—what gives the little town 70 miles northwest of "old" Boston its special sense of the Independence of this Day—is the 16-foot-long Revolutionary War cannon known as Molly Stark.

By fair means and foul, by legislative fiat and outright attempts at thievery, other towns, and individuals unknown, have over the years sought to wrest Molly from the New Boston Artillery Company. The company has held fast. Even now, the carriage half of the cannon is spirited away following each July 4 appearance.

Stocky, soft-spoken George Peirce, artillery company historian, explains: "We keep the carriage hidden. I'm not saying where; my lips are sealed. So many attempts have been made to swipe old Molly, we're just not taking any chances."

According to Peirce, the cannon came to the fore in 1777 when Gen. John Stark marched the New Hampshire Militia into Vermont and paused briefly in Bennington to give the British a sound thrashing. The spoils of the battle included a number of fine brass cannons, and General Stark adopted one of them and named it after his wife.

"The troop headed home," Peirce says. "A New Bostonian named Benjamin Dodge—he was a captain—was in charge of the cannon. He kept it in a small building that later became our old town firehouse. The building is still standing—it's white and wooden and almost directly across the way from our present town fire station.

"Well, after the Revolutionary War ended, a lot of other towns got interested in that cannon. Dunbarton wanted it because Stark was raised in that town. Concord felt it belonged in the capital city of the state. Goffstown wanted it because General Stark lived there for a while."

Legal attempts have threatened New Boston's possession of the cannon. Back in 1852, for example, the state of New Hampshire passed a law disbanding all military groups in the state. It meant the end of the New Boston Artillery Company and its right to the cannon.

But the people of New Boston weren't about to obey that law. They dismantled Molly. The carriage was secreted under a haystack at the home of a local undertaker. The barrel was wrapped in oilskins and tossed into Piscataquog River, which runs through the town.

From time to time, Molly would be taken out of hiding and fired at local celebrations. Finally, in 1938, the New Boston Artillery Company demanded from the state a charter clearly giving the 50-member militia legal ownership of the cannon—and the state Legislature passed such a measure. There was, however, a string attached. If the artillery company ever disbands, the state will take possession of Molly.

"Don't worry about that," says Peirce. "We'll never disband. Guarding Molly Stark is the sole mission of our unit. You can bet your boots that's what we're going to do."

The danger to Molly continues, according to Peirce. "A few years back," he says, "I had the carriage stored in a small building a few hundred yards to the rear of my house. One night, I heard my dogs barking loud and clear. I went racing out back to find out what was going on. Sure enough, there were footprints in the snow near the shed where that carriage was stored. We moved old Molly's wheels to a new "place the very next day."

The location of the cannon's 500-pound carriage remains a year-round mystery. The 800-pound barrel, however, is kept in the red-brick Whipple Free Library, in the center of town.

Barrel and carriage are joined the night of July 3. "The barrel is removed from the library and taken to the hiding place of the carriage," says Thomas Mansfield, a local bus driver and a second lieutenant with the artillery company. "It takes about six men and a truck to do the job. Putting the cannon together takes about 20 minutes. Then Molly is kept overnight at the home of one of our members—each year, a different member has the honor. Then we get it down to the Grand Parade."

The parade moves out at 9 A.M. through the center of town, past red-brick and white Colonial homes, past the local post office,

the Community Church, Dodge's Country Store. The few bands in the line of march only need wind enough for three or four tunes. And then the paraders are on Route 13, close to the firehouse and the Town Hall, coming up on The Playground, as it's called—the field, with bleachers where the cannon firing takes place.

Lieutenant Mansfield is the official cannon stuffer. "First the powder," he says. "Then the grass, wet hay, newspapers and a lot of other things." All 50 members of the artillery company stand in attendance around Molly. "Mostly they wear plaid shirts and a decent set of trousters," historian Peirce says. "Some wear T-shirts. There's nothing fancy about our artillery company. And there are no long-winded speeches at the ceremony. That cannon speaks for itself."

The actual firing mechanism consists of a wire jammed into the "touch hole" to the rear of the barrel leading to a detonator a safe distance away. Members of the artillery company give Molly a wide berth—she jumps back about 25 feet with each of the three firings.

What most impresses, though, is the sound of her. After each firing, all is silent in The Playground for a few endless seconds. Then the crowd heaves a collective sigh and starts cheering and applauding. Says Peirce, "It's almost as if the people are shaking their heads to get the vibrations out of their ears."

Molly did some traveling during the Bicentennial year, but the artillery company members don't fancy the idea. "We're all working men," Peirce says, "and it's difficult for us to get time off to make a trip." However, they do plan to take the cannon upon to Bennington, Vt., on Aug. 16 for the 200th anniversary of General Stark's victory.

"About four or five years ago," Peirce reports, "we got some letters from Washington. They wanted us to bring Molly to Washington for that big Bicentennial celebration last year and fire her off on the Fourth of July. We held a meeting of the artillery company and voted on the idea. We turned the invitation down. We wanted to keep the cannon home. It wouldn't be the Fourth in New Boston if we didn't fire Molly."

BOON DOCK CHARLIE AND THE MISUNDERSTOOD FED

Mr. HELMS. Mr. President, earlier this year I introduced S. 40, a bill which would provide for a change in the economic policy of this Nation. My bill, the Job Opportunities and Economic Reform Act of 1977, would declare public policy to eliminate Government intervention in the American people's business whenever possible.

As part of my bill, I propose restraining the hands of the Federal Government from further inflating the currency. This would be accomplished by requiring balanced budgets and restoring the discipline of a gold-backed dollar.

A supporter of my bill recently sent me a very well-written article containing a hypothetical dialog between a future President of the United States and his Chairman of the Council of Economic Advisers.

The nature of the dialog reflects some knowledge of public policymaking here in Washington, and the humor makes the message easy to understand.

The author, Mr. Eric Way, has put forth an excellent explanation and indictment of our present inflationary monetary system.

Mr. President, I ask unanimous consent that "Boon Dock Charlie and the Misunderstood Fed" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BOON DOCK CHARLIE AND THE MISUNDERSTOOD FED

(By Eric Way)

Jimmy Gunn, forty-third President of the United States, entered the Oval Office, sat down behind the giant desk, and with a loud guttural hack, prepared himself for another day of seat-of-the-pants navigation of the world's most powerful, still quite productive, totally bankrupt, welfare state.

President Gunn pushed the button on his intercom and said: "Send in Blandish."

Dr. Clarence D. Blandish, Chairman of the President's Council of Economic Advisers, and holder of a variety of degrees in both micro and macroeconomics, entered the Oval Office.

"Good morning, Blandish," said the President, "I hope you are fine and things are going well. Don't bother to answer that. I'm kind of rushed this morning and I would like to get right down to it."

"Thank you, Mr. President," interrupted Blandish.

The Commander-in-Chief beckoned him to a chair, offered him a cigar which he refused, lit one himself and then proceeded.

"As you know Blandish, a President gets a lot of crackpot mail. I've been getting letters from this nut who thinks he knows something about economics. He says he's been watching pretty closely and he thinks there's some financial sleight-of-hand going on around here."

"Really, Mr. President, I'm sure that . . ."

The President raised his hand for silence, then walked briskly to the office door to make sure it was tightly closed. When he returned, he reached into a drawer, pulled out a file folder of neatly-typed letters, and tossed it carelessly on his desk.

Then the forty-third President of the United States looked his chief economic adviser right in the eye and said: "Blandish, this nut thinks the Fed has been passing bad checks."

Blandish stared in disbelief.

"Why that's the most absurd thing I ever heard!" he said.

"I know, I know," said the President.

"Besides," said Blandish half-jokingly, "the Federal Reserve can't pass bad checks."

"Why can't it?" asked the President.

"Because, if the Fed writes a check, it's perfectly legal just because the Fed wrote it."

The President looked puzzled.

"Blandish, are you telling me that nobody including the President of the United States can cash a check when he doesn't have money in the bank, but the damn Federal Reserve can?"

"In a manner of speaking, yes," said Blandish. Then, when he saw the look on the President's face, he decided he better explain.

"You see, Mr. President, to help stabilize the economy, the Federal Reserve has the legal power to vary the amount of money in circulation. It does this in one of three ways: by lowering bank reserve requirements; by varying the interest rate it charges member banks on short term loans; or by its favorite way buying government securities in the open market.

The President nodded that he understood.

"For example," continued Blandish, "if the Fed wanted to make more money available, it might go into the marketplace and buy a few billion-dollars worth of government securities. In effect, the Fed would be trading cash for securities which would put more money in circulation."

"So,' said the President, beginning to fidget.

"Well," said Blandish more hesitantly, "now we come to the part your pen pal is probably thinking about. You see the Federal Reserve may pay for the bond purchases by check. And it may not have all that cash right there in the till. In that case it just writes them anyway, even though the check don't represent actual cash."

The President looked nervous.

"Blandish, are you telling me that Boon Dock Charlie here, is right?"

"No, sir," said Blandish. "It's all perfectly legal."

"But, if the checks don't have any money behind them, they must be rubber checks." said the President.

"Perhaps it would be less confusing if we stopped calling them 'checks,' and called them 'authorizations,' or something like that," said Blandish. "In any event, the banks treat them just like real . . . I mean, just like other checks. They are added to deposits and become part of the base from which the banks can lend more money."

The President shook his head. "There is something screwy here." Then, after a moment, the expression on his face began to change.

"Let me make sure I understand this now," said the President. "The banks deposit these Federal Reserve 'things' right along with the regular money—the cash and checks that private citizens have deposited, right?"

"Right," said Blandish.

"And once the numbers on the Fed things have been added up with the numbers on the . . . you know, the real money, there is no way to tell them apart?"

"No way," said Blandish.

Slowly, a look of revelation came over the President's face.

"This is really something," he said. "It's a wonder nobody ever thought of it before."

"Thought of what?" said Blandish.

The President was getting excited.

"Why, I'll just declare a moratorium on the whole damn Federal Income Tax," he said.

"You'll do what?" said Blandish stunned.

"Why, what the hell," said the President, "those Federal Reserve things are much too valuable to waste on the banks. We'll just have the Fed turn them over to the U.S. Treasury. Then the Treasury can mix them all up with the real money it borrows from the private sector, and there will be no way anyone can tell the difference."

Blandish stared Speechless.

"Then we'll take the new mixed up money and use it to pay for the Federal budget. No one will have to pay an income tax. People can spend the money on themselves. The economy will boom. Why, if we have enough of those Fed things left over we might even pay off the national debt!"

The President reached excitedly for the telephone, but Blandish quickly put his hand over it to keep it on the book.

"Wait a minute, hold it! You can't do that." said Blandish.

"And why can't I?" shouted the President, as if his authority had been challenged.

"Because it won't work," cried Blandish, "the damn thing won't work!"

The President glared at him for a moment. Then, struggling to keep his cool, he sat back in his chair, and relit his cigar.

When he spoke next his voice sounded as if it could freeze the contents of a blast furnace.

"Blandish, all I want to know is this: If it will work for the Fed and the banks, why won't it work for the Treasury and the Federal budget?"

Blandish's head was reeling.

"Well, for one thing," said Blandish, stalling for time, "we are talking about a lot more money—$400 billion for the current budget alone—never mind the national debt."

"But, if the Fed things work for a few billion, why won't they work for a lot of billions?" asked the President.

"Oh yes," said Blandish. "You see, in the old days, all money represented was just private wealth."

"I thought that was all money was supposed to represent," said the President.

"No, no," said Blandish, disparagingly, "modern money also represents the power and authority of government."

When the President looked confused, Blandish continued.

"In earlier times, the only paper currency around was in the form of certificates circulated by private banks. The issuing bank promised to pay the face value of the certificates in gold or silver. As long as people respected the honor and integrity of the issuing bank, they traded the certificates just like we trade paper money today."

"And it was that kind of situation which probably prompted some smart statesman to realize that there was an obvious need for government intervention here," said Blandish.

"There was?" asked the President.

"Of course," said Blandish, impatiently. "Supposing the private bank cheated and issued too many receipts. The private citizen should be protected from that."

"Oh," said the President.

"So, eventually a new kind of paper currency was invented. It retained the concept of real wealth by being redeemable in gold or silver. But it added a new ingredient: the legal sanction, power, and authority of the state," said Blandish.

Blandish, you know as well as I do, you can't trade in dollars for gold or silver," said the President.

"That's the part I was coming to next," said Blandish. "You see, once the government controlled the volume of currency, then it could help manage the economy—by decreasing the supply of money when the economy overheated, or by increasing the supply when recession seemed likely."

"Blandish, stop this economic double-talk and tell me why we can't redeem dollars for gold or silver," said the President.

"Because," said Blandish, "it turned out in practice that there were many more times when it seemed desirable to add money to circulation than to take it out."

"For example, on balance, in the 1960's we were adding to the supply of money at a rate of about two per cent annually; in the 1970's, the rate had grown to well over six percent."

"So we ran out of real money to add to the economy?" asked the President.

"Well, obviously there was a growing volume of paper currency around," said Blandish. "so the government couldn't be expected to trade all that paper money for the nation's strategic supplies of gold and silver."

"Besides," said Blandish as an afterthought, "it really doesn't matter anyway, because the paper money is still legal tender and backed by the honor and integrity of the United States government."

The President picked nervously at the mushy end of his cigar.

"But damn it, Blandish," he said, "that still doesn't change anything. You said once the Fed things were mixed up with real money, there was no way to tell the difference."

"Well, sure," said Blandish, "but you have to remember that you are combining two separate and distinct types of money. You have private sector money which still includes some element of private unconsumed wealth, and you're adding the Fed. . . . ah, 'authorizations,' the government-type currency which never represented anything except the legal sanction and power of the government."

"So, obviously, if you combine the two, you will have more units of money, but representing the same amount of wealth as before."

"So each unit of the new money will have to buy less?" said the President.

"Exactly," said Blandish, "and that is why the Fed has to be very damn careful how it mixes the two types together."

The President looked frustrated.

"So getting back to your big idea," continued Blandish, "the fact is, it takes all the skill the Fed can muster to prepare exactly enough new monetary units to meet the nation's money-credit needs—never mind the Federal budget or the nation's debt."

The President was annoyed and he had come to a decision.

"Well, I don't like it," he said, clenching his cigar vice-like, between his teeth, "and I'll just bet you that the President of the United States can make the Fed cut it out!"

Blandish stared in amazement.

"Suppose the Fed did cut it out," said Blandish. "Then you would be back to a system in which money only represented private wealth, and there would be no way for the government to control the money supply."

The President looked blank.

"Then," said Blandish carefully, "except for taxes and borrowing, there would be no other government access to private wealth."

When the expression on the President's face began to change Blandish decided that now was the time to let it all hang out.

"Without government control, the volume of money would not expand or contract to meet the needs of modern society.

"Then, instead of the present system in which government and the private sector share available wealth, there would be head-to-head competition at the loan window of the bank. Interest rates would rise so high, nobody could afford to finance a second-hand paper plate."

The President looked increasingly ill-humored, but Blandish hurried on.

"Picture the Treasury trying to roll over $100 billion of debt annually without some way for the government to make money more easily available first.

"And then you would have to run balanced budgets on a pay-as-you-go basis; not a down payment now and much more later as we have done with Social Security benefits. Under these inflexible ground rules, many taxpayers might decide that some government services are not worth what they cost."

"To sum up," said Blandish, "if we didn't have some way for government to increase and decrease the supply of money, there would have to be higher taxes or lower budgets."

That straw broke the camel's back. The President rose, indicating that the interview was about to be terminated. He shook Blandish's hand, thanked him for his help, and eased him gently toward the door.

But just as Blandish was about to leave, the President thought of one last question.

"Blandish, just for the hell of it, what if the government learned to live with balanced budgets: the economy grew, the quantity of money remained absolutely constant, and there wasn't a damn thing anybody could do about it—what would happen then?"

"It would be weird," said Blandish, "just the opposite from today."

"You mean prices would fall?" asked the President.

"Yes," said Blandish. "For example, take a new car that sells for $10,000 today; five years from now, the very same new model might sell for only $8,500 or $9,000."

The President thought it over for a moment. Then he said: "So, if you put $10,000 in the bank and didn't spend it until you retired, then it might purchase what it takes $20,000 to $25,000 to buy today?"

"Yes, something like that," said Blandish.

"And that would be bad?" said the President.

"It certainly would!" said Blandish. "It would be deflationary. And under those conditions we would just regress to an earlier stage of civilization in which there would be no way for the government to control the money supply—or to help the private citizen manage the economy."

Blandish closed the door quietly behind him.

Alone in the Oval Office, the President was silent for a moment. Then, with a shrug, he tossed the file of neatly-typed letters into the wastebasket, and with a jab at the intercom button, transferred himself back into the real world of practical, down-to-earth, no-nonsense politics.

ARTHUR BURNS AND NOW ACCOUNTS

Mr. McINTYRE. Mr. President, the Subcommittee on Financial Institutions is presently considering S. 1664, a bill submitted by the Carter administration to authorize interest-bearing checking accounts, so-called NOW accounts, nationwide. NOW accounts are currently authorized only in the six New England States.

The bill also addresses the problem of declining bank membership in the Federal Reserve System.

Federal Reserve Board Chairman Arthur Burns testified before the subcommittee on June 20 on S. 1664. The New York Times, in an editorial which appeared on July 5, suggested that the Federal Reserve was apparently more concerned with the impact which NOW accounts may have on Fed membership than on their benefits to the banking public.

In this regard, I would like to call the attention of the Senate to a letter by Chairman Burns to the editor of the New York Times which appeared in today's editions.

I am pleased that in his letter Chairman Burns emphasizes that NOW accounts "yield substantial benefits to consumers" and that the Federal Reserve "is most desirous that people in all parts of the country enjoy those benefits."

As Dr. Burns suggests, however, NOW accounts do have an impact on a bank's cost of doing business. In its deliberations on S. 1664, the subcommittee is carefully considering the Fed's concern regarding the impact of NOW accounts on banks costs and continued Fed membership attrition.

Mr. President, I ask unanimous consent that Chairman Burns' letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ON CHECKING ACCOUNTS AND FED MEMBERSHIP

To the Editor:

Your July 5 editorial on pending banking legislation calls for comment.

Readers of that editorial might gain the impression that the Federal Reserve Board is lukewarm in its support of the extension of [negotiated orders of withdrawal] NOW-account authority on a nationwide basis.

That is decidedly not the case. Recent experience in New England has convinced us that NOW's—which are essentially checking accounts paying interest—yield substantial benefits to consumers, and we are most desirous that people in all parts of the country enjoy those benefits. It is important, however, that the extension of NOW-account authority be achieved with minimal disturbance to our banks.

As your editorial notes, member banks of the Federal Reserve System suffer a cost disadvantage vis-a-vis nonmembers because of the more onerous burden of reserve requirements. That cost disadvantage has been causing banks—particularly smaller banks—to withdraw from the System in recent years. This trend has become acute in New England as a result of the depressing effect of NOW accounts on bank earnings.

Since the introduction of NOW accounts in New England, bankers have become more cost conscious and the erosion of membership has proceeded faster in that region than in the rest of the nation. In the twelve months ending in May 1977, almost one-fifth of all banks that left the system were located in New England, whereas New England members account for only about 3 percent of system membership. This is telling evidence that nationwide NOW-account authority—if unaccompanied by measures to lighten the burden of membership—could greatly speed withdrawals throughout the country. That makes it vital to couple extension of NOW-account authority with action to alleviate the burden of membership.

Further aggravation of conditions that already create a bias in favor of membership withdraws could have serious consequences. I am concerned that the execution of monetary policy would become less precise. Other things trouble me still more. Provision of lender-of-last-resort facilities was a critical reason for establishing the Federal Reserve System. I do not like to contemplate the ultimate consequences of having fewer and fewer banks enjoy ready access to the System's discount window. The accelerating trend in that direction endangers the safety and soundness of our banking system, particularly since more than a few of the departing banks lack financial strength.

I am also deeply concerned about having the exodus of smaller banks continue and of the Federal Reserve becoming a central bank whose members are mainly the larger banks. In the public's mind, the Federal Reserve would then be seen as a big bankers' bank. That would generate disenchantment with the System. In time, the System's independence, which has served the nation well, would diminish if not entirely end.

I hope these brief comments will serve to indicate that the linkage between NOW accounts and the membership burden deserves more searching examination than it has as yet received.

ARTHUR F. BURNS,
Chairman, Federal Reserve Board.

WASHINGTON, *July 7, 1977.*

AUNT MINNIE RIDES AGAIN

Mr. DOLE. Mr. President, I was quite pleased to learn last week that the President had recommended a special "citizen's rate" postage stamp for private first-class mail, and that the Postmaster General had finally agreed to endorse the concept. It seems that the message is finally getting through. The private individual mailer—"Aunt Minnie"—will not consent to ever higher postage rates at the same time that postal services are being cut back.

Two years ago, in September 1975, I introduced legislation to establish a special citizen's rate for private mailers—in effect, to place a ceiling on the 10-cent postage rate then in effect for all private citizens. My bill came to be known as the "Aunt Minnie" postal bill. Although it garnered a good deal of interest and support among the public at large and within Congress, it became engulfed in the general controversy about whether or not the Postal Service should be returned to full congressional control and funding. The 94th Congress ultimately agreed to set up a Special Postal Study Commission to study the whole range of questions regarding rates and services, and Aunt Minnie was shunted aside for the time being.

I can remember the arguments raised by Postal Service officials and some of my colleagues in Congress at the time: "A special citizen's postage rate would bankrupt the Postal Service;" "restrictions on use of the citizen's rate could not be enforced;" "the private citizen doesn't really need any special postage breaks;" et cetera.

A letter from the Law Department of the U.S. Postal Service, dated January 28, 1976, charged that "the basic justification for this extremely expensive bill—as we understand it—is that mail rates are getting beyond the reach of a large spectrum of the citizenry of the country. We question the factual accuracy of this assumption." At that time, the Postal Service maintained that "the actual effect of this bill, if enacted, would be to disguise the real price of the private citizen's mailings," and it pointed to "serious additional enforcement problems" triggered by the proposal.

A DIFFERENT PROSPECTIVE

These were legitimate questions, which we did feel we had answered satisfactorily at the time. But there was no support forthcoming from postal officials. Now, it appears that postal management and some of my skeptical friends in the Congress are whistling another tune. I fully expect to see a bandwagon endorsement of the concept in the weeks ahead.

The outcome is not yet certain. The Postmaster General supports the special citizens rate, and the Postal Board of Governors is expected to approve the recommendation. But the proposal must still be subjected to public hearings and months of consideration by the Postal Rate Commission before it becomes effective. Even so, Aunt Minnie will be shortchanged by the permanent 13 cents rate; my proposal would have frozen the citizens rate at 10 cents at least a full year earlier.

RATE CONCEPT IS WELL JUSTIFIED

It continues to be my opinion that the special citizens rate is well justified—in fact, long overdue. First-class postage rates have risen 162 percent since the U.S. Postal Service was established in 1971. While rising postage rates have a substantial cost impact on all mailers, the added expense is especially hard on private individuals—especially the low income and elderly. Business postal costs are normally tax deductible, thereby providing an indirect "subsidy" to commercial mailers. Certain other classes of mail are heavily subsidized.

And, of course, the U.S. Postal Service holds an exclusive monopoly on the delivery of first-class mail. Other classes of mail users have the alternative of using private delivery systems if they choose.

Private individuals' mail constitutes about 20 percent of total mail volume, and that volume must be sustained if the Postal Service is to survive financially.

A BREAK FOR AUNT MINNIE

I, for one, still enjoy getting birthday greetings, Christmas cards, and newsy letters from Aunt Minnie, and regret to see her efforts discouraged by ever-increasing postage rates. Rate increases will continue to be a fact of life so long as labor costs account for 80 percent of the postal budget, with guaranteed raises and no-layoff clauses. Congress will be reviewing a whole series of postal issues in the months ahead. For the present, however, Aunt Minnie deserves a break and should get it.

TRIBUTE TO LOUIS NICHOLS

Mr. McCLELLAN. Mr. President, a moving tribute to Lou Nichols was published in the Ocean County Citizen—New Jersey—on June 23, 1977, was recently brought to my attention. Many of my colleagues will remember Lou Nichols as the top FBI liaison official to the Congress during a period of great concern about the security of this country. This elequent praise of a man who served his country well in difficult times is worthy of our consideration on the occasion of his death. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AS THEY SEE IT—AROUND THE WORLD

(By Robert Morris)

L. B. NICHOLS

The death of Lou Nichols last week marked the end of a career that contributed great things to the security of our nation.

Lou was number three man in the Federal Bureau of Investigation during the golden days of security in the nation—and it was his contribution that helped make them golden.

I was Chief Counsel to the Senate Internal Security Subcommittee and Lou was our liaison as well as the official liaison of the whole congress with the FBI. In that capacity and later, I came to know him well.

The number of editors, journalists, columnists, news commentators, labor leaders, business executives and police officials that Lou, with the utmost discretion and sophistication kept informed on sensitive issues of security, is legion. Some of the most influential members of the fourth estate, wrote clearly and understandingly on subversion and its related ills because they had been briefed by Lou Nichols.

Top men in the most influential newspaper chains, senators and congressmen were his friends. They respected him for his dutifulness and selfless devotion and he requited their respect.

A giant of a man and a prodigious physical outdoorsman, he would chop down trees and clear the wilderness around his homes in Virginia to keep trim. Lou had his first heart attack in the 1950's. But that one did not slow him down. He experienced another last year and then congestive failure and other complications gradually squeezed out his

spirit. I spoke to him by phone about ten days before he died and, almost gaspingly, he spoke of his efforts to help John J. Kearney and the other FBI men in New York whom the Justice Department is prosecuting for tampering with the mail of the terrorist Weathermen.

Lou was very active in the work of the American Bar Association and many were the reforms and innovations to our system of justice that he set into motion—and carried through. In that connection he told me that he had often encountered Griffin Bell, the current Attorney General, and came to respect him. Lou was happy when Bell was tapped to be Attorney General but his disappointment at the posture being assumed in the FBI prosecution by the Attorney General seem to distress him the most in my last phone conversation with him in Marcos Island.

One of my most vivid memories of Lou is of his working, always until past midnight and having one of his sons in a room adjoining his office, doing his homework which Lou monitored between busy calls.

The nation's security will now miss Lou Nichols and his far flung presence.

THE ABSENCE OF HUMAN RIGHTS ON THE CHINESE MAINLAND

Mr. GOLDWATER. Mr. President, on June 14th, 80 prominent Chinese-Americans wrote an important letter to President Carter concerning his stand on human rights. The purpose of the letter was to call the President's attention to the total absence of human rights, as defined by his administration, on the Chinese mainland. The signatories suggested that the United States should apply a single standard on the human rights issue and take this into consideration before pushing ahead on any efforts to normalize relations with Communist China.

I ask unanimous consent that that letter to President Carter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

REGO PARK, N.Y.,
June 14, 1977.

President JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: May we, the undersigned who are a group of Chinese professional people (authors, editors, columnists, artists, poets, scientists, engineers and professors) and American scholars of Chinese descent residing in New York and the east coast, convey to you our sincere admiration for your forthright stand on human rights for peoples all over the world.

It is most gratifying that as President of this great nation, you have so ardently proclaimed your "undeviating commitment" to human rights everywhere, pledging that you would continue to uphold this lofty principle "until the last day I am in office." We refer this to your interview with B.B.C. and the French and West German reporters televised on May 2, in which you pointed out that there were few world leaders "who do not realize that their attitude toward the basic question of human rights is a crucial element of our future relationship with them."

As you have defined so aptly, "the right of a human being to be treated fairly in the Courts, to be removed from the threat of prison—imprisonment without a trial—to have a life to live that is free, is very precious." You also stated that "this policy does not relate just to the Soviet Union, but also to our own country and all those with whom we trade or with whom we communicate."

We presume that your succinct definition of and respect for human rights must also have application to the People's Republic of China which has a population of 800 million. It is common knowledge that under the Chinese Communist regime behind the Bamboo Curtain, there is a total absence of the basic human rights. According to a U.S. Senate document of June 27, 1971 (entitled "The Human Cost of Communism in China"), that regime had liquidated no fewer than 63 million Chinese people. And it has continued to impose its tyrannical rule on all dissidents in the name of the so-called "proletarian dictatorship."

William Safire, whose column appears regularly in The New York Times, recently alluded to the blatant admission of a diplomatic official of Peking that 5 per cent of the Chinese people do not have human rights. They belong to the so-called five black categories of landlords, rich peasants, bad elements, counter-revolutionaries, and rightists. What the Peking bureaucrat failed to realize is that this came up to the staggering figure of 40 million people who have been denied their human rights, thus making the PRC the most notorious example of violating the high moral principle advocated by the President of the United States.

If the principle of human rights or the respect for human rights is the criterion on which American foreign policy is to be based, it is then inconceivable that a double standard should be applied to the Chinese Communist regime. However, since the Nixon visit to mainland China and the announcement of the Shanghai Communique, there has been a steady trend toward accommodation with Peking. Even your esteemed administration has stated that the U.S. government would continue to normalize relations with the PRC, to the extent of granting full diplomatic recognition.

In the light of this contradiction, we wish to call your attention to Peking's tyrannical character. Where the human rights issue is concerned, the PRC is no less culpable than the Soviet Union. It has violated the human rights of 800 million people who, deprived of their basic freedoms, live under the most miserable conditions. We commiserate with them because they are our compatriots. We are keenly aware that U.S. recognition of Peking will have the effect of bolstering its international prestige and perpetuating its tyrannical rule. This is no time to normalize relations with the Chinese Communist regime. As the leader of the free world, Mr. President, we implore you to apply the same human rights concept to the 800 million people whose deliverance from Peking's yoke will be absolutely written off if the United States should recognize the People's Republic of China.

Respectfully yours,

EDWARD L. LAI,
(for all signers of this letter).

(P.S. This letter has been signed by the following persons whose signatures are being kept in Mr. Lai's personal file. Mr. Lai, author and commentator on international affairs, was formerly president of National Northwestern University, China, and chief of the Chinese Department of the secretariat of the United Nations.)

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CRIME IN SOCIETY: DEVELOPING A NEW CONSENSUS ON AN OLD PROBLEM

Mr. KENNEDY. Mr. President, the problem of crime continues to occupy the attention of the American people. In the months ahead the Congress will be tackling the issue head on as it considers the recodification of the Federal criminal code, the possible restructuring of the Law Enforcement Assistance Administration, sentencing reform, repeat offender legislation, and various other legislative proposals. With this commitment comes a need to forge a bipartisan consensus on the best way to meet the challenge of crime and prove to the American people that the Federal Government is making progress once again.

Last month the distinguished Senator from Maryland, Senator MATHIAS, spoke out on the need to develop such a consensus in speaking to the Regional Career Criminal Program Conference in Boston. In his address, "Crime in Society: Developing a New Consensus on an Old Problem," Senator MATHIAS candidly commented on the need to develop innovative legislative responses to the growing problem of crime. His wise and forthright comments should be read by all those interested in the issue.

I ask unanimous consent that a copy of the speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

CRIME IN SOCIETY: DEVELOPING A NEW CONSENSUS ON AN OLD PROBLEM

A not so funny thing happened on the way to America's third century as a Nation. Somewhere along the way, government stopped delivering on one of its fundamental promises.

The Preamble to the Constitution says, in no uncertain terms, that government is in business to "insure domestic tranquility." But one quick glance at the national crime rate shows how far we are from achieving that purpose.

Over the past 15 years crime rates have soared. Today there is precious little domestic tranquility anywhere in America. Crime haunts our cities, while our once sacrosanct suburbs increasingly are attractive to criminals. Small towns too report a dramatic rise in crime.

More and more our elderly citizens withdraw into isolation rather than risk assault on the streets. And everywhere shopkeepers and householders alike have armed themselves against intruders. Although no group and no area are out of crime's reach, nonwhites are four times as likely to be victims of crime as whites, according to Urban League estimates.

This situation is untenable. Civilized people simply cannot live this way. But, the failure of government to adequately protect its citizens against crime has not been for lack of trying. We have spent millions of dollars and thousands of man-hours to control crime. Daily our law enforcement officers lay their lives on the line. But crime still blights our society.' It seems to me the time has come to review the record of our effort to control crime, to see both where we have gone wrong and what we can learn from the experience.

During the 1960's, our efforts to control crime was largely directed at eliminating or reducing the social and economic conditions thought to be the root causes of crime—ignorance, poverty, discrimination, the "breakdown" of the family. In those days, we tended to shift responsibility for criminal behavior from individuals to the society as a whole.

By the early 1970's however, skyrocketing crime rates had cast serious doubt on at least the utility of this theory. More violent criminals were on the streets than ever before. And while crime rates, particularly for violent crime, were on the rise, the number of prisoners in State and Federal prisons had actually declined from 213,000 in 1960 to 196,000 in 1970.

In reaction, a consensus seemed to develop around a "get tough" policy for criminals. But, like their idealistic predecessors, the new "hardliners" went too far and achieved too little. Once again our hopes for controlling crime were disappointed.

Now it seems to me that we must get down to the business of improving the work of specific elements of our criminal justice system rather than continuing to pursue theories that represent opposing swings of the pendulum.

To this end, the Congress is forging a new consensus to combat crime in America. It has three major components:

First, reform in the way criminals are sentenced;

Second, a new determination to transform our prisons from colleges of crime into modern facilities that will permit judges and prosecutors to follow rational policies in charging and sentencing criminals; and

Third, a new focus on repeat offenders who exploit their familiarity with the criminal justice system to avoid jail.

One of the most serious problems our criminal justice system faces is the lack of a rational and equitable sentencing framework. Robert McKay, Chairman of the American Bar Association's Commission on Correctional Facilities and Services, outlines the problem this way:

"The wide range of sentencing discretion accorded most judges assures an enormous range of results which can only be regarded as unjust by those who are subjected to this prison lottery; the system is perverted by these injustices . . ."

Congress has been wrestling with the issue of sentencing reform for several years now and the Senate Judiciary Subcommittee on Criminal Laws and Procedures is in the process of conducting extensive hearings on the question. I am hopeful this labor will bear fruit in the present Congress.

One of the most important proposals before the Subcommittee, sponsored by Senators Kennedy and McClellan, would establish firm guidelines for Federal judges to follow in sentencing persons convicted of similar offenses. The proposal promises to bring some order and design to the sentencing process.

A second component of our criminal justice system which Congress is examining is our national penal system. Plagued by overcrowding, understaffing, underfunding, and unsanitary conditions, our correctional facilities are a national disgrace. No sensible, coherent anti-crime program can ignore the question of prison reform.

Lack of prison space disrupts the criminal justice system at every level. For prosecutors, plea bargaining and dismissal of charges are desirable alternatives to expensive, time-consuming trials that result in probation for lack of prison space.

One Maryland jurist has stated judges find that "it's easier to get reservations at a luxury hotel than to book a man into prison." They have little choice in some cases beyond granting probation or giving a reduced sentence. In my State of Maryland, the State prison population of some 6,700 inmates is 40 percent above capacity for the prison system.

Even on the street, police decisions can be affected by perceptions of what a suspect's treatment is likely to be once he is arrested.

Alleviating the overcrowding and inhumane conditions in our State prison systems must be made a top national priority. I agree wholeheartedly with Harvard's James Q. Wilson who wrote recently that:

"The next national administration . . . has an obligation to examine the Federal relationship to the State prison system and to think seriously about the desirability of supplying both more funds for expansion of that system and higher standards for its operation."

To help the Federal Government do this, I have introduced S. 28, "The Repeat Offenders Prosecution and Prison Improvements Act of 1977." Title II of this bill authorizes the Federal Government to build five regional prisons on Federal property. State and local authorities in the regions served by these prisons would then contract for bedspace in these facilities on a per diem basis. The Federal Bureau of Prisons would reserve 25 percent of the capacity of these facilities for its own inmates. I believe this bill is a giant step toward prison reform. I hope you will support it.

As the ranking Republican member of the Senate Judiciary Subcommittee on Penitentiaries and Corrections, I can assure you that the Subcommittee is deeply concerned about the need for prison reform. The Subcommittee will soon begin an extensive examination of our prison system, with particular emphasis on how the Federal Government can legitimately help the states overcome their prison problems.

Finally, I would like to address what seems to me to be the most innovative anti-crime concept put forth in recent years. I refer to the subject which has brought us together here today: the focusing of resources on the repeat offender.

A relatively small number of repeat offenders have proved to be responsible for a large proportion of serious crime. For example:

A recent study of 10,000 persons by University of Pennsylvania Researcher Marvin Wolfgang reveals that 650 chronic offenders were responsible for ⅓ of all the arrests and ⅔ of the crime committed by the group over a five-year period.

Another study revealed that between 1971 and 1975 in Washington, D.C., seven percent of those arrested for serious crimes accounted for 24 percent of all such arrests. Some criminals were arrested up to 10 times during that period.

One reason for this perplexing state of affairs was identified as long ago as 1921 by the distinguished legal educator and advocate of court reform, Roscoe Pound. In a study of the Cleveland criminal courts Pound discovered that "the professional criminal and his advisers have learned rapidly to use this machinery and make devices intended to temper the application of criminal law to the occasional offender as a means of escape for the habitual offender."

Today the situation is still much as Pound described it 56 years ago.

Obviously, it must be remedied. We must develop a mechanism to identify these repeaters and to process them quickly through the criminal justice system.

What we need is a system that will promote:

Prompt identification of repeat offenders through the use of computers and other means;

Expeditious prosecution of career criminals with emphasis on reduction of pre-trial, trial and sentencing delays;

Creation of special teams of prosecutors and investigators to follow career criminals through the criminal justice system;

Sharp restrictions on plea bargaining by career criminals; and

More use of appropriate habitual offender statutes.

The early reports on application of the career criminal concept nationwide are encouraging. Testifying before the Subcommittee of the Judiciary of the District of Columbia Committee, Earl Silbert, United States Attorney for the District of Columbia, termed the District's repeat offender program "Operation Doorstop" an unqualified success. He reported that:

During the first eight and one-half months of operation (from August 16, 1970 through April 30, 1977) . . . of those defendants who were charged by information or indictment by the United States Attorneys Office and whose cases have been disposed of, 94 percent have been convicted . . .

I am encouraged by these results to believe that the career criminal concept should be an integral part of our national effort to curb crime. Therefore, Title I of my bill, S. 28, establishes a program of technical and financial assistance for career criminal programs in localities with populations of 250,000 or more.

In framing this bill, I purposely developed a specific program under LEAA with its own appropriation in order to protect career criminal programs from being lost in the annual competition for LEAA funds.

S. 28 promotes career criminal projects in several ways. It establishes an Office within LEAA, headed by a Presidential appointee, to administer career criminal grant projects. This Office would also provide technical assistance to qualifying communities to help them plan, develop, and administer such projects.

Perhaps the most important aspect of S. 28 is that it is not a one-shot demonstration project. I am aware that there has been a reluctance on the part of some jurisdictions to apply for LEAA career criminal grants because of the burden which remains after the Federal funds terminate. This is understandable. Dollars are scarce and career criminal programs are expensive to operate. To deal with this issue, I specifically included in S. 28 a provision for continued annual funding for career criminal projects as long as they were needed and operated in conformity with provisions set forth in the bill. And, of paramount importance to those of you who already receive Federal funds, S. 28 gives due consideration to projects which pre-date enactment of the bill.

George Washington believed that "the true administration of justice is the finest pillar of good government" and "considered the first arrangements of the judicial departments as essential to the happiness of our country and the stability of its political system."

Unfortunately, almost 200 years have passed since those words were written and we are still groping for an effective criminal justice system. Washington's goal will not be attained until we meet the issue of crime head-on. I believe that S. 28—with its dual goals of prison reform and prosecution of repeat offenders—does meet the issue of crime head-on. I think passage of this bill will help us achieve some long-overdue domestic tranquility. I ask that you support me in this effort.

THE RETIREMENT OF THOMAS R. WARING, JR.

Mr. THURMOND. Mr. President, two of the finest daily newspapers in the Southeast are the News and Courier of Charleston, S.C., and the Charleston Evening Post. These two papers, the first of which was founded in 1801—it lays claim to the title of the South's oldest daily newspaper—and the second in 1894, owe much of their eminence to one remarkable family—two brothers-in-law, William Watts Ball and Thomas R. Waring, Sr., and their nephew and son, Thomas R. Waring, Jr.

For the unbroken span of 82 years, either the News and Courier or the Post had one of these three men as its editor. W. W. Ball served as editor of the Post from the early days until 1897, when T. R. Waring, Sr., took over. T. R. Waring, Sr., retained this office until his death in 1935. In the meantime, the Post had acquired the News and Courier, and W. W. Ball had become its editor. On the occasion of his retirement from the Post in 1951, his successor was none other than Thomas R. Waring, Jr. When T. R. Waring, Jr., left this job, it was to assume the editorship of the Post. That was in 1974, by which time the accumulated honors left little doubt about who were the first family of journalism in Charleston.

As of today, though, Mr. President, the era of Ball and Waring leadership has ended. On June 30, T. R. Waring, Jr., himself retired. His own career, 50 years long and full of achievement, would have been remarkable enough even without the added splendor gained from those of his father and uncle, and I wish to pay him a few words of tribute.

Tom Waring spent most of his professional life in Charleston, but at the outset of his career he put in a 2-year stint in New York with the New York Herald Tribune. Fortunately for South Carolina, the southerner in him asserted itself, and when he came home in 1931, it was to stay. He was only 24 at the time, but already sufficiently experienced to take on the responsibilities of city editor at the News and Courier. He became managing editor in 1942.

As editor of the News and Courier, Tom Waring not only won the respect and confidence of his readers, but gained regional and national recognition for himself and his paper. In one instance which I am naturally pleased to recall, the Atlanta, Ga., Chapter of Sigma Delta Chi, the journalism fraternity, awarded him its "Green Eye Shade Award" for his coverage of the 1954 senatorial campaign in South Carolina, in which I was elected as a write-in candidate. A 1956 article by Tom Waring on desegregation, appearing in Harper's magazine, drew national attention. So did his early recognition in the late 1950's that Fidel Castro had thrown in his lot with the Communists. In fact, if the editors of some large papers, not to mention some diplomats and politicians, had had Tom Waring's insight into Castro's motives and character, Cuba might have been spared his tragic regime.

For his journalistic accomplishments, Tom Waring, has been awarded honorary degrees by both the Citadel and the University of the South. He is an alumnus of the latter institution, where he was editor of the student newspaper and graduated, at the age of 20, as a member of Phi Beta Kappa and valedictorian of his class. Truly, Tom Waring is a man of towering intellect and unfailing diligence.

He is also a man of character and civic responsibility, having devoted much time,

despite the daily and heavy demands of his job, to various worthy causes and organizations in the community. He belongs to the beautiful and historic St. Michael's Episcopal Church in Charleston.

Despite his retirement as editor of the Post, I am hopeful that the Charleston papers will not be deprived altogether of Tom Waring's guiding hand. He has been secretary and a director of the parent corporation and, if he remains in these offices, will be able to help assure that the high editorial standards he has established are maintained. In addition, I understand that he plans to do some consulting in public relations. I wish him well in this undertaking and in all others.

Mr. President, I cannot close without remarking what a good friend Tom Waring has been to me over the years. His incisive editorial judgment has been a great benefit to his readers, and I consider him to be the model of a fair and conscientious newspaperman. One of the greatest benefits of his tenure as editor of the News and Courier and the Post is the example he has set for so many of his younger colleagues. The Waring influence will persist in newspaper circles in Charleston and elsewhere for many, many years, and a healthy influence it is.

At the time of Tom Waring's retirement, a number of articles about him appeared in his newspaper, giving, in a restrained fashion reflecting the modesty of the subject, the details of his career. In order that my colleagues and other interested parties may have access to the interesting and inspiring information which they contain, I ask unanimous consent that they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Charleston (S.C.) Evening Post, June 17, 1977]

"50 YEAR NEWS CAREER IN FAMILY TRADITION"

Retirement of Thomas R. Waring Jr. on June 30 as editor of the Evening Post will close a career of 50 years as a newspaperman.

It also ends an era of 82 years during which he, his father, Thomas R. Waring Sr., and his uncle, the late William Watts Ball, served as editors of the Evening Post or The News and Courier.

Waring was for 23 years editor of The News and Courier before becoming editor of the Post. He also is secretary and a director of the corporations that publish the Charleston daily newpapers .

Waring's father became editor of the Evening Post in 1897 at age 25, and continued in that capacity until his death in 1935. The elder Waring had been trained by Ball, who had been editor of the Post during its early years.

Ball left Carleston for Greenville and a succession of other newspaper jobs, returning to Charleston in 1927 as editor of The News and Courier. Ball and the elder Waring were brothers-in-law, having married sisters.

Thomas R. Waring Jr. was born May 30, 1907, in Charleston and attended Porter Military Academy. He entered the University of the South at Sewanee, Tenn., at age 16 and graduated in 1927 as class valedictorian and a member of Phi Beta Kappa.

While in college he was editor of the campus newspaper and after graduation decided to become a newspaperman. When he applied for a job on June 20, 1927, at the Evening Post, his father turned him down.

"On leaving his office at 134 Meeting St.," Waring recalled on the eve of his retirement, "I encountered Mr. Ball, who was not only my uncle by marriage by my godfather. He had become editor of The News and Courier the preceding week, after that newspaper had been bought by the Evening Post.

"He was on his way to see my father and when he asked me what I was doing, I told him I was looking for a job. 'You're hired,' he said. He escorted me back to 19 Broad St., where The News and Courier was still being published, and told the city editor to put me to work. I don't know when he got around to calling on my father."

As a reporter, Waring became acquainted with the traveling representative of the New York World News Service, to which The News and Courier subscribed. The World representative told him that any time he wanted a job on the World, it would be available.

"I accepted it literally," Waring said, "and after two years with The News and Courier, I quit my job, took a three months tour of Europe and went to New York. I discovered, to my dismay, that no job was available there and I hit the pavements in search of employment."

A boyhood friend from Charleston, the late Thomas J. Tobias, was a reporter for the World. Waring followed him on his beat to learn his way around New York. After unsuccessful applications to a number of newspapers and wire services, Waring approached the last one on his list, the New York Herald Tribune.

As he approached the entrance, he met a Sewanee classmate, John T. Whitaker, who had just been hired as a Herald Tribune reporter.

Whitaker introduced him to Stanley Walker, the city editor, a famous newspaperman in his day. Walker told him there was no opening but encouraged him to come back later.

On the third try, Waring waxed eloquent in pressing his case and Walker hired him. The time was October, 1929.

"Soon the depression set in," Waring said, "Among the victims was the New York World. The World closed down, Tom Tobias, along with the rest of the staff, lost his job, and I covered part of the story of the end of the World for the Herald Tribune."

While in Charleston on holiday in 1931, Waring was offered the position of city editor of The News and Courier. Foreseeing pay cuts in New York and an opportunity to obtain in Charleston executive experience that might not be obtainable soon at the Herald Tribune, Waring accepted the offer, and at age 24 took charge of the city news staff.

In 1942, he succeeed Thomas P. Lesesne as managing editor, and in 1951 became editor on the retirement of W. W. Ball.

Since Ball had hired and trained the elder T. R. Waring to succeed him as editor of the Evening Post in 1897, Waring Jr. not only succeeded Ball as editor of The News and Courier, but in 1974, when he became editor of the Evening Post, occupied the chair formerly held successively by his uncle and his father.

In 1955, Waring was presented the "Green Eye Shade Award" of the Atlanta, Ga., chapter of Sigma Delta Chi, the journalism fraternity, for his handling of the Strom Thurmond write-in campaign for the U.S. Senate. The News and Courier's reporting was judged the most significant accomplishment in news reporting for this region during the preceding year.

In 1956, an article by Waring in Harper's Magazine, "The Southern Case Against Desegregation", attracted national attention. As a consequence, he was invited to speak at several universities and in other forums including network television programs in this country and in Caanda.

Waring has been on newspaper assignments in Europe, Africa, Latin America, Israel and the Orient and his editorial writings include articles on the various facets of many countries.

In the late 1950s, when Fidel Castro was hiding out in the Sierra Maestra mountains of Cuba and the U.S. Department of State was trying to analyze the rebel chieftain. Waring discussed the Cuban situation with diplomats and econmists who were familiar at first hand with Cuba.

As a result, The News and Courier became the first major American newspaper to label Castro a communist.

A series of editorials on Cuba was later published in a booklet and stands as a record of foresight into the Castro dictatorship.

Waring has been awarded honorary degrees by The Citadel and the University of the South. He has served in various civic organizations and is secretary of the South Carolina Historical Society.

He is a member of the American Society of Newspaper Editors, Carolina Yacht Club, Rotary Club of Charleston and St. Michael's Episcopal Church.

[From the Charleston (S.C.) News and Courier, June 22, 1977]

ROTARY CLUB HONORS RETIRING T. R. WARING, JR.

Over 130 members of the Rotary Club of Charleston and their guests Tuesday honored Thomas R. Waring Jr., Evening Post editor, who is retiring after 50 years as a newspaperman.

The remarks of five Rotarians selected to pay tribute to Waring were both respectful and humorous. They cited Waring's accomplishments through the years and expressed confidence his influence would continue to be felt throughout the community.

Waring was surrounded by special guests including his son, Thomas R. Waring III, son-in-law, Robert E. Berretta, and Post-Courier executives. The long-time editor and Rotarian of 35 years listened to the tributes and jests with arms folded, his face occasionally coloring a bit.

After the program, it took Waring over 15 minutes to shake all the hands extended to him with best wishes.

Asked his reaction to the tribute, Waring displayed the graciousness his associates spoke of during the program when he said with a laugh, "I wondered whom they were talking about." The whole thing surprised him, he said.

J. Douglas Donehue, director of promotions for the newspaper, talked about Waring's newspaper career that includes being secretary and director of the corporation that publishes Charleston's daily newspapers. Waring also was editor of the News and Courier for 23 years

Donehue said Waring's retirement "signifies the end of an era in South Carolina journalism that will long bear the mark of this man's excellence."

Other Rotarians who spoke during the program were Augustine T. Smythe, Dr. Leon Banov, William W. Humphreys and former Mayor Palmer Gaillard.

Gaillard got a big laugh from the group when he took the stand and said that "this is the day I've been waiting for"—a chance to turn the tables on Waring who'd written editorials about City Hall for so many years.

Dr. Banov said Waring "presented the news honestly and fairly, thereby meriting the confidence of the people. With good sound judgment he presented balanced news. When he retires as editor, this community will really feel the void."

BIG VICTORY FOR A SMALL WINDMILL

Mr. KENNEDY. Mr. President, a half century old windmill on the Lower East Side of Manhattan is an oddity but when its builders succeed in lowering big city utility rates, that is history.

This story of "the little windmill that could" began when residents of an apartment cooperative decided to generate their own electricity for lighting hallways and powering a pump for a solar water heater and resurrected an old three-blade device to do the job. Soon they were in trouble with Consolidated Edison, the New York utility, for making the electric meters run backward, reducing their costs and lowering utility bills. Con Ed tried to shut off their power.

The New York Public Service Commission was then asked to determine whether the utility could shut off the electricity or whether, instead, the cooperative was entitled to sell its surplus electricity to the utility. The commission ruled in favor of the consumers.

The consumers will receive from the utility the magnificent sum of 46 cents a month but the precedent far overshadows the sum. This may be a first step in a whole host of ways that consumers and industry can generate their own electricity and sell it into the utility system, saving energy and providing self-sufficiency to families, neighborhoods and businesses. If the precedent is contagious, chances for cogeneration and solar energy will be improved.

The marvelous story of this adventure in consumer initiative is contained in the June issue of the Power Line, a publication of the Environmental Action Foundation. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CON ED MUST BUY CITIZEN WINDPOWER

Residents of an apartment cooperative on New York's Lower East Side won a smashing victory over Consolidated Edison Company last month. The state's Public Service Commission (PSC) ordered the utility to buy power generated by the citizen's rooftop windmill. Con Ed had tried to disconnect service to the building because the wind generator, which was hooked into the company's power lines, caused the customers' electric meter to run backwards.

The PSC's decision sets an important precedent for promoters of decentralized energy systems who frequently encounter resistance from the utility monopolies.

When the windmill was installed last fall, Con Ed executives threatened to shut off the building's electricity supply if the mill continued to feed power into the company's grid. The officials said that power from the two-kilowatt windmill might cause some damage to its 10-million kilowatt system.

The half-century old three-blade device supplies lighting for the building's common spaces such as hallways, as well as power to pump the solar water heater. When the windmill's output is insufficient, Con Ed supplies back-up power. And when the windmill produces a surplus, the electricity flows backwards through the meter into Con Ed's system.

The Public Service Commission directed Con Ed to pay 2.3 cents for each kilowatt-hour (kwh) it buys from the windmill, based on the company's fuel cost savings. In contrast, Con Ed charges its customers about 9 cents per kilowatt-hour. That means Con Ed will owe the co-op about 46 cents per month for the anticipated 20 kwh surplus from the windmill. The building's residents will receive additional savings however, since each wind-generated kilowatt-hour they use knocks nine cents off their Con Ed bill.

Still, the PSC's ruling is a mixed blessing. Con Ed will be allowed to charge the cooperative a special eighteen dollar monthly fee for monitoring the system, which will wipe out most of the windmill's savings. Nevertheless, the decision opens up utility operations to direct competition from their customers.

Already, several other New York residents have expressed interest in replacing Con Ed's juice with a rooftop wind machine. With the highest rates in the nation, Con Ed has good reason to be worried.

OPPOSITION BY ARIZONA TO H.R. 5806—MINERALS DEVELOPMENT

Mr. GOLDWATER. Mr. President, very often we enact legislation at the national level without fully understanding what the effect will be on some localities throughout the country. In this connection, I find that H.R. 5806, a bill to provide for the development of certain minerals on public lands; and for other purposes, is of serious concern to the people of Pima County, Ariz. The officials of the city of Tucson claim that if this bill is enacted into law, it would change the ad valorem tax structure of future patented mining lands and reduce revenues for Pima County. In addition, they claim that the proposed act would make small independent exploration companies less able to compete with large mining and oil companies, with the result that many would be forced out of business.

Mr. President, the mayor and city council of Tucson recently passed a resolution memorializing Congress of their concern. I ask unanimous consent that this memorial be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

A MEMORIAL RELATING TO H.R. 5806

To the President and the Congress of the United States of America:

Your memorialist respectfully represents that:

H.R. 5806 of the 95th Congress, 1st Session, is a bill introduced in the House of Representatives March 30, 1977, to provide for the development of certain minerals on public lands; and for other purposes, and to be cited as the "Mining Law of 1977."

This bill, if enacted in law, would change the ad valorem tax structure of future patented mining lands, thus reducing property tax revenues for Pima County in which the City of Tucson, a municipal corporation, is situated.

This proposed act would tend to destroy the confidentiality for original geologic concepts and thus reduce the number of private tax paying geological exploration companies.

This proposed act would make small independent exploration companies less able to compete in exploration undertakings with large mining and oil companies forcing some out of existence.

Wherefore, your memorialist, the Mayor and Council of the City of Tucson, Arizona, prays:

That the President and the Congress of the United States be hereby notified that they go on record in opposition to said H.R. 5806.

That the City Clerk is hereby directed to send copies of this Memorial to Jimmy Carter, the President of the United States, Senator Barry Goldwater, Senator Dennis DeConcini, and all members of the United States Congress and to the Secretary of the Department of the Interior.

WILLIAM S. CHEATHAM

Mr. HUMPHREY. Mr. President, it was with deep sadness that I learned recently of the passing of William S. Cheatham. Bill Cheatham was well known to those of us who have served in the Senate for more than a few years. Until his retirement in 1966 he served as administrative assistant and legal counsel to the Senate Sergeant at Arms. Prior to that he served the Senate in several capacities, as well as being an assistant corporation counsel in the District of Columbia and general counsel to the National Capital Planning Commission. Bill's Federal service covered 45 years, beginning with his first job as a Senate page, a position to which he was appointd on his 12th birthday.

After leaving the Senate, Bill moved to Lexington, Ky., the home of his beloved wife, Alice. There he joined the legal staff of the State of Kentucky and tried cases concerning Kentucky tax laws.

I know my colleagues and the staff which served with Bill here in the Senate join me in expressing our deep sympathy to Alice Cheatham and to all members of Bill's family.

THE B–1 BOMBER IN PERSPECTIVE

Mr. SCHMITT. Mr. President, the President's decision to cancel production of the B–1 bomber will have many extremely serious military, technological, and economic consequences which apparently are little understood by Mr. Carter. We will have greatly reduced conventional and nuclear military capability as the old B–52's must be retired. We will further restrict our general technological development in military and, indirectly, in commercial aircraft. We will cause vastly increased economic erosion in our valuable aerospace industry.

None of these consequences, as profound as they are, are as serious as what we have done to our ability to protect freedom until new international relationships subdue threats to freedom's existence.

The paradox in the survival on this planet is that one free Nation, the United States of America, must remain obviously and visibly stronger than all other nations, but must never use that strength or freedom has lost.

The maintaining of this paradox of strength without the use of strength will never be easy or cheap. However, it must be maintained until new long-term relations between free and developing nations can be created. It will take an efficient blend of tactical and strategic military systems and of policy for the use of those systems. Most importantly it will take variety and flexibility of response to unpredictable pressure from those who have no interest in freedom or human

rights. The B–1's greatest asset to our survival is its flexibility.

The critical elements provided by the B–1 are advanced weapons and defensive capabilities and the presence of man "in the loop." Obviously, it is important to advance the technology of our weapons so that they are known to be more effective than a potential enemy's abilities to defend against them. The B–1 is more effective; the B–52 is not.

In any conventional warfare situation, the B–1 offers twice the bomb load of the ancient B–52 plus much greater survival capability when faced with enemy defenses. In nuclear war, in combination with the cruise missile, the B–1 represents our most useful deterrent to enemy attack or intimidations.

The most difficult weapon system to defend against is the low-flying, manned aircraft. This is true for the Soviets and Chinese as well as for ourselves. For the next 2 or 3 decades, the B–1 with the cruise missile on board will give the free world the edge in our race to survive and to survive as free nations.

The most crucial element in the B–1 is the combination of advanced technologies for attack and defense with the presence of man "in the loop." In our space program, the presence of man in the control loop of our spacecraft gave reliability and flexibility that unmanned spacecraft cannot duplicate. The success of our space program as compared to that of the Soviet Union is a direct outgrowth of our greater emphasis on man's inherent capabilities.

Our nuclear deterrent forces also require men in the loop as long as there is any chance of a peaceful resolution of a global confrontation between nuclear powers. Once launched a missile cannot be recalled. Until launched a missile is not a threat. A modern, airborne manned bomber is both a viable threat and a recallable threat. This military flexibility, but more importantly, this political flexibility is absolutely necessary if we are to give ourselves and mankind the best possible chance for survival.

PAUL ENGLE: WORLD FIGURE RETIRES

Mr. CULVER. Mr. President, one of Iowa's most distinguished native sons is the internationally known poet and novelist, Paul Engle. With his wife, the noted Chinese novelist and translator, Hualing, Mr. Engle founded in 1967 the international writing program which brings foreign writers to the University of Iowa at Iowa City for 4 months a year to gain a first-hand acquaintance with the American Midwest, to write and to discuss literature with fellow creative artists.

Despite the immense difficulties of arranging and maintaining such a unique, imaginative program—particularly the raising of $250,000 annually from private sources—the Engles have made the IWP a phenomenal success. In addition to what this program has done to assist the writers of many lands to achieve their potential, it has contributed incalculably to better understanding and enriched cultural exchange between diverse peoples.

An article in the Cedar Rapids Gazette of July 10, 1977, by Judy Daubenmier describes the Engles' extraordinary work with the international writers program and concludes with some interesting insights by Paul Engle about the fascination of growing up in Cedar Rapids, Iowa, which, I am proud to say, is also my own hometown. In order to share this extraordinary story with my colleagues, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the story was ordered to be printed in the RECORD, as follows:

[From the Cedar Rapids (Iowa) Gazette, July 10, 1977]

PAUL ENGLE: WORLD FIGURE RETIRES

(By Judy Daubenmier)

IOWA CITY.—In India, in Poland, in Yugoslavia, in Romania and in Japan, people are talking about Iowa City.

They compare it to Paris for Hemingway in the Twenties and marvel at the picture of American life there, so different from the international image of decaying cities and social unrest.

The world knows about Iowa City and about life there and elsewhere in America because of Paul Engle, self-appointed grandfather to the world's writers.

Engle, for ten years, has made Iowa City a home for the world's writers through his International Writing Program (IWP). Engle officially retired June 30 as director of that program at the University of Iowa.

His retirement ended 40 years on the university faculty, including 24 as director of the prestigious Writers Workshop before he founded the IWP in 1967.

For a man who grew up in the best work ethic tradition, retirement holds no promise of relaxation at a winter home in Arizona.

MORE OF SAME

Instead, there will be more of the same—more writing, more fund-raising and more efforts "to make Iowa synonymous with writing."

Engle spent much of the afternoon on his last day on the University of Iowa faculty discussing his memories of the past and some of his hopes for the future.

"I hope I have written some poems people will want to read," said Engle, author of ten books of poetry, a novel, a history of American women and numerous magazine articles.

"And I have spent 40 years helping other writers, American and foreign. We have made Iowa synonymous with writing. That is more of an achievement than I ever thought I could do, and to do it in Iowa City, a small town, at a university of modest resources.

"There is something challenging and rewarding about creating a program where it is sympathetically received, but where it is extremely difficult to get it established and funded."

Engle was referring to the IWP, which he and his wife founded in 1967. The program brings foreign writers to Iowa City for four months a year, and takes them to visit Midwest businesses, farms and homes, gives them opportunities to talk to each other about their writing projects and time to write if they choose.

Some write about their experiences in the United States when they return home, but all have had their writing affected by the experience.

"The original idea was Hualing's (Mrs. Engle) not mine," Engle admitted. "We were on my boat on the Coralville reservoir, and she said, 'Why don't you have a writer's workshop for foreign writers?' I said it was crazy, it could not be done, there was no way. How would we find the best writers in Chile or Bali? How would we fund them? It costs $6,000 to fly them from the other side of the earth to Cedar Rapids, to pay them a stipend and to keep them fed and housed."

The burden of raising those funds has fallen on the Engles over the last ten years. The university pays salaries and office expenses for the program, but the Engles raise $250,000 annually for expenses of the writers.

"The fund-raising is time-consuming and exhausting. You cannot find $250,000 in Iowa City. We find it wherever we can. We are very proud of our local support. It's an enormous help when we go into New York offices to be able to point to the support of people at home," said Engle.

ENJOY FUND-RAISING

"I enjoy one aspect of fund-raising—proving we can do it, walking into a corporate office and coming out with money.

"It is a great burden. It has cost me several books that will never be written. It's a real profession. You have to sell a good idea."

Engle has succeeded in selling the idea to business officials such as those of Amana Refrigeration, Northern Natural Gas Co., Reader's Digest, Sears-Roebuck Foundation, Time, Inc., Maytag and John Deere.

The U.S. department of state also supports the program and Engle points proudly to examples of articles in the foreign press about the U.S. written by former IWP participants. He calls such articles "a better defense of this country than the B–1 bomber."

And, he wishes the program were ten times larger than it is.

The great advantage of bringing writers, of course, is that they can articulate their experience when they return home.

And the advantage of the IWP is that the writers actually live an American life. "The only way they are going to understand us is if they come, not to take an official tour, but simply to live life as we lead it," said Engle.

Hualing, a Chinese-born novelist, directs the program now, with Engle as "consultant, errand-boy and money-grubber."

"That means I'm going to work just as hard as I always did," said Engle. "I grew up in the work ethic. The two most important things in life were work and worshiping God, and you worshiped God by working. I do not quit. Hualing is the same way. We work seven days a week, we never take a vacation. If we travel, it's for the sake of the program."

Despite their hard work, Engle termed the future of the writing program "shaky."

"Money is a tremendous issue. The priorities of the American government are always changing. If an assistant secretary of state is told the government is going to emphasize economics, writing isn't going to seem important. The program depends on the directives of people who have never seen the program," he said.

ANOTHER UNIVERSITY

Another university has offered to take the program and to fund it fully, relieving the Engles of the responsibility of raising money.

"That is very tempting. If we cannot raise the money to be independent, we will have to go. We're not eager to go. We love it here. If it is a question of survival, we will have no choice. It all depends on how much support we get," he said.

Engle emphasizes it was the support of the university in the first place which made the IWP possible.

"To create new programs, as I have done all my life, you need a university which believes in imaginative, innovative things. The University of Iowa has taken chances, especially in the arts. It is rare to find an administration willing to do that," said Engle.

Since joining the faculty in 1937, Engle has spent his entire career at the university. "I never wanted to leave," said Engle.

He also received his master of arts degree from the university, presenting for his thesis a published book of poems, "Worn Earth",

which won the Yale Series of Younger Poets prize.

He also attended Oxford university as a Rhodes scholar and was a graduate of Coe college.

CEDAR RAPIDS TO OXFORD

Engle is still awed by the contrast between his Cedar Rapids upbringing and his experiences in England, calling Oxford "the most opposite of Cedar Rapids there could possibly be."

He was stunned by the practice of having a man, called a "scout," to perform tasks for him such as shining his shoes "which probably still had some of the horse barn on them."

"It was a big jump from Engle's environment to the great class distinctions of England. I could not bear the sense of superiority and of inferiority among the classes. I grew up in Cedar Rapids where we all regarded ourselves as equals . . . I had friends in school who had much more money than I did. It never troubled me that they had much more money than I and it never troubled them that I had little," Engle recalled.

Though he professes to be a man who "has never been interested in the past," Engle has warm memories of his boyhood in Cedar Rapids.

It takes little priming for him to begin pumping one Cedar Rapids tale after another, which are not so much told as acted out with broad gestures. Hualing is a good audience for the stories, and fetches a tape-recorder to preserve them.

"My memories of Cedar Rapids are countless and very concrete," said Engle. "I was lucky. My father was in the horse business. He had carriage horses, work horses and saddle horses, and my uncle had race horses. I grew up in the world of the horse while the world of the automobile was beginning."

Engle most likely didn't consider himself lucky when as a young lad he drove and led two wagons from his father's barn on Mt. Vernon road and Fifteenth Street SE downtown to the telephone company.

"I drove one with my left hand and led the other with my right hand," recalled Engle, demonstrating with his hands. "I was a pretty scared young kid. I had to cross railroad tracks, and train after train would go through there. If a train engine blew its whistle, I was in big trouble because the horse in my right hand would go right up in the air and the horse in my left hand would go right up in the air.

"My father used to say, 'Whatever you do, don't let go of the horses'," said Engle.

SOLD GAZETTES

Later in the day, Engle would sell the morning edition of The Cedar Rapids Gazette. His corner was the northeast corner of Third avenue and First street SE. In the afternoon, Engle delivered the paper to customers from Fourth avenue and Fifteenth street to Bever park.

"I've written a poem called 'Engle Country' describing taking The Gazette to the Cedar hotel, a funny little old hotel. The girls who lived there had no apparent means of livelihood. They were always in bed at 10:30 in the morning, which made me feel they must have been very important people," chuckled Engle.

"I knew everybody on the route. It was a warm and interesting way to earn a little bit of money."

He also has fond memories of working at the East End pharmacy. Film of the pharmacy was included in a Yugoslavian national television program about Engle which has been shown throughout that country.

Engle calls the pharmacist, Art Clark, one of several people in Cedar Rapids who gave him "books and tea and sympathy" to help him become a writer.

"He would order far-out magazines knowing nobody would ever buy them so I could read them. That has an enormous effect on you. Everywhere I went, there was always somebody giving me books and tea and sympathy," he said.

The person whom Engle calls "the absolutely decisive influence" was Elizabeth Cock, a teacher at Washington high school.

"She was a brilliant teacher. I've never had a better teacher anywhere. She was first class. She had a good mind. She lent me books, corrected what I wrote and talked to me.

"She lived in that apartment building in the triangle across the street from St. Paul's Methodist church. I used to go there just because I had a manuscript and I couldn't wait for her to read it," he said.

"It was at McKinley junior high school where I discovered there was something called modern poetry. The librarian, Miss Baldridge, would order books knowing Paul Engle would be the only person who would ever take them out.

"I checked endless books out of the city library. If it were not for that library, I would not be here today."

He remembers with great pleasure the Czech influence in Cedar Rapids, their love of music and food.

"All during Prohibition, the Czechs made wine. They didn't believe in Prohibition. The amount of homemade wine in Cedar Rapids was always constant, abundant and very good," he said.

"One of the Czech bakeries sold day-old kolaches to us newsboys for half price. I wish I could say all my books I owe to eating kolaches when I was a kid."

Many of Engle's memories of Cedar Rapids will be included in a new book of poems, "Engle Country," and in his memoirs which he plans to write in retirement.

PERSONAL MEMOIRS

Engle promises the memoirs will be much more personal and more local than those written by William Shirer (Cedar Rapids native who authored "The Rise and Fall of the Third Reich"). The memoirs may run to two books.

Also in the works are three more books on women in American history, following up on his latest book "Women in the American Revolution"; two books planned with Hualing and one collection of the 3,000 years of poetry by the emperors and empresses of China.

There will likely be more books, too, for Engle's self-description is not that of a man who will spend his retirement resting on his accomplishments.

"I've never been interested in the past. I have always found the present interesting and I find the future fascinating. I've always looked ahead. I was always the kind of person who wanted to do everything," he said.

"It's much harder to be a really first-class husband and father than to be a good poet. The human things are the most difficult and most honorable things that you can do."

HUMAN RIGHTS

Mr. GOLDWATER. Mr. President, can human rights, as a central element of a nation's foreign policy, be applied on a selective basis? This question is becoming more important every day as the Carter administration continues to point out violations of human rights in some parts of the world while ignoring others. This is particularly true in the case of Communist China, which has one of the worst human rights records in the history of the world, and which has, so far, escaped any condemnation by President Carter. The same can be said of North Vietnam where human rights are practically nonexistent on a nationwide basis.

Mr. President, this whole question was recently put into a new perspective by Father Raymond J. de Jaegher, who spent many years in Communist China and who wrote about his experiences for the National Catholic Register. Because of its extreme importance, I ask unanimous consent that Father de Jaegher's timely article be published in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the National Catholic Register, May 1, 1977]

RIGHTS DENIED IN RED CHINA, VIETNAM

(By Father Raymond J. de Jaegher)

Abraham Lincoln once said: "To sin by silence, when we should protest, makes cowards out of men." President Carter seems to be following Abraham Lincoln. He is speaking against blatant violations of human rights in some—but only some—countries of the world.

In China and in Vietnam today under Communist domination, the people cannot speak freely, or write freely, or go to Church and worship freely. They cannot even travel from Communist-dominated countries into countries of the Free World.

To support the human rights is a positive weapon of the Free World. Communist countries are very much hurt by open examination of the human rights question.

Searching questions on human rights constitute a powerful psychological tool to penetrate not only the Soviet Union and the countries of Eastern Europe but also to put pressure on Mainland China and the newly united Vietnam, controlled by North Vietnam's Communist regime.

It is very ironic to hear the strong language used in our media against Spain, Portugal, Brazil and Chile. The Communist regimes too have bitterly attacked those countries because they defeated Communism.

It is also very interesting to read the article of William Safire in the March 23 *New York Times*. In an interview in Peking, a Chinese Foreign Ministry official asserted to him: "In the United States, only 5 percent of the population enjoys human rights, and 95 percent don't have them." This statement of course will startle the American people who never knew that they do not have the basic freedoms the U.S.A. is built upon. The Chinese official admitted that 5 percent of China's 800 million people were denied human rights. The best interpretation of his statement is that 40 million Chinese have been deprived of human rights in prisons, or in "reeducation camps."

Serious studies on the human cost of Communism indicate that 36 to 63 million Chinese were killed on Mainland China, and probably the figure exceeds 63 million.

During my years under the Communists in China I never had real freedom of speech. Freedom of religion was slowly taken from me and eventually eliminated for all believers. Travelling passes were required to go from one village to another, not only for me, but for *all Chinese citizens*. Every one of us had to follow the strict party line. Every Chinese knew this.

For this very reason, foreigners who visit the Mainland of China find everything in the best of order, everything in strict discipline. Everyone is dependent of the regime and even after a quarter-century of Communist rule the citizen of China must have food tickets. Every Chinese citizen is poor. The regime is rich and has absolute control. For a citizen of a democratic country this is incredible.

Vietnam is following the same pattern as Communist China. During the two years

since South Vietnam fell under the full control of the Communist North, efforts have been launched to destroy the resistance movements of the Southern Vietnamese. The Northerners do not want to rock the boat too strongly because they are very eager to have U.S. diplomatic recognition of the new united Vietnam. They want aid for Vietnam and any U.S. aid would mean for them "reparation" for the damage of the war.

Over 50,000 Americans and nearly a million Vietnamese died during the war in Vietnam, a war to keep freedom in Southeast Asia. I lived ten years in Vietnam and saw the refugees who fled from the North; now these refugees have to be deported from South Vietnam to labor camps in the North.

Half a million former army officers and government officials of all levels have been sent to so-called re-education camps, which are real concentration camps with beatings, tortures, mental harassments bringing the rate of suicide in Vietnam as one of the highest in the world. I have heard the stories of hundreds of Vietnamese who told me their tragic escape from Vietnam to the Free World, and even now in the South China Sea boats with refugees who are trying in vain to find a friendly country and a free home to live in.

Cambodia, the neighbor of Vietnam, had 1.2 million killed out of seven million inhabitants. The whole country is in turmoil, without freedom and without human rights.

The people of all the world's Communist countries are always taking the one-way street to the free countries, when they can. Millions of Chinese, Vietnamese and refugees from the Asian countries fled to our free countries. No one is trying to get into Communist countries.

I interviewed many times young men and women of China who escaped from Mainland China to Hong Kong and Taiwan. They took chances to swim for six or seven hours despite the Communist patrol boats trying to kill them, despite sharks, despite strong adverse currents, and despite the Hong Kong police trying to stop illegal entry into that British colony. Only one out of ten achieve their goal of freedom, but young men and women continue to risk their lives for freedom.

Vladimir Bukovsky was asked at an AFL–CIO lecture in Florida how many prisoners were in Soviet concentration camps. Solzhenitsyn had said 30 million, but Bukovsky replied "250 million"—the total Soviet population—to signify that the whole country is a concentration camp, and truly the people of the Soviet Union do not have the human rights. The same can be said of China and Indochina.

Citizens of the United States of America enjoy freedom of speech, freedom of religion, freedom of the press and freedom of assembly. These fortunate citizens should support all those citizens from China and from Indochina requesting basic human rights, individual social and economic liberties and above all the right to worship God freely.

Some 35 countries have signed the Helsinki agreement, but the Helsinki agreement was only useful for the Soviet Union to proclaim that the countries of Eastern Europe now are under Communism. They do not ensure faithful compliance with the agreement's human rights provisions or those of the United Nations Universal Declaration of Human Rights.

Communists complain ceaselessly about the imperialistic United States, about tyrannical dictatorship in Spain, Chile and Brazil. They never speak about Cuba, Angola or Mozambique.

We hope that the people of the Free World, led by the U.S.A., will also be strong to speak for the people of China, at a time when 800 million of them after the death of Mao Tse-Tung, are looking forward for their freedom, after 26 years of enslavement.

REPRESENTATIVE PEPPER SPEAKS OUT ON MANDATORY RETIREMENT

Mr. CHURCH. Mr. President, mandatory retirement and the need to strengthen the Age Discrimination in Employment Act are two major front-burner issues in the field of aging.

The Committee on Aging, of which I am chairman, plans to issue a working paper soon on these timely subjects.

It is my hope that this document can provide helpful information for the Senate in developing legislation to reduce or eliminate job bias because of age.

This document can also provide a springboard for a long overdue national discussion concerning work patterns and whether present retirement policies—based to a large degree upon conditions existing 20, 30, or 40 years ago, and sometimes more—should be modified, continued or replaced.

The need for this assessment, it seems to me, is urgent. Today many older Americans believe that advancing age shuts them off from purposeful activity. They deeply resent "being put on the shelf."

Forced idleness may mean a sharp reduction in income, at a time when inflation is placing millions of elderly persons in a financial squeeze. However, there are other important considerations which should not be overlooked. Forced retirement may also be psychologically damaging, particularly for those individuals who have lived active and vigorous lives. A person does not suddenly change upon reaching the age of 65.

I have long maintained that chronological age alone is a poor measuring device to determine whether a person should be hired or fired. Functional capacity—not chronological age—should be the determinative factor.

Work skills may decline or improve with advancing age, and sometimes they show no change at all.

Representative PEPPER, chairman of the House Committee on Aging, says,

> Some persons dodder at 30, others at 80, and some pass through life without "doddering" at all.

He recently wrote a letter to the editor of the Washington Star about mandatory retirement in the Federal Government.

His reasoning takes on additional timeliness because House and Senate committees will act soon on legislation to strengthen the Age Discrimination in Employment Act, including a provision to remove the age-70 ceiling for Federal employees.

Mr. President, I ask unanimous consent that Representative PEPPER's letter to the editor of the Washington Star be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the Washington Star, June 29, 1977]

"SOME PERSONS DODDER AT 30"

In his Federal Column titled, "Mandatory Retirement for Federal Workers Has Its Good Points Too" (June 12), your Joseph Young raised two arguments against my bill banning mandatory retirement in the federal government:

(1) Agencies "might be stuck with" workers "into their doddering years";

(2) "Abolishing mandatory retirement would delay the career advancement of younger employees."

Underlying the first assertion is the discredited assumption that the older worker is less productive than the younger worker. Studies by the Department of Labor, the late Ross McFarland of the Harvard School of Public Health, the National Council on Aging, and the New York State Division of Human Rights sustain the conclusion that in the conclusion that in the areas of punctuality, on-the-job safety, attendance, and work performance, workers over 65, in general, are equal to or better than younger workers. The Labor Department, in fact, notes that overall there is a greater discrepancy in work productivity within age groups than between age groups.

Young notes the trend in industry to hire middle-management persons in their 50s and 60s "because their experience is a valuable asset," but he observes that there is no such trend in the federal government. If, in fact, industry does recognize the value of the older worker's experience and the federal government does not, that is the federal government's loss. If the federal government, however, is not bringing in older workers, the controversy over so-called "double dippers" has received a great deal of unwarranted publicity.

But whatever the "trend," the federal government can learn a useful lesson from such companies as U.S. Steel, Bankers Life and Casualty, and Paddock Corporation which have banned age-based mandatory retirement and are experiencing no resulting difficulties.

If Mr. Young would provide me with a list of the "federal departments and agencies (which) already hesitate to hire people in their upper 50s or 60s," I would forward it to the appropriate authorities since it is illegal under the Age Discrimination in Employment Act to discriminate against persons between 40 and 65 in the terms and conditions of employment on the basis of age. As for federal workers, an appellate court has ruled that Section 15 of the Age Discrimination in Employment Act, added in 1974, protects them to the age of 70.

Mr. Young hints that my bill to eliminate mandatory retirement would make agencies even more leery of hiring older workers. Anyone who is leery about enforcing the law deserves to be mandatorily retired, but not because of age.

I am alarmed that Mr. Young identifies "doddering" with age. Some persons dodder at 30, others at 80, and some pass through life without "doddering" at all. Our concern should be with competency, not age, race, sex or religion. Any supervisor who permits an incompetent worker of any age to draw a federal paycheck defrauds the taxpayer. The reluctance of personnel managers to do the job for which they are paid is a feeble argument for mandatory retirement.

Underlying Mr. Young's second contention is an appeal for arbitrary age discrimination in the name of career advancement for the young. The chimera of upward mobility is a lure tossed to the young to draw their support for mandatory retirement. In fact, comparatively few persons—only 1,509 last year—choose to remain in federal service until the mandatory age of retirement and fewer still would elect to continue working after that age. But as 86 percent of the American people indicated in a recent poll, those older persons who want to work and are able to work should be permitted to continue to work.

A young person whose upward mobility has been purchased at the price of an older person's job has entered into a Faustian contract with the proponents of mandatory retirement. For when that "young worker," still

competent, productive and eager to work, reaches the arbitrary age of retirement, he or she will find that the right to cry "age discrimination" upon being forced arbitrarily from the labor market has been bartered away.

The contention that mandatory retirement opens the possibility of career advancement for the young remainds me of a tale written by the Grimm Brothers. In it, a farmer forces his elderly father to eat from a wooden trough apart from the family. One day, the farmer notices that his own son is constructing a wooden trough. "Why are you building a wooden trough?" asks the farmer. "I am preparing for your old age," replies the son. The farmer dismantles both troughs. There is a message in that story for those who subscribe to Mr. Young's second contention.

Given Mr. Young's premises, his championing of mandatory retirement at 70 with five years of service puzzles me. If one is going to reject competency-based retirement in favor of arbitrary age-based retirement, why not force retirement at 65 or 60, or at whatever age Mr. Young currently happens to be? Adopting Mr. Young's logic and assuming with him that supervisors are unable to rid federal service of incompetent workers, why not mandatorily retire everyone at 41, an age as arbitrary as 70. One would, in the process, magnify both of the advantages Mr. Young sees in mandatory retirement, for one would flush out all incompetent workers over 41 and would at the same time open greater possibilities of "career advancement for younger employees" than does retirement at 70.

The proposal, of course, is absurd. But its absurdity exposes mandatory retirement for what it actually is: a euphemism camouflaging the cruelty of age discrimination and forced unemployment.

Ageism is as odious as racism and sexism. In principle and in practice, the federal government must oppose it.

CLAUDE PEPPER,
Chairman, Select Committee on Aging, House of Representatives.
WASHINGTON, D.C.

SLOW TO TAKE OFFENSE

Mr. GOLDWATER. Mr. President, President Carter's decision to halt the B–1 bomber and to go ahead with the cruise missile has stimulated a brand-new debate on the major elements of our national defense policy. Many people believe that an ongoing bomber, such as the B–1, is an essential component of any U.S. strategic force for the 1980's. Others contend, as does President Carter himself, that the cruise missile would be a sufficient adjunct to our aging B–52 fleet for defense purposes.

In light of this debate, Mr. President, I should like to draw the Senate's attention to a new study put out by the Georgetown University Center for Strategic and International Studies entitled, "Slow To Take Offense." The report was prepared by Francis P. Hoeber, with a foreword by Eugene V. Rostow.

I ask unanimous consent to have printed in the RECORD some highlights from the Georgetown study.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SLOW TO TAKE OFFENSE

(By Francis P. Hoeber)

1. Bombers are an essential component of the U.S. strategic forces in the 1980s, for:

Continued insurance against surprise attack.

Continued diversity as insurance against technological surprise that would make some portion of the forces vulnerable.

De-emphasis of fixed land-based, increasingly vulnerable and destabilizing ICBMs.

Increasing emphasis on flexibility and accuracy, as Finite Deterrence-Assured Destruction becomes less adequate and less feasible.

Non-suicidal launch-on-warning, with recallability and time for negotiation—the capacity to be "slow to take offense."

2. The bomber force must be modernized in the 1980s:

The B–52 is becoming obsolete.

Soviet strategic forces (land, sea and air) are being rapidly modernized and are approaching superiority.

Timely, equitable SALT agreements cannot be reached if the U.S. does not show intent to keep up with Soviet force modernization.

If SALT continues to limit numbers of strategic nuclear delivery vehicles, modern vehicles will be needed to maintain essential equivalence.

3. The B–1 should be procured for force modernization in the 1980s:

It is the only system adequate to penetrate the Soviet air defenses of the 1980s and having the growth potential that can be expected to be needed for the following two decades.

Costly rebuilding of the B–52 cannot give a comparable return on the dollar in terms of penetration performance, long life, and growth potential.

The claim that the B–1 is the "most expensive weapon system in history" is a myth:

The often-quoted "$92 billion" figure is reached by counting 30 years of costs, with projected inflation and no discount for the future and with loaded-on costs of new tankers and armaments that would be bought for other purposes if the B–1 were not built.

Air-launched cruise missiles can be a useful bomber armament in the 1980s against some targets but are not a cheaper substitute for the B–1 pentrating bomber:

The alleged $10–15 billion savings in the Brookings proposal for an all Boeing 747-type cruise missile carrier force is a myth. "Slow to Take Offense" shows that errors in the Brookings (Quanbeck and Wood) model and costing account for the alleged savings. In particular, the Brookings model fails to take account of:

(a) the effectiveness of armed decoys postulated for the bombers and not shot down by the defenses;

(b) bombs dropped by bombers before they are shot down;

(c) the additional reliability problems of cruise missiles that must travel long distances over the Soviet Union at very low altitudes, without losing their way or "clobbering" themselves against a hillside;

(d) differences in penetration capability of different systems, with different radar cross-sections, low-altitude speeds, electronic countermeasures (ECM), defense-detection capability, and tactics (the B–52 is as good as the B–1 in their model—and the 747 could penertate as well as either!); and

(e) the added cost of airborne alert for the 747 to avoid vulnerability to SLBM attack before launch.

Most crucially, as noted in "Slow to Take Offense," a Soviet defense against the carrier could be much cheaper and potentially more effective than defense against a mixed penetrating force. If Soviet defenses were concentrated a few hundred miles out from their borders, losses of fully-loaded carriers could be catastrophic.

DAVID NYHAN'S SERIES ON NORTHERN IRELAND

Mr. KENNEDY. Mr. President, on June 27, I placed in the Record an excellent article by David Nyhan of the Boston Globe on the situation in Northern Ireland. Since that time, the Globe has carried three more articles by Mr. Nyhan on the issue, based on his first hand impressions from his recent visit to Northern Ireland.

The first of these articles describes the role of John Hume, the deputy leader of the Social Democratic and Labor Party and a powerful spokesman for the cause of peace in Northern Ireland. The second article describes in detail the security issue and the controversial role of the troops and local police in trying to end the violence. The third article summarizes the historical roots of the present violence and the deep divisions between the Protestant and Catholic communities, and analyses the many complex factors involved in the current search for peace.

Mr. President, Mr. Nyhan has written a fine series of articles on the background and nature of the conflict in Northern Ireland. His articles will be of interest to all of us anxious to see an early end to that conflict. I ask unanimous consent that Mr. Nyhan's recent articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Boston Globe, July 4, 1977]

A MAN OF PEACE FOR A RAVAGED ULSTER

(By David Nyhan)

LONDONDERRY, NORTHERN IRELAND.—He has no government title anymore. He still lives in the Bogside, the Catholic ghetto in which he was born.

His family exists on his small university research stipend from Dublin. He still has to produce ID cards to move around his city.

Yet John Hume is regarded by some as the hope of Northern Ireland. If peace is to come to this ravaged land, Hume will have to be in on the settlement. And no one is working harder toward that end.

He is one of the few people here who can give you a dispassionate summary of three centuries of blood and bitterness:

"It started when the British colonized Ireland in the 17th Century. Like all conquerors, they came with the Bible in one hand and a sword in the other. The settlers were Protestant. The natives were Catholic. In Ireland, religion took on a significant difference, like color elsewhere. The Protestants concentrated on the northeast of the country (Belfast and the six northern counties).

"When the country moved toward independence and home rule (early this century), the Protestants used the threat of arms to insist on their tie to Britain. They got it.

"Prime Minister Lloyd George at the end of World War I, instead of taking them (the colonists) on like DeGaulle did in Algeria, drew a line across Ireland. Inside Northern Ireland they left a 35-percent Catholic minority that felt cheated—and loyal to the south.

"The majority feared the minority, feared they would grow, and so they discriminated against the Catholics in housing, voting rights and jobs. The minority revolted in the civil rights movement (late 1960s). The Protestants met it with force, and the Provisional IRA was born."

Hume is deputy leader of the Social Democratic and Labor Party (SDLP), the party of most of the 500,000 Catholics, against the two Unionist parties of the one-million Protestant majority.

Gerry Fitt, a man with a large personal following, is the SDLP chief, while Hume is regarded as the theoretician.

Hume came to prominence as a university instructor, having majored in French and

history, as the calm and resolute leader of civil rights demonstrations nine years ago. His courage was demonstrated in the riots that marked the resumption of violence and has never been questioned since.

Elected to the disbanded Parliament at Stormont, he was subsequently minister of commerce and development for five months, before a Protestant general strike brought that government down. Since then the British have ruled.

Now he is waiting for some kind of power-sharing agreement with the Protestants to get about the business of reconstituting the country. He is a lightning rod for some extremists opposed to settlement.

"Hume Quisling," reads a Provo slogan scrawled not far from the Bogside rowhouse occupied by Hume, his wife, Pat, and their five children.

He shrugs off the threats, anonymous calls, mailed vows of hatred that a moderate politician gets from extremist elements.

To the Provisional IRA, Hume is anathema because he rallies the middle against terrorism. To Protestants, he is a symbol of sophisticated Catholic political thinking, a man honored more in other countries than his own but a man to be reckoned with in the future of Northern Ireland.

There are sections of his home town where Hume, an influential figure in Washington, New York, London or the Continent, cannot walk with safety.

"I'd be at risk walking around here," he observed during a recent Sunday-morning drive through Protestant sections of Londonderry.

His driver's license was stolen when someone broke into his car. The ID cards he produces routinely to British troops patrolling his hometown come from Cambridge, Mass.

Last October and November he lived in Cambridge, as an associate fellow at Harvard's Center for International Affairs. The university and the Cambridge Trust will be pleased to learn that their battered ID cards have kept the Associate Fellow from being hauled to the pokey in his own home town.

"No one's actually shot at me. All I get from the Provos now is verbal abuse, people using loudspeakers or wall slogans."

The SDLP has to do its politicking with one eye toward potential harassment.

"We haven't held a political rally in five years. The Provos would disrupt them. We work through the press (locally, the twice-weekly Derry Journal) and door-to-door canvassing.

"Rallies are old-style politics anyway, out of date. We still hold meetings of our own members."

The SDLP is a card-carrying party. Member dues are one pound ($1.75) a year.

Hume believes in the inevitable moral power of nonviolence, in the tradition of Gandhi and Rev. Martin Luther King Jr. In the battle of two implacable foes, he is one of the most influential voices for political accommodation, realizing that victory in the traditional sense is an all-or-nothing gamble imposing unacceptable penalties on the losing side.

He recognizes that after 300 years in Northern Ireland the Protestants have as much right there as Catholics. His political philosophy is in place for the long haul, not for the temporary advantage. Unusual in a politician who has just entered his 40s, he has patience in a country starved of initiative.

He is convinced that all the gun battles of Ireland's past did not mean as much to Ulster's downtrodden Catholics as the nonviolent peace demonstrations of the late 1960s, which triggered a Protestant crackdown, the revulsion in world opinion, and the introduction of British troops, initially dispatched to protect the Catholic minority from Protestant mobs.

Hume recalled that walking through South Boston one day he saw a wall slogan that read: "KKK, IRA, Nigger Never."

That underscored Hume's belief in "the potentially fascist nature of ghetto mentality, where the thinking is laid down for them and there is no arguing about it."

Like a farmer who knows that he must till his fields no matter what the weather, Hume tends his constituency, a voice of reason and vision amidst the firestorms and pyrotechnic oratory that make Ulster a theater of political chaos.

He employs logic and fairness in appeals to American leaders of Irish extraction, asking that they not succumb to the romantic temptation of support for the macho tactics of IRA extremists.

He has come to the point where he is an influential spokesman with people like Sen. Edward M. Kennedy and New York Gov. Hugh Carey.

Despite Hume's growing international stature, his ties to home are strong.

Derry is a first-name town. Any good politician tends his local roots. Walk around the Bogside with John Hume and he speaks or nods to half of the people on the street.

On one rainy Sunday morning in June, Hume was showing a visitor around the old city he calls a microcosm of the Irish problem.

A small number of Catholic men trod slowly through the dank streets, on their way for a noontime drink in one or another of the illegal drinking spots. You can't get a public drink on Sunday in Northern Ireland, a Protestant imposition much detested by Catholics.

As Hume stood near an apartment building that had been bombed by the IRA because the British army had been using it as an observation post, a middle-aged man appeared out of the fog.

He walked with the easy shuffle of one who has nothing to hurry for. Like one of the Greek chorus used in ancient tragedies to introduce moral commentary, he nodded respectfully to Hume.

"You're doing grand work, John," he muttered. "Keep it up."

[From the Boston Globe, July 7, 1977]

IRISH FRONTIER BRISTLES WITH GUNS

(By David Nyhan)

LONDONDERRY.—It had been a delightful dinner across the border in County Donegal in the Republic of Ireland. Prawns, steak, wine, served up at a magnificent waterfront estate turned restaurant, noted for its flaming hearth and congenial conversation.

Driving back into Northern Ireland, the driver warned: "We are now crossing the frontier."

The glow of a fine evening out for five people was extinguished. Stomachs tightened. Two Republic police casually waved the car through. A few yards ahead was the tail end of a line of vehicles stopped by British troops, far more wary.

A brusque "Good night." Passing through checkpoints can ruin a good dinner. And checkpoints are a way of life here.

Northern Ireland will not be at peace until the civilian police can handle security problems now controlled by the British Army.

The largely Protestant police force will be incapable of that until the vast bulk of the Catholics accepts its authority.

That can't happen until the Royal Ulster Constabulary (RUC) recruits large numbers of Catholics to diminish the "us-against-them" attitude made rigid by police abuses of the late 1960s and early 1970s.

In a nutshell, this is the most obvious explanation of the struggle here.

The 14,000 British troops in Ulster, nearly one armed soldier for every 100 citizens in this bitter land, are the most visible symbol of local failure and, at the same time, the security screen that keeps the fragile peace.

The Catholics regard the green-uniformed RUC men the way civil rights demonstrators regarded southern sheriffs in this country, the way ghetto blacks and antiwar demonstrators felt about all-white big city police departments in the 1960s.

"Vietnamization" was the Nixon Administration's term for turning the Vietnam war over to the Saigon regime as the way to bring 500,000 American troops back home. Here the British talk of "Ulsterisation," turning security chores back to the RUC, and it is just as difficult a process.

The British say they have avoided their own version of the massacre at My Lai, though Catholics talk of a massacre on Bloody Sunday in 1972, when 13 were killed by paratroopers.

The security forces are hated. It may be inevitable that what is in essence an occupying army cannot escape charges of abuse.

There have been documented cases of torture, mistreatment, mistaken identity, false charges, and planting of evidence to implicate the innocent. Although Britain's attorney general has vowed to end abuses of the type confirmed by the European Commission of Human Rights, the country cannot get back to even a semblance of "normal" until the troops leave.

But many close to the situation say the troops cannot leave now, or there would be a bloodbath.

Four hundred soldiers have been killed since the troubles flared. Like Americans in Vietnam, the British try to defend themselves against guerrilla warfare waged by an enemy that melts into the civilian population. Fear of ambush and death, the common atmosphere of insult of blatant provocation make the situation highly charged and susceptible to combustion from the most routine street incident.

The British, who now rule Ulster directly, say the actual number of terrorists is small. They try to hunt down Provisional Irish Republican Army or Protestant paramilitary gunmen and bombers while trying not to violate civil rights. It is somehow a losing battle.

Now ranged against the sectarian terrorists are: 14,000 British soldiers; 7800 men in the Ulster Defense Regiment, a type of national guard; 5200 full-time men in the RUC; 4700 part-timers of the RUC reserve; and perhaps 20,000 civilians of little or no training who wear the ever-present blue uniform of the private security guard.

Official British policy, as one official said, is that "we insist the Protestants must share power with the minority (Catholics)"; that the security forces are attempting to "bring about the conditions for peace"; and that "the eventual solution must come from them," the residents of Northern Ireland.

Since 1969, 100 RUC men have been killed in the line of duty, many more injured. Seven have been killed so far this year.

Despite the country's high unemployment, the RUC has 110 vacancies. Even though recruiting drives emphasize the $350 per month after taxes, the housing allowance, and the lucrative overtime, RUC spokesman Bill McGookin said the force is "quite desperately short" of men.

"The primary deterrent is intimidation," McGookin said. "We have actually had to send one or two officers to England for their own protection. We would certainly welcome more Catholics, but they fear intimidation."

The IRA Provisionals threaten retaliation against Catholics who join the men in green. Sniping and ambush are occupational hazards. In some Catholic ghettoes the RUC cannot enter without triggering a barrage of bricks, bottles or gunfire.

Catholics chafe under a "Big Brother", arrangement in which the security forces pool intelligence about suspects. There are said to be more than half a million "P-cards," for instance, listing by name and household the people who are known to fre-

quent a certain address. When the Army sets up an "observation post" in a ghetto neighborhood, an IRA bomb may soon follow, with a slogan like "Death to spies" scrawled on a wall in the night.

A British official at the Stormont headquarters of the British administration said sniping at police is currently the most pressing problem.

"There is too much violence now for the civilian police alone. It would help if the SDLP (Social Democratic and Labor Party, the leading Catholic party) would recognize the RUC."

Not until there is a power-sharing agreement with the Protestant majority, replies the SDLP.

So it continues. Officials believe that any hope for immediate peace is out of the question. They are banking on "Ulsterisation" in the long run.

[From the Boston Globe, July 10, 1977]

BETRAYED BY ITS LEADERS, NORTHERN IRELAND IS WALLOWING IN DESPAIR

(By David Nyhan)

BELFAST.—If there was ever a country betrayed by its leaders, this is it.

The British Army is separating the combatants in Ulster's guerrilla war because the people of Northern Ireland proved incapable of governing themselves.

The Land of Saints and Scholars, in these six northern counties, is a place of long memories and short tempers. The outrages of today are relentlessly related to the injustices of centuries past.

Sectarian terrorists, both Protestant and Roman Catholic, don't rule; but they prevent one million Protestants and 500,000 Catholics from governing themselves.

This tiny nation with perhaps the highest rate of church-going in the world has been called the despair of Christendom. The religious leaders have no more success than the political leaders in curbing retaliatory violence taken in the name of God and country.

There is one armed peacekeeper, British soldier or Northern Irish civilian, for every 47 men, women and children. But there is no real security in an armed camp of ghetto strongholds where the teenagers grew up thinking violence is an acceptable and even heroic way of life.

The vast majority of the populace longs for peace and would seemingly accept the political accommodation that must come first. But the politicians, intimidated by extremists of both sides, cannot work up the gumption to sit down with the opposition and cut the deal that would end the killing.

The biggest share of the blame must fall on the Protestant political leaders who allowed 50 years of official discrimination against the Catholic minority to fester into open revolt.

The Catholic leaders are less culpable, but have proven no more successful in restraining gunmen like the outlawed Irish Republic Army (IRA) Provisionals from waging war on the security forces.

The British, who now rule Ulster directly, would like to get out, but their 14,000 troops, like the Americans in Vietnam, are military hostages to political failure.

The top men of the Protestant majority feel they have to refuse to share power or risk being deposed by more militant extremists. The churchmen, both Catholic and Protestant, have failed to make their strictures against violence stick in the face of palpably unfair government policies that hemmed in the Catholics.

The political leaders in the Republic refuse to let go of the pipedream of unification, as if the militant, gun-toting Protestants would loosen their grasp without widescale bloodshed.

Intelligent and well-intentioned moderates opt out of the political process, for the most part, rather than deal with the harassment, threats and decidedly uncivilized abuse heaped upon political leaders here.

"Hold on to what you've got, and hunker down through this renewal of violence" seems to be the attitude of many on both sides.

The British seem baffled by the problem that has defied resolution for centuries.

The politicians wait for the cauldron to stop boiling. But the extremists of both sides have a vested interest in the status quo. So it becomes a waiting game.

The Catholics wait for the Protestant majority to guarantee them a share of power when the British depart.

The Protestants wait for terrorist attacks to stop before they agree to let the British pull out the troops and turn back governmental power to a reconstituted parliament and cabinet at Stormont.

The economic drain on a country that is poor to begin with is staggering. Unemployment is over 11 percent, 30 percent in some pockets of Catholics, who have traditionally been discriminated against when it came to parceling out jobs and housing.

The British Foreign Office estimates the already-parched United Kingdom treasury is drained by more than $1 billion a year in subsidies to Ulster, not counting the $79 million annual bill for supporting the troops here.

They don't sell terrorism insurance, so the British government pays compensation to victims. In one week in June, a man shot in a barroom gunfight was awarded $122,000 in damages for being paralyzed, and a woman who lost a leg in a bomb blast won $65,000.

Since 1969, when the Troubles flared, the government has paid out $45 million to injured people or their heirs, and $330 million for property damaged or destroyed. That is about $250 in compensation money alone for every man, woman and child in the country.

The violence and its cost have to be measured in the scale of things. Ulster is a country you could put in your hip pocket. At 5200 square miles, it is just two-thirds the size of Massachusetts. Its 1.5 million residents could be held at any given time in the restaurants of Florida. You can drive anywhere in the country in two hours.

More than 1800 people have died in eight years of mayhem. But by contrast, the city of Detroit, with the same population as all of Northern Ireland, had 801 murders in the year 1974 alone. Since 1969, more people have been murdered in Detroit than have died in the turmoil here.

But Detroit's problem is no consolation to a country that is starved of the economic development that will be necessary if Ulster is to shed its role at the bottom of the European economic ladder.

Britain has been trying to subdue Ireland or parts of Ireland for centuries. But British triumphs in organizing its former empire were conspicuously lacking here. The Catholics developed a seemingly permanent resistance to the throne when Henry VIII tried to drag them out of their Church.

Subsequent attempts to colonize Ireland with Protestant settlers from England and Scotland were successful, but bloody.

British leaders, monarchs as well as prime ministers, fumbled the Irish question through the centuries. Disraeli never set foot in Ireland, yet decreed its fate.

When Britain was finally ready on the eve of World War I to give Ireland back to the Irish, the Protestant Unionists in the northern counties threatened to resist in force, and the line was drawn around Ulster.

The passions of those days are relived now.

The northern Protestants fear they will be swallowed up by the south, where 94 percent of the 3.1 million people are professed Catholics. The influence of the Church and its special status in the government of the south, on questions of education, divorce, or abortion, reinforce Protestants fears.

Race has nothing to do with this latest flaring of the Troubles, triggered in the late 1960s by Catholic civil rights demonstrations that began peacefully but were met by force.

Although both sides are of the same race and same ethnic stock, religion is an impenetrable cultural barrier, most noticeably at the working-class level.

Not only the schools but the sports seems to be segregated. Catholic boys play Gaelic games. Protestants lads play football (soccer), rugby, cricket. A sports writer said football is "a game dying at the youth level" in Northern Ireland.

Dublin is only 113 miles south of Belfast, but it is far from a leisurely commuter run. Trains have been hijacked and blown up. Army helicopters now ride shotgun overhead in the modern twist to the tale of the stagecoach and the bad guys.

The country is so divided that your school, your address, can immediately tell your religion and, therefore, your politics.

Taxi dispatchers match up drivers with neighborhoods.

In the sectorian ghettoes, it is said, Catholic taxi drivers are shaken down for protection by the IRA, and Protestants by Protestant paramilitaries.

Protection money is also extorted out of pubs and shops, according to knowledgeable people on the scene.

The man in charge of Ulster now is Roy Mason, Britain's Secretary of State for Northern Ireland. When he took over, his most immediate task was to prop up the tottering economy. He got some new work for the Belfast shipyard, at 10,000 workers the largest employer, though relatively few Catholics work there. He fended off some drastic budget cuts.

Mason then turned to tougher security measures and in early June announced that the British Army would step up its undercover campaigns against terrorist leaders. Eventually he hopes to stabilize the situation so that Protestant and Catholic leaders can work out a power-sharing agreement of their own.

Mason gambled successfully in taking a tough line in May against the general strike called by the most fiery Protestant leader, Rev. Ian Paisley. A man of vast oratorical prowess, Paisley is revered by his followers and denounced as a potential Hitler by his political enemies. His strike fizzled, despite efforts to enforce it by goon squads of Protestant paramilitaries.

A previous general strike had wrecked a previous power-sharing experiment. But despite the collapse of the latest one, one British government official here said privately, "Paisley will never move to work with the Catholics."

Peace will not come until moderate Protestant leaders persuade the bulk of their followers to share power with the Catholics and write an end to long-established patterns of discrimination in jobs and housing.

The chore of Catholic leaders is to wean the minority away from attacks on civil authority, specifically the civilian police, who cannot enter some Catholic ghettoes without risking ambush by IRA Provisionals committed to driving the British out by force.

The ill-fated policy of internment was introduced by a Protestant government with the approval of the British in 1971 and ended in 1975. Its widescale arrests and documented mistreatment, even torture, of prisoners, "alienated the entire Catholic community," in the private words of one British official here now.

Catholics still boil over some security measures, and there will be no end of the resentment against the everpresent troops until they are withdrawn.

One of the most vociferous spokesmen against the security forces is the Rev. Denis Faul, a Catholic priest who was chaplain to Catholic inmates at Long Kesh prison. He claims some 1200 Catholics are behind bars for security offenses and insists that hundreds are unfairly held.

While more moderate Catholic leaders praise Mason's even-handedness, Fr. Faul says, "The tactics of the security forces are recruiting people for the Provisionals. I'm not in favor of the IRA or anyone else. I'm only saying that people have been tortured."

He compares the Catholics here to the Indians of North America, or the blacks of today.

"Mason will give you the bird's eye view, him riding around up there in his helicopter. I'll give you the worm's eye view."

The priest assails the Royal Ulster Constabulary, the civilian police force, as a Protestant band dedicated to suppressing even the most trival rights of the minority.

Even in such mundane functions as inspecting autos for inspection stickers, he raged, "The RUC is there is give the edge to the Protestants. When it comes to baldy tires, defective brakes and auto horns, you would think that all the Catholics in Dungannon (his home) have baldy tires and bad brakes, and none of the Protestants do. There is bias right through them. We are the Philistines, to be put to the sword; to them it's the good work of the Lord to bully the Catholics."

So whether it is sharing cabinet appointments at the highest level or inspecting the tires of a car at the lowest level, the Catholics and the Protestants are at each others' throats.

Even tentative steps to improve things run afoul of extremist tactics designed to rile the populace. "We fought for years to get Catholics on the bench," said one Catholic leader, "And then the IRA goes and murders one."

The task right now is to get through another "marching season." This is the time of year for tribal rituals, massive parades appealing to sectarian heritage. The Protestants march to revive memories of the Battle of the Boyne in 1690, when the Catholic King James was defeated by William of Orange, Protestant husband of Queen Mary.

There is almost always trouble at these emotional street demonstrations.

Beyond the immediate peace-keeping chores, there are faint signs of hope. Influential Irish-American political leaders like Sen. Edward M. Kennedy and House Speaker Thomas P. O'Neill Jr. of Massachusetts, and Gov. Hugh Carey and Sen. Daniel Patrick Moynihan of New York, have condemned violence here and met with Secretary of State Cyrus Vance to urge a constructive US role.

The flood of money and arms from Irish Americans to the Catholic minority peaked after Bloody Sunday, when 13 Catholics were killed in Londonderry in 1972. That flow has dropped off, making it harder for the hardline IRA Provos to support their guerrilla war.

Moderate Catholic leaders hold out the hope that eventually the prospect of American business investment or some kind of government aid could be the carrot that helps bring the two sides together to repair the economic damage to a land that was poor to begin with, and has become poorer because of the violence.

Aside from the 50,000 unemployed in Ulster now, another 20,000 people are hired for security work. When the Troubles ease, as they probably must in time, those folks must go on the dole or into jobs that right now do not exist.

It will probably have to be the prospect of bread-and-butter economic improvements that will dampen the terrorist flames enough to allow for political accommodation.

There has been a pattern over the years for leaders in various factions to be replaced by more militant successors, but that is changing.

Paisley broke with the more moderate Harry West, chief of the Unionist party, over security measures. The Catholics, under the Social Democratic and Labor Party banner, are better organized politically than they have ever been.

Britain's current Labor government hangs on a shaky alliance in Parliament with the Liberal Party and it is hard for a shaky government to take controversial steps in Ireland.

But you look at this country and at the majority of the charming but cynical populace, and an outsider has to conclude they have had enough.

When the people decide to force the politicians to the same conclusion, a political deal will be struck.

Why hasn't it been struck before?

A British Foreign Office official in London replied evenly:

"If you want a short answer, I would say history."

THE STAR-SPANGLED BANNER

Mr. MATHIAS. Mr. President, every American schoolchild knows the circumstances which inspired our national anthem. They know that "The Star-Spangled Banner" was composed by Francis Scott Key, a Marylander, while in a British frigate in Baltimore harbor during the bombardment and seige of Fort McHenry in 1814. Key had boarded the frigate in order to negotiate for the release of a friend and was detained throughout the bombardment.

There is much more to the story of our national anthem than that, however, and fortunately it has been recorded in all its fascinating detail by Victor Weybright, another native of Maryland, in an essay entitled "The Star-Spangled Banner—Our Imperishable Anthem," published on January 13, 1977, by the Century Association.

Marylanders are justly proud that our national anthem was composed by a Marylander and inspired by an event in the War of 1812 that took place on Maryland soil. But, we do not begrudge credit where it is due. We are happy to acknowledge the many other strains that went into the making of "The Star-Spangled Banner" and the many other Americans who contributed to its being adopted as our national anthem.

I ask unanimous consent that Mr. Weybright's definitive account of the origins of our national anthem be printed in the RECORD.

There being no objection, the discourse was ordered to be printed in the RECORD, as follows:

THE STAR-SPANGLED BANNER, OUR IMPERISHABLE ANTHEM

(By Victor Weybright)

Through the years most of my comments on The Star-Spangled Banner have been made from a bunting-draped farm wagon on patriotic holiday ceremonies in Maryland.

My near-monopoly of the subject came about by accident—the accident of birth and adolescence a mile from Terra Rubra, the birthplace of Francis Scott Key, and attendance at the little red schoolhouse on land given by Key to the hamlet of Keysville for church and school purposes. In 1916, when a small monument and a large flag were presented to the school by a local patriotic society, for the first but not the last, time, I was invited to mount the usual bunting-draped wagon and make appropriate remarks on the Anthem and its author. To my consternation, I could find no book on Francis Scott Key or The Star-Spangled Banner, and only a few sketchy references in the musty files of the local newspapers. The one serious scholarly efforts to deal with the Anthem—mainly the music—had been made by Oscar Theodore Sonneck in a 1914 Library of Congress report, but that was unknown to me. The report had not traveled the scant 50 miles over the Piedmont to our local library. I resolved then and there that I would try to discover all the basic material for a book on the Anthem, its music, and on the author of the words of The Star-Spangled Banner. I was then thirteen.

I didn't complete the project for nearly two decades, but I did commence to gather material, locally and nationally, the essence of which is contained in my book, Spangled Banner, published in 1935. More thrilling than any review was a spontaneous invitation to the White House on the day of publication by President Franklin D. Roosevelt, Centurion.

In the meantime, an ardent Baltimore congressman, J. C. Linthicum, had introduced a bill which was passed by the House in 1930 and the Senate in 1931, and signed by President Hoover, Centurion, which designated The Star-Spangled Banner as the national anthem of the United States of America. The debates in both houses had been heated and witty, with much of the opposition resembling later cynical pronouncements published by Centurions in charge of such prestigious media as the New York Times, the Saturday Review and The Atlantic Monthly.

It was during a discussion at the Big Table last autumn, that a chorus of agreement with a recent Times attack on The Star-Spangled Banner led me to speak up with enough vehemence to be invited to amplify my luncheon remarks on this occasion.

Oh, for a bunting-draped farm wagon now, to give me the required eminence!

The Star-Spangled Banner is a palimpsest. Many early vestiges have survived within Key's final version that we know today. The air, twice as fast as the present music, became recognizable in the 18th century repertoire of the Inskilling Fusiliers in northern Ireland. Today I doubt that anyone in troubled Ulster would recognize it as a ditty of British occupation forces rather than the universally-known Anthem of the USA. The Inskilling music was modified and actually recomposed by John Stafford Smith. The first words to the tune were written by Ralph Tomlinson. His Song, of course, had nothing to do with patriotism in England or elsewhere. It was composed for the Anacreontic Society, a sprightly group of scholarly blades, who met at the London Coffee House on Ludgate Hill regularly to sing catches and glees, eat and drink, and celebrate their affinity with Anacreon, the renowned bard of ancient Greece, who was as distinguished for the delicacy of his wit as for the easy and natural turn of his poesy. The Anacreontic Society, all lively 18th century macaronis, became so popular that it had to move to more commodious quarters at the Crown and Anchor in the Strand. The song was first sung by a Mr. Webster, and afterwards by a Mr. Charles Bannister, noted for his jaunty and animated execution. The Anacreontic song never failed, as the chief musical exercise of the Society, to meet with vivacious and prolonged applause. It was first published in the Gentleman's Magazine—a sort of Playboy without illustrations—in May 1780, when Francis Scott Key was not yet one year old. Before I quote a few of the original verses, I must quote from the Gentleman's

Magazine of nearly 200 years ago: "The concert, which consists of the best performers (who are honorary members) in London, begins at half-past seven, and ends at quarter before ten. The company then adjourns to another room, where an elegant supper is provided; in the meantime the grand room is provided for their return. The tables at the upper end of the room are elevated for the vocal performers. Here conviviality reigns in every shape, catches and glees in their proper stile, imitations by gentlemen, much beyond any stage exhibition, salt-box solos, and miniature puppet-shews; in short, everything that mirth can suggest.

The following classical song, written by poor Ralph Tomlinson, their late president, is chorused by the whole company.

I must now quote from the first and last of the six stanzas of the rollicking club song:

"To Anacreon, in Heav'n, where he sat in full glee,
A few sons of harmony sent a petition,
That he their inspirer and patron would be;
When his answer arriv'd from the jolly old Grecian—
Voice, fiddle, and flute,
No longer be mute;
I'll lend ye my name, and inspire ye to boot;
And, besides, I'll instruct ye, like me to intwine
The myrtle of Venus with Bacchus's vine."

The final stanza concludes:

"May our club flourish happy, united, and free!
And long may the sons of Anacreon intwine
The myrtle of Venus with Bacchus's vine."

The Anacreontic Society and the Gentleman's Magazine unwittingly laid the foundation of a great deal of lore which eventually became our own American Heritage. For example, a good case could be made that the Gentleman's Magazine invented our national motto: E pluribus unum. On the title page of each issue was a woodcut of a garland of flowers, with a caption "e pluribus unum," indicating that of the many contributions presented in the magazine, at last one would prove worthwhile. That obviously soaked into the heads of the Founding Fathers, to signify "out of many one"—the Union.

We need not apologize for the distortion, or distillation, of these forgotten items into our distinctive American tradition.

Now, consider the words and the variations which led to Francis Scott Key's jotting the words of our anthem on the back of an old envelope while detained by the British in Baltimore harbor, where he had gone to arrange the release of a friend, Dr. Beanes, seized by the British during the invasion and burning of Washington in 1814.

When Francis Scott Key was nineteen years old Robert Treat Paine dashed off seven verses to the slowed-down air of "To Anacreon in Heaven," in celebration of John Adams' firm stand with France and England. Paine's stanzas were written July 4, 1798, to be sung at a firemen's fete in New England. The first verse went:

"Ye sons of Columbia, who bravely have fought
For those rights which unstained from your sires have descended,
May you long taste the blessings your valor has brought,
"And your sons reap the soil which their fathers defended.
Mid the reign of mild peace,
May your nation increase,
With the glory of Rome and the wisdom of Greece;
And ne'er shall the sons of Columbia be slaves,
While the earth bears a plant, or the sea rolls its waves."

And the last, getting John Adams' name into the song:

"Her pride is her Adams; her laws are his choice,
And shall flourish till Liberty slumbers forever.
Then unite heart and hand
Like Leonidas' band,
And swear to the god of the ocean and land
That ne'er shall the sons of Columbia be slaves
While the earth bears a plant, or the sea rolls its waves."

It was a giant step from Anacreon to John Adams; but "Adams and Liberty" to the acknowledged tune of "Anacreon in Heaven," pedestrian as it may now seem, carried the tune, laden with patriotic pride, down the Ohio and Mississippi, to every army post west of the Alleghenies. It was sung by midshipmen embarking for the wars against the Barbary pirates under Mr. Jefferson's administration. Key heard it during his summer holiday at Terra Rubra in 1798, and within five years he was himself to employ the tune in a song.

The Star-Spangled Banner was not Key's first attempt to couch words in that old tune of pagan revelry.

Key's first attempt to write a patriotic song to the air, although not included in the Sonneck report, was written by him in the winter of 1804, when he was twenty-five, to celebrate Stephen Decatur's brilliant feat in boarding the captured ship *Philadelphia* in the harbor of Tripoli and escaping under the fire of 141 guns from the Barbary pirates, which Nelson in England pronounced "the most daring act of the age." I shall only quote the last three lines of the first stanza and the first four lines of Key's third stanza:

"To the feast-flowing board let us gratefully throng,
Where, mixed with the olive, the laurel shall wave,
And form a bright-wreath for the brows of the brave."

And from the third stanza:

"In the conflict resistless, each toil they endured,
'Till their foes fled dismayed from the war's desolation;
And pale beamed the Crescent, its splendor obscured
By the Light of the Star-Spangled flag of our nation."

Note how, in writing The Star-Spangled Banner, during a stressful vigil in Baltimore harbor, Key borrowed phrases and rhymes from his earlier poem. Note, too, the "star-spangled flag," the germ of The Star-Spangled Banner. I cannot on this occasion go into all the somber and melancholy events of 1814 when the British invaded Washington, burned the Capitol, including Jefferson's library, which had been installed therein, as well as the President's house, which was then and for many years afterward brown stone and not white.

Key, just turned thirty-five, wrote his draft of the Star-Spangled Banner, without a title, on the back of an old envelope. When he was released by the British on the morning of September 15, 1814, he at once, upon reaching Baltimore in the small cartel sloop, inquired for his relative, Capt. Nicholson, a local judge, who had been serving as a volunteer and second in command in Fort McHenry. Key spent the night at an inn in Baltimore where he copied his rough draft on the sheet of rag paper which is now on view at the Maryland Historical Society in Baltimore. Key had made several copies, all identical, though, after making copies, he discarded the first rough draft composed while detained by the British in the harbor outside Fort McHenry. One copy was immediately printed as a broadside entitled "Defense of Fort McHenry." No author was credited. The legend on the broadside simply stated:

DEFENCE OF FORT MCHENRY

"The annexed song was composed under the following circumstances—A gentleman had left Baltimore, in a flag of truce for the purpose of getting released from the British fleet, a friend of his who had been captured at Marlborough. He went as far the Patuxent, and was not permitted to return lest the intended attack on Baltimore should be disclosed. He was therefore brought up the Bay to the mouth of the Patapaco, where the flag vessel was kept under the guns of a frigate, and he was compelled to witness the bombardment of Fort McHenry, which the Admiral had boasted that he would carry in a few hours, and that the city must fall. He watched the flag at the Fort through the whole day with an anxiety that can be better felt than described, until the night prevented him from seeing it. In the night he watched the Bomb Shells, and at early dawn his eye was again greeted by the proudly waving flag of his country."

Within a week, in addition to the broadside, the Defense of Fort McHenry, (i.e. The Star-Spangled Banner) was reprinted in the Baltimore papers and was soon sung from the stages of several theaters in the city that was rejoicing in the fact that the invaders had retreated by land and by sea.

Later there were many parodies and paraphrases by famous as well as obscure Americans. During the Civil War, Dr. Oliver Wendell Holmes wrote a final stanza to the original four Key verses. Now all such versions are forgotten. Key, a lesser literary man than Holmes, wrote a better anthem.

Francis Scott Key was, indeed, a minor literary figure. In addition to The Star-Spangled Banner—only a few of his writings are preserved, including two hymns in the Episcopal hymnal, one of which is still sung: "Lord, with glowing heart I'd praise Thee." He may have been tone deaf as some of his family believed, but he at least knew how to compose a song into the framework of existing music. But he did have an affinity for poetry and literature. One of his ancestors had been Poet Laureate of England, John Key, a 15th century versifier who was known as "humble Poet Laureate to His Majesty, Edward IV." When the founder of the Key family in Maryland, great grandfather Philip Key, arrived in southern Maryland in 1726, he was accompanied by a relative of a Poet Laureate of England, a luckless Dryden who is buried on Blakiston's Island in the Potomac. The Keys were educated aristocrats. Key's father, Lieut. John Ross Key, however, marched to Boston with Cresap's Maryland Riflemen—the first troops to report directly to General Washington. Later, as an officer of dragoons, he fought against Cornwallis and Benedict Arnold at the final British stand at Yorktown.

A war baby of the Revolution, Key from childhood onward was a Jeffersonian democrat. After studying at St. John's College at Annapolis, he read law and soon after his marriage to Mary Taylor Lloyd settled in Georgetown, in a large house at the end of what is now known as the Key Bridge, and enjoyed a lucrative practice. A friend and law student, Roger Brooke Taney, an ardent Federalist, married Key's only sister at Terra Rubra—and the Taneys and Keys spent most of their summers and all of their holidays at that pleasant country estate in the Redlands. He knew every president of his age—some as intimate friends. He prevailed on Andrew Jackson to name Taney Secretary of the Treasury, and later to name him as Chief Justice of the Supreme Court. Indeed, Key was a member of what became known as "Jackson's kitchen cabinet." He was a prominent Episcopalian, an early advocate of universal education, and active in anti-slavery movements. He manumitted all of his own slaves and established pensions for them in their aging years. In short, he was a worthy citizen whose best friends, aside

from Chief Justice Taney, included John Randolph of Roanoke and Bishop William Meade of Virginia. He was involved in many celebrated Supreme Court cases, but never accepted a fee from the old Continental veterans in the local area of Terra Rubra. One might almost say that like many Maryland celebrities, he is now a vague figure, his life eclipsed by one spectacular deed. A minor character, not daring to risk the defeats and outrages common to careers of the first rank, he could have attained greater things. A handsome man, Key was admired for his integrity, sympathy, fluency, and humor. But like Hanson, Howard Carroll, and Johnson, he never escaped the pleasant limitations of the Chesapeake and the Blue Ridge. He was a clubman. Like the late Samuel Seabury or Lucius Wilmerding, he would have fitted ideally into the Century—but in this day of pop culture and glamorous personalities, who remembers such virtuous citizens half as well as Mayor Jimmy Walker, whom they catapulted out of office?

I predict, however, that although Francis Scott Key may be forgotten, his anthem will survive. By the time of the Civil War, it led all other contenders, including the Battle Hymn of the Republic. During the Spanish-American War, Admiral Dewey designated it as the anthem to be played and sung in ceremonies in the Navy. In 1916, President Wilson, Centurion, without hesitation named it to be performed on all high official occasions. It didn't really need Congressman Linthicum to give it further official sanction.

The old New York World, in Walter Lippmann's day, well stated the case for The Star-Spangled Banner as the national anthem:

"The truth is that 'The Star-Spangled Banner' is one of those things which are quite unsingable, except by professionals, and probably there is nothing to do about it. And is this so very regrettable? Not to our thinking. As we have already pointed out, it saves our anthem from being worn threadbare by many repetitions; it is reserved for ceremonial occasions, when it is performed by competent musicians; thus it retains a suggestion of dignity and glamor. That, we submit, is as it should be."

In a series of editorials the World chided critics:

"The virtues of 'The Star-Spangled Banner' are that it does require a wide compass, so that schoolchildren cannot sing it, and that it is in three-four time so that parades cannot march to it. So being, it has managed to remain fresh, not frayed and worn, and the citizenry still hear it with some semblance of a thrill, some touch of reverence. That much, we venture, can be said for few other anthems. This country, we fear, does not realize what a fine anthem it has."

What carping or comic critic can now hope to topple our well-established anthem—sanctified by more than a century and a half of usage and by the official approval of three Presidential Centurions in our own time? The European origins of The Star-Spangled Banner are obsolete and extinct. Key's words preserved the tune and the tune preserved Key's words. Neither would have lived alone. Together they are imperishable.

AFFORDABLE PRODUCT LIABILITY INSURANCE COVERAGE FOR SMALL BUSINESS

Mr. HUMPHREY. Mr. President, I wish to call the attention of my colleagues to S. 527, legislation which I am cosponsoring to rescue small business from a problem which has already driven some small firms out of business and currently threatens the existence of others. For several reasons, many small businesses have been backed into a corner by increasing costs incurred with respect to insuring themselves against product liability claims. The escalating costs of product liability insurance in recent years has reached the point where coverage is unaffordable or entirely unavailable to numerous small businesses. S. 527 would allow the Small Business Administration to offer reinsurance to primary insurers of small businesses on product liability policies for a 3-year period until a permanent solution can be found which is fair to all those involved.

Over the past few years, small businesses have watched product liability insurance rates skyrocket several hundred or even thousands of percent to the point where they threaten the very existence of some firms. As a result, some small firms already have been forced to close their doors. Other firms have stopped producing entire lines of products, which from all indications were really quite safe. Some businesses have found themselves paying tremendously high rates, and still others, unable to afford the rates quoted them, or unable to find insurance at any cost whatsoever, are operating without product liability coverage. And even if they are willing to operate uninsured, they find that many retailers or distributors flatly refuse to carry their uninsured products.

The stories of a few victims of the crisis speak for themselves. A Minnesota firm with about $2 million in annual sales went out of business in 1975 when its insurance premium jumped from $2,000 to $200,000 in 1 year. Another manufacturer of static power conversion equipment paid $6,351 in product liability insurance premiums from 1971 to 1975. In 1976, it paid $36,700 for product liability coverage, and never in the 6-year period was a claim filed against it. Many desperate firms like these wrote to the SBA with urgent pleas for help, and it was obvious that the problem had to be examined immediately.

In the Select Committee on Small Business, the legal system, the insurance industry, and the safety practices of small businesses have all come under careful scrutiny. It appears that the product liability crisis stems from various sources.

The court system has demonstrated an overwhelmingly favorable attitude toward consumers in recent years, which has resulted in court award increases to injured parties soaring to nine times the average settlement of only about 10 years ago. As if that is not enough, in that same timespan the number of product liability claims filed each year has increased an astonishing 20 times. The financial strain these claims produce is borne by the entire economy.

The insurance industry until recently has not kept close tabs on product liability insurance as an insurance line. Product liability insurance has been written into package policies in some cases, tossed into miscellaneous categories in others. As a result, nobody knows exactly how product liability insurance fares financially. With such scant knowledge on this line, the underwriting of product liability policies by the insurance industry has had to be extremely subjective. Because court sentiment is leaning the way it is and because the property and casualty insurance industry, which includes product liability insurance has had huge losses in recent years, insurers have left very generous margins for error in policymaking. The margins must be paid if firms wish to have their products insured.

Small business safety practices were also examined. Nobody wants dangerous products on the market, and it is no one's intention to reinsure the manufacturers of them until they manufacture safer products. I wish to point out that S. 527 should increase incentives to produce safer products. Small businesses know that their safety practices will be very carefully watched in coming years. Private insurance companies will still be the primary insurers, will still stand to lose money if they make an underwriting mistake, and so they will not wish to cover the highest risks unless very large premiums are paid. As the insurance industry is increasingly able to pinpoint its sources of greatest consistent loss, those firms responsible will rightfully pay the higher priced premiums.

The product liability insurance problem is especially hard to talk about because the magnitude of the problem remains unexposed.

This is due, at least in part, to the fact that the insurance industry, as I said before, has not felt the need to keep a close watch on product liability insurance in the past. Nevertheless, based on the overwhelming evidence that is available, we can deduce without a doubt that the dilemma we face is very serious.

Many proposals were raised during the hearings on this problem, and if one thing is clear, it is that the problem will not be easily resolved. Trying to find a quick, equitable long run solution at this point would be like playing pin the tail on the donkey. I am pleased to say that we are not trying to pin a solution onto so serious a problem with such a vague understanding of it. S. 527 is a temporary relief measure designed to sustain those businesses which are threatened with closing down until we can see that problem clearly and deal with it effectively. The measure will not allow any agreements binding the SBA to reinsure after October 1, 1980. The 3-year period until then should provide sufficient time for the problem to be studied and an equitable long-term solution implemented.

It is important to note that S. 527 is not designed to compete with or subsidize the insurance industry. The rationale of reinsurance is to spread the risk of product liability suit losses more widely and lower the cost to the individual firms. This is not a new idea. It is the foundation of the insurance industry. Offering Federal reinsurance is by no means revolutionary either. It has been employed previously when other insurance crises have developed.

The product liability insurance problem is not confined to small businesses. Larger firms have experienced increasing rates too. However, small businesses feel the effects much more drastically because they generally have proportionally lower earnings and a more limited

ability to pass on increased costs than do large firms. A small businessman is also much more vulnerable to financial catastrophe from a law suit because he does not have the liquidity that his larger competitors have.

Among certain industries there is a greater probability for product liability claims to be filed, simply because the product being manufactured is more likely to cause injury. The high-risk industries include the manufacturers of mechanical devices, industrial machinery, industrial chemicals, and consumer goods industries such as automotive parts, pharmaceuticals, and sporting goods.

It stands to reason that small businesses in the high-risk industries have been hit the hardest. The Small Business Administration tells us that 700,000 small firms fall into these categories, they employ close to 8 million workers, and they generate sales of nearly $350 billion each year. We must bear in mind that this merely represents the hardest hit segment of the business world. If rates increase any more, we may all feel the aftermath in some very tangible ways.

We simply cannot let the problem go unattended any longer. Without immediate action to keep these companies going, major segments of American small business could become an endangered species. Small businesses exist in every State of the Union, so this is a matter in which all of us have constituents who are vitally effected. Therefore, I urge my colleagues to give this urgently needed proposal their immediate consideration. By doing so, we can show our support for the small business person's desire to compete in the marketplace alongside his larger competitors.

U.S. POLICY ON COMMUNIST CHINA

Mr. GOLDWATER, Mr. President, on July the first, Mr. Shen Chang-Huan, the Foreign Minister of the Republic of China, made a statement concerning Secretary of State Cyrus Vance's speech which he made before the Asia Society in New York on June 29 concerning U.S. policy toward the Chinese Communist regime. I have obtained a copy of his remarks which I will ask unanimous consent to be printed at the end of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GOLDWATER. Mr. President, this Nation has never abrogated a treaty in its 200-year history and I would hate to think that President Carter's administration is now anticipating such a dishonorable act. Everyone applauded the President's statement on human rights and I think the American people are still happy that he made it. But how in the world can a President who has made such a statement then insist on doing business with the one Nation in this world that has provided more abuse of human rights than any nation in the history of the world? Millions of Chinese were murdered. How many, we will never know. There is no such thing as a free election. There is no such a thing as free speech or even freedom of anything in Red China. Again, and I am very serious about this, I would hope as an American and also as a friend of Taiwan and an enemy of any country who disregards human rights, I would hope that the President would stiffen his back and tell Mr. Vance if he has to go to Red China, and I do not think he has to, that we make it perfectly clear that we are not going to desert our friends on Taiwan under any conditions, that the Peking government might propose or might want. I continue to be utterly amazed and frightened at the foreign policy that this country presents to the world. It is a policy of weakness and uncertainty, and I think it should be made strong and can be made strong by the proper decisions and statements on the part of the President.

EXHIBIT 1

In connection with the speech made by Secretary of State Cyrus R. Vance at the Asia Society in New York on June 29 on U.S. policy toward the Chinese Communist regime, Foreign Minister Shen Chang-huan of the Republic of China on Taiwan made the following statement on July 1, 1977:

Having read the speech made by Secretary of State Cyrus Vance on June 29, 1977, at the Asia Society, I am constrained to take strong exception to the statement of China policy as reflected in that speech.

It may be recalled that, following the announcement of the "Shanghai Communique" in February, 1972, my Government registered a strong protest with the United States Government and has since repeatedly pointed out that the illusions the U.S. entertains toward the Chinese Communists not only seriously affect the rights and interests of the Republic of China, but will also bring immeasurable damage to the entire free world.

I must now frankly point out that it is extremely dangerous for the United States to consider friendly relations with the Chinese Communists to be a central part of its foreign policy and for the United States to believe that the Chinese Communists can play a vital role in maintaining world peace.

We should not have forgotten that the Chinese Communists have massacred as many as sixty million people after their occupation of the Chinese mainland, and that more than 150,000 American youths lost their lives or were wounded during the Korean War with the direct intervention of the Chinese Communists. It is a well-known fact that the Chinese Communists actively supported the North Vietnamese in the Vietnam War. Presently, the Chinese Communists are continuing their support of Communist elements in Southeast Asia, Latin America and Africa with a view to subverting the free and independent governments and advancing their cause of world communization. It would be a total disregard of the historical lessons as well as the reality if the United States were to believe that the China Communists are capable of playing any role in maintaining international peace. Such a policy would not only be unhelpful to the cause of world peace, but may lead to new threats of war.

The Republic of China and the United States have been friends of long standing. The two countries have diplomatic relations and are allies by virtue of the Mutual Defense Treaty. The Government of the Republic of China, as a loyal ally of the United States, has always respected moral principles and faithfully adhered to its treaty obligations. Deep and sincere friendship has been existing between the peoples of the two countries.

My Government and people are dedicated to peace and freedom. We have devoted ourselves to the promotion of democracy, the development of economy, and the betterment of the standard of living of our people. Internationally, we have done our utmost to promote mutual assistance and cooperation with free countries in many parts of the world, with a view to contributing to world peace.

On the other hand, the Chinese Communists took power with sheer violence. Internally, Communist tyranny has deprived the people of all fundamental human rights. To the outside world, they export revolution, engaging in infiltration and subversive activities in many free countries.

With such sharp contrasts, should the United States choose to recognize the Chinese Communists by abandoning the long-standing friendly relations with the Republic of China, it would not only seriously damage the rights and interests of the Republic of China and jeopardize the security of the 16 million Chinese on Taiwan, but would also violate the lofty ideals upon which the American nation was built and the moral principles emphasized by the Carter Administration, and thus erode the credibility of the United States among the free peoples the world over.

It has been the consistent position of the Government of the Republic of China to carry out its responsibility of delivering our 800 million compatriots from Communist tyranny by political means, while the Chinese Communists have never given up their design to "liberate" Taiwan by force. The "peaceful settlement" theme being harped on by the Chinese Communists is nothing but an attempt on their part to forcibly impose their tyrannic rule on the 16 million Chinese on Taiwan.

The Chinese people in Taiwan, who enjoy freedom and fundamental human rights, can never accept Communist enslavement and persecution. For these reasons, I must reiterate that the Government and the people of the Republic of China will in no circumstances enter into any negotiation with the Chinese Communists.

I earnestly hope that the United States of America, being the leader of the free world, will abandon forthright all illusions, perceive her own real interests and carefully weigh her moral and historic responsibility toward the future of the free world as a whole.

Finally, I wish to state most emphatically that the Government and the people of the Republic of China will continue to strive unceasingly toward their established goal in the spirit of self-respect and self-reliance.

SENATOR RANDOLPH ADDRESSES NATION'S WHITE HOUSE CONFERENCE ON HANDICAPPED INDIVIDUALS

Mr. WILLIAMS. Mr. President, the week of May 20–27 marked a very historic and significant event in the Nation's Capital—the first White House Conference on Handicapped Individuals was held.

This Conference brought together handicapped persons from throughout the country to make recommendations on their needs to be presented to the President and Congress. This Conference was assisted in no small way by the very able chairman of the Human Resources Committee's Subcommittee on the Handicapped, my colleague from West Virginia (Senator RANDOLPH). Senator RANDOLPH addressed the closing

luncheon of the Conference and spoke directly to the delegates about their role in helping this Nation meet its needs. I ask unanimous consent that his address be printed in the RECORD for the information of all of our colleagues.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR JENNINGS RANDOLPH

This has been a most eventful week, charged with excitement and inspiration for all of us.

This has been a historical week indeed. The Conference on Handicapped Individuals which will be remembered because you ran the Conference. You are the driving force behind this meeting. You have considered the major issues related to your life. You have made a giant stride toward the accomplishment of the mission of the White House Conference.

The energy generated in the workshops has been inspiring to behold. Let us think for a moment about the far-reaching effects of this Conference.

1. The health and longevity of handicapped people will benefit through new research and scientific breakthroughs.

2. The prospect of opening doors to education for all will provide unlimited vistas for future achievement.

3. In the area of social concerns, a new awareness of the needs of handicapped individuals will open up opportunities to live full and meaningful lives.

4. High priority has been given to the economic concerns of handicapped individuals whose very existence is threatened by the rising cost of everything they need to function independently in their daily lives.

5. A new day will dawn in the area of employment of handicapped individuals.

6. We shall see a new focus on accessibility and the removal of barriers to the freedom of movement of handicapped people.

7. Every mode of transportation must be at the disposal of every citizen who must commute to his place of employment.

8. High priority will be given in the area of housing which is fully accessible to the requirements of handicapped people.

9. At long last, the rights of handicapped individuals are being recognized—and all are entitled to the same opportunity of every citizen.

Out of these proceedings will come positive advancement toward the goals of this Conference. Now on the closing day of this meeting we must move on to the grave responsibilities of implementing your thoughts and recommendations to the President and the Congress.

In order to expedite this implementation, I, as the Chairman of the Subcommittee on the Handicapped, and joined by Members of the Subcommittee, introduced in the Senate on Tuesday, May 24, a bill to establish a National Center for the Handicapped. The major purpose of this Center will be to serve as the central office for the coordination of programs for the handicapped throughout the Department of Health, Education and Welfare. Its first task will be to begin the development of the design for implementation which comes out of this White House Conference.

I am sure that all of you will leave Washington with a strong determination to carry on the good work in your States and local communities. It is my sincere hope that you will look on this Center as your "headquarters".

I am proud and happy to have participated in this important Conference—so significant in the determination of human values. Let us all continue to work together hand in hand to bring about a new day for all handicapped Americans.

Thank you.

THE B–1 BOMBER

Mr. DANFORTH. Mr. President, I fully support the President's decision not to proceed with production of the sophisticated, costly B–1 bomber and to accelerate development of the cruise missile. This Nation must maintain the finest, most effective defense system in the world. I have no delusions about the serious threat to world peace and freedom the Soviet ideology and military power present. My dissenting views on the unfortunate nomination of Paul Warnke to be chief SALT negotiator and ACDA director show, I believe, my deep concern about the Soviet threat and how it is perceived. We must do all we can to counter and deter Soviet adventurism.

But this does not mean that we should invest in every weapon system the military establishment dreams up, especially those of questionable effectiveness and tremendous cost. Cost, however, is not the chief reason for my opposition to this program. What most concerns me is that I do not believe that the B–1, at any cost, is the most effective system to maintain the bomber force as a credible third leg of the strategic triad.

In view of continuing improvements in Soviet air defenses, including AWACS, the days of an effective penetrating manned bomber appear to be numbered. Just as Soviet technological advances rendered the B–70 and B–58 obsolete, so must the Air Force face up to the same realities regarding the B–1.

In order to retain a credible bomber component in the triad, we should, as the President proposed, proceed with development of the cruise missile. The cruise missile is relatively cheap. It is remarkably accurate. It is difficult for air defenses to locate because of its small size and low level flight. With additional development efforts, its speed and range can be increased and, with the addition of electronic countermeasures, its penetration capabilities will be further enhanced. Cruise missiles can maintain the credibility of our bomber deterrent at substantially less cost and at less risk of technological obsolescence than the B–1.

The President's courageous decision not only will improve our strategic nuclear forces, but will do so at less cost.

NATIONAL HEALTH CARE: PROBLEMS AND PROSPECTS

Mr. HUMPHREY. Mr. President, recently I was honored with an invitation to address a meeting sponsored by the National Wholesale Druggists Association, an organization with a membership of 300 wholesalers and leading manufacturers in the pharmaceutical industry.

This group asked me to discuss national health insurance as part of a 3-day conference and trade show by manufacturers of systems for the health care industry.

Regrettably, other commitments made it impossible for me to accept this engagement. I am very fortunate, however, that I have a first-rate stand-in I can sometimes call on: My son, Hubert H. "Skip" Humphrey III, who is a Minnesota State Senator.

"Skip" and I have talked about national health care and what the role of the Government has been and should be in our pluralistic system. Because our views coincide, and because I believe his speech is a useful summary of the issues involved in assuring high quality health care for all Americans, I ask unanimous consent that my son's remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

ADDRESS BY STATE SENATOR HUBERT H. HUMPHREY III

It is not easy to say anything really new on the topic of national health insurance. The essential arguments and objectives date back at least as far as a committee which recommended to President Franklin D. Roosevelt consideration of a comprehensive program of medical service for the entire population to be financed by general taxation or insurance contributions.

Richard J. Margolis, writing in the New York Times Magazine on January 9 of this year, speculated on whether universal national health insurance is an idea whose time has come, or an idea that is merely long overdue.

In fact, the weight of manuscripts generated on this subject annually suggests that it might be cheaper to institute a national program than to continue to debate it!

Nevertheless, I will ask your indulgence to spar another round with the topic for one compelling reason. It is said that the poorest man would not part with health for money, but the richest would gladly part with all his money for health. Too many Americans feel they are being asked to do exactly that. Debt from hospitalization is the leading cause of personal bankruptcy in the United States.

Americans spend more per capita than any other nation for health care. But are they healthier? The United States ranks 19th in combined mortality rates.

Infant mortality rates are higher among poor Americans than among some developing countries of Asia and Africa.

And the cost spiral continues upward. Health care costs double every five years. Medicare and Medicaid will jump 23 percent next year. The U.S. will spend $160 billion on health care in 1977, or almost 9 percent of the gross national product, yet millions of people will lack adequate care, because they do not have the money or insurance protection to pay or because they live in seriously underserved geographic areas.

Clearly, national and state governments cannot remain indifferent to this social and economic problem.

Of course, the picture is not all black. Surveys confirm that most Americans are reasonably satisfied with the quality of health care. When compared with the politician, the doctor is still a culture hero. Certainly, we Minnesotans can boast of outstanding facilities and highly trained personnel. Innovative treatment and delivery techniques are being developed and applied in our major medical centers.

Americans have achieved an average life span of 72.5 years, the highest in our history. Infant deaths, while still higher than in many other industrialized nations, have fallen from 26 per 1,000 in 1960 to 16 per

1,000 in 1976, and maternal deaths are down from 37 per 100,000 to 11 per 100,000 in 1975. Many more Americans now survive serious and crippling accidents and illness, and can profit from sophisticated rehabilitation programs and techniques.

Shaping a health policy that actually makes us a healthier nation at a price that our citizens are willing to pay and our economy can afford, is a challenge that demands private and public collaboration, not confrontation.

The Carter Administration, concerned over the stubborn inflation that threatens its budget and social programs, has sent to Congress a proposal to hold increases in reimbursement from all sources to about 9 percent, and to impose a limit on new capital expenditures for acute care hospitals. Exceptions would be based on patient load, major changes in equipment and services, and wage increases.

Simultaneous hearings go forward on an alternate plan advanced by Senator Talmadge which relies on prospective budgeting and incentives to economy and physician participation. While each program has its strengths and weaknesses, both require a great deal of refining based on the testimony and first-hand knowledge of health care providers, and that process of hearings and consultation is now underway.

Whatever the approach adopted for cost containment, the U.S. government has a traditional role in planning, regulating, financing and delivering health care which require resources and vision on a national scale.

Medicare, the hospital and medical insurance plan adopted in 1966, and strongly pioneered by my father, is a boon to this nation's elderly, although its value is seriously eroded by inflation. Medicare beneficiaries now pay more in deductibles and coinsurance than when Medicare was enacted because of rising costs. Moreover, Americans over 65 account for 25 percent of prescription spending. If national health insurance is not adopted promptly, then interim measures are clearly required to expand the coverage for drugs.

Medicaid provides matching funds for state medical aid to the poor. Together those programs now absorb 60 percent of total health outlays of the Department of Health, Education and Welfare.

In addition to Medicare and Medicaid, about 35 million Americans are eligible for federally paid health services under a hundred health programs administered primarily through the Public Health Service and the Social Security Administration.

The Public Health Service dates to an Act passed by Congress in 1798, which created the Marine Hospital Services. Its agencies include the Food and Drug Administration, with responsibility for the safety of foods, drugs and devices, and the conditions under which they are produced and processed. The information required by the FDA to research and approve a new drug depends on the heavy investment, independent research, and cooperation of the pharmaceutical industry.

The Federal Government channels support to the training of health professionals, collection and analysis of data, and construction of health facilities. Now that unoccupied hospital beds are a factor in driving up health costs, we tend to forget the days of shortage. The Hill-Burton program of hospital construction grants initiated in 1946 to respond to that shortage was the first legislation to address the health care of the entire population. With its assistance, a modern hospital plant replaced facilities grown obsolete during the depression and war years. From 1942 to 1973, Hill-Burton authority provided $4.3 billion in construction dollars.

The National Institutes of Health are the greatest research institution in the world. This cluster of institutes designed to coordinate and centralize research efforts on specific diseases and groups of related diseases gained its greatest impetus from the experiences of World War II. The war created a new confidence in science and technology for achieving specific objectives; and it laid a foundation of military medical developments.

The Federal Government's research effort continues to grow dramatically. Its outreach now embraces a remarkable network of research by universities, research institutes, and individuals.

Federal spending for the Institutes has risen from $3 million in 1946 to over $2.5 billion.

Since Congress created the Marine Hospital Service in 1789, the U.S. Government has traditionally assumed direct responsibilities for selected segments of the population. The Public Health Service operates hospitals and clinics for merchant seamen, for Coast Guardsmen and their dependents, for Indians and other indegenous peoples, for the U.S. military and their dependents. And the independent Veterans Administration operates the largest centrally-directed hospital and clinic system in the U.S. for the use of 29 million veterans, or over 13 percent of the population. This system has been a remarkable social and medical resource, providing standards of care among the highest.

Besides the groups to whom it owes a special debt, the federal government early singled out vulnerable groups requiring extra protection. Grants to states for maternal and child health services were followed, more recently, by the creation of Neighborhood Health Centers, Migrant Worker programs, and special programs to prevent and treat alcoholism, drug abuse, and mental illness. Support is provided to disease research and control, to the National Health Services Corps which attracts health providers to underserved areas, to quality control programs, and to encourage prepaid group practice.

These varied programs are potential building blocks in any national system, but they also suffer from problems of overlap, fragmentation, omission, and a lack of coordination.

Today, attention is drawn from the achievements of our remarkably diverse and vigorous health care system to the seemingly built-in problems of cost escalation, and maldistribution of medical services.

Although our efforts to curb this cost are still hesitant, there is growing recognition of the causes.

Medical providers emphasize that inflation is general; they cite the high cost of skilled manpower, new methods of treatment, and technological advances; and the rising expectations as government policy has increased the access of the poor to health care. Increased utilization is also a reflection of an aging population which requires proportionately more health services.

This trend will continue, and even sharply increase. The baby boom of the 1950s will reach retirement age early next century. Currently, there are 23 million Americans over 65, and that number—which is increasing more rapidly than other age groups—will top 35 million by the end of the century.

Quite clearly, also, Medicare and Medicaid have a built-in bias to institutionalization, in nursing homes or acute care hospitals. Almost 5 percent of the elderly reside in institutions, yet a recent conservative estimate is that from 14–25 percent of these clients are unnecessarily maintained in institutions because they have nowhere else to go, or because we have not developed the types of home health services and chronic care appropriate to their needs.

What are some of the other factors driving costs up? Without a doubt, retroactive payment tends to encourage spending since the more hospitals and physicians spend, the more they receive. Third party payments, whether private insurance or federal government, reduce competition; even with direct payment, consumers feel helpless to shop around, and ordinarily allow health providers to prescribe and control the demand for services.

All forms of reimbursement favor highly technical care over primary and preventive services. A simple example might be the use of emergency room services, at a high cost, because no general practitioner is available for routine house calls, or off-hour service, or because a house call would not qualify for third party reimbursement.

Implicit in this list of cost-increasing factors are ways to improve health care and control costs. Unless built-in inflators are tackled, costs will rise dramatically regardless of who picks up the tab—in a pluralistic system where 90 percent of costs are paid by third parties, or under any of the competing approaches to national health care now under consideration.

The real challenge is how to balance concerns of equity, quality, efficiency and cost, and to correct the waste and omissions of our current system.

We cannot ignore the fact that many Americans are still denied access to good health care because of their income or residence. The working poor are not eligible for public benefits but cannot afford adequate insurance coverage. Catastrophic illness can reduce such families to poverty and bankruptcy. Minnesota has acted to extend catastrophic coverage to its residents. Clearly, this type of coverage must be a priority goal of national policy as well.

Other Americans who could afford care live in rural or urban areas which are seriously underserved. Ironically, there is an inverse correlation in the distribution of needs and resources. Health professionals migrate to affluent areas while illness is more prevalent among the poor.

Finally, our emphasis must shift from death prevention to health promotion. Ninety-five percent of our health care billions are spent treating sickness. Only 5 percent are spent conserving health. Medical care is only one element of a balanced health policy, but it dominates resources. Some of the leading causes of death in our society—automobile accidents, heart disease and cancer—are related to working conditions and life styles, yet sick care starves prevention budgets. The No. 1 killer in the U.S., cardiovascular disease, accounts for $60 billion in treatment costs and lost productivity. It is estimated that a better diet could cut this cost by 25 percent. We must increase the emphasis on personal health habits and environmental factors.

As you know, my father is a strong advocate of kiddie care and proper nutrition.

And this Administration has asked for a sharp increase in the funds available to immunize children against disease, assure that they are properly fed, and that their handicaps and illnesses are identified, treated, and corrected at an early age.

There is not only an imbalance in the geographical distribution of health care, but in the preparation of health professionals. The training of specialists is costly, and their earning expectations are high. Yet, in 1967, there was a ratio of 28 family practitioners per 100,000 population and 99 specialists, an almost exact reversal of the ratio of 50 years before.

We do not have to wait until all the questions surrounding national health care are settled to confront these problems. We do

not have to wait for directions, guidance and financing from above. The private sector, and our local and state governments, must accept the challenge and responsibility of cost control and quality health care. There is no doubt that a much better distribution of services can be achieved within present budgets, using existing delivery systems. Such achievements and experience will be an important element of any national program, and will help set national directions.

Minnesota can be proud of its progress and growing expertise in health planning, and rate and utilization review.

Many individual hospitals have adopted practices that encourage the common use of facilities and services, and emphasize out-patient surgery, and other innovations in health care delivery. Recently, my father spoke at the dedication of Gillette Children's Hospital, and remains impressed with the cooperation achieved between Gillette and St. Paul Ramsey in consolidating beds and services at a great saving both in construction costs and in the operating loss that results from excess bed capacity.

The Health Maintenance Organization or prepaid group practice is providing leadership in cost control. Minnesota was the site of the first important example of group practice when, in 1914, the Mayo family and the physicians who worked with them established the Mayo Clinic. As of November, 1975, HMOs nationally were credited with cost savings of 10 to 30 percent over traditional care.

We should not assume that cost control implies a reduction in the quality of care, which all of us would find unacceptable. The management techniques adopted to reduce patient cost improve care. Where facilities are duplicated and underutilized, patients are treated by personnel who lack practice. It might be asked whether patient care or prestige is the determining factor in the expansion of some high technology facilities.

Another promising approach is the increasing use of physician extenders and nurse practitioners trained to offer primary general, pediatric, and geriatric care. It has been estimated that physician extenders can diagnose and treat up to 70 to 80 percent of health problems physicians have traditionally handled. Minnesota has a solid record of success in innovative training and delivery programs, and training of family care practitioners that exceeds standards set by the new federal capitation formulas.

Ladies and gentlemen, the purpose of this speech is necessarily a limited one. I have tried to sketch briefly some of the characteristics of our system, some of the choices that face it, before and after national health insurance, and some of the goals and criteria that I believe must guide our efforts. I believe a national health care program is inevitable and desirable. The nature of that system is not cut and dried. It must enlist the resources and expertise of private, voluntary and public health care delivery systems.

To understand the mixed system of public and private involvement, as it has evolved for well over a century, is to understand the need to work together to build and adapt the structure we have into a universal, equitable, and high quality system of health care uniquely adapted to this nation's needs, institutions and values.

THE AIKEN STANDARD AND MARGARET CHALMERS BOBO

Mr. THURMOND. Mr. President, on Wednesday, June 29, in paying tribute to the late Margaret Chalmers Bobo of Aiken, S.C., I made reference to a number of articles about her that appeared in the Aiken newspaper after her death. I spoke of this outstanding journal as the Aiken Standard and Review. That was an inadvertent mistake, which I regret. The present name of the paper is simply the Aiken Standard. Although it used to be called the Aiken Standard and Review, the latter part of the name was dropped some years ago. Accordingly, I would like a correction made in the permanent RECORD.

The PRESIDING OFFICER. The RECORD will be so corrected.

Mr. THURMOND. I also wish to add a few words to what I have already said about Mrs. Bobo. I mentioned that Mrs. Bobo is survived, in her family, by her mother and brother. I failed to mention, however, that a dear friend of hers, as close to her as a family member, also survives. This is Miss Mary Lou Barlow, Mrs. Bobo's fellow teacher and constant companion for many years. I believe that the permanent RECORD should testify to the exceptionally strong and durable friendship between these two fine ladies, whom only death could part. Miss Barlow, along with the Bobo family, has my most sincere condolences.

Finally, Miss Barlow has been kind enough to share with me two letters from former students of Mrs. Bobo's which clearly and touchingly demonstrate what an exceptional teacher and person she was. These letters display not only the deep personal attachment I spoke of in my earlier remarks, but also a rare facility with the English language. It would be hard to say which of these characteristics would have pleased Mrs. Bobo more. I might add that Mrs. Barlow has received many more letters concerning the death of Mrs. Bobo, and chose these two as best expressing the common message of them all. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

LETTER TO MISS MARY LOU BARLOW FROM JAMES DOUGLAS BURNS, JUNE 19, 1977

DEAR MS. BARLOW: I don't know the words to express the sorrow I feel at Mrs. Bobo's passing. For thousands of Aiken High School students she was a landmark, sometimes feared, always loved, and always respected. I'm sure there are thousands of others who feel, as I do, that a part of their past has been taken away.

And yet in a very real sense there will always be a part of Mrs. Bobo with all of her students, for she left a part of her soul, as well as her bountiful knowledge with each of us.

We all loved her, and tonight my prayers are for her, and for you in your grief.

May God bless you, as he blessed us all when he granted us the privilege to know Mrs. Bobo.

JAMES DOUGLAS BURNS.

LETTER TO MISS MARY LOU BARLOW FROM MELISSA HUNTER SMITH, JUNE 14, 1977

DEAR MISS BARLOW: Today I heard of Mrs. Bobo's death. Knowing your grief is heavy, I wanted to write to share with you my sadness and sense of loss. Mrs. Bobo was an inspirational teacher and friend to me; I have further realized her greatness as I have begun teaching. She was professional, yet personal—and so concerned for her students' welfare. I know all her students will keep their memories of her and the gifts of knowledge she gave to us as we continue our lives.

Now my thoughts are with you in your sorrow. I also remember your gift of friendship and direction to me—in and out of the classroom. My prayers are with you, Miss Barlow, during this time. I will always have a lifetime of love and respect for both of you.

With love,

MELISSA HUNTER SMITH.

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

Mr. HUMPHREY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calender days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that such a notification was received on June 16, 1977.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S–116 in the Capitol.

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

Mr. HUMPHREY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under the act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that three such notifications were received on July 1 and July 6, 1977.

Interested Senators may inquire as to the details of these preliminary notifications at the offices of the Committee on Foreign Relations, room S–116 in the Capitol.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

James J. Gillespie, of Washington, to be U.S. attorney for the eastern district of Washington for the term of 4 years, vice Dean C. Smith, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Monday, July 18, 1977, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.

EXTENSIONS OF REMARKS

MRS. JEANETTE WILLIAMS, WIFE OF SENATOR WILLIAMS, GIVES EXCELLENT COMMENCEMENT ADDRESS

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, July 11, 1977

Mr. RANDOLPH. Mr. President, recently the able chairman of the Senate Committee on Human Resources, Senator HARRISON WILLIAMS, planned to deliver the commencement address at the Marie H. Katzenbach School for the Deaf in West Trenton, N.Y., on June 10.

Senator WILLIAMS' presence was required here during our deliberation of the Clean Air Act. The Senator's gracious wife, Jeanette, came to the rescue and delivered the speech. Mrs. Williams also delivered a message in sign language from Senator WILLIAMS in opening and closing remarks.

I ask unanimous consent that the address, as delivered by Mrs. Williams, be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS BY THE HONORABLE HARRISON A. WILLIAMS, JR., DELIVERED BY JEANETTE WILLIAMS AT THE MARIE H. KATZENBACH SCHOOL FOR THE DEAF, WEST TRENTON, N.J., FRIDAY, JUNE 10, 1977

Senator Williams regrets so much that votes on the Clean Air Bill in the Senate keeps him from being with you.

It is my pleasure to join you this afternoon to salute the graduating class of 1977 and to share with you Senator Williams' thoughts about the future.

The Senator's favorite quote from Walden's Thoreau is:

"If a man does not keep pace with his companions, perhaps it is because he hears a different drummer.

"Let me step to the music which he hears, however measured or far away."

For many of the past 10 years, this Nation has virtually ignored those who listen to the sound of different drummers.

During the long period of unrest and pain of the Vietnam war, those who sounded the call against our military involvement were for a long time ignored and later, harshly criticized for their dissenting views.

In the period leading up to the Watergate investigation a similar attitude prevailed.

And, too many of us have chosen to ignore the lifestyles and needs of those around us who have different abilities.

We have, as a Nation, all too often ignored the uniqueness and great potential of persons with various physical differences.

You might say that their questions and wishes have fallen upon our "deaf" ears.

But times are changing.

The last several years have brought an incredible awakening throughout our Nation.

This awakening has been brought about by the drumbeat of a new civil rights movement of disabled people who have come to Washington and to the State capitols to petition the government for their long-overdue basic rights.

It has brought people forward to speak out and educate society as to what must be done.

And today, the civil rights of those who live with disabilities—with deafness, with blindness, and with other physical disabilities—have been recognized and will be protected.

We have accomplished much at the Federal level.

In 1971 Senator Williams created the Subcommittee on the Handicapped: the first one in the Senate history to focus attention solely on the legislative needs of the handicapped. Senator Williams is proud of his authorship of legislation which was enacted into law in 1973 prohibiting discrimination against people on the basis of their handicap.

These provisions of the Rehabilitation Act of 1973 ban discrimination in all programs receiving Federal financial assistance.

And if you think about it, that includes most health, housing, education, transportation, and other social service and jobs programs.

Federal contractors are required to take affirmative action to employ and promote persons with disabilities.

And discrimination is prohibited in Federal employment, and each Federal agency must have an affirmative action plan to promote employment for persons with disabilities.

These programs reaffirm what many of us have been saying for a long time: it is not the disability that counts, but the abilities of the person.

Disability should have no bearing on job performance and potential.

They will also assure that persons with disabilities will not be treated differently than other persons—in fringe benefits, in insurance coverage, and in wages and benefits.

The Congress has also enacted legislation which reinforces the right of each child to an education based on his needs.

This law—the Education for All Handicapped Children Act which Senator Williams authored—requires that each State makes available the teachers, interpreters, and financial assistance necessary to assure every deaf child and every other child with a disability an appropriate and adequate education.

On another front, through pressure from the deaf community, their friends and the Congress, the Federal Communications Commission has ordered all TV broadcasters to make emergency broadcasting available both orally and visually so that the deaf and hearing impaired community will have access to vital information.

And finally, the FCC was persuaded to reserve line 21 on the TV screen for captioning of television so that the communications and entertainment media will be available to deaf persons.

It is striking to think that for the cost of a little more than $25,000 any station can make programing which is fully accessible to deaf persons available.

The responses of commercial and public television stations has been encouraging in putting on interpreted news or captioned news.

And in 1976, for the first time in history, the Presidential debates were given this type of treatment.

I do not think our advances will stop here.

Additional legislation has already been introduced to meet the needs of the deaf—legislation to lower the cost of long-distance phone calls by TTY—and to equip all Federal agencies and Congressional offices with TTY's so that the deaf will have quick access to their elected officials.

Recognition is coming in other ways as well.

Just last Sunday night, the National Theatre of the Deaf won a National TONY award for drama—an important recognition of that troup's talent and also of its artistic value.

Last year's Academy Award to Louise Fletcher for her magnificent performance in "One Flew Over the Cuckoo's Nest", which was accepted in sign language for her deaf parents was incredibly important for our National awareness.

A National Center for Law and the Deaf has been established to work on the unique legal problems which deaf people face.

Based on the Gallaudet College campus, this Center has already represented the interests of the deaf in two major cases—protecting the confidentiality of an interpretor in a criminal action and in a pending case to vitiate a prohibition of the U.S. Department of Transportation against deaf persons driving trucks in interstate commerce.

All of these events mark the emerging recognition of deafness and other physical differences throughout our communities and the recognition of the unique abilities and potentials inherent in this segment of our population.

They mark the beginning of a full understanding of what it means to be deaf or disabled in the United States today.

This recognition comes none too soon—from your perspective and from mine.

Over the years as Vietnam and Watergate froze our consciousness, it was difficult for us to focus on or take up healthy new approaches for dealing with the needs of our people.

Senator Williams as Chairman of the Senate Human Resources Committee, watched as our programs to put an end to poverty, to educate our children, to provide decent health care and adequate support for our workers were diverted and undercut.

Fight as we did to keep these programs going—and they are still operating—we accomplished little more than survival.

As a result, the very same National problems we faced years ago are no closer to solution now than they were then.

We see a Nation in which 7 million workers—325,000 of them in New Jersey—are without jobs while another 3 million more work only part-time.

We have come through a winter in which a record cold caused tremendous hardships because of energy shortages, and yet, we still do not have an energy policy which will ensure that these hardships will not occur again.

Our urban centers continue to deteriorate and have become centers of crime and poverty—conditions which go hand-in-hand.

Millions of Americans cannot afford adequate health care or live in areas where it is available.

Countless Americans do not even have a family physician.

I could go on, but you know many of the problems as well as I do.

I would not underestimate the magnitude of the problems which we face.

But I also would not underestimate our ability to deal with these problems.

I remain confident that we have the talent, the ingenuity, and the sense of National purpose to fashion the solutions which are demanded.

But, if we are to succeed, we cannot afford any policy which discriminates or fails to use the potential of every individual in this Nation.

We need your help!

We need your energies; we need your talents; we need your determination.

A new day is dawning for the handicapped.

But, countless other Americans still only face the dark nights of despair.

Every time we fail to give a child an appropriate education; every time we fail to provide a job for an able-bodied man or woman; every time we cast someone into the lifestyle cycle of poverty, we inflict upon them a handicap that is every bit as real as the physical handicaps which other people face.

We cannot tolerate these conditions and we will not tolerate them.

I see here today the spirit that is needed in this Nation if we are to progress.

So, I ask your assistance—you, who have striven so mightily and so successfully, in your own behalf.

I ask you to share your priceless talents with all Americans so that together, we can fashion an America that fulfills the promise of our National dream for all people.

Goodbye, I love you.

NATIONAL CONFERENCE ON MINOR DISPUTES

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. BROYHILL. Mr. Speaker, this week the House is scheduled to consider H.R. 3816, amendments to the Federal Trade Commission Act. One of the provisions of this legislation would create a private right of action for violations of FTC trade regulation rules and cease and desist orders. These suits could be brought as class action lawsuits but under more relaxed procedural rules than those governing other class actions as set out in the Federal Rules of Civil Procedure. This authority would, of course, be in addition to the authority which we gave the FTC, just 2 short years ago, to bring suits on behalf of consumers injured by an unfair or deceptive trade practice.

Proponents of this provision argue that class actions are needed in order to protect consumers. I have some doubts, however, whether this is really an effective consumer protection device or merely a "get-rich-quick" scheme for plaintiff lawyers. When the Subcommittee on Consumer Protection and Finance and later the full Commerce Committee considered this legislation, there was absolutely no discussion of whether the class action device was an effective consumer remedy compared to small claims courts, consumer arbitration panels, and other consumer redress mechanisms which operate essentially at the local level.

Because of my concerns in this area, I was interested in a recent speech made by Chief Justice Warren Burger at the National Conference on Minor Disputes Resolution given at the Columbia University Law School in New York City and sponsored by the American Bar Association. Chief Justice Burger points out that many consumer disputes just do not belong within the formalistic bounds of our judicial system. As the Chief Justice points out—

The consumer with $300 in controversy for car repairs or a dispute on a defective roofing job or a malfunctioning home appliance prefers a reasonably satisfactory resolution to the protracted legal proceedings that are characteristic of courts.

Frankly, I believe we do consumers a cruel injustice by passing this legislation which will return to them only a fraction of what they have lost and this after several years of litigation.

I believe that a number of my colleagues will find of interest the Chief Justice's remarks with respect to the appropriateness of the legal system in resolving minor consumer disputes. The Chief Justice's speech follows:

REMARKS OF WARREN E. BURGER, CHIEF JUSTICE OF THE UNITED STATES

As the discussions at this conference have shown, lawyers and judges, and social scientists and philosophers, have pondered for generations the problems arising from what we call minor, but vexing, disputes between private parties and those between citizens and government—usually local government. One year ago we sought again to probe unresolved problems in this area, on the occasion of the 70th anniversary of Roscoe Pound's classical analysis of popular dissatisfaction with the administration of justice.

This conference is a very important follow-up of the 1976 Pound Conference. President Justin Stanley and the American Bar Association deserve the thanks of multitudes of Americans who are involved in these minor but often painful disputes with their fellow human beings or with government, for which few adequate, cost-effective remedies are now available. I use the phrase "minor disputes" as you have in a sense as a term of art. Because we described some problems and disputes as minor for statistical purposes does not mean they are unimportant to the individuals involved, or easy to resolve. In fact, thanks are due to dedicated judges in small claims courts, and to arbitration systems, which recognize that "minor disputes," if not disposed of in some reasonably acceptable manner, can create festering social sores and undermine confidence in society. From what I have been told of your deliberations of yesterday and this morning, I gather that some of our preconceptions may be shaken. That, of course is the purpose of this gathering of a select group of thoughtful professionals, who are interested in "people problems." My criticism of legal education beginning when I tried to teach law long, long ago was that it was good on principles and not good about people. The law in its broadest sense is not an end in itself—it is a tool—a means to an end. And that end is justice as nearly as fallible humans can achieve it—for people and their problems. And we must not exalt the means at the expense of the ends. We in the law have been too much like the pathologists who can often tell more about what caused death than what would preserve life.

In common with most of you, I have participated in discussions of this kind for a long time. We are well aware that large lawsuits are not the major problem of American justice. They tend to take care of themselves—at great expense of course, especially in this day of high legal costs—and the litigants, whether satisfied or not, can at least vent their hostilities on each other. I do not minimize the potential contribution of some kinds of "large law suits" to improve the quality of life in our society, although I confess that the longer I live, the more I sense the futility of much of the gargantuan-sized litigation that is carried on. The thought will not go away, that there must be a better way to do some of these things. Apart from all other factors, judges are just not all that wise.

Perhaps some may disagree, but certainly there ought to be a clear consensus on the proposition that the complex procedures, refined and developed for certain types of more complex cases, are inappropriate and even counter-productive when applied to the resolution of the kinds of disputes which are the focus of our attention today.

What is beginning to emerge, through the fog, is that we lawyers and judges—aided and abetted by the inherently litigious nature of Americans—have created many of these problems.

It may be that even if we disciples of the law do not invent new problems, we have done far too little to solve them or channel them into simpler mechanisms that will produce tolerable results.

If we are completely honest, we must at least consider whether we are not in reality, somewhat like Pogo, the brainchild of that philosopher-humanist, Walt Kelly, who proclaimed "We have met the enemy, and he is us."

I do not suggest in fact the "enemy" we have met is the legal profession. But the "enemy" may be our willingness to assume that the more complex the process, the more refined and deliberate the procedure, the better the quality of justice which results. But this is not necessarily so. My submission is that we continue to engage in some ruthless self-examination and inquire whether our fascination with procedure, with legal tests—now often evolving three or four tiers deep—has not led to a smug assumption that conflicts can be solved only by law-trained people. It is possible that—because of our training—we have tended to cast all disputes into a legal framework that only legally trained professionals can cope with, and in traditional legal ways. If that is so—and I put it as a question—we are in a vicious cycle.

I do not suggest this has been the purpose or objective in the minds of lawyers, judges, and law professors, as we have developed and refined legal theory and procedures, but it may be the effect of our preoccupation with legal theory, orderliness and formalism.

As I pondered these matters in recent years, two experiences came into focus, one recent and one long past—one almost flippant and one serious.

One of my mother's many grandchildren at about age four suffered outbreaks of painful body rash. The family physician finally gave up and sent the patient to a renowned specialist in dermatology. For weeks the child was examined, treated, given injections and X-rayed. All clothing and bedclothing was burned and replaced, as multiple medicines were employed. One day, the parents being occupied, the child was taken to the dermatologist by Grandmother. As usual, the child was disrobed, placed on the examining table where the first time she saw the condition. With some hesitation she said, "Doctor, if you will excuse me for saying so, this child isn't sick; he just should not eat eggs—he's

allergic to them." The astonished specialist, having made no progress for weeks, was sensible enough to agree to act on Grandmother's diagnosis. The result of a no-egg diet was a complete recovery in a matter of days!

That experience, now more than thirty years past, came to my mind when the Chief of State of a developing but by no means poverty-stricken country visited the United States and I had occasion for some extended conversations with him about the problems of his country. He told me he had read that I had been working to make improvements in our system of justice and wanted to discuss what his country should do to modernize its judicial processes.

I hastened to tell him our progress was very slow and that at best some of our programs had begun to turn the tide somewhat. He asked me to explain what I meant and I responded that our system as a whole was a bit like a country that was trying to double its production of coal and iron while continuing to use 19th century methods and equipment. Not realizing the truth of what I said, he put my appraisal of progress to modesty and he went on to describe what he called the primitive system of justice in his country, especially dealing with small disputes in the rural areas. He said in his country, as in so many underdeveloped countries, each village had an informal body of respected elders to whom the villagers took their disputes. Their claims were resolved under something resembling our process of final arbitration—with no appeals and no review—and of course no lawyers, for they had none in rural areas. He said that their studies showed most disputes were disposed of with rough justice but that he wanted to modernize the system to make sure that true justice was done for the people of his country.

It had been suggested to him that a team of American legal experts might be enlisted to survey their problems and recommend a plan or system of courts and improved legal education, and he asked what I thought of the idea. I told him the story of the Grandmother and the dermatologist and said my honest answer to him—at least for the present—was to let well enough alone. I did not say, for fear he would think it foolish flattery, but I confess it occurred to me that a team of American legal experts, combined with social and political scientists, might well tour the towns and villages of his country. They might well, as social scientists have in studying primitive countries, learn lessons that would be useful in such conferences as this dealing with minor dispute resolution.

I do not want to be understood as endorsing Shakespeare's observation that to improve things, the first step is to "kill all the lawyers"—indeed I categorically reject that Shakespearean slander—but I must also reject the idea that we lawyers have all the answers. We do not. It is often pointed out that the United States has more practicing lawyers per 100,000 population than any society in the world—14 times the ratio of modern Japan, which is also a highly complex, highly developed society. Sometimes this is said to make a point favorable to our profession and sometimes to disparge it.

What some critics overlook is that we have a very complex social and economic system and, happily, we afford individuals more rights and provide more remedies than most other societies. To maintain that standard will always require a great many people—many of them lawyers, some of the new breed of para-legals, numerous decisionmakers, and then some others as yet unidentified.

I cannot escape a feeling that people with the kind of problems we are concerned about are more likely to go to a local neighborhood tribunal including not more than one lawyer surrounded by two non-lawyers, than a blackrobed judge. Such people—the decision-makers must be trained or natural—and practical—psychologists, with an abundance of the milk of human kindness and patience.

There is a notion abroad in our times—especially since the 60's and early 70's which I hope will pass—that traditional litigation—because it has been successful in some public areas—is the cure-all for every problem that besets us or annoys us. Litigation is indeed the cure for many problems and conflicts and is inescapable when new rights are evolving and new remedies being sought. And our profession can take pride in the role of the law in improving the quality of life for the disadvantaged, in righting historic wrongs suffered by minorities, in assuring true freedom in fact to those for whom freedom was once only a promise. But the role of law, in terms of formal litigation, with the full panoply of time-consuming and expensive procedural niceties, can be overdone.

The consumer with $300 in controversy for car repairs, or a dispute on a defective roofing job, or a malfunctioning home appliance, prefers a reasonably satisfactory resolution to the protracted legal proceedings that are charactertistic of courts. I suggest that most people will prefer an effective, common since tribunal of non-lawyers, or a mix of two nonlawyers and one lawyer, rather than the traditional court system to resolve his modest but irritating claim.

The small claims courts which began early in the century have served a very useful function and many continue to do so. But you, who have taken the time from busy lives to attend this conference, need not be told that changing conditions have made some of those courts less than adequate as problem solvers.

My early reference to the informal, neighborhood-type mechanisms long used—and still used by both underdeveloped and some very advanced societies—points to what I am sure you have been considering. By whatever name we call it—arbitration, or mediation, or conciliation—or a combination of all three—centuries of human experience undergirds these informal kinds of procedures.

The labor movement, beginning in Europe more than a century ago, developed informal dispute resolution which today settles a vast array of difficult, tension-producing conflicts in industry and which helped make this country the great producer that it is. Great credit is due to the practical working men who devised the early grievance procedures employed by labor unions. The American Arbitration Association and the International Chamber of Commerce have demonstrated, on another level and on a larger scale, the value of arbitration methods, less formal and less rigid thar traditional litigation. Countless variations and permutations have evolved to deal with lesser disputes than those great organizations are concerned with, the well-known Philadelphia plan being a prime example.

The complexities of our social structure today are placing unacceptable tension-producing burdens in two areas: first, the economics of law practice, with hourly rates beginning at $35 or more, make it unrealistic to have lawyers involved in minor disputes, unless they are subsidized by government. That, of course, is an increasing reality, but even with budgets running into the millions, it is doubtful that lawyers can be supplied to everyone. Even government-financed neighborhood law offices find it difficult to deliver legal services at much less than $15 to $20 an hour. More important, fully trained litigation lawyers are not needed to resolve some kinds of conflicts and, except for part of the decision-making process, they may be a handicap.

The second factor is that there are many conflicts that fall into today's classification as minor disputes, which no one is solving and which ought to be resolved if we are to avoid the frustrations, tensions, and hostilities that often flow from unresolved conflicts. We do not need to call on psychiatrists or clinical psychologists to tell us that a sense of injustice rankles and festers in the human breast and the dollar value of the conflict is not always the measure of tension and irritation produced. A landlord who delays unduly in repairing a defective radiator or refrigerator can produce unhappy chain reactions on children and adults. A defective roofing or siding job on the home, defective work on the family car or the television set sometimes can produce serious consequences comparable to those of a major illness.

Only the most effective small claims courts are dealing effectively with such claims. The volume of claims has gone beyond the capacity of many of those courts—as is true of all courts today. And when the injured party must make more than one trip to the court because he or she was not advised of the kind of evidence or witnesses needed, or when the injured party learns there is no way to enforce his legal victory, the tensions multiply and insult is added to the injury. Traditional courts or even specialized small claims courts cannot always cope realistically with such problems.

The recent experience with no-fault insurance is encouraging, even though those systems needed time to develop. We must remember how long it has taken traditional legal systems to evolve—and how far they fall short, after generations or even centuries of experience.

Innovations toward solving the problems you are considering at this conference will take time, but the patterns of centuries of experience with informal and formal arbitration strongly suggest that this is one key area to explore. Whether we look to the history of great institutions like the American Arbitration Association or the International Chamber of Commerce, or that of labor unions with grievances in an industrial plant, we can see their procedures, which are simple and informal when compared with traditional litigation, have made incalculable contributions to commerce and trade and labor peace—to society as a whole.

The 45 years of experience with the Jewish Conciliation Board, an extra-legal community court, here in New York, suggest that potential litigants are willing to submit disputes to laymen they trust, and that such informal tribunals can reduce conflicts and tensions in a community. Indeed, the past ten years proves there can be successful resolution of disputes without even resort to arbitration. The success of the Action Line and Hot-Lines throughout the country confirms this. I am told that an Action Line in Los Angeles has been receiving over 1,500 complaints each week. Not only do they assist in resolving specific disputes but they are also attempting to educate consumers to prevent many such disputes. Indeed, the sponsoring radio station (KNBC) trains consumers how best to initiate complaints. That station has been responsible for compelling manufacturers to change labels on nationally sold products and has helped draft new consumer statutes.[1]

The notion that most people want blackrobed judges, well-dressed lawyers, and fine paneled courtrooms as the setting to resolve their disputes is not correct. People with problems, like people with pains, want relief, and they want it as quickly and inexpensively as possible. Even those who do not grasp the meaning of cost-effectiveness know the difference between total frustration and tolerable satisfaction. Overwhelmingfy they will settle for a tolerable solution. Interdisciplinary-comparative research is bearing this out.

[1] Earl Johnson, Valerie Kantor & Elizabeth Schwarts, *Outside the Courts*, page 73.

If there are any here who came looking for a perfect solution, I fear they are doomed to disappointment. There are few, if any, perfect solutions to human problems and conflicts and none I know of in the kinds of conflicts you are considering. I do not know what Judge Learned Hand said about arbitration and other informal means of resolving disputes, but I recall what he said about traditional litigation:

"I must say that as a litigant I should dread a lawsuit beyond almost anything else short of sickness tand death." [2]

I do not know what Judge Hand would think about those who seem to regard litigation as one of the essences of life, and who scorn any solution short of the traditional, but the harsh truth is that unless we devise substitutes for the courtroom processes—and do so quickly—we may be well on our way to a society overrun by hordes of lawyers, hungry as locusts, and brigades of judges in numbers never before contemplated.

Lawyers and judges have made and are making great contributions to achieving a fair and humane society. Properly employed, with their experience and talents channeled, they can be the healers. Unrestrained, they can aggravate the problem. As with most experts and specialists, they are splendid servants but terrible masters. Their place in the resolution of minor disputes is more likely as fact-finders and decision-makers than as advocates.

James Marshall, a thoughtful student of legal systems, touched on what it is we are trying to grapple with in the closing quarter of the 20th century—and what you have come to this conference to study. He wrote:

"Because law has not developed its own experimental discipline, it has the responsibility to test its own 'make believe' doctrine by whatever scientific methods are available and then adjust those doctrines—insofar as it can—to reality. If the law cannot achieve this within the traditions of the courtroom, then it would seem that substitute legal institutions should be provided that are better suited to reality. What is required, is social invention in the law based on findings of the social sciences."

I agree.

I commend the American Bar Association and this conference for being venturesome and imaginative in seeking new ways to reduce social irritations and tensions with minimum delay, complexity, and prohibitive expense to those who can least afford it. I hope we will see concrete experiments and accomplishments as your work proceeds.

RISE OF MR. JUSTICE POWELL

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, July 11, 1977

Mr. HARRY F. BYRD, JR. Mr. President, Virginians are proud of the excellent record being made on the Supreme Court of the United States by Mr. Justice Lewis F. Powell, Jr.

Yes, Virginians are proud of Mr. Justice Powell but those of us who have known him through the years are not at all suprised by the splendid record he is making.

One who has known him long and well is the able national syndicated columnist, James J. Kilpatrick.

Last week, Mr. Kilpatrick did an excellent piece on the Supreme Court and Lewis Powell and I ask unanimous consent that it be printed in the Extension of Remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RISE OF MR. JUSTICE POWELL

(By James J. Kilpatrick)

WASHINGTON.—The Supreme Court wound up its October term on June 29, after nine months of labor that produced no remarkable surprises. Among the developments that came came as no surprise at all is the rise of Justice Lewis F. Powell Jr. At 69, after only six years on the bench, he has emerged as the intellectual strong man of the Burger Court.

This expanding reputation surely will not startle those who have followed Mr. Justice Powell's career both in the law and in public service. I freely confess my own personal affection for the Virginia jurist—the first Virginian to serve on the Court, incidentally, since Peter V. Daniel more than a century ago.

A court reporter described Mr. Justice Powell the other day as "the Virginia aristocrat." Certainly the Virginia part is true enough. Born in Suffolk, Va., in 1907, he received his first law degree from Washington and Lee (his second came from Harvard), and settled down to the practice of corporate law in Richmond in 1932. But we knew him in Richmond as much more than a top lawyer in the state's most prestigious law firm. We knew him as chairman of the city school board, then as member and president of the State Board of Education, and as a tireless worker in every civic enterprise that came along.

When I first met the gentleman in 1946, he was Colonel Powell, just returned from the war with the Legion of Merit, a Bronze Star and the French Croix de Guerra with Palm. His continuing interest in military affairs was manifested many years later in his service on Nixon's Blue Ribbon Panel to study the Department of Defense.

Most of his reputation, of course, results not from education or defense, but from the law. He served in 1964-65 as president of the American Bar Association; he pioneered in the study of legal services to the poor; and in October 1971, Nixon nominated him to succeed Hugo Black on the Court.

It has proved a remarkably happy appointment. A few Nixon-haters, knowing nothing of Powell's integrity, leaped to an immediate conclusion that the nominee would function as a rubber-stamp, doctrinaire conservative. They were swiftly disabused. In his six terms on the Court, Mr. Justice Powell has indeed sided most frequently with Burger, Rehnquist and Blackman, but his growing eminence derives not from ideology, but from scholarship and reason.

In the term just ended, Mr. Justice Powell wrote 5 of the Court's 142 signed opinions, matching Rehnquist and White in majority output. He caught some of the toughest cases of the year. In the Arlington Heights case, involving charges of racial discrimination in zoning law, he cleared new ground in the Court's emerging emphasis upon the intentions of public officials. In the Miami pupil paddling case, he braved a liberal firestorm to assert that the Eighth Amendment does not apply to disciplinary measures in the public schools. In the abortion cases on June 20, he reasoned cogently that the Constitution secures no automatic right of abortion.

In other cases, Mr. Justice Powell dealt with wiretapping, with obscenity, with labor law, and with illegitimate children, illegal aliens, voting rights, double jeopardy, the taxation of insurance companies, a major antitrust case, and a stubborn grandmother in Ohio. He dissented only 14 times, the least of any member of the Court, but he wrote 10 full-blown dissenting opinions to support his objections.

The pattern that emerges is essentially a pattern of order. Mr. Justice Powell is an orderly man. His sense of personal reserve constantly is reflected in his view of the judicial function. Judges holding life tenure, he insists, have no business imposing their own social or moral views upon either Congress or the States. Even to prohibit the brutal paddling of a disruptive pupil, the Eighth Amendment must not be twisted out of context. He is not much for reading between the lines of a statute; his task, as he construes it, is to figure out what the lines actually say.

It is too early to say if Mr. Justice Powell ultimately will rank among the great justices of the Court. He is no phrase-maker. His opinions tend to lose cruising speed because of their footnote ballast. There is some truth in the observation that he stands out so conspicuously because he sits as a Virginia cardinal among a Court of wrens and sparrows. In any event, let us forgive Richard Nixon at least some of his sins by thanking him for this much: He put Lewis Powell on the Court.

BIASED REPORTING OF NEWS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. CLAY. Mr. Speaker, the newspaper industry in this country is a fascinating business. Their professed dedication to the unbiased reporting of news is sometimes open to question. The protection of the printed page by our Constitution is one of our great assets. However, newspersons are expected to show some sense of social responsibility and devotion to the ideals of this Nation under whose flag they are allowed to operate.

I would not permit any newspaper to be denied its right to formulate its own editorial policy. The St. Louis Globe-Democrat and the Post-Dispatch are the two most widely distributed St. Louis newspapers. Because they are so much at variance on major issues, I want to share with my colleagues the separate editorial treatment of the same subject by these paper giants. I think you will agree that the Globe-Democrat has a value system that appears to go beyond the boundaries of what is considered fair and prudent. These two reprints appeared in the St. Louis Journalism Review and is one of the more outstanding examples of the consistency with which the Globe-Democrat distorts and colors the news events of the day:

[From the St. Louis Journalism Review]

EDITORIALS—IS THERE A DIFFERENCE?

NOTE.—The St. Louis Post-Dispatch and the St. Louis Globe-Democrat may have a joint publishing agreement, which in the words of the late Senator Phillip Hart is akin to "profit-sharing," but there are innumerable examples that editorial diversity remains, witness these two editorials.

[From the St. Louis Globe-Democrat, April 16–17, 1977]

HUMAN RIGHTS FOR THE FBI

The spectacle of 300 FBI agents gathered on the steps of the federal courthouse in New York in support of a former colleague facing prosecution should cause serious soul-searching by an Administration professes deep commitment to human rights around the globe.

[2] "Deficiencies of Trials to Reach the Heart of the Matter", November 17, 1921, published in Lectures on Legal Topics, page 105, line 3, by Association of the Bar of the City of New York.

Who cares about the human rights of John J. Kearney, a retired FBI supervisor who has been indicted of charges of illegal mail openings, wire tapping and conspiracy for trying to cope with the menace of the radical Weatherman Underground from 1970 to 1972?

With a heart-warming show of strength the 300 FBI agents who came from as far away as Baltimore and Buffalo to cheer Kearney showed that they care.

FBI Director Clarence M. Kelley showed that he cares by seeking a review of Kearney's case by Attorney General Griffin B. Bell. Kelley, conscious of the serious effect on FBI morale, and aware that CIA agents were not prosecuted for similar violations, has promised to use every means open to him for a fair resolution of Kearney's predicament.

Sensible Americans who appreciate that the FBI has conscientiously endeavored to protect them from terrorist bombers should join Director Kelley and the agents in defending Kearney. At the worst it appears he may have committed technical violations of the law while on the trail of the Weatherman radicals.

Kearney is charged with directing a squad of New York City FBI agents to rob mailboxes, steam open and copy personal letters and eavesdrop on telephone calls. The alleged offenses were against individuals suspected of being in contact with the fugitives.

In order to have a solid case against Kearney the government should have to prove that someone suffered serious harm as a result of the FBI tactics. Otherwise Kearney is being made a sacrificial victim for doing his duty in a manner that was intended to protect Americans in general from untold violence.

Attorney General Bell would do well to intervene in the Kearney case and drop prosecution. Americans are not in the mood to see an FBI hero made a martyr. In his concern for human rights, President Carter should be mindful that he has an obligation to protect the FBI from unreasoned abuse.

The dignified appearance of the 300 FBI agents who gathered in behalf of Kearney speaks volumes. These were not dirty, foulmouthed radicals shouting obscenities or disturbing the peace. They were quiet, resolute, patriotic, fearless, dedicated public servants who put their lives on the line every day to protect their fellow Americans against external and internal dangers. And they were exercising their fundamental right to assemble peaceably to seek redress for a grievance.

[From the St. Louis Post-Dispatch, April 17, 1977]

LESSON FOR THE FBI

Passersby at the federal courthouse in New York City a few days ago were presented with the unusual spectacle of more than 300 FBI agents congregated on the steps and applauding one of their former colleagues who was about to be arraigned on charges of illegal mail-opening, wire-tapping and conspiracy. The demonstration was ironic for two reasons: first, the FBI has been known to conduct surveillance operations against citizens who engaged in demonstrations, and, second, the law enforcement agents seemed to be saying that the law should not be enforced against one of their own.

A further sign of FBI support for a double standard of law enforcement was provided by a statement from FBI Director Clarence Kelley asking Attorney General Griffin Bell to review the case of former FBI supervisor, John J. Kearney, who had just been indicted in New York, presumably with the objective of having Mr. Bell stop the prosecution. Mr. Kelley said the Kearney indictment, the first ever of an FBI agent, had seriously affected FBI morale, and the director argued further that CIA agents had been let off the hook for similar wrongdoing.

On the latter issue, Mr. Kelley has a point. But Mr. Bell's answer should not be to stop the prosecution of Mr. Kearney and other FBI agents, against whom there is evidence of law violation, but to order the prosecution of CIA agents against whom there is similar evidence. As for FBI morale, the bureau's esprit de corps should not be boosted by continuing to wink at its violations of the law, as those in authority did for 20 years. Finally, now that the FBI agents' First Amendment right to demonstrate has been respected (as it should have been), perhaps the agency will be a little more understanding of citizens' desires to exercise their First Amendment rights.

THE NEUTRON BOMB IN PERSPECTIVE

HON. HARRISON "JACK" SCHMITT

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Monday, July 11, 1977

Mr. SCHMITT. Mr. President, the Senate debate on the so-called neutron bomb highlights the terrible paradox in national and world security. With this paradox, we must continue to be stronger than any other nation, but we must continue to insure our strength is never tested by an enemy.

We must continue to create weapons against which no potential enemy can defend itself so that no weapons will ever be used by anyone.

This paradox must be maintained. It is a product of the invention of weapons of mass destruction and that only minutes are required for those weapons to be used. No longer can free men wait to be attacked before they prepare their defense. This is a fact of survival in our third century of national existence.

The neutron bomb is not some new death ray. It is an extension of the technology of the hydrogen or H-bomb. We can now produce small H-bombs in which radiation in the form of neutrons is enhanced over the effects of blast and heat. We have "dissected" the H-bomb, not created some new weapon. All nuclear weapons are terrible in their effects. All have radiation, blast, and heat. All will kill and destroy. The neutron bomb kills but destroys less than existing nuclear weapons of comparable size.

It is in Europe that we find the greatest political significance of this neutron bomb. There, we have fallen far behind in balancing the conventional forces of troops, tanks, artillery, and planes now deployed against us in Eastern Europe. The bomb offers a means of countering these large concentrations of troops with minimum damage to civilian population and property. In our necessarily defensive situation in Western Europe, this minimizing of damage to civilian life and property is very important to our NATO allies.

The overall deterrent effect of the neutron bomb will be to give the West increased flexibility in limiting our response to large-scale attack by conventional military forces against which we have no other adequate defense. It becomes an equalizer we would be willing to use if attacked, but which would make a nuclear response by the East politically unacceptable short of global war.

With the increased flexibility in response offered by the neutron bomb, we increase the chances of avoiding full-scale nuclear war if attacked in Europe or elsewhere by conventional forces. However, the existence of this weapon does not relieve us of the necessity of vastly improving our conventional military posture. Increased quality and quantity of hardware and increased size and readiness of our Reserve Forces are extremely high-priority national security matters.

The outcome of the Senate debate on the neutron bomb has even deeper and more general significance. Great confusion exists in all parts of the world with the administration's decisions to withdraw troops from Korea, to "normalize" relations with Communist China and Cuba, to cancel production of the B–1 bomber, to give up "bargaining chips" at the SALT talks before the negotiating begins, to get tough with traditional allies such as Israel, to antagonize Latin American, African, and Asian nations, and to back away from long-term solutions to world energy and economic problems. To counter this confusion we must begin to send consistent and positive signals to friend and potential friends and foes, alike.

The production of the neutron bomb, along with the cruise missile, can be the first positive signals that the leader of the free world is back in control of its national security. As the only Nation with both the idealism and the power to protect freedom on this planet, we have no other choice.

TOO MUCH MIDDLE EAST TALK

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. DERWINSKI. Mr. Speaker, the Carter administration has been in office for 6 months, and I believe the President has received the necessary time to develop firm international and domestic policies. He was entitled to a prolonged honeymoon period, but I believe that time has ended.

The administration's international policy is especially replete with contradictions, and it is difficult for anyone to trace a pattern in the Carter administration foreign policy.

This foot-in-mouth policy is addressed in an editorial appearing in the Chicago Tribune of June 30, which I wish to insert it at this time:

TOO MUCH MIDDLE EAST TALK

If the Carter administration has a single flaw more serious than others, it is the tendency of too many people to say too many things about sensitive matters. The administration aroused a nest of hornets this week by saying that Israel should withdraw from occupied territory on the West Bank of the Jordan River, in the Sinai Desert, the Golan Heights, and the Gaza Strip as a means of achieving peace.

It no doubt took some guts to say this in a country with a powerful and vocal Jewish community, which was stirred to predictable anger. It is equally certain that peace will in fact require a substantial withdrawal. But

neither guts nor accuracy are substitutes for wisdom, and it is hard to understand why the statement was issued even before President Carter and Israel's new Prime Minister Menahem Begin had their first talk. Mr. Begin is to arrive in Washington July 18. As former Prime Minister Yitzhak Rabin implied, an American statement would have been more appropriate after the meeting than before.

An indignant Israeli government has in effect denied that there was any basis for the implication that Mr. Begin's hard-line leadership is unwilling to discuss the Gaza Strip and the West Bank at peace negotiations. If such a response was the statement's intent, it appears the Carter administration has created a lot of trouble merely to establish what might have been thought obvious: At peace negotiations, you negotiate.

The statement could in fact hurt negotiations by making both sides more intransigent—the Israelis in order to show that they will not bow to U.S. pressure and the Arabs because they think we are committed to supporting all of their demands.

On one part of the statement, it seems to us, needed to be uttered: "We believe strongly that progress toward a negotiated peace in the Middle East is essential this year if future disaster is to be avoided." Although the Israelis objected to this statement, too, as a form of pressure, there can be little doubt that it is true. It is essential for President Sadat of Egypt, one of the more moderate Arab leaders, to produce a satisfactory peace soon. His economic troubles continue to mount, and he could easily be replaced by someone less kindly disposed toward negotiation.

Former Secretary Kissinger achieved his successes by serving as a middle man, a relayer of messages, and, by that effort, a catalyst. We'd be better off—in the Middle East as in Africa—if we were to return to our earlier effective role as a quiet catalyst.

FEDERAL ASSISTANCE FOR ASBESTOS CONTAMINATION IN MONTGOMERY COUNTY

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. STEERS. Mr. Speaker, today I am introducing a bill that would authorize the Secretary of Transportation to pay not more than $4.5 million to Montgomery County for the purpose of controlling asbestos contamination of the ambient air.

I have already introduced one bill that would order three Federal agencies to promulgate standards that would protect the public health from asbestos contamination of the ambient air. This is a problem that has first surfaced in Montgomery County, Md. We should all be aware that several recent scientific presentations have indicated that asbestos mineral deposits are located up and down the east coast as well as parts of the country west of the Mississippi.

There is persuasive, but not fully complete information that asbestos contamination in differing quantities and concentrations can lead to mesothelioma a fatal cancer of the chest cavity; or asbestosis, a nonmalignant tumor that can also be fatal. A combination of smoking and absestos contamination is especially dangerous even though the affliction will not manifest itself for 20 to 30 years.

We are faced in Montgomery County with a unique problem. For over 20 years a reputable and responsible private concern has been selling gravel and other construction materials to the county for road construction and for coverings in playground and and park areas. These sales took place with no one really aware of the potential health risk present in the stone. Only recently have county, State, and Federal agencies been active in defining the problem and working on solutions.

Several of the recommendations sent to the county by the EPA called for repaving or removal of the rock in roadways and play areas throughout the county. The county government estimates that the cost for these recommendations will be between $3 and $7 million. I am offering this bill because this is a problem that was no one's fault and because the county is trying to meet all of the EPA's recommendations. The major impediment in the way is money. Due to the participation of the Federal Government, I feel it is proper for the Federal Government to provide financial aid.

WHISTLE-BLOWERS HALL OF FAME: ROBERT TUCKER AND ROBERT SULLIVAN

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mrs. SCHROEDER. Mr. Speaker, today's article wraps up my series on whistle-blowers in the RECORD. I hope my colleagues have found the articles informative of what the conscientious whistle-blower is up against.

The following tale of Robert Tucker and Robert Sullivan is from the Project on Official Illegality of the Institute for Policy Studies, 1901 Q Street, NW., Washington, D.C.:

ROBERT TUCKER AND ROBERT SULLIVAN

Robert Tucker, a General Services Administration electrical engineer, went to the FBI in 1974 because he believed he had uncovered a widespread pattern of contract abuses at his agency. Tucker found that GSA officials in the Boston region were improperly awarding no-bid contracts to firms that had contributed to certain Republican candidates. He requested that the FBI investigate, and he gave the documents to the Boston Globe. The FBI conducted an investigation and issued a report which found no basis for criminal prosecution. They then turned over all documents to GSA officials, disclosing Tucker's identity. (He though he had gone to the FBI in confidentiality). Shortly thereafter, Robert Tucker was fired for the methods he used in pressing his charges.

The General Services Administration conducted its own investigation of the matter upon receipt of the documents. Their internal audit substantiated Tucker's charges. Robert Sullivan, a GSA investigator, read the audit and felt that Tucker had been treated unfairly. He believed that GSA officials were not going to do anything about the matter, and after consulting his priest and the government's Code of Ethics, he sent a copy of the audit report to the Boston Globe. The Globe printed a series of stories on the contract abuses, and the situation was subsequently cleaned up.

Robert Sullivan was also fired for making unauthorized public disclosures. In his dismissal notice, he was told that ". . . his actions have not only compromised the Office of Investigations, but have unjustifiably contributed to the continuation of public doubt concerning the integrity of all GSA employees, and, if condoned, would certainly lead to administrative and management chaos."

Robert Tucker lost his Civil Service appeal and has filed suit against GSA and the Civil Service Commission for reinstatement and $500,000 damages. Robert Sullivan is still awaiting the decision of CSC's Appeals Review Board.

FRANCE AND WEST GERMANY LEAVE THE UNITED STATES BEHIND

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. TEAGUE. Mr. Speaker, on Tuesday, July 5, France and West Germany, along with other Western European nations, finalized agreements to work jointly in further development and eventual commercialization of breeder technology.

The French and West Germans have been working on these negotiations for 2 years. The result is an intensive European effort which the French believe will give them 15 operating breeders by the year 2000 and the Germans perhaps one-third that number.

I wish to submit the New York Times, July 6, account of the breeder agreement for my colleagues consideration as we prepare to decide the fate of the Clinch River breeder reactor and the U.S. breeder program. It is obvious to many that the United States is not changing anyone's mind about deferring breeders, but rather that the rest of the world is leaving the United States behind.

The article follows:

EUROPEAN NATIONS SIGN ACCORDS ON DEVELOPING BREEDER REACTORS

(By Jonathan Kandell)

PARIS, July 5.—France, West Germany and several other Western European nations today signed accords here for further research and development of nuclear breeder reactors and their eventual sale abroad.

Both Western European and United States officials interpreted the agreements as a rejection of President Carter's call for at least a temporary moratorium on breeder development to avoid the spread of nuclear weapons.

The fuel used by the breeder reactor is plutonium, a material that can also be used for the production of nuclear weapons. The breeder theoretically creates more plutonium than it burns, and has thus gathered support among governments worried over the possibility of a shortage of uranium.

Earlier this year, President Carter said he opposed the use of plutonium as fuel in the United States. But lobbying by the nuclear power industry has kept alive the possibility that funding for a demonstration breeder in Clinch River, Tenn., may be approved by Congress.

DISPUTE WITH BONN AND PARIS RECALLED

The United States has already clashed with France and West Germany over their plans to export uranium reprocessing equipment.

The French have held back on a deal to supply the technology to Pakistan, and are expected to announce this decision publicly after the military coup today. The West Germans have refused to rescind commitments to supply Brazil with enrichment equipment.

President Carter's objections to these two deals were based on the fact that reprocessing of spent uranium fuel produces plutonium, unusable as a fuel in conventional reactors, but capable of being diverted for use in weapons. The objections to breeders are essentially the same—they produce plutonium.

The accords signed today are of two kinds. The first calls for cooperation between France and West Germany in research and development. The other accords create a company, including French, West German, Dutch, Belgian and Italian interests to market breeders.

A number of prototype breeders are under construction or in operation in Western Europe. France has a 250-megawatt breeder that operated for about 16 months, then closed down for half a year because of technical problems, and recently resumed its operation. The French have decided to move ahead with a commercial 1200-megawatt breeder.

SOVIET NOT A PARTY TO ACCORDS

West Germany, together with the Netherlands and Belgium, is constructing a 200-megawatt prototype breeder. The British have two research breeders operating in Scotland. The Soviet Union, which was not a party to today's accords, has a 350-megawatt breeder that is also used for desalting of seawater, and is building a 600-megawatt reactor.

Europeans tend to defend breeders for variety of reasons, including the following:

There are few secure sources of energy for most Western European countries, which must import most of their oil, coal, gas and uranium. The breeder reactor, by producing more fuel than it consumes, thus becomes an attractive source of energy.

A corollary of this argument is that the United States can afford to take a stand against the potential hazards posed by breeders because it has large reserves of coal, uranium, oil and gas, and what Europeans view as a strong relationship with Middle East oil producers, particularly the Saudis.

Another argument made in favor of breeders is that Western Europe holds a technological lead over the United States. Officials say the Americans will probably come around to accepting the inevitability of breeders and Europe should be prepared to meet its needs and seize a share of the export market.

EUROPEANS DISCOUNT HAZARDS

Europeans have tended to discount the potential hazards posed by the creation of large amounts of plutonium, and have said that it is possible to create strict safeguards against its use for weapons.

With the Europeans see potential long-range economic benefits in breeders, their construction costs run into the billions of dollars. If the European economies continue to show sluggish growth, an expensive breeder program could be a prime candidate in a budget cut.

Domestic opposition to nuclear energy got started later in most Western European countries than the United States, but it has now burgeoned into an effective movement and breeder reactors are a likely target.

In West Germany, legal victories won by opponents have slowed plans to have 30 nuclear power reactors in operation by 1985. In France, opposition is being mounted against the 1,200 megawatt Superphenix breeder even before the start of construction. In Britain, both economic costs and domestic protests have led to public debate on breeders. Protest movements have also added uncertainty in the Netherlands, Belgium and Italy.

MICHAEL DEL MEDICO CAPTIVATES AUDIENCE AT LIBRARY OF CONGRESS

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. ANNUNZIO. Mr. Speaker, I would like to call to the attention of my colleagues that Michael A. Del Medico, an Italian-American playwright, actor, and director, recently appeared at the Library of Congress as the Russian author, Maxim Gorky, in the world premier of his play, "This Italy of Yours."

The play, which was most successful and well-received, was brought to Washington by the Italian American Foundation, and a news release by the foundation on the play as well as a copy of the Library's program of the event follows:

GORKY IN ITALY MONODRAMA DAZZLES AUDIENCE AT LIBRARY OF CONGRESS

WASHINGTON, D.C.—A remarkable portrayal of the great Russian literary giant, Maxim Gorky in Italy, stunned and dazzled an overflowing crowd at the Library of Congress recently. Michael Del Medico's virtuoso performance as Gorky in "This Italy of Yours" brought cheers and a few tears in this amazing performance by this brilliant young actor.

Del Medico not only starred in the vehicle but also conceived and directed this world premier. The play was sponsored jointly by The Italian American Foundation and the Library of Congress.

The one man show in which Del Medico became the famous author who penned "The Lower Depths" as well as other plays and novels, weaved tales of his stay in Italy between 1906 and 1913. Del Medico, alone on almost a bare stage, dominated the auditorium with his sure presence and with a voice whose range and power communicated an intimate portrait of a truly great writer who loved Italy and brought the Italy of the early 20th Century to life.

A stunning performance.

Italian American Foundation Chairman, Jeno F. Paulucci and Executive Director, Paul J. Asciolla brought the play to Washington to emphasize the cultural heritage of Americans of Italian descent. The Italian American Foundation, Inc., is a non-profit, independent agency in Washington, D.C. Its purpose is to promote, publicize, monitor and coordinate programs on the national level with an impact on Italian Americans.

A distinguished audience composed of people from all walks of life included: Congressman and Mrs. Robert Giaimo, Congressman Joseph Addabbo, Msgr. Geno Baroni Foundation President and Assistant Secretary of HUD and Al Stern Special Assistant to the White House for the Arts and Humanities.

PROGRAM

In 1906, Maxim Gorky was an author in exile from Czarist Russia. After a brief stay in America, the internationally famous and highly controversial Russian writer, humanitarian, and revolutionary went to live in Italy. His next seven years were spent living and writing among his "beloved Italians." In 1913 (Gorky left Italy. But he would return. . . .

"This Italy of Yours," andante from the life and writings of Maxim Gorky.

Conceived and Directed by Michael A. Del Medico.

Production Supervisor and Sound: P. Brandstein.

Production Staff: Joy Lilly, Nancy Ploeger, and Diana Dela Cuesta.

Reception: Immediately following the performance, Whittall Pavilion.

Michael A. Del Medico has appeared in many stage, film, and television productions. On and off-Broadway he has performed in The Disenchanted, Inherit the Wind, Burn Me to Ashes, Cicero, Line, and I Dwelt in Bloomingdale's. He appeared in the premiere and subsequent taping for television of Tombstone and played a leading role in Children's Game, a film shown at the Venice Film Festival. As Director of the Action Theatre Repertory, he wrote and directed What A Day!, which was presented at Lincoln Center and The Cloisters, and then toured the country under the sponsorship of CBS–TV. Appearing annually as Guest Artist at Lehigh University, he has directed Gorky's Lower Depths and played Prospero in The Tempest and the title role in Macbeth. Mr. Del Medico created M. Gorky: A Portrait, in which he opened at the Vandam Theatre off-Broadway. He has appeared in Portrait on the Soviet cruise ship T/s Maksim Gorki, at the New Jersey Shakespeare Festival, and in the Cooperstown Concert Series. Scenes from Portrait were televised as part of the Theatre in America series on PBS–TV. Mr. Del Medico has been honored by a special exhibit of memorabilia and photos of his program at the Gorki Museum in Moscow. Last season he repeated Portrait at the Vandam Theatre, and has toured widely to great acclaim. Mr. Del Medico now appears at the Library of Congress in the first production of "This Italy of Yours," his new program covering the years 1906–1913 which Gorky spent in Italy.

The Italian American Foundation, with which the Library cooperates in this presentation, is a non-profit, independent agency in Washington, D.C., which coordinates nationwide programs having impact on Italian Americans and affirms the cultural heritage of Italian Americans.

COMMENDING THE GOLDEN RAIN NEWS

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. HANNAFORD. Mr. Speaker, I would like to bring to your attention the special Memorial Day edition of the Leisure World News, the official publication for residents of Leisure World in Seal Beach, Calif.

The May 26 issue paid high tribute to those who so selflessly made the ultimate sacrifice for their Nation. Members of the Leisure World community shared in the production of this fine paper by contributing wartime photographs which brought back to me a flood of memories of comrades who shared my own war experiences. Some of them returned with me, and others did not.

Mr. Speaker, I would be happy to make available copies of this Memorial Day commemorative for the asking.

I am proud to represent the people of Seal Beach Leisure World, and I am proud of their own substantial contribution to American journalism.

THE BREATHLESS COTTON WORKERS

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. HAWKINS. Mr. Speaker, the Occupational Safety and Health Administration, having just concluded hearings on its proposed cotton dust standards for the textile industry, is now reviewing the public's input and preparing a final standard. Byssinosis, or "brown lung disease," afflicts thousands of American textile workers who breathe cotton dust, and the current standard of 1,000 micrograms per cubic meter of air is a shameful indicator of disregard for employee health. The proposed 200-microgram standard, a significant and long overdue reduction, will still induce a serious incidence of lung disorders and hopefully will be lowered even further as technology permits.

An article in the current issue of the Progressive provides an interesting background to the cotton dust debate, and I urge my colleagues to familiarize themselves with this issue:

THE BREATHLESS COTTON WORKERS

(By Jeanne Schinto)

Bernardino Ramazzini, "Treatise on the Diseases of Tradesmen" (1705): 'Tis a sordid profit that's accompanied by the destruction of health.

A textile worker in Ulster once played in a flute band. During the first day of work following a summer vacation he felt "stuffed up," so he skipped band practice that evening, but promised the band leader he would attend the weekly practice the following Monday. During the rest of the week, the worker's health seemed good. Come another Monday, however, he noticed the chest tightness again. He attended practice but had to leave early because playing was such an effort. On Tuesday and for the rest of the week he felt fine, but every Monday he felt breathless. Finally, he had to give up the band entirely, because the band leader wouldn't let him play on weekends if he didn't practice on Mondays.

A worker in another Ulster mill bicycled to and from work. On Mondays, however, he noticed that breathing was difficult. He "soldiered on" during those days rather than quit early, but on Monday evenings, he couldn't pedal uphill. Soon he got into the habit of having his son meet him on those nights, to help him wheel his bike home; and in time, the son met him more and more often. Finally, back at the mill after a vacation, the man was so breathless all the time that he had to give up his job. At rest he was symptom-free, but any exertion started him wheezing and coughing. Once off the job, he gradually recovered. The only setback came one morning when he visited friends at work. After a while, his chest felt tight, and once home, he had another attack of what he described as "the oul trouble."

These medical case histories, recorded by Dr. James A. Smiley in Northern Ireland in the late 1950s, were routinely reported in March 1960 to the British government. They document certain stages of byssinosis or "brown lung disease," which afflicts textile workers who inhale cotton dust just as anthracosilicosis, or "black lung disease," visits coal miners who inhale coal dust.

How did it happen that while the British government had already identified byssinosis and was attempting to control it and compensate its victims, American businessmen and health officials were still insisting that the disease did not exist, at least among cotton mill workers in the United States? And why is it that while the disease has been acknowledged in America for almost a decade now, industry's irresponsible ways have yet to be adequately checked by government?

The symptoms of byssinosis are easily observable and detectable, even in the early stages of the disease. The chest tightness of "Monday fever," which foiled the flute player and bicyclist, signals the onset of trouble; it occurs as a kind of shock reaction on the first day one returns to work after an absence in a relatively dust-free environment. Then, if exposure to cotton dust is not curtailed, the bronchial tubes constrict, and later these airways may permanently narrow. Next a chronic cough, phlegm-filled or otherwise, develops along with increased breathlessness. A paroxysm of coughing often ends with vomiting.

In time, the chest becomes barrel-shaped and fixed in elevation, as though one is stuck in a deep inhalation, and the disease often ushers in bronchitis, asthma, emphysema, and other lung disorders. Finally, there may be total disability and, and uncommonly, death, since byssinosis places undue strain on the heart and thus may lead to coronary failure.

Cotton dust, on the other hand, is not so easily characterized. It ranges in size from particles resembling ashes or gray snowflakes, large enough to see with the naked eye, to those so small they cannot be seen even under an optical microscope. Never homogeneous, cotton dust may contain soil, fungi, bacteria, pesticides, ground-up plant matter (called "trash"), and other contaminants grown or harvested along with the cotton.

The finer aspects of the cause-effect relationship between the dust and the disease have baffled some scientists. The confusion has been used by both industry and government—first to deny the existence of byssinosis and later to delay its prevention. Long after the prevalence of byssinosis here had been confirmed, American cotton company scientists were chasing enzymes, tracking histamines, and testing the relationship between smoking and dust diseases, claiming all the while that they could not begin to solve the problem until they properly scrutinized it for at least another few years. Similarly, government contended that it could not expect industry needlessly to overprotect its workers—in its scheme of things, that would be wasteful; so it, too, bided its time in the labs.

In a society in which profits did not take precedence over people, however, the finer points of byssinosis would have been considered tangential long ago and the road to its prevention would now be clear. Better air filtration systems would have been installed and other capital expenditures made. But in the United States, where society is tuned to a different chord, the present delay over preventive measures, like the oblivion which preceded it, is rooted not in science and technology but in economics and politics—in the callous traditions of the cotton industry and in government's compromising ways.

Though the cotton industry began in New England when water supplied the power and boatloads of immigrants constituted the work force, it began moving south in the 1880s, when water's industrial role was waning and immigrants began organizing. Soon after, it spread westward to take advantage of sources of cheap labor in Texas and California. By 1925, most of the spindles in the country were bobbing and whizzing in the cotton-growing states.

Inside the coast-to-coast girdle of the industrial Cotton Belt, life was defined by cotton and the myriad products into which it could be made. While unions had been bolstered by the brick and mortar of picket lines and strikes in the North, another type of structure had been hammered into being in the South and Southwest—the cotton textile industry's version of the company town. These towns were isolation wards where nothing entered or exited except by company edict; but company heads in Fayetteville, North Carolina; Greenville, South Carolina; Prattville, Alabama, and the like were self-righteous: They were providing work for "their people"—native, white, "un-Bolshevized" former farmers and mountaineers; they were restoring a devastated land.

Today the chambers of commerce of these towns claim they have diversified, but there are still such places as Easley, South Carolina, which boasts seven large cotton mills (two owned by a Dan River subsidiary, the rest by Alice Manufacturing), many other textile processing plants, and a slogan, "What Easley Makes, Make Easley." Just as the monotonous rows of company-built houses are hardly obscured by additions and shrubs, the intangible vestiges of that repressive era can still be perceived there and elsewhere in the Cotton Belt. Only 10.5 per cent of all textile workers, for example, are organized, making textiles the least unionized industry in the country.

In Great Britain, on the other hand, cotton workers have been among the most strongly organized groups of wage earners since the 1870s. Until World War I, British cotton workers' unions were the only ones organizing women effectively: In 1910, the cotton unions' female membership was 150,000—70 per cent of all unionized women. And in 1958, a six-month stoppage at a Rochdale mill not only achieved the reinstatement of a union representative whose discharge had occasioned the strike, but also the dismissal of the manager responsible and the reorganization of the firm.

The unions gave British cotton workers the power to demand that byssinosis be checked, while much of the rest of the world—including the U.S. Cotton Belt—was still laboring under the old common-law theory that employes must run all work-related health and safety risks. In 1932, the British government, for the first time anywhere, officially recognized byssinosis as an occupational disease. Five years later, there were more reforms; under the Factory Act of 1937, the British mandated medical inspections of workplaces, compulsory reporting of industrial diseases, and compensation of disease and disabled workers.

In sharp contrast, the U.S. Public Health Service concluded in two 1933 reports that dust concentrations in American cotton mills were too low to impair worker health. In 1945, a U.S. Department of Labor report stated that byssinosis was not a problem in the nation's cotton mills. Even as recently as 1961, health officials here were insisting that while byssinosis might affect British textile workers, somehow it did not affect our own.

Government has explained the discrepancy by a feeble argument based, predictably, on technology. Recently the Labor Department magnanimously lauded the British scientists' early efforts and concluded on its own behalf: "The current prevalence of byssinosis among American textile workers may be due to the shift to mechanical harvesting of cotton following World War II and the resultant increased amounts of trash and soil in the raw cotton."

There is no mention of the possibility of technological backwatering—the laboratory politics of delay; no mention that, for centuries, textile workers have been known to suffer from respiratory diseases of one sort or another; no mention that, in company towns in the U.S. Cotton Belt, unionless workers were kept docile and naive about

the connection between their ailments and work condition by company-paid teachers, ministers, nurses, and doctors.

Since a breakthrough in 1968, Federal officials have been pressured by labor and social activists—the Textile Workers Union of America and the North Carolina Public Interest Research Group among them—finally to do something about byssinosis. What government has done, however, has been sorely inadequate, and so is what it proposes to do in the future.

Almost a decade ago, a team led by Dr. Arend Bouhuys of Yale found a high incidence of byssinosis at cotton mills run by inmates at the Federal penitentiary in Atlanta, prompting adoption of a cotton dust exposure limit under the Walsh-Healey Act. However, the limit—1,000 micrograms of total dust per cubic meter of air, which is written 1000 ug/m³—covered only Federal employes, and besides, it was soon proven to be much too lenient.

Since enactment of the Occupational Safety and Health Act of 1970, little has changed. Although private-sector cotton workers are presently covered by the law, which adopted the 1000 ug/m³ standard, enforcement has been a charade and a new, more stringent cotton dust standard has yet to be set. Furthermore, this situation persists even though six years have gone by since the Occupational Safety and Health Administration (OSHA) itself declared cotton dust to be one of the five most dangerous of 22,000 toxic substances present in American industry today.

Initially, OSHA appeared to be floundering because of inadequate funding and the usual snafus that encumber a budding bureaucracy. However, Watergate investigators later discovered that OSHA's sluggishness had been politically maneuvered. In 1974, they found a memo written by OSHA's first administrator, George C. Guenther, which stated that the agency would table action on "highly controversial standards" (cotton dust, presumably, included) during the 1972 Presidential campaign. It also suggested that Richard M. Nixon's fund raisers would do well to stress the advantages of four more years of softpedaling with OSHA under the Republicans. That was called a "sales point."

As we dig out from under the Nixon-Ford years, OSHA's abilities—and sensibilities—seem to be improving somewhat. President Carter's Labor Secretary, Ray Marshall, citing OSHA's "neglect" and "chaos," has said he intends to "change the agency's direction." However, if Marshall means the OSHA's past bias toward business will be adjusted, as it should be, toward workers, then the agency's so-called economic feasibility studies and statements challenge his good intentions.

"Although OSHA's first and prime responsibility is to assure employes safe and healthful places of employment," OSHA has recently written about itself, "feasiblity is a legitimate factor to be considered in the setting of occupational safety and health standards." Sustained company profits, at the continued expense of worker health and safety, are worth the price, a hazardous job is better than no job, the statement implies, as did Marshall himself when he recently termed unemployment a larger concern than occupational health and safety.

Accordingly, since the new OSHA is still unwilling to make the about-face turn required to render workplaces hazard-free, still reluctant to penalize industry heavily, we are presented with expensive but virtually meaningless symbolic actions such as this: Although the long-promised cotton dust standard hearings are finally under way, OSHA is contemplating an "economically feasible" limit—somewhere between 200 and 500 micrograms of respirable dust per cubic meter of air—which OSHA's technical arm, the National Institute for Occupation Safety and Health, has said is still unsafe.

"No environmental limit of cotton dust will prevent all adverse effects on worker health," NIOSH has, in fact, stated, and even OSHA must admit to this. In its own 1976 study, OSHA determined the following: If 129,000 workers were exposed to the current legal level of cotton dust exposure, over a period of time 23,497 would be likely to become byssinotics; at the proposed 500 ug/m³ level, the number would be 21,452; at 200 ug/m³, it would be 15,626; and even at 100 ug/m³, the level for which labor leaders are pressing, OSHA could predict 8,223 probable cases of the disease. What will be decided as OSHA sets the new standard, then, is just how far the compromise on worker health will be allowed to go.

Industry has, of course, been compelled to abandon its previous denials that byssinosis exists. Since the early 1970s, it has conceded that there is a problem. But it would not like to see OSHA set anything lower than the 500 ug/m³ standard—a level which could be achieved, according to one OSHA spokesman, at no cost to industry. "It represents nothing more than a new way of measuring the dust," the OSHA spokesman said. "It's just a new way of bookkeeping." And as OSHA's own 1976 study shows, the difference between 1,000 micrograms of *total* dust and 500 micrograms of *respirable* dust in terms of disease prevention is negligible. The difference between 23,497 cases by byssinosis out of 129,000 workers exposed, and 21,452 cases out of the same, is only 1.3 per cent.

Furthermore, even if the lowest standard being considered—200 ug/m³—does go into effect, industry will have seven years to comply and then there will still be all the trials of enforcement—an area in which OSHA has not exactly distinguished itself.

Predictably, Secretary Marshall has asked that those who push for full use of the OSHA powers give him time—"a little breathing space," as he put it. With reference to byssinosis, however, his choice of words is more ironic than metaphorical. And in view of the absence of strong cotton worker labor leadership, the still formidable power of the cotton industry, and the fact that strict government policies seem to be the byssinosis victim's only real hope right now, the irony is greater still.

JOSEPH SCHLITZ BREWING CO.'S NEWEST PLANT LAUDED

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. WALSH. Mr. Speaker, last week, the newest and one of the largest of our economic good neighbors—the Joseph Schlitz Brewing Co.—celebrated the formal opening of their facility at Radisson, in the Town of Lysander, Onondaga County, N.Y.

Starting with a spectacular public display of fireworks on the evening of July 4—a community event watched by more than 200,000 persons—Schlitz has been opening its doors, and its corporate heart, to the people of the area in which they chose to build their newest brewery.

The economic stimulation provided by Schlitz to the Syracuse area and the 33d Congressional District began with the start of construction in 1973, and will continue as over 600 central New Yorkers become part of the permanent work force. Annually, they will produce over 6 million barrels of Schlitz beer.

I am proud to recognize with appreciation their confidence in central New York, in the new community of Radisson, and in the natural and personal resources that abound in our area; and am privileged to salute Daniel F. McKeithan, chairman of the board, and Peter L. Stammberger, Syracuse plant manager, on the occasion of the brewery's official dedication.

AMBASSADOR YOUNG SPEARHEADS RADICAL CHANGE IN U.S. FOREIGN POLICY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. McDONALD. Mr. Speaker, on January 25 I testified in opposition to the confirmation of the Honorable Andrew J. Young as U.S. Representative to the United Nations. In that testimony given before the Senate Committee on Foreign Relations, I pointed out that Mr. Young had for many years been an articulate and highly partisan spokesman for personally held convictions "that are at variance with long-standing U.S. policies and which are also at variance with the beliefs of the great majority of Americans."

Indeed, since his confirmation to the U.N. post, Andrew Young has served to spearhead radical alterations in U.S. foreign policy, alterations which are manifestly against the best interests of this country and of the free world. Specifically, these alterations are a policy of appeasement of the Soviet Union, its satellites and third world allies by actively supporting making Africa a "Soviet sphere of influence" and by agreeing to actively participate in the undermining of the countries of southern Africa which happen to be white-ruled, but in which people of all races enjoy more absolute freedoms than in the rest of black-ruled Africa combined.

Some columnists and broadcast commentators have tried to discount the U.N. Ambassador's headline-making statements by suggesting Mr. Young was either making quips or speaking casually without preparation and that therefore his statements did not express what he really meant. I disagree totally with that view, for in all the time Andy Young served here with us as the Representative of the Fifth District of Georgia no one ever accused him of taking a position he did not personally believe in.

As is well-known, overall direction of U.S. foreign policy has been placed in the hands of the Vice President, and many of his former Senate aides and political allies now hold key policymaking and evaluation posts in the Department of State and National Security Council.

The United Nations Ambassador works with these anti-Africa activists in formulating the actualities of America's

sellout not only of the white ruled countries of southern Africa, but also soon of our remaining friends in black-ruled Africa.

Concrete indications of a drastic change in U.S. African policy came last summer with the completion of a U.S. AID study not on whether, but on how the United States, anticipating an armed takeover of Rhodesia, Southwest Africa and eventually South Africa by the "national liberation movements," would supply food, technical assistance and other logistical aid to the regimes set up by these Marxist-Leninist, Soviet-backed terrorist groups in expectation that all agriculture, mining and social services would be destroyed by fighting and the death or flight of technically advanced white population.

On the evening of January 25, following that day's confirmation hearing, the CBS network televised a recorded interview with Ambassador Andrew Young conducted by Dan Rather on its "Who's Who" program. First Mr. Young argued that a bloodbath in southern Africa could be prevented only if the United States joins in support of the "national liberation movements."

In light of the over 15-year record for terrorist violence compiled by the "liberation movements," it is difficult to understand how Mr. Young can believe that the "liberation movements" would be less savage if we helped them take over. The fact remains that the African National Congress—ANC—of South Africa, the Southwest Africa People's Organization—SWAPO—and the Zimbabwe African People's Union—ZAPU—in Rhodesia profess Marxist-Leninist totalitarian ideologies, are sponsored and supported by the Soviet Union and were receiving such support long before the creation of the Organization of African Unity. The Pan Africanist Congress of South Africa—PAC—and the Zimbabwe African National Union—ZANU—espouse the Maoist variant of Marxism-Leninism and are sponsored and supported by Peking.

Since Mr. Young is a personal friend of Robert Mangaliso Sobukwe, the founder and leader of the Pan-Africanist Congress whose terrorist arm is called Poqo, he might be expected to be aware of the Maoist stance of the PAC which states it is waging a "people's war" that is actually only the usual terrorism.

Or indeed, since Andrew Young was a Member of this House last summer, he might be expected to know about the statements made by the spokesmen for the southern African "liberation movements" at a conference held in the U.S. Senate by the Fund for New Priorities in America. There the PAC spokesman joined with his fellow terrorists to state that whites living in southern Africa should not be permitted to emigrate in the event of a takeover because they owed a "blood debt" to the "liberation movements" which they clearly intend to collect.

Perhaps in Mr. Young's terminology, a "bloodbath" is a long drawn out process, so that if the United States joins in supporting the "liberation movements" and aids in collapsing South Africa and Rhodesia, then all the slaughter will be over relatively quickly.

I would again draw attention to the fact that these terrorist "national liberation movements" whose leaders were trained in strategy by the Communist superpowers have always deliberately made the civilians, black and white, on farms and rural villages, their main target for butchery so that the survivors would be demoralized if not into cooperation with the terrorists, then into nonopposition. ZANU, ZAPU, and SWAPO have been particularly active in this sort of terrorism. A SWAPO member called F. Nangolo was executed on May 30. Described by SWAPO as a "political prisoner," this "freedom fighter's" "fight against oppression" consisted of murdering a black woman and child on one farm and a white farmer and his wife on another.

Returning to the January 25 CBS interview, Rather asked Young:

But isn't an armed, protracted guerrilla warfare a'ready assured with the presence of the Cubans and the Soviet Union's influence in that part of the world?

To this, Ambassador Young replied:

No, it's not assured. In fact, there's a sense in which the Cubans bring a certain stability and order to Angola, for instance, in that the enemy all over the world I think is chaos. * * * I have no question in my mind but that we could negotiate very successfully a withdrawal of Cuban troops from southern Africa.

The "stability" brought to Angola by the Soviet Union's Cuban surrogates is the "stability" of the most oppressive, brutal and systematic form of totalitarianism ever developed in this world, Marxist-Leninist communism. What is significant is that communism's rigidity is offered as the alternative to "chaos."

The Cuban troops in Africa have been performing invaluable services for the Soviet Union not only in conquering a substantial portion of Angola but in retraining and equipping the Katangan guerrillas and sending them against Zaire and now in large numbers moving into Ethiopia to aid and "advise" the revolutionary Marxist military regime in that country strategically located on the Red Sea.

Since the Cuban military forces are proving such valuable assets for Soviet expansionism in Africa and appear to be essential to the success of any major armed action against the southern African countries, the price for their removal from Africa in any "negotiations" would not only be U.S. collusion in causing the collapse of the southern African countries via economic and arms embargoes, but doubtless also include assurances that only the Soviet-controlled terrorist movements would take power and not those sponsored by Red China.

On his African trips, Ambassador Young has met repeatedly with the leaders of the terrorist movements, as well as with the rulers of the so-called "frontline" states which border South Africa and Rhodesia. Of these, Angola and Mozambique are Communist dictatorships ruled by the Soviet-backed Marxist-Leninist terrorist movements who took over these former Portuguese colonies in 1975 following a leftwing military coup in Portugal. Tanzania is another Marxist-Leninist dictatorship which under its President Julius Nyerere has moved from allegiance to Peking's "Mao Thought" to alliance with the Soviets who have a shorter supply line. And the current principal adviser to Zambian President Kenneth Kaunda is the KGB "apparatchick" serving as the Soviet Ambassador in Lusaka.

Ambassador Young has himself emphasized that his "controversial" activist positions in favor of the terrorist movements are in fact the new foreign policy of the administration. On June 24, in an interview on WETA–TV, the local Washington affiliate of the taxpayer-funded Public Broadcasting System, Ambassador Young listed several nations on the African continent which had "achieved their independence through armed struggle." The three countries he specifically mentioned, Algeria, Angola, and Mozambique, actually attained "independence" in the form of a Marxist dictatorship following a prolonged campaign of terrorist atrocity. Ambassador Young continued stating:

* * * even in those situations, there was a strong negotiating component. Now, the United States is trying to be that negotiating component for the transfer of power with a minimum of violence and destruction [in southern Africa].

He continued:

And I think if you look at some of the things that were controversial about my coming into this job four months ago, they're no longer controversial. It's a fait accompli.

And the policy that I started talking about in southern Africa, [that] policy is a policy of the President, the Vice President, the Secretary of State, the National Security Council, everybody.

And it's not that it was my policy, but it's that the people coming in with the Carter Administration had a commitment to doing something about the problems of southern Africa, and they understood that to be critical to the credibility of the United States amongst the majority of the nations of the world. And I knew that was going to be the policy before I took the job.

It will be recalled that just after his appointment to the United Nations position was announced last December, Mr. Young said, "We need a strong Vietnam," and speculated that "Vietnam could develop into an independent Communist nation like Yugoslavia and be a buffer against China." This spring a Presidential delegation was sent to Hanoi to get the Communists' assurances that they are holding no American POW's despite the evidence to the contrary. Continuing United States-Vietnamese Communist contacts have been established. Mr. Young told his WETA/PBS audience:

I knew essentially what the policy would be on Vietnam. When the Secretary of State said it a week before I did, nobody made any fuss. A week later I said that within ninety days we'd probably have some discussions going with Vietnam. I think it took maybe forty-five days; and those discussions continue.

Andrew Young also had some interesting comments on how he believes the

press controversy has aided the administration's radical changes in American foreign policy. He said:

The thing is Jimmy Carter got elected on a kind of anti-establishment campaign. I mean they [the press and the public] interpreted it as anti-Washington. It wasn't anti-Washington; it was anti-status quo, see.

Now, when the press attacks me, they are the establishment, see. And what they've done is they've built up a tremendous national constituency for me and the things I stand for.

So, while it has hurt me personally sometimes to see my ideas distorted, that very distortion has made ordinary people come to my support.

What Mr. Young is saying is that the press attacks on him have brought people to his personal support without their checking to find out what he actually said or what are the full implications of the policies Mr. Young and the administration are advocating.

I find it interesting that for example in regard to Andrew Young's January 25 CBS interview, conservatives and anti-Communists were most concerned with Mr. Young's acceptance, indeed welcome, of Cuban troops in Angola and other African lands, while the liberal press chose to take out of context his remark that "communism has never been a threat" when in fact Andrew Young was expressing a number of complex ideas in a long and involved paragraph.*

The controversy in the press has served to obscure the fact that a new foreign policy is being instituted by this administration, a foreign policy in which not only Africa but the Asian mainland is being abandoned to the Soviet and Red Chinese superpowers.

In my January testimony against the confirmation of Andrew Young I warned what the selection of Mr. Young as a principal instrument of American foreign policy must signify. I based my predictions on his actions and statements during his 15-year public career. I pointed out that in repeated instances, Mr. Young had collaborated with Marxist-Leninists and militants in causes relating to Africa, Asia, and Latin America. I would again remind my colleagues that on April 13, 1970, on an ABC-TV news production on the Black Panther Party, Mr. Young said:

Western technology and western militarism has so interfered with the right of—the possibility of, say, democracy in Latin America, or real freedom in Africa and Asia, that it may take the destruction—and this of course is Panther ideology—that it may take the destruction of western civilization to allow the rest of the world to really emerge as a free and brotherly society, and if the white west is incapable of brotherhood with colored peoples then this small body of colored peoples, black people within the white west, may be the revolutionary vanguard that God has ordained to destroy the whole thing.

Then in response to the question, "Would you support the destruction of Western civilization if you were convinced that the rest of the world would thereby be liberated?" Mr. Young replied, "I probably would."

The legislative branch also plays a role in the determination of U.S. foreign and domestic policies. We must be prepared to exercise our oversight and other functions to serve as an effective brake on the wildly careening administration coach.

*Mr. Young's comments came after justifying the presence of the Cuban troops in Angola by noting that South African forces had initially invaded a strip of Angolan territory to defend a hydrcelectric facility. He continued:

"And I must say that I share the kind of total abhorrence to racism which I think is characteristic of two-thirds of the world. Most colored peoples of the world are not afraid of communism. Maybe that's wrong, but communism has never been a threat to me. I have no love for communism. I could never be a communist. I could never support that system of government. But—it's never been a threat. Racism has always been a threat—and that has been the enemy of all of my life and, and everything I know about life."

This is actually a consistent statement if Mr. Young means that it is racism by whites that he finds abhorrent, not racism by brown, black and yellow people such as the repression of the national minorities in China by the Han Chinese, or the animosity between Malays and Chinese in Singapore and Malaysia, or the mass deportation of ethnic East Indians from Uganda.

Again, it would seem that Mr. Young does not count the black Marxist-Leninist regimes in Angola, Mozambique, Guinea-Bissau, Ethiopia, Tanzania, and so on as being "communist." Clearly the black-run regimes are only "nationalist" to Mr. Young who declines to make an objective analysis of the concrete conditions in those countries which would show their adherence to "scientific socialism"—a euphemism for communism. And it would appear that his abhorrence of the white-dominated countries of southern Africa is such that he would prefer to have new Angolas and Mozambiques established throughout southern Africa.

THE TAX BURDEN

HON. DOUGLAS WALGREN

IN THE HOUSE OF REPRESENTATIVES

OF PENNSYLVANIA

Monday, July 11, 1977

Mr. WALGREN. Mr. Speaker, I would like to bring to the attention of my colleagues the letter of a constituent expressing his frustration regarding the tax burden he and many others are being forced to accept:

THE TAX BURDEN

I'm writing to express my concern for the ever rising tax burden I and many others in my income bracket are forced to accept.

Someone in Congress has conveniently set $20,000 as the lower end of middle income. As such, every new law, rule, or regulation excludes those above this income from any easement in the tax load.

This policy is unfair as is the fact that one's tax load rises sharply above $20,000. The federal government has reaped a bonanza from inflation because no adjustments have been made in tax rates, even though you people know better than anyone that the additional income due to inflation really leaves people worse off. So "Uncle" compounds our misery with a bigger tax bite.

Since 1971, my income went up $9,096 or 66%. Income taxes went up $1,916 or 107.6%. I have just been *awarded* an increase of 27% property assessment. The county is preparing us for a 5 mill or 12% property tax raise. The state is dickering for 1% more sales tax and 2¢ gasoline tax (22% raise).

What I'm saying to you is this, "I'm getting poorer the more I make. I have a few more dollars but I'm worse off because the dollars are worth less and less."

I'm also tired seeing the starving poor buying new cars and color televisions while I buy their food stamps, pay their rent, light, heat, etc. I'm being milked by Washington and I'm getting mad. (Sorry, but I get carried away when I think about the injustice Washington creates.) Where is the incentive to make more money?

Anyhow, I guess I've made my point and hope you see it and agree.

201 YEARS OLD TOMORROW

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. DERWINSKI. Mr. Speaker, as the Members return to Washington from the 4th of July district work period, I commend their attention to a 4th of July article appearing in one of the local papers in my district. This column was originally written by Dennis Wheeler, editor of the Orland Park Star Herald, in 1975, and has been updated for this year's Independence Day observances.

I feel that this is an expression of real grass roots Americanism, and I wish to insert it at this point:

...201 YEARS OLD TOMORROW

(By Dennis Wheeler)

When I was born, most political observers in the world said I would be dead within a year.

But I fooled them and lasted through a bloody revolution.

Then there was a period of uncertainty, during which my own countrymen weren't sure whether there should be one of me or 13. Finally, in 1789 (when I was still a child of 13), they decided I would be exclusive in this nation. They wrote a Constitution that made that fact clear.

Since then I have been through some good times and some bad times.

There have been some times of shame and some times of triumph. There have been moments when I have been a symbol of hope around the world. Also times when I have been an object of derision.

I have been saluted, talked about with deep respect, folded carefully and ironed religiously, rushed out of bad weather because I was loved, given to mayors by Congressmen to be flown in small towns, draped over the caskets of dead heroes.

I have also been intentionally soiled, thrown on the ground and trampled upon, torn down from in front of foreign embassies, burned by angry citizens who believed I had lost my meaning.

There have been moments when I was not proud of the uses to which I have been put Some of my people have used me as one of their excuses for unjust or self-serving activity.

For example, back in the 1800's they said the things I stand for were good reasons for invading Mexico and for going back on treaties with the red men in the West and for intentionally stirring up a fight on the northern border of Maine in order to take over some disputed territory from the British.

Later, in 1898, it was questionable to me (and still is to many historians) whether or

not I should have been carried by super-patriotic types up hills in Cuba and into harbors in the Philippine Islands. I suspected at the time that the real reason for all that was a belief among my country's leaders that our nation had a duty to become the policeman of our hemisphere.

Just a few years ago, in the 1960's, the same questions were raised about my symbolism. This time, the debate grew so bitter that some of my own countrymen—many of them patriotic in their own way—seared my threads with flames in a desperate effort to argue that I had no business being in far-off Viet Nam.

Others have mistreated me over the years, not always in a physical way.

Politicians, some later proven to be crooks, have for years pointed to me with apparent pride and extolled my virtues. Some of these had actual little regard for what I stand for. In fact, some tried to use me as an accomplice in suppression—suppression of dissent, suppression of debate, suppression of racial and religious freedom.

But these low moments in my incredibly exciting 201-year life have been few. For most of my life, I have been so proud I have often thought I would unravel.

There was the night I was seen in the terrifying flashes of a sea war by a man named Key. The sight of me in that fearful moment moved the man to write majestic music in my behalf. I am proud that I still hear this music often. I am also proud that most of my countrymen still sing the words to the music with as much pride as I feel.

A little over one hundred years ago, my country was temporarily torn in two. One of my brothers flew in half the country and we were both wrenched by it. When the disruption was over, I again became the only one of a kind and this was accepted despite consuming post-war bitterness in our southern areas.

It is with deep pride that I can report the bitterness has ebbed and unity has returned. In fact, many think I am treated with more aplomb and dignity in the areas that once rebelled than in the northern places where it is possible I am taken sometimes for granted.

In 1917, I was carried across cratered fields in France, where my presence undoubtedly did much to save freedom in Europe. I am proud of that.

The same is so about my adventures overseas some 25 years later. That was a few years after some men filled with hatred held me up to scorn and tried to turn me into an object of disgust. I was in on the glory of the world's salvation from these men and some of the most threatening and inhuman ideologies the world has ever known.

There is one memory in particular I will always treasure. You've seen pictures of it. It was when my soldiers pushed me up on top of a mountain in Iwo Jima. Grown men cry when they look at the pictures.

Possibly the thing I am most proud of is that I am the oldest of my kind in the world.

One of my cousins lived only a few weeks in 1917 in Russia.

Another stayed alive only three years in Czechoslovakia before he was slain by Communists.

Later, in the same country, a distant cousin was clanked into the pavement by tanks from the Soviet Union. The same thing happened to another brother a few years earlier in Hungary.

Relatives of mine have gone up and gone down in various places around the world. But only here in America has a Constitutional form of government preserved one of me for as long as 200 years.

Everybody has memories to be proud of or to be sad because of. Not everybody can be always proud of what they mean.

I can.

Despite the awful times, like when some of my leaders—Lincoln, Garfield, McKinley, Kennedy—were needlessly murdered by fellow Americans, I remain proud of my meaning.

In spite of Haymarket Square, the Ku Klux Klan, Joseph McCarthy, My Lai, Watergate, the 1968 Democratic convention, the ouster of the Bonus Army, Birmingham, Selma and George Wallace in the Doorway, I remain proud of my meaning.

My meaning was and is that people, not kings or despots, should rule.

My meaning is that all persons should have the same chance to succeed.

My meaning is that the laws of the people are the alternative to the edicts of the few. And that the laws of the people may be changed for the better by the people.

My meaning is that the revolution in which I was born 200 years ago is an ongoing phenomenon. That change and improvement are built into the system through the use of voting booths.

My meaning is that people can speak their minds, pray in freedom, be tried for crimes by their peers.

Above all, my meaning is that a very advanced degree of personal freedom is possible even in a complicated society as long as there is the people's law.

Tomorrow, I'll be 201.

All over the nation, people will fly me in front of their homes.

I hope the same people will also pause to consider anew my meaning. That way, I'll live at least another 201 years, no matter what comes.

HUMAN RIGHTS PARADE

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Ms. OAKAR. Mr. Speaker, the Polish-American community is a vibrant part of Cleveland's community. The following is a statement made by State Auditor Thomas E. Ferguson as the principal speaker at Polish Constitution Day observance sponsored by the Ohio Division of the Polish American Congress, Inc., Casimir Bielen, general chairman, 6821 Fleet Avenue, Cleveland, Ohio, telephone 641–6056. This event was held on May 1, 1977, in Greater Cleveland, Ohio. A large "Human Rights Parade" preceded the formal program held in front of the Alliance of Poles, 6968 Broadway Avenue, Cleveland, Ohio.

STATEMENT

Reverend clergy, honored guests, officers and members of the Ohio Division of the Polish American Congress, and friends:

It is a great honor to be granted the opportunity to address you on this the most important of Polish holidays, the anniversary of the Constitution of the Third of May. Polish history is rich with moments of glory and heroism as well as times of trial and sorrow. The Polish people could have chosen the date of any one of their great victories in battle, their revolutions against foreign tyranny or the mourning of a great tragedy to elevate to the position of foremost national day. Yet, they chose instead to honor the anniversary of their constitution, the most democratic of its day in Europe. Nothing could speak more highly for the Polish people. Americans are filled with admiration for this demonstration of Polish values and priorities.

The anniversary of the Polish Constitution of 1791 is particularly relevant this year. As we reflect on our proud two centuries as a free nation, it seems evident that it is our constitution and the principles of justice, liberty and equality which are the essence of our heritage. The Polish Constitution was based on the same principles. Its adoption amounted to a revolution, a truly dramatic break with the past—different in form, but not in spirit, from our American Revolution.

The central theme of today's Polish Constitution Day centers around "human rights." Today the Soviets are marching on Red Square for less "human rights," while the Poles in Greater Cleveland are marching down Fleet Avenue for more "human rights" throughout the world. The "human rights" embodied in that first Constitution adopted in Poland in 1791 do not exist in today's Poland.

The Carter Administration in its first few weeks, has spoken out strongly against the lack of "human rights" in Poland and other Eastern European Nations. On August 1, 1975, the United States, the Soviet Union, and 33 other nations signed the Helsinki Pact. This pact was supposed to allow more "human rights" in Poland and other countries dominated by the Soviet Union. The Russians have consistently violated the "human rights" aspects of the Helsinki Pact. Through the efforts of Congressman Millicent Fenwick, the U.S. Congress passed the "watchdog legislation" to monitor the "human rights" sections of the Helsinki Pact. The Russians, however, have refused to allow this "watchdog committee" to enter the Eastern European Nations to determine if the Russians are conforming to their agreement. It is also my understanding that the Ohio Division of the Polish American Congress, Inc., played a leading national role in getting the U.S. Congress to pass the "watchdog legislation." Your public affairs director Casimir Bielen played a central role in this campaign. Each senator and key representative was contacted.

President Carter is championing "human rights" throughout the world. The President's strategy is to keep the Soviet Union on the defensive. Carter has seized the ideological initiative with his human rights campaign. Moscow is worried and is hitting back hard. Moscow is accusing the United States of "interfering in their domestic affairs." Our answer should be that the Soviet Union has been sowing distrust in American hearts for many years. It has violated agreements with us regularly. President Carter said, "I am firmly committed to more 'human rights' not only as it deals with the Soviet Union but all other countries."

All of this is in striking contrast to the position taken on the subject of human rights by Presidents Nixon and Ford and by Secretary of State Henry Kissinger. The clearest example of the unwillingness of the U.S. to involve itself in the internal affairs of the Soviet Union during that period came with Ford's refusal, on the advice of Dr. Kissinger, to meet with Alexander Solzhenitsyn the Russian exiled writer. Now that he is out of office, Ford says this refusal was an error.

The Carter Administration position on "human rights" should be applauded. It is long overdue.

While Soviet Leader protest against U.S. policies on human rights and arms control, the Carter Administration is going ahead with yet another move sure to anger the Kremlin.

The Administration is pushing for a sharp step-up in U.S. efforts to broadcast news to the peoples of Russia and Eastern Europe.

President Carter wants to build powerful new transmitters to penetrate the jamming of U.S. broadcasts by Communist regimes. If Congress goes along, millions of new listeners would be added to the about 100 million Soviet-bloc citizens who already are

reached by the Voice of America and two other U.S. financed radio networks.

The architect of the broadcast policy is Carter's national-security adviser, Zbigniew Brzezinski. The Polish-born aide believes the U.S. has unwisely neglected Eastern Europe in recent years. Brzezinski favors increased people-to-people contacts, in contrast to the government-to-government approach of former Secretary of State Henry Kissinger. And he sees radio broadcasts as a good medium for such contacts.

President Carter should also be recognized for the exit of Helmut Sonnefeldt, the Kissinger assistant, who advocated the "organic integration" of Eastern European Nations with the Soviet Union. Under this policy, Poland and other Captive Nations would be absorbed into the Soviet Union like Lithuania, Latvia, and Estonia.

Stability in Europe is certainly a goal shared by rational people everywhere. Stability, however, will come through liberalization within Eastern Europe and the freer flow of people, ideas and information between East and West. The United States must, therefore, continue to encourage programs toward these ends. I am confident that the American people will not accept a shift away from this sound policy. The support and encouragement of trends toward greater freedom in Poland and other countries corresponds to present day American interests and is in harmony with our democratic traditions. Coincidentally, it is also consistent with the principles espoused by the Polish Constitution of the Third of May.

Thank you.

TEN YEARS A CARDINAL

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. FARY. Mr. Speaker, on June 30 I paid tribute to John Cardinal Cody, Archbishop of Chicago, who recently commemorated his 10th anniversary as a Cardinal.

While I was home in Chicago during the recent recess, I read a tribute to the Cardinal in the New World, the official newspaper of the Archdiocese of Chicago.

This editorial, written by A. E. P. Wall, the editor of the New World, appeared in the July 1 issue of that newspaper.

Mr. Speaker, I wish to share this editorial with my colleagues in the House. The editorial, "Ten Years a Cardinal," reads as follows:

TEN YEARS A CARDINAL

(By A. E. P. Wall)

Ten years ago a man and an archdiocese were honored in an uncommon way.

Now the people and the institutions of that archdiocese honor the man.

They honor him for the special dedication, even the hard labor, required for the leadership of the largest archdiocese in the United States.

Many have called it an almost impossible job, and few would bear up under its burdens.

John Patrick Cody, named a cardinal of the Church a decade ago, has carried that burden since he became the sixth Archbishop of Chicago in 1965.

For the Church, the world and the country the past dozen years have included progress and crisis, harmony, and tumult, consensus and dissent.

It is a period that has demanded much from its leaders, taken much from them; a period of quick criticism and muted praise.

It has been a time of paradox, with earnest cries for strong leadership and resistance to it.

Few are required, even for a day, to carry the responsibilities that press upon the Archbishop of Chicago. Few are equipped to handle those responsibilities even when they are supported by the affection and good will of those they serve. Even fewer are able to carry on when criticism turns into resistance.

The demands of leadership, seldom light, are rarely as intense as those presented day by day and hour by hour to the one who is responsible before God for the spiritual welfare of two and a half million members of the universal Church.

It is a responsibility that includes concern for the solution of problems that have defied the specialists in many fields. For John Cardinal Cody this required labor and leadership in helping to meet the needs of young and old who seek an education nourished by Christian faith; of the sick, those who need physical, mental or emotion support; of the socially disadvantaged, including the poor and neglected of all ages; of all the victims of prejudice and all whose lives are blighted by circumstances within the power of Church, family, government, community or institution to solve.

These concerns of Chicago's cardinal go beyond the work of the Church itself, but the scope of that work alone is almost incomprehensible to friends, supporters and critics.

For Cardinal Cody is responsible, as a successor to the apostles, for no fewer than 445 parishes. Pause a moment to think about the involvements of one parish, and then ponder the implication of responsibility for 445 parishes.

Within his direct area of responsibility are six colleges and universities, 25 diocesan and parochial high schools, 49 private high schools, 388 parochial elementary schools and nine more private elementary schools; 23 general hospitals and six schools for nurses; three homes for dependent children and 16 for invalids and the aged; 10 seminaries; enough cemeteries to cover a dozen square miles.

There's much more than that to call upon the time, attention and stamina of the Archbishop of Chicago.

For Cardinal Cody there are further responsibilities of a national and international dimension, including a continuing service to the Holy See.

He is a man equipped for such service, a man of personal warmth and wide education. He's earned three doctorates, and is serious about a bishop's role as teacher.

To children throughout the area, to the thousands of adults he encounters year by year in his pastoral work, to the sick he visits in hospitals, to accident victims who often find him at hand even before their treatment begins, to the elderly who experience his personal ministry, to those who work takes them frequently to his busy desk, John Cardinal Cody is known not as a remote public figure but as a warm and encouraging friend.

Tens of thousands of readers of this newspaper were not yet born when, in 1931, John Patrick Cody was ordained on December 8 in Rome.

Thousands of other readers cannot recall the day 30 years ago when Father Cody was consecrated a bishop.

Today that man is known as one who is determined to lead, to serve God and God's people—a Cardinal of the Roman Catholic Church who retains all of the enthusiasm, creativity and devotion of the Father Cody ordained nearly 46 years ago.

OUTRAGEOUS HOSPITAL CHARGE

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. LEHMAN. Mr. Speaker, a plain-speaking constituent of mine who has frequent dealings with the health care system has written to me explaining the hardships many patients face. She has experienced and witnessed the major problems with the current insurance arrangements. She offers clear examples of outrageous hospital charges and sensitively describes the fear of those who simply cannot afford to make up the difference when a hospital demands more than "allowable charges." You will find her account infuriating and moving. She simply reports the facts.

The account follows:

MAY 10, 1977.

Rep. WILLIAM LEHMAN of Florida,
House Office Building,
Washington, D.C.

DEAR REP. LEHMAN: I always feel you pay attention to my letters and I try to make it something important.

I was recently hospitalized for 10 days. I am a heart patient and have been in several times so I know something about hospital policies. I must say they are just awful now. My bill was over $3,300 when it use to be about a thousand. If you ever are going to bring down health care costs, you should start with the hospitals! I know some doctors overcharge, but I haven't had that experience—it's the padding of bills and if you dare question them, they get awfully mad. They are a mean bunch and immediately go on the defensive which shows they know they are wrong. Put a ceiling on what they can charge. I will not name the hospital but the doctors seem to have no control on how much they will run up a bill. They gang up together and all do the same thing. For instance, I had to have a PT each day, a simple blood test for the clotting of the blood. That was because of my heart. I have no blood trouble, and my laboratory bill should have been no more than $110. But they billed me for $599—making tests costing $40 and $50 that I didn't need. They said Medicare paid it, why are you kicking? I told them because it wasn't right. I didn't need it. They got mad at me.

Then I asked for a heating pad for neuralgia in my leg one night. I supposed they would just loan it to me for a while, but they left it down there 6 days, part of the time it was hanging on the wall. When I got my bill, I found they charged me $8.95 a day *rent* for it, or over $50.00. You can buy a good new one for about $12.00 that will last for years. Wish I had taken mine along but they probably wouldn't have let me use it. Also, the doctor ordered 2 pairs of elastic stockings for me and they charged me over $40.00 for them! You can get them for about $5.00 a pair in a store that sells these things. These things I know were padded—altogether my bill was at least $700.00 more than it should have been. They charged me over a hundred dollars for medicines when I could have bought them and taken them myself for 3 or 4 dollars! Your real "rip-off" is from the hospitals. There is no end to what they will charge and the Congress should put tight controls on them.

Don't give my name to anyone, I am intimidated, *afraid.* Why not ask people to write in or send their bill in for investigation. Surely the Congress can do *something.*

JUNE 13, 1977.

DEAR MR. LEHMAN: I am not sure Medicare won't be up to their old tricks of disallowing certain charges, then the patient has to pay them. They just take a pencil and mark through the charges and in the next column write "allowable charges", meaning all they will pay. The patient has to pay the difference. Then Blue Shield will pay only what Blue Cross allows and again the patient has to pay the difference. They are terriby expensive too (Blue Shield).

I had something like that when I was hospitalized as I wrote you. I am a heart patient and they had no room in intensive care. So they put me in Progressive Care which is a "nothing." Just having a little something around your neck that picks up the heart beat in the intensive care room. That was all. Still they charged me $185.00 per day for that room as *intensive* care. Dr. said it *was not*. The room I was in was wired for Telemetry, which is what I had. Dr. had to make a call to my room, then to the *real* intensive care room, to follow the chart and get their reports, then come back to my room and record it on the chart there. It all took twice as long.

When I got my bill the charge was not for the regular $20.00 which they allowed, but he charged $25.00 because of the extra time he spent. But they would only allow me $20.00 and I had to pay the difference. Blue Cross said for me to write in for a review and see if they wouldn't pay for the extra Telemetry calls, because of the extra time involved. They wrote back "*no*—$20.00 was all they allow." So again I had to pay.

Can't you put into that bill that they can't push the difference on to the poor patient?

—.

JUNE 17, 1977.

I had another bad experience this week. Because of much dizziness etc., my Dr. thought I should have a brain scan. I took one 5 or 6 years ago. It required an hour in time, he took about 10 pictures and the charge was about $100 dollars. This time he spent 30 minutes doing it and took only 4 pictures. The charge was $175.00.

When I came out a woman was sitting at a desk and said, "You owe me $175.00." Of course I complained. She said we are *tightening up* and charging and collecting *now*. I asked her if everybody who came in there had $175.00 for her, she said, "not always, but we try to collect now." I asked her why not send it to Medicare and Blue Shield for me like you used to do—then they pay you? She said "We don't do that anymore—we want it *now*." She was ugly about it, too, Mr. Lehman The only answer is a National Health Insurance as much as I dislike it. It's better than nearly doubled charges now. People can't go on. It is a shame. I saw two young fellows in their 30's—she demanded $81.50 from him and $75.00, from the other one. They were perhaps mechanics or some such work. They had their wallets open and one asked her to take a Master Charge or something—the other one asked her to take a check and they both looked worried to death. They just couldn't afford it.

THE JEWS OF ILYINKA

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. LENT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

With a contempt typical of totalitarian regimes, the government of the Soviet Union continues to harass its own citizens, to deny them the basic right of living their lives as they see fit, or to leave the oppressive suroundings of a nation which has made its contempt for them clear. The Soviets continue this harassment at the very time they are engaged in discussion of the implementation of the Helsinki Accords, signed last year, which includes provisions guaranteeing the human rights of signatory nations' citizens.

Lest any of us continue to have doubts about the Soviet's contempiuous interpretation of the human rights provisions of the Helsinki Accords and their treatment of Basket Three as meaningless and inapplicable, I would like to share the following report prepared by the Student Struggle for Soviet Jewry on the plight of 120 families in the village of Ilyinka in the U.S.S.R.:

THE JEWS OF ILYINKA

Traditional Jewish life is still maintained by most of the inhabitants of the Jewish village of Ilyinka in the Voronezh region of the USSR.

The origins of this singular settlement of 120 families comprising some 650 souls in the midst of rural Russia are unclear. Russians call these Jews "geri", similar to the Hebrew term of "ger" for convert, and it is possible they were converted some time in the 19th century. There were originally three Jewish villages in the region; two assimilated completely and are now Russian. The authorities are pressuring the Ilyinka Jews to assimilate as well. Despite this, their dedication to Jewish tradition is so great that at least 90 percent still are observant of the Commandments as Kashrut, the Sabbath, circumcision, covering of the head by men and married women, and daily prayer in the Ashkenazi tradition. They have contact with the Moscow Synagogue from which they receive some calendars, mezuzot and other ritual items.

In Ilyinka, as in all of the Soviet Union, the rest day is officially Sunday. It is very hard to keep the Sabbath on Saturday, but the Jews refuse to work and attempt to suspend all tasks. Ilyinka is a *kolhoz*—collective farm—and the authorities are making Sabbath observance more and more difficult.

Nine of ten Ilyinka Jews would like to make aliyah. Their problems with the authorities arose when Shmuel Matveev's sister emigrated with her family from Baku in 1974 and sent official invitations to her siblings in Ilyinka. In the next few months, several families managed to leave. In retaliation, the authorities announced they would no longer tolerate the departure of the Ilyinkaites, declaring they did not recognize them as Jews.

Meanwhile, the KGB summoned Shmuel Matveev for a talk about "propaganda", and his sister's letters from Israel were never delivered. He stopped working in protest; his son Yakov was immediately drafted. KGB officials told Shmuel he was a "rebel", and he was arrested and imprisoned for a month during Passover 1975. For three days Shmuel only drank tea because he was given chametz which he would not eat. He was accused of saying dirty words to someone in the street, but demanded witnesses which the authorities could not produce. "We believe our witnesses more than you," he was told. During the interrogation he asked if he had been imprisoned because of his desire to go to Israel, and understood from the official's response that the answer was "yes".

After a month in prison, he was released with the promise that he would soon receive an exit visa. But 1¼ years passed, during which time he wrote many appeals, before he could leave with his wife Dina, son Yakov, and daughters Rachel and Ida, and in the end was given only 10 days to clear out and not even permitted to sell his house. "If you are late you'll never be allowed to go," he was told. Others have been given one or two months to settle their affairs.

Most Ilyinka Jews are not as fortunate, and the invitations from Israel are kept in the desk of the kolhoz chairman V. Tarasov who occasionally shows them to the Jews saying, "Don't even hope to get them because you have no business going to Israel." Shmuel himself was shown 120 undelivered invitations and told, "We don't want you to go to the Zionists. We hate you."

Nevertheless, families have managed to receive the invitations through relatives who live in other parts of the country, sometimes 1000 kilometers away. But this is not easy at all, as the authorities seek to isolate Ilyinka as much as possible. For example, Grigory Efimovich Varnavisky's son-in-law, who lives in Toliaty, had managed to receive their invitations in his name. When he set off to take them to Ilyinka, he was caught by the police, but managed to escape. By the time he was recaptured an hour later, he had already passed the documents to an Ilyinka inhabitant, who delivered them to the Varnaviskys.

But often even those with invitations are blocked, as the kolhoz chairman simply does not write out the recommendations required by OVIR, the emigration office in Voronezh. Since collective farm residents do not have internal passports, the Ilyinka Jews cannot move to a more favorable location.

In June 1976, three Moscow Jewish refuseniks attempted to visit Ilyinka to interview the Jews, but were seized by police within three kilometers of the village, searched, interrogated for two days, and thrown out of the area. Village Soviet chairman V. Lebydev told them that "the atmosphere in the village is very strained and unhealthy and that the village soviet would not allow anybody to interfere in the affairs of the village."

On June 19, 1976, a local newspaper, Zariya, attacked Shmuel Matveev's exit application, declaring, "Who wants this man to leave Russia? Only the Zionists from Tel Aviv and the U.S."

There are now at least sixty "refusenik" families in Ilyinka. The situation there is described by Ilyinkaites now in Israel as "like under Hitler. The Jews are isolated, they cannot leave, and it is near impossible to receive invitations now." Even Shmuel's daughter Rivka who lives in Dnepropetrovsk and has not applied to leave suffered a nervous breakdown as a result of her parents' suffering before their exit.

Ilyinka's existence was accidentally discovered by Soviet Jewish emigration leaders. It is entirely possible there are many more isolated, unknown groups of Jews scattered throughout Russia dreaming of coming home to Israel.

This SSSJ report is based on documents from the unofficial Moscow Helsinki watchdog committee, and especially on interviews conducted in Israel by SSSJ coordinators Michael Sabin and Rita Laufer, with the help of Luba Reines.

YOUTH CAMPS ARE A STATE MATTER

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. ASHBROOK. Mr. Speaker, on numerous occasions I have pointed out that there are limits on what the Federal

Government can or ought to do. Washington bureaucrats should not have their fingers in every actual or apparent problem. Many matters should be left to the judgments of State and local governments.

Unfortunately, however, the trend has been to federalize the issues. A bill recently reported out of the Education and Labor Committee on which I serve—the Youth Camp Safety Act—is one more example of Federal intrusion into State and local affairs.

This bill would establish national standards for youth camps. A new Office of Youth Camp Safety within the Department of Health, Education, and Welfare would issue rules and regulations affecting the more than 10,000 youth camps in America.

Nationally syndicated columnist James J. Kilpatrick, in arguing against the bill, recently wrote the following:

The bill falls into a pattern that crops up with ominous frequency in Washington. The wrong-headed theory behind this pattern is that uniformity is good, diversity is bad; federal control is superior, state regulation is inadequate; Congress understands the needs of the people, the state legislatures do not . . . Through this insidious process, the states systematically are reduced to little more than administrative agencies for the exercise of federal power.

I strongly agree with these views. We need less, not more. Federal control and bureaucratic regulations. The proposed Youth Camp Safety Act should be defeated.

Following is the full text of Mr. Kilpatrick's article:

JAMES J. KILPATRICK—YOUTH CAMPS ARE A STATE MATTER

Let me return to the pending Youth Camp Safety Act. The bill came out of the House Education and Labor Committee by a 25–7 vote on May 13; it now rests in House Rules, awaiting a green light to send it to the floor. The bill is a fundamentally bad bill—and the adverb merits emphasis.

Our structure of government rests upon two fundamental principles. One is the separation of powers, which has no bearing here. The other is federalism, which is directly at issue.

This well-intentioned but misguided bill would create a new Office of Youth Camp Safety within the Department of Health, Education and Welfare. The director of this office, with the assistance of an advisory council, would promulgate rules and regulations having the force and effect of law. These rules would be binding upon the estimated 10,500 youth camps across the nation.

The director's authority would include, but it would not be limited to: "personnel qualifications for director and staff; ratio of staff to campers; sanitation and public health; personal health, first aid and medical services; food handling, mass feeding and cleanliness; water supply and waste disposal; water safety, including use of lakes and rivers; swimming and boating equipment and practices; firearms safety; vehicle condition and operation; building and site design; equipment; and condition and density of use."

The committee report gives lip service—but no more than lip service—to the thought that these are primarily state responsibilities. The general idea is that the states are to be encouraged to enact their own laws embodying at least the minimum standards laid down by the federal office. But (and this is the first hooker), any state that failed or refused to enact such legislation would be federally controlled anyhow; and (this is the second hooker), even those states that did comply would remain subject to continuing federal jurisdiction and monitoring.

The bill includes all the usual trimmings: inspectors, reports, forms, statistical data, fines of $500 to $1,000 a day for non-compliance, rights of appeal in the federal courts, and so forth. All this elaborate structure is designed to provide campers with safe and healthful conditions free from hazards likely to cause death, serious illness or serious accident.

To return to the main point: The bill falls into a pattern that crops up with ominous frequency in Washington. The wrong-headed theory behind this pattern is that uniformity is good, diversity is bad; federal control is superior, state regulation is inadequate; Congress understands the needs of the people, the state legislatures do not.

We see this pattern in pending proposals for a federal no-fault insurance law. We see it in President Carter's instant registration bill. We have seen it in such areas as occupational safety, clean air standards, and in hundreds of programs requiring matching funds for federal grants in aid. Through this insidious process, the states systematically are reduced to little more than administrative agencies for the exercise of federal power.

It was never meant to be this way. The Tenth Amendment, that great key to the house of our fathers, sets forth the American plan in words that are too plain to be misunderstood and too precious to be corrupted: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

Surely the power to regulate youth camps could not reasonably be numbered among the powers delegated to Congress by the Constitution.

JAMES R. SCHLESINGER

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. TEAGUE. Mr. Speaker, it has been my privilege to know the Honorable James R. Schlesinger for a number of years. At the present time my dealings with him as chairman of the House Committee on Science and Technology have brought me rather close to him.

There have been many individuals in the Washington arena who have been the subject of writers describing their traits and characteristics; but I do not believe any can match the description of Mr. Schlesinger as written by Mr. Fialka of the Washington Star. Mr. Fialka has caught Mr. Schlesinger in all of his many positions of public service, of which there are many. He is truly a public servant, dedicated to this country and to his own personal beliefs, and I would like to include at this point in the RECORD, the article by Mr. Fialka:

HE PLAYS EACH GAME BY ITS OWN RULES

"So far, war has been the only force that can discipline a whole community, and until an equivalent discipline is organized, I believe that war must have its way."—William James, 'The Moral Equivalent of War'."

(By John J. Fialka)

The command center for President Carter's "moral equivalent of war"—the effort to unite the nation to solve the energy crisis—is a cramped, somewhat disorderly office in the west wing of the White House.

On nearly every flat surface, there rests an open can of pipe tobacco. The desk is a tangle of file folders and paper. The man who runs the office is an amateur bird watcher who wears rumpled suits. Sometimes he shows up for work wearing one red sock and one blue sock, but nobody mentions it.

The picture of the bird he has hung on the wall near his desk may be the visitor's first clue that this man is not your prototypically disorganized, gentle, absent-minded professor. It is a portrait of the white gyrfalcon, one of the most ruthlessly efficient hunters in nature. It can plummet with blinding speed, catching lesser birds unaware, killing them in midair.

"Oh that," explains James R. Schlesinger, offhandedly. "That's just something the Air Force once gave me."

At age 48, Schlesinger is now among the most durable, veteran players in Washington's public arena. In 1970 we saw him as the young assistant director at the Office of Management and Budget who infuriated the military by pruning their budgets.

Then there was Jim Schlesinger the chairman of the Atomic Energy Commission (AEC) and Jim Schlesinger the head of the CIA. Then there was Jim Schlesinger Secretary of Defense, who was fired after complaining bitterly that the White House and Congress were pruning the Defense budget.

"He plays each game as he finds it, by its own rules," explained one veteran Schlesinger watcher. "And he plays it hard."

By this time he has mastered much of the town's bureaucratic machinery. He knows the ropes at the White House and he knows more of our military and defense secrets, perhaps, than any living man.

Now meet Jim Schlesinger in his latest role—Schlesinger the lobbyist, the man picked to convince Congress and the public to submit to President Carter's energy package, one of the most complex and far-reaching economic changes ever to be sent up to the Hill.

HIS FAVORITE METHOD: ONE-ON-ONE MEETINGS

On the surface, Schlesinger does not seem to be cut out for lobbying. He is not a backslapper or a gladhander. He has none of that slow, easy charm that seems to sell so well on Capitol Hill. He hates small talk and is said to abhor cocktail parties.

How does he do it? With the facts. Facts. He pounds them in, making as many as 30 of what lobbyists call "personal contacts" with congressmen—either by phone or in person—on a given day. His favorite method is "one on one," a quiet give-and-take with a member that might produce that extra vote.

How well is he doing? It depends whether you talk to his friends or his enemies—over the years Schlesinger has acquired a number of each. According to his enemies, none of whom wanted to be quoted, Schlesinger has been guilty of oversell.

"He can be a pain in the ass," said one committee chairman. "He pushes too goddamn hard. Sometimes he wears you a little thin. He keeps boring in and boring in. He keeps pestering and bothering you."

"I enjoy the exchange with him," said a younger House Democrat. "The thing about Schlesinger, what's nice, is if you make a point with Schlesinger, he absorbs it. From that point on he's adjusted his argument to accept the point that you've made."

"He has better rapport with younger members than older ones," the congressman added. "It's funny. Ideologically, he is closer to the chairmen than the younger members. It's a mixed bag."

Just what will come out of this "mixed bag" this fall, when the energy package may be completed by Congress, is uncertain. There have already been heralded victories and defeats, but "this is the first inning of a nine-inning ball game," as one Schlesinger aide noted.

HE'LL BE AN ENERGY CHIEF WITH CZAR-LIKE QUALITIES

What is certain is that when the fruit of his work, the new Department of Energy (DOE), comes into being, with an estimated $10.5 billion annual budget and nearly 20,000 employes (making it the 7th most expensive federal agency), the nation will have its first "energy czar" with some truly czar-like qualities.

Since Schlesinger signed on last winter as President Carter's chief energy adviser, the press has had only a few glimpses of him. The most memorable one was on April 20 after Schlesinger and his staff had spent two months of seven-day weeks, struggling to meet Carter's deadline to send the energy package to Congress.

The deadline was met. Schlesinger was ready to explain the package's complexities to more than 300 reporters who jammed an Old Executive Office Building auditorium for a background briefing. Everything was in order except for a lone reporter in front who wanted to ask a question before Schlesinger had completed his presentation.

"We'll run this thing," Schlesinger said, glowering at him. The questions came when they were supposed to come, at the end of the briefing.

A little thing, but little things like this add up during a public career as long as Schlesinger's. The 20 or so people interviewed for this story all admitted that Schlesinger often seems kind of arrogant.

HIS BEST FRIENDS ADMIT HE'S AN ARROGANT MAN

Even his best friends will tell you this. "Goddamn right, it's arrogance. And it's not a kind of arrogance, either, it is arrogance," explained Joe Laitin, currently the top press aide at the Treasury, and one of Schlesinger's longest friends in Washington.

It is not, Laitin added, that Schlesinger goes out of his way to antagonize people. "He wants to make damn sure that people respect him for his mind. It would just kill him to think that people would like him for his charm. He'd feel defeated."

In February 1969, when Schlesinger first arrived in Washington as assistant director of the Bureau of the Budget, it seemed clear to Laitin that here was a man with the credentials to go far. As an undergraduate, Schlesinger was summa cum laude at Harvard. He obtained his Ph.D. in economics there is 1956.

After four years as an assistant professor of economics at the University of Virginia. Schlesinger produced a book, "The Political Economy of National Security," which challenged a number of strategic assumptions of the day, including the assumption that there would be enough oil to go around in time of war.

The book impressed the RAND Corp. and, in 1963, Schlesinger became a senior staff member of the California research company. Later he became RAND's director of strategic studies.

A man who has described himself as a "moderately conservative fellow," and an admirer of the late Republican leader Sen. Robert Taft, Schlesinger was deemed to have the right political stripe for the Nixon administration.

TOOK ON THE PENTAGON AS THE CHIEF OF OMB

Once installed at the Bureau of the Budget, Schlesinger promptly took on the Pentagon, asserting that it had "drowned itself" in poorly analyzed information from Vietnam. He also attacked major weapons programs, trimming $6 billion from Pentagon budget requests.

"I suddenly realized he was a remarkable young man" recalls Laitin, who was a Bureau of the Budget press aide at the time. "I decided that some of the people around town ought to get to know him."

Among "the people" Laitin knew were political columnists and a few veteran reporters. Schlesinger later proved to be a valuable contact for them because wherever he went he had a tendency to make waves.

After being named the head of the AEC in 1971, he held a meeting of nuclear power industry executives—members of an industry accustomed to extremely friendly dealings with the AEC—that "you should not expect the AEC to fight industry's political, social and commercial battles."

Later, Schlesinger confounded nuclear critics by bringing his wife and two of his daughters to Amchitka Island in the Aleutians to witness the test of a nuclear warhead that the critics charged would harm the island's environment.

In late 1972, Schlesinger became one of a handful of Nixon administration officials who escaped the widening vortex of Watergate by walking around its edges, filling the vacancies created by it.

JOB HE PRIZED MOST: SECRETARY OF DEFENSE

He replaced Richard Helms as director of the CIA and tore into the agency's "old boy" clandestine services operation. A thousand of the agency's 15,000 employes were dismissed or scheduled for early retirement.

On May 10, 1973, Schlesinger was given the one job he prized among all others in Washington, he became secretary of Defense when Elliot Richardson was shifted to the Justice Department to replace Richard G. Kleindienst.

At Defense he implemented a profound change in the nation's nuclear weapons strategy, switching from the theory of an all-out "assured destruction" rain of missiles that would obliterate major cities of the Soviet Union in the event of a nuclear attack on the United States or its allies.

Arguing that the devastation of such an attack might inhibit the United States from using its nuclear capability if the Russians decided to attack Western Europe, Schlesinger advanced the strategy of a "limited nuclear war," changing missile targeting so that the first waves of missiles could fall on military targets such as major oil facilities or missile silos.

The theory, as Schlesinger once explained it to a Senate Foreign Relations subcommittee, was that if it was clear to both sides that urban centers were not being hit "when the existential circumstances arise, political leaders on both sides will be under powerful pressure to continue to be sensible." Knowing the United States had the ability to make a limited response, he argued, would lessen the temptation for the Russians to take a limited step toward war.

"HE INSPIRES LOT OF PEOPLE BY PROVIDING INCENTIVES

One former Defense Department official, who knew Schlesinger during his Pentagon days, said Schlesinger had difficulty relating to large numbers of people and preferred to work with a small staff of favorites.

"He runs these large organizations somehow by force of personality. He inspires a lot of people, partly by providing incentives, partly by intimidation. A lot of people three times removed think they're working for him. (Former Secretary of State Henry A.) Kissinger could also do that. He (Schlesinger) is a leader, not a manager."

In November 1975, then-President Gerald R. Ford fired Schlesinger after a series of internal disputes over a White House move to cut $10 billion from the Pentagon's fiscal 1977 budget. This time Schlesinger was vehemently on the side of the military calling the cuts "deep, arbitrary and capricious."

Underneath the dispute, according to some who were involved in it, was Ford's feeling that Schlesinger was being haughty and arrogant to him and to key members of Congress. Schlesinger is said to have had a way of not looking at Ford during Cabinet meetings, addressing his remarks only to men whom he considered to be his intellectual peers, like Kissinger.

"I don't think President Ford was ever comfortable with Jim," explained one Schlesinger aide.

Ford's successor, Jimmy Carter, on the other hand, is believed to be a man who is very comfortable with Jim Schlesinger. During the fall campaign, Schlesinger was invited to come to Plains to brief Carter after Schlesinger's return from a trip to China.

MANY SIMILARITIES FOUND BETWEEN HIM AND CARTER

During a four-hour meeting, Carter's first meeting with Schlesinger, the president-to-be discovered that the two shared a number of similarities.

Both are cold and analytical—not ideologues—in their approach to politics. Both are religious. Carter is a Baptist lay preacher. Schlesinger, a Jew, became a Lutheran after leaving Harvard and is known to read theology during his leisure hours.

Both have considerable knowledge of and respect for the powers and the dangers of nuclear weaponry. Both are hard-liners when it comes to dealing with the Russians.

In April 1976, in a lecture at Harvard, Schlesinger argued that "the focus of repression, Solzhenitsyn, Sakharov, has . . . once again reminded us of the totalitarian nature of the Soviet state," in a speech that seemed to anticipate Carter's "human rights" thrust at Soviet internal policies.

Although they have been described as fiscal conservatives, both are pragmatic in their approach to economic policies. "He sees the concept of a free market as a useful tool," said one Schlesinger confidant, "but it is not an altar."

One difference between Carter and Schlesinger, a difference that may grow during the legislative struggles over the energy package, is in the area of nuclear proliferation. Carter believes that the international trend toward the use of plutonium as a nuclear fuel will present severe security risks because a group of terrorists or a small, unfriendly nation could use the fuel to make a nuclear weapon.

MAY BE LESS PESSIMISTIC ON PLUTONIUM ISSUE

Schlesinger, who has written a number of scholarly articles on the subject, is said to be much less of a pessimist on the subject.

In an article written 10 years ago for the "Yale Review," Schlesinger asserted that there was an "enormous gulf" between the threat of having a primitive nuclear weapon and the threat of being able to deliver it with a sophisticated delivery system.

". . . A question arises whether the actual dimension of the threat merits the note of desperation that has occasionally crept into public discussion," the article asserts.

During the recent battles over whether to build the plutonium-producing Clinch River breeder reactor, Carter has attacked the device because of the danger in the widespread use of plutonium fuel. Schlesinger, on the other hand, has tended to play down that theme, concentrating instead on the argument that the Clinch River project is not cost effective.

The interplay between the two men has shaped much of the energy package. Carter launched it in a burst of idealism, using a phrase Schlesinger borrowed from an earlier professorial type from Harvard—William James, an American philosopher, who wrote the essay "The Moral Equivalent of War" in 1910.

The essay is a strident defense of pacifism, arguing that the time may come when men will willingly make sacrifices for peaceful domestic goals with the same passion that they exhibit during wartime.

As used by Schlesinger, the theme means that the energy question is one that will need the commitment and social unity of wartime, although it will not necessarily require a wartime economic footing.

THE ENERGY PACKAGE: IT WAS "QUICK AND DIRTY"

Despite its lofty beginnings, the energy package has its faults, partly because it is a package of extraordinarily complex proposals, any one of which might take years to design properly and pass through Congress. For political reasons, however, Schlesinger and Carter decided the package had to be slapped together and sent to Congress within two months.

"It was quick and dirty, if you want to put it that way, but it had to be. Any delays would have meant that Congress would have put it over until next year, an election year, and that would have caused prolonged delays," explained one Schlesinger aide.

Schlesinger already has taken some lumps trying to sell the package. (Rep. Ken Holland, D-S.C., recently told Schlesinger during House Ways and Means Committee hearings that the lack of any apparent real sacrifices in the energy plan meant "we are dropping a moral equivalent of a water balloon.")

But nobody ever said lobbying would be easy. Schlesinger is working the Hill nearly every legislative day now. It is a new role for him, but he has been around a long time. He has acquired powerful friends (among them Sen. Henry M. Jackson, chairman of the Senate Energy Committee) and he has never been known to give up easily.

And, rhetoric aside, when it comes down to arguing the specifics of the package, there are not too many people around who can keep up with Schlesinger because he tends to carry his briefcase around in his head. "The preparation you have to give Schlesinger is just minimal compared to other people," says Fred Hitz, Schlesinger's top legislative aide.

"He doesn't need a flotilla of swamis running around and slipping him pieces of paper."

MORE IMPORTANT THINGS THAN HOLDING INTERVIEWS

The press may not see much of the selling of the energy package, though, because the chief lobbyist prefers to work behind the scenes. Accused by one questioner of "stonewalling the press," Schlesinger stood recently at the National Press Club, complacently puffing his pipe, trying to tell them, in his fashion, that holding a lot of interviews would be an endless task and that he has more important things to do.

He did it with what he said was a quote from Sir Robert Walpole, an 18th century English statesman: "Gratitude is the lively expectation of favors about to be conferred." (Actually, the quote is "The gratitude of place-expectants is a lively sense of future favours.")

In this aspect, Schlesinger has no apologists. "He does have a problem," admits Laitin, who was press aide for Schlesinger at the Pentagon. "As a professor he did not like dull students. He does not like dull reporters. I've tried to get him not to look at the press as a group."

"He's one of those stand-up guys, a good player," says another Schlesinger supporter. "Nobody says you have to have an easy personality to be good."

AMERICAN APPEAL FOR THE POLISH WORKERS

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mrs. FENWICK. Mr. Speaker, about 1 year ago, on June 26, the Polish Government acknowledged that its announced food price increases did not have the support of the Polish people. Severe worker riots throughout Poland convinced the Government that the price rise should be withdrawn. Many of the workers who demonstrated were arrested at that time, leading to the creation of a Workers' Defense Committee.

The Workers' Defense Committee has come under attack by the Polish Government in recent weeks and 11 members of the committee and their sympathizers were arrested in May 1977. Members of the committee arrested were: Miroslaw Chojecki, Jacek Kuron, Adam Michnik, Antoni Maciarewicz, and Piotr Naimski. Friends of the committee who were arrested were: Sewerin Blumsztajn, Wojciech Arkuszewski, Jan Litynski, Wojciech Ostrowski, Jan Josef Lipski, and Hanna Ostrowska. Two of the sympathizers were released in June because of ill health, but the others remain in prison. Dr. Edward Lipinski, an 88-year-old economics professor and member of the committee, demanded on May 25, 1977, that the committee be released "because we are convinced that they did not commit any crimes."

Mr. Speaker, I would like to bring to the attention of the House an appeal sponsored by three American Nobel laureates from Harvard University in behalf of these human rights activists who are in prison because of their political views:

APPEAL

MAY 31, 1977.

To Henryk Jablonski, Chairman of the State Council of the Polish People's Republic.

To Stanislaw Gucwa, Speaker of Parliament of the Polish People's Republic.

To Piotr Jaroszewicz, Prime Minister of the Polish People's Republic.

To Edward Gierek, First Secretary of the Polish United Workers' Party.

On September 23, 1976, a number of concerned Polish citizens set up in Warsaw the Workers Defense Committee to provide legal, medical and financial assistance to workers victimized during and after the June 1976 price riots.

Its members were subjected to harassment and intimidation by the police, and to death threats from anonymous callers. Recently, after having received such threats, Stanislaw Pyjas, a student actively working for the Committee, was killed in unexplained circumstances. In connection with Pyjas' funeral, six members of the Committee, Chojecki, Kuron, Lipski, Maciarewicz, Michnik and Naimski were arrested and are now in prison pending the investigation of their cases.

We deplore the escalation of repression in Poland against people whose only crime consists in defending basic human rights of others. We urge that the Polish government abide by the Universal Declaration of Human Rights and the Helsinki Agreement that it has endorsed and by the relevant articles of the Polish Constitution. As a first step toward the implementation of the rule of law, we call upon the leaders of the Polish People's Republic to release immediately the imprisoned members of the Workers Defense Committee.

Sponsored by:

Kenneth J. Arrow, Nobel Laureate, Department of Economics, Harvard University.

William Lipscomb, Nobel Laureate, Department of Chemistry, Harvard University.

George Wald, Nobel Laureate, Department of Biology, Harvard University.

VOLUNTEERISM: A DUAL MEANING

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. DOWNEY. Mr. Speaker, volunteer. As a noun or verb, this word has been synonymous with service.

It has another meaning, however, that is sometimes obscured. It also means commitment—to an idea, an issue, a cause. Citizenship.

In remarks before Long Island's Nassau-Suffolk Volunteer Conference, Harry Chapin, a brilliant artist and concerned citizen, spoke of the dual meaning of volunteerism. As excerpted in Newsday on July 3, I would like to share Mr. Chapin's comments with my colleagues:

THE SATISFACTIONS OF BEING A VOLUNTEER

(By Harry Chapin)

We are all searching for a positive affirmation of our existence, some indication that it matters whether we are alive.

Extraordinarily enough, people do not realize that the best way of getting this is by dealing with people around them on a positive basis. We need to be in touch with people. We need to reach out and see their eyes and hear what they are saying.

The satisfactions that I have received in the last few years are not from gold records, or album successes, or even money I have earned, but from being involved with the meaningful issues that attract the good people. As Pete Seeger calls them, "the people with the live hearts, live eyes and live heads."

I don't get caught on the word "volunteer." I just say we are in a participatory democracy, where we are all supposed to be armchair experts on hunger, economics, defense and ecology—all the various fancy things that the supposed experts are telling us about. If we do not get involved to that degree, then we are not doing what the American system was set up to do.

The genius of America is a collective genius—all of us working together on things. We are all supposed to be arguing in our schools, homes, churches, streets and taverns about all these things; and whenever we have seen two or three people get in a room to make decisions for us—we see it get screwed up.

Volunteerism is a right, and we volunteers are carrying out the heritage of this country. I, therefore, challenge the people here not to be passive or just pat ourselves on the back and say what nice people we are. Rather than saying how wonderful we are, the whole job is to get more people to go out and do it—not only because volunteering is rewarding, but because it is our responsibility.

All too often volunteers are considered as "softies and liberal dogooders." The whole concept of women being second-class citizens because they volunteer is also in need of change and must be attacked. I challenge you to be more aggressive and remember that we are the American dream. We who volunteer are saying that there is something important enough for me to do, no matter if I'm getting paid or not because life gets down to ideas, as well as guns and butter, and mean national income and balance of trade—and how much money we have in our pockets.

We have seen so many people from the middle class on up in our society basically end up lost because they have put all their stake in life into money, and they have seen how shallow it is. So what I'm saying is when you volunteer, you are doing something that means enough to you to do it for no money—and you are doing something that is really life-oriented.

Without volunteers in our society, the quality of life would immediately drop. However, we must get at our problems by treating the causes and not just the symptoms. Our job is not just to clean up the dirty linen that other people create. If we are willing to commit our time for no money, we should damn well make sure that other people are not just creating horror shows that we are supposed to clean up because we are "nice people."

So the job for volunteers is really to be sophisticated enough to realize when we are being asked to do cleanup tasks and when we are really being asked to do something about solving the problems. There has been some controversy regarding the merits of "service-oriented volunteers" as opposed to "change-oriented volunteers."

I do not believe it is a cut-and-dried issue. However, if certain forces are creating hunger and all that we are doing is feeding hungry people without treating the causes of that hunger, we are being silly and we are not taking our time and effort seriously. All we are doing is putting a Band-Aid on a bad situation. So the minute we make the commitment to volunteer, we are telling ourselves: "We are serious people; we really want to do something." At that point, we have to be sophisticated enough to find the p'aces where our effort will really make a difference.

The greatest lost resource in our society today is the elderly. The whole concept of putting old people away is obscene in every sense of the word. When old people are living on fixed incomes in a society faced with inflation and increases of the cost of living . . . and you have people who have to buy a room and some heat . . . and some light and the telephone . and then some food—it's no wonder you find they're eating only one meal a day. And when you find they have worked 20 or 30 or 40 years; earned a decent retirement, and they are eating only one meal a day—that is an indictment against all of us.

The sad thing is that we only react when people howl. These old people are not radicals. They are very conservative. They do not want to accept food stamps. They do not want to go on welfare; they have too much pride. They do not want to go through the humiliation.

And, if we do not address ourselves to those silent people, then we are really indicting ourselves. And I would like to think that we have sharp enough eyes to see through the walls where those lonely people live. They are slowly dying in the most degrading situations possible.

As Bob Dylan said, "He who is not busy being born is busy dying." Those of us who are playing ostriches are in fact saying that we don't give a damn. What we are saying, then, to our kids is that all we are doing is trying to hold on until our old age—and if the world should fall apart, that's fine—because we have lived our lives. I hate to think that this is what we are saying to the people we have brought into the world.

We cannot rely on the politicians to solve our problems for us. As a friend once said, "The politician is one who is adept at riding waves . . . Let us not be naive about what our responsibility is. Our responsibility is to make waves."

We must all go that extra mile. We must be aggressive in the sense of challenging others and making them realize that the American dream implies that all of us must be actively involved.

We all have the potential to move the world . . . and the world is ready to be moved.

TRIBUTE TO STATE SENATOR LoPRESTI

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. O'NEILL. Mr. Speaker, I would like to take a few moments to pay tribute to the former State Senator Michael LoPresti of East Boston, who passed away on June 11, 1977. In Michael LoPresti's passing the people of East Boston have lost a truly dedicated and hard working public servant.

Michael LoPresti thoroughly enjoyed the political and legislative process and conscientiously and affectionately devoted himself to voicing the concerns and needs of his constituents. Respected by his colleagues in the Senate, Michael LoPresti served his constituents of East Boston and indeed the whole Commonwealth with distinction. Though quiet and reserved in personality, his word was always golden; and acts of loyalty to his family, friends, and constituents were the guiding norms of conduct in both his public and personal life.

I call to the attention of my colleagues and submit for the RECORD two articles that more fully describe the character of the late State Senator Michael LoPresti:

[From the Boston Globe, June 22, 1977]

THEY WON'T FORGET LoPRESTI IN E. BOSTON, NORTH END

(By Jeremiah V. Murphy)

A few years ago old Mike LoPresti left his home over in East Boston on an election day and was driven in a Cadillac to the North End to campaign for his son in his successful state senatorial race.

He was a 65-year-old short and balding guy who felt right at home in the Italian North End, because he had grown up on Charter street and got into politics as a young man and eventually served in the Senate himself.

But that morning he was in the North End looking for votes for his son, so there he was working Hanover street and greeting old friends by their first names. Now you have to understand that he didn't come on strong and buttonhole people. That just wasn't LoPresti's style.

He stood there and quietly passed the time of day and when somebody told LoPresti that he had just voted for his son, old Mike would hold out his right hand and softly say, "Thank you." That's all.

But the thing that got to me that morning was the obvious respect LoPresti received from the North End people. It wasn't that back-slapping style you see around many other old pols. It was respect for an old friend.

So I thought of that scene when I read the other day that former state Sen. Mike LoPresti Sr. had died at age 68.

His death is noted here because he was unique among the flamboyant and often windy East Boston and North End pols. It is a tough district to represent, because the need and want are there and anybody who knows anything about Boston will recognize that fact.

His political battles with then Sen. Mario Umana were slam-bang-drag'em-out brawls, but they eventually ended up as old and dear friends.

Now there is no intention here of canonizing Mike LoPresti, because he still looked out for himself pretty good and probably cut a few corners along the way just like any other pol.

But his quiet and unassuming approach was still different and his word was good and that was the most important part. So he got respect.

He grew up poor and went to grammar and high school nights and eventually graduated from Suffolk Law School. Mike got a job back in the old days working as a secretary for then U.S. Rep. Tom Flaherty and had a big role in handing out jobs.

That is probably when the phrase started in the North End and East Boston and Charlestown: "You better see Mike." Through the years a lot of people went to see Mike LoPresti for help.

He served in the Senate and took a couple of shots at congressional seats but lost both times to now House Speaker Tip O'Neill . . . but the hell with all that. Almost everybody in Boston knows about his political career.

The years went by and Mike and Anna LoPresti raised a nice family of two sons and two daughters. He and Lucky Boorstein had started a concession stand years ago at the old East Boston Airport and when the aviation boom started they were in good shape.

They formed Skyline Enterprises and for 27 years operated the Logan Airport food and drink concessions. LoPresti made a lot of money, but it all ended abruptly last March when a 10-year lease expired and Massport awarded the new contract to a lower bidder.

LoPresti quietly said after the Massport vote: "I just saw 27 years go down the drain." Some of his friends claim he actually died of a broken heart.

The wake was held the other night over at the Rapino Funeral Home near Maverick square in East Boston, and you had to wait 45 minutes to get in the door, because the crowd was so large.

There were former Govs. Foster Furcolo and John Volpe and former Reps. John Toomey of Cambridge and Tim McInerney of Roslindale and Angelo Berlandi and Mike Nazzaro, both from the North End. There was former Senate president Johnny Powers and current president Kevin Harrington and scores of others.

But most of all, there were maybe thousands of just plain everyday people, and perhaps they remembered when Mike was always good for a double sawbuck to tide them over until payday, the man you went to when your son needed a job or when your landlord was giving you a bad time.

People remember and it really doesn't make much difference if you're talking about families in Bennington street tenements in East Boston or in red brick townhouses on the right side of Beacon Hill. If their roots are there, they will remember all right.

They remembered Mike LoPresti the other night, because he didn't change when he became a big pol or later when he made a barrel of money. He was the same old Mike and helped out even when he was out of office.

He had earned their respect.

[From the Post-Gazette, June 22, 1977]

MICHAEL LOPRESTI

The death of a person be it a mother, father, brother, sister, a relative or friend is always a sad occasion.

But when one loses a man of the calibre of former Senator Michael LoPresti of East Boston, it is a tragedy.

Michael LoPresti brought hope where there was none, he brought love where it was necessary and gave a helping hand when it was needed.

While in public office as Senator, he learned his lessons well and passed his knowledge on to those in need. How many in public office have this quality? They are few and far between.

It is a matter of record that most politicians when they lose an election or leave public office voluntarily they forget their constituents and forget those who assisted in their endeavors. Not so with Michael LoPresti! His heart and soul stayed with the public even when he was out of public office. "Mike" as he was affectionately known, found the time to always be there whether it was for his buddies that he served with at the State House, his former constituents, charitable organizations or his beloved family. What more can one ask of a man. His breed is hard to come by.

He left a legacy which will long be remembered and go down in political history. He understood the qualities of mercy and he practiced them. He was strong of mind and character, yet he never abused these qualities. He only used them for the good of the human race. He knew well the meaning of "forgive" and "forget". With former Senator LoPresti the quality of mercy was important. It was the key to the future of this state and yes, if you will, the future of America.

His principles were above reproach. He was a "giver" not a "taker". His quiet, unassuming manner will leave its mark on mankind, for this was one of the qualities of this man that got results for him, his family and his constituents when he served the commonwealth.

What else can you say about a man who was a "super" human being in every shape, manner, and form?

Yes, we will miss Michael LoPresti, for the good he imparted will be most difficult to forget.

June 11, 1977 was a black day because of his passing and that date will be hard to forget.

CYPRUS—3 YEARS LATER

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. KILDEE. Mr. Speaker, on July 20, we shall pass the third anniversary of the tragic events in Cyprus. On that day Turkish troops, using American-supplied weapons, began their occupation of Cyprus. There are still over 25,000 Turkish troops on the island, and I feel that we have a responsibility to express our continued concern over the lack of progress toward reaching a settlement on Cyprus.

The pathos of the situation has been increased by the thousands of people who have been displaced from their homes. These people often live in wretched conditions and are unable to support themselves. Justice demands that these victims have their homes and property restored to them.

As an article in the London Times of June 17, 1977, indicates, conditions are not easy even for those who were not forced to evacuate.

I ask the other Members of Congress to join me in expressing their humanitarian concern on this anniversary:

POLICE AND BARBED WIRE GUARD ONLY SIZABLE GREEK ENCLAVE LEFT BEHIND TURKISH LINES IN CYPRUS

(From Robert Fisk, Rizokarpaso, Northern Cyprus June 16)

There are 1,510 Greek Cypriots living in the remote village of Rizokarpaso, 70 miles behind the Turkish lines in Cyprus. They subsist on tiny, poor farms, surrounded by Turks in a township ringed by barbed wire and Turkish Cypriot soldiers.

Some of them cooperate with the local Turkish Cypriots, trying as best they can to show the Turks that they want to live in peace with them. Others, particularly the old, are frightened people, living under police surveillance and expecting any day to be evicted from their homes.

Rizokarpaso is almost inaccessible to foreigners. The Greek inhabitants—the only substantial Greek Cypriot community still in Turkish-controlled northern Cyprus—have not left the few square miles around their homes for three years.

To the Turkish Cypriots they represent a community in need of physical protection whose members elect, in increasing numbers, to join their families in the south of the island. To the Greek Cypriot Government they are hostages, harassed by the Turkish authorities and under constant threat of losing their homes and possessions.

The Turkish Cypriot authorities normally insist that journalists wishing to visit Rizokarpaso are accompanied by a government official. This week, however, driving a Turkish Cypriot car and brandishing a Turkish tourish map of Cyprus at the three roadblocks outside the village, I travelled to Rizokarpaso on my own and spent three hours talking to Greek and Turkish Cypriots.

For much of the time I was watched by two plain-clothes Turkish Cypriot policemen. Many of the Greek Cypriots I approached said that they were too frightened to talk to me. Some said they regarded the Turks as their friends. Others appeared terrified of the police and complained that local Turkish Cypriots had stolen their farm animals and wanted to take over their homes.

The road to Rizokarpaso runs through peninsular hills, through the village of Yialousa which is now almost totally occupied by Turks, and along a three-mile track whose surface is so pitted with holes that a motorist is forced to drive at only five miles an hour.

Along the route, Greek Cypriot churches lie deserted, their doors frequently forced open and their ornaments and chandeliers smashed on the stone floor.

Rizokarpaso is a neat little village. The whitewashed church, cared for by two elderly priests, stands to the north of the little square around which are three coffee shops. Two are Turkish and one—a converted slaughterhouse where the Greek Cypriot *muhtar* (village headman) has his office—is Greek. When I reached the village there were 12 Greeks sitting on wooden chairs under the verandah of their coffee shop.

One of them, a man in his sixties with a bushy moustache and fluent English, nodded when I approached. "Who are you?" he said, and when I told him I was a journalist he glanced over my shoulder and asked if I had come alone.

He introduced me to the other 11 Greeks. Most were retired farmers, who owned livestock and lived in small bungalows, while two others were young men who worked the fields. All said they would not tell me their names.

"Do not tell the police you have spoken to us", the man with the moustache said, "or they will throw us out." It was a hot afternoon and the village square was empty except for my parked car. I asked whether the Greek Cypriots wanted to stay in the village or whether—as the Turkish Cypriot authorities often claim—they wanted to leave for the south of the island.

"We want to stay," the man said. "Why should we leave? Our homes are here and we have nothing else. Our farms are here. Sometimes the Turks try to take our animals. I tie my goats to my bed at night to stop the Turks stealing them. They want our homes but we do not want to give them up. Sometimes the police tell us we cannot work our fields. The police are no use in protecting us."

The man paused, looked over my shoulder at the square and said: "Police—do not tell them I have talked to you." Walking towards me across the square was a young man in sunglasses wearing a red teeshirt.

As he came closer, the Greeks huddled round a table and turned on a radio loudly. "Welcome," the young man said to me, extending his hand. "Can I help you?" When I asked him who he was, he said simply: "I'm the police."

Why had I come to Dipkarpass—the Turkish name for Rizokarpaso—he wanted to know. What did I want? Had I talked to the villagers? The Greek Cypriots watched us intently as they bent over their radio.

The policeman with the red teeshirt was to become an almost permanent feature of the landscape. He stood outside the little concrete police station with its Turkish flag and watched me as I walked to the Turkish coffee shop near the church. Yes, one of the Turks there said, they were friendly to the Greeks but many Greeks had left the village of their own accord.

Statistics show that 3,151 Greek Cypriots lived in Rizokarpaso before the division of the island in 1974. Only two Turks lived there then. There are more than 400 today, living in what were Greek Cypriot homes.

Just opposite the police station stands "Louis's fresh fish restaurant" although the Greek Cypriot owner—"Mr. Louis" to the villagers—explained that he no longer had the food to run a restaurant. "I've been here since 1974," he said, "but we have to make the best of life under the circumstances."

As we talked he moved farther and farther away, sweeping the verandah of his house with a broom and eventually turning the corner of his house so that we could no longer continue the conversation.

I saw him later entertaining several Turks to coffee, including a Turkish policeman. Even the Greek *muhtar* has a portrait of Kemal Ataturk, the founder of the Turkish state, hanging on the wall of his office.

THE MINUTEMAN III PRODUCTION LINE SHOULD NOT BE SHUT DOWN

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. LAFALCE. Mr. Speaker, on July 6 the Department of Defense announced its plans to terminate production of the Minuteman III intercontinental ballistic missile. The Soviet Union has five ICBM's in production at this time, while the Minuteman III is the free world's only ICBM in production.

A modernized replacement for the Minuteman III, presently called the

"M-X", is in the early research and development stages and could not be ready for deployment until the mid-1980's, assuming everything goes well.

As you know, Mr. Speaker, the Strategic Arms Limitation Talks—SALT—got off to a shaky start earlier this year, and there is no assurance yet that an acceptable extension of the SALT agreements will be negotiated with the Russians. Indeed, there are strong reasons to believe the exact opposite. For this and other reasons which I articulated in a letter to the President late last month—the text of which follows these remarks—I believe it is very unwise and imprudent to propose terminating this production line.

The Defense Department's action, if it is to remain effective, must be sustained by Congress by approval of a rescission proposal. These funds were duly authorized and appropriated by the Congress last year and, therefore, represent the collective judgment of both Houses of Congress. The burden of proof for eliminating these funds is and must be on the administration.

I am convinced that this action is an improper and unwise course to take. I intend to fight this decision every step of the way, and I urge my colleagues to join me in this important effort.

Mr. Speaker, at this point I respectfully request that the text of my letter of June 28 to the President be inserted in the RECORD:

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 28, 1977.

Hon. JIMMY CARTER,
President of the United States, The White House, Washington, D.C.

DEAR MR. PRESIDENT: We are advised that the Secretary of Defense is reviewing the Minuteman III ICBM program and that he will very shortly make a recommendation to you concerning the future of that program. Last year Congress authorized production of an additional 60 Minuteman III missiles, and approximately $265 million was appropriated to carry out this procurement.

Earlier in the month the Air Force announced contracts implementing the purchase of the 60 new missiles.

As we understand it, the Secretary is considering two options: (1) to fulfill the Congressional authorization in full, permitting the contracts to continue for purchase of the 60 missiles, or (2) to recommend that the contracts be terminated after delivery of the first 10 new missiles. Option 2 would require Congressional approval under the Budget Act.

We hope that the Secretary chooses option 1, and we are sending him a copy of this letter to encourage him to make that choice. However, we felt we should contact you as well and urge you to reject any recommendation that Congress be asked to approve termination of this program at this time.

Our reasons follow:

1. Until we have a new SALT agreement with the Soviet Union, it would be imprudent to shut down the free world's only ICBM production line. The Russians have five such lines in operation, and in the event no agreement on arms limitations is reached, we should be in a position to do whatever is necessary to assure our defense. Re-starting a line that has been shut down will be extremely difficult, time-consuming and very expensive.

2. Termination of the contracts after delivery of the first 10 missiles does not constitute saving five-sixths of the funds. Quite the contrary. Long lead-time items and termination penalties result, we are informed, in a situation where only $60 million of the $265 million will remain if the contracts are terminated after delivery of the first 10. Put another way, the first ten missiles will cost the taxpayers $20 million each, while the other 50 have a unit cost of only $1.2 million.

3. Abrupt termination of the contracts would have a devastating effect on employment in a number of acres, including our own Western New York region. The contractors would have no chance to seek alternative programs and massive lay-offs would be unavoidable.

The Minuteman III production team is highly skilled. They have built the world's most accurate and reliable strategic missile under conditions totally free of financial or other scandals. Because it might jeopardize our SALT negotiations, because completion of the remaining fifty missiles will cost, per missile, about 1/20 of the unit cost thus far of the first ten missiles, and because of the potential effects on regional economies around the country, we urge you to instruct the Department of Defense to carry out these contracts to completion.

Thank you for your attention to this important matter.

Sincerely,

JOHN J. LAFALCE,
HENRY J. NOWAK,
Members of Congress.

REVIVING MIDWAY AIRPORT

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. MURPHY of Illinois. Mr. Speaker, the revitalization of Midway Airport was the key topic of discussion at a recent luncheon attended by Illinois Representatives and members of the Chicago South Chamber of Commerce. I and other members of the Illinois congressional delegation, along with Representative GLENN ANDERSON of California, told the chamber we strongly support renewed service at Midway.

Representative ANDERSON, chairman of the House Aviation Subcommittee, announced to chamber members that he plans to hold hearings on renewed service at Midway in the near future in Chicago.

Speakers at the luncheon cited a number of compelling reasons for reactivating Midway, including: Traffic congestion going to and at O'Hare Airport; the convenience of Midway to persons living on Chicago's South Side; wasted fuel and time caused by airplanes waiting to land at O'Hare; and the potential for generating business in South Chicago.

Jack Bowen, deputy commissioner of aviation for the city of Chicago, and Robert Swaney, president of the Chicago South Chamber of Commerce, also addressed chamber members on the need for reviving Midway.

Mr. Speaker, I would like to draw my colleagues' attention to an article I have written on Midway Airport, formerly the world's busiest but now a virtual ghost town. The article appeared in the Southtown Economist on June 22, 1977:

WASHINGTON LETTER REVIVING MIDWAY AIRPORT

(By Rep. Morgan F. Murphy)

A survey of air passengers last November showed that Midway airport has the potential to service one out of three persons flying in and out of Chicago. Some 32 per cent of those surveyed said they would use Midway if there were enough flights. The survey was conducted by the Midway Reactivation Task force, which solicited the views of 11,000 passengers on planes scheduled to leave from O'Hare airport.

It is not hard to understand why so many people want the airport revived. For one thing, Midway is a more convenient drive than O'Hare for persons leaving from the South Side and the South and Southwest Suburbs. Midway is also a welcome alternative to O'Hare's congestion. For the harried air traveller, O'Hare's parking lots can fill up fast, resulting in long walks, parking tickets and missed flights.

In addition, Midway would generate much-needed business for Chicago's South Side. That is one reason why the Chicago South Chamber of Commerce is pressing for the airport's reactivation.

There are some hopeful signs that Midway may be in store for a revival. Although the major airlines have refused to transfer flights from O'Hare to Midway, a number of smaller airlines have asked the Civil Aeronautics board's permission to begin short-haul, low-fare flights at Midway.

One applicant, Midway (Southwest) Airway, has proposed daily and weekend flights at fares ranging from 24 to 53 per cent less than standard coach fares. Another airline, Midway Airlines, has proposed daily round trips at similarly reduced rates. Other applicants include: Delta Airlines, Chicago Airlines, Trans World Airlines, Northwest Airlines, North Central Airlines, Ozark Airlines, Wright Airlines, Southern Airways, and Continental Airways.

If the CAB permits low-fare service at Midway, some of the bigger airlines may be lured into competition. Since 1970, the major airlines have considered a return to Midway to be unprofitable. They point to their estimated $35 million loss when they tried to revive the airport seven years ago. But if the smaller airlines are successful, the larger ones may decide to switch some of their long-haul flights from O'Hare to Midway.

What are the prospects for Midway's revitalization? No one knows for sure. The CAB is presently entertaining the applications of 11 airlines that want to provide low-fare service at Midway. In order to keep the Midway case manageable, the CAB has decided to consider only the six largest air travel markets proposed by the applicants. The cities under consideration for service from Midway are: Minneapolis/St. Paul, Detroit, St. Louis, Cleveland, Kansas City, and Pittsburgh.

But even with this narrowing of the case, the proceeding will probably take a long time. Hearings may not begin for two to three months, after which the CAB could very easily take a year or more to make a ruling. And of course, there is no guarantee that the CAB will rule in favor of Midway service.

Some might say the chances for a favorable ruling are against the odds. Historically, the CAB has not been receptive to new entries into the air service market Since 1939, when the present airline regulatory structure was created, the CAB has turned down virtually every new air carrier that has applied for long-haul routes.

Nevertheless, the mere fact that CAB is considering applications to service Midway is encouraging, given its history of opposing new entries. Moreover, the Carter adminis-

tration, the Department of Transportation, and the Justice department have all come out in support of renewed service to Midway.

If the CAB should rule against Midway service, the issue of airline deregulation will take on new importance. Some argue that the present regulatory system should be replaced with a more flexible one that makes it easier for new airlines to enter the air service market. Even the CAB has told Congress to change its charter so the government can gradually get out of the business of telling airlines where they may fly and what fares they may charge.

Not everyone, however, is convinced that airline deregulation is a good idea. The major airlines (except United) fear that the removal of regulatory controls would create chaos in the economically troubled industry. Labor groups believe that increased competition would reduce major airline flights and throw thousands of employes out of work.

But all this is down the road. For now, the future of Midway airport is in the hands of the CAB. Let us hope that the decision is in favor of a revived Midway airport.

SEALED BIDDING FOR TIMBER SALES

HON. JOHN KREBS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. KREBS. Mr. Speaker, it is expected that sometime in the near future H.R. 6362, to repeal the sealed bidding requirement in the sale of timber from national forests, will be before the full House. This bill cleared the House Committee on Agriculture on May 23, 1977 by a vote of 22–20.

As background for this upcoming vote, I thought it might be useful to share with my colleagues two recent editorials; one from the California-based McClatchy papers, and the other from the Washington Post. Both of these editorials speak for themselves:

[From the Washington Post, June 26, 1977]

HOW TO BUY A TREE

Consider the social value of collusive bidding. Think, for a moment, of all the ways in which the wink, the nod and the prearranged price can serve to strengthen community ties and local values. Perhaps you thin": we're kidding. But Congress isn't. The Senate's Energy and Natural Resources Committee has just voted, 11 to 3, for collusive bidding on those grounds. The 11 senators take a deep and abiding interest in community traditions.

Last year, without giving it much thought, Congress passed into law a provision designed —all too effectively—to end collusion in the bidding for the right to cut timber in federal forests. The new law merely required sealed bids instead of oral auctions. Sealed bidding has been the practice in most of the country. The exception was the Pacific Northwest, where the rigging of timber auctions was becoming notorious.

Collusive auctions permit the insiders—the companies regularly working an area—to divide up the sales among themselves and hold down the payments to the government. Equally important, it permits them to band together to keep out the outsiders. When the new law went into effect, the first response was a loud and steady yowling from the Northwest. Then came a steady hammering on congressmen's doors.

This sudden threat to the established folkways of the region would mean, according to some of the timbermen, upheaval and social collapse. Towns would be left destitute, children would go hungry and crime rates would soar (except, of course, for the crimes of fraud, collusion and violation of the antitrust statutes). Confronted with this dire prospect, Congress is acting fast.

Corrective legislation to restore oral—that is, collusive—auctions in the Northwest has already cleared the House Agriculture Committee. Things also look pretty good in the Senate Agriculture Committee, which shares jurisdiction with the Energy and Natural Resources Committee. The cause of community preservation and economic togetherness rests in good hands.

[From the Fresno Bee, June 2, 1977]

KEEPING TIMBER SALES HONEST

We hope Rep. John Krebs, D-Fresno, succeeds in his efforts to keep sealed bidding as the way for selling most government-owned timber in the West.

Krebs cosponsored a 1976 law to require the sealed bid procedure, but a bill to amend that law and return to oral auctions has cleared the House Agriculture Committee. If it does, Krebs says he will fight it on the House floor.

A number of timber industry representatives don't like sealed bidding. They assert it allows outsiders to win timber sales contracts away from local communities.

They prefer oral auctions, under which purchasers have the option of raising bids in public competition. This, they contend, gives local bidders a better chance.

We think their fear of local harm is exaggerated. A Justice Department survey showed that out of 234 recent sealed bid timber sales in the Pacific states, only 19 went to firms operating outside the normal sales areas.

Under the sealed bid system, each bidder can submit only one bid corresponding to his interest in a given sale. It reduces the possibility of bid rigging, and helps insure the government will be fairly compensated for a publicly owned resource.

Several criminal investigations of bid rigging under the oral auction system are under way in three states, including one in the Sierra National Forest. There is enough question about the system to give another method—sealed bidding—a chance to be tried.

As Krebs says, it is premature to repeal a section of the law before its effect has been conclusively determined. Sealed bidding ought to be given a fair chance.

CONGRESSMAN GILLIS W. LONG URGES HOUSE PANEL TO CONSIDER TRANSPORTATION NEEDS OF RURAL AMERICA

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. LONG of Louisiana. Mr. Speaker, I submit for the consideration of my colleagues testimony that I recently gave before the House Public Works and Transportation Subcommittee on Surface Transportation on behalf of this Nation's rural citizens.

The text follows:

Mr. Chairman, the Congressional Rural Caucus would like to commend and congratulate you and the members of the Surface Transportation Subcommittee for your foresight and initiative in scheduling and holding this series of hearings on the vital problems of surface transportation and to thank you for giving us this opportunity to appear before you.

Before processing further with my remarks on the substance of the hearings, I would like to describe briefly in the structure and objectives of the Congressional Rural Caucus. Somewhat more than one hundred members of the House from both parties formed the Caucus five years ago. Our decision to organize into an ad hoc caucus stemmed from our concern that the rural areas of this nation—more particularly, those communities with populations of fewer than 50,000—simply were not receiving their fair share of Federal expenditures. We were concerned particularly with transportation, housing, education and other high priority issues.

Accordingly, we structured ourselves into the following substantive committees: agriculture, energy and natural resources; communications and transportation; education, human resources and vocational education; environment; public works and related facilities, water and waste disposal; financial resources and rural development; health; housing; legislative oversight; and rural disadvantaged. The respective chairmen of these committees comprise the Executive Committee, which also includes the Caucus Chairman, Honorable John Breckinridge.

So that the Caucus may remain currently informed on substantive issues affecting our rural communities, each committee is linked to an advisory team whose members are in close touch with rural residents and jurisdictions.

As an example, I have the privilege of serving as Chairman of the Committee on Communications and Transportation, and it is in that capacity that I present the views of our committee today. The advisory team to the CRC Committee on Communications and Transportation consists of persons representing such organizations as the National Association of Counties, the Council of State Governments, the National Rural Center, National Association of State Departments of Agriculture, Public Technology, CB Magazine.

If I had to define the overriding purpose of the Caucus, I would answer that it is to improve the quality of life in our rural areas. Too frequently the voice of the rural areas is completely drowned out by the voice of the urban areas where equally grave problems admittedly exist. The needs of our urban areas are generally painted in more dramatic terms because of the sheer numbers of people involved, but that does not mean that our rural citizens are any better off. Rural people need jobs just as badly as urban people do, and the corresponding needs for better housing, better education, better health facilities and better transportation systems are just as great.

The CRC Committee on Communications and Transportation has assessed some of these needs as they affect those two substantive areas included in the name of the Committee, and we have identified the problem of obsolete and deteriorated highway bridges on the Federal Aid System, nearly one That is because without an adequate network of safe bridges, such areas as schooling, commerce, postal service, agriculture and the like become moot. It is universally admitted that our highway system is our economic and social lifeline, but without safe bridges that lifeline cannot be sustained.

There is little need here to recite the dreary bridge statistics of which you are so well aware. By now, all those interested in the highway system know that of nearly 250,000

bridges on the Federal Aid Sytsem, nearly one in five (or about 40,000) have been classified by the Federal Highway Administration as either structurally unsound or functionally obsolete. We are aware also that this does not take into consideration the tremendous problem of the 65,000 bridges off the Federal Aid System which also can be categorized as deficient or obsolete. And of course no one who has been following these hearings can fail to be impressed by the cost estimates of the Federal Highway Administration for correction of these problems—at least $12.4 billion for the replacement of the bridges on the Federal Aid System and an estimated $10.6 billion for replacement for those off the Federal Aid System.

Of even greater concern to the Rural Caucus is the slow pace at which this problem has been and continues to be addressed.

The special bridge replacement program was established by Section 204 of the Federal Highway Act of 1974, and funds were authorized for FY '72 and FY '73. Section 204 of the Federal Highway Act of 1973 continued the program by authorizing funds for fiscal year 1974, 1975, and 1976. And Section 202 (5) of the Federal Highway Act of 1976 extends the program by authorizing funds for FY '77 and FY '78. In 1976, the fifty states submitted 16,452 applications for federal aid funds for the replacement of these deficient bridges.

And yet, what have we been able to accomplish? With one out of five bridges in the Federal Aid System being classified as deficient or obsolete and with 33,000 bridges that are posted for less than legal loads, we have replaced or are in the process of replacing under the Emergency Bridge Act only 978 bridges!

At this rate it is no wonder that the number of deficient and obsolete bridges reported each year by the states to the Federal Highway Administration continues to incerase. For example, compared with the 40,000 bridges reported in the 1976 report to Congress, a year earlier there were only 34,700 bridges in this category.

So while we continue to take one step forward to correct the problem, we slip back two steps each year with more and more of the bridges on our highway systems inadequate to handle the traffic required of them.

In the face of this ever growing problem, therefore, the Communications and Transportation Committee of the Rural Caucus would like to recommend certain positive, corrective actions:

1. We believe that the authorization contained in Section 144 of Title 23 of the U.S. Code for the replacement of bridges on the Federal Aid System should be expanded to also provide authorization for the rehabilitation of bridges. It seems only prudent that, wherever possible, some portions of the structures should be retained and repairs made that will bring them up to safe, modern standards. As a matter of fact, this is probably what would be done in actual practice by the states anyway, but an amendment to Section 144 would allow for the utilization of federal funds in this more economical program.

2. If any meaningful results are to be achieved in the solution to this problem, more funding must be made available to the states. This is a critical problem, the solution to which cannot wait. We believe that an authorization and appropriation of at least $1 billion per year for the next twelve years is the minimum that should be approved and even at this rate we will be able to take care of only the problems that are evident today. Obviously, during the next ten years additional bridges will become deficient or obsolete and the backlog of work will continue to build up. Therefore, we also recommend:

3. That an immediate inventory be made of bridges that are likely to be classified as deficient between now and 1930 so that we can have some estimate of the accruing needs on bridges during this period, in addition to the existing inventory of backlog needs.

4. We further believe that the states no longer can afford to match federal dollars on a one-to-three basis for a program of this magnitude. We therefore recommend that the matching ratio be changed to at least 80% federal and 20% state or local in order to relieve the states of some of their matching fund problems, and one of our members, Congressman Mike McCormack, strongly advocates a 90–10 ratio.

5. Since even this program addresses itself only to the 40,000 bridges on the Federal Aid System, we further recommend that some percentage of the funds each year be granted to the states for inventorying the bridge problem off the Federal Aid System. While we recognize that there are significant philosophical questions as to whether federal funds should be used for the reconstruction or rehabilitation of bridges off the system, we do recognize as a federal responsibility the measurement of the magnitude of the problem for the off-system highways.

6. Finally to implement the recommendations for the billion dollar program, full utilization of the public employment, the public works and manpower programs to increase opportunities for veterans and youth should not be overlooked in our battle for the repair and rehabilitation of rural bridges. More meaningful employment for rural youth in particular cannot be found in any other field.

Mr. Chairman, we thank you for the opportunity to present this testimony and would be glad to answer any questions you might have.

NO BAN ON SACCHARIN

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. ASHBROOK. Mr. Speaker, during the past several decades the Federal Government has rapidly grown in size, cost, and complexity. Along with this growth the Federal Government has intruded more and more frequently into the personal lives of its citizens.

The proposed ban on saccharin is one of the latest and most blatant examples of unnecessary governmental interference. If the Food and Drug Administration has its way, saccharin in foods and beverages will be prohibited.

I am absolutely opposed to such a ban. I strongly support efforts to prevent the prohibition on saccharin from going into effect. To do otherwise would be a flagrant violation of the freedom of choice of Americans.

As most Americans are aware, saccharin is an important food additive. It is used as a sugar substitute by millions of diabetics and overweight persons. In fact, an estimated 10 to 12 million persons in the United States rely upon it as a sweetener. To now outlaw this ingredient would work a major hardship on the people who depend on saccharin.

The importance of saccharin is apparent from the words of the Food and Drug Administration. In announcing its intention to ban saccharin, the FDA said:

> Saccharin is the only artificial sweetener currently approved for use in the United States. At least five million pounds a year are used in food, about three-quarters in diet sodas and the remainder in dietetic foods and as a table top sweetener in place of sugar.

A ban on saccharin would fall especially hard on diabetics. Donald Corning, chairman of the board of the American Diabetes Association, testified that the ban would "cause a disastrous change in the control and lifestyle of the diabetic."

The justification for the proposed ban, moreover, is extremely tenuous. The Food and Drug Administration did not, as you would think, conduct its own separate investigation into saccharin. Instead, it relied upon tests conducted on rats in Canada.

And how those rats were treated. They were given the equivalent of the amount of saccharin that would go into 800 bottles of diet drinks a day. Even the most ardent saccharin user falls well below such tremendous usage levels.

In summary, a ban on saccharin would be extremely unwise. Congress should move immediately to protect the right of Americans to freely use saccharin. It is time to call a halt to this unnecessary and unwarranted governmental intrusion into the personal lives of our citizens.

HONOR ROLL OF SUPPORTERS OF THE NATIONAL CONSUMER CO-OPERATIVE BANK ACT, H.R. 2777

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. ST GERMAIN. Mr. Speaker, the National Consumer Cooperative Bank Act has strong support throughout both Houses and both political parties.

We now have more than 100 cosponsors in the House and 35 in the Senate. In addition, Mr. Speaker, this legislation is supported by one of the broadest coalitions to ever appear before the Banking, Finance, and Urban Affairs Committee. This includes urban groups, rural organizations, all consumer organizations, State and local officials, religious organizations, labor and community development organizations.

Mr. Speaker, I want to place in the RECORD at this point a list of the sponsors in the House and the Senate of H.R. 2777 and S. 1010. This legislation will be on the Floor of the House on Wednesday.

HOUSE COSPONSORS OF CONSUMER CO-OP BANK AND BILL NUMBERS

Clifford Allen (Tenn) 3694.
Frank Annunzio (Ill) 3692.
Les AuCoin (Oregon) 6540.
Herman Badillo (N.Y.) 3692.
Alvin Baldus (Wis) 3693.
Max Baucus (Mont) 3694.
Edward Beard (R.I.) 3692.
Jonathan Bingham (NY) 6540.
James J. Blanchard (Mich) 3694.
Mrs. Lindy Boggs (La.) 3692.
Richard Bolling (Mo.) 3692.
David E. Bonior (Mich) 6540.
William Brodhead (Mich) 6540.

George E. Brown, Jr. (Cal) 3692.
John L. Burton (Cal) 3693.
Phillip Burton (Cal) 6540.
Bob Carr (Mich) 6540.
Shirley Chisholm (NY) 3694.
John Conyers (Mich) 3692.
James C. Corman (Calif) 3692.
Baltasar Corrada (P.R.) 3694.
Norman D'Amours (N.H.) 3694.
George E. Danielson (Cal) 6540.
Ronald Dellums (Calif) 3692.
Butler Derrick (S.C.) 3693.
Charles Diggs, Jr. (Mich) 3693.
Christopher Dodd (Conn) 3693.
Tom Downey (N.Y.) 6540.
Robert F. Drinan (Mass) 3693.
Robert Edgar (Pa) 3692.
Don Edwards (Calif) 3694.
Allen E. Ertel (Pa) 6540.
Walter Fauntroy (D.C.) 3694.
Donald Fraser (Minn) 3693.
Richard Gephardt (Mo.) 3694.
Mark Hannaford (Calif) 3693.
Michael Harrington (Mass) 3692, 6540.
Tom Harkin (Iowa) 3694.
Herbert E. Harris, II, (Va.) 6540.
Augustus Hawkins (Calif) 3694.
Ms. Elizabeth Holtzman (N.Y.) 6540.
Carroll Hubbard (Ky) 3693.
James M. Jeffords (Vt) 3692.
Robert Kastenmeier (Wis) 3693.
John J. LaFalce (N.Y.) 3693.
Robert Leggett (Calif) 6540.
William Lehman (Fla) 3694.
Jim Lloyd (Calif) 3692.
Andrew Maguire (N.J.) 3694.
Edward J. Markey (Mass) 6540.
Romano Mazzoli (Ky) 3693.
Paul McCloskey (Cal) 6540.
Matthew McHugh (NY) 3693.
Stewart McKinney (Conn) 3693.
Ralph Metcalfe (Ill) 3692.
Mrs. Helen Meyner (N.J.) 3694.
Abner Mikva (Ill) 3693.
Ms. Barbara Mikulski (Md) 6540.
George Miller (Calif) 3692.
Norman Y. Mineta (Calif) 6541.
Joseph Minish (N.J.) 3692–3.
Parren Mitchell (Md) 3693.
John J. Moakley (Mass) 3692.
Toby Moffett (Conn) 6541.
John Moss (Cal) new bill.
William S. Moorhead (Pa.) 3692.
Robert N. C. Nix (Pa) 4365, 6541.
Richard Nolan (Minn) 6541.
Mary Rose Oakar (Ohio) 6541.
James Oberstar (Minn) 3693.
Richard Ottinger (NY) 3693.
Leon Panetta (Calif) 6541.
Jerry M. Patterson (Cal) 6541.
Claude Pepper (Fla) 6541.
Melvin Price (Ill) 6541.
Charles Rangel (NY) 3692.
Henry S. Reuss (Wis) 3692–2777.
Frederick Richmond (NY) 3694.
Peter Rodino (N.J.) 3692.
Benjamin Rosenthal (NY) 3694.
Edward Roybal (Cal) 3693.
Fernand J. St Germain (RI) 2777; 3592–3–4; 6540–41.
James Scheuer (NY) 3692.
Patricia Schroeder (Colo) 6541.
John Seiberling (Ohio) 3693.
Paul Simon (Ill) 3692.
Neal Smith (Iowa) 6541.
Stephen Solarz (NY) 6541.
Gladys Spellman (Md) 3693.
Fortney (Pete) Stark (Cal) 6541.
Newton Steers (Md) 3694.
Paul Tsongas (Mass) 3692.
Morris Udall (Ariz) 3694.
Bruce Vento (Minn) 3693.
Henry Waxman (Cal) 3693.
James Weaver (Oregon) 3692.
Tim Wirth (Colo) 6541.
Chalmers Wylie (Ohio) 2777; 3692.
Robert Young (Mo) 6541.
Leo Zeferetti (N.Y.) 3692.

SENATE COSPONSORS OF CONSUMER COOPERATIVE BANK BILL: S. 1010[1]

Wendell Anderson, Minnesota.
James Abourezk, South Dakota.
Birch Bayh, Indiana.
Edward W. Brooke, Massachusetts.
Quentin N. Burdick, North Dakota.
Clifford P. Case, New Jersey.
Frank Church, Idaho.
Alan Cranston, California.
John C. Culver, Iowa.
John A. Durkin, New Hampshire.
Thomas E. Eagleton, Missouri.
Mike Gravel, Alaska.
Gary Hart, Colorado.
Floyd K. Haskell, Colorado.
Mark O. Hatfield, Oregon.
Hubert H. Humphrey, Minnesota.
Henry M. Jackson, Washington.
Jacob K. Javits, New York.
J. Bennett Johnston, Louisiana.
Edward M. Kennedy, Massachusetts.
Patrick Leahy, Vermont.
Charles McC. Mathias, Jr., Maryland.
George McGovern, South Dakota.
Thomas J. McIntyre, New Hampshire.
John Melcher, Montana.
Lee Metcalf, Montana.
Gaylord Nelson, Wisconsin.
James B. Pearson, Kansas.
Claiborne Pell, Rhode Island.
Donald W. Riegle, Jr., Michigan.
Paul Sarbanes, Maryland.
John Sparkman, Alabama.
Robert Stafford, Vermont.
Adlai Stevenson, Illinois.
Harrison A. Williams, Jr., New Jersey.

[1] Republicans in italics.

ASSOCIATE RECALLS GENIUS OF EDISON

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. PEPPER. Mr. Speaker, I have the privilege to reintroduce to the collective memory of this distinguished body today a living link with one of the towering heroes of our American culture, indeed, of the world. As an active associate and friend of Thomas Alva Edison during the last 8 years of that great man's life, George E. Stringfellow, himself one of the Nation's dedicated servants, remains forever closely tied to our Nation's history.

As an active senior citizen of 85 years, George E. Stringfellow was born in Virginia, where he has now returned. Along the way he spent much valuable effort in the State of New Jersey, where Edison had appointed him sales manager of the Storage Battery Division in 1923. After 40 years of dedicated service to that milestone company, he was able to retire as senior vice president, and has since devoted himself to his many civic and charitable interests. At one time or another, George E. Stringfellow has been involved as president of the New Jersey division of the American Cancer Society, of which he is an honorary life member, serving on the board of that distinguished organization; he has also been made an honorary life member of the Academy of Medicine of New Jersey, has given 2 years as chairman of the New Jersey Republican State Finance Committee, served two terms as president of the Chamber of Commerce of the Oranges and Maplewood, has received many citations and citizenship awards, not least of which was a commendation from the Brotherhood of Christians and Jews for bringing about better understanding. He has worked with a New Jersey home of disabled soldiers, served as president of the New York City Kiwanis, and done just far too many more things to recount here.

Another interest, however, is spotlighted today: that is Stringfellow's devotion to the memory of Edison and to the Nation's high esteem of that great genius. Recently I joined in cosponsoring a resolution (H.J. Res. 467), which would highlight Thomas A. Edison's inspiring contribution of over 1,000 useful inventions, and celebrate, upon the occasion of the 100th anniversary of the invention of electric light, that legendary man who helped unite the world by way of technical communication

Today I am truly honored in sharing with my colleagues recent articles which appeared in the Washington Post and in the Miami Herald, in my area, which tell us facts of lasting interest about the man, George E. Stringfellow, who was so closely associated with the great Thomas A. Edison:

[From the Miami Herald]

FRIEND REMEMBERS EDISON, THE LIGHTER

1922: Thomas Alva Edison hires George E. Stringfellow, 28, to be a sales manager of Edison Inc.

Update: The bright young assistant hired by Edison is in his mid-80s now. Time has not dimmed his memories of the man who invented the incandescent electric light and brought one-half of the world out of darkness forever.

Stringfellow, closely associated with Edison during the last eight years of the inventor's life, rose to become executive vice president of the company.

Today, he is a director of crippled children and cancer societies. He also is a director of an appliance company. He is a past imperial potentate of the Shriners.

He still drives an automobile, but he prefers to walk. "The parts of the body rust out faster than they can wear out. A long time ago, I decided I wasn't going to sit around and let them rust out," he says.

So, every other day, he walks the four miles from his Arlington, Va., home to Washington, D.C., and there he meets and chats with friends. His favorite topic: Thomas Alva Edison.

Stringfellow hopes that his telling stories about the inventor might "inspire future Edisons."

For instance, Stringfellow relates that when the boy Edison learned that balloons fly when filled with gas, he persuaded another boy to take a triple dose of a powder that fizzes when it comes in contact with water. Edison's reasoning was that this would fill the boy's stomach with gas, and he too would fly.

The result: no flight, one stomach ache.

Years later, Edison perfected an electric vote-recording machine. He tried to sell it to Congress but was told that such a device was the last thing congressmen wanted. Said one: "It takes 45 minutes for a roll call. In

that time, we can trade votes. Your machine would make that impossible."

The young inventor decided: "I will never again invent anything which nobody wants."

He kept his word, Stringfellow notes. Among Edison's 1,097 inventions were the fluorescent lamp, the phonograph, the fuse, the mimeograph machine, the microphone, motion pictures, gummed tape and waxed paper. And there were all kinds of sockets, switches, conductors, wiring circuits, meters and generators—out of which have grown the electronics and wireless communications industries.

Invention did not come easy to Edison. "Genius is 99 per cent perspiration and 1 per cent inspiration," he explained.

Edison foresaw the atomic bomb: "There will one day spring from the brain of science a machine or force so fearful in its potentialities, so absolutely terrifying that even man, the fighter who will dare torture and death in order to inflict torture and death, will be appalled, and so will abandon war forever. What man's mind can create, man's character can control."

The first half of Edison's prediction already has come true, Stringfellow points out.

Because the inventor was able to see beyond so many horizons on earth, it somehow seems necessary to pay more than passing attention to his final vision. On Oct. 18, 1931, from a large canopied bed in his West Orange, N.J., home, Edison, dying at 84, murmured these last words to his physician: "It is very beautiful over there."

[From the Washington Post, Feb. 11, 1977]

ARLINGTON MAN, 85, RECALLS LEGENDARY INVENTOR EDISON

(By Lynn Darling)

Sitting in his small Crystal City office lined with fading photographs, George E. Stringfellow is miles and years away from West Orange, N.J., where he worked for Thomas Alva Edison during the last eight years of the inventor's life.

The "old man," as his 85-year-old former associate calls him, died in 1931, and today marks the 130th anniversary of Edison's birth. But the years roll back easily for Stringfellow as he recounts the carefully stored stock of anecdotes in the hopes that his stories "will inspire future Edisons."

Glimmers of the man who disdained the title of scientist and called himself a "commercial inventor" show through as Stringfellow, dressed in a blue suit with the diamond pin that identifies him as a past imperial potentate of the Shriners, recalled the first day he met Edison in 1922.

Although Stringfellow had worked in Washington as the manager of the district office of Thomas Edison, Inc., since 1918, he had yet to meet Edison when a call came to report to headquarters in West Orange. "I'd never seen Edison," Stringfellow said. "He was just a name to me."

When he did meet the inventor of the incandescent electric light, Stringfellow recalled, he saw a 73-year-old man "who hadn't shaved in several days, wearing an acid-eaten duster and looking at me with those bright blue eyes of his." The inventor of a thousand modern day necessities "took a squint at me," Stringfellow said, "and I stood at attention." It was then that Edison offered him the job of general sales manager of the storage-battery division.

"I told him I wasn't sure I wanted the position," Stringfellow said. "I said to him, 'Mr. Edison, you fire men quite frequently and at my age (28 at the time) I can't afford to say that I'd been fired by Mr. Edison.'"

Stringfellow thought it over that evening, however, and the next morning, having received assurances of relative job security, he took the position. He remained with Edison, Inc., for 38 years, he said, rising to executive vice president.

Although Stringfellow remembers Edison as having little interest in the financial end of his enterprises, a scrapbook filled with yellowing, handwritten memoranda from the inventor himself testifies to a man who did not keep his mind solely on test tubes and induction coils.

"Stringfellow," reads one of the memos from 1924, "I have not been under any delusions as to our sales force. Every sales manager we have has been a mental moron and I have kicked for years. I am glad you are changing and letting go the dead beats and are forming a well organized sales force."

Another memo followed quickly when Stringfellow made a decision without consulting Edison on a now-unremembered matter. "Stringfellow," reads the hastily scrawled note, "I suggest that as I have about $20 million worth of past experience that a proposal be put to me that has been suggested to ascertain if I know any reason why it shouldn't work. Edison."

Stringfellow knew a hint when he saw one. At the bottom of the note there appears this appendage, followed by Edison's initials: "This is a good idea, and will be done in the future."

The bright young assistant is now an old man himself, and earnestly he spins his stories from the comfort of his office in an elegant 11th floor apartment in Arlington. There are tales of a practical joke played on the inventor when he was working around the clock inventing the phonograph. A breakfast of ham and eggs was ordered around 3 a.m., but the inventor fell asleep before it arrived. His associates, Stringfellow said, substituted a dirty but empty plate for the full one in front of him. When Edison awoke, Stringfellow recalled, Edison looked at the plate, rubbed his stomach, and said, "All right, boys, let's go to work."

In 1928, toward the end of Edison's life, Stringfellow recalled, he asked the inventor to write an article for the company's newsletter. "I'm feeling so bad that my mind refuses to function," came Edison's written reply. "Write what you think it should say and send it over."

Stringfellow realized then, he said, that it was "time to extract everything I could from his mind" for use after Edison died. Every Saturday, he said, he sent Edison a list of questions to answer for use in future emergencies when the inventor wouldn't be there to answer them in person.

One of the questions Stringfellow asked Edison was to "describe the effects upon the life of the Edison cell (battery) due to the presence of the following impurities." About 40 elements are listed on the sheet still in Stringfellow's possession. The only one to receive the clipped answer of "Don't know" was zirconium.

The answers proved invaluable, Stringfellow recalled, six years after Edison's death. In 1937, the company received a shipment of iron ore that contained a quantity of nickel for use in storage batteries. Stringfellow went to the vault where he kept the questionnaires and there was the answer: Nickel would cause no harm. If it had, the plant would have had to close temporarily.

REPUBLICAN NATIONAL HISPANIC ASSEMBLY ADOPTS RESOLUTIONS REFLECTING THEIR VIEWS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. DERWINSKI. Mr. Speaker, the Republican National Hispanic Assembly adopted a number of resolutions at their annual conference held in June, which I wish to insert into the RECORD at this point. These resolutions are self-explanatory and properly reflect the views of the Hispanic community.

The resolutions follow:

RESOLUTION CONDEMNING THE CARTER ADMINISTRATION'S RELAXATION OF RELATIONS WITH CUBA WITH A VIEW TOWARD RECOGNIZING THIS TYRANNICAL REGIME WHICH WILLFULLY VIOLATES THE HUMAN RIGHTS OF ITS CITIZENS

Whereas, The Republican National Hispanic Assembly is totally opposed to violations of human rights; and

Whereas, The Republican National Hispanic Assembly denounces the inherent inhumanity of the communist totalitarian system of Fidel Castro known for torturing and executing its political prisoners; and

Whereas, The Republican National Hispanic Assembly further denounces the little publicized fact of the imprisonment of more than 1,000 political dissentors by the Cuban dictatorship; and

Whereas, The Republican National Hispanic Assembly violently objects to Castro's public acknowledgement that the right of a free press will never be permitted in Cuba; and

Whereas, the Castro dictatorship is actively engaged in acts of armed intervention in countries throughout the world, and is unequivocally committed to intervention and the support of armed revolution in other countries: and

Whereas, the Castro dictatorship's expropriation of more than $2 billion from United States corporations and citizens without due compensation constitutes willful violations of international laws; and

Whereas, despite these blatant violations of human rights and international laws, the democratic administration of President Carter is presently engaged in promoting normalization of relations with this tyrannical regime.

Therefore, be it resolved, that The Republican National Hispanic Assembly condemns the Castro dictatorship, its inhumane treatment of many of its citizens, its armed intervention in the affairs of other countries, its attempts to export the Marxist ideology in the Western Hemisphere and throughout other countries of the world; and

Be it further resolved, that this Hispanic Assembly considers these actions as being contrary to the best interests of the United States; and

Be it further resolved, that The Republican National Hispanic Assembly committed to the American beliefs of freedom, liberty and the pursuit of happiness, considers the Carter Administration's admitted intention to normalize relations with Cuba, a blatant blunder in U.S. Foreign Relations, which is inconsistent with his Administration's policy on human rights.

RESOLUTION CONDEMNING THE TERMINATION OF MILITARY ASSISTANCE TO THE TRADITIONAL, FRIENDLY ALLIES OF THE UNITED STATES, THE COUNTRIES OF LATIN AMERICA

Whereas, The Republican National Hispanic Assembly of the United States believes that the United States should acknowledge and give strong support to its traditional allies and friendly nations; nations which have proven their friendship and support over the years; and

Whereas, the Republic of Nicaragua traditionally has been friendly and has voted and supported United States foreign policies in all international forums and has done much for the betterment and uplifting of the human welfare of its people within the framework of constitutional government and

a two party system which prevails in that country; and

Be it therefore resolved, that The Republican National Hispanic Assembly is in total disagreement with the recent action of the Appropriations Committee of the Congress of the United States in the termination of all military assistance programs to such proven friendly nations as Nicaragua, a country that offers great promise in uplifting the welfare of its people; and

Be it further resolved, that The Republican National Hispanic Assembly expresses its support for whatever appropriate action should be taken by the Carter Administration and the Congress of the United States to immediately re-establish all military assistance programs that have been recently suspended to the traditionally friendly nations in the Western Hemisphere.

RESOLUTION SUPPORTING HUMAN RIGHTS BUT OPPOSING COMMUNIST OPPRESSION

Whereas, The Republican National Hispanic Assembly of the United States is opposed to the violation of basic human rights under any circumstances and by any groups of "liberation fronts" or official institutions; and

Whereas, the Assembly denounces vigorously the constant violation of human rights by the various Marxist-revolutionary fronts in the various countries of the world, specifically in Latin America and Africa, where without any justification the so-called "freedom movement forces" are attempting to overthrow the existing governments, whatever the nature of those governments, to impose their own brand of totalitarian dictatorship, and in so doing are perpetrating some of the most horrendous crimes against humanity, such as kidnapping, assassinations, blackmail, extortion, torture, executions against representatives of what they call the Establishment.

Be it therefore resolved, that it must be recognized that these Marxist-revolutionary movements, led by Cuba in the Western Hemisphere and in Africa, affect the security and the rights of other countries to live in peace and for their people to live normal lives without the constant threat of these so-called "liberation movements".

Be it further resolved, that the United States should denounce vigorously Marxist-oriented efforts to overthrow established governments, particularly when those governments are guaranteeing the safety and the rights of life of their people. At the same time the United States should promote respect for basic human rights of the people of all countries.

INTERNATIONAL INTEREST IN GENETIC RESEARCH

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. TEAGUE. Mr. Speaker, it may soon be necessary for the Members of this body to consider the need for enactment of legislation on an issue which has aroused an unusual degree of controversy in both scientific and public discussions. The new ability to manipulate experimentally the basic genetic material of a cell—known as deoxyribonucleic acid or DNA—has produced a science and public policy issue of considerable importance. DNA recombinant molecule research, which is what one of these new techniques of genetic manipulation is called, has been under examination as a potential public policy issue for several years and is finally being addressed in proposed Federal legislation. It is clear that the policy implications are not going to be resolved easily.

DNA recombinant molecule research is being encouraged by proponents for the potential benefits it appears to offer, such as the biological production of a pure form of insulin and other drug products, for its potential contribution to basic biological knowledge, and for other practical applications in agriculture and industry. At the same time, a potential risk to the public health and the environment, as well as philosophical problems dealing with the social aspects of the technique, are being cited by opponents of the research.

The fact that there are so many unknown factors which must be estimated means that society, and the Congress, must exert a considerable effort to maintain a high level of awareness about the DNA recombinant molecule issue and to be prepared to take the best actions determined to be necessary. My statement today is in part a request that the Members become familiar with this issue before it reaches the House for consideration in the form of legislation.

Few developments in biological research have aroused such widespread and truly international debate as the DNA recombinant molecule research issue. I noted this fact during a recent official visit to France when the topic became a part of our policy discussion. I believe that the Members of the House should be aware that most of the nations in Western Europe are engaged in the same task with which we are struggling in the United States; namely: How are we to permit the continuation of biological research using DNA recombinant techniques which scientists tell us offers such great potential benefits to society and at the same time insure that applications of this new knowledge do not place our citizens or the environment in some unexpected jeopardy? Should Federal regulation preempt local regulation? How should responsibilities be assigned? What form should the regulating body assume? How much regulation is required? What authorities need to be assigned by legislation?

There are now at least five major organizations trying to coordinate this international debate. These include the World Health Organization—WHO; the International Council of Scientific Unions—ICSU; the European Molecular Biology Organization—EMBO; the European Science Foundation—ESF; and the European Commission of the European Economic Communities.

Some sort of advisory or voluntary organizational structure for review of DNA research now exists in most Western European countries, and Canada, Australia, and Japan are involved in these debates. Some of these countries, as in the United Kingdom, have established formal organizations such as their Genetic Manipulation Advisory Group—GMAG—and these groups review the proposed research protocols and determine whether the recombinant research should proceed. Research guidelines very similar to the guidelines developed by our National Institutes of Health are utilized to provide direction. As in the United States, except for Government-funded research, participation by submittal of projects for review and acceptance of the guidelines is mostly voluntary. The Netherlands and Sweden are considering the need for special legislation just as we may be required to decide here in the House in the near future. The United Kingdom is taking action to secure legal compliance with regulations established by its Health and Safety Commission. In all of these actions, the Western European nations are watching our proposed legislative activity with great interest.

It is important that we all realize that the DNA recombinant research issue cannot be dealt with in isolation from the rest of the world. Just as it is necessary for the Congress to evaluate the relative merits of permitting potentially different sets of State and local regulations to emerge as contrasted with Federal preemption of State and local option, the Western European nations are beginning to see the international implications of different national rules and guidelines.

Scientific research capabilities are no longer confined within national barriers. The international diversification of our large commercial firms, particularly the drug firms, has eliminated such limitations if indeed they ever existed. We need to evaluate the information being made available from the debates in this country and abroad and determine the full implications of any of our decisions before we enact legislation in this area. Fortunately, these debates on genetic manipulation are occurring in the formative stages of public policy. We have a unique opportunity to make sound decisions if we can muster the attention to detail required to sort out the facts from the conjecture. The House Science and Technology Committee, Subcommittee on Science, Research, and Technology has already devoted a series of hearings to the science policy implications of this issue, and the record of these hearings will soon be available for your study.

I believe that the DNA recombinant molecule research issue has many implications for science policy which extend beyond the immediate task of regulating a specific type of genetic manipulation. I urge the Members to become familiar with this issue before we must make a decision on any legislation which may come before us. The House Science and Technology Committee has had prepared an informative background report for the Members which can be obtained by contacting the committee for copies—Genetic Engineering, Human Genetics, and Cell Biology. Evolution of Technological Issues. DNA Recombinant Molecule Research [Supplemental Report II] December 1976. The Congressional Research Service has prepared an issue brief which is available on this topic and which they can provide on request. Their

issue brief provides current information on the status of legislative actions being considered in the Congress and cites other sources of information. I offer the services of my office to any Member who desires additional information and I assure you that this issue will have my own continuing attention. This is an issue of worldwide interest in which once again the actions of the United States are the center of attention and will have a far-reaching impact on world decisions.

BREEDER REACTOR PROJECT

HON. PAUL E. TSONGAS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. TSONGAS. Mr. Speaker, the House will soon start debate on the Clinch River Breeder Reactor project. The issues involved range from international politics to national resource estimates. The future of the world's nuclear dependence and the course of our domestic nuclear energy policy is at stake.

A Boston Globe editorial on Saturday, June 25, 1977, presents a reasoned overview of the complexities involved. I place this article in the RECORD to aid in the coming debate:

THE CLINCH RIVER SHOWDOWN

President Carter's effort to restrain worldvide the development of advanced technology that has the capacity to produce materials for making nuclear weapons is essentially an exercise in international jawboning. A vote by Congress, over the President's strong objections, to continue development of the Clinch River nuclear breeder reactor would pull the teeth out of that effort.

Carter's attempts to rein in the development of breeders and nuclear reprocessing plants have been greeted with considerable skepticism among our allies in West Germany, France and Japan. Many in those countries view his pledge to guarantee them uranium for conventional reactors if they forego development of more advanced technology, with its bomb-making potential, as a sly attempt to gain dominance over their economies. Given the root cause of our own energy problems—undue reliance on foreign energy sources—their suspicions are certainly understandable, if unfounded.

Thus, to proceed now with the development of the fullscale prototype breeder reactor at Clinch River, while trying to impress upon our allies the wisdom of the opposite policy, would almost certainly doom the Carter initiative. It would be a clear signal to the world that the United States has embarked upon the commercial exploitation of the plutonium fuel produced by the breeders and essential to the making of nuclear bombs.

Given the incomparable risks to mankind of the proliferation of nuclear weaponry, the development of breeder reactors could be justified only in the most dire circumstances, when a failure to proceed threatened the very future of the nation. In the case of the Clinch River project that is emphatically not the case.

There is no evidence that the United States is about to run out of uranium for conventional reactors. In fact, a study by the Mitre Corp., financed by the Ford Foundation, has suggested the U.S. could safely and wisely postpone development of the breeder, which produces its own fuel, until at least the year 2025.

And, the study concludes, that delay could be made without any severe impact on the nation's economy or on the development of breeder technology itself. It will be years before a breeder reactor is economically superior to conventional light water reactors, and a delay in the production of the first prototype will, in fact, give time to improve its design and efficiency.

The sense of urgency that until recently surrounded the American effort to develop a protoype for commercially produced breeders at Clinch River has been a major factor in heightening foreign interest in breeders. A policy reversal in the U.S. now may well slow foreign development efforts.

The House is expected to vote next week on a committee recommendation to appropriate $150 million to keep the Clinch River project alive. It should reject that recommendation and demonstrate to the world that the U.S. is truly interested in halting the spread of nuclear armaments.

VERY REV. WILLIAM BASIL OLYNYK, M.A., D.D., PASTOR OF STS. PETER AND PAUL UKRAINIAN ORTHODOX CHURCH, TO BE HONORED AT SILVER JUBILEE BANQUET

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1977

Mr. CARNEY. Mr. Speaker, on Saturday, September 11, 1977, the parishioners of Sts. Peter and Paul Ukrainian Orthodox Church in Youngstown, Ohio, will honor their pastor, the Very Reverend William Basil Olynyk, M.A., D.D., on the occasion of his silver jubilee as pastor. The banquet will be held at the Ukrainian Orthodox Center, 1025 North Belle Vista Avenue, Youngstown.

William Olynyk, son of Ukrainian immigrants John and Anna Olvnvk, was born on February 17, 1917, in Goodeve Saskatchewan, Canada. He attended local public schools. In 1934, he graduated from high school at St. Joseph's College, Yorkton, Saskatchewan. In the fall of the same year, he entered the Basilian Fathers' Monastery and Scholasticate to study for the priesthood. He lived there as a full-time student until the fall of 1940. The scholasticate at that time was located in Mundare, Alberta.

Moving to eastern Canada in December of 1940, William Olynyk joined the jurisdiction of the Ukrainian Orthodox Church under Bishop Bohdan Shpilka and the Ecumenical Patriarch of Constantinople. On July 13, 1941, William married Doris Golonsky in Hamilton, Ontario. On July 20, 1941, Bishop Bohdan ordained him to the priesthood in Detroit, Mich., and shortly thereafter assigned him to a newly organized parish in Oshawa, Ontario. Father Olvnyk served as parish priest and as church and language teacher at St. John's Church in Oshawa, until the end of 1950. During his stay in Oshawa, he furthered his education in psychology, pastoral psychotherapy and comparative religions at Great Lakes College in Detroit, Mich., where he earned the degrees of B.A. and B.D. on June 1, 1946. During that period, three sons—Roman, Zenon, and Ivan—were born to William and Doris.

Early in 1951, Father Olynyk was invited to come to the United States, where there was a shortage of clergy. His first charge in this country was the Holy Assumption Church in Passaic, N.J. His wife and sons came to the United States with him. In September 1952, he was appointed pastor of Sts. Peter and Paul Church in Youngstown, Ohio, by Archbishop Mstyslav and the Consistory of the Ukrainian Orthodox Church of the USA.

In the fall of 1951, Father Olynyk was invited to teach social science at Youngstown University on a part-time basis. He continued to do so until the end of the spring quarter in 1969. In the meantime, he had enrolled at the graduate school at Dubuque University in Dubuque, Iowa, where he took summer courses for a total of 15 semester hours in sociological studies. On April 15, 1966, he was awarded the doctor of divinity degree by the Evangelical College and Seminary of the Pacific Western University, with the approval of the late Metropolitan John, primate of the Ukrainian Orthodox Church in the USA. On October 8, 1967, the bishops of the church raised Father Olynyk to the dignity of mitered archpriest.

In the summer of 1969, Father Olynyk enrolled as a student in the history dent office of the Government submitting repartment of the graduate school of Kent State University. On June 10, 1972, he was awarded the master of arts degree by KSU. He also completed many additional hours for his Ph. D. degree, and he had been asked by his professors to complete his studies at Kent State. As of this date, he has not decided whether to do so. He feels that living and working with people in a parish is more rewarding than anything else.

During his stay at Sts. Peter and Paul Church in Youngstown, Father Olynyk has baptized 383 children—as of June 19, 1977—joined 160 couples in marriage, and laid to rest 336 individuals.

Mr. Speaker, I want to take this opportunity to extend my sincere and heartfelt congratulations, and best wishes, to Father William Basil Olynyk on the occasion of his silver jubilee as pastor of Sts. Peter and Paul Ukrainian Orthodox Church. I also want to commend him for his outstanding and dedicated service to our community. When his many friends and well-wishers join in honoring him, I will most assuredly be there.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily

Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, July 12, 1977, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 13

8:00 a.m.
*Judiciary
Penitentiaries and Corrections Subcommittee
To hold hearings on S. 1682, to implement the treaties with Mexico and Canada on the execution of penal sentences.
6226 Dirksen Building

9:00 a.m.
Environment and Public Works
To consider proposed amendments to the Water Pollution Control Act.
4200 Dirksen Building

9:30 a.m.
Energy and Natural Resources
To consider provisions relating to power sources of new facilities contained in S. 977, the coal conversion bill, and S. 701 and part C of S. 1469, the National Energy Act, regarding energy conservation in schools.
3110 Dirksen Building

Finance
International Trade Subcommittee
To hold hearings to examine the current state of U.S. agricultural trade and possible means by which agricultural exports might be increased.
2221 Dirksen Building

Judiciary
Criminal Laws and Procedures Subcommittee
To hold hearings to examine the alleged restrictions against law enforcement intelligent operations.
2228 Dirksen Building

Select Indian Affairs
To hold hearings on S. 1560, proposed Siletz Indian Tribe Restoration Act.
457 Russell Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Rural Development Subcommittee
To hold hearings on energy needs in rural areas.
322 Russell Building

Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on legislation to amend the Truth in Lending Act, including S. 1312 and S. 1501.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on S. 1381, setting standards for State no-fault benefit plans to compensate motor vehicle accident victims.
5110 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To hold oversight hearings on the international telecommunications system.
235 Russell Building

Foreign Relations
To review the operation and effectiveness of the War Powers Resolution of 1973.
4221 Dirksen Building

Human Resources
To consider S. 1750, Saccharin Study, Labeling, and Advertising Act, and other committee business.
Until 11:30 a.m. 4232 Dirksen Building

Joint Economic
Economic Growth and Stabilization Subcommittee
To continue oversight hearings on Federal income tax policies.
318 Russell Building

Rules and Administration
To hold hearings on and to consider sundry legislative and administrative business.
301 Russell Building

Select Indian Affairs
To hold oversight hearings on the current organization of the Bureau of Indian Affairs, Department of the Interior.
1114 Dirksen Building

10:30 a.m.
Judiciary
To hold a business meeting.
2300 Dirksen Building

11:00 a.m.
Armed Services
Research and Development Subcommittee
To hold hearings on and to consider the nominations of: Walter B. LaBerge, of Virginia, to be Under Secretary of the Army; Hans M. Mark, of California, to be Under Secretary of the Air Force; and Antonia H. Chayes, of Massachusetts, to be an Assistant Secretary of the Air Force.
212 Russell Building

2:30 p.m.
Select Intelligence
Collection, Production, and Quality
To hold a closed business meeting.
H-403, Capitol

JULY 14

8:00 a.m.
*Judiciary
Penitentiaries and Corrections Subcommittee
To continue hearings on S. 1682, to implement the treaties with Mexico and Canada on the execution of penal sentences.
6226 Dirksen Building

9:00 a.m.
Environment and Public Works
To continue to consider proposed amendments to the Water Pollution Control Act.
4200 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To receive a report from the National Commission on Supplies and Shortages on materials policy research and development.
5110 Dirksen Building

Energy and Natural Resources
To continue consideration of provisions relating to power sources of new facilities contained in S. 977, the coal conversion bill, and S. 701 and part C of S. 1469, the National Energy Act, regarding energy conservation in schools.
3110 Dirksen Building

Governmental Affairs
To hold hearings on the nomination of John M. Ferren, to be an associate judge of the Superior Court of the District of Columbia.
3302 Dirksen Building

Human Resources
Handicapped Subcommittee
To continue hearings on proposed extension of the Vocational Rehabilitation Act of 1973, Education of Handicapped Children Act, and S. 1596, to establish a National Center for the Handicapped.
6202 Dirksen Building

Judiciary
Antitrust and Monopoly Subcommittee
To hold hearings jointly with Human Resources Subcommittee on Health and Scientific Research on the cost of drugs.
4232 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Rural Development Subcommittee
To continue hearings on energy needs in rural areas.
322 Russell Building

Banking, Housing, and Urban Affairs
To consider recommendations to the Committee on Energy and Natural Resources on energy conservation in residential areas as contained in part A of S. 1469, the proposed National Energy Act, and S. 1397, to increase the size of the Board of Directors of the Federal National Mortgage Association.
5302 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the international telecommunications system.
457 Russell Building

Finance
International Trade Subcommittee
To hold hearings on numerous tariff bills.
2221 Dirksen Building

Foreign Relations
To review the operation and effectiveness of the War Powers Resolution of 1973.
4221 Dirksen Building

Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings to examine the current quality of education in elementary and secondary schools.
Until 12:30 p.m. 1318 Dirksen Building

2:00 p.m.
*Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on the auto fuel economy section of S. 1469, proposed National Energy Act.
5110 Dirksen Building

2:30 p.m.
Human Resources
Health and Scientific Research Subcommittee
To mark up S. 1391, proposed Hospital Cost Containment Act.
Until 3:30 p.m. 4232 Dirksen Building

JULY 15

9:00 a.m.
Environment and Public Works
To continue to consider proposed amendments to the Water Pollution Control Act.
4200 Dirksen Building

9:30 a.m.
Energy and Natural Resources
To continue consideration of provisions relating to power sources in new facilities contained in S. 977, the coal conversion bill, and S. 701 and part S of S. 1469, the National Energy Act, regarding energy conservation in schools.
3110 Dirksen Building

Judiciary
Improvements in Judicial Machinery Subcommittee
To resume hearings on S. 1819, the proposed Federal Criminal Diversion Act.
2228 Dirksen Office Building

Veterans' Affairs
To consider pending calendar business.
412 Russell Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices Subcommittee
To resume hearings on transportation problems affecting agriculture, forestry, and rural development.
322 Russell Building

Banking, Housing, and Urban Affairs
To hold hearings on the nomination of Robert H. McKinney, of Indiana, to be a member of the Federal Home Loan Bank Board.
5302 Dirksen Building

Commerce, Science, and Transportation
To resume hearings on S. 1185, to regulate interstate commerce with respect to parimutuel wagering on horseracing.
5110 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To resume hearings on S. 1381, setting standards for State no-fault benefit plans to compensate motor vehicle accident victims.
6226 Dirksen Building

Finance
Social Security Subcommittee
To resume hearings on proposals for maintaining the financial soundness of the Social Security system.
2221 Dirksen Building

Foreign Relations
To review the operation and effectiveness of the War Powers Resolution of 1973.
4221 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To hold hearings on the present status of the Department of Labor Task Force investigation of the Teamsters Central States Pension Fund.
3302 Dirksen Building

10:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To resume hearings to examine whether the President's proposed financial reporting system by energy industries will permit an assessment of the state of competition within such industries.
4232 Dirksen Building

JULY 18

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on the nomination of Robert H. McKinney, of Indiana, to be a member of the Federal Home Loan Bank Board.
5302 Dirksen Building

Commerce, Science, and Transportation
To continue hearings on S. 1381, setting standards for State no-fault benefit plans to compensate motor vehicle accident victims.
5110 Dirksen Building

Finance
Public Assistance Subcommittee
To resume hearings on H.R. 7200, dealing with the programs of supplemental security income, social services, child welfare services, aid to families with dependent children, and child support.
2221 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on the present status of the Department of Labor Task Force investigation of the Teamsters Central States Pension Fund.
1114 Dirksen Building

Select Small Business
To resume hearings on administrative reporting and investment policies under the Employees Retirement Income Security Act; S. 285, diversification of investment of private pension fund assets; S. 901, to eliminate dual Treasury and Labor Department jurisdiction of ERISA; and S. 1745, to facilitate the establishment of employee retirement plans by small businesses.
424 Russell Building

JULY 19

8:00 a.m.
Agriculture
Agricultural Research and General Legislation Subcommittee
To resume hearings on the Federal Government's role in food safety and quality.
322 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To review a report from the National Commission on Supplies and Shortages on materials policy research and development.
5110 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To resume hearings on biomedical research programs.
Until 1 p.m. 4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 1542, to extend to September 30, 1979, the Council on Wage and Price Stability.
5302 Dirksen Building

Budget
To hold hearings on the Second Congressional Budget Resolution for fiscal year 1978.
357 Russell Building

Finance
Public Assistance Subcommittee
To continue hearings on H.R. 7200, dealing with the programs of supplemental security income, social services, child welfare services, aid to families with dependent children, and child support.
2221 Dirksen Building

Foreign Relations
To hold hearings on the following five tax treaties: Convention with Israel (Exec. C, 94th Cong., 2nd sess.); Convention with Egypt (Exec. D, 94th Cong., 2nd sess.); Convention with the United Kingdom (Exec. K, 94th Cong., 2nd sess.); Convention with the Republic of Korea (Exec. P, 94th Cong., 2nd sess.); and Convention with the Republic of the Philippines (Exec. C, 95th Cong., 1st sess.).
4221 Dirksen Building

2:30 p.m.
Foreign Relations
To resume hearings on proposed Threshold Test Ban and Peaceful Nuclear Explosions Treaties with the U.S.S.R. (Exec. N, 94th Cong, 2nd sess.).
4221 Dirksen Building

JULY 20

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To continue hearings on biomedical research programs.
Until 1 p.m. 4232 Dirksen Building

Veterans' Affairs
To consider pending calendar business.
412 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 1542, to extend to September 30, 1979, the Council on Wage and Price Stability.
5302 Dirksen Building

Budget
To continue hearings on the Second Congressional Budget Resolution for fiscal year 1978.
357 Russell Building

Commerce, Science, and Transportation
To resume hearings on S. 1381, setting standards for State no-fault benefit plans to compensate motor traffic accident victims.
5110 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 1162, to repeal section 222 of the Communications Act of 1934, which governs the inter-relationship among communications common carriers providing international record services.
235 Russell Building

Foreign Relations
To hold hearings on the following five tax treaties: Convention with Israel (Exec. C. 94th Cong., 2nd sess.); Convention with Egypt (Exec. D. 94th Cong., 2nd sess.); Convention with the United Kingdom (Exec. K. 94th Cong., 2nd sess.); Convention with the Republic of Korea (Exec. P. 94th Cong., 2nd sess.); and Convention with the Republic of the Philippines (Exec. C. 95th Cong., 1st sess.).
4221 Dirksen Building

JULY 21

9:30 a.m.
Commerce, Science, and Transportation
To hold oversight hearings on the Railroad Revitalization Act of 1976 (P.L. 94-210) and amendments proposed thereto.
5110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up S. 1594 and H.R. 5959, to revise and extend the Renegotiation Act.
5302 Dirksen Building

Budget
To continue hearings on the Second Congressional Budget Resolution for fiscal year 1978.
357 Russell Building

Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 1162, to repeal section 222 of the Communications Act of 1934, which governs the interrelationship among communications common carriers providing international record services.
235 Russell Building

Foreign Relations
To continue hearings on proposed Threshold Test Ban and Peaceful Nuclear Explosions Treaties with the U.S.S.R. (Exec. N, 94th Cong., 2nd sess.)
4221 Dirksen Building

JULY 22

8:00 a.m.
Judiciary
Separation of Powers Subcommittee
To hold hearings on the disposition of U.S. holdings in the Panama Canal Zone.
6202 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider the nomination of Robert H. McKinney, of Indiana, to be a member of the Federal Home Loan Bank Board, and H.R. 5675, to authorize the Treasury Department to make short-term investments of any portion of its excess operating cash balance.
5302 Dirksen Building

*Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 1077, to assure that essential maritime transportation is provided to Alaska, Hawaii, and certain U.S. territories.
5110 Dirksen Building

JULY 25

9:00 a.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on estate and gift tax problems arising from the Tax Reform Act of 1976.
2221 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
To resume oversight hearings on the Railroad Revitalization Act of 1976 (P.L. 94–210) and amendments proposed thereto.
5110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 1724, to establish a Neighborhood Reinvestment Corporation.
5302 Dirksen Building

JULY 26

8:00 a.m.
Judiciary
Ad Hoc Subcommittee
To hold hearings on S. 1503, to provide for the payment of losses incurred as a result of the ban on the use of the chemical Tris in apparel and fabric.
2228 Dirksen Building

9:30 a.m.
*Human Resources
Health and Scientific Research Subcommittee
To resume oversight hearings on the cost of drugs.
Until 12:30 p.m. 6202 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To resume mark up of H.R. 5294, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building

Foreign Relations
To hold hearings on protocol to the Convention on International Civil Aviation (Exec. A, 95th Cong., 1st sess.), and related protocols (Exec. B, 95th Congress, 1st sess.)
4221 Dirksen Building

JULY 27

9:00 a.m.
Veterans' Affairs
Health and Readjustment Subcommittee
To hold oversight hearings on a study by the National Academy of Science on health care for American veterans.
6226 Dirksen Building

9:30 a.m.
*Human Resources
Health and Scientific Research Subcommittee
To continue oversight hearings on the cost of drugs.
Until 12:30 1318 Dirksen Building
Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on the role of the halfway house in the rehabilitation of alcoholics.
Until noon 1202 Dirksen Building

JULY 28

10.00 a.m.
Banking, Housing, and Urban Affairs
To mark up S. 695, to impose on former Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building
Foreign Relations
To resume hearings on proposed Threshhold Test Ban and Peaceful Nuclear Explosions Treaties with the U.S.S.R. (Exec. N. 94th Cong, 2nd sess.)
4221 Dirksen Building

JULY 29

10:00 a.m.
Budget
To mark up Second Congressional Budget Resolution for fiscal year 1978.
357 Russell Building

AUGUST 1

10:00 a.m.
Budget
To continue mark up of Second Congressional Budget Resolution for fiscal year 1978.
357 Russell Building

AUGUST 2

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To resume oversight hearings on the effectiveness of antitrust laws enforcement.
2226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up S. 1664–1669, to amend in several regards the law as it pertains to Federal regulation of financial institutions.
5302 Dirksen Building
Budget
To continue mark up of Second Congressional Budget Resolution for fiscal year 1978.
357 Russell Building
Judiciary
Administrative Practice and Procedure Subcommittee
To hold hearings on S. 1792, to amend the Administrative Conference Act.
6202 Dirksen Building

AUGUST 3

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust laws enforcement.
2226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue mark up of S. 1664–1669, to amend in several regards the law as it pertains to Federal regulation of financial institutions.
5302 Dirksen Building

AUGUST 4

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust laws enforcement.
2226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up S. 1542, to extend to September 30, 1979, the Council on Wage and Price Stability, and S. 1724, to establish a Neighborhood Reinvestment Corporation.
5302 Dirksen Building

AUGUST 23

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on the dimension of national debts and payments deficits, and the outlook for the future.
5302 Dirksen Building

AUGUST 24

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To continue hearings on the dimension of national debts and payments deficits, and the outlook for the future.
5302 Dirksen Building

SEPTEMBER 8

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on automatic auto crash protection devices.
5110 Dirksen Building

SEPTEMBER 9

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on automatic auto crash protection devices.
5110 Dirksen Building

SEPTEMBER 21

9:30 a.m.
Veterans' Affairs
To hold hearings on S. 364, Veterans' Administration Administrative Procedure and Judicial Review Act.
Until 1 p.m. Room to be announced

SEPTEMBER 28

10:00 a.m.
Veterans' Affairs
To receive legislative recommendations from representatives of the American Legion.
412 Russell Building

CANCELLATIONS

JULY 13

9:30 a.m.
Human Resources
Handicapped Subcommittee
To continue hearings on proposed extension of the Vocational Rehabilitation Act of 1973, Education of Handicapped Children Act, and S. 1596, to establish a National Center for the Handicapped.
1318 Dirksen Building

SENATE—*Tuesday, July 12, 1977*

(Legislative day of Wednesday, May 18, 1977)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. DICK CLARK, a Senator from the State of Iowa.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, we thank Thee for this Nation, created according to Thy will and kept by Thy providence. Make us a people worthy of our heritage.

Bless all who serve in the Government at this time. Quicken their minds that they may lay hold upon the truths of the Gospel. Surround them with Thy love. Fill them with Thy grace. Discipline their emotions. Claim them for Thine own. Fire them with a holy zeal for righteousness and justice that they may seek first Thy kingdom. And may they be given the peace which the world cannot give nor take away.

Through Jesus Christ, our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 12, 1977.

To the Senate:

Under the provisions of rule I, section 3 of the standing rules of the Senate, I hereby appoint the Honorable DICK CLARK, a Senator from the State of Iowa, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. CLARK thereupon assumed the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of yesterday, Monday, July 11, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the remainder of the 1st session of the 95th Congress, the Ethics Committee be authorized to meet at any time during the sessions of the Senate. This would put the Ethics Committee in the same category as the Appropriations Committee and the Budget Committee now enjoy.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—the majority leader and I have discussed this matter previously, and I fully agree with his request.

I take this opportunity, however, to say that earlier the majority leader had indicated that he would not freely request unanimous consent for committees to meet after the July 4 recess, except on energy matters and other important matters. At that time, I indicated that I was fully in accord with that view, that we should metabolize the work already done by the committee system, other than in the energy field and other important and urgent areas.

I say to the majority leader that I would be agreeable to some sort of unanimous consent for committees to meet for the remainder of this session, as it relates to energy matters, and I will try to work out an agreement with him in that respect. But I reiterate now what I said at the time he first suggested this matter: I felt that committee work, other than energy-related or other special circumstance legislation—urgent, important legislation—should not occur at this point.

Mr. ROBERT C. BYRD. I agree.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered

Mr. ROBERT C. BYRD. Mr. President, I announced a month ago to the Democratic Conference that consent would not be given freely to committees to meet during the sessions of the Senate after July 11, except those committees that deal with energy matters and other legislation that is considered to be "must" legislation. The announcement has been repeated from time to time.

I first brought the matter up in the meeting of the chairmen prior to the Democratic Conference, and I discussed it with the chairmen. Subsequent to that and prior to the Democratic Conference, I also brought the matter up in the Policy Committee and discussed it there.

So the matter has been amply publicized, but I continue to receive requests. For example, I have a request on my desk today—for which I will not seek consent—asking unanimous consent that all committees be authorized to meet during the session of the Senate today. I have asked my staff to stop putting that memorandum on my desk. I do not intend to ask for all committees to meet during Senate sessions. There has to be a time when we begin to act as though we meant what we said when we indicated that we were going to do everything we possibly could to adjourn this session of Congress in October.

For the record, may I say that that was not my decision alone. It was not my decision alone that Congress adjourn in October. This was a decision worked out between the leadership of both Houses, and between the leaders in the Senate, and between the leadership of Congress and the White House. Everyone is on notice, and it was a joint decision.

Whether it is the 8th, or the 7th, or the 9th, or the 10th, or the 15th, or the 22nd, I still think we can adjourn in October, if we are able to proceed in a systematic and methodical way. That is what we are attempting to do. As of today we are on schedule. But it is going to depend in the long run, in great measure, on the extent to which the other body is able to get over to the Senate the energy legislation.

The Finance Committee of the Senate cannot proceed, to any considerable degree, with its work on the tax aspects of the energy package until the measure comes over from the other body. So far as the leadership in this body is concerned, every effort is being made to deal with the energy legislation and to deal with other "must" legislation, such as, for example, the water pollution bill or the minimum wage bill—I consider that to be a necessary piece of legislation—or the black lung bill. Not everyone may agree with me in that. There are measures that should be disposed of, in my opinion.

So far as committee meetings are concerned, we have given ample notice. I will continue to attempt to obtain consent for committees to meet only when, in the judgment of the joint leadership, it is on a matter that has to be disposed of before the Senate adjourns.

So I thank the distinguished minority leader for making reference to our previous discussion on giving standing consent, for the remainder of the session, to those committees that deal with energy, so that they will be under no doubt that they can meet.

As to the other committees, we will have to deal with them on an ad hoc basis. They understand that under the Stevenson resolution they can meet the first 2 hours of the session without consent. I urge them, therefore, to schedule their meetings accordingly, because that is the only way I think we can handle this situation in an appropriate and systematic manner. Otherwise, committees will continue to meet until October and will continue to grind out legislation that will not pass the Senate this year, perhaps not even pass next year.

For the first 5 months of the year, we held floor sessions to a minimum. The Senate did not convene until the afternoon any more than we had to, with the understanding that the committees would take advantage of those days to meet.

That time is past, and we have to do the floor work now.

I am glad the minority leader has triggered this statement, because I feel that I have to say it again, so that committees and Members will understand that committee meetings will have to be scheduled at times other than when the Senate is meeting or only during the first 2 hours, unless they can make a case for the legislation that is being handled in committees.

Mr. BAKER. Mr. President, I thank the majority leader for his additional information in that respect.

I only add to his remarks my concern in this respect, which I have stated previously.

I will be happy to confer with the majority leader and to consider requests

for committees to meet during the sessions of the Senate, if and when that is necessary.

I would hope those requests would be made sparingly, and that the remainder of this session of the Senate, as the majority leader has indicated, will be devoted primarily to legislative activity on the floor of the Senate.

Mr. ROBERT C. BYRD. I think, for the information of the committees, as a general statement I could say that the Senate will be coming in around 10 o'clock every day from here on out. This may have to vary. There may be days when we will have to come in at 9, and days we will not have to come in as early as 10. But, as a general policy, committees can count on the Senate coming in at 10, which would mean they could meet until 12. But that policy will vary. We have to deal with the situation from day to day as we find it.

Mr. BAKER. I thank the majority leader.

The ACTING PRESIDENT pro tempore. The Chair recognizes the minority leader.

COMMENCEMENT ADDRESS BY CHRISTIAN A. HERTER, JR.

Mr. BAKER. Mr. President, several days ago I received a copy of a commencement address delivered recently by the honorable Christian A. Herter, Jr. to the American College of Switzerland. No stranger to most in this Chamber, Mr. Herter has enjoyed a long and distinguished career as a lawyer, a businessman, a diplomat, and most recently as the Assistant Administrator of the Agency for International Development.

In his address to a graduating class in which 40 different nations were represented, Mr. Herter gives a most enlightened appraisal of the predicament confronting the community of nations. He describes the vast and dramatic changes in the nature of the interrelationships among nations that have occurred in only a generation—changes created primarily by problems global in scope and for which the solutions must also be global.

As a concise description of the problems and promises of an interdependent world, I have seen no better. I commend this address, therefore, to the attention of my colleagues and ask unanimous consent it be printed in its entirety in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD. as follows:

THE CHALLENGE OF A COMPLEX WORLD

I'm delighted to be with you today, in this beautiful place, at this very distinguished college, and to be able to participate in commencement exercises with students from so many parts of the world. That I should have been chosen to receive an honorary degree is particularly flattering; needless to say, I'm very proud.

In thinking about my address today, I was reminded of the baccalaureate speaker who was sitting behind the stage, worrying about what he was going to say to the young men and women out there in the audience.

His eye drifted up to the door that led onto the stage before which all the assembled multitude had gathered; and on the door was written P–U–S–H. That gave him a brilliant idea. He marched up the steps, pushed open the door, strode out on the stage, and there delivered a magnificent oration on the need for push and drive in this world. As a concluding gesture, without turning around, he announced that there on the door written in four letters was the word you need to get along in life. On the door was written P–U–L–L!

I don't intend today to drown you in inspirational banalities; I would simply like to share some thoughts with you.

The opening paragraph of your 1977–78 Catalogue struck me as particularly appropriate. It says, "The American College of Switzerland, a college of liberal arts and international business administration, is dedicated to the preparation of students for a future of complex ideas and rapidly changing environment, for a world where international cooperation has become a condition of survival."

This statement eloquently capsulizes the essence of my remarks today. When I graduated from college, I would not attend my commencement exercises. I was already embarked on what I hope will be my one and only military career. Other than going to war, I had no choice as to my future.

Today, 35 years later, your choices are, in a sense, infinite. The world is smaller, more crowded, and far more complicated. The environment in which we all live has changed profoundly. Whatever you men and women choose to do—government service, the professions, private enterprise, the sciences, or no specific career—the opportunities for your generation are enormously challenging and exciting.

Today I'd like to review with you some of the new horizons in the field of international relations, an area to which I have been exposed for many years. And I will speak of some of the forces which are shaping such a different, increasingly interdependent world—a world in which you will play such a critical part.

First, what has happened in the last three decades to produce such dramatic change? A few examples will do:

At about the time you were born, there emerged, with great suddenness, a whole new era of space exploration and space related technology. Man encircled the earth in a space capsule, he landed on the moon, and he developed a wide variety of new mechanisms to use space for the benefit of mankind.

Yet the arrival of the space age has been accompanied, quite literally, by the birth of over a billion more people on this planet, with profound implications for food supplies, the sufficiency of natural resources, including land and water, and the quality of life.

Today, there are close to one hundred and fifty sovereign nations, three times as many as there were at the signing of the United Nations Charter in 1945, and they are enormously diverse in terms of political structure, economic wealth, natural resource endowment and technological sophistication.

We are at the beginning of an era when adequate energy supplies, so vital to the survival of an expanding world, have become an overriding concern to government leaders, economists and scientists, not to mention the average citizen.

Today we are also enmeshed in the nuclear age, with its dangers and its promise for mankind.

Second, almost while you have been at college, international affairs and the foreign policies of individual nations have taken on entirely new dimensions. There is no longer an almost exclusive preoccupation with the traditional concerns of diplomacy—the military, political and economic relations between countries and regions, the strategic balance, the new power centers, international trade, investment and monetary affairs, on the economic health of the industrialized nations.

Today, mankind is seized with a variety of different problems, global in scope, impacting its very existence, not just its political and economic welfare. These new concerns have become apparent to most people literally only in the last decade, and the international community—governments, the private sector, the individual citizen—has begun to mobilize its energy and resources to understand, manage and cope with:

The environment, and man's degradation of the air, the water and the land, his life-support system.

The oceans, the principal source of our oxygen, with their vast natural resources and seabed mineral wealth. As you well know, the governance of the oceans, with all that implies in geopolitical terms, is being negotiated at the Law of the Sea Conference, and a satisfactory regime may still take many years to achieve.

The food-population interface, and the necessity to increase the production of food and to improve its distribution to ever-growing numbers of people. The world is faced with the awe-inspiring task of trying to provide the minimum necessities—food, shelter and clothing—to literally hundreds of millions of people who do not now possess them.

Weather and climate, and the capacity to understand the forces, including man's own activities, that affect them, to predict climate variations, to modify the weather, to mitigate natural disasters. One cannot overestimate the importance of further knowledge in this area, particularly in relation to the problem of an over-crowded, hungry planet.

Finally, let me speak of science and technology, and the increasing contribution they make to the substance of modern diplomacy. Technology has spawned many ills—the capacity for nuclear destruction, the invasion of the biosphere with dangerous, non-biogradable substances, the conspicuous waste of over-consumption. But technology is a necessary part of the answer to our global problems—how to control nuclear waste, how to clean up the environment, how to abate the population increase, how to apportion fairly the resources of the oceans and seabeds, how to produce more food and distribute it equitably.

And technology has both contracted the world, and enormously expanded our knowledge of the physical forces that impact our existence. We are seeing a revolution in international communications. We make contact instantly, between continents, by phone, by television, by computer.

Through satellites, we have learned about weather, how to predict it and warn of impending storms; we have mapped the world from space, monitored the growth of crops, located mineral resources, fresh water, and the extent of man's pollution. Now we plan to shuttle back and forth from earth to permanently located space stations—a miracle of technology, industrial know-how and private initiative. And we have even had the foresight to negotiate an international treaty on the Peaceful Uses of Outer Space!

Why do I highlight this array of new dimensions?

Because of their obvious and significant implications for the complexity of international relations, for the necessity of a global perspective and global collaboration, for the interdependence of people and nations, and for the emergence of a different kind of international diplomacy than we have ever known.

Today, the diplomat, the practitioner in international affairs, has to be an entirely different animal. No longer can he be content with a smattering of languages and a background in politics and economics. He must understand the relationship of science,

technology and a host of other disciplines to the conduct of foreign relations.

No longer can the diplomat conduct foreign policy on the basis of personal brilliance or individual stature. The problems are too complicated. They require continuity of attention, stability of concept, and a wide variety of expertise. Diplomacy today involves the totality of a country's relationships with the rest of the world—political, economic, technological, and commercial. In the case of my country, the involvement between the American private sector and the Third World, for example, in economic, technological and human terms is far greater than that of the U.S. government.

International negotiation—the essence of diplomacy—has become far more complex. Global, even regional problems, can no longer be dealt with on a bilateral basis, let alone unilateral. This is the age of multilateral negotiations, and that means scores of players, many new at the game, and all with diverse experience, diverse cultures, and diverse ways of thinking. The process is frustrating, attenuated, and uncertain. It requires endless patience, and a willingness to try to understand the constraints under which everyone else at the table is operating. Sometimes, it is doomed to failure.

But how else, in this multi-faceted world, can get consensus?—on the dangers of nuclear proliferation, on treaties for the exploration of the moon, the seabeds, even the Antarctic, embracing, as they do, the common heritage of mankind?

How do we get international agreement on acceptable parameters for genetic engineering, for the allocation of frequencies for satellites, both for commercial and governmental use, so that they are not all taken by the technologically advanced countries? How far does national sovereignty extend into space? What is outer space? How do we deal with international terrorism, or drugs? How does the world establish a successful international system of food reserves to mitigate the impact of famines?

Close to half the peoples of the world are under the age of 15. Quite apart from food, how do we help the developing countries, with their burgeoning metropolitan centers, deal with the staggering problems of unemployment, adequate schooling and even minimal social services?

How do nations manage the difficulties created by a resource that is in no one's exclusive jurisdiction—the mineral wealth of the seabed, the whale, the tuna, the Great Lakes, or the River Rhine? How do they deal with transboundary pollution, such as acid rain in Europe, or the impact of fluorocarbons and perhaps other chemicals on the ozone layer. What are the legal implications for a downwind country of weather modification by the upwind country?

How do we work out the ground rules so that a major investment by a multinational corporation in a host country is fair to both sides? International business has subscribed to a code of ethics governing its performance overseas. Why is it not appropriate to require host countries to adopt a comparable code of behavior?

How is proprietary technology, so vital to the developing world, transferred in an equitable manner? What institutional structures must be put into place, or improved on, to intelligently and effectively manage this myriad of problems, made more difficult by the closeness, and the growing interdependence, of the world?

How, in fact, do we—citizens and nations—answer these questions?

I have no easy solution; I can only go back to the words in your catalogue.

International cooperation is a condition of survival; without it, there is anarchy.

But to say that international cooperation is a condition of survival is to say nothing, unless we are really willing to work at it. Therein lies the challenge, for you and for me. Leadership, creativity, understanding and patience, a moral sense of purpose, and a conviction that the efforts of the individual do count. We need all of them.

It seems to me you start with a great advantage, here at this highly exceptional and beautiful institution of learning. You come from 40 different countries, you have lived together, studied together, come to understand the influence of background and mores on each other's thinking. You have absorbed the qualities of a genuinely international milieu. Further, you have been well educated and trained, and perhaps understand better than most the necessity, in international as well as domestic affairs, of good management.

And you are blessed with another advantage, perhaps not so obvious. You have been exposed, at least in academic terms, to the private sector, with its extraordinary capacity to get things done, to be non-bureaucratic, to capitalize on ingenuity and imagination. Many of the questions I have raised with you today, and the challenges I have suggested, are not the exclusive concern of governments, or the state. In fact, answers and solutions in many cases will have to come from the private sector; it alone has the expertise, the flexibility and the managerial resources.

Now, as you graduate, there lies before each of you a wide range of choices, perhaps more than you would prefer. As Aldous Huxley put it: "A man's worst difficulties begin when he is free to do as he likes." All I have tried to do is touch upon some of the exciting opportunities that await you in the field of international relations, international business, international technology.

I have no illusions that these challenges and opportunities will appeal to all of you. You have your own concerns, in your own countries, whether they be in the private sector, the public sector, in enterprise or in the professions. Perhaps just doing your own thing. Whatever the choice, do it well, with your full dedication. And I hope, given this world of increasing interdependence, that needs so much talent, and such a large measure of leadership and idealism, that on occasion you will remember the words of a short poem by an American, Stephen Crane:

"I saw a man pursuing the horizon:
Round and round they sped.
I was disturbed at this;
I accosted the man.
'It is futile,' I said,
'You can never——'
'You lie,' he cried,
And ran on."

Good luck!

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to extend beyond 15 minutes, with statements limited therein to 5 minutes each.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 o'clock tomorrow morning. In this way the committee will know that they can meet until 12 o'clock tomorrow.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Acting President pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Jean M. Wilkowski, of Florida, for the rank of ambassador while serving as coordinator of U.S. preparations for the United Nations Conference on Science and Technology for Development, which was referred to the Committee on Foreign Relations.

APPROVAL OF BILL

A message from the President of the United States announced that on July 11, 1977, he approved and signed the following bill:

S. 964. An act to provide that the salaries of certain positions and individuals which were increased as a result of the operation of the Federal Salary Act of 1967 shall not be increased by the first comparability pay adjustment occurring after the date of the enactment of this act.

MESSAGES FROM THE HOUSE

At 2:20 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that the House has passed the following bill and joint resolution in which it requests the concurrence of the Senate:

H.R. 2960. An act to authorize the Secretary of the Interior to memorialize the 56 signers of the Declaration of Independence in Constitution Gardens in the District of Columbia; and

H.J. Res. 24. A joint resolution to provide for the designation of a week as "National Lupus Week."

At 4:30 p.m., a message from the House of Representatives delivered by Mr. Hackney announced that:

The House agrees to the amendment of the Senate to the bill (H.R. 6893) to amend title 4 of the United States Code to make it clear that Members of Congress may not, for purposes of State income tax laws, be treated as residents of any State other than the State from which they were elected.

The House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7636) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1978, and for other purposes; the House recedes from its disagreement to the amendment of the Senate No. 21 and concurs therein; and the House recedes from its disagreement to the amendments of the Senate Nos. 4, 5, 7, 9, 16, 19, 22, 37, 41, 46, 48, 50, and 63 and concurs therein each with an amendment in which it requests the concurrence of the Senate.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following communications which were referred as indicated:

EC–1651. A communication from the President of the United States transmitting, pursuant to law, amendments reducing the request for appropriations for the fiscal year 1978 by the amount of $1,017,400,000 for the Department of Defense-Military (with accompanying papers); to the Committee on Appropriations.

PETITIONS

The ACTING PRESIDENT pro tempore laid before the Senate the following petitions which were referred as indicated:

POM–252. A resolution adopted by the House of Representatives of the Commonwealth of Massachusetts memorializing Congress to enact legislation whereby the period of daylight saving time shall be extended to 7 months each year; to the Committee on Commerce, Science, and Transportation:

[The Commonwealth of Massachusetts]

"RESOLUTIONS MEMORIALIZING CONGRESS TO ENACT LEGISLATION WHEREBY THE PERIOD OF DAYLIGHT SAVING TIME SHALL BE EXTENDED TO 7 MONTHS EACH YEAR

"Whereas, It has come to the attention of the General Court that the Subcommittee on Transportation and Commerce of the Committee on Interstate and Foreign Commerce of the U.S. House of Representatives plans to consider daylight saving time legislation in late summer or early fall; and

"Whereas, The Senate has in the past passed a bill providing for a 7 month daylight saving time schedule; and

"Whereas, The passage of such legislation at this time would alleviate in part the impact of the energy crisis with which we are currently confronted; and

"Whereas, The enactment of said legislation would assist crime prevention efforts and lower rush hour traffic accident rates attributable to poor visibility; therefore be it

"Resolved, That the Massachusetts House of Representatives hereby urges the Congress of the United States to pass legislation whereby the period of daylight saving time shall be extended to 7 months each year; and be it further

"Resolved, That copies of these resolutions be forwarded by the Clerk of the House of Representatives to the presiding officer of each Branch of Congress and to the members thereof from this Commonwealth."

POM–253. A resolution adopted by the Senate of the State of New Jersey urging the administration as well as the Congress to approve the El Paso Alaska Company's trans-Alaska natural gas pipeline project in order to expedite the availability of new gas supplies for the lower 48 states; to the Committee on Energy and Natural Resources:

[State of New Jersey]

"SENATE RESOLUTION

"Whereas, The nation's need for new energy supplies has been compounded by the effects of harsh weather conditions which have raised the demand for fuel supplies to unprecedented levels; and,

"Whereas, The dual effects of the cold winter in the U.S., coupled with the drought on the west coast, have produced economic chaos that has affected the nation's vital industries and many homes; and,

"Whereas, These problems have heightened and dramatized the immediate need for additional energy sources, of which natural gas is in the shortest supply and one of the most immediately available new sources of energy for the U.S. are the huge reserves of natural gas available on the North Slope of Alaska; and,

"Whereas, Of the three proposals now being considered by the administration for moving this Alaska gas to consumers in the lower 48 states, only one, the so-called El Paso, "all-American" trans-Alaskan gas route, would be entirely under U.S. control, would largely parallel the Alaska oil line across Alaska, and would involve construction of a complex of gasification and liquefication facilities as well as a fleet of liquid natural gas vessels to carry the gas to the U.S. West Coast; and,

"Whereas, Of the three proposed routes, the El Paso trans-Alaska line will provide the maximum job benefits in Alaska as well as in the lower 48 states (an estimated 765,000 man-years of employment for American workers), particularly during the construction in U.S. yards of the fleet LNG vessels needed to carry the gas; and,

"Whereas, All the tax benefits, as well as wage and material payments, will go to the U.S. and American firms if the El Paso plan is implemented and the El Paso plan would be the easiest system to finance because of its lower initial cost and because of Federal guarantees of bonds for its tankers under Title XI of the Merchant Marine Act; and,

"Whereas, The fact that the El Paso project is neither dependent on Canadian government action or threatened by law suits and delays in Canada would make this project the best choice for the U.S.; and,

"Whereas, Just as important as the employment and economic benefits, is the need to obtain secure supplies of gas for the lower 48 states as soon as possible to meet the present shortage, and that on this basis also the El Paso trans-Alaska line is clearly superior; now, therefore,

"Be It Resolved by the Senate of the State of New Jersey:

"That this House urge the Carter Administration, and the Congress of the United States, to approve the El Paso Alaska Company's "All-American" trans-Alaska natural gas pipeline project in order to assure the expedited availability of the secure new gas supplies that will increase U.S. energy self-reliance.

"Be It Further Resolved, That duly authenticated copies of this resolution, signed by the President and attested by the Secretary, shall forthwith be transmitted to the President of the United States, the Vice President of the United States, the Speaker of the United States House of Representatives, and to each of the members of Congress elected from this State."

POM–254. Resolution No. 128 adopted by the Legislature of the Territory of Guam relative to respectfully requesting the President and Congress of the United States to enact H.R. 6650, the Federal Omnibus Bill; to the Committee on Energy and Natural Resources:

"RESOLUTION NO. 128

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, on June 15, 1977, a public hearing on H.R. 6550, the Federal Omnibus Bill, was held by the U.S. Senate Committee on Energy and Natural Resources; and

"Whereas, the Senate Committee requested a resolution be adopted by the Fourteenth Guam Legislature relative to H.R. 6550; and

"Whereas, Guam is in dire need of federal assistance for typhoon restoration and economic development; and

"Whereas, the Office of Federal Comptroller is an imposition and unnecessary economic burden on the government of Guam; and

"Whereas, the Legislature should be granted the election to impose a surtax on Guam to generate revenue; and

"Whereas, equity mandates compensation be provided to persons on Guam whose real properties were taken from the period 1944 to 1963 at less than fair market value; and

"Whereas, Guam's treasury has significantly been depleted by the Tax Reduction Act of 1975 and the Tax Reform Act of 1976; and

"Whereas, our Micronesian brothers are deserving of and should be justly compensated for loss of land and other injuries incurred as a result of World War II and other activities undertaken by the Federal government; and

"Whereas, we empathize with the need of our sister territory, the Virgin Islands; now, therefore, be it

"Resolved, that the Fourteenth Guam Legislature wholeheartedly endorses the intent and purposes of H.R. 6550, subject to the following revisions, that Section 301 of Title III, be amended to require the concurrence of the Legislature prior to the disposition of funds; and be it further

"Resolved, that the President and Congress of the United States are respectfully requested to enact H.R. 6550; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the United States; the President of the U.S. Senate; the Speaker of the U.S. House of Representatives; the Chairman of the Committee on Energy and Natural Resources; the Senate Majority and Minority Leaders; the Chairman of the House Subcommittee on National Parks and Insular Affairs; the Secretary of the Interior; Guam's Delegate to Congress, and to the Governor of Guam."

POM–255. Interim Resolution 77–5 adopted by the Legislative Council of the State of Arkansas urging the enactment of necessary and appropriate legislation to accelerate the study of the Tulsa District of the U.S. Corps of Engineers pertaining to the salt content of the water in the Arkansas River, in light of the completion of the McClellan/Kerr Navigation Project, for the purpose of reducing such salt content to make the Arkansas River suitable for domestic, agricultural, and industrial uses; to the Committee on Environment and Public Works.

POM–256. A petition requesting that the Secretary of the Department of Interior be given the discretion to permit certain property owners to reserve the right of use and occupancy of property denied to them under P.L. 94–459; to the Committee on Energy and Natural Resources.

POM–257. A petition to Congress relative to reparations that are due to Native Hawaiians in reference to Senate Joint Resolution 4; to the Committee on Energy and Natural Resources.

POM–258. A resolution adopted by the Solid Waste Management Board regarding the protection of the Sacramento-San Joaquin River

Delta; to the Committee on Environment and Public Works.

POM-259. A resolution adopted by the Association of Trial Lawyers of America-Puerto Rico Chapter, at San Juan, Puerto Rico endorsing the Honorable Jose V. Toledo for the position of Circuit Judge of the United States Court of Appeals for the First Circuit; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LONG, from the Committee on Finance: With amendments:

S. 1538. A bill to amend title IV of the Federal Coal Mine Health and Safety Act to improve the black lung benefits program established thereunder, to impose an excise tax on the sale or use of coal, and for other purposes (Rept. No. 95-336).

SURFACE MINING CONTROL AND RECLAMATION ACT OF 1977—CONFERENCE REPORT (REPT. NO. 95-337)

Mr. METCALF submitted a report from the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, which was ordered to be printed.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations:

Gerard C. Smith, of the District of Columbia, to be Ambassador at Large and United States Special Representative for Non-Proliferation Matters, and to be also the Representative of the United States of America to the International Atomic Energy Agency.

W. Howard Wriggins, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Sri Lanka.

Lawrence A. Pezzullo, of Maryland, a Foreign Secretary officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Uruguay.

William E. Schaufele, Jr., of Ohio, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Greece.

Louis A. Lerner, of Illinois, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Norway.

Frank V. Ortiz, Jr., of New Mexico, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Barbados.

Frank V. Ortiz, Jr., of New Mexico, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Granada.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

STATEMENTS OF POLITICAL CONTRIBUTIONS

Nominee: Gerard C. Smith.

Contributions, Amount, Date, and Donee.—(If none, write none.)

1. Self: See schedule attached.

2. Spouse: See schedule attached.

Advised by Mr. Herbert Hansell that questions 3 through 7 are not applicable.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

GERARD C. SMITH.

Gerard C. Smith, political contributions

Donee, amount, and date.—

Jimmy Carter for President, $200, 1976.

Republican National Committee, $200, 1976.

John Wilson Campaign, $100, 1976.

President Ford Committee, $250, 1975.

The '76 Taft for Senate, $50, 1975.

Shriver for President Committee, $125, 1975.

Shriver for President Committee (Donation by Mrs. Bernice L. Smith), none, 1974; none, 1973.

POLITICAL CONTRIBUTIONS

Nominee: Prof. W. Howard Wriggins.

Post: Ambassador to Sri Lanka.

Contributions, amount, date, donee.

1. Self: None.

2. Spouse: None.

3. Children: Diana Cundy and Christopher: None.

4. Parents (deceased): None.

5. Grandparents (deceased): None.

6. Brothers: No brother.

7. Sisters and Spouses, Helen V. Fleer: None; Edith W. Atmore: None.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

W. HOWARD WRIGGINS.

POLITICAL CONTRIBUTIONS

Nominee: Lawrence A. Pezzullo.

Post: Ambassador to Uruguay.

Contributions, amount, date, and donee.—

1. Self: None

2. Spouse: None.

3. Children, Ralph, Susan, and David: None.

4. Parents (deceased): None.

5. Grandparents (deceased): None.

6. Brothers and Spouses (deceased): None.

7. Sisters and Spouses:

William and Josephine Zingaro: None.

Al and Rose Magliano: None.

Anna Zingaro (spouse deceased): None.

Charles and Grace Grassi: None.

Mary DiPiazza (spouse deceased): None.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

LAWRENCE A. PEZZULLO.

POLITICAL CONTRIBUTIONS

Nominee: William E. Schaufele, Jr.

Contributions, amount, date, and donee.—

1. Self: None.

2. Spouse, Heather Moon Schaufele: None.

3. Children and Spouses, Steven W. Schaufele, and Peter H. Schaufele: None.

4. Parents: Mrs. Lillian Schaufele: None. (Father deceased).

5. Grandparents Deceased.

6. Sisters and Spouses, Mr. and Mrs. Fred O. Sloane, $15, May 20, 1971, Friends of John Glenn Committee; $5, July 9, 1972, Democratic National Committee Telethan.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

WILLIAM E. SCHAUFELE, Jr.

POLITICAL CONTRIBUTIONS

Nominee: Louis A. Lerner.

Post: Ambassador to Norway.

Contributions, amount, date, and donee.—

1. Self: $125, March 1976, Carter campaign; and $500, March 1976, Carter campaign.

2. Spouse: None.

3. Children and Spouses: None.

Parents, Deana Lerner, $100, July 1976, Carter Administration.

5. Grandparents: None.

6. Brothers and Spouses: None.

7. Sisters and Spouses: None.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

LOUIS A. LERNER.

POLITICAL CONTRIBUTIONS

Nominee: Frank V. Ortiz, Jr.

Post: Barbados.

Contributions, amount, date, and donee.—

1. Self and Spouse, joint contributions: $40, March 9, 1975, (Gale) McGee for Senate Committee; $40, March 17, 1976, (Gale) McGee for Senate Committee; $100, June 10, 1976, (Joseph) Montoya for Senate Committee; and $30, October 5, 1976, (Manuel) Lujan for Congress Committee.

3. Children and Spouses: None.

4. Parents: None.

5. Grandparents: None.

6. Brothers and Spouses: None.

7. Sisters and Spouses: None.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

FRANK V. ORTIZ.

HOUSE BILL REFERRED

The following bill was read twice by its title and referred to the Committee on Rules and Administration:

H.R. 2960. An act to authorize the Secretary of the Interior to memorialize the 56 signers of the Declaration of Independence in Constitution Gardens in the District of Columbia.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent the second time, and referred as indicated:

By Mr. NELSON:

S. 1838. A bill to insure fair and equitable representation for smaller and medium-sized businesses on Federal advisory committees; to the Committee on Governmental Affairs.

By Mr. LAXALT:

S. 1839. A bill to amend the Internal Revenue Code of 1954 to provide for payment by

the Government of all reasonable litigation expenses to prevailing taxpayers in legal action; to the Committee on Finance.

By Mr. MORGAN:

S. 1840. A bill for the relief of Drs. Felizardo Hocbo Mangundayao and Florita Castar Mangundayao; to the Committee on the Judiciary.

By Mr. ZORINSKY:

S. 1841. A bill for the relief of Mario Di Dio; to the Committee on the Judiciary.

By Mr. EAGLETON:

S. 1842. A bill to authorize the Mayor of the District of Columbia to enter into an agreement with the U.S. Postal Service relating to the use of certain air space in the District of Columbia for postal purposes; to the Committee on Governmental Affairs.

By Mr. RIEGLE:

S. 1843. A bill for the relief of Yaeko Howell; and

S. 1844. A bill for the relief of Arnaldo Moreno, M.D.; to the Committee on the Judiciary.

By Mr. BAYH:

S. 1845. A bill to protect the rights of individuals guaranteed by the Constitution of the United States and to prevent unwarranted invasion of their privacy of prohibiting the use of polygraph type equipment for certain purposes; to the Committee on the Judiciary.

By Mr. NELSON:

S.J. Res. 69. A joint resolution requiring each executive department and agency to designate a small business advocate; to the Committee on Governmental Affairs.

By Mr. RANDOLPH (for himself, Mr. HATHAWAY, Mr. JAVITS, Mr. KENNEDY, Mr. PELL, Mr. RIEGLE, and Mr. SCHWEIKER):

S.J. Res. 70. A joint resolution authorizing the President to proclaim the third week of July of 1977, 1978, and 1979, as "National Architectural Barrier Awareness Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

(Statements in connection with the above introduced bills and joint resolutions are printed at the conclusion of Senate proceedings today.)

ADDITIONAL COSPONSORS

S. 256

At the request of Mr. PEARSON, the Senator from Connecticut (Mr. WEICKER) was added as a cosponsor of S. 256, the Natural Gas Act Amendments of 1977.

S. 1495

At the request of Mr. PACKWOOD, the Senator from South Dakota (Mr. MCGOVERN) was added as a cosponsor of S. 1495, to provide funding for bikeway construction.

S. 1559

At the request of Mr. HATFIELD, the Senator from New Jersey (Mr. WILLIAMS) was added as a cosponsor of S. 1559, to provide for the reinstatement of certain survivor annuities.

S. 1693

At the request of Mr. CRANSTON, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 1693, to amend title 38, United States Code.

S. 1722

At the request of Mr. NUNN, the Senator from Minnesota (Mr. ANDERSON) was added as a cosponsor of S. 1722, the Drug Sentencing and Seizure Act of 1977.

SENATE CONCURRENT RESOLUTION 34—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO THE HOLY CROWN OF ST. STEPHEN

(Referred to the Committee on Foreign Relations.)

Mr. DOLE submitted the following concurrent resolution:

S. CON. RES. 34

Resolved by the Senate (the House of Representatives concurring),

Whereas the Holy Crown of Saint Stephen is a national treasure of great symbolic and constitutional significance to the Hungarian people; and

Whereas the United States Government is in possession of the Holy Crown of Saint Stephen, it having been entrusted to the United States in 1945 for safekeeping until Hungary should once again function as a constitutional government established by the Hungarian people through free choice; and

Whereas Hungary is presently under the control of an atheistic Communist regime whose interest is to destroy the constitutional principles and historic traditions that the Holy Crown of Saint Stephen represents; and

Whereas the Communist government of Hungry has repeatedly proposed that the crown be given to that government in order to further improve the atmosphere of American-Hungarian relations; and

Whereas relations between the United States and the Communist government of Hungary have gradually been resumed, and discussions have taken place and agreements have been made regarding the settlement of various longstanding bilateral problems; and

Whereas it is possible that the holy crown may be considered as a negotiable item by the United States Government; and

Whereas the hopes of the oppressed people of Hungary for a future of freedom and liberty, and the hopes of their brothers and sisters, the American-Hungarians in this country, will be dashed if the United States Government breaks its sacred trust and relinquishes the crown: Now, therefore, be it Resolved by the Senate (the House of Representatives concurring). That it is the sense of Congress that the Holy Crown of Saint Stephen should remain in the safekeeping of the United States Government until Hungary once again functions as a constitutional government established by the Hungarian people through free choice.

Mr. DOLE. Mr. President, today I submit for appropriate reference a concurrent resolution which will serve as a declaration of America's renewed determination to see that the principles of democracy and freedom will some day be restored to the people of Hungary. A similar resolution was introduced in the House of Representatives earlier in the year by Congressman FRANK HORTON.

CROWN OF ST. STEPHEN MUST REMAIN

This resolution expresses the sense of the Congress that the great national treasure of Hungary, the holy crown of St. Stephen, should continue to remain in the safekeeping of the United States until the Government of Hungary functions according to the free will of its people.

I am concerned with recent newspaper accounts which suggest that the United States is preparing to return the crown of St. Stephen to Hungary, a move that would greatly enhance the claims of Hungary's Communist rulers to historical legitimacy. Given the fact that the present regime is kept in power by some 50,000 permanently quartered Soviet troops, it is unthinkable that anyone in our Government would seriously contemplate such a gesture, especially since Hungary has not honored its commitment to the humanitarian ideals articulated in the Helsinki Final Act.

HUNGARIAN REFUGEES

During my trip to Vienna last week, I met with a Hungarian refugee couple who had fled to Austria to escape oppression. Both were engineers and lived rather well by Communist standards, and yet they were unhappy. They made it very clear that they were not seeking material wealth in the West but rather, an opportunity to live as free human beings. They were tired, they told me, of living in a land where they had to be ever vigilant with their words lest their remarks be viewed as subversive. As long as Hungary's Government forbids free speech and the exercise of other basic human rights, there can be no further discussion concerning the Crown of St. Stephen.

SACRED TRUST

At the close of World War II, when Eastern Europe was overrun by the forces of totalitarian communism, valiant and devoted Hungarian patriots entrusted the crown to the U.S. Government until the day that freedom returned to their homeland. Our Government undertook a solemn obligation in accepting the crown, and this resolution will reassure freedom-loving Hungarians everywhere that the United States will remain true to what is undoubtedly a sacred trust.

AMENDMENTS SUBMITTED FOR PRINTING

PUBLIC WORKS APPROPRIATIONS—H.R. 7553

AMENDMENT NO. 498

(Ordered to be printed and to lie on the table.)

Mr. HATFIELD submitted an amendment intended to be proposed by him to the bill (H.R. 7553) making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1978, and for other purposes.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1978—H.R. 7933

AMENDMENTS NOS. 499, 500, AND 502

(Ordered to be printed and to lie on the table.)

Mr. STEVENS submitted three amendments intended to be proposed by him to the bill (H.R. 7933) making appropriations for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes.

OUTER CONTINENTAL SHELF—S. 9

AMENDMENT NO. 502

(Ordered to be printed and to lie on the table.)

Mr. CRANSTON submitted an amendment intended to be proposed by him to

the bill (S. 9) to establish a policy for the management of oil and natural gas in the Outer Continental Shelf; to protect the marine and coastal environment; to amend the Outer Continental Shelf Lands Act; and for other purposes.

NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. RIBICOFF. Mr. President, I wish to announce that the Governmental Affairs Committee will hold a hearing this Friday morning on a request for the modification of the trust agreement of Bertram Lance filed with the Governmental Affairs Committee on January 21, 1977. The hearings will begin at 10 o'clock on July 15, 1977, in room 3302, Dirksen Senate Office Building.

TO AMEND THE COUNCIL ON WAGE AND PRICE STABILITY ACT

Mr. PROXMIRE. Mr. President, the Committee on Banking, Housing, and Urban Affairs will hold 2 days of public hearings on S. 1542, which would amend the Council on Wage and Price Stability Act, on July 19 and 20, at 10 a.m. in room 5302 of the Dirksen Senate Office Building.

The legislation being considered by the committee would provide for an extension of the Council on Wage and Price Stability to September 30, 1979. It also would provide the Council with an increase in its authorization from $1.7 million to $2.5 million. I have been told that these funds are needed in order to expand the size of the professional and support staff of the Council so that it may more effectively perform its mandated functions. There are also several technical amendments to the act which have been recommended by the administration.

On Tuesday, July 19, 1977, the committee will receive testimony from four witnesses: Albert Rees, director, industrial relations section and professor of economics, Princeton University; Andrew J. Biemiller, director, department of legislation, American Federation of Labor and Congress of Industrial Organizations; Louis G. Peloubet, controller of Union Carbide Corp. and representing the Business Roundtable; and Barry Bosworth, Director-designate of the Council on Wage and Price Stability and currently a senior fellow at the Brookings Institution.

On Wednesday, July 20, 1977, the committee will receive testimony from four witnesses; Charles L. Schultze, Chairman, Council of Economic Advisers; Robert R. Nathan, president of Robert Nathan Associates, Inc.; Paul McCracken, Edmund Ezra Day university professor of business administration, University of Michigan; and Hendrik S. Houthakker, Henry Lee professor of economics, Harvard University.

Anyone interested in obtaining additional information about the hearings or desiring to submit comments for the hearing records should contact Steven M. Roberts of the committee staff at (202) 224–0893.

CHANGE IN SCHEDULE

Mr. CLARK. Mr. President, I wish to announce a time change for the energy hearings before the Rural Development Subcommittee of the Committee on Agriculture, Nutrition, and Forestry. Due to the Senate rule which prohibits committee meetings beyond 2 hours after the Senate has convened without special permission, I have moved up the starting time to 9 a.m. for both Wednesday and Thursday, July 13 and 14. Originally, the hearings were to begin at 10 a.m. The subcommittee will hear from invited representatives of USDA, ERDA, and the National Rural Electric Cooperative Association.

ELEMENTARY AND SECONDARY EDUCATION

Mr. PELL. Mr. President, on Thursday, July 14, 1977, the Subcommittee on Education, Arts, and Humanities of the Committee on Human Resources will hold its first hearing on elementary and secondary education. The subject of the hearing will be the current state of educational quality. In other words, are our Nation's children learning to read, write, and compute as well as they did in the past?

The witnesses for this day of hearings will be Adm. Hyman G. Rickover, long an expert in the field of education, and Dr. Mary Berry, the Assistant Secretary of Education, of the Department of Health, Education, and Welfare.

The hearing will be held at 10 a.m. in room 1318, Dirksen Senate Office Building.

COMMITTEE ON THE BUDGET

Mr. MUSKIE. Mr. President, the Senate Budget Committee will conduct public hearings on the second concurrent resolution on the budget for fiscal year 1978 on Tuesday, July 19, Wednesday, July 20, and Thursday, July 21.

These hearings will provide valuable information to the Budget Committee for reviewing the first concurrent resolution on the budget and deciding what changes, if any, are necessary for the second concurrent resolution which must be adopted by both Houses of Congress by September 15. The second concurrent resolution on the budget will establish minimum limits for revenues and maximum limits for spending, including limits for spending in each major functional category of the budget for fiscal year 1978.

The committee will discuss with witnesses from the administration and from the Congressional Budget Office, the relationship between the administration's revised budgetary recommendations and the requirements for maintaining vigorous economic expansion into fiscal year 1978 and beyond. The committee also expects to explore the problem of the low growth of business investment in the economy. Stronger investment is required to provide jobs and to expand industrial capacity in order to eliminate potential inflationary bottlenecks and to raise productivity and incomes in the future. The committee will explore with the administration the policies it is considering in tax reform or other programs which are expected to facilitate this vigorous investment activity. The committee will also explore the administration's assumptions about monetary policy in fiscal year 1978 and plans for reducing inflation.

In the energy area, the committee has a special need for information on the budgetary and economic impact of the President's energy program now being acted upon by the Congress. The committee is especially interested in examining the cumulative net revenue impact of the plan, the impact on inflation of the President's plan and its revisions by Congress, and the appropriate level of funding for the strategic oil reserve.

Other areas which will be highlighted during the hearings include a review of the President's proposals for financing social security, for program expansion and job creation in Federal youth employment and training programs, and for termination of the B–1 bomber production. In discussing these topics, the committee expects to review all factors which would lead to changes in estimated revenues or spending for fiscal year 1978.

On Tuesday, July 19, at 10 a.m., the witness will be W. Michael Blumenthal, Secretary of the Treasury.

On Wednesday, July 20, at 10 a.m., the witness will be Dr. Alice Rivlin, Director, Congressional Budget Office.

On Thursday, July 21, at 9:30 a.m., the witness will be Thomas B. Lance, Director of the Office of Management and Budget, and at 11 a.m., the witness will be Charles D. Schultze, Chairman of the Council of Economic Advisers.

All hearings will be held in room 357, Russell Senate Office Building.

For further information regarding these hearings, please contact Kim Baldwin of the Budget Committee staff at 4–0853.

ADDITIONAL STATEMENTS

(Additional statements are printed at the conclusion of Senate proceedings today.)

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

ERDA AUTHORIZATION ACT OF 1978—CIVIL NUCLEAR ENERGY APPLICATIONS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of S. 1811, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1811) to authorize appropriations to the Energy Research and Development Administration in accordance with Section 261 of the Atomic Energy Act of 1954, as amended, Section 305 of the Energy Reorganization Act of 1974, and Section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, as amended, and for other purposes.

The Senate resumed the consideration of the bill.

Mr. ROBERT C. BYRD. Mr. President, upon the disposition of the ERDA authorization bill, does the Senate automatically resume consideration of the public works appropriations bill?

The ACTING PRESIDENT pro tempore. There is an order to that effect.

Mr. ROBERT C. BYRD. What will be the pending question?

The ACTING PRESIDENT pro tempore. The pending question is on agreeing to the amendment of the Senator from Georgia to the amendment of the Senator from Oregon, both dealing with the neutron bomb.

Mr. ROBERT C. BYRD. I thank the Chair.

One further question, if the distinguished minority leader will allow me. The Senate, once it resumes consideration of the public works appropriations bill, cannot go back to any water project; am I correct?

The ACTING PRESIDENT pro tempore. That is correct.

Mr. ROBERT C. BYRD. The Senate will not go back to the breeder reactor project, am I correct? That was resolved yesterday.

The ACTING PRESIDENT pro tempore. That is correct.

Mr. ROBERT C. BYRD. The Senate will not go back to the Barnwell, S.C., project; that was resolved on yesterday; is that correct?

The ACTING PRESIDENT pro tempore. That is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. BAKER. Mr. President, will the majority leader yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. I note we moved a lot of obstacles out of our path when we voted on the breeder reactor project yesterday, with the Barnwell project and the like. I inquire of the majority leader, is it his intention to try to complete both the ERDA authorization bill and the public works appropriation bill today?

Mr. ROBERT C. BYRD. I thank the minority leader for the question. It is my desire and my intention, if it can be done. I would hope there would not be too many other matters to be resolved in connection with the ERDA authorization bill. It might very well be possible to get a time agreement on the remaining amendments thereto, and then we will proceed to the public works appropriations bill.

I would hope if we are able to complete action on those two measures today we would then be prepared to go to the Outer Continental Shelf bill tomorrow. I would hope if we could finish that bill tomorrow we could go to the Defense appropriations bill on Thursday.

The ACTING PRESIDENT pro tempore. The Chair would like to qualify an earlier response. The Senator from New Mexico (Mr. DOMENICI) has been authorized by unanimous consent to call up an amendment.

In terms of the Clinch River project that is finished in the pending measure but not in the appropriations measure.

Mr. BAKER. Mr. President, I thank the Chair for that additional information. As I understand it, there is now in effect a unanimous-consent agreement which protects the distinguished Senator from New Mexico to offer his amendment to title I of the appropriations bill.

The ACTING PRESIDENT pro tempore. That is correct.

Mr. BAKER. I thank the Chair.

Mr. ROBERT C. BYRD. I thank the Chair for clarifying the matter. May I say it was not my intention in securing the earlier response from the Chair to in any way vitiate the order or the understanding that was entered into for the protection of Mr. DOMENICI.

I yield the floor.

Mr. CHURCH. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

ERDA AUTHORIZATION ACT OF 1978—CIVIL NUCLEAR ENERGY APPLICATIONS

The Senate continued with the consideration of S. 1811.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I ask unanimous consent that Mary McKenna of the committee staff be accorded the privilege of the floor during the debate.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I ask unanimous consent that Dr. Dan Dreyfus, Mr. Ben Yamagata, Dr. Willis Smith, Dr. Granville Smith, Ms. Katherine Reese, and Ms. Nancy Fussell, members of the Energy Committee staff, who had the privilege of the floor yesterday during the initial consideration of this measure, be granted the same privilege today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. STONE. I yield.

ORDER THAT NO ROLLCALL VOTES OCCUR PRIOR TO 12 NOON TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, in order that committees may know that they may meet until 12 noon today without interruption, no rollcall votes occur, even if ordered on this measure, or amendments or motions in relation thereto, prior to the hour of 12 noon.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT NO. 496, AS MODIFIED

Mr. STONE. Mr. President, shortly I will call up an amendment I have at the desk, which has been printed, and ask for its consideration.

What this amendment will do is to allocate $5 million of the funds appropriated by the amendment offered by Mr. CHURCH, which was agreed to last night, for the purpose of assigning those funds to research and development, to reduce the ability to divert plutonium from its intended purpose, and, in addition to reducing the ability to divert the plutonium, to increase the detectability of such plutonium if it should be so diverted.

The major issue confronting the development of the breeder reactor for the generation of electricity which has been raised is the possibility that the byproduct plutonium could be diverted for nonelectric generating purposes. Although the form in which the byproduct is currently found is difficult to use and handle for such inappropriate purposes, it is not so difficult that it is impossible or infeasible.

Under those circumstances, the issue becomes: Is there a way or are there ways in which, in a practical and feasible manner, the byproduct plutonium can be prevented from such diverted use, and the detectability of any attempts heightened?

The answer to that is clearly yes. In order to make it quite clear that this particular project will add its applied knowledge to the search for prevention of diversion and the detectability of attempts, I will offer an amendment, which I call up at this time.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Florida (Mr. STONE) proposes an amendment, No. 496, as modified:

On page 2, line 21, strike the period and add the following language: ": *Provided*, That an amount not to exceed $5,000,000 shall be applied for research and development on means to reduce the ability to divert plutonium from its intended purposes and to increase the detectability of plutonium if it should be so diverted.".

Mr. STONE. Mr. President, the issue is, how can we prevent the plutonium from being diverted and detect the efforts to divert it when other nations around the world, regardless of any attempted unilateral act on our part, have announced in the last few days that they intend to continue to develop and produce breeder reactors for the generation of electricity?

The answer is applied research and development on the issue of divertability. The answer is not cancellation and isolation.

I offer this amendment to the managers of the bill.

Mr. CHURCH. Mr. President, I agree wholly with the statements made by the distinguished Senator from Florida.

The committee had testimony from some of the foremost physicists of the country, one of whom was Dr. Benedict

of the Massachusetts Institute of Technology. Dr. Benedict is a renowned nuclear physicist who testified that there are technical means for dealing with the plutonium problem. He stated that it would be possible to devise a system that would be nearly foolproof, by using a reprocessing technique that mixes the plutonium with enriched uranium oxides in such a manner that the reprocessed fuel rod can be used to generate electricity. But these fuel rods would be unsuitable for bomb making.

He also testified that it should be feasible to irradiate reprocessed elements so that they would not be susceptible to being hijacked by terrorists, because they would be as hot as the spent fuel rods themselves which come out of the conventional reactors.

In other words, there are technical ways to deal with the plutonium problem. That is what we want to find. That is what the world will need, if it appears probable that other nations will go forward with plutonium technology regardless of what decision we make.

So this is wholly in accord with the desire of the committee and with the desire of the President, that money should be allocated for this purpose. I find the amendment wholly acceptable. I have discussed the amendment with my colleague on the Republican side of the aisle. I believe he also finds the amendment acceptable. I commend the Senator for offering it, and hope the Senate will adopt it.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. STONE. I yield.

Mr. McCLURE. Mr. President, I not only agree with the statements made by both the distinguished Senator from Florida who has offered the amendment and my colleague from Idaho who has just spoken in support of the amendment, but wish to add my own comments.

I point out that at pages 98 and 99 of the committee report in the additional views that several of us filed on his measure, we included the letter from ERDA supporting this kind of an initiative, showing that it can be done and that this is the way to do it.

We made several provisions in the committee deliberations for movement in this direction. I believe the language offered by the Senator from Florida not only strengthens and sharpens the focus, but also adds further weight to the idea that the Senate wants this kind of action to be taken, and that this body has spoken very directly on it.

Mr. President, I ask unanimous consent that that portion of the additional views appearing on pages 98 and 99 be printed in the RECORD at this point.

There being no objection, the excerpt from the committee report was ordered to be printed in the RECORD, as follows:

5. The Importance of Continuing the CRBRP for Nonproliferation:

In a letter dated March 9, 1977, to Chairman Walter Flowers of the House Subcommittee on Fossil and Nuclear Energy Research and Development, from Robert Thorne, Acting Assistant Administrator for Nuclear Energy, ERDA stated the following in response to the subcommittee's questions:

A. That foreign breeder plants and their proposed scale-up follow-ons will not meet the nonproliferation objectives based on current U.S. thinking, in terms of the specific technologies, such as, the types of core designs and fuel.

B. That it was possible to develop a plutonium economy which could be considered acceptable from both a nonproliferation and an energy supply standpoint by the use of coprocessing or highly radioactive recycle fuels. The letter suggested assessing energy center concepts and working on the development of these "technological fixes" while continuing our ongoing R&D programs.

C. That to date, ERDA has seen no evidence that other nations which have breeder reactors and reprocessing programs have undertaken any significant technological development efforts to reduce the nuclear weapons proliferation potential of their facilities. And, further, that based on past experience, ERDA would expect that advanced safeguards instrumentation and processing developments by the U.S. would be utilized by foreign nations. The example was offered that the U.S. has requests from France and Russia for some of our equipment still in the development stage. In other words, U.S. technological improvements for nonproliferation probably will be the only improvements available.

D. ERDA agreed that if the United States does not develop more proliferation-resistant technologies, they probably will not be developed by other nations, and even if there might be such developments by others, they would not be developed as rapidly.

E. In the LMFBR program that the reactor plant and engineering which require the majority of funds for plant, component development, systems development and materials development are not effected regardless of what type of nonproliferation requirements might be evolved. This suggests strongly that continuing those activities while parallelling them with nonproliferation efforts is a rational and well-reasoned approach.

F. That U.S. Actions can have significant influence over the actions of other nations when the U.S. actions are perceived to be in the best interest of them, such as, when a U.S. development program produces an advanced reactor or reprocessing technology offering improved economics or resource conservation. This, again, suggests that an incorporation of nonproliferation advances in a U.S. development advanced reactor or reprocessing technology could have the greatest influence on the programs of other nations.

G. That it is possible to develop nonproliferation acceptable reprocessing technology.

H. That the United States will be in a poorer bargaining position in carrying out our bilateral cooperative agreements, which are based on quid pro quo information exchanges (where we understand problems have already been experienced.)

I. That foreign nuclear programs treat proliferation issues primarily from the standpoint of improving safeguards, rather than by attempting to develop and incorporate technology advances designed to provide greater proliferation resistance.

ERDA Acting Administrator Robert Fri was asked in a hearing before the Senate Energy Research and Development Subcommittee by Senator McClure if the statements in the letter were valid, notwithstanding the April 7th policy statement. He answered in the affirmative.

In light of these statements and the obvious conclusion that the most effective way to influence the programs of other nations is to proceed with a technology development program with proliferation resistance characteristics incorporated within the system, it is difficult to understand the Administration now suggests that we stop our development. It is obvious that it be better to proceed in a parallel manner with both breeder and reprocessing development and proliferation motivated R. & D., and attempt to merge them for either foreign or domestic commercialization, as appropriate, to satisfy all policy objectives, includng energy supply and nonproliferation.

Mr. McCLURE. Mr. President, we find the amendment not only acceptable but a valuable addition.

Mr. STONE. I thank the Senator.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Florida.

The amendment was agreed to.

TIME-LIMITATION AGREEMENTS ON SPECIFIED AMENDMENTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on an amendment to be offered by Mr. McGOVERN there be a time limitation of 30 minutes, to be equally divided between Mr. McGOVERN and Mr. CHURCH.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that on an amendment to be offered by Mr. HAYAKAWA there be a time limitation of 1½ hours, to be equally divided in accordance with the usual form.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that on an amendment to be offered by Mr. CURTIS there be a time limitation of 1½ hours, to be equally divided and controlled in accordance with the usual form.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UP AMENDMENT 635

The ACTING PRESIDENT pro tempore. The bill is open to further amendment.

Mr. BAKER. Mr. President, I have two amendments that I send to the desk. I ask unanimous consent that they may be considered together.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will state the amendments.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER) for himself, Mr. McCLURE, and Mr. SASSER, proposes Unprinted Amendment No. 635.

Mr. BAKER. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

On page 8, line 14, insert the following new Subsection (f) to Section 103:

"(F) CLINCH RIVER BREEDER REACTOR PROJECT

(1) The new Section 106 contained in Section 103(d) of Public Law 94–187, as amended, is amended as follows:

(A) in subsection (a) of Section 106, strike "September 30, 1976" and insert in lieu thereof, "September 30, 1978",

(B) at the end of Subsection (b) of Section 106, insert the following new sentences. "Nothing contained in this section shall be construed as authorizing the Administrator to use the procedures of this section to propose and proceed with a cancellation or termination, in whole or in part, of the Clinch River Breeder Reactor Project and the cooperative arrangements associated therewith. No funds appropriated pursuant to the authorization contained in this section shall be used in any way, directly or indirectly, to

cancel or terminate the Project, in whole or in part, or to plan such cancellation or termination. The Congress hereby endorses the opinion of the Comptroller General of the United States contained in the June 23, 1977 letter to Vice Chairman Jackson and Senator Baker of the Joint Committee on Atomic Energy from Comptroller General Staats, insofar as the opinion interprets the authorities under this section. The Congress hereby declares that this restatement of the authorities under this Section is now and always has been the intention of the Congress for the interpretation of these authorities. Consequently, the Congress further declares that the proposal of the Administrator to modify the cooperative arrangements under this Section to terminate the Project, with the exception of a "final design", contained in the May 18, 1977 letter to Vice Chairman Jackson of the Joint Committee on Atomic Energy from ERDA Acting Administrator Fri shall be deemed to be unauthorized by this section, and no funds appropriated for any Fiscal Year pursuant to the authorization of this Section shall be used to implement in any way, directly or indirectly, the proposal.

The Congress also declares that, insofar as the Comptroller General's opinion contained in the June 23, 1977 letter interprets the Impoundment Control Act of 1974, the intent of Congress is that funds appropriated pursuant to an authorization to design, construct and operate a project, or conduct a specified program, shall only be used for the continued design, construction, and operation of the project, or continued conduct of the program, and shall not be used in any way, directly or indirectly, to cancel or terminate the project or program, in whole or in part, or for planning thereof, unless expressly authorized in an authorization Act by Congress. Funds made available for such continued design, construction and operation of a project, or continued conduct of a program shall therefore be deemed to be deferred or rescinded, as appropriate, for purposes of the procedures of the Impoundment Control Act of 1974, when such funds are used for such cancellation or termination, in whole or in part, or for planning thereof, rather than for the continuation of the authorized project or program. Consequently, a disapproval resolution under the Impoundment Control Act shall have the effect of requiring as a matter of law that such funds shall be used for such continuation activities, and shall not be used for such termination or cancellation activities. Furthermore, when such funds are being withheld, or are proposed to be withheld, approval of a disapproval resolution or failure to approve a recession resolution, as appropriate, shall not be considered to be satisfied under the Impoundment Control Act by releasing such funds for such termination or cancellation activities, but shall be considered to be satisfied only by the release of such funds for such continuation activities.

Accordingly, the Comptroller General of the United States is hereby authorized to institute a civil action in the United States District Court for the District of Columbia for declaratory relief, if in the performance of any of his functions authorized by Section 74, of Title 31, United States Code, if he has reasonable cause for belief that any officer or employee of the Executive Branch is about to expend, obligate, or authorize the expenditure or obligation of public funds appropriated pursuant to this authorization for any activity in violation of this section. Other parties, including the prospective payee, or obligee, who shall be served with notice, may intervene or be impleaded as otherwise provided by law, and process in such an action may be served by certified mail beyond the territorial limits of the District of Columbia.

(2) Section 309 of Public Law 95–39, which authorizes funds for the ERDA nuclear programs in Fiscal Year 1977, is amended by inserting the following sentences at the end of the Section. "Provided that none of the funds made available by Public Law 94–355, or any other appropriations Act, including funds from the General Treasury, revenues received, changes in selected resources, transferred funds, or funds from any other source, shall be used in Fiscal Year 1977 in any way, directly or indirectly, to cancel or terminate the Clinch River Breeder Reactor Project, in whole or in part, or to plan such termination or cancellation."

On page 2, line 21, strike the period and insert in lieu thereof: "; Provided that none of the funds made available by any appropriations Act pursuant to this Act, or any other authorization Act, including funds from the General Treasury, revenues received, changes in selected resources, transferred funds, or funds from any other source, shall be used in Fiscal Year 1978, in any way, directly or indirectly, to terminate or cancel the Clinch River Breeder Reactor project, in whole or in part, or to plan such termination or cancellation; and any such funds shall only be used for the purposes of continuing the project in accordance with section 106 of Public Law 91–273, as amended by Public Law 94–187 and as further amended by section 103(f) of this Act.

Mr. BAKER. Mr. President, I point out to my colleagues that these two amendments are sponsored by me, by the distinguished Senator from Idaho (Mr. McCLURE), and by my distinguished colleague from Tennessee (Mr. SASSER). It is my understanding that they have been discussed with the majority manager of this bill. I hope they may be acceptable.

These amendments are in direct response to the President's plan to terminate the Clinch River project on July 26, 1977. The President forwarded his plan through the ERDA administrator in a letter of May 18, 1977. The plan attempts to misuse the authorities under section 103(d) of Public Law 94–187, which were enacted to provide some flexibility in the administrator for making modifications to the project.

As I stated in my statement on this floor on June 24, our own legal analysis and that of the General Accounting Office both concluded that the administration was wholly without authority to make the proposed effective termination of the project under section 103. As a result, it is our strong belief that the President's plan, if carried out, would be in violation of existing law. Additionally, the termination could add as much as $1.3 billion in costs and delays of as much as 6 years to the project, if we decided to continue with the project in fiscal year 1978. This additional burden placed upon those who, in good faith, support the project is an unwarranted attack on the merits of this controversial decision. As a result, the President's plan also would have the effect of preempting in large measure the congressional prerogative under existing statutes and the Constitution to participate in this critical decision for our energy and nonproliferation future.

The effect of these amendments would be, simply and directly, to reinforce and restate the original intent of the Congress that the procedures of section 103 be used only to modify the ongoing Clinch River project within the overall objectives stated in the second—that is to design, construct, and operate a liquid metal fast breeder reactor demonstration project. This reinforcement and restatement of the original congressional intent hopefully will add the weight of the Senate's active consideration of this matter and similar conclusion to that of the committee and the Comptroller General.

It is an unfortunate and disappointing aspect of the whole debate on this project that the time and resources of this body have to be expended in such a restatement and reinforcement when the law is quite clear on its face. In fact, the GAO felt very strongly about the clarity of the legal situation and as a result, provided to me and to the distinguished Senator from Washington (Mr. JACKSON) an exceedingly strong opinion letter. We hope that these amendments will finally dispose of the fiscal year 1977 issue, pending our ultimate resolution of the project's future continuation during the fiscal year 1978 legislative process.

Mr. President, I urge the adoption of the two amendments.

Mr. SASSER. Mr. President, I am pleased to join by distinguished colleague from Tennessee in cosponsoring these amendments.

Yesterday the Senate voted clearly against an amendment which would have provided $33 million to terminate the Clinch River Breeder Reactor project.

These amendments before the Senate this morning would simply add language to the bill which reaffirms the Senate's action of yesterday.

These amendments would prevent any funds which were appropriated in fiscal year 1977 and which will be appropriated in fiscal year 1978 from being used to terminate this project.

These amendments make the intent of the Senate very clear.

I hope the Senate will adopt these amendments.

Mr. HATCH. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. CHURCH. Yes, I yield for that purpose.

Mr. HATCH. I ask unanimous consent that Bob Hunter of my staff may be accorded the privilege of the floor during discussion of this bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I have only one question to raise with the Senator. I understand that his purpose is to conform the law to the decision made by the Senate last evening, which was against the termination of Clinch River during the coming year. I certainly do not object to either amendment insofar as it seeks to conform the law to that decision. I have one question to raise in connection with the wording of these amendments.

I call the attention of the distinguished Senator to the language in his amendments.

Mr. BAKER. Which amendment?

Mr. CHURCH. Both amendments. Perhaps I should read the short one:

Provided that none of the funds made available by any appropriations act pursuant

to this Act, or any other authorization act, including funds from the General Treasury, revenues received, changes in selected resources, transferred funds, or funds from any source, shall be used in Fiscal Year 1978, in any way, directly or indirectly, to terminate or cancel the Clinch River Breeder Reactor Project, in whole or in part. . . .

The Senator will remember that, last evening, in explaining the amendment that I offered to reduce the amount of money from $150 million to $75 million for Clinch River for the coming year, I explained that some of that money might be used to cancel certain contracts for future supplies, where the cost of reinstating the contract would not be significant should we later decide to proceed with the action.

Mr. BAKER. Mr. President, there is nothing inconsistent with the intent of that decision, nor do I see any problem with the language referred to by the distinguished Senator from Idaho (Mr. CHURCH). It is fully consistent with the language adopted yesterday. The specific example that the Senator uses, I think, would not be prohibited by this language.

Mr. CHURCH. I know that is the Senator's intent, but I wonder whether the language itself would be read in that manner. I would feel better about it if the phrase "in whole or in part" is simply stricken. Then there would be no question whatsoever about what the amendment does.

Mr. BAKER. Mr. President, I have no objection to that. I modify the amendment to strike the words "in whole or in part," wherever they appear in the two amendments now under consideration.

The ACTING PRESIDENT pro tempore. The amendment is so modified.

The amendment, as modified, is as follows:

On page 8, line 14, insert the following new Subsection (f) to Section 103,

"(f) CLINCH RIVER BREEDER REACTOR PROJECT

(1) The new Section 106 contained in Section 103(d) of Public Law 94–187, as amended, is amended as follows:

(A) in subsection (a) of Section 106, strike "September 30, 1976" and insert in lieu thereof, "September 30, 1978",

(B) at the end of Subsection (b) of Section 106, insert the following new sentences. "Nothing contained in this section shall be construed as authorizing the Administrator to use the procedures of this section to propose and proceed with a cancellation or termination, of the Clinch River Breeder Reactor Project and the cooperative arrangements associated therewith. No funds appropriated pursuant to the authorization contained in this section shall be used in any way, directly or indirectly, to cancel or terminate the Project, or to plan such cancellation or termination. The Congress hereby endorses the opinion of the Comptroller General of the United States contained in the June 23, 1977 letter to Vice Chairman Jackson and Senator Baker of the Joint Committee on Atomic Energy from Comptroller General Staats, insofar as the opinion interprets the authorities under this section. The Congress hereby declares that this restatement of the authorities under this Section is now and always has been the intention of the Congress for the interpretation of these authorities. Consequently, the Congress further declares that the proposal of the Administrator to modify the cooperative arrangements under this Section to terminate the Project, with the exception of a "final design", contained in the May 18, 1977 letter to Vice Chairman Jackson of the Joint Committee on Atomic Energy from ERDA Acting Administrator Fri shall be deemed to be unauthorized by this section, and no funds appropriated for any Fiscal Year pursuant to the authorization of this Section shall be used to implement in any way, directly or indirectly, the proposal.

The Congress also declares that, insofar as the Comptroller General's opinion contained in the June 23, 1977 letter interprets the Impoundment Control Act of 1974, the intent of Congress is that funds appropriated pursuant to an authorization to design, construct and operate a project, or conduct a specified program shall only be used for the continued design, construction, and operation of the project, or continued conduct of the program, and shall not be used in any way, directly or indirectly, to cancel or terminate the project or program, or for planning thereof, unless expressly authorized in an authorization Act by Congress. Funds made available for such continued design, construction and operation of a project, or continued conduct of a program shall therefore be deemed to be deferred or rescinded, as appropriate, for purposes of the procedures of the Impoundment Control Act of 1974, when such funds are used for such cancellation or termination, or for planning thereof, rather than for the continuation of the authorized project or program. Consequently, a disapproval resolution under the Impoundment Control Act shall have the effect of requiring as a matter of law that such funds shall be used for such continuation activities, and shall not be used for such termination or cancellation activities. Furthermore, when such funds are being withheld, or are proposed to be withheld, approval of a disapproval resolution or failure to approve a rescission resolution, as appropriate, shall not be considered to be satisfied under the Impoundment Control Act by releasing such funds for such termination or cancellation activities, but shall be considered to be satisfied only by the release of such funds for such continuation activities.

Accordingly, the Comptroller General of the United States is hereby authorized to institute a civil action in the United States District Court for the District of Columbia for declaratory relief, if in the performance of any of his functions authorized by section 74, of title 31, United States Code, if he has reasonable cause for belief that any officer or employee of the executive branch is about to expend, obligate, or authorize the expenditure or obligation of public funds appropriated pursuant to this authorization for any activity in violation of this section. Other parties, including the prospective payee, or obligee, who shall be served with notice, may intervene or be impleaded as otherwise provided by law, and process in such an action may be served by certified mail beyond the territorial limits of the District of Columbia.

(2) Section 309 of Public Law 95–39, which authorizes funds for the ERDA nuclear programs in fiscal year 1977, is amended by inserting the following sentences at the end of the section. "Proposed that none of the funds made available by Public Law 94–355, or any other appropriations Act, including funds from the General Treasury, revenues received, changes in selected resources, transferred funds, or funds from any other source, shall be used in fiscal year 1977 in any way, directly or indirectly, to cancel or terminate the Clinch River Breeder Reactor project, or to plan such termination or cancellation."

On page 2, line 21, strike the period and insert in lieu thereof, "; Provided that none of the funds made available by any appropriations Act pursuant to this Act, or any other authorization act, including funds from the General Treasury, revenues received, changes in selected resources, transferred funds, or funds from any other source, shall be used in fiscal year 1978, in any way, directly or indirectly, to terminate or cancel the Clinch River Breeder Reactor project, or to plan such termination or cancellation; and any such funds shall only be used for the purposes of continuing the project in accordance with section 106 of Public Law 91–273, as amended by Public Law 94–187 and as further amended by section 103(f) of this Act.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. BAKER. I am happy to yield.

Mr. McCLURE. I reiterate what I said yesterday, that I would have preferred it if the Senate had appropriated the full $150 million and the Clinch River project had been continued without any reduction in its scope or purpose or the size of the project. The Senate, however, voted to reduce the funding by 50 percent, to the level of $75 million. That will require some adjustment in the program and some adjustment in the aims of the programs during the current fiscal year, as well as during fiscal 1978.

I understand both the purpose of the amendments and the suggestion made by my colleague from Idaho in the context in which they have been discussed. I do not like having to reduce it. I would have preferred that we not have to discuss whether "in whole or in part" is a necessary deletion from these amendments. But I think the action of the Senate makes that prudent, and I certainly support the amendments as modified.

Mr. BAKER. Mr. President, I thank the distinguished Senator from Idaho (Mr. McCLURE) for his additional remarks and his sentiments, which I share. On yesterday, after the voice vote on the $75 million amendment, I indicated for the RECORD that I opposed the amendment and did, indeed, vote against it, because I, too, feel that the full funding at the authorized level of $150 million, as recommended by the committee, is appropriate and desirable. But that was not the will of the Senate.

I think, then, that this amendment as it is now modified, is necessary to carry out fully the intent of the measure adopted yesterday by the Senate. I think the suggestion made by the distinguished Senator from Idaho to strike "in whole or in part" does not detract from the initial purpose of the amendment, which is to make sure that the President or the executive department does not do by indirection what the Congress does not want them to do directly: That is, they do not cancel this project; but, rather, continue it as prescribed in the amendment on yesterday, at the $75 million funding level, or as the level may be further modified by the conference or subsequent action of these bodies.

Mr. CHURCH. Mr. President, may we vote on these amendments separately. I have a matter I want to take up with the distinguished Senator from Tennessee. May we have the vote on the short amendment, if it has a number?

Mr. BAKER. I have not objection to that, Mr. President.

I ask unanimous consent that the consolidation of the amendments heretofore agreed to may be vacated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. I ask unanimous consent that we now proceed first to the consideration of the single-page amendment, as modified.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Division I of the amendment is as follows:

On page 2, line 21, strike the period and insert in lieu thereof, ": *Provided*, That none of the funds made available by any appropriations act pursuant to this Act, or any other authorization act, including funds from the General Treasury, revenues received, changes in selected resources, transferred funds, or funds from any other source, shall be used in fiscal year 1978, in any way, directly or indirectly, to terminate or cancel the Clinch River Breeder Reactor Project, or to plan such termination or cancellation; and any such funds shall only be used for the purposes of continuing the Project in accordance with Section 106 of Public Law 91–273, as amended by Public Law 94–187 and as further amended by section 103(f) of this Act.".

Mr. CHURCH. Mr. President, I move the adoption of the amendment.

The ACTING PRESIDENT pro tempore. The question is on agreeing to division I of the amendment of the Senator from Tennessee (Mr. BAKER).

Division I of the amendment, as modified was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I further modify my second amendment by striking all of the fourth page beginning with the word "accordingly" and ending with the term "District of Columbia."

The ACTING PRESIDENT pro tempore. The amendment is so modified.

Division II of the amendment, as modified, is as follows:

On page 8, line 14, insert the following new Subsection (f) to Section 103,

"(f) CLINCH RIVER BREEDER REACTOR PROJECT

(1) The new section 106 contained in section 103(d) of Public Law 94–187, as amended, is amended as follows:

(A) in subsection (a) of section 106, strike "September 30, 1976" and insert in lieu thereof, "September 30, 1978",

(B) at the end of subsection (b) of section 106, insert the following new sentences. "Nothing contained in this section shall be construed as authorizing the Administrator to use the procedures of this section to propose and proceed with a cancellation or termination, of the Clinch River Breeder Reactor project and the cooperative arrangements associated therewith. No funds appropriated pursuant to the authorization contained in this section shall be used in any way, directly or indirectly, to cancel or terminate the project, or to plan such cancellation or termination. The Congress hereby endorses the opinion of the Comptroller General of the United States contained in the June 23, 1977 letter to Vice Chairman Jackson and Senator Baker of the Joint Committee on Atomic Energy from Comptroller General Staats, insofar as the opinion interprets the authorities under this section. The Congress hereby declares that this restatement of the authorities under this section is now and always has been the intention of the Congress for the interpretation of these authorities. Consequently, the Congress further declares that the proposal of the Administrator to modify the cooperative arrangements under this section to terminate the project, with the exception of a "final design", contained in the May 18, 1977 letter to Vice Chairman Jackson of the Joint Committee on Atomic Energy from ERDA Acting Administrator Fri shall be deemed to be unauthorized by this section, and no funds appropriated for any fiscal year pursuant to the authorization of this section shall be used to implement in any way, directly or indirectly, the proposal.

The Congress also declares that, insofar as the Comptroller General's opinion contained in the June 23, 1977 letter interprets the Impoundment Control Act of 1974, the intent of Congress is that funds appropriated pursuant to an authorization to design, construct and operate a project, or conduct a specified program shall only be used for the continued design, construction, and operation of the project, or continued conduct of the program, and shall not be used in any way, directly or indirectly, to cancel or terminate the project or program, or for planning thereof, unless expressly authorized in an authorization Act by Congress. Funds made available for such continued design, construction and operation of a project, or continued conduct of a program shall therefore be deemed to be deferred or rescinded, as appropriate, for purposes of the procedures of the Impoundment Control Act of 1974, when such funds are used for such cancellation, or termination, or for planning thereof, rather than for the continuation of the authorized project or program. Consequently, a disapproval resolution under the Impoundment Control Act shall have the effect of requiring as a matter of law that such funds shall be used for such continuation activities, and shall not be used for such termination or cancellation activities. Furthermore, when such funds are being withheld, or are proposed to be withheld, approval of a disapproval resolution or failure to approve a rescission resolution, as appropriate, shall not be considered to be satisfied under the Impoundment Control Act by releasing such funds for such termination or cancellation activities, but shall be considered to be satisfied only by the release of such funds for such continuation activities.

(2) Section 309 of Public Law 95–39, which authorizes funds for the ERDA nuclear programs in Fiscal Year 1977, is amended by inserting the following sentences at the end of the Section. "Provided that none of the funds made available by Public Law 94–355, or any other appropriations Act, including funds from the General Treasury, revenues received, changes in selected resources, transferred funds, or funds from any other source, shall be used in Fiscal Year 1977 in any way, directly or indirectly, to cancel or terminate the Clinch River Breeder Reactor Project, or to plan such termination or cancellation."

Mr. BAKER. Mr. President, if I may have the attention of the distinguished manager of the bill, the second amendment to which we now proceed to consider, has to do with the situation that occurs after the action of the Congress and providing for the funding and the continuation compatible with yesterday's amendment of the Clinch River project.

By the language of the amendment, it is made clear—or I hope it is made clear—that the Clinch River project should not be cancelled under the provisions of the Atomic Energy Act; that it is the contention of the Congress and of the General Accounting Office, as I interpret their letter, that the 45-day layover provision does not include and encompass the possibiity of cancellation; and that it is the purpose of this amendment—and the one just preceding which was adopted by the Senate as Division I—to make it clear that no such cancellation should be in order for fiscal year 1977 or 1978.

I ask the distinguished manager of the bill if he will agree that under these circumstances and this context that the President should not interpret the Atomic Energy Act or the action of the Congress to mean authority for that cancellation?

Mr. CHURCH. I agree with the distinguished Senator in all respects. The language of the amendment makes it clear that we mean to act in such a way as to keep the Clinch River project in abeyance but intact, and to oppose the termination of that project during the coming year.

The Senator's amendment contains language that is susceptible to no other interpretation. It reads:

The Congress hereby endorses the opinion of the Comptroller General of the United States contained in the June 23, 1977 letter to Vice Chairman Jackson and Senator Baker of the Joint Committee on Atomic Energy from Comptroller General Staats, insofar as the opinion interprets the authorities under this section. The Congress hereby declares that this restatement of the authorities under this section is now and always has been the intention of the Congress for the interpretation of these authorities. Consequently, the Congress further declares that the proposal of the Administrator to modify the cooperative arrangements under this section to terminate the project, with the exception of a "final design", contained in the May 18, 1977, letter to Vice Chairman Jackson of the Joint Committee on Atomic Energy from ERDA Acting Administrator Fri shall be deemed to be unauthorized by this section, and no funds appropriated for any fiscal year pursuant to the authorization of this section shall be used to implement in any way, directly or indirectly, the proposal.

I do not know how language could make the intent of the Congress any clearer, and I cannot believe that the President, should the Congress write these provisions into the law, would defy the clearly expressed will of the Congress and attempt to terminate in defiance of the Congress.

Mr. BAKER. Mr. President, I thank the distinguished manager of the bill, and I entirely agree with his assessment of the situation and his interpretation of the language of the amendment.

I point out that under the Atomic Energy Act, if the President were to seek and obtain a favorable opinion from the Attorney General of the United States, it is not clear what the situation would be; that is, whether or not the opinion of the Comptroller General would still have the force and effect of law, or whether a contrary opinion by the Attorney General would nullify it.

I ask the distinguished manager of the bill if he will agree with me that one of the purposes of this language is to make it clear that in such a stalemate, it is the clear intention of Congress that the position of the GAO should prevail.

Mr. CHURCH. Yes, I agree fully with the Senator. Since this is the last expression of Congress on this subject, I think there is no doubt that it will be controlling.

Mr. BAKER. I thank the manager of the bill.

I have discussed this matter with my colleague from Tennessee, who is a cosponsor of both these amendments, and I am prepared at this time to proceed to a vote.

Mr. CHURCH. I move the adoption of the amendment, Mr. President.

The PRESIDING OFFICER (Mr. ALLEN). The question is on agreeing to division II of the amendment, as modified.

Division II of the amendment, as modified, was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was adopted.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

UP AMENDMENT NO. 636

Mr. HAYAKAWA. Mr. President, I submit an amendment.

The PRESIDING OFFICER. The clerk will please state the amendment.

The assistant legislative clerk read as follows:

The Senator from California (Mr. HAYAKAWA) proposes an unprinted amendment numbered 636:

Beginning on page 21, line 9, strike out through line 11, on page 22.

The PRESIDING OFFICER. Time on this amendment is limited to 1 hour and a half, to be equally divided between the Senator from California and the manager of the bill.

Who yields time?

Mr. HAYAKAWA. Mr. President, the purpose of this amendment is to delete title V which creates the Lawrence Livermore Laboratory employee grievance procedure.

This title provides that the Administrator of ERDA shall not use any funds appropriated in S. 1811 under any contract with the Lawrence Livermore Laboratory unless the contract specifically provides that the employees of LLL will be protected by an impartial grievance procedure, have the right to form, join or assist labor organizations, to bargain collectively and to have available the use of certain mediation services.

The Senate deleted a similar provision earlier this year from S. 36, the 1977 ERDA authorization bill, and the House Science and Technology Committee voted it down when Representative BROWN attempted to attach it to the 1978 ERDA nonnuclear authorization legislation.

Mr. President, I have been in contact with the Carter administration, and they too, oppose this provision. In this regard, I ask unanimous consent to have printed in the RECORD a letter I received from the Acting Administrator of ERDA, dated July 6, 1977, which states that opposition.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION,
Washington, D.C., July 8, 1977.

Hon. SAMUEL I. HAYAKAWA,
U.S. Senate.

DEAR SENATOR HAYAKAWA: This responds to a July 6, 1977, inquiry from your office for comments by the Energy Research and Development Administration (ERDA) on the "Stark/Cranston amendments" to our FY 1978 authorization bill. The amendments propose to require certain collective bargaining obligations at the Lawrence Livermore Laboratory (LLL). LLL is a Government-owned facility operated by the University of California under contract to ERDA. Its primary mission is the research and development of nuclear weapons. For the reasons set forth below, ERDA opposes these amendments.

We believe it is inappropriate for the authorization process to be used as a vehicle for requiring certain actions affecting labor relations problems at any particular ERDA plant or laboratory. The ERDA system includes about 60 Government-owned, contractor-operated facilities, employing nearly 100,000 employees. ERDA installations are subject to Federal and state labor-management relations laws. There are numerous instances in which, given a precedent of Congressional resolution of disputes, local interest groups may seek to influence the outcome of a specific labor relations question through the legislative process. We are opposed to this practice as a matter of principle.

The University of California is an agency of the State of California. Relationships between the University and its employees are regulated by California state law. It is inappropriate for the Federal Government's authorization process to be used to alter such relationships. If changes are needed, they should be made by state statutory enactments applicable to all employees similarly situated. Indeed, we understand that Congress considered legislation which would make state and municipal employees subject to the Taft-Hartley Act and has rejected it. We see no reason why LLL employees of the University of California should now be treated differently.

Even if the amendments pass, they may not achieve their objective, since relationships between the University and its employees may also be covered by current or proposed state law. We cannot be certain that the amendments to ERDA's authorization bill could require the University to enter into a contract with ERDA which could obligate it to do anything contrary to state law. Passage of the Stark/Cranston amendments might, therefore, do little more than create false expectations among some LLL employees which might not be realized because of possible inconsistency with state law. Considerable confusion could also be created for the management of LLL, which would not be certain as to their obligations if the amendments, as well as proposed state legislation, were enacted.

If we can provide any additional information on this matter, please let us know.

Sincerely,

ROBERT W. FRI,
Acting Administrator.

Mr. HAYAKAWA. Mr. President, I will read two sentences from the letter:

The University of California is an agency of the State of California. Relationships between the University and its employees are regulated by California State law. It is inappropriate for the Federal Government's authorization process to be used to alter such relationships.

The Lawrence Livermore Laboratory is a branch of the University of California. It is a research wing, and definitely the employees there are State employees. Therefore, even if the amendment is agreed to, they may not achieve their objective, since the relationship between the university and its employees may also be covered by current or proposed State law, and we cannot be certain that the amendments to ERDA's authorization bill could require the university to enter into a contract with ERDA which would obligate it to do anything contrary to State law.

If we allow this provision to remain in the ERDA nuclear authorization bill we place ourselves in the role of dictating how the labor relations for a small group of public employees of the State of California must be handled if their employer is to receive ERDA funds. We would be setting a terrible precedent in attempting to use Federal contract power to impose a labor relations requirement on a State. The National Labor Relations Act expressly exempts State employees from its coverage and leaves the labor relations issue to the individual States.

There may even be some question of constitutionality in view of the Supreme Court's decision in League of Cities against Usery, 1976. That decision stated that Congress did not have the constitutional power to regulate State employment practices with regard to minimum wage. The provision we are discussing today does attempt to regulate State employment, in this case, labor relations.

Mr. President, clearly an authorization bill is not the proper vehicle for modifying the framework for employee relations. More important, not only does this provision intrude in an authorization bill, it singles out one institution which is part of the University of California and requires processes and procedures different from those under which all other public employees of the university and State carry out their interactions with their employers. It does not even apply to the University of California's other research facilities, the Lawrence Berkeley Laboratory, the Los Alamos Scientific Laboratory, and the Laboratory of Nuclear Medicine and Radiation

Biology. This one laboratory at Livermore is being singled out for this requirement.

How can we possibly justify such discrimination or intrusion in States rights?

The title of this provision is misleading. It suggests that the LLL does not have a grievance procedure. That is not so. Employees at the Lawrence Livermore Laboratory are University of California employees and accordingly are covered by university personnel policy. That policy provides for an impartial grievance procedure which meets all legal standards of due process.

In this regard, I ask unanimous consent to have printed in the RECORD a letter from University Vice President Archie Kleingartner to the chairman of the Senate Energy Committee.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNIVERSITY OF CALIFORNIA
SYSTEMWIDE ADMINISTRATION,
Berkeley, Calif., July 8, 1977.

Hon. HENRY M. JACKSON,
Chairman, Senate Energy and Natural Resources Committee, Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing to you at the request of President David Saxon regarding proposed amendments to Title V of the ERDA Authorization Act. Since President Saxon wrote you on July 6 we have learned that you have received information which does not accurately reflect the status of the University, including the Lawrence Livermore Laboratory, under California law regarding collective bargaining, and I am hopeful that this information may be helpful to you.

The State of California, including the State University and Colleges and the University of California, is covered by Sections 3525–3536 of the Government Code known as the State Employees Organization Act. This Act (Section 3527) provides for ". . . the right to form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation on all matters of employer-employee relations." Under Section 3530 the employer, which includes the State, the University, and the California State University and Colleges, has the duty to "meet and confer with representatives of employee organizations on request". Cities and counties are governed by Government Code Sections 3500–3511 (known as the Meyers-Nilias-Brown Act) and employees of the elementary and secondary levels in the public school system, including community colleges, are covered by Chapter 10.7 of the Educational Code (known as the Rodda Act).

The University, the State, and the State University and Colleges provide a grievance procedure which has as a terminus, fact finding hearings and recommendations as to remedial action. None of the statutes in California nor the Taft-Hartley Act provide for binding arbitration of interest disputes as has been suggested.

The law applicable to employees at the Lawrence Livermore Laboratory and the University procedures flowing from that law are equally applicable to the 92,000 other employees of the University of California. Similar procedures under the same law are applicable to 125,000 State of California employees and 32,000 employees of the State University and Colleges. All systems provide for considerations of grievances through a recognized grievance procedure. Under the University procedure (which provides for advisory arbitration) 129 cases were appealed to the final grievance step during fiscal 1975–76. One-hundred-twenty-three of these cases resulted in recommendations by the arbitrator or hearing officer which were implemented by the administration. In one case the University further reduced the disciplinary action beyond that which was recommended by the hearing officer.

If your staff has questions about the content and applicability of the law in California, we would appreciate the opportunity to provide that information.

Sincerely,

ARCHIE KLEINGARTNER,
Vice President.

Mr. HAYAKAWA. Moreover, Mr. President, present California labor procedures for public employees are currently a matter of serious debate in the State legislature. I cannot believe the U.S. Senate would intrude in something which is obviously a State matter, particularly at a time when the Legislature of California is in the process of debating, and may soon be deciding the same issue.

If, however, my colleagues wish to single out one portion of one State institution and legislate labor relations for that institution alone, I suggest it be done through the proper vehicle, the Senate Human Resources Committee. The sponsor of this provision, my distinguished colleague from California, has not even attempted to bring it up in that committee, of which we are both members. Since the chairman of that committee indicated his support for this provision I am sure he would be willing to hold hearings and allow the measure to take the proper legislative course.

Mr. President, I do not believe the precedent which would be established, of Congress intervening in a specific labor relations situation, which deals solely with the State of California, is either sound or desirable. Therefore, I hope my colleagues will join in support of my amendment.

Mr. President, I ask unanimous consent that Elvira Orly, of my staff, have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, I associate myself with the remarks of the distinguished junior Senator from California, and I agree with him. I compliment him for pointing out in this bill something that really runs contrary to the laws of this country and pointing out some difficulties in title V. I, for one, am very pleased that the Senator has pointed this out.

I see no particular reason why we should change the existing labor law specifically and specially to provide for such employees. So I compliment the Senator from California (Mr. HAYAKAWA). He is right in this matter, and I ask unanimous consent to be added as a cosponsor of his amendment.

The PRESIDING OFFICER. Without objection, it so ordered.

Who yields time?

Mr. CRANSTON. Mr. President, will the distinguished Senator from Idaho yield me 10 minutes?

Mr. CHURCH. I am pleased to yield the Senator 10 minutes.

Mr. CRANSTON. Mr. President, I would like to explain briefly the reasons why the committee included title V in S. 1811, and I thank the committee for so doing.

The purpose of title V is to provide for an impartial grievance procedure at Lawrence Livermore Laboratory, a federally owned heavy atomic production facility operated under a cost-plus contract for ERDA by the University of California.

Due to omissions in both Federal and State labor laws, the employees of Livermore Laboratory live in a vacuum for labor relations purposes. Their situation is virtually unique among the 64 federally owned, contractor operated ERDA facilities in the Nation.

For several years the 6,000 employees of Lawrence Livermore Laboratory have attempted to seek redress of many grievances through the university's grievance procedure at Livermore Laboratory. But the grievance procedures at Lawrence Livermore Lab cannot be called "impartial." In all cases, the laboratory director reserves the right to reverse a panel or arbitrator. Consequently, of over 300 grievances filed, only 2 have been resolved in favor of the employees. Clearly, the existing procedure is inadequate to redress the grievances of workers at the laboratory.

Title V redresses this inequity by requiring an impartial grievance procedure with final and binding arbitration. In addition, it provides for the right of employees to join labor organizations and to engage in collective bargaining subject—and I stress this—subject to a specific limitation barring strikes or lockouts.

Finally, the title authorizes the services of the Federal Meditation and Conciliation Service and the Atomic Energy Labor Management Relations Panel to assist in settling issues in a timely and fair manner.

The Federal Mediation and Conciliation Service is well suited to this purpose.

As an independent agency with nearly 30 years experience in mediating and conciliating labor disputes, the Mediation and Conciliation Service has become a key part of the collective bargaining process in the United States. As the 29th annual report of the FMCS notes:

> The Service is no longer merely an adjunct to the collective bargaining process. It is part of that process and part of the growing trend toward better labor-management understanding and relations in the United States. It has become a repository for new ideas and initiatives and a catalyst for change and improvement. . . . It has become the position of the FMCS in recent years that the agency has an active role to play in settling work stoppages and improving labor-management relations.

This feature of title V is most supportive of the goal of establishing an improved labor-management understanding at Lawrence Livermore Laboratory.

I also wish to mention that title V is endorsed by the California State Department of Industrial Relations.

The following telegram was sent to me on July 7 by Donald Vial, Director of the Department:

The California Department of Industrial Relations supports amendment to ERDA authorization bill which would establish grievance procedures and arbitration for employees of the Lawrence Livermore Laboratory.

The provision is supported by the Laborers International and the California State Employees Association.

Senator WILLIAMS, the distinguished chairman of the Human Resources Committee, in a letter printed on page 66 of the committee report on S. 1811, endorses the amendment as "an appropriate way to establish stable labor management relations at Lawrence Livermore Laboratory."

There is no constitutional problem here. Congress has the right to attach conditions to the expenditure of its funds. It is also well settled that Congress can apply labor relations standards to State bodies. In *California* v. *Taylor*, 353 U.S. 553 (1957), the U.S. Supreme Court ruled that under the commerce clause of the Constitution, Congress had the authority to extend the Railway Labor Act to a State-owned railroad. In *National League of Cities* v. *Usury*, 49 L. Ed. 2d 245 (1976) the Court expressly reaffirmed the California case. In ruling that application of the Fair Labor Standards Act to municipalities was unconstitutional, the Court expressly limited its holding to applications which would interfere with "integral operations in areas of traditional government functions." A State-owned railroad is not such a traditional government function, as the Court observed in the Taylor decision, nor is the operation of a heavy atomic production facility, in my opinion.

Given the overwhelming Federal involvement in Lawrence Livermore Laboratory, I have no doubt but that title V, as reported by the Committee on Energy and Natural Resources, is appropriate legislation. In no way does the title infringe upon any significant operation of or policy central to the educational mission of the University of California. On the contrary, it deals in a straightforward manner with labor-management relations in a federally owned atomic weapons production facility, similar to many others operated under contract for ERDA by universities recognizing elementary collective-bargaining and grievance procedures for employees of ERDA facilities.

Title V simply moves Lawrence Livermore Laboratory onto the same plane of labor-management relations as enjoyed by other ERDA facility employees.

Mr. HATCH. Mr. President, will the distinguished Senator from California yield for a question?

Mr. CRANSTON. Of course.

Mr. HATCH. Are not the 6,000 employees at Livermore employees either in the public sector or private sector who would come under the National Labor Relations Act or, if they are State employees, would come under the State labor relations act?

Mr. CRANSTON. They are university employees.

Mr. HATCH. They would be State of California employees.

Mr. CRANSTON. No, they would not be. They are——

Mr. HATCH. Would they be private sector employees within the National Labor Relations Act?

Mr. CRANSTON. No, they are neither. They are in limbo.

Mr. HATCH. They are in limbo. Who pays their salaries? This is done pursuant to——

Mr. CRANSTON. The Federal Government pays their salaries.

Mr. HATCH. In effect, but they are employees of which university?

Mr. CRANSTON. The University of California.

Mr. HATCH. That is a State university, right?

Mr. CRANSTON. Yes.

Mr. HATCH. The checks they receive, although backed up with Federal moneys through ERDA, are State checks; is that right?

Mr. CRANSTON. I believe they are State checks.

Mr. HATCH. Under pure labor law they would be State employees receiving State checks working for a State institution that is funded, which has a project funded by ERDA; is that not correct? There is no other way you can get around that.

Mr. CRANSTON. Under California law they are not State employees. For purposes of the National Labor Relations Act they may be considered California employees. But under California law they are not, and that is what places them in limbo.

Mr. HATCH. I think if you check the law you will find they are, but they certainly——

Mr. CRANSTON. Not under State law.

Mr. HATCH. They certainly are not covered by the National Labor Relations Act. Does the Senator agree with that?

Mr. CRANSTON. I beg your pardon?

Mr. HATCH. They are not covered by the National Labor Relations Act.

Mr. CRANSTON. That is correct.

Mr. HATCH. I am assuming they are State employees, but you are saying they are in a state of limbo.

Mr. CRANSTON. They are placed in a state of limbo by the State of California law that states they are not State employees.

Mr. HATCH. Can you cite the California law that states they are not State employees? If they are not State employees then they have to be private sector employees or Federal employees.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. CRANSTON. There are separate State laws governing normal State employees and those workers who work for the State university, the University of California.

Mr. HATCH. I am sorry.

Mr. McCLURE. Mr. President, will the Senator yield? I am not sure whether this is an observation or a question.

Mr. CRANSTON. Certainly, I yield.

Mr. McCLURE. I am no labor expert and I am not a labor lawyer, which is a commentary in itself. This would ordinarily come from the committee that deals with labor law. My understanding of the Federal labor law statute is that the categories covered are specific unless they are specifically exempted, and if they are specifically exempted by Federal law as State employees that would be the exemption under which they would not be covered by the NLRB; and then the State could, I assume by their own action, exempt some of their own employees from the application of State law, although they would not be covered by Federal law because the Federal law says State employees are not covered.

Mr. HATCH. I do not know the Federal law.

Mr. McCLURE. If there is any hiatus or gap, it is a gap created not by any Federal statute but by the State legislature.

Am I correct in that assumption? I would assume that that is the case.

Mr. CRANSTON. I refer back to the preemption doctrine under which State law yields to Federal law and in this case contractual requirements are designed by title V to fill the void where these people are in limbo. The fact is they do not have any effective operative grievance procedure which they can follow.

Mr. HATCH. I agree that they may not have it, but if they stay under Federal law they are either covered by Federal law or State law.

Mr. CRANSTON. They are going to be covered by Federal law by this amendment—insofar as title V directs the Director of ERDA to act.

Mr. HATCH. Hopefully not, because this amendment would create a nuance in labor law that does not presently exist. This is what we are fighting against here. What we are saying is they are still State employees, and if it is defective it is on the part of the State and not on the part of the Federal Government. We should not create a new law.

Mr. CRANSTON. The amendment requires a new grievance procedure which will still be under State law, and the university will operate the grievance procedure. Now they do not have a grievance procedure.

Mr. HATCH. It is not that. The Senator is creating a Federal Mediation Board approach here. Let me give an illustration.

The PRESIDING OFFICER. The 10 minutes allotted to the Senator from California have expired.

Mr. CRANSTON. The time has not exactly been used by me lately.

Mr. HEINZ. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HATCH. Mr. President, the Senator yielded to me to ask a question.

Mr. HAYAKAWA. I yield.

Mr. HEINZ. Mr. President, I ask unanimous consent that Chris Somme of my staff be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. HATCH. Mr. President, I yield myself so much time as I may need for the purpose of asking questions of the Senator from California (Mr. CRANSTON).

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. HATCH. Mr. President, Senator CRANSTON indicated that there is nothing unconstitutional about what we are doing here, and yet he cited the case of National League of Cities against Usery. Actually, as I read that case that would make what the Senator is trying to do unconstitutional because these people are not covered by the National Labor Relations Act; they are covered by State laws. If the State laws have a defect, then the States should take care of that.

For us to now impose Federal Government laws, and superimpose them on top of what the State should be doing, on State employees who are paid by State checks, I think would not only be unconstitutional but would be a violation of the law, and would create new labor law without having gone through the Human Resources Committee upon which Senator HAYAKAWA and I sit. Is that correct?

Mr. CRANSTON. My legal advice is to the contrary. What we are doing is attaching conditions to a contract. The case that I have cited substantiates the position that this amendment upholds.

Mr. McCLURE. Mr. President, will the Senator from California yield for a couple of comments?

Mr. HAYAKAWA. I yield.

Mr. McCLURE. Mr. President, I thank the Senator.

I have a letter which is dated July 6, 1977, signed by David S. Saxon, president of the University of California Systemwide Administration in which he makes this statement:

> As you know, Lawrence Livermore Laboratory employees are University of California employees subject to applicable State of California statute (the State Employee's Organization Act) regarding employee relations for University of California employees. The University, therefore, continues to be strongly opposed to the use of an authorization bill to modify the framework for employee relations in the University of California, a public agency of the State of California.

It goes on to outline the fact that there are two bills currently pending in the State legislature in California directly aimed at collective bargaining for public employees.

I also have a letter, dated July 8, 1977, signed by Archie Kleingartner, vice president of the University of California Systemwide Administration, in which he makes this statement:

> The State of California, including the State university and colleges and the University of California, is covered by sections 3525–3536 of the government code known as the State Employees Organization Act.

It covers the administration of the California system of colleges and their employees.

On July 8, ERDA wrote to Senator HAYAKAWA that the University of California is an agency of the State of California. Relationships between the university and its employees are regulated by California State law.

It seems to me that the administration of the State university system and the State agencies are not confused at all about the status of these employees.

Mr. HATCH. Not at all. These are State employees, and I do not think anyone who knows anything about labor law would consider them otherwise.

For instance, National League of Cities versus Usery basically stands for the principle that the Federal Government does not have the right under the commerce clause to prescribe overtime pay requirements for municipal employees, thereby interfering with the State and local employees' labor relations situations. This is exactly what this particular title V provision does which would be a violation of Usery, in my opinion.

Let me just go a little bit further, if the distinguished Senator from California will answer this. The July 11 "dear colleague" letter of the distinguished Senator from California indicates that about 50 percent of the current Lawrence Livermore Laboratory employees are in collective bargaining units and some 20 percent belong to labor organizations.

Is the distinguished Senator from California saying that these employees have collective bargaining rights, and if so under what law are these rights conferred? If so, why cannot the rest bargain for the same rights?

Mr. CRANSTON. I am consulting with my legal counsel on this matter. The situation is that there is no law that prohibits the workers from joining a union and there is no law that requires the university to negotiate bargaining with the unions, so again we are at an impasse.

Mr. HATCH. The contractual negotiations create a role within the contract. The union can do that. In other words, if they have a right to join a union, and 50 percent of them have, as I understand here, or at least are in the collective bargaining process, according to the letter, and 20 percent belong to labor organizations, they have a right to negotiate the contract.

Mr. CRANSTON. The reference in that letter is something to the effect that they work in units that are appropriate collective bargaining units. That does not mean they have the collective bargaining rights.

Mr. HATCH. Who determines that they are appropriate collective bargaining units? Who makes that determination? It has to be the State in this matter.

Mr. CRANSTON. Under generally recognized labor standards. The problem is they do not have collective bargaining. That is the issue here.

Mr. HATCH. The fact of the matter is they do according to the letter.

Mr. CRANSTON. We are talking here about the blue collar workers, the guards, productive workers, and so forth.

Mr. HATCH. That is right. If they want the collective bargaining units, they have to have collective bargaining rights. If they do not, the State has to provide them.

Mr. CRANSTON. That does not happen to follow given the way it works.

Mr. HATCH. The fact is the rights are granted by the State. If the State has not granted them, that is a State problem. How can we as a Federal Government impose rights that are in contravention of those of the State of California?

Mr. HAYAKAWA. Mr. President, will the Senator yield?

Mr. CRANSTON. I yield.

Mr. HAYAKAWA. If I may quote from the letter from Vice President Kleingartner, of the University of California Systemwide Administration:

> The State of California, including the State University and Colleges and the University of California, is covered by Sections 3525–3536 of the Government Code known as the State Employees Organization Act. This Act (Section 3527) provides for ". . . the right to form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation on all matters of employer-employee relations." Under Section 3530 the employer, which includes the State, the University, and the California State University and Colleges, has the duty to "meet and confer with representatives of employee organizations on request".
>
> The law applicable to employees of the Lawrence Livermore Laboratory and the University procedures flowing from that law are equally applicable to the 92,000 other employees of the University of California.

Therefore, it is mandated by State law on both the university and the Lawrence Livermore Laboratory to meet and confer with organizations of their employees. It is already mandated. This is why the proposed amendment of the distinguished Senator from California is superogatory in the sense that it tries to override that which already exists. If the present employees of Lawrence Livermore Laboratory are dissatisfied with that, it seems to me the remedy lies within the State law itself or within the actions, the behavior, and the judgment of the present individuals in charge of implementing that legislation.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. HAYAKAWA. I yield.

Mr. HATCH. Let me ask the distinguished senior Senator from California this question: He says the existing grievance procedure at Livermore is not impartial because the laboratory director has great veto power over an arbitrator's position. Without arguing the merits of that situation, under what law or authority can the Federal Government interfere with the State labor relations situation?

Mr. CRANSTON. Basically, because it is our money, and rather obviously because we have the power to write into law conditions concerning the use of Federal funds. The general national policy is to seek to bring about appropriations opportunities for resolving labor-management differences, and it appears that there are no opportunities at Lawrence Livermore.

Mr. HATCH. Let me ask this question: It is current national labor relations policy that many employees should be free to negotiate for wages, hours, and terms of employment. The right to negotiate has never been construed to force any substantive provisions from any employer. Yet title V mandates a grievance procedure resulting in binding arbitration. How is this justified when title V squarely runs afoul of our longstanding labor relations policy?

We are creating new laws here without the benefit of the Human Resources Committee. As more of an afterthought, I would suggest that the senior Senator from California get together with the Governor from California. I think he may

have distinctly different viewpoints here. The Federal Government cannot superimpose its will upon the State governments.

Mr. CRANSTON. The Federal Government can. I have a wire from Donald Vial, director of the California Industrial Relations Department, who is the key person in the Governor's administration supporting this amendment. I would like to point out also that the Federal Government requires from State employees who handle Federal money to be hired under a merit system. That is a direct intervention by the Federal Government in State personnel matters of many years' standing.

Mr. HATCH. We are talking about labor relations here, and a major wholesale change in the labor laws just for the benefit of one specific group of employees in one specific area working as State employees in California.

Mr. CRANSTON. I cite the Federal law requiring State employees to be under civil service if they handle Federal moneys as an example of the power of the Federal Government to intervene in matters such as this. It was strongly opposed by the then Governor of Ohio, Frank Lausche, later a Senator in this body, but he was overcome.

Mr. HATCH. The Senator is citing that as a precedent for basically violating the existing public policy in labor laws in our society today.

Mr. HAYAKAWA. Will the Senator yield?

Mr. CRANSTON. I do not yield because I do not have the floor. I will be glad to respond to a question, however.

Mr. HAYAKAWA. Forty percent of the employees at the University of California are in one way or another funded by the Federal Government, but they are employees of the State of California for the purpose of administration. I happen to know this to be a fact because as former president of San Francisco State University we also had a number of programs going which were funded by Federal money. Whatever may have the status of the people who handled that money in the accountant's office, the cashier's office, or whatever, the people who received it as salaries were State employees and, in turn, they were free to join, and many did join, the American Federation of Teachers and other employee organizations which were on our campus. Therefore, what Dr. Kleingartner from the University of California administration says corresponds exactly with my own experience as a university president in those days.

If they worked for the San Francisco State University, wherever the money comes from, they worked for the San Francisco State University. They are State employees and are covered by the California State Employees Administration, and are eligible to belong to the California State employee associations, and so on. The same is true of the University of California employees, including those at the Lawrence Livermore Laboratory.

Mr. CRANSTON. I would like to cite another example of Federal action in this area, the State employees involved in the realm of HEW in handling Federal funding. They are required to meet the affirmative action requirements established by the Federal Government. That is yet another example of how the Federal Government has exercised responsibility here.

I would like to read into the RECORD a letter from the Congressman who represents this area, Representative PETE STARK, who goes into great detail.

Mr. HATCH. Could I ask my previous question again?

Mr. CRANSTON. I have the floor at the moment. Let me read this letter into the RECORD. This is a letter addressed to MEL PRICE, chairman of the House Armed Services Subcommittee on Intelligence and Military Application of Nuclear Energy, signed by Representative STARK, and dated March 24, 1977:

Hon. MELVIN PRICE,
Chairman, House Armed Service Subcommittee on Intelligence and Military Application of Nuclear Energy, Rayburn House Office Building, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I recently received a copy of David Saxon's letter to you regarding my amendment to the 1978 ERDA authorization. I'm completely convinced that unfortunately there is still a great need for my amendment and that the ERDA authorization is a perfectly legitimate vehicle for it, as the Lawrence Livermore Laboratory is fully funded by ERDA. Let me give you my side of the story.

First of all, I will agree with Mr. Saxon that there have been some improvements in the labor-management relations at LLL. However, complaints still continue to come regularly and frequently to my office; there is a general feeling that it is the threat of the amendment that has provided an impetus for improvement and that if the amendment were to be withdrawn the situation could easily revert back to what it was before. Furthermore, I can't understand why Mr. Saxon feels that my amendment would disrupt any improvements underway. Quite, the contrary, it would spur them along. And the improvements do need to be spurred along.

Mr. Saxon states that the employees of LLL are covered by University personnel policy which provides for an impartial grievance procedure. That statement is really a distortion of reality. At LLL, salaries, merit review, performance evaluations, working conditions, and job classification are not grievable. They are subject only to administrative review with no right to appeal before the University Hearing Committee or have a hearing officer hold a formal hearing. Furthermore, the Employee Relations Manager is responsible for the interpretation as to which appeals are grievable. Clearly, this is not an impartial grievance procedure.

Mr. Saxon goes on to say that university employees have the right to form or join or assist labor organizations. While technically this is true, the management of the Lab is by no means sympathetic to such organizations. A telling example of this is that there is pending a suit seeking permanent injunction and declaratory relief from the Lab's policy of denying use of LLL's auditorium by labor organizations for lunch-hour meetings.

He also states that the university through its own policies and under applicable California State law is required to meet and confer with all employee organizations to resolve differences. What really happens is again far removed from the just situation that the statement conveys. For example, the California State Employees Association was not informed that the salary levels of sergeants and lieutenants were to be reduced 16–25%. CSEA filed suit to meet and confer as required under the Meyer-Milias Brown Act. LLL relented and met. CSEA presented its case and demonstrated that LLL's data was obsolete and that it mistakenly compared the pay of sergeants and lieutenants to that of patrolmen rather than other sergeants and lieutenants. LLL went ahead and decided on the 25% reduction. As you can see, meet and confer came only after a court threat; even then, as was evidenced by the results, I can't really believe it was in good faith.

This particular example happened in 1973 and some time ago it did look like things were beginning to change. The CSEA, LLL management representatives, and U.C. officials agreed to meet and confer on their differences and that any outstanding issues would be subject to third party arbitration. Progress seemed to be in the making until recently the CSEA was told that the University would decide what the outstanding issues are. Things are now at a total impasse.

This lack of communication is prevalent at all levels of management. Recently in a meeting between employees and low-level management, it became apparent that management was very unclear on the labor-relation policies.

In a sense, this is the heart of the problem. Since ERDA, the State of California, the University of California, and the Lab itself all exert authority at times, a clear-cut policy has not evolved. My amendment would correct this very simply by guaranteeing the employees commonly accepted labor practices—practices that are accorded to over 80,000 employees of government-owned, contractor operated ERDA facilities, but not to the 5,600 in Livermore.

I hope you will agree that improvements notwithstanding many of the original problems have not been solved and the need for a legislative remedy persists. This one really means a lot to me and the 5600 employees of the Lab. I appreciated your support last year and hope you'll let me know if you have any questions.

Sincerely,

FORTNEY H. STARK, Jr.,
Member of Congress.

Mr. HATCH. Mr. President, will the distinguished Senator from California again consider my question, that it is current national labor relations policy not to force either the employer or the employee to reach substantive conclusions, but to allow them freely to negotiate for certain wages, hours, and conditions of employment; and that this particular provision, title V in this bill, mandates grievance machinery which results in binding arbitration?

I just ask, how is this justified, title V, when it squarely runs afoul of our longstanding labor relations policy?

Mr. CRANSTON. Basically, the fundamental purpose is to afford equitable opportunities for adjustment of grievances to the employees of LLL that accord with general national policy for people working under Federal contracts.

Mr. HATCH. Is the Senator saying that making this exception to the National Labor Relations Act will be in accordance with national labor relations policy?

Mr. CRANSTON. I do not believe it is an exception to the National Labor Relations Act.

Mr. HATCH. Let me ask the Senator this: Does the National Labor Relations Act in any way force an employee to submit to binding arbitration?

Mr. CRANSTON. I do not think that is particularly relevant.

Mr. HATCH. That is what we are doing here. That is what this bill does. My contention is that the National Labor Relations Act does not do that. I do not know of anything in existing law that requires employees or employers to submit themselves to binding arbitration, either in Federal law or otherwise. That is what this does, and that is what is objectionable.

That is why I complimented the distinguished junior Senator from California for pointing it out. I think it is a pretty important point. It is not some insignificant point.

Can the Senator state anywhere where that is required?

Mr. CRANSTON. The National Labor Relations Act does not prohibit this. It permits it.

Mr. HATCH. It may not prohibit it, but I have to admit it has not been done before. Can the Senator tell me where any section of the national labor relations law has been used to permit a violation of a longstanding labor relations policy?

Mr. CRANSTON. This is not a violation of the national labor relations law.

Mr. HATCH. It is not a violation, perhaps, but it is a variation. Does the Senator know of anywhere that that is permitted under the National Labor Relations Act, or in national labor relations policy today, where the Federal Government can come in and mandate grievance procedures in compulsory arbitration?

Mr. CRANSTON. There are many special exceptions, such as in certain industries where the cooling-off period of Taft-Hartley has been invoked.

Mr. HATCH. That is in existing labor policy and existing labor law.

The point I am making to my good friend and colleague is that he is varying the existing national labor relations policy that many people have asserted has served this country very well for many years for one specific group of employees, who are State employees, in violation of usery and the present labor laws.

Mr. CRANSTON. What this does is totally consistent with national labor relations policy. As the Senator well knows, the policy extends beyond the exact printed word.

Mr. HATCH. I should like to ask one more question, if the distinguished Senator will yield to me.

Mr. HAYAKAWA. I yield.

Mr. HATCH. How can it possibly be existing law when it forces an employer—namely, the State of California, in this case—to do something which it would not otherwise be forced to do under presently existing labor law policy or presently existing labor laws?

Mr. CRANSTON. Present labor law policy permits this. Therefore, we are acting in ways consistent with that. I repeat, we have a wire from the State of California indicating that, far from forcing them to do something against their will, we are permitting them to do something they wish to do.

Mr. HATCH. Will the Senator yield to me for a statement?

Mr. HAYAKAWA. Yes, I yield.

Mr. HATCH. With all due respect to my good friend and colleague, the senior Senator from California—and I do have respect for him as a man of intelligence and a man of ability and as a distinguished Senator of this body—that is not the law, and, frankly, that is not the policy. What he is doing is not normal, it is not natural, and it does not, really, fit within the framework of what our present labor law and policies are. We are superimposing Federal dominance again and Federal individual laws over State policy and State laws, and even over the Federal policy and Federal laws at this point. I think anybody in this field would have to admit that we are, in essence, seeking to change existing Federal labor law by including within its coverage certain State employees because these same State employees apparently cannot obtain what the distinguished Senator from California thinks are full collective bargaining rights under State law.

If that is true, then it is up to the State to change that and not the Federal Government, in what I consider to be a very unique and individualized approach to this particular problem, which really runs counter to and is completely, I think, antagonistic to every basic labor law policy that this country stands for.

I think this is an ill-founded and unwise precedent. Where can we draw the line regarding other State and local employees' collective bargaining problems?

I recommend to my colleagues that we sustain existing labor law policy and existing rights of States to handle their own employees, which is existing labor law policy—the right for employees to bargain for wages, hours, and conditions of employment—and not to mandate from the Federal Government substantive labor law that it imposes upon the States things which are presently not empowered under our present act. I think it would be wise if we were to continue our present labor law policies rather than to disorganize them and disrupt them with something that I think is ill founded and unwise, and certainly a bad precedent for us to follow in this particular matter.

Mr. CRANSTON. Mr. President, I submit that present national labor law policy has at its heart affording fairplay opportunities to those who labor in our society. This provision in this bill is totally consistent with that policy.

Mr. HATCH. My point on that is that, if we are going to have fairplay, let us allow fair negotiation and let us not suddenly impose by the Federal Government compulsory arbitration in a situation that does not deserve it. Also, if we are going to come through on this violent change in labor law, let us do it through the Human Resources Committee where we can take testimony, hear witnesses, and hear experts in the field. I think we shall find that every expert in this field will disagree with this position. I would be shocked if they did not. I think that is the fair way to proceed.

The more fair way to proceed would be to continue the policy of both sides having a right to negotiate. I suspect that that is the policy even out in California today, and that we are trying to make an exception to that policy and provide for mandatory, compulsory arbitration where it really is not needed.

Mr. HAYAKAWA. Mr. President, do I have time remaining?

The PRESIDING OFFICER. The junior Senator from California has 20 minutes and the senior Senator from California has 23 minutes.

Mr. HAYAKAWA. I thank the Chair.

Mr. President, I have little to add. I am grateful, both to my distinguished senior colleague from California and to the Senator from Utah, for the additional light thrown upon this problem.

But I would like to stress most of all, Mr. President, the fact that the bill as reported singles out one portion of one State institution for special treatment as regards labor relations.

The Lawrence Livermore Laboratory is one of perhaps 20 or more research institutions in connection with one branch or another of the nine branches at the University of California. There is a Lawrence Radiation Laboratory at Berkeley. There is a Donner Laboratory at Berkeley. In addition, there are educational grants, educational research projects, special projects in small business, and so on, being conducted at other university campuses of the University of California at LaJolla, at UCLA, at Santa Barbara, at Riverside, and elsewhere.

Out of all these many research facilities and special projects, we are picking out one institution—namely, the Lawrence Livermore Laboratory—for special treatment as regards labor relations.

This seems to me, Mr. President, to set up a dangerous precedent.

If we are going to mess around with one such laboratory, what is to stop the Federal Government from intervening in other projects that may be going on in the State of California, thus disrupting State and State employee relations and dictating policy on the basis of the fact that we supply all or part of the money from the Government?

If we are to acknowledge at all some kind of sovereignty within the States, then it seems to me we must not allow this precedent to be established. We have to see to it that the carefully constructed State regulations regarding State employees and the State should be cherished and protected from Federal interference.

This, Mr. President, is the reason for my proposal of this amendment.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. McCLURE. Mr. President, will the junior Senator from California yield to the Senator from Idaho for 5 minutes?

Mr. HAYAKAWA. Yes, indeed.

Mr. McCLURE. I thank the Senator for yielding.

The PRESIDING OFFICER. The Senator from Idaho is recognized for 5 minutes.

Mr. McCLURE. Mr. President, I rise in support of the amendment to strike title V of the bill. I strongly believe that title V does great violence to the authorization bill before us. The Senator from California (Mr. CRANSTON) is attempting to use this authorization bill and the contract for the Livermore Laboratory as a vehicle to obtain a change in the labor management relations at the laboratory, this Federal contract power is thereby being used to achieve results which our entire body of labor statutes does not impose. Additionally, the employer in this particular case is the University of California State system, an instrumentality of the State of California. Consequently, this is not only an attempt to impose an extension of Federal labor law generally, but in addition it is attempting to impose these results on one of our individual States.

It is noteworthy that the Supreme Court held last year in the case National League of Cities against Usery that the powers of the Congress and the Federal Government under the commerce clause of the Constitution could not cover Federal imposition of a minimum wage on State and local governments. In this title of the bill, we are going even further than the proscription in that particular case. We are attempting to impose a direct Federal mandate on the labor relations of a State instrumentality. The only linkage by which we could possibly do that in this authorization bill is the contract for the operation of the Livermore Laboratory. It is not difficult for one to imagine the many possible results in terms of a specifically mandated labor result which might flow from a Federal contract with a State or local agency across the spectrum of all of our Federal activities. In each case, there would be pressure to achieve a particular result based on the proponents intended objectives in that individual labor management situation. For instance, in this provision binding arbitration is mandated and the services of the Federal Mediation and Conciliation Service are made available to employees representatives. While this may be a desirable or meritorious result in any given situation or class of situations, to specify it in the Federal law, by the vehicle of Federal contract, in a single instance, is violative of all good legislative practices.

Importantly, it is our understanding that the situation at the laboratory in the first instance does not even require any action of this body at all. We understand that there is in place a labor management procedure which adequately deals with the labor relations in the laboratory, and is consistent with the practices of the University of California as a State agency. Also, there is an extensive body of California State codes and court opinions dealing with the many facets of the State's labor relations clause. In fact, the State legislature now has under consideration a bill—and perhaps more than one bill—which would attempt to modify some of those procedures towards a result previously suggested in similar Livermore Laboratory—specific legislation in the last Congress. The State legislature after all is the appropriate legislative forum to deal with this problem. The U.S. Congress in an energy research and development authorization bill is certainly not the appropriate legislative forum.

Consequently, I am greatly surprised that the chairman of the Human Resources Committee, the Senator from New Jersey (Mr. WILLIAMS) has supported this particular provision as being consistent with their Federal labor law policies. It is noteworthy that such legislation should normally come from his committee, and I am astonished that he would support this particular application of Federal contract authority.

I urge the support of all my colleagues of this amendment to strike title V from the bill before us.

While the distinguished senior Senator from California has said that he has a telegram—and he does, indeed—from one instrumentality of the State, there are at least two other letters from other instrumentalities in the State opposing this amendment and this form of preemption by the Federal Government of State rights to govern the relationships of its employees with State institutions.

Certainly, I think the Senator from Utah may be correct that the senior Senator from California should, perhaps, consult with the Governor of his State to determine what the State policy really is. Perhaps the Governor of the State ought to get his agencies together and determine what the policy of the State is. Perhaps, if they will make that determination, they can amend the State code to effect that policy without coming here to find a way to get State agencies to resolve what they apparently cannot resolve among themselves in California.

It seems to me this is the wrong kind of legislation upon the wrong kind of vehicle. Certainly, it is not the kind of thing we would want to see extended—at least, I hope we would not want to see it extended—across all Federal contract authority.

Are we going to now embark upon a course of piecemeal amendment of the Federal labor statutes by going out to each Federal contract recipient and imposing differing conditions of labor relations?

I hope we will not do that.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. McCLURE. I thank the Senator for yielding his time.

The PRESIDING OFFICER. Who yields time?

Mr. CRANSTON. Mr. President, I am prepared to yield back the remainder of my time, if the other side is.

Mr. CHURCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. CRANSTON. Equally divided.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that the time be charged against neither side.

Mr. McCLURE. Mr. President, will the Senator from California yield to the Senator from Idaho 1 additional minute?

Mr. HAYAKAWA. I yield.

The PRESIDING OFFICER. Is there objection to the request that the time be equally divided between the parties? There is no objection, and it is so ordered.

The clerk will call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the quorum call be withheld for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, as I said at the outset, I am not a labor lawyer, but my understanding of the position of organized labor in the United States is that the AFL–CIO and Mr. Meany have stated repeatedly that they are violently opposed to compulsory arbitration. It seems to me a rather strange anomaly that the junior Senator from Idaho should be a spokesman for organized labor, while the senior Senator from California seeks to do violence to their position as often stated. But perhaps that is the way things happen where you seek, by expedients, to accomplish what you cannot accomplish by direct action.

Mr. CHURCH. Mr. President, the Senate formally agreed by unanimous consent earlier this morning not to hold any rollcall votes until noon.

The PRESIDING OFFICER. That is correct.

Mr. CHURCH. It is now 1 minute past noon. However, I thought there was an informal understanding between the distinguished majority leader and the Senator from Washington (Mr. JACKSON) that no such rollcall vote would occur before 12:30. We are prepared to vote on this amendment, but in accordance with those understandings, I should like to suggest to the Senator from California that the vote on my motion to table his amendment—which I intend to make—should occur at 12:30.

The PRESIDING OFFICER. The Chair believes that the junior Senator from California wishes to use some more of his time, so the discussion might be moot at this time.

Mr. CHURCH. If the Senator wishes to use more of his time, I urge him to do so.

Mr. HAYAKAWA. Mr. President, I do not think any further discussion is necessary on my part. The issue has been discussed quite adequately.

Mr. CHURCH. Mr. President, the distinguished majority leader has suggested that we might vote at 12:20 on my motion to table the amendment offered by the Senator from California, and I ask unanimous consent that we proceed to a vote on the tabling motion at 12:30.

The PRESIDING OFFICER. Is there objection to the request?

Mr. CURTIS. Mr. President, reserving the right to object, I wonder whether the manager of the bill will concede to the distinguished Senator from California the right to have his amendment voted upon up or down. It seems to me that this involves a very important question, a departure from labor relations law.

Since we are trying by unanimous consent to accommodate everybody, I appeal to the distinguished Senator not to make a motion to table.

Mr. HATCH. Mr. President, I join in that request.

Mr. CHURCH. Mr. President, I would like to accommodate the Senator's requests, but I had previously made a commitment to move to table, and I have to honor that commitment.

Furthermore, the committee did consider this particular provision, and it was included in the bill because the circumstances at the Livermore Laboratory in California are unique; and it was felt that, given those circumstances, this was an appropriate legislative method for dealing with them. I intend to uphold the committee's position; and in view of the commitment I have made, I feel obligated to offer a motion to table.

Mr. HAYAKAWA. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CHURCH. Mr. President, in accordance with the unanimous-consent agreement to proceed to a tabling motion at 12:20——

The PRESIDING OFFICER. There is no such agreement.

Is there objection to the request? That would automatically wipe out the remaining time for debate on the amendment. The request is that at 12:20 the distinguished Senator from Idaho (Mr. CHURCH) may make a motion to table the pending amendment. That is the request: the vote to be held at 12:20.

Is there objection?

Mr. HAYAKAWA. I object. I would like the yeas and nays on my amendment.

The PRESIDING OFFICER. The yeas and nays have been ordered.

The question now, is, shall the distinguished Senator from Idaho (Mr. CHURCH) be allowed at 12:20 to make a motion to table the amendment of the junior Senator from California, with a vote to take place thereon immediately? Is there objection to the request?

Mr. DOMENICI. Mr. President, reserving the right to object, I think some of us would like a few moments to discuss this matter with the distinguished junior Senator from California. In that light, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. CHURCH. I propose that the time be equally divided.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and it is so ordered.

Mr. DOMENICI. I thank the Senator from Idaho.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, will the Senator from California yield the Senator from Idaho 1 additional minute?

Mr. HAYAKAWA. I yield.

Mr. McCLURE. I thank the distinguished Senator for yielding.

I think the minority recognizes that there is no way to prevent the senior Senator from Idaho from making the motion to table if he desires to do so and is committed to doing so. It is not the desire of the minority to delay the vote upon this issue. However, we would have preferred, had we been able to do so, to have a straight up or down vote on the amendment itself, rather than upon a motion to table.

However, I wish to respond to my colleagues suggestion that he is honor bound to support the position of the committee and that the committee did include this section.

I might just state for the record that the committee heard no witnesses, took no testimony, and debated this subject not at all, but just put it in. So it was not really upon the basis of a lengthy hearing or a very deep consideration of the facts or the law behind it.

Therefore, I would not think the commitment of the committee is quite as deep as it would be to the ordinary processes of the committee or to the ordinary jurisdictional matters of the committee which otherwise are in this bill, unlike title V.

I thank the junior Senator from California for yielding his time.

The PRESIDING OFFICER (Mr. HOLLINGS). The Senator from California.

Mr. HAYAKAWA. I wish to withdraw my objection to Senator Church's unanimous-consent request with regard to a rollcall vote.

Mr. McCLURE. Mr. President, I ask unanimous consent that it be in order to request the yeas and nays on the motion to table to be offered by the Senator from Idaho (Mr. CHURCH).

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CHURCH. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is time yielded back?

Mr. HAYAKAWA. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from California yields back his time.

Mr. DOMENICI. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. Is the parliamentary situation such that I might offer an unprinted amendment at this point?

The PRESIDING OFFICER. There is an amendment pending, and the time is controlled. It will require unanimous consent.

Mr. DOMENICI. Mr. President, I ask unanimous consent that it be in order for the Senator from New Mexico to offer an amendment at this point.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCLURE. Mr. President, reserving the right to object—and I shall not object—that would not change the standing unanimous consent that the senior Senator from Idaho be recognized at 12:20 to make a tabling motion?

The PRESIDING OFFICER. That request was not renewed. There is no unanimous-consent agreement.

Mr. McCLURE. Well, Mr. President, I will make that unanimous consent request in case it is not ordered at this point.

The PRESIDING OFFICER. Let me put first then the request of the Senator from Idaho. Is there objection to the request of the Senator from Idaho? The Chair hears none, and it is so ordered.

Mr. McCLURE. I thank the Chair.

UP AMENDMENT NO. 637

The PRESIDING OFFICER. Is there objection to the Senator from New Mexico's request to offer an amendment? The Chair hears none, and it is so ordered.

Mr. DOMENICI. Mr. President, I send an unprinted amendment on behalf of myself and Senator Schmitt to the desk and ask the clerk to report.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI) for himself and Mr. SCHMITT proposes unprinted amendment No. 637:

On page 2, line 11, strike $196,900,000 and insert $199,900,000.

Mr. DOMENICI. Mr. President, I have discussed this amendment with the managers of the bill. I would like to offer a few words of explanation concerning the amendment I am proposing to S. 1811. As the distinguished floor manager for this bill is aware, my amendment would add $3 million to the amount contained in S. 1811 for operating expenses in this Nation's magnetic fusion program next fiscal year. Of this total, $1 million is intended to provide direct research and development for the intense neutron source project at the Los Alamos Scientific Laboratory. The remaining $2 million will go to strengthen the high plasma density magnetic fusion program at Los Alamos.

The distinguished floor manager, Senator CHURCH, will recall that during markup of S. 1811 by the Energy and Natural Resources Committee a proposed rescission for the INS project, No. 76–5–b, was struck from the bill. Although I do not intend to seek the appropriation of additional construction funds for this project in fiscal year 1978, I believe that it is essential that we provide the minimum level of operating funds necessary to insure that the INS support effort moves ahead in the next fiscal year. The $1 million contained in my amendment will be used for completion of integrated

testing and checkout of the prototype INS system.

Mr. President, the magnetic fusion program at Los Alamos is unique in this country in that, although far from being our largest effort nationally, it concentrates on the high density plasmas which we will eventually have to use in commercial powerplants based on the fusion principle. In spite of receiving the endorsement of the Fusion Power Coordinating Council, a panel of national experts in this field, the Los Alamos program was cut by over 50 percent in fiscal year 1978. The proposed increase of $2 million would fund the program at a level that would allow for some progress in this area, while keeping the vital core of scientists and engineers together. I believe this approach represents a suitable compromise in our overall effort to balance expenditures for short- and long-term options.

As the managers of the bill will recall, I deferred on this amendment because Senator BARTLETT had some interest in another item that related to it, and I indicated to the committee that I would bring it to the floor.

This particular program has been the subject of some rather serious, almost deadly cuts. This small amount we are adding will see to it that the program will remain alive and on schedule. It is my understanding that the floor managers are willing to accept the amendment.

Mr. CHURCH. Mr. President, the magnetic fusion program at Los Alamos is unique in this country. Although it is far from being our largest effort nationally, it concentrates on the high density plasmas which we will eventually need in commercial powerplants based on the fusion principle.

I might say, Mr. President, we appear to be a long way from success in our effort to develop fusion technology. Nevertheless, everyone recognizes that if our efforts prove successful in the future we will have solved many of the difficult problems associated with nuclear fission, including the problem of safe management and storage of nuclear wastes.

I think this is a modest amendment. It will keep one phase of this research and development program moving ahead on schedule, and I am prepared to accept the amendment.

Mr. McCLURE. Mr. President, I will state for the minority that we accept the amendment.

Mr. DOMENICI. I thank both of my colleagues. I think the use of the word "modest" is correct. The House has added substantially more. We are not trying to put this completely back on the schedule it was prior to the administration's recommended cuts, but we are trying to keep alive a program and an excellent team of scientists.

I thank the Senators for their consideration.

Mr. President, I yield back the remainder of my time.

Mr. CHURCH. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 638

Mr. McCLURE. Mr. President, I have an amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Idaho (Mr. McCLURE) proposes unprinted amendment No. 638.

Mr. McCLURE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Page 18, line 8, insert new section as follows:

"Section 310. TRANSFER PROVISIONS. In the event that any of the programs authorized by this Act are transferred to a Department of Energy established by Act of Congress, the following procedures shall apply to such transfer.

(a) The Secretary shall designate one or more officers in a position of seniority in the Department, of not less seniority than Assistant Secretary, to serve as the administrator and manager of the research, development and demonstration programs authorized by this Act. The responsibilities of the designated officials shall include all functions associated with the program administration and management of all programs and projects authorized in Title I and all additional responsibilities included under Titles II, IV and V of this Act. Such responsibilities shall specifically include, but not be limited to the dissemination of technical information and all authority for agency determinations for all nonregulatory functions for such programs in Titles I, II, IV, and V under the Atomic Energy Act, the Federal Nonnuclear Energy Research and Development Act, the Solar Heating and Cooling Demonstration Act, the Geothermal Research, Development and Demonstration Act, the Electric and Hybrid Vehicle Research, Development and Demonstration Act, the Solar Energy Research, Development and Demonstration Act, and responsibilities of the Administration under the Energy Reorganization Act and any additional functions, such as contract appeals, associated with the research, development, demonstration and other nuclear and nonnuclear programs authorized by this Act. Such authority for agency determinations for nonregulatory functions shall not be vested in any regulatory board or commission which is or may be established in the Department.

(b) All laws governing the conduct of the research, development, demonstration and other programs authorized by this Act including, but not limited to, the statutes specified in Subsection (a), and all procedures for Congressional notification and review, specifically including the requirements to keep the Congress "fully and currently informed", shall be continued in the Department.

(c) There shall be no change in the structure of any program authorized by this Act including, but not limited to government-owned and contractor-operated facilities, headquarters components, the so-called national laboratories, energy research centers and the operations offices managing such laboratories, weapons programs and other research, development, demonstration and related program activities, unless any such changes are expressly authorized in a subsequent authorization act for the Department, notwithstanding any other provision of law."

Mr. McCLURE. Mr. President, this amendment simply provides for an orderly transfer of the programs that are authorized to ERDA under this legislation to the proposed Department of Energy in the event that that department is created.

Mr. CHURCH. Mr. President, I have reviewed the text of the amendment. Certain modifications were suggested and have been accepted by my colleague.

As modified, I find the amendment worthy and wholly acceptable and, therefore, move its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho (Mr. McCLURE).

The amendment was agreed to.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, if we have time I would like to make a brief statement on the general subject matter of the bill.

NUCLEAR ENERGY—THE CASE FOR CREDIBLE LEADERSHIP

Mr. President, I call attention to a forceful column, written by Steven Ahrens of the Idaho Statesman, on the subject of nuclear power. The editorial by Mr. Ahrens, entitled "Carter Should Reconsider Nuclear Power," and published on May 8, 1977, accurately concludes that—

Nuclear energy unquestionably can do one thing for us, even if we decide it is not the long-term answer: It can buy us unlimited time to develop whatever other sources of energy we prefer.

It would be a grave mistake for the United States to bury its head in the sand rather than face a series of difficult nuclear problems. These problems will not go away; they require the attention and cooperation of all those nations in the world which use or plan to use nuclear power.

The Ahrens column deserves a larger audience. For this reason, I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

CARTER SHOULD RECONSIDER NUCLEAR POWER

(By Steve Ahrens)

America seems to have a worldwide reputation for wasting the energy that fuels "Spaceship Earth."

But if we follow President Jimmy Carter's lead into what Sen. Frank Church calls "nuclear isolationism," we will be heading for the biggest energy waste in our history.

Carter has called for an indefinite suspension of commerical reprocessing of spent fuels from conventional nuclear plants, which yields the plutonium needed for breeder reactors.

Energy experts, including those at the Idaho Nuclear Energy Laboratory near Arco, say it would be possible to have breeder reactors on-line producing electricity by the late 1980s or early 1990s, if the research and de-

velopment program goes full speed ahead between now and then.

But Carter wants to bring an end to this program that could meet U.S. energy needs for centuries into the future.

There are valid concerns about the safety of nuclear plants. Undeniably, this nation and the world should be concerned about proliferation of nuclear weapons. There's no question that storage of radioactive nuclear wastes presents a problem.

But it is foolish to the point of being a national embarrassment to have President Carter look these problems in the face and say that we can't handle them—they're beyond us.

The United States got where we are, with the highest standard of living in the history of the world, by being a "can-do" nation, not a "can't-do" country. Starting from ground zero with our space program, we put a man on the moon in about 10 years.

Yet Carter has no faith in the ability of this country to solve the problems of nuclear safety, waste storage and weapons proliferation? Incredible.

There are ways to control proliferation of atomic weapons, and congressmen like Church, Rep. Steve Symms of Idaho, Rep. Mike McCormack, D-Wash., and many others are talking about them and working out the details. They propose international authority over the use of nuclear fuels, so the world's energy needs can be met while preventing illegal military use of nuclear material.

As far as waste storage is concerned, the breeder reactor actually burns fissionable material left over from conventional nuclear reactors, so that takes care of a major part of any storage problem while we benefit from the breeder's energy production.

McCormack explains the breeder reactor, while it is producing energy, actually yields more fuel than it consumes. It sounds like a fairy tale, like a "perpetual motion machine," but that is the true potential of this technology, once it is perfected.

(Remember, INEL has had a 20-megawatt breeder reactor in operation near Arco since 1963, which illustrates that we are indeed within reach of such technology in another 10–15 years.)

McCormack adds the U.S. has enough purified U238 already in storage that, if used in a breeder reactor program, it would produce electricity equivalent to more than 5 times all the oil possessed by all the oil-exporting nations combined.

That is the energy resource that our president proposes we forget.

Use of material that's already been mined and processed means there would be no further expense to mine it, which also requires significant energy, or environmental degradation, as there will be in ripping enough coal out of the ground to substitute for the energy that could come from the breeder reactor program.

Consumer advocate Ralph Nader and his Raiders reportedly are disagreeing on this environmental consideration. Nader personally opposes nuclear power so strongly that he favors development of new oil and gas sources, but some of his associates fear those development efforts could damage the environment.

The thing that would be almost comical about the Carter proposal—if it weren't so serious—is that we can junk the breeder reactor if we want to make that kind of unilateral decision, but that won't make a dime's worth of difference to the rest of the world's industrialized nations.

They don't have the other energy resources and potentials we do (coal, oil, natural gas, solar, etc.), so the ones that have the ability are going to go full bore on their own breeder reactor programs.

France, for example, announced Friday that it has found a new way to enrich uranium for power plants that eliminates the risk that the material could be used for nuclear weapons.

France, Japan and West Germany are not going to Carterize their breeder reactor programs because the United States takes a defensive, head-in-the-sand approach.

These comments should not be misconstrued as a fervent pitch for nuclear energy as the ultimate answer to our national energy problems. Whether it is or isn't—that's a legitimate subject for national debate.

But nuclear energy unquestionably can do one thing for us, even if we decide it is not the long-term answer; It can buy us unlimited time to develop whatever other sources of energy we prefer.

A number of exciting energy developments are not too many years away: hydrogen fusion, a completely non-polluting and unlimited technology; solar; geothermal, and others.

The breeder reactor can supply all our energy needs for as long as it takes to develop what now is exotic technology but a few years from now could be the everyday energy of America.

For all these reasons, it would be tragically foolish to turn our backs on the breeder-reactor program.

The name of Neville Chamberlain, who was head of the English government when Hitler was getting rambunctious in the late 1930s, has become a synonyn for gutless government leadership.

The energy crisis is no less a problem for America and the world now than the military crisis 40 years ago. Let's hope that, 40 year's from now, U.S. citizens don't look back on Jimmy Carter in that same light.

The PRESIDING OFFICER. As previously ordered, the Senator from Idaho is recognized for a motion to lay on the table the amendment of the Senator from California.

Mr. CHURCH. Mr. President, I move to lay on the table the amendment offered by the Senator from California (Mr. HAYAKAWA) to strike title V from the pending bill.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Idaho to lay on the table the amendment of the Senator from California.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "yea."

Mr. STEVENS. I announce that the Senator from Virginia (Mr. SCOTT) is necessarily absent.

I also announce that the Senator from Oklahoma (Mr. BARTLETT) is absent due to illness.

The result was announced—yeas 57, nays 36, as follows:

[Rollcall Vote No. 276 Leg.]

YEAS—57

Bayh	Gravel	Metcalf
Bentsen	Hart	Metzenbaum
Biden	Haskell	Muskie
Brooke	Hathaway	Nelson
Bumpers	Heinz	Pell
Burdick	Humphrey	Percy
Byrd, Robert C.	Inouye	Proxmire
Case	Jackson	Ribicoff
Chafee	Javits	Riegle
Chiles	Johnston	Sarbanes
Church	Kennedy	Sasser
Clark	Leahy	Stafford
Cranston	Long	Stennis
Culver	Magnuson	Stevens
DeConcini	Mathias	Stevenson
Durkin	Matsunaga	Stone
Eagleton	McGovern	Weicker
Ford	McIntyre	Williams
Glenn	Melcher	Zorinsky

NAYS—36

Allen	Griffin	Nunn
Baker	Hansen	Packwood
Bellmon	Hatch	Pearson
Byrd, Harry F., Jr.	Hatfield	Roth
	Hayakawa	Schmitt
Cannon	Helms	Schweiker
Curtis	Hollings	Sparkman
Danforth	Laxalt	Thurmond
Dole	Lugar	Tower
Domenici	McClellan	Wallop
Eastland	McClure	Young
Garn	Morgan	
Goldwater	Moynihan	

NOT VOTING—7

Abourezk	Huddleston	Talmadge
Anderson	Randolph	
Bartlett	Scott	

So the motion to lay on the table was agreed to.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 639

Mr. HAYAKAWA. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from California (Mr. HAYAKAWA), for himself and Mr. HATCH, proposes an unprinted amendment No. 639.

On page 21, line 17 insert a period after "procedure" Beginning with "which" strike out all through line 11 on page 22.

Mr. HAYAKAWA. Mr. President, the reason for this amendment is that this should certainly satisfy my colleague, the distinguished senior Senator from California, in his desire to have the Lawrence-Livermore employees protected by, an impartial grievance procedure without creating a number of other problems. This would fully meet his requirement that the employees of that laboratory have such an impartial procedure to handle their grievances.

Mr. DOMENICI. Mr. President, could we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HAYAKAWA. The provision would now read:

SEC. 501. The Administrator shall not use any funds appropriated pursuant to this

Act under any contract in effect on or after October 1, 1977, for research services or material contract or supplies by the Lawrence-Livermore Laboratory unless that contract specifically provides that the employees of the Laboratory will be protected by an impartial grievance procedure.

That seems to be adequate protection, Mr. President.

Mr. CRANSTON. Mr. President, I understood my distinguished colleague was offering a different amendment, which I was prepared to accept or support. I do not support the amendment which has been offered by my distinguished colleague. Although the purpose of title V is to establish fair labor management procedures at the Lawrence Laboratory, the amendment now proposed would strip essential provisions from the title that in effect have just been approved by this body in rejecting the motion that would have eliminated the entire text.

First, the amendment proposed would deny basic bargaining recognition at Lawrence Laboratory to employees; second, the amendment deprives the management of Lawrence Lab and the employees of the assistance of the Federal Mediation and Conciliation Service; and third, it denies to both parties the experience and valuable offices of the Atomic Energy Labor Relations Panel. For those reasons I am strongly opposed to the amendment.

Mr. HATCH. Mr. President, if the Senator will yield, I believe the importance of this proposal is that the current national relations policy allows employees and employers to freely negotiate for wages, hours, and conditions of employment.

Here we have a bill that is going to completely negate that. Senator HAYAKAWA has conceded the one point, since they have been concerned about the grievance procedures, and perhaps there has been evidence—or, at least, an indication—by the distinguished senior Senator from California that grievance procedures are not effective at the Livermore Laboratories, at least in his viewpoint. The distinguished junior Senator from California has conceded that by striking all after "grievance procedure," we shall allow impartial grievance procedures at Livermore, even though State law probably provides for that at this point.

The thing that I find particularly offensive is that, in title V, we enact a complete variance from labor laws that exist today—a complete variance. We do it without running it through the Committee on Human Resources, which is particularly set apart to review these matters, take testimony, look into them with everything it has, and then report this matter out if it wants to.

I think it also flies in the face of the National League of Cities against Usery case, and I think it may be unconstitutional from that standpoint.

The fact of the matter is—and I think this is the most flagrant of all—I think this bill, if we enact it with its present language, changes labor law and labor law policy that has existed for many years at the expense, I think, of every employer and employee throughout America. I also think it is at the expense of the foresight, the vision, and the effort that are generally put in by the Human Resources Committee.

I strongly support the subsequent amendment by the junior Senator from California that, if they want to have grievance procedures, we can at least give them that language, "impartial grievance procedures," but strike everything after that. Even though this still would be a departure from present labor law policy, it would be not so grievous a departure, without the Human Resources input that we normally would have if the full title V is enacted into law pursuant to our votes this day or in the next few days.

I strongly urge every one of my colleagues, if we desire to support labor law principles and policies that have been long thought out and, in every other case to my knowledge, brought through the Human Resources Committee for its input and the input of its technical and expertly trained staff members, then I think we should vote to sustain and support Senator HAYAKAWA'S amendment. I urge my colleagues to do so.

Mr. McCLURE. Mr. President, I think the vote on the last motion to table was as stark a reminder of the inadequacy of debate in this body as any that I have ever seen. We saw people coming in through the door to vote who had not heard any of the debate. We saw very few Members on the floor of the Senate during the debate because committees were meeting this morning in important hearings and markup sessions. Member after Member came on this floor and voted in ways which are in direct contradiction to their normal pattern of voting on labor issues over the history of the Senate.

Without pointing to anyone—I certainly would not do that—it seems to me that many Members who have a record of supporting organized labor over the years find themselves on record now, on the last vote, in a position which is directly contrary to that which organized labor has consistently contested for, publicly and privately, in Washington and across this land. They are definitely and without any very large measure of departure opposed to compulsory arbitration, on the ground that it deprives their members of the right to bargain to conclusion. It deprives their membership of the ability to use the withholding of labor as a tool to force the bargaining to the conclusion which they desire.

I have heard spokesmen for the AFL–CIO, on many, many occasions vehemently protest the deprivation of the rights of their members to strike, if need be, to enforce their labor demands in the free and open collective bargaining that has been charcteristic under the labor laws of this Nation for many years. Yet, Member after Member of this body came in and voted on the side of an issue which they would not ordinarily take.

Why did they do that? Because they think it is only a simple parochial issue, affecting only one labor-management relationship in a way which is desired by one Member of this body. I salute that Member of this body for having been persuasive enough to get his colleagues to vote against their own long-held positions in order to support his position on settling a fight that they, apparently, have not been able to settle, between divisions of the State of California government and within the State of California under their law.

We are now being given another opportunity, and I hope that the Members of this body, who will now be given the opportunity to vote again, may reflect for a moment upon the real consequences of their last vote and where that really positioned them on the fundamental issue of the right of the working men and women of this country to bargain collectively to finality, rather than having compulsory arbitration imposed.

Mr. HATCH. Will the Senator yield for a couple of questions?

Mr. McCLURE. I am happy to yield.

Mr. HATCH. If these are public-sector employees, would they not be covered by the Federal labor laws, and would not title V therefore be unnecessary?

Mr. McCLURE. If they are public-sector employees—Federal or State public-sector employees?

Mr. HATCH. In this case, Federal public employees. They would be covered by this law.

Mr. McCLURE. That is correct.

Mr. HATCH. If they are purely State employees, they are expressly excluded from National Labor Relations Act coverage.

Mr. McCLURE. That is correct.

Mr. HATCH. If they have to rely, then, on State labor relations laws for their collective bargaining rights, why should we now allow the Federal Government to come in and impose binding arbitration, which neither big labor nor, it seems to me, those who are antithetical to big labor desire in this particular matter?

Mr. McCLURE. I think the Senator from Utah is correct. People on both sides of that issue have stated their positions adamantly and often. The only justification for Federal preemption here is that it is desired to settle a problem that otherwise it seems is not being settled under the appropriate California State law and State procedures.

Mr. HATCH. Would not the distinguished Senator from Idaho admit that this seems to be a major departure from existing national labor law policy?

Mr. McCLURE. It is a very violent departure on two different grounds. First of all, it injects Federal preemption under a contract authority. Certainly, if we are going to have a Federal preemption under all Federal contract authority, then the billions of dollars of Federal contracts are going to be the avenue by which there is extensive change of labor law and Federal-State relationships.

The other is, of course, the fundamental change in the posture of the Federal labor law dealing with the question of the right of employees to bargain collectively. This is a complete and radical departure from fundamental Federal labor law.

Mr. HATCH. I ask my friend and colleague from Idaho, was there any real discussion, during the addition of title V to this bill, concerning the labor law ramifications and impacts that would occur as a result of adding it to this bill?

Mr. McCLURE. There was no testimony taken by the committee, and almost no discussion.

Mr. HATCH. Was there any suggestion that the matter be referred to the Human Resources Committee, which particularly and specifically considers these matters and does so, generally, by taking testimony and utilizing other expert approaches to try to figure out what is the best approach for labor law in these certain areas?

Mr. McCLURE. I wish I could answer my friend more directly on that. But my memory is not sufficiently accurate to be able to say whether that was or was not suggested.

Mr. HATCH. The fact of the matter is that it was not referred to the Human Resources Committee for its consideration.

Mr. McCLURE. It was not.

I think the Members of this body ought to recognize what the implications are in terms of the extension of Federal preemption through the contract route.

Second, does this really indicate that this body is now prepared to change the fundamental labor law of this country, to impose compulsory arbitration as the law of the land on all Federal labor relations?

I think, certainly, the implication is that this body supports compulsory arbitration.

Mr. HATCH. Then is it not true these are State employees, employed by the State?

Mr. McCLURE. It is correct that they are State employees. We have letters from the University of California Systemwide Administration. Both the president and vice president have written letters indicating that these are State employees, not Federal.

Mr. HATCH. Mr. President, I ask unanimous consent that those letters be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

OFFICE OF THE PRESIDENT,
Berkeley, Calif., July 6, 1977.

Hon. HENRY M. JACKSON,
Chairman, Senate Energy and Natural Resources Committee, Washington, D.C.

DEAR MR. CHAIRMAN: S. 1811 as reported, contains Title V which would prohibit the Energy Research and Development Administration from expending funds under the Act for the University of California Lawrence Livermore Laboratory programs unless the contract between the University and ERDA: . . . specifically provides that the employees of the Laboratory will be protected by an impartial grievance procedure which includes binding arbitration as the final step covering all "rights disputes" in accordance with the rules of the American Arbitration Association.

The Contract shall further guarantee the employees the right to form, join, or assist Labor organizations, to bargain collectively through representatives of their own choosing. If a question arises concerning representation of employees, the services of the Federal Mediation and Conciliation Service may be invoked to provide appropriate procedures for the determination of employee representatives. The employer shall bargain in good faith with the representatives of its employees on all matters dealing with wages, hours and other terms and conditions of employment. If the parties fail to reach an agreement, the services of the Atomic Energy Labor Management Relations Panel shall be invoked for mediation purposes. All unresolved issues shall then be referred to such panel for final and binding arbitration. Nothing contained herein should be construed to permit any employee representative or person to engage in a work stoppage or to permit the employer to lock out its employees.

As you know, Lawrence Livermore Laboratory employees are University of California employees subject to applicable State of California statute (the State Employee's Organization Act) regarding employee relations for University of California employees. The University, therefore, continues to be strongly opposed to the use of an authorization bill to modify the framework for employee relations in the University of California, a public agency of the State of California.

Currently, there are two bills in the State Legislature which are directly aimed at collective bargaining for public employees. S.B. 839 currently excludes the University of California, but the University has asked to be included. AB 1091 explicitly includes the University, has passed the Assembly, and is currently being introduced in the Senate. This Bill would provide a specific structure for collective bargaining in the University. In view of the current applicable State laws and those now under consideration, we are extremely concerned with the inappropriateness and the serious consequences of using Title V to modify the framework for employee relations in the University. Further, we are advised that Title V would present the University with difficult constitutional problems which could foster disputes and extensive litigation. The problems are inherent in the conflict between the concepts expressed in Title V and the current State law governing the University's employee relations.

In addition to our concern with the use of an authorization bill to modify the framework for employee relations in an agency of the State, we are also opposed to the substance of Title V. Employees of the Lawrence Livermore Laboratory as University of California employees are governed by University personnel policies. These policies provide for an impartial grievance procedure which meets all legal standards of due process. Further, University employees have the right to form, join, or assist labor organizations, and the University, through its own policies and current California State law, is required to meet and confer with all employee organizations to resolve differences. We therefore believe that our current policies, applicable State law, current collective bargaining bills before the State Legislature and the difficult constitutional problems created by Title V make such Federal legislation both inappropriate and unnecessary.

It is our hope that Title V will be removed from S 1811 before passage of that bill.

Sincerely,

DAVID S. SAXON,
President.

OFFICE OF THE VICE PRESIDENT,
ACADEMIC AND STAFF PERSONNEL RELATIONS,
Berkeley, Calif., July 8, 1977.

Hon. HENRY M. JACKSON,
Chairman, Senate Energy and Natural Resources Committee, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing to you at the request of President David Saxon regarding proposed amendments to Title V of the ERDA Authorization Act. Since President Saxon wrote you on July 6 we have learned that you have received information which does not accurately reflect the status of the University, including the Lawrence Livermore Laboratory, under California law regarding collective bargaining, and I am hopeful that this information may be helpful to you.

The State of California, including the State University and Colleges and the University of California, is covered by Sections 3525–3536 of the Government Code known as the State Employees Organization Act. This Act (Section 3527) provides for ". . . the right to form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation on all matters of employer-employee relations." Under Section 3530 the employer, which includes the State, the University, and the California State University and Colleges, has the duty to "meet and confer with representatives of employee organizations on request". Cities and counties are governed by Government Code Sections 3500–3511 (known as the Meyers-Milias-Brown Act) and employees of the elementary and secondary levels in the public school system, including community colleges, are covered by Chapter 10.7 of the Educational Code (known as the Rodda Act).

The University, the State, and the State University and Colleges provide a grievance procedure which has as a terminus, fact finding hearings and recommendations as to remedial action. None of the statutes in California nor the Taft-Hartley Act provide for binding arbitration of interest disputes as has been suggested.

The law applicable to employees at the Lawrence Livermore Laboratory and the University procedure flowing from that law are equally applicable to the 92,000 other employees of the University of California. Similar procedures under the same law are applicable to 125,000 State of California employees and 32,000 employees of the State University and Colleges. All systems provide for considerations of grievances through a recognized grievance procedure. Under the University procedure (which provides for advisory arbitration) 129 cases were appealed to the final grievance step during fiscal 1975–76. One-hundred-twenty-three of these cases resulted in recommendations by the arbitrator or hearing officer which were implemented by the administration. In one case the University further reduced the disciplinary action beyond that which was recommended by the hearing officer.

If your staff has questions about the content and applicability of the law in California, we would appreciate the opportunity to provide that information.

Sincerely,

ARCHIE KLEINGARTNER,
Vice President.

Mr. JAVITS addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, I would like to ask Senator CRANSTON a few questions about this matter. It troubles me deeply because it is a fact that arbitration is not yet mandatory. Maybe it never will be in respect to labor disputes.

Also, it is a fact that we are still in a real twilight zone as to Government employees and whether or not we are going beyond, that is, into codified law and make public employees limited in their labor activities so they may not strike.

The courts will do that. They are enjoined where it deals with public health and safety. But we have not yet codified the law on this subject.

This is in an appropriation bill, a codification of law in a twilight area. I do not agree with my colleagues that this involves the basic question as to whether we are going to compel compulsory arbitration on labor, as such.

Mr. CRANSTON. One correction. This is an authorization bill, not an appropriation.

Mr. JAVITS. Excuse me. But it is not a labor bill. It is a peripheral bill and deals with a labor subject.

I have read the letter of Senator WILLIAMS, chairman of the committee on which I am the ranking minority member; that is why I am on my feet in respect to this matter. Moreover, I have a deep solicitude for the labor situation in our country.

Does the Senator from California agree with Senator WILLIAMS, who says at page 66 of the committee report:

The employees at the Lawrence Livermore Laboratory are not classified as federal employees nor as private sector employees nor are they considered to be state employees under the laws of the State of California.

Mr. CRANSTON. Yes.

Mr. JAVITS. And then he goes on to say:

The Lawrence Livermore Laboratory employees work on a wholly owned federal production facility and are paid exclusively out of federal funds. They thus comprise a unique classification of employees who are not covered by any labor laws.

Mr. CRANSTON. I agree with that statement also.

Mr. JAVITS. Will the Senator then respond to this point:

I voted with the motion to table and my guess is, right now, that I shall stand with the committee. But I am disquieted about it. It is a fact we did not discuss this in committee. I did not know anything about it, and we have had no opportunity to analyze the law. I think Senator HATCH, a member of our committee, is perfectly right about that. Therefore, I would like to make this suggestion:

This measure will undoubtedly go to conference. I will propose to Chairman WILLIAMS that we endeavor to develop a policy position from the committee and, if not, I will communicate myself with the committee in the expectation that if we do have pronounced views on the subject, the conferees will give attention to those views.

I realize all the hazards and the independence of the conference. But I do not think that this issue, because it is a pretty drastic proposition, should be considered closed by what we do in this particular bill.

Will the Senator comment on that?

I do not want to foul up what he is trying to accomplish; that is why I would like his comment.

Mr. CRANSTON. It is a very constructive proposal that has been made by the distinguished Senator from New York. I would be delighted to work with him to implement it.

Mr. JAVITS. I thank my colleague.

Mr. CRANSTON. I thank the Senator.

Mr. McCLURE. Mr. President, if the Senator will yield on that point, I think it is unfortunate that the Senator from New Jersey was not aware, apparently, of the facts of the relationship between the employees and the State of California.

Those facts are set forth in letters from the State of California which were made part of the record and figured in the debate earlier.

I just repeat for the information of the Senator from New York that a letter signed by David S. Saxon, President of the University of California Systemwide Administration, makes this statement, in his letter addressed to the Honorable HENRY M. JACKSON, dated July 6, as follows:

As you know, Lawrence Livermore Laboratory employees are University of California employees subject to applicable State of California statute (the State Employee's Organization Act) regarding employee relations for University of California employees.

A similar statement was made by the academic and staff personnel relations office of the vice president, Archie Kleingartner of the University of California, in which he also says that these employees are employees of the State of California. That letter is dated July 8, 1977, also addressed to Senator JACKSON as chairman of the committee.

There is also the letter of ERDA, signed by Mr. Livermore acting for Robert Fri. That letter is dated July 8, and ERDA makes this statement:

The University of California is an agency of the State of California. Relationships between the university and its employees are regulated by California State law.

So both the Federal agency and the responsible State agency make a flat assertion contrary to that of the Senator from New Jersey that these people are employees of the State of California.

Mr. JAVITS. May I say to my colleague that I did not know about these letters, nor about the controversy. I do not pretend to what I do not know anything about. But I see enough in it to warrant consideration, certainly by me, and hopefully by the Human Resources Committee.

I am a Senator, I have to vote yea or nay, but I can vote against this committee on this issue at this time.

But knowing the processes around here, and with the assurance I have had from Senator CRANSTON, I believe, if we have reason to feel this is really something flagrant, that we can get to do something about it notwithstanding the passage of this bill.

Mr. McCLURE. If the Senator will yield further, certainly I recognize the possibilities that are inherent in our processes, particularly in conference with the other body.

The Senator from New York knows much better than I, however, that if there is an identical provision in the House bill when it is passed and comes to the Senate, that matter is not before the conference.

Mr. JAVITS. I realize that.

Mr. McCLURE. If, as a matter of fact, the House takes action the same as now being taken by the Senate, it would be beyond the ability of the conferees to effect that.

Mr. JAVITS. I understand. But this is an authorization bill. We still have to go through appropriation. It has a limited period of life, and I still believe that we can effect the result, the finite result, depending on what we find to be the situation.

If it really is the monumental precedent Senators say it is—and I cannot accept that yet—I feel we will find a way to do something about it if we consider it sufficiently flagrant.

Mr. McCLURE. Let me say to the Senator from New York that I certainly welcome that commitment on his part. As I have said before, I am not a labor lawyer. I know that the Senator from New York is very able and very learned in this area, and as he digs into it he may find reasons to be as concerned as the junior Senator from California and the Senator from Idaho.

Mr. JAVITS. The Senator from Idaho is an able labor lawyer. When I walked into the Chamber, he alerted me to this, and he took it very seriously.

I am not one given to hiding what I believe, so I have stated openly and frankly how I voted, why I voted, and what I voted, and what I believe we can and should do.

I assure the Senator, without any commitments, because they are not necessary, that this is a matter worthy of being looked into; and I will make it my responsibility to look into it.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. HATCH. Mr. President, I should like to praise the distinguished senior Senator from New York, the ranking minority member of the Human Resources Committee, for his earnest viewpoint here today, and for his usual candid observations concerning the matter.

Although I will vote for Senator HAYAKAWA's amendment at this point, because of my belief that this should have come through the Human Resources Committee and we should have had testimony and many other analyses performed before this departure from the labor laws of this country occurs, I will cooperate in every way, assuming that the amendment is rejected, in doing everything I can to facilitate this matter and to assist the Senator from New York, my good friend and colleague, in the evaluation of this matter.

Mr. JAVITS. I thank my colleague very much.

I yield to my friend from California, who is also a member of the committee.

Mr. HAYAKAWA. Mr. President, I reiterate what I said in the course of the earlier debate, that among my concerns which have not been expressed by others is a concern as a former university president, knowing of the relationships between the university, the Federal Government, and the State government and its employee organizations.

One of the great problems we have in the university is whether or not we can run it ourselves without undue interference from outside agencies. One of the great problems in university governance, as I know from my personal experience in the past several years, is the fact that Federal intrusions into matters of university governance sometimes have helped but more often have complicated our problems.

Employees of the Lawrence Livermore Laboratory, as fully expressed by the distinguished Senator from Idaho in his

quotations from letters he has received from the University of California headquarters, are fully covered as State employees, employees of the University of California, and therefore, are eligible members of State employee organizations, as were the people who received Federal money on my staff at San Francisco State University, which also had Federal money. However, they were employees of San Francisco State University and were able to join, and did join, employee organizations and negotiated with the administration in that way.

If we have this additional step, intruding the Federal Government into what is already an established and normal operating procedure in settling grievances between employees and the administration at the University of California, in the State university system, and at the Lawrence Livermore Laboratory, it seems to me that this whole business is superogatory.

The reason I have offered the amendment in the form I have done is essentially to preserve the essence of what my distinguished colleague from California has wanted, and that is an impartial grievance procedure to be established, which I think will be established by State law anyway, and to guarantee that we enforce that without adding complexities that will interfere with the ordinary lawful and thoroughly thought-out relations between the State government and the universities.

Mr. JAVITS. I thank our colleagues for that explanation.

Mr. President, all I rose to state is that I will vote with the committee. I voted with them on the last matter, and I will vote with them on this one.

However, with the concurrence of Senator CRANSTON, I am going to look into this matter, and I am going to enlist the committee to look into it, to see if something is happening here that should not happen, that we do what is appropriate. That is the most we can do—at least, the most I can do—under these circumstances.

Mr. CHURCH. Mr. President, the issue that underlies the debate on the pending amendment is no different from the issue we voted upon when we tabled the earlier amendment. Therefore, I have nothing further to add to the debate.

However, I think it would be appropriate to include in the RECORD at this point a telegram addressed to Senator ALAN CRANSTON by the director of the California Department of Industrial Relations, in support of retaining title V in the pending bill, and the letter sent by Chairman WILLIAMS of the Committee on Human Resources, dated June 27, 1977, addressed to the Honorable HENRY M. JACKSON, in which he takes no exception to the retention of title V in the bill.

I ask unanimous consent to have those items printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON HUMAN RESOURCES,
Washington, D.C., June 27, 1977.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Recently, as Chairman of the Committee on Human Resources, I have received inquiries concerning my views on subjecting the Livermore Laboratory to certain provisions of the National Labor Relations Act. In response to these inquiries I wish to state that I would not oppose an amendment to the ERDA Appropriations Act which would grant certain of these rights to employees of the University of California at the Lawrence Livermore Laboratory.

Normally matters of this type would fall within the jurisdiction of the Committee on Human Resources. However, this situation presents specific and unique circumstances. The employees at the Lawrence Livermore Laboratory are not classified as federal employees nor as private sector employees nor are they considered to be state employees under the laws of the State of California. The Lawrence Livermore Laboratory employees work on a wholly owned federal production facility and are paid exclusively out of federal funds. They thus comprise a unique classification of employees who are not covered by any labor laws.

It is my understanding that the amendment pending before your Committee would correct this unique situation and is, in my opinion, an appropriate way to help establish a stable labor system at the Lawrence Livermore Laboratory. Handling this matter through the proposed amendment in this single unique instance would thus not impinge on the jurisdiction of the Human Resources Committee over state and local public employees, and I would therefore have no objection to your Committee adopting the proposed amendment for this one extraordinary situation.

With every good wish, I am
Sincerely,
HARRISON A. WILLIAMS, Jr.,
Chairman.

Senator ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

The California Department of Industrial Relations supports amendment to ERDA authorization bill which would establish grievance procedures and arbitration for employees of the Livermore Lawrence Laboratory.

DONALD VIAL,
Director, California Department of Industrial Relations.

Mr. CHURCH. Mr. President, I move to lay on the table——

Mr. RANDOLPH addressed the Chair.

Mr. CHURCH. Mr. President, I will withhold the motion in order to accommodate the Senator from West Virginia. I yield to him for such comment as he may wish to make.

The PRESIDING OFFICER (Mr. SPARKMAN). The Senator from West Virginia is recognized.

Mr. RANDOLPH. I thank the able manager of the bill.

Mr. President, with Senator JAVITS in the Chamber, I should like to clarify the matter for myself—I am not certain that others need the clarification—because I was unavoidably absent from the Chamber at the time of the last rollcall vote. I have been trying to acquaint myself with the issue. I am doing it especially from the standpoint of the Committee on Human Resources, on which the Senator from New York (Mr. JAVITS), the Senator from California (Mr. CRANSTON), and I serve at the present time.

Was this matter ever discussed in the Human Resources Committee?

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. JAVITS. I do not know of any discussion about it. I must be careful in saying that, because, naturally, I was not there every moment.

Apparently Senator WILLIAMS wrote a letter, which is in the committee report, in which he pretty much signed off on it, on the ground that it was a unique situation.

Senator HAYAKAWA, Senator HATCH, and Senator MCCLURE feel that it sets a very bad example. It is really not a precedent. It is not that big a deal. It involves several thousand employees. But it is an example of government arbitration in a Government employee situation.

This Senator, because he is senior to all the Democrats on the committee other than the chairman, realizes that that is a twilight zone. We have not done that as yet. Naturally, they are using that as a reason why we should strike it out.

My point is that I cannot go against the committee which is dealing with a situation requiring greater research, and so on. But I do think they raise a point which is important enough that we should take a hard look at it. If we see there is something really offensive happening, we will find ways—whether or not it is in conference here—to deal with it as a labor matter. Senator CRANSTON concurred in that.

I just stated that I would stand with the committee and why, but that I would not let the matter end at that point. I did think we should take a hard look at it.

Mr. RANDOLPH. Mr. President, I associated myself with the thinking of the Senator from New York. That will be the position I must take on the coming vote.

Mr. JAVITS. That will be very helpful.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. CHURCH. Mr. President, I have the floor. I have taken the floor for the purpose of making a motion to table. We have discussed twice the same thing. I have the floor, and my purpose is to move to table. We have discussed this fully. We have many more amendments to consider today.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. CHURCH. For what purpose?

Mr. HATCH. For one statement on this matter.

Mr. CHURCH. Very well.

Mr. HATCH. Mr. President, I point out to all three of my colleagues on the the Western Union telegram from the California Department of Industrial Relations, it states that it "supports the amendment to the ERDA authorization bill which would establish grievance procedures and arbitration for employees of the Livermore Lawrence Laboratory." Nothing more.

The amendment of the Senator from California at this point does exactly that. In other words, it grants the grievance procedures, and it strikes out all the other extensions of labor law that are not requested by the State of California. I just want to point that out so that my distinguished colleagues who understand this area so well will have that bit of knowledge.

Mr. CHURCH. Mr. President, I move to table the amendment.

Mr. CRANSTON. I ask for the yeas and nays.

Mr. McCLURE. Mr. President, will the Senator withhold that one moment?

Mr. CHURCH. Yes, I will withhold.

Mr. McCLURE. It is customary on Tuesday for the Republicans to have a conference luncheon, and it is also customary that the courtesy is extended to that body that it not be interrupted by rollcalls. I have made that request of both the floor manager and of the assistant majority leader, and both insist that the rollcall be held now.

I ask unanimous consent, if they do not object, that the pending rollcall be withheld until the hour of 2 o'clock, at which time the Senator from Idaho (Mr. CHURCH) would be recognized to make the motion to table, and during that period of time we could consider other amendments and lay this one aside temporarily.

Mr. CHURCH. Mr. President, I am trying to conform with the desires of the majority leader. He has urged me repeatedly to move ahead with the legislation today in view of the fact we have many other amendments and now we are for a second time voting on the same amendment.

I am only following the directions of the majority leader. They have been reaffirmed by the assistant majority leader. For that reason I think we should proceed to a vote at this time.

Mr. McCLURE. Mr. President, does the Senator object to my unanimous-consent request?

Mr. CHURCH. I am obliged to object to it.

Mr. McCLURE. I am obliged to make the request.

The PRESIDING OFFICER. Objection is heard.

Mr. CHURCH. Mr. President, I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Idaho to lay on the table the amendment (No. 639) of the Senator from California. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Vermont (Mr. LEAHY), the Senator from Michigan (Mr. RIEGLE), and the Senator from Georgia (Mr. TALMADGE), are necessarily absent.

I further announce that, if present and voting, the Senator from Michigan (Mr. RIEGLE) would vote "yea."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BARTLETT), is absent due to illness.

The result was announced—yeas 57, nays 37, as follows:

[Rollcall Vote No. 277 Leg.]

YEAS—57

Bayh	Gravel	Metcalf
Bentsen	Hart	Metzenbaum
Biden	Haskell	Muskie
Brooke	Hathaway	Nelson
Bumpers	Heinz	Nunn
Burdick	Huddleston	Pell
Byrd, Robert C.	Humphrey	Proxmire
Cannon	Inouye	Randolph
Case	Jackson	Ribicoff
Chiles	Javits	Sarbanes
Church	Johnston	Sasser
Clark	Kennedy	Sparkman
Cranston	Long	Stafford
Culver	Magnuson	Stennis
DeConcini	Mathias	Stevenson
Durkin	Matsunaga	Stone
Eagleton	McGovern	Weicker
Ford	McIntyre	Williams
Glenn	Melcher	Zorinsky

NAYS—37

Allen	Griffin	Packwood
Baker	Hansen	Pearson
Bellmon	Hatch	Percy
Byrd, Harry F., Jr.	Hatfield	Roth
Chafee	Hayakawa	Schmitt
Curtis	Helms	Schweiker
Danforth	Hollings	Scott
Dole	Laxalt	Stevens
Domenici	Lugar	Thurmond
Eastland	McClellan	Tower
Garn	McClure	Wallop
Goldwater	Morgan	Young
	Moynihan	

NOT VOTING—6

Abourezk	Bartlett	Riegle
Anderson	Leahy	Talmadge

So the motion to lay on the table was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. JOHNSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 640

Mr. HAYAKAWA. Mr. President, I send such an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from California (Mr. HAYAKAWA) proposes an unprinted amendment numbered 640.

Page 22, line 11, strike the period and insert in lieu thereof the following: *"Provided* however that no employee rights or activities shall be guaranteed in such contract which would be in violation of the law of the State of California."

Mr. HAYAKAWA. Mr. President, the purpose of this amendment is very simple. It is to make title V subject to California law. As I have said earlier, I have been very much worried as to possible conflict, overlap, or inconsistency between Federal and State law in this regard. I have discussed this amendment, which will make title V subject to California law, with my distinguished friend and colleague (Mr. CRANSTON). He has indicated he is willing to accept it. It is not my wish, therefore, to delay the consideration of this amendment any further.

Mr. FORD. Mr. President, it is my understanding that there is no objection to this amendment on our side and without hearing any we would be glad to accept it. I yield to the distinguished Senator from California.

Mr. CRANSTON. I would like to say that after opposing my colleague on his earlier two amendments, I am delighted to support him on this one and do recommend that it be accepted.

Mr. McCLURE. Mr. President, there is no objection to the amendment on this side.

The PRESIDING OFFICER (Mr. CHILES). The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 495

Mr. McGOVERN. Mr. President, I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. McGOVERN), for himself, Mr. RIEGLE, Mr. LEAHY, Mr. DURKIN, Mr. ABOUREZK, Mr. GRAVEL, and Mr. MCINTYRE, propcses an amendment numbered 495.

Mr. McGOVERN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 22, after line 11, insert the following:

TITLE VI—RADIOACTIVE WASTE STORAGE FACILITIES

SEC. 601. Section 107 of the Energy Reorganization Act of 1974 (42 U.S.C. 5817) is amended by adding at the end thereof the following new subsection:

"(g)(1) The Administrator must notify (and publish such notice in the Federal Register) the presiding officers of the various chambers, where applicable, of a State legislature of its intent to explore a site in such State for the purpose of construction of a radioactive waste storage facility.

"(2) The Administrator shall not permit contracting for or construction of a radioactive waste storage facility at a site in a State where the State legislature of such State by joint or concurrent resolution or by law, or in States with a unicameral legislature by single resolution, states that the site shall not be used for such purpose.

"(3) The Administrator shall not permit contracting for or construction of a radioactive waste storage facility at a site in a State where, by statewide referendum in such State, such use for such site has been disapproved.".

The PRESIDING OFFICER. Is this the amendment on which there is a time limitation of 1 hour?

Mr. McGOVERN. That is correct, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. McGOVERN. Mr. President, I yield myself 10 minutes.

Mr. President, I offer this amendment on my own behalf and on behalf of Senators LEAHY, HASKELL, ABOUREZK, GRAVEL, RIEGLE, MCINTYRE, and DURKIN.

The purpose is to allow a State legislature or the people of a State to express their judgment by resolution or referendum, respectively, on the construction of a nuclear waste facility within that State. The reason for acknowledging this particular public right is inherent in the unique dangers involved in disposing of

radioactive materials in an area where the decaying process is so slow that radiation damage possibilities must be considered infinite.

In February of 1976, the National Journal reported that a solution to the problem of nuclear waste was "nowhere in sight." The same opinions are being voiced today, more than a year later.

Some wastes last for 1,000 years, while other kinds of radioactive wastes remain lethal for over 200,000 years. And the different types of wastes cannot be separated out. Millions of gallons of nuclear wastes are sitting in temporary storage tanks around the country waiting for technology to come up with a solution. By the year 2000, it is estimated that 330,000 cubic feet of commercial nuclear power wastes will have accumulated. This, of course, must be added to the 11 million cubic feet of military wastes. As the problem grows, we continue to produce these wastes and get more desperate for a solution. Residents in an area that may be affected have a right to participate in the decision process even though the nuclear industry has billions of dollars riding on our professed ability to solve the nuclear waste problem.

The history of nuclear waste disposal presents a rather sorry picture, indeed. The Government and the industry have constantly tossed the issue back and forth with no clear resolution coming forth. The 500,000-gallon accident, comprised of more than 20 separate leaks, at the Hanford Reservation; the 700-gallon leak of high-level wastes at the Savannah plant; and the countless low-level leaks at Maxey Flats, all point to the truth in a 1966 National Academy of Sciences report on nuclear wastes, that "considerations of long-range safety are in some instances subordinate to regard for economy of operation."

Such a history demands that the States now being considered for potential permanent waste repositories be given extra assurances that the solutions now being suggested will actually solve the problem, and that they will not simply be another in the series of claimed solutions which led to disaster or near disaster—only to be relabled "temporary" and "interim" solutions.

In 1975, ERDA inherited the responsibility of recommending and carrying out the Nation's waste management policy. This responsibility is overwhelming because without success, the potential for major development of nuclear energy comes to a halt, or even worse, it means that the long list of disposal failures will continue. It is apparent that this effort must be a united effort by both the Federal and State governments.

ERDA, in its December 1976 announcement of expanded data gathering for potential sites for geologic nuclear waste disposal from commercial sources, was careful to include in each phase consultation with State and local officials. This announcement stated flatly that ERDA "will terminate a particular repository site selection project if the State raises issues of the project connected with selection criteria, and their application, that are not resolved through mutually acceptable procedures."

ERDA has carefully outlined State and local inclusion in the decisionmaking process for site selection; for example:

The expanded ERDA geologic study program is designed to proceed on a phased basis, enlisting review and cooperation by local and state officials, as well as by other Federal agencies. Public forums to discuss the program and to obtain local advice will be conducted in areas of the geologic surveys.

Public hearings on the generic as well as on the specific impact statements will be conducted as appropriate.

There will be a period for substantial public discussion of relevant concerns.

ERDA recognizes the need and will provide the opportunity for the public to participate in each phase of the National Terminal Storage Program.

Based on environmental analyses and other technical data developed in the interim, ERDA, in consultation with state officials, will re-evaluate the candidate site.

But the final statement directed to the third phase of the procedure simply states that—

ERDA will make a decision regarding the location of a repository.

It would seem that with all of the previous care that has been taken to include State and local officials and the general public, all of the involved would be willing to accept ERDA's decision; however, why not take that mutual effort to its logical conclusion and allow the States to have a part in that final decision? They will have worked together throughout, ERDA has stated that they would terminate over unresolved disagreements, ERDA has given Governors verbal assurances that they would have a part in the final decision—why then would we deny them the recognition of that assurance? Why not instead express our trust and support for them by affirming the fact that legislatures or the people of a State have a right if they wish to exercise it to approve or to veto, by resolution or referendum, the construction of a nuclear waste facility within that State?

Without this amendment, ERDA is already facing action taken by a growing number of States. Twenty-six States have passed or initiated legislation directed at allowing themselves some control over nuclear waste facilities. By confirming the right to act in the final site selection, ERDA may avoid the tremendous amount of resistance to placement of the six planned repositories in specific areas. ERDA has worked to coordinate efforts during each phase; it would be disastrous to promote bitterness, delay, and unresolved fears by excluding the States from the final decision.

The site selection time is approaching very rapidly, and I firmly believe that with this amendment, the process may proceed with even greater care, with more trust, and finally with the sense that this is a national problem that needs a united effort in reaching a solution.

Mr. President, I ask unanimous consent that a "dear colleague" letter, dated July 7, 1977, pertaining to this amendment, and signed by the cosponsors, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., *July 7, 1977.*

Re: S. 1811 ERDA nuclear authorization.

DEAR COLLEAGUE: The Senate is expected to take up consideration of S. 1811 next week, and we intend to submit an amendment which will allow a state legislature or the people of a state to veto—by resolution or referendum, respectively—construction of a nuclear waste facility within that state.

The need for such an addition to the Energy Reorganization Act has become very apparent as state after state has taken legislative action to allow themselves to be a part of any decision to place such a repository within their borders.

Those of us who are representatives from states that have laws or pending legislation which restricts the construction of nuclear waste repositories know the seriousness that is accorded that possibility. Citizens in South Dakota, Vermont and Michigan, as well as ten other states, examined the history of nuclear waste disposal and found few assurances of total safety—and to accept anything less is imperceivable. Other states with whole or partial restrictions that have passed or are under consideration are Montana, Minnesota, Hawaii, New Hampshire, Oregon, West Virginia, Colorado, Connecticut, Maine and New Mexico.

The documented history of accidents in temporary nuclear storage facilities combined with plans for additional sources has brought about the need for ERDA to concentrate on permanent underground waste storage sites. They are conducting geological studies around the country in search of sites for repositories. The major criterion in this search is that the site should be "geologically stable," but the local populations must be assured that this site is going to remain "stable" until the wastes lose their radioactivity—which will be at least 200,000 years.

Meanwhile, the pressure is building for a permanent repository. The current "interim" and "temporary" facilities are scheduled to be replaced in 1985, which is when the new, permanent, "geologically stable" repository will take over. If unforeseen problems occur in the site selection or construction, no alternate dates have been set. Further, there won't be any time to test the facility; its initial use will be the actual test period. The states under consideration for the facility have perceived that this is not much of a dry run for a repository which is supposed to come with a 200,000 year guarantee.

With this in mind, we are offering this amendment which would counteract the possibility that site selection and waste treatment will be based on expediency rather than on a thorough review of the possible dangers to a local population. If the Energy Research and Development Administration's plans are as safe as they are claimed to be, then there should be no problem convincing state legislatures and communities that this is so. We believe that the amendment would provide a greater incentive to avoid the mistakes of the past, to give priority to waste management, but avoid the possibility of sacrificing security for a set time schedule—at the expense of generations to come.

This bill would in no way interfere with ERDA as it continues its studies which should lead to a suitable solution. However, ERDA's decision should be subject to question and, ultimately, to veto if justified, by either the people of a state or their elected representatives.

If you would like additional information or would like to co-sponsor this amendment, please contact Mary Crosby at 4–2321, Theresa Brady at 4–8851, or Judy Heffner at 4–4242.

Sincerely,

GEORGE MCGOVERN, PATRICK J. LEAHY, FLOYD K. HASKELL, DONALD W. RIEGLE, JR., JAMES ABOUREZK, and MIKE GRAVEL.

Mr. McGOVERN. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CHURCH. Mr. President, I yield 5 minutes to the distinguished Senator from New Mexico.

Mr. SCHMITT. I thank the distinguished Senator.

Mr. President, I believe most New Mexicans, if they had time to become informed about this particular issue, would have deep concern over the loss of State prerogatives if such prerogatives were in fact usurped by the Federal Government.

I have voted on many occasions to insure that State prerogatives are retained—unsuccessfully, I am sorry to say, in many of those cases. However, in the case of nuclear waste, we are dealing with a truly national issue. I think the people of New Mexico are beginning to realize that.

The impact of this amendment is not known. It could be much more significant than the vote we had yesterday on the breeder reactor. There are a number of areas of unknown impact. I strongly recommend that, prior to any enactment of legislation of this kind, we have extensive hearings on this national issue of nuclear waste.

The discussion of national energy requirements, despite the inability of the present energy policy of this country and the proposed policy by the administration to meet those requirements, is going to include the disposal of nuclear waste. We have no other alternative, but to dispose of it. Commercial plants now exist that are producing radioactive waste. Military high level radioactive waste at the present time is 10 times the amount of the commercial waste. They all must be disposed of.

My chief concern is based on the fact that ERDA is presently relied upon for siting nuclear waste disposal facilities. With the McGovern amendment the United States can get into a position where there is no guarantee that the Government can, in fact, dispose of the wastes. The utilities would have even more uncertainty about where to store their existing waste temporarily. This would discourage new plant starts, increase the cost of temporary storage, and impose major restrictions on the increased use of nuclear fission energy.

There is some question about the constitutionality, with respect to State constitutions, of the wording of this amendment; that is, whether State veto can be accomplished by resolution in the legislatures or by a referendum. What is the role of the Governor in this particular process? We need hearings to allow the States to present their constitutional practices to determine if such an amendment is compatible with those practices.

There is a basic question of weapons waste disposal. That waste exists and it must be disposed of in some way. This amendment would, potentially, present the dilemma of not being able to dispose of it. We need hearings in order to look at that problem in great detail.

There is the question of temporary storage. That is a major cost factor, at the present time, in nuclear plants. It would become an even greater cost factor if this amendment were agreed to.

There is also the question of what waste should be included; specifically, the question of low level wastes, which are presently not ERDA's siting responsibility. Should these be included in a broad national policy? This should be discussed in hearings in great detail.

There is the question, also, of what type of land a national waste disposal policy should involve. Should it involve private, State, and Federal lands all together? Should the States only have the right of veto on their own lands? I do not believe this has been discussed in anything like the detail required.

It may be that one alternative to provide for the national interest is to have a Presidential override. Should the President have the authority, if it is in the national interest, to override the State veto if, in fact, no adequate disposal site is available? I do not know the answer to that. I do not have an opinion on that. It is just one of the many issues which should be discussed in a series of hearings. I think those hearings must be held.

There are these and other issues, as well as the question of whether we are, in fact, pursuing the right course in nuclear waste disposal. We have committed ourselves, almost completely, to a terrestrial geological disposal option. There are many indications that that would be an adequate choice. However, we have not explored the use of the oceans, of isotope separation, of transmutation, or of space for waste disposal. These alternatives, including the most recent advancements, must be explored before there is a final national policy on this critical issue.

Mr. President, I hope that my colleagues will, in fact, vote either to table or reject this amendment. The time is much too premature for this kind of action.

Mr. HART. Mr. President, will the Senator from South Dakota yield for a question?

Mr. McGOVERN. Yes, I yield to the Senator from Colorado.

Mr. HART. I was wondering what the legal constitutional effect of the Senator's amendment would be on the right of the State to prohibit the disposal of nuclear waste on federally owned property in that State.

Mr. McGOVERN. The effect of the amendment would relate to the borders of the States, so it would include Federal property as well as State property.

Mr. HART. Is it the Senator's opinion, then, that the State does have jurisdiction over the Federal property within its boundaries for this purpose?

Mr. McGOVERN. It would if this amendment passes, as far as nuclear waste facilities are concerned. The amendment makes no exception for Federal property within a State. The Senator's question suggests that that might be subjected to a constitutional interpretation. Perhaps it would, but, as the amendment now states, it makes no such exception.

Mr. HART. Is the Senator aware of any constitutional law on this subject, as to whether Congress has, in fact, the authority to delegate a State power over federally owned property?

Mr. McGOVERN. I am not.

Mr. HART. I thank the Senator.

Mr. McGOVERN. Mr. President, I ask unanimous consent that the name of the Senator from Louisiana (Mr. JOHNSTON) be added as a cosponsor to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. I yield 3 minutes to the Senator from Vermont (Mr. LEAHY), a cosponsor of the amendment.

Mr. LEAHY. I thank the Senator.

Mr. President, I wish to speak briefly on the need for this amendment, of which I am a cosponsor.

Many citizens harbor serious doubts about the safety of our current generation of reactors, and are still more wary of the potential dangers posed by the next, more complicated generation.

An even more immediate concern focuses on the problems involving disposal of nuclear waste. The findings of a recent Harris poll confirm the seriousness with which the public views the radioactive waste problem. According to this poll, 67 percent express the view that—

> The disposal of radioactive waste materials which remain radioactive for many centuries to come is a major problem.

The concern is so great in my own State of Vermont that, in a series of town meeting votes earlier this year, more than 30 Vermont towns approved proposals to ban construction of nuclear facilities, atomic waste storage, and transportation of atomic wastes within their boundaries.

The Vermont General Assembly has also enacted legislation that would prohibit construction of a facility for the deposit, storage, reprocessing, or disposal of spent nuclear fuel elements or high level radioactive waste materials without its approval. Nine other States, including Michigan, South Dakota, and Colorado, have enacted or are considering similar restrictions on the construction of nuclear waste repositories.

Earlier this year, I introduced legislation which would give the States a role in the decisionmaking process over the selection of waste storage facilities. The bill would require the Energy Research and Development Administration to publicly notify the presiding officers of a State legislature of its intent to explore a site in that State for the purpose of constructing a radioactive waste storage facility. It would also forbid ERDA from contracting for construction of a radioactive waste storage facility at a site in a State where the State legislature, by joint or concurrent resolution, disapproved.

Mr. President, while I share the concern of my fellow Vermonters and others who have expressed serious reservations about nuclear power, I also realize that we may be forced to resort to this power source in some measure until we can enact the proper environmental and safety standards and acquire the necessary physical plant to make coal a major option. Solar energy and other alternative sources will play an increasingly important role, but they cannot take up all of the slack in the immediate future.

A safe means of disposal for these long-lived, high-level radioactive wastes must be demonstrated beyond a reasonable doubt before the further expansion of nuclear power should be undertaken. ERDA concurred in this view in the overview of their national waste terminal storage program issued last December. A coordinated, responsible, and responsive management of this effort must also

be demonstrated by those responsible for its implementation. Neither has been forthcoming.

The ERDA report went on to outline the basic program objectives, which included provision of terminal storage facilities for commercial radioactive waste at multiple locations throughout the country; establishment of such facilities in a time frame that assures nuclear power as a viable energy option; and assurance that these facilities provide for the safe disposition of commercial radioactive waste.

The report also stressed the need for intergovernmental coordination and public participation in each phase of the program. A "working relationship" between ERDA and State officials would be established; ERDA would confer with the Governors on potential regions of study in the State. State officials would be kept informed of the data collection progress and study results. ERDA would even confer with State officials regarding the geologic study areas identified in the initial phase and obtain their recommendations as to which areas should be studied first, and would be consulted regarding the selection of candidate repository sites. But ERDA has also stated that it will make the final decision regarding the location of the repository.

Who will be consulted? And by whom? How and when will this consultation take place? Will there be public meetings? Will the Governor be consulted in a pro forma meeting after the actual site selection has taken place? What mechanisms will be provided for citizen or governmental input? Because ERDA has stated that it will make the final decision, where is the guarantee that citizen or legislature will have an opportunity to make their feelings known or have a voice in the final selection?

Mr. President, the outlines of ERDA's plan are just that, outlines. They are disturbingly vague for a program that professes to be "up front" and open. I might remind my colleagues, too, that Congress has never taken any action specifically relating to high-level radioactive waste disposal other than to pass appropriations legislation.

With this in mind, we are offering this amendment, which would counteract the possibility that site selection and waste treatment will be based on expediency rather than on a thorough review of the possible dangers to a local population. It would allow a State legislature or the people of a State to veto—by resolution or referendum, respectively—construction of a nuclear waste facility within that State. If the Energy Research and Development Administration's plans are as safe as they are claimed to be, then there should be no problem convincing State legislatures and communities that this is so. We believe that the amendment would provide a greater incentive to avoid the mistakes of the past, to give priority to waste management, but avoid the possibility of sacrificing security for a set time schedule at the expense of generations to come.

Even if we never build another facility capable of producing radioactive waste, we will still have to deal with high-level waste being generated by ERDA programs at the rate of 7.5 million gallons a year, and the estimated 60 million gallons of liquid high-level waste that the commercial nuclear power industry in the United States will have generated by the year 2000. In addition, existing military radioactive waste alone is approximately 215 million gallons of liquid waste.

This bill would in no way interfere with ERDA as it continues its studies, which should lead to a suitable solution. However, ERDA's decision should be subject to question and, ultimately, to veto if justified, by either the people of the State or their elected representatives.

Mr. President, by introducing this amendment, we are not trying to turn back the clock or deny Vermont or any other State an adequate future energy supply. We are merely putting those responsible for the safe disposal of our atomic waste on notice that, until they have demonstrated their grasp of this serious problem, to the public's satisfaction—and I am not convinced that they have—the people of this country will have the power to veto what may be dumped in their own backyard.

I yield back to the Senator from South Dakota.

Mr. CHURCH. Mr. President, how much time remains to the opposition?

The PRESIDING OFFICER. The opposition has 9 minutes remaining.

Mr. CHURCH. Mr. President, I yield myself such time as I may require.

First of all, I can understand the need for State governments to have a more significant role in determining questions relating to nuclear waste within their own jurisdiction. I remember, some years ago, when I inquired into the ways that the Atomic Energy Commission, at that time, was storing certain kinds of wastes at the national reactor testing station in Idaho.

I found that the wastes were being stored over the subterranean aquifer which supplies the water to the Snake River on which most of the lives of the people of southern Idaho depend.

That problem is not yet resolved. The controversy that ensued led the Atomic Energy Commission to make improvements in the method of storage. But the waste material is still located over the aquifer.

The difficulty that I have with the Senator's amendment is partly procedural. We have not had the hearings required to properly determine how to handle problems of this proportion. We need such hearings, and I would be the first to agree that neither the Atomic Energy Commission nor ERDA have yet satisfactorily solved the problem of waste disposal.

In going forward with such hearings we should consider not only what the Federal role will be, but what the proper role of State and local governments ought to be.

However, I think it would be a serious mistake to adopt this amendment in its present form.

Radioactive waste storage facilities, subject to a State veto, would refer to low level and high level wastes.

The bill would permit States to veto the construction of any new waste tank.

Now, consider what that means. Take, for example, the reactor in the State of Minnesota to which my attention was recently called. Existing reactors have waste storage tanks for the spent fuel rods. This particular reactor needs to extend that waste storage facility to accommodate additional rods.

If we were to pass such an amendment and the State legislature were to refuse permission, then we could create a new and serious health hazard by overcrowding the present storage facility or, alternatively, force the closure of the plant.

As this amendment is written, radioactive waste storage facilities will affect the entire weapons program of the country, and thus entail the most serious considerations for national security.

The weapons program cannot go forward without additional waste facilities properly built. This, necessarily, is a decision that the Federal Government must make in the national interest, and one that cannot be properly subjected to the veto of individual States.

So I say to the Senator from South Dakota, my good friend with whom I am seldom in disagreement, that as much as I appreciate the need to formulate an adequate program to handle waste management in the nuclear field, and as much as I believe that the States ought to have a role along with the Federal Government in the implementation of such a program, this amendment is premature. It is designed in such a way that if taken and enforced literally it would bring a halt to the entire nuclear program, both the civilian program and the military program, in this country.

There is no way that the language of this amendment could be applied without that effect.

Mr. McGOVERN. If the Senator will yield on that point, is the Senator assuming that all of the States would automatically cast a veto over the location of nuclear waste facilities in their States?

The amendment does not call for that. It gives the State the option either of approving or vetoing.

It seems to me the thrust of the Senator's argument as I understand it really is that the public opposition is so strong that every State would automatically veto the location of such a facility.

Mr. CHURCH. I do not know what the decision of every State might be. That is part of the mischief of this amendment. We are legislating without knowing the effects of the legislation by subjecting a national policy to the veto of individual States. We are doing it in a manner which affects not only the civilian reactor program pertaining to the peaceful use of nuclear energy, but also our military program, because both entail the necessity for new waste facilities.

I could best answer the question by quoting from my good friend the Senator from Arkansas, who said in committee, as I recall, that although he could not support this amendment, he thought the National Government should have the overriding say where national interests

were concerned, as long as they did not locate any waste facilities in Arkansas.

I am just afraid that if that is the approach we are going to take, that is the answer we are going to get, and it is one that we simply cannot live with.

Mr. McGOVERN. If the Senator will yield further just for a brief point, a moment ago the Senator from Colorado asked me if there was any precedent involved in the constitutional history for a State having a right to overrule the Federal Government in an area involving Federal land.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the attorney general of the State of Michigan, Mr. Kelley, the Governor of that State, dated April 21, which does, in fact, cite a number of Supreme Court cases where the States were, in fact, upheld in their right to make such judgments.

I do that simply so that the record will be clear that this is not an unprecedented measure.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF MICHIGAN,
DEPARTMENT OF ATTORNEY GENERAL,
April 21, 1977.

Hon. WILLIAM G. MILLIKEN,
Governor, The Capitol,
Lansing, Mich.

DEAR GOVERNOR MILLIKEN: I am writing in response to your recent letter regarding my views on Michigan's legal position regarding a federal proposal to establish a nuclear waste disposal site in this state. In summary, it is my judgment that, by adoption of appropriate legislation, the state may prevent location of a nuclear waste disposal facility in Michigan.

My research of the law discloses that, while the State does not have the legal power to prevent the federal government from acquiring land in Michigan, we can draw an effective environmental defense line at the proposed use of land, for this purpose.

My staff has developed a proposed package of legislation on this subject based upon the legal analysis set forth below. I have asked Solomon Bienenfeld to coordinate this matter for me and suggest that appropriate persons on your staff contact Mr. Bienenfeld to discuss specific statutory language.

Any discussion of this issue must begin with the observation that this is an area of law in which there is no clear answer available to us. Predictably, the Federal Lawyers take an aggressive position saying that the Federal Government has power which is preemptive. Too often, such questions have been determined in other states by default. The states' lawyers have failed in many instances to challenge this claim of federal supremacy. This jurisdiction by default is not a reflection on the competency of the attorneys general of other states, but is rather a reflection of the complexity of these state and federal constitutional questions and the fact that such questions have not been treated by legal scholars or teachers in any definitive sense for a generation. I, as Attorney General of Michigan, am prepared to litigate the question. I believe that their are good sound policy and legal reasons why the court should reach a result other than total preemption. In all candor to you, however, I do not suggest that there is only one sound alternative available or that a particular result in such litigation is guaranteed.

The constitutional power of the Federal Government over property has two sources. The first is in Article I, Section 8, Clause 17, of the Constitution of the United States. This clause has to do with the creation of the District of Columbia and certain other federal property over which, with the consent of the legislature of a state, the Federal Government has acquired the power of exclusive jurisdiction.

Under the traditional view, Article I, Clause 17, enclaves are viewed as having been excised from the territory of the State. Such enclaves are geographically removed from the territory of the State.

The second source of power arises from the language of Article IV, Section 3, Clause 2, of the Constitution of the United States, which provides that the Congress shall have the power to make all "needful rules and regulations" respecting territory or other property belonging to the United States. Generally, this Article IV Clause applies to all property that is owned by the Federal Government including a great deal that is not covered by the Article 1, Clause 17, property clause, such as the Public Domain.

It has always been recognized that the Article IV property clause gives to the Federal Government all of the proprietary powers that a private landowner would have over his land. The difficult question, historically, is whether the United States has anything more than a private landowner and, if so, how much more. This is the question of governmental jurisdiction as distinguished from proprietorship. An ordinary landowner owns his land and has certain rights but the state has governmental jurisdiction over such land. A class question, much litigated with occasionally different results, is whether the state also has governmental jurisdiction over federal land even though the Federal Government has, title and the right to be an occupier of the land. The classic view of legal scholars was that the states, and not the Federal Government, have general governmental jurisdiction over Federally owned land within their borders.

Thus, for example, in *Ward* v. *Race Horse*, 163 U.S. 504 (1896) the United States Supreme Court held that Wyoming statutory law controlled hunting on federal land in the State of Wyoming, notwithstanding the contrary provisions of a Federal Treaty with certain Indian groups. The constitutional rationale behind this holding is the principle that the states cannot be denied their general governmental jurisdiction over federally owned land. As to the regulation of fish and game, *Ward* v. *Race Horse* still remains the basic case recognizing that ownership of fish and game is in the respective states regardless of whether the fish and game in question is located on federal lands.

In *Kansas* v. *Colorado*, 206 US 46 (1907), the United States Supreme Court, reflecting the traditional property power viewpoint said that federal rules for reclamation of arid federally owned land would not override state reclamation laws.

In *Askew* v. *American Waterways Operators, Inc.*, 411 US 325 (1973), the United States Supreme Court unanimously reversed a lower court opinion that had held invalid an attempt by the State of Florida to control oil spill pollution by the shipping industry in waters within the territorial jurisdiction of the state of Florida. Even though there were specific Federal statutes on point, and even though the Congress had obviously a legitimate right to regulate interstate and international commerce by waterway, there was still legitimate room for regulation by the state.

In *Huron Cement Co.* v. *The City of Detroit*, 362 US 440 (1960), the United States Supreme Court held that the State of Michigan's interest in controlling air pollution justified controls over smoke pollution from federally licensed navigable vessels.

It is true that the United States Supreme Court, in a summary affirmative without decision, with two justices dissenting, affirmed a federal trial court decision that an effort by the State of Minnesota to control radiation effects from a nuclear power generating facility was preempted by the atomic energy act. This decision, *Northern States Power Company* v. *Minnesota*, 447 F.2d 1143, aff'd 405 US 1035 (1972), is apparently the key precedent relied upon by the federal attorneys in arguing that Michigan is preempted from exercising any regulatory authority over the proposed atomic dump site. As I read this case, however, the decision is predicated upon a judicial finding of a compelling need for uniformity. The court was of the opinion that there were strong and justifiable federal interests in assuring that the containment and equipment requirements for generating facilities be substantially identical from state to state. This is apparently predicated upon a judicial finding that federal inspectors and monitors should be able to deal with atomic generating facilities as a class, rather than becoming mired in engineering idiosyncrasies of hundreds of different plants. Thus, an attempt by the State of Minnesota to require different equipment and different operational practices for an atomic generating facility located in Minnesota was an unreasonable interference with the substantial federal interest in uniformity. I do not perceive there to be any compelling federal interest in uniformity as between dump sites. Indeed, it is my understanding that such uniformity is impossible to achieve as between different dump sites due to the differing geological formations involved from site to site and state to state. Accordingly, I am not prepared to accept this precedent as leading to the conclusion that Michigan is without authority to regulate such a dump site.

In *Colorado* v. *Toll*, 268 US 228 (1925), which involved the Rocky Mountain National Park at a time before the State of Colorado had, by statute, ceded jurisdiction over such parks, the Supreme Court held that the park administrator, acting pursuant to a Federal Statute giving him authority to administer the parks, could not act in violation of state law.

Similarly, in *Wilson* v. *Cook*, 327 US 474 (1946), the United States Supreme Court held that the states have legislative authority over federally owned lands to the same extent that they have over similar property held by private owners.

There are different judicial theories which carve exceptions to the general principles I have so far stated. Thus, for example, in *Hunt* v. *United States*, 278 US 96 (1928), the United States Supreme Court held that in protecting federal property from harm, the Federal Government in certain circumstances enjoys somewhat greater power than a private landowner. I do not see this general protection concept as having any application to the issues involved in the location of an atomic dump site. Indeed, it would appear to me that an opposite principle would be recognized by the Court in any case involving a dump site. Since the State of Michigan unquestionably owns the wild animals and fishery resources which could be affected by the Federal Government's actions in any land which the Federal Government acquired for purposes of such a dump site, the State should have a legitimate interest in protecting its fishery and water resources from potential contamination.

You ask me in your letter to estimate our chances of successfully pursuing my theories of the law in court. I view our chances of success as substantially better if a reasonable attempt to regulate this type of facility is made by state statute. While I support your efforts to achieve a political solution to this problem by obtaining a federal agreement that they will honor your veto, as Attorney General I doubt that would

prevail in court based upon a political arrangement. If, however, I were in Federal Court defending the public policy of this state as embodied in a statute duly enacted by the legislature, I feel that our chances of success would be substantial.

Beyond my responsibilities as Attorney General, I feel a special concern about the location of this type of facility in Alpena where I lived for many happy years and which I served as City Attorney. I remain prepared to work with you and your staff to insure that any such project, if constructed anywhere which might affect the resources or people of Michigan, is constructed in conformance with all appropriate state and federad standards upon a full, complete, and open review of all potential environmental impacts and implications.

Very truly yours,

FRANK J. KELLEY,
Attorney General.

Mr. CHURCH. I think the Senator is quite right, and I think the effect of his amendment would be a congressional declaration delegating to the States the right to decide whether or not the nuclear energy program shall proceed.

Mr. McGOVERN. But which is a right that has been recognized in other areas, such as fishing and hunting rights, control of water pollution, and even one case involving the State of Colorado in an action versus the State of Kansas, which held that Federal rules for the reclamation of federally owned land would not override a State action in that field.

Mr. CHURCH. I remind the Senator that for years now we have been trying to find a permanent depository for the wastes we have already created. As yet, we have not found a State government that has been willing to accept that depository. I think that is a suggestion of what lies in store for the country if we adopt this amendment in its present form. The problems we face would become unsolvable.

Mr. McGOVERN. I thank the Senator for yielding.

Mr. HART. Mr. President, will the Senator yield for another question?

Mr. McGOVERN. I would yield, but I have only 2 minutes left.

Mr. HART. I am sorry.

Mr. McGOVERN. I promised the Senator from Michigan I would yield. I would like to yield to the Senator from Colorado, but I yield the remaining 2 minutes to the Senator from Michigan.

Mr. RIEGLE. I thank the Senator for yielding.

Mr. President, I wish to express my strong support for the amendment offered by the Senator from South Dakota (Mr. McGOVERN).

As a cosponsor of the amendment, I have come to realize that the disposal of nuclear waste presents the Congress and the Nation with a critical responsibility. In light of the highly toxic nature of the material which nuclear facilities are using and generating, and the enormously lengthy life span of these deadly wastes, we must find a permanent disposal system which does not jeopardize the environment and yet still meets the energy demands of the present. The need to manage the storage sites in the most efficient and safe manner requires that the legitimate interests of the people most directly affected be considered. This is not done, under the present legal framework.

It must be noted that ERDA and NRC are presently under no legal obligation or direction to consult with, or even notify, localities and their residents in the consideration of construction or operation of a nuclear waste storage facility. The men and women whose homes, workplaces, and very lives are affected by the decisions of Washington bureaucrats have no influence on those vital decisions. This is not an equitable or a reasonable approach to the waste disposal issue.

A number of States have reacted to this unfair and unilateral decisionmaking process taking legislative action, requiring that they be a party to any decision to place a nuclear waste repository within their borders. In my own State of Michigan, the people of Alpena, Presque Isle, and Montmorency Counties, where ERDA is considering creating a nuclear waste dumping ground, voted 9 to 1 against having the ERDA site located in their area. In addition, the State Senate of Michigan passed a bill banning the future disposal of nuclear waste within the State. The Michigan House is currently considering the measure.

The House Subcommittee of Energy and Environment held hearings in Lansing and Alpena, Mich., last year which demonstrated the high level of citizen involvement and concern with the safety of the Government's plan. Citizens are worried and they want to be heard. Public interest groups including the League of Women Voters, the Public Interest Research Group of Michigan, and the Michigan United Conservation Club all stressed their desire for citizen participation in the planning process and their demand that the site chosen be as safe as possible.

Joining these citizen groups were members of the Michigan State Legislature, including Representatives Thomas Anderson, Dan Stevens, Lynn Jondahl and State Senator Robert Davis. Additionally, local technical experts and individual citizens were joined by U.S. Representatives CARR and RUPPE in expressing alarm over the procedures followed by the Federal Government in this program.

As an example of the failure of ERDA to insure the greatest degree of safety possible for this particular site selection and construction, it was discovered that the requirement for a thorough environment assessment, as mandated by the National Environment Policy Act, before drilling, had not been met at the Alpena site. Fortunately for the residents of the Alpena area drilling was halted.

The experience gained here caused Michigan's Governor to establish his own special task force on nuclear waste.

Several incidents point to the Federal Government's carelessness and lack of cooperation in dealing with the States in this field.

Salt formations, according to ERDA, provided the best storage beds for nuclear waste, as the formations prohibit migration by the toxic wastes back into the environment. But, in practice, this theory has been found wanting.

The salt mines studied in Lyon, Kans., in 1970 were found to ultimately be unsuitable and a potential health and safety hazard of great magnitude, after the local citizens protested AEC plans to bury nuclear waste in the salt formations. The initial Government study, which had approved the location, was found to be grieviously in error.

A similar instance occurred in Carlsbad, N. Mex. in 1972 where the site selected for a storage compound was discovered to contain a large pocket of brine, deep inside the salt formation.

The legacy of governmental error is still borne by the people of Hanaford, Wash. There the disposal of large amounts of nuclear waste was carried out in metal tanks, buried deeply within the soil. Once installed 18 tanks and numerous connecting pipes, developed serious leaks. Approximately one-half million gallons of high-level radioactive wastes have seeped into the Hanford soil and permanently contaminated it.

Other breaks or leaks of a similar nature have taken place in Maxey Flats, Ky., and West Valley, N.Y.

ERDA has a legal obligation to determine a national nuclear waste repository by the year 1985. They have also stated that they intend to establish such a facility or facilities in a timeframe that assures nuclear power as a viable energy option. These two goals, combined with the abysmally poor record of the Government agencies, could very likely mean that ERDA will trade expediency for safety. Granting the States a veto power will guarantee that this would not be the case. The locations for waste storage would then be scrutinized by officials who have more than a routine interest in the well being of the locality. In addition, a veto power will insure that the citizens will have the opportunity to speak out. Verbal assurances from ERDA are not enough and certainly not binding. Because no statute existed, the State's efforts to insure personal safety and environmental protection with the Seafarer project were virtually ignored. Unless we enact this legislation, I am afraid that the same thing will happen with ERDA's assurance that the people will have influence with regard to the Alpena site.

The legal question is raised, Mr. President, asking whether or not the actions of 26 States in attempting to achieve some influence over the important activities of the Federal agencies dealing with nuclear wastes, will have the power to do so. This amendment, which I have cosponsored, would guarantee those States a voice in the councils of Federal nuclear energy decisionmaking. It does nothing more, and nothing less, than allow the people most directly affected to exert minimal control over decisions made affecting their lives.

So, Mr. President, I express my very strong support for the amendment the Senator and I, and others, offer here today.

I think the colloquy that has just gone on is important because, as the Senator from Idaho has suggested, there is great resistance building up around the country by communities and States which

have very serious reservations about the storage of these materials in and around places where people live.

I share those concerns.

Right now, we are faced with the very same problem in Michigan. I say this to the people here who are very strong advocates for the development of nuclear energy in the future, that one very essential part of this question is the waste question. If we are going to find and if the fear is that 50 States out of 50 States are not going to want these wastes put in their States, then it seems to me that brings back to life the entire question of how far down the road we want to go.

We have this problem in Michigan right now where there is a proposed nuclear waste site. Under the present law, there is absolutely no obligation by the Federal Government to counsel with the people of the area, to give them some say in this decision; and as people have caught up with the facts in the case there is great alarm and great concern about it. I share that concern.

Quite frankly, I have not seen anything yet that justifies in my mind storing these wastes in populated areas, whether in Michigan, in New Mexico, or some other place.

But I think it is clear that the various States ought to have the right and the people of the States whose well-being and whose circumstances are most directly affected ought to have the right to participate in the decisions.

If the Federal Government is not in a position to make a persuasive enough case in 1 of the 50 States, if not more, that sites can be found that are safe and that people can feel secure about, then I think we are making a mistake in roaring down this road. For people who are fans of nuclear energy to set aside these real and serious objections is shortsighted.

I hope this amendment will be agreed to. All it does is place the burden of proof where it should be placed, and that is on the Federal Government, if it wants to establish a site of this kind in some State, to be so persuasive in its arguments, to be so compelling in terms of security requirements and threats to public health that the people of the State will be willing to accept that kind of facility. Should they not be, then the case is not sufficient, and it should not be placed there. If somebody may like this in some other part of the country, let them propose to put it in their State.

We in Michigan feel as strongly as we can that, based on our experience where the Federal Government has come in to try to establish a site of this kind, we are not satisfied with the way it has been done, and we do not want it placed there. We would like to have the right to be able to say so, and not have this kind of thing rammed down our throats.

I yield back the remainder of my time to the Senator from South Dakota.

Mr. CHURCH. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. CHURCH. Mr. President, how much time remains to the Senator from South Dakota?

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. CHURCH. Mr. President, if we adopt this amendment, we have dug ourselves a hole out of which it will be very difficult to climb.

First, any applicant for a new nuclear reactor must demonstrate that it has plans for the management of the wastes generated by the reactor. If we adopt this amendment, no new application can be approved, because no applicant will be able to show that it has a plan that is not subject to the veto of a State government.

Second, as to present reactors, we will have 27 next year that are presently on line, which will need additional waste storage space. If this amendment is enforced, those reactors would go off line, would no longer generate power, if the State government did not approve the waste space.

Finally, we have a military program. The national security is involved, all of which involves additional waste storage space. Yes, we have a problem, but it is a problem that is a national responsibility. We cannot duck it by delegating it to the States to decide.

Mr. GRIFFIN. Mr. President, I wish to register my agreement with the thrust of this amendment—to give a State some voice in any decision that would make that State a dumping ground for nuclear waste.

In some instances, as a preliminary step, the Energy Research and Development Administration has proceeded to take core samplings of geological formations without even consulting State officials.

This happened last year near Alpena, Mich., amid a storm of protest from the people in my State.

Those protests prompted the Governor of Michigan to initiate hearings in order to take testimony from citizens with respect to whether nuclear waste should be stored in Michigan.

Only last week, the Michigan State Senate adopted legislation by a wide margin designed to block any Federal Government effort to locate a nuclear waste disposal site in Michigan.

The only assurance I have received from ERDA on this matter was contained in a letter dated December 1, 1976, from former ERDA Administrator Robert S. Seamans, Jr. In that letter Administrator Seamans stated:

> It is ERDA's position that the project will be terminated if the State raises issues on the project . . . that are not resolved through mutually acceptable procedures.

While that statement by the former ERDA Administrator was somewhat encouraging, there has been no confirmation of that position by the Carter administration. Even that statement, however, does not give the Governor of Michigan a veto power—which he has requested with respect to such a project.

Since I believe a State should have more say than is the case today, before it can be turned into a nuclear dumping ground, I intend to support this amendment.

Mr. CHURCH. Therefore, Mr. President, I move that the amendment be laid on the table.

The PRESIDING OFFICER. All time on the amendment has expired.

The question is on agreeing to the motion to lay on the table.

Mr. McGOVERN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from South Dakota. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Georgia (Mr. NUNN), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BARTLETT) is absent due to illness.

The result was announced—yeas 58, nays 39, as follows:

[Rollcall Vote No. 278 Leg.]

YEAS—58

Allen	Ford	Moynihan
Baker	Glenn	Muskie
Bayh	Goldwater	Nelson
Bellmon	Hansen	Percy
Bentsen	Hathaway	Randolph
Brooke	Hayakawa	Ribicoff
Bumpers	Heinz	Schmitt
Burdick	Hollings	Scott
Byrd, Harry F., Jr.	Huddleston	Sparkman
	Humphrey	Stafford
Byrd, Robert C.	Inouye	Stennis
Case	Jackson	Stevens
Chafee	Javits	Stevenson
Chiles	Long	Stone
Church	Lugar	Thurmond
Curtis	Magnuson	Tower
Danforth	McClellan	Wallop
Domenici	McClure	Weicker
Eagleton	Metcalf	Young
Eastland	Morgan	

NAYS—39

Abourezk	Hart	Melcher
Anderson	Haskell	Metzenbaum
Biden	Hatch	Packwood
Cannon	Hatfield	Pearson
Clark	Helms	Pell
Cranston	Johnston	Proxmire
Culver	Kennedy	Riegle
DeConcini	Laxalt	Roth
Dole	Leahy	Sarbanes
Durkin	Mathias	Sasser
Garn	Matsunaga	Schweiker
Gravel	McGovern	Williams
Griffin	McIntyre	Zorinsky

NOT VOTING—3

Bartlett	Nunn	Talmadge

So the motion to lay on the table was agreed to.

Mr. McCLURE. I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. HANSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CURTIS and Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

AMENDMENT NO. 497

Mr. CURTIS. Mr. President, I call up my amendment No. 497 which is at the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Nebraska (Mr. CURTIS), for himself, Mr. GOLDWATER and Mr. SCOTT, proposes amendment No. 497.

On page 12, beginning with line 20, strike title II.

The PRESIDING OFFICER. There are 90 minutes, under a previous order, to be equally divided on the amendment.

The Senator from Nebraska may proceed.

Mr. CURTIS. Mr. President, the bill as written would cause a very substantial increase in the price of enriched uranium. It would affect every nuclear power project that expects to buy or obtain in any way enriched uranium. It is a very substantial increase. It is a proposed increase without logic or sound reason. It is an anticonsumer proposal.

My amendment would strike out title II entirely.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Nebraska.

Mr. CURTIS. This amendment is supported by wide interests. It is supported by the Edison Electric Institute which represents the investor-owned utilities. It is supported by the National Association of Electric Companies, the American Public Power Association, the National Rural Electric Cooperative Association, the Consumer Federation of America, and the AFL–CIO. These groups want title II stricken from this bill because, if it remains in the bill and becomes the law, the Government will be charging much more for enriched uranium. It is a very sizable amount. I am told that in reference to the Nebraska public power system the bill as written will increase their costs by $13 million over the next 5 years.

Mr. President, there are only 1,400,000 people in Nebraska. This is a very sizable overcharge. There is no place to get this money but from the consumers and users of electric power. It is unfair. It is without justification.

Mr. President, here is how this matter comes about: Under the present law the Government-provided enrichment services are to be priced to recover the Government's costs over a reasonable period of time. That is the present law. In practice the Government charges prices for these services which cover costs plus a 15-percent contingency. This pricing formula is similar to the "just and reasonable" formulation employed to regulate prices of other essential services in fuels.

By contrast, S. 1811 would allow ERDA to set the price of uranium enrichment services at a level which "will not discourage the development of domestic supply independent of" ERDA.

Mr. President, also, the policy of this Government as laid down by the present administration is not to give the rights to perform this service to any non-Government agency. In other words, it is a rather vague disincentive index. It will result in a very sizable increase. It will be a corporate profit to the Government at a time when the Government has a monopoly.

In 1976, language along this line was under consideration. ERDA estimated that the cumulative costs for the next 5 years under that proposal would have been $760 million. They based this estimate upon a projected charge of $76 per separative work unit, or a 42-percent increase over the present price of $61.30.

A separative work unit, or SWU, is a measure of effort required to separate a given quantity of uranium feed into two streams, one having a higher percentage of U-235. However, ERDA itself now proposes that the price be set at $90 per SWU, or a 62-percent increase over existing prices.

Imagine that, Mr. President. This language says that it should be priced so that non-Government sources could get into the act. The catch to it is that the Government is not going to let any non-Government sources get into the act. There is all the problem of proliferation and control in this area of activity, and they have openly stated that no one but ERDA will engage in this activity.

Imagine this Congress voting to increase the price of fuel—and that is what it is—by 62 percent. At the present time they have authority to charge all the costs plus 15 percent, and according to that formula an SWU of uranium, or the service for that, is $61.30. If we do not change this bill, it raises it to $90, a 62-percent increase. It will be well that Senators get the figures for their States. If this bill were to pass, the increased charge to the Nebraska Public Service District will be $13 million over the next 5 years.

Mr. President, ordinarily, the Senator from Nebraska would be in favor of a Government pricing policy in most situations so that private enterprise could get into the act. That is not the situation at the present time.

There are not any private enterprise sources about to get into the act. The policy of the Government is not to let them. This is purely a move on the part of a Government bureau to increase their income, when without this new language they have authority to charge their costs plus 15 percent as a contingency fee.

Mr. President, this is a basic change of policy. It should not be made. There have never been hearings on this proposal.

The users of enriched uranium in my State or your State have never had an opportunity to come in and testify and recite what it would do to them. The general public has not had an opportunity to testify. There have been no hearings.

Mr. President, to say the least, we ought to delete from the present proposal all of title II, for the present. If it is to be pursued farther, then we should hold hearings and see what the hearings produce.

Mr. President, it is not by accident that this long list of people are opposed to title II. Why is it that the Consumer Federation of America is opposed to title II? It will raise everybody's electric bill without any justification, merely for a profit for a Government bureau.

Why is it the AFL–CIO is opposed to it? For the same reason.

Why does it happen that the investor-owned electric companies, the co-ops, and the American Public Power Association are joining hands in opposing this title? Because it will cost them millions of dollars that they must pass on in electric charges, at the very time when all energy costs are going up and up, at a time when we have all manner of other problems.

I say it will cost $13 million in my State. That is true. They will have to pass it on to the users. Some of those users are in business. They will have to raise their costs. So it is all across the land.

Mr. President, I have a fear—I hope it is unfounded—based on my observations of what has happened on the floor today, that there might be an attempt to table this amendment. I have heard nothing directly to that effect. I hope it is not true. I appeal to the managers of the bill to be fair to all those who support this amendment, and again I read the list: The Edison Electric Institute, representing investor-owned utilities; the National Association of Electric Companies; the American Public Power Association; the National Rural Electric Cooperative Association; the Consumer Federation of America; and the AFL–CIO.

I say that is a significant bloc of the American public, and they are entitled to have an amendment in which they are interested voted upon its merits.

Therefore, I earnestly plead that there not be a motion to table. A motion to table is not a fair test. Others coming to the Chamber are confronted with all sorts of questions in their minds. Maybe it is not a proper joinder of facts; maybe they are planning for another bill. All sorts of strategy questions are involved in a motion to table. Thus, the tendency is to follow those in charge of the bill and to vote to table when it is requested.

Sometimes it becomes a tyranny of the majority. I believe it should be used very sparingly.

Mr. President, I ask that title II be stricken from the bill, and I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. MELCHER). Who yields time?

The Senator from Idaho.

Mr. CHURCH. Mr. President, I yield myslf such time as I may require.

The committee considered the questions the distinguished Senator from Nebraska has raised and rejected them. The Senator from Nebraska speaks of a 62-percent increase in the charges that the Government will make for enriched uranium. That may sound like a very startling figure. When it comes to a nuclear reactor, the cost of the fuel is relatively minor as compared to the cost of construction of the reactor itself and its operation.

Unlike fossil fuel plants where the cost of the coal or the oil is very sizeable, the relative cost of nuclear fuel is such that even a 62-percent increase will have only a modest effect upon the actual rate that needs to be charged to the con-

sumer. So let us not talk about such big figures. The impact of this provision in the bill will have only a modest effect upon the actual rate for the electricity itself.

Why has this provision been included in the bill? It is because today the Government is subsidizing, in effect, the sale of fuel for conventional reactors. I do not think the Government should subsidize the cost of that fuel. We are doing it not only for the benefit of the large utility companies in this country, but we charge precisely the same price to foreign countries, so that we end up subsidizing not only our own reactor plants but foreign reactor plants as well.

Mr. CURTIS. Will the distinguished Senator yield for a question?

Mr. CHURCH. Yes, I yield for a question.

Mr. CURTIS. Is it true under existing law we charge actual cost plus a contingency of 15 percent?

Mr. CHURCH. The Senator is both correct and incorrect. If I may put it a little differently, the Senator is correct in his statement, and I am correct in mine. The reason is that the present formula actually does not cover those elements of cost that a private company would have to incorporate in determining what constitutes cost.

For example, the present formula does not include provision for taxes or insurance or return on equity, which any private company would have to consider as a part of its costs. The Government, therefore, is charging less than the actual cost to the Government when these other factors that are normally figured into such a formula are included.

Mr. CURTIS. Will the Senator yield further?

Mr. CHURCH. Yes.

Mr. CURTIS. Is it the policy of the Government at the present time to have non-Government sources come in and provide enrichment of uranium?

Mr. CHURCH. No. Presently, all enriched uranium is produced at Government plants, but there is always the possibility, in the future, that that policy might be enlarged to permit private companies to engage in the enrichment service. If that is so, then there is all the more reason to adopt the provisions in the bill. Otherwise, the differential between what the Government could sell its services for and a private company would be such that the private company could not operate.

Mr. CURTIS. My information is that the Government has a policy that is opposed to having any private enterprise in this field.

Mr. CHURCH. I say to the Senator that, at the moment, I think the sale of enrichment services being confined to the Government represents the current policy. I find no fault with it. But there are those who have argued, and the matter still is subject to lively controversy, that this policy should be changed, and that private companies should have an opportunity to furnish enrichment services to provide the fuel for conventional nuclear reactors.

All I say to the Senator is that those who favor a change in the policy should have no reason to support the Senator's amendment because, by adding these factors into a determination of what constitutes cost to the Government, we are simply adding factors that any private company would have to include in determining its cost. This, I should think, would be consistent with the views of those who think that the policy should be changed.

Mr. CURTIS. Have there been any hearings held on this subject? Has notice gone out and the individuals concerned over the country had a chance to come in and state their position on it?

Mr. CHURCH. In this case, the committee requested that ERDA present its arguments in support of changing the formula in written form. They were considered in written form. No separate hearings were held; no separate witnesses were called on this question.

Mr. CURTIS. Were the American public power interests invited to make their comments?

Mr. CHURCH. I think I have answered the Senator's question.

Mr. CURTIS. It seems to me that the committee ought to accept this amendment and, if they decide to proceed further along this line, they should hold hearings. I am firmly committed to the proposition that Americans are entitled to their day in court. I think that is generally accepted. Sometimes, well-meaning Government bureaus make a request for legislation and they like to have something slipped into a bill. Many times, it may have great merit, but I think it is a very wrong and dangerous procedure. It is my hope that title II can be stricken at this time and, at a later time, hearings can be held.

I thank the Senator for yielding.

Mr. CHURCH. I understand the Senator's argument. I can only reply that, had the committee not felt that the justification for this formula was very compelling, it would have set the matter aside for special hearings. But we had written evidence submitted by ERDA and also by representatives of the Edison Electrical Institute, so that we had the benefit of both arguments in written form. Having examined both arguments, the committee felt that it was in the interest of the Government to take the subsidy out of the price, and to make the cost reflective of those factors that normally would be included if private companies were to determine their actual costs. That is what we endeavor to do with this new formula.

For that reason, Mr. President, I hope that the Senate will support the committee and reject the amendment offered by the distinguished Senator from Nebraska.

The PRESIDING OFFICER. Who yields time?

The Senator from Nebraska is recognized.

Mr. CURTIS. Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator has 31 minutes remaining.

Mr. CURTIS. Mr. President, I yield myself 3 minutes.

Here we have a matter before us that has never had a hearing. On the face of it, it means an increase of 62 percent in the cost of enriched uranium. This uranium will go into the manufacture of electric power. This is at a time when we need more electric power, a time when we are importing more than half of our petroleum. So we need other sources. The policy of the Government should be to encourage those sources. Here we are throwing down a roadblock, a 62-percent increase in the cost of fuel.

The argument about how the Government figures costs and how private enterprise fixes costs would be relevant if we were faced with an issue of fair play between private enterprise and government. We do not have that. The policy of the Government is not to let private enterprise into this field. Under existing law, they have authority to charge their actual costs, plus a 15-percent contingency. It was placed in here at the request of a Government bureau.

Is the Senate going to vote and say no to all the people, saying, "You are not entitled to be heard; this is sound and good because a great bureaucracy wants it"?

Mr. President, that is not a procedure that enhances the prestige and standing of the Senate. No harm will be done by a delay here for the time taken to hold some hearings. Again, I express the hope that this amendment will be accepted.

The PRESIDING OFFICER. Who yields time?

The Senator from Idaho is recognized.

Mr. CHURCH. Mr. President, I am prepared to yield back the remainder of my time. The basic argument against the amendment is that the present formula does not recover for the Government all of those elements that ought to be considered in the Government's real cost. Therefore, the Government is subsidizing the price, not only for American companies that are buying enriched uranium as fuel for their reactors, but for foreign companies or foreign governments, as the case may be, that are buying enriched uranium. I see no reason why we should subsidize either foreign companies or foreign governments. I see no good reason why we should subsidize our own utilities. For that reason, I hope the amendment will be rejected.

The PRESIDING OFFICER. Is all remaining time yielded back?

Mr. CURTIS. I am informed that there are one or more Senators who want to say something on this.

Mr. McCLURE. Mr. President, will the Senator yield to me?

Mr. CURTIS. I am happy to yield. How much time does the Senator want?

Mr. McCLURE. Two minutes.

Mr. CURTIS. I yield the Senator 5 minutes.

Mr. McCLURE. I thank the Senator for yielding.

Mr. President, I rise in support of the amendment to strike title II, "Basis for Government Charges for Uranium Enrichment Services." I support the amendment because title II will raise these prices for utility ratepayers by 50 percent and increase charges by a billion and a half dollars over the next 5 years—and all, for no good public policy reason.

Title II is an administration requested provision to grant new authority to ERDA to increase the charges for Federal enrichment services. As we know, the Federal Government has had and continues to have a total monopoly on these services. The current statute, section 161(v) of the Atomic Energy Act, provides for charges based on "recovery of costs over a reasonable time." The price today, $63 per unit of services, is based on that "recovery of costs over a reasonable time." In fact, it is my understanding that ERDA shows a slight profit overall, in terms of the services actually delivered.

The $63 price, which has increased to that level over time, is less expensive than would be the cost for a brandnew business with new equipment and facilities. There are several reasons, partly historical, for the lower price. These Federal enrichment facilities in some cases are 30 years old, and for many years they provided enrichment services for our nuclear weapons programs. The current generation of equipment and facilities, in fact, were originally developed and paid for by the American taxpayer as part of our national security program. Since then, the facilities have been and are being improved and upgraded, and they gradually have become more and more committed to providing enrichment services for reactor fuel rather than for weapons. Consequently, today we have enrichment facilities which have been long since paid for and depreciated for cost-accounting purposes.

The other major reason for the lower price is that the enrichment services are provided by a Federal monopoly. There are no real costs for taxes, insurance, business risks, fees, or profits, et cetera. The fact that historically these services were an integral part of the weapons program led us to the Federal monopoly position. As the services become more committed to civilian nuclear power fuels, there have been pressures to commercialize the services in future enrichment facilities, as in the Nuclear Fuel Assurance Act of the last Congress. But today, and for the purposes of title II, we do not have a new commercial business with all of its particular costs, we have a much depreciated Federal monopoly.

Title II would result in ERDA raising the prices by setting the current price basis as a minimum or floor and allowing the Administrator discretion to increase the price above that floor as necessary to not discourage the development of commercial enrichment businesses. ERDA has stated that it would use this discretion to impute commercial costs to its operations for taxes, insurance, business risk, commercial interest rates, and other pretend costs. ERDA further stated that these additional pretend costs would result in an immediate new price of $90 per unit, a 50-percent increase which will increase charges by $1.5 billion over the next 5 years.

The administration justifies this increased pricing as necessary to reduce the subsidy to the nuclear power industry. Indeed, the $90-per-unit price would increase the cost per kilowatt-hour by over 4 percent—a cost ultimately borne by utility rate payers. But where is the subsidy. American taxpayers paid for the facilities as part of the weapons program. In fact, utilities all have entered into contracts to use these services because there was no alternatives. The utilities even agreed to a new contract approach at the request of ERDA, and now ERDA proposes to change the pricing rules. The current law provides for full recovery of costs and Congress has been more than liberal in what costs it allows ERDA to recover, such as the enrichment R. & D. program. So, there really is no subsidy. In fact, these additional imputed costs would realistically by a penalty, penalize the utility ratepayer over 4 percent in additional costs merely because of this sudden abhorrence to the historical fact that we have a Federal monopoly for these services.

Notwithstanding the administration's assertion of the subsidy argument, this authority was first sought as part of the last administration's enrichment commercialization proposal. In fact, today's letters from ERDA are the same statements, with the exception that the previous primary justification to support commercialization by making the Federal costs for the services closer to a commercial basis—has now been removed. Even the language in the title of "not discourage" the development of an independent supply of these services is still couched in the language of commercialization.

Without passing on the merits of commercializing future enrichment services, it is fair to say that current Government policy does not commit the United States to commercializing uranium enrichment. In fact, the Energy and Natural Resources Committee acted in the report on this bill to prevent ERDA from committing to such a policy in the new centrifuge area. So, clearly, we are not today embarked on the commericalization course. Even if we were, I would question seriously whether increasing the Government price would have any real incentive value to potential commercial entrants into the field. The competition will not be with the Government, which is now and will remain fully contracted for its full capacity over time. In short, the underlying rationale is simply not defendable today.

What remains then as the only justification of any validity—and that simply is additional revenues for ERDA and the Federal Government. The 50 percent price increase and additional billion and a half dollars over 5 years—and probably much more in later years—would be another way to squeeze more money out of the American people, in this case a penalty of over 4 percent to ratepayers of utilities with nuclear powerplants. It also is important to note that the discretion of the Administrator in title II is completely unlimited with regards to the basis for the charges and the ultimate price.

An ironic aspect of this debate is that these increased prices would be charged of foreign customers, as well. The irony is that there is a significant nonproliferation objective of getting foreign nations to use our services. The reason is that with our services come a series of safeguards requirements governing the use of the enriched fuel. The whole concept of the United States as an assured fuel supplier is built around our providing these services in exchange for the recipient nation's agreement to accept United States and international safeguard controls. Title II raises the prices by 50 percent to these foreign customers. Since there are foreign enrichment service suppliers with ever increasing capacity, the new pricing works directly against the nonproliferation objective. Why should a foreign nation pay a revenue or commercialization or subsidy-justified penalty and also agree to our stringent safeguards, if there is a choice?

The administration has no answer for this nonproliferation question. On one hand we are prepared to shut down our own energy R. & D. programs in the name of nonproliferation. But, on the other, we are anxious to cut off foreign customers of our enrichment services. Our energy and nonproliferation policies again appeared unbalanced and ill-advised in this area.

Mr. President, it is clear that title II is an injustified and poorly conceived proposal whose time has passed. If we return to the debate on a Nuclear Fuel Assurance Act, we can revisit title II at that time. For now, we should lay it with the rest of the debris of the previous debate. I urge Senators to support this amendment.

Mr. President, I am troubled by the provision of the bill for some of the reasons which the Senator from Nebraska has outlined. I am not certain that the action we took is supported by the facts. I am not satisfied that the opposition to it is necessarily, itself, correct.

But I am concerned with the fact that we did not hold the extensive hearings that might have preceded the ordinary course of legislation. I am concerned, too, that an identical provision is in the House bill and likely to stay there, and there would be no likelihood then that this matter would be subject to any further discussion in the conference.

I am mindful of the charge that has been made that the nuclear industry is subsidized by the Government. That again is easy to beg, and I am not certain it is easy to refute, but it is certainly not easy, either, to sustain the charge except by statements made by the bureaucracy itself, as the Senator from Nebraska has indicated.

Feeling as I do that this may be a substantial departure from where we have been, in a direction from which there is very little likelihood that we can then move back, it seems to me that it might be more prudent to strike this provision at this time, at least have the opportunity to discuss it in the conference, and perhaps delete it entirely until we have had the opportunity to explore whether or not the cost computations upon which the judgment was made are accurate.

I am frank to say that I do not know. There are those who raise the issue, and raise it persuasively, that the computations are not accurate and that the subsidy, as a matter of fact, might go in the other direction.

While I might support a subsidy for a domestic industry, certainly I do not desire to support a subsidy for a foreign industry and we may, indeed, be doing that.

But I do not believe that the record is irrefutable on that point. I think it is quite possible to postulate quite the contrary, that the cost allocation system that is instituted within the bureaucracy may be just as inaccurate now as it is charged to have been in the past.

One of the most persuasive arguments to me, and I might just ask the Senator from Nebraska if he would repeat it again for me, is the list of the organizations that are in opposition to this title of the bill, because certainly that broad spectrum of organizations must mean something.

Mr. CURTIS. I can summarize it. The entire country is against this bill except the ERDA officials. It is bureaucracy against the people.

But I can enumerate. There has not been a telegram, there has not been a letter, there has not been anything coming in here from any part of our citizenry in support of this provision.

Those who have come out against it included the Edison Electric Institute, which represents investor-owned utilities. The National Association of Electric Companies. The American Public Power Association. The National Rural Electric Cooperative Association. The Consumers Federation of America, and the AFL–CIO.

I do not belong to any of them, and I am opposed to it.

Mr. McCLURE. I thank the Senator for reviewing that.

There are some historical reasons, which I will not take the time of the Senate now to recount, for the difference in the lower cost basis.

I have listed in remarks for the record the reasons why the original costs were somewhat lower than the current allocation might be in a commercial operation or if this program had had a different evolution from its inception.

But all of that impels me to the belief that the greater prudence might be to remove this section from the bill at this time and at least discuss it further in the conference, if not possibly hold further hearings on it, before making a final decision, which in itself then becomes irreversible change from our current and historic position on pricing.

Certainly, the change in price from $63 to $90 ought to signal a rather radical change in fundamental policy that perhaps justifies a more thorough inquiry than the Senator has given it.

Mr. CURTIS. I thank the Senator for his help.

Now, Mr. President, I yield myself 3 additional minutes.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. CURTIS. Mr. President, not only have all the people I can think of been denied a hearing here, but other branches of the Government have not been asked to testify.

There is a foreign policy issue here. There is a military issue. I would remind the Senate that there is a question of nuclear proliferation involved.

The current administration has offered to provide enriched uranium to the world in the hope that the nations would forego their commitments to a plutonium economy. However, by insisting on a plan of commercial pricing for uranium, the administration is asking other nations to pay an exorbitant price for enriching services while, at the same time, redirecting their nuclear programs away from reprocessing and breeder reactor technology at great financial expense.

We are in this energy crisis all together. If we reverse our policy to foreign countries for enriched uranium, we have not helped them with their struggles over the oil shortage.

The industrial nations and the undeveloped nations, all of them, are involved in this worldwide energy problem. Therefore, before we raise the price at home and abroad, we ought to have hearings; we ought to hear from those who are involved in our international affairs to hear what they have to say about it. We ought to allow our own people a chance to testify.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. CURTIS. I am happy to yield.

Mr. HELMS. Mr. President, I ask the Senator if his amendment really is not simply a consumer amendment, because are we not talking about the increased cost of electric power to the consumers of this country if title II stays?

Mr. CURTIS. Very much so; and they will have a double increase. They will have an increase in their electric power bill at home. But if their grocer and the garageman and the manufacturer of things has an increase in his utility costs, the consumer is going to pay again.

This is an increase in cost in one of the most vital areas of our total economy, the energy situation.

Mr. HELMS. I ask the Senator this: Is it not true that the enrichment facilities involved were bought and paid for by these same consumers as taxpayers?

Mr. CURTIS. That is correct. It is a contribution to our national energy policy; it has been paid for up to date and it should be made available now.

Mr. HELMS. So, really, what title II really means is an additional tax on the consumer?

Mr. CURTIS. That is correct.

Mr. HELMS. That is the simple bottom line.

Mr. CURTIS. That is correct.

Mr. HELMS. I commend the Senator on his amendment, and I shall support it.

Mr. CURTIS. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. The Senator from Nebraska has 20 minutes remaining. The Senator from Idaho has 32 minutes remaining.

Mr. CHURCH. Mr. President, I yield back the remainder of my time.

Mr. CURTIS. I yield back the remainder of my time, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Nebraska. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from New Hampshire (Mr. McINTYRE) and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BARTLETT) is absent due to illness.

The result was announced—yeas 39, nays 58, as follows:

[Rollcall Vote No. 279 Leg.]

YEAS—39

Abourezk	Gravel	Pearson
Allen	Griffin	Pell
Baker	Hansen	Roth
Bellmon	Hatch	Sasser
Bumpers	Hayakawa	Schmitt
Burdick	Helms	Schweiker
Chafee	Humphrey	Scott
Curtis	Laxalt	Stevens
Danforth	Long	Stone
Dole	Lugar	Thurmond
Domenici	McClellan	Tower
Garn	McClure	Wallop
Goldwater	Nelson	Zorinsky

NAYS—58

Anderson	Glenn	Metzenbaum
Bayh	Hart	Morgan
Bentsen	Haskell	Moynihan
Biden	Hatfield	Muskie
Brooke	Hathaway	Nunn
Byrd, Harry F., Jr.	Heinz	Packwood
	Hollings	Percy
Byrd, Robert C.	Huddleston	Proxmire
Cannon	Inouye	Randolph
Case	Jackson	Ribicoff
Chiles	Javits	Riegle
Church	Johnston	Sarbanes
Clark	Kennedy	Sparkman
Cranston	Leahy	Stafford
Culver	Magnuson	Stennis
DeConcini	Mathias	Stevenson
Durkin	Matsunaga	Weicker
Eagleton	McGovern	Williams
Eastland	Melcher	Young
Ford	Metcalf	

NOT VOTING—3

Bartlett	McIntyre	Talmadge

So the amendment was rejected.

The PRESIDING OFFICER (Mr. JOHNSTON). The bill is open to further amendment.

UP AMENDMENT NO. 641

Mr. McCLURE. Mr. President, I have an amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Idaho (Mr. McCLURE) proposes unprinted amendment No. 641.

Mr. McCLURE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Page 14, line 12, strike all after the colon, and insert in lieu thereof. "*Provided*, That any change in enrichment services prices in the first proviso above shall not be implemented for a period of sixty days, during

which the Congress is in continous session, after the transmission of the proposed price to the President of the Senate, the Speaker of the House of Representatives, the Senate Committee on Energy and Natural Resources and the House Committee on Science and Technology. Such prices shall be considered authorized by the Congress unless either House of Congress approves a resolution of disapproval of such prices prior to the expiration of the aforementioned sixty day period. The Senate Committee on Energy and Natural Resources and the House Committee on Science and Technology shall have single jurisdiction over any such resolution of disapproval introduced pursuant to this section. If such a resolution of disapproval has been introduced, but has not been reported by the Committee on or before the fortieth day after transmission of the message, a privileged motion shall be in order in the respective body to discharge the Committee from further consideration of the resolution and to provide for its immediate consideration, using the procedures specified for consideration of an impoundment resolution in Section 1017 of the Impoundment Control Act of 1974 (31 U.S.C. 1407).

Mr. McCLURE. Mr. President, may we have order?

The PRESIDING OFFICER (Mr. JOHNSTON). Let there be order in the Senate. Will Senators please carry their conversations outside. The Senator is entitled to be heard.

Mr. McCLURE. Mr. President, I thank the Chair. This amendment would simply provide that if there is to be an increase in the cost of the material under title II, Congress would retain the right to veto that price increase, and it provides the mechanism for that congressional oversight of the size and amount of the price increase.

I have discussed this with the majority, and I understand the amendment is acceptable to the majority and perhaps we can get it adopted without prolonged discussion.

Mr. BUMPERS. Mr. President, will the Senator yield for a question?

Mr. McCLURE. I yield.

Mr. BUMPERS. Who would have the power to veto?

Mr. McCLURE. The Congress would have the right to review the increase, either House.

Mr. BUMPERS. Over what period of time would Congress be notified?

Mr. McCLURE. Over a 60-day period.

Mr. BUMPERS. Who sets the price of uranium now?

Mr. McCLURE. It is done under a formula under the law, done by the administration.

Mr. BUMPERS. Was that the Nuclear Regulatory Agency?

Mr. McCLURE. It is for enrichment services, not uranium.

Mr. BUMPERS. What we are talking about is the price of uranium we sell to the services; is that right?

Mr. McCLURE. That is correct. It is the enrichment services. They provide the uranium ore which is then processed in a Government facility.

Mr. BUMPERS. Is that a public corporation?

Mr. McCLURE. It is not a public corporation; no. It is an ERDA facility.

Mr. BUMPERS. I beg pardon?

Mr. McCLURE. It is an ERDA facility.

Mr. BUMPERS. What I am trying to find out is, What specific agency of Government sets the rate for enriched uranium?

Mr. McCLURE. ERDA does, under the Atomic Energy Act.

Mr. BUMPERS. Who is ERDA? Does that mean the administrator?

Mr. McCLURE. The Energy Research and Development Administration.

Mr. BUMPERS. Is there no board?

Mr. McCLURE. No.

Mr. BUMPERS. Or group of people, or is that just an administrative decision made?

Mr. McCLURE. It is an administrative decision made right now.

Mr. BUMPERS. For example, right now Robert Fri is head of the Energy Research and Development Administration. Does he have the power to set the price?

Mr. McCLURE. He does under the existing law, and would under a different set of criteria under the amendment in the committee bill.

Mr. BUMPERS. I take this opportunity, if the Senator will yield to me a moment, to say it is not my custom to vote with the Senator from Nebraska on many items. I voted with him on the last one perhaps for reasons that were different from his for offering it. But, first, I am not interested in private enterprise getting in the uranium enrichment business; second, I am not interested in people paying more on utility bills than they are already paying. For both of those reasons, I supported the amendment of the Senator from Nebraska.

But under this amendment, since the floor leader has agreed to it, I do not think I have any objection to it, because I think someone should curb the price that is going to be set in a rather arbitrary fashion.

Mr. McCLURE. I thank the Senator for that statement. That is the purpose of the amendment, to at least give Congress an opportunity to take a look at the size of the price increase that might otherwise be ordered or that will be ordered. We are advised it may be raised from $63 to $90. Congress would have the opportunity under this amendment to at least look at that and have the opportunity if there is sufficient support to disaffirm that price increase.

Mr. BUMPERS. I thank the Senator.

Mr. CHURCH. Mr. President, I think my distinguished colleague from Idaho has made such a persuasive argument for his amendment that there is nothing I could add to it that would either embellish or improve it. On that basis, I hope, it being acceptable to both sides of the aisle as far as the management of the bill is concerned, that the Senate will see fit to approve it.

I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Are there further amendments to be proposed?

Mr. CHURCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GLENN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 642

Mr. GLENN. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN) proposes an unprinted amendment numbered 642:

On page 3, line 3, strike "$987,685,000" and insert in lieu thereof "$989,185,000".

Mr. GLENN. Mr. President, this amendment would provide for an extra $1½ million. This past April President Carter announced that the next increment of nuclear fuel enrichment capacity in the United States would be obtained through construction of a centrifuge facility as opposed to a gaseous diffusion plant. This decision was made on the grounds that gaseous diffusion plants are highly inefficient, as indeed they are. In fact, if one were to take all the waste heat of the 3 gaseous diffusion plants now operating at Oak Ridge, Paducah, and Portsmouth, when they are operating at full capacity, and add the even greater waste of heat being generated by the nuclear facility at Savannah River, one obtains a total amount of waste heat equal to 12,000 megawatts of thermal energy.

This is equivalent to the energy found in nearly 62 million barrels of oil per year. Despite such waste, these plants are expected to operate indefinitely. ERDA has recently begun addressing the problem of utilization of this waste heat, and in the fiscal year 1978 budget, there is allocated $2 million to study this problem.

The main avenue of approach to be taken by ERDA in utilizing this waste heat is to examine the feasibility of constructing industrial parks or residential communities in the vicinity of these fuel production facilities. In conjunction with such studies, the States involved would have to carry out detailed investigations of institutional barriers that might exist toward making such utilization of the waste energy, and would also have to consider the socioeconomic impact of the suggested solutions. This, of course, costs money. ERDA originally asked for $4 million to study waste heat utilization in this context, of which $2 million would have been used for the States involved to carry out their obligations under the program. This money became unavailable when OMB cut the original ERDA request to $2 million.

To remedy this situation, I introduced an amendment to the ERDA nonnuclear authorization bill to restore $1 million of the original ERDA request. In consonance with this, the Senate Appropriations Committee added $1 million to the ERDA 1978 appropriation under "Improve heat conversion efficiency" for the precise purpose of aiding the States to carry out the tasks I previously mentioned. Unfortunately, the Senate-House Conference Committee reduced this amount to $500,000.

Mr. President, it is my sincere belief that this program of waste heat utilization is important not only for the States involved, but for the country as well.

Accordingly, my amendment to the ERDA nuclear authorization bill restores the remaining $1.5 million of the original ERDA request so that the States involved can fully participate in finding a solution to this difficult problem of energy waste. These funds are most appropriately placed in the ERDA nuclear budget under the "uranium enrichment" line item.

I should add that my staff has been in touch with ERDA and we have been informed that there is no problem, from an internal program point of view, in placing this authorization for an energy conservation effort into the ERDA nuclear bill.

Mr. President, the techniques that are expected to be developed out of these studies will be applicable not only to gas diffusion plants but also to nuclear generating plants all over the country and around the world, where roughly two-thirds of the heat generated in the nuclear process goes up the stack or is dissipated into waters in nearby lakes and has become the concern of environmentalists. These same techniques, Mr. President, would be applicable to all of these nuclear facilities all over the country and not just in gaseous diffusion plants.

I have discussed this amendment with the floor managers of the bill. I believe it is acceptable to both of them, and I hope for its passage. I do not request a rollcall vote unless someone else requests it. I shall be happy with a voice vote.

Mr. President, the Senator from Tennessee (Mr. SASSER) has asked to be listed as a cosponsor of the amendment. I ask unanimous consent that his name be listed as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SASSER. Mr. President, I support the amendment of the Senator from Ohio. His amendment provides the funds required to implement a provision of the President's National Energy Plan. The plan states:

> The Government proposes to demonstrate a commitment to district heating by funding in fiscal 1978 a program to make use of the large quantities of waste heat generated by facilities of the Energy Research and Development Administration. ERDA would recover the waste heat for use on site and would also pipe steam and hot water to nearby households, industry and agriculture. After a study of the feasibility of the concept, actual implementation could occur at ERDA's facilities at Oak Ridge, Tennessee; Paducah, Kentucky; Portsmouth, Ohio; and Savannah River, South Carolina.

The funds added by the Glenn amendment will go to reimburse the four State governments for their participation in the study of how to use the energy which is now wasted by the four plants.

Mr. President, we used to waste enormous amounts of energy in this country with the practice of flaring off uncaptured natural gas. Today we know this was a terrible waste of natural resources.

This amendment will help enable us to capture another important new source of energy.

Mr. President, we know that there is great energy savings potential in the reuse of utility and industrial plant process steam and hot water, but, because we have not devised the best means of capturing that energy, it is literally disappearing into thin air. It is time to put an end to this waste of energy.

The gaseous diffusion plant at Oak Ridge, for example, uses 10 percent of the power generated by the Tennessee Valley Authority, and most of that energy is wasted. The hot water and steam wasted by this plant is the thermal equivalent of 1,400 megawatts an hour. The energy wasted by this one plant in one year is equal to all the energy in the foreign oil our Nation will import today.

The Oak Ridge gaseous diffusion plant for the enrichment of uranium is located just 30 miles down the road from the future location of a world energy exposition. The International Energy Exposition will be held in nearby Knoxville, Tenn., in 1982. Waste heat recovery from the Oak Ridge plant can be demonstrated to the many American and foreign visitors who will come to see energy conservation technology demonstrated at Energy Expo.

If all goes well with the feasibility studies, we will have four working demonstrations of waste heat recovery at these plants, which are among the Nation's greatest consumers of energy. Each of the sites offers the chance to try out a different arrangement for using waste heat. The four States and the four sites are unique. The use of waste heat from each should be consistent with local preferences and local conditions. And each site must show how institutional barriers to waste heat utilization can be overcome. Some sort of a cooperative might be the appropriate organizational form for the waste heat recovery system.

Energy wasted by these plants should be put through an energy cascade and consumed by a cluster of compatible users—industrial, aquaculture, agriculture and residential. When energy cascading is properly designed, the waste heat output of one user is the energy input of another user further down the waste heat loop.

Drexel University in Philadelphia is presently completing a computer index to allow planners to know which industries are using which temperatures and qualities of hot water and steam in their processes. This computer program will be ready by the end of the year and will permit a nationwide matching of those industries which can achieve the most efficient use of waste heat when located together in an energy cascade.

Mr. President, the amount added by this amendment is a very small portion of what we should be spending on this most promising of energy conservation techniques. I would that we will include more funds for this cost-effective and environmentally sound conservation method in future legislation.

We have a collective responsibility to stop indiscriminate waste of all this thermal energy, which presently gets discharged into the sky and into rivers as thermal pollution.

As President Carter said on April 20:

> Our energy problems have the same causes as our environmental problems—wasteful use of resources. Conservation helps us to solve both problems at once.

I urge the adoption of the amendment.

Mr. CHURCH. Mr. President, if there is any way that the enormous amount of heat generated at the gaseous diffusion plants can be captured and put to good use, it would certainly be well worth the money for the studies that would be financed by the modest additional amount that the Senator proposes in his amendment. For that reason, I am happy to accept the amendment and hope that the Senate will approve it.

Mr. President, I move the adoption of the amendment.

UP AMENDMENT NO. 643

Mr. HART. Mr. President, I send to the desk an unprinted amendment in the nature of a substitute to the pending amendment of the Senator from Ohio and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Colorado (Mr. HART) for himself, Mr. DURKIN, and Mr. SASSER, proposes an amendment No. 643 in the nature of a substitute to unprinted amendment 642.

Mr. HART. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> In lieu of the matter proposed to be inserted by the Senator from Ohio (Mr. GLENN), on page 3, line 3, insert "$990,585,000".

The PRESIDING OFFICER. The Senator's amendment is in the nature of a substitute.

Mr. HART. Mr. President, I support very strongly the proposal being offered by the Senator from Ohio. In brief terms, the amendment which I am offering goes further in carrying out the purpose which the pending amendment seeks to attain, that is, to develop and test new techniques for recovering and using low temperature waste heat—the type of heat we now waste in the nuclear enrichment process, as the Senator from Ohio pointed out. This $1.4 million addition is a necessary parallel to the

Glenn proposal, which would study the feasibility of employing existing techniques to use this waste heat.

Studying the feasibility of building industrial parks to use the enormous quantities of heat now wasted at ERDA's four nuclear enrichment sites is an excellent idea, and I support it. But the Senate should be aware that the waste heat from these plants is of such a low temperature that the only ways industry has proposed to use it are for heating greenhouses and aquariums to breed fish. This is because technologies to more fully utilize low-temperature waste heat are pitifully underdeveloped and underfunded, and are consequently not profitable.

The fact is that ERDA has virtually no budget authority to develop ways to use low-temperature heat. ERDA does have money to develop the same kinds of technology for other uses, but it has no money for addressing the unique problems and opportunities presented by low-temperature waste heat recovery. Private industry, of course, will not develop the necessary technology until it is economically profitable. Such an effort would not be profitable now because of our artificially low energy prices. Ways to use low-temperature waste heat will never be achieved until somebody, somewhere, makes an effort to develop and apply them. Industry will not, because it is not yet profitable. ERDA will not because we have not given them any funds to do it.

Meanwhile, ERDA's four nuclear enrichment plants are wasting 62 million barrels of oil equivalent every year. This amount roughly equals the combined annual oil consumption of New Hampshire, Vermont and Rhode Island! Clearly, energy conservation should start in ERDA's own back yard, at its own facilities. We cannot expect industry to conserve energy until the Federal Government starts. Developing ways to use the waste heat from federally owned nuclear enrichment plants is a perfect starting point.

With the additional $1.4 million my amendment provides, ERDA would start developing several ways to use the low-temperature heat from the nuclear enrichment process, such as:

Heat exchangers, which would transfer the energy from the low-temperature waste heat stream to usable forms, such as heating air for space heating or heating water for year-round agricultural irrigation;

Low-cost heat engines, which would actually be driven by the waste heat to provide mechanical power and electricity;

Cooling systems, to provide space cooling, and;

Heat pumps, to bring the low-temperature heat up to higher, more useful temperatures for use in manufacturing.

A letter I received yesterday from ERDA's Division of Conservation Research and Technology, which I shall submit for the record, concludes that even a 1-year delay in starting this research and development program will result in losing the equivalent of 6 million barrels of oil. At $15 per barrel, rejecting my amendment for only 1 year would cost the taxpayers about $90 million. Spending less than $1½ million to achieve more than $90 million savings seems to me to be an eminently reasonable expenditure.

Any useful applications for using the low-temperature heat wasted by Federal nuclear enrichment plants can be extended to private industry and utilities to reduce the enormous quantities of heat that they too are wasting every day.

At this point, I ask unanimous consent that the letter from ERDA, justifying this modest increase, and an excellent study of the Government's inadequate efforts to develop ways to use our waste heat energy resources, by Drs. Donald Colosimo and Beno Sternlicht, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION,
Washington, D.C., July 11, 1977.

Re Low Grade Waste Heat Recovery Program.

GENE G. MANNELLA,
Acting Assistant Administrator for Conservation.

On Monday morning, July 11, 1977, I was contacted by Senator Hart's office and requested to submit a write-up in support of a proposed legislative amendment. The request was specifically aimed at what activities we would undertake in the subject program with a budget increase of $10 million in FY 1978. Enclosed is a copy of the reply furnished to Senator Hart's office.

JOHN A. BELDING,
Director, Division of Conservation Research and Technology.

LOW GRADE WASTE HEAT RECOVERY AND UTILIZATION

ERDA owns and operates several nuclear energy related facilities that reject large volumes of low temperature waste heat. Four facilities, the Nation's uranium enrichment gaseous diffusion plants, reject nearly 1200 MW of thermal energy in the form of cooling water at temperatures ranging from 140°F. to 160°F. These plants are located at Oak Ridge, Tennessee; Paducah, Kentucky; Portsmouth, Ohio, and Aiken, South Carolina.

In FY 1978 the low grade waste heat recovery program will be initiated with series of feasibility studies covering definition of critical technologies and technical, economic, and institutional aspects of the recovery and utilization of this precisely wasted resource. The applications to be considered include the following:

Electric power generation (both the ERDA ocean thermal and novel heat engine technologies will be considered);

Residential and commercial heating and cooling (district heating and cooling);

Industrial process heat based on the use of industrial heat pumps currently under revelopment; and

Agriculture and aquaculture.

Since it is extremely doubtful that any one application could use all of the reject energy at any one site, it is anticipated that the results of this eight month study will define the optimum applications mix for each of the four sites which will, of course, be highly dependent upon the energy needs of the surrounding community.

It should be noted that while the near term application is to the gaseous diffusion plant, the technologies and applications involved will in general be applicable to the beneficial utilization of waste heat from electrical utilities and large industrial waste heat streams across the nation.

Following completion of the study, these additional tasks would have to be undertaken:

Initiation of a program addressing the critical technologies involved such as—

High effectiveness low cost heat exchangers;

Evaluation and development of novel, low cost heat engine concepts for power conversion (nitinol and elastomer powered engines);

Development of advanced absorption cooling systems to provide space cooling from waste heat;

Accelerated development of industrial heat pumps to use the waste energy for industrial process heat requirements;

Initiation of integrated demonstration programs at each of the four sites; and

Extension of the applications studies to a nationwide basis based on waste heat utilization from industry and utilities.

A $10 million budget for FY 1978 will allow for initiation of effort in each of the above areas.

A one year delay in initiation of the proposed program would result in a loss to the Nation of the equivalent of 6 million barrels of oil.

WASTE HEAT UTILIZATION: THE NEGLECTED CORNERSTONE OF OUR ENERGY FUTURE

(A Statement by Beno Sternlicht, Donald Colosimo, May 26, 1977)

THE CHOICE

The supply of fossil fuels is limited. Once used, they are gone forever. The question is not if we will run out of fossil fuels but when. It is also obvious that the more fuel we use, the faster we will run out. Simply providing more supply of fuels will just bring on the ultimate day of reckoning that much faster. Renewable energy supply technologies are the long-term hope. However, they will be much more costly and may not be available in the amounts needed when conventional supplies dry up. An action which will ameliorate the crisis by pushing back the time of ultimate fossil fuel depletion and make the use of renewable energy source less burdensome on the economy is to use less energy to satisfy our needs—*Conservation.*

Some conservation alternatives are technically well within the state-of-the-art and are commercially available. Only the controlled energy prices and man-made institutional barriers prevent their adoption. However, the ultimate limits of conservation require technical developments in which the private sector cannot justify the needed investment. One of the reasons for the formation of ERDA was the recognition of the fact that the Federal Government must initiate the high risk, high pay-off technical efforts to develop energy conservation technologies. ERDA has been given the charge but has not been given top management support nor the resources—money and program staffing—to accomplish the charge.

All areas of conservation RD&D are important; but, one area stands out in its potential for significant *Near-Term* energy savings. This area is the effective utilization of waste heat. As the cornerstone of energy policy is conservation, the cornerstone of conservation is *Waste Heat Utilization.*

Given the proper emphasis and funding support, conservation RD&D can be the cornerstone of our society in the twenty-first century. The continuation of providing only lip service to conservation RD&D could

be the gravestone for the current American life style.

The choice is to provide the necessary funding for ERDA conservation now or accept the inevitable wretching changes in the future.

THE PROMISE OF INDUSTRIAL WASTE HEAT UTILIZATION

The United States is a shameful waster of energy. With only 6 percent of the world's population, it accounts for 30 percent of the world's energy consumption. The needs for conservation in the residential/commercial and transportation sectors are obvious; but because of the vast number of small units wasting energy, significant impact will take a long time. In the industrial sector, the energy that is currently being discharged from U.S. industrial plants to the air and rivers of America can be a new and significant energy supply as shown in Figure 1 (not shown in RECORD). This energy waste from industrial processes can be readily recovered to produce useful thermal, mechanical, or electrical power. The reasons for the attractiveness of industrial waste heat are the large volumes of heat involved and the temperatures at which the heat is available. The cost of using waste heat decreases as the quantities of heat and its temperature level increase.

Some of the waste heat in industrial plants can be clearly identified and associated with specific types of waste streams in specific temperature ranges such as cooling water and furnace stack gases. Other heat waste is associated with products or processes and not readily quantified; for example, the multiple heating and cooling of iron as it moves from the blast furnace to a piece of sheet metal. The losses of both types are sizeable both on relative and absolute terms as shown in Figure 1. The thermal wastes from industrial processes are almost as large as the fossil fuel input for electrical generation. If all the 6.0 million BDOE of industrial waste heat could be covered and converted to electricity, the 8.0 million BDOE of fuel consumption requirements for electric generation could be reduced by as much as 60 percent. (The difference between the available waste heat and the actual savings is due to the fact that conversion of waste heat to electricity is less efficient than the conversion of fuel to electricity.) The recovery of waste heat is only part of a broader energy conservation concept termed *Energy cascading.*

Energy Cascading, as defined in Table 1, is simply a restatement of good engineering design practice based upon the Second Law of Thermodynamics. Conventional engineering design practice considers only the quantity of heat required for a task, not its quality. While we are used to seeing high system efficiencies expressed on the basis of conventional engineering practices, most processes are very inefficient when measured against Energy Cascading. A good example of this is a furnace. Under conventional design practice, the gas furnace is 75 percent efficient; under Energy Cascading, the gas furnace is only 5 percent efficient.

TABLE 1.—*Energy Cascading*

Definition: Matching the quality (temperature) of available energy to the needs of the task.

Examples:

(1) Using steam from a boiler to supply both electricity and process heat—cogeneration; and

(2) Using an engine to drive a heat pump and using the engine exhaust as a supplemental heat for heating a building—Gas heat pump.

Advantage: Maximizes energy utilization.

For a more clear illustration of the Energy Cascading concept, refer to Figure 2 (not printed in the RECORD). On the left side of Figure 2 are listed five processes or cycles. Each process uses heat at a higher temperature and rejects heat at a lower temperature. The maximum quality or temperature of heat that occurs is that of a typical flame temperature of about 3500°F. While the steel rolling mill needs the full temperature available, the process temperature exhaust is about 2000°F. With recuperation, part of the energy can be used to preheat combustion air. However, this has not been general practice since energy costs were very low. An industrial gas turbine operates between a peak temperature of as high as 2000°F and exhausts as low as 500°F. Steam turbines operate over a range of about 1100°F to 140°F. Process steam is typically in the 300° to 400°F range. Organic Rankine Cycles can operate from around 300°F down to the available cooling water temperature of 90°F or less. Each one of these five processes uses only part of the temperature range available. By combining all of the five processes so that the waste or exhaust of one is the input to the next, the full temperature-energy potential can be utilized.

Some of the current energy buzz-works of total energy and cogeneration utilize only part of the total potential of energy cascading as shown in Figure 3 (not printed in the RECORD). In total energy and cogeneration, the first step (or top cycle) is the generation of electricity with the waste heat of the generation process being the input of the second step (or bottom cycle). In total energy, the bottom cycle is usually used for environmental conditioning (heating and cooling a building and heating water). In cogeneration, the bottom cycle is usually process steam for an industrial plant. While combining the steps is more energy efficient than the separate steps, considerably more energy could be saved by fully applying Energy Cascading.

Energy Cascading of thermal processes and power cycles is comparable to the butcher trying to use every part of the pig except the squeal. Fortunately, in energy conservation, we can do better than that proverbial butcher. We can use the squeal by employing an industrial heat pump. The industrial heat pump will permit the use of ambient air or water or very low temperature waste streams to provide useful process heat. Combining the industrial heat pump with the mechanical power available from topping or bottoming cycles further enhances the effect of the Energy Cascade approach.

It is obvious that certain components and portions of Energy Cascading are technically within the state-of-the-art. Cogeneration with back pressure turbines has been practiced for decades. However, to achieve maximum energy utilization as much energy cascading as technically and economically possible must be carried out. This requires that new technologies be developed and demonstrated by ERDA in order to give industry technically viable alternatives from which they can choose. It also requires that a head-long rush to use existing technologies with only incremental improvement be avoided. The latter point is important as we have another scarce resource—capital. Immediate substantial investments in state-of-the-art techniques may preclude the adoption if more efficient devices and cycles that could be available in the early 1980's *IF* ERDA's funding for these items were what it should be. Table 2 lists some of the types of systems that need to be advanced or developed to enhance the prospects and advantages of Energy Cascading. In addition to the system concepts, component development is also needed as indicated in Table 3.

TABLE 2.—SOME OF THE TYPES OF R.D. & D. PROGRAMS NEEDED FOR ENERGY CASCADING AND THEIR APPLICABILITY

	Temperature range			
	Low (under 200°F)	Medium (200 to 1,000)	High (1,000 to 2,000)	Very high (over 2,000)
Heat pump cycles:				
Rankine	X	X	---	
Brayton	X	X	X	
Stirling	X	X	X	
Absorption	X	X	---	
Adsorption	X	X	---	
Power cycles:				
Rankine	X	X	X	
Diesel			X	X
Brayton		X	X	X
Stirling		X	X	
Thermionics			X	X
Recuperation	X	X	X	X
Improved industrial processes	X	X	X	X

TABLE 3.—*Component technology development requirements*

Heat Exchangers: Cost reduction; increased temperature range.

Turbines, Expanders, Compressors, Pumps: Improve efficiency.

Bearing/Lubrication: Improved life, decrease losses, and increased temperature capability.

Seals: Decrease leakage, improved life, and increased temperature capability.

Alternative Fuel Combustion: Use of noncritical fuels as primary or reheat fuel.

Sensors/Controls: Improved ability to control cascading.

Another technology area that needs to be addressed is the use of very low temperature waste heat (160°F and less). If Energy Cascading is totally effective, there will be very little waste heat at temperatures above that of cooling tower water, but there will be vast amounts of waste heat at that temperature and lower. A great opportunity now exists within the Government's own operations to develop and test techniques to utilize large amounts of very low temperature waste heat. Table 4 summarizes the case for vigorous pursuit of the heat recovery programs at the nuclear fuel processing plants such as the enrichment plants at Oak Ridge, Paducah, and Portsmouth, and the Savannah River heavy water plant.

TABLE 4.—*Long-term need to develop uses for low temperature waste heat and an immediate opportunity*

The ability to use heat decreases with its temperature.

Energy cascading will eventually produce vast amounts of low temperature (160°F and less) waste heat.

Techniques to use low temperature waste heat must be developed.

The Government's nuclear fuel processing facilities (e.g., Savannah River, Paducah, Oak Ridge, Portsmouth) provide an excellent opportunity to both develop the necessary techniques and save vast amounts of energy.

The program to recover waste heat from nuclear processing plants should be accelerated.

CURRENT EMPHASIS ON CONSERVATION RD&D

The value and need for conservation and its associated RD&D are clearly recognized. The National Energy Plan stresses the need for conservation and energy efficiency and clearly states that benefit/cost ratio of conservation is greater than various supply programs as illustrated by the quote in Table 5.

TABLE 5.—*The value of conservation is recognized in the national energy plan*

"The value of the proposed conservation program can be illustrated by comparing the cost of savings from conservation with the cost of oil imports. Conservation reduces the need for imported oil costing about $13.50 per barrel through investment in insulation, lighter automobiles, clock thermostats, and other capital equipment. The costs of the capital equipment can be expressed in terms of the cost of each barrel of oil equivalent which the equipment saves. The resulting costs vary, for example, the effective cost of barrel of oil equivalent saved under some of the plan's proposed conservation measures are: less than $2 for cogeneration; $3.50 for mandatory standards for new commercial construction; and about $7.50 for tax credits for commercial and industrial investments in energy-saving retrofits or mandatory standards for new residential construction. In short, conservation pays."

The national energy plan, page 47.

Perhaps an even more striking example for the case of conservation is given in Table 6. Here, the cost of preventing the demand of a new kilowatt by the mundane act of putting storm windows on a new house is compared to the cost of supplying a new kilowatt of generating capacity. The savings in capital and energy are obvious. This example does not require R&D but may require education or incentives. The impact of new energy conservation technologies are even more favorable than current conservation alternatives when compared to new supply technologies. An internal ERDA study is showing that conservation RD&D is much more effective than any other category of ERDA research.

TABLE 6.—*Energy conservation is more cost effective than energy supply*

To save a new kilowatt of demand

Action—install 8 storm windows (0° F outdoor temperature).

Capital cost—$200.

Annual fuel consumption—0.

To supply a new kilowatt of capacity

Action—build a power plant.

Capital cost—$700–$1200.

Annual fuel—4 BOE. *

Considering the clearly recognized value of conservation research, ERDA's budget should obviously be heavily weighted toward conservation programs. It should be but, as Figure 4 shows, it is not. Even with the effect of an $80,450,000 increase in End Use Conservation recommended by President Carter for fiscal year 1978, conservation still represents only 6 percent of ERDA's RD&D budget. The portion of the budget directed toward the utilization of waste heat in industrial processes is only $36,800,000 or 1.3 percent of ERDA's RD&D programs.

*Based on a 6,000 degree day heating season.

FIGURE 4.—*Conservation, the cornerstone of the national energy policy, is a very small portion of ERDA's revised 1978 budget*

Energy research programs, $2,838,414,000

End use conservation, $168,050,000.

Industrial conservation—improved conservation efficiency—heat cycle technology, $36,800,000.

Electric energy systems;

Fossil energy;

Solar energy;

Geothermal energy;

Fusion power;

Nuclear fuel cycle;

Liquid metal fast breeder;

Nuclear applications;

Environmental research;

Life sciences;

High energy physics;

Nuclear physics;

Basic energy science; and

End use conservation.

Figure 5 shows that while industry consumes 37 percent of the energy in the country, only 1.3 percent of the RD&D funding is directed toward more effective and efficient utilization of energy in that sector.

FIGURE 5.—*The disparity between potential conservation impact and funding emphasis*

Industrial energy consumption as a percent of U.S. total—37%.

Percent of ERDA RD&D funding devoted to industrial conservation, 1.3%.

The disparity becomes even worse when specific program budgets for the efficient use of the vast amounts of industrial waste heat are examined. As shown in Table 7, only about $8,000,000 is being allocated for support of industrial waste heat utilization in fiscal year 1978. The data used for Table 7 is drawn from a document prepared by ERDA in response to some questions raised by Congressman Vanik.

TABLE 7.—PLANNED FOR FISCAL YEAR 1978 IN THE AREA OF INDUSTRIAL WASTE HEAT UTILIZATION

Waste heat utilization range	Program title	Revised fiscal year 1978 funding request
Low grade heat utilization (under 200°F).	Nuclear fuel processing [1]	No funds
Middle grade heat utilization (200°F to 1,000°F).	In-plant power generation study.	100,000
	Cogeneration demonstration	No funds
	Stirling cycle heat pump study.	60,000
	Energy optimized industrial park design study.	600,000
	Rankine bottoming cycle development and demonstration.	2,800,000
	Power cycles study	200,000
	Industrial heat pump demonstration.	1,400,000
Subtotal		5,160,000
High grade heat utilization (over 1,000°F).	Thermionics development	350,000
	Glass conglomeration development.	240,000
	Brayton bottoming cycle development and demonstration.	800,000
	Recuperator demonstration	1,400,000
Subtotal		2,790,000
Total waste heat funding.		7,950,000

[1] Low grade heat utilization programs are also in building and community systems. These focus primarily on utility waste heat

Conservation RD&D, the cornerstone of our energy future, is still being given lip service and is not being given adequate support. The support being given to industrial waste heat utilization is pathetic.

REALISTIC FUNDING NEEDS

The needs of all conservation RD&D are significantly greater than the funding allocations. In order to give an indication of how bad the match between funding needs and the budget is, we have chosen to look only at the sector which has tremendous potential but which is by far the most severely neglected—Industrial waste heat utilization. An appropriate funding level for industrial waste heat utilization is estimated here without developing a detailed program plan and budget. This is accomplished by setting forth objectives for the number and types of programs and then estimating an expected cost for those programs. The first step is to examine Table 2 to determine that there are 32 system-application regions for study. Considering multiple applications within a region and multiple approaches to a system, the number of RD&D programs required would be well over 100. ERDA should vigorously pursue each approach and application to develop the necessary technical alternatives for industry. In addition to system RD&D, there are program requirements in the areas of needs assessment and technology studies and component developments. Listing these program requirements, we can set objectives as to the number of systems that should be under study or development in a given year. This is shown in Table 8. The next step is to assign an expected average anual cost for each program type.

TABLE 8.—REQUIRED FUNDING ESTIMATED ON THE BASIS OF PROGRAM OBJECTIVES

Program type	Fiscal year 1978			Fiscal year 1979 through 1983		
	Number of contracts	Average annual funding per contract	Funding by program type	Number of contracts	Average annual funding per contract	Funding by program type
Needs assessments and technology studies	10	$200,000	$2,000,000	15	$200,000	$3,000,000
Component development	20	500,000	10,000,000	30	500,000	15,000,000
System R. & D.	50	1,500,000	75,000,000	100	1,500,000	150,000,000
System demonstrations	10	1,500,000	15,000,000	15	1,500,000	22,500,000
Total funding			102,000,000			190,500,000

TABLE 9.—*Typical cost range of typical programs to bring a conservation technology through concept demonstration*

Cost per year

Research and development: $100,000 to $10,000,000.

Program duration

Research and development: 1 year to 10 years.

Total cost

Research and development: $100,000 to $100,000,000.

Average annual cost per program

Research and development: $1,500,000.

Concept demonstration: $750,000 to $5,000,000.

Concept demonstration: 2 years to 4 years.

Concept demonstration: $1,500,000 to $20,000,000.

Concept demonstration: $1,500,000.

Table 9 lists the expected range of costs for R&D and demonstration programs and the expected average annual cost per program. Placing these values in Table 8, we arrived at a funding level adequate to achieve timely objectives. Table 10 shows how these estimate required funding levels compare with the actual levels. The disparity between the allocations and needs is crippling the program.

TABLE 10.—COMPARISON OF ACTUAL FUNDING PROVIDED TO FUNDING NEEDED FOR INDUSTRIAL CONSERVATION

	1976	Transition quarter	1977	1978	1979	1980	1981
Industrial conservation	5,228	1,009	14,430	25,000			
Improved conversion technology—heat cycle	1,682	701	1,850	11,800			
Actual appropriation	7,910	1,710	16,280	36,800			
Needed appropriation	8,000	8,000	50,000	102,000	190,600	200,000	200,000

The problems of conservation funding started at the beginning of ERDA and continues. In the area of waste heat recovery technology development, the real funding in fiscal year 1977 was actually *less* than in fiscal year 1976 (see Table 10). To correct the funding imbalance requirements bold action now.

DELAY IS DISASTER

There may have been arguments that conservation RD&D is a lower priority effort. However, the National Energy Plan, ERDA's own in-house study, and common sense all say that conservation must be the highest priority. It may now be granted conservation RD&D is the highest priority but argued that funding adjustments can wait. Delay in the development and introduction of conservation technologies have considerable impact. This stems from the fact that an action taken today that saves a BDOE results in that saving forever. A year's delay means 365 barrels of oil were consumed and are gone forever. Also, it takes time to have new products gain acceptance and usage. The combination of these two effects produces significant cumulative effects for even minor delays. For example, in the single area of Rankine Bottoming Cycle waste heat recovery systems of less than 5 megawatts, Table 11 shows that a single year slippage will result in the country buying $1.5 billion more oil than it should by the year 2000. This assumes that oil will be available for the next 23 years.

TABLE 11.—*The effect of a single year of delay in the market introduction of Rankine bottoming cycles for waste heat utilization*

Year product introduced to market, 1981. Amount of energy conserved by year 2000, 565 million barrels. Value of conserved energy,* $8.5 billion.

Year product introduced to market, 1982. Amount of energy conserved by year 2000, 465. Value of conserved energy,* $7.0 billion.

In summary, conservation is essential. Industrial conservation offers a particularly attractive potential for sizeable energy savings. Technology development and demonstration are required on a timely basis to achieve the full potential energy savings. ERDA's industrial conservation budget is totally inadequate for the needs. Immediate action is required by both the Executive and Legislative Branches. The Executive Branch can produce the quickest results by reprogramming funds for fiscal year 1977. The Executive and Legislative Branches must take steps to reassign priorities and to assure that adequate funding is available. At the minimum, the area of industrial waste heat utilization should have its budget for fiscal year 1978 tripled. In order to assure that the importance of this area is recognized and given the proper attention in ERDA (or DOE), specific legislation is needed as has been provided for other energy areas. Some bills have already been introduced to accomplish this (e.g. S1363 by Senator Hart and HR6661 by Congressman Ottinger).

The course is clear; all that is needed is action!

Reprogram FY 77 funds;

Increase FY 78 appropriations; and

Provide a specific legislative charge for waste heat utilization.

*At $15 per barrel, a conservative estimate for 1981 and beyond.

Mr. HART. I urge my colleagues to recognize a real bargain when they see one, and to save approximately $90 million in the long run by spending less than a million and a half dollars now, as this addition to the Glenn amendment would do.

I think the Senator from Tennessee, who has indicated interest in being a cosponsor of this amendment, would also like to speak to this issue.

Mr. SASSER. Mr. President, I commend the Senator from Colorado for his substitute amendment to the Glenn amendment, which I strongly support.

I also commend the distinguished Senator from Ohio for his imaginative amendment.

I think Senator HART'S amendment represents a very logical addition to the waste heat recovery studies provided for in Senator GLENN'S original amendment.

The use of lower temperature waste heat is one of the most promising tasks to be resolved by ERDA in the months ahead. More work is needed, and this amendment helps begin that work. When you consider the energy savings which are involved, the simple truth is that this amendment offers one of the most cost-effective energy investments we can make in the 1978 fiscal year.

We stand at a point in our history where our Government can act as the catalyst for the adaptation of our society to energy conservation. We are crossing a frontier which is harder to discern, at first, than any of the frontiers our ancestors crossed before us. But already, some people are calling this the second industrial revolution.

Our technology has developed so rapidly that we still are not using our limited resources in the most rational manner. For example, we are still polluting our environment with wasted thermal energy which could be easily recovered to perform useful work. And this can be done with minimal Federal investment in just a few emerging technologies.

The larger issues in cogeneration and waste heat recovery will be addressed in a few weeks when the Senate Committee on Energy and Natural Resources holds hearings on Senator Hart's cogeneration bill, S. 1363. I am pleased to be a cosponsor of that pioneering legislation introduced by the distinguished Senator from Colorado.

This amendment commits the Federal Government to harnessing the considerable energy which is being squandered at these four nuclear facilities, and I urge its adoption.

Mr. HART. Mr. President, I thank the Senator from Tennessee for his remarks. They are, to me, well taken and I appreciate his support.

I would reiterate what he said. The initiative taken by the Senator from Ohio is vital to saving the heat energy we now waste in the uranium enrichment process. The entire thrust of my amendment is to support that initiative by increasing the money available to ERDA to develop the actual technologies for the purpose of utilizing low-temperature waste heat—the purpose which the Senator from Ohio has rightly targeted.

That would be true as far as the sponsor of this substitute amendment is concerned.

Mr. GLENN. Mr. President, will the Senator yield?

Mr. HART. Yes.

Mr. GLENN. I thank the Senator.

Mr. President, that is one thing I wanted to clarify, because there was some confusion when this was introduced as to whether it was a substitute or a perfecting amendment, or its exact status.

It makes no difference to me which it is so long as it is understood that the original intent is not altered.

I concur fully with the Senator from Tennessee and the Senator from Colorado in the necessity for this expenditure. As long as this proposal does not change the acceptability of the amendment. I am happy to accept the change, because I think the extra funds can be used.

Mr. HART. Mr. President, to clarify again, there is no intent to change in any way the direction or thrust of the amendment of the Senator from Ohio, but merely to supplement it in terms of the amount, and to encourage ERDA to use that amount to develop and test ways to utilize our low-temperature waste heat resources.

That is the sole purpose of this amendment. It is not to change in any way the original intent of the Senator from Ohio.

I certainly hope that because of the relatively small amount involved and the nature and purpose of the way it would be spent, the committee will see its way clear to support this as an important savings for taxpayers in the future.

Mr. CHURCH. Mr. President, I think the case for this amendment can suffer only from overargumentation.

I would not want to take an oath on the fact that by adding $1.4 million we will save the taxpayers $90 million. There is a certain sophistry in that argument.

Mr. HART. As I stated earlier, the $90 million figure derives from multiplying ERDA's conclusions by $15 per barrel.

Mr. CHURCH. However, the matter does have to do with coproduction, coprocessing, and here we have been clearly deficient.

I agree with the proposition that the Government ought to start with its own processing plant and demonstrate there

how wasted heat can be recaptured and put to constructive use.

I am told that in Germany 40 percent of the electricity is today being generated through coproduction in connection with other types of manufacturing processes. The efficient Germans have not overlooked the possibility of generating electricity from the heat that we simply waste into the air space above our own manufacturing plants.

I am happy to accept the amendment suggested by the Senator from Colorado as a substitute for the amendment offered by the Senator from Ohio. I hope that the Senate will approve it.

Mr. McCLURE. Mr. President, we have no obection on this side of the aisle.

Mr. ROBERT C. BYRD. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado.

The amendment was agreed to.

The PRESIDING OFFICER. The question recurs on agreeing to the Glenn amendment, as amended.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. GLENN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 644

Mr. GLENN. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN) for himself and Mr. GRAVEL, proposes an unprinted amendment numbered 644.

Mr. GLENN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of Title III add a new section to read as follows:

"SEC. 310. No nuclear fuel shall be exported to supply a nuclear power reactor under an Agreement for Cooperation which has not been reviewed by the Congress of the United States under the procedures in section 123 d of the Atomic Energy Act of 1954 (42 U.S.C. 2153(d)), as amended by Public Law 93–485, directly or indirectly to a nonnuclear weapons state (within the meaning of the Treaty on the Non-Proliferation of Nuclear Weapons) which has not ratified the Treaty on the Non-Proliferation of Nuclear Weapons unless the first proposed license under such agreement authorizing the export of either such reactor or such fuel after the date of this Act is first submitted to the Congress for review under the congressional review procedures provided for Agreements for Cooperation in the above-referenced section 123 d of the Atomic Energy Act of 1954, as amended.

Mr. GLENN. Mr. President, last fall in the waning days of the session, with Senator PASTORE, I offered an amendment to the 1977 ERDA authorization bill that placed the same conditions, with respect to Congressional review, on old agreements for cooperation as on new ones.

That proposal did not pass last fall due to the failure of the 94th Congress to pass the conference report on the ERDA bill. It did pass the Senate, however. The proposal by Senator PASTORE and I covered the following points:

First, we would have the opportunity to review the first export license for fuel or a reactor proposed under an old agreement for cooperation that had not previously been reviewed by Congress. It would apply only to shipments made to non-NPT nations and would apply only to nonnuclear weapon states.

I realize, Mr. President, that we do have legislation coming down the road this year addressed to some of these same matters, but this proposal was passed last year, and we do not know exactly what direction the new legislation will take.

In order to be certain that these important considerations are taken into account as new licensing applications come in and are considered, we feel that these old agreements should be put under the same ground rules and on the same footing as agreements made since 1974, as far as congressional review is concerned.

I have discussed this proposal with the floor managers on both sides of the aisle.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. GLENN. Certainly.

Mr. CHURCH. Under the language of the Senator's amendment, which I have previously reviewed but do not now have before me, it is my understanding that the amendment would relate only to new agreements with foreign governments involving nonnuclear proliferation treaty states and nonnuclear weapons states.

So all three of those conditions would have to be met in making a new agreement.

Mr. GLENN. Or it could be an old agreement which has never been reviewed.

Mr. CHURCH. Yes; an old agreement, or a new agreement, I would think, after an old agreement had expired.

Mr. GLENN. Right.

Mr. CHURCH. And it would have to be with a nonweapon state and a state not a party to the nuclear nonproliferation treaty.

Mr. GLENN. That would be correct.

Mr. CHURCH. My second question to the Senator is this: What would be the effect of the congressional review? Is it nothing more than simply to inform Congress of the contents of such new agreements?

Mr. GLENN. Yes. This informs Congress, just as with any new licensing agreements that come before Congress now for our consideration. We have the right of refusal or veto on those new agreements. This places licenses proposed under the old ones on the same basis.

Mr. CHURCH. So the end result of the Senator's amendment is that all these agreements, together with new agreements, would be subject to congressional review and to congressional veto in the event that the agreement did not prove to be acceptable.

Mr. GLENN. That is correct.

Mr. CHURCH. I think it is a commendable amendment, Mr. President, and I have no reason to oppose it. I hope my colleague will join me in accepting it.

Mr. McCLURE. Mr. President, we have no objection to the amendment on this side of the aisle.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GLENN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 645

Mr. McCLURE. Mr. President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Idaho (Mr. McCLURE) proposes an unprinted amendment numbered 645.

Mr. McCLURE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Page 9, line 9, strike the period and insert in lieu thereof, ", *Provided*, That none of the funds appropriated pursuant to this Act or any other funds made available to the Administrator, or upon establishment of a Department of Energy by an Act of Congress, to the Secretary of Energy, under any other authorization or appropriation Act shall be used, directly or indirectly, for the repurchase, transportation, or storage of any foreign spent nuclear fuel (including any nuclear fuel irradiated in any nuclear research or power reactor located outside of the United States and operated by any foreign legal entity, government or nongovernment, regardless of the legal ownership or control of the fuel or the reactor, and regardless of the origin or licensing of the fuel or the reactor), unless expressly authorized by annual authorization legislation hereafter enacted for the Energy Research and Development Administration, or, upon establishment by Act of Congress, the Department of Energy.

"*Provided further*, That nothing contained in this section shall be construed in any executive branch action, administrative proceeding, regulatory proceeding, or legal proceeding as being intended to delay, modify, reverse, or cancel the memorandum and order of the Nuclear Regulatory Commission of June 28, 1977, for the issuance of License No. XSNM–845 to the agent-applicant for the Government of India and the subsequent export thereby licensed of the special nuclear material to be used as fuel for the Tarapur Atomic Power Station, or any order of the Nuclear Regulatory Commission to issue a license for the export of special nuclear material and subsequent exports thereby licensed, or any consideration by the Nuclear Regulatory Commission of a license application for the export of special nuclear material."

Mr. McCLURE. Mr. President, this is an amendment I have discussed with the manager of the bill, my distinguished colleague from Idaho, and I think he finds it acceptable. It deals with the other side of the question we just dealt with, with the Senator from Ohio, dealing with the agreements by which we furnish fuels to foreign governments or to operators in foreign countries.

This would deal with the question of the radioactive waste return, the spent fuel rod return, giving congressional review of that, at the same time avoiding the problem of getting into the one which is currently underway.

Mr. CHURCH. The amendment would not affect the agreement that apparently has been reached with India, but I must say that that agreement, in itself, underscores the problem that may take place if we go to a throwaway cycle, as the administration has proposed. It may very well mean that the Indian treaty is only the first of a whole series of treaties whereby the United States will be obliged to purchase back the spent fuel rods and make this country the principal depository for most of the nuclear wastes of the world.

I certainly approve of this amendment, because at least it gives Congress an opportunity to review those agreements in the future and to refuse, if necessary, to appropriate the funds for the purpose of repurchasing the radioactive wastes. I find the amendment wholly commendable, and I urge the Senate to adopt it.

Mr. McCLURE. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

UP AMENDMENT 646

Mr. CHURCH. Mr. President, I send to the desk certain technical amendments.

The PRESIDING OFFICER. The amendments will be stated.

The legislative clerk read as follows:

The Senator from Idaho (Mr. CHURCH) proposes certain technical amendments, unprinted amendment No. 646.

The amendment is as follows:

On page 16, lines 6 and 7, strike the words: "(1) and (2), and in Title II, subsections 202(1) and (2),"
and insert in lieu thereof: "(a) through (h)".

On page 17, line 4, strike the words: "201 (3) and 202(3),"
and insert in lieu thereof: "101(9) and 101(i)".

On page 18, line 12, after the words "Sec. 401." insert "(a)".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 647

Mr. CHURCH. Mr. President, I send to the desk an unprinted amendment. This amendment is the exact text of S. 1340, which was passed by the Senate on June 13, 1977.

For the information of the Senate, a companion measure which is now being considered by the House, to provide authorizations for the ERDA fiscal year 1978 R. & D. programs, contains authorizations for both nuclear and non-nuclear programs. By attaching this amendment to S. 1811, the Senate will be able to go to conference with a single measure containing provisions similar to those which will be considered by the House.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Idaho (Mr. CHURCH) proposes an unprinted amendment numbered 647.

The amendment is as follows:

Beginning on line 3, page 1, strike out all through line 4 on page 2 and insert in lieu thereof the following:

That this Act may be cited as the "ERDA Authorization Act of 1978—Civilian Applications".

SEC. 2. In accordance with section 261 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2017), section 305 of the Energy Reorganization Act of 1974 (42 U.S.C. 5875), and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, as amended (42 U.S.C. 5915), there is hereby authorized to be appropriated to the Energy Research and Development Administration subject to titles I, VI, and VII of this Act, the following:

On line 23, page 14, strike the words "title I" and insert in lieu thereof "titles I, VI, and VII".

On page 18, after line 8 insert the following new sections:

SEC. 310. (a) Section 7(a) of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5906) is amended—

(1) by striking out "and" after the semicolon at the end of paragraph (5),

(2) by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and", and

(3) by adding at the end thereof the following new paragraph:

"(7) Federal loan guarantees and commitments thereof as provided in section 19.".

(b) The Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5901, et seq.) is further amended by adding at the end thereof the following new section:

"LOAN GUARANTEES FOR ALTERNATIVE FUEL DEMONSTRATION FACILITIES

"SEC. 19. (a) It is the purpose of this section—

"(1) to assure adequate Federal support to foster a demonstration program to produce alternative fuels from coal, oil shale, and other domestic resources;

"(2) to authorize assistance, through loan guarantees under subsection (b) for construction and startup and related costs, to demonstration facilities for the conversion of domestic coal, oil shale, biomass, and other domestic resources into alternative fuels; and

"(3) to gather information about the technological, economic, environmental, and social costs, benefits, and impacts of such demonstration facilities.

"(b)(1) Except as provided in paragraph (5) of this subsection, the Administrator is authorized, in accordance with such rules and regulations as he shall prescribe after consultation with the Secretary of the Treasury, to guarantee and to make commitments to guarantee, in such manner and subject to such conditions (not inconsistent with the provisions of this Act) as he deems appropriate, the payment of interest on, and the principal balance of, bonds, debentures, notes, and other obligations issued by, or on behalf of, and borrower for the purpose of financing the construction and startup costs of demonstration facilities for the conversion of domestic coal, oil shale, biomass, and other domestic resources into alternative fuels: *Provided*, That no loan guarantee for a full sized oil shale facility shall be provided under this section until after successful demonstration of a modular facility producing between six and ten thousand barrels per day, taking into account such considerations as water usage, environmental effects, waste disposal, labor conditions, health and safety, and the socioeconomic impacts on local communities: *Provided further*, That no loan guarantee shall be available under this subsection for the manufacture of component parts for demonstration facilities eligible for assistance under this subsection.

"(2) An applicant for any financial assistance under this section shall provide information to the Administrator in such form and with such content as the Administrator deems necessary.

"(3) Prior to issuing any guarantee under this section the Administrator shall obtain the concurrence of the Secretary of the Treasury with respect to the timing, interest rate, and substantial terms and conditions of such guarantee. The Secretary of the Treasury shall insure to the maximum extent feasible that the timing, interest rate, and substantial terms and conditions of such guarantee will have the minimum possible impact on the capital markets of the United States, taking into account other Federal direct and indirect securities activities.

"(4) The full faith and credit of the United States is pledged to the payment of all guarantees issued under this section with respect to principal and interest.

"(5)(A) The Administrator is authorized, in the case of a facility for the conversion of oil shale to alternative fuels which is determined by the Administrator pursuant to the proviso in paragraph (1)(A) of this subsection, to be constructed at a modular size, to enter into a cooperative agreement with the applicant in accordance with section 8 of this Act and the other provisions of this Act to share the estimated total design and construction costs, plus operation and maintenance costs, of such modular facility. The Federal share shall not exceed 75 per centum of such costs. All receipts for the sale of any products produced during the operation of the facility shall be used to offset the costs incurred in the operation and maintenance of the facility. The provisions of subsections (d), (e), (k), (m), (p), (s), (t), (u), (v), (w), and (x) shall apply to any such modular facility. The provisions of this section shall apply to any loan guarantee for such modular facility.

"(B) After successful demonstration of the modular facility, as determined by the Administrator, the facility is eligible for financial assistance under this section for purposes of expansion to a full sized facility and the applicant may purchase the Federal interest in the modular facility as represented by the Federal share thereof by means of (i) a cash payment to the United States, or (ii) a share of the product or sales resulting from such expanded operation, as determined by the Administrator. If expansion of such facility is determined not to be war-

ranted by the Administrator, he may, at the option of the applicant, dispose of the modular facility to the applicatn at not less than fair market value, as determined by the Administrator as of the date of the disposal, or otherwise dispose of it, in accordance with applicable provisions of law, and distribute the net proceeds thereof, after expenses of such disposal, to the applicant in proportion to the applicant's share of the costs of such facility.

"(6) To the extent possible, loan guarantees shall be issued on the basis of competitive bidding among guarantee applicants in a particular technology area.

"(c) The Administrator, with due regard for the need for competition, shall guarantee or make a commitment to guarantee any obligation under subsection (b) only if—

"(1) the Administrator is satisfied that the financial assistance applied for is necessary to encourage financial participation;

"(2) the amount guaranteed to any borrower at any time does not exceed—

"(A) an amount equal to 75 per centum of the project cost of the demonstration facility as estimated at the time the guarantee is issued, which cost shall not include amounts expended for facilities and equipment used in the extraction of a mineral other than coal or shale, and in the case of coal only to the extent that the Administrator determines that the coal is to be converted to alternative fuel; and

"(B) an amount equal to 60 per centum of that portion of the actual total project cost of any demonstration facility which exceeds the project cost of such facility as estimated at the time the loan guarantee is issued;

"(3) the Administrator has determined that there will be a continued reasonable assurance of full repayment;

"(4) the obligation is subject to the condition that it not be subordinated to any other financing;

"(5) the Administrator has determined, taking into consideration all reasonably available forms of assistance under this section and other Federal and State statutes, that the impacts resulting from the proposed demonstration facility have been fully evaluated by the borrower, the Administrator, and the Governor of the affected State, and that effective steps have been taken or will be taken in a timely manner to finance community planning and development costs resulting from such facility under this section, under other provisions of law, or by other means;

"(6) the maximum maturity of the obligation does not exceed twenty years, or 90 per centum of the projected useful economic life of the physical assets of the demonstration facility covered by the guarantee, whichever is less, as determined by the Administrator;

"(7) the Administrator has determined that, in the case of any demonstration or modular facility planned to be located on Indian lands, the appropriate Indian tribe, with the approval of the Secretary of the Interior, has given written consent to such location;

"(8) the obligation provides for the orderly and ratable retirement of the obligation and includes sinking fund provisions, installment payment provisions or other methods of payments and reserves as may be reasonably required by the Administrator. Prior to approving any repayment schedule the Administrator may consider the date on which operating revenues are anticipated to be generated by the project. To the maximum extent possible repayment or provision therefor shall be required to be made in equal payments payable at equal intervals; and

"(9) the obligation provides that the Administrator shall, after a period of not less than ten years from issuance of the obligation, taking into consideration whether the Government's needs for information to be derived from the project have been substantially met and whether the project is capable of commercial operation, determine the feasibility and advisability of terminating the Federal participation in the project. In the event that such determination is positive, the Administrator shall notify the borrower and provide the borrower with not less than two nor more than three years in which to find alternative financing. At the expiration of the designated period of time, if the borrower has been unable to secure alternative financing, the Administrator is authorized to collect from the borrower an additional fee of 1 per centum per annum on the remaining obligation to which the Federal guarantee applies.

"(d) Prior to submitting a report to Congress pursuant to subsection (m) of this section on each guarantee and cooperative agreement, the Administrator shall request from the Attorney General and the Chairman of the Federal Trade Commission written views, comments, and recommendations concerning the impact of such guarantee or commitment or agreement on competition and concentration in the production of energy and give due consideration to views, comments, and recommendations received: *Provided*, That if either official, within sixty days after receipt of such request or at any time prior to the Administrator submitting such report to Congress, recommends against making such guarantee or commitment or agreement, the proposed guarantee or commitment or agreement shall be referred to the President, and the Administrator shall not do so unless the President determines in writing that such guarantee or commitment or agreement is in the national interest.

"(e)(1) As soon as the Administrator knows the geographic location of a proposed facility for which a guarantee or a commitment to guarantee or cooperative agreement is sought under this section, he shall inform the Governor of the State, and officials of each political subdivision and Indian tribe, as appropriate, in which the facility would be located or which would be impacted by such facility. The Administrator shall not guarantee or make a commitment to guarantee or enter into a cooperative agreement under subsection (b) of this section, if the Governor of the State in which the proposed facility would be located recommends that such action not be taken, unless the Administrator finds that there is an overriding national interest in taking such action in order to achieve the purpose of this section. If the Administrator decides to guarantee or make a commitment to guarantee or enter into a cooperative agreement despite a Governor's recommendation not to take such action, the Administrator shall communicate, in writing, to the Governor reasons for not concurring with such recommendation. This Administrator's decision, pursuant to this subsection, shall be final unless determined upon judicial review initiated by the Governor to be unlawful by the reviewing court pursuant to 5 U.S.C. 706(2) (A) through (D). Such review shall take place in the United States court of appeals for the circuit in which the State involved is located, upon application made within ninety days from the date of such decision. The Administrator shall, by regulation, establish procedures for review of, and comment on, the proposed facility by States, local political subdivisions, and Indian tribes which may be impacted by such facility, and the general public.

"(2) The Administrator shall review and approve the plans of the applicant for the construction and operation of any demonstration and related facilities constructed or to be constructed with assistance under this section. Such plans and the actual construction shall include such monitoring and other data-gathering costs associated with such facility as are required by the comprehensive plan and program under this section. The Administrator shall determine the estimated total cost of such demonstration facility, including, but not limited to, construction costs, startup costs, costs to political subdivisions and Indian tribes by such facility, and costs of any water storage facilities needed in connection with such demonstration facility, and determine who shall pay such costs. Such determination shall not be binding upon the States, political subdivisions, or Indian tribes.

"(3) There is hereby established a panel to advise the Administrator on matters relating to the program authorized by this section, including, but not limited to, the impact of the demonstration facilities on communities and States and Indian tribes, the environmental and health and safety effects of such facilities, and the means, measures, and planning for preventing or mitigating such impacts, and other matters relating to the development of alternative fuels and other energy sources under this section. The panel shall include such Governors or their designees as shall be designated by the Chairman of the National Governors Conference, Representatives of Indian tribes, industry, environmental organizations, and the general public shall be appointed by the Administrator. The Chairman of the panel shall be selected by the Administrator. No person shall be appointed to the panel who has a financial interest in any applicant applying for assistance under this section. Members of the panel shall serve without compensation. The provisions of section 106(e) of the Energy Reorganization Act of 1974 (42 U.S.C. 5816(e)) shall apply to the panel.

"(f) Except in accordance with reasonable terms and conditions contained in the written contract of guarantee, no guarantee issued or commitment to guarantee made under this section shall be terminated, canceled, or otherwise revoked. Such a guarantee or commitment shall be conclusive evidence that the underlying obligation is in compliance with the provisions of this section and that such obligation has been approved and is legal as to principal, interest, and other terms. Subject to the conditions of the guarantee or commitment to guarantee, such a guarantee shall be incontestable in the hands of the holder of the guaranteed obligation, except as to fraud or material misrepresentation on the part of the holder.

"(g)(1) If there is a default by the borrower, as defined in regulations promulgated by the Administrator and in the guarantee contract, the holder of the obligation shall have the right to demand payment of the unpaid amount from the Administrator. Within such period as may be specified in the guarantee or related agreements, the Administrator shall pay to the holder of the obligation the unpaid interest on, and unpaid principal of, the guaranteed obligation as to which the borrower has defaulted, unless the Administrator finds that there was no default by the borrower in the payment of interest or principal or that such default has been remedied. Nothing in this section shall be construed to preclude any forebearance by the holder of the obligation for the benefit of the borrower which may be agreed upon by the parties to the guaranteed obligation and approved by the Administrator.

"(2) If the Administrator makes a payment under paragraph (1) of this subsection, the Administrator shall be subrogated to the rights of the recipient of such payment (and such subrogation shall be expressly set forth in the guarantee or related agreements), including the authority to complete, maintain,

operate, lease, or otherwise dispose of any property acquired pursuant to such guarantee or related agreements, or any other property of the borrower (of a value equal to the amount of such payment) to the extent that the guarantee applies to amounts in excess of the estimated project cost under subsection (c)(2)(B), without regard to the provisions of the Federal Property and Administrative Services Act of 1949, as amended, except section 207 of that Act (40 U.S.C. 488), or any other law, or to permit the borrower, pursuant to an agreement with the Administrator, to continue to pursue the purposes of the demonstration facility if the Administrator determines that this is in the public interest. The rights of the Administrator with respect to any property acquired pursuant to such guarantee or related agreements, shall be superior to the rights of any other person with respect to such property.

"(3) In the event of a default on any guarantee under this section, the Administrator shall notify the Attorney General, who shall take such action as may be appropriate to recover the amounts of any payments made under paragraph (1) including any payment of principal and interest under subsection (h) from such assets of the defaulting borrower as are associated with the demonstration facility, or from any other security included in the terms of the guarantee.

"(4) For purposes of this section, patents, including any inventions for which a waiver was made by the Administrator under section 9 of this Act, and technology resulting from the demonstration facility, shall be treated as projects assets of such facility. The guarantee agreement shall include such detailed terms and conditions as the Administrator deems appropriate to protect the interests of the United States in the case of default and to have available all the patents and technology necessary for any person selected, including, but not limited to the Administrator, to complete and operate the defaulting project. Furthermore, the guarantee agreement shall contain a provision specifying that patents, technology, and other proprietary rights which are necessary for the completion or operation of the demonstration facility shall be available to the United States and its designees on equitable terms, including due consideration to the amount of the United States default payments. Inventions made or conceived in the course of or under such guarantee, title to which is vested in the United States under this Act, shall not be treated as project assets of such facility for disposal purposes under this subsection, unless the Administrator determines in writing that it is in the best interests of the United States to do so.

"(h) With respect to any obligation guaranteed under this section, the Administrator is authorized to enter into a contract to pay, and to pay, holders of the obligations, for and on behalf of the borrowers, from the fund established by this section, the principal and interest payments which become due and payable on the unpaid balance of such obligation if the Administrator finds that—

"(1) the borrower is unable to meet such payments and is not in default; it is in the public interest to permit the borrower to continue to pursue the purposes of such demonstration facility; and the probable net benefit to the Federal Government in paying such principal and interest will be greater than that which would result in the event of a default;

"(2) the amount of such payment which the Administrator is authorized to pay shall be no greater than the amount of principal and interest which the borrower is obligated to pay under the loan agreement; and

"(3) the borrower agrees to reimburse the Administrator for such payment on terms and conditions, including interest, which are satisfactory to the Administrator.

"(i) Regulations required by this section shall be issued within one hundred and eighty days after enactment of this section, except as provided in subsection (t) of this section. All regulations under this section and any amendments thereto shall be issued in accordance wtih section 553 of title 5, of the United States Code.

"(j) The Administrator shall charge and collect fees for guarantees of obligations authorized by subsection (b)(1), in amounts which (1) are sufficient in the judgment of the Administrator to cover the applicable administrative costs, and (2) reflect the percentage of projects costs guaranteed. In no event shall the fee be less than 1 per centum per annum of the outstanding indebtedness covered by the guarantee. Nothing in this subsection shall be construed to apply to community planning and development assistance pursuant to subsection (k) of this section.

"(k)(1) In accordance with such rules and regulations as the Administrator in consultation with the Secretary of the Treasury shall prescribe, and subject to such terms and conditions as he deems appropriate, the Administrator is authorized, for the purpose of financing essential community development and planning which directly result from, or are necessitated by, one or more demonstration facilities assisted under this section to—

"(A) guarantee and make commitments to guarantee the payment of interest on, and the principal balance of, obligations for such financing issued by eligible States, political subdivisions, or Indian tribes,

"(B) guarantee and make commitments to guarantee the payment of taxes imposed on such demonstration facilities by eligible non-Federal taxing authorities which taxes are earmarked by such authorities to support the payment of interest and principal on obligations for such financing, and

"(C) require that the applicant for assistance for a demonstration facility under this section advance sums to eligible States, political subdivisions, and Indian tribes to pay for the financing of such development and planning: *Provided*, That the State, political subdivision, or Indian tribe agrees to provide tax abatement credits over the life of the facilities for such payments by such applicant.

"(2) Prior to issuing any guarantee under this subsection, the Administrator shall obtain the concurrence of the Secretary of the Treasury with respect to the timing, interest rate, and substantial terms and conditions of such guarantee. The Secretary of the Treasury shall insure to the maximum extent feasible that the timing, interest rate, and substantial terms and conditions of such guarantee will have the minimum possible impact on the capital markets of the United States, taking into account other Federal direct and indirect securities activities.

"(3) In the event of any default by the borrower in the payment of taxes guaranteed by the Administrator under this subsection, the Administrator shall pay out of the fund established by this section such taxes at the time or times they may fall due, and shall have by reason of such payment a claim against the borrower for all sums paid plus interest.

"(4) If after consultation with the State, political subdivision, or Indian tribe, the Administrator finds that the financial assistance programs of paragraph (1) of this subsection will not result in sufficient funds to carry out the purposes of this subsection, then the Administrator may—

"(A) make direct loans to the eligible States, political subdivisions, or Indian tribes for such purposes: *Provided*, That such loans shall be made on such reasonable terms and conditions as the Administrator shall prescribe: *Provided further*, That the Administrator may waive repayment of all or part of a loan made under this paragraph, including interest, if the State or political subdivisions or Indian tribe involved demonstrates to the satisfaction of the Administrator that due to a change in circumstances there will be met adverse impacts resulting from such demonstration facility that would probably cause such State, subdivision, or tribe to default on the loan; or

"(B) require that any community development and planning costs which are associated with, or result from, such demonstration facility and which are determined by the Administrator to be appropriate for such inclusion shall be included in the total costs of the demonstration facility.

"(5) The Administrator is further authorized to make grants to States, political subdivisions, or Indian tribes for studying and planning for the potential economic, environmental, and social consequences of demonstration facilities, and for establishing related management expertise.

"(6) At any time the Administrator may, with the concurrence of the Secretary of the Treasury, redeem, in whole or in part, out of the fund established by this section, the debt obligations guaranteed or the debt obligations for which tax payments are guaranteed under this subsection.

"(7) When one or more States, political subdivisions, or Indian tribes would be eligible for assistance under this subsection, but for the fact that construction and operation of the demonstration facilities occurs outside its jurisdiction, the Administrator is authorized to provide, to the greatest extent possible, arrangements for equitable sharing of such assistance.

"(8) Such amounts as may be necessary for direct loans and grants pursuant to this subsection shall be available as provided in annual authorization Acts.

"(9) The Administrator, if appropriate, shall provide assistance in the financing of up to 100 per centum of the costs of the required community development and planning pursuant to this subsection.

"(10) In carrying out the provisions of this subsection, the Administrator shall provide that title to any facility receiving financial assistance under this subsection shall vest in the applicable State, political subdivision, or Indian tribe, as appropriate, and in the case of default by the borrower on a loan guarantee such facility shall not be considered a project asset for the purposes of subsection (g) of this section.

"(l)(1) The Administrator is directed to submit a report to the Congress within one hundred and eighty days after the enactment of this section setting forth his recommendations on the best opportunities to implement a program of Federal financial assistance with the objective of demonstrating production and conservation of energy. Such report shall be updated and submitted to Congress at least annually and shall include specific comments and recommendations by the Secretary of the Treasury on the methods and procedures set forth in subparagraph (B)(viii) of this subsection, including their adequacy, and changes necessary to satisfy the objectives stated in this subsection. This report shall include—

"(A) a study of the purchase or commitment to purchase by the Federal Government, for the use by the United States, of all or a portion of the products of any alternative fuel facilities constructed pursuant to this program as a direct or an alternate form of Federal assistance, which assistance, if recommended, shall be carried

out pursuant to section 7(a)(4) of this Act; and

"(B) a comprehensive plan and program to acquire information and evaluate the environmental, economic, social, and technological impacts of the demonstration program under this section. In preparing such a comprehensive plan and program, the Administrator shall consult with the Environmental Protection Agency, the Federal Energy Administration, the Department of Housing and Urban Development, the Department of the Interior, the Department of Agriculture, and the Department of the Treasury, and shall include therein, but not be limited to, the following:

"(i) information about potential demonstration facilities proposed in the program under this section;

"(ii) any significant adverse impacts which may result from any activity included in the program;

"(iii) the extent to which it is feasible to commercialize the technologies as they affect different regions of the Nation;

"(iv) proposed regulations required to carry out the purposes of this section;

"(v) a list of Federal agencies, governmental entities, and other persons that will be consulted or utilized to implement the program;

"(vi) the methods and procedures by which the information gathered under the program will be analyzed and disseminated;

"(vii) a plan for the study and monitoring of the health effects of such facilities on workers and other persons, including, but not limited to, any carcinogenic effect of alternative fuels; and

"(viii) the methods and procedures to insure that (I) the use of the Federal assistance for demonstration facilities is kept to the minimum level necessary for the information objectives of this section, (II) the impact of loan guarantees on the capital markets of the United States is minimized, taking into account other Federal direct and indirect securities activities, and any economic sectors which may be negatively impacted as a result of the reduction of capital by the placement of guaranteed loans, and (III) the granting of Federal loan guarantees under this Act does not impede movement toward improvement in the climate for attracting private capital to develop alternative fuels without continued direct Federal incentives.

"(2) The Administrator shall annually submit a detailed report to the Congress concerning—

"(A) the actions taken or not taken by the Administrator under this section during the preceding fiscal year, and including, but not be limited to (i) a discussion of the status of each demonstration facility and related facilities financed under this section, including progress made in the development of such facilities, and the expected or actual production from each such facility, including byproduct production therefrom, and the distribution of such products and byproducts, (ii) a detailed statement of the financial conditions of each such demonstration facility, (iii) data concerning the environmental, community, and health and safety impacts of each such facility and the actions taken or planned to prevent or mitigate such impacts, (iv) the administrative and other costs incurred by the Administrator and other Federal agencies in carrying out this program, and (v) such other data as may be helpful in keeping Congress and the public fully and currently informed about the program authorized by this section; and

"(B) The activities of the funds referred to in subsection (n) of this section during the presiding fiscal year, including a statement of the amount and source of fees or other moneys, property, or assets deposited into the funds, all payments made, the notes or other obligations issued by the Administrator, and such other data as may be appropriate.

"(3) The annual reports required by this subsection shall be a part of the annual report required by section 15 of this Act, except that the matters required to be reported by this subsection shall be clearly set out and identified in such annual reports. Such reports and the one-hundred-and-eighty-day report required in paragraph (1) of this subsection shall be transmitted to the Speaker of the House of Representatives and the House Committee on Science and Technology and to the President of the Senate and the Committee on Energy and Natural Resources of the Senate.

"(m) Prior to issuing any guarantee or commitment to guarantee or cooperative agreement pursuant to subsection (b) of this section, the Administrator shall submit to the Committee on Science and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a full and complete report on the proposed demonstration facility and such guarantee, agreement, or contract. Such guarantee, commitment to guarantee, cooperative agreement, or contract shall not be finalized under the authority granted by this section prior to the expiration of ninety calendar days (not including any day on which either House of Congress is not in session because of an adjournment of more than three calendar days to a day certain) from the date on which such report is received by such committees: *Provided*, That, where the cost of a demonstration facility to be assisted with a guarantee or cooperative agreement pursuant to subsection (b) of this section exceeds $50,000,000 such guarantee or commitment to guarantee or cooperative agreement shall not be finalized unless (1) the making of such guarantee or commitment or agreement is specifically authorized by legislation hereafter enacted by the Congress or (2) both Houses pass a resolution stating in substance that the Congress favors the making of such guarantee or commitment or agreement.

"(n)(1) There is hereby created within the Treasury a separate fund (hereafter in this section called the 'fund') which shall be available to the Administrator without fiscal year limitation as a revolving fund for the purpose of carrying out the program authorized by subsection (b)(1) and subsections (g), (h), and (k) of this section.

"(2) There are hereby authorized to be appropriated to the fund for administrative expenses from time to time such amounts as may be necessary to carry out the purposes of the applicable provisions of this section, including, but not limited to, the payments of interest and principal and the payment of interest differentials and redemption of debt. All amounts received by the Administrator as interest payments or repayments of principal on loans which are guaranteed under this section, fees, and any other moneys, property, or assets derived by him from operations under this section shall be deposited in the fund.

"(3) All payments on obligations, appropriate expenses (including reimbursements to other Governmental accounts), and repayments pursuant to operations of the Administrator under this section shall be paid from the fund subject to appropriations. If at any time the Administrator determines that moneys in the fund exceed the present and reasonably foreseeable future requirements of the fund, such excess shall be transferred to the general fund of the Treasury.

"(4) If at any time the moneys available in the fund are insufficient to enable the Administrator to discharge his responsibilities as authorized by subsections (b)(1), (g), and (h) of this section, the Administrator shall issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary of the Treasury. Redemption of such notes or obligations shall be made by the Administrator from appropriations or other moneys available under paragraph (2) of this subsection for loan guarantees authorized by subsection (b)(1) and subsections (g), (h), and (k) of this section. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, which shall be not less than a rate determined by taking into consideration the average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection.

"(5) The provisions of this subsection do not apply to direct loans or planning grants made under subsection (k) of this section.

"(o) For the purposes of this section, the term—

"(1) 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, or any territory or possession of the United States.

"(2) 'United States' means the several States, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa, and

"(3) 'borrower' or 'applicant' shall include any individual, firm, corporation, company, partnership, association, society, trust, joint venture, joint stock company, or other non-Federal entity.

"(p)(1) An applicant seeking a guarantee or cooperative agreement under subsection (b) of this section must be a citizen or national of the United States. A corporation, partnership, firm, or association shall not be deemed to be a citizen or national of the United States unless the Administrator determines that it satisfactorily meets all the requirements of section 802 of title 46, United States Code, for determining such citizenship, except that the provisions in subsection (a) of such section 802 concerning (A) the citizenship of officers or directors of a corporation, and (B) the interest required to be owned in the case of a corporation, association, or partnership operating a vessel in the coastwise trade, shall not be applicable.

"(2) The Administrator, in consultation with the Secretary of State, may waive such requirements in the case of a corporation, partnership, firm, or association, controlling interest in which is owned by citizens of countries which are participants in the International Energy Agreement.

"(q) No part of the program authorized by this section shall be transferred to any other agency or authority, except pursuant to Act of Congress enacted after the date of enactment of this section.

"(r) Inventions made or conceived in the course of or under a guarantee authorized by this section shall be subject to the title and waiver requirement and conditions of section 9 of this Act.

"(s) Nothing in this section shall be construed as affecting the obligations of any person receiving financial assistance pursuant to this section to comply with Federal and State environmental, land use, water, and health and safety laws and regulations or to obtain applicable Federal and State permits, licenses, and certificates.

"(t) The information maintained by the

Administrator under this section shall be made available to the public subject to the provision of section 552 of title 5, United States Code, and section 1905 of title 18, United States Code, and to other Government agencies in a manner that will facilitate its dissemination: *Provided,* That upon a showing satisfactory to the Administrator by any person that any information, or portion thereof obtained under this section by the Administrator directly or indirectly from such person would, if made public, divulge (1) trade secrets or (2) other proprietary information of such person, the Administrator shall not disclose such information and disclosure thereof shall be punishable under section 1905 of title 18, United States Code: *Provided further,* That the Administrator shall, upon request, provide such information to (A) any delegate of the Administrator for the purpose of carrying out this Act, and (B) the Attorney General, the Secretary of Agriculture, the Secretary of the Interior, the Federal Trade Commission, the Federal Energy Administration, the Environmental Protection Agency, the Federal Power Commission, the General Accounting Office, other Federal agencies, or heads of other Federal agencies, when necessary to carry out their duties and responsibilities under this and other statutes, but such agencies and agency heads shall not release such information to the public. This section is not authority to withhold information from Congress, or from any committee of Congress upon request of the Chairman. For the purposes of this subsection, the term 'person' shall include the borrower.

"(u) Notwithstanding any other provision of this section, the authority provided in this section to make guarantees or commitments to guarantee or enter into cooperative agreements under subsection (b)(1), to make guarantees or commitments to guarantee, or to make loans or grants, under subsection (k), to make contracts under subsection (h), and to use fees and receipts collected under subsections (b) and (j) of this section, and the authorities provided under subsection (n) of this section, shall be effective only to the extent provided, without fiscal year limitation, in appropriation Acts enacted after the date of enactment of this section.

"(v) No person in the United States shall on the grounds of race, color, religion, national origin, or sex, be excluded from participation in, be denied benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with assistance made available under this section: *Provided,* That Indian tribes are exempt from the operation of this subsection: *Provided further,* That such exemption shall be limited to the planting and provision of public facilities which are located on reservations and which are provided for members of the affected Indian tribes as the primary beneficiaries.

"(w) In carrying out his functions under this section, the Administrator shall provide a realistic and adequate opportunity for small business concerns to participate in the program to the optimum extent feasible consistent with the size and nature of each project.

"(x)(1)(A) Recipients of financial assistance under this section shall keep such records and other pertinent documents, as the Administrator shall prescribe by regulation, including, but not limited to, records which fully disclose the disposition of the proceeds of such assistance, the cost of any facility, the total cost of the provision of public facilities for which assistance was used and such other records as the Administrator may require to facilitate an effective audit. The Administrator and the Comptroller General of the United States or their duly authorized representatives shall have access, for the purpose of audit, to such records and other pertinent documents.

"(B) Within 6 months after the date of enactment of this section and at 6-month intervals thereafter, the Comptroller General of the United States shall make an audit of recipients of financial assistance under this section. The Comptroller General may prescribe such regulations as he deems necessary to carry out this subparagraph.

"(2) All laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance under this sections shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948; 40 U.S.C. 276(c)).

"(y) For purposes of this section 'biomass' shall include, but is not limited to, animal and timber waste, urban and industrial waste, sewerage sludge, and oceanic and terrestrial crops.".

SEC. 311. In order to provide economic farm units to qualifying farmers whose land is economically infeasible to reclaim from damages resulting from the Teton flood of June 5, 1976, and who are unable to find suitable replacement land for their flood damaged farm, and in order to restore the economic and agricultural base of the flood damaged region, there is hereby transferred 5,955 acres of land, hereinafter described, in the State of Idaho presently under the jurisdiction of the Energy Research and Development Administration, to the Secretary of the Interior who, acting through the Bureau of Reclamation, shall make such lands available for sale to qualifying farmers according to the terms hereafter provided.

Part I. As used in this Act, the term:

(a) "Teton flood" means the flood resulting from the collapse of Teton Dam of the Lower Teton Division of the Teton Basin Federal Reclamation Project on June 5, 1976.

(b) "Energy Research and Development Administration land" means those public and acquired lands in the State of Idaho identified as sections numbered fourteen (14), twenty-three (23), twenty-four (24), twenty-five (25), and thirty-six (36), in township six (6) north, of range thirty-three (33) east of the Boise meridian; sections numbered nineteen (19), thirty (30), and thirty-one (31) in township six (6) north, of range thirty-four (34) east of the Boise meridian; and the southeast quarter, the south half of the northeast quarter, the east half of the southwest quarter and the southeast quarter of the northwest quarter, of section numbered eight (8) and the south half and the south half of the north half of section numbered nine (9) in township five (5) north, of range thirty-four (34) east of the Boise meridian, all situated in the county of Jefferson and State of Idaho, and containing 5,955 acres, more or less, which would be transferred for the purposes of this Act.

(c) "Qualifying farmer" means the resident, owner-operator of a farm who resides in the immediate locality, whose livelihood is derived from his farming operation and whose land was damaged due to the collapse of the Teton Dam on June 5, 1976, to the extent that in the opinion of the Secretary of the Interior, it is not economically feasible to reclaim such land so that it produces an income commensurate with that earned prior to the Teton flood.

(d) "Irrigable land" means farm land that is suitable for irrigated agriculture and has been certified as irrigable by the Secretary of the Interior.

Part II. For a period of not more than five years after transfer to the Bureau of Reclamation, the land heretofore described shall be available for purchase by those who, on or before October 1, 1978, are determined to be qualifying farmers pursuant to regulations issued in accordance with part V of this Act by the Secretary of the Interior.

Part III. Energy Research and Development Administration land as described in part I(b) of this Act shall be certified as irrigable by the Secretary of the Interior, and lands so certified shall be made available in a manner to be prescribed by the Secretary for purchase by qualifying farmers at its current fair market value as determined by a board of appraisers composed of a Federal appraiser, a State appraiser, and one appraiser from the disaster region: *Provided,* That irrigable land transferred to a single ownership shall not exceed 160 acres of class I land as defined by the Secretary or the equivalent thereof in other land classes as determined by the Secretary. The United States, through the Secretary, shall convey fee simple title of the Energy Research and Development Administration land to the qualifying farmer. The cost of developing the replacement land for farming shall be borne by the qualifying farmer who purchases the land.

Part IV. Any part of the Energy Research and Development Administration land remaining in the possession of the Bureau of Reclamation at the end of the five year period, except land needed for public rights-of-way, as determined by the Secretary, shall be returned to the Energy Research and Development Administration.

Part V. Within ninety days after the enactment of this Act the Secretary shall prescribe and publish in the Federal Register such rules and regulations as may be necessary and proper to carry out the provisions of this Act.

Part VI. Full recovery for the loss of all or part of flood-damaged farms shall be obtained by owners pursuant to the Teton Dam Disaster Assistance Act of 1976, Public Law 94-400, 94 Stat. 1211, and the Supplemental Appropriation Act of 1976, Public Law 94-438, 90 Stat. 1415.

Part VII. Actions taken pursuant to this Act are in response to emergency conditions and depend for their effectiveness upon their prompt completion and, therefore, are deemed not only to be major Federal actions significantly affecting the quality of the human environment for purposes of the National Environmental Policy Act of 1969 (83 Stat. 852, as amended, 42 U.S.C. 4321).

Part VIII. There is hereby authorized to be appropriated such sums as may be necessary for the purposes of administration of this Act.

On page 22, after line 11, insert the following new titles:

TITLE VI—FOR NONNUCLEAR ENERGY RESEARCH, DEVELOPMENT, DEMONSTRATION, AND RELATED ACTIVITIES

OPERATING EXPENSES

SEC. 601. For operating expenses, for the following programs, a sum equal to the total of the following amounts:

(1) Conservation research and development;

Electric energy systems and energy storage:

(a) Electric energy systems, $36,700,000.

(b) Energy storage systems, $49,900,000.

End use conservation and technologies to improve efficiency:

(a) Industrial energy conservation, $40,000,000.

(b) Buildings and community systems, $56,000,000: *Provided,* That $2,000,000 of such sum are hereby authorized for a research and development program in residential gas furnaces.

(c) Transportation energy conservation, $88,000,000, of which $2,000,000 shall be available to the Alternative Funds Utiliza-

tion Program for study of automotive utilization of alcohol fuels and blends: *Provided*, That, of those funds authorized, funds as may be necessary are hereby authorized for the Energy Research and Development Administration to conduct studies to determine the feasibility of utilizing existing distillery facilities or other types of refineries including but not limited to sugar refineries, in the implementation of programs to extend the supply of gasoline by means of a mixture of gasoline and alcohol: *Provided further*, That no more than two hundred electric vehicles may be purchased within the provisions of Public Law 94–413 utilizing funds made available in this section.

(d) Improved conversion efficiency, $78,200,000.

(e) Small grants for appropriate technology, $6,000,000.

Energy extension service:

(a) Energy extension service, $8,000,000.

(2) Fossil energy development:

Coal:

(a) Liquefaction, $107,000,000.

(b) High Btu gasification, $51,200,000.

(c) Low Btu gasification, $73,900,000: *Provided*, That the sum of $40,000,000 which represents the portion of the appropriations heretofore made in the total amount of $56,000,000 for project 76–1–a (clean boiler fuel demonstration plant (A–E) and long-lead procurement) which remains unobligated and is no longer needed is hereby authorized to be made available instead, in addition to any amounts appropriated for the purposes involved pursuant to this Act for the low Btu gasification program.

(d) Advanced power systems, $25,500,000.

(e) Direct combustion, $65,200,000.

(f) Advanced research and supporting technology, $45,000,000: *Provided*, That of those funds authorized, funds as may be necessary are hereby authorized for the following purpose:

(1) The Administrator shall conduct a feasibility study of the technology and the commercial applications of the process of fine-grinding of coal and dry vegetable residues to four micron-size particles for the purpose of preparing these substances as clean burning fuels.

(2) In carrying out the feasibility study, the Administrator may provide for adequate participation by individuals, corporations and private and public research facilities, colleges and universities.

(3) A report of the findings together with recommendations for advancing the technology, if deemed appropriate by the Administrator, shall be submitted to the Congress as soon as possible but not later than January 1, 1978.

(g) Demonstration plants, $50,900,000.

(h) Magnetohydrodynamics, $80,000,000.

Petroleum and natural gas:

(a) Enhanced oil recovery, $46,100,000.

(b) Enhanced gas recovery, $30,000,000.

(c) Drilling, exploration and offshore technology, $1,600,000.

(d) Processing and utilization, $1,400,000.

Oil shale and in situ technology:

(a) Oil shale, $28,000,000.

(b) In situ coal gasification, $11,000,000: *Provided*, That of those funds authorized for fossil energy development, and funds as may be necessary are hereby authorized for the Energy Research and Development Administration to conduct a study to determine the extent of the Nation's coal reserves, the general geographic location of such reserves and the cost of extracting said reserves.

(3) Solar energy development:

(a) Thermal applications, $107,700,000.

(b) Technology support and utilization, $12,000,000.

(c) Solar electric application, $178,900,000: *Provided*, That $7,500,000 of such sum are hereby authorized for design work for small community applications.

(d) Solar Energy Research Institute and Regional Centers. There is hereby authorized from funds made available under subsections (a), (b), and (c) of this section an amount no less than $10,000,000 for the operation of the Solar Energy Research Institute and its associated regional centers.

(e) Fuels from biomass, $19,500,000; and under such rules and regulations as he may establish, the Administrator is authorized to guarantee a loan or loans for the demonstration of a 50 MW wood-fueled power generating facility.

(4) Geothermal energy development:

(a) Engineering research and development, $17,100,000.

(b) Resource exploration and assessment, $17,600,000.

(c) Hydrothermal technology applications, $32,000,000.

(d) Advanced technology applications, $23,500,000.

(e) Utilization experiments, $16,000,000.

(f) Environmental control and institutional studies, $8,100,000.

(g) Low head hydroelectric demonstration, $15,000,000.

PLANT AND CAPITAL EQUIPMENT

SEC. 602. For plant and capital equipment including construction, acquisition, or modification of facilities, including land acquisition; and acquisition and fabrication of captal equipment not related to construction, a sum of dollars equal to the total of the following amounts:

(1) Conservation Research and Development:

Project 78–1–a, high bay addition, Los Alamos Scientific Laboratory, New Mexico, $800,000.

(2) Fossil Energy Development:

Project 78–2–a, analytical research, chemistry and coal carbonization laboratory, Pittsburgh Energy Research Center, Pennsylvania, $6,600,000.

Project 78–2–b, modifications and additions to Energy Research Centers, various locations, $3,000,000.

Project 78–2–c, low Btu fuel gas small industrial demonstration plants, sites undetermined (A–E and long-lead procurement only), $6,000,000.

Project 78–2–d, solvent refined coal demonstration plant, site undetermined (A–E and long-lead procurement only), $2,000,000.

(3) Capital Equipment Not Related to Construction:

(A) Conservation research and development, $6,170,000.

(B) Fossil energy development, $5,500,000.

(C) Solar energy development, $7,900,000.

(D) Geothermal energy development, $2,500,000.

AMENDMENTS TO PRIOR YEAR ACTS

SEC. 603. (a) Public Law 94–187 is amended by:

(1) Striking from subsection 101(b)(1), project 76–1–b, high Btu synthetic pipeline gas demonstration plant, the words "(A–E and long-lead procurement)" and the figure, "$20,000,000", and striking from subsection 201(b)(1) "project 76–1–b, high Btu synthetic pipeline gas demonstration plant (A–E and long-lead procurement) $5,000,000", which authorized appropriations for this project totaling $25,000,000, and substituting therefor in subsection 101(b)(1), project 76–1–b, high Btu synthetic pipeline gas demonstration plant, the figure "$220,000,000".

(2) Striking from subsection 101(b)(1), project 76–1–c, low Btu fuel gas demonstration plant, the words "(A–E and long-lead procurement)" and the figure "$15,000,000", and striking from subsection 201(b)(1) the words and figures, "project 76–1–c, low Btu fuel gas demonstration plant (A–E and long-lead procurement), $3,750,000," which authorized appropriations for this project totaling $18,750,000, and substituting therefor in subsection 101(b)(1), project 76–1–c, low Btu fuel gas demonstration plant, the figure "$150,000,000".

(3) Striking from subsection 101(b)(2), project 76–2–a, five megawatt solar thermal test facility, the figure "$5,000,000", and striking from subsection 201(b)(2) the words and figures "project 76–2–a, five megawatt solar thermal test facility, $1,250,000", which authorized appropriations for this project totaling $6,250,000, and substituting therefor in subsection 101(b)(2) the figure "$21,250,000", which is an increase of $3,000,000 over the amount authorized by Public Law 94–355, as amended.

(4) Striking from subsection 101(b)(2), project 76–2–b, ten megawatt central receiver solar thermal powerplant (A–E and long-lead procurement), the words "(A–E and long-lead procurement)" and the figure "$5,000,000", and striking from subsection 201(b)(2) the words and figures "project 76–2–b, ten megawatt central receiver solar thermal powerplant (A–E and long-lead procurement), $1,250,000" which authorized appropriations for this project totaling $6,250,000, and substituting therefor in subsection 101(b)(2), the words "Barstow, California," and the figure "$61,250,000": *Provided*, That if the solar electrical generating facility hereby supported contributes electricity to a distribution network serving the public on a commercial basis and if any Federal monetary contribution is included in the rate base for the purpose of computing return on capital investment to such utilities, that portion of the capital costs derived from Federal funds and included in the rate base shall be recovered with interest from the revenues of the solar facility.

(b) Project 77–1–d, MHD component development and integration facility, authorized by Public Law 94–373, is increased by $8,200,000 for a total authorization of $13,200,000.

TITLE VII—FOR NONNUCLEAR ENVIRONMENTAL RESEARCH AND DEVELOPMENT, PROGRAM MANAGEMENT AND SUPPORT, AND RELATED PROGRAMS

OPERATING EXPENSES

SEC. 701. For operating expenses for the following programs, a sum equal to the total of the following amounts:

(1) Environmental research and development:

(a) Overview and assessment, $43,010,000.

(b) Biomedical and environmental research, $143,970,000, of which $1,000,000 shall be made available to the Water Resources Council to carry out the provisions of section 13 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5912), as amended.

(2) Life sciences research and biomedical applications, $38,113,000.

(3) Program management and support:

(a) Program direction, $257,100,000.

(b) Institutional relations, $30,179,000, including funds to reimburse the National Bureau of Standards for costs incurred in carrying out the provisions of section 14 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5913), as amended; and $1,800,000 is authorized to be appropriated pursuant to this paragraph (3) for financial awards by ERDA to independent inventors for the purpose of carrying out section 14 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5913), as amended.

(c) Supporting activities, $54,460,000.

(d) International cooperation, $5,000,000.

(4) Funds to carry out the provisions of section 11 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5910) in the amount of $500,000 for the Council on Environmental Quality.

PLANT AND CAPITAL EQUIPMENT

SEC. 702. For plant and capital equipment, including construction, acquisition, or modification of facilities, including land acquisition; and acquisition and fabrication of capital equipment not related to construction, a sum of dollars equal to the total of the following amounts:

(1) Environmental Research and Development:

Project 78–9–a, modifications and additions to biomedical and environmental research facilities, various locations, $6,000,000.

(2) Program Management and Support:

Project 78–1–b, chiller modifications for energy conservation, Bendix Plant, Kansas City, Missouri, $830,000.

Project 78–1–c, process waste heat utilization, gaseous diffusion plant, Paducah, Kentucky, $5,700,000.

Project 78–19–a, program support facility, Argonne National Laboratory, Illinois (A–E and long-lead procurement only), $5,000,000.

(3) Project 78–22, Construction Planning and Design, $10,000,000.

(4) Capital Equipment Not Related to Construction:

(A) Environmental research and development, $18,825,000.

(B) Program management and support, $5,155,000.

SEC. 703. The Administrator of the Energy Research and Development Administration, or its successor agency, is hereby authorized, to the extent and in such amounts as are provided in appropriation Acts, to enter into a cooperative arrangement with an interstate pipeline organization for participation in the constructon and operation of a high Btu pipeline gas demonstration plant, utilizing the HYGAS steam-oxygen process and Illinois Basin type coal.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BAYH. Mr. President, the Senate will take final action today on S. 1811, legislation authorizing civilian nuclear energy programs administered by the Energy Research and Development Administration. S. 1811 authorizes $2.8 billion for civilian nuclear energy research, development, and demonstration programs, about equal to the amount we approved last month for nonnuclear energy research on conservation, fossil fuels, and solar and geothermal energy development.

Mr. President, both the size of this authorization and the Senate debate on S. 1811 reflect the sizable role nuclear energy will play in our Nation's future and the concern all of us share about the risks intrinsic to energy produced by the splitting of the atom. Further, our debate over the last 2 days indicates that while we have made substantial progress in developing sophisticated nuclear technologies for producing energy, we have not made similar strides on the question of safely disposing of the waste and other byproducts associated with nuclear power.

The Clinch River breeder reactor is a stark illustration of this dilemma. Because this is true, Mr. President, it is worth taking a few moments to review yesterday's Senate action on Clinch River. Some reporters have already written that the Senate has handed the President a stinging defeat and signaled a go-ahead for ultimate commercialization of the fast breeder reactor technology, with its byproduct of weapons-grade plutonium. I do not interpret my vote or the Senate's action that way and I would hope that others who supported the Church amendment, which was adopted yesterday, do not either.

The fast breeder reactor differs from other existing nuclear reactors in its ability to produce more fuel than it consumes in the process of producing electricity. In this characteristic lies its greatest asset but also its greatest liability. The so-called breeding process, which produces nuclear fuel as a byproduct of electricity generation, in essence makes the fast breeder a "renewable energy resource," because, once in operation, the breeder becomes the source of its own fuel. The catch, Mr. President, is that once this new fuel is processed for future use it can easily be turned to destructive purposes, because it is weapons-grade material which can be used to build an atomic device. It is this feature of the breeder that has legitimately caused the President such concern.

The urgency behind initial plans for developing the fast breeder stemmed from two factors—a large predicted increase in demand for electricity—presumably to be generated by nuclear reactors—and a shortage of uranium, the fuel used by conventional nuclear light water reactors currently in use across the country.

Faced with these projections, the breeder reactor seemed a possibly promising answer to America's energy needs to some, a technological marvel that would help get us through the difficult transition period from the age of natural gas and petroleum to a time at the beginning of the next century when we could depend on safe and renewable energy resources to meet our needs—such as solar or geothermal energy, or even nuclear fusion technologies.

I have not always shared the enthusiasm of some of my colleagues for new breakthroughs in nuclear technology because they have rarely been accompanied by concomitant developments on the safety side of the equation. Thus I was quite taken by President Carter's reservations about going ahead with the fast breeder reactor demonstration plant at Clinch River. Late in April, after reviewing new ERDA projections of future electricity demand, which were significantly lower than ERDA had previously predicted, as well as new ERDA estimates of uranium supplies, which were higher than ERDA had previously projected, President Carter recommended a pause in the breeder program, because of his great concern over the destructive potential of plutonium proliferation. He urged the Congress to stay judgment on Clinch River pending negotiations on international safeguards to prevent proliferation of plutonium to nonnuclear nations as well as a reassessment of the need for the breeder to meet U.S. energy needs.

Mr. President, I believe that it is exactly what the Senate did in adopting the Church amendment last night. That vote was by no means an endorsement of construction of a fast breeder demonstration plant, much less a signal that the United States is ready to go ahead with full commercialization of the breeder technology. Rather, it was an authorization for the minimal amount of money necessary to maintain the Clinch River project in a holding pattern until the administration and the Congress has a chance to take a closer look at the issue.

The administration's position was developed hastily, though with the best of intentions, without access to all the information on which a decision should be made—such as future uranium supplies, possible arrangements with our allies on plutonium safeguards, evaluation of other fuel cycles that are more proliferation resistant than the fast breeder, future energy needs, and the role that coal can play in getting us through this century to the age of solar, fusion and geothermal, energy sources.

In addition, the Congress was hampered in its efforts to give this project the consideration it deserves, because of our recent committee reorganization. The Joint Atomic Energy Committee, which previously handled this issue, was disbanded at the beginning of this Congress, thus leaving the Committee deliberations on Clinch River to House and Senate committees which had never dealt with these questions before. Difficulties were exacerbated by a tight timetable.

The Church amendment presented us with a sensible and prudent response to this situation. Immediate termination of the project, as the administration recommended late this spring, would have incurred termination and litigation costs of as much as $500 million. Further, the GAO estimated that the costs of restarting the project, even if in a modified form, would come to over a billion dollars, and result in a 5- to 6-year delay. Taking these possible costs into account, Senator CHURCH developed a compromise which was midway between going ahead as planned with Clinch River or terminating the project completely. This position, which I supported, was consistent with the President's call for a reassessment and will permit Congress to make an informed decision on the breeder reactor next year when we know more about its costs and benefits.

The Church amendment authorized $75 million for a review of Clinch River during fiscal year 1978. During this year, there is to be a suspension of the licensing procedure, no funds are to be spent for contracts for site preparation or construction, and equipment procurements on existing contracts will be continued only in those areas where there are substantial costs associated with the termination and subsequent restart of the procurement or where there are procurements essential to a component research and development program if a future decision is made to terminate the Clinch River project. Current contracts for procurement will be terminated where the cost differential is small if the contracts are negotiated again at a later date. No new equipment procurements will be initiated during the review period and contractor work by engineers, architects, planners, and manufacturers will be maintained at current levels and not stepped up. In addition, a comprehensive evaluation of the design, management structure, and other relevant aspects of the Clinch River project will be undertaken to give us better information for

our final decision. During the same period of time, the administration will be proceeding with its own efforts at working out international proliferation safeguards and ERDA will be evaluating alternative nuclear fuel cycles that do not carry the potential risks associated with the breeder. At the end of this period of time, the Congress will be able to make an informed decision about the future of the breeder technology, giving safety considerations top priority. For these reasons, I thought the Church amendment made the most sense of the options available to us.

Senate debate today on the issue of nuclear waste disposal facilities also highlighted the dilemma we face in rushing ahead with nuclear energy development without paying sufficient attention to waste disposal matters.

Mr. President, as most of us know, all nuclear reactors generate potentially dangerous radioactive wastes, whether they are of the breeder variety or the more conventional light water type in use around the country today. Currently, these wastes are stored above ground in interim facilities near powerplants, pending a "permanent" solution to the nuclear waste problem. Based on information we have about leaks and other malfunctions at existing storage sites, most of us agree that this solution is not a satisfactory one.

Over the past few years, ERDA has been funding studies around the country aimed at locating areas which possess certain geophysical properties which ERDA feels are adequate to guarantee permanent and safe underground storage of nuclear waste materials. I have been following this process closely, Mr. President, because ERDA has conducted such studies in my State and has selected Indiana as one of 13 States considered a likely prospect for an underground waste disposal center.

Citizens in my State have understandably expressed reservations about this possibility, especially given what they have heard about the poor safety record at above ground storage facilities over the last decade. Citizens in other States have reacted similarly, and a sizable number of States have already adopted or are considering legislation to prohibit such siting without State consultation or approval. While ERDA has promised to consult with Governors, and get their approval before going ahead with a waste facility, at present the Federal selection procedure is not limited in any way by the Congress. ERDA has complete discretion to locate facilities wherever it wishes.

Reacting against this unlimited authority, during consideration of S. 1811 Senator McGOVERN offered an amendment prohibiting ERDA from contracting for construction of any radioactive waste storage facility within a State if the State legislature passes a resolution rejecting a proposed site or if citizens, through a State referendum, disapprove such a site. In offering this amendment, Senator McGOVERN was articulating feelings that almost all of us share—that the States must have some role in decisionmaking about nuclear waste storage and that citizens must feel assured that such facilities will be entirely safe before construction of such projects begin in their locality.

Despite my complete agreement with this position, I voted to table the McGovern amendment because, in my judgment, the type of role he proposed for the States was too broad and sweeping and absolute, and ignored the undeniable reality that nuclear wastes, from military projects and civilian energy plants, are building up and are not going to stop. Therefore, I felt that adoption of the amendment, as drafted, would put us in the potentially untenable position of having all States, or a very large number of potentially suitable States, reject permanent storage facilities within their own boundaries out of hand. Like it or not, Mr. President, this is not a realistic possibility any longer.

I was encouraged that the floor manager of the bill, Senator CHURCH, agreed with Senator McGOVERN and others, that the States must play a role in these decisions and that he intended to hold hearings on this issue in the near future. Mr. President, I would be more than willing to work with those of my colleagues who share this concern on developing a responsible consultative role for the States, and will attempt to do so in the days ahead. It is absolutely essential that we get a handle on the question of safe storage of nuclear wastes as long as we are going to continue down the path of nuclear energy. And I think the vote on S. 1811 indicates that we are going to continue down this path. Shirking our responsibilities in the area of nuclear safety can only bring pain and misfortune to our children, and their children, and I am sure that none of us here in this Chamber will allow this to happen.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1811) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1811

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "ERDA Authorization Act of 1978—Civilian Applications".

SEC. 2. In accordance with section 261 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2017), section 305 of the Energy Reorganization Act of 1974 (42 U.S.C. 5875), and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, as amended (42 U.S.C. 5915), there is hereby authorized to be appropriated to the Energy Research and Development Administration subject to title I, VI, and VII of this Act, the following:

TITLE I—FOR ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION, AND RELATED ACTIVITIES

OPERATING EXPENSES

SEC. 101. For operating expenses, for the following programs, a sum equal to the total of the following amounts:

(1) Magnetic fusion, $199,900,000.

(2) Fuel cycle research and development, $357,885,000, including $20,000,000 for international spent fuel disposition, pursuant to section 105 and including $13,000,000 for research, development, assessment, evaluation, and other activities at the Barnwell Nuclear Fuels Plant related to alternative fuel cycle technologies, safeguard systems, spent fuel storage and waste management, except that none of the authorized funds may be used for operations of the plant to process spent fuel from reactors.

(3) Liquid metal fast breeder reactor, $408,300,000: *Provided,* That an amount not to exceed $5,000,000 shall be applied for research and development on means to reduce the ability to divert plutonium from its intended purposes and to increase the detectability of plutonium if it should be so diverted. *Provided,* That none of the funds made available by any appropriations Act pursuant to this Act, or any other authorization Act, including funds from the General Treasury, revenues received, changes in selected resources, transferred funds, or funds from any other source, shall be used in fiscal year 1978, in any way, directly or indirectly, to terminate or cancel the Clinch River Breeder Reactor Project, or to plan such termination or cancellation; and any such funds shall only be used for the purposes of continuing the project in accordance with section 106 of Public Law 91–273, as amended by Public Law 94–187 and as further amended by section 103(f) of this Act.

(4) Nuclear research and applications, $181,929,000.

(5) Light water reactor safety facilities, $24,000,000.

(6) High energy physics, nuclear physics, and basic energy sciences, $409,454,000.

(7) Nuclear materials security and safeguards, $40,106,000.

(8) Uranium enrichment, $990,585,000.

(9) Program management and support, $152,165,000.

(10) Enrichment and other revenues, —$946,540,000.

PLANT AND CAPITAL EQUIPMENT

SEC. 102. For "Plant and capital equipment", including construction, acquisition, or modification of facilities, including land acquisition; and acquisition and fabrication of capital equipment not related to construction, a sum of dollars equal to the total of the following amounts.

(a) Magnetic Fusion:

Project 78–3–a, mirror fusion test facility, Lawrence Livermore Laboratory, California, $94,200,000.

(b) Fuel Cycle Research and Development:

Project 78–5–a, facilities for the national waste terminal storage program, site undermined (land acquisition, A–E and long-lead procurement), $10,000,000.

Project 78–5–b, liquid metal fast breeder reactor integrated prototype equipment test facility, Oak Ridge National Laboratory, Oak Ridge, Tennessee (A–E and long-lead procurement only), $3,000,000.

(c) Liquid Metal Fast Breeder Reactor:

Project 78–6–a, modifications to reactors, $8,700,000.

Project 78–6–b, safeguards and security upgrading, Idaho Falls, Idaho and Chicago, Illinois, $4,935,000.

Project 78–6–c, safety research experimental facility, Idaho National Engineering Laboratory, Idaho (A–E long-lead procurement and limited construction only), $20,100,000.

Project 78–6–d, experimental breeder reactor II modification, Idaho Falls, Idaho (A–E and selected long-lead procurement only), $3,100,000.

Project 78–6–e, modifications to facilities, Liquid Metal Engineering Center, Santa Susanna, California (A–E only), $4,000,000.

Project 78–6–f, fuels and materials examination facility, Hanford Engineering Development Laboratory, Washington, $134,800,000.

Project 78–7–a, modifications to utility system 300 area, Hanford Engineering Development Laboratory, Washington, $3,600,000.

Project 78–7–b, test reactor area steam

distribution system upgrade, Idaho National Engineering Laboratory, Idaho, $1,100,000.

(d) Light Water Reactor Safety Facilities:

Project 78–8–a, upgrade Test Area North hot shop facility, Idaho National Engineering Laboratory, Idaho, $3,000,000.

(e) High Energy Physics:

Project 78–10–a, accelerator improvements and modifications, various locations, $4,500,000.

Project 78–11–a, master substation reliability and capacity improvements, Stanford Linear Accelerator Center, California, $1,700,000.

(f) Nuclear Physics:

Project 78–12–a, accelerator and reactor improvements and modifications, various locations, $1,900,000.

Project 78–12–b, high intensity uranium beams, Lawrence Berkeley Laboratory, California, $6,000,000.

(g) Basic Energy Sciences:

Project 78–13–a, national synchrotron light source, Brookhaven National Laboratory, New York, $24,000,000.

Project 78–13–b, combustion research facility, Sandia Laboratories, Livermore, California, $9,400,000.

(h) Uranium Enrichment:

Project 78–14–a, centrifuge facilities modifications, various locations, $30,000,000.

Project 78–14–b, process control modifications, gaseous diffusion plants, various locations, $17,400,000.

Project 78–15–a water system improvements, gaseous diffusion plant, Paducah, Kentucky, $4,500,000.

(i) Project 78–21, General Plant Projects, $44,265,000.

(j) Capital Equipment Not Related to Construction:

(1) Magnetic fusion, $27,600,000.

(2) Fuel cycle research and development, $25,300,000.

(3) Liquid metal fast breeder reactor, $35,650,000.

(4) Nuclear research and applications, $15,195,000.

(5) Light water reactor safety facilities, $800,000.

(6) High energy physics, nuclear physics, and basic energy sciences, $60,800,000.

(7) Nuclear materials security and safeguards, $2,794,000.

(8) Uranium enrichment, $19,000,000.

AMENDMENTS TO PRIOR YEAR ACTS

SEC. 103. (a) Public Law 91–273, as amended, is further amended by striking from subsection 101(b)(1), project 71–1–f, process equipment modifications, gaseous diffusion plants, the figure "$820,000,000", and substituting therefor the figure "$920,000,000", which is an increase of $100,000,000 over the amount authorized by Public Law 95–39.

(b) Section 101 of Public Law 93–60, as amended, is further amended by striking from subsection (b)(1), project 74–1–g, cascade uprating program, gaseous diffusion plants, the figure "$417,300,000" and substituting therefor the figure "$460,000,000", which is an increase of $42,700,000 over the amount authorized by Public Law 95–39.

(c) Public Law 94–187, as amended, is further amended by:

(1) striking from subsection 101(b)(5), project 76–5–a, Tokamak fusion test reactor, Princeton Plasma Physics Laboratory, Plainsboro, New Jersey, the figure "$214,600,000" and substituting therefor the figure "$238,600,000", which is an increase of $24,000,000 over the amount authorized by Public Law 95–39;

(2) striking from subsection 101(b)(5), project 76–5–b, 14 Mev intense neutran source facility, Los Alamos Scientific Laboratory, New Mexico, the figure "$22,100,000" and substituting therefor the figure "$25,300,000", which is an increase of $3,200,000 over the amount authorized by Public Law 94–187;

(3) striking from subsection 101(b)(8), project 76–8–e, conversion of existing steamplants to coal capability, gaseous diffusion plants and Feed Materials Production Center, Fernald, Ohio, the figure "$13,500,000" and substituting therefor the figure "$15,250,000", which is an increase of $1,750,000 over the amount authorized by Public Law 95–39;

(4) striking from subsection 101(b)(8), the words "project 76–8–g, enriched uranium production facility, Portsmouth, Ohio, $255,000,000" and substituting therefor the words "project 76–8–g, gaseous contrifuge, enriched uranium, production facilities, Portsmouth, Ohio, $362,630,000", which is an increase of $107,630,000 over the amount authorized by Public Law 95–39.

(d) Project 77–4–c, high performance fuel laboratory, Richland, Washington (A–E only), authorized by Public Law 95–39, is increased by $5,000,000 for a total authorization of $6,500,000.

(e) Project 77–4–d, fuel storage facility, Richland, Washington, authorized by Public Law 95–39, is increased by $23,000,000 for a total authorization of $30,000,000.

(f) CLINCH RIVER BREEDER REACTOR PROJECT.—

(1) The new section 106 contained in section 103(d) of Public Law 94–187, as amended, is amended as follows:

(A) in subsection (a) of section 106, strike "September 30, 1976" and insert in lieu thereof, "September 30, 1978",

(B) at the end of subsection (b) of section 106, insert the following new sentences: "Nothing contained in this section shall be construed as authorizing the Administrator to use the procedures of this section to propose and proceed with a cancellation or termination, of the Clinch River Breeder Reactor Project and the cooperative arrangements associated therewith. No funds appropriated pursuant to the authorization contained in this section shall be used in any way, directly or indirectly, to cancel or terminate the project, or to plan such cancellation or termination. The Congress hereby endorses the opinion of the Comptroller General of the United States contained in the June 23, 1977, letter to Vice Chairman Jackson and Senator Baker of the Joint Committee on Atomic Energy from Comptroller General Staats, insofar as the opinion interprets the authorities under this section. The Congress hereby declares that this restatement of the atuhorities under this section is now and always has been the intention of the Congress for the interpretation of these authorities. Consequently, the Congress further declares that the proposal of the Adminisrator to modify the cooperative arrangements under this section to terminate the project, with the exception of a "final design", contained in the May 18, 1977, letter to Vice Chairman Jackson of the Joint Committee on Atomic Energy from ERDA Acting Administrator Fri shall be deemed to be unauthorized by this section, and no funds appropriated for any fiscal year pursuant to the authorization of this section shall be used to implement in any way, directly or indirectly, the proposal. The Congress also declares that, insofar as the Comptroller General's opinion contained in the June 23, 1977, letter interprets the Impoundment Control Act of 1974, the intent of Congress is that funds appropriated pursuant to an authorization to design, construct and operate a project, or conduct a specified program, shall only be used for the continued design, construction, and operation of the project, or continued conduct of the program, and shall not be used in any way, directly or indirectly, to cancel or terminate the project or program, or for planning thereof, unless expressly authorized in an authorization act by Congress. Funds made available for such continued design, construction and operation of a project or continued conduct of a program shall therefore be deemed to be deferred or rescinded, as appropriate, for purposes of the procedures of the Impoundment Control Act of 1974, when such funds are used for such cancellation or termination, or for planning thereof, rather than for the continuation of the authorized project or program. Consequently, a disapproval resolution under the Impoundment Control Act shall have the effect of requiring as a matter of law that such funds shall be used for such continuation activities, and shall not be used for such termination or cancellation activities. Furthermore, when such funds are being withheld, or are proposed to be withheld, approval of a disapproval resolution or failure to approve a rescission resolution, as appropriate, shall not be considered to be satisfied under the Impoundment Control Act by releasing such funds for such termination or cancellation activities, but shall be considered to be satisfied only by the release of such funds for such continuation activities.

(2) Section 309 of Public Law 95–39, which authorizes funds for the ERDA nuclear programs in fiscal year 1977, is amended by inserting the following sentences at the end of the section. "*Provided*, That none of the funds made available by Public Law 94–355, or any other appropriations Act, including funds from the General Treasury, revenues received. changes in selected resources, transferred funds, or funds from any other source, shall be used in fiscal year 1977 in any way, directly or indirectly, to cancel or terminate the Clinch River Breeder Reactor Project, or to plan such termination or cancellation.".

RESCISSIONS

SEC. 104. (a) Public Law 93–276, as amended, is further amended by rescinding therefrom authorization for project 75–5–g, molten salt breeder reactor (preliminary planning preparatory to possible future demonstration project), $1,500,000, except for any funds heretofore obligated.

SEC. 105. The Energy Research and Development Administration is hereby authorized to undertake studies, in cooperation with other nations, on a multinational or international basis designed to determine the general feasibility of expanding capacity of existing spent fuel storage facilities; to enter into agreements, subject to the consent of the Congress, with other nations or groups of nations, for providing appropriate support to increase international or multinational spent fuel storage capacity; to conduct studies on international transportation and storage systems. For the purpose of carrying out the provisions of this section, there is included in subsection 101(2) of this Act authorization of appropriations in the amount of $20,000,000: *Provided*, That none of the funds appropriated pursuant to this Act or any other funds made available to the Administrator, or upon establishment of a Department of Energy by an Act of Congress, to the Secretary of Energy, under any other authorization or appropriation Act shall be used, directly or indirectly, for the repurchase, transportation, or storage of any foreign spent nuclear fuel (including any nuclear fuel irradiated in any nuclear research or power reactor located outside of the United States and operated by any foreign legal entity, government or nongovernment, regardless of the legal ownership or control of the fuel or the reactor, and regardless of the origin or licensing of the fuel or the reactor), unless expressly authorized by annual authorization legislation hereafter enacted for the Energy Research and Development Administration, or, upon establishment by Act of Congress, the Department of Energy: *Provided further*, That nothing contained in this section shall be construed in any executive branch action, administrative proceeding, regulatory proceeding, or legal proceeding as being intended to delay, modify, reverse, or cancel the Memorandum and Order of the Nuclear Regulatory Commission of June 28, 1977, for the issuance of License No. XSNM–845 to the agent-applicant for the Government of India and the subsequent export thereby

licensed of the special nuclear material to be used as fuel for the Tarapur Atomic Power Station, or any Order of the Nuclear Regulatory Commission to issue a license for the export of special nuclear material and subsequent exports thereby licensed, or any consideration by the Nuclear Regulatory Commission of a license application for the export of special nuclear material.

SEC. 106. (a) The Energy Research and Development Administration shall conduct a study of the Barnwell Nuclear Fuels Plant located in South Carolina to determine if that facility may be utilized in support of the nonproliferation objectives of the United States.

(b) The study required under subsection (a) shall—

(1) include an evaluation of the means by which the facility could be used in demonstrating improved safeguards equipment and procedures;

(2) include methods of reducing nuclear weapons proliferation resulting from the use of fuel reprocessing facilities;

(3) include an evaluation of the practicality of demonstrating new institutional arrangements for managing and operating fuel processing facilities, which may minimize the potential for these facilities to be used for nonpeaceful purposes;

(4) include an evaluation of the multinational and international management options available; and

(5) include an evaluation of technological controls and other safeguard devices by which a facility could be externally monitored and disabled to prevent the use of the facility for nonpeaceful purposes.

(c) In carrying out the study required under subsection (a) due consideration shall be given to the impact which the effective and efficient use of resources, and the independence of resource supply can have in assuring our national security objectives.

(d) The study required under subsection (a) shall be completed and a report submitted to the Congress not later than 6 months after the date that funds are appropriated for carrying out the purposes of this section. In addition to the items required under subsection (b), the report required by the preceding sentence, shall include recommendations and funding requirements to implement recommended programs resulting from such study.

(e) For the purpose of carrying out the provisions of this section, there is included in subsection 101(2) of this Act authorization of appropriations in the amount of $1,000,000.

SEC. 107. (a) The Administrator of the Energy Research and Development Administration shall prepare and submit to the Congress within one year after the date of the enactment of this Act a study which considers the available options, including, but not limited to—

(1) Federal technical and financial aid in support of decommissioning high level waste disposal operations at the Western New York Nuclear Service Center;

(2) Federal operation of the Western New York Nuclear Service Center for the purposes of decommissioning existing facilities and disposing of existing high level wastes, including a demonstration program for the solidification of high level wastes for permanent burial;

(3) permanent Federal ownership of and responsibility for all or part of the Western New York Nuclear Service Center, and Federal receipt of the licence from the present co-licensees; and

(4) use of the Western New York Nuclear Service Center for other purposes.

(b) Preparation of such study shall be in cooperation with the Nuclear Regulatory Commission and other Federal agencies, the State of New York, the industrial participants, and the public, and the Administrator shall conduct informational public hearings (in lieu of any formal administrative hearings) prior to completion of the study. The study shall recommend allocation of existing and future responsibilities among the Federal Government, the State of New York, and present industrial participants in the Western New York Nuclear Service Center.

(c) Ninety days prior to submission of the study to the Congress the Administrator shall release the proposed study for comment by interested parties, and such comments as are received shall be submitted as attachments to the final study submitted to the Congress.

(d) Nothing in this section shall be construed as intending to commit the Federal Government to any new assistance or participation in the Western New York Nuclear Service Center, nor as relieving any party of any duties or responsibilities under any law, regulation, or contract to provide for the safe storage of nuclear waste.

(e) For the purpose of carrying out the provisions of this section, there is included in subsection 101(2) of this Act authorization of appropriations in the amount of $1,000,000.

TITLE II—BASIS FOR GOVERNMENT CHARGE FOR URANIUM ENRICHMENT SERVICES

SEC. 201. Subsection 161 v. of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"v. (A) enter into contracts with persons licensed under sections 53, 63, 103, or 104 for such periods of time as the Administrator of Energy Research and Development may deem necessary or desirable to provide, after December 31, 1968, for the producing or enriching of special nuclear material in facilities owned by the Energy Research and Development Administration; and

"(B) enter into contracts to provide, after December 31, 1968, for the producing or enriching of special nuclear material in facilities owned by the Energy Research and Development Administration in accordance with and within the period of an agreement for cooperation arranged pursuant to section 123 while comparable services are made available pursuant to paragraph (A) of this subsection:

Provided, That (i) prices for services under paragraph (A) of this subsection shall be established on a nondiscriminatory basis; (ii) prices for services under paragraph (B) of this subsection shall be no less than prices under paragraph (A) of this subsection; and (iii) any prices established under this subsection shall be on such a basis as will recover not less than the Government's cost over a reasonable period of time and, in the opinion of the Administrator of Energy Research and Development, will not discourage the development of domestic sources of supply independent of the Energy Research and Development Administration: *And provided further*, That the Administrator of Energy Research and Development, to the extent necessary, to assure the maintenance of a viable domestic uranium industry, shall not offer such services for source or special nuclear materials of foreign origin intended for use in a utilization facility within or under the jurisdiction of the United States. The Administator of Energy Research and Development shall establish criteria in writing setting forth the terms and conditions under which services provided under this subsection shall be made available including the extent to which such services will be made available for source or special nuclear material of foreign origin intended for use in a utilization facility within or under the jurisdiction of the United States: *"Provided*, That any change in enrichment services prices in the first proviso above shall not be implemented for a period of sixty days, during which the Congress is in continuous session, after the transmission of the proposed price to the President of the Senate, the Speaker of the House of Representatives, the Senate Committee on Energy and Natural Resources and the House Committee on Science and Technology. Such prices shall be considered authorized by the Congress unless either House of Congress approves a resolution of disapproval of such prices prior to the expiration of the aforementioned sixty-day period. The Senate Committee on Energy and Natural Resources and the House Committee on Science and Technology shall have single jurisdiction over any such resolution of disapproval introduced pursuant to this section. If such a resolution of disapproval has been introduced, but has not been reported by the committee on or before the fortieth day after transmission of the message, a privileged motion shall be in order in the respective body to discharge the committee from further consideration of the resolution and to provide for its immediate consideration, using the procedures specified for consideration of an impoundment resolution in section 1017 of the Impoundment Control Act of 1974 (31 U.S.C. 1407).

TITLE III—GENERAL PROVISIONS

SEC. 301. Funds appropriated pursuant to titles I, VI, of this Act may be used for the construction or acquisition of any facilities or major items of equipment, which may be required at locations other than installations of the Administration, for the performance of research, development and demonstration activities. Title to all such facilities and items of equipment shall remain in the United States, unless the Administrator or his designee determines in writing that the research, development and demonstration authorized by this Act shall best be implemented by permitting title or other such property interests to be in an entity other than the United States.

SEC. 302. Except as otherwise provided in this Act—

(a) no amount appropriated pursuant to this Act may be used for any program in excess of the amount actually authorized for that particular program by this Act,

(b) no amount appropriated pursuant to this Act may be used for any program which has not been presented to, or requested of, the Congress,

unless (1) a period of thirty calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has passed after the receipt by the appropriate committees of the House of Representatives and the Senate of notice given by the Administrator containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (2) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

SEC. 303. The Administration is authorized to start any project set forth in title I, subsections 102 (a) through (h), only if the currently estimated cost of that project does not exceed by more than 25 per centum the estimated cost set forth for the project. Further, the total cost of any project undertaken under these subsections shall not exceed the estimated cost set forth for that project by more than 25 per centum unless and until additional appropriations are authorized: *Provided*, That this subsection will not apply to any project with an estimated cost less than $5,000,000.

SEC. 304. Subject to the applicable requirements and limitations of this Act, when so specified in appropriations Acts amounts appropriated for the Administration pursuant to this Act for "Operating expenses" or for "Plant and capital equipment" may be merged with any other amounts appropriated for like purposes to any other Act authorizing appropriations for the Administration.

SEC. 305. When so specified in appropriations Acts, amounts appropriated pursuant to this Act for "Operating expenses" or for "Plant and capital equipment" may remain available until expended.

SEC. 306. Amounts appropriated pursuant to this Act for activities under subsections 101(9) and 102(1) are available for use, when necessary, in connection with all Administration programs.

SEC. 307. The Administrator is authorized to perform construction design services for any Administration construction project whenever (a) such construction project has been included in a proposed authorization bill transmitted to the Congress by the Administration, and (b) the Administration determines that the project is of such urgency in order to meet the needs of national defense or protection of life and property or health and safety that construction of the project should be initiated promptly upon enactment of legislation appropriating funds for its construction.

SEC. 308. When so specified in appropriations Acts, any moneys received by the Administration may be retained and used for operating expenses (except sums received from disposal of property under the Atomic Energy Community Act of 1955 and the Strategic and Critical Materials Stockpiling Act, as amended, and fees received for tests or investigations under the Act of May 16, 1910, as amended (42 U.S.C. 2301; 50 U.S.C. 98h; 30 U.S.C. 7)), notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484), and may remain available until expended.

SEC. 309. When so specified in appropriations Acts, transfers of sums from the "Operating expenses" appropriation may be made to other agencies of the Government for the performance of the work for which the appropriation is made, and in such cases the sums so transferred, may be merged with the appropriations to which transferred.

SEC. 310. TRANSFER PROVISIONS.—In the event that any of the programs authorized by this Act are transferred to a Department of Energy established by Act of Congress, the following procedures shall apply to such transfer.

(a) The Secretary shall designate one or more officers in a position of seniority in the Department, of not less seniority than Assistant Secretary, to serve as the administrator and manager of the research, development, and demonstration programs authorized by this Act. The responsibilities of the designated officials shall include all functions associated with the program administration and management of all programs and projects authorized in title I and all additional responsibilities included under titles II, IV, and V of this Act. Such responsibilities shall specifically include, but not be limited to, the dissemination of technical information and all authority for agency determinations for all nonregulatory functions. For such programs in titles I, II, IV, and V, under the Atomic Energy Act, the Federal Nonnuclear Energy Research and Development Act, the Solar Heating and Cooling Demonstration Act, the Geothermal Research, Development, and Demonstration Act, the Electric and Hybrid Vehicle Research, Development and Demonstration Act, the Solar Energy Research, Development and Demonstration Act, and responsibilities of the Administration under the Energy Reorganization Act and any additional functions, such as contract appeals, associated with the research, development, demonstration and other nuclear and nonnuclear programs authorized by this Act. Such authority for agency determinations for nonregulatory functions shall not be vested in any regulatory board or commission which is or may be established in the department.

(b) All laws governing the conduct of the research, development, demonstration, and other programs authorized by this Act including, but not limited to, the statutes specified in subsection (a), and all procedures for congressional notification and review, specifically including the requirements to keep the Congress "fully and currently informed", shall be continued in the department.

(c) There shall be no change in the structure of any program authorized by this Act including, but not limited to government-owned and contractor-operated facilities, headquarters components, the so-called national laboratories, energy research centers and the operations offices managing such laboratories, weapons programs and other research, development, demonstration, and related program activities, unless any such changes are expressly authorized in a subsequent authorization Act for the department, notwithstanding any other provision of law.

SEC. 311. No nuclear fuel shall be exported to supply a nuclear power reactor under an Agreement for Cooperation which has not been reviewed by the Congress of the United States under the procedures in section 123 d. of the Atomic Energy Act of 1954 (42 U.S.C. 2153(d)), as amended by Public Law 93-485, directly or indirectly to a nonnuclear weapons state (within the meaning of the Treaty on the Non-Proliferation of Nuclear Weapons) which has not ratified the Treaty on the Non-Proliferation of Nuclear Weapons unless the first proposed license under such agreement authorizing the export of either such reactor or such fuel after the date of this Act is first submitted to the Congress for review under the congressional review procedures provided for Agreements for Cooperation in the above-referenced section 123 d. of the Atomic Energy Act of 1954, as amended.

SEC. 312. (a) Section 7(a) of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5906) is amended—

(1) by striking out "and" after the semicolon at the end of paragraph (5),

(2) by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and", and

(3) by adding at the end thereof the following new paragraph:

"(7) Federal loan guarantees and commitments thereof as provided in section 19.".

(b) The Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5901, et seq.) is further amended by adding at the end thereof the following new section:

"LOAN GUARANTEES FOR ALTERNATIVE FUEL DEMONSTRATION FACILITIES

"SEC. 19. (a) It is the purpose of this section—

"(1) to assure adequate Federal support to foster a demonstration program to produce alternative fuels from coal, oil shale, and other domestic resources;

"(2) to authorize assistance, through loan guarantees under subsection (b) for construction and startup and related costs, to demonstration facilities for the conversion of domestic coal, oil shale, biomass, and other domestic resources into alternative fuels; and

"(3) to gather information about the technological, economic, environmental, and social costs, benefits, and impacts of such demonstration facilities.

"(b)(1) Except as provided in paragraph (5) of this subsection, the Administrator is authorized, in accordance with such rules and regulations as he shall prescribe after consultation with the Secretary of the Treasury, to guarantee and to make commitments to guarantee, in such manner and subject to such conditions (not inconsistent with the provisions of this Act) as he deems appropriate, the payment of interest on, and the principal balance of, bonds, debentures, notes, and other obligations issued by, or on behalf of, any borrower for the purpose of financing the construction and startup costs of demonstration facilities for the conversion of domestic coal, oil shale, biomass, and other domestic resources into alternative fuels: *Provided*, That no loan guarantee for a full sized oil shale facility shall be provided under this section until after successful demonstration of a modular facility producing between six and ten thousand barrels per day, taking into account such considerations as water usage, environmental effects, waste disposal, labor conditions, health and safety, and the socioeconomic impacts on local communities: *Provided further*, That no loan guarantee shall be available under this subsection for the manufacture of component parts for demonstration facilities eligible for assistance under this subsection.

"(2) An applicant for any financial assistance under this section shall provide information to the Administrator in such form and with such content as the Administrator deems necessary.

"(3) Prior to issuing any guarantee under this section the Administrator shall obtain the concurrence of the Secretary of the Treasury with respect to the timing, interest rate, and substantial terms and conditions of such guarantee. The Secretary of the Treasury shall insure to the maximum extent feasible that the timing, interest rate, and substantial terms and conditions of such guarantee will have the minimum possible impact on the capital markets of the United States, taking into account other Federal direct and indirect securities activities.

"(4) The full faith and credit of the United States is pledged to the payment of all guarantees issued under this section with respect to principal and interest.

"(5)(A) The Administrator is authorized, in the case of a facility for the conversion of oil shale to alternative fuels which is determined by the Administrator pursuant to the proviso in paragraph (1)(A) of this subsection, to be constructed at a modular size, to enter into a cooperative agreement with the applicant in accordance with section 8 of this Act and the other provisions of this Act to share the estimated total design and construction costs, plus operation and maintenance costs, of such modular facility. The Federal share shall not exceed 75 per centum of such costs. All receipts for the sale of any products produced during the operation of the facility shall be used to offset the costs incurred in the operation and maintenance of the facility. The provisions of subsections (d), (e), (k), (m), (p), (s), (t), (u), (v), (w), and (x) shall apply to any such modular facility. The provisions of this section shall apply to any loan guarantee for such modular facility.

"(B) After successful demonstration of the modular facility, as determined by the Administrator, the facility is eligible for financial assistance under this section for purposes of expansion to a full sized facility and the applicant may purchase the Federal interest in the modular facility as represented by the Federal share thereof by means of (i) a cash payment to the United States, or (ii) a share of the product or sales resulting from such expanded operation, as determined by the Administrator. If expansion of such facility is determined not to be warranted by the Administrator, he may, at the option of the applicant, dispose of the modular facility to the applicant at not less than fair market value, as determined by the Administrator as of the date of the disposal, or otherwise disposed of it, in accordance with applicable provisions of law, and distribute the net proceeds thereof, after expenses of such disposal, to the applicant in proportion to the applicant's share of the costs of such facility.

"(6) To the extent possible, loan guarantees shall be issued on the basis of competitive bidding among guaranteed applicants in a particular technology area.

"(c) The Administrator, with due regard for the need for competition, shall guarantee or make a commitment to guarantee any obligation under subsection (b) only if—

"(1) the Administrator is satisfied that the financial assistance applied for is necessary to encourage financal participation;

"(2) the amount guaranteed to any borrower at any time does not exceed—

"(A) an amount equal to 75 per centum of the project cost of the demonstration facility as estimated at the time the guarantee is issued, which cost shall not include amounts expended for facilities and equipment used in the extraction of a mineral other than coal or shale, and in the case of coal only to the extent that the Administrator determines that the coal is to be converted to alternative fuel; and

"(B) an amount equal to 60 per centum of that portion of the actual total project cost of any demonstration facility which exceeds the project cost of such facility as estimated at the time the loan guarantee is issued;

"(3) the Administrator has determined that there will be a continued reasonable assurance of full repayment;

"(4) the obligation is subject to the condition that it not be subordinated to any other financing;

"(5) the Administrator has determined, taking into consideration all reasonably available forms of assistance under this section and other Federal and State statutes, that the impacts resulting from the proposed demonstration facility have been fully evaluated by the borrower, the Administrator, and the Governor of the affected State, and that effective steps have been taken or will be taken in a timely manner to finance community planning and development costs resulting from such facility under this section, under other provisions of law, or by other means;

"(6) the maximum maturity of the obligation does not exceed twenty years, or 90 per centum of the projected useful economic life of the physical assets of the demonstration facility covered by the guarantee, whichever is less, as determined by the Administrator;

"(7) the Administrator has determined that, in the case of any demonstration or modular facility planned to be located on Indian lands, the appropriate Indian tribe, with the approval of the Secretary of the Interior, has given written consent to such location;

"(8) the obligation provides for the orderly and ratable retirement of the obligation and includes sinking fund provisions, installment payment provisions or other methods of payments and reserves as may be reasonably required by the Administrator. Prior to approving any repayment schedule the Administrator may consider the date on which operating revenues are anticipated to be generated by the project. To the maximum extent possible repayment or provision therefor shall be required to be made in equal payments payable at equal intervals; and

"(9) the obligation provides that the Administrator shall, after a period of not less than ten years from issuance of the obligation, taking into consideration whether the Government's needs for information to be derived from the project have been substantially met and whether the project is capable of commercial operation, determine the feasibility and advisability of terminating the Federal participation in the project. In the event that such determination is positive, the Administrator shall notify the borrower and provide the borrower with not less than two nor more than three years in which to find alternative financing. At the expiration of the designated period of time, if the borrower has been unable to secure alternative financing, the Administrator is authorized to collect from the borrower an additional fee of 1 per centum per annum on the remaining obligation to which the Federal guarantee applies.

"(d) Prior to submitting a report to Congress pursuant to subsection (m) of this section on each guarantee and cooperative agreement, the Administrator shall request from the Attorney General and the Chairman of the Federal Trade Commission written views, comments, and recommendations concerning the impact of such guarantee or commitment or agreement on competition and concentration in the production of energy and give due consideration to views, comments, and recommendations received: *Provided,* That if either official, within sixty days after receipt of such request or at any time prior to the Administrator submitting such report to Congress, recommends against making such guarantee or commitment or agreement, the proposed guarantee or commitment or agreement shall be referred to the President, and the Administrator shall not do so unless the President determines in writing that such guarantee or commitment or agreement is in the national interest.

"(e)(1) As soon as the Administrator knows the geographic location of a proposed facility for which a guarantee or a commitment to guarantee or cooperative agreement is sought under this section, he shall inform the Governor of the State, and officials of each political subdivision and Indian tribe, as appropriate, in which the facility would be located or which would be impacted by such facility. The Administrator shall not guarantee or make a commitment to guarantee or enter into a cooperative agreement under subsection (b) of this section, if the Governor of the State in which the proposed facility would be located recommends that such action not be taken, unless the Administrator finds that there is an overriding national interest in taking such action in order to achieve the purpose of this section. If the Administrator decides to guarantee or make a commitment to guarantee or enter into a cooperative agreement despite a Governor's recommendation not to take such action, the Administrator shall communicate, in writing, to the Governor reasons for not concurring with such recommendation. This Administrator's decision, pursuant to this subsection, shall be final unless determined upon judicial review initiated by the Governor to be unlawful by the reviewing court pursuant to 5 U.S.C. 706(2) (A) through (D). Such review shall take place in the United States court of appeals for the circuit in which the State involved is located, upon application made within ninety days from the date of such decision. The Administrator shall, by regulation, establish procedures for review of, and comment on, the proposed facility by States, local political subdivisions, and Indian tribes which may be impacted by such facility, and the general public.

"(2) The Administrator shall review and approve the plans of the applicant for the construction and operation of any demonstration and related facilities constructed or to be constructed with assistance under this section. Such plans and the actual construction shall include such monitoring and other data-gathering costs associated with such facility as are required by the comprehensive plan and program under this section. The Administrator shall determine the estimated total cost of such demonstration facility, including, but not limited to, construction costs, startup costs, costs to political subdivisions and Indian tribes by such facility, and costs of any water storage facilities needed in connection with such demonstration facility, and determine who shall pay such costs. Such determination shall not be binding upon the States, political subdivisions, or Indian tribes.

"(3) There is hereby established a panel to advise the Administrator on matters relating to the program authorized by this section, including, but not limited to, the impact of the demonstration facilities on communities and States and Indian tribes, the environmental and health and safety effects of such facilities, and the means, measures, and planning for preventing or mitigating such impacts, and other matters relating to the development of alternative fuels and other energy sources under this section. The panel shall include such Governors or their designees as shall be designated by the Chairman of the National Governors Conference, Representatives of Indian tribes, industry, environmental organizations, and the general public shall be appointed by the Administrator. The Chairman of the panel shall be selected by the Administrator. No person shall be appointed to the panel who has a financial interest in any applicant applying for assistance under this section. Members of the panel shall serve without compensation. The provisions of section 106(e) of the Energy Reorganization Act of 1974 (42 U.S.C. 5816(e)) shall apply to the panel.

"(f) Except in accordance with reasonable terms and conditions contained in the written contract of guarantee, no guarantee issued or commitment to guarantee made under this section shall be terminated, canceled, or otherwise revoked. Such a guarantee or commitment shall be conclusive evidence that the underlying obligation is in compliance with the provisions of this section and that such obligation has been approved and is legal as to principal, interest, and other terms. Subject to the conditions of the guarantee or commitment to guarantee, such a guarantee shall be incontestable in the hands of the holder of the guaranteed obligation, except as to fraud or material misrepresentation on the part of the holder.

"(g)(1) If there is a default by the borrower, as defined in regulations promulgated by the Administrator and in the guarantee contract, the holder of the obligation shall have the right to demand payment of the unpaid amount from the Administrator. Within such period as may be specified in the guarantee or related agreements, the Administrator shall pay to the holder of the obligation the unpaid interest on, and unpaid principal of, the guaranteed obligation as to which the borrower has defaulted, unless the Administrator finds that there was no default by the borrower in the payment of interest or principal or that such default has been remedied. Nothing in this section shall be construed to preclude any forebearance by the holder of the obligation for the benefit of the borrower which may be agreed upon by the parties to the guaranteed obligation and approved by the Administrator.

"(2) If the Administrator makes a payment under paragraph (1) of this subsection, the Administrator shall be subrogated to the rights of the recipient of such payment (and such subrogation shall be expressly set forth in the guarantee or related agreements), including the authority to complete, maintain, operate, lease, or otherwise dispose of any property acquired pursuant to such guarantee or related agreements, or any other property of the borrower (of a value equal to the amount of such payment) to the extent that the guarantee applies to amounts in excess of the estimated project cost under subsection (c)(2)(B), without regard to the provisions of the Federal Property and Administrative Services Act of 1949, as amended, except section 207 of that Act (40 U.S.C. 488), or any other law, or to permit the borrower, pursuant to an agreement with the Administrator, to continue to pursue the purposes of the demonstration facility if the Administrator determines that this is in the public interest. The rights of the Administrator with respect to any property acquired pursuant to such guarantee or related agreements, shall be superior to the rights of any other person with respect to such property.

"(3) In the event of a default on any guarantee under this section, the Administrator

shall notify the Attorney General, who shall take such action as may be appropriate to recover the amounts of any payments made under paragraph (1) including any payment of principal and interest under subsection (h) from such assets of the defaulting borrower as are associated with the demonstration facility, or from any other security included in the terms of the guarantee.

"(4) For purposes of this section, patents, including any inventions for which a waiver was made by the Administrator under section 9 of this Act, and technology resulting from the demonstration facility, shall be treated as project assets of such facility. The guarantee agreement shall include such detailed terms and conditions as the Administrator deems appropriate to protect the interests of the United States in the case of default and to have available all the patents and technology necessary for any person selected, including, but not limited to the Administrator, to complete and operate the defaulting project. Furthermore, the guarantee agreement shall contain a provision specifying that patents, technology, and other proprietary rights which are necessary for the completion or operation of the demonstration facility shall be available to the United States and its designees on equitable terms, including due consideration to the amount of the United States default payments. Inventions made or conceived in the course of or under such guarantee, title to which is vested in the United States under this Act, shall not be treated as project assets of such facility for disposal purposes under this subsection, unless the Administrator determines in writing that it is in the best interests of the United States to do so.

"(h) With respect to any obligation guaranteed under this section, the Administrator is authorized to enter into a contract to pay, and to pay, holders of the obligations, for and on behalf of the borrowers, from the fund established by this section, the principal and interest payments which become due and payable on the unpaid balance of such obligation if the Administrator finds that—

"(1) the borrower is unable to meet such payments and is not in default; it is in the public interest to permit the borrower to continue to pursue the purposes of such demonstration facility; and the probable net benefit to the Federal Government in paying such principal and interest will be greater than that which would result in the event of a default;

"(2) the amount of such payment which the Administrator is authorized to pay shall be no greater than the amount of principal and interest which the borrower is obligated to pay under the loan agreement; and

"(3) the borrower agrees to reimburse the Administrator for such payment on terms and conditions, including interest, which are satisfactory to the Administrator.

"(i) Regulations required by this section shall be issued within one hundred and eighty days after enactment of this section, except as provided in subsection (t) of this section. All regulations under this section and any amendments thereto shall be issued in accordance with section 553 of title 5, of the United States Code.

"(j) The Administrator shall charge and collect fees for guarantees of obligations authorized by subsection (b) (1), in amounts which (1) are sufficient in the judgment of the Administrator to cover the applicable administrative costs, and (2) reflect the percentage of projects costs guaranteed. In no event shall the fee be less than 1 per centum per annum of the outstanding indebtedness covered by the guarantee. Nothing in this subsection shall be construed to apply to community planning and development assistance pursuant to subsection (k) of this section.

"(k) (1) In accordance with such rules and regulations as the Administrator in consultation with the Secretary of the Treasury shall prescribe, and subject to such terms and conditions as he deems appropriate, the Administrator is authorized, for the purpose of financing essential community development and planning which directly result from, or are necessitated by, one or more demonstration facilities assisted under this section to—

"(A) guarantee and make commitments to guarantee the payment of interest on, and the principal balance of, obligations for such financing issued by eligible States, political subdivisions, or Indian tribes,

"(B) guarantee and make commitments to guarantee the payment of taxes imposed on such demonstration facilities by eligible non-Federal taxing authorities which taxes are earmarked by such authorities to support the payment of interest and principal on obligations for such financing, and

"(C) require that the applicant for assistance for a demonstration facility under this section advance sums to eligible States, political subdivisions, and Indian tribes to pay for the financing of such development and planning: *Provided*, That the State, political subdivision, or Indian tribe agrees to provide tax abatement credits over the life of the facilities for such payments by such applicant.

"(2) Prior to issuing any guarantee under this subsection, the Administrator shall obtain the concurrence of the Secretary of the Treasury with respect to the timing, interest rate, and substantial terms and conditions of such guarantee. The Secretary of the Treasury shall insure to the maximum extent feasible that the timing, interest rate, and substantial terms and conditions of such guarantee will have the minimum possible impact on the capital markets of the United States, taking into account other Federal direct and indirect securities activities.

"(3) In the event of any default by the borrower in the payment of taxes guaranteed by the Administrator under this subsection, the Administrator shall pay out of the fund established by this section such taxes at the time or times they may fall due, and shall have by reason of such payment a claim against the borrower for all sums paid plus interest.

"(4) If after consultation with the State, political subdivision, or Indian tribe, the Administrator finds that the financial assistance programs of paragraph (1) of this subsection will not result in sufficient funds to carry out the purposes of this subsection, then the Administrator may—

"(A) make direct loans to the eligible States, political subdivisions, or Indian tribes for such purposes: *Provided*, That such loans shall be made on such reasonable terms and conditions as the Administrator shall prescribe: *Provided further*, That the Administrator may waive repayment of all or part of a loan made under this paragraph, including interest, if the State or political subdivision or Indian tribe involved demonstrates to the satisfaction of the Administrator that due to a change in circumstances there will be net adverse impacts resulting from such demonstration facility that would probably cause such State, subdivision, or tribe to default on the loan; or

"(B) require that any community development and planning costs which are associated with, or result from, such demonstration facility and which are determined by the Administrator to be appropriate for such inclusion shall be included in the total costs of the demonstration facility.

"(5) The Administrator is further authorized to make grants to States, political subdivisions, or Indian tribes for studying and planning for the potential economic, environmental, and social consequences of demonstration facilities, and for establishing related management expertise.

"(6) At any time the Administrator may, with the concurrence of the Secretary of with Treasury, redeem, in whole or in part, out of the fund established by this section, the debt obligations guaranteed or the debt obligations for which tax payments are guaranteed under this subsection.

"(7) When one or more States, political subdivisions, or Indian tribes would be eligible for assistance under this subsection, but for the fact that construction and operation of the demonstration facilities occurs outside its jurisdiction, the Administrator is authorized to provide, to the greatest extent possible, arrangements for equitable sharing of such assistance.

"(8) Such amounts as may be necessary for direct loans and grants pursuant to this subsection shall be available as provided in annual authorization Acts.

"(9) The Administrator, if appropriate, shall provide assistance in the financing of up to 100 per centum of the costs of the required community development and planning pursuant to this subsection.

"(10) In carrying out the provisions of this subsection, the Administrator shall provide that title to any facility receiving financial assistance under this subsection shall vest in the applicable State, political subdivision, or Indian tribe, as appropriate, and in the case of default by the borrower on a loan guarantee such facility shall not be considered a project asset for the purposes of subsection (g) of this section.

"(l) (1) The Administrator is directed to submit a report to the Congress within one hundred and eighty days after the enactment of this section setting forth his recommendations on the best opportunities to implement a program of Federal financial assistance with the objective of demonstrating production and conservation of energy. Such report shall be updated and submitted to Congress at least annually and shall include specific comments and recommendations by the Secretary of the Treasury on the methods and procedures set forth in subparagraph (b) (viii) of this subsection, including their adequacy, and changes necessary to satisfy the objectives stated in this subsection. This report shall include—

"(A) a study of the purchase or commitment to purchase by the Federal Government, for the use by the United States, of all or a portion of the products of any alternative fuel facilities constructed pursuant to this program as a direct or an alternate form of Federal assistance, which assistance, if recommended, shall be carried out pursuant to section 7(a) (4) of this Act; and

"(B) a comprehensive plan and program to acquire information and evaluate the environmental, economic, social, and technological impacts of the demonstration program under this section. In preparing such a comprehensive plan and program, the Administrator shall consult with the Environmental Protection Agency, the Federal Energy Administration, the Department of Housing and Urban Development, the Department of the Interior, the Department of Agriculture, and the Department of the Treasury, and shall include therein, but not be limited to, the following:

"(i) information about potential demonstration facilities proposed in the program under this section;

"(ii) any significant adverse impacts which may result from any activity included in the program;

"(iii) the extent to which it is feasible to commercialize the technologies as they affect different regions of the Nation;

"(iv) proposed regulations required to carry out the purposes of this section;

"(v) a list of Federal agencies, governmental entities, and other persons that will be consulted or utilized to implement the program;

"(vi) the methods and procedures by

which the information gathered under the program will be analyzed and disseminated;

"(vii) a plan for the study and monitoring of the health effects of such facilities on workers and other persons, including, but not limited to, any carcinogenic effect of alternative fuels; and

"(viii) the methods and procedures to insure that (I) the use of the Federal assistance for demonstration facilities is kept to the minimum level necessary for the information objectives of this section, (II) the impact of loan guarantees on the capital markets of the United States is minimized, taking into account other Federal direct and indirect securities activities, and any economic sectors which may be negatively impacted as a result of the reduction of capital by the placement of guaranteed loans, and (III) the granting of Federal loan guarantees under this Act does not impede movement toward improvement in the climate for attracting private capital to develop alternative fuels without continued direct Federal incentives.

"(2) The Administrator shall annually submit a detailed report to the Congress concerning—

"(A) the actions taken or not taken by the Administrator under this section during the preceding fiscal year, and including, but not be limited to (i) a discussion of the status of each demonstration facility and related facilities financed under this section, including progress made in the development of such facilities, and the expected or actual production from each such facility, including byproduct production therefrom, and the distribution of such products and byproducts, (ii) a detailed statement of the financial conditions of each such demonstration facility, (iii) data concerning the environmental, community, and health and safety impacts of each such facility and the actions taken or planned to prevent or mitigate such impacts, (iv) the administrative and other costs incurred by the Administrator and other Federal agencies in carrying out this program, and (v) such other data as may be helpful in keeping Congress and the public fully and currently informed about the program authorized by this section; and

"(B) the activities of the funds referred to in subsection (n) of this section during the presiding fiscal year, including a statement of the amount and source of fees or other moneys, property, or assets deposited into the funds, all payments made, the notes or other obligations issued by the Administrator, and such other data as may be appropriate.

"(3) The annual reports required by this subsection shall be a part of the annual report required by section 15 of this Act, except that the matters required to be reported by this subsection shall be clearly set out and identified in such annual reports. Such reports and the one-hundred-and-eighty-day report required in paragraph (1) of this subsection shall be transmitted to the Speaker of the House of Representatives and the House Committee on Science and Technology and to the President of the Senate and the Committee on Energy and Natural Resources of the Senate.

"(m) Prior to issuing any guarantee or commitment to guarantee or cooperative agreement pursuant to subsection (b) of this section, the Administrator shall submit to the Committee on Science and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a full and complete report on the proposed demonstration facility and such guarantee, agreement, or contract. Such guarantee, commitment to guarantee, cooperative agreement, or contract shall not be finalized under the authority granted by this section prior to the expiration of ninety calendar days (not including any day on which either House of Congress is not in session because of an adjournment of more than three calendar days to a day certain) from the date on which such report is received by such committees: *Provided*, That, where the cost of a demonstration facility to be assisted with a guarantee or cooperative agreement pursuant to subsection (b) of this section exceeds $50,000,000 such guarantee or commitment to guarantee or cooperative agreement shall not be finalized unless (1) the making of such guarantee or commitment or agreement is specifically authorized by legislation hereafter enacted by the Congress or (2) both Houses pass a resolution stating in substance that the Congress favors the making of such guarantee or commitment or agreement.

"(n)(1) There is hereby created within the Treasury a separate fund (hereafter in this section called the 'fund') which shall be available to the Administrator without fiscal year limitation as a revolving fund for the purpose of carrying out the program authorized by subsection (b)(1) and subsections (g), (h), and (k) of this section.

"(2) There are hereby authorized to be appropriated to the fund for administrative expenses from time to time such amounts as may be necessary to carry out the purposes of the applicable provisions of this section, including, but not limited to, the payments of interest and principal and the payment of interest differentials and redemption of debt. All amounts received by the Administrator as interest payments or repayments of principal on loans which are guaranteed under this section, fees, and any other moneys, property, or assets derived by him from operations under this section shall be deposited in the fund.

"(3) All payments on obligations, appropriate expenses (including reimbursements to other Government accounts), and repayments pursuant to operations of the Administrator under this section shall be paid from the fund subject to appropriations. If at any time the Administrator determines that moneys in the fund exceed the present and reasonably foreseeable future requirements of the fund, such excess shall be transferred to the general fund of the Treasury.

"(4) If at any time the moneys available in the fund are insufficient to enable the Administrator to discharge his responsibilities as authorized by subsections (b)(1), (g), and (h) of this section, the Administrator shall issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary of the Treasury. Redemption of such notes or obligations shall be made by the Administrator from appropriations or other moneys available under paragraph (2) of this subsection for loan guarantees authorized by subsection (b)(1) and subsections (g), (h), and (k) of this section. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, which shall be not less than a rate determined by taking into consideration the average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection.

"(5) The provisions of this subsection do not apply to direct loans or planning grants made under subsection (k) of this section.

"(o) For the purposes of this section, the term—

"(1) 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, or any territory or possession of the United States,

"(2) 'United States' means the several States, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa, and

"(3) 'borrower' or 'applicant' shall include any individual, firm, corporation, company, partnership, association, society, trust, joint venture, joint stock company, or other non-Federal entity.

"(p)(1) An applicant seeking a guarantee or cooperative agreement under subsection (b) of this section must be a citizen or national of the United States. A corporation, partnership, firm, or association shall not be deemed to be a citizen or national of the United States unless the Administrator determines that it satisfactorily meets all the requirements of section 802 of title 46, United States Code, for determining such citizenship, except that the provisions in subsection (a) of such section 802 concerning (A) the citizenship of officers or directors of a corporation, and (B) the interest required to be owned in the case of a corporation, association, or partnership operating a vessel in the coastwise trade, shall not be applicable.

"(2) The Administrator, in consultation with the Secretary of State, may waive such requirements in the case of a corporation, partnership, firm, or association, controlling interest in which is owned by citizens of countries which are participants in the International Energy Agreement.

"(q) No part of the program authorized by this section shall be transferred to any other agency or authority, except pursuant to Act of Congress enacted after the date of enactment of this section.

"(r) Inventions made or conceived in the course of or under a guarantee authorized by this section shall be subject to the title and waiver requirement and conditions of section 9 of this Act.

"(s) Nothing in this section shall be construed as affecting the obligations of any person receiving financial assistance pursuant to this section to comply with Federal and State environmental, land use, water, and health and safety laws and regulations or to obtain applicable Federal and State permits, licenses, and certificates.

"(t) The information maintained by the Administrator under this section shall be made available to the public subject to the provision of section 552 of title 5, United States Code, and section 1905 of title 18, United States Code, and to other Government agencies in a manner that will facilitate its dissemination: *Provided*, That upon a showing satisfactory to the Administrator by any person that any information, or portion thereof obtained under this section by the Administrator directly or indirectly from such person would, if made public, divulge (1) trade secrets or (2) other proprietary information of such person, the Administrator shall not disclose such information and disclosure thereof shall be punishable under section 1905 of title 18, United States Code: *Provided further*, That the Administrator shall, upon request, provide such information to (A) any delegate of the Administrator for the purpose of carrying out this Act, and (B) the Attorney General, the Secretary of Agriculture, the Secretary of the Interior, the Federal Trade Commission, the Federal Energy Administration, the Environmental Protection Agency, the Federal Power Commission, the General Accounting Office, other Federal agencies, or heads of other Federal agencies, when necessary to carry out their duties and responsibilities under this and other statutes, but such agencies and agency heads shall not release such information to the public. This section is not authority to withhold information from Congress, or from any committee of Congress upon request of the Chairman. For the purposes of this subsection, the term 'person' shall include the borrower.

"(u) Notwithstanding any other provision of this section, the authority provided in this section to make guarantees or commitments to guarantee or enter into cooperative agreements under subsection (b)(1), to make guarantees or commitments to guarantee, or to make loans or grants, under subsection (k), to make contracts under subsection (h),

and to use fees and receipts collected under subsections (b) and (j) of this section, and the authorities provided under subsection (n) of this section, shall be effective only to the extent provided, without fiscal year limitation, in appropriation Acts enacted after the date of enactment of this section.

"(v) No person in the United States shall on the grounds of race, color, religion, national origin, or sex, be excluded from participation in, be denied benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with assistance made available under this section: *Provided*, That Indian tribes are exempt from the operation of this subsection: *Provided further*, That such exemption shall be limited to the planting and provision of public facilities which are located on reservations and which are provided for members of the affected Indian tribes as the primary beneficiaries.

"(W) In carrying out his functions under this section, the Administrator shall provide a realistic and adequate opportunity for small business concerns to participate in the program to the optimum extent feasible consistent with the size and nature of each project.

"(x)(1)(A) Recipients of financial assistance under this section shall keep such records and other pertinent documents, as the Administrator shall prescribe by regulation, including, but not limited to, records which fully disclose the disposition of the proceeds of such assistance, the cost of any facility, the total cost of the provision of public facilities for which assistance was used and such other records as the Administrator may require to facilitate an effective audit. The Administrator and the Comptroller General of the United States or their duly authorized representatives shall have access, for the purpose of audit, to such records and other pertinent documents.

"(B) Within 6 months after the date of enactment of this section and at 6-month intervals thereafter, the Comptroller General of the United States shall make an audit of recipients of financial assistance under this section. The Comptroller General may prescribe such regulations as he deems necessary to carry out this subparagraph.

"(2) All laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance under this section shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a–5). The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948; 40 U.S.C. 276(c)).

"(y) For purposes of this section 'biomass' shall include, but is not limited to, animal and timber waste, urban and industrial waste, sewerage sludge, and oceanic and terrestrial crops.".

SEC. 313. In order to provide economic farm units to qualifying farmers whose land is economically infeasible to reclaim from damages resulting from the Teton flood of June 5, 1976, and who are unable to find suitable replacement land for their flood damaged farm, and in order to restore the economic and agricultural base of the flood damaged region, there is hereby transferred 5,955 acres of land, hereinafter described, in the State of Idaho presently under the jurisdiction of the Energy Research and Development Administration, to the Secretary of the Interior who, acting through the Bureau of Reclamation, shall make such lands available for sale to qualifying farmers according to the terms hereafter provided.

Part I. As used in this Act, the term:

(a) "Teton flood" means the flood resulting from the collapse of Teton Dam of the Lower Teton Division of the Teton Basin Federal Reclamation Project on June 5, 1976.

(b) "Energy Research and Development Administration land" means those public and acquired lands in the State of Idaho identified as sections numbered fourteen (14), twenty-three (23), twenty-four (24), twenty-five (25), and thirty-six (36), in township six (6) north, of range thirty-three (33) east of the Boise meridian; sections numbered nineteen (19), thirty (30), and thirty-one (31) in township six (6) north, of range thirty-four (34) east of the Boise meridian; and the southeast quarter, the south half of the northeast quarter, the east half of the southwest quarter and the southeast quarter of the northwest quarter, of section numbered eight (8) and the south half and the south half of the north half of section numbered nine (9) in township five (5) north, of range thirty-four (34) east of the Boise meridian, all situated in the county of Jefferson and State of Idaho, and containing 5,955 acres, more or less, which would be transferred for the purposes of this Act.

(c) "Qualifying farmer" means the resident, owner-operator of a farm who resides in the immediate locality, whose livelihood is derived from his farming operation and whose land was damaged due to the collapse of the Teton Dam on June 5, 1976, to the extent that in the opinion of the Secretary of the Interior, it is not economically feasible to reclaim such land so that it produces an income commensurate with that earned prior to the Teton flood.

(d) "Irrigable land" means farm land that is suitable for irrigated agriculture and has been certified as irrigable by the Secretary of the Interior.

Part II. For a period of not more than 5 years after transfer to the Bureau of Reclamation, the land heretofore described shall be available for purchase by those who, on or before October 1, 1978, are determined to be qualifying farmers pursuant to regulations issued in accordance with part V of this Act by the Secretary of the Interior.

Part III. Energy Research and Development Administration land as described in part I(b) of this Act shall be certified as irrigable by the Secretary of the Interior, and lands so certified shall be made available in a manner to be prescribed by the Secretary for purchase by qualifying farmers at its current fair market value as determined by a board of appraisers composed of a Federal appraiser, a State appraiser, and one appraiser from the disaster region: *Provided*, That irrigable land transferred to a single ownership shall not exceed 160 acres of class I land as defined by the Secretary or the equivalent thereof in other land classes as determined by the Secretary. The United States, through the Secretary, shall convey fee simple title of the Energy Research and Development Administration land to the qualifying farmer. The cost of developing the replacement land for farming shall be borne by the qualifying farmer who purchases the land.

Part IV. Any part of the Energy Research and Development Administration land remaining in the possession of the Bureau of Reclamation at the end of the 5-year period, except land needed for public rights-of-way, as determined by the Secretary, shall be returned to the Energy Research and Development Administration.

Part V. Within ninety days after the enactment of this Act the Secretary shall prescribe and publish in the Federal Register such rules and regulations as may be necessary and proper to carry out the provisions of this Act.

Part VI. Full recovery for the loss of all or part of flood-damaged farms shall be obtained by owners pursuant to the Teton Dam Disaster Assistance Act of 1976, Public Law 94–400, 94 Stat. 1211, and the Supplemental Appropriation Act of 1976, Public Law 94–438, 90 Stat. 1415.

Part VII. Actions taken pursuant to this Act are in response to emergency conditions and depend for their effectiveness upon their prompt completion and, therefore, are deemed not only to be major Federal actions significantly affecting the quality of the human environment for purposes of the National Environmental Policy Act of 1969 (83 Stat. 852, as amended, 42 U.S.C. 4321).

Part VIII. There is hereby authorized to be appropriated such sums as may be necessary for the purposes of administration of this Act.

TITLE IV—ASSISTANCE PAYMENTS TO THE LOS ALAMOS SCHOOL BOARD AND THE COUNTY OF LOS ALAMOS

SEC. 401. (a) Section 91 a. of the Atomic Energy Community Act of 1955 (42 U.S.C. 2391) is amended to read as follows:

"a. From the date of transfer of any municipal installations to a governmental or other entity at or for the community, the Administrator shall, for a period of 10 years, make annual assistance payments of just and reasonable sums to the State, county, or local entity having jurisdiction to collect property taxes or to the entity receiving the installation transferred hereunder: *Provided, however*, That with respect to the Cities of Oak Ridge, Tennessee, and Richland, Washington, the Richland School District, the Los Alamos School Board, and the County of Los Alamos, New Mexico, the Administrator is authorized to continue to make assistance payments of just and reasonable sums after expiration of such 10-year period: *Provided further*, That the Administrator is also authorized to make payments of just and reasonable sums to Anderson County and Roane County, Tennessee. In determining the amount and recipient of such payments the Administrator shall consider—

"(1) the approximate real property taxes and assessments for local improvements which would be paid to the governmental entity upon property within the community if such property were not exempt from taxation by reason of Federal ownership;

"(2) the maintaining of municipal services at a level which will not impede the recruitment or retention of personnel essential to the Energy Research and Development Administration program;

"(3) the fiscal problems peculiar to the governmental entity by reason of the construction at the community as a single-purpose national defense installation under emergency conditions;

"(4) the municipal services and other burdens imposed on the governmental or other entities at the community by the United States in its operations in the project area; and

"(5) the tax revenues and sources available to the governmental entity, its efforts and diligence in collection of taxes, assessment of property, and the efficiency of its operations.".

(b) Section 91 d. of such Act is amended to read as follows:

"d. With respect to any entity not less than six months prior to the expiration of the ten-year period referred to in subsection a. (or not less than six months prior to June 30, 1979, in the case of the Cities of Oak Ridge, Tennessee, and Richland, Washington, and the Richland School District; or not less than six months prior to June 30, 1986, in the case of Anderson County and Roane County, Tennessee and the Los Alamos School Board; and not less than six months prior to June 30, 1987, in the case of the County of Los Alamos, New Mexico), the Administrator shall present to the Joint Committee on Atomic Energy recommendations as to the need for any further assistance payments to such entity.".

SEC. 402. Section 94 of the Atomic Energy

Community Act of 1955 is amended to read as follows:

"SEC. 94. CONTRACTS.—The Administrator is authorized, without regard to section 3679 of the Revised Statutes, to enter into a contract with any governmental or other entity to which payments are required or authorized to be made pursuant to section 91, obligating the Administrator to make to such entity the payments directed or authorized to be made by section 91: *Provided, however,* That the term of such contracts, in the case of the Cities of Oak Ridge, Tennessee, and Richland, Washington, and the Richland School District, shall not extend beyond June 30, 1979; and in the case of the Los Alamos School Board shall not extend beyond June 30, 1986; and in the case of the County of Los Alamos, New Mexico, shall not extend beyond June 30, 1987.".

TITLE V—LAWRENCE LIVERMORE LABORATORY EMPLOYEE GRIEVANCE PROCEDURE

SEC. 501. The Administrator shall not use any funds appropriated pursuant to this Act under any contract in effect on or after October 1, 1977, for research services or material contract or supplies by the Lawrence Livermore Laboratory unless that contract specifically provides that the employees of the Laboratory will be protected by an impartial grievance procedure which includes binding arbitration as the final step covering all "rights disputes" in accordance with the rules of the American Arbitration Association. The contract shall further guarantee the employees the right to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing. If a question arises concerning representation of employees, the services of the Federal Mediation and Conciliation Service may be invoked to provide appropriate procedures for the determination of employee representatives. The employer shall bargain in good faith with the representatives of its employees on all matters dealing with wages, hours, and other terms and conditions of employment. If the parties fail to reach an agreement, the services of the Atomic Energy Labor-Management Relations Panel shall be invoked for mediation purposes. All unresolved issues shall then be referred to such panel for final and binding arbitration. Nothing contained herein should be construed to permit any employee representative or person to engage in a work stoppage or to permit the employer to lock out its employees: *Provided, however,* That no employee rights or activities shall be guaranteed in such contract which would be in violation of the law of the State of California.

TITLE VI—FOR NONNUCLEAR ENERGY RESEARCH, DEVELOPMENT, DEMONSTRATION, AND RELATED ACTIVITIES

OPERATING EXPENSES

SEC. 601. For operating expenses, for the following programs, a sum equal to the total of the following amounts:

(1) Conservation research and development;

Electric energy systems and energy storage:

(a) Electric energy systems, $36,700,000.

(b) Energy storage systems, $49,900,000.

End use conservation and technologies to improve efficiency:

(a) Industrial energy conservation, $40,000,000.

(b) Buildings and community systems, $56,000,000: *Provided,* That $2,000,000 of such sum are hereby authorized for a research and development program in residential gas furnaces.

(c) Transportation energy conservation, $88,000,000, of which $2,000,000 shall be available to the Alternative Fuels Utilization Program for study of automotive utilization of alcohol fuels and blends: *Provided,* That, of those funds authorized, funds as may be necessary are hereby authorized for the Energy Research and Development Administration to conduct studies to determine the feasibility of utilizing existing distillery facilities or other types of refineries including but not limited to sugar refineries, in the implementation of programs to extend the supply of gasoline by means of a mixture of gasoline and alcohol: *Provided further,* That no more than two hundred electric vehicles may be purchased within the provisions of Public Law 94-413 utilizing funds made available in this section.

(d) Improved conversion efficiency, $78,200,000.

(e) Small grants for appropriate technology, $6,000,000.

Energy extension service:

(a) Energy extension service, $8,000,000.

(2) Fossil energy development:

Coal:

(a) Liquefaction, $107,000,000.

(b) High Btu gasification, $51,200,000.

(c) Low Btu gasification, $73,900,000: *Provided,* That the sum of $40,000,000 which represents the portion of the appropriations heretofore made in the total amount of $56,000,000 for project 76-1-a (clean boiler fuel demonstration plant (A-E) and long-lead procurement) which remains unobligated and is no longer needed is hereby authorized to be made available instead, in addition to any amounts appropriated for the purposes involved pursuant to this Act for the low Btu gasification program.

(d) Advanced power systems, $25,500,000.

(e) Direct combustion, $65,200,000.

(f) Advanced research and supporting technology, $45,000,000: *Provided,* That of those funds authorized, funds as may be necessary are hereby authorized for the following purpose:

(1) The Administrator shall conduct a feasibility study of the technology and the commercial applications of the process of fine-grinding of coal and dry vegetable residues to four micron-size particles for the purpose of preparing these substances as clean burning fuels.

(2) In carrying out the feasibility study, the Administrator may provide for adequate participation by individuals, corporations and private and public research facilities, colleges and universities.

(3) A report of the findings together with recommendations for advancing the technology, if deemed appropriate by the Administrator, shall be submitted to the Congress as soon as possible but not later than January 1, 1978.

(g) Demonstration plants, $50,900,000.

(h) Magnetohydrodynamics, $80,000,000.

Petroleum and natural gas:

(a) Enhanced oil recovery, $46,100,000.

(b) Enhanced gas recovery, $30,000,000.

(c) Drilling, exploration and offshore technology, $1,600,000.

(d) Processing and utilization, $1,400,000.

Oil shale and in situ technology:

(a) Oil shale, $28,000,000.

(b) In situ coal gasification, $11,000,000: *Provided,* That, of those funds authorized for fossil energy development, and funds as may be necessary are hereby authorized for the Energy Research and Development Administration to conduct a study to determine the extent of the Nation's coal reserves, the general geographic location of such reserves and the cost of extracting said reserves.

(3) Solar energy development:

(a) Thermal applications, $107,700,000.

(b) Technology support and utilization, $12,000,000.

(c) Solar electric application, $178,900,000: *Provided,* That $7,500,000 of such sum are hereby authorized for design work for small community applications.

(d) Solar Energy Research Institute and Regional Centers. There is hereby authorized from funds made available under subsections (a), (b), and (c) of this section an amount no less than $10,000,000 for the operation of the Solar Energy Research Institute and its associated regional centers.

(e) Fuels from biomass, $19,500,000; and under such rules and regulations as he may establish, the Administrator is authorized to guarantee a loan or loans for the demonstration of a 50 MW wood-fueled power generating facility.

(4) Geothermal energy development:

(a) Engineering research and development, $17,100,000.

(b) Resource exploration and assessment, $17,600,000.

(c) Hydrothermal technology applications, $32,000,000.

(d) Advanced technology applications, $23,500,000.

(e) Utilization experiments, $16,000,000.

(f) Environmental control and institutional studies, $8,100,000.

(g) Low lead hydroelectric demonstration, $15,000,000.

PLANT AND CAPITAL EQUIPMENT

SEC. 602. For plant and capital equipment, including construction, acquisition, or modification of facilities, including land acquisition; and acquisition and fabrication of capital equipment not related to construction, a sum of dollars equal to the total of the following amounts:

(1) Conservation Research and Development:

Project 78-1-a, high bay addition, Los Alamos Scientific Laboratory, New Mexico, $800,000.

(2) Fossil Energy Development:

Project 78-2-a, analytical research, chemistry and coal carbonization laboratory, Pittsburgh Energy Research Center, Pennsylvania, $6,600,000.

Project 78-2-b, modifications and additions to Energy Research Centers, various locations, $3,000,000.

Project 78-2-c, low Btu fuel gas small industrial demonstration plants, sites undetermined (A-E and long-lead procurement only), $6,000,000.

Project 78-2-d, solvent refined coal demonstration plant, site undetermined (A-E and long-lead procurement only), $2,000,000.

(3) Capital Equipment Not Related to Construction:

(A) Conservation research and development, $6,170,000.

(B) Fossil energy development, $5,500,000.

(C) Solar energy development, $7,900,000.

(D) Geothermal energy development, $2,500,000.

AMENDMENTS TO PRIOR YEAR ACTS

SEC. 603. (a) Public Law 94-187 is amended by:

(1) Striking from subsection 101(b)(1), project 76-1-b, high Btu synthetic pipeline gas demonstration plant, the words "(A-E and long-lead procurement)" and the figure, "$20,000,000", and striking from subsection 201(b)(1) "project 76-1-b, high Btu synthetic pipeline gas demonstration plant (A-E and long-lead procurement) $5,000,000", which authorized appropriations for this project totaling $25,000,000, and substituting therefor in subsection 101(b)(1), project 76-1-b, high Btu synthetic pipeline gas demonstration plant, the figure "$220,000,000".

(2) Striking from subsection 101(b)(1), project 76-1-c, low Btu fuel gas demonstration plant, the words "(A-E and long-lead procurement)" and the figure "$15,000,000", and striking from subsection 201(b)(1) the words and figures, "project 76-1-c, low Btu fuel gas demonstration plant (A-E and long-lead procurement), $3,750,000," which authorized appropriations for this project totaling $18,750,000, and substituting therefor in subsection 101(b)(1), project 76-1-c, low Btu fuel gas demonstration plant, the figure "$150,000,000".

(3) Striking from subsection 101(b)(2), project 76-2-a, five megawatt solar thermal test facility, the figure "$5,000,000", and striking from subsection 201(b)(2) the words and figures "project 76-2-a, five megawatt solar thermal test facility, $1,250,000", which authorized appropriations for

this project totaling $6,250,000, and substituting therefor in subsection 101(b)(2) the figure "$21,250,000", which is an increase of $3,000,000 over the amount authorized by Public Law 94–355, as amended.

(4) Striking from subsection 101(b)(2), project 76–2–b, ten megawatt central receiver solar thermal powerplant (A–E and long-lead procurement), the words "(A–E and long-lead procurement)" and the figure "$5,000,000", and striking from subsection 201(b)(2) the words and figures "project 76–2–b, ten megawatt central receiver solar thermal powerplant (A–E and long-lead procurement), $1,250,000" which authorized appropriations for this project totaling $6,250,000, and substituting therefor in subsection 101(b)(2), the words "Barstow, California," and the figure "$61,250,000": *Provided,* That if the solar electrical generating facility hereby supported contributes electricity to a distribution network serving the public on a commercial basis and if any Federal monetary contribution is included in the rate base for the purpose of computing return on capital investment to such utilities, that portion of the capital costs derived from Federal funds and included in the rate base shall be recovered with interest from the revenues of the solar facility.

(b) Project 77–1–d, MHD component development and integration facility, authorized by Public Law 94–373, is increased by $8,200,000 for a total authorization of $13,200,000.

TITLE VII—FOR NONNUCLEAR ENVIRONMENTAL RESEARCH AND DEVELOPMENT, PROGRAM MANAGEMENT AND SUPPORT, AND RELATED PROGRAMS

OPERATING EXPENSES

SEC. 701. For operating expenses for the following programs, a sum equal to the total of the following amounts:

(1) Environmental research and development:

(a) Overview and assessment, $43,010,000.

(b) Biomedical and environmental research, $143,970,000, of which $1,000,000 shall be made available to the Water Resources Council to carry out the provisions of section 13 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5912), as amended.

(2) Life sciences research and biomedical applications, $38,113,000.

(3) Program management and support:

(a) Program direction, $257,100,000.

(b) Institutional relations, $30,179,000, including funds to reimburse the National Bureau of Standards for costs incurred in carrying out the provisions of section 14 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5913), as amended; and $1,800,000 is authorized to be appropriated pursuant to this paragraph (3) for financial awards by ERDA to independent inventors for the purpose of carrying out section 14 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5913), as amended.

(c) Supporting activities, $54,460,000.

(d) International cooperation, $5,000,000.

(4) Funds to carry out the provisions of section 11 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5910) in the amount of $500,000 for the Council on Environmental Quality.

PLANT AND CAPITAL EQUIPMENT

SEC. 702. For plant and capital equipment, including construction, acquisition, or modification of facilities, including land acquisition; and acquisition of fabrication of capital equipment not related to construction, a sum of dollars equal to the total of the following amounts:

(1) Environmental Research and Development:

Project 78–9–a, modification and additions to biomedical and environmental research facilities, various locations, $6,000,000.

(2) Program Management and Support:

Project 78–1–b, chiller modifications for energy conservation, Bendix Plant, Kansas City, Missouri, $830,000.

Project 78–1–c, process waste heat utilization, gaseous diffusion plant, Paducah, Kentucky, $5,700,000.

Project 78–19–a, program support facility, Argonne National Laboratory, Illinois (A–E and long-lead procurement only), $5,000,000.

(3) Project 78–22, Construction Planning and Design, $10,000,000.

(4) Capital Equipment Not Related to Construction:

(A) Environmental research and development, $18,825,000.

(B) Program management and support, $5,155,000.

SEC. 703. The Administrator of the Energy Research and Development Administration, or its successor agency, is hereby authorized, to the extent and in such amounts as are provided in appropriation Acts, to enter into a cooperative arrangement with an interstate pipeline organization for participation in the construction and operation of a high Btu pipeline gas demonstration plant, utilizing the HYGAS steam-oxygen process and Illinois Basin type coal.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I ask unanimous consent that S. 1811 be ordered printed as passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 1811.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I commend the distinguished Senators from Idaho (Mr. CHURCH and Mr. McCLURE) for the splendid work they have done in connection with the bill that has just passed the Senate.

I also compliment them on the handling of the floor amendments and on their conduct of the debate. I think the Senate is in their debt, and I personally congratulate them and thank them for their efforts.

Mr. McCLURE. I thank the Senator from West Virginia.

PUBLIC WORKS APPROPRIATIONS, 1978

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of H.R. 7553, which will be stated by title.

The second assistant legislative clerk read as follows:

A bill (H.R. 7553) making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1978, and for other purposes.

The Senate resumed the consideration of the bill.

Mr. GOLDWATER. Mr. President, may I ask a question of the majority leader?

Mr. ROBERT C. BYRD. Yes.

Mr. GOLDWATER. Now that we are resuming consideration of the public works bill, will we be discussing the nuclear weapon today?

Mr. ROBERT C. BYRD. Not today.

The distinguished minority leader is on his way to the Chamber. We have had some discussions among the manager, the ranking member, the minority leader, and others in connection with that matter. We have a proposed agreement which I shall propound as soon as the minority leader reaches the Chamber. If that agreement is entered into, the Senate would not discuss or dispose of that particular item until tomorrow.

Mr. GOLDWATER. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF MEASURES ON THE UNANIMOUS CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, there are certain measures on the Unanimous Consent Calendar which have been cleared by action taken yesterday, and while we are awaiting the arrival of certain Senators, I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders Nos. 293, 294, 295, 296, 298, and 300 on the Unanimous Consent Calendar.

The PRESIDING OFFICER (Mr. CANNON). Without objection, it is so ordered.

AUTHORIZATION FOR SALE OF OBSOLETE VESSELS

The bill (S. 854) to authorize the Secretary of Commerce to sell two obsolete vessels to Mid-Pacific Sea Harvesters, Inc., and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provisions of law, the Secretary of Commerce is authorized, within two years after enactment of this Act, to sell, subject to such conditions he deems are appropriate in the national interest, the two obsolete vessels AOG–1 Patapsco and AOG–9 Kishwaukee for the purpose of conversion and operation in the fisheries of the United States to Mid-Pacific Sea Harvesters, Incorporated, a corporation organized under the laws of the State of Hawaii, for their appraised value for operation or their scrap value in the domestic market, whichever is greater, as of the date of the sale: *Provided,* That (1) any conversion work shall be performed in the United States; (2) the vessels shall be documented and operated under the laws of the United States; (3) the vessels shall be operated in conformity with all international fishery conventions to which the United States is a signatory; and (4) if the vessels are scrapped within five years after the date of sale, they shall be scrapped in the domestic market.

Mr. ROBERT C. BYRD. Mr. President,

I move to reconsider the vote by which the bill was passed.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–314), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the bill is to permit the Secretary of Commerce to sell to Mid-Pacific Sea Harvesters, Incorporated, two obsolete Navy vessels, the Patapsco (AOG–1) and Kishwaukee (AOG–2), for conversion and operation in the fisheries of the United States.

DESCRIPTION

The bill authorizes the Secretary of Commerce to sell, within two years after enactment of this legislation and subject to such conditions as he deems appropriate in the national interest, two obsolete Navy tankers to Mid-Pacific Sea Harvesters, Incorporated, a corporation organized under the laws of the State of Hawaii. The bill provides that the sale price shall be the vessels' appraised value, for operation or as scrap in the domestic market, which ever is greater at the date of the sale. The legislation also requires that the vessels be converted in the United States; documented and operated under United States' law; operated in conformity with all international fishery conventions to which the United States is a signatory; and that if the vessels are scrapped within five years after the date of sale, such work shall be done in the United States.

BACKGROUND AND NEED

The Patapsco and Kishwaukee are obsolete, surplus Navy tankers. They are currently located at the Naval Inactive Ship Maritime Facility at Pearl Harbor, Hawaii. Under the provisions of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), the Maritime Administration of the Department of Commerce is responsible for the disposition of surplus vessels of 1500 gross tons or more, which are capable of conversion to merchant use.

Mid-Pacific Sea Harvesters, Incorporated desires to convert and operate these vessels in the U.S. fisheries in the mid-Pacific as collection and processing ships, known as "mother ships." Section 203 of the Federal Property and Administrative Services Act (40 U.S.C. 484) provides that surplus vessels may be disposed of only in accordance with the provisions of the Merchant Marine Act, 1936, as amended. Section 510 of the Merchant Marine Act (46 U.S. 1160) prohibits the commercial operation of obsolete or other vessels acquired by the Secretary of Commerce. Thus it is necessary to enact this legislation which authorizes the use of the Patapsco and Kishwaukee in the fisheries of the United States. No other commercial use is authorized. This will provide employment in the United States in the conversion work and aboard the ships through the utilization of surplus Government property, for which the United States will receive payment.

S. 854 was introduced by Senator Inouye on March 2, 1977. On March 7, 1977, the Committee issued a press release announcing that it was considering the bill and requested interested persons to submit written comments on the legislation. No comments were received. The Committee approved S. 854 without amendment on June 21, 1977.

ESTIMATED COSTS

Pursuant to the requirements of section 252 of the Legislative Reorganization Act of 1970, the Committee estimates that there will be no additional cost to the Government as a result of the enactment of this legislation.

CENTER FOR BOOKS IN THE LIBRARY OF CONGRESS

The Senate proceeded to consider the bill (S. 1331) to provide for the establishment of a Center for the Book in the Library of Congress, which had been reported from the Committee on Rules and Administration with amendments as follows:

On page 2, line 17, strike "book" and insert "books";

On page 2, line 18, strike "Book" and insert "Books";

On page 2, line 22, strike "Book" and insert "Books";

On page 3, line 3, strike "Book" and insert "Books";

On page 3, line 8, strike "the book" and insert "books";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

FINDINGS, DECLARATION, AND PURPOSE

SECTION 1. (a) The Congress hereby finds that—

(1) the Congress of the United States, on April 24, 1800, established for itself a library of the Congress;

(2) in 1815, the Congress purchased the personal library of the third President of the United States which contained materials on every science known to man and described such a collection as a "substratum of a great national library";

(3) in recognition of the importance of printing and its impact on America, the Congress purchased the Gutenberg Bible in 1930 for the Nation for placement in the Library of Congress;

(4) the Congress has through statute and appropriations made this library accessible to any member of the public;

(5) this collection of books and other library materials has now become one of the greatest libraries in civilization; and

(6) the book and the printed word have had the most profound influence on American civilization and learning and have been the very foundation on which our democratic principles have survived through our two-hundred-year history.

(b) The Congress declares its reaffirmation of the importance of the printed word and books and recognizes the importance of a Center for Books to the continued study and development of written record as central to our understanding of ourselves and our world.

(c) It is the purpose of this Act to establish a Center for Books in the Library of Congress to provide a program for the investigation of the transmission of human knowledge and to heighten public interest in the role of books and printing in the diffusion of this knowledge.

ESTABLISHMENT OF THE CENTER

SEC. 2. There is hereby established in the Library of Congress a Center for Books (hereafter in this Act referred to as the "Center"). The Center shall be under the direction of the Librarian of Congress.

FUNCTION OF THE CENTER

SEC. 3. The Librarian of Congress through the Center shall stimulate public interest and research in the role of books in the diffusion of knowledge through such activities as a visiting scholar program accompanied by lectures, exhibits, publications, and any other related activities.

ADMINISTRATIVE PROVISIONS

SEC. 4. The Librarian of Congress, in carrying out the Center's functions, is authorized to—

(1) prescribe such regulations as he deems necessary;

(2) receive money and other property donated, bequeathed, or devised for the purposes of the Center, and to use, sell, or otherwise dispose of such property for the purposes of carrying out the Center's functions, without regard to any other law; and

(3) accept and utilize the services of voluntary and uncompensated personnel and reimburse them for travel expenses, including per diem, as authorized by section 5703 of title 5, United States Code.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the amendments be considered and agreed to en bloc.

The PRESIDING OFFICER. Without objection, the amendments are considered an agreed to en bloc.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read:

A bill to provide for the establishment of a Center for Books in the Library of Congress.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–315), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The bill (S. 1331) as reported would establish a Center for Books in the Library of Congress to provide a program for the investigation of the transmission of human knowledge and to heighten public interest in the role of books and printing in the diffusion of this knowledge.

The Center would be under the direction of the Librarian of Congress. The Librarian, through the Center, would stimulate public interest and research in the role of books in the diffusion of knowledge through such activities as a visiting scholar program accompanied by lectures, exhibits, publications, and other related activities.

The Librarian of Congress, in carrying out the Center's functions, would be authorized to—

(1) Prescribe such regulations as he deems necessary;

(2) Receive money and other property donated, bequeathed, or devised for the purposes of the Center, and to use, sell, or otherwise dispose of such property for the purposes of carrying out the Center's functions, without regard to any other law; and

(3) Accept and utilize the services of voluntary and uncompensated personnel and reimburse them for travel expenses, as authorized by section 5703 of title 5, United States Code.

The Center would be supported entirely by private gifts to the Library of Congress for the purpose; therefore the bill does not require the apportionment of public funds.

The Committee on Rules and Administration has amended S. 1331(1) by substituting the word "Books" in lieu of the words "the Book" where they appear, and (2) by amending the title.

ABOLISHING THE JOINT COMMITTEE ON CONGRESSIONAL OPERATIONS

The Senate proceeded to consider the bill (S. 1608) to abolish the Joint Committee on Congressional Operations, and for other purposes, which had been reported from the Committee on Rules and Administration with an amendment on page 1, line 3, strike "July 1, 1977" and insert "September 30, 1977", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective September 30, 1977—

(1) part 1 of title IV of the Legislative Reorganization Act of 1970 is repealed; and

(2) the table of contents of such Act is amended by striking out the matter relating to such part.

SEC. 2. (a) This section is enacted—

(1) as an exercise of the rulemaking power of the Senate, and as such it shall be considered as part of the rules of the Senate and such rule shall supersede other rules only to the extent inconsistent therewith; and

(2) with full recognition of the constitutional right of the Senate to change such rule at any time, in the same manner, and to the same extent as in the case of any other rule of the Senate.

(b) The Committee on Rules and Administration of the Senate shall—

(1) Upon request, assist Members, committees, and officers of the Senate seeking competent personnel with specified qualifications and furnish advice and information with respect to office management procedures; and

(2) Identify any court proceeding or action which in the opinion of the Committee on Rules and Administration, is of vital interest to the Congress, or to the Senate, as a constitutionally established institution of the Federal Government and call such proceeding or action to the attention of the Senate.

In providing such services, the Committee on Rules and Administration is authorized to cooperate with, or act jointly with, any committee of the House of Representatives which provides similar services.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report—No. 95–316—explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

S. 1608 as referred would abolish the Joint Committee on Congressional Operations, effective July 1, 1977, and transfer its duties and responsibilities to the Committee on Rules and Administration.

Section 201(d)(1) of Senate Resolution 4, 95th Congress, agreed to February 4, 1977, provided that not later than July 1, 1977, legislation terminating the statutory authority of the Joint Committee on Congressional Operations, and transferring its functions to the appropriate committee, be reported to the Senate.

The Committee on Rules and Administration is reporting S. 1608 with an amendment which would extend the effective date from July 1, 1977, to September 30, 1977.

UNITED STATES-CANADIAN RECIPROCAL FISHERIES AGREEMENT

The bill (H.R. 5638) to amend the Fishery Conservation Zone Transition Act in order to give effect during 1977 to the Reciprocal Fisheries Agreement between the United States and Canada, was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–317), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The primary objectives of this bill are: (a) to provide specific congressional approval of the United States-Canadian Reciprocal Fisheries Agreement; and (b) to waive various requirements of the Fishery Conservation and Management Act of 1976 to permit fishermen of the United States and Canada to continue fishing off the coasts of each Nation during the period from March 1, 1977, to December 31, 1977.

BACKGROUND

The United States and Canada are now in the process of negotiations designed to conclude long-term agreements on maritime boundaries, Pacific salmon interceptions and comprehensive bilateral fisheries. Three separate negotiations were conducted with Canada on these matters during 1976 with the aim of concluding them before January 1, 1977, when the Canadian 200-mile fisheries zone went into effect. However, the complexity of the issues frustrated this goal. It was necessary to conclude an interim arrangement, the United States-Canadian Reciprocal Fisheries Agreement, to insure that each Nation's fisheries would be allowed to continue when both countries extended their fishery jurisdictions to 200 miles.

In negotiating this interim agreement, the United States attempted to satisfy the following specific interests:

Continuation of important U.S. fisheries in the Canadian zone during 1977, without regard to a determination of surplus by the Canadian domestic management system;

Relief for U.S. fishermen from the permit and related administrative requirements that would otherwise apply under Canadian regulations in the Canadian zone;

Continuation of recreational fishing by U.S. nationals in Canadian waters without additional new permit and other administrative requirements that would otherwise apply under Canadian regulations in the Canadian zone;

Continuation of scientific cooperation and consultation between the United States and Canada on fishery matters of mutual concern; and

Special arrangements in the disputed boundary areas, which would not prejudice the U.S. position on maritime boundaries.

The State Department believes that the provisions of the United States-Canadian Agreement represent an equitable accommodation of reciprocal interests.

SABINE RIVER COMPACT AMENDMENT

The bill (H.R. 1551) granting the consent of Congress to an amendment to the Sabine River compact entered into by the States of Texas and Louisiana, was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–319), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

H.R. 1551 would grant the consent of Congress to an amendment to the Sabine River Compact, entered into by the States of Texas and Louisiana, which strikes the last paragraph of the preamble to the existing compact. The effect of the amendment would be to permit the Sabine River Authorities of the respective States to address themselves to the problems of pollution abatement and saline intrusion in the water souces within their jurisdiction, subject to the powers already vested in them under the existing agreement. The bill also expressly reserves the right of the Congress to alter or amend its provisions. Copies of the enabling Acts of the States are contained in the files of the Committee.

STATEMENT

H.R. 1551, as passed by the House of Representatives, is identical to S. 1151 pending before the Judiciary Committee. In 1954, the 83rd Congress consented to a voluntary agreement creating a compact between the States of Texas and Louisiana. The intent of that Compact was to equitably apportion the water of the Sabine River and its tributaries between the two states.

Senator Bentsen has stated concerning this legislation: "Mr. President, the purpose of my bill is to address a problem arising from a restrictive clause in the compact's preamble. Although the preamble recognizes pollution and salt water intrusion as potential problems, it states that the compact is limited to the equitable apportionment of the waters of the Sabine River. And, indeed, when the compact was entered into, utilization and conservation of this precious resource were of overriding concern. However, in the intervening years, pollution and salt water intrusion have become increasing problems. Yet, the authority feels that it is precluded from dealing with these problems because of the restrictive nature of the preamble clause.

"The original compact was amended by the Texas Legislature in 1973 and by the Louisiana Legislature in 1974 to allow the Sabine River Authority to initiate programs to alleviate pollution and salt water intrusion problems".

Allen W. Eckert, Deputy Associate General Counsel of the Environmental Protection Agency testified in favor of the legislation before a subcommittee of the Judiciary Committee of the House of Representatives.

ROMAN L. HRUSKA MEAT ANIMAL RESEARCH CENTER

The Senate proceeded to consider the bill (S. 409) to designate the Meat Animal Research Center located near Clay Center, Nebr., as the "Roman L. Hruska Meat Animal Research Center."

The PRESIDING OFFICER (Mr. CANNON). Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. CURTIS. Mr. President, I am happy to support S. 409, a bill which would designate the Meat Animal Research Center located near Clay Center, Nebr., as the Roman L. Hruska Meat Animal Research Center.

PUBLIC SERVICE OF ROMAN L. HRUSKA

The history of the U.S. Meat Animal Research Center and the involvement of the former Senator from Nebraska, Roman Hruska, is a long and satisfying one. No one person had more to do with the creation of the Meat Animal Research Center than Senator Hruska.

Having served just short of one term in the House of Representatives—1953–1954, Roman Hruska began his service in the U.S. Senate on November 8, 1954, after being elected to fill the vacancy caused by the death of Senator Hugh Butler. Born and raised in rural Nebraska, Roman Hruska kept his respect for and belief in American agriculture when he came to the Congress. He filled out the remainder of the unexpired term to which he was first elected in the Senate, and on his reelection in 1958, he began his first full term as a member of the Senate Committee on Appropriations where he became ranking member of the Subcommittee on Agricultural Appropriations. It was from this vantage point that he was to play the single most important role in the development and establishment of the U.S. Meat Animal Research Center.

Although he was to have several other committee assignments during his tenure in the Senate of the United States which would bring him publicity and accolades, there was none which Roman Hruska regarded more important than his service on the Agriculture Appropriation Subcommittee. He began his service as ranking member of that subcommittee in 1959, and served on it continuously through his retirement from the Congress in 1976. In that position Roman Hruska represented the interests and concerns of agriculture and rural America with which he had grown up in Nebraska.

THE SENATOR FROM NEBRASKA AND THE MEAT ANIMAL RESEARCH CENTER

While serving on the Senate Appropriations Subcommittee for Agriculture, Roman Hruska was quick to realize the problems and shortcomings of the Department of Agriculture in the field of livestock research and production improvements. He became interested at an early date in seeing to the establishment of a single facility for research and development of America's livestock industry.

After the Department of Defense announced its decision in 1959 to close the Naval Ammunition Depot at Hastings, Nebr., Senator Hruska began counseling with Nebraska and Agriculture Department officials about the possibility of a new Federal facility at the depot site—possibly for something connected with agriculture.

During his tenure on the Appropriations Committee, Senator Hruska sponsored and supported efforts by the Department of Agriculture to centralize its research activities in livestock. He was instrumental in the passage of the 1964 legislation to establish the Meat Animal Research Center, and after the phaseout of the munitions depot on July 1, 1966, Senator Hruska worked with the Department of Agriculture to develop plans for establishment of the U.S. Meat Animal Research Center on part of the lands formerly occupied by the munitions depot.

Senator Hruska encouraged and worked with the Agricultural Research Service to establish a claim on the Federal lands near Clay Center with the General Services Administration. He promoted the plans for establishment of the Meat Animal Research Center, and helped secure approval by the Secretary of Agriculture for location of the facility in Nebraska.

Senator Hruska shepherded the establishment of the Meat Animal Research Center through its several phases of development. The first 10,000 acres of land were transferred to the Department of Agriculture and plans were completed between the Agricultural Research Service and officials from the State of Nebraska for the first two phases of construction of a Meat Animal Research Center.

During this time, Senator Hruska played a further important role in the development and completion of the Meat Animal Research Center. He helped secure a request from the Office of Management and Budget—then the Bureau of the Budget—for $3.5 million in the fiscal 1966 appropriations for development of the Clay Center facility. Senator Hruska shepherded the Government requests through the appropriations process, and took on the personal responsibility of seeing the Meat Animal Research Center to its completion. Funding in fiscal 1966 saw establishment of laboratories, offices, a heating plant, and feed processing and storage areas. He helped with subsequent funding efforts that included establishment of beef cattle housing, swine housing, and sheep housing facilities.

In 1965, Senator Hruska announced the final decision of the Department of Agriculture to proceed with the establishment of the single meat animal research facility. At that time, he said:

With our economy so emphasizing livestock and feed grains, it is imperative that we apply this same kind of technology and research that has gone into other aspects of agriculture, to the production of livestock.

Mr. President, I urge the approval of S. 409. It will honor the name of an outstanding former U.S. Senator.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Department of Agriculture Meat Animal Research Center located near Clay Center, Nebraska, is designated as the "Roman L. Hruska Meat Animal Research Center", in honor of former Senator Roman L. Hruska.

SEC. 2. Any reference to such facility in any law, rule, document, map, or other record of the United States is deemed to be a reference to such building by the name designated for such facility by the first section of this Act.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–321), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE LEGISLATION

The purpose of S. 409 is to recognize the importance of meat animal production in and for the United States, and to recognize the U.S. Department of Agriculture and the former U.S. Senator from Nebraska, Roman L. Hruska, for their work and efforts in the establishment of a centralized Federal facility for the research, development, and study of meat animal production in the United States.

BACKGROUND

Establishment and Operation of the Meat Animal Research Center

The U.S. Meat Animal Research Center was authorized by the Congress on June 16, 1964. Prior to that time, activities of the U.S. Department of Agriculture for livestock production research were scattered throughout the country. Because of the position the United States held as the single largest beef producing and beef consuming Nation in the world; and because of the importance of livestock production to the Nation's food supply, the economies of the several States, and to the Nation generally; and because of the need for increased efficiency, coordination and improvements in the production of livestock; the Congress authorized establishments of a single Meat Animal Research Center for the United States.

The first appropriations for acquisition of lands and initial construction of the Meat Animal Research Center were provided in fiscal 1976. Today the Center occupies 35,000 acres of land in central Nebraska. It is now serving as the central location for Government research, development and study of increased efficiency in livestock production, quality, and feeding; in disease control in livestock; and in virtually all other areas of concern in the production of livestock.

Animal scientists and veterinarians working at and through the Meat Animal Research Center study and test ways to develop superior strains of livestock; to control diseases and parasites affecting these animals; and to improve feeding and management practices that provide efficient production while avoiding or minimizing pollution due to animal wastes.

PUBLIC SERVICE OF ROMAN L. HRUSKA

The history of the U.S. Meat Animal Research Center and the involvement of the former Senator from Nebraska, Roman Hruska, is a long and satisfying one. No one person had more to do with the creation of the Meat Animal Research Center than Senator Hrushka.

Having served just short of one term in the House of Representatives (1953–54), Roman Hruska began his service in the U.S. Senate

on November 8, 1954, after being elected to fill the vacancy caused by the death of Senator Hugh Butler. Born and raised in rural Nebraska, Roman Hruska kept his respect for and belief in American agriculture when he came to the Congress. He filled out the remainder of the unexpired term to which he was first elected in the Senate, and on his reelection in 1958, he began his first full term as a member of the Senate Committee on Appropriations where he became ranking member of the Subcommittee on Agricultural Appropriations. It was from this vantage point that he was to play the single most important role in the development and establishment of the U.S. Meat Animal Research Center.

Although he was to have several other committee assignments during his tenure in the Senate of the United States which would bring him publicity and accolades, there was none which Roman Hruska regarded more important than his service on the Agriculture Appropriation Subcommittee. He began his service as ranking member of that subcommittee in 1959, and served on it continuously through his retirement from the Congress in 1976. In that position Roman Hruska represented the interests and concerns of agriculture and rural America with which he had grown up in Nebraska.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CANNON). Without objection, it is so ordered.

PUBLIC WORKS APPROPRIATIONS, 1978

The Senate continued with the consideration of H.R. 7553.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that for the remainder of today the Senate proceed to dispose of any other amendments other than those dealing with enhanced radiation weapons which may be in order and offered to title I of the pending bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STONE). Without objection, it is so ordered.

Mr. STENNIS. Mr. President, what is the pending business before the Senate?

The PRESIDING OFFICER. Title I of H.R. 7553 is the pending question.

Mr. STENNIS. Mr. President, I call the attention of Senators to a unanimous-consent request concerning committee amendments.

Mr. President, I ask unanimous consent that the committee amendments to title I of the bill, except the committee amendment beginning on page 2, line 12, that is the so-called Clinch River item which is the exception, be agreed to en bloc and that title I of the bill be considered as original text for the purpose of further amendment provided that no point of order shall be considered as having been waived by agreeing to this request.

By way of explanation, this is the ordinary motion that the committee makes customarily at the beginning of consideration of a bill, but under the pressure of other events the other day, I asked that we not proceed in that way. But I go back now and pick up this matter which really ordinarily comes first.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. STENNIS. I thank the Chair.

UP AMENDMENT NO. 648

Mr. STENNIS. Mr. President, that brings us now in an orderly consideration of this matter to consideration of the change here which involves the Clinch River item that was voted on last night in the authorization bill which set the sum of $75 million, whereas in the paperwork of this appropriation bill it was $150 million.

Mr. President, I offer this amendment now, which as I understand is in keeping with the general understanding, on page 2, line 13, strike the figure $4,486,516,000 and insert in lieu thereof the figure $4,411,516,000, and strike the figure $150 million and insert in lieu thereof the figure $75 million.

The PRESIDING OFFICER. Will the Senator send that to the desk?

Mr. STENNIS. Yes.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Mississippi (Mr. STENNIS) proposes an unprinted amendment No. 648 to the committee amendment:

On page 2, line 13, strike the figure "$4,486,516,000" and insert in lieu thereof "$4,411,516,000" and strike the figure "$150,000,000" and insert in lieu thereof the figure, "$75,000,000".

Mr. STENNIS. Mr. President, this is partly repetitious, but I will repeat it.

Mr. President, the purpose of this amendment is to conform the amounts in this bill for the Clinch River breeder reactor project to the amount authorized by the action of the Senate yesterday.

The Senate has authorized $75 million for this project in lieu of the $150 million reported initially in both the authorization and appropriation bills. This is all that the amendment is about. I move the question on this amendment in order that other amendments which may be proposed will be eligible for consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Mississippi.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment, as amended.

The amendment, as amended, was agreed to.

Mr. STENNIS. I thank the Chair.

Now, Mr. President, I ask unanimous consent again that they be considered as original text.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, that makes it in order, as I understand it, that amendments might be offered from the floor. The Senator from New Mexico is here.

UP AMENDMENT NO. 649

Mr. DOMENICI. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI) proposes an unprinted amendment No. 649:

On page 2, line 13,

Strike "$4,411,516,000" and insert "$4,422,716,000".

Mr. DOMENICI. I say to the distinguished managers of the bill that I have taken that figure, as amended by the Senator from Mississippi in his reduction by $75 million, and I have added to that the total of $11.2 million by my amendment. I will explain quickly what this $11.2 million is made up of and briefly explain my reasoning.

The first would be a $2.1 million appropriation for ERDA's geothermal hot dry rock program. That is fully authorized in the authorization bill. In fact, it is authorized to the level of $3.1 million. There has been a rather significant breakthrough in the last 5 or 6 weeks. The amount I ask for there will be the exact amount that the House has put in its bill.

Second, I have asked for $5.1 million for laser fusion R. & D. Likewise, on that, the House has put in $6 million. On magnetic fusion, I have asked for $3 million; the House has put in $11 million. One other item is known as superconducting magnetic energy storage and conservation. I have $1 million for that, and the House has $100,000.

On some of these items, when the Appropriations Committee considered them, there was no authorization in the bill, in the ERDA authorization. They are now all covered. In one instance, the superconducting magnetic energy storage, it is my strong feeling that we should proceed wih it; therefore, I am asking for $1 million.

In summary, these are four programs I feel we need, and they are totally authorized now. They make up the total of $11.2 million. In each instance, the House has appropriated more, with the exception of the superconducting, and we are only $900,000 apart there, the House being on the low side.

Mr. President, I hope the managers will accept this amendment. Most of the committee objections have been answered, principally on the hot dry rock. The others were a question of nonauthorization, which has been taken care of in the ERDA authorization bill.

Mr. STENNIS. Mr. President, we have been over these requests. The Senator from New Mexico, with his usual efficiency and proficiency, has dug into this matter deeply. He has four matters, for a total amount of $11.2 million. One is the geothermal program, another is conservation, and another is the magnetic

fusion program. That is a total of $6.1 million.

He has one other item, the laser fusion program, for $5.1 million. Coming to that one last, it too is already in the House bill, and this matter will be in conference, as I understand. At least $20 million has been added already above the fiscal year 1977 budget amount. This matter will be in conference, and we will consider it there.

On balance, we have looked over these amendments, and we can join the Senator in asking the Senate to accept the items on the geothermal program, the conservation program, and the magnetic fusion program, if he could see fit to yield on the laser fusion program.

Repeating the first part, we will have that in conference, and we will consider it there. It will give us some latitude to try to work out something, and we will give consideration to the Senator's position.

Mr. DOMENICI. I say to the distinguished manager of the bill that, as I understand it, he is absolutely correct. The House does include $6 million for the laser fusion. I have asked the Senate to include $5.1 million.

If I correctly understand the distinguished manager of the bill, every consideration will be given in conference to coming up with something close to what the House has thought appropriate for this particular item.

Mr. President, the distinguished floor leader will recall that early last month I sent him a letter concerning fiscal year 1978 funding levels for construction work on two major laser fusion facilities, the high energy gas laser fusion facility at Los Alamos, N. Mex., and the electron-beam laser fusion facility at Sandia Laboratories in Albuquerque, N. Mex. As the Senator will recall I was concerned about substantial reductions, totaling $14.5 million, between construction funds contained in the January and February administration budgets. At that time I expressed serious concern about the adverse impact on both our nuclear weapons and energy programs in laser fusion by this action. I concluded by urging the Appropriations Public Works Subcommittee to carefully consider an action taken by the Senate Energy Committee in recommending restoration of these funding cuts.

Mr. President, I would like to remind the distinguished floor manager that in passing S. 36 earlier this year, the Senate increased the authorized funding level for both of these projects to their full estimated costs. I believe that this step represents a recognition of the importance of these projects to this Nation's effort in laser fusion research and development. Indeed, as was made clear in testimony before the Energy Committee earlier this year, future sustained progress in this rapidly developing technology is dependent of the timely availability of such large-scale experimental facilities. In this important field we are limited not so much by lack of ideas, but by lack of facilities suitable for testing them.

Since my letter the House authorizations committees have agreed to restore $6.6 million in fiscal year 1978 construction funds for these two projects. The recently passed House public works appropriations bill contained this sum.

I am not going to propose an amendment here to restore these funds, but I would ask that the distinguished floor leader give serious consideration in conference to acceding to the House position in this matter. I believe the House figures represent a reasonable compromise concerning these funds, and am confident that $6.6 million will prove to be a very wise investment in maintaining this important program.

Mr. STENNIS. Let me assure the distinguished Senator from New Mexico that I am aware of his concern, and that I will do everything that I can to make sure that proper attention is given to it when we take this bill to conference.

Mr. DOMENICI. Mr. President, I amend my amendment at this point by reducing the amount requested by $5.1 million, making my request $6.1 million. For the purpose of the record, it includes the three programs: Hot dry rock geothermal, superconducting storage conservation, and magnetic fusion—$2.1 million, $1 million, and $3 million, respectively.

The PRESIDING OFFICER. The amendment is so modified.

The question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

Mr. STENNIS. Mr. President, I appreciate the remarks of the Senator from New Mexico. That will give us the leverage in conference, and we will go into the matter of the laser fusion program.

Mr. DOMENICI. I thank the manager.

Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STENNIS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, the bill is open to other amendments.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TREATMENT OF ANATOLY SCHARANSKY AND YURI ORLOV

Mr. ROBERT C. BYRD. Mr. President, at the request of the distinguished Senator from Massachusetts (Mr. BROOKE), I ask unanimous consent that the Senate proceed to the consideration of Senate Resolution 198 on the Unanimous-Consent Calendar. This matter has been cleared with the distinguished minority leader.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 198) relating to human rights and the Belgrade Conference.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution, which had been reported from the Committee on Foreign Relations with an amendment:

On page 2, line 6, following "Scharansky" insert a comma and "Yuri Orlov, and others who sought to monitor compliance with the Helsinki Accords";

Mr. CASE. Mr. President, in the civilized world, words and agreements are considered to have some meaning.

The pending resolution, Senate Resolution 198, on Human Rights and the Belgrade Conference has become necessary because the Soviet Union not only twists words and ignores agreements, but has put on trial and handed out jail sentences to its citizens who have monitored Moscow's compliance with international agreements.

It is a shame that such a resolution is necessary.

But the shame is that of the Soviet officials whose violations of human rights have cast a pall not only on their nation but the hopes for improved relations with the United States and other countries.

It was within the power of the Soviet Union officials to abide by the agreements they signed as part of the 1975 Helsinki accords and the U.N. Charter. They chose not to do so.

But we cannot choose to remain silent, and by our silence condone the actions of Soviet officials, particularly the punishments they have inflicted upon the persons who have tried to keep track of whether there is compliance with international agreements.

The Senate Foreign Relations Committee report on Senate Resolution 198, which unanimously passed the committee on June 30, succinctly sums up the matter. I ask unanimous consent to have printed in the RECORD at this point a portion of the report, 95–318:

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

COMMITTEE COMMENTS

Although the Foreign Relations Committee is reluctant to raise matters which may complicate Soviet-American relations, it feels obligated to take notice—and to recommend that the Senate take notice—of practices which are inconsistent with the human rights provisions of the Helsinki Final Act, and also those of the United Nations Charter. We note especially the first paragraph of the seventh of the principles adopted by the Helsinki signatories as guiding their mutual relations:

The participating States will respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, for all without distinction as to race, sex, language or religion.

We call attention as well to Article I, section 3, of the United Nations Charter, which states one of the purposes of the U.N. to be the achievement of international cooperation; in promotion and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion * * *

The significance of these provisions of international law is that there are matters of basic human rights within countries which are properly of concern to the international community as a whole. The principle of nonintervention in the internal affairs of states,

although still basic to international law, can no longer be regarded as absolute and without exceptions. One exception, pertaining to international peace enforcement, is specified in article 2(7) of the U.N. Charter. Another applies to the area of basic human rights.

In recent months the committee has followed, with dismay the treatment of those courageous Soviet citizens who have organized to monitor and encourage compliance with the Helsinki accords. Prominent among these individuals have been Anatoly Scharansky, a computer specialist and spokesman for Soviet Jews, and Yuri Orlov, a physicist who was the founder of the Moscow branch of the Helsinki monitoring group. When Los Angeles Times correspondent Robert Toth was detained in Moscow in early June, he was interrogated at length by the KGB on his contracts with Scharansky. Under Professor Orlov's leadership, the Moscow monitoring group has issued 22 documents and 40 statements on a broad range of human rights problems.

Mr. Scharansky was arrested last March 15 and subsequently charged with treasonous activities, specifically working for the American CIA. Professor Orlov had been arrested on February 10, 1977, but only on June 27 were the charges against him revealed to his wife. He is charged with anti-Soviet activity under a provision of the Soviet criminal code relating to the "dissemination of fabrications defaming the Soviet state." The offense is punishable by a maximum prison sentence of 3 years.

Mr. CASE. Mr. President, it is worth noting the committee report language on the Helsinki Accords, the U.S. charter and the nonintervention issue because the Soviets often attempt to justify their actions on the grounds of nonintervention.

For example, after Soviet leader Leonid Brezhnev had a 2-hour meeting July 5, with U.S. Ambassador Malcolm Toon, the official Soviet news agency, Tass, said Mr. Brezhnev asserted that relations between the two countries should "be based on the principles of equality, mutual benefit and noninterference into each other's internal affairs." The Washington Post noted in its report that this is "a phrase that is commonly used by the Soviets to describe the human rights issue."

Mr. President, this is part of what I was referring to when I earlier said the Soviet Union had twisted words and ignored agreements.

If the Soviet officials distort meanings in such a manner to justify violations of agreements affecting their own people, how can we rely upon them to live up to agreements with other nations, including our own?

These events do not take place in a vacuum without affecting the atmosphere on trade and other matters: nor is our concern about human rights an isolated matter, confined only to the Soviet Union. The actions by the executive branch and Congress on foreign aid provide ample evidence that our concern over human rights encompasses other nations as well.

I also would like to make it clear that Senate Resolution 198 is not concerned only with the two Soviet citizens specifically mentioned in it—Mr. Scharansky and Professor Orlov.

As the resolution states in the final paragraph:

It is the sense of the Senate that the United States representatives to the Helsinki Accords should indicate to the Soviet Union and other states represented at the (Belgrade) conference the official concern of the United States over the treatment of Anatoly Scharansky, Yuri Orlov and others who sought to monitor compliance with the Helsinki Accords.

At the time the resolution was introduced and amended in the Foreign Relations Committee, these were among the more prominent individuals known to be facing jail terms. Unfortunately, it is not possible in this one resolution to keep up with all the Soviet actions.

But it should be understood by all that the resolution stands for all those who are suffering for their efforts to monitor compliance with the Helsinki accords.

Thus, this resolution stands for Alexander Ginzburg, who was a leading member of the Moscow group monitoring compliance with the Helsinki accords until he was arrested in February. According to reports received last week, he was charged with circulating anti-Soviet propaganda and faces a 7-year prison term.

The resolution stands for members of the Ukrainian group monitoring the Helsinke accord, particularly Mikola Rudenko, who was sentenced to 7 years at hard labor, and Oleksa Tikhy, who was given a 10-year sentence. They both were also sentenced to 5 years exile. Their treatment is especially disturbing because they were on trial in a remote town in the Denetsk region. Although the two Ukrainians were arrested in February, it was not until June 30, the 6th day of their trial, that their friends and family learned of the charges—"anti-Soviet agitation and propaganda."

According to information received by our Helsinki Commission, the two were in an obvious state of exhaustion when, after the trial was underway for 6 days, Rudenko's wife and Tikhy's aged mother were finally allowed to see them. Rudenko had been denied a lawyer and former U.S. Attorney General Ramsey Clark had been refused a visa to travel to the Ukraine to help defend them.

The resolution also stands for two young Ukrainians, Mykola Matusevych and Mysolav Marynovych who have been held in a Kiev prison since April. According to information received from Major General Grigorenko, a founding member of the Orlov group, false rumors had been spread of their release to distract attention from their situation.

Experts who have followed the situation say there is more than usual reason for concern about the two men because they were arrested by the KGB and not the Procuracy, the government branch which normally prosecutes cases, as were all the other arrested members of the Helsinki monitoring group.

The resolution stands for the others who have been arrested but may not have received much publicity, such as members of the Georgian Helsinki watch group, Aleksandr Podrabinek, who was detained in April after seeking to rally support for Alekzandr Voloschuk, a Baptist who was bound, gagged, and dragged from the Supreme Soviet building in March.

The resolution speaks also for those of us in the Senate who have shown many times, in the words of the resolution, that "human rights is a fundamental concern of the United States."

Finally, speaking for myself as well, I am sure, as many of my colleagues, I commend Senate BROOKE for his initiative in presenting the resolution and express my thanks to Senator HUMPHREY for assisting its passage through the Senate Foreign Relations Committee. The only pleasure that such a resolution brings is the opportunity to be associated with my two distinguished colleagues who for years have been leaders in the causes of human rights and civil rights.

Mr. BROOKE. Mr. President, I thank the leadership for agreeing to bring this resolution up at this time. Our representatives at the Belgrade Conference should have no doubts as to the seriousness the Senate attaches to their bringing individual cases of human rights violations before those attending the conference.

I am grateful to the Foreign Relations Committee for its speedy action on this measure. As always the committee members and their staffs have performed in admirable fashion.

The changes the committee has recommended in the resolution are welcomed by me. The concern I have expressed for the fate of Anatoly Scharansky extends to Yuri Orlov and all others in the Soviet Union who have risked much to monitor Moscow's compliance with the Helsinki accords. And I agree with the committee when it states in its report that this resolution is not meant to inhibit efforts to achieve a mutually beneficial agreement in the SALT process.

I also wish to note that Senator CASE and Senator HUMPHREY are cosponsors of this resolution. They and many others in the Congress share a deep concern over the Soviet Union's increased efforts to suppress expressions of dissent. The Kremlin's actions are in direct contradiction to the first paragraph of the seventh of the principles adopted by the Helsinki signatories which states:

The participating States will respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, for all without distinction as to race, sex, language or religion.

These would be no more than "hollow words" unless the United States and others called attention to the flagrant human rights violations connected with the jailing of Scharansky, Orlov and others.

Mr. President, we are all aware that the relationship between the United States and the Soviet Union is of vital interest not only to ourselves and the Soviets, but to mankind in general. We are all hopeful that the way can be found to allow a marked reduction in the lethal capabilities of the arsenals of the United States and the Soviet Union without a sacrifice of our security. But this important aspect of the relationship must not be allowed to override our responsibility to promote our ideas of freedom, justice and human dignity in the world. If we were to allow it to do so we would have sacrificed our uniqueness in the world as a great power that looks beyond its immediate self-interest to the pro-

motion of the great human ideals that have inspired men for centuries. For that reason, I strongly urge the immediate passage of this resolution, not because it will have any great effect on the situation before us, but because it is one more affirmation of the importance the United States attaches to and will continue to attach to the right of the individual to be free of repressive official violence.

Mr. President, I realize that many of my colleagues have not had the opportunity to see the committee report accompanying this resolution. For that reason I ask unanimous consent that the committee comments be included in the RECORD at this point.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendment was agreed to.

The resolution, as amended was agreed to.

The preamble, as amended, was agreed to.

The resolution, with its preamble, as amended, reads as follows:

Whereas the human rights of individuals is a fundamental concern of the United States; and

Whereas the Belgrade Conference provides the United States an opportunity to express its concern on human rights; and

Whereas basic human rights of Anatoly Scharansky and Yuri Orlov have not been respected by the Soviet Union; and

Whereas they have courageously sought to promote respect for human rights by their participation in the Moscow Group monitoring the compliance of the Soviet Union with the Helsinki Accords; and

Whereas the Soviet Union, without substantive evidence, has sought to intimidate both Anatoly Scharansky and Robert C. Toth, Moscow correspondents for the Los Angeles Times, by alleging their collusion to violate Soviet laws.

Resolved, That it is the sense of the Senate that the United States representatives to the Helsinki Accords Review Conference should indicate to the Soviet Union and other states represented at the Conference the official concern of the United States over the treatment of Anatoly Scharansky, Yuri Orlov, and others who sought to monitor compliance with the Helsinki Accords.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–318), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

COMMITTEE ACTION

Senate Resolution 198 was introduced by Senator Brooke on June 16, 1977. As introduced it would have expressed the sense of the Senate that the U.S. Representative to the Helsinki Accords Review Conference should express the concern of the United States over the treatment in the Soviet Union of the prominent dissident Anatoly Scharansky. The committee amended the resolution to expand the expression of concern to the treatment of Prof. Yuri Orlov and other Soviet citizens who have sought to monitor compliance with the Helsinki accords. The Foreign Relations Committee herewith favorably reports Senate Resolution 198, as amended, which was approved by the committee without objection.

COMMITTEE COMMENTS

Although the Foreign Relations Committee is reluctant to raise matters which may complicate Soviet-American relations, it feels obligated to take notice—and to recommend that the Senate take notice—of practices which are inconsistent with the human rights provisions of the Helsinki Final Act, and also those of the United Nations Charter. We note especially the first paragraph of the seventh of the principles adopted by the Helsinki signatories as guiding their mutual relations:

The participating States will respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, for all without distinction as to race, sex, language or religion.

We call attention as well to Article I, section 3, of the United Nations Charter, which states one of the purposes of the U.N. to be the achievement of international cooperation: in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion * * *

The significance of these provisions of international law is that there are matters of basic human rights within countries which are properly of concern to the international community as a whole. The principle of nonintervention in the internal affairs of states, although still basic to international law, can no longer be regarded as absolute and without exceptions. One exception, pertaining to international peace enforcement, is specified in article 2(7) of the U.N. Charter. Another applies to the area of basic human rights.

In recent months the committee has followed, with dismay the treatment of those courageous Soviet citizens who have organized to monitor and encourage compliance with the Helsinki accords. Prominent among these individuals have been Anatoly Scharansky, a computer specialist and spokesman for Soviet Jews, and Yuri Orlov, a physicist who was the founder of the Moscow branch of the Helsinki monitoring group. When Los Angeles Times correspondent Robert Toth was detained in Moscow in early June, he was interrogated at length by the KGB on his contacts with Scharansky. Under Professor Orlov's leadership, the Moscow monitoring group has issued 22 documents and 40 statements on a broad range of human rights problems.

Mr. Scharansky was arrested last March 15 and subsequently charged with treasonous activities, specifically working for the American CIA. Professor Orlov had been arrested on February 10, 1977, but only on June 27 were the charges against him revealed to his wife. He is charged with anti-Soviet activity under a provision of the Soviet criminal code relating to the "dissemination of fabrications defaming the Soviet state." The offense is punishable by a maximum prison sentence of 3 years.

The disposition of these cases—and those of other prominent Soviet dissidents—will surely be a measure of the Soviet reaction to President Carter's initiatives in the field of human rights. The arrests thus far made seem clearly intended as a warning both to dissidents that they cannot count on foreign support and to the United States that the Soviet Union will not tolerate what it regards as interference in its internal affairs.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PUBLIC WORKS APPROPRIATIONS, 1978

The Senate continued with the consideration of H.R. 7553.

Mr. STENNIS. Mr. President, as I understand the bill is open for further amendment as soon as the Senate gets in order, and I understood the Senator from Idaho (Mr. MCCLURE) had some complaint. [Laughter.]

The PRESIDING OFFICER. Amendments to a title I are in order.

UP AMENDMENT NO. 650

Mr. MCCLURE. Mr. President, I have an amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Idaho (Mr. MCCLURE) proposes an unprinted amendment No. 650.

Mr. STENNIS. Mr. President, may we have quiet?

The PRESIDING OFFICER. The Senate will be in order. The clerk will report.

The assistant legislative clerk read as follows:

1. Page 2, line 13, strike "$4,417,616,000" and insert in lieu thereof "$4,432,116,000."

2. Page 4, line 4, "$1,569,749,000" and insert in lieu thereof "$1,583,249,000."

Mr. MCCLURE. Mr. President, stated in very simple terms this amendment seeks to compromise the action that was taken between the Appropriations Committee and the ERDA Authorization Act, which we just completed, and to reprogram portions of the money which was reduced from the February to May budgets on the base supporting program for breeder research, safety and development, aside from Clinch River. It would take a portion of the $75 million that the Senate has stricken and restore it to the other programs of base support.

I have discussed this matter with the managers of the bill. I hope it is acceptable. It restores half of the amount of the money.

I ask unanimous consent to add Senator BAKER as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Idaho.

Mr. CHURCH. I also ask unanimous consent to be joined as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. I agree that, in light of the action of the Senate yesterday on the Clinch River breeder, this is appropriate and makes the other figures related to the research and development of various breeder fuel cycles as contemplated under the authorization bill and this appropriation measure conform to that particular vote.

The PRESIDING OFFICER. Does the author of the amendment ask unanimous consent that the form of the amendment be in order?

Mr. McCLURE. Mr. President, I do ask that unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. I thank the Chair.

Mr. CHURCH. I am pleased to know that the amendment is acceptable to the distinguished manager of the bill.

Mr. STENNIS. Mr. President, the Senator from Oregon and I have gone over this matter, and we have in the bill already $304.2 million in operating expenses for the base program and we thought that that was enough, but there has been a change in the situation here with reference to the Clinch River project for the breeder reactor. We decided there might be a base for legitimate claim for adjustment of this money and we agree to join in agreeing to the amendment at the level suggested by the Senator from Idaho. We will do the best we can with that in conference.

Mr. McCLURE. I thank the Senator from Mississippi.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. STENNIS. I move to reconsider the vote by which the amendment was agreed to.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, the bill, of course, is open to further amendment. The only firm information the chairman has is the Senator from Colorado had a small amendment. He called it small. And it is in order now I think. That is Senator HART's amendment.

Mr. President, the Senator from Colorado is on his way to the floor, as the Senator from Mississippi understands, so for a few minutes until he can get here I shall suggest the absence of a quorum. But before I do there is talk of another amendment now. The Senator from Montana may offer an amendment. So far as the manager of the bill knows that will be all the amendments to be offered to this title.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SARBANES). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I ask that the Chair maintain order in the Senate while we hear the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado.

UP AMENDMENT NO. 651

Mr. HART. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. HART) on behalf of himself, Mr. McINTYRE, Mr. McGOVERN, Mr. HUMPHREY, Mr. CRANSTON, Mr. HASKELL, Mr. METZENBAUM, Mr. ANDERSON, and Mr. KENNEDY proposes unprinted amendments No. 651.

On page 2, line 13, strike out "$4,432,116,000' and insert in lieu thereof "$4,437,616,000".

The PRESIDING OFFICER. The Chair wishes to inform the Senator from Colorado that absent unanimous-consent request and the granting of the unanimous consent the amendment is not in order as it amends the figure previously amended.

Mr. HART. Mr. President, I ask unanimous consent that the amendment be considered in order.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered. The amendment is in order. The Senator from Colorado.

Mr. HART. I thank the Chair.

Mr. President, the purpose of the additional $5.5 million provided by this amendment is to increase ERDA's program of research, development, and demonstration of solar heating and cooling technologies, and I will underline the word "demonstration."

These additional funds would be earmarked for expansion of ERDA's combined space heating and cooling demonstration program, and continuation of selected advanced collector and solar retrofit research and demonstration efforts beyond the current fiscal 1977 cutoff date.

Hot water and space heating and cooling comprise about 25 percent of our national energy needs. Experts tell us that, with an aggressive program of research, development, demonstration, and commercialization of solar technologies, this alternative energy resource can reasonably be expected to provide a large percentage of our hot water and space conditioning requirements in the coming years, and 15 percent of our total energy needs by the turn of the century.

This was the goal of the Solar Heating and Cooling Demonstration Act (Public Law 93–409), which established specific target dates for the successful demonstration of solar hot water, space heating, and combined space heating and space cooling units. The legislative history of this act shows a clear congressional intent to fund 2,000 solar hot water and space heating demonstrations within 3 years of the date of enactment, and 2,000 more combined heating and cooling demonstrations within 5 years. The fiscal 1978 budget request submitted by ERDA estimates that more than 2,000 residential solar unit demonstrations and 100 commercial unit demonstrations will be authorized to be funded by the end of the current fiscal year.

Beginning next year, the emphasis of ERDA's solar demonstration program will shift to combined space heating and cooling systems. These systems are significantly more complex and costly than their predecessors. Whereas the average cost to the Federal Government of a solar hot water and/or space heating demonstration grant has been approximately $18,000, grants made for combined space heating and cooling units to date have ranged from $50,000 to $400,000.

Due to unforeseen technological barriers, ERDA will not be able to meet the 1979 milestone established by Public Law 93–409 for the successful demonstration of significant numbers of solar space heating and cooling units. Clearly, a more concerted effort will be needed to demonstrate the technical and economic feasibility of these units. This amendment will provide an additional $3 million for the demonstration of this technology, and also permit ERDA to place greater emphasis on the development and demonstration of solar air collector heating and cooling units. I feel strongly that the successful demonstration of a cooling technology is essential to widespread market penetration of solar energy.

The problem of retrofitting existing buildings with solar equipment remains as perhaps the greatest obstacle to widespread commercialization of low solar technologies. A recent study by the Office of Technology Assessment—OTA—concluded that—

> . . . less than twenty-five percent of the solar projects funded to date have been designed to demonstrate the possibility of retrofitting existing buildings with solar equipment. ERDA recognizes that too little attention was paid to retrofit projects during fiscal year 1976, and plans to correct this deficiency in fiscal 1977.

ERDA's fiscal year 1978 budget request included the beginning of a major program thrust in the retrofit of solar heating components. About $1 million would be cut from this effort at the funding level recommended by the Appropriations Committee. Restoration of these funds would permit ERDA to continue work on the most promising of 15 solar retrofit research and demonstration projects which would otherwise be terminated at the end of the current fiscal year.

Finally, this amendment would provide $1.5 million for expanded funding of research and development procurement of high temperature solar collectors which hold great promise for the future. At the reduced level of funding recommended by the committee, significantly fewer contracts could be awarded.

Mr. President, although the dollar amount involved is relatively small, this amendment serves to renew our commitment to the expeditious development of solar energy to meet our pressing energy needs.

Mr. President, I call to the attention of the Senate the fact that this amendment has considerable support among my colleagues. Seven cosponsors are listed with the amendment. I also recognize the difficulties which the distinguished floor manager, the Senator from Mississippi, must deal with in attempting to keep the numerous requests for additional appropriations within the budget limits we have established. I am sympathetic to those demands.

Mr. President, on the floor of the Senate last evening, we approved, I believe, almost $100 million for the additional development connected with the Clinch River breeder reactor program. The fact of the matter is over the last few years the nuclear budget has outstripped the solar energy budget by figures of some 10 to 20 to 1, and that same proportion still holds today. What this amendment would do would be to add relatively few dollars to the still meager solar budget.

The problem we face today in this country is bridging the gap between research and development of solar technologies, and demonstration of the feasi-

bility of those technologies in the marketplace. I do not believe an additional $5.5 million for research and demonstration of solar technologies which hold tremendous promise in helping meet our future energy needs can be considered to be extending the taxpayers' commitment to this kind of technology. Most of the people I have talked to in the country wish that the Federal Government were putting more rather than less money into solar energy.

So it is in that spirit, Mr. President, and recognizing the problems which the distinguished floor manager faces, that this amendment is offered.

Mr. STENNIS. Mr. President, I have not had a chance at this point to see the Senator from Oregon, but I point out that the Senator's amendment applies to a section of the bill where there is already in the House bill certain amounts. This high solar collector is $7.5 million, with the Senator adding $1.5 million to that; retrofit is in the bill at $2 million, with the Senator adding $1 million to that; general demonstration is $3 million, which the Senator would add.

These are very important fields. I do not know what the position of the House will be or how firm it will be. Three million dollars of this is in matters where there is no additional money in the House bill. I am inclined to believe the Senator's amendment has some merit, or at least a part of it does.

Mr. HART. Will the Senator yield for a unanimous-consent request?

Mr. STENNIS. I yield.

Mr. HART. I ask unanimous consent that Mr. Terry Johnson, of my staff, be granted the privilege of the floor during the consideration of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. I thank the Senator.

Mr. STENNIS. Mr. President, there are three of these items which this amendment applies to, and there are not any additional funds in the House on one of them I do not know what their attitude will be. We can take this amendment to conference for the full amount and see what we can do with it, how we can make it apply. We certainly hope we can get some allowance, if the Senator will give us a good, strong statement, as he always does, supporting these items. The Senator from Oregon would accept it, too, I believe. I have no objection, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado.

Mr. STEVENS. I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. I thank the Senator. I certainly have no objection. The Senator from Oregon is here now.

We have a Senator who wishes to make some remarks on this.

Mr. HATFIELD. It is acceptable to the Senator from Oregon.

Mr. STEVENS. I thank the Senator for his indulgence.

The PRESIDING OFFICER. The Chair is prepared to put the question on the amendment of the Senator from Colorado.

Mr. STEVENS. I withdrew my objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HART. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

GREENFIELDS IRRIGATION PROJECT

Mr. MELCHER. Mr. President, I urge the Senate to consider favorably the inclusion of an additional $400,000 in the rehabilitation and betterment item in the total appropriations for fiscal year 1978 to allow the start of work under a rehabilitation and betterment program loan for the Greenfields District, Fairfield, Mont., which has just qualified for financing.

The Bureau of Reclamation completed a study of the project in 1976 that called for the lining of approximately 5 miles of main canals and 131 miles of laterals; the replacement of approximately 5 miles of open laterals with closed conduit; the installation of automatic control and telemetric equipment for water control; and the repair, updating, and replacement of various structures and measuring devices. The entire project will cost $8.3 million and the district has the capability to utilize $400,000 in fiscal year 1978. The funds are in the nature of a loan to the irrigation district, which will be repaid by the irrigators.

A line item for this project would have been included in the Bureau of Reclamation's fiscal year 1978 budget except that the Rehabilitation and Betterment Act (63 Stat. 724) requires a 60-day review of the approved contract by the appropriate committees of Congress before it can be let. The approved contract was submitted to the Senate Energy and Natural Resources Committee and the House Interior Committee on May 11, 1977, and the 60-day review period just ended yesterday.

By including the item in the next supplemental appropriations bill, a year's time in construction of the improvements can be saved.

Mr. President, I, therefore, respectfully bring this matter to the attention of the Senate in the hope that we can improve the addition of that amount in the next supplemental appropriation bill so that work can be started on the projects to that extent this fall.

I ask the distinguished chairman of the subcommittee, the manager of the appropriations bill now before us, and the Appropriations Subcommittee chairman for these funds if they will take note of the need for this in the upcoming supplemental appropriations bill that the Senate will be acting upon shortly.

Mr. STENNIS. I assure the Senator from Montana that we will take note of this matter. I feel that it has merit. We are in a parliamentary situation here that works against the Senator from Montana. There is nothing that he can do about it, but he has what appears to be a meritorious matter. When we can, at an appropriate time, we shall give fullest consideration to it.

As far as making a specific promise to put it in a supplemental bill or something of that kind, we almost have to have a rule against making too certain a promise, because it can lead to disappointment and misunderstanding. We do not put a lot of matters in supplemental bills.

But, certainly, we will be considering this one and if it does not go in the supplemental bill the first time, it will be up front on the bill that follows.

Mr. MELCHER. I thank the chairman.

I ask that consideration of this matter be taken up as promptly as possible and our next opportunity will be a supplemental bill.

Mr. STENNIS. Yes.

We appreciate the Senator's position. This matter has merit. It was not eligible for consideration when we passed on the bill, so I am glad he has presented it here today.

Mr. President, as far as the Senator from Mississippi knows, there are no further amendments to be offered to this part of the bill. We do have left over yet the matter of the so-called neutron bomb.

Let me repeat this in the hearing of our leader, the Senator from West Virginia, and the minority leader.

We do not know of any other proposed amendments. We still have for consideration, of course, as I have just said, this matter of the so-called neutron bomb and this completes the bill. I think a unanimous-consent request is in order to not have any further amendments except those relating directly to the neutron bomb.

I submit that to the leadership, though, to make the motion.

Mr. ROBERT C. BYRD. Would the Senator put in a quorum, though, momentarily?

Mr. STENNIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I state to the Senator that as far as we can determine there are no further amendments from this side and we would have no objection to an agreement that would limit further proceedings on this bill to this one issue.

Mr. STENNIS. That is fine.

I am advised that Senator Glenn has spoken about an amendment. That reminds me that he mentioned it to me in the elevator, but I did not hear anything further, so I do not have him on my list of possible amendments.

I would not mind making an exception there, because he had at one time, I believe a week ago, talked about the fact he might have an amendment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ZORINSKY). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 652

Mr. GLENN. Mr. President, do we need unanimous consent to take up additional funding matters on the bill?

The PRESIDING OFFICER. The Senator's amendment, which requires a figure already amended, to be amended further, does require unanimous consent.

Mr. GLENN. I send to the desk an unprinted amendment.

The PRESIDING OFFICER. Is the Senator requesting unanimous consent that it be in order?

Mr. GLENN. I do not believe I need it now. I was under a misconception that it was required under the parliamentary procedure. The amendment is at the desk.

The PRESIDING OFFICER. The Senator does require unanimous consent to call up his amendment.

Mr. GLENN. I ask unanimous consent, Mr. President.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN) proposes an unprinted amendment numbered 652.

The amendment is as follows:

On page 2, line 13, strike $4,437,616,000" and place in lieu thereof $4,441,516,000"

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. GLENN. I yield.

Mr. ROBERT C. BYRD. I ask unanimous consent that upon the disposition of the amendment by Mr. GLENN no further amendments to the bill be in order except amendments to the enhanced radiation weapon.

Mr. STEVENS. The neutron bomb section.

Mr. ROBERT C. BYRD. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. Mr. President, this past April, President Carter announced that the next increment of nuclear fuel enrichment capacity in the United States would be obtained through construction of a centrifuge facility as opposed to a gaseous diffusion plant. This decision was made on the grounds that gaseous diffusion plants are highly inefficient, as indeed they are. Most of the heat generated in these plants goes out the stack or into a cooling facility in a lake or a nearby ocean. In fact, if one were to take all the waste heat of the three gaseous diffusion plants at Oak Ridge, Paducah, and Portsmouth when they are operating at full capacity, and add the even greater waste heat generated by the heavy water facility at Savannah River, one obtains a total amount of waste heat equal to 12,000 megawatts of thermal energy. This is equivalent to the energy found in nearly 62 million barrels of oil per year. I repeat, that is waste heat out of these plants, and these are just the diffusion plants. Despite such waste, these plants are expected to operate indefinitely into the future. ERDA has recently begun addressing the problem of utilization of this waste heat, and in the fiscal year 1978 budget, there was allocated $2 million to study this problem. The main avenue of approach to be taken by ERDA in utilizing this waste heat is to examine the feasibility of constructing other facilities nearby that could use this waste heat, such as industrial parks or residential communities in the vicinity of these fuel production facilities.

I might add that any method of using this waste heat would also be applicable to all the different nuclear plants all over the country. This study is being conducted at the diffusion plants because they are more wasteful of heat than even the usual electrical generating plant nuclear facilities.

In conjunction with such studies the States involved would have to carry out detailed investigations of institutional barriers that might exist toward making such utilization of the waste energy, and would also have to consider the socioeconomic impact of the suggested solutions.

This, of course, does cost money to remedy the situation.

Mr. President, it is my sincere belief that this program of waste heat utilization is important not only for the States involved but for the whole Nation as well.

In earlier action on the floor today, in connection with the ERDA nuclear authorization, both sides of the aisle accepted the figures put forth by myself, by Senator HART, and by Senator SASSER, which made an additional $2.9 million of authorization available for investigating this waste heat utilization. My amendment to the public works appropriation bill, now under consideration, includes this $2.9 million figure for waste heat utilization.

In addition to that, Mr. President, I am asking that the original administration request of $5 million for international cooperation, which involves looking into alternative energy sources in developing countries around the world, be restored to the administration-requested $5 million as opposed to the committee's figure of $4 million. This would raise the total amount we are proposing to $3.9 million, and I cannot think of any better use to which we could be putting this money.

I would urge the floor managers on both sides of the aisle, to accept this amendment. It will then be in complete agreement with what was passed earlier today when Senator CHURCH was floor managing and Senator MCCLURE was the minority floor manager.

Mr. HART. Mr. President, will the Senator yield?

Mr. GLENN. Certainly.

Mr. HART. Mr. President, I would like to commend the Senator from Ohio once again for his leadership in this issue. He stated the facts succinctly. We are a wasteful nation, and this is one step we can take to reduce waste and better conserve our precious energy resources.

The amendment he proposes contains the amount for the purposes stated in the earlier amendment on the floor today, and I strongly support the amendment. I hope the distinguished managers of the bill will accept it because it is both in the short-range and long-range interests of this country.

Mr. STENNIS. Mr. President, I had read the Senator's statement about his amendment, and I do not know how it is going to fit in with the House's thinking on these matters. There are some points in it that impress me, and with the understanding that we will do the best we can item by item in conference to get at least a part of this money, why, I would be glad to join the Senator in his amendment.

Mr. GLENN. I thank the Senator for his consideration. I know he will help all he can to keep on this because it is an area where we can make tremendous use of energy now being wasted, and I think it is well worth the money we spend on the study.

Mr. STENNIS. I know the Senator has worked on this subject matter faithfully, long and well, and we certainly want to do what we can. There are a lot of amendments though in this bill and, of course, the House position has to be considered.

Mr. GLENN. I appreciate the consideration of the Senator, and I yield back whatever time I have here, and I call for the vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

The amendment was agreed to.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GLENN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CLINCH RIVER

Mr. RIEGLE. Mr. President, only the demands of a prior commitment yesterday prevented me from casting my vote to reduce funding for the Clinch River breeder reactor to $33 million, and thus stop further work on that project. From the standpoint of supporting President Carter's appeals to other nations to eschew breeder reactor technology as a means of throttling the perilous proliferation of nuclear weapons, it is essential that the United States show no hesitation in structuring its own programs in nuclear power generation. But I hasten to add, that even for those who do not

share my convictions regarding the connection between breeder reactors and the spread of nuclear weapons, the Clinch River reactor was obviously an improperly designed and sited facility which should not be pursued further. Cutting our losses is certainly a better policy than throwing good money after bad.

SUPPORT FOR CLINCH RIVER RESEARCH

Mr. DOLE. Mr. President, when the American people were called upon during the oil shortage of 1973, they responded favorably to conservation attempts to save energy. This effort was commendable. However, we now know, 4 years later, that conservation is not enough to solve this Nation's energy problems, since every year we have grown more and more dependent upon foreign sources of oil. In order to meet our growing energy demands, alternate sources of energy must be developed to insure a strong and independent America in the future.

VAST POTENTIAL

One attempt to fully explore an alternate energy source is the Clinch River breeder reactor demonstration program. The Clinch River project is a research program designed to demonstrate the liquid metal fast breeder reactor, which has a nuclear energy potential roughly equivalent to that of all U.S. coal reserves still in the ground.

The fast breeder reactor, powered with plutonium 239, uses a fission process that produces more fuel than it uses. The plutonium 239 core of the breeder reactor is surrounded by a blanket of "fertile" uranium 238. In the energy-producing fission process, a neutron is released by the plutonium 239, which bombards the uranium 238. When the uranium 238 absorbs the neutron, it turns into plutonium 239, thus breeding additonal fuel for the reactor.

PROLIFERATION ISSUE

Opponents of the Clinch River project have argued against continued funding for the program on grounds that it will lead to proliferation of nuclear weapons. They fear that America's policy position against the international spread of nuclear explosives will be somehow undercut by proceeding with the Clinch River project.

Yet, France, Britain, and the Soviet Union already have these reactors and are well ahead of the United States in fast breeder reactor technology. Clearly our abandonment of the Clinch River project will not slow proliferation of nuclear arms. The campaign against proliferation should proceed on different grounds. The nonproliferation of nuclear weapons is best encouraged through diplomacy, not restraint of technology.

CONSUMER BENEFITS

There are many strong arguments in favor of going ahead with the Clinch River project. The first and most obvious favorable factor is that it is the only nuclear reactor that "breeds" more fuel than it consumes. In addition, the liquid metal fast breeder reactor could ultimately solve the problem of storing vast amounts of nuclear wastes since it could use its wastes as fuel.

There have been estimates that full development of the reactor could amount to a considerable savings in consumers' electricity bills for decades to come. One report suggests that development of the breeder reactor program to its full potential could supply 1,280 years' worth of energy for the United States at the rate we now use it.

It is important to remember that the Clinch River breeder reactor demonstration program is only a research project. Support for the Clinch River project cannot be likened to a blind leap into the dangerous unknown. It is a calculated experimental step in the direction of solving America's energy problems. As such, I am giving my full support to continued funding for the Clinch River breeder reactor demonstration program, as contained within the Senate public works appropriations bill for fiscal year 1978.

RECESS SUBJECT TO CALL

Mr. ROBERT C. BYRD. Mr. President, I move the Senate stand in recess awaiting the call of the Chair.

The motion was agreed to, and at 6:16 p.m. the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 6:54 p.m. when called to order by the Presiding Officer (Mr. NUNN).

ORDER TO RESUME CONSIDERATION OF PUBLIC WORKS APPROPRIATIONS BILL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, the Senate resume consideration of the public works appropriations bill.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

TRANSFER OF MEASURE TO UNANIMOUS CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, there is one bill on the calendar that has been cleared for action by unanimous consent. I ask that the clerk transfer that measure to the Unanimous Consent Calendar. It is Calendar Order No. 303.

The PRESIDING OFFICER. That will be done.

RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 10 o'clock tomorrow morning.

The motion was agreed to; and at 6:55 p.m., the Senate recessed until Wednesday, July 13, 1977, at 10 a.m.

NOMINATION

Executive nomination received by the Senate July 12, 1977:

DEPARTMENT OF STATE

Jean M. Wilkowski, of Florida, a Foreign Service officer of class 1, for the rank of Ambassador while serving as Coordinator of United States Preparations for the United Nations Conference on Science and Technology for Development.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

(Statements in connection with bills and joint resolutions introduced today are as follows:)

By Mr. NELSON:

S. 1838. A bill to insure fair and equitable representation for smaller and medium-sized businesses on Federal advisory committees; to the Committee on Governmental Affairs.

FAIR REPRESENTATION FOR SMALL BUSINESS

Mr. NELSON. Mr. President, I introduce for appropriate reference the Fair Representation for Small Business Act, a bill to provide for equitable representation for small businesses on the advisory bodies which are utilized by the Federal Government. This is a similar bill to the one I introduced during the 94th Congress, S. 3085.

The bill would amend the Federal Advisory Act of 1972 and the Federal Reports Act of 1942 to provide an explicit directive that small business—which accounts for 97 percent of the number of U.S. businesses, over half of all private employment, 48 percent of the business output, 43 percent of the gross national product, and over half of the significant industrial innovation in the U.S. economy—be fairly represented on Federal advisory committees, panels, and task forces.

The object of the bill is to make sure that small business has a voice in the Nation's existing advisory councils and new councils which the President or agency heads see fit to establish.

In testimony on S. 3085 before the Government Operations Committee last year, I noted that the particular needs of small business receive little attention when the Federal Government formulates new policies or promulgates new regulations. A basic reason for this lack of consideration is that small business is not fairly represented on advisory councils which presently meet with Federal agencies.

Compliance with existing governmental requirements is already a job of massive proportions. The magazine U.S. News & World Report recently estimated that there are 60,000 pages of fine print in the Federal regulations and it would take a bookshelf 15 feet long to hold them all.[1]

But, new programs are being created all the time. Among the recent programs which suffered from inadequate small business representation were the solar energy program of the Energy Research and Development Administration, ERDA; the creation of reporting forms under the Pension Reform Act of 1974, ERISA; and the publication of Occupa-

[1] "Multibillion-Dollar Price Tag," U.S. News & World Report, June 20, 1977, p. 48.

tional Safety and Health Administration, OSHA, regulations. In each instance, it was necessary for small business owners to expend inordinate amounts of time and energy to raise the small business viewpoint to the level of the Agency's visibility.

As a result, fortunately, changes are now being made in these programs to render them more acceptable to the small business community. For example, ERDA has created the position of "Small Business Adviser," and we see evidence of closer consultation with small business in solar energy development; pension forms have been substantially reduced in size; and OSHA recently announced a new policy of concentration on major hazards and reducing its inspection of small firms in nonhazardous areas.[2]

However, smaller firms still have significant problems with many other existing governmental programs. The future will undoubtedly bring new policies and further regulations, in such areas as fuel consumption, health, and consumer safety. Other problems of which the committee is aware include the Environmental Protection Agency's pesticide registration programs, the Post Office procedures which charge small businesses more for business reply mail than big businesses because the volume of smaller firms is less, and in many Government agencies there is an unreasonable delay in payment to small businesses for services received. All of this will surely mean even more time, energy, expense, and frustration among smaller enterprises unless there can be adequate consultation with small business advisers in the first place—that is, before the regulations and forms are published and sent out for compliance.

There are many ways to approach the goal of fair small business representation; and all of them should be explored simultaneously. In several hearings, the Small Business Committee heard suggestions for a thorough overhaul of the Advocacy Office of the Small Business Administration. The committee recommended additional strength for the research, analysis, and representational functions of that office.

We are recommending in a companion measure that each department and agency designate an appropriate official to become familiar with small business problems and serve as a point of contact for the small business community.

The Senate Small Business Committee has recommended to the President, through Senate Resolution 105, the establishment of a White House Conference on Small Business to conduct a comprehensive, long-term assessment of the problems of small business and to draft a blueprint for alleviation of those problems. This would be the first major executive branch conference since 1956 when a Cabinet Committee on Small Business was established.

The need for better representation for small business on the ongoing and future advisory panels is a point which our committee considers fundamental. In our view, it is the best vehicle for assuring a continuing voice for small business in governmental affairs.

We have worked for years to obtain better representation in tax matters by way of advisory committees to the Treasury Department and the Internal Revenue Service composed of smaller business owners and their advisers. We have sought to increase the number of small business representatives on the Business Advisory Council for Federal Reports—there is only one now.

We were able to bring into existence Small Business Advisory Committees at the Treasury Department and IRS that did much valuable work during 1975 and 1976.[3] Regrettably, neither of these committees has met or functioned thus far during 1977, with the loss of considerable valuable momentum. We are waiting with great interest to see what this administration will do in this area.

It is not my suggestion that the Government establish new advisory committees to Federal agencies or to keep any or all of the present units. However, where they do exist they should contain an appropriate proportion of small business spokesmen. These opportunities should be open to the owners of small businesses, persons rendering services to small enterprises, and small business association executives who are aware of the small business problems.

Mr. President, the most recent annual report of the Senate Small Business Committee calls for—

> * * * a national policy—in each branch and on every level of government—that will make small businesses more visible, give them higher priority, and preserve traditional small business values.[4]

The practical implementation of such a policy depends upon an ongoing dialog between small business and our policymakers. In these forums the regulators and the citizens who must endure the regulation can meet face to face. Each can educate the other and the entire climate of government can benefit. I want the meetings which deal with the economy to include small business which makes up such a significant part of the economy. This bill would get us a long way toward these goals, and I hope that it will be favorably considered by this Congress.

I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1838

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fair Representation for Small Business Act."

SEC. 2(a) The Congress finds that small and independent businesses are an important part of the United States economy and that their needs and concerns should be fairly represented on policymaking bodies in the Federal Government.

(b) The Congress further finds and declares that—

(1) economic, governmental, and other pressures on all businesses, and particularly small business, are mounting as reflected by steep increases in the number and size of bankruptcies;

(2) executive departments and agencies, particularly those having economic policy and regulatory functions, should take into account the impact on smaller and medium-sized businesses of such policies, regulations, and forms, and the ultimate effects upon industrial structure, competition, and the free enterprise system; and

(3) equitable and fair representation of the private, small business sector of the economy on existing Federal Advisory Committees within Federal executive agencies whose policy decisions and regulations affect smaller and medium-sized businesses is thus essential to the health and well-being of the Nation's economy.

SEC. 3(a) Section 4(b) of the Federal Advisory Committee Act is amended to read as follows:

"(b) Nothing in this Act shall be construed to apply to any advisory committee established or utilized by the Central Intelligence Agency.".

(b) Section 9 of the Federal Advisory Committee Act is amended by adding at the end thereof the following:

"(d) Each advisory committee which is established by the President or by an agency head as provided in this Act, and which is concerned with matters affecting the economy or business community shall contain fair and equitable representation of the small business sector of the economy, including individuals who, by reason of experience or training have expertise and familiarity with the unique concerns and needs of small and medium-sized businesses, particularly with respect to such establishing authority's responsibilities and Federal form and paperwork requirements.".

SEC. 4(a) Chapter 35 of title 44, United States Code, is amended by adding at the end thereof the following new section:

"*§ 3513. Advisory committees; small business representation*

"Each advisory committee which is established by the President or by an agency head as provided in the Federal Advisory Committee Act and which is concerned with matters affecting the economy or business community shall contain fair and equitable representation of the small business sector of the economy, including individuals who, by reason of experience or training, have expertise and familiarity with the unique concerns and needs of small and medium-sized businesses, particularly with respect to such establishing authority's responsibilities and Federal form and paperwork requirements."

(b) The table of sections of such chapter is amended by adding at the end thereof the following:

"3512. Information for independent regulatory agencies.
"3513. Advisory committees; small business representation.".

By Mr. LAXALT:

S. 1839. A bill to amend the Internal Revenue Code of 1954 to provide for payment by the Government of all reasonable litigation expenses to prevailing taxpayers in legal action; to the Committee on Finance.

Mr. LAXALT. Mr. President, I am today introducing legislation which would permit a taxpayer to recover all reason-

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[2] "New 'Common Sense' Priorities Set for Job Safety and Health Agency," News Release of the U.S. Dept. of Labor 77-460, May 19, 1977.

[3] See *Twenty-Seventh Annual Report of the Select Committee on Small Business,* U.S. Senate, 94th Congr. 2d Sess., Feb. 25, 1977, S. Rept. 95-30, pp. 48-51.

[4] S. Rept. 95-30.

able litigation expenses involved in differences with the Internal Revenue Service.

The complexity of the Internal Revenue Code is a much lamented but indisputable fact. Ordinary citizens, as a consequence, have no choice but to employ frequently expensive legal and accounting assistance in the event they experience differences with the Internal Revenue Service. The problem lies in the disparity of resources available to individual citizens when compared to the battery of attorneys and accountants employed by the IRS. This disparity is so great that citizens frequently abandon even highly meritorious cases owing to the insufficiency of resources to carry those cases to a final conclusion. This same disparity has on occasion encouraged frivolous and harassing suits against individual taxpayers by the Internal Revenue Service.

The Senate has recognized the seriousness of this problem and moved some distance already toward dealing with it. My good friend from Alabama (Mr. ALLEN) introduced an amendment to the Civil Rights Attorneys' Fees Act of 1976, S. 2278. The Allen amendment provided that in the event the Internal Revenue Service or another agency of the U.S. Government brings civil action against a taxpayer to enforce any provision of the Internal Revenue Code and does not prevail that the court at its discretion may award to the taxpayer reasonable attorney's fees. The Allen amendment passed the Senate by a vote of 72 to 0 and is now public law.

My good friend from Oklahoma, Mr. BELLMON, introduced a related measure as an amendment to the Tax Reform Act of 1976, H.R. 10612. The Bellmon amendment provided that in any proceeding pertaining to the redetermination of a deficiency or the collection or recovery of any Internal Revenue Tax, if the United States is not the prevailing party, the court may at its discretion award judgment for costs including reasonable attorneys' fees up to a maximum of $10,000. The Bellmon amendment was accepted in the Senate but dropped in conference with the House.

Mr. President, my bill continues along the same path started by the Allen and Bellmon amendments. But it goes even farther toward securing a fair deal for our taxpayers in their one-sided confrontations with the Internal Revenue Service. It provides that in any litigation proceeding or court action whether initiated by the Government or by the taxpayer, if the taxpayer prevails the Government is liable for the reimbursement of all reasonable litigation expenses and the court is directed to order full reimbursement. By litigation expenses, I mean here all actual attorneys' fees, court costs, and related and necessary expenses.

I ask unanimous consent that the text of my bill be printed in the RECORD at this time.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1839

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Legal Fees Reimbursement Act of 1977".

SEC. 2. Subchapter B of chapter 76 of the Internal Revenue Code of 1954 is amended by redesignating section 7427 as section 7428 and by inserting after section 7426 the following new section:

"SEC. 7427. REIMBURSEMENT OF LEGAL FEES.

"(a) In any litigation, proceeding, or court action arising from legal action originally initiated by the Government, even though later withdrawn by the Government, or in any action instituted by a taxpayer contesting the accuracy of a deficiency assessment or claiming a refund of taxes paid, the taxpayer having prevailed, or substantially prevailed (Government withdrawal construed as the Government having not prevailed), the Government shall be liable for the reimbursement in full of all reasonable litigation expenses incurred by the taxpayer as a consequence of legal defense, and the court shall order such reimbursement in full.

"(b) Reasonable litigation expenses shall include all actual attorneys' fees, court costs, expert witnesses, clerical assistance, travel expenses, preparation of documents, and other related and necessary expenses".

By Mr. BAYH:

S. 1845. A bill to protect the rights of individuals guaranteed by the Constitution of the United States and to prevent unwarranted invasion of their privacy by prohibiting the use of polygraph-type equipment for certain purposes; to the Committee on the Judiciary.

BAYH INTRODUCES POLYGRAPH CONTROL AND CIVIL LIBERTIES PROTECTION ACT

Mr. BAYH. Mr. President, today I am introducing the Polygraph Control and Civil Liberties Protection Act of 1977. As I indicated in my record statement of May 10, 1977, on this subject, the Subcommittee on the Constitution will be holding hearings on this measure in the near future. In the course of the 94th Congress I introduced a bill to bar the use of polygraphs and other mechanical or electrical devices used by the Federal Government or by private industry to screen and monitor their employees. This bill was referred to the Subcommittee on Constitutional Rights but, unfortunately, no action was taken at that time. The tradition of interest by the subcommittee in the use of polygraphs by employers goes back to the mid-1960's. Since that time the momentum of interest in and awareness of violations of privacy has grown steadily, and it is my hope and expectation that this piece of legislation will be passed in the 95th Congress.

The Privacy Commission report submitted today to President Carter and Congress recommends a statute consistent with the one I am introducing at this time. The Commission heard testimony of the same kinds of abuses which have concerned the subcommittee, and it has concluded that Federal legislative action is necessary. Most of us are familiar with instances of friends, acquaintances or relatives who have had to submit to the discomfort and indignity of a preemployment "lie detector" test which asked them irrelevant questions about their personal habits and past lives. It is not unheard of for polygraph operators to delve, for example, into sexual habits or past use of marihuana, even though the employer will concede that such questions have nothing to do with how well the applicant could perform a particular job. All too often, it is possible that the test results may then be turned over to anyone at all, a future employer, police, or colleges.

In my statement of May 10, I inserted in the RECORD an article in the Wall Street Journal telling of an employee of an engineering company suspected of giving away company secrets to the writer of the article. The man took and "failed" a polygraph test and was subsequently fired without explanation, even though as the author of the article knew, the man was not the informant.

Stories are legion of employees who are perfunctorily discharged after "failing" the company's routine polygraph test for theft, even though other explanations for the "deceptive" answer could have been made if the employer had cared to listen. In most instances the employees affected in this manner are not union members, have little job security, and have no protections against the injustices which may have been done.

Mr. President, I do not believe Americans should have to surrender a significant right to privacy in order to secure or keep employment. "Truth testing" machines used indiscriminately intrude and pry into lives with no regard for the underlying protections of the individual provided by the Constitution. Recent events in this country have taught us that the preservation of our civil liberties requires a constant guard in order to insure that we shall not lose to technological advancement what we have gained through our constitutional heritage. I believe the random use of truth testing devices presents us with such a threat. All too often, employers use these tests indiscriminately and without thought of implications they can have on the lives of their employees. A prevalent philosophy was expressed by President Nixon who observed when urging such a practice for certain employees in the executive branch:

> Polygraph them all. I don't know anything about polygraphs and I don't know how accurate they are, but I know they'll scare the hell out of people.

The Polygraph Control and Civil Liberties Protection Act is designed to prevent such indiscriminate practices in both the Federal and private sector. It would bar any employer from requiring or requesting any employee or applicant to take a lie detector test. A specific exception is made for the Central Intelligence Agency and the National Security Agency. I am aware, however, that the Select Committee on Intelligence is currently engaged in a study of employee security practices of agencies in the U.S. intelligence community, and that discrepancies may have to be reconciled.

To continue, the act would enforce this prohibition with both civil and criminal sanctions. A willful violation of this act would be punished by up to a year in

prison as well as a $1,000 fine. The Polygraph Control Act also establishes a civil penalty of up to $10,000, to be payable to the Federal Treasury in cases of less blatant violations. Finally a private remedy is provided to allow a person who was the victim of a violation of the act to recover damages from the employer for losses resulting from the violation. I should emphasize, Mr. President, that the bill would not in any way impede law enforcement authorities from making use of the investigative tool which a polygraph provides if there is reason to believe that a crime has been committed.

This bill is designed to put a stop to the offensive and degrading practice of random, groundless "sweeps" of large numbers of employees through periodic truth testing sessions, and it does not affect polygraph use by criminal justice agencies in pursuit of specific crimes and suspects as long as such practices are consistent with an individual's fifth amendment right against self incrimination.

Although civil service regulations issued within the last few years have restricted the indiscriminate use of polygraph tests for Federal employees, I believe it is important for us to solidify these regulations into an act of Congress. It is not, however, in the Federal Government but rather in the nongovernmental employee situation where mass invasions of privacy are taking place on a daily basis by the large scale use of these devices. There are no reliable statistics on the number of lie detector tests given by private examiners for business purposes but knowledgeable estimates have ranged from a low of 300,000 to a high of 500,000 per year.

Mr. President, the Privacy Commission report contains many recommendations and suggestions, both in the area of legislation as well as the voluntary adoption of practices to help assure that privacy which every American has a right to possess. The Subcommittee on the Constitution looks forward to working with the Government Affairs Committee, and other committees in the Senate, in reviewing these issues and furthering the interests of privacy through this and other pieces of legislation.

Mr. President, I ask that a copy of my proposed bill and a study on the abuse of polygraphs completed by the Constitutional Rights Subcommittee some time ago be inserted in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1845

Be it enacted by the Senate and House of America in Congress assembled, That (a) chapter 13, of title 18, United States Code, is amended by adding at the end thereof the following new section: "Sec. 247. Polygraph testing in connection with employment

"(a) For purposes of this section,

"(1) 'polygraph test' means any examination administered to an individual by mechanical, electrical or chemical means to measure or otherwise examine the veracity or truthfulness of such individual; and

"(2) 'employee organizations' includes any brotherhood, council, federation, organization, union, or professional organization made up in whole or in part of employees and which has as one of its purposes dealing with departments, agencies, commissions, independent agencies of the United States, or with business and industries engaged in or affecting interstate commerce, concerning the conditions and terms of employment of such employees.

"(b)(1) Any officer or employee of the United States or any person acting for or on behalf of the United States who requires or requests any officer or employee of the United States, or any individual seeking employment as an officer or employee of the United States, to take any polygraph test in connection with his or her services or duties as an officer or employee, or in connection with such individual's application or consideration for employment shall be subject to the penalties and provisions of subsection (c) of this section, except that section 247(b)(1) shall not apply to officers or employees of the Central Intelligence Agency or the National Security Agency.

"(2) Any person engaged in any business or other activity in or affecting interstate commerce, or any individual acting under the authority of such person who

"(A) requires or requests any individual seeking employment in connection with such business or activity to take any polygraph test in connection with his application or consideration for employment; or who accepts or uses the results of any polygraph test in connection with such application; or

"(B) requires or requests any individual employed by such person to take any polygraph test in connection with his or her services or duties as an employee; or who accepts or uses the results of any polygraph test, unless the employee freely and expressly requests to take such a test and the request is not a product of coercion or intimidation by the employer;

shall be subject to the penalties and provisions of subsection (c) of this section.

"(c)(1) Whoever wilfully and knowingly violates subsection (b) of this section shall be guilty of a misdemeanor and shall be punished by a fine not exceeding $1,000, or by imprisonment not exceeding one year, or both.

"(2) Whoever violates subsection (b) of this section shall be subject to a civil penalty not exceeding $10,000, to be payable to the United States.

"(3) Upon violation of subsection (b) of this section, any employee of officer of the United States, or any person seeking employment in the executive branch of the United States Government, or any individual seeking to establish civil service status or eligibility for employment in the United States Government, or any individual seeking employment in connection with any business or activity engaged in or affecting interstate commerce, or any individual employed by a person engaged in such business or activity, who is aggrieved by this violation of subsection (b) of this section, may bring a civil action in his or her own behalf or in behalf of himself or herself and others similarly situated, against the offending officer, employee, or person in the United States District Court.

"The district courts of the United States shall have jurisdiction to try and determine such civil action irrespective of the actuality or amount of pecuniary injury done or threatened, and without regard to whether the aggrieved party shall have exhausted any administrative remedies that may be provided by law, and to issue such restraining order, interlocutory injunction, permanent injunction, or mandatory injunction, or enter such other judgment or decree as may be necessary or appropriate to prevent the threatened violation, or to afford the plaintiff and others similarly situated complete relief against the consequences of the violation.

"With the written consent of any person aggrieved by a violation of subsection (b) of this section, any employee organization may bring such action on behalf of any such person, or may intervene in such action.

"(4) The analysis of chapter 13 of such title is amended by adding at the end thereof the following new item:

"Sec. 247. Polygraph testing in connection with employment."

SEC. 2. The amendments made by this Act shall become effective thirty days after the date of enactment.

SECTION BY SECTION ANALYSIS OF POLYGRAPH CONTROL AND CIVIL LIBERTIES PROTECTION ACT

Sec. 247(a) sets out the definitions to be used for purposes of the Act. The term "polygraph test" is included to mean any mechanical, electrical, or chemical testing device which is designed to measure the veracity or truthfulness of an individual. "Employee organization" includes such groups as unions or professional organizations which represent the interest of their membership in dealings with federal departments or agencies or with private businesses engaged in interstate commerce.

Sec. 247(b) describes the violations established by the Polygraph Control and Civil Liberties Protection Act. The Act prohibits any officer or employer of the federal government from requiring or requesting an employee, or an applicant for employment, to submit to a polygraph test as defined in Section 247(a). There is a specific exception for the Central Intelligence Agency or the National Security Agency. The Act also prohibits nongovernmental businesses engaged in interstate commerce from requiring or requesting their employees or applicants to take such tests. The Act does not prohibit an individual who is employed by such a business from requesting a polygraph test if the request is one which the employee has made on his or her own initiative and is not the product of coercion or intimidation on the part of the employer.

Sec. 247(c) sets out the penalties which may be imposed for a violation of Sec. 247 (b) of the Act. The penalties include a misdemeanor punishment of one year imprisonment or a fine of $1,000 or both for a person who wilfully and knowingly violates the Act. A civil penalty of up to $10,000 payable to the United States may be imposed for one who commits a violation but does so without a wilfull intent to violate the statute. The act also establishes a private cause of action to allow a person who has been the victim of a violation of the Polygraph Control and Civil Liberties Protection Act to seek relief against the violator in the appropriate United States District Court.

PRIVACY, POLYGRAPHS, AND EMPLOYMENT

THE POLYGRAPH TEST: RELIABILITY

The theory behind the polygraph procedure and its results involves physiological responses purportedly related to the act of lying. It is professed that lying causes conflict to arise within the individual subject. The conflict produces fear and anxiety which, in turn, produce physiological changes which the polygraph devices can measure and record. Thus, the assumption underlying the polygraph test is that a uniform relationship exists between an act of deception, cer-

tain specific emotions, and various bodily changes.[23]

A typical polygraph examination may contain several features. The subject to be investigated is usually ushered into a waiting room where it is hoped he will avail himself of the favorable polygraph literature left for his attention. His reactions to these readings are often observed by the secretary or receptionist and reported to the examiner prior to his encounter with the subject.[24] The purpose of this conditioning is that the person to be examined carry with him into the test a belief in the reliability, accuracy, and even infallibility of the polygraph. Examiners maintain that it is important and helpful in obtaining good responses for an individual to be convinced that his lies will be detected, thus heightening his sensitivity to the questions and the likelihood of clear physiological changes.[25] The "spy" in the waiting room reports to the examiner the degree of skepticism or acceptance exhibited by the subject while reading the polygraph literature. In this way, it is claimed, the examiner can better understand and compensate for all types of recorded responses to his questions.

Still prior to his being connected to the machine, the subject is brought into the testing area, usually a room sparsely decorated and furnished to avoid the presence of outside distractions or stimuli. At this point, some polygraph operators may make use of "two-way" mirrors to further observe the individual's behavior.[26] Then, with the machine in view, the examiner typically conducts a preliminary interview which aids him in assessing the type of person he is dealing with, and in obtaining other knowledge he might deem helpful in his interpretation of the results of the polygraph test.[27] The general questions pertaining to the circumstances being investigated are typically gone over to familiarize the subject with them and to allow the operator the opportunity to alter them where he feels it is necessary to elicit clear, definite responses.[28] The pneumograph tube, measuring respiration, is then placed around the subject's chest, the blood pressure and pulse cuff around his upper arm, and electrodes, which record galvanic skin responses (the change in the electrical conductivity of the skin due to increased skin perspiration) are attached to his hands. The examiner then proceeds with the questioning as he sits behind his control desk watching and marking the recordings of these devices.

How reliable is this process in determining the veracity of an individual? A study conducted at the Massachusetts Institute of Technology concluded:

". . There exists no public body of knowledge to support the enthusiastic claims of operators. There are no publications in reputable journals, no facts, no figures, tables, or graphs. In short, there is nothing to document the claims of accuracy or effectiveness except bald assertions." [29]

Though studies and experiments to assess the polygraph's effectiveness have been done, even when interpreted favorably, their results seem far from convincing of the polygraph's reliability. In an experiment conducted for the Defense Department, subjects were tested to determine the effect of their faith in the polygraph on the ability of the examiners to detect their lies.[30] The study concluded that a belief in the machine's accuracy did aid the detection of responses under certain types of questioning,[31] but it is significant to note the figures derived for the accuracy of the examiners' interpretations: only 83 percent of the subjects were correctly classified as guilty or innocent in the paradigm used.[32]

Footnotes at end of article.

Even a study conducted by a large, well-known polygraph firm, yielded results which, when scrutinized, are unsettling. The experiment was set up so that examiners worked independently and solely with the records of polygraph tests.[33] The analyses of the ten examiners, averaged, produced 87.75 percent accuracy in identifying guilty and innocent subjects.[34] The experimenters were quick to point out that the examiners involved in the project did not have the benefit of observing or interviewing the subject so as to "make allowances for a resentful or angry attitude, a condition which could cause an error in interpretation of polygraph records." [35] Further, when figures were calculated separately, experienced examiners achieved an accuracy of 91.4 percent, whereas the accuracy of inexperienced examiners was 79.1 percent.[36] The enthusiasm expressed by supporters of the polygraph for results such as these seems unfounded. Even an eight or nine percent fallibility figure is substantial, and there is admittedly a large degree of subjectivity in the examiner's estimation of the subject's state of mind. The fact that there are no uniform standards or qualifications which require a minimum level of competence for examiners cast their subjective evaluations into even greater doubt.

Polygraph promoters and examiners generally quote a 95 percent accuracy rate for the tests performed in actual, as opposed to experimental, situations. They also hasten to add that most errors are made in attaching an innocent label to a guilty individual, a fact they apparently view as comforting. The proponents' statistics are based on test results checked against the future dispositions of the subjects: an admission of guilt, confession to a crime, or the judgment of a jury. Yet even these means of verification are not conclusive. Whether or not a person has lied can never be known beyond any doubt; the confession or jury verdict may, in fact, be false or wrong. The staff, in short, has found no independent means for confirming the results of actual polygraph examinations.[37]

There is an established probability theory, however, which purports to sustain the validity of polygraph results. The theory of conditional probability maintains that, unless a diagnostic instrument has been demonstrated to be completely infallible, the probability that it will be accurate in any one test depends upon the prevalence of the condition being diagnosed in the group being tested.[38] In a group of 1,000 subjects, supposing 25 to be liars, and with a 95 percent accuracy rate assumed for the polygraph, the conditional probability for the lie detector is that for every one true liar, or "employment risk," found, two people will be falsely classified as such.[39]

Another objection to the claims of reliability for the polygraph test centers around the meaning of the physiological responses recorded. In hearings held before the House Foreign Operations and Government Information Subcommittee, chaired by Representative John Moss, experts declared that, given a physiological response under the polygraph test procedure, any of three inferences could be made: either the subject was lying; or he was telling the truth but some emotional factor, such as anger or embarrassment, caused the reaction; or the response was generated by a neurotic pre-condition of the subject.[40] Other less frequent or obvious factors possibly affecting the machine-measured replies include extreme nervousness; physiological abnormalities, such as heart conditions, blood pressure problems, headaches and colds; deep phychological problems; the use of drugs and alcohol; fatigue; simple bodily movements; and even the subject's sex.[41] Thus, the fact that peculiar physiological responses may be caused by physiological factors unrelated to whether the subject is lying casts the validity of these tests into further disrepute.

Furthermore, are there mental activities besides deception that can cause the physical changes recorded by the polygraph? Psychiatric experts state that any situation or stimuli that produced feelings of frustration, surprise, pain, shame, or embarrassment could be responsible for such physiological responses.[42] In fact, humans do respond differently to emotional stresses. No one would claim the physical responses of different people would be the same even under similar stimuli.[43] Nor, for that matter, has there been any relationship proven between lying and feelings of fear and anxiety:

". . . people cannot go through life without some lying, and every individual builds up his own set of responses to the act. Lying can conceivably result in satisfaction, excitement, humor, boredom, sadness, hatred, as well as guilt, fear. or anxiety." [44]

Negative polygraph results could be obtained because of feelings such as hostility, possessed unconsciously by a mentally-unbalanced subject.[45]

Are there other individual differences which could affect the polygraph? Studies conducted have shown that many individual factors, including skin pigment, may affect the galvanic skin response, heartbeat, and respiratory response measured by this device.[46] In a study conducted for the Air Force to determine the role played by environmental stress in the ability to detect lies,[47] the experimenters unexpectedly discovered another potential problem area. They found that the galvanic skin reactivity of an individual was not predicated only upon environmental or situational circumstances producing increased perspiration and electrical conductivity of the skin. Instead, it appeared that these physical responses differed among individuals, as recorded by the polygraph, in a way not accounted for in the experimenters' predictions. Further investigation seemed to point to biological, racially attributable differences as the reason.[48]

A related problem inherent in the polygraph test pertains to questions of cultural differences. It is generally recognized that values and moralities—honesty and truth—are, in part, culturally acquired; a serious lie in one person's view could, based on a different personal experience and background, be, in another's eye, inconsequential.[49] This throws further suspicion on the validity of a technique which depends upon accepted notions of morality for its value.

If the public were aware of the fallibility of the polygraph, would its effectiveness decrease? An important feature of the examination procedure, as previously explained, is the attempt to convince the subject of the machine's accuracy. Thus, as one authority notes, "Were the machine regarded as capable of error, fear of detection would be reduced, and this lowering of fear would result in diminishing physiological response." [50] One polygraph study concluded that the more a guilty subject could control his own attitudes and answers, the greater the contamination he could produce in the polygraph results; an intelligent subject could often succeed in eluding detection.[51]

What is the examiner's influence in the polygraph procedure and results? Interpretation is the essence of the process, making lie detecting a highly subjective business. Judgements about the subject's attitude and

personality, about the composition of questions, and regarding the meanings of the machine's recordings are all made by the examiner. The results presented are solely the assessment of an operator of the lines recorded in the graphs of his machine. The expertise requisite in making such interpretations raises several questions as to the reliability of polygraph reports. Familiarity with several medical specialties and an understanding of clinical and social psychology should be required and expected of examiners; yet, the curriculum offered by a leading polygraph school, a program lauded by advocates as producing truly reputable examiners, amounts to a mere 244 hours of study with only 14 hours in psychology and 31 hours in "medical aspects." [52] Even the mere possession of an academic degree, unless an advanced one in physiology or psychology, should not be enough qualification.[53] Clearly, the level of most examiner competence across the country, when the finest of the profession receive the minimal training noted here, falls far short of these criteria.

Another consideration is the possibility that examiner bias will be injected into the test. There are examiners who sympathize with the employer who is seeking protection from thieving employees [54] who believe that most of the people who resist the tests are trying to hide something incriminating,[55] and who maintain that the polygraph is an effective instrument for bringing out a person's compulsion to confess.[56] The chance for an unprejudiced examination and interpretation, with underlying examiner attitudes such as these, greatly diminishes.

With this number of potential trouble-spots involved, doubt must be cast upon the objectivity, accuracy, and reliability of the polygraph test. It has been noted that the acceptance of the machine is the product of circular logic: belief in the device induces confession, and the rate of confessions creates faith in the polygraph's effectiveness.[57] In reality:

"The polygraph technique only provides measures of various autonomic responses. The stimuli that elicit these responses, the intervening variables (constitutional predisposition, past learning, conscious and unconscious motivation, etc.) and the interpretations made of the resulting graphs are highly complex and are inferences made from more or less incomplete data." [58]

THE POLYGRAPH TEST: CONSTITUTIONALITY

The courts have been embroiled in the polygraph issue for a half-century, contending with questions of reliability and, in related contexts, with the deeper constitutional implications for individual rights. Reservations have been expressed again and again concerning the admissibiltiy of polygraph results as evidence: (1) the jury's role would be undermined by a test purportedly as related to the determination of truth as the polygraph; (2) the test data offered by a defendant couldn't be cross-examined; (3) the problems of assuring that consent to be examined has been completely uncoerced are great; (4) with the polygraph usable as evidence, the presumption of innocence would certainly be damaged by a refusal to take the test; and (5) a polygraph exam could violate the privilege against self-incrimination [59] as well as other constitutional provisions. These last considerations and concerns are also relevant to the use of polygraphs in employment, where this method of investigation threatens to violate the right to privacy possessed by every individual.

The right to privacy is not one of the specific guarantees enumerated in the Bill of Rights. Yet it has been recognized as an implicit right, intended by the Constitution and its framers, a result of the entwinement of express constitutional mandates and necessary to the preservation and viability of these liberties.

In particular, the provisions of the First Amendment have been among those deemed related to the right to privacy. "The right of freedom of speech and press includes . . . freedom of thought . . . Without those peripheral rights the specific rights would be less secure." [60] Freedom in our thoughts and beliefs has been long acknowledged as being within the First Amendment freedom of speech. In *Palko* v. *Connecticut* [61] this point was clearly stated:

"Of that freedom [of thought, and speech] one may say that it is the matrix, the indispensable condition, of nearly every other form of freedom. With rare aberrations a pervasive recognition of that truth can be traced in our history, political and legal. So it has come about that the domain of liberty, within by the Fourteenth Amendment from encroachment by the states, has been enlarged by latter-day judgments to include liberty of the mind as well as liberty of action. The extension became, indeed, a logical imperative when once it was recognized, as long ago as it was, that liberty is something more than exemption from physical restraints . . ." [62]

Freedom of thought, then, has been held to be a fundamental right. In fact the connection between liberty of thought and the right to keep those thoughts private is inescapable.

Griswold, v. *Connecticut* [63] is a landmark Supreme Court case upholding the constitutionality of this right of privacy. The Court stated that, along with the other amendments, "the First Amendment has a penumbra where privacy is protected from governmental intrusion." [64]

In a concurring opinion, Justice Goldberg urged that privacy does not have to be inferred from enumerated freedoms. Instead, the Ninth Amendment can be turned to, for it "simply shows the intent of the Constitution's authors that other fundamental personal rights should not be denied such protection or disparaged in any other way simply because they are not specifically listed in the first eight constitutional amendments." [65]

Justice Goldberg went on to say that in deciding what rights are fundamental we must examine our traditions to discover the principles rooted there. In *Griswold*, the controversy revolved around the marriage relationship and the privacy traditionally accorded its intimacies. The Court declared, "We deal with a right to privacy older than the Bill of Rights . . ." [66] Certainly the right to privacy in our minds, to speak or keep silent about our thoughts, is one of the oldest and most basic principles of human individuality and life. Such a valued tradition should not be tampered with for reasons of alleged expediency.

Though the *Griswold* decision focused on the right to privacy as peripheral to First Amendment rights, it was noted that other constitutional guarantees manifest this same purpose:

"The Fourth Amendment explicitly affirms the "right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures." The Fifth Amendment in its Self-Incrimination Clause enables the citizen to create a zone of privacy which government may not force him to surrender to his detriment." [67]

Boyd v. *United States* [68] recognized that in questions of privacy the Fourth and Fifth Amendments are closely tied, as explained in a passage from the Court's opinion:

"The principles laid down in this option [of Lord Camden] affect the very essence of constitutional liberty and security . . . they apply to all invasions on the part of the government and its employers, of the sancity of a man's home and the privacies of life. It is not the breaking of his doors and the rummaging of his drawers that constitutes the essence of the offense; but it is the invasion of his indefeasible right of personal securty, personal liberty and private property where that right has never been forfeited by his conviction of some public offense . . . any forcible and compulsory extortion of a man's own testimony or of his private papers to be used as evidence to convict him of a crime or to forfeit his goods is within the condemnation of that judgment [of Lord Camden]. In this regard the Fourth and Ffth Amendments run almost into each other.[69]

Several of the points made in *Boyd* can be related to the issues of a federal employee's rights, to the nature of the self-incrimination and unreasonable search and seizure protections outside of criminal proceedings. Clearly, the Constitution does not limit these guarantees to a criminal context. In the landmark decision *Miranda* v. *Arizona*,[70] to secure the Fifth Amendment protection, the Supreme Court maintained that "the privilege is fulfilled only when the person is guaranteed the right 'to remain silent unless he chooses to speak in the unfettered exercise of his own will,' " [71] The Court further noted that, "Today, then, there can be no doubt that the Ffth Amendment privilege is available outside of criminal court proceedings and serves to protect persons in all settings in which their freedom of action is curtailed from being compelled to incriminate themselves." [72]

These tenets of *Boyd* and *Miranda* are indeed relevant to employment situations and polygraph-induced confession even though the purpose of such tests is not to elicit incriminating evidence for a court. Congressional hearings into the use of polygraphs in federal employment determined that:

"The polygraph technique forces an individual to incriminate himself and confess to past actions which are not pertinent to the current investigation. He must dredge up his past so he can approach the polygraph machine with an untroubled soul. The polygraph operator and his superiors then decide whether to refer derogatory information to other agencies or officials.[73]

The concern in *Miranda* was to compensate for the coercive aura of a police station to insure that all precautions are taken so that a suspect does not feel compelled to speak. Where obtaining or retaining a job is dependent upon the taking of a polygraph test, the environment can be just as coercive. Employment is vital to existence and survival in our modern society, and the competition for jobs is great. The submission to polygraph examinations in pre-empolyment interviews is deemed voluntary, but the knowledge that a refusal will automatically end the employment opportunity undermines this claim. Furthermore, the onus of guilt, of hiding potentially damaging revelations that accompanies a refusal to be tested by a polygraph further reduces the voluntary aspect. Many job offers are conditioned upon an agreement to submit to future polygraph tests, entirely eliminating any element of choice. For a person seeking or obtaining a job to be coerced to reveal private knowledge, thoughts, and beliefs would appear repugnant to Supreme Court cases which recognize the constitutional rights of employees.[74] The price of gaining employment must not be a surrendering of civil liberties.

The polygraph examiner's questions themselves can be extremely coercive resulting from "the subject's defensive willingness to elaborate on his answer because he fears that unless he reveals all the details, the machine will record that he is lying even when his basic story is true." [75] Freedom from being compelled to make self-incriminating disclosures, a part of every citizen's right to privacy, should be applicable to a business setting, especially where polygraphs are in use, for, as one commentator summarizes:

". . . the nature of an employer's inquiries about past deeds and guilt is often indistinguishable from criminal interrogation.

Footnotes at end of article.

Moreover, the loss of personal liberty or property which would result from a criminal conviction is often no more significant than the denial of livelihood which may result from compelled testimony concerning past and present activities, associations, and even beliefs during preemployment or promotion screening via personality and polygraph testing." [76]

Another matter germane to the self-incrimination discussion is the question of how the responses elicited by the polygraph machine and examiner are characterized. In response to the growing complex of investigative techniques available for the identifying of a suspect in a criminal case, a distinction has emerged between physical as opposed to communicative evidence. Thus, a person may be compelled to provide a sample of his handwriting,[77] to speak,[78] or to exhibit his body for identification,[79] but he may not be expected to be a source of testimonial evidence against himself. In *Schmerber* v. *California*,[80] in which the Court held that the taking of a blood sample over petitioner's objections did not violate constitutional requirements, the polygraph was discussed in relation to the difficulties inherent in the process of separating physical evidence from communications. The opinion noted:

"Some tests seemingly directed to obtain 'physical evidence,' for example, lie detector tests measuring changes in body function during interrogation, may actually be directed to eliciting responses which are essentially testimonial. To compel a person to submit to testing in which an effort will be made to determine his guilt or innocence on the basis of physiological responses, whether willed or not, is to evoke the spirit and history of the Fifth Amendment." [81]

The technique applied to extract information from an individual must also be weighed against Fourth Amendment considerations. Methods for obtaining evidence, though in theory permissible, must, the Court has held, adhere to other principles as well as strict constitutional ones. In *Rochin* v. *California*,[82] the Court deemed it proper to refer to the sense of the community in determining whether drugs obtained from a forced stomach pumping could be used to achieve a conviction. The opinion concluded that "conduct that shocks the conscience" must be prohibited: "They are methods too close to the rack and the screw to permit of constitutional differentiation." [83]

The Fourth Amendment protection against unreasonable searches and seizures does not apply merely to criminal matters. "It is surely anomalous to say that the individual and his private property are fully protected by the Fourth Amendment only when the individual is suspected of criminal behavior." [84] In dissenting from a 1928 opinion upholding the constitutionality of wiretaps, Justice Brandeis, gazing into the future, predicted and worried that:

"Advances in the psychic and related sciences may bring means of exploring unexpressed beliefs, thoughts and emotions . . . Can it be that the Constitution affords no protection against such invasions of individual security?" [85]

The Fourth Amendment has now been recognized as applying to more than simple physical trespass.[86] Electronic listening devices,[87] police "stop-and-frisk" procedures,[88] the taking of fingernail scrapings,[89] all have come under its purview. The retention of an individual's privacy, in the face of ever increasing odds against it, is obviously a significant concern. Courts have found it to be their legitimate duty to protect this fundamental principle, as set forth in *Mapp* v. *Ohio:* [90]

"We find that as to the federal government, the Fourth and Fifth Amendments and, as to the states, the freedom from unconscionable invasions of privacy and the freedom from convictions based on coerced confessions do enjoy an "intimate relation" in their perpetuation of 'principles of humanity and civil liberty [secured] only after years of struggle." [91]

In the staff's view, polygraphs used in employment indisputably fall within the areas of constitutional concern presented here. To many knowledgeable commentators the relationship is evident.[92] To be probed and questioned so deeply, to be expected to reveal personal attitudes and beliefs under conditions such as those imposed by polygraph testing, is to be subjected to searches and seizures that are unreasonable, to coerced self-incrimination, to loss of civil liberties that amount to a true invasion of privacy.

THE POLYGRAPH TEST: CONCLUSIONS

A congressional subcommittee has concluded:

There is no 'lie detector,' neither machine nor human. People have been deceived by a myth that a metal box in the hands of an investigator can detect truth or falsehood." [114]

But whether or not the polygraph is a myth, it seems clear that it is here to stay. And, given modern ingenuity, it is not unreasonable to expect that new techniques and devices will be devised in an attempt to facilitate determining honesty. There are, in fact, some already in use. The "wiggle seat" is a new contraption for lie detecting derived from the original polygraph.[115] It, too, measures and records physiological changes due to heart action and a person's nervous movements, but with an added advantage over the polygraph. The wiggle seat's sensing is mounted in an ordinary office chair. A subject sitting in the chair has his mechanical energy changed to electrical energy which is broadcast to hidden recording instruments. Thus, the response detection can go on completely without the subject's knowledge.

Another type of examination that is gaining acceptance in American business is the Psychological Stress Evaluator (PSE).[116] The PSE registers the FM vibrations in a person's voice. The premise is that under stress the FM modulation is altered due to mouth and throat tightening. A graphic picture of the voice's modulations is made, and the presence and absence of stress are judged according to the character of the markings. The obtaining of the conversation to be assessed can be done secretively with the use of hidden tape recorders. The questions posed by this method are the same as those that critics of the polygraph have been raising, and proponents have been trying to refute, for years. Can the stress in a person's voice be directly attributed to lying? Can the evaluator objectively and accurately detect lies from physiological recordings of the voice? What of the constitutional problems of testing a speaker without his knowledge, so easily accomplished by the PSE technique?

These two innovations indicate that rather than being curtailed, use of the polygraph is being expanded, particularly in private business. Attitudes of employers, insofar as polygraph testing is concerned, are characterized in the following: "If a person refused to take the test, we probably wouldn't hire him." [117] "I use the polygraph because I got tired of playing God. It's hard to tell things by looking at people." [118] Even a U.S. Court of Appeals has lent its approval to polygraph testing:

"A statement challenged on the ground that it was obtained [from a polygraph examination administered to petitioner as a part of a hiring procedure] as the result of economic sanctions must be rejected as involuntary only where the pressure reasonably appears to have been of sufficiently appreciable size and substance to deprive the accused of his 'free choice to admit, to deny, or to refuse to answer' . . . But the threat of discharge for a job as a driver's assistant, which Sanney had held for one or two days, can hardly be labelled a 'substantial economic sanction' rendering his statement involuntary." [119]

These comments indicate that if polygraphs are here to stay, so, in fact, are the constitutional problems inherent in their use.

The right to privacy is basic to the American way of life and recognized as inherent in and guaranteed by the constitutional provisions of the First, Fourth and Fifth Amendments. The federal government ordinarily strives to curtail and prevent infringements of individual rights such as these. But the polygraph, as a tool of public and private employers, clearly demands more attention. Compulsory submission to a polygraph test is an affront to the integrity of the human personality that is unconscionable in a society which values the retention of individuals' privacy. Employers have a multitude of less objectionable resources at their disposal for investigating applicants' backgrounds and employees' performances. Expediency is not a valid reason for pitting individuals against a degradng machine and process that pry into their inner thoughts. Limits, beyond which invasions of privacy will not be tolerated, must be established. The Congress should take legislative steps to prevent Federal agencies as well as the private sector from requiring, requesting, or persuading any employee or applicant for employment to take any polygraph test. Privacy is a fundamental right that must be protected by prohibitive legislation from such unwarranted invasions.

FOOTNOTES

[23] *Ibid.*, pp. 699–700.
[24] *Ibid.*, p. 704.
[25] *Ibid.*, p. 705.
[26] ACLU Report, p. 4.
[27] Skolnick, *op. cit.*, pp. 704 and 705.
[28] ACLU Report, p. 5.
[29] Burkey, *op. cit.*, p. 81.
[30] Martin T. Orne and Richard I. Thackery, "Methodological Studies in Detection of Deception," distributed by the Clearinghouse for Federal Scientific and Technical Information, Dept. of Commerce.
[31] *Ibid.*, summary.
[32] *Ibid.*
[33] Frank S. Horvath and John E. Reid, "The Reliability of Polygraph Examiner Diagnosis of Truth and Deception," *The Journal of Criminal Law, Criminology and Police Science*, vol. 62, 1971, p. 276.
[34] *Ibid.*, p. 278.
[35] *Ibid.*, p. 281.
[36] *Ibid.*, p. 278.
[37] Skolnick, *op. cit.*, p. 699.
[38] *Ibid.*, p. 715.
[39] *Ibid.*, pp. 717–718.
[40] Hearings, pp. 10–11.
[41] *Ibid.*, pp. 12–13.
[42] H. B. Dearman, M.D. and B. M. Smith, Ph. D., "Unconscious Motivation and the Polygraph Test," *The American Journal of Psychiatry*, May 1963, p. 1019.
[43] Skolnick, *op. cit.*, p. 701.
[44] *Ibid.*, p. 700.
[45] Dearman and Smith, *op. cit.*, pp. 1017–1018.
[46] Equal Employment Opportunity Commission brief related to *Circle K. Corp.* v. *EEOC.*, U.S. Ct. of Appeals, 10th Circuit, case No. 72–1367, p. 8 (hereinafter cited as EEOC brief).
[47] S. Kugelmass, "Effects of Three Levels of Realistic Stress On Differential Physiological Reactivities," report for the Air Force Office of Scientific Research.
[48] *Ibid.*, pp. 22–23.
[49] EEOC brief, p. 7.
[50] Skolnick, *op. cit.*, p. 705.
[51] Joseph F. Kubis, "Studies In Lie Detection," report for the Air Force Systems Command, N.Y. June 1962.
[52] Skolnick, *op. cit.*, p. 707.

[53] Burkey, *op. cit.*, p. 87.
[54] Pete J. Perras, "Polygraph Invaluable Tool," *The Charlotte Observer*, July 6, 1971.
[55] Franklin, *loc. cit.*
[56] *Ibid.*
[57] *Ibid.*
[58] Dearman and Smith, *op. cit.*, p. 1019.
[59] Howard S. Altarescu, "Problems Remaining for the 'General Accepted' Polygraph," 53 Boston Univ. L. Rev. 375 (1973), p. 376.
[60] *Griswold* v. *Connecticut*, 381, U.S. 479 (1965), pp. 482–483.
[61] 302 U.S. 319 (1937).
[62] *Ibid.*, p. 327. For other related discussions see *Abrams* v. *U.S.*, 250 616 (1919), Holmes dissent; *Whitney* v. *California*, 274 U.S. 357 (1927), Brandeis concurrence.
[63] 381 U.S. 479 (1965).
[64] *Ibid.*, p. 483.
[65] *Ibid.*, Goldberg concurrence, p. 492. For another discussion of privacy see *Poe* v. *Ullman*, 367 U.S. 497 (1961), Harlan dissent.
[66] *Ibid.*, p. 486.
[67] *Ibid.*, p. 484.
[68] 116 U.S. 616 (1886).
[69] *Ibid.*, p. 630.
[70] 384 U.S. 436 (1966).
[71] *Ibid.*, p. 460, quoting *Malloy* v. *Hogan*, 378 U.S. 1 (1964).
[72] *Ibid.*, p. 467.
[73] Hearings, pp. 19–20.
[74] See *Slochower* v. *Board of Education*, 350 U.S. 551 (1955); *Garrity* v. *New Jersey*, 385 U.S. 493 (1966); *Keyishian* v. *Board of Regents*, 385 U.S. 589 (1967).
[75] ACLU Report, p. 35.
[76] Hermann, *op cit.*, p. 131.
[77] *Gilbert* v. *California*, 388 U.S. 263 (1967).
[78] *U.S.* v. *Dionisio*, 93 S. Ct. 764 (1973).
[79] *U.S.* v. *Wade*, 388 U.S. 218 (1967).
[80] 384 U.S. 757 (1966).
[81] *Ibid.*, p. 764.
[82] 342 U.S. 165 (1952).
[83] *Ibid.*, p. 172.
[84] *Camara* v. *Municipal Court*, 387 U.S. 523 (1966), p. 530.
[85] *Olmstead*, Brandeis dissent, p. 474.
[86] *Katz* v. *U.S.*, 389 U.S. 347 (1967).
[87] *Ibid.*
[88] *Terry* v. *Ohio*, 392 U.S. 1 (1968).
[89] *Cupp* v. *Murphy*, 412 U.S. 291 (1973).
[90] 367 U.S. 643 (1961).
[91] *Ibid.*, p. 657, quoting *Bram* v. *U.S.*, 168 U.S. 532 (1897).
[92] See ACLU Report and Hermann.
[114] Hearings, p. 1.
[115] Ann Ewing, "Lie Detecting at a Distance," *Science Newsletter*, Aug. 14, 1965, p. 107.
[116] Fred P. Graham, "Lie Detecting By a Voice Is Center of Controversy," *New York Times*, June 5, 1972, p. 1.
[117] Bill Bradley of Eckerd Corp. quoted in "To Catch a Thief," *Newsweek*, Sept. 23, 1974, p. 80.
[118] St. Petersburg, Fla. Chevrolet dealer quoted in "To Catch a Thief," *Newsweek*, *Ibid.*
[119] From a Court of Appeals opinion, *Sanney* v. *Montanye*, 6/20/74, reported in *The United States Law Week*, 43 LW 2027, 7–23–74.

By Mr. NELSON:

S.J. Res. 69. A joint resolution requiring each executive department and agency to designate a small business advocate; to the Committee on Governmental Affairs.

SMALL BUSINESS CONTACTS AT FEDERAL AGENCIES

Mr. NELSON. Mr. President, today I am introducing, for appropriate reference, a joint resolution that would give the nation's small and independent business community points of contact and potential assistance within the large and often bewildering structure of the Federal Government.

The problem is that Government has become more complex as the world has become more complex, and today there are 11 Federal departments and 59 agencies, according to the 1976 U.S. Government Organization Manual. Since that manual was printed, there have been six new agencies created, and a new Department of Energy is also on the horizon. Although reorganization efforts may reduce that number somewhat, there will always be a need to have a place where citizens can go to ask questions of these agencies and seek their help when it is required.

This is acutely necessary when the citizen is a small business owner whose whole livelihood may depend on the speedy resolution of a problem, especially if that problem has been created by one or another Federal agency.

The way this resolution seeks to resolve this problem is to call upon each executive department and agency to designate at least one high-level person to serve as a central point of contact for small business matters. This person would receive the views of small enterprises and their spokesmen in connection with the formulation of policies, regulations, forms, and deadlines having a serious impact on a significant proportion of the 97 percent of the 13.9 million businessses in this country which are "small business." Such an executive can also review the major problems faced by the small business community under his own agency's programs, and can receive the views of the Small Business Administration on pressing enterprise matters.

In this way, a senior line official can become familiar with the problems of the small business segment of the economy and can be in a position to articulate their concerns and advocate their legitimate needs as the department or agency continually performs its functions.

This resolution is similar to Senate Joint Resolution 177 introduced in 1976, but not acted upon by the 94th Congress.

VALUE OF SMALLER BUSINESS

The Nation's small business community accounts for an important segment of the American economy, not only in numbers, but in performance. It provides 55 percent of all U.S. private employment, 48 percent of business output, and about 43 percent of the gross national product.

A number of recent histories of American business now confirm that more than half of all innovations—including major industrial inventions, processes, and services—have been introduced by individual inventors and small businesses.

Social scientists have demonstrated that smaller, locally owned business owners and their families are strong supporters of local charities and social and educational institutions such as churches, hospitals, and libraries.

In spite of the tremendous economic and social contributions of small business, this important sector of the economy has long suffered from neglect at the hands of Federal officialdom. Prime examples of the past half dozen years include the predominant position of large corporations in the Government's research and procurement contracts; the crushing impact of recently published Government regulations and paperwork requirements in the pension and occupational safety fields; and the bypassing of the small business community in the formulation of policy in solar energy, tax, financial, and many other fields. As a result, the vigor of small and independent enterprise in this country has been undermined and the overall efficiency of our economy has been diminished.

WHAT IS NEEDED

This resolution alone cannot solve the problem of neglect of small business, but it can help to reverse the trend. That would be worthwhile. Finding voices for small business within Government would have many advantages. Great regulatory disasters could be avoided. Major policies could be tempered to make distinctions between the multibillion-dollar multinational corporations and the small bakers, printers, home builders, retailers, or service companies that operate in one city or small region. The agencies might even take into account the new firms that are struggling, against great odds, to become established and provide a living for the owners and their families.

If that happened, we would have a stronger country. More resourceful businessmen could forge innovative technical breakthroughs as Edwin Land did with the instant camera and Chester Carleson did with the electronic copier and Eugene Houdry did with catalytic cracking of petroleum. Millions of small firms would be expanding employment, helping to solve unemployment and youth problems. More people could get into a business of their own choice. Community values would be strengthened and the social structure would benefit. In short, this resolution could be a steppingstone to a better climate for small enterprise all across this country.

It bears repetition that of the Nation's 13.9 million businesses, only about 6,000 have their stock traded nationally. These 6,000 tend to be generously supplied with specialists of all kinds. They can afford to employ people for the sole purpose of dealing with the Government, to find out what decisions are pending, to express their views, to handle the paperwork of compliance, and to look for ways to maximize the companies' advantages under the various programs.

By contrast, the owners of small businesses must cope with Government requirements after they finish a full day in the shop. They rarely know what hits them, until after it hits, and they face uphill battles in trying to change the decisions which may vitally affect their profitability or survival.

Most of us, as Senators, are well aware from our correspondence of the problems facing small business. We hear daily from small businesses that are having a tough time with Government regulations and paperwork demands that do not distinguish between a family machine shop and the biggest multinational corporation. We have all seen small firms on the verge of closing up completely under the assault of governmental requirements.

The Small Business Administration can help to a great extent with this complex

of problems. Some of the other agencies have already established small business representatives to work on these problems. We commend the few agencies which have done so. But the work of the SBA has been uneven and understaffed, and the remainder of the Government agencies are only at the threshold of the proper recognition of small business concerns.

During the past 2 years the Small Business Committee has attempted to alleviate some of the worst of the prevailing problems.

For instance, we have helped to change several tax laws so that small businesses would be encouraged to expand while retaining local ownership of their enterprises. We have worked to reduce the regulations associated with the pension reform legislations. We have worked closely with the Commission on Federal Paperwork to cut Government paperwork.

We have passed changes in the Senate rules to provide for regulatory and paperwork impact statements aiming primarily to help those, including our small business community, who cannot make a strong enough input into the legislative and executive branches of the Government to help themselves.

However, much still needs to be done. As readers of the Federal Register know, Federal regulations are formulated daily which cut down on small business' ability to stay in business.

For instance—

A series of lighting guidelines proposed and now withdrawn by the Federal Energy Administration would have deprived small businesses of the ability to identify themselves by means of lighted signs.

A series of regulations has been proposed which require sellers of small amounts of chemicals to have Environmental Protection Agency approval.

A series of regulations concerning the operation of pension plans have effectively dried up pension funds as a source of investment for small business.

There is a limitless list of Federal policies which have negative effects on small business of which these are only a few examples.

In my view, the nature of the problem cries out for a sensitive policy, administered by sensitive officials who can make the views of small business known at the highest levels of Government agencies.

This resolution would take a small step in the direction of focusing the attention of Federal agencies on these problems and opportunities.

Other steps are needed. We should strengthen the advocacy program of the Small Business Administration. The designated agency contact should be conferring regularly with the SBA Advocacy Office. In addition, SBA should be ready to put together "strike forces" staffed and able to move in to help the agency small business contacts work on critical small business problems.

Further, Congress has been urging, and should begin insisting on, small business membership on the advisory councils which have been established by Federal agencies, as we suggested in companion legislation being introduced today. We hope that both of these pieces of legislation join the speedy acceptance of this body.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD at this point.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 69

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled.

Whereas small and independent business is an important part of the United States economy, accounting for 52 percent of private employment, 43 percent of all business output, 33 percent of the gross national product, and nearly 13 million of the 13.3 million businesses in the United States;

Whereas small businesses and individual inventors have accounted for more than half of all innovations, including a majority of major industrial inventions;

Whereas there is an acute shortage of equity capital for smaller firms and especially for new ventures, as indicated by the fact there have been only 36 stock issues sold by medium-sized businesses in the first 11 months of 1976.

Whereas smaller businesses are at a marked disadvantage in obtaining loans and other forms of credit, especially in periods of restrictive monetary policy;

Whereas regressive business income tax rates inhibit small and medium-sized businesses from raising capital through retained earnings;

Whereas regulation and paperwork by an increasing number of Federal departments and agencies have added substantial burdens in time and costs for smaller firms; and

Whereas total pressures on all business, and particularly small business, are increasing, as reflected by a dramatic increase in the number and size of bankruptcies in the year ending June 30, 1976, therefore be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled,

That in order to institutionalize the resources for long-range preservation of small business and maximize its contribution to the free private enterprise system and the overall economy of the nation, the head of each executive department and executive agency shall designate at least one employee of that agency whose assigned responsibilities shall include—

(1) acting as a liaison with the small and independent business community in matters of policy relating to small business; and

(2) conducting an analysis of the differential effects of department or agency policies on new, small and medium-sized independent business, as well as their particular needs under the free private enterprise system; and

(3) serving as a liaison with the Small Business Administration Office of Advocacy, to work for the benefit of small business.

By Mr. RANDOLPH (for himself, Mr. HATHAWAY, Mr. JAVITS, Mr. KENNEDY, Mr. PELL, Mr. RIEGLE, and Mr. SCHWEIKER):

S.J. Res. 70. A joint resolution authorizing the President to proclaim the third week of July of 1977, 1978, and 1979, as "National Architectural Barrier Awareness Week"; to the Committee on the Judiciary.

NATIONAL ARCHITECTURAL BARRIER AWARENESS WEEK

Mr. RANDOLPH. Mr. President, much of our manmade environment presents problems for our handicapped citizens and often prevents them from full participation in our society. We are making progress toward eliminating many of these barriers. It is expected that the recently issued regulations on section 504 of the Rehabilitation Act will provide the impetus for progress in public sector accessibility. The private sector also needs attention.

To this end, I am today introducing a joint resolution calling for the declaration of an Architectural Barrier Awareness Week during the third week of July in 1977, 1978, and 1979. Under provisions of the 1976 Tax Reform Act, businesses may deduct up to $25,000 per year during each of the next 3 tax years—1997–79—for moneys spent to make their operations accessible to the handicapped. By establishing one particular week as nationwide barrier awareness week, organizations at the National, State, and community level will be able to focus not only on the many problems in mobility facing our handicapped citizens, but also on the ways in which these problems can be solved.

Representative RICHARD NOLAN has introduced identical legislation, House Joint Resolution 426, in the House of Representatives. I hope the Senate will act favorably on this legislation. My joint resolution is cosponsored by Senators HATHAWAY, JAVITS, KENNEDY, PELL, RIEGLE, and SCHWEIKER.

I ask unanimous consent that the text of the joint resolution be printed at this point in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 70

Whereas architectural barriers infringe upon the rights of the physically handicapped by impeding their access to buildings and other facilities in the United States; and

Whereas the Congress has enacted legislation requiring the removal of architectural barriers at institutions receiving Federal funds; and

Whereas the Internal Revenue Code of 1954 provides deductions of as much as $25,000 per year to taxpayers to encourage the removal of architectural barriers; and

Whereas public commitment is necessary to achieve the goal of removing architectural barriers from buildings and other facilities in the United States; and

Whereas public commitment to solve the problem of architectural barriers is based upon public awareness of such problem and the means to solve such problem;

Whereas the American National Standards Institute has developed standards which, if implemented, would increase the accessibility of buildings and other facilities in the United States to the physically handicapped: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating the third week of July of 1977, 1978, and 1979, as "National Architectural Barrier Awareness Week", and calling upon the people of the United States to observe such week with appropriate activities.

ADDITIONAL STATEMENTS

JACK ANDERSON URGES RATIFICATION OF GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, when appearing on a recent "Good Morning America" show, columnist Jack Anderson pointed out that this country has never ratified the International Convention on the Prevention of the Crime of Genocide. Adopted unanimously by the General Assembly of the United Nations more than 28 years ago, the United States is in fact the only major Western nation that has failed to ratify this treaty. Today, more than 80 nations from all parts of the world, have given it their support.

In his remarks, Mr. Anderson stated that it has become increasingly embarrassing for us to condemn other nations for failing to respect human rights when we continually fail to support the treaty. The Convention, after all, condemns the most hideous of crimes that men can carry out against their fellow men—the crime of genocide.

President Carter has urged this body to give the treaty its advice and consent in order to aid him in his efforts to end human rights violations throughout the world. If we are not to appear hypocritical, I believe we must follow his advice. Let us demonstrate to the rest of the world that we wholeheartily support the preservation of all human rights—including the right of a people to exist.

Mr. President, I ask unanimous consent that the transcript of Mr. Anderson's remarks be printed in full in the RECORD.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

President Carter has been calling upon other nations to respect human rights. But he recently discovered, much to his embarrassment that the United States has never signed the treaty against genocide. It's the only Western nation, in fact, that hasn't signed the 28-year-old treaty.

The President, therefore, is bringing pressure on the Senate to approve the treaty this year. New York Senator Jacob Javits is leading the fight. Wisconsin Senator William Proxmire, meanwhile, has made a statement on genocide in the Congressional Record every day for 10 years.

But some of Carter's fellow southerners are threatening a filibuster. Such crusty, old Senators as South Carolina's Strom Thurmond, Mississippi's James Eastland, and Alabama's James Allen will fight the treaty until their last breath. They contend that Americans could be hauled off before international courts before the treaty. But meanwhile, foreign diplomats are twitting the United States for failing to support the most important human right of all—the right to live.

HUMAN RIGHTS AND CAMBODIA

Mr. HATCH. Mr. President, an article in the July 7 Chicago Tribune raises a question that I recently raised in the Senate, and that is the question why are we most silent about the worse case of human rights violations? The case might be made that the administration does not have a human rights policy. It apparently applies to no Communist government except the Soviet Union, and perhaps in this case it is a posture that covers up more fundamental kinds of concessions. Is our human rights policy a club with which we beat our non-Communist allies in the head?

There are too many contradictions and inconsistencies in our human rights posture for it to be based on a moral principle. Recently a State Department spokesman told American businessmen that they should show investment preference to Latin American countries that adhere to human rights. Four days earlier a Commerce Department official said that trade with Communist countries "is good business. It contributes to mutual understanding." The administration recently postponed two loans to aid Chile's poor farmers because of human rights violations, but Secretary Vance recently said that the United States is ready to end the trade embargo of Cuba, and Vice President MONDALE announced in Yugoslavia our help with their nuclear reactor without mentioning Tito's human rights violations. Currently the administration is talking about aid to black African dictators while interfering in South Africa's internal affairs because they do not have one-man-one-vote.

Mr. President, I am afraid that the evidence is mounting that the administration's human rights campaign applies mainly to countries that do not have a left-wing image.

I ask unanimous consent for the article from the Chicago Tribune to be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HUMAN RIGHTS AND CAMBODIA

(By Nick Thimmesch)

At a time when Jimmy Carter's shibboleth, "human rights," fills the air, it is incredible that advocates of humane treatment have focused very little attention on Cambodia, where one-tenth of the people have perished in a holocaust which makes Hitler took like a piker.

It is also a bit remarkable that neither President Carter nor his appointees at the State Department have made any special effort to deplore the bloodbath which the Communists have systematically inflicted on the Cambodian people. Occasionally, in a congressional hearing, an official from State will mention the slaughter, but it gets scant attention in the public prints or broadcasts.

Now we have an excellent account of this Communist genocide, "Murder of a Gentle Land," by two Reader's Digest editors, John Barron and Anthony Paul, who spent a year interviewing some 300 eyewitnesses to the brutality and killing. Their book is a compacted narrative of this grisly, and unfinished, episode.

It began in April, 1975, with the fall of the besieged capital of Phnom Penh to the Khmer Rouge. The fearful populace waved white flags of greeting to the invaders, hoping for the best. Instead, in the name of "Angka Loeu" [Organization On High], the Khmer Rouge troops, some in their early teens, began killing the sick and wounded, even shooting and beating to death hospital patients who had just come out of surgery.

Then, using the ruse that American bombers were coming [they never did], the Communists ordered a brutal evacuation of the city, jammed with inhabitants and refugees. Eventually, 3.5 million refugees, half of Cambodia's population, wandered toward the countryside, in pitiful columns of feeble elders, frightened women and children, and trembling men. Some 400,000 of these people are believed to have died.

When mass killings are the rule, the atrocities and the bodies almost lose identity. But a single wanton murder can still stand out. The book tells of a Communist soldier suddenly thrusting his bayonet into the stomach of a blind beggar, killing him. An onlooker asked, "Why?" The soldier answered: "He could never work in the fields. He was useless to society. It is better for him to die."

Indeed, this is often the guiding force in regimes dedicated to "purification," whether they be Nazi or Communist. Through "re-education" [concentration] camps, constant, indiscriminate killings, and warnings that with so many people dead, the living must work twice as long and hard, the Khmer Rouge rule Cambodia.

The Carter administration, if it is to maintain its credibility on "human rights," must quickly and publicly condemn the Cambodian regime, and detail the atrocity stories for the world to deplore. Moreover, it must be pointed out that the Cambodian Communist regime is Peking-oriented, and that there are at least 1,000 Chinese Communist military advisers in Cambodia. The Soviets were rudely expelled at the time of the takeover.

APPOINTMENT BY AMERICAN LEGION OF SPECIAL COMMITTEE TO PROTECT VETERANS' BENEFITS

Mr. THURMOND. Mr. President, the veterans of our Nation are uneasy over what they see as meaningful overtures by the administration to dilute or to dismantle the present schemes of veterans' programs administered by the VA and the VA health care system.

On June 23, the national commander of the American Legion, the Honorable William J. Rogers, announced the appointment of a special committee to direct the efforts of the American Legion in protecting veterans' benefits.

So that my colleagues may have the benefit of knowing the concerns of the American Legion in this area, I ask unanimous consent that the news release of the American Legion announcing the formation of the committee, its membership and consultants, be printed in the RECORD.

There being no objection, the news release was ordered to be printed in the RECORD, as follows:

LEGION NATIONAL COMMANDER APPOINTS SPECIAL COMMITTEE IN MOVE TO PROTECT VETERANS BENEFITS

WASHINGTON, D.C., June 23, 1977.—Responding to apparent threats to veterans benefit programs, American Legion National Commander William J. Rogers today announced the appointment of a special committee to spearhead the Legion's efforts to protect veterans benefits.

In announcing the formation of the new committee, the Legion chief said: "We can now identify some of those whose thinking is in the direction of the elimination of veteran programs, or their merging with social welfare programs. The American Legion will not stand idly by while some turn their backs on those who have fought the nation's wars. We intend to tell the American people what is happening, and to rely on their gratitude for the sacrifices made by the nation's veterans, which they have shown through the veterans benefit programs enacted by Congress."

The new committee, which will be known as the Committee on Special Problems of the Veterans Affairs and Rehabilitation Program, will be chaired by William F. Lenker of South

Dakota. Other members will be Frank Hamilton of Indiana, Al Keller of Illinois, Harry Davison of Colorado, Dorothy Andrews of Iowa, Chester Stellar of Ohio and Thad Gnidziejko of New Jersey. Acting as consultants to the full committee will be Roy Stone of South Carolina, Dyke Shannon of Florida and Dr. Kenneth J. S. DeSimone of Kentucky. The new Committee is expected to hold its first meeting in Washington, D.C. in mid-July.

At the National Commander's request, the Special Committee will first address itself to three dangers that Rogers outlines: an effort to merge veterans compensation and pension programs into social welfare programs now administered by HEW; a newly released report to the National Academy of Sciences that suggests merging the VA hospital system with community health care programs; and the continuing danger to VA hospitals that is posed by National Health Insurance.

Commander Rogers stated that the Legion will conduct an all-out effort to insure that all present veterans programs are maintained intact, and that they continue to be administered for veterans by the Veterans' Administration.

TRIBUTE TO SECRETARY BOB BERGLAND

Mr. HUMPHREY. Mr. President, I know of few public servants more dedicated to serving the family farmer than Secretary of Agriculture Bob Bergland.

Since taking office in January, Secretary Bergland has used administrative discretion available to him in virtually every way possible to enhance the welfare of the American farmer. He has placed the agricultural policy of this country back on the course of preserving and strengthening the social and economic integrity of one of the most precious and meaningful institutions that America enjoys, the family farm.

I have known Bob Bergland for a number of years. He has a 640-acre farm in northern Minnesota. In that part of Minnesota, Bob Bergland has long been thought of as a great friend of the farmer. A number of years ago, Bob Bergland started a cooperative in northern Minnesota. Eventually he was elected to Congress where he served four distinguished terms. He knows agriculture and the needs of the farmer as much as any individual in this country.

The appointment of Bob Bergland as Secretary of Agriculture by President Carter is one of the most outstanding appointments of this administration.

Mr. President, an excellent character portrayal of this outstanding American was printed in the July 10 edition of the Washington Post. Titled "Skip the Formalities, Agriculture's Man-in-Charge Doesn't Have Time," this article by Tom Zito gives us a picture of a sensitive, thoughtful, creative, and diligent individual.

Mr. President, I ask unanimous consent that the text of this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SKIP THE FORMALITIES, AGRICULTURE'S MAN-IN-CHARGE DOESN'T HAVE TIME

(By Tom Zito)

My father voted for Hoover in 1928. Then everything went down around his ears and he became a farm laborite. I grew out of that environment, and that's why I have a very suspicious streak in me.

—Bob Bergland

An omen: Secretary of Agriculture Bob Bergland has just finished telling the Millers' National Federation about grain price supports, and is hot-footing it for his limo parked outside the Capital Hilton, when he is intercepted by a man in a red-and-white-check double-knit suit and white shoes.

"Mr. Secretary, I'm So-And-So," the man announces. "And I'm with the Margarine Deal."

"Ah yes, the margarine deal," Bergland repeats. You can almost see the grist mill wheels grinding in his head: wheat, soybeans, safflower oil, butterfat . . . margarine? He recovers well. "You've made an appointment with my secretary?" Mergland asks. "Good. Well, we'll see you then."

Ten minutes later he's back in his office, standing behind his desk and answering the phone. "Hi. Bob Bergland here. What can I do for you? Hmm. I'm not quite sure how we got into this position, to be quite honest with you. But I'll have somebody get back to you."

Even as he talks on the phone, he pulls papers from his "in" basket, glances at them and then scrawls a left handed signature in felt-tip pen.

"This place survives on paper work," he says while waiting for somebody, somewhere to pick up a phone. "I have a rule: Never handle the same piece of paper more than once. If you do, it keeps coming back."

Bob—never Robert, absolutely never Robert Seimer—Bergland is essentially a Midwestern wheat farmer with sophistication, a guy as much at home running a combine as reading the Wall Street Journal, a bluegrass fan, an avid dancer, a 48-year-old man who got elected to Congress from Minnesota eight years ago because he didn't like the way farmers were being treated.

He knows the problems. He ran a 640-acre farm a few miles south of the Canadian border until he took over the department. He started a farmers' cooperative. "It's always boom or bust, feast or famine for the little guy," he says.

Then on Dec. 20 last year, Bergland was at home watching the Vikings on television when Jimmy Carter called to ask him to be Secretary of Agriculture. His father, Sam, an 82-year-old populist, told him it was "the dumbest thing in the world" to abandon Congress. A professor friend at the University of Minnesota rang up to ask: "What kind of trouble are you in now; the FBI was here poking into your business."

And Bob Bergland decided to give it a shot.

"This job is four years and then that's it," he says, with a kind of level-headed Midwestern farmer pragmatism that seems decidedly out of place in Washington. "You can't survive more than that in this business. But you can't build a real life around politics. There's too much compromise involved. I don't know what I'll be doing four years from now, but it won't be politics.

"I want to broaden the department, not just for political reasons, but for humanitarian reasons. I believe in the food-stamp program, and I'm hiring the best people to work on it. I decided to hire the department's biggest critics, because I figure if they can seriously criticize they know a lot about the problem.

"I know what it's like to be poor, because I represented one of the poorest districts in the country when I was in Congress. I shouldn't say this, but I think Earl Butz wanted to purify this place. He wanted to get it so that it would only have to deal with the large, mechanized agricultural businessman. I think that's wrong. The basic conservation of the family farm is critical to the basic well-being of the United States."

Bergland gets up to 5:30 a.m. in his Annandale townhouse (where his agricultural instincts are now focused on rose gardening) to read the newspapers: The Post, The Wall Street Journal and The Times. His wife, Helen, says he hates eating breakfast, so she leaves milk and eggs in the blender for him to whip up in the morning. By 6:45 he's in his limousine, where he reads the White House news summary and finishes off the papers. At 7:30 he's in the office drinking coffee; at 8:30 he holds a daily staff meeting. Then the visitors start.

One morning the nervous head of a farmers' cooperative has 15 minutes to ask Bergland to appear at the Farmland Annual Meeting in Kansas City. He's already committed on that day. Then there's a half hour to meet the new chairman of the Chicago Board of Trade, who proclaims that what's good for the Chicago Grain Exchange is good for America.

"Well, we can't be pollyanna-ish about this wheat business," Bergland says. (In the course of the day, he will use the word pollyanna-ish five times.) The three members of the board of trade are sitting on a brown leather couch in the office. Bergland is slumped down deeply in a green leather easy chair, rubbing the inside of his right palm with his right thumb. A secretary rushes in and whispers in his ear.

"I better take this," he says. "It's the boss."

He walks over to his very neat desk, remains standing and picks up the phone.

"Bob Bergland here. (Pause.) "Yes, ma'am."

Thirty seconds pass.

"Bob Bergland here. Yes, ma'am."

Thirty seconds.

"Bob Bergland here. Yes, ma'am."

His eyebrows start to rise. "Bob Bergland here. Yes, ma'am." He covers the mouthpiece of the receiver and says to his visitors, "four layers of secretaries!"

The boss turns out to be some minor bureaucrat, who has undoubtedly instructed his secretary to simply say, "The White House calling."

"We have tentatively put a hold on the papers to go to the President," Bergland tells the lackey who's inquiring about pending sugar price supports. "In the last 10 days the sugar market has increased $2 a hundred.

Back to his visitors. "We can't be pollyanna-ish about these things," Bergland continues. "The wheat is out there. But everybody gripes. I keep telling my friends in Kansas: 'You guys lose your crops five or six times a year.' We can't be the world's garden, or the world's grain storage facility. We're not going to get bogged down in some little chicken war somewhere. We're taking a different attitude on foreign matters. But I tell you, if we lose some of our customers to Canada on wheat sales, I'm going to have my head handed to me on a political platter."

A secretary comes in to politely break up the meeting. As she escorts the board of trade members out of the room, Bergland starts stalking around the office and clipping his nails at the same time. A few minutes later a secretary brings in Gertrude Skinner, who's been named National Volunteer of the Year. She arrives with several bureaucrats and two photographers, who start jumping around the room and firing off hundreds of shots of Bergland and Skinner together. Even to this somewhat silly scene, Bergland brings a sense of interest and understanding and a gentle bit of hospitality. "A cup of hot coffee (he seems to be drinking coffee constantly) or a Coca-Cola?" he asks, and two minutes later sends the secretary packing for eight coffees. He begins talking with Skinner about his personal involvement in church-sponsored housing (Bergland attends St. Mark's Lutheran in Springfield every Sunday), and the importance of decent low-income housing.

"There is this general level of frustration among poor people," he says. "It's like being in jail, only the jail is their own home."

"One half of the population of the U.S. is rural, and they suffer in silence. The only thing that gets them any attention is when they start robbing banks."

At noon, Bergland is scheduled to have lunch with 12 European journalists visiting the country. He checks with an aide before he leaves: "Did the Senate do anything yet? Any damage to our basic export policy?" On the way to the cafeteria, he talks of his love of farming.

"When I was on the farm, you could get on the tractors all day and think about things. There's so little time for that now. I get home at about 9 o'clock, and a lot of my time there is spent on homework: reading and preparing reports. I love to go out sailing overnight. It's the one thing I can do to get away. I don't bowl, I don't golf, I can't stand TV. I grew up on the bank of a small river. I built a boat when I was 11. I guess I'm pretty handy with tools. I worked for a while in the carpentry business."

Bergland goes through the cafeteria line with the other USDA employees and the European journalists. He scoffs aloud at the GSI food, calls it "virtually inedible," says he's thinking of suing them over the food and adds: "I'd love to have a jury decide whether this stuff is edible." He drinks milk with lunch.

"You know, the world's population has doubled in my time," he tells the journalists. "Farm yields have tripled and quadrupled. But we've also paved over the equivalent of the whole state of Ohio. Cities have expanded onto flat land that is the world's best farmland. This is a nation founded by farmers. And I believe in the small farm. Whether a small farm is more efficient than a big farm from an energy standpoint, I just don't know. Farm income is up to $100 billion in this country. Federal subsidies are less than $2 billion. And I'm looking forward to the day when we can end all export subsidies.'

And then some humor, answering a question:

"I've never never been out of the country, but I've been to California. Does that count?"

At 2 p.m., Bergland has a meeting with some European representatives of countries that participated in GATT, the General Agreement on Tariff and Trade. There's general discussion of export policies, and someone points out how well the French have managed the problem.

"Of course, the French government is part of the EEC, but it seems that every time it wants something it levies a tax for six months to get the others in line," says Bergland. At 3:15 he meets with several people from NOAA, the National Oceanic and Atmospheric Administration, to see how the nation's meteorological data can be made more useful to the farmer. As the men come in, Bergland logs little cellophane packets of Georgia peanuts at them.

"I can't offer you a drink," he says. "So I'll offer you peanuts."

"Actually," he says later, "peanuts are very nutritious." When one of the men starts talking about cloud-seeding experiments, Bergland says, "I'm not very big on snake oil."

Just as the NOAA officials are walking out of the office, Bergland's secretary rushes in to say that the Vice President is on the line. He sinks down into his desk chair and fiddles with the reading glasses that are resting on his nose. "Yes sir, yes sir," he says to Mondale, an old Midwestern political crony and a great proponent of Bergland's appointment. Bergland's eyebrows are arching. He laughs a shallow laugh, and you can tell that this is a serious political matter—a fact confirmed by the next call.

"Harold, what the hell is the story on the FHA (Farmers Home Administration) director in Tennessee? I've got to call a senator from Tennessee on the matter."

He hangs up, buzzes his secretary and summons an aide.

"Do you know why Alex wanted to keep him on?" he asks the aide, who has come hustling into the office.

"I don't know; some negotiation."

"Hello, Jim? Bob Bergland here. I just spoke to the Vice President and he said you have some questions about the state FHA director. So I'm at your beck and call (Pause.) They're dickering with him not only to get out of Tennessee but also out of government? This guy has raised money for the Republican Party in the state of Tennessee? Well, I will look into this personally, and keep you posted with a blow-by-blow account of what's happening." (The man is now in the process of retiring.)

Bergland hangs up the phone. He leans back in his chair and gets philosophical for a minute. Later that night he will have to attend a reception for one of his assistants and then the 23d Annual Sioux City Steak Dinner. He recognizes this as the grit of political life: the quick appearance; the pat on the back; the clever, impromptu speech.

"On the other hand, you're dealing with a lot of chit-chat," he says. "On the other, you've got incredibly sensitive matters to handle. Right now someone is about to come into my office about declassifying a document. That might seem like chit-chat. That might seem very sensitive. We have these crop reports here that stay locked up in a vault until they're released. Sometimes I sit around and wonder how many people in this department have taken advantage of knowledge they're privy to."

Deputy Prime Minister Anthony of Australia enters the office, with several assistants. They have a brief meeting on wheat sales to the People's Republic of China. As he leaves, a secretary comes into the office with several messages.

"Sen. Abourezk's office has called several times," she says. "Those men are still waiting in his office."

"I know they're waiting," says Bergland. "They've been waiting there since Inauguration day. They all want jobs. I don't blame them. But I don't have any jobs to give them. I don't think I'll return that call today."

He gets up from his desk and walks toward a closed door.

"You know," he says. "When you've worked your way up in the bureaucracy, you get some rewards. I've got my own private can right here. And right now, I'm gonna use it."

AMANA CO. SUPPORTS ENERGY CONSERVATION

Mr. CLARK. Mr. President, earlier this month, Dan McConnell, vice president of Amana Refrigeration Inc. of Amana, Iowa, testified before the Senate Energy and Natural Resources Committee's Subcommittee on Energy Conservation and Regulation.

He expressed Amana's strong support for minimum efficiency standards for appliances and outlined the steps Amana has already taken to make energy-saving products. Amana's record demonstrates very clearly that there is a real potential for energy conservation in appliances, and I think their support for the standards gives additional credibility to that part of our energy conservation program.

I believe Amana should be commended for stepping forward on this issue, and I am sure other Senators will be interested both in their success in improving the energy efficiency of their appliances and in their reasons for supporting minimum efficiency standards. I ask unanimous consent that Mr. McConnell's remarks before the Energy Conservation and Regulation Subcommittee be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

TESTIMONY PRESENTED BY AMANA REFRIGERATION, INC.

My name is Dan McConnell and I am Vice President, Planning of Amana Refrigeration, Inc. We are delighted to have an opportunity to express our views on the appliance efficiency provisions of S. 1469, which we consider to be one of the most important pieces of legislation facing this Congress or any Congress in my view of the energy crisis confronting our nation. Before outlining our position for the Subcommittee on this bill, we would like to very briefly identify our company and the products it manufactures.

Amana Refrigeration, Inc. was founded in 1934 and is a manufacturer of quality appliances for the home. In our Amana, Iowa plant we manufacture refrigerator-freezers, chest and upright freezers, and Radarange® microwave ovens. In our Fayetteville, Tennessee plant we manufacture room air conditioners, central air conditioners, central heating equipment, compactors, dehumidifiers, and microwave ovens. Late this summer we will begin manufacture of electric ranges, in a new facility in Fayetteville, Tennessee.

It is our understanding that S. 1469 would amend the Energy Policy and Conservation Act so as to authorize the Federal Energy Administration to promulgate mandatory federal energy conservation standards for appliances. Amana supports this concept as embodied in this proposal and hopes that this Subcommittee will approve Part B Subpart 1. Only through the promulgation of federal mandatory standards would the appliance industry be able to manufacture its products uniformly for sale throughout the United States without the fear of varying state standards. Also only with federal mandatory standards will the consumer be able to purchase energy efficient appliances throughout the country irrespective of where the consumer lives. Such a mandatory approach by the federal government will be beneficial to both appliance manufacturers as well as consumers and will certainly result in energy efficiencies which is the main purpose of this legislation.

As a part of our basic belief in building a quality product, we have emphasized good design, construction, and quality control in order to offer better performance and reliability. For many years, we have promoted the benefits of better design, including lower electrical or gas consumption resulting in lower operating cost even though the initial purchase price was somewhat higher. In other words, we are quite familiar with the principle of promoting more efficient appliances, even when the cost of energy was relatively low.

For example, we have manufactured and sold electric heat pumps since 1956. We began development of central heat pumps in 1954. Although heat pumps offered dramatic reductions in electricity consumption over electric resistant heating systems, the high initial cost of heat pumps and certain early reliability problems inhibited the growth of the heat pump market. By the early 1970's even with major improvements in reliability there were only five (5) remaining manufacturers. During this period Amana persisted in promoting the efficiency advantages of heat pumps. Today, of course, the increased cost of electricity has created a boom market for this product, and deservedly so.

In addition, since 1958 Amana has manufactured a line of window type air conditioner-heat pumps, a product manufactured by relatively few companies that offers genuine efficiency advantages especially in moderate climates.

Another energy saving product emphasized by Amana is the combination electric cooling-gas heating system for the home with the Heat Transfer Module ("HTM[R]"). This device has been called "the first major breakthrough in heating technology in years". The HTM[R] is an advanced type of burner/heat exchanger, the basic technology of which was derived from aerospace research. On the basis of independent laboratory tests, gas fuel consumption can be reduced from 22% to 26% for various northern cities as compared to a conventional gas furnace. Amana began development of the HTM[R] system in 1966. After several seasons of field testing, we moved to full-scale marketing of HTM[R] systems in 1971. A recent improvement in these systems has raised the EER of the cooling side of these systems up to 8.9.

The HTM[R] system incorporates direct spark ignition, thereby eliminating standing pilot lights. In addition we have manufactured a line of convention gas furnaces with direct spark ignition since late 1975. The elimination of the pilot light significantly reduces the annual consumption of gas.

In refrigerator-freezers, Amana introduced energy saver controls into the market in 1965. These controls, currently the subject of heavy market promotion, permit the user to switch off antisweat heaters when they are not necessary to prevent condensation. In most climates, and for most of the year, humidity conditions are not great enough to require that these heaters be energized, hence the logic, pioneered by Amana, that a control be provided to switch them off when they are not needed.

Also, in 1965 Amana introduced a new line of Deepfreeze[R] Chest Food Freezers with polyurethane foam insulation. These chest freezers were so well insulated, that the entire Amana line will meet the new California minimum efficiency standards without change.

In 1973, Amana began work on a radically new refrigerator-freezer design that incorporated all of the latest technology in refrigeration such as thick wall polyurethane foam liners, radiant shell condensers and low wattage fan motors. This design was virtually identical to that proposed in a study published by the Massachusetts Institute of Technology in 1974. The Amana design concept was presented in a technical paper before an ERDA sponsored conference in May 1976. The new design was put into full scale production in August 1974.

In late 1974, Amana began development work on a further refinement of this concept and a massive retooling of refrigerator-freezers, and upright freezer production lines. This activity has led to the introduction in January 1977 of our new "2 plus 2½" line of refrigerator-freezers and freezers. These models in a wide selection of capacities incorporate 2 inches of foam insulation around the refrigerator section and 2½ inches around the zero degree freezer where it is needed the most. All of these models represent a major reduction in electricity consumption over conventional refrigerators.

Similarly, we have undertaken wide-scale development programs in central air conditioning and room air conditioning products to produce air conditioners with EER's from 7.7 to 10.1, all of which are considered to be in the high efficiency category.

In microwave ovens, which are an inherently efficient cooking product, Amana has shown the highest efficiencies of any brand tested in independent laboratory tests. Amana also undertook a large scale study of the comparative efficiency between microwave ovens and conventional electric ranges in 1973. The technical report describing this study was chosen as the best microwave paper of 1974 by the International Microwave Power Institute.

In briefly describing our overall corporate program for the design of more efficient appliances, we do not mean to imply that the task is not difficult. To incorporate all of the latest technology in appliance efficiency, while creating a product that fulfills the needs of the consumer, and to do so for a reasonable cost, is a formidable task indeed. It is being accomplished at Amana primarily because we started with basically efficient designs many years ago, and because we have pursued a comprehensive plan to improve all of our product efficiencies for the past five years. We still have a great deal of work ahead of us and we are pursuing it diligently.

The investment is very great. The new "2 plus 2½" line of refrigerator-freezers alone required an investment in excess of 9.5 million dollars. And Amana is not the largest manufacturer of refrigerators and freezers.

Prior to addressing the subject of federal minimum efficiency regulations for appliances, we would like to make reference to the minimum efficiency standards recently enacted by the State of California. These standards, which apply to refrigerator-freezers, room air conditioners, and central air conditioners—can be met, although not without some difficulty, when the standards go into effect in November 1977. We expect to meet the California standards with few exceptions. When our industry filed suit against the State of California to overturn these standards, we chose not to participate. Subsequently we resigned from our industry association over this issue.

We believe that any federal standards that are enacted should be essentially as ambitious as those imposed by the State of California. Only then will the goal of a significant reduction in energy consumption be realized. Only then will the issue of preemption of state standards be settled effectively. Or as we have mentioned, the California standards can be met—and, if a reasonable time period is granted to manufacturers similar federal standards could be met without any serious economic disruption, without any life-cycle cost increase to consumers, and without any loss of jobs.

As more states pass tough minimum efficiency standards in the next year, which is a virtual certainty, the need for equally tough federal standards becomes even stronger. Recently, the states of Wisconsin and Minnesota have passed a minimum efficiency requirement for air-conditioners that are patterned after the California standards. And others are in process.

Amana favors tough mandatory federal efficiency standards for appliances, as long as the standards are based on performance criteria that are feasible to attain.

Amana encourages continuing progress in the current FEA program to issue test procedures based upon current industry test methods. These test procedures provide a uniform method by which engineers may evaluate the efficiency of an appliance, and they provide a sound data base on which progressive improvement can be measured. We must have uniform federal test procedures and we need them as soon as possible.

Amana respectfully suggests some reconsideration of the format on appliance efficiency labels as set forth in § 324 of the Energy Policy and Conservation Act. § 324 delegates to the Federal Trade Commission the authority to prescribe labeling rules. § 324(c)(1)(B) requires that the rule must require the label to disclose "information representing the range of estimated annual operating costs for covered products . . .".

Amana requests that Congress amend the Energy Policy and Conservation Act so as to delete § 324(c)(1)(B) so that the requirement to state the range of cost will be removed. The reason that Amana suggests that deletion of the range requirement is that we would opt to begin labeling our appliances as soon as the labeling format were finalized by the Federal Trade Commission, thus implementing the Act as early as possible. But we can not do so. Under the current method we must wait for all of the industry figures to be filed and authenticated so that the official range of values can be established for each appliance category, before we could proceed. In addition, every time a manufacturer of the worst or best model in a category makes a design change, the label will be incorrect and obsolete. This concept appears unnecessarily complex and counterproductive. The label could be simplified by requiring that a manufacturer show his own consumption figures on the label and not the industry range.

Even though Amana opposes the label which contains the range of estimated annual operating costs, Amana does support the cost of operation concept as a basis for energy efficiency labeling for most products. Cost of operation gives the consumer a means of calculating the "payback" on any initially higher cost that might be paid for a more efficient appliance. However, there are many products that would benefit by adding another measure, such as EER or kilowatt hours, to the label to avoid misleading the consumer since to show only the cost of operation in the face of widely varying utility rates could lead to overstating or understating cost of operation by several times. Therefore, we would urge that both cost of operation and a measure of consumption be stated on a label.

Amana favors the minimum efficiency proposal. It provides a simple clear-cut target toward which the design engineers can work. It is administratively simple, dispensing with the necessity for filing sales figures, a matter of some controversy due to the sensitive nature of such company figures. Furthermore, a minimum standard is inherently fair since it provides the same objective to all parties. And finally, the federal minimum standard promises uniform national criteria which permits an orderly program of product development and efficient investment of equipment and facilities. The only requirement to assure the accomplishment of the effective conservation of energy, is that minimum efficiency standards be based upon attainable technologies reasonably applied.

The task of improving appliance efficiencies is not as simple as some would maintain. Sound engineering principles must be applied so that the resulting product is reliable and performs satisfactorily for the consumer. And the end product must be reasonably priced.

In addition, there are some important components that affect appliance efficiency that are not always under the direct control of the appliance manufacturer. In these areas, we can only attempt to convince suppliers that efficiency improvement should be made in the products that they supply to us. For example, Amana does not manufacture motors, that is, fan motors, evaporator motors and the like that are used in nearly every appliance. By working with one motor manufacturer over several years, we were able to reduce the consumption of an evaporator fan motor from 54 watts to only 12 watts. We need cooperation and investment from compressor manufacturers and motor manufacturers, and we need technological improvement in insulation and refrigerants. Any breakthrough in these universally used products would have enormous leverage in reducing energy consumption by the entire industry.

Our country's need for conservation of energy is clear. And a federal minimum efficiency standard for appliances is a straightforward step in its accomplishment. Amana Refrigeration, Inc. is in favor of this program.

THE ARTS

Mr. BROOKE. Mr. President, on March 21 of this year I addressed this Chamber on the financial crisis facing

our cultural institutions all across the country. I spoke then supporting full funding of the new challenge grants program of the National Endowment of the Arts which would aid arts organizations improve their fundraising capacities.

On July 10, the New York Times Sunday Magazine published an article by Robert Brustein entitled, "Can the Show Go On?" This article details the financial collapse threatening not only our new struggling arts organizations but also our most treasured and well-established institutions. The threat is very real and very immediate. If we fail to respond to the challenge, our Nation will suffer an immeasurable loss. The Congress must work with private contributors, both individual and business, and foundations which have so long been in the vanguard of assuring the survival and flourishing of the arts in America to see that this challenge is met.

I ask unanimous consent that the article from the New York Times be printed in the RECORD in order that it become part of our deliberations on this most important matter.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CAN THE SHOW GO ON?

(By Robert Brustein)

These are a few of the things that happened to performing arts institutions over the past 12 months:

The Joffrey Ballet canceled its entire spring season.

The New York City Ballet was shut down by a musicians' strike.

The American Shakespeare Festival in Stratford, Conn., failed to open for its 1977 season, and its future is in doubt.

The American Ballet Theatre averted bankruptcy by selling its Chagall sets.

The Saratoga Performing Arts Center cut back its orchestra season by one-quarter.

The Buffalo Philharmonic spent $900,000 of its endownment to pay pressing debts.

The Hartford Ballet reduced its touring season from 26 weeks to six weeks.

The Metropolitan Opera succeeded in salvaging its 1977 season by raising $12.5 million in emergency funds, and now needs an additional $11 to $14 million annually merely to open.

Joseph Papp announced his decision to withdraw from Lincoln Center, and to close down all operations of the New York Shakespeare Festival in the Vivian Beaumont.

Is there a crisis in the performing arts? The question is obviously rhetorical, and the various foundation officers, artistic directors, managing directors, board members, advocacy chairmen and agency officials whom I interviewed recently over a period of weeks confirmed an impression that the problem is fast approaching the critical point.

Nobody is in disagreement over the cause: Symphony orchestras, dance and ballet companies, opera companies and theaters are all experiencing an inflationary increase in expenses accompanied by a corresponding decrease in private giving. As a recent report puts it: "The rise in demand for the arts, and the increasing popularity of the arts, means that arts organizations must provide more services to the community. That in turn means more performers and staff, for arts organizations are 'labor intensive.'" But at the same time that services are multiplying and performing arts groups are proliferating, the gap between income and expenses is steadily widening. (Even though audiences pay as much as $22.50 a ticket at the Metropolitan Opera, they are still being substantially subsidized, the arts institutions.) Most important, the traditional sources of support—particularly the private foundations—are reducing rather than increasing their subsidies.

Take the largest of these, the Ford Foundation, for years the foremost patron of the performing arts in the United States. A shrinking portfolio has reduced Ford's total annual grants by more than half—but its contributions to the arts has been slashed by more than four-fifths! More ominous than these statistics for the future of the arts at the foundation was the one of Henry Ford's recent letter of resignation from the board of trustees, where he singled out the Office of the Arts as an area which has ceased to be "innovative" and "experimental," instead sticking "without some programs for years and years." Mr. Ford was critical not only of the foundation's continuing support for existing programs, but of its failure to appreciate "private enterprise" and reward "individual" achievement—hardly cheering to the performing arts which, by their very nature, are essentially communal, cooperative and collaborative public structures.

When I interviewed McGeorge Bundy, president of the Ford Foundation, in the company of his newly appointed "acting" vice president for the arts, Roger Kennedy, it was clear that the foundation was in the throes of change. Large numbers of staff had recently been "terminated", and Mr. Bundy was preparing to rent the empty offices of this resplendent glass building to outside tenants. While assuring me of this ongoing commitment to the arts, Mr. Bundy was equally firm in expressing his conviction that "the foundations are not the solution." The appointment of Mr. Kennedy, a fiscal officer of the foundation, to re-examine the Ford's arts policy was a signal that some sort of radical cutback was underway, and the figures I received confirmed this melancholy supposition. The foundation's arts commitment used to be $20 million annually. It is now down to $4 million with $1.4 million of the total going to nonprofit film distribution. Mr. Bundy dismissed my conjecture that Henry Ford's admiration for individual rather than institutional achievement was having any influence on foundation policy. But with reductions of this kind, it was inevitable that grants to individual artists would begin to eclipse assistance to institutions. Such giving is both cheaper and more visible than the kind of support Ford was once able to provide, when it lavished $80 million on symphony orchestras and $25 million on resident theater companies.

The Rockefeller Foundation—formerly second only to Ford in its annual support for the performing arts—has already begun pursuing a policy of small grants to the "creative person," with only token help going to the institutions that support such persons. In theater, for example, Rockefeller makes about eight annual grants of $8,500 to playwrights, along with $3,000 to the theaters with which the playwrights ask to be associated. Rockefeller's arts director, Howard Klein, told me that his foundation is in no position to respond to cries for help from ailing institutions. The main criterion for its "programmatic" grants, he said, is "quality," though he conceded that his staff was too small to make many qualitative judgments. Thus, Klein turned down a survival appeal from the trouble-ridden American Shakespeare Festival, even though he had never seen a play there—his decision was partially based on "reading the reviews over the years." An equally compelling reason, one suspects, was budgetary: Rockefeller, which gave almost $3.5 million to 47 performing arts institutions in 1972 gave, in 1976 only $2 million to 30 such institutions, with $1.4 million of the total going to a program invented and entirely funded by the foundation—the American Recording Society, which manufactures albums of American music. This leaves $600,000 annually for all the live performing arts, a precipitous drop of nearly 85 percent in four years!

Some smaller private foundations, like the Andrew Mellon and the Shubert, are still strongly committed to the performing arts, but their portfolios are not sufficient to generate more than occasional relief. Mellon, under its young arts administrator, David Saltonstall, normally changes its beneficiaries from year to year to accommodate larger three-year grants to different kinds of institutions—resident theaters in 1974, modern dance companies in 1975, classical ballet in 1976, symphony orchestras in 1977 (Mr. Saltonstall would like to repeat the cycle when these grants run out). As for Shubert, this foundation has mainly been supporting theaters, preferably (though not exclusively) those which "stimulate the economy" by developing plays for New York. I found a general apprehension among some foundation officers that Ford or Rockefeller would disburden themselves of responsibility for the arts in the belief that other philanthropies were picking up the tab. But virtually all these officers were agreed that Federal, state and corporate money was the only answer to declining private support.

Of all these money sources, the corporate role is at once the most promising and the most problematical, depending on whom you talk to. Goldwin A. McLellan, president of the Business Committee for the Arts, holds the unshakable conviction that "there are only two areas that will solve the crisis for the arts—the business community and private philanthropists." This view is warmly seconded by his vice president, Gideon Chagy, who, upon my arrival at B.C.A., uncorked the stunning news that corporate support for the arts in 1976 (admittedly a Bicentennial year) amounted to $221 million, or almost two and one half times the total budget of the National Endowment for the Arts. Where is all this money going? Doubtless corporate philanthropy is often imaginative and altruistic, but a disproportionate share of these tax-free contributions is being poured into television, still the favoriate medium of the "new patrons of the arts" (as Mr. Chagy calls them in a book of that name). While corporations had no trouble underwriting such popular programs as BBC's "Upstairs, Downstairs," tney were much more hesitant about supporting "Visions," a series of original television plays by new American dramatists—"business concerns," The New York Times reported recently, "were reluctant to be associated with the series because many of its dramas have controversial themes."

Examples like this confirm a suspicion that much corporate support for the arts tends to be a dignified form of institutional advertising, avoiding the hard-sell approach of traditional sponsorship but retaining many of the same prohibitions. As Lincoln Kirstein, general director of the New York City Ballet, puts it wanly, "Big advertisers will not allow you to be left with a vision superior to that of Mobil or Exxon." An official of the National Endowment for the Arts is even more blunt: "Corporations are buying the arts like they buy any other commodity." Still, things start to get rather fuzzy when you try to determine exactly which arts are being bought. Mr. McLellan told me, for example, that 7 cents of every corporate arts dollar (amounting to $15 million, or four times the figure disbursed by the National Endowment) is going to legitimate theaters. But he could not immediately identify which theaters were receiving benefits, aside from those produced on the PBS "Theater in America" series and those, like Kennedy Center and Lincoln Center, receiving aid from the United Corporate Fund. Finally, he remembered a theater entirely funded by corporate money—the La Crosse Community Theater in La Crosse, Wis., which was built, maintained and supported for the creative expression of its employees

by the Trane Corporation, a manufacturer of bathroom fixtures.

Obviously, not everyone would agree that this constitutes a genuine contribution to theater—and the problem is even more widespread. While more Americans than ever believe the arts to be important to the quality of life (89 percent, according to a recent Harris poll), there seems to be considerable confusion over precisely what the arts are. "The arts crisis," according to Marcia Thompson of the Ford Foundation, "is a lack of clear definition of what we are talking about. There is no national voice of sufficient strength to make qualitative judgments." There is no strong national policy either. According to Joan Mondale—President Carter's chief unofficial spokesman on the subject—the arts are defined by the yearning of most Americans for "personal expression." This is warm and democratic, but it does little to distinguish high art from basket-weaving, or trained horn players from the brass section of the high school band. As for the National Endowment for the Arts, this important Federal agency is growing increasingly vague about what areas are meant to lie within its mandate. One officer there complained to me recently that of the 12 divisions funded by the N.E.A., only six could properly be called "arts"—the rest include such marginal endeavors as folk arts, handicrafts, inner city community activity, social and ethnic programs and the like.

Problems of definition are only one of the dilemmas afflicting the National Endowment; others may prove even more discouraging to those who pinned their hopes on rescue from the public sector. Federal, state and municipal contributions to performing arts institutions remain an important component of annual budgets, but the money is not increasing fast enough; it is being spread too thin and in some cases it is compounding existing problems. The New York State Council on the Arts is both generous and discriminating in its support of the performing arts, but in this it is virtually unique; most city and state agencies are too small to provide more than moral support. And while the National Endowment can proudly point to annual increases in appropriations from Congress, after 12 years it still has not reached the $100 million mark, and the United States continues to lag behind every other major country, including Canada, in per capita contributions to the arts. Moreover, legislative pressure to distribute grants on a geographic basis, regardless of quality or number (Shubert's Gerald Schoenfeld calls this "force-feeding the boondocks"), is having a starvation effect on some of the major urban performing arts centers. No theater company, for example, receives more than $150,000 annually from the National Endowment, though some of the budgets are in the millions, and even the Endowment's 1976 grant of $600,000 to the Metropolitan Opera represented only 2.4 percent of the Met's annual expenditure of $25 million.

An added difficulty—the consequences of which have yet to be measured—is being created by a new National Endowment program—the challenge grant, whereby eligible institutions receive $1 in Federal funds for every $3 they can raise from the community. Matching grants of this kind are designed to stretch the fund-raising capacities of performing arts, organizations, to increase fiscal responsibility, and to stimulate independent private support—all laudable goals. But whatever the financial benefits that may accrue from this plan, the challenge grant is virtually guaranteed to reward sophisticated managements at the expense of less well administered groups, meanwhile encouraging everyone to become more expert at producing money than at producing works of art. Those organizations without their own fund-raisers will be forced to hire some for the purpose, thus inflating the budget that has to be raised by swelling the already large managerial bureaucracy—an example of the way Federal money can sometimes exacerbate the condition it is trying to cure.

Another example is the growing list of rules and regulations to which each institution must conform in order to receive Federal money. Typical of these is Section 504 of the Rehabilitation Act, prohibiting discrimination against the physically and mentally handicapped (alcoholics and drug addicts included) in federally assisted programs. One of the features of this otherwise compassionate piece of legislation may have dire effects on the arts—the requirement that every performance area be "barrier-free" within three years so as to provide easy accessibility to people in wheelchairs, as well as providing aids to the deaf and the blind. The cost of such structural alterations—new ramps, elevators, audio equipment, expanded lavatories etc.—is estimated in the billions. And although the Federal Government may provide some of the money needed to alter these spaces, there is little doubt that such additional funds will also be counted as "aid to the arts," taking the place of incremental support for basic programs.

In short, like the private educational institutions, the performing arts organizations are learning that Federal money has restrictions as well as advantages. And while the Government's insistence on compliance with social action programs is undoubtedly preferable to its previous pressure for conformity in the political area, the consequences may be just as limiting to the artist. One cannot escape the conclusion that the major sources of financial support, which spell the difference between survival and extinction, are either in the process of drying up, or are proving insufficient. The result: The performing arts are destined to undergo a profound change.

One inevitable consequence is that a number of American companies will soon be closing down. Almost all of the people I talked to expect a serious depletion in the ranks of symphony orchestras, opera companies, resident threaters, dance companies and ballet groups over the next few years. True, there was a general consensus that the large establishment institutions—the "dinosaurs," as one person called them—would survive the crisis, since their demise would have a serious effect on American prestige abroad. But even here, there was not total confidence. McGeorge Bundy, for example, though "betting against the death of any large institution," speculated that the Metropolitan Opera might call a "sabbatical—it might go dark for a year," while Amyas Ames, chairman of Lincoln Center, could not assure me that the Met would be able to open after the coming season. Regardless of how they viewed the Met, almost everyone agreed that the smaller, more marginal institutions would expire without an extraordinary emergency plan; and Mr. Bundy believed that the New York City Ballet might be among those going down.

An equally important worry is whether survival would be worth it, given the kinds of changes these institutions are being forced to make in order to stay alive. One obvious transformation now overtaking the performing arts is the subordination of their artistic growth to managerial know-how. Partly in response to foundation pressure for more "fiscal credibility," many arts organizations are presently being run by their administrators, if not by their boards, with much time and energy being expended on behalf of new membership techniques, marketing, audience development and increased royalties. These administrators now hold the power to hire and fire the artistic director, largely on the basis of his capacity to deliver audiences or develop income-producing properties; no wonder the work is becoming increasingly commercial. The most obvious victims of this change in structure are the resident theaters. Many are establishing close ties with the commercial theater network, and—sometimes in partnership with a Broadway producer—are selecting plays and developing productions that can be moved intact to New York.

Some observers consider this a subsidized form of out-of-town tryouts, the resident theaters taking over the role previously performed by the Shubert chain. Others, notably Gerald Schoenfeld of the Shubert organization, are more sanguine about this development, considering it both financially shrewd and culturally inevitable: "Broadway is merely a geographical location. Broadway theater is no more commercial than most large regional theaters. We deal with the same union, we suffer from the same economic problems, we attract the same audience, we charge the same prices, we strive for the same standard of excellence. The only differences are, we pay taxes and we receive no subsidy. In a capitalistic society like ours, paying taxes is a noble pursuit." The observation is true, though it is sad that so few find it regrettable. Actually, the Kennedy Center is virtually indistinguishable, in its theatrical activities, from a commercial management, even though it was constructed with the aid of $43 million in Federal funds and is soon to receive $4.5 million more for repairs. It is no wonder that some Broadway producers, like Richard Barr, president of the League of New York Theatres, are beginning to demand government subsidy for commercial theater. Some of the subsidized theaters now resemble Broadway in everything but name.

And this condition is not exclusive with the theater. The Metropolitan Opera recently created a partnership with the Kennedy Center for the purpose of booking attractions during the off season—Olivia Newton-John, the pop singer, has just finished such an engagement at the Met. "Isn't the Met commercial?" reasons Mr. Schoenfeld. "They have a restaurant, a bookstore. Isn't the Smithsonian commercial? They have a garage business, a book business, souvenir business, they rent cassettes. We don't have fully subsidized theater in America. What we have is a little government funding, some private support—and the rest is business."

Of course, his point is indisputable. And it is as a business—as a "major growth industry," in fact—that lobbying groups and advocacy committees feel compelled to "sell" the arts nowadays. The publications of the National Endowment proudly observe that "though the arts are not self-supporting, they are a fertile economic resource, generating over $3 billion in expenditures and receipts annually." And the National Report on the Arts, a publication sponsored by Amyas Ames's National Committee for Cultural Resources, makes its appeal not so much on the basis of esthetic achievement as on the synergistic influence the arts are having on the economy—the jobs created, the tourists attracted, the restaurants and hotels filled, the goods and services purchased: "Arts organizations," the report concludes, "play a vigorous, stabilizing even vital role in the economic life of the nation and of its states and cities." This makes good, sound practical sense, all right. But it might have given some American performing artists pause, when they were first practicing an instrument or learning a plié to know that their work would have to be justified on the basis of how it helped to stimulate the economy, or how it helped sell T-shirts or posters in the lobby during intermission.

As a matter of fact, the general effect of all this on the American performing artist has been far from saluatory. Alwin Nikolas is

only one of those to express despair lately over how much time must be spent in filling out quadruplicate application forms for funds, while Alvin Ailey, both exhausted and depressed, is preparing to take a year off from his company, finding that the demand on him for fund-raising, for "hobnobbing with politicians and kissing so-and-so's hand at a cocktail party," is cutting seriously into his creative life: "Man, that's like seven hours of rehearsal. I could have made a new dance in that time." As for the Paul Taylor dance group, having run out of funds, it had to abandon last season's appearance at the City Center: "Tomorrow," a New York Post item announces, "the dancers are staging a picnic at City Center, where industrialists and other potential sponsors will be wooed with wine, dance and food."

When do performing artists prove their quality enough to stop rattling the tin cup? Apparently never. Joseph Papp finds this both outrageous and humiliating: "It's downhill all the way. It's disgraceful for us, and even the Met, to have to go begging for money. It's not just the indignity of raising cash all the time. It's ridiculous. It doesn't work."

But Lincoln Kirstein's long experience with the New York City Ballet and School of American Ballet has taught him that the situation is chronic: "I have come to the conclusion," he told me recently, "that it isn't going to improve because the performing arts are neither a necessity nor a service. The biomorphic unit, the biped man, doesn't change—for a long time, he has lived by bread alone. There's no Eleventh Commandment that says, Thou shalt have symphony orchestras." Kirstein believes that most people are terrified of the imaginative process, and don't like to talk about quality because they don't know how to measure it. "Only a very small elite feel that art is a necessity. The rest treat it as a diversion. A diversion from what? General horror and boredom."

Many years in the lists have taught Kirstein to be philosophical. The scrappy Joe Papp, on the other hand, has been impelled by his fiscal troubles into new heights of combativeness. "I want the arts to be considered part of the national crisis and not just our own crisis," he says. "The time is over to depend on private support. The question is, do you want us or not?" Papp has found it impossible to operate the Vivian Beaumont under present conditions. He receives $175,000 annually from the United Corporate Fund, and about a half million dollars more from miscellaneous foundations, but he has had to pay Lincoln Center $450,000 each year just for housekeeping expenses (the Met pays out $3 million for the same services). On a $5 million budget at the Beaumont, Papp estimates that within two years Lincoln Center would have drained all his money, including his profits from "A Chorus Line.".

Papp is convinced that the only answer to his and others' problems lies in massive infusions of Federal funds—sums not just in the millions but in the billions. And in this, President Carter will have to play a crucial role. "In the same way he's conserving fuel, he must conserve these resources—a multimillion crisis area. You have to up the stakes. The ante must be raised." When I asked him how he would persuade a populist President, even one who listens to Mozart while he works, to support such a relatively elitist enterprise as the performing arts, Papp proposed his dramatic gesture. "I'm going to abandon my operation at the Beaumont, and I wouldn't be surprised if some of the other performing arts institutions join me. Imagine what this country would be like without its cultural institutions. Let Lincoln Center become a burnt-out area like the South Bronx—let graffiti be the only trace of art in those buildings."

Whether the other institutions elect voluntarily to close down with Papp by means of a general strike, or as seems more likely, to close involuntarily because of a failure to meet expenses, the nature of the crisis is becoming clear. For all the interest in the arts today, no clear authoritative voice is doing the work of judgment and definition. And without a national conscience to prod and protect them, the performing arts are being caught in a crunch among three strong forces—American individualism, American utilitarianism, and American capitalism—all of them considerably more powerful than the appetite for creative fulfillment. Individualism, if sympathetic at all to the arts, is more responsive to stars and soloists and personalities than to institutions, perhaps oblivious to the fact that playwrights cannot function without theaters any more than violinists can play without orchestras or prima ballerinas can dance without ballet companies. Utilitarianism, accustomed to measuring things with practical yardsticks, is unable to comprehend the invisible values of art. And capitalism distrusts all systems that fail to return tangible rewards or to prove themselves in the marketplace. As a result, private enterprise is gradually crushing the delicate quasi-socialist membrane of the communal performing arts, or is changing them into something more commensurate with traditional commercial values.

Well, private enterprise has certainly made its contributions to our national life, but it hasn't done very well by our cities or our natural environment, and it's not likely to do much more for our music, dance, or theater. What is obviously required now is for the Federal Government to recognize that the performing arts are an endangered natural resource, worthy of preservation like other treasures of nature, and, like them, in serious jeopardy of being polluted by commercial wastes. After all, one doesn't measure the value of the Colorado River or the Teton Mountains by how many tourists they attract or how many hot dog stands they support; by the same reasoning, the arts must not be subject to economic or numerical criteria.

They are nourishment for the soul and, as Bernard Shaw observed in a passage I like to quote, the soul is a very expensive thing to feed: "It eats music and pictures and books and mountains and lakes and beautiful things to wear and nice people to be with. In this country you can't have them without lots of money; that is why our souls are so horribly starved." In our own soul-starved country, we can't have such things without lots of money either. But if we lose the performing arts, after this long difficult struggle to create and sustain them, then the blight on our spirits will be irreversible and profound.

ARMS CONTROL

Mr. CRANSTON. Mr. President, the trend of the arms race today has led reasonable people to fear that either we may blow ourselves out of existence or we may spend ourselves out of existence. The quantitative and qualitative expansion of nuclear weapons arsenals, the proliferation of nuclear weapons to new nations, and the skyrocketing cost of the next round of strategic weapons modernization, all indicate the validity of this fear.

At its recent annual meeting, the U.S. Conference of Mayors passed an arms control resolution to express support for President Carter's new policy of negotiating for the eventual goal of "drastic reductions" in nuclear weaponry. The conference called on the administration and the Congress to transfer funds saved through negotiated arms reductions into meeting the needs of the cities.

This concept of reordering our national priorities by transferring funds from unwarranted military expenditures into domestic programs will become increasingly important under the constraints of a balanced budget. I am pleased to see that the mayors, who understand so well that our domestic strength and economic vitality are important elements in our national security, supported this concept.

The mayors also demonstrated that arms control issues need not be discussed only by weapons specialists or defense experts. Nuclear arms policy and efforts to reduce the threat of destruction should concern electric officials at the local level, domestic issues organizations and other groups as well. The Conference of Mayors has taken a step forward on the long road of building a new arms control constituency in America.

I ask unanimous consent that the arms control resolution passed at the annual meeting of the U.S. Conference of Mayors, June 11–15, 1977, be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

ARMS CONTROL

Whereas, continued escalation of the nuclear arms race poses a direct threat to the survival of world civilization and to the national security of every country; and

Whereas, strategic arms negotiations in the past have enabled the United States and the Soviet Union to expand their nuclear arsenals both quantitatively and qualitatively instead of reducing them; and

Whereas, President Carter has declared a new policy of negotiating "drastic reductions" in nuclear arms and has proposed the eventual goal of "zero nuclear weapons"; and

Whereas, expansion of new strategic weapons systems, higher military expenditures and increased international tensions are probable consequences of the failure to negotiate equitable strategic arms limitation agreements; and

Whereas, the U.S. Conference of Mayors continues to support a level of military forces sufficient to preserve our national defense,

Now, therefore, be it resolved that the U.S. Conference of Mayors declares its support for President Carter's goal of achieving real reductions in nuclear weaponry; and

Be it further resolved that the U.S. Conference of Mayors calls upon the Administration and the Congress to transfer funds saved through arms reduction agreements to fund the domestic needs of our nation and cities.

SERMON BY THE REVEREND FELTHAM S. JAMES, D.D., ON AMERICA AND THE BIBLE

Mr. THURMOND. Mr. President, I have just read the sermon of the Rev. Feltham S. James, D.D., which was delivered at the South Carolina American Legion Convention in Greenville, S.C., on June 27, 1977.

Dr. James' career as a minister in the Methodist Church and his work with the American Legion encompass more than four decades of selfless and distinguished public service. A native South Carolinian, Dr. James was educated at

Wofford College and Duke University. In World War II he served as a chaplain at posts of duty at Fort Jackson, Fort Belvoir, and Walter Reed Army Hospital from 1941–46.

Dr. James' work with the American Legion began shortly after World War II. Since that time, he has served in various leadership capacities, including national chaplain, department commander, and department chaplain. Since 1956, Dr. James has been awarded the Freedom Foundation Medal five times and was awarded a doctor of divinity degree by his alma mater, Wofford College, in 1960. Dr. James currently resides in Aiken, S.C., where he is the chaplain of the Aiken Community Hospital.

Mr. President, in order to share the sermon of this great American with my colleagues, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the sermon was ordered to be printed in the RECORD, as follows:

AMERICA AND THE BIBLE

(By Feltham S. James, D.D.)

The eighth verse of the Book of Genesis reads like this: "And the Lord God planted a garden eastward in Eden; and there he put the man whom he formed." I wonder if we might not paraphrase this verse and let it read: "And the Lord God planted a garden westward in a land to be known as America; and there he guided men to establish a nation of freedom, justice and democracy."

It is thus that we must go to the Bible to find the basic concept of our Nation. No country owes more to the influence of the Bible than the United States. For a hundred years the "New England Primer," which was essentially a Bible primer, designed by the early colonists to teach children to read and to know the Bible, was the schoolbook of the overwhelming mass of Americans in Colonial days.

When the people began to populate the great spaces in the West, the little schoolhouse was ever the companion of the little church on the advancing frontiers of America's westward expansion. In the recorded history of these early days one will find Circuit Riding preachers who took the Word of God into the frontiers and on that Word laid the foundation for a new world. Although he has not been pictured as the hero in many books and films, he was the bearer of God's Good News and as such he was instrumental in determining how the Bible shaped America.

There never has been a book like the Bible. It has guided men of all ages, from the lonely nomads, who first felt its matchless power, from the men and women of the catacombs of Rome, who cherished its brilliant flame among the ashes of a dying civilization, and from the dark ages of Europe, when its words guided men toward a new world.

What is it, then, that makes America unique among the nations of the world? What is the central reality that has shaped its destiny? When all the history books have been written; when our heritage has been reviewed over and over again as it was during our Bicentennial; when our culture has been assessed, we can come to no other conclusion than that America is America in its authentic sense because it has been founded on and guided by the Holy Bible.

In resting this Nation and its destiny on the truths found in the Holy Bible, our Founding Fathers built into its structure the moral law derived from the Ten Commandments. This moral law was to be the foundation of all law. Civil law was to derive its authenticity from the higher law contained in the Bible.

The teachings of the Bible have overthrown monarchs, conquered caesars, and destroyed dictators. They have overcome selfishness and undermined power being used to degrade mankind. After all, the Bible is a Book of Democracy. The laws written in our statute books rest upon the Ten Commandments. The good will observed in all communities, the recognition of the rights of citizens of all races and creeds, and the demand of peaceful behaviour among the nations have their epitome in a single sentence known as the Golden Rule. Ever since Abraham Lincoln in his Gettysburg Address described ours as "a government of the people, by the people and for the people," scholars have sought to trace the origin of that deathless sentence. We must pass by those to whom credit has been given for its first use, for John Wycliffe, in his preface to his translation of the Bible in 1284, "The Bible is for the government of the people, by the people, and for the people."

I think we can say with certainty that Western civilization owes much in its laws and institutions to Biblical inspiration. In AD 871, Alfred the Great, who was a man of prayer and a lover of the Bible, was crowned King of the West Saxons. In 893 he became nominally King of all England. He ordered a translation of the Bible into Anglo-Saxon, and, in fact, helped in the translation. As a result England rose from a state of barbarism into a civilized monarchy. Queen Victoria said to an inquiring prince from a far-off land that the Bible was "the secret of England's greatness."

It but follows that the influence of Biblical principles has been a definite blessing to the United States, and any attempt to remove all traces of the Bible from public institutions shows an abysmal ignorance of the source of America's greatness and stability. Yet, there are those who think the Bible has outlived its usefulness, but, when they begin to search for treasure by which this Nation is to live, they will uncover the Bible amid the debris sunk by planetary storms and discover again its worth.

It was the Bible which made the men and women of the "Mayflower" what they were. It was truly a lamp unto their feet and a light unto their path. The Pilgrims were a people of the The Book. All their hopes of personal, civil and religious liberty hung upon their Bibles. On it the American Commonwealth may be said to have been built. So it is that within the cabin of that little ship, the "Mayflower", this Republic had its origin in the compact signed by brave men, who had faith in God and faith in the Bible.

History reveals no doubt in the Biblical inspiration of our first two presidents, George Washington and John Adams. Andrew Jackson, "Old Hickory", our nation's first log-cabin president, born on the joint frontiers of North and South Carolina, said to one of his sons-in-law: "Go, read the Scriptures, the joyful promises it contains will be a balsam to all your troubles." Ulysses S. Grant, although a better general than a president, said to the nation in its hour of great disillusionment, "Hold fast to the Bible as the sheet anchor of your liberties; write its precepts on your hearts and practice them in your lives. To the influence of this book we are indebted for the progress made, and to this book we must look as our guide in the future." And, in later years, it was Franklin D. Roosevelt, who wrote in the foreword of the Pocket Testaments given to all service men in World War II, these words: "As Commander-in-Chief I take pleasure in commending the reading of the Bible to all who serve in the armed forces of the United States. Throughout the centuries men of many faiths and diverse origins have found in the Sacred Book words of wisdom, counsel and inspiration. It is a fountain of strength and now, as always, an aid in attaining the highest aspirations of the human soul." So it has been, from the very beginning, that those who have guided this nation have turned to the Bible for wisdom and guidance, making it important for Americans to remember that the roots of our Republic run deep into the rich soil of the Holy Bible.

Any attempt at the separation of the government from religion represents a definite departure from the intent of the Founding Fathers, who never intended to purge public life in America entirely of biblical principles. Those who founded our nation did not hesitate to declare their dependence upon God, to mention Him in public utterances, to open Congress with prayer, to set up Chaplaincies, to declare their faith in the Bible, and to ask the President to call days of prayer and thanksgiving to God. They knew that the very concept of religion and liberty was founded upon the teachings of the Bible. How well they knew it is evidenced by the fact that the States are impregnated with Biblical principles. How else would we have come to realize that freedom and liberty, which is distinctively American.

If we ever forget that we are a nation founded on the Biblical precepts, we shall lose what others have created. Work as we will at the intricate mechanisms of government, if we do not have the same deep faith in the Bible which its creators held, we shall lose those blessings of "life, liberty and the pursuit of happiness" enunciated by our Founding Fathers.

When we think of liberty, we must realize that there is a striking link between the Bible and liberty. The book of more than a thousand tongues has taken part in more than a thousand battles for liberty. For, in the Bible, man is set forth as a being who has infinite value for God, his Creator. No human authority has a right to degrade or enslave man or to deprive him of his right to self-development. He should be free to assume responsibilities for which he is best fitted. None should demand of him a love or loyalty which is due God alone. The Bible has played a great part in securing for man his liberties and freedom. The United States, more than any other country, was founded by men mastered by the Bible. It is thus, that it is characteristic of America to uphold freedom, liberty and human dignity. Let the Bible be repudiated as the supreme guidebook of mankind, and freedom and liberty will die.

The core of biblical religion is the conviction that God dwells in the midst of us. In the rotunda of the Jefferson Memorial in Washington you will find these words: "God who gave us life gave us liberty." Thus it is that liberty is profoundly wedded to biblical religion, meaning that our whole concept of liberty is found within the covers of the Bible.

Here, then, is a book whose pages contain the fountain from which flows the crystal waters of freedom and liberty. Here is a book, that no matter how many books are written, always stands out in front in the market place, indicating that it contains the fundamentals for the building of a life and the building of a nation. Here is a book that men and nations turn to in times of special strain and need. In the emergence of our nation, the Bible became the anchor of hope. Here is a book that has a singular connection and relationship with what we call human welfare, and has laid the foundation of education, democracy and all we call civilization. Here is a book that has provided the inspiration of the best men and women in the history of our Nation. All this adds up to the significant fact that the Bible shaped America.

As the Pilgram Fathers stepped ashore with the Bible in their hands to build a new nation based on the precepts of that Bible,

so did the crew of Apollo 8 on December 21, 1968, carry that same Bible 230,000 miles into space to orbit the moon.

On Christmas Eve at 8:48 p.m. CST, Astronauts James A. Lovell, William A. Anders and Frank Borman sent Christmas Message across those 230,000 miles, reminding America and the world of the role of the Bible in the life of our Nation and its people. From the depths of outer space, their voices rang out stirring the minds and hearts of all the world:

Astronaut Borman began: "We are now approaching the lunar sunrise and for all the people back on earth the crew of Apollo 8 has a message that we would like to send you."

Astronaut Anders began reading from the Book of Genesis: "In the beginning, God created the heaven and the earth. And the earth was without form and void and darkness was upon the face of the deep . . ."

Astronaut Lovell continued: "And God called the light day, and the darkness He called night. And the evening and the morning were the first day . . ."

Astronaut Borman concluded the message as he continued to read: "And God said let the waters under the heavens be gathered up together into one place. And the dry land appear. And it was so . . ." As all the world listened, the Bible's message of creation became a memorable part of the mission into outer space in the same way as the message of the Bible became a memorable part of the mission to establish here a new Nation—a Nation under God.

"Heaven and earth shall pass away, but My words shall not pass away."

FIGHTING AND REPRESSION CONTINUE IN LAOS

Mr. PROXMIRE. Mr. President, the expulsion of the last Western correspondent in "liberated" Indochina by the Laotian Government last week reminds us that repression, fighting, and suffering continue in that part of the world. John Everingham, tht Austrian journalist who was hurriedly pulled off to jail with a pistol in his face by an officer of the Communist Party in Vientiane, vividly described in Sunday's Washington Post the horrors in Laos that Communist rule has perpetuated.

When America was ripping apart Laos with bombs, Mr. Everingham wrote articles and published photographs illustrating the massive destruction. The Pathet Lao assumed on the basis of the journalist's reports that he would issue reports favorable to the regime in the future. Indeed, Mr. Everingham hoped for a better future under the new regime.

But, the journalist tells us, disillusionment has grown steadily since the Communists took control. Laos has been ruled by force, and "fear has become the major motivating factor in changing the social fabric" of the country. The number of Laotians now in camps for "reeducation" or as outright political prisoners runs to about 50,000, a "startlingly high figure" for a nation of only 3 or 4 million people.

About 200,000 people have fled the country by crossing into Thailand, and thousands of others have fled into the jungle to begin the first full-scale anti-Communist insurgency ever seen in the region. Mao guerrillas left over from the CIA-financed army, use arms and ammunition cached in remote mountain areas years ago to conduct ambushes along Route 13, the main highway leading north from Vientiane. Now years since the United States withdrew from Southeast Asia, the fighting goes on.

Mr. President, I ask unanimous consent that Mr. Everingham's important article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARTICLE BY MR. EVERINGHAM

BANGKOK.—For 10 years Indochina had become a career. Through the courtesy of the new Communist government in Laos and my own guarded journalism, I had been permitted to remain as the sole Western correspondent in "liberated" Indochina some two years after all the others had been squeezed out. Ten years of journalistic files and photographs were carefully preserved in my teakwood office in Vientiane, with its magnificent view through palm trees to the Mekong River. Good relations with the government made my toehold on Communist soil appear as secure as the setting was serene.

Then, in the dramatic style of an anti-Communist horror tale came a knock on the door, a pistol in the face, handcuffs, neither explanations nor permission to contact my embassy, and a swift trip off to jail. My last glimpse of my office showed two local employees, my translator and the keeper of my photographic library, plus a group of arriving friends similarly handcuffed, while six policemen were searching through my notes, books and films.

Since the jails of Vientiane have long been filled beyond capacity, my next six days were spent locked into the tiny kitchen of what was once the city's Masonic lodge. The room's one small window had once served food into the main hall, now home for nine Lao prisoners. For three days I lay on a wooden bench, handcuffed, permitted out only to the toilet before again being herded back in at gunpoint. Later, my captors brought a mattress from my house, a blanket, a towel and a toothbrush, and removed my handcuffs.

My six days in prison gave me time to reflect on what had caused my arrest. The previous rightist regime had threatened to expel me for criticizing its benign neglect of the country. When America turned Laos into the most heavily bombed nation on earth, I wrote articles and published photographs illustrating the massive destruction. The incoming Pathet Lao assumed I would write in their favor, and, indeed, like masses of Laotians, I hoped for a better future under the new rulers. Disillusionment was not far behind, for the Pathet Lao ruled by the gun and failed to live up to the expectations of the people. Perhaps, I surmised in jail, I was there for not lauding the new government in the manner expected of a friendly journalist.

ACCUSED OF SPYING

The charges against me and the five foreign friends who happened to visit my office on the day of my arrest, however, were more serious: We were accused of running a major spy ring. My office, with its volumes of information, was the "nerve center." For evidence, the police pulled from my office an assortment of notes, government press releases, letters to my wife in the Lao language and any information I had compiled about the Lao Communist Party and its leaders.

The arrests and investigation, I learned after the fact, had been coordinated by a new internal secret police organization previously unknown to foreigners. Trained abroad, these police had their headquarters in the United States' old Silver City residential compound, seized by the Pathet Lao in 1975 but still claimed by the American embassy.

The emergence of this newly discovered secret police unit has led to speculation among diplomats that foreign missions in Vientiane will soon become a target of the kind of internal surveillance practiced against the rest of Laotian society. Throughout the Lao villages and urban communities, spy rings have been active almost since the Communists came to power two years ago, working to cleanse society of all elements that the new rulers consider either undesirable or subversive. Hardly a family in Vientiane today remains entirely intact.

The number of Laotians now in camps for "reeducation" or as outright political prisoners runs to about 50,000, a startlingly high figure for a tiny nation of only 3 or 4 million people. And the arrests continue. Regular flights from Vientiane to camps in the far north help ease the load on the overburdened prison system. New jails like the Masonic lodge in which I was held similarly help contain the huge influx of new inmates.

A SOCIETY RULED BY FEAR

Fear has become the major motivating factor in changing the social fabric from capitalist to communist.

In government offices, the knowledge that even suspicion of "unpatriotic behavior" or mistakes can bring the feared midnight knock keeps all but the top party officials from making any decision that can be avoided. The introduction of traditional Communist bureaucratic practices has led to red tape so impenetrable that, instead of the progress promised by the new regime, Laos appears to be sliding into deeper trouble.

Little of Vientiane's limited light industry has been put back into full production. Breakdowns occur, and the government's severe restrictions on the spending of foreign currency forbid even state-controlled plants from purchasing the required spare parts abroad. A recent survey of the 18 sawmills in the Vientiane area showed only four in anything resembling full production. Half remained at a dead halt.

The Loatian economy was shattered the day the United States cut off all aid to the Communist regime in June, 1975. It has never recovered.

Thousands of city dwellers and small merchants have been forced back to rice farming, a move that eventually should help win the self-sufficiency in food that still eludes the new regime. For the moment, hunger has been averted only through the generosity of the Soviet Union, the regime's chief patron, which keeps some 400 technicians in Laos.

Superstitious farmers blamed last year's poor harvest on the new regime for banning the traditional fireworks festivals they believe fertilize the clouds. The farmers also resent the introduction of limited forms of communal farming—into a society where every farmer owns his own land—and the imposition of an unpopular rice tax designed to raise desperately required revenue.

Another source of enmity toward the regime is the soldiers' interference in the people's Buddhist practices. Buddhist holidays, previously the major events of the Lao calendar, have been reduced to working days, while Communist holidays like May Day now call for major festivities. The Lao people, with their traditional love of festivals and slow-paced lifestyle, do not seem to appreciate the regime's introduction of six-day work weeks, voluntary labor on Sundays and political indoctrination at night.

The reaction to these changes has been uncharacteristically sharp for the Laotians. In addition to about 200,000 people who have fled the tiny country by crossing the Mekong into Thailand, thousands of Lao men and boys have fled into the jungle to take up arms and begin the first full-scale anti-Communist insurgency ever seen in the region.

The success of these rebels has puzzled all observers. Their only advantage is the sanc-

tuary of Thai soil across the Mekong; despite government charges that U.S. aid to Thailand is supporting the rebels, no one has found evidence of this.

In Laos' southern panhandle, these anti-Communist rebels have managed to reverse the tables completely against the Communists during the past two years. The guerrillas control most of the countryside and villages along the Mekong plains while the Communists struggle tenaciously to control the major cities and highways against their attacks.

The best-known of the rebel leaders, Bua Lien, is a former Pathet Lao soldier who switched to the rightist side with several hundred followers before the Communist takeover and now continues to fight from the jungles. "We can never even find him, let alone destroy him," one Pathet Lao official in Vientiane told me.

Help from Vietnamese troops sent south to fight on the government side has only driven more villagers in the traditionally conservative panhandle into the rebels' camps. With a supply of weapons, the rebels could well pose a serious threat to the survival of the regime.

Further north, some 2,000 Meo guerrillas left over from the CIA-financed army led by Gen. Vang Pao have expelled all Communist troops from a wide track of mountains stretching from the area around their old base at Long Cheng below the Plain of Jars and west to the Thai frontier. The Meo reportedly are using arms and ammunition cached in remote mountain areas years ago.

Meo ambushes have made Route 13, the main highway north from Vientiane to the old royal capital at Luang Prabang, as dangerous now as it was at the height of the war; only large convoys can make the trip safely.

In retrospect, the Laos I leave in 1977 is not much more settled than the Laos I found 10 years ago. Laotians were killing Laotians in a test of wills inspired by East and West. Though the Western power, the United States, has long since withdrawn, giving all the long-term odds to the Communists, the fighting goes on.

HUMAN RIGHTS A LIVE ISSUE IN EUROPE

Mr. DOLE. Mr. President, I have just returned from a week-long trip to Europe where I traveled to learn more about the impact of our human rights campaign upon the people of that continent. I met with dissidents, government officials, and delegates to the preparatory meeting currently working on the agenda for the Belgrade Conference which will commence later in the year to review implementation of the Helsinki Final Act. All commented on the American position concerning human rights, and it is their views that I wish to share with my distinguished colleagues in the Senate.

DISSIDENT HOPEFUL

In Vienna, I met with refugees from Czechoslovakia, Hungary, Latvia, Poland, and Soviet Russia, all of whom had left their respective homelands within the last 3 months.

The most recent emigre was Zdenek Mlynar who left Czechoslovakia on June 13. A high ranking Communist Party official during the Dubceck era, Mr. Mlynar was one of the original signers of Charter 77, a document calling for greater respect for human rights by one of the more repressive regimes in Eastern Europe. He assured me that Charter 77 represented the sentiments of most of the people in Czechoslovakia. They also support America's current human rights crusade and they look to Belgrade with great hope for the future.

A refugee couple from Hungary, where the regime is somewhat less repressive than in Czechoslovakia, informed me that they left their homeland to improve their spiritual and not their material condition. Since both are engineers, they owned their own apartment and an automobile. Still, they were no longer able to live in a country where they were always afraid to speak their mind, even with their closest friends.

Pavils Bruvers, a Baptist dissident from Soviet Latvia, indicated that despite a strong antireligious and Russification campaign, more and more young Latvians are being converted to the Baptist faith and the Latvian national heritage is far from dead. "The Russians try to intimidate other nations," Bruvers told me, "but they respect strength. That's why it's important for the United States to stand firm at Belgrade."

A Polish refugee echoed Bruver's words. The dissident movement is on the rise in Poland and the intellectuals are joining with the workers in an effort to reform the system. Most Poles, he told me, are relatively unfamiliar with their rights under Polish law. Thanks to Radio Liberty, however, they are learning about them and their dissatisfaction is growing.

Jurij Mnukh, one of the last members of the Helsinki Watch Committee in Moscow, informed me that while the short-term future of dissent in the Soviet Union appears to be grim, the long-term gains are bound to be beneficial. "The United States must be prepared for a long human rights campaign," he told me, "because the Soviet Union won't change overnight."

All of the dissidents agreed that a Helsinki process which continues to call attention to human rights must be preserved and continued after Belgrade.

While in Vienna, I also had an opportunity to visit the refugee camp at Traiskirchen and the Jewish resettlement center at Simmering. I was impressed with the devotion and dedication of the Austrian and Jewish staffs that administer these centers where refugees are welcomed and reassured as they begin to rebuild their lives.

ALLIES SKEPTICAL

At Belgrade, I learned that while some of our NATO allies agreed with our human rights position in principle, they were somewhat skeptical of the efficacy of our present approach. Their feeling was that our unwillingness to compromise would damage détente. Like the dissidents, however, they felt that the Helsinki process must be preserved at Belgrade.

OUR DILEMMA

And that is the dilemma the United States is facing at the present time. On the one hand, we have the dissidents—those who know the Communist countries best—urging us to remain firm in our conviction and not to give in at Belgrade lest the Soviets believe we have lost our will to pursue foreign policy objectives in the human rights arena. At the same time, we must consider our allies—without whom we cannot achieve our Belgrade objectives—who are ready to compromise with the Soviets in order to save détente.

THE FUTURE OF HUMAN RIGHTS

If there is one thing that I shall always remember from my trip to Europe, it is the great love for America expressed by the refugees and dissidents with whom I met. They believe we are still the greatest nation in the world, and they rejoice that we are willing to champion their cause. We cannot let them down.

No one is interested in confrontation if it proves to be counterproductive. Let us pursue, if necessary, a policy of quiet diplomacy if that will permit the Soviets to save face and allow them a period of respite so that they can reassess their approach. But let us not back away from our commitment. Let us continue to press firmly and without equivocation our concern for human rights and let us use every responsible means available to us to convince the Soviets that we must go beyond détente, beyond a simple relaxation of tensions, in our relations with each other. We must strive for a peace that is predicated on mutual trust and a respect for human dignity. Only in this way will we truly preserve the Helsinki process and use it to build a better world.

DIVULGE: HENNEPIN COUNTY'S CONFIDENTIAL TELEPHONE HOTLINE

Mr. HUMPHREY. Mr. President, our criminal justice system badly needs the support and help of ordinary citizens. But sometimes fear of reprisal has stymied citizens' assistance to their law enforcement agencies.

The sheriff's department in Hennepin County, where Minneapolis is located, has developed a unique approach in obtaining investigative leads. The citizen who has information useful to the police, but wishes to remain anonymous, need only pick up the telephone and dial D-I-V-U-L-G-E (348–8543) and leave the information on a tape. If the call is of an emergency nature or needs immediate attention, the caller is directed to call the central dispatching number.

Through this simple hotline system, the citizens of the Twin Cities have provided the police with useful leads. One of the primary reasons for the program's success is the ready identification of the DIVULGE number—the caller simply dials a single word.

The July issue of FBI Law Enforcement Bulletin has an article describing DIVULGE, written by Donald Omodt, the sheriff of Hennepin County.

Mr. President, I ask unanimous consent that the text of Sheriff Omodt's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DIVULGE: HENNEPIN COUNTY'S CONFIDENTIAL TELEPHONE HOTLINE

(By Donald J. Omodt)

Today, private citizens in the metropolitan Twin City area of Minneapolis and St. Paul, Minn., are providing valuable investigative leads to law enforcement agencies telephon-

ically—by dialing 348-8543, DIVULGE. DIVULGE is an around-the-clock hotline program which guarantees caller anonymity, and since its implementation by the Hennepin County Sheriff's Department in July 1974, it has proven that local residents can be of significant assistance to law enforcement agencies.

Central to the DIVULGE program is a tape-recording device which is activated automatically when a citizen dials the DIVULGE number. Callers may remain anonymous or leave their names if they wish to be contacted during the next business day. At no time are their calls monitored, and no attempts are made to identify the callers.

DIVULGE callers offer their taped information at the conclusion of recorded instructions. These instructions advise them in part, as follows:

Thank you for calling our confidential reporting number. If your call is of an emergency nature or needs immediate attention, please hang up and call our central dispatching number. A deputy is on duty to handle such emergency calls. When leaving your nonemergency confidential information, please try to be as complete as possible. Include, if known, such things as the full name of the suspect, physical description, nicknames, license numbers, and date of birth. Please be assured that the Hennepin County Sheriff's Department will do its best to follow up your lead or refer it to the proper jurisdiction. If you wish to have a deputy return your call on the morning of the next working day, you may also leave your telephone number. At the sound of the tone, you may leave your message.

Every business day at 7:45 a.m., messages from DIVULGE are evaluated and appropriately referred. The Minneapolis Division of the FBI, the Minneapolis Police Department, and many suburban police departments have received through DIVULGE informative leads which have contributed materially to a variety of investigations of child abuse, illicit drug traffic, prostitution, and other criminal activities.

No rewards are offered to induce callers to contact DIVULGE. Should the caller insist on monetary compensation or immunity from prosecution prior to "divulging" usable information, he or she is requested to meet personally with a detective from the department's criminal division. If the individual's lead is accurate and contributes to the solution of a particular case, he or she may be compensated or granted immunity, pending the approval of the county attorney's office.

One of the primary reasons for the program's success is ready identification of the DIVULGE telephone number. The caller is not required to spend time needlessly looking up an unfamiliar, meaningless telephone number; he simply must remember and dial a single word—DIVULGE.

Although less than $2,000 has been expended on advertising and promotional materials such as handouts and bumper stickers, DIVULGE has become a household word among Twin Citians. Bus placards have been an inexpensive but highly effective advertising medium, and last winter, these placards appeared as a public service message on more than 400 buses during a 120-day period. The only costs incurred by the sheriff's department were nominal printing expenses and labor charges for the installation and removal of the placards.

DIVULGE gained widespread attention in April 1975, when a local theatrical group performed a satirical skit about the inability of a caller, when attempting to report criminal activities of an emergency nature, to remember the spelling of the word "DIVULGE." The skit appeared during prime time on a local television station in the Twin City area. A week later, during the same time slot, the station broadcast a letter of clarification which stressed the nonemergency nature of the type of criminal activity, actual or suspected, that should be reported to DIVULGE. Matters requiring immediate attention, it was emphasized, are to be reported directly to the department's emergency communications center.

The effectiveness of publicity and advertising is reflected in the number of calls received through the DIVULGE program. During the first month of operation, when a multimedia promotional campaign was in full swing, more than 590 calls came in on the hotline. Although almost 75 percent of these calls were blank or contained inadequate information, the promotion was successful in introducing DIVULGE to the Twin City area. Since that record-setting month, the average number of monthly calls has leveled off to 298. Since the program's implementation in 1974, 6,000 calls regarding criminal activity have been received.

More than 70 percent of the calls received during the first 2 years of the program were not usable. They were either prank calls, blank, or contained insufficient information. The high figure, however, was not considered significant in assessing the overall value of DIVULGE. Even a paucity of usable leads can be a justification for the program. For example, an escape from a county workhouse was averted as a result of a DIVULGE tip received in advance. Similarly, 2 months after the inception of DIVULGE, a call was received which led to the apprehension of two escapees from a State reformatory. A bicycle-theft ring was broken up also as a result of DIVULGE tips.

Typical of DIVULGE calls is one received in early 1976. An anonymous female caller described an automobile, its trunk filled with small business machines, which had pulled into a local gas station. The occupants of the car sold one of the machines to the station manager. The caller recorded the automobile license number, dialed DIVULGE, and reported the incident. The call was reported to the appropriate department, and suspects were, subsequently, taken into custody.

The narcotics division of the sheriff's department has had good success in pursuing leads that are relayed through DIVULGE. Almost 55 percent of the usable tips that come in over DIVULGE involve the possession and sale of illegal narcotics. Although the majority of the leads do not result in immediate arrests, the information is often helpful in building a case against a suspect arrested at a later date. All usable tips are carefully checked for validity before an arrest is effected or the information is entered in permanent DIVULGE case files. In the interest of protecting the civil rights of the individual, information is not recorded in the DIVULGE case files until corroborating evidence is obtained.

Although the potential for recruiting new informants through DIVULGE exists, the program is not designed to fulfill such a function. The principle of caller anonymity is basic to DIVULGE. It is conceivable, however, if a particular caller regularly supplied reliable information, police would attempt to contact him by telephone, assuming he had volunteered his name and telephone number. If such an informant wished to remain anonymous, he might be assigned a number which would be used as an identifier for subsequent contacts. In this way, police might be able to procure warrants when feasible without disclosing the caller's name. But, as of yet, there have been no instances of individuals supplying viable leads via DIVULGE on a regular basis.

To date, less than 3 percent of the callers have revealed their identities or volunteered their telephone numbers, and no attempt has been made to contact the callers unless circumstances indicate that they or other persons may be exposed to potential danger. An anonymous female caller reported that she had been raped by a suspect who was being sought by police for a number of rapes in the community. Because the caller's description of the rapist was consistent with other known information, an attempt was made to contact her through a notice in a local newspaper. She failed to respond, and additional efforts to locate her were ineffectual. Even though a caller's failure to supply adequate information might present a major problem, police can only wait for the caller to recontact DIVULGE in the near future.

Although the prank calls constitute less than 7.9 percent of all calls received, every call is taken seriously. In May 1976, DIVULGE received several threats from one individual who warned of a bombing at a Twin City elementary school. Although the voice of the caller indicated that he may have been of grade school age, a thorough search of the school was conducted prior to each of the three times the caller said a bomb was to detonate. Despite the facts that no bomb was discovered and no explosion ever occurred, the risk was too great to ignore such a threat. When the lives of innocent people are on the line, every precaution must be taken.

It is believed that programs like DIVULGE have a bright future. The potential is great. As long as citizens continue to provide police with good leads, there will always be a place in law enforcement for the confidential telephone hotline.

MISSION ACCOMPLISHED

Mr. SPARKMAN. Mr. President, Robert Hill, U.S. Ambassador to Argentina retired from his post after serving in that important and troubled country for nearly 4 years. This was the fifth ambassadorship for Bob Hill in his long and distinguished career with the State Department which started in 1944 as a vice consul in India.

Many of us remember Bob Hill from his days as clerk of the Senate Banking and Currency Committee during the 80th Congress. Later, he served successfully as Assistant Secretary of State for Congressional Relations under John Foster Dulles. The Congress came to know him well during this assignment.

A number of prestigious papers in Argentina printed complimentary remarks about Ambassador Hill's tour of duty in their country. As one example, I ask unanimous consent that recognition of Ambassador Hill's service, as noted by La Prensa of May 9, 1977, be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

MISSION ACCOMPLISHED

After residing three years among us, Mr. Robert C. Hill, Ambassador of the United States of America, leaves to return to his country. His task was not easy, for he had to work during one of the most agitated periods of our political evolution, while at the same time the great democracy of the north suffered the crisis that culminated with President Nixon's resignation.

In the complex circumstances he had to face, he displayed tact and prudence, demonstrating an exact understanding of our difficulties and an unchanging respect for our nation. This shows a thorough knowledge of and a sincere affection towards our country, affection that has been amply reciprocated.

When the change of government in our country occurred, his opinion was with no doubt a decisive factor in the immediate recognition of our new government by the U.S., with the favorable consequences that this recognition had in our relations abroad.

The circles he frequented here have bidden him farewell with the cordiality and respect he rightfully earned. It is fitting, moreover, to leave written evidence that he has efficiently accomplished his mission, not only in regards to his country, which he has represented with intelligence and ability, but also in regards to ours.

TAX DEDUCTION REPEAL—A BURDEN ON THE MOTORING PUBLIC

Mr. THURMOND. Mr. President, the city of Chester, S.C., has a population of around 7,000. Its people are hardworking, engage in a variety of occupations from farming to textiles, and are representative of the makeup of many of the small towns throughout South Carolina.

Don McKeown, the editor of the Chester newspaper, the News and Reporter, wrote an article on the House Ways and Means Committee's action to repeal the income tax deduction for State gasoline taxes that undoubtedly reflects the feelings of many citizens in small towns and rural areas not only in South Carolina but all across the country.

Mr. President, I ask unanimous consent that this editorial which appeared in the June 29 edition of the Chester News and Reporter be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TAX DEDUCTION REPEAL—A BURDEN ON THE MOTORING PUBLIC

The federal income tax deduction for state and local gasoline taxes may get the axe if the Congress follows the lead of the House Ways and Means Committee. That committee, which has Rep. Ken Holland of South Carolina's Fifth District as a member, decided June 9 to repeal the deduction for state and local gasoline taxes that has been granted on federal income tax returns. The reason given by the committee for the decision to eliminate the deduction was that it would reduce driving and, consequently, save fuel. No doubt that is another energy conservation plan based on the economic theory of supply and demand. When one controls the price, one also controls the demand.

Apparently, the committee and the administration believe that by making the product less attractive in cost, the demand will diminish, thus helping the nation conserve its precious energy supply. The theory sounds good, but does it work today? We tend to believe that motorists will continue to buy gasoline without a substantial decrease and cut corners elsewhere to pay the price. Surely if the tremendous increase in gasoline prices since 1973 has not curtailed gasoline consumption by the American public, then the loss of this income tax deduction would have no effect. Let's face the reality that the continuing increase in gasoline prices over the past four years has not produced any great evidence that would substantiate the committee's reasoning.

What repeal of this deduction would do, in our opinion, would be to affect drivers living in rural areas who have no alternative means of transportation to get to and from work. Those who reside in one county—as is the case here in Chester County—but work in another would have an extra burden to carry. We're not talking of joy riding, but, instead, of the amount of driving done as a necessity. We're talking about people who live in Chester County and work at Grace Bleachery at Lancaster, or in Columbia, or Charlotte, Rock Hill, Carlisle, or other places. We're also talking about traveling salesmen. These are working people whose jobs depend on their transportation. What kind of job would it be if the cost of transportation to and from work became too high for the worker.

That may be all well and good in metropolitan areas where there are mass transportation systems that would allow reasonable, quick service. But, in small counties and states, the automobile is the only means of transportation and many people must depend on it for a livelihood.

Also, a great majority of the states that impose income taxes pattern their tax generally on the federal return and permit the federal gas tax deduction to be counted as a state deduction as well. County and municipal governments in some states do the same. Thus, we believe that any change in the federal deduction allowed the motoring public will have a ripple effect throughout the tax structure of state and local governments.

The little man is left holding an empty bag once again.

FEDERAL LANDS

Mr. STEVENS. Mr. President, recently a hearing was held in Seattle by the Subcommittee on General Oversight and Alaska Lands of the House Committee on Interior and Insular Affairs. The subcommittee's hearing dealt with an issue of great importance to my State, the congressional consideration of Federal lands withdrawn for study as potential additions to the National Park, Wildlife Refuge, National Forest, and Wild and Scenic River Systems. One of the witnesses at this hearing was Washington's Governor, Dixy Lee Ray.

Governor Ray, a renowned biologist, and former Chairman of the Atomic Energy Commission, dealt with many of the problems which Congress will be faced with during its consideration of the "d–2" lands issue. Governor Ray's testimony speaks for itself, and I commend it to the other Members of the Senate. Mr. President, I ask unanimous consent that this testimony be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

DRAFT SUGGESTED TESTIMONY FOR GOV. DIXY LEE RAY BEFORE THE HOUSE OVERSIGHT COMMITTEE ON ALASKA LANDS—SEATTLE, JUNE 18, 1977

Mr. Chairman and members of the Committee: I am here to discuss with you how the concept of "national interest" lands should be applied to Alaska. The solution to this issue will have profound effect on Alaska's future, certainly. In addition, however, the effects of Congressional action on Section 17 (d)(2) of the Alaska Native Claims Settlement Act will extend far beyond Alaska's borders. They will affect the economy of the State of Washington almost directly, the economy and energy supply of the entire Nation, and potentially they will affect the underlying relationships between the state and federal landowners and managers throughout the West and the Nation as a whole. Gentlemen, your present deliberations are much more than a last chance to do something "nice" for the environment. They are bound up not only in conservation, but also in the very economic fabric of the Northwest and the entire energy situation in the United States.

Certainly, the establishment of a rational number of new national parks, wildlife refuges, wild and scenic rivers, and national forests in Alaska should be a high priority for Congress. This action is in the national interest, and also in the interest of the State of Alaska, as expressed to me by Governor Hammond. But I would encourage you not to forget that the national interest in Alaska is more complicated than just the preservation of scenic and recreational land values. National interest also involves a reasonable access to Alaska's minerals and energy. And the national interest in Alaska involves establishing a climate of close cooperation between the Federal Government and the State of Alaska (which will own over 104 million acres) and the Alaska Native Corporations (which will control over 44 million acres). I do not believe the broad national interest lies in a simplistic cordoning off of huge areas with little more than scenic grandeur and wildlife populations in mind.

This Committee can do no better than to reach a middle ground, within which Alaska's multitude of truly significant scenic, wildlife, wilderness, and recreational values would be well protected, Alaska's mineral and energy sources could be extracted in an environmentally sensitive manner, and Native landowners would have true incentives to manage their lands in true cooperation with the federal land managers. Such a climate—one of cooperation, reasonableness, and stability—could only be in the nation's as in this region's, best interest. I would like to briefly outline a few principles that I would encourage the Committee to keep in mind as you deliberate this important issue.

The first of these involves the rationality of certain land management units and practices, and the irrationality of alternative methods. There has been much talk regarding "protection" of "whole ecosystem" in Alaska. As an ecologist, I can tell you that this is not only a severe misuse of a scientific term, but a self-delusory concept under most existing proposals. Ecosystems have no regard for political boundaries. True Ecosystem management requires cooperation, even in the vast land masses of Alaska, between adjoining landowners. It is as simple as that. It is simply not within the purview, even of the United States Congress, to legislate ecological boundaries and thereby insure that all values within these boundaries will be managed as intended by either Congress or the federal land manager.

I feel it is incumbent upon you to design some system of cooperative management not only to insure that federal lands are not adversely affected by activities of adjoining landowners, but also to insure that the entire State of Alaska, as opposed to simply that fragment of Alaska that will be federally owned, is managed on a rational basis for state, regional, and national needs. It is within your power to establish a system for cooperative management between federal, state, and native landowners in Alaska. I hear from Alaska that they would be very kindly disposed to participating in such a system. I personally feel that this legacy would be an even prouder legacy than simple-minded creation of new units of parks and wildlife refuges in Alaska, with nothing new and creative established to address the broader, more basic problem of holistic land management.

Secondly, it is clear that the lands under question are, indeed, property of the people of United States as a whole. (Parenthetically, let me say here that I would urge this Committee to delete the portion of HR 39 that take back land already patented or tentatively approved to the State of Alaska. This seems a clear abrogation of the Alaska State-

hood Compact.) It is clear that everyone in the United States should have something to say about how federally owned lands in Alaska are managed. However, it seems a principle of logic and history that the people most affected by government actions, that is the people who live nearest those actions, should have a lot to say about the day-to-day implementation of any federal action. This should be true not only because they are the people most affected in their daily lives by the federal decision, but also because they are the people who could surely make day-to-day decisions more intelligency than anyone sitting in Washington, D.C.

It is ironic to me that when the people of Alaska were fighting the Nixon-Ford OCS leasing program, in an attempt to moderate its speed and allow Alaska's tiny coastal communities a chance to get ready and ameliorate massive cultural change, many environmental groups took their side and reaffirmed the basic right of local people to be "a little more equal". Even in HR 39, the wisdom of letting local people have a lot to say regarding hunting and fishing regulations is reaffirmed. And yet, this Committee to date has seemed totally resistant to the notion that people of the State of Alaska should have a formalized advisory vote concerning management of lands within their state.

The people of Alaska have, it seems to me, put forth a most generous offer. They do not ask that their opinions be determinative in the future over federal land. In addition, they have offered the federal government (in the person of the federal side of the Land Classification Commission they are proposing) an equivalent say over management of lands owned by the State of Alaska. I would urge the Committee to consider seriously this very earnest proposal by Alaska for cooperative management and the joint commission, through which a local voice may be heard in the future.

Thirdly, I would like to stress to this Committee that Alaska is an extremely progressive state in terms of land management. Recent hearings have tended to cast Alaskans as rapists of the wilderness and unrepentent, voracious developers. If this is the case, why does Alaska have the largest state park system in the nation? Why has Alaska already set aside over four and a half million acres of their roughly thirty-five million acres of patented and tentatively approved land as state parks, critical habitats and refuges? If this is so, why have the people elected a dedicated conservationist as Governor? Why did Alaska take the stand it did on the Federal Outer Continental Leasing Program? Why has Alaska established incredibly strict tanker liability standards? Why has Aleyska Pipeline Service Company continually complained that Alaska State pipeline monitors were doing their job much too thoroughly? I submit to you, that if any state of the union can be trusted to be a full, fair partner in cooperative management of state and national interest lands, it is the State of Alaska.

Fourth, as a trained biological scientist, I would like to stress unequivocally that I believe that it is very possible to extract needed energy and mineral resources from Alaska while at the same time protecting not only basic biological resources, but also scenic, recreational and wilderness resources. All it takes is a little creative management and hard work by the respective land managers.

To allow this to happen would require a non-traditional approach among some of the federal management agencies. We should never forget that these agencies (such as the Park Service and Fish and Wildlife Service) were designed several decades ago, for other parts of the country than Alaska. It makes no sense to try to force the round peg of Alaska into the square hole of federal management. I would hope the Committee would reconsider the attempt to do this, and instead consider more flexible guidelines and rules under which federal agencies may manage Alaskan land.

As Governor of a western state containing a significant amount of federal land, I have become increasingly aware that the system as it now exists is much too open to bureaucratic abuse by well-meaning but narrowly directed federal land managers. I feel it would be in the best interest of all western states if Alaskan land questions could be solved in such a way that might lead the way to new cooperation between federal and state governments throughout the western United States. Our coming need to rationally balance environmental and economic concerns makes this imperative. The alternative is a western United States full of federal and state enclaves, fighting one another at their boundaries, and a disastrously patchwork land ownership and management system. An enlightened Congress can insure that this does not occur in Alaska, and I urge your thorough consideration of the cooperative management proposals that are before you.

EXPORT-IMPORT BANK FINANCING NOTIFICATION

Mr. PROXMIRE. Mr. President, I call to the attention of my colleagues a communication I have received from the Export-Import Bank pursuant to section 2(b)(3) of the Export-Import Bank Act notifying the Congress of a proposed Eximbank loan and guarantee to assist the construction of a nuclear power plant in Spain. Section 2(b)(3) of the act requires the Bank to notify the Congress of any proposed loan, guarantee, or combination thereof in amount of $60 million or more at least 25 days of continuous session of the Congress prior to the date of final approval. Upon expiration of this period, the Bank may give final approval to the transaction unless the Congress dictates otherwise.

In this case, the Bank proposes to extend a loan in the amount of $85,250,000 to three Spanish electric-utility companies and a guarantee of loans by private financial institutions in the amount of $54,250,000 to assist construction and provide the initial fuel core of a 930 megawatt nuclear powerplant in Spain. Exim's participation will cover 90.0 percent of the total cost of U.S. goods and services for the project. The loan will bear interest at the rate of 8 percent per annum. The portion of the loan and the guaranteed private loans which is for construction of the nuclear plant will be repayable over a 12-year period commencing April 1, 1984, and the portion of the loan and the guaranteed private loan for fuel fabrication will be repayable over a 5-year period beginning April 1, 1984.

I ask unanimous consent that the letter from Exim pertaining to this transaction together with the accompanying materials be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
June 29, 1977.

Hon. WILLIAM PROXMIRE,
Chairman, Senate Committee on Banking, Housing, and Urban Affairs, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with Section 2(b) (3) of the Export-Import Bank Act of 1945, I have reported to the President of the Senate and the Speaker of the House of Representatives on application currently pending consideration by the Bank. I respectfully furnish herewith a copy of this statement for your consideration.

Sincerely,

JOHN L. MOORE, Jr.

WASHINGTON, D.C.,
June 29, 1977.

Hon. WALTER F. MONDALE,
President of the Senate, Washington, D.C.

DEAR MR. PRESIDENT: Pursuant to Section 2(b)(3) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States Senate with respect to the following transaction involving U.S. exports to Spain.

A. DESCRIPTION OF TRANSACTION

1. Purpose

Eximbank is prepared to extend a direct credit of $85,250,000 to three Spanish electric utilities—Empresa Nacional de Electricidad, S.A. (ENDESA), Empresa Nacional Hidroelectrica del Ribagorzana, S.A. (ENHER), and Electricas Reunidas de Zaragoza, S.A. (ERZ) (Borrowers) and to guarantee loans by private financial institutions to the Borrowers in the amount of $54,250,000 for purchase of a U.S. nuclear power plant and initial fuel core. Repayment of the Eximbank credit and the loans guaranteed by Eximbank will be unconditionally guaranteed by Instituto Nacional de Industria, Banco Espanol de Credito, Banco Hispano Americano, Banco March, Banco de Bilbao, Banco Central, Caja de Ahorros y Monte de Piedad de Zaragoza and Banco de Vizcaya (Guarantors). The participation of each Borrower and Guarantor will be as follows:

Percent of financing, borrower, and guarantor:

72.5%, ENDESA, and Instituto Nacional de Industria.

15.0%, ENHER, and Instituto Nacional de Industria.

12.5%, ERZ, and Banco Espanol de Credito, Banco Hispano Americano, Banco March, Banco de Bilbao, Banco Central, Caja de Ahorros y Monte de Piedad de Zaragoza and Banco de Vizcaya (jointly and severally).

The purpose of the Eximbank financing is to facilitate the purchase from the United States of goods and services required for the construction and initial fuel core of one 930 MW nuclear power plant to be located in the Province of Zaragoza and designated as the Escatron 1 project. The power plant, when completed, will be directly tied into the Spanish national power grid.

The principal portion of the U.S. equipment and material which is to be financed by Eximbank will be manufactured in the United States by Westinghouse Electric Corporation. The related services will be performed by Westinghouse and other United States firms. The estimated total project construction cost is $950,700,000 of which $155,000,000 represents purchases of United States goods and services, including the initial fuel fabrication costs estimated to be approximately $18,000,000.

Exports of the equipment and fuel will be made within the framework of a bilateral Agreement for Cooperation Between the Government of the United States of America and the Government of Spain Concerning Civil Use of Atomic Energy, which entered into force on June 28, 1974. Safeguard provisions required by the bilateral Agreement for Cooperation were implemented by a trilateral Agreement to Amend the Agreement of 9 December 1966 Between the International Atomic Energy Agency, the Government of Spain and the Government of the United States of America for the Application of Safeguards, which also entered into force

on June 28, 1974. Recently, the Spanish Government has agreed upon mutual consultation and agreement prior to the reprocessing of non-U.S. origin fuel irridated in U.S.-supplied reactors. In order to avoid changing the terms of the 1974 bilateral Agreement for Cooperation to reflect such reprocessing assurances in advance of negotiations for over-all revision of that Agreement, the State Department has argeed to commence such negotiations no later than November 1, 1977. These negotiations will seek to incorporate as provisions in the amended Agreement the assurances on reprocessing of non-U.S. origin fuel.

The Spanish Government has also agreed that no U.S.-supplied material can be used for any nuclear explosive device.

Under Spanish procedures, the electric utility companies receive commitments from ENUSA, the Spanish nuclear fuel agency, for the supply of enriched uranium for fuel when needed for specific nuclear plants. ENUSA draws on various global sources for enrichment services, including the U.S. Energy Research and Development Administration. At present, ENUSA has an open commitment from ERDA to supply fuel enrichment services for two additional Spanish nuclear power plants, but a required "Appendix" to that contract which would make the commitment apply specifically to fuel for Escatron 1 has not yet been negotiated. If chronological order prevails, it is likely that the ERDA commitment will be used for the Sayago and Vandellos 2 nuclear projects and, in that event, fuel enrichment services for Escatron 1 would have to come from the Soviet Union or, when completed, from the French-led Eurodif facility. Thus, the Eximbank financing support for the initial fuel applies only to fabrication costs and not to enrichment services.

The Executive Branch has approved Eximbank's financing for this project. Export licenses must be obtained from the Nuclear Regulatory Commission before export of the equipment and fabricated fuel for the Escatron 1 project. Application for such export licenses for Escatron 1 is now pending before the NRC.

2. Identity of the parties

ENDESA, incorporated in 1944, is a corporation owned 90.75% by Instituto Nacional de Industria (INI). ENDESA is the 8th largest electric utility enterprise in Spain and has, in addition to its role as a producer of electricity, the function of expanding the usage of Spain's indigenous coal reserves.

ENHER, incorporated in 1946, is a "national enterprise" corporation controlled by Instituto Nacional de Industria (INI) and is the 6th largest electric utility enterprise in Spain.

ERZ, a small integrated private company, is the 13th largest electric utility in Spain.

Instituto Nacional de Industria (INI) is an autonomous agency of the Spanish State established in 1941 to promote the establishment and reorganization of industrial enterprises important to the economic development of Spain.

Banco Espanol de Credito is a commercial bank located in Madrid and founded in 1902, with total assets of $9,926.7 million, capital and surplus of $665.0 million.

Banco Hispano Americano is a commercial bank located in Madrid and founded in 1901, with total assets of $11,648.0 million, capital and surplus of $481.6 million.

Banco March is a commercial bank located in Palma de Mallorca and founded in 1946, with total assets of $916.7 million, capital and surplus of $80.3 million.

Banco de Bilbao is a commercial bank located in Bilbao and founded in 1857, with total assets of $8,093.1 million, capital and surplus of $532.9 million.

Banco Central is a commercial bank located in Madrid and founded in 1919, with total assets of $12,718.4 million, capital and surplus of $551.0 million.

Caja de Ahorros y Monte de Piedad de Zaragoza is a savings bank located in Zaragoza, with total assets of $1.552.3 million, capital and surplus of $55.5 million.

Banco de Vizcaya is a commercial bank located in Bilbao and founded in 1901, with total assets of $14,058.3 million, capital and surplus of $665.0 million.

3. Nature and use of goods and services

The principal goods to be exported from the United States for use in the construction and initial fuel core of the project will consist of a nuclear steam supply system, a main turbine-generator set and components. In addition, Westinghouse and other United States firms will perform various related technical services in connection with the design, installation, fuel fabrication and start-up operations of the nuclear power plant.

Projected generation costs, calculated by commonly accepted utility standards, for the Escatron 1 nuclear power plant are approximately 34 mills/kWh as compared to 44 mills/kWh for an alternative oil-fired power plant operating under the Spanish conditions. Operation of an oil-fired plant comparable to the Escatron 1 nuclear plant would require an increase in Spanish oil imports of approximately 8 million barrels/year at a cost of approximately $115 million/year.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

The proposed extension of credit by Eximbank in the amount of $85,250,000 and the guarantees of $54,250,000 of private financing will result in the export of $155,000,000 of United States goods and services.

Eximbank perceives no adverse impact on the United States economy from the export of these goods and services. This transaction will have a favorable impact on employment for substantial numbers of United States workers, as well as on the United States balance of trade. The domestic market for nuclear power equipment has been well below our productive capacity and, therefore, foreign orders have become a vital portion of United States nuclear power equipment manufacturers' business which enables those manufacturers to retain specialized engineering and technical staffs and production work forces. Westinghouse estimates that, for itself and other suppliers (expected to include, among others, Bechtel Corporation, Combustion Engineering, Cameron Iron Works, Speedway Machine and Tool, Lukens Steel, Allis-Chalmers and Esco Corporation), the Escatron 1 project will generate 7,500 direct man/years of work in more than 30 cities in at least 18 states.

Power plants in general, and particularly nuclear power plants, are classic examples of the economic necessity for Eximbank support. Private U.S. export financing sources are normally limited to 5 to 7 year maturities. In this project, however, the construction period is over six years, with another twelve years repayment period, making a total term of more than 18 years. Thus, private financing is inadequate to meet the financial requirements of this project. Eximbank has had to extend both a credit and a guarantee in order to generate sufficient funding to enable this project to go forward.

Competitive prices and dependable performance by U.S. suppliers, together with the avaliability of Eximbank financial assistance, have resulted in repeat orders of nuclear plants from the United States. However, today manufacturers in Germany, France, Japan, Canada and Sweden are fully capable of supplying complete nuclear steam supply systems. These countries, together with Switzerland, the United Kingdom, Italy and others, are capable of supplying all or part of the equipment for the Escatron 1 project at competitive prices and delivery schedules. In fact, in July, 1975, a Spanish nuclear power plant in which ERZ is a participant was awarded to German suppliers.

In the case of Escatron 1, there was intense French competition with highly favorable financing terms supported through the French government-supported export credit insurance agency, COFACE. Suppliers from France and the other countries mentioned above are continuing their intense marketing efforts for nuclear plant sales in Spain, and the national export credit agencies of these countries will continue to aggressively support their manufacturers.

In view of the magnitude of the transaction, the necessary repayment term and the existence of foreign competition, Eximbank's credit and guarantee are necessary to secure this sale for United States manufacturers.

2. The financing plan

The total cost of United States goods and services to be purchased by the Borrowers is $155,000,000, which will be financed as follows:

[Dollar amounts in thousands]

	Plant costs	Fuel costs	Total	Percent of U.S. costs
Cash payment	$13,700	$1,800	$15,500	10.0
Eximbank credit	75,350	9,900	85,250	55.0
Private guaranteed loans	47,950	6,300	54,250	35.0
Total	137,000	18,000	155,000	100.0

(a) *Eximbank Charges*

The Eximbank credit will bear interest at the rate of 8% per annum, payable semi-annually. A commitment fee of 0.5% per annum will also be charged on the undisbursed portion of the Eximbank credit. In addition, Eximbank will charge a guarantee fee of 1% per annum on disbursed amounts of the guaranteed loans and a commitment fee of 0.125% on undisbursed amounts of the guaranteed loans.

(b) *Repayment Terms*

The Eximbank credit and private guaranteed loans for the nuclear plant costs, which total $123,300,000, will be repaid by the Borrowers in 24 semiannual installments beginning April 1, 1984. The first 9 and a portion of the 10th installment will be applied to repayment of the private guaranteed loans and a portion of the 10th and all of the last 14 installments will be applied to repayment of the Eximbank direct credit.

The Eximbank credit and private guaranteed loans for the fuel fabrication costs, which total $16,200,000, will be repaid by the Borrowers in 10 equal semiannual installments beginning April 1, 1984. The first 3 and a portion of the 4th installment will be applied to repayment of the private guaranteed loans and a portion of the 4th and all of the last 6 installments will be applied to repayment of the Eximbank credit.

Sincerely,

JOHN L. MOORE, Jr.

HARD ENERGY VERSUS SOFT ENERGY

Mr. GARN. Mr. President, I should like to introduce into the RECORD another in the series of criticisms of Amory Lovins' essay on foreign affairs, "Energy Strategy: The Road Not Taken." This essay is by Daniel Kane, a professional engineer, and president of the nonprofit Council on Energy Independence. Mr. Kane's particular preference is for coal gasification and liquefication, and he has some particularly critical comments

with respect to Mr. Lovins' expertise as a power engineer. I ask unanimous consent that Mr. Kane's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A PERSPECTIVE AS TO THE TOTAL COST OF "SOFT" ENERGY

(By Daniel W. Kane)

Amory Lovins is rather specific about what he wishes to do away with, but is vague when it comes to what will replace the items eliminated. For example, he wishes to do away with, and feels there is no real need for, central electric power stations regardless of power source (coal and nuclear central power stations at present and solar central power stations in the future). Nor does he believe that large-scale coal gasification and liquefaction plants for producing synthetic natural gas and gasoline should be built. Instead, the above items would be replaced by "soft technology" hardware, such as household solar panels, fluidized-bed coal burners and household or local windmills.

Much of Mr. Lovins' theory is reminiscent of certain ideas utilized by the People's Republic of China during the "Great Leap Forward." At that time, certain Chinese policy-makers stated that new large "central station" iron and steel production plants were not needed to double production. What was needed were thousands of backyard iron furnaces and steel converters, which the Chinese proceeded to build by the tens of thousands. It is rumored that as many as 20 million Chinese may have been involved in the effort. The backyard steel turned out to be unusable due to its poor quality, and the "Great Leap Forward" became the "Great Leap Backward." Apparently, Mr. Lovins believes that the United States can succeed where the Chinese failed.

"SOFT" COSTS

It is well recognized by experienced engineers that a practical home heating system based on solar panels at most United States locations can at best supply roughly one-half of the necessary household heating, and that a conventional (e.g., gas) heating system is also necessary if one wishes to avoid freezing at certain times during the winter. It is our understanding that such solar heating systems currently sell for $7,000 to $10,000 or more installed. The price is not likely to be reduced radically in the near future since a significant portion of the total cost is due to installation charges.

Assuming that a $7,000 solar panel heating system were required per home or per two apartments, and assuming that the system was installed in virtually all U.S. homes and apartments (there were 40 million homes and 24 million apartments in the United States in 1970 [1]), as Mr. Lovins suggests, the resultant cost to the American public which Lovins neglected to provide, would be $364 billion. This cost would, of course, be directly borne by home and apartment owners.

There is certainly not likely to be any immediate stampede to buy these heating systems without a heavy government subsidy. Most people do not have $7,000 to spare and would have to borrow money from a bank under a home improvement loan. Should one get a "real deal," say an 8¾% loan and a 30-year repayment schedule, the homeowner would have to pay $660 per year to the bank for the solar heating system, non-inclusive, of course, of any maintenance costs. Since the homeowner would save only roughly half his gas bill, the gas bill would have to exceed $1,300 per year in order for him to break even.

If, however, the homeowner gets a more common 12% home improvement loan, repayable in ten years, his yearly payment would be $1,205 and his "break-even" gas bill would have to be over $2,400 a year. Even with the 8¾% loan, natural gas prices would need to increase by three times or more before solar panel heating truly becomes barely economical to homeowners.

If the U.S. government and/or industry were to invest $364 billion in large-scale coal gasification plants to produce synthetic natural gas for homeowner use, the "problem" of natural gas shortages would essentially be solved.

Mr. Lovins' idea of providing electricity (or some other convenient source of energy) via home windmills is even more "innovative," and the costs even more immense. The amount of electric power required by the typical modern home is relatively large. And to our knowledge, systems have yet to be marketed in the U.S. which would supply reasonable quantities of electricity (e.g., 600–700 kilowatthours per month) at affordable costs.

A typical system is stated to supply only around 375 kilowatthours per month and cost $10,000 to $15,000. If, for illustrative purposes, one assumes that an adequate system can be made available and installed for $10,000 and that such a system will serve either one home or two apartments, then using the number of homes and apartments previously listed, the cost would be $250 billion to the U.S. public.

Assuming again that the bank provides an interest rate of 8¾% on a $10,000 loan over 30 years, the homeowner must pay $944 a year for his windmill, again non-inclusive of maintenance. Unless electric bills from utilities exceed $944 a year, most people are not going to rush out to buy home windmill electrical systems. (Incidentally, the cost per kilowatthour (kWh) from the home electric windmill system, assuming that it generates 700 kWh/month, would be 11.3 cents/kWh.)

Government subsidies in the form of comparatively low interest rate loans could, of course, make windmills more attractive. However, even a loan at the low rate of 6% would require repayment at a $719-per-year rate for a $10,000 loan repayable over a 30-year payment period.

The cost [2] to the public of both solar panel heating ($364 billion) and windmill power systems ($520 billion) comes therefore to roughly $884 billion. In comparison, Lovins estimates that "hard technologies" would require the power industries to make an approximate $1 trillion investment, an amount he considers to be too expensive. But, it is important to note that a trillion dollars spent by the power industry will supply at least several times the additional power that a similar expenditure by American homeowners would "save" or produce.

For example, to double present electrical generating capacity (using a mixture of coal and nuclear power plants) would cost very roughly around $520 billion, assuming a cost of construction of $1,000 per kilowatt of electricity, which is certainly a reasonable number based on actual power plants being planned at this time. However, for $520 billion home windmills would provide electricity only for the homes themselves. Since home use of electricity is approximately 33% of total U.S. electricity usage, homeowners would be paying, in effect, $520 billion to increase U.S. electrical generating capacity by only 33%—industry would also have to spend roughly that same amount to increase generating capacity by 100%. Consequently, Mr. Lovins' suggestion would appear to be non-cost effective by a factor of three or more.

ALCOHOL POWER

Among the numerous questionable "facts," statistics and statements in Lovins' article are a few points that provide some insight as to his competence in the power field. He implies, for example, that if the volume of U.S. production of beer and wine were scaled up by a factor of 10 to 14, we would have enough alcohol to replace one-third of total annual gasoline demand—assuming, of course, that one distills out the alcohol. His numbers appear to be off by roughly a factor of 10 or more. To illustrate: in 1973 [3], U.S. wine production was 599 million gallons, beer production 4,433 million gallons, and gasoline production, 2,399 million barrels (at 42 gallons per barrel, this equals roughly 100,800 million gallons of gasoline). Assuming beer to be 5.5% alcohol by volume and wine 10%, and assuming a heating value for gasoline of 20,000 Btu per pound and that for ethyl alcohol 12,800 Btu per pound, it was calculated that the equivalent of roughly 839,000 million gallons of beer and wine would be required to replace one-third of total gasoline demand, or 33,600 million gallons of gasoline. Thus, the ratio of required to present production of beer and wine is roughly 166 (836,000 million divided by 5,032 million). Mr. Lovins arrived, somehow, at the ratio 10–14. Furthermore, the 166 ratio does not take into account the heat necessary to distill out the alcohol. Thus, the actual ratio is presumably even higher.

Mr. Lovins' knowledge of power engineering in general, and nuclear engineering in particular, appears to be on a par with his knowledge of wine and beer production. Example: "Where we want only to create temperature differences of tens of degrees, we should meet the need with sources whose potential is tens or hundreds of degrees, not with a flame temperature of thousands or a nuclear temperature of millions—like cutting butter with a chainsaw." Typically, the highest temperature in a light-water power reactor is the fuel centerline temperature which is roughly 4,000°F—the cladding temperature of the fuel is approximately 600°F, while the steam is produced in the 500–600°F range.

One is also forced to wonder just what Mr. Lovins is referring to when he mentions "with a flame temperature of thousands." Can it be that he believes that fossil fuels burn with flame temperatures of thousands of degrees at electrical power plants but burn at flame temperatures of only tens or hundreds of degrees in a home hot water heater or furnace?

Again, in discussing "local energy generation" alternatives, Lovins fallaciously argues against interconnected supply grids. Their necessity was adequately demonstrated by the harsh realities of this winter, when many areas of the country would have been virtually without electricity for varying periods of time if not for interconnected electric power grids.

Finally, Lovins proceeds to imply that energy, gross national product and jobs are really quite unrelated topics. It is suggested that he tell this to the two and one-quarter million workers (as reported by the news media) who were laid off due to energy shortages during the recent cold weather.

[1] U.S. Bureau of Census, Statistical Abstracts of the United States: 1974 (95th Edition), Washington, D.C., 1974.

[2] A discussion of the economics of the last "soft technology" solution to the energy problem, fluidized-bed home coal burners, is somewhat pointless since they are not available in the United States. However, when and if they do become available, probably a reasonable guess is that they would cost $5,000 or more installed. Full utilization of such a system in the United States would be, therefore, in the hundreds of billions of dollars.

[3] Statistical Abstract of the United States, 1974, 95th Annual Edition, U.S. Department of Commerce, Social and Economic Statistics Administration, Bureau of the Census, Library of Congress Card No. 4–18089.

Our oil and natural gas supplies are rapidly shrinking and will be virtually exhausted within the next 20 to 30 years regardless of whatever practical conservation measures may be employed. The United States government must rapidly implement the commercialization of coal gasification and liquefaction to provide synthetic gas and gasoline. In addition, it must utilize coal and nuclear fuel to the maximum possible extent for the generation of electricity if an economic disaster is to be avoided.

Mr. Lovins claims to describe two roads. He has not, however, followed these roads long enough to determine where they lead. If he did, he would find that our forefathers demonstrated infinite wisdom in their decision to eat grain and burn coal.

HARPER'S MAGAZINE ARTICLE ABOUT A SENATE SUBCOMMITTEE INVESTIGATION OF THE HONORABLE HOWARD (BO) CALLAWAY

Mr. THURMOND. Mr. President, in the July 1977 issue, Harper's magazine published an article by Jim Hougan, concerning an investigation conducted by the Senate Subcommittee on Environment and Land Resources involving the Honorable Howard—Bo—Callaway, the former Secretary of the Army. I commend this article to my distinguished colleagues to help bring this investigation of alleged wrongdoing into better perspective.

Mr. President, I ask unanimous consent for the article by Jim Hougan in the July 1977 issue of Harper's magazine to be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE PERSECUTION AND CHARACTER ASSASSINATION OF HOWARD (BO) CALLAWAY AS PERFORMED BY INMATES OF THE U.S. SENATE UNDER THE AUSPICES OF THE DEMOCRATIC PARTY

(By Jim Hougan)

This is a Washington story, which is to say that it deals with the technique of character assassination, and at the risk of committing a tautology, with the tactical use of false appearances, public pieties, and moral fraud. It tells how a cabal of Democratic senators, all of them well known for their fine and upstanding concern for the well-being of the Republic, combined to destroy the reputation of Howard (Bo) Callaway, who, at the time of his impeachment, was President Ford's campaign manager. The hit was sponsored by the Senate subcommittee on the Environment and Land Resources, before which tribunal Callaway was questioned about rumors to the effect that he had used his office as Secretary of the Army to further his financial interests in a Colorado ski resort. There was little evidence for the allegations brought against him, but Callaway was not in the hands of the judiciary. Senate privilege, and not the common law, decided the question of guilt or innocence. As Sen. Lee Metcalf (Dem.-Mont.) remarked, in an effort to give the hearings a semblance of respectability (while, at the same time, explaining the general disregard for Callaway's civil rights). "It's sort of like a grand jury."

Sen. Floyd Haskell (Dem.-Colo.) presided as chairman over the legislative "Gong Show" in which Callaway's reputation was ruined. The hearings exhausted more time and money than the same subcommittee had appropriated to its consideration of the Alaska pipeline—but its effect on the Ford campaign, at least to the parties interested in the result of the eventual election, presumably was worth the price. Sen. Henry Jackson, a Presidential candidate at the time, and chairman of the Committee [1] as a whole, could have stopped the hearings, but he chose not to do so. Instead Jackson indulged himself in a ritual handwashing, seeming pious by virtue of inaction. Sen. Frank Church (Dem.-Idaho), equally pious and also a candidate for the Presidency, was not so circumspect. He failed to attend a single hearing; nor did he bother to read the final Report, but he permitted his proxy to be voted twice in the cause of political expedience. Together with Haskell, Church, and Metcalf, two other Democratic Senators, James Abourezk (S. Dak.) and Dale Bumpers (Ark.) did what was necessary to accomplish the subcommittee's purpose. As is usual in such affairs the press proved itself a willing instrument of the subcommittee, allowing Senator Haskell to leak his innuendos in such a way as to bring down the maximum damage on Callaway. The object of the attack was not so much Callaway himself, but the Presidential campaign of President Ford, which (at the very least) can be said to have come unstuck in the shadow of a Colorado peak known as Snodgrass Mountain.

CRESTED BUTTE

The unraveling of Bo Callaway's reputation can be traced to his hopes for the rejuvenation of Crested Butte, Colorado, a town roughly a hundred miles southwest of Denver. Established in 1829 by representatives of the Colorado Fuel & Iron Co., Crested Butte had waxed and waned for more than a century as seams of coal, silver, and gold appeared and disappeared in its vicinity. At 9,000 feet, the city has always had a rather precarious hold on existence, and local residents sometimes feared that the town might "go the way of Gothic—or even Irwin and Pittsburgh." The first reference is to a nearby ghost town, whose empty shells stand as testament to the perils of a one-dimensional economy; the allusion to Irwin and Pittsburg is even more pessimistic in that both these villages have disappeared entirely, leaving no testament at all.

And yet, as long ago as 1971, there was cause for optimism in Crested Butte. After a century of intermittent exodus and decline, the town's citizenry once again numbered more than 500. Many of the new immigrants were urban expatriates whose correspondence with senators and foresters suggests that their values could be looked up in the index to the Whole Earth Catalog. But a great deal of the town's new wealth was derived from the local skiing industry, whose fortunes sank below sea level in the mid-1960s. Driven into bankruptcy, the former proprietors of the Crested Butte Ski Area relinquished ownership of their property to a consortium of banks. In 1970, the consortium sold its interest to the Crested Butte Development Corporation (CBDC), a creation of Bo Callaway's.

The scion of a family tree rooted in the loamy traditions of the Old South, Callaway, a husky and distinguished-looking fifty-year-old with a fondness for squash, enjoyed inherited wealth and the benefits of an unsentimental education at West Point. A conservative respect for the value of hard work in a context of free enterprise was tempered in him by a history of family philanthropy. Politically active in the South, Callaway virtually reinvented Georgia's Republican Party in 1964, winning a seat in Congress. At the time, Democratic domination of the Peach Tree State was so complete that GOP candidates were often forced to petition for official recognition of their party. Callaway himself had to obtain more than 100,000 signatures when, in 1966, he returned from Washington to run for governor. A moderate in a decade of rhetorical extremism, he challenged Lester "Give-Em-the-Axe,-the Axe,-the-Axe" Maddox. He defeated Maddox in the general election, but his victory was short-lived: falling 2 percent short of an absolute majority, Callaway's 48 percent plurality was declared null and void. In a procedure unique to Georgia, the election was remanded into the custody of the state legislature. There, in a sort of mono-partisan Electoral College, the assembled Democrats overturned the popular vote, and gave the governorship to Maddox. Despite the loss Callaway remained a popular and important figure, albeit within an impotent state party. In return for his services, and for his later support of Richard Nixon's candidacy, he was appointed to various state posts and served as Georgia's Republican National Committeeman.

Politics was an important part of Callaway's career, as were his philanthropic and business responsibilities. As president of the Callaway Foundation he presided over "Callaway Gardens," a large and popular southern resort established as a horticultural idyll. As the heir to a textile fortune, he's always been wealthy, and serves as chairman of the board of Interfinancial Inc., an insurance and real-estate combine with more than 16,000 stockholders. His other business affairs, however, were far from the Peach Tree State. Callaway's commitment to the Crested Butte ski resort in Colorado was a multi-million-dollar one that involved rebuilding virtually all its existing facilities. He persuaded his brother-in-law, Ralph Walton, to run the day-to-day affairs of the resort in exchange for an option to buy a one-third interest in the Crested Butte Development Corporation. The future of the firm depended upon its ability to succeed as a so-called "destination ski area." Because Crested Butte is a remote location, its clientele tends to consist of skiers whose priorities are short lift-lines and uncrowded slopes. To compete with the bigger resorts, it must provide "a higher-quality skiing experience," and that entailed rebuilding, refinancing, and expansion.

The logical place for expansion was nearby Snodgrass Mountain. To accomplish this, however, Walton and Callaway needed the permission of the U.S. Forest Service. Much of the vertical land in the country is owned by the federal government, and Snodgrass Mountain is no exception: the county in which it stands is about 85 percent National Forest. There's nothing unusual in the private rental and development of such federal lands. On the contrary, roughly one in three U.S. ski resorts, including Crested Butte, have received "special use permits" enabling them to build lifts and trails on taxpayers' land.[2] Often, as with Crested Butte, the skiing operation is part of a parallel real-estate venture in which the resort-owner builds vacation homes, lodges, and "warming houses" on privately owned land beneath the slopes. Obtaining a special-use permit presents bureaucratic difficulties on a gigantic scale, involving a succession of overlapping jurisdictions: city, county, state, and federal governments. Master Plans, unit plans, site plans, conceptual plans, and development plans must be prepared in various drafts and repeatedly amended, with the firm's criteria, alternatives, and priorities set forth in meticulous detail (with maps and flow-charts appended). Public hearings must be held, commentary solicited, and drafts of Environmental Statements filed detailing the proposed development's projected impact upon local air, water, soil, flora, fauna,

[1] The Senate Committee on Interior and Insular Affairs, to which the Subcommittee on the Environment and Land Resources is responsible.

[2] From Forest Service statistics: the actual figure is 174 out of 522.

noise, fisheries, and waste disposal. It is, in short, an enervating, if necessary, procedure requiring entrepreneurs to tread capital for years. Because the process is more or less indifferent to fluctuations within the economy, oil embargoes, interest rates, and changes in tax law, it occasionally happens that the money runs out while the permit pends. In any event, the businessman must endure a financial rite of passage during which the value of his assets is in doubt, and planning is well-nigh impossible. For all he knows, he's sitting on another Comstock Lode—or another Irwin.

So it was with the Crested Butte Development Corporation. In the spring of 1971, Callaway's firm formalized year-old discussions with the Forest Service, submitting a revised Master Plan for the resort's development—including a plan for expansion to Snodgrass Mountain. If and when that Master Plan should be approved, CBDC could begin the torturous process of applying for a special permit which, if granted, would enable the development to take place. A decision on the Master Plan, however, would have to wait upon the Forest Rangers' completion of the East River Unit plan. (This was a document pertaining to the area of the Gunnison National Forest which contains the Crested Butte ski resort and Snodgrass Mountain.)

So Callaway knew he was going to have to wait. And wait. And wait again. He would wait for the Forest Service to produce a draft of the East River Unit plan. He would then attend upon public hearings and revisions of that draft. At each stage of the proceedings, his firm would be required to prepare a series of increasingly detailed environmental impact statements, each of them requiring negotiations with the Forest Service. Assuming that all of these obstacles were successfully overcome. CBDC could then, and only then, apply for a special permit—and, of course, wait years for a decision. And, in the end, if all permissions were granted, and if the money were still available, a few thousand more vacationers could be hauled up to the top of a mountain where they would be allowed to pay for the privilege of roaring down 11,000 feet of snowflakes on slim boards of plastic.

A METICULOUS ARMY SECRETARY

Bo Callaway became Secretary of the Army on May 15, 1973. If few people took notice of the appointment, they can hardly be blamed. In Washington that week almost everyone was consumed with anticipation of the testimony that James McCord was to give to the Senate Watergate Committee two days later. In any case, Callaway's office was a sub-Cabinet post that carried more honor than responsibility. As Secretary his most important job would be to "make the All-volunteer Army work." How seriously he took that task would be up to him.

In the Senate confirmation hearings, Callaway submitted his financial affairs to public scrutiny. Satisfied that there were no conflicts of interest, the Senate allowed him to take office in the Pentagon.

As a West Point graduate, Callaway had a special affection for the Army and for his new role as its commander. ("I loved that job. It was the best job in Washington. It was the best job I ever had.") Accordingly, he became an active Secretary, traveling from one military base to another in every part of the world. By all accounts, these were working visits during which Callaway would hold inspections, attend receptions, and give speeches about the virtues of a volunteer army.

The Watergate scandal must have seemed a world apart. But the atmosphere of suspicion created by it led Callaway to take precautions with what the Army's General Counsel later described as "an overabundance of care." On those occasions when Callaway's wife accompanied him on official trips, the Secretary reimbursed the government for her passage—despite a ruling that he needn't do so. He ordered a meticulous log kept of his telephone contacts and, though it was unnecessary, he reimbursed the Army for every personal call. Even in the matter of postage, Callaway was circumspect, supplying his secretary with stamps for use on his private mail. Moreover, and again at his behest, a record of his daily activities was maintained: submitted to the Senate under unhappy circumstances, the record showed that, during his twenty-seven months as Secretary of the Army, he accumulated more than 3,000 hours of "overtime" by working twelve-hour days and weekends. Of this amount, he recovered perhaps forty hours, spending less than five minutes per day managing his private affairs from his office in the Pentagon—a minuscule amount in view of his holdings.

In all things, Callaway was governed by policies and regulations promulgated by the Department of Defense (DOD). The evidence is clear that he followed them to the letter. Despite the impression created by Senate Democrats, Callaway has never been publicly accused—by anyone—of breaking any law or violating any policy governing the demeanor or actions of a public official.

Admittedly, the precautions described above were as much a result of political prudence as ethical conviction. The point, however, is that Bo Callaway gave every appearance of being an honest and hardworking public official. And, in the end, that's what it came down to: appearances. The Senate inquiry in re Callaway would do everything in its power to uncover wrongdoing, but it would have to settle for the appearance of impropriety, an appearance, moreover, that the Senate would itself create by the simple means of questioning the man's integrity. In their own way, Senate Democrats would wage the same war of innuendo against Callaway that George Smathers once waged against Claude Pepper. ("Are you aware," Smathers used to harangue voters, "that Claude Pepper is known all over Washington as a shameless extrovert? Not only that, but this man is reliably reported to practice nepotism with his sister-in-law, and he has a sister who was once a thespian in wicked New York. Worst of all, it is an established fact that Mr. Pepper, before his marriage, practiced celibacy."[3] Callaway would be found guilty of similar offenses.

While its owner served in Washington, the ski resort hummed. Although the East River Unit plan was years from completion, Callaway's brother-in-law helped incorporate the town of Mount Crested Butte (population 150 plus). Located only two and a half miles from its "sister city" to the south, the new town virtually guaranteed local approval of CBDC's plans for Snodgrass Mountain. Opponents of the new municipality charged that an "end-run" had been committed and that Mount Crested Butte would be a "company town." While CBDC disputed both descriptions, they seem accurate enough. Many of the new town's residents work for the firm, and its financial condition has a direct impact on virtually all of the town's residents. What is not valid, of course, is the implication that a "company town" includes a "company store." Incorporating Mount Crested Butte, therefore, was a logical business decision, and entirely within the letter and spirit of relevant laws.

Soon after the town's incorporation, however, fateful events occurred. Responding to a Forest Service request for statistical data, CBDC provided figures that would be used to calculate the resort's skiing "capacity." The capacity of the resort would be used by the rangers to decide upon the timing of the proposed expansion (if and when permission should be granted for it). Until there was a need to develop Snodgrass Mountain, the rock would remain untouched. What made this event "fateful" was the fact that the Forest Service used the CBDC figures to calculate the area's "maximum capacity"—rather than its "comfortable capacity." The distinction is a critical one for a "destination ski area." Using the wrong formula, the Forest Service arrived at the erroneous conclusion that the Crested Butte ski area was years away from any need to expand. If the resort would not, as the wrong numbers suggested, reach "capacity" for another decade, local Smokeys responsible for preparing the East River Unit plan could safely procrastinate upon the expansion proposal. They need only label it as a subject of consideration for some future time.

Repeated delays of the plan's publication, however, were frustrating to CBDC. They had waited five years for a decision. Their original request had been made at the height of the Vietnam war. Since then the Paris Peace Talks had come and gone, detente had been reached, wars had begun and ended, and a President had been elected and politically impaled. The world had changed, and still there was no decision as to whether or not Bo Callaway would be permitted to put a ski lift on Snodgrass Mountain. And though CBDC had good reason to expect a favorable decision, the firm needed an official commitment.

SUSPICIONS

The trouble began in January 1975, with the release of what was called "a tentative draft" of the East River Unit plan. The purpose of the draft, as the document itself stressed, was to generate public discussion, in consideration of which changes would be made. The reader may not be surprised to learn that the plan was ambiguous on the subject of Snodgrass Mountain. The good news was that "The management we [the Forest Service] propose for the Snodgrass Mountain area will protect its potential for future ski area development." The bad news was that the expansion would not be permitted "at this time" in view of the fact that "Crested Butte Mountain appears to have sufficient development capacity to satisfy public skiing demands . . . for approximately 10 years."

So, after five years of waiting for a decision, Callaway was told that the Forest Service proposed to make a decision in ten more years.

CBDC contacted the Forest Service, pointing out that the tentative plan was based upon the misleading formula for "maximum capacity." They were told to submit new figures, and it was stressed once again that the tentative plan was subject to major revision. The new figures submitted by CBDC showed that the Crested Butte ski area would exceed its comfortable capacity within two years—and that, therefore, expansion to Snodgrass Mountain required a prompt decision.

A month after the tentative plan was released, two things happened, and both of them aroused suspicion. First, John T. Minow, the Forest Supervisor responsible for the East River Unit plan, was promoted and transferred to Denver, leading some to speculate that his expatriation from Crested Butte was "a punishment" for his work on the plan. In fact, however, the promotion preceded the plan's release by more than two months; the outgoing supervisor, moreover, was considered favorable to the expansion proposed by CBDC. By an unfortunate coincidence, however, his replacement, Jimmy R. Wilkins, was another career forester whose last assignment happened to have been in Atlanta, Georgia; in the atmosphere created by Watergate, it was inevitable that some would suspect a conspiracy. In fact, however, the new supervisor had never met Callaway

[3] Miami Herald, Tropic Magazine, May 2, 1971.

or any other CBDC employee—and had, like his predecessor in Crested Butte, learned of his transfer long before the tentative plan's release. Both transfers, in other words, were routine—as the Senate later found. But people wondered at the time.

The second event generating suspicion was the rejection of the tentative plan by the regional Forest office in Denver. A month after the plan's release, the regional office described it as "unsuitable," pointing out that it included no alternatives, contained technical and factual errors, and actually violated the National Environmental Policy Act (NEPA). A "tentative" document in the first place, it was also erroneous and contrary to law.

Meanwhile, the revised figures provided to the Forest Service by CBDC resulted in a reconsideration of the tentative plan's approach to the Snodgrass Mountain issue. It appeared to those preparing the East River Unit plan in the spring and summer of 1975 that the expansion ought to be considered and not deferred. To some of the residents of Crested Butte, it appeared that the Forest Service had undertaken a dramatic reversal of position following what amounted to the wholesale transfer of local rangers to the asphalt jungles of Denver and Durango. That the new man in charge of the local office was "from Georgia" (and ipso facto thought to be a "crony" of Bo Callaway's) seemed "too coincidental." Talk of political pressure made the rounds of the chalets, and a veil of conspiracy-theory settled over the town. Not since Irwin and Pittsburg vanished had local residents had so much to talk about. In their own way, they'd become a part of Watergate. Like everyone else in America, they'd been *touched* by current events.

To some of those in Crested Butte, unfolding events surrounding the ski resort resembled a scenario for a sequel of a Billy Jack film: as the romance was perceived, "progressive youths," nostalgic for time past and an innocence that never was, found their inner peace and outer surroundings threatened by what they believed to be a corrupt and rapacious pol, a wheeler-dealer bent upon demolishing the wilderness from the vantage of his Pentagon aerie. "Working within the system," the youths would nevertheless triumph through the courageous efforts of the town's embattled newspaperman, a feisty mayor, and a liberal senator. As a film, the scenario was as plausible as it was hackneyed. But as reality, it was only the fantasy of suspicious naifs.

THE ARBER MEMORANDUM

Bo Callaway left office as Secretary of the Army on July 3, 1975, on the eve of America's Bicentenary celebration. His new post was much more influential than the one he'd just left: Callaway had been named campaign manager for the incumbent President, Gerald Ford. At the time of Callaway's appointment, Ford's chances for success appeared great. Not only was he liked by most Americans, but he had skillfully sloughed off the Pardoner's image, exchanging it for one of Healer. With numbing frequency, the citizenry was told that "Watergate is behind us" and that the man in the White House was, above all else, a Decent Man. It seemed unlikely that the electorate would reject a well-liked incumbent in the Bicentennial year, opting for still further change in the aftermath of the Watergate maelstrom. On the contrary, the word in the streets was "Slow it down. Just. slow. it. down." Callaway and Ford understood that, and also understood that the biggest threats to their success was internal. "The enemies within," so far as they were concerned, were the possibilities that Watergate might somehow be reinvented, and that the party's militant right wing might somehow slip its leash. But, so long as Nixon remained under de facto house arrest, and providing that Ronald Reagan could be trounced in the opening primaries, the future was Ford's.

The Democrats were in their usual disarray, divided between a redistribution of the wealth and the immediate invasion of Soviet Russia. Sen. Edward Kennedy remained in political hermitage, and a multitude of other candidates spread across the scene, muddying it. Senators Henry Jackson and Frank Church were noisely engaged, as were Hubert Humphrey, Fred Harris, Gene McCarthy, George McGovern, and Mr. Carter, but few people thought they could win. The best analysis indicated that they'd get 48 percent of the vote, regardless of who ran, and alienate the staff of *Ms.* magazine.

What the Republicans did not anticipate, however, was the impact of the *Crested Butte Chronicle*, a weekly newspaper with a circulation comparable to that of a college "little magazine." The proprietor of the *Chronicle* is Miles Arber. A graduate of New York University Law School, Arber did not fail to notice the local controversy swirling around Callaway's resort. And it seemed to him that, as he later said, "something funny" was going on. Accordingly, at about the time Bo Callaway took over the Ford campaign, the small-town publisher "got together with" the mayor of Crested Butte, Tommy Glass, and a Gunnison County judge, John Levin. "We all thought it looked mighty strange," Arber said, referring to developments in Crested Butte, and so "we agreed to keep an eye on" the situation.

In October, Glass and Levin decided that their suspicions justified a "full-fledged" Senate inquiry. Armed with their doubts, they went to Denver for a meeting with Sen. Floyd Haskell, chairman of the Senate subcommittee on the Environment and Land Resources. A lifelong Republican who'd held senior posts in the Colorado State legislature, Haskell switched his allegiance to the Democratic party in 1970. Because that reversal of loyalties took place the day after the invasion of Cambodia, the apostasy was widely interpreted as an act of courage and moral principle. And, while Haskell did not pay a high price for the switch (indeed, he was elected to the U.S. Senate one campaign later), the change seems to have been more than superficial. As a former Denver tax lawyer, he'd represented some of the largest and most conservative corporations in America. Upon entering the Senate, however, Haskell revealed himself to be an uncompromising liberal and a powerful advocate of environmentalists' concerns. The depth of the change surprised many of his colleagues who, in trying to explain it, resort to religious metaphors about the convictions of those who have been "twice born."

Confiding their suspicions that a conspiracy was in progress, the mayor and the judge won a promise from the Senator to keep their rendezvous a secret. Judge Levin later testified that the secrecy pledge was sought in an effort to protect Callaway's reputation from harm. It may be cynical, but one might also add that the secrecy pledge had another virtue: it kept Callaway in ignorance of the innuendos raised against him and put him at the mercy of events that would transpire "behind the scenes." Haskell asked the pilgrims from Crested Butte to provide him with a statement in writing. Returning home, Glass and Levin told Arber of their secret mission and asked him, as a journalist, to prepare a confidential "memorandum" for the Senate.

So great was the atmosphere of paranoia and intrigue in Crested Butte that every event pertaining to the resort assumed a significance of vast proportions. When the CBDC Master Plan appeared in the Appendix of the first published draft of the East River Unit plan, Arber et al. apparently viewed it as proof that a decision had been made favoring expansion to Snodgrass Mountain. In fact, the Master Plan was added to the larger document in an effort to satisfy legal requirements that Unit plans include alternatives that the public might review. Still, it was apparent that the Forest Service was considering the expansion, contrary to recommendations contained in the "tentative plan" rejected months earlier. This, then, was the first public indication that CBDC would eventually get its way.

In January, while Callaway was managing President Ford's primary campaign to an unbroken string of successes, Arber completed his "confidential report" to the Senate.

Its opening pages analyze the "disastrous" financial condition of CBDC, describing the ski resort as a "marginal" operation. Pointing out that "bankruptcy was clearly unacceptable to a man as highly politically motivated as Callaway," Arber asserts that the firm's only chance for survival rests upon its ability to attract new capital. Depicting Callaway and Walton as financial desperados—"men who would do whatever had to be done"—the publisher notes a series of "ploys," "foils," and "schemes" carried out by "sleight-of-hand." Addressing the issue of expansion, Arber mentions Forest Service fears that "development might interfere with the life of the elk who make the mountain their habitat and that . . . expansion . . . might have a deleterious effect on . . . the former ghost town of Gothic . . . where the Rocky Mountain Biological Laboratory conducts its research." Claiming that CBDC has "its back . . . against the mountain," Arber tells how "Reports of private meetings between CBDC executive personnel and Forest Service personnel began leaking out, the reports being to the effect of some heavy pressure being brought to bear on the men responsible for [making a] momentous decision." Subsequent to this "personal pressure," "one by one, the local personnel . . . were transferred" and replaced by an "inexperienced" group led by a man from Georgia.

In conclusion, Arber put together a remarkable sequence of rhetorical innuendos: "How much influence was asserted by the CBDC both directly and indirectly and just what form that assertion took; the role of Callaway and his associates in asserting additional influence on a national level in Washington, D.C.; why local Forest Service personnel opposed to the designs of the CBDC were all transferred . . . and replaced by people whose only apparent advantage was their lack of familiarity with the entire matter. How much collusion existed on the part of high-level Forest Service personnel . . . ; why public sentiment . . . was ignored; why the final plan inexplicably reversed earlier . . . policies and . . . the judgment of the experienced local Forest Service personnel; what further machinations of the CBDC will be condoned . . . ; and the implications for the people of this valley and their descendants—these are the questions and doubts that remain . . .

"For all of the foregoing reasons and all the doubts that have arisen in our individual minds . . . , we feel justified in relaying this information with a request . . . [for] a far-reaching investigation . . . . This request is made with the hope its results will either lay these doubts finally to rest or . . . vindicate all the doubts and suspicions which honest men have had to acknowledge have intruded themselves so profoundly and implacably into their consciousnesses during the course of being witnesses to this unsettling episode." [4]

Ploys, schemes, scenarios, designs, and machinations? The doubts and suspicions of

[4] All quotations from the so-called "Arber Memorandum" to Senator Haskell.

honest men! Mysterious changes and strange ways! The memo's grammar is the best index to its accuracy. The analysis of CBDC's financial conditon was muddied and inept. Senate Democrats would later be shocked to learn that the skiing operation was making a profit on its own, exclusive of real-estate enterprises, and that, moreover, Callaway had no personal notes outstanding on the property. That bankruptcy was an "unacceptable alternative" to Callaway is probably true, as is the assertion that he's a "politically motivated man." As it happens, however, Callaway was a rich man unlikely to go bankrupt. And, as for his political motivations, they were explicit enough: he was Ford's campaign manager. By referring to them in the way he did, Arber harkened back to George Smathers's old speeches; he might as easily have called Callaway "a known ectomorph and masticator."

As for "reports of private meetings" between CBDC and Forest Service personnel. Arber is correct: there were frequent discussions between the two groups—as one would expect. Where Arber leads us astray, of course, is to imply that there was something wrong with this. He mentions reports of these meetings and the "heavy pressure" that's been brought to bear. We're given the impression, in the context of the questions Arber later raises, that this pressure is intense and out of the ordinary. The implication to be drawn is that Bo Callaway is yanking strings in Washington, threatening to ruin the men's careers if they don't give him what he wants.

Arber never identifies the sources of these reports, but there's no need to speculate: since the meetings were "private," the reports presumably came from the rangers themselves. And yet, each of the rangers and all of their superiors would later testify under oath that no such pressure was exerted or felt; nor had any of them ever said otherwise to anyone. As Arber told the Senate, "I don't know what went on within the Forest Service." And, in the end, the Crested Butte publisher leaves us with a set of rhetorical questions whose obvious intent is to suggest criminal activity on the part of Callaway—without ever, of course, accusing him of anything per se.

The technique is not an unusual one. Indeed, it's become the hallmark of an entire genre of post-Watergate jounalism—what might be called "interrogative" as opposed to "investigative." In this feudal genre, the words "May" and "Seem" reign as king and queen over a dazzling court of "machinations," "scenarios," and lordly "ploys." Clustered below the salt like so many syllablic catamites, anxious to serve their conditional lieges, are the Facts—ignoble and dowdy, they combine and recombine for an assembly of stooped, but venerable, Question Marks, the grand viziers of innuendo.

And yet . . . and yet, while the Arber memorandum deserves to be criticized, there is no cause to interrogate Arber's own motives in writing it. As a citizen of Crested Butte, concerned about the town's welfare and the integrity of government, he had the right to petition his representatives in Congress and to advise them of his suspicions in any manner he saw fit.

A MATTER OF TIMING

On the other hand, it's hard to understand how Callaway's reputation could depend upon Arber's document, but that it did is certain. Some time after receiving the memo, Senator Haskell wrote to the Forest Service, asking for an explanation of the "disturbing allegations" he'd received. Interestingly, Arber later disputed that characterization of his memo's contents. ("I have not made any accusations against Mr. Callaway. I myself never accused him of any wrong-doing, per se. . . . You notice," he added helpfully, "I didn't allege these as charges. These are the questions and doubts. . . .") Haskell's timing was also interesting. He'd spoken with Arber in December, having talked to Levin and Glass months before that. Why he should have waited until February 19 before asking the Forest Service for an explanation has never been made clear. A subsequent statement of Arber's, however, is explicit. "I spoke to Haskell in December," he said, "and I said let's wait on . . . [the] beginning of the ski season. I think it can have a devastating effect . . . I would like to make sure that when it comes out it has a national impact."

To some—notably Callaway and the minority which supported him—Haskell's delay suggested that he agreed with Arber. And this raised an important question: What did the Colorado publisher intend when he referred to a "devastating effect"? Was it an effect that he and Haskell sought, or did they seek to avoid it? According to Arber, he feared the devastating effect which a scandal might have on the economy of Crested Butte, and so urged that the investigation be delayed until the spring. With the snows melting on Snodgrass Mountain the skiing season would be at an end. News of Callaway's activities might, in other words, have a "national impact" in March without deterring a significant number of skiers from visiting Crested Butte. If this was Arber's only concern, his prudence seems to have been unnecessary. Townspeople assert that, when the scandal became a subject of national news, they began to get calls from relatives and friends around the country, remarking upon the physical beauty of Crested Butte and their intentions, therefore, of visiting it. Callaway himself, in a giddy moment of gallows humor, later remarked to the Senate that the scandal has "put Crested Butte on the map . . . the dream of our marketing department has come true. We have pushed Vail, Aspen, and Sun Valley to the back pages."

That was true. But it was also true that, by waiting until spring, Haskell and Arber made it possible for the national impact of the scandal to fall most heavily upon the Ford campaign. The economy of Crested Butte would be spared the effect of media attention (whether good or bad), but Gerald Ford would not. He would lose his campaign manager, and the integrity of his administration would be cast in doubt. News of the supposed scandal would project a baleful sense of deja vu upon voters, inviting comparisons between Callaway's allegedly alleged activities, Watergate, and Teapot Dome. If the intention was to have a devastating effect upon the Ford campaign, it would do no good—indeed it would be a political disaster—to convene hearings at too early a date, especially in view of the Arber memorandum's questionable contents. Whether or not that was the intention is a matter of speculation.

In any case, Haskell waited months before contacting the Forest Service. The inquiry was an important formality: appearances, at least, demanded that the records show that an effort had been made to check Arber's innuendos before acting upon them. Failing to make such an inquiry, Haskell might easily find himself dangling from his own petard.

But that Haskell intended to call an investigation (even before the Forest Service could reply) appears certain. The possibility had been mentioned as far back as October, according to Arber, who adds that, in January, Haskell "promised to hold fair hearings."[5] And, while Senate Republicans were kept in ignorance of those intentions, NBC was not. Again according to Arber, who'd contacted the network's "head office," "NBC was called in and assisted in the gathering of further evidence in the case and when they agreed with Haskell that there were some reasonable grounds to suspect malfeasance of office on the part of Callaway . . . they agreed to break the story nationwide."[6] (Or, as the publisher later explained, "I called in NBC News and I said, 'Well, gentlemen, I think we have the makings of a major national issue here.'")[7] That commentary infuriates Jim Polk, the reporter who covered the story for NBC. Polk denies that there was any collusion between himself and Haskell with regard to the timing of the news. While it's true that Haskell leaked the Arber memorandum to Polk—and that, as early as February 25, Haskell discussed with Polk his intention to hold hearings—Polk says, "The memo was silly. There was nothing in it but Arber's conspiracy theories, and I didn't have much faith in the rumor about the Forest Service transfers." Nevertheless, Polk says, there was a "remote possibility" that there might be something to it and, as an avid skier, that was all the encouragement he needed to visit Crested Butte. Before leaving, Polk promised to keep Haskell informed.

After writing to the Forest Service and providing Polk with Arber's musings, Haskell waited. For its part, the Forest Service acknowledged the senator's inquiry on the day it was received, promising an immediate report. On March 8, as that report went into the mail, Haskell was suddenly galvanized into action. Claiming that the rangers were dragging their boots, he made a formal request for a Senate investigation. Two days later, the reply from the Forest Service arrived in his office, discrediting each of the allegations and explaining the agency's procedures in detail. Nevertheless, Haskell says he was "disturbed and troubled" by the response, falsely characterizing it as "incomplete, inadequate, and, perhaps, misleading."

Meanwhile, Bo Callaway knew nothing of Polk's presence in Crested Butte, the Arber memorandum, or Haskell's intentions in Washington. His concern at the time was the impending primaries in Illinois and North Carolina, primaries intended to write finis to Reagan's candidacy. Already Reagan had lost badly in New Hampshire, Massachusetts, and Florida; polls indicated that the incumbent President would win easily in both the March 16 Illinois primary and the March 23 contest in North Carolina.

Callaway, of course, was not entirely unaware of the controversy in Crested Butte. His information, however, was limited to what Arber published in the *Crested Butte Chronicle*. Accordingly, Ford's campaign manager was unconcerned. The dispute was a local matter, in his opinion, and he could answer the *Chronicle's* editorials after the November election.

In fact, the opportunity came sooner than he'd expected. And, while Callaway is noted more for his ability as a squash player than for his talent as a gymnast, it's fair to say that, as of March 10, 1976, he could kiss his — goodbye.

TRIAL BY HEADLINE

March 10 was the day Jim Polk learned of correspondence between Callaway's brother-in-law, Ralph Walton, and Richard Ashworth, a Deputy Under-Secretary of Agriculture. It seemed significant to Polk, rummaging through Forest Service records in Gunnison, because the Forest Service is a part of the Department of Agriculture. That Walton was in contact with Agriculture officials in Washington suggested (correctly) that he'd gone over the heads of local rangers. There was nothing wrong with that, but Polk wondered, "Why Ashworth? Who's he?"

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[5] Speech to the Gunnison Lion's Club March 29, 1976.

[6] *Crested Butte Chronicle*, March 18, 1976.

[7] *Op. cit.*, Lion's Club speech.

Checking further, he found that Ashworth was an ex-reporter who's served as a speechwriter in Callaway's Georgia campaign for governor. Looking even deeper, Polk learned that Ashworth met with Callaway in the Pentagon on July 3, 1975. Accompanying Ashworth to that meeting were Phil Campbell and an Associate Chief Forester, Rex Resler. Campbell, it turned out, was an Under-Secretary of Agriculture and, like his subordinate, a Georgian who counted Callaway as a personal friend. Accordingly to those involved, the meeting was "a courtesy call" arranged a few days earlier at Ashworth's suggestion. It took place during Callaway's last four hours in office, and one of its main purposes was to give him a briefing on the status of Crested Butte. Five months earlier, in the wake of the tentative East River Unit plan's release, Callaway had telephoned Ashworth, complaining about the non-decision. According to a memo written by Callaway at that time: "At Ralph's request, I called Richard Ashworth to tell him that I would appreciate it if someone could look at this clearly on its merits. This goes against the assurance we have been given by the Forest Service since 1971 . . . I made it very clear to . . . Ashworth that I did not want any special favors and that we thought this should be judged on its merits only, but that we felt we had a very strong case . . ."

Whatever their "case," NBC had its story nine months later. After a great deal of searching by a Pulitzer prize-winning reporter, the "appearance of impropriety" was finally unearthed. All that was necessary for the "impropriety" to become a fait accompli in the eyes of the public was for the Pentagon meeting to be made known. Jim Polk is aware of that irony, and expresses sympathy for Callaway. "I'm not sure I agree that the *appearance* of impropriety should be enough to convict government officials of wrongdoing. But it is. In my opinion, though, that meeting—the meeting itself—*was* improper. If I hadn't thought that, I wouldn't have put the story on the air. But I don't think that Callaway had any intention of using improper influence. I'm sure he thought that there was nothing wrong in meeting with Resler and his friends. Its unfair, I suppose. There never would have been a story if Callaway hadn't been who he was: Ford's campaign manager. If he'd been a first- or second-term Congressman—in fact, if he'd just stayed Secretary of the Army—we wouldn't have touched it. But that's the news business." The comment is remarkably candid in its acknowledgement of the methodology employed against Callaway. Ford's campaign manager was singled out, Polk admits, not for what he did—but for who he was.

At the time of his discovery, Polk was using Arber's office as a base of operations and keeping the Colorado publisher informed of his findings. Reportedly, Arber was overjoyed by news of the Pentagon meeting—so much so that Polk, fearing what he might do with (and to) his scoop, wrote a story for the *Chronicle's* next edition. Studiously avoiding any mention of the Pentagon meeting, Polk's anonymous article reported Senator Haskell's intention to announce an investigation into the Crested Butte controversy. *That* information, Polk says, came in a March 10 phone call from Haskell to Arber. The significance of this fact is that, on March 10, Haskell had less reason for suspicion than ever before. Rumors concerning the transfer of local personnel had been quashed: both the Forest Service and Polk agreed that the transfers were routine and even overdue. Nor was there any connection between Callaway and the rangers' replacements. Lacking that tenuous foothold in fact the Arber memorandum was an anthology of baseless innuendos. Nevertheless, Haskell was determined to hold hearings.

On March 12, Polk confronted Callaway at O'Hare Airport. The Illinois primary was at its height, and the circumstances for the interview were less than ideal. Minutes before Air Force One touched down, tornados ripped through Chicago's suburbs, blowing houses away. As the wind roared in his ears, Callaway heard Polk ask, "What took place at the meeting in the Pentagon?" Startled by the unexpected question, Callaway replied, "We just said we had been asking for this thing for four or five years, and we'd certainly appreciate getting a chance to have our views known." With that interview on film, Polk telephoned Haskell's office, advising them of the Pentagon meeting. Twenty minutes later, Haskell called back to provide the broadcast with its hook. Callaway, he said, would definitely be called to testify under oath at hearings the following month. Like the rest of America, *including Republicans on the Haskell subcommittee,* Callaway would learn of the hearings on the "NBC Nightly News."

Haskell's enthusiasm was perhaps understandable, but his decision would later lead other members of his subcommittee to accuse the Colorado Democrat of having conducted "a campaign more concerned with timing than with truth, with publicity rather than propriety." At the time he told NBC of his decision to question Callaway, Haskell had yet to show the Arber memorandum to subcommittee Republicans, nor had he informed them of the investigation getting under way. The partisan nature of the hearings, then, was self-evident even before they began: Indeed, the April hearings were merely an extension of the trial-by-headline orchestrated in March. Proof of that rests with Haskell's announced intention to interrogate Callaway in the Senate—knowing full well the effect that this would have on the Georgian's reputation—even before the investigation had begun. A week after his announcement, subcommittee investigators were journeying to Colorado in an effort to substantiate Arber's quasi allegations. After examining thousands of documents and questioning dozens of witnesses, they reported that the record showed that:

There had been no "reversal" of Forest Service position on the Snodgrass Mountain issue.

There was "no positive evidence" to indicate that any pressure or direction had passed from Washington to regional rangers.

There was nothing to indicate that the local transfers were anything other than routine.

There was "no evidence" that Callaway was acquainted with the rangers' replacements in Crested Butte.

The Arber memorandum, in other words, was useless. Had Haskell waited upon the results of his field investigation before imputing Callaway's guilt, it's unlikely that hearings into Crested Butte would have been held. At this point, Haskell was committed. By mid-March, Callaway's reputation and political career had already been destroyed. To have cancelled the hearings for lack of evidence might have exposed Haskell to charges of character assassination and political opportunism. The hearings would have to be held, and, sadly for Callaway, the reputation of his inquisitor probably would depend upon their outcome.

THE DEVASTATING EFFECT

Polk's broadcast, carrying news of the scheduled hearings, had a sensational effect. Hours after the news flickered across the television screen, Callaway took leave of the Ford campaign intending to return within a week or two. The Pentagon meeting was not, in his opinion, an improper one. He had a right to meet with Agriculture officials about Crested Butte, and there was nothing unusual in his request that the Forest Service expedite its decision in his favor. On the contrary, literally thousands of such contacts take place in Washington every year.[8] As for the meeting being held in his office, Callaway says, "It was my last day! I'd already resigned as Secretary of the Army. What was I supposed to do? Two friends I'd known for years asked if they could pay a 'courtesy call'—and I said 'fine.' Where else should we have met? In a hotel room? What would that have looked like?"

So Callaway thought the issue could be disposed of in a relatively short time. Working with his attorneys and aides, he gave the Senate a voluminous file, documenting every letter, phone call, and business contact he'd had in the preceding twenty-seven months. That file would eventually comprise more than half of the Senate's written record. It would also show that Callaway had written thank-you notes to those he'd met in the Pentagon and that, in a two-year period, he'd called Richard Ashworth exactly twice. Because the notes were typed on stationery belonging to the Secretary of the Army, this would be construed by Senate Democrats as further evidence that Callaway abused his office, attempting to bully the bureaucracy with subliminal hints at his power. To Callaway, however, it had seemed a casual thing: a letter from the President's campaign manager would have been more impressive had he actually intended to invoke his "political influence." In any case Callaway could hardly have disguised his position, unless he'd chosen to write in crayon on pages torn from a spiral notebook, signing them "You Know Who." In fact, Callaway used his Army stationery even when writing to his family. Indeed, one such letter to his brother-in-law describes the Pentagon meeting, and suggests rather clearly that the Forest Service was not intimidated:

"Ralph: I really couldn't get too much out of Rex Resler. Every time that I thought I had him pinned down, something else came out . . ." Not that the session was a complete bust. The letter continues, "But with Phil [Campbell] and Richard [Ashworth] listening, he did agree that there would be no timing on the issue of whether Snodgrass is in the ski area or not. I believe we can hold him to this commitment."

As it happened, Callaway was wrong about that but, after March 12, it hardly mattered. Following Polk's broadcast, Callaway's fortunes precipitously declined. Some people within the Ford campaign saw the Georgian's problem as a political opportunity for themselves. Accordingly, they isolated him from the President and demanded that his leave of absence become a resignation. Callaway refused, still thinking he could clear himself. By March 15, however, rumors involving Callaway were metastasizing in the national media. Besides the Senate's, there were at least six other investigations under way,[9] and no allegation was too fatuous to report.

From Colorado, a tale of bribery emerged, becoming national news a month after it

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[8] According to former Secretary of Agriculture Earl Butz, the Forest Service handled 3,687 such inquiries in 1975—from members of Congress alone. Additionally, more than fifty formal meetings were convened between congressional constituents and representatives of the Forest Service's Washington office. An even larger number of other meetings, characterized as "informal," were held for the same purpose in the offices of those who were members of the 93rd Congress. Indeed, Senator Haskell himself intervened thirty-eight times on behalf of constituents, contacting Secretary of Agriculture Earl Butz with requests that he expedite Forest Service decisions or otherwise assist his constituents.

[9] None of the investigations found Callaway guilty of any wrongdoing.

first surfaced in the *Gunnison Country Times*. According to that newspaper's managing editor, Kyle Lawson, the story came about in the following way: "A woman who refused to give her name asked if the newspaper was aware of a $135,000 bribe allegedly paid to the Forest Service and various Forest Service officials for a favorable reaction on the CBDC application to expand. . . . She said she had heard this information at 'a party.' She would not say from whom she had heard the rumor. And, shortly after divulging the information, 'for whatever you want to do with it,' hung up. I was skeptical of the remark and told her so and warned her that the repeating of the rumor was tantamount to scandalous libel. The *Country Times* did nothing with the report, feeling it . . . to be unfounded." Well, not exactly. The editor continues: "However, when the opportunity came to interview [Forest Ranger] Wilkins, our reporter did broach the subject with him to see if the Forest Service had also heard of this rumor. With the resulting decision of Mr. Wilkins's part to call for an investigation, we felt we had no choice but to print such a call and give the reasons for it." So much for Free Will.

By asking the Forest Service about "the bribery rumor," the *Country Times created* a news story, elevating a crank call to the stature of a scoop—albeit one with so little foundation that national media wouldn't touch it until Mid-March. By then, Callaway's reputation was beyond the help of an oxygen tent. The March 14 issue of the *Denver Post* was a veritable broadside against Ford's campaign manager, devoting a yard of news space to the leaked and baleful suspicions of Arber and Haskell. With the publication of that story, the Colorado edda moved to the front pages of the Washington and New York papers, encasing Callaway's reputation in editorial cement.

As the month wore on, Callaway twisted in the wind of print. Reports of senate investigators interviewing Forest Service officials were page-one news in the Washington Post, while Callaway's denial of office misuse was embalmed on page 28 nine days later. The national news weeklies also made much of the story, trumpeting it with their usual sensitivity and panache. Headlining its March 29 dispatch "Curtains for Callaway," Time magazine referred to the "genial . . . bumbling . . . bigwig" who had a nicknamee that was two-thirds of the expletive "boo!" Under a photograph of a smiling Callaway on skis, the cutline read "Two many boo-boos," while subheads summed the story up with the words "Scandals," "Sweet-talk," and (again) "Boo-boos." If you failed to get the drift the first two times, the story's last sentence chugged in with the kicker that Ford "cannot afford to wait for the final verdict on Bo's boo-boos."

Within a matter of days, Ford's campaign took a predictably sudden turn for the worse; North Carolina reversed earlier polls showing "Mr. Clean" to be ahead, and gave its mandate to Reagan. After three years of scandal, GOP voters began to get the idea that a new team should be brought in from the coast. Bo Callaway seemed like just another bat in the "Watergate nightmare." A week before the Senate hearings, he re-resigned from Ford's campaign and retired from politics.

"NO SIR, HE DID NOT"

The hearings opened April 8 and, over the next three days, seventeen witnesses were read their rights and asked if they understood them. They did. The atmosphere in the hearings was that of a political trial. Indeed, Haskell's argumentative demeanor, interruptions of witnesses, and prosecutorial "summations" led Sen. James McClure (Rep.-Idaho) to issue an unheard-of rebuke to his subcommittee chairman. "I suppose it's an irresistible impulse on the part of any persons interested in a congressional hearing to try the case to the jury before all the evidence is in," McClure said. "I don't intend to try to make any summation to the jury at this time," he added, alluding to the television cameras, "nor am I counsel for or against any of the participants in this inquiry." It was not the sort of commentary one usually hears in the Senate. But later McClure would go even further, joining four other senators in labeling the affair "an exercise for political advantage and excoriation . . ."

As for the witnesses, their testimony confirmed the results of the field investigation. Callaway's contacts with the Agriculture Department had been minimal, and entirely reasonable in light of his concern about the tentative East River Unit plan and the delay it proposed. Nothing untoward had occurred. No pressure had seeped from Washington to Crested Butte. Earl Butz's only role in the affair was to forward a memo from Campbell to Ashworth; the memo, reporting Callaway's position as he expressed it at the Pentagon meeting, remained for six weeks on Butz's desk before the Secretary of Agriculture forwarded it to Ashworth with the notation that 'Phil thinks Bo is right on this, ELB—call Rex Resler." Ashworth, however, did not call Resler, and Butz had no other contract with Callaway concerning Crested Butte.

Callaway was the seventeenth witness to be called after three days of testimony. In his opening statement, he addressed the issue of improper influence directly: "Let me say that I know something about political pressure. I have seen it first hand. I have been pressured by labor unions who want more employment. I have been pressured by Senators and Congressmen who want Defense spending in their States . . . I have been pressured by governors, mayors, and local legislators . . . I have been wooed by Chambers of Commerce . . . I have been called by White House aides with the magic words: "The President wants . . . I have been told by Senators and Congressmen, 'Bo, I don't want any special favors, but I want you to remember that I sit on your Appropriations Committee.' I have been told: 'Bo, if I don't get what I want I'm going to go over your head to the Secretary of Defense or to the President.' Let me say in all candor, there are few people in America who know more about pressure than I do. I have had it applied to me by experts. But, Mr. Chairman, in all my experience, I have never had anyone tell me that if I didn't do what he wanted, he would go to the Deputy Under-Secretary of the Army, because when you want to pressure you go to the top.

"As one who has had pressure applied, I should know how to apply it. If I had wanted to apply pressure for Crested Butte, I can assure you I would have called the Secretary of Agriculture rather than the Deputy Under-Secretary of Agriculture, and I would have called him not once, but once a week.

"As you can imagine, I have gone over and over in my mind during the last month all of the events in connection with this investigation. The one that stands out, obviously, is the meeting in my office on July 3. Without that meeting I don't think there would be anything that anyone could, even by innuendo, allege as an impropriety on my part. I have thought about this a lot and in retrospect I have tried to get myself to conclude that if it happened again I would do something different. But, you know, I can't really say that. Perhaps I was naive.

"Let me give you the circumstances . . . On . . . July 1, the Army gave a farewell review in my honor. It was an emotional experience for me. I love the Army, regretted having to say goodbye and appreciated the enormous honor of a nineteen-gun salute, a review by the Old Guard . . . , and complimentary remarks by [the Secretary of Defense] and Army Chief of Staff . . . Phil Campbell and Richard Ashworth came to that review. I thought it was a very gracious thing to do, and I appreciated it. On the following day Richard Ashworth called me as an old friend, saying that he and Phil would like to come by on my last duty in office and express their gratitude for the job that I had done, and at the same time bring me up to date on the Crested Butte situation. In retrospect, I probably would say again, as I did on July 2, 'Come on by. I'll be glad to see you.' "

Having said that, Callaway went on to the Arber memorandum. "Mr. Chairman, as you know, I have requested repeatedly from this committee that I be allowed to see a copy of the so-called 'narrative,' but you have denied this request. I believe that it is fundamental to the American system of justice that a man be allowed to know the allegations against him and face his accusers . . . Surely you realized that I would be handicapped having to answer allegations that have not been made known to me."

The accusation infuriated Haskell, who denied that the memorandum was the basis for the hearings. He recalled a letter Callaway had written demanding that Arber, Glass, and Levin be called before the committee to testify. And he asked if Callaway would like him to subpoena them. Callaway replied that "My problem is I have been twisting in the wind for a month. To wait again for another three or four weeks is not what I want." He withdrew his request for the subpoenas but offered an alternative: noting that Miles Arber was present, Callaway asked that he be called as a witness. If Arber would testify, Callaway would not ask that Levin and Glass appear. Haskell replied, "I think . . . we will recess these hearings until right after the Easter recess; we will issue subpoenas . . . to the three gentlemen."

"You are aware that I requested that not be done," Callaway said. "I have a personal commitment, my daughter is getting married in that week, my desire is to get this behind me as soon as possible and I request that we finish today, with or without witnesses, please, sir, finish today."

Haskell was resolute in the pose that the subcommittee's "integrity" was at stake, and Callaway would receive, whether he liked it or not. And he didn't like it. "As I understand it," he said, "at the time you quite properly read me my rights, I waived some of those rights, such as the right to remain silent. I will happily waive the right to know more information at this time. I will waive it fully, I will not complain, I will waive the right to have additional information if we can continue and end thcse trials . . . I would like to finish it."

The display was a brutal one, and it was also bizarre. Arber was seated in the hearing room and Haskell had already obtained a subpoena for him. Asked if he was willing to testify, Arber said, "I am . . ., [but] not without a subpoena." Nodding, Haskell then recessed the hearings for a month, until May 13. It didn't make any sense, unless you enjoyed the suffering in Callaway's face.

It was a peculiar course of action. Virtually all of the witnesses had already testified, and each of them was in agreement on the subject of improper influence. Their responses to the following question were unanimous:

"Did Howard H. Callaway or any person known to you to be associated with him or with Crested Butte Development Corporation offer you anything of value or threaten or pressure you in any way to reach any decision you may have reached or change any decision you may have changed with respect to any matter having to do with the Crested Butte Ski Resort at any time from 1969 to today?"

A good question. A hard question. A question with six "anys" and four "ors" in it! And this is what the witnesses replied:

Mr. McGuire: "No."
Mr. Resler: "Absolutely not."
Mr. Ashworth: "None whatsoever . . . ."
Mr. Rupp: "No, they did not.
Mr. Lucas: "No."
Mr. Wilkins: "No, sir."
Mr. Pierce: "Absolutely not."
Mr. Edstrom: "No, sir."
Mr. Larsen "No, sir."
Mr. Carr: "No, sir."
Mr. Butz: "No, sir."
Mr. Campbell: "No, sir, they did not."
Mr. Minow: "No, sir, they did not."

NO REDEMPTION

When the hearings were reconvened thirty days later, Callaway had been twisting in the wind for so long that he seemed dehydrated. For more than two months his reputation had declined, despite the testimony of every witness repudiating charges of political pressure and wrongdoing. Actually, it didn't matter what the witnesses said. In the inverted atmosphere of post-Watergate Washington, a denial is usually regarded as a form of polite confession. In any case, Callaway couldn't win: the "appearance of impropriety" was established by the fact of the Senate investigation. And predictably, Callaway's own testimony, coming a month after the hearings were recessed, was reported for what it was: the denial of a disgraced poll.

In Washington, the story was presented to public as a latter-day version of the David and Goliath saga. Filling in for the Philistines were (appropriately enough) that small, but fearsome, subculture known as the Republicans. The "Chosen People," of course, were the Democrats. And yet, a fair examination of the record reveals that Callaway/Goliath is a hardworking family man whose powers had been wildly exaggerated. David, on the other hand, was impersonated by Sen. Floyd Haskell, whose own dimensions were minimized by media sympathetic to the Democrats—the intention being to excuse David's blatant resort to dirty tricks (I refer to the sling containing mud).

This is a city that can only be understood through anecodotes told about it. General descriptions of Washington's ways and means are bound to fail because it is impossible to say anything that's completely true, or entirely false, about a town whose raison d'être is compromise. The city is *defined* by its ambiguities, its approximations, and reasonable facsimiles. A sort of urban Wonder Bread, familiar to all and theoretically capable of feeding millions, the capital is aglutinous and insubstantial at heart, ultimately unknowable and depressing to contemplate. It's a place where prestige is routinely confused with power when, in fact, the real power resides in the most boring process of an unreachable bureaucracy, its anonymous "transmission belts," red tape, and ringing phones.

And yet, prestige is rewarded here, just as celebrity is rewarded in Hollywood. A reputation for having power is bankable (and, as Callaway found out, potentially destructive). And Washington resembles Hollywood in another way, too: like its sister-city on the West Coast, it's devoted to the manufacture of images—second-rate deceptions projected upon the brain pans of a citizenry which expects little and gets . . . disappointed.

Callaway had no hope of returning to politics, but there was a chance that his reputation would be redeemed in the Senate subcommittee's final Report. He asked that the allegations against him be clearly stated, along with the committee's findings. "If the committee determines there is no evidence to support these accusations, then I respectfully request that the . . . Report says so and say I have been fully exonerated. I trust the Report will not speak vaguely and in generalities. . . ."

His trust was misplaced. The Report took almost six months to prepare, during which time Callaway's reputation starved. And, over the protests of Senate Republicans, the Report was withheld from the minority until the last minute. On September 7, it was turned over to dissenting senators with the injunction that they had just forty-eight hours to analyze it and append any rebuttal they might have. Minority staffers said they were "flabbergasted" by the Report, as the GOP senators themselves made clear in a startling (and startled) dissent.

Branding the Report as one filled with "smear and innuendo," the dissenters went on to describe it as "unfair and misleading," citing as much evidence of its "bias and prejudice" as they could type out in two days. Pointing to Senator Haskell's opening statements as "damning evidence of bias," the Republicans commented that "the timing, the tenor and the content" of his remarks "removed forever any question regarding the chairman's objectivity. The chairman abandoned the role of an unbiased fact-finder to assume the role of an outspoken advocate. The case against Callaway became *his* case and *he* argued to the public what he thought the facts were *before* all the evidence was in." (Emphasis in original). It was a ringing rebuke, and it was accurate. The Report it described is a most unsenatorial document, invoking "lingering doubts" and "serious concerns" about a host of resolved issues, e.g., while there was "no evidence" that the Pentagon meeting was initiated by Callaway, and while the witnesses testified that it had no effect, the Report concludes that it was "at least translatable into the appearance of improper pressure." Translatable into an appearance? What does that mean? Similarly, the Report finds that "there is no positive evidence" of Callaway's having influenced the Forest Service; "On the other hand," it adds, "this possibility cannot be excluded." (Thus is the virtue of open-mindedness reduced to a vice: why, if there's no evidence, should the possibility not be excluded?)

Elsewhere, the Report suggests that witness have perjured themselves: repeatedly, summations of sworn testimony are introduced with the phrase, "The subcommittee has been asked to believe . . ." But, of course, no one is ever called a liar. In yet other places, we're told that Callaway's conduct "can raise the specter of improper pressure" and that it "poses . . . serious questions of propriety." Specters, of course, are insubstantial things, and the purpose of Senate hearings is to *disperse*, rather than raise, them—just as a Senate Report is supposed to answer questions rather than rephrase them. The document, in short, commits analytical mayhem, reaching its conclusive innuendos only by ignoring the evidence given by *every* witness.

JUDGING REPUTATION BY PROXY

The fact of the matter is that the damage done to Callaway's reputation and career was so great that Senator Haskell had placed himself in jeopardy. Should Callaway, in ruins, be found innocent, he would seem a martyr—and Haskell, as the instrument of his unravelling, an imprudent man at best, a persecutor at worst. At the very least, "reasonable doubts" of Callaway's innocence would have to be sustained if Haskell was not to suffer the consequences of his inquisition. One might think that in view of the witnesses' unanimity, such doubts could not be sustained. But "reasonable" is, in the end, a matter of majority opinion. And there were seven Democrats and only four Republicans on the Haskell subcommittee: it should not have been too hard to get a majority to approve the Report.

And yet, the subcommittee was an unusual one. Among the seven Democrats were no fewer than three candidates for places on the party's national ticket: Harry Jackson, Frank Church, and John Glenn. That in itself made the de facto impeachment of Ford's campaign manager highly suspect but Jackson, at least, had the intelligence to wash his hands of the affair from the beginning. He would not participate in the hearings, he said, or cast any vote, because it might give the appearance of partisan impropriety. This pose reduced the voting majority of Democrats to two. The majority was narrowed even further, however, when Sen. John Glenn proved unable to attend all the hearings. Glenn could have given his proxy to Haskell, but he declined. He didn't think it proper to judge a man's reputation by proxy.

With the proxies of Jackson and Glenn withdrawn, the Democratic majority consisted of a single vote. It belonged to Sen. Frank Church. Like Jackson, he was a Presidential candidate and might have excused himself from judgment on that ground alone. But there was another reason for him to demur: like Glenn, he would be unable to attend any of the hearings. He had *two* good reasons, then, to withhold his proxy from Haskell. But he did not: too many political debts could be incurred by casting it, or having it cast for him. Later, this became something of an embarrassment: Church's proxy vote on the Report put the seal on Callaway's reputation, and he was asked about it by Rick Coffman, an Idaho newspaperman. Church said he was not a Presidential candidate at the time the hearings were called, having declared for the Presidency on March 18. Coffman pointed out that Church already had raised a sizable campaign chest before that time and had, moreover, become eligible for federal funds months before. He could hardly deny that he was running for President. In any case, his failure to attend a single hearing might be seen as reason to disqualify himself from voting—especially in view of the fact that he had not *read* the Report. How could he allow his proxy to be cast under those circumstances?

Apparently, the questioning disturbed Church. A week after the Report was approved by a 5–4 majority, with Haskell casting Church's vote, a new vote was ordained. Its purpose was to afford Church the opportunity of casting his own vote: the decisive proxy left a queasy impression. Unfortunately, Church somehow failed to attend that meeting, too, and, at the last minute, Haskell endured the ignominy of having to cast the putative proxy a second time. He could hardly be blamed: if he failed to get a majority to endorse the Report, the hearings would be revealed as a fraud.

Months after the election had been lost, Callaway wandered through the editorial rooms of the *Washington Post* and other publications, looking for exoneration in print. Like the Ancient Mariner, he wouldn't let the issue die, but "stoppeth one in three." And like that old sailor, he received little solace. *Post* editor Ben Bradlee listened to his tale and sighed and shrugged. *"C'est vrai,"* he says, *"mais ce n'est une histoire."* And Bradlee was right. Boy, is it not a news story! Callaway is no longer a political figure of national importance. His reputation, having been ruined, is suddenly a private matter. Besides, Callaway has had his day in the hearing room, and it dragged on for months. The result was 1600 pages of turgid testimony about matters of fleeting relevance. Included in the hearings are scores of maps, excruciating chronologies of minor events spanning seven years, and literally hundreds of exhibits ranging from "Early Warning Alerts" to letters, memoranda, and telephone logs—all of it cresting in a 196-page Senate Report that reads like an investigative article in

Rolling Stone: "the specter is raised," nagging doubts persist," "there is no positive evidence but . . ." Indeed, the Senate's investigation of Callaway's activities generated so much detail that its product is, from beginning to end, almost unreadable. Any reasonable man (Sen. Frank Church, for instance) would, upon hefting these tomes of testimony, shake his head and conclude that "where there's smoke, there's fire," Ipso facto, Callaway must be a walking inferno. But . . .

("No.")

("No, sir.")

("Absolutely not.")

("No, sir, they did not.")

NOT FOR ATTRIBUTION

There is only one other anecdote to recount about the affair, and it says more about Washington in the Seventies than it does about Bo Callaway or his accusers.

While putting together the story of the character assassination of Bo Callaway, as performed by the inmates of the Senate, I had cause to interview a man who'd worked with him for years, and considered himself Callaway's friend. We met outside the Washington Visitors' Center, and he was obviously agitated at the thought of our meeting. He didn't want to be seen talking to a reporter.

"Let's walk over there," he said, gesturing to a park filled with trees. As we strolled, we made small talk about a third world war and then, locating a bench, we sat down. "I want you to understand something," he said, "before I'll talk to you."

"Okay."

"You have to agree that what I'm about to tell you is for deep-background only. Maybe that's not the right phrase. What I mean is, you can quote what I say, but you can't attribute it. I don't want to be mentioned in your story, and I don't want you to characterize me in any way—not as old or young or middle-aged, not as a bureaucrat, an Army man, or a politician. If this gets out, my career is ruined. Understood??"

"Yeah. What is it?"

He paused for a second and, in the space of it, glanced at his shoulder. "If you attribute this, I'll have your head."

"I won't."

"All right. Bo Callaway is an honest man. . . ."

The conversation lasted thirty minutes, but that was all he had to say, really. And I wondered about a city in which a good reputation is "not for attribution."

LOULA F. DUNN, PAST DIRECTOR OF PUBLIC WELFARE GROUP, DIES

Mr. SPARKMAN. Mr. President, in the Washington Post of June 30, there was a news article telling of the death of Miss Loula F. Dunn, one of the most outstanding persons in the field of public welfare that we have ever had. At the time that Loula Dunn retired, Wilbur J. Cohen, who was then Assistant Secretary of Health, Education, and Welfare, declared:

The trouble is that you can't replace Miss Loula. She could work with localities, states, HEW and the Congress.

I knew Loula Dunn and had the pleasure of working in cooperation with her. She was really irreplaceable.

I ask unanimous consent that there be printed in the RECORD the news item regarding Loula Dunn.

There being no objection, the news item was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 30, 1977]

LOULA F. DUNN, PAST DIRECTOR OF PUBLIC WELFARE GROUP, DIES

Loula F. Dunn, 81, a nationally known leader in public welfare work, died Tuesday at Georgetown University Hospital after a long illness.

She had served as executive director of the American Public Welfare Association from 1948 until her retirement in 1964.

During that period, the APWA headquarters were located in Chicago, then moved to Washington in 1974.

Miss Dunn, who had frequently visited the APWA branch office here during her tenure as executive director, moved here after her retirement.

Miss Dunn had been the first woman executive of APWA. She constantly preached that politics and public welfare were interwoven because both were the "tools of the people."

At her retirement, Wilbur J. Cohen, then assistant secretary of Health, Education, and Welfare, declared: "The trouble is that you can't replace 'Miss Loula.' She could work with localities, states, HEW and the Congress."

Over the years, Miss Dunn maintained close associations with such public figures as Eleanor Roosevelt, President Lyndon B. Johnson and Nelson A. Rockefeller.

Born in Grove Hill, Ala., she started as a public school teacher in 1916. In the 1920's, she completed social work studies at Alabama Polytechnic Institute and the University of North Carolina.

Miss Dunn then became a case worker with the Alabama Child Welfare Department in Montgomery. She advanced to the position of assistant director of that agency and was named director of social services for the Alabama Relief Administration in 1933.

A year later, she joined the staff of the Federal Emergency Relief Administration, forerunner of the Works Progress Administration. She was based in New Orleans and was responsible for the administration of social work and employment programs in six southern states.

It was during this period that she became acquainted with Mrs. Roosevelt and President Johnson.

Miss Dunn was named Alabama commissioner of public welfare in 1937. In the years that followed, she gained national attention for her work in establishing child-welfare services and for her participation in international efforts to protect children uprooted by World War II.

She was vice president of the Child Welfare League of America from 1940 to 1950, and toured Great Britain in 1945 as an official emissary of this country in connection with child welfare.

Miss Dunn, a familiar figure on Capitol Hill for many years, was considered a key figure in bringing together social welfare leaders from all over the country to help study and draft legislation establishing many of the current federally aided social programs.

She is survived by a brother, Robert H. Dunn, of Alexandria, and a sister, Minnie Dunn, of Montevallo, Ala.

ISRAELI WATER POLICY

Mr. HUMPHREY. Mr. President, one of the most serious problems facing American agriculture, especially west of the Mississippi River, is the lack of a supply of water to meet projected use trends. In several parts of the West and Great Plains, farmers are simply using water at a much faster rate than the supply can be replenished. Since these areas are enormously productive, the outlook for continued strength from these areas is in doubt. We must begin to consider exploring policy alternatives that either generate more water or conserve this precious resource in a meaningful manner.

In view of the above, I would like to share with my colleagues a report, "Israeli Water Technology Offers Models for Arid Climates Throughout the World," from the July 11 issue of the Farm Bureau News. This article not only gives us a few alternatives that we may want to review in formulating an irrigation policy for this country, but shows how a determined nation has transformed one of the most arid regions of the world into one of the most agriculturally productive.

Israel has been extremely innovative in at least two respects. First, it has developed systems, such as drip irrigation, for using water more wisely. Second, it has developed new sources of water. It has discovered water in the Negev Desert and bred plants that can tolerate salt water, thereby giving Israel the option of irrigating lands through one of the most plentiful supplies of water available to man, the ocean.

Mr. President, I would like to commend American Farm Bureau Federation President Allan Grant and his study mission delegation for making this very informative report available to the farmers of America. I am hopeful that this article will stimulate both farmers and policymakers in the search for an answer to the emerging water dilemma that America faces.

Mr. President, I ask unanimous consent that the text of this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Farm Bureau News, July 11, 1977]

ISRAELI WATER TECHNOLOGY OFFERS MODELS FOR ARID CLIMATES THROUGHOUT THE WORLD

(A foreign trade and study mission of Farm Bureau leaders, headed by AFBF President Allan Grant, completed a 10-day tour of Israel in May, where Israeli expertise in irrigation was one of the areas examined by the American farmers. What follows is a special feature to the FB News by Ellen Davidson highlighting some of the water technology viewed on the mission to Israel.)

JERUSALEM.—Water is Israel's subterranean treasure, not oil. And in this half desert country wher 95 percent of all practical water resources are being used, scientists have become experts at making every drop count.

In the Negev Desert professors are rediscovering farming and water storage methods used more than 2,000 years ago by the ancient Israelites. Not far away, scientists are learning how cotton, potatoes, and cucumbers can thrive on centuries-old brackish water, which has been discovered in vast quantities in reservoirs under the parched desert.

Clouds in Israeli skies are being forced to rain by cloud seeding techniques, which have shown that rainfall in certain areas can be increased up to 15 percent, and several hotels in Eilat, Israel's Red Sea port city, are using sea water in their air cooling systems.

WATER FOR THE FUTURE

These are merely some of the stop-gap measures to insure an adequate water supply for the present. The grander schemes

hinge on plans to increase Israel's available water an impressive 50 percent by 1990.

The era of desalination is now. Three flash-evaporation plants are already in operation, supplying desalinated water from the Red Sea to the people in the port town of Eilat.

This is only the beginning. Israel is in the midst of a 15-year program to develop distillation plants with capacities of one, ten, and 100 million gallons per day (MGD). The one MGD plant is already in operation in Eilat. Its success is bringing about the ten MGD plant, currently being built in Ashdod on the Mediterranean coast. The 100 MGD desalination facility will be built coupled to a nuclear power plant, the two processes complementing each other. This plant will produce about 120 million cubic meters of fresh water each year at between 20 to 30 U.S. cents per cubic meter.

RECYCLED WASTE AND AGRICULTURE

Desalted water will only be a part of the additional 500 million cubic meters of water Israel will produce by 1990. Much of it will be drawn from recycled sewage and industrial waste. Recycling of liquid wastes, however, is a costly procedure. A professor at The Technion, Israel's Institute of Technology, has come up with a new process that promises to be cheaper than procedures now being used. Instead of starting with the conventional treatment of sewage using primary and secondary biological processes, and then proceeding to advanced treatment if needed, The Technion system begins with a sophisticated chemical-physical stage, and works in reverse of conventional systems.

Recycled water will not be used for drinking in the near future, but it will be available for unrestricted agriculture in a country using 70 percent of its water supply in the fields. Agriculture is big business for Israel. Five percent of the population not only produces all the country's agricultural needs, but the same farmers are keeping super-sized strawberries and high quality avocados on European tables in the snowy depths of winter, earning enough foreign currency to enable Israel to cover the cost of agricultural products that it must import. This is made possible by sophisticated farming techniques and efficient national water planning.

DRIP IRRIGATION FOR FIELD CROPS

The latest news in irrigation is that field row-crops—basic commodities for food and clothing like cotton, sugar, and potatoes—can be fed controlled amounts of water, soluble fertilizers, and other chemicals through an improved drip irrigation system of hoses.

In the past, the drip system of irrigation, originated by Israelis 15 years ago, has brought dramatic savings in water and increased yields in many high profit crops such as tomatoes, grapes, strawberries, eggplants, and peaches. Now, however, with the use of disposable hoses, larger areas growing field crops important throughout the world can benefit from drip irrigation.

Irrigation equipment is continually being invented, including varous levels of automation to keep a strict control on the tight water supply. Nowadays it is becoming more and more common to see a kibbutz with a special control room, equipped with electronic remote sensing, control devices, and a computer. All of these devices are used to operate the irrigation system for several thousand acres producing a wide variety of crops. Mathematical models for scheduling allow irrigation schemes to push crop yields to their maximum.

WATER ECONOMY BY LAW

Because water is so precious in Israel, the emphasis on efficient water use is not only under constant study, but is enforced by a practical and rigid system of laws passed by the Knesset, Israel's parliament. Besides obvious restrictions like metering and prohibition of water pollution, a licensing system puts pressure on industrial firms to strive for more efficient water use. The Water Commission actively sponsors research to develop water-saving equipment and drier production processes in industry.

WATER SOURCES

The water in Israel comes not only from the Jordan River, as popularly believed; but almost two-thirds from underground resources. The main groundwater aquifers are used not only as a source of water, but as operational and seasonal reservoirs. Many are linked to the "National Water Carrier," a huge pipe which transports the bulk of Israel's water from the Sea of Galilee in the North to the arid South, artificially recharging the underground reservoirs during the rainy winters.

WATER UNDERGROUND: BURIED TREASURE

Israeli geo-hydrologists, striving for increased water production from ground-water resources, have recently located huge reservoirs under the Negev and Sinai Deserts. This newly discovered water is an accumulation of rain water that fell on the Judean Hills to the north and the Sinai Desert to the south during the time of Jesus. Over the centuries, it has traveled to where it now rests waiting to be tapped. It is too salty to be used for drinking water, but researchers are developing special strains of crops that can tolerate it. Cotton, tomatoes, and other crops are already growing successfully and economically on such water in no-rain areas.

Israel makes the most of her water supply and continually expands plans to increase it. During the past decade, more than a thousand research activities involving various aspects of water were completed—at the Technion, Ben Gurion University, Hebrew University of Jerusalem, Weizmann Institute, the Agricultural Research Institute, and by individuals.

If there is water for industry and irrigation tomorrow in this isolated, but energetic country, it is thanks to the high priority given to national water planning and the scientifically oriented nature of the entire national water program. The constant stream of innovations and methods continue to emerge, relevant not only to Israel, but to many other areas of the world as well.

LEASING IN THE DARK

Mr. JACKSON. Mr. President, over the years, the Federal Government has been engaged in a practice with respect to oil and gas leasing on the Outer Continental Shelf that can only be described as "selling a pig in a poke." Study after study of our leasing program has called attention to the fact that the Interior Department does not have adequate information about the nature and extent of the resources which it has been turning over to the big oil companies.

Within the next few days, the Senate will be considering S. 9—the Outer Continental Shelf Lands Act Amendments of 1977—which, among other things, is designed to remedy this situation through new leasing systems and emphasis on making better information about the resources available to the owners—the American people—before they are sold.

We have just received the latest in a series of GAO reports on the OCS leasing program entitled "Outer Continental Shelf Sale 40—Inadequate Data Used To Select and Evaluate Lands To Lease." The report points out that—

The Department of Interior's policy of leasing Outer Continental Shelf lands that have not been properly evaluated (because of insufficient data) encourages industry to speculate in lands believed to contain no or minimal resources and does not guarantee that the Government receives the fair market value for these leased resources.

It goes on to recommend an exploration strategy designed to offer "the best acreage after it has been adequately explored for resources." Most of the elements in this strategy are already in S. 9 as reported by the Committee on Energy and Natural Resources. One key additional element is needed—federally funded exploratory or stratigraphic drilling where necessary to supplement information available from other sources. The amendment which I introduced yesterday—amendment No. 493—will provide this element. I urge my colleagues to support it.

I ask unanimous consent that the digest of the Comptroller General's recent report be printed in the RECORD.

There being no objection, the digest was ordered to be printed in the RECORD, as follows:

DIGEST—OUTER CONTINENTAL SHELF SALE 40—INADEQUATE DATA USED TO SELECT AND EVALUATE LANDS TO LEASE

More and more the Nation is relying on the Outer Continental Shelf leasing program as a way to increase our domestic oil and natural gas production. Decisions on where to lease and at what rate will greatly affect whether the Nation can decrease its reliance on foreign energy supplies and have enough energy resources to meet near-term needs.

The Department of Interior's policy of leasing Outer Continental Shelf lands that have not been properly evaluated (because of insufficient data) encourages industry to speculate in lands believed to contain no or minimal resources and does not guarantee that the Government receives the fair market value for these leased resources.

To prevent this, the leasing program should be designed to offer the best acreage after it has been adequately explored for resources.

In Sale 40, held on August 17, 1976, 154 oil and gas tracts were offered for lease off the coast of Delaware, Maryland, and New Jersey (called the Baltimore Canyon). The tracts were offered to the highest industry bidders, who are required to develop tracts for oil and gas. The bonus revenues received from the leased tracts were about $1.1 billion. (Bonus revenues are initial payments at time of lease, apart from the percent of production payments the Government later receives.)

SELECTING AND EVALUATING TRACTS

Interior selected tracts for lease after reviewing limited and insufficient data and before assessing the true resource development potential of the land. (See pp. 12 and 20.)

Before actual sale, each tract is assigned an evaluation of its worth to determine the acceptability of industry bids and to help assure the Government receives a fair market value return for the lease of public resources.

As with Sale 35, Sale 40 evaluations were unreliable—made without enough data. Interior had less overall information to use in evaluating Sale 40 than it did for Sale 35. (See p. 22.)

INDUSTRY BONUS BIDDING

The best measure of a sale's success is not the total bonus dollars received from holding a sale but the ultimate dicovery and production of oil and natural gas.

For example, the total bonus revenues received from Sale 32 in 1973 were about $1.5 billion, but resources have not yet been found. The resource potential of the Sale 32 area is questionable. Getting more geologic knowledge before a sale may reduce indus-

try's willingness to pay high bonuses, but it will provide better knowledge of the resource potential and aid in selecting areas to be leased.

AGENCY COMMENTS

Because of the need to issue the report before passage of pending Outer Continental Shelf legislation, the Department was unable to formally comment in writing within the given timeframe. GAO did, however, discuss the report's recommendations with Department officials. These officials told GAO that the Department's views on the recommendations in the Sale 35 report as stated in the June 13, 1977, letter from the Under Secretary of the Interior to Chairman Ribicoff, Senate Committee on Government Operations could be considered representative of their views on GAO's recommendations in this report. (See app. V.)

RECOMMENDATIONS TO THE SECRETARY OF THE INTERIOR

The Secretary of the Interior should direct a geological exploration program which has a systematic plan for appraising Outer Continental Shelf oil and gas resources, including selected stratigraphic test drilling. The plan should identify the level of stratigraphic drilling necessary to provide a minimal level of data on major shelf areas.

After the plan has been developed, the Secretary should encourage private industry to explore areas identified in the plan and confidentially share with Interior the information developed. Exploration permits issued by the Department for private drilling should provide the opportunity for any bonafide potential bidders to "buy-in" on the exploration by equally sharing the cost of the drilling.

After Interior knows what land industry has explored and how thoroughly it was explored, if any data is still needed, the Department of the Interior should take necessary actions, including public financing of stratigraphic drilling, to obtain it.

In addition, after the tracts have been selected the process outlined above should be repeated to obtain more reliable data for prelease evaluation purposes if deemed necessary.

Interior's Geological Survey and Bureau of Land Management should be required to consider all necessary information and to make final corrections to tract values before lease. Then, the Department should offer for lease only those areas for which it has collected and analyzed sufficient information to adequately identify where the resources are, their estimated value, and potential for development in the near future.

RECOMMENDATION TO THE CONGRESS

In March 1977 GAO testified before the House Ad Hoc Select Committee on the Outer Continental Shelf and the Senate Committee on Energy and Natural Resources that the recommendations in GAO's report on Sale 35 were generally in line with bills before the 95th Congress (S. 9 and H.R. 1614).

Review of Sale 40 has provided additional support that more geologic data is needed to reduce the risk associated with Outer Continental Shelf resources development. Consequently, the Congress should favorably consider the pending legislation.

CRISIS IN AGRICULTURE—REPORT FROM NEW MEXICO NO. 3

Mr. SCHMITT. Mr. President, the farming community, which we have so long viewed as a prime example of our Nation's foundation of hard work and reward, has been forced to bear a major burden of Government overintervention. Ill-timed and inappropriate interference by the Federal Government has created an agricultural world where good weather, hard work, and bumper crops are to be feared rather than celebrated.

The scope of our agricultural dilemma was clearly apparent as I toured the east central and southwestern counties of New Mexico during the third and fourth recesses. Guadalupe, Quay, Curry, Roosevelt, Luna, and Hildalgo Torrance Counties include a wide spectrum of dryland, irrigated, and rangeland agricultural opportunities. However, the farmers and ranchers and their associated communities are gradually being destroyed by Federal farm policy. With the Government's attempts to substitute distant bureaucratic judgment for the realities of nature and the marketplace, most of these New Mexico farmers and ranchers are broke or are going broke.

Even though the drought may have lessened in these areas, the farmer's financial situation gets worse through no fault of his own. With the Government's attempts to protect farming and ranching from financial lows, it has removed the compensating highs as well as the ability to make up costs. In addition, as inflation and passthrough taxes drive up costs, the farmer or rancher receives at best only about 25 percent of any increased price paid by the consumer for food or fiber. The often maligned "middleman" gets the lion's share of these price increases. About half of the total retail cost of agricultural products is taxes that have been passed on along the way to the store.

What has happened to create a situation where the better the crop, the higher the financial losses? What has happened to create a situation where farmers cannot survive in the greatest agricultural nation on Earth?

The answer to both questions is the same. The Federal Government has destroyed the ability of farmers to react to supply and demand pressures, and to market or not to market their productive capacity in the world as a whole. At the present time, the farmers and ranchers are on a treadmill of overproduction and underselling encouraged by Federal policy and legislation.

The solution to this agricultural dilemma has two facets. In the long-term we must learn again how to trade food and fiber competitively in the world markets. In both the short and the long term we must cut costs, stabilize production and assist the agricultural community to survive until new, permanent, and expanding markets are created.

THE LONG TERM

The world is starving. The people in developing countries that need food most know the least about producing it. However, those countries could purchase food through the sale of their resources. Our task is to develop markets for food and fiber in these countries while helping them to develop the ability to pay realistic prices.

Other countries such as the Soviet Union and the People's Republic of China, present a more complex marketing problem. Not only must we obtain a fair market price for our sales of food and fiber, but we must insist on reduction in their domestic military expenditures and foreign political subversion.

Economic interdependence through trade in agricultural and natural resources is a realistic foundation on which we can stabilize relations between nations.

THE SHORT TERM

The short-term challenge for agriculture is to stabilize, improve, and preserve the entire industry until the distortions produced by excessive Federal interference can be removed. This challenge will require significant activities in four major areas: Water supply, land management, general research, and financial assistance.

Water supply: The immediate future of New Mexico's agricultural industry, and that of most of the Southwest, depends on the more efficient use of available water. A detailed assessment of existing water supplies and further development of runoff recovery, artificial subirrigation, and indefinite withdrawal of marginally productive land will help achieve this goal.

Equally important will be improved climate forecasting. With such improved forecasting, it seems possible to accurately predict multiyear periods of drought and rain. In relation to this, it will be important to encourage better management of dry land farms, including techniques of stubble mulching and land terracing.

New Mexico, as well as other Southwestern States, has the potential of producing interim supplies of agricultural water from the purification of salty waters trapped in various closed or special geologic reservoir. As the cost of purification is driven downward through research and the use of waste heat from energy production, these saline water resources—possibly 20 billion acre-feet in New Mexico alone—can free existing surface and ground water for other purposes.

In the final analysis, however, the future of "high plains" irrigated agriculture will depend on the development of economical sources of "imported" water. Continued studies and technological research into the economic feasibility of major water redistribution projects will be a necessary part of future Federal activity in agriculture.

Land management: In addition to the land management implication of more efficient use of water and the use of multiyear climate forecasting, there are major reforms required in Federal land management programs. One of the major cost items faced by farmers and ranchers is associated with the Bureau of Land Management and the Environmental Protection Agency's unnecessary regulations. Ranchers and farmers know more about protecting and managing land than do bureaucrats in Washington. Putting the results of Federal and State agricultural research in the hands of ranchers and farmers, with the Government as servant rather than master, is the best insurance against bad land management.

General research: The land grant college system and its foundation of region-

ally oriented agricultural research still provides the base for low cost and highly productive agriculture. Through the Agricultural Extension Service and other public and private groups, the dissemination of the results of this research rapidly decreases production costs and improves products.

In addition to water and land management research, New Mexico and adjoining States can profit greatly through Federal and State activity in the following areas:

Pest and drought resistant crops and livestock.

Livestock with higher yield and improved reproduction rates.

Vine, terpentine and other weed irradication.

Range caterpillar control and irradication.

Salt resistant crops.

Solar energy irrigation and processing technology.

Financial assistance: The continued necessity for various forms of financial assistance in our distorted agricultural economy is obvious. However, it is critical to view these assistance programs only as interim measures which will preserve the industry until new markets, better prices and lower production costs permit a return to free market economics.

In cases where financial assistance is necessary, such as Farmers Home Administration and Federal Housing Administration loans, emergency loans, et cetera, there must be a marked decrease in redtape and an increase in consistency from region to region.

ECONOMIC POLICY

One of the major reasons that farm and ranch production costs are generally below market prices is the ever-present inflation. The burdens of inflation are unequal and unrelenting. The producer sees all the effects of inflation in his costs, but only a fraction of inflation in the price he receives for his product. The "middleman" and the Government get the rest.

The primary trigger for continued inflation is the annual Federal deficit. Agriculture, more than any other sector of the economy, has a major stake in the Federal Government's goal of a balanced budget and sound fiscal policies.

ENERGY POLICY

Agriculture's future, like that of the Nation, will be determined by the energy policy of this country. In the long-term, "energy crops" will not only be a possible source for alternative fuel and power, but may begin to offer another resolution to the problem of overproduction of food and fiber and low incomes for the farmer. The balancing of the use of land between energy crops and traditional agricultural crops will be a future issue of great importance.

Marginal agricultural lands may also become the most important resource we have for the gathering of sunlight by artificial means rather than by crops. Electrical power produced by these "solar farms" can provide a major weapon as we work toward victory in the war against future energy shortages.

In the near term, the costs of agricultural production will reflect energy costs as such costs affect transportation, cultivation, fertilizer, weed and pest control, processing, and irrigation. Agriculture's interest in greatly increased new oil and gas production to insure supply and reduce costs is as great as its interest in reducing waste of existing supplies of oil and gas.

CONCLUSION

This summary of agricultural problems and potentials is biased toward the characteristics of the high plains—"Llano Estacado"—and irrigated basins of New Mexico, Texas, Oklahoma, and Colorado. However, the Nation is in many respects as dependent as is this region upon a greatly improved agricultural economy.

In the long-term production must be brought in line with available markets.

In the near-term, production costs must be reduced as much as possible and financial assistance must be available so that the agricultural industry can survive until free market forces can be restored.

One of our biggest challenges is to preserve the small- to medium-sized farming and ranching operation and the small business and labor community that supports them.

Individual freedom and initiative reach deep into the soil of agriculture. We have no choice but to insure their roots are healthy and permanent.

FOURTH OF JULY ADDRESS

Mr. PELL. Mr. President, among the oldest and most celebrated observations of Independence Day is the annual Fourth of July parade held in Bristol, R.I. This year, as always, the Bristol Fourth of July Parade was a colorful, enthusiastic, and patriotic occasion, and I was delighted to attend and to participate in the observance.

The principal speaker at the Bristol celebration was a distinguished Rhode Island jurist, the Honorable Anthony J. Dennis, associate judge of the Rhode Island district court. In his eloquent address, Judge Dennis cited the proud achievements of our Nation, and called for a rebirth of the traditional American determination to build a more prosperous and just society.

Mr. President. I ask unanimous consent that the text of Judge Dennis' inspirational Fourth of July address be printed in its entirety in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

JULY 4, 1977.

With the coming of Independence Day we are reminded that few events touch the hearts of Americans—as the celebration of our Nation's birthdate.

At this time of year—early summer when the leaves are green and full and the breezes warm—many of us experience a deeply moving affirmation of faith in America.

As it is with the calendar—so it sometimes seems to be with our country and its system.

For there are those among us who would have us believe that America has come to its own September—that our days are dwindling down—that the green leaves of our best season are turning brown, and will soon be falling.

That before long—we will feel the first chill wind of a long winter and that our Nation's stand as mankind's—last best hope—will be done.

For those who preach this prophecy—and for those who believe it—this period in our times can only be a melancholy season.

But it is to that mood—and to the views which foster it—that I want to address my remarks today.

For too long we have permitted the dark perception of America to pervade our midst.

Day after day—month after month—the portrayal of our Nation as America the unclean—America the unjust—America the unworthy has been ground into the consciousness of our people.

We no longer see the blooming flowers, for we are searching for the litter. We no longer celebrate the many fresh triumphs of justice—for we are lingering over the residue of yesterday's shortcomings.

We no longer measure the miles we have come, toward a more humane, civil and peaceful America—for we are too busy allowing these dark perceptions to dominate us.

We are allowing our future to be shaped by visions that are small and mean—visions that diminish our potential.

We are, in simple terms—dooming those who come after us—to know what can only be called—a second-rate America.

Just weeks before his death—A truly great patriot—Lyndon Baines Johnson—spoke on this very subject—in what may stand as his final farewell—to his beloved Nation.

I have taken the liberty to paraphrase his speech here—on tribute to him.

Over all the years of our Nation's existence—we have been setting goals for ourselves—and striving tirelessly to reach them. Those goals have been both the slogans and the substance of our national affairs—for generation after generation:

Full employment—decent wages—adequate housing—education for everyone—opportunity for all—good health—good medical care—and above all equal justice under the law—for all of our fellow men and women.

America's goals have been simple and basic—all of our resources and strength—private and public—have been committed to the effort—and we have come very close to success.

Nowhere, over all the globe—have any people—under any other system—come nearer to fulfillment of such aspirations—than we have under our system—here in America.

We have not understood—and still do not fully comprehend—where we are—or what we are about.

I see little today—suggesting that our system is failing. But I do see—all too much—which convincingly argues—that by our doubts—we may be failing the promise and potential of our great American system.

We are not living in times of collapse—the Nation is not coming down.

With our past efforts—with our long and faithfully kept commitments—with our infinite successes in so many fields—we have brought into being the materials—with which to construct a new America.

Faced with the task of such great dimensions—we have no cause to be morose.

We have no time for melancholy—we have work to be done—the greatest work any generation of Americans has ever faced.

The essentials of a new America—a better America—are all on hand—and within our reach—it is our duty—it is our destiny—to take up our appointed positions—and be on with our labors.

It is just such spirit that we honor on this occasion—it is by restoring that spirit to our lives—and our Nation's life—that we respect and honor our own trust as Americans.

Let us then—each day—reaffirm our faith in America—and with special pride—on this day—the Fourth of July.

ENERGY AND THE OUTER CONTINENTAL SHELF IN PERSPECTIVE

Mr. SCHMITT. Mr. President, our economic survival in the event of an interruption of imports of foreign supplies of petroleum is dependent upon our ability to rapidly increase domestic petroleum production. Oil and gas cannot be replaced in our near- and mid-term energy technology until new auto engines and increased coal and nuclear fueled electrical capacity are available. Even if we today implement an energy policy that recognizes this fact, and we seem bound and determined not to implement such policy, it would take at least 10 years before our dependency on petroleum would become manageable in a crisis.

Thus, it is almost unbelievable that we would not take prudent steps to rapidly increase our domestic reserves and production of oil and gas. However, many provisions of S. 9, the Outer Continental Shelf Lands Act Amendments of 1977, would represent extremely imprudent steps toward restricting our ability to increase domestic reserves and production.

Since the first oil well in Pennsylvania in 1859, approximately 300 billion barrels have been identified which could be produced by simple methods. Two hundred and fifty billion of this 300 billion barrels have been produced already.

The volume of geologically favorable rocks yet to be explored for oil in the OCS and Alaska is roughly equivalent to the volume of rocks that originally contained this 300 billion barrels of proved reserves. Thus, it is logical to anticipate that at least another 300 billion barrels remain to be discovered. Our potential resources of oil are even larger if we consider the fact that one, OCS rocks are generally younger and therefore contain more oil and gas, and two, that secondary and tertiary recovery techniques can add 100's of billions of barrels more to our reserves. The OCS is the prime and in many ways the most accessible and environmentally defensible area in which we will find these essential oil reserves.

The same kind of case can be made in spades for natural gas for which the potential resource base is probably at least 1,500 trillion Mcf.

If we are to meet our immediate near-term needs for the oil and gas necessary to survive an embargo, then we must have legislation that encourages rapid development of OCS resources. S. 9 does not meet this criterion.

The most direct and most positive national energy policy we could enact has three basic elements:

One. Major national programs, in the greatest American tradition, for the development of fusion reactors, solar electric plants, and hydrogen as a portable fuel as our long-term answers to the energy challenge.

Two. Accelerated mid-term investment in conventional and advanced powerplants utilizing coal, geothermal and nuclear fission energy combined with development of more efficient energy conversion equipment all of which will buy time for the major long-term programs to mature.

Three. Rapidly increased production and end-use efficiency of the oil and natural gas necessary to survive any near-term interruption of imports.

It is in the near-term capability for economic survival that the rapid development of oil and natural gas resources of the OCS looms so critically important in our children's future.

CADORET'S DREAM COMES TRUE IN WOONSOCKET, R.I.

Mr. PELL. Mr. President, as a result of the patience and persistent efforts of Mr. Rene V. Cadoret, the city of Woonsocket, R.I., was proclaimed Rhode Island's Bicentennial Baseball City last year by the State Bicentennial Commission.

As the Nation has begun another season of the national pastime it is timely, I think, to call attention to the contributions which Woonsocket has made to baseball.

Mr. Cadoret, who has long been active in baseball himself, was the major force behind the honor bestowed upon the city of Woonsocket, R.I. As a tribute to Mr. Cadoret's outstanding efforts, I ask unanimous consent that an article from the Woonsocket Call of October 14, 1976, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CADORET'S DREAM COMES TRUE

(By Mike Szostat)

When the City of Woonsocket is proclaimed Rhode Island's Bicentennial Baseball City tonight (7:30), the proudest individual in Harris Hall will be Rene V. Cadoret.

Cadoret has been the major force behind the effort to have the city recognized for the outstanding baseball players it has produced.

Strangely enough, one of the finest hours in Woonsocket's long and glorious athletic history might never have come about if it had not been for Frank Lanning, the Providence Journal-Bulletin cartoonist.

No, Lanning did not draw a cartoon advocating such an honor for Woonsocket. But a Lanning cartoon that appeared in the Sunday Journal on Easter Sunday annoyed Cadoret and spurred him into action.

Lanning had been drawing a series on Rhode Island families whose members had distinguished themselves in a particular sport. He happened to choose a family from Cranston as the state's first family of baseball.

Cadoret, who admits now that he misunderstood the cartoon when he first read it, thought Lanning was trying to say Cranston is the baseball city in Rhode Island.

For those who watched baseball in Woonsocket 30, 40 and 50 years ago, such a statement would be considered heresy. And Cadoret, you must understand, has been around Woonsocket baseball longer than I have been around this world (that's 26 years), so he set out to find a suitable way to have the city and its heritage honored.

He wrote letters to Mayor Gerard J. Bouley. He wrote to the state Bicentennial Commission. The commission was a little slow in responding to his letters, but he persisted. Dr. Patrick J. Conley, chairman, eventually decided that such a tribute would be fitting, and the official stamp of approval was given.

Cadoret's work did not end there. It really just began. Since then he has been busy arranging for the use of Harris Hall, meeting with the mayor and other members of the organization committee, inviting guests, and keeping in touch with the Bicentennial Commission.

Most of those connected with tonight's ceremony have been taking it in stride, but Cadoret has been worrying about every little detail. Perhaps that's why he scouted so well for so long with the St. Louis Cardinals.

So tonight Rene Cadoret's dream will come true. No longer will he have to patiently explain that Woonsocket was the home of two Hall of Famers to prove that Woonsocket has a wonderful baseball history. No longer will he have to check off the list of men who have played in the major leagues, minor leagues or top semi-pro leagues when they were strong and popular.

After Dr. Conley reads Gov. Philip W. Noel's proclamation and presents it to Mayor Bouley, Rene Cadoret simply will have to direct any doubters to the spot where the proclamation will hang and tell them to read it for proof of the city's superior athletic heritage.

The players—Lajoie, Hartnett, Labine, to name a very few—gave Woonsocket its name. Cadoret is making sure that name will be remembered.

If you should see Rene Cadoret on the street someday, thank him for what he has done because if it were not for his interest, dedication and hard work, tonight's ceremony and the honor for Woonsocket would still be a dream.

Mayor Bouley is only slightly less proud than Cadoret about this honor.

"I think this is a plus for Woonsocket if Woonsocket ever had a plus," said the one-time athlete.

"We've had a lot of good athletes come out of this city and not only in baseball. They were in football, basketball and hockey, too. For a city this size, that's good . . ."

Bouley said the honor makes him personally proud because he is an ex-athlete (sandlot and semi-pro football star and hockey and baseball player) who had a hand in building the city's athletic reputation.

HOUSE OF REPRESENTATIVES—*Tuesday, July 12, 1977*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Strengthen the weak hands and make firm the feeble knees, say to those who are of a fearful heart, Be strong, fear, not: behold, your God will come and save you.—Isaiah 35: 3, 4.

Eternal Father, strong to save and eager to help, amid the clamor of constant cares we would use the quiet of this moment to draw near to Thee.

"Mid all the traffic of the ways—
Turmoils without, within—
Make in my heart a quiet place,
and come and dwell therein."

We pray for spirits strong enough, for hearts courageous enough, and for hands willing enough to truly serve this age in which we live.

We pray for our divided world and for ourselves in the midst of it, that we may not add to the divisions by our pride and prejudice but by our faith, hope, and love

may increase the areas of goodwill and freedom that the nations may learn to live together in peace. So make our hands strong, our hearts steadfast, and our faith in Thee sure: For Thy name's sake. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1828. An act to provide for the establishment of the George W. Norris Home National Historic Site in the State of Nebraska, and for other purposes.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 7554, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT — INDEPENDENT AGENCIES APPROPRIATION ACT, 1978

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on H.R. 7554, the Department of Housing and Urban Development—Independent Agencies Appropriations Act. 1978.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

INTRODUCING LEGISLATION TO REQUIRE ALL PLACES OF PUBLIC ASSEMBLY TO USE FLAME-RETARDANT FABRICS

(Mr. ADDABBO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ADDABBO. Mr. Speaker, there have recently been four major fires in which scores of persons were killed and many others injured. Most of the deaths were caused by toxic gases given off by burning fabrics, and most, if not all, of those lives could have been saved had the Congress passed into law legislation requiring that all places of public assembly must use flame-retardant fabrics.

I have such a bill pending in the Committee on Interstate and Foreign Commerce. It was submitted after the tragedy of the Beverly Hills nightclub fire in Kentucky.

Following the June 26th fire in the Maury County jail in Columbia, Tenn., where 42 persons died from toxic fumes, city-county coordinator Dennis Johnson wrote me that if my bill would have been in effect at the time the fire started, the holocaust might well have been averted.

Just last week, five inmates at the Danbury Federal prison died and 69 persons suffered injury when someone evidently set fire to a pile of prison clothing.

I claim no special expertise on this subject. It just seems sensible to me that in buildings where many people are crowded together, every precaution ought to be taken to avert the possibility of a fatal fire. Any place that uses tablecloths, linen, mattresses, and other types of fabric ought to be required to use only those that will resist burning.

I am sure that if the members of the Interstate and Foreign Commerce Committee can put their experience to this issue, they might well improve the language of my proposal. I would welcome that greatly, for enough people have died needlessly just in the last few weeks to make the need for this kind of legislation very apparent. I hope that the members of the committee can soon find room on their already busy schedule to begin work on this important subject.

PERMISSION FOR COMMITTEE ON HOUSE ADMINISTRATION TO FILE REPORT ON H.R. 133

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that the Committee on House Administration may have until midnight tonight to file a report on H.R. 133, which provides that certain proceedings of the Italian American War Veterans shall be printed as a House document.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERSONAL EXPLANATION

(Mr. DICKINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DICKINSON. Mr. Speaker, it came to my attention during the Fourth of July recess that I am recorded as not voting on House roll No. 389, the Addabbo amendment to delete funds from the defense appropriations bill for fiscal year 1978 for the B–1 bomber.

I was present for most of the debate on the Addabbo amendment and voted against the amendment—at least I used my voting card and thought I had voted. Although I was recorded as absent, I want the record to show that I was present and voted against the proposal.

STATEMENT IN OPPOSITION TO CONSUMER PROTECTION AGENCY BILL

(Mr. EVANS of Delaware asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of Delaware. Mr. Speaker, in recent days, my office has received a number of cards and letters from my constituents enclosing a nickel, supposedly to help pay for the cost of the proposed Agency for Consumer Advocacy.

Apparently, I, along with 77 of my colleagues, are the beneficiaries of this largesse because we have been labeled by Ralph Nader as "wavering" on whether to support the new consumer agency.

Well, I want to clear up any misconception that Mr. Nader might have. I am not wavering on the Consumer Protection Agency bill. I am dead-set against it. And I am sending each and every nickel back because I do not believe Delawareans or any other American taxpayer can afford to cough up another nickel for a new Federal bureaucracy.

We have "nickeled and dimed" the American taxpayer to death through the creation of bigger and bigger government. It is time to keep these nickels in the people's pockets, instead of sending them to Washington.

I also am convinced that if this new bureaucracy costs a nickel today, then it is going to cost a quarter tomorrow. I have yet to see a Federal bureaucracy get smaller, and I do not expect this one to start a trend.

So, Mr. Nader, save your nickels.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule 27, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule 15.

After all motions to suspend the rules have been entertained and debated and after those motions, to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

ASSIGNMENT OF RETIRED MILITARY PERSONNEL TO AMERICAN BATTLE MONUMENTS COMMISSION

Mr. ROBERTS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7678) relating to the assignment of retired military personnel to the American Battle Monuments Commission.

The Clerk read as follows:

H.R. 7678

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the third paragraph of the first section of the Act entitled "An Act for the creation of an American Battle Monuments Commission to erect suitable memorials commemorating the services of the American soldier in Europe, and for other purposes", approved March 4, 1923 (36 U.S.C. 121), is amended by inserting immediately after the first sentence thereof the following new sentence: "Notwithstanding any other provision of law, any retired member of the Armed Forces recalled to active duty and detailed to full-time duty with the Commission shall not be chargeable against the authorized end strengths and grade limitations of the Department of Defense or the military departments concerned nor to any administrative ceiling which may have been, or may be, established by the Secretary of Defense.".

The SPEAKER. Is a second demanded?

Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Texas (Mr. ROBERTS) will be recognized for 20 minutes, and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. ROBERTS).

Mr. ROBERTS. Mr. Speaker, I yield such time as he may consume to the chairman of the Subcommittee on Cemeteries and Burial Benefits, the gentleman from Ohio (Mr. CARNEY).

Mr. CARNEY. Mr. Speaker, the committee report explains in some detail the background of the American Battle Monuments Commission and the basis for the proposed legislation. Therefore, I shall not take the time of the House to repeat it here.

H.R. 7678 simply provides that any retired member of the Armed Forces recalled to active duty and detailed to full-time duty with the American Battle Monuments Commission shall not be chargeable against the authorized end strengths and grade limitations of the Department of Defense or the military departments concerned nor to any administrative ceiling which may have been, or may be, established by the Secretary of Defense.

Military personnel have been detailed to the Commission since it was organized 54 years ago. Throughout the years, use of this authority has been made sparingly. Only those needed to fill key positions involving command, control, and technical expertise have been requested. Currently, 8 Army officers are assigned to the Commission supervising its activities in 10 countries at 39 locations. Six of these eight officers are retired, recalled officers of the Commission, and the Commission reimburses the Army for all costs of such officers.

Requests by the Commission for assignment of military personnel to fill key vacancies until very recently have been honored without question. Although 10 U.S.C. 3202 provides that Army officers serving with other departments or agencies on a reimbursable basis do not count against the authorized active duty strength of the Army, the Department of the Army notified the Commission on February 17, 1977, that it was unilaterally withdrawing support of the Commission's second most important position, that of the officer in charge of the European office, and would be releasing the incumbent from active duty effective August 1, 1977.

Mr. Speaker, six of the eight officers presently detailed for duty with the Commission have been recalled to active duty from retirement for an indefinite period to serve it. All six waived their retirement pay to do so. Since they are eligible to draw three-fourths of their pay upon retirement, it should be noted that the Federal Government is receiving their services full time for about 25 percent of full pay. If the proposed legislation is not enacted, the officers assigned to the Commission will revert to retired status and will be eligible to draw full retired pay from the military department. In addition, the Commission will then be required to hire civilians under the general schedule of the Civil Service Commission to take their place. The committee estimates that this would involve additional costs to the Federal Government.

For the reasons I have outlined, Mr. Speaker, I urge the adoption of the reported bill.

Mr. ROBERTS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I'm sure many Members of the House have had an opportunity to visit one or more of the cemetery memorials maintained overseas by the American Battle Monuments Commission. Late last year I visited a number of them and have never seen any Federal or private facility maintained and operated as well as these cemeteries. They are magnificent. The cemeteries are a credit to the Commission and to the families who have loved ones buried there. I have nothing but praise for those who operate and maintain these monuments and memorials.

Currently, the Commission administers and maintains 23 permanent American military cemetery memorials and 11 separate monuments in 9 foreign countries, and 3 memorials in the United States. It also monitors the state of maintenance and repair of 150 private monuments and memorials in foreign countries.

There are interred in the Commission's cemeteries 124,902 U.S. war dead—30,920 of World War I, 93,232 of World War II, and 750 of the Mexican War.

Because of the solemn mission of the Commission and the nature of its functions, the Congress considered it appropriate for the Commission to be administered by a military officer and provided in its enabling legislation for the full-time Administrator of the Commission to be a Regular Army officer. Congress also recognized the need for the Administrator to have a supporting military staff, and authorized the military departments, upon request of the Commission, to provide personnel to carry out its functions, and to expend for such purposes any funds appropriated to them with reimbursement from the Commission for pay and allowances.

As the distinguished chairman of the Subcommittee on Cemeteries and Burial Benefits has pointed out, military personnel have been detailed to the Commission since it was organized 54 years ago. Currently, there are eight Army officers assigned to the Commission. Of these, five would be affected if the proposed bill is not enacted.

There is absolutely no rational basis for the Secretary of Defense, through administrative action, to terminate the services of five military staff personnel who continue to do a great job.

As the gentleman from Ohio has stated, if the officers in question are forced to retire and civilians are hired to take their place, it is going to mean additional costs to the Federal Government. At a time when everyone is vitally concerned with Federal expenditures, we can ill afford spending tax dollars needlessly. If this bill is not enacted, we will be doing just that.

Mr. Speaker, I have discussed the proposed legislation with the chairman of the Committee on Armed Services. He feels the situation involving the American Battle Monuments Commission is unique, and therefore, has no objection to the bill. His views were conveyed to me in a letter dated June 20, 1977. There follows a copy of his letter:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., June 20, 1977.

Hon. RAY ROBERTS,
Chairman, Committee on Veterans' Affairs, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I appreciate your advising me of your Committee's action on H.R. 7678, the effect of which would be to exclude retired military personnel recalled to active duty to work with the American Battle Monuments Commission from authorized end strength of the Department of Defense.

As you know, the establishment of active duty end strengths for each of the military departments in the Department of Defense is within the jurisdiction of the Committee on Armed Services. In view of your Committee's particular interest in the continued affectiveness of this Commission and the impact of including Commission personnel within these authorized end strengths, I have no objection to H.R. 7678.

However, I consider the situation involving the American Battle Monuments Commission unique and would expect the Committee on Armed Services to assert its jurisdiction in matters of a similar nature in the future.

I would appreciate it if you would have this letter inserted in the Congressional Record during consideration of H.R. 7678.

Thank you again for your cooperation.

Sincerely,

MELVIN PRICE, *Chairman.*

Mr. Speaker, I have the very highest regard for Maj. Gen. A. J. Adams, Secretary of the Commission, Brig. Gen. John W. Donaldson, the officer in charge of the European office, and others who are responsible for administering and maintaining the memorials and monuments within the jurisdiction of the American Battle Monuments Commission. They do an outstanding job, and I think it is imperative that the positions they occupy be continued in the military tradition.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the American Battle Monuments Commission is charged with the responsibility of maintaining American military cemeteries overseas. These cemeteries are the result of major battles during World War I and II. The relationship between these cemeteries and the military is obvious. This special relationship was recognized 54 years ago when the Congress first established the Commission. In that original legislation, it was mandated that the Secretary of the Commission be a military officer.

At the present time, there are eight military personnel assigned to the ABMC. All but two are retired officers who were voluntarily recalled to active duty to serve on the Commission. Earlier this year, the Secretary of Defense announced that these six officers were being withdrawn, effective August 1, 1977.

Should the ABMC lose these six officers, five new civil service positions will have to be formed to fill their vacancies. The military personnel affected will probably retire for a second time and fill the civil service jobs created. The result would be an additional cost to the Federal Government of $350,000 per year—money that would be needlessly spent.

The measure before us now, H.R. 7678, has two purposes. The first is to continue the military's support efforts of the Commission. The second is to save the Government money. The bill will accomplish these objectives by exempting military personnel assigned to the ABMC from the grade limitation or end strengths of the Department of Defense and the military establishment. H.R. 7678 is a simple bill designed to save money and make the Federal Government more efficient. I wholeheartedly support this measure and urge its swift passage.

Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. Mr. Speaker, there are few Federal agencies which work as well as, or do a better job than, the American Battle Monuments Commission. The cemeteries under the jurisdiction of the Commission are perhaps the best maintained cemeteries in the entire world.

The success of the ABMC is due, in no small degree, to the military personnel associated with it. Historically, key command and technical positions have been filled by military personnel assigned to the Commission. Currently, there are eight Army officers assigned to the agency. Six of these eight officers were voluntarily recalled to active duty from retirement to serve on the Commission.

The ABMC reimburses the Department of Defense 25 percent of the active duty pay for the military personnel assigned to the Commission. This 25 percent equals the difference between active duty pay and retirement pay. This arrangement has worked to the advantage of everyone involved. The Federal Government receives more for its money, the personnel get full-time employment instead of being retired, and the ABMC receives six highly qualified employees for only a quarter of their worth.

Earlier this year, the Department of Defense, informed the ABMC that the military support personnel assigned to the Commission were going to be withdrawn effective August 1, 1977. The only explanation offered by the Department of Defense was that the Army personnel assigned to the ABMC were being counted against DOD's end strengths. H.R. 7678, before us today, will exempt any retired military personnel, recalled to active duty to serve on the Commission, from DOD's strengths levels. This measure will insure the continued close relationship between the military and the American Battle Monuments Commission.

In light of the tremendous job the Commission has done over the last 54 years, there can be little justification for disturbing an arrangement which has proven to be so salutary. I urge my colleagues to join with me in supporting H.R. 7678 in order that the cemeteries under the jurisdiction of the American Battle Monuments Commission can continue to operate as effectively as they have in the past.

Mr. ABDNOR. Mr. Speaker, I rise in support of H.R. 7678, a bill that I am a cosponsor of along with several other of my colleagues. This bill will expeditiously handle a small situation in the assignment of personnel, and in the process save the Federal Government approximately $350,000. I know that $350,000 does not sound like much when we in the body are accustomed to dealing with sums in the tens of millions of dollars, but it is indeed a rare instance which allows Congress an opportunity to pass legislation which will continue the operation of a well run and efficiently operated program and save taxpayers dollars at the same time. That savings plus the fact that the American Battle Monuments Commission will be able to retain the services of such reliable and dedicated individuals is surely significant. Theirs is a position which provides input to insure that those monuments erected to the honor of those who so gallantly served this country on foreign soil will continue to be ones that our Nation's citizens can be proud of. I would urge that all of my colleagues join me in supporting this bill.

Mr. TEAGUE. Mr. Speaker, I want to associate my remarks with those of the chairman of the subcommittee, Mr. CARNEY, and our very able chairman, RAY ROBERTS.

As they have pointed out, military personnel have been detailed to the American Battle Monuments Commission since it was first organized some 54 years ago. During my years in the Congress I have never known of an instance where military support was denied to the Commission. Military involvement is a major part of the Commission. The law requires that the secretary of the Commission be a military officer. Congress has always felt it appropriate for the military to be deeply involved in the administration and maintenance of these overseas memorials and monuments.

I first learned that the Defense Department was initiating action to retire five of the eight officers detailed to the Commission earlier this year. In February the Commission was advised by the Department of the Army that the incumbent officer in charge of the European office would be released effective August 1, 1977. Efforts were made to resolve the matter with the Department of Defense; however, such efforts were unsuccessful.

Mr. Speaker, the decision to retire the few officers now detailed to the Commission would mean additional Federal outlays in fiscal year 1978. It is estimated that it would cost the Federal Government an additional $234,000 per year if these officers were forced to retire and civilians were hired to take their place. This makes no sense at all to me.

I am very proud of the Commission and have a very high regard for the 400 dedicated employees who operate and maintain the memorials and monuments within their jurisdiction. These monuments and memorials are constant reminders to the people of the countries in which they are located of the great price in life and treasure paid by Americans in their behalf. I think it is appropriate that we continue to have a small professional military support staff administering the program since men and women in uniform truly represent countless Americans who fought and died to preserve freedom throughout the world.

I urge that the bill be adopted.

Mr. ROBERTS. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill H.R. 7678.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

SPECIALLY ADAPTED HOUSING BENEFITS FOR VETERANS WITH CERTAIN PERMANENT AND TOTAL SERVICE-CONNECTED DISABILITIES

Mr. ROBERTS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7658) to amend title 38 of the United States Code to assist veterans with a permanent and total service-connected disability due to the loss or loss of use of one upper and one lower extremity to acquire specially adapted housing.

The Clerk read as follows:

H.R. 7658

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 801 of title 38, United States Code, is amended—

(1) by inserting "or" at the end of clause (3); and

(2) by inserting immediately after clause (3) the following new clause:

"(4) due to the loss, or loss of use, of one upper and one lower extremity, such as to preclude locomotion without the aid of braces, crutches, canes, or a wheelchair,".

SEC. 2. This Act shall take effect October 1, 1977.

The SPEAKER. Is a second demanded?

Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Texas (Mr. ROBERTS) and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) are recognized for 20 minutes each.

The Chair recognizes the gentleman from Texas (Mr. ROBERTS).

Mr. ROBERTS. Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia (Mr. BRINKLEY), the distinguished chairman of the Subcommittee on Housing.

Mr. BRINKLEY. Mr. Speaker, the Subcommittee on Housing, which it is my honor to chair, convened on May 10, 1977, for the purpose of reviewing the operation of the Veterans' Administration's specially adapted housing program and to consider legislation to amend sec-

tion 801 of title 38, United States Code, to add service-connected disabled veterans who suffer the loss, or loss of use, of one upper and one lower extremity to those disabled veterans currently entitled to grants for specially adapted housing.

Testimony was received from Dr. Jerome C. Peckarsky of the Veterans' Administration, Mr. Charles E. Joeckel of the Disabled American Veterans, and Mr. Donald H. Schwab of the Veterans of Foreign Wars.

On May 17, 1977, the subcommittee unanimously recommended this legislation, now identified as H.R. 7658, to the full committee, which took favorable action thereupon. H.R. 7658 is designed to provide assistance to wartime and peacetime disabled veterans who, while in the service of our country, suffered severe impairment of an upper and lower extremity and are now in need of homes specially adapted with structural facilities that will accommodate their disabilities. This bill is a liberalization of the current law which provides specially adapted housing assistance only for veterans who have a compensable permanent and total service-connected disability:

First, due to the loss or loss of use, of both lower extremities, such as to preclude locomotion without the aid of braces, crutches, canes, or a wheelchair, or

Second, which includes blindness in both eyes having only light perception plus loss, or loss of use, of one lower extremity; or

Third, due to the loss, or loss of use, of one lower extremity, together with residuals or organic disease or injury which so affect the functions of balance or popullsion as to peclude locomotion without resort to a wheelchair.

The assistance furnished under this program consists of payment of 50 percent of the total cost to the eligible veteran of a house having special fixtures or movable facilities made necessary by the nature of the veteran's disability; however, the grant may not exceed $25,000.

In its report to Chairman ROBERTS, assuming an enactment date of October 1, 1977, the VA estimates over a 5-year period that approximately 2,227 veterans would be eligible for the benefit at a total cost of approximately $58,243,500, and that the cost of the bill in fiscal year 1978 is estimated to be $18 million. This cost has been confirmed by the Congressional Budget Office.

H.R. 7658 is cosponsored by every member of the Committee on Veterans' Affairs and we have been joined by Mrs. GLADYS SPELLMAN whose commitment in this area is well known. In addition, it is supported by the administration and most of the veterans' organizations with strong endorsement by the Disabled American Veterans.

Mr. ROBERTS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to commend the gentleman from Georgia, as well as the gentleman from South Dakota (Mr. ABDNOR), the ranking minority member of the Subcommittee on Housing, for their leadership in recommending this legislation to the full committee. It is a good bill and I support it without reservation.

The specially adapted housing program benefits the most severely service-connected disabled veteran. The program was first established in 1948 when it was found that the cost to the veteran when acquiring a specially adapted home was considerably more than the cost of a conventional home. The program is designed to provide enough to absorb the extra amount necessary to equalize the difference in costs.

The assistance furnished under the program consists of payment of 50 percent of the total cost to the eligible veteran of a house having special fixtures or movable facilities made necessary by the nature of the veteran's disability.

Currently, the grant may not exceed $25,000.

Under current law, veterans are eligible for specially adapted housing if they have a compensable permanent and total service-connected disability as follows:

First. Due to loss or loss of use of both lower extremities;

Second. Which involves blindness in both eyes having only light perception plus loss or loss of use of one lower extremity; or

Third. Due to loss or loss of use of one lower extremity together with residuals of organic disease or injury which so affect the functions of balance or propulsion as to preclude locomotion without resorting to a wheelchair.

The reported bill is a logical extension of the law. The bill would add to the specially adapted housing program an additional group of veterans—approximately 2,227—who have a need for special housing facilities. It would provide assistance to veterans with a compensable permanent and total service-connected disability resulting from the loss or loss of use of one upper and one lower extremity.

According to the Congressional Budget Office and the Veterans' Administration, the reported bill, if enacted, would increase Federal outlays by about $18 million in fiscal year 1978, and would have a 5-year cost of about $58 million.

Although the proposed bill will benefit only a few veterans, due to the nature of the disabilities they are among the most seriously disabled and therefore most in need of the benefits.

I urge the adoption of the bill.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 7658.

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in support of H.R. 7658.

This bill would provide an allowance for specially adapted housing to veterans who have lost one upper and one lower extremity, or have lost the use of those extremities.

This allowance is a grant equal to half the total cost of a house, but not in excess of $25,000. This grant enables a veteran to obtain necessary adaptations that are required by the nature of his disability. Existing law authorizes this benefit to those with a service-connected loss of both lower extremities, those who are blinded and have lost or lost the use of a lower extremity, and those who have lost one lower extremity and are wheelchair-ridden due to disease or injury.

The legislation proposed today is a one that is deserved, and it has its own very modest extension of the concept, protective characteristics against abuse. First, it should be noted that a veteran who cannot use one entire side of his body has severe locomotion problems, and needs special adaptive equipment to move about his own home. Second, this bill goes only to service-connected injuries.

In other words, we are saying that the individual suffered a severe disability because of service to our Government, and it is the duty of this Government to minimize the difficulties he now experiences as a result of his service. It is entirely appropriate that we allow the veteran to make his own home as safe and comfortable as possible.

Mr. Speaker, this benefit is deserved. The requirements of specific disability narrow the possible recipients to approximately 2,000. Additionally, the individual himself must absorb half the cost. This is not a free ride, and it is, emphatically, our obligation.

Therefore, I support the bill, and urge my colleagues to do likewise.

Mr. HILLIS. Mr. Speaker, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Indiana.

Mr. HILLIS. Mr. Speaker, I rise in supoort of H.R. 7658. This measure will grant specially adaptive housing to veterans with a permanent service-connected disability due to the loss, or loss of use of, an upper and a lower extremity.

Who can question the need for adaptive housing for someone confined to a wheelchair? How can we explain to the veteran that his service to the country which resulted in a severe disability, does not entitle him to the same freedom of movement, and comforts of home, that the rest of us, who are not disabled, enjoy? H.R. 7658 is supported by the major veterans' organizations, and has been for some 15 years. Yet, Congress has never seen fit to recognize the simple facts of life surrounding these disabled veterans.

I ask my colleagues to consider how difficult it must be for some of these veterans to move around the house. H.R. 7658 will entitle them to a $25,000 grant to equip their homes with the special facilities necessary if they are to lead a comfortable life while at home.

There is no reason to oppose this measure. It should pass without a single no vote. We must recognize the sacrifices these disabled veterans made, and we must do it today.

Mr. ABDNOR. Mr. Speaker, I rise in support of this measure. I will not go into the explanation of the details of this bill because my good friend and colleague, the gentleman from Georgia (Mr. BRINKLEY) has already done so. I would like to say, however, that this bill, even though it does not affect many people will have a profound impact on those few individuals it does. H.R. 7658 will provide the specially adapted housing grant for those veterans who have suffered the loss or loss of use of one upper and one lower extremity. I think that you will agree with me when I say that these severely disabled veterans are truly entitled to any

assistance which we can give them to lead as close to normal lives as possible. The specially adapted housing program was initially designed to assist our seriously disabled veterans in obtaining, designing, and equipping their homes so that they could move about with comparative ease considering the severity of their disabilities. I am positive that very few of us, if any, in this body are even able to comprehend the difficulties that these people must face on a daily basis. Housing should not be one of those. I am sure if we were to go into a specially adapted housing unit, very few of us would be able to notice any difference from a conventionally built home, unless we knew what we were looking for. But nonetheless, the differences are there and they make a world of difference for the disabled. The 6-inch-wider doors, the lower counter and shelf space, the absence of steps, the special facilities in the bath, and the open construction are just a few of the differences. All of these adaptations are essential to facilitate movement of a wheelchair which is a part of these veteran's lives for parts of every day. It is almost inconceivable for me to understand why it has taken us so long to extend this assistance to those veterans who have suffered the loss or loss of use of one upper and one lower extremity. They are definitely deserving of our assistance for they have definitely given so much for their country. I feel that it is our responsibility to act to assist them so that their lives will be a little easier to live. I am proud to be a cosponsor of this legislation and ask that all of my colleagues join me in supporting this measure.

Mrs. COLLINS of Illinois. Mr. Speaker, I rise in support of H.R. 7658, which extends to certain categories of disabled veterans, financial help in purchasing housing with special facilities designed to accommodate their handicaps. Under current legislation these benefits are limited to veterans entitled to compensation for permanent and total disability due to spinal cord disease or injury resulting in paralysis of the legs or lower body.

However, there are other disabled veterans who face comparable disadvantages due to the loss of the use of one upper and one lower extremity. We cannot neglect the veteran who has lost the use of two limbs and cannot move without braces, crutches, canes or a wheelchair. H.R. 7658 would add this group of veterans to the specially adapted housing program, making them eligible to receive 50 percent of the total cost of housing adapted so as to compensate for their disabilities.

The Veterans' Administration estimates that over a 5-year period, approximately 2,227 disabled veterans would be eligible for this benefit, should the reported bill be enacted. These veterans, would otherwise be forced to exist in homes where they are unable to pass through hallways, open doors or perform other, normally simple tasks without assistance.

This legislation restores a small measure of the human dignity to which the disabled veteran is entitled. For this reason I urge my colleagues to join me in support of H.R. 7658.

Mr. TEAGUE. Mr. Speaker, I rise in support of H.R. 7658.

The specially adapted housing program was first established in June 1948 by Public Law 702 of the 80th Congress. Eligibility at that time was limited to those veterans entitled to compensation for permanent and total disability due to spinal cord disease or injury with paralysis of the legs and lower part of the body. These were veterans with the most readily apparent need for specially adapted homes, being paralyzed from the waist down and severely handicapped in their movements and the use of ordinary facilities. Their condition was generally such as to require the use of a wheelchair. Other adaptations included ramps, special bathroom equipment, extra large rooms, exercising facilities and other devices essential for many of them to live comfortably outside of the hospital.

Mr. Speaker, since that time the program has been liberalized to various degrees. Veterans are now eligible for specially adapted housing if they have a permanent and total service-connected disability due to loss or loss of use of both lower extremities; or which involves blindness in both eyes having only light perception plus loss or loss of use of one lower extremity; or due to loss or loss of use on one lower extremity together with residuals of organic disease or injury which so affect the functions of balance or propulsion as to preclude locomotion without resort to a wheelchair.

Mr. Speaker, I concur with statements already made by the chairman of the subcommittee and the chairman of the full committee in support of the legislation. Little more need to be said about these veterans.

The benefit consists of payment of 50 percent of the total cost to the eligible veteran of a house having special fixtures or movable facilities made necessary by the nature of the veteran's disability. The maximum grant may not exceed $25,000.

Most of the veterans organizations testified in support of the legislation and the Disabled American Veterans, who represent more than a half a million service-connected disabled veterans, strongly endorse the legislation. I hope it receives the unanimous support of the House.

Mr. ROBERTS. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. FOLEY). The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill H.R. 7658.

The question was taken.

Mr. HILLIS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

VETERANS AND SURVIVORS PENSION ADJUSTMENT ACT OF 1977

Mr. ROBERTS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7345) to amend title 38 of the United States Code to increase the rates of disability and death pension and to increase the rates of dependency and indemnity compensation for parents, and for other purposes.

The Clerk read as follows:

H.R. 7345

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans and Survivors Pension Adjustment Act of 1977".

TITLE I—VETERANS' AND SURVIVORS' PENSIONS

SEC. 101. Section 521 of title 38, United States Code, is amended—

(1) by amending the table in section (b)(1) to read as follows:

"The monthly rate of pension shall be $198 reduced by—	For each $1 of annual income	
	Which is more than—	But not more than—
$0.00	0	$300
.03	$300	500
.04	500	700
.05	700	900
.06	900	1,100
.07	1,100	1,700
.08	1,700	3,775";

(b) by striking out "$3,540" in subsection (b)(3) and inserting in lieu thereof "$3,775";

(3) by amending the table in subsection (c)(1) to read as follows:

"The monthly rate of pension for a veteran shall be— $213 if he or she has one dependent; $218 if he or she has two dependents; and $223 if he or she has three or more dependents; reduced by—	For each $1 of annual income	
	Which is more than—	But not more than—
$0.00	0	$500
.02	$500	700
.03	700	1,000
.04	1,000	2,000
.05	2,000	3,000
.06	3,000	3,200
.07	3,200	3,600
.08	3,600	5,080";

(4) by striking out "$4,760" in subsection (c)(3) and inserting in lieu thereof "$5,080";

(5) by striking out '$155" in subsection (d)(1) and (2) and inserting in lieu thereof "$165"; and

(6) by striking out "$57" in subsection (e) and inserting in lieu thereof "$61".

SEC. 102. Section 541 of title 38, United States Code, is amended—

(1) by amending the table in subsection (b)(1) to read as follows:

"The monthly rate of pension shall be $134 reduced by—	For each $1 of annual income	
	Which is more than—	But not more than—
$0.00	0	$300
0.01	$300	600
.03	600	900
.04	900	1,100
.05	1,100	1,800
.06	1,800	2,700
.07	2,700	3,755";

(2) by striking out "$3,540" in subsection (b)(3) and inserting in lieu thereof "$3,775";

(3) by amending the table in subsection (c)(1) to read as follows:

"The monthly rate of pension shall be $159 reduced by—	For each $1 of annual income	
	Which is more than—	But not more than—
$0.00	0	$700
.01	$700	1,100
.02	1,100	1,600
.03	1,600	2,400
.04	2,400	2,900
.05	2,900	5,080";

(4) by striking out "$4,760" in subsection (c)(2) and inserting in lieu thereof "$5,080"; and

(5) by striking out "$24" in subsection (d) and inserting in lieu thereof "$26".

SEC. 103. Section 542 of title 38, United States Code, is amended—

(1) by striking out "$57" and "$24" in subsection (a) and inserting in lieu thereof "$61" and "$26", respectively; and

(2) by striking out "$2,890" in subsection (c) and inserting in lieu thereof "$3,080".

SEC. 104. Section 544 of title 38, United States Code, is amended by striking out "$74" and inserting in lieu thereof "$79".

SEC. 105. Section 4 of Public Law 90–275 (82 Stat. 68) is amended to read as follows:

"SEC. 4. The income limitations governing payment of pension under the first sentence of section 9(b) of the Veterans' Pension Act of 1959 hereafter shall be $3,300 and $4,760 instead of $3,100 and $4,460 respectively.".

TITLE II—DEPENDENCY AND INDEMNITY COMPENSATION FOR PARENTS

SEC. 201. Section 415 of title 38, United States Code, is amended—

(1) by amending the table in subsection (b)(1) to read as follows:

"The monthly rate of dependency and indemnity compensation shall be $152 reduced by—	For each $1 of annual income	
	Which is more than—	But not more than—
$0.00	0	$800
.03	$800	1,000
.05	1,000	1,200
.06	1,200	1,500
.08	1,500	3,775";

(2) by striking out "$3,540" in subsection (b)(3) and inserting in lieu thereof "$3,775";

(3) by amending the table in subsection (c)(1) to read as follows:

"The monthly rate of dependency and indemnity compensation shall be $107 reduced by—	For each $1 of annual income of such parent	
	Which is more than—	But not more than—
$0.00	0	$800
.02	$800	1,100
.05	1,100	2,000
.06	2,000	2,600
.07	2,600	3,775";

(4) by striking out "$3,540" in subsection (c)(3) and inserting in lieu thereof "$3,775";

(5) by amending the table in subsection (d)(1) to read as follows:

"The monthly rate of dependency and indemnity compensation shall be $103 reduced by—	For each $1 of the total combined annual income	
	Which is more than—	But not more than—
$0.00	0	$1,000
.02	$1,000	2,000
.03	2,000	2,900
.03	2,900	3,600
.05	3,600	3,900
.06	3,900	5,080";

(6) by striking out "$4,760" in subsection (d)(3) and inserting in lieu thereof "$5,080"; and

(7) by striking out "$74" in subsection (h) and inserting in lieu thereof "$79".

SEC. 202. Section 541 of title 38, United States Code, is amended by adding at the end thereof the following paragraph:

"(g) The monthly rate of pension payable to any surviving spouse under any of subsection (b), (c), or (d) of this section, including the increase, if any, payable under section 544 of this title, shall be increased by 25 per centum beginning on the first day of the month in which the surviving spouse attains age seventy-eight.".

TITLE III—MISCELLANEOUS AND EFFECTIVE DATE PROVISIONS

SEC. 301. Section 322(b) of title 38, United States Code, is amended by striking out "$74" and inserting in lieu thereof "$79".

SEC. 302. The provisions of this Act shall take effect January 1, 1978.

The SPEAKER pro tempore (Mr. FOLEY). Is a second demanded?

Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas (Mr. ROBERTS) will be recognized for 20 minutes, and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. ROBERTS).

Mr. ROBERTS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I strongly support the reported bill and commend the distinguished gentleman from Mississippi, the very able chairman of our Subcommittee on Compensation, Pension, and Insurance for the timely action he and his subcommittee have taken to bring this legislation before the House. Should the bill be enacted it will provide about $190 million in additional benefits to approximately 2.8 million veterans and their survivors, effective January 1, 1978.

The non-service-connected pension program was first created in 1933. It provides financial assistance based upon need to veterans who have had at least 90 days of honorable service during time of war and who become totally and permanently disabled for employment purposes as a result of disability not necessarily related to their military service. A veteran 65 years or over is considered to meet the disability requirements for the payment of pension. Benefits are also payable to widows of war veterans who die as a result of non-service-connected disabilities. The widow must meet income requirements similar to those for veterans; however, there are no disability requirements for a widow to receive non-service-connected death pension.

The reported bill has two major provisions. First, it would provide a 7-percent rate increase in benefits for all veterans and elegible survivors effective January 1, 1978. According to the Congressional Budget Office the cost-of-living increase during this calendar year will be about 6.7 percent.

Second, the bill would also provide that upon reaching the age of 78 years, eligible widows of nonservice-connected-disabled veterans would be entitled to an additional 25 percent in their benefits. As the subcommittee chairman has explained, this add-on is designed to give additional aid to the widows of World War I veterans. Coupled with an identical add-on for veterans at age 78 provided by Public Law 94–432, elderly veterans and their widows will be receiving more than $100 million per year in additional benefits beginning January 1, 1978.

Mr. Speaker, this very worthy bill deserves the unanimous support of the House.

Mr. Speaker, I yield such time as he may consume to the distinguished chairman of the subcommittee, the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Speaker, on May 17 and 18, 1977, the Subcommittee on Compensation, Pension and Insurance, which I have the honor to chair, completed 2 days of hearings on H.R. 1863 and H.R. 1865. These bills relate to the nonservice-connected disability and death pension program which is of great importance to our less fortunate veterans and to their widows and orphans.

According to the latest Veterans' Administration information, the veterans pensions programs provide monthly payments to 1,014,070 veterans with limited income and to 1,743,408 widows and orphans.

Included in the group of widows that these bills would help are more than half a million World War I widows. The bill we have reported, H.R. 7345, incorporates H.R. 1865, and would provide in addition to the 7-percent increase for all pensioners, another increase of 25 percent added pension for widows at age 78. This provides for these World War I widows the same add-on pension we voted last year to give the World War I veterans.

During the hearings we received testimony dealing with the rising cost of living and the need for pension adjustments to make sure our most needy veterans and widows do not suffer.

The Consumer Price Index has risen 3.6 percent since the pension rates were last adjusted on January 1, 1977. In revised estimates mid-May, the Veterans' Administration projected an increase of 6.7 percent by January 1, 1978, which is the date the reported bill would be effective. Social security payments are being increased by 5.9 percent effective with the July checks. Since the proposed increases in the reported bill would become effective January 1, 1978, the 7-percent rate increase we propose would serve to offset expected increases in the Consumer Price Index for all of calendar year 1977 and would be responsive to the real increases in income of pensioners from other Federal income maintenance programs which are indexed to the Consumer Price Index.

The reported bill's increases in maximum rates of 7 percent will be spread by the pension formula throughout the

range of payments relating to each dollar level of other income.

Since pension rate increases standing alone would not benefit the relatively few who would, in 1978, exceed current income limitations, the bill is further designed to increase the upper limits controlling pension entitlement by $235 for single veterans and widows where there is no child and by $320 for veterans having a wife or child and widows with a child or children. These amounts are the amount of increase considered adequate to prevent termination of pension for any pensioner solely because of the increase in his or her social security benefits.

The income limit provided under the current law for veterans and widows without dependents would be increased from $3,540 to $3,775. The income limit for a veteran or a widow with dependents would be increased from $4,760 to $5,080.

The reported bill would assure that no pensioner will lose his or her pension solely as a result of his or her social security increase. The reported bill would provide, effective January 1, 1978, a 7-percent increase in pension rates with appropriate increases in the annual income limitations for pensioners to guard against loss of their pension solely from the 5.9-percent increase in social security beginning July 1, 1977. It would also provide a 25-percent increase in widow's pension rates at age 78, in addition to the 7-percent increase for all eligible pensioners. This added differential is based solely on the increasing financial needs of the elderly, whether veteran or widow, as was determined necessary in the 94th Congress when veteran pensioners over the age 78 were awarded this 25-percent differential.

This added benefit is based on age and not period of service. The committee wishes to emphasize, however, that the 25-percent add-on serves to help the widows of World War I veterans.

Last year the Congress determined that the current pension program does not completely provide sufficient assistance to meet the needs of some eligible veterans and survivors. In addition, it determined that the current system has developed some inconsistencies, inequities, and anomalies which prevent the current pension program from operating in the most efficient and equitable manner, and subjects a few pensioners annually to a reduction in their pensions. Accordingly, Congress directed the Veterans' Administration to conduct a "comprehensive investigation, analysis, and evaluation of existing and alternative non-service-connected pension programs." The report due to be submitted no later than October 1, 1977, is to include the following:

First. Income characteristics of veterans and survivors currently in receipt of non-service-connected pension;

Second. Actual and anticipated long-term financial characteristics of pensioners including those veterans and survivors—and their families—who may be potentially eligible for benefits under the non-service-connected pension program during the next 25 years;

Third. Identification and analysis of existing inequities, anomalies, and inconsistencies contained in the current non-service-connected pension program;

Fourth. Current and proposed income exclusions;

Fifth. Particular problems and needs of catastrophically disabled non-service-connected pensioners; and

Sixth. Alternative proposals which—

Assure a level of income for eligible veterans at or above the national minimum standard of need;

Treat similarly circumstanced pensioners alike; and

Provide the greatest amount of assistance to those with the greatest amount of need.

Pending receipt of such report, the committee has reported this bill as an interim measure. The committee expects to conduct a thorough review of the findings and recommendations of the Veterans' Administration. As soon as that study is available and a staff study and evaluation is completed, hearings will be scheduled to review the entire pension programs and to review several bills which have been introduced to address one facet or another of the program. At that time, structural changes may be necessary to permit an integrated and comprehensive solution.

I must tell you, however, this bill, while an interim measure, does respond to the pressing needs of our present pensioners.

Under current law, by counting only 90 percent of a person's social security or other retirement annuities, the reported bill will allow a veteran with dependents actually to have an income of approximately $5,645 and still meet the countable income limitation of $5,080 and receive a pension. In addition, the veteran's spouse could have retirement income up to $1,333 without any of it being counted as the veteran's income. Therefore, it would be possible for a veteran and his spouse to have a total joint income from social security or other retirement anuities of approximately $6,978 and the veteran would still be eligible for a pension from the Veterans' Administration.

Nor is this bill in any sense a bill designed to save money at the expense of veterans and their survivors. Cost estimates provided by the Veterans' Administration show a cost for fiscal year 1978 of $184.9 million and for 5 years the cost is projected at $1,124.6 million.

In the first year the older World War I widows will receive a 7-percent basic pension rate increase in addition to a 25-percent total pension add-on.

The bill is, then, something that we can all be proud of.

You would also want to know that it is supported by all of the major service organizations.

Mr. Speaker, I must now tell you that we could not have brought you this bill without the complete cooperation of our distinguished chairman, Mr. ROBERTS, the gentleman from Texas. I thank him for his support, counsel and leadership. I also owe my thanks to the gentleman from Ohio (Mr. WYLIE), who is the distinguished ranking minority member of the subcommittee. He has given leadership, understanding and support. He has my sincere thanks.

I would, here, express also my appreciation for the help and support we had from the distinguished gentleman from Arkansas, ranking minority member of the full committee, Mr. HAMMERSCHMIDT and to all of those who are members of the subcommittee. They joined with enthusiasm in our efforts to safeguard the benefits of our veterans and their survivors.

In the interest of this large number of veterans and survivors with limited income, more than 2.8 million, I would ask for unanimous approval by the House.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to express pleasure because of the fine work of our subcommittee chairman, the gentleman from Mississippi (Mr. MONTGOMERY), as well as the ranking minority member, the gentleman from Ohio (Mr. WYLIE).

Mr. Speaker, I rise in support of H.R. 7345.

This bill provides a 7-percent increase in pension rates for veterans and their widows. It also increases aid and attendance allowances for both eligible veterans and widows, as well as dependency and indemnity compensation for parents by that percentage, and provides a 25-percent increase in widows' pension rates once they reach age 78. This latter provision brings elderly widows' pension within the same requirements as veteran pensioners themselves.

Another positive feature of this bill is that it increases the maximum annual income limits which determine entitlement to pension. This minimizes possible loss of pension due to the social security increase recently voted by the Congress, which take effect this month.

Mr. Speaker, we have had many recommendations to our committee by various Members regarding the veterans' pension system. While we welcome such suggestions, I believe it unwise to adopt any of them at this time. The pension system is currently being reviewed and evaluated by the Veterans' Administration, and a final extensive report is due to be published this October. It would be a mistake to adopt a piecemeal approach to a situation that is now being reviewed in its entirety.

This bill before us preserves a veteran's pension entitlement, and the purchasing power therein, pending our examination of the alternatives to be presented us this autumn by the Veterans' Administration. The percentage increase in payment rates reflects the increase in the cost of living as measured by the Consumer Price Index since the last adjustment in pension rates.

For these reasons, I support the legislation, and recommend it to my colleagues.

Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. Mr. Speaker, I rise in support of the measure, H.R. 7345. This legislation has many important features. Among other provisions, H.R. 7345, provides a 7-percent increase in pension rates for veterans, and their widows. It also increases the annual income limitation for veterans, and their widows, in order that the July 1 increase in social security benefits can be compensated. Aid and attendance allowance for veterans is increased from $155 to $165 per month. Housebound allowances are increased from $57 to $61 per month. The measure increases DIC rates by 7 percent and income limits for parents' DIC by 6.7 percent.

Another major provision of the bill is to increase by 25 percent widows' pension rates at the age of 78. The same increase was enacted last year for veterans. The most commonly shared characteristic of the elderly is that they are poor. The widow, whose only income is her VA pension, will benefit greatly from this provision. She will be able to do more, live a better and happier life, due to our efforts here today.

Since VA pensions are not automatically increased, as are social security benefits, it is up to the Congress to pass legislation each year to offset the effects of inflation. It is important that this measure be passed today if the other body is to have ample time to consider it. I support its passage, and urge my colleagues to do the same.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. WHELAN).

Mr. WHELAN. I thank the gentleman from Arkansas for yielding.

Mr. Speaker, I take this time to direct a question to the gentleman from Mississippi (Mr. MONTGOMERY) who is managing the bill. Am I correct in understanding that there is no passthrough provision in this measure? To put it more specifically, if there is an increase in social security benefits to recipients of veterans' benefits, what would be the effect?

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. I thank the gentleman for yielding.

The gentleman is correct; there is no passthrough in this legislation. However, we hope that by the way we have drawn up the legislation no persons who are drawing pension checks at this time will be cut off of the rolls because of social security increases.

The gentleman from Ohio brings up a very important problem. In some cases where we have given the pension raise to the pensioners some do not get the full raise because their social security increase has pushed them above the income limitation. We have requested and it is in the law that the Veterans' Administration will have to report back to the Congress by October 1 to make recommendations so that we can correct the situation the gentleman has just mentioned. We hope by 1978 that we can make some of the corrections that the gentleman has mentioned to correct the problem that when some of the pensioners are given these raises they do not get the benefit because of the effect on their total income. The gentleman has raised a good point.

Mr. WHALEN. As the gentleman from Mississippi undoubtedly knows, there are over 100 Members of this body who have cosponsored bills to provide that veterans pensioners would not be penalized by getting a raise in their social security benefits. So do I understand that the gentleman from Mississippi is saying that this measure will be given consideration by the committee?

Mr. MONTGOMERY. That is correct and I appreciate the gentleman bringing up this important point.

Mr. WHALEN. I thank the gentleman from Mississippi for that assurance.

I do support H.R. 7345 as proposed.

Mr. ROBERTS. Mr. Speaker, I commend the gentleman from Arkansas (Mr. HAMMERSCHMIDT), the ranking minority member of the subcommittee, and the chairmen of the subcommittees and the ranking minority members of the subcommittees on all these bills.

Mr. SAWYER. Mr. Speaker, I rise in support of H.R. 7345 and ask that all of my colleagues join me in supporting this measure. The cost-of-living increase provided for in this measure is important, not only because it is a cost-of-living increase, but that it is sorely needed by those entitled to receive it. The cost-of-living has soared since the last increase, and unfortunately, though we all hope that the increasing trend will reverse itself, it has not. In fact, the near future does not indicate a change either. The mere fact that the nonservice-connected pension program is a needs-based one underscores the need for this bill even more. Those on fixed incomes need the assistance. The 7-percent increase provided for in this bill delivers that assistance. The increase in the maximum earning levels to $3,775 and $5,080 for single veterans and veterans with dependents, respectively, add to its importance. These are reasons along why we should act favorably on this bill. Last Congress, we passed a bill which provided for a 25 percent additional pension to pensioners when they reached age 78. I believe that that legislation was good legislation. H.R. 7345 broadens that legislation to include widows who have reached age 78. This move is a logical progression as far as I am concerned. When a woman reaches age 78, chances are that she is on a fixed income. To lose her husband puts her in an even tighter bind. If you remember that this pension is needs-based, I think that that fact alone describes the situation as well as I can. It is good legislation, and it is needed legislation. I urge your support.

Mr. BIAGGI. Mr. Speaker, I rise in full support of H.R. 7345, legislation to provide important adjustments and increases in the pensions of veterans and their survivors. Passage of this bill will be an important demonstration to our elderly veterans and their widows that we are committed to their economic security in these perilous times.

Specifically, the legislation provides for a 7-percent cost-of-living increase, effective January 1, 1978, for veterans' and survivors' nonservice-connected pensions, as well as for so-called parents DIC benefits. A key feature of this legislation is the increase it provides in the income limitations for pension eligibility. The main objective of this increase is to prevent the upcoming 5.9 percent social security cost-of-living increase from making a veteran ineligible for continued pension payments.

I am also greatly heartened that the bill contains a 25-percent add-on to the pensions of the widows of World War I veterans who have attained the age of 78. This is a follow-up to legislation which the 94th Congress enacted providing a similar increase just for WW I veterans. It is apparent that our older veterans and their widows are among those groups in this Nation struggling hardest economically for their survival. Their pensions have in no way kept pace with the relentless increases in the cost of living. I am a cosponsor of H.R. 55, legislation to establish a separate pension plan for all WW I veterans and their widows. An amendment setting aside funds in the budget for this program was approved overwhelmingly during consideration of the budget resolution. While we await final action on this legislation, H.R. 7345 serves as a most effective interim measure.

In fact, this entire bill is an interim measure, for the committee and the Congress are awaiting the October study from the Veterans' Administration on the entire veterans' pension program. It is most obvious, however, that we cannot wait until the submission and consideration of this report before taking necessary action. Thus the reason for this bill today.

The current veterans' pension program is geared to assisting elderly veterans and their widows. As a member of the House Select Committee on Aging, I am aware that inadequate income is the foremost problem confronting our elderly citizens. The situation is most acute for those living on fixed incomes. It is a fact that the numbers of Americans aged 65 and older are steadily increasing. At the present time, there are approximately 21 million elderly Americans. By the year 2000, the number will soar to 30 million. Therefore, it is wise for us to begin to meet the challenge now, which this demographic phenomenon will present in the not-too-distant future.

Certainly, making our veterans' pensions more responsive to the economic realities of the day is one important step. This is precisely what this legislation will do and it merits full support. We cannot abandon those who served our Nation in times of war and those who lost their loved ones in wartime service.

Mr. CORRADA. Mr. Speaker, I rise in support of H.R. 7345. I am glad to see that the bill addresses the increasing financial needs of the pensioned veteran or his widow. It is essential that Congress adjust veterans' pension and compensation rates to offset expected increases in the Consumer Price Index for the remainder of calendar year 1977.

The bill's 7-percent increase for all eligible pensioners appears to adequately protect the pensions from inflation and other cost-of-living-related economic effects. The same rationale follows for adjusting pension rates to offset reductions in the pension as a result of social security increases.

Although I believe the only way we can permanently assure that no pensioner will lose his or her pension solely because of his or her social security increase is by preventing the consideration of social security increases in the computation of veterans' pensions, the bill currently before us presents an ideal interim method of dealing with the 5.9 percent July 1977 increase in social security. As to future social security increases I hope we will deal with this recurring problem in a more permanent manner.

There are 160,000 veterans in Puerto Rico many of which served valiantly in World War I, World War II, the Korean war or the Vietnam war. A good number of the veterans residing in Puerto Rico receive pensions or some other form of compensation from the Veterans' Administration. I am very aware that many of these pensioned veterans, like pensioned veterans elsewhere in the United States, rely heavily on their pensions to meet living costs. In light of the large number of veterans residing in high-cost-of-living area such as Puerto Rico I am pleased with the 7-percent increase in pension rates as proposed in H.R. 7345, which provides for a relief very badly needed by that portion of the veterans population receiving non-service-connected pensions.

Mr. GIAIMO. Mr. Speaker, I rise in support of H.R. 7345 and H.R. 7658, the two veterans bills on suspension today. These bills are completely consistent with the first budget resolution targets and assumptions.

H.R. 7345, the Veterans and Survivors Pension Adjustment Act, provides a cost-of-living increase to veterans pensioners and survivors. Since the veterans pension program is not automatically indexed to the cost of living, action is required each year to raise these benefits.

I especially applaud the subcommittee chairman, Mr. MONTGOMERY, the full committee chairman, Mr. ROBERTS, and their colleagues on the Veterans' Affairs Committee for including a special increase for surviving spouses age 78 and older. This action will bring benefits for older survivors in line with those for veterans age 78 and older. Last year, we acted to raise by 25 percent benefits for veterans age 78 and older. Many of my colleagues have expressed concern about the plight of older veterans, particularly those from the World War I era, and this bill and last year's action offers such veterans and their survivors significant assistance.

H.R. 7658 liberalizes current law to provide specially adapted housing assistance to veterans with a compensable permanent and total service-connected disability resulting from the loss, or loss of use, of one upper and one lower extremity.

I urge my colleagues to support these badly needed new initiatives.

Mr. BEDELL. Mr. Speaker, I rise in support of H.R. 7345, the Veterans' and Survivors' Pension Adjustment Act of 1977. I think that this measure, which would provide a 7-percent cost-of-living increase for veterans' and survivors' non-service-connected pensions and for parents' dependency and indemnity compensation benefits, effective January 1, 1988, is a necessary and extremely important piece of legislation, and I urge its prompt enactment into law.

At the same time, however, I am afraid that some of the information circulated by the architects of H.R. 7345 is slightly misleading, and I think that the bill avoids an issue which needs to be discussed. I would thus like to take just a brief moment of my colleagues' time to expand these points.

The sponsors of this legislation point out—and I am now quoting directly from the House Veterans' Affairs Committee report on H.R. 7345—that "Under the formula pension plan as liberalized by Public Law 94–432, effective January 1, 1977, no pensioner lost his pension solely because of the increase in his or her social security benefits which became effective in 1976. Under the liberalized formula it is further true that no pensioner suffered a loss in total aggregate income as a result of his or her social security payments."

The committee report goes on to contend that, "the amendments proposed by this bill for 1978 would again insure that there would be no termination of pension or reduction in aggregate income of the pensioner resulting solely from his 5.9 percent security increase which will become effective in June of this year."

The fact of the matter is that while recipients of veterans pensions may not have suffered a loss in "total aggregate income" as a result of their social security cost-of-living increase, many did suffer a reduction in the level of their veterans' pension which effectively negated the full impact—and, I might add, the congressional intent—of that social security cost-of-living increase. And this situation was true for recipients of a variety of other Federal pensions as well.

In light of this reality, I suggest that committee assurances will provide little solace to my constituents—and to your constituents—who did in fact have their veterans' benefits decreased last January as a result of their social security cost-of-living increase.

Mr. Speaker, I have long been concerned about the provision in current law which permits reductions in other Federal pensions in certain cases when social security benefits are increased. The problem is simple. Social security cost-of-living increases often push recipients into a higher income bracket. As a result, many individuals who also receive other Federal pensions, suffer a corresponding reduction in that pension. Veterans are a particularly striking case in point.

In my view, there is no justification for allowing this situation to continue. One of the first bills I introduced in the 94th Congress was designed to remedy this problem by requiring that social security cost-of-living increases be disregarded as a factor in determining allowable income for those receiving benefits from any other Federal or federally assisted program, until such time as there is a general adjustment in such program. Since that time, I have introduced several other bills which attempt to get at this problem from slightly different angles. Unfortunately, we have to date received no committee consideration of any of these proposals.

Mr. Speaker, I regret that the House is today considering H.R. 7345 under suspension of the rules, a procedure which does not permit floor amendments, for I believe that the legislation should include a provision that social security cost-of-living increases be disregarded when computing income under a means-tested program, until such time as there is a general adjustment in such program. If permissible, I would have offered such an amendment myself.

Nevertheless, I think that each Member of the House should be aware of this very real human problem, and should be warned about the somewhat misleading information being circulated in regard to H.R. 7345. In my judgment, it is simply not acceptable to state that, under this bill, no individual will suffer a loss in "total aggregate income" because of his or her social security payments, and to leave it at that. If a cost-of-living increase is designed to offset the effects of inflation, it makes no sense to juggle benefits so that a recipient's total aggregate income remains relatively constant despite the fact that he or she received a social security cost-of-living increase.

I believe that rather than obviating or diminishing the need for timely congressional consideration of the cost-of-living adjustment issue, H.R. 7345 simply underscores the need for prompt attention to it. For too many senior citizens, the social security increase has become a cruel hoax. It is time to end this charade, and it is important to recognize that H.R. 7345 will not accomplish that for affected veterans.

In its report, the House Veterans' Affairs Committee notes widespread concern that the current veterans pension program does not provide assistance sufficient to meet the needs of some eligible veterans and survivors. I think that this is an accurate statement, and it points to an issue which requires timely attention. In 1976, Congress directed the Veterans' Administration to conduct a comprehensive analysis and evaluation of exiting and alternative non-service-connected pension programs and to report to Congress by October 1, 1977. It is my understanding that, upon receipt of this study, the House Veterans' Committee intends to work on legislation which would reform our current veterans pension program. I hope that such legislation will constructively and effectively correct the problem which currently arises for many veterans when social security cost-of-living increases are implemented—a problem which is not adequately addressed in H.R. 7345. And, beyond that, I hope that the appropriate congressional committees will take similar action to correct this problem where it occurs in other Federal pension pro-

grams which fall within their jurisdiction.

Mr. CONTE. Mr. Speaker, I rise in support of the bill H.R. 7345, which will prevent a reduction in veterans' pensions because of the 5.9 percent cost-of-living increase in social security payments, which became effective this past July 1.

Eighty percent of those who receive veteran's pension benefits receive social security as well. It is the main source of income for aged and disabled veterans and their dependents.

Recognizing the burden of inflation on those with fixed incomes, Congress has authorized a 5.9-percent increase in social security payments to compensate for the recent rise in the Consumer Price Index. The aim of this legislation is to help the aged of this country maintain a decent standard of living.

But for nearly 5½ million people, this increase in social security benefits, could result in a net loss in income. For almost all it would mean a decrease in pension payments. For some it would mean a loss of their pensions. The cost of living increase in social security will push them over the income limitation.

This bill seeks to remove this unconscionable form of Federal "Indian giving" and continue to protect the aged veteran from the price increases of a fluctuating economy. The bill authorizes a 7 percent increase in pension rates with a complementary increase in the annual income limitation for persons to guard against the loss of their pension solely from this cost-of-living increase. The Consumer Price Index is expected to rise 6.7 percent this year and we must continue to protect those disabled veterans who are further crippled by inflation.

According to a survey taken in my district, 74 percent of those responding indicated that receiving one Federal pension should not work to reduce another. In the past, Congress has affirmed this belief by acting favorably on legislation that is similar to what is before us today.

The committee in its report stated that this is an interim measure until the VA study on veterans' pension, authorized by Congress, is completed in October.

But, the problem of inflation is a permanent one, requiring a permanent solution. On January 4, I introduced a bill with the gentleman from Tennessee (Mr. FORD) which would insure that veterans' pensions and compensation would not be reduced or discontinued because of increases in social security payments. While that bill languishes in the Veterans' Affairs Committee, I urge the adoption of the measure before us today.

Thank you.

Mr. ABDNOR. Mr. Speaker, I rise in support of H.R. 7345 and ask that all of my colleagues join me in their support in this bill. This legislation provides for a 7-percent cost-of-living increase to those veterans and their dependents who are entitled to draw a pension, as well as extending an additional 25-percent increase to widows when they reach the age of 78. The mere fact that the veterans pension program has always been based on need shows the importance of this bill. The way that the cost-of-living has been soaring in the last 6 months had had an impact on all of us. The especially affected are those on fixed incomes. I am sure that I do not have to elaborate on the needs and problems faced by those on fixed incomes. Those eligible to draw a veterans pension are definitely among that group. We have heard much debate in the last few months about pensions. We will probably see significant pension legislation in the near future that will change the current pension program, but until then I know that we must do what we can to help those current pensioners in fighting the effects of inflation. I have spent all of my time expressing my support for the cost-of-living increase provided for in this bill, now I would like to turn to the second major change that this bill incorporates—that being the 25-percent additional pension for widows when they reach age 78. It seems to me that this additional amount is even more important to our country's older veterans' widows than the cost-of-living provision. They are most definitely affected by many, many factors caused by inflation. I have high hopes that the continued increase of inflation will be turned around very soon, but until that time we must do what we can to help our older veterans and their dependents fight those new battles that are having such a crippling effect on their buying power. I urge all of you to vote in favor of this bill.

Mr. ASHBROOK. Mr. Speaker, I rise in strong support of H.R. 7345, the Veterans and Survivors Pension Adjustment Act of 1977. This bill will provide needed increases in the rates of pensions which are awarded to veterans because of age or non-service-connected disability. It will also increase the amount provided to widows, parents and children of veterans.

Effective January 1, 1978, eligible veterans will receive a 7-percent hike in their pension rates. The annual income limitations will likewise be increased in order to protect an individual from losing his or her pension because of a social security increase.

The income for veterans and widows without dependents would receive a $235 boost from $3,540 to $3,775. A veteran or widow with dependents would receive a $320 increase from $4,760 to $5,080.

In addition, widows' pension rates at age 78 would get a 25-percent boost. This will help provide a measure of relief for their financial needs.

Given the current rate of inflation, these increases in pension benefits are absolutely necessary. In fact, the 7-percent increase will only serve to cover the higher cost of living. This certainly is the minimum we can do for our veterans.

Again, I strongly support this legislation and I urge its adoption.

Mr. BROYHILL. Mr. Speaker, I rise in support of H.R. 7345, the "Veterans and Survivors Pension Adjustment Act of 1977." The passage of this measure is essential if we are to preserve the buying power of our non-service-connected disabled veterans and their survivors.

As we all know, the pension program was established by Congress to provide financial assistance to veterans and their families who are in need. Thus, these benefits are affected by a pensioner's income—the more outside income he has, the less pension benefit that he is paid. In determining a pensioner's income, social security benefits, as well as other retirement income, is considered. Therefore, the 5.9 percent increase in social security benefits that will be paid this July will count against all pensioners in January 1978 if this bill is not approved. The enactment of this measure will insure that pensioners will not be terminated from the pension rolls solely because their social security benefits are increased to meet the rise in the cost-of-living.

H.R. 7345 increases pension rates by 7 percent and increases the income ceilings to $5,080 and to $3,775 for pensioner's without dependents Recognizing the increasing financial needs of the elderly veteran and his surviving widow, the legislation also grants widows who are 78 and older who are receiving a pension, the 7 percent increase and a 25 percent differential to the benefits they receive. It is only fitting that such security be provided the survivors of our World War I veterans—the 94th Congress provided them this same benefit.

This legislation certainly is not the answer to the recurring problems of the pension program. But, this is an interim measure that should assist the veteran and his survivors until such time as the Congress has had the opportunity to review the findings and recommendations of the Administrator of Veterans Affairs. The 1976 pension law approved by Congress required that the Administrator's report be furnished not later than October 1, 1977. As a result of this study, I am hopeful that a more equitable pension system can be developed.

Mr. Speaker, it is necessary for Congress to review the pension program periodically and adjust pension rates and income ceilings to insure that needy, disabled, wartime veterans and their survivors do not suffer unduly because of inflation. In my opinion, this bill is responsive to these needs. I am hopeful that my colleagues will join with me today in supporting this worthwhile and necessary measure.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, there is no justification for opposing this bill. I will vote for it. If we accept the concept of pensions for needy veterans, we should accept the concept that the real purchasing power of pensions must be maintained. That is what this bill does.

But I would like to point out the unfortunate situation we are getting into, of which this bill is an illustration. As long as inflation continues, we are building in not only all the other difficulties that have been the subject of so much attention but also a new kind of uncontrollable element in the Federal budget. In social security, civil service retirement and some other programs, indexation is now automatic; as this bill illustrates perfectly, indexation of veterans benefits has become semi-automatic.

The payoff for getting better control of inflation will, therefore, be more than normally meets the eye. Reduced inflation will mean a saving of literally hundreds of millions of dollars annually in Federal spending that is now buying us

nothing but inflation protection. That money could be used to reduce taxes or expand outlays where Congress determines that more spending is needed.

The Subcommittee on Economic Stabilization, of which I am chairman, is focusing its attention on all aspects of inflation, domestic and international. We have found no dramatic solutions, but we shall pursue our search. In the meanwhile, the members of the House ought to be aware that this noncontroversial and desirable bill, with its cost of about $200 million, in fiscal 1978 and later years, is a consequence solely of inflation and our failure so far to mitigate it.

Mr. TEAGUE. Mr. Speaker, I rise to join my colleagues in support of H.R. 7345. It is fitting, first, that I thank the distinguished gentleman from Mississippi for his excellent work in bringing this legislation to this point. I would compliment, as well, the chairman of the full committee, the gentleman from Texas (Mr. ROBERTS), and the gentleman from Ohio, the distinguished ranking minority member of the subcommittee, Mr. WYLIE, for developing this bill. My thanks also go to the ranking minority member of the full committee, the distinguished gentleman from Arkansas (Mr. HAMMERSCHMIDT).

Pension is a monthly benefit payable on the basis of need to wartime veterans who are totally disabled from non-service-connected causes or who have attained age 65 and to widows of such veterans who have died of non-service-connected causes.

H.R. 7345 would increase the top rates of pension by 7 percent. It also increases rates of pension for widows aged 78 or older by another 25 percent.

The 7 percent is in anticipation of cost-of-living increases of about 6.7 percent expected by January 1, 1978, the proposed effective date of the law.

Need for pension is governed by income limits. The rate of pension paid to those whose countable incomes do not exceed maximum income limits is based on a formula. Those with the least income receive the most pension. Those with the most income receive the least pension.

Historically, the Congress has thus adjusted pension rates to recognize the effects of inflation and at the same time has increased the maximum income limits.

The increases in income limits this bill would provide have been set to be sure that no pensioner will lose his pension solely because of his 5.9 percent social security increase which he will begin to receive July 1, 1977.

The 25 percent increase for widows will provide the same benefit we voted last year to give older veterans. This provision speaks in a real way to the needs of the older, chiefly World War I, pensioners for whom we have all been concerned.

I shall vote for this bill and I recommend that my colleagues do so too.

GENERAL LEAVE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the three veterans' bills considered today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill H.R. 7345.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b) of rule XXVII, and the prior announcement of the Chair, further proceedings on this motion will be postponed.

SAFE DRINKING WATER AMENDMENTS OF 1977

Mr. ROGERS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6827) to amend the Public Health Service Act to extend certain authorities and authorize appropriations for certain fiscal years for purposes of providing assistance to States with respect to safe drinking water, and for other purposes, as amended.

The Clerk read as follows:

H.R. 6827

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Safe Drinking Water Amendments of 1977".

AUTHORIZATION OF APPROPRIATIONS

SEC. 2. (a) Section 1442(c) of the Public Health Service Act is amended by inserting "other than subsection (a) (2) (B) and provisions relating to research" after "section"; by striking out "and"; and by striking out the period at the end thereof and substituting "; and $17,000,000 for each of the fiscal years 1978 and 1979. There are authorized to be appropriated to carry out subsection (a) (2) (B) $8,000,000 for each of the fiscal years 1978 and 1979.".

(b) Section 1443(a)(5) of such Act is amended by striking out "and" and by inserting before the period at the end thereof: ", $35,000,000 for fiscal year 1978, and $45,000,000 for fiscal year 1979".

(c) Section 1443(b)(5) of such Act is amended by striking out "and", and by inserting before the period at the end thereof: ", and $10,000,000 for each of the fiscal years 1978 and 1979".

(d) Section 3(c) of the Safe Drinking Water Act is amended by striking out "and" and by inserting "; and $1,000,000 for each of fiscal years 1978 and 1979" after "1977".

(e) Nothing in this Act shall be construed to authorize the appropriation of any amount for research under title XIV of the Public Health Service Act (relating to safe drinking water).

STUDIES

SEC. 3. (a) Section 1442(a)(3) of the Public Health Service Act is amended by inserting "(A)" after "(3)" and by adding the following at the end thereof:

"(B) Not later than eighteen months after the date of enactment of this subparagraph, the Administrator shall submit a report to Congress which identifies and analyzes—

"(i) the anticipated costs of compliance with interim and revised national primary drinking water regulations and the anticipated costs to States and units of local governments in implementing such regulations;

"(ii) alternative methods of (including alternative treatment techniques for) compliance with such regulations;

"(iii) methods of paying the cost of compliance by public water systems with national primary drinking water regulations, including user charges, State or local taxes or subsidies, Federal grants (including planning or construction grants, or both), loans, and loan guarantees, and other methods of assisting in paying the costs of such compliance;

"(iv) the advantages and disadvantages of each of the methods referred to in clauses (ii) and (iii);

"(v) the sources of revenue presently available (and projected to be available) to public water systems to meet current and future expenses; and

"(vi) the costs of drinking water paid by residential and industrial consumers in a sample of large, medium, and small public water systems and of individually owned wells, and the reasons for any differences in such costs.

The report required by this subparagraph shall identify and analyze the items required in clauses (i) through (v) separately with respect to public water systems serving small communities. The report required by this subparagraph shall include such recommendations as the Administrator deems appropriate.".

(b) Section 1442 of such Act is amended by redesignating subsection (c) as (e) and by inserting the following new subsection after subsection (b):

"(c) Not later than eighteen months after the date of enactment of this subsection, the Administrator shall submit a report to Congress on the present and projected future availability of an adequate and dependable supply of safe drinking water to meet present and projected future need. Such report shall include an analysis of the future demand for drinking water and other competing uses of water, the availability and use of methods to conserve water or reduce demand, the adequacy of present measures to assure adequate and dependable supplies of safe drinking water, and the problems (financial, legal, or other) which need to be resolved in order to assure the availability of such supplies for the future. Existing information and data compiled by the National Water Commission and others shall be utilized to the extent possible.".

(c) Section 1412(e)(2) of such Act is amended by inserting before the period at the end of the first sentence thereof the following: ", and revisions thereof reflecting new information which has become available since the most recent previous report shall be reported to the Congress each two years thereafter".

(d) Section 3(b) of the Safe Drinking Water Act is amended by striking out "for transmittal" and inserting "and" in lieu thereof.

(e)(1) Section 1442(a) of such Act is amended by adding the following new paragraphs at the end thereof:

"(10) The Administrator shall carry out a study of the reaction of chlorine and humic acids and the effects of the contaminants which result from such reaction on public health and on the safety of drinking water, including any carcinogenic effect.

"(11) The Administrator shall carry out a study of polychlorinated biphenyl contamination of actual or potential sources of drinking water, contamination of such sources by other substances known or suspected to be harmful to public health, the effects of such contamination, and means of

removing, treating, or otherwise controlling such contamination. To assist in carrying out this paragraph, the Administrator is authorized to make grants to public agencies and private nonprofit institutions.".

(2) Nothing in this Act shall be construed to alter or affect the Administrator's authority or duty under title 14 of the Public Health Service Act to promulgate regulations or take other action with respect to any contaminant.

TRAINING

SEC. 4. Section 1442 of the Public Health Service Act, as amended by section 3(b) of this Act, is further amended by inserting the following new subsection after subsection (c);

"(d) The Administrator shall—

"(1) provide training for, and make grants for training (including postgraduate training) of (A) personnel of State agencies which have primary enforcement responsibility and of agencies of units of local government to which enforcement responsibilities have been delegated by the State, and (B) personnel who manage or operate public water systems, and

"(2) make grants for postgraduate training of individuals (including grants to educational institutions for traineeships) for purposes of qualifying such individuals to work as personnel referred to in paragraph (1).

Reasonable fees may be charged for training provided under paragraph (1)(B) to persons other than personnel of State or local agencies but such training shall be provided to personnel of State or local agencies without charge.".

GRANTS FOR STATE PROGRAMS

SEC. 5. (a) Section 1443(a) of the Public Health Service Act is amended by redesignating paragraph (5) as paragraph (7) and by inserting after paragraph (4) the following new paragraphs:

"(5) The prohibition contained in the last sentence of paragraph (2) may be waived by the Administrator with respect to a grant to a State through fiscal year 1979 but such prohibition may only be waived if, in the judgment of the Administrator—

"(A) the State is making a diligent effort to assume and maintain primary enforcement responsibility for public water systems within the State;

"(B) the State has made significant progress toward assuming and maintaining such primary enforcement responsibility; and

"(C) there is reason to believe the State will assume such primary enforcement responsibility by October 1, 1979.

The amount of any grant awarded for the fiscal years 1978 and 1979 pursuant to a waiver under this paragraph may not exceed 75 per centum of the allotment which the State would have received for such fiscal year if it has assumed and maintained such primary enforcement responsibility. The remaining 25 per centum of the amount allotted to such State for such fiscal year shall be retained by the Administrator, and the Administrator may award such amount to such State at such time as the State assumes such responsibility before the beginning of fiscal year 1980. At the beginning of each fiscal years 1979 and 1980 the amounts retained by the Administrator for any preceding fiscal year and not awarded by the beginning fiscal year 1979 or 1980 to the States to which such amounts were originally allotted may be removed from the original allotment and reallotted for fiscal year 1979 or 1980 (as the case may be) to States which have assumed primary enforcement responsibility by the beginning of such fiscal year.

"(6) The Administrator shall notify the State of the approval or disapproval of any application for a grant under this section—

"(A) within ninety days after receipt of such application, or

"(B) not later than the first day of the fiscal year for which the grant application is made,

whichever is later.".

EXTENSION OF DEADLINE FOR STATE UNDERGROUND INJECTION CONTROL PROGRAMS

SEC. 6. (a) Section 1422(b)(1)(A) of the Public Health Service Act is amended by inserting the following new sentence at the end thereof: "The Administrator may, for good cause, extend the date for submission of an application by any State under this subparagraph for a period not to exceed an additional 270 days."

(b) Section 1421(b) of such Act is amended by inserting the following new paragraph at the end thereof:

"(3)(A) The regulations of the Administrator under this section shall permit or provide for consideration of varying geologic, hydrological, or historical conditions in different States and in different areas within a State.

"(B) Nothing in this section shall be construed to alter or affect the duty to assure that underground sources of drinking water will not be endangered by any underground injection."

EXTENSION OF AUTHORITY TO ASSURE AVAILABILITY OF CHEMICALS NEEDED FOR WATER TREATMENT

SEC. 7. Section 1441(f) of the Public Health Service Act is amended by striking out "June 30, 1977" and inserting in lieu thereof "September 30, 1979".

FEDERAL AGENCIES

SEC. 8. (a) Section 1447(a) of the Public Health Service Act is amended to read as follows:

"FEDERAL AGENCIES

"SEC. 1447. (a) Each Federal agency (1) having jurisdiction over any federally owned or maintained public water system or (2) engaged in any activity resulting, or which may result in, underground injection which endangers drinking water (within the meaning of section 1421(d)(2)) shall be subject to, and comply with, all Federal, State, and local requirements, administrative authorities, and process and sanctions respecting the provision of safe drinking water and respecting any underground injection program in the same manner, and to the same extent, as any nongovernmental entity. The preceding sentence shall apply (A) to any requirement whether substantive or procedural (including any recordkeeping or reporting requirement, any requirement respecting permits, and any other requirement whatsoever), (B) to the exercise of any Federal, State, or local administrative authority, and (C) to any process or sanction, whether enforced in Federal, State, or local courts or in any other manner. This subsection shall apply, notwithstanding any immunity of such agencies, under any law or rule of law. No officer, agent, or employee of the United States shall be personally liable for any civil penalty under this title with respect to any act or omission within the scope of his official duties.".

(b) Section 1401(12) of such Act is amended to read as follows:

"(12) The term 'person' means an individual, corporation, company, association, partnership, State, municipality, or Federal agency (and includes officers, employees, and agents of any corporation, company, association, State, municipality, or Federal agency).".

(c) Section 1449(e) of such Act is amended by adding the following at the end thereof: "Nothing in this section or in any other law of the United States shall be construed to prohibit, exclude, or restrict any State or local government from—

"(1) bringing any action or obtaining any remedy or sanction in any State or local court, or

"(2) bringing any administrative action or obtaining any administrative remedy or sanction,

against any agency of the United States under State or local law to enforce any requirement respecting the provision of safe drinking water or respecting any underground injection control program. Nothing in this section shall be construed to authorize judicial review of regulations or orders of the Administrator under this title, except as provided in section 1448. For provisions providing for application of certain requirements to such agencies in the same manner as to nongovernmental entities, see section 1447.".

(d) Section 1447 of such Act is further amended by inserting at the end thereof a new subsection (c):

"(c)(1) Nothing in the Safe Drinking Water Amendments of 1977 shall be construed to alter or affect the status of American Indian lands or water rights nor to waive any sovereignty over Indian lands guaranteed by treaty or statute.

"(2) For the purposes of this Act, the term 'Federal agency' shall not be construed to refer to or include any American Indian tribe, nor to the Secretary of the Interior in his capacity as trustee of Indian lands."

EMERGENCY ASSISTANCE

SEC. 9. Section 1442(a)(2) of the Public Health Service Act is amended by inserting "(A)" after "(2)" and by adding the following new subparagraph at the end thereof:

"(B) The Administrator is authorized to provide technical assistance and to make grants to States, or publicly owned water systems to assist in responding to and alleviating any emergency situation respecting drinking water which the Administrator determines (i) may reasonably be anticipated to endanger public health, and (ii) arises from unknown conditions or conditions which such entity is unable to remedy without such emergency assistance.".

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 10. (a) Section 1416(b)(1) of the Public Health Service Act is amended by striking out "containment" wherever it appears therein and by inserting in lieu thereof "contaminant".

(b) Section 1442(b)(3)(C) of such Act is amended by striking out "1443(d)" and by inserting in lieu thereof "1443(c)".

The SPEAKER pro tempore. Is a second demanded?

Mr. CARTER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Florida (Mr. ROGERS) will be recognized for 20 minutes, and the gentleman from Kentucky (Mr. CARTER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. ROGERS).

Mr. ROGERS. Mr. Speaker, I rise in support of enactment of H.R. 6827, the Safe Drinking Water Act Amendments of 1977, with an amendment.

Mr. Speaker, the passage of the Safe Drinking Water Act in 1974, heralded a new consciousness by the Congress and by the citizens of this land that many of our public water systems contain harmful pollutants of varied description. In our effort to eradicate typhus, diphtheria, and other diseases caused by waterborne bacteria, we have treated our drinking water with chlorine. Available

evidence overwhelmingly suggests that chlorine is contributing to the formation of cancer-causing substances in our drinking water. Moreover, during the past several decades, thousands of chemicals have been introduced into commerce and many of these substances find their way back into our sources of drinking water.

The Safe Drinking Water Act has provided a framework for combating pollution in our drinking water. The act directed the Administrator to promulgate national interim drinking water standards and to promulgate regulations pertaining to the monitoring of public notification procedures if violations are found. National Interim Primary Drinking Water regulations were promulgated by EPA on December 24, 1975. These regulations establish maximum contaminant levels for specified microbiological and chemical contaminants and for turbidity.

They also establish minimum monitoring requirements, contain requirements for public notification in the event of violation of the regulations, and provide for appropriate recordkeeping and reporting by public water systems. The effective date of these regulations is July 24, 1977. The critical need for the protection of aquifers which are the sole source of water for consumers was also recognized by the legislation. Regulations protecting underground sources of drinking water, though overdue, are to be promulgated in the near future. Additionally, the legislation commissioned EPA to undertake studies to examine the multifaceted drinking water contamination problem. Many of these studies have provided a wealth of information about water contaminants. Of particular interest have been the studies on organics in drinking water.

At this date, some 3 years after enactment of the 1974 act, many States, including Mississippi, Louisiana, and Nebraska, to name a few, have fulfilled the requirements for attaining primary enforcement responsibility. Many others have indicated they are likely to do so in the near term. The act has contributed to a heightened public awareness of the need for uncontaminated drinking water and public impatience with sources deemed potentially hazardous.

Additionally, advances have been made in the field of innovative treatment techniques. A prime example of this is the recently implemented innovative water treatment technique at Duluth, Minn., which has enabled the Duluth water system to remove all but a fraction of the asbestos-like fibers found in its raw water. The Environmental Protection Agency provided technical and financial assistance in the promotion, planning, and construction of a pilot plant to remove the fibers from Duluth's water. A full-time engineer is employed to analyze the performance of the plant because EPA believes this prototype technology could be applied to other areas of the country where filtration techniques may be required.

A particularly significant development in the brief history of the Safe Drinking Water Act occurred last year. The emergency authority contained in the act was invoked for the first time. The FMC Corp., located in South Charleston, W. Va., had discharged significant amounts of carbon tetrachloride into the Kanawha River on at least 28 separate occasions since 1974. The Kanawha River joins the Ohio River above Cincinnati; combined, the rivers provide drinking water for about 1.8 million people, including the city of Cincinnati. During February of 1976, the carbon tetrachloride level in the Ohio and Kanawha reached levels of up to 190 parts per billion in the raw water. While EPA has estimated that a safe subchronic exposure level for the substance is 2 ppb, the National Academy of Sciences has stated that there may be no safe threshold level for carbon tetrachloride. Carbon tetrachloride is highly toxic to man and is a proven carcinogen in animals. It thus also poses a significant risk of inducing cancer in humans at any level.

FMC admitted spilling 5,000 pounds of carbon tetrachloride into the Kanawha on February 24, 1976, but denied an allegation that it had spilled an additional 70 tons. EPA petitioned the Federal District Court to invoke section 1431 of the Safe Drinking Water Act to enjoin FMC from further contamination of the two rivers. Section 1431 states the Administrator may seek to prevent or abate the contamination of drinking water by substances which may pose an imminent and substantial endangerment to the health of persons. The District Court granted EPA's motion for a preliminary injunction and closed down FMC temporarily. Subsequently, EPA and FMC negotiated a court approved agreement which permitted FMC to begin operations and required FMC to adhere to strict monitoring procedures—with EPA verification—and implement environmentally sound waste disposal techniques.

Another commendable example of EPA's effective administration of the act is highlighted by a memo from the office of William G. Milliken, Governor of Michigan, pertaining to State assumption of primary enforcement responsibility. Part of the memo deals with EPA's effort to formulate an open and cooperative relationship with States:

> Initially, it appeared that the Environmental Protection Agency would administer this program in a similar manner as other federal agencies do with collaborative federal-state programs, wherein the states would have little input into regulations, guidelines and program strategy. For about the first six months this was true in large measure, however, beginning in about June, 1975, there was an obvious major change in policy. The National Drinking Water Advisory Council was having input into the decision making process of the Administrator, and representatives of state water supply programs were invited to be members of Agency task forces and advisory committees. This is not to say that the states views were accepted carte blanche, however draft regulations and proposed guidelines were turned around prior to promulgation to the end that the more objectionable features were modified.

Though the 1974 act has engendered progress toward the attainment of the goal of providing safe drinking water, much remains to be done, and in fact, there have been some rather conspicuous failings on the part of some States and EPA:

A few States have indicated that they will not attain primary enforcement responsibility.

Even though the 1962 Public Health Service drinking water standards indicated a need for the promulgation of chlorinated organics regulations, EPA has failed even to propose such regulations.

EPA has not promulgated final underground injection control regulations, though the 1974 act directed it to do so within a year from the date of enactment of the act.

According to the National Academy of Sciences and the Drinking Water Advisory Council, certain interim drinking water regulations are inadequate. According to a study by the National Academy of Sciences entitled "Drinking Water and Health" (1977), the standard for lead may not be adequate; the coliform standard for water reclaimed directly from waste water is not adequate; and the current arsenic standard "provides only a meager margin of safety." Substantial and serious doubts have been shed on the adequacy of other standards.

According to the NAS study, there is evidence of a sufficiently compelling nature that water softening contributes to cardiovascular disease. In the United States, cardiovascular diseases account for more than one million deaths each year. The report states that if suspected water factors are causally implicated, optimal conditioning of drinking water could reduce this annual cardiovascular disease mortality rate by as much as 15 percent. Too little attention appears to have been paid by EPA, HEW, and the States to this concern.

The NAS report also correlates sodium intake with hypertension and recommends "knowledge of the sodium ion content of water and maintenance of it at the lowest practicable concentration"—NAS, 1977 at 34). EPA has not set standards or imposed monitoring or public notice requirements for sodium in drinking water.

Many of our sources of drinking water are now plagued by contaminants more ubiquitous and lethal and less susceptible for treatment than those of generations past. Not too many years ago, chlorine was viewed as a panacea for waterborne bacteria. Unfortunately we did not have the prescience to know that when chlorine is used to treat raw water, chlorine and certain organic substances such as humic acids, react to form chloroform and other known and suspected carcinogens. The FDA has found that chloroform induces cancer in rats. The NAS has determined that there is no safe threshold for organics in drinking water.

The National Reconnaissance Survey of the drinking water systems of 79 cities, released by the Environmental Protection Agency in 1975, found traces of one or more of six volatile organic substances in the chlorinated water of every one of

the 79 cities studied. Four of these volatile organics are formed during the process of chlorination. Additionally, 35 organic compounds were found in the tap water of Miami, Fla.; 13 organic compounds were found in the tap water of Seattle, Wash.; 36 organic compounds were found in the tap water of Philadelphia, Pa.; and 36 organic compounds were found in the tap water of Cincinnati, Ohio. Miami led the survey in the chloroform count with 311 parts per billion—several of the 79 cities registered in excess of 100 parts per billion.

A recent article in the Washington Post cited several studies that reported a direct correlation between cancer mortality rates and the chlorination of water. One study found that the treated drinking water supply for most of northern Virginia has levels of chloroform that are more than double the highest safety threshold suggested by the EPA. New tests of the drinking water from the Occoquan Reservoir reveal a chloroform level of 232.6 parts per billion of water which is considerably higher than EPA's suggested maximum of 100 parts per billion.

Last summer, the Philadelphia Bulletin reported about the high incidence of cancer among employees of DuPont's Belle plant on the Kanawha River near Charleston, W. Va. Subsequent oversight hearings were held. Among the many environmental hazards caused by the plant was the extraction of plant drinking water from the Kanawha River about a half-mile downstream from where the company dumps its wastes. The EPA found that highly toxic and carcinogenic nitrosamines were being made in a small production process at the Belle plant and were contaminating the plant's effluent going into the Kanawha River.

The Belle plant has also suffered a number of chemical leaks, including three instances in December 1975 when the plant drinking water was contaminated with highly toxic aniline compounds. On one occasion 1,100 pounds of aniline leaked into the Kanawha River.

The Bulletin article related that there have been 5 cases of cancer at the Belle plant; 2 malignant melanomas of the eye; an epithelioma on the surface of an employee's eye; a nasal sinus cancer and a facial cancer. The company's statisticians counted 144 cancer cases among male wage earners between 1956 and 1974, compared to the 118 predicted on the basis of companywide figures. The high incidence of cancer at the Belle plant is no mere coincidence. It appears to be firmly grounded in the employees' constant exposure to carcinogens in the plant's drinking water and air.

The city of New Orleans, La., has been found to have the third highest cancer mortality rate of all counties in the United States—a 32-percent higher total cancer mortality rate than the national average. Public drinking water supplies are routinely contaminated with carcinogenic substances from industrial and municipal discharges, accidental spills, runoff from agricultural and urban areas, and from the chlorination process at water treatment plants. Carcinogens and other potentially toxic organic chemicals are not removed by standard water processes and are thus contaminants of tap water.

An EPA study entitled "New Orleans Area Water Supply Study"—November 1974, indicated the presence of 66 organic chemicals in the three water supply systems sampled in New Orleans. To date, 112 chemicals have been identified in New Orleans' drinking water and, according to the director of the New Orleans Sewer and Water Board, the final tally may exceed 900. Several of the chemical compounds found in the water supplies, particularly chloroform and carbon tetrachloride, are known animal carcinogens.

Again, the relationship between the presence of carcinogenic elements in the New Orleans water system and the high incidence of cancer gives grave cause for concern. In light of the National Reconnaissance Survey and later data, the concern is a nationwide one.

Drinking water related health problems are not limited to chemical contamination. Pennsylvania, for example, has had severe water-borne disease outbreaks. In 1973, 496 cases of water-borne illness were reported, 179 cases of shigellosis—dysentery bacilli—and 323 cases of gastroenteritis. In 1974, 600 cases of shigellosis and 102 cases of gastroenteritis were reported. In 1975, 5,225 cases of gastroenteritis were reported from a single incident of water contamination in Sewickley, Pa. In fact, Pennsylvania has led the Nation in water-borne disease outbreaks: yet it has refused to accept primary enforcement responsibility.

Another problem faced by water systems is the microbial contamination of water derived from the "water reuse" process. The increased consumption of water for an ever-growing multitude of needs, has placed the "water reuse" concept in a new light. An HEW report entitled "Human Health and the Environment—Some Research Needs" states in regard to "water reuse";

> A large amount of sewage-contaminated water in major streams in the United States already is being returned directly to the customer after water treatment. The health implications of these practices should be subject to continued evaluation. The widespread use of synthetically-produced chemical compounds, including pesticides, require that constant surveillance be maintained over aquifers and surface waters which represent the source of water for many Americans. Surveys have shown that as high as 50 percent of these systems are contaminated with microbial agents and/or chemicals that pose a potential health risk to the users. (at 100–101)

Contamination of underground sources of drinking water merits our close attention. One third of the public water systems in this country serving 100 million people obtain water from underground sources. Some 95 percent of all rural domestic supplies depend upon ground water sources. According to the HEW study "Human Health and the Environment," cited above,

> Ground water pollution is rapidly increasing from sources such as domestic and industrial waste, sanitary landfills, wastewater sludges and effluents, feedlot wastes, fertilizers and agricultural chemicals, mine drainage, subsurface disposal of oil-field brines, seeepage from septic tanks and storage transmission facilities, and individual on-site waste water disposal systems. The identity of potential pollutants from these sources, which can include a broad spectrum of physical, inorganic, organic, radiologic and bacteriologic materials, is largely unknown and uncharacterized at present. (at 97).

The drinking water problems facing us today are many and diverse. The Western part of our country is experiencing one of the most severe droughts in recent history. There are indications that the East, too, is in the throes of a drought. A drought depletes the water table in the affected area. One adverse effect of this phenomenon is to diminish or eliminate the water supply of wells. Another is the possible contamination of underground sources of water and resultant deterioration of water quality.

Two other important problems confronting many sources of drinking water are contamination from industrial waste disposal through deep well injection and leachate from pits, ponds, and lagoons. Here again, there seems to be a tendency to act first and determine environmental ramifications later. Many industries have disposed of toxic chemicals and other wastes through deep well injection or disposal in pits, ponds, and lagoons; often little regard has been given to water source contamination. A recent EPA study shows that in 46 of 48 land disposal sites tested, hazardous wastes have leaked into ground water supplies.

It is obvious that much work remains to be done in order to assure the provision of safe drinking water to all consumers. We must set new goals and objectives. The first order of business should be for EPA to update the national drinking water standards in light of the findings of the recent report of the National Academy of Sciences. In his recent environmental policy statement, President Carter recognized the necessity of focusing on the problems of organics in drinking water. The President recommended the promulgation of a national standard for organics. The President's Environmental Message of May 23, 1977, stated:

> There is increasing evidence that chlorinated hydrocarbons found in drinking water supplies may be cancer-causing. The President has instructed EPA to develop as soon as feasible, standards to control such carcinogens as well as other toxic pollutants.

I agree and I believe the House would also agree that this should be done promptly.

EPA must also promulgate final underground injection control regulations. These regulations must consider our Nation's need for the production of oil and gas. But above all—particularly in light of the lessons we are learning from this year's drought—they must adequately protect and preserve precious present and future underground sources

of drinking water. These regulations have been hanging fire for too long; EPA must act quickly and efficiently to guide those in the business of oil and gas production and to assure needed groundwater protection.

Our next goal should be to maximize a basic premise of the 1974 act: to formulate a Federal-State partnership in the implementation of the act. The act envisions State enforcement of federally mandated standards. But there should also be a dialog between EPA and the States forged in the spirit of cooperation. State input and involvement in this relationship is crucial to effective administration of the act, and to the assurance of effective compliance with the standards.

Finally, we should attempt to determine how best to finance compliance with the national safe drinking water standards. A few States, especially those with small water systems, foresee problems in meeting the standards. We should devote our energy to finding ways to help States finance safe drinking water systems.

According to EPA, there are today 58 million people whose water supply is unprotected against contamination. In this age of sophisticated technology, manned flights to the Moon and instrument landings on Mars, it is astounding that our drinking water is plagued by contamination, be it bacterial, viral, radiologic, or chemical. The Safe Drinking Water Act Amendments of 1977 are designed to help remedy the ills faced by our drinking water systems. The bill funds ongoing programs administered by EPA. It would mandate a study by EPA of alternative means of complying with—and paying for compliance with—the national primary drinking water standards. The bill also creates a fund which the Administrator may use to assist States or public water systems which are afflicted by emergencies of unknown origin or which the State or system cannot remedy without Federal assistance.

The bill also directs the Administrator of EPA to study the effects of polychlorinated biphenyls, trihalomethanes—the reaction of chlorine and humic acids and other contaminants that bear further scrutiny. This study is already underway and should not delay standard setting for chlorinated organics.

But this bill does a lot more. In enacting the Safe Drinking Water Act of 1974, Congress intended that the Federal Government promulgate standards which would assure the provision of safe drinking water to the citizens of this country; the States were to be responsible for implementing and enforcing these standards. This bill would help effectuate that goal by extending for 2 years the date by which the States must attain primary enforcement responsibility. States would be permitted to apply for continuation grants for the establishment of public water systems supervision programs through October 1, 1979, provided that the State is likely to attain primary enforcement responsibility. The bill is designed to provide the necessary assistance and time to those States that desire to attain primary enforcement responsibility. If a State does attain responsibility over its public drinking water systems it, rather than EPA, will have the prerogative of regulating and supervising State public water systems. The State rather than EPA will be able to grant variances and exemptions to those public water systems which are unable to attain national drinking water standards.

In order to assist States in implementing effective drinking water programs, the bill would authorize the Administrator to provide training and training grants to State personnel and prospective State personnel.

Finally, the bill also would afford designated States additional time to implement underground injection control programs.

Mr. Speaker, this bill will help States attain autonomy in regard to their public water systems. It will help States upgrade their public water systems. It directs the Administrator to assess present and alternative means of meeting the national drinking water standards. It also directs the Administrator to continue studying the health effects of particularly toxic pollutants.

Mr. Speaker, I think the bill, as it was reported from the committee, would greatly aid in improving our Nation's drinking water quality and protecting the public health. The bill is basically a noncontroversial one which has bipartisan support and passed the committee by voice vote. The bill has the support of the National Governors Conference, the Conference of State Sanitary Engineers, and the American Water Works Association, to name a few.

However, there have been a few minor concerns raised about the bill by my colleagues in the House. In order to respond to these concerns, the motion I have offered would suspend the rules and pass the bill H.R. 6827, the "Safe Drinking Water Act Amendments of 1977" with an amendment. The amendment attempts to satisfy my colleagues' concerns. It has been developed in consultation with, and has the support of, the minority members of the committee and the minority leadership.

The first concern was raised on behalf of certain Indian tribal groups and organizations. The concern that was expressed was that this bill might adversely affect the sovereignty of Indian lands or Indian water rights. This was not the committee's intent. As pages 12–13 of the committee report make clear, the purpose of section 8 of the bill is to assure that federally owned or operated installations—such as Army bases or BLM lands—will comply with State and local substantive and procedural requirements for protection of underground water sources and for the provision of safe drinking water.

As page 13 of the committee report makes clear, the bill is not intended to alter or affect the preexisting status of Indian lands or Indian water rights. In order to make this intention even more manifest, however, one part of the amendment would expressly provide in the bill what is stated in the committee report. With this amendment, it is clear that the bill will not change the existing law with respect to Indian lands or water rights. Nor would the Interior Department be deemed a "Federal agency" for the purpose of the act when it is acting in its capacity as trustee for Indian lands.

The second concern has been raised on behalf of certain States and oil and gas producers in those States. This concern is that the Environmental Protection Agency's proposed regulations to control underground injection practices may be overly rigid and fail to take account of special varying local or regional, historic, geologic, or hydrological conditions.

This concern was raised in the full committee. In this regard, the committee rejected an amendment which would have required that EPA, in effect, promulgate a separate set of guidelines for each States to regulate underground injection.

However, the committee report at page 11 indicates that reasonable flexibility should be provided in the guidelines so that varying conditions may be taken into account, where appropriate. Again, in order to take account of the concerns expressed primarily by minority members of the committee, the amendment would reflect this legislative intent in the actual language of the bill, not merely rely on the report.

The amendment would make clear, however, that the overriding purpose of the section is to assure protection of actual and potential underground sources of drinking water. Nothing in this section may be construed to the contrary. Thus, in determining whether some change in requirements from the national guidelines may be permitted or required for a specific person or area with special conditions, the Administrator is directed to assure the protection of underground water sources.

Thus, the amendment also indicates concurrence with the Administrator's interpretation of section 1421(b)(2) of the act. Under this interpretation, the Administrator's guidelines, in order to be sustained on judicial review, must be rationally related to the purpose of preventing risk of contamination of underground water sources. The Administrator would be obliged to show the "essentiality" or necessity for its guidelines, only upon a prior showing by the party challenging the guidelines that the guidelines will stop or substantially delay or reduce oil or gas production.

The amendment states expressly that nothing in the section is intended to affect the Administrator and the State's duty to assure protection of underground sources of drinking water. Thus, the amendment makes clear that prevention of contamination of drinking water sources is the paramount concern of the section.

The third concern which has been expressed is that the bill may inadvertently create an incentive for States to

delay assuming primary enforcement responsibility. As the bill is presently written, the Administrator must reallot at the beginning of fiscal year 1980 the retained portion of the allotment of States which received grants, but which did not attain primary enforcement responsibility by the end of fiscal year 1979. Thus, States which assume primacy during fiscal year 1979 are entitled to the same aggregate allotment of State program grant funds as States which have already achieved primacy or which do so in fiscal year 1978. In order to remedy this problem, the amendment permits the Administrator to reallot program grant funds at the beginning of fiscal year 1979, instead of requiring him to wait until the beginning of fiscal year 1980 to do so.

With regard to State program grants, many States and the Conference of State Sanitary Engineers have expressed concern that Federal program grant assistance to the States might precipitously terminate or be reduced. I want to assure those who have this concern that that will not be the case. As indicated in the committee report, the committee recognizes the long-term nature of the problem of eliminating contamination from drinking water sources and upgrading drinking water monitoring, research, planning, inspections, treatment, training, and public notice practices. At page 7 of the report, the committee's commitment to provide continuing and adequate financial assistance to the States is expressed. I personally wish to underline and affirm that commitment.

The fourth legislative concern which was expressed was that the language of section 8(c) of the bill might be misconstrued to permit challenges of the Administrator's regulations in State courts or in Federal district courts in enforcement or preenforcement poceedings. This was not the intent of the committee. Under section 1448 of the existing law judicial review of the Administrator's regulations and guidelines is exclusively assigned to the U.S. court of appeals. Section 8(c) of the present bill is not intended to change that policy.

In order to clarify the committee's intention in this regard, the amendment inserts the words "to enforce any requirement" on page 11, line 10 of the Union Calendar bill. The amendment expressly limits judicial review as provided currently in section 1448 of the act. In so doing, the amendment only permits enforcement actions—including actions for civil or criminal penalties—to be brought in State courts or administrative proceedings. No challenge to the Administrator's regulations or orders under title 14 of the Public Health Service Act would be permitted in State courts or administrative proceedings. The amendment thus makes it clear that the current law on judicial review is unchanged. Except as provided in section 1448(b) where review of some specific orders is authorized in Federal district courts, judicial review of the Administrator's regulations or orders under this title is limited to the U.S. courts of appeals.

Mrs. SCHROEDER. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Speaker, I just wanted to ask the chairman a brief question. I know in the 1974 Act there was some implementation of potable reuse programs. I notice that amendment is not in the bill. Could the gentleman explain why?

Mr. ROGERS. Yes. I know of the concern of the gentlewoman from Colorado and I certainly share the gentlewoman's concern about the projects that are under research and consideration. That actually is in the jurisdiction of another committee. To our understanding, that has passed the House. It is now in conference with the Senate; so I think the concern should be taken care of in that legislation.

Mrs. SCHROEDER. Mr. Speaker, if the gentleman will yield further, the gentleman's position is that the jurisdiction changed a bit between 1974 and 1977; that is why the bill has changed?

Mr. ROGERS. This is correct.

Mrs. SCHROEDER. Mr. Speaker, I thank the gentleman very much.

Mr. AuCOIN. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Oregon.

Mr. AuCOIN. Mr. Speaker, I would like to engage in a colloquy with the chairman.

Mr. ROGERS. Yes.

Mr. AuCOIN. I represent a State that is known nationally for its progressive environmental stance. Keeping water clean, or making it clean once again, is one of many environmental goals and achievements of Oregon.

So I wholeheartedly support the goals of the Safe Drinking Water Act. But one aspect of the way this legislation has progressed concerns me. This is that Congress has imposed a requirement—regardless of how good it is—on local government without providing a means by which local government can pay the cost.

I would very much appreciate it if the gentleman would give his thoughts on how Congress might lend assistance to the cities to enable them to pay for the improvements to their water systems that this act ultimately will require. In doing so, I know you will maintain a realistic perspective of the finances of cities, keeping in mind the difficulty in qualifying for community development block grant funds for such purposes, the strings attached to funding through the Economic Development Administration's public works program and the frequent unwillingness of voters to approve additional taxes.

In addition, I would appreciate the gentleman's comments on how the Environmental Protection Agency will administer the Safe Drinking Water Act over the next 2 years while crucial cost and alternative water treatment system studies are being finished. In particular, I would like to submit for the record a recent exchange of letters between me and the Administrator of the Environmental Protection Agency, Mr. Douglas M. Costle, on this subject. I know you have seen these letters and would like your reaction. Would the gentleman agree that it is his intent that EPA approach enforcement of the act in a conciliatory, patient manner, giving due consideration to cities with high-quality raw water, minimal alternatives, and financial difficulties?

Mr. ROGERS. I thank the gentleman for his support for the Safe Drinking Water Act and for his concern about the way that the act will be implemented. There is no question but that safe drinking water will not be free. The costs of compliance with the interim regulations should not be excessive, but costs will depend on the size of the system, the quality of its raw water, the type of treatment techniques in use, and the availability of alternative raw water sources, among other factors.

To help quantify these costs with greater certainty, the committee bill directs the Administrator to conduct studies on alternative methods of compliance, the relative costs of such methods to large, medium, and small systems, and alternative ways of financing compliance. On the basis of these studies, Congress will be in a position to determine the type and amount of Federal financial assistance which will be needed.

I believe the committee's intention is the same as is reflected in the Administrator's letter, as to the proper method of enforcing the act. Once a community finds its drinking water is not meeting safety levels, the public water system is required to notify consumers but should be given a reasonable period to consider alternative compliance methods and to determine the least-cost method in its particular circumstances. If that method is readily available, the community should implement it at once.

If on the other hand, high compliance costs or other compelling factors make prompt compliance impossible, then the public water system would be expected to apply for an exemption under the act. If the public water system is located in a State with primary enforcement responsibility, then the exemption could be obtained from the State.

Mr. AuCOIN. What if the State had not assumed primary enforcement responsibility?

Mr. ROGERS. Then EPA would be authorized to grant an exemption and, if the water system made out a good case for it, the Agency would be expected to grant it.

We also expect that the Agency would provide technical assistance to help municipalities determine compliance options and to assist in developing a sensible compliance strategy. In this respect, the committee anticipates an essentially cooperative and supportive response by the Agency to help municipalities come into compliance.

Thus, court action by the Administrator to enforce the standards should be a measure of last resort when efforts at negotiation, technical assistance and persuasion have failed and the water system refuses to commit to action to come into compliance as required by the

act. This is particularly important in the first year or two of the effectiveness of the standards.

Mr. AUCOIN. I am reassured by this answer, I say to the gentleman from Florida (Mr. ROGERS), and by the letter from Administrator Costle to the same effect.

Mr. ROGERS. Of course, this does not mean that municipalities may engage in dilatory practices, endless studies, or subterfuges and avoid the basic requirements of the act. Nor would it authorize the circumvention of monitoring, public notice, or reporting requirements. And, of course, the Administrator would be expected to act promptly to protect the public health in case of an imminent and substantial endangerment, such as is described in the 1974 committee report (H. Rept. No. 93–1185, pp. 35–36) or as occurred in the recent FMC case.

Finally, while a cooperative spirit and approach is essential and reasonable time must be allowed, there can be no compromise of the Agency's ultimate responsibility to assure compliance with the health standards and requirements of the act.

Mr. AUCOIN. I fully concur. Protection of the public's health must be the primary concern. One final question to the gentleman from Florida (Mr. ROGERS). If a municipality can show its raw water source meets primary regulations, must it still add treatment techniques?

Mr. ROGERS. No. So long as the delivered water meets the health standards, no further treatment would be required. Also if a specific treatment technique is required, a variance from that requirement is authorized by section 1415 of the act, for a water system which can show that its raw water source and its distribution process is so clean that no treatment is needed to protect the public health.

Mr. AUCOIN. I thank the gentleman for his answers and concur in them completely.

The letters referred to above are as follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 13, 1977.

Mr. DOUGLAS M. COSTLE,
Administrator, the Environmental Protection Agency, Waterside Mall, Washington, D.C.

DEAR DOUG: As the effective date of the national interim drinking water regulations approaches June 24, many cities within states that have chosen not to assume primacy under the Safe Drinking Water Act have grown concerned about the potentially great liability that is being thrust upon them.

I am aware of legislation now moving in Congress that would reauthorize the Safe Drinking Water Act and expand the ability of individual states to grant variances and exemptions to those cities unable to comply with the regulations. However, this expanded authority only comes into play if the cities are in states that have accepted primacy in enforcement of the Safe Drinking Water Act.

Oregon's governor has declined to accept state primacy over the federal government in enforcement of this Act, leaving cities within Oregon in what appears to me to be a precarious position. The League of Oregon Cities has made an estimate that compliance with the Safe Drinking Water Act would cost cities in the state some $200 million. That equals 10 per cent of the total general fund resources of Oregon in the next two years. The amount is almost twice what Oregon cities levied in property taxes in 1976.

In a presentation to the Oregon Legislature, the League of Oregon Cities emphatically described the cities as being in "financial trouble."

Governor Bob Straub of Oregon, in a letter explaining why he was declining the responsibility to enforce the Safe Drinking Water Act, said:

"I do not believe that the federal act is needed or appropriate for Oregon. The evidence clearly suggests that community water supplies in this state are not the cause of public health problems. Yet the Act attempts to force us to meet expensive nationally determined standards without regard to the present quality of our water supplies."

The governor also cites the expense of meeting the Act's requirements, noting the federal government has not made funds available to meet those costs.

The Oregon Legislature is so enflamed over the Safe Drinking Water Act's failure to provide assistance to meet requirements laid down by the federal government that it has moved legislation through the State Senate to create bonding authority for public water supplies with the following proviso:

"Specifies that monies shall not be used exclusively for projects required by the federal Safe Drinking Water Act of 1974."

In the context of all this, I have sought to come up with a common sense approach that on the one hand will enable the Environmental Protection Agency to deal effectively with water systems posing health standards, while not penalizing cities with relatively clean water which happen to be in states other than those that have assumed primacy in enforcement of the Act.

After giving this considerable thought, it seems to me reasonable for the EPA to exercise discretion and to adopt a conciliatory attitude toward enforcement of this Act, except when there is an imminent danger to public health.

Rather than rushing ahead, EPA should recognize the squeeze many cities are in, and act on compliance schedules and other enforcement steps only after good faith consultations with the affected cities. Instead of relying on strict schedules and the threat of court action, EPA should seek to establish good working relations with cities, striving for workable solutions that take into account their raw water quality, their water system alternatives, and their financial situation.

In short, I am calling for administration by finesse, not force. This approach seems practical to me in light of continuing studies being conducted into current and potential water contaminant levels; into what it will cost to reduce those contaminant levels to acceptability; and into alternative water sources and treatment technologies.

The purpose of this letter is to seek from you a commitment to follow the approach to enforcement I have suggested for cities in states that have declined to assume primacy in enforcement of the Safe Drinking Water Act. Such a commitment will build faith in the basic precepts of the Act, which I wholeheartedly support. The next two years will be crucial if cities are to be expected to make intelligent, rational choices.

Many cities do not have the information at hand to make those kinds of choices. And many do not have the funds available to act on the choices even if they could make them.

Following the course I have suggested will not diminish EPA's ability to step in where needed to require immediate action to reduce water contaminant levels. This course will, over time, improve EPA's ability to bring the results envisioned in the Act to fruition with less controversy and less resistance.

With warmest regards,
Sincerely,

LES AUCOIN,
Member of Congress.

ENVIRONMENTAL PROTECTION AGENCY,
Washington, D.C., June 16, 1977.

Hon. LES AUCOIN,
House of Representatives,
Washington, D.C.

DEAR MR. AUCOIN: In response to your inquiry of June 13, 1977, I wish to assure you that EPA will work closely with the municipalities in Oregon to implement the Safe Drinking Water Act should that State fail to assume primary enforcement responsibility.

As required under the Safe Drinking Water Act, EPA has promulgated Interim Primary Drinking Water Regulations which become effective June 24, 1977. These drinking water standards were promulgated 18 months ago. The regulations were promulgated after extensive review and discussion and are very similar to the existing State of Oregon Drinking Water Standards and to the U.S. Public Health Service Drinking Water Standards of 1962. These standards have been generally accepted by public health officials around the world as necessary to protect the public's health.

The Act intended that the States would assume primary enforcement responsibility to ensure that drinking water standards were attained as quickly as feasible. To assist the States, Congress provided grants to help cover the administrative burden falling on the States. Oregon received such grants during the last two fiscal years.

The legislation also envisioned that the requirement that the public be notified when standards were exceeded would largely avoid the need for a major legal enforcement program. The Congress also provided for variances and exemptions to extend compliance schedules wherever there were serious economic or other factors making prompt compliance unfeasible and there was no immediate risk to health.

The Safe Drinking Water Act did not include Federal assistance to help public water systems attain the standards. The Congress assumed that such costs would be borne by the customers through increased rates. Our study of the potential economic impact of compliance with the new regulations indicates that most medium and large systems should not have major problems but that there would be significant impacts on small systems where sophisticated treatment is necessary. We expect that variances and exemptions will provide the needed flexibility and that initially financial aid may be available through existing Federal programs such as the Farmers Home Administration and the Department of Housing and Urban Development funds.

The amendments to the Safe Drinking Water Act currently before the Congress would require a detailed study of compliance costs including the need for alternative types of Federal assistance. Even without a specific mandate to study compliance costs and the economic impacts, EPA will continue to make such studies as better information becomes available.

Now that it appears that the State of Oregon will not assume primary enforcement responsibility for the Interim Primary Regulations, the statute requires EPA to take on these responsibilities. In the initial year or two of the program, this will mean insuring that the requisite monitoring is begun, that the public is informed when problems are found and that reasonable schedules are established for taking necessary remedial measures. In this work, EPA will continue to work closely with the State and with the affected communities.

EPA will insure that its stewardship of the Safe Drinking Water Act in Oregon, as in all other States, will be an essentially cooperative one. Oregon has a laudable environmental record and continues to be a leader in protecting the environment. I an-

ticipate that the concern which the State and local governments have shown for the health of its people and the protection of its environment will make compliance with the Safe Drinking Water Act's health requirements a relatively easy goal to achieve.

Where the health standards are being exceeded, EPA will work with local communities and afford reasonable time for them to explore alternative compliance options. The Act provides for consideration of communities' financial status in the exemption provisions and EPA will take appropriate account of costs of compliance and other compelling factors in granting exemptions. To the extent resources permit, the Agency will provide technical assistance to communities facing compliance problems.

Communities will be encouraged to make commitments to specific compliance strategies by a process of cooperation and negotiation. We envision that court enforcement proceedings to assure compliance with primary drinking water standards would be relatively rare occurrences. They will be initiated only as a measure of last resort where there is a refusal or failure on the part of the public water system to move expeditiously, in accordance with the requirements of the law, to bring the system into compliance or to seek an exemption or variance.

EPA will insure that the communities are aware of their right to petition for variances and exemptions and will process all such applications fairly and in accordance with the legal requirements. Where problems are found which pose an immediate threat to health, we will, of course, require appropriate and timely action.

While we will meet our legal responsibilities, EPA hopes to continue its cooperative efforts within Oregon in order that the State will eventually assume primary enforcement responsibility for the program.

I hope that my response will alleviate some of the concerns and I look forward to working with you in the future.

Sincerely yours,

DOUGLAS M. COSTLE.

Mr. ROGERS. I thank my colleague for his interest and support.

Mr. SISK. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from California.

Mr. SISK. Mr. Speaker, I appreciate the gentleman yielding to me.

At this time, Mr. Speaker, I wish to call to the attention of the Members of the House and in particular to Mr. ROGERS a matter germane to the bill before us but heretofore unaired in a public forum.

Is or is not water a food? Behind this curious and seemingly harmless question lies the core of a serious interstatutory and inter/intra-agency jurisdictional problem that over time can have a considerable deleterious impact on the congressional intent to assure the American public of a safe, affordable drinking water supply.

It has come to my attention that growing and apparently intractable regulatory confusion and conflict is occurring between the two principal agencies charged with implementing America's drinking water regulations, the Environmental Protection Agency and the Food and Drug Administration. At the heart of this confusion lie four statutes; the Food, Drug and Cosmetic Act, the Federal Insecticide, Fungicide and Rodenticide Act, the Safe Drinking Water Act, and Toxic Substances Control Act.

Separately, these are good and well-meaning statutes. But because of their unanticipated jurisdictional interaction, the EPA and FDA have to date been unable to resolve such basic issues as which regulations apply, which treatment chemicals and techniques are acceptable, and what procedures are to be followed when seeking regulatory clearance of new and potentially beneficial treatment techniques.

Mr. Speaker, unless altered, the law now calls for mandatory public notification of substandard water quality on a nationwide, quarterly basis commencing this June 24. I would submit that a significant number of the 50,000 communities served by municipal water systems may be in for a surprise as they learn just where their public water supplies stand in relation to the current standards, which, I would remind those present, are interim in nature. The final safe drinking water standards may well be considerably more stringent, specifically in the area of organics contamination.

In conclusion, I would urge my friend and colleague, Mr. ROGERS, and his colleagues of the Subcommittee on Health to closely examine in the months ahead those germane areas of statutory and regulatory overlap that now exist, call upon the affected agencies to clarify those problem areas and attempt to reach official inter- and intra-agency agreements of resolution. Failing resolution of those identified problems at the agency level, I would suggest that this body examine the need for corrective legislation.

The benefits of such an early resolution of this complex statutory and regulatory impasse are many. All present are aware, I am sure that the monetary outlays, both public and private, required to comply with the new standards will be enormous. This same public and private sector must be encouraged now to move ahead with development of technologies and systems that will provide the safe and affordable drinking water the public requires and demands. Without a stable and equitable regulatory environment, however, little progress can come.

I close my remarks with my initial question: Is or is not water a food? This and related questions must be resolved if we are to ever succeed in attaining our goal of safe, affordable drinking water for the American people.

Mr. ROGERS. Mr. Speaker, I would just like to respond that I share the gentleman's concern. I am hopeful that with this statement, the two agencies in question can get together to resolve the jurisdictional, legal, and policy issues involved in an equitable way that carries out the intent of the legislation to which the gentleman has referred. If such an agreement cannot be reached administratively, however, then I think legislative review and resolution would be necessary. Since the bill only contains authorizations for 2 years, we will be reviewing the agencies' progress on this matter soon.

Mr. SISK. I thank the gentleman for his statement of support. I am reassured by his response and share his hope that the issue can be satisfactorily resolved administratively.

GENERAL LEAVE

Mr. ROGERS. Mr. Speaker, I ask unanimous consent that I may be permitted to revise and extend my remarks and to include extraneous material, and that all Members may have 5 legislative days in which to revise and extend their remarks on the Safe Drinking Water Amendments of 1977.

The SPEAKER pro tempore (Mr. DOWNEY). Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CARTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support this legislation, H.R. 6827, the Safe Drinking Water Amendments of 1977 with the committee amendments. I think this legislation is very necessary. For years, about the only test we had on our water was one conducted by the different State health departments, which consisted of taking a sample to see if E. coli were present. The presence of E. coli was determined by the formation of gas in a little double tube.

Now we find that our water is contaminated by many, many substances. Actually even the substance chlorine, which is used in purifying our water may well be, in combination with humic acid from soil water, carcinogenic. Therefore, in this legislation we have included funds to study the reaction products of humic acids and chlorine, and their effect on human health. We found, in examination of the water of the Mississippi in the neighborhood of New Orleans that the cancer rate has increased about 15 percent. More than likely, this is due to chloroform which is in the water. That is why the committee believes that a study on these substances is needed. Many times our water is contaminated accidently and by people whose identity it is difficult to determine. This sort of thing occurred in Louisville, Ky., during the past year. As a result, raw sewage had to be dumped into the Ohio River for a peried of time. In this safe drinking water legislation, we have included a special emergency assistance fund, with an $8 million authorization for each of the next 2 fiscal years. This provision authorizes the Administrator of Environmental Protection Administration to provide special assistance, including grants, to States or publicly owned water systems to deal with drinking water related emergencies which the State or locality is unable to remedy without emergency assistance. In this way, we can help cities cope with emergency situations such as getting rid of chemicals and raw waste material which has been dumped into their streams.

Mr. ROGERS. Mr. Speaker, will the gentleman yield?

Mr. CARTER. I yield to the gentleman from Florida (Mr. ROGERS).

Mr. ROGERS. I thank the gentleman for yielding.

Mr. Speaker, I just want to say that I think the House ought to know that it

was the gentleman's amendment that included the emergency grant authority in the bill. I think the provision is important. I commend him for his alertness in having offered the amendment.

Mr. CARTER. I thank the distinguished chairman of the committee for his remarks. Also, I commend Mr. ROGERS for his outstanding work on this legislation.

Actually, our water contains PCB's, polychlorinated biphenyls, which are known carcinogens also. And it will pay us a great deal to have our water carefully examined. By the very methods we use in purifying our water we may ourselves be causing cancer. This is the reason we have included the study and also the emergency funds for eradicating spillage into those pure water systems and contamination of our rivers.

The total of all the authorizations provided in this legislation for fiscal years 1978 and 1979 is $152 million. The money will be used in several ways to help States implement more effective drinking water programs. For example, there are funds to help train technicians in the States in the examination of water. Many of the Members familiar with their local water systems know that over the years some of the people really have not known how to check and test their water properly. They have not had the expertise. Eut with the funds which we have authorized for grants to the States, people will be trained, and they have been since 1974, to detect different contaminants which might adversely affect the health of the people.

Mr. Speaker, I strongly support this legislation. I believe it is needed in order to continue Federal and State efforts to assure safe drinking water for the people of this country.

Thank you.

Mr. Speaker, I submit a summary of the subcommittee action on H.R. 6827, and a newspaper article dealing with cancer death rates tied to chlorine in water:

SUMMARY OF H.R. 6827—SAFE DRINKING WATER CLEAN BILL APPROVED BY SUBCOMMITTEE

Sec. 1. Safe Drinking Water Amendments of 1977.

Sec. 2. Authorizations—$71 million FY 78; $81 million FY 79—

$17 million for each of FY 78 and 79—for studies, technical assistance and training;

$35 million FY 78; $45 million FY 79—for grants to states for water supervision programs;

$10 million for each of FY 78 and 79—for grants to states for underground water protection programs;

$8 million for each of FY 78 and 79—for special emergency assistance; and

$1 million for each of FY 78 and 79—for survey of rural water supplies.

Sec. 3. Studies—

EPA report to Congress within 18 months on several topics relating to costs of implementing the Act;

EPA report to Congress within 18 months on analysis of the present and projected availability of an adequate and dependable supply of safe drinking water;

National Academy of Sciences to report every 2 years on maximum safe contaminant levels and potential (but unmeasured) contaminants;

EPA to conduct studies on reaction between humic acids and chlorine in drinking water; and

EPA to conduct study on PCB's and other toxic substances in water.

Sec. 4. Training—

Grants for free training (including postgraduates) to personnel of state and local agencies and those who work for public water systems; and

Grants to enable individuals to qualify for such positions provided at reasonable cost.

Sec. 5. Grants—

Grants to states for FY 78 and 79 if in EPA's judgment state is making diligent effort and significant progress toward primary enforcement; and

Provision for EPA retention and reallocation to other states of 25% of grants if primary enforcement not assumed by beginning of FY 80.

Sec. 6. Extension of deadline for State Underground Injection Control Program—Authorizes EPA, for good cause, to extend the current 270 day period for state submission of application for primary enforcement responsibility for underground drinking water sources for 270 additional days.

Sec. 7. Extension of authority to assure availability of chemicals used for water treatment—Certificate of need issued by EPA requiring manufacturers or distributors to supply chemicals authorized until end of FY 79.

Sec. 8. Federal Agencies—

Federal government to comply with all state and local requirements (substantive and procedural) and to administrative authorities, process, and sanctions respecting drinking water; and

Suit may be brought in state courts and could not be removed.

Sec. 9. Emergency Assistance—Special assistance available to cope with state and local situations of unknown causes or which cannot be remedied without emergency assistance.

Sec. 10. Technical and Conforming Amendments.

CANCER DEATH RATES ARE TIED TO THE CHLORINE IN OUR WATER

(By Morton Mintz)

Several new scientific studies link death rates for cancer—mainly of the bladder—with the extent to which water is chlorinated to make it safe to drink.

One study showed that women in seven New York state counties served by chlorinated water ran a 44 per cent greater risk of dying from cancer of gastrointestinal or urinary tract organs than comparable women whose water was not chlorinated.

Another study of cancer mortality and chlorinated water sources in 200 counties across the country found increased rates of fatal cancer of the bladder and large intestine in older persons, particularly those over 60, but very low rates in persons under 40. The latent period for bladder cancer is 30 years or more, so it is unlikely to be detected in young persons.

The principal suspected cause of the deaths is chloroform, which is produced in reactions between chlorine and organic chemicals. Such chemicals occur naturally in water systems, run off the land into them, or enter as sewage or effluents. Chloroform is a known cancer-causing agent, or carcinogen, in laboratory animals.

In 1974, the Environmental Protection Agency and a Dutch scientist each reported the presence of chloroform and other known or suspected chlorine-related carcinogens in treated drinking water.

Later in 1974, the EPA reported that drinking water taken from the Mississippi River at New Orleans contained these carcinogens.

In the same year, the Environmental Defense Fund, a non-profit group, disclosed that a year-long study showed that in New Orleans and other communities in southern Louisiana that derive drinking water from the Mississippi, fatal cancer in organs of the gastrointestinal and urinary tracts was 10 to 20 per cent more common than in parts of Louisiana where water comes from other surface sources and wells.

Cancer deaths attributed to the use of Mississippi River drinking water accounted for 15 to 20 per cent of the total in southern Louisiana, the EDF estimated.

After launching a nationwide survey, the EPA reported in 1975 that it had discovered chloroform and other carcinogens in small but measurable amounts in the drinking water systems of 80 communities. Among them were the District of Columbia, Fairfax County, Baltimore, Philadelphia, Miami, Cincinnati and Seattle.

And last September, Dr. Nancy A. Reiches of Ohio State University reported on a study of cancer mortality in the 3.5 million to 4 million Ohioans whose drinking water comes from two heavily polluted sources: the Ohio River, which forms the state's southern boundary, and Lake Erie, which bounds much of the state on the north.

She said their cancer mortality is 8 per cent higher than that of about 1 million other Ohioans—residents of Columbus and three rural counties whose water comes from the Scioto River. The EDF and Resources for the Future & NG., cooperated in her study.

Until now, scientists did not have the evidence to incriminate any particular chemical. But chloroform was incriminated Friday in the New York State and other studies discussed at a meeting here of the EPA's National Drinking Water Advisory Council.

In addition, Reiches, director of the Division of Epidemiology at Ohio State's Comprehensive Cancer Center, who did the nationwide 200-county study, said in a phone interview that still-unpublished results further incriminated choroform.

The EPA commissioned Dr. Michael Alavanja and two associates at the Columbia University School of Public Health to investigate cancer mortaility in seven New York State counties. The counties—Allegany, Cattaraugus, Chautauqua, Erie, Rensseleaer, Schnectady, and Saint Lawrence had, for 15 years, relatively stable populations and water-supply systems.

The scientists examined each female death from cancer of gastrointestinal or urinary tract organs in the years 1968–1970. They confined the study to women because 85 percent of them in the seven counties are housewives and, as such, much more likely than men to consume water mostly at home, and much less likely than men to be exposed to workplace carcinogens.

The number of such female deaths—in a total population of 1.81 million—was 1,595. The relative death risk was 1.44 times higher than in comparable women in the same counties whose water supply was not chlorinated.

In urban areas only, the relative risk was 2.24 times higher where surface water was chlorinated than where it was not. This amounts to an excess over normal of 400 cancer deaths per 1 million population per year.

"To our knowledge, this is the first time a significant statistical relationship has been demonstrated between human gastrointestinal and urinary tract cancer mortality and chlorinated drinking water," the scientists wrote in a report to the EPA. They did not break down rates by particular body sites.

Dr. Reiches' study of the 200 counties encompassed major cities, including the District of Columbia, New York, Boston, Chicago, Milwaukee, Minneapolis and Cleveland. It excluded blacks because there are too few of them in some of the counties to permit reliable statistical analyses.

She said that among persons relying on chlorinated water, fatal bladder cancer occurred more often in women than in men. She said this is significant partly because men are more often exposed to bladder cancer in the workplace.

Fatal cancer at other body sites, particularly the large intestine (colon) and rectum, however, occurred more often among men than among women.

Overall, Reiches found that for each 1 million women of all ages, the rate of fatal bladder cancer was 27.5 when parts per billion—38 per cent more the exposure to chloroform was 100.

She cautioned against concluding that chloroform alone was necessarily responsible, pointing out that humans are exposed to numerous environmental carcinogens, including saccharin, and that in some persons the chemicals interact in ways to make them more dangerous.

Reiches said that a third study done for the EPA, Dr. Kenneth P. Cantor of the National Cancer Institute generally supports her research.

Cantor analyzed data in the 1975 EPA study on 79 urban counties where a half of the population relied on a single source of chlorinated drinking water. Like Reiches, he found elevated rates of fatal bladder cancer, especially in women. He also found some statistical association with brain malignancies, Reiches said.

Dr. Joyce Salg, while in the University of North Carolina Department of Epidemiology, examined cancer data for 346 Ohio River Valley counties with a population of 18.7 million in seven states. She found a correlation between prechlorination—the addition of chlorine to water before it goes through treatment plants—and increased rates of bladder, colon, rectal and other forms of cancer.

Michael Hogan of the National Institute of Environmental Health Sciences studied levels of chloroform in drinking water and their possible association with bladder and other cancer mortality in 83 water systems in EPA's Region V, embracing Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin.

He reported "some correlation" between chloroform levels and rectal-colon and bladder cancer deaths, but was cautious about extrapolations of the data to overall cancer-mortality patterns. His data suggests that at 100 ppd., chloroform could cause 20 extra rectal-colon deaths per million population annually.

The EPA, which is expected to propose water-chloroform standards within a few weeks, considers 100 ppd. the maximum that should be allowed. In a test last summer of the Occoquan Reservoir, which supplies most of Northern Virginia, the EPA found a concentration of 232.6 ppd.

Mr. ROGERS. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. BROWN).

Mr. BROWN of California. Mr. Speaker, I rise to support this bill and also to point out an overlap of interest between the Commerce and Science Committees with respect to this bill.

I want to congratulate my colleague from Florida (Mr. ROGERS), chairman of the Environment and Health Subcommittee of the Interstate and Foreign Commerce Committee. He has done a very good job on this bill. It is a good bill; it is a needed bill; it is totally in order. The bill we have before us today recognizes the jurisdiction of the Committee on Science and Technology over environmental research and development as provided for in the House rules. I commend the Committee on Interstate and Foreign Commerce and its distinguished chairman, Mr. STAGGERS, for bringing this bill to the floor.

Mr. Speaker, you will recall that on April 19 of this year, the House passed H.R. 5101, which authorized research, development and demonstration activities in the Environmental Protection Agency for fiscal year 1978. Paragraph 8 of subsection 2(a) of the bill authorizes appropriations for "water supply" research, development, and demonstration activities. Further, the report accompanying the bill, House Report 95–157, makes clear on page 3 that H.R. 5101 authorizes funds in support of the Safe Drinking Water Act.

To recapitulate, the House has already passed H.R. 5101, which authorizes research funds, and the bill before us today specifically does not authorize research funds.

The Senate has acted somewhat differently. They have passed the bill S. 1528 which authorizes research in support of the Safe Drinking Water Act, and which is also—in other respects—the companion to the bill before us today, H.R. 6827. The Senate has also passed an amended version of H.R. 5101, the EPA research authorization bill, excluding drinking water research.

Thus, there is a small disparity between the two Houses, which I mention only to indicate that the concerned committees on the House side are working together, keeping each other informed, and moving toward accommodation. Anticipating this continued cooperation, Mr. Chairman, I wholeheartedly support this bill and urge its passage.

Mr. ROGERS. Mr. Speaker, if the gentleman will yield, I thank the gentleman from California (Mr. BROWN) for his kind remarks, and I also thank him on behalf of the subcommittee for his cooperation.

Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. MAGUIRE).

Mr. MAGUIRE. Mr. Speaker, I would like to express my support for H.R. 6827, the Safe Drinking Water Act amendments.

At the same time, I want to express my understanding for the record that this bill will serve to strengthen and expedite efforts to protect the safety of our Nation's drinking water supplies. And I want to assure that this understanding has the support and concurrence of Chairman ROGERS and the committee.

In particular, I believe action by EPA to control chlorinated organic contaminants in drink water is long overdue. The original 1962 Public Health Service standards contained such controls in the form of a CEE-test. More recently, FDA has banned the addition to foods of some of these substances—such as chloroform—when tests showed them to be cancer causing. Later statistical studies have increased the basis for concern. Yet despite these factors, EPA did not include any chlorinated organics controls in the interim standards established 18 months ago and was sued for failing to do so. That suit is still pending.

Since that time there have been encouraging signs. The President's environmental message of May 23, 1977, commits the EPA to institute standards or treatment techniques, or a combination, to reduce drinking water exposures to these known and suspected cancer causing agents. This commitment has been made still firmer in EPA's June 24, 1977, press release. According to the Deputy Administrator of EPA, "Within the next several weeks EPA will propose regulations to protect the public from chloroform and other organics of the trihalomethane group."

Mr. Speaker, I support the studies contained in this bill. But I want to insure that these studies will not be used as an excuse by the Agency or the courts to further delay regulation of these contaminants which seem to justify prompt control measures.

Mr. ROGERS. Mr. Speaker, will the gentleman yield?

Mr. MAGUIRE. I would be glad to yield to the gentleman from Florida.

Mr. ROGERS. I want to assure the gentleman that I share his concern about the need for prompt action to control chlorinated organics. But the studies should not delay control efforts in any way. They are intended by the committee merely to provide additional useful information, not to permit any further delay in regulating.

Mr. MAGUIRE. I am pleased by that statement of interest and fully concur. I also want to make sure, however, that the language of the amendment regarding the underground injection control program will not in any way reduce or weaken EPA's and State's obligation to assure protection of our Nation's underground water sources.

Mr. ROGERS. If the gentleman will yield, I can assure him, no such weakening is permitted. The amendment merely permits local factors to be taken into account, where no increase in risk of contaminating underground water sources would result.

Mr. MAGUIRE. Again, I am reassured by that statement of committee intent. I have one final question.

Under the SDWA, as amended by the House bill, would EPA be required to demonstrate either actual harm from existing underground injection practices or the inadequacy of the existing State program in order to establish minimum requirements for underground injection operations in a State? It is my understanding that no such prior demonstration is now required or would be required under the House bill.

Mr. ROGERS. The gentleman is correct.

Neither the current act, nor the amendments contained in this bill would require EPA to make such a demonstration. It is recognized that the contamination of ground water can be a complex phenomenon, which may be caused by factors other than underground injection practices. Nonetheless, careless underground injection practices continue

to pose a serious risk to ground water as evidenced by recent reports of a USGS study regarding the contamination of a large aquifer in Oklahoma by underground injection practices associated with oil production. It is not feasible, though, to require EPA to analyze the precise cause of ground water contamination throughout the country in order to establish preventive underground injection control regulations under the SDWA. Similarly, it is not feasible to require EPA to undertake an analysis of the efficacy of each and every aspect of existing State programs, although it is anticipated that EPA will study existing State programs in order to avoid the promulgation of unnecessarily disruptive minimum requirements. Instead, it is appropriate for EPA to consider factors such as population at risk, amount of ground water, and number of injeciton wells in designating States to participate in this preventive program.

Mr. MAGUIRE. Mr. Speaker, I thank the gentleman and agree completely.

Mr. Speaker, in April, the subcommittee received testimony on the difficulties associated with tuberculation in iron and steel water piping, which is still the most common type of pipe in use to transport drinking water. After a period of years, iron pipes become clogged with corrosion, leading to reduced carrying capacity, more energy needed to pump the water, and a phenomenon known as red water—a high concentration of particulate matter in drinking water.

Due to tuberculation, many cities—especially in the Northeast, where water systems tend to be older—are finding it impossible to meet the turbidity standards set pursuant to the Safe Drinking Water Act. Although it has not been conclusively demonstrated that particulate associated with tuberculation, in and of itself, directly harms health, there is considerable evidence most recently from the National Academy of Sciences—that these particles can act as carriers of various viral, bacteriological and other toxicants. There is also evidence that turbidity interferes with the effectiveness of treatment processes to protect health.

The subcommittee also heard testimony on cleaning and upgrading tuberculated pipe via cement mortar lining. This process can eliminate tuberculation permanently, and is much less costly than actually replacing a whole network of corroded pipe, since material costs are lower, and because much less pipe has to be dug up. The virtues of this approach will become increasingly apparent as more and more cities are forced to ask themselves what to do about their old and corroded water piping.

I would therefore like to ask the gentleman from Florida if it is the intention of the committee, and I would hope that it is, that the EPA consider the tuberculation problem, its bearing on public health, and particularly at cleaning and lining as a potentially cost-effective solution, in its studies on the costs and means of compliance with drinking water standards by States and localities.

Mr. ROGERS. Under section 3 of the bill, EPA is directed to study all potentially useful strategies that States and local jurisdictions might use to meet the safe drinking water standards in a cost-effective manner. The committee recognizes the many problems associated with tuberculation, and I would expect that the agency would include in its study a review of approaches such as cleaning and lining to alleviate the excess turbidity which results from corroded piping.

Mr. CARTER. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Louisiana (Mr. MOORE).

Mr. MOORE. Mr. Speaker, I would like to endorse the remarks of the gentleman from Kansas with respect to the proposed regulations on State underground injection control programs. Few of the over 400 comments received by EPA as of January 1977 were supportive of the regulations. Indeed, this was scarcely surprising in that the proposed regulations contained numerous technical and procedural specifications not required by the act.

These regulations needlessly could result in a cost of hundreds of millions of dollars for industry and drive out marginal and capital-poor operations. They represent a classic example of overkill. For example, even though Texas has some 44,000 injection wells, the Texas Railroad Commission found that there were in 1975 only 7 active files involving ground water, and they have been remedied. Yet, it is estimated that in Texas alone the paperwork required to comply with the regulations would comprise a stack higher than the Washington Monument.

In California, where injection has been practiced for over 40 years, only six complaints, none of which involved damage to public health, were found. Nevertheless, the estimated cost of the proposed regulations for that State have ranged as high as $1.3 billion.

Therefore, with these considerations in mind, I think that the gentleman from Florida demonstrated great wisdom in offering to amend the act to insure consideration of varying geologic, hydrological, or historical conditions in different States and in different areas within a State. This, I believe, will make it clear that the laws, regulations, and history of underground injection operations in the respective States would be approved where they are adequate without the imposition of unnecessary requirements ignoring the different condition in different States. The gentleman proposes a reasonable and flexible approach to this.

I offered a similar amendment in full committee and support his efforts.

Mr. ROGERS. Mr. Speaker, I thank the gentleman from Louisiana (Mr. MOORE) for his comments and for his support of the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. DRINAN. Mr. Speaker, I rise in support of H.R. 6827, the amendments to Public Law 93–523, the Safe Drinking Water Act. This important legislation is a significant step toward the objective of providing safe drinking water to the American public. It has opened the way for an all-out effort by towns and municipalities all over the Nation to insure that its residents have the safest and cleanest water possible.

I would like to commend the Subcommittee on Energy and the Environment for their fine work in this legislation. My esteemed colleague from Florida (Mr. PAUL ROGERS) has provided outstanding leadership in guiding this bill through his subcommittee. The subcommittee has worked tirelessly in seeking to resolve the problems of equitably providing clean drinking water for the American public.

At this time, I would like to bring to the attention of my colleagues an issue which I presented to the subcommittee in April. I have introduced legislation, H.R. 2317, which would authorize grants under the Safe Drinking Water Act to communities to clean and update their water lines for the purpose of meeting the requirements under this act.

The uniform minimum standards for drinking water quality that must be met under the act constitute a significant financial burden to many of those municipalities and townships which must comply with the regulations. H.R. 2317 is designed to alleviate the financial hardships placed on many towns by the regulations of the Safe Drinking Water Act.

The need for assistance to municipalities that are attempting to carry out the law and the beneficial effects to be derived by millions of Americans from such assistance cannot be dismissed. It is contrary to the public interest to have any public drinking water which poses threats to human health, and thus appropriate for the Federal Government to share the burden of this cost.

Mr. Speaker, I direct my colleagues' attention to this deficiency in the Safe Drinking Water Act, and urge subsequent legislation providing a grant program to communities in order that we might effectively and efficiently insure clean drinking water for all Americans.

Mrs. COLLINS of Illinois. Mr. Speaker, I rise in support of H.R. 6827, Safe Drinking Water Amendments of 1977.

The Safe Drinking Water Act of 1974 was passed in response to a number of outbreaks of disease that were clearly attributable to contaminated drinking water. The act established a joint Federal-State regulatory system in which the Federal Environmental Protection Agency was charged with setting national drinking water standards and the States were given primary responsibility for enforcing these standards. It also provided a 3-year authorization for the Federal Government to provide technical assistance, information, training, and grants to the States for the purpose of improving their implementation of safe drinking water programs. These authorizations are due to expire at the end of fiscal year 1977.

The legislation before us allows these essential programs to continue by authorizing appropriations of $71 million for fiscal year 1977 and of $81 million for fiscal year 1978. In addition, the bill would establish an emergency assistance program for those localities requiring emergency intervention in cases where

acutely hazardous conditions appear to endanger public health.

In addition to the acute problems that brought this issue to the attention of the Congress a few years ago, the public has become increasingly aware of and concerned about chronic exposure to low-level contaminants, including, in some cases, cancer-causing agents, in the water supply. To deal with this problem, the proposed legislation directs the Administrator of the Environmental Protection Agency to undertake a study of the interaction of such chemicals as chlorine, humic acids, and polychlorinated biphenyls and of their potential effects on the toxicity of drinking water.

It seems ironic to me that a country with the technological capabilities of our own should allow its citizens to be subjected to substandard conditions of basic hygiene. I am concerned about reports that in some middle-class communities, residents have taken to drinking bottled water, out of concern over the safety of their tap water. Not everyone, and certainly not the residents of my district, can afford this luxury. Let us not neglect this basic responsibility to all of our citizens.

In support of the Federal-State effort to improve the quality of our drinking water, I urge my colleagues to join me in support of H.R. 6827.

Mr. RISENHOOVER. Mr. Speaker, I rise in support of the amendments to H.R. 6827 offered by the distinguished gentleman from Florida (Mr. ROGERS).

When the subcommittee reported out this bill, I raised a question of jurisdiction because I feared—and the gentleman from Florida agreed—that the bill inadvertently would affect sovereignty over Indian lands.

Important language was placed in the committee report and the gentleman from Florida forthrightly agreed to include the amendment to section 1447, subsection (d).

In the course of the analysis of the bill, I asked the Bureau of Indian Affairs and the Chief of the Osage Nation to state their views on the unamended bill.

I include the texts of these letters in the RECORD:

OSAGE TRIBAL COUNCIL,
Pawhuska, Okla., May 18, 1977.

HON. TED RISENHOOVER,
Longworth House Office Building
Washington, D.C.

DEAR MR. RISENHOOVER: The Osage Tribal Council and I, on behalf of the Osage Tribe of Indians, strongly object to Section 8 of H.R. 6827 which amends the Safe Drinking Water Act by transferring enforcement jurisdiction over the Osage mineral estate to the State of Oklahoma.

The Osage mineral estate has been held in trust by the United States of America for the use and benefit of the Osage Tribe since June 14, 1883. The first producing oil well was completed on October 28, 1897. The Secretary of the Interior supervises and manages the Osage mineral estate pursuant to the Act of June 28, 1906, ch. 3572, section 3, 34 Stat. 539, as amended.

The residents of Osage County, which include many Osage and other Indians, should be protected from the pollution of drinking water. This is being done. The stringent controls imposed by the Secretary in 25 CFR 183.22, .28, .30, .32, and .35 prevent such pollution. The Superintendent of the Osage Agency, for example, requires surface pipe to be set below fresh water and cemented from top to bottom and other procedures acceptable to the oil and gas industry. I am 74 years old, have lived in Osage County all of my life, and am unaware of any pollution of drinking water caused by oil and gas operations.

It is vital to the Osage Tribe that the Secretary continue to maintain complete supervision and control over the Osage mineral estate. Any transfer of the responsibilities from the Secretary to the State of Oklahoma would not augment the protection of drinking water from pollution.

In view of the foregoing, it is strongly requested that Section 8 be deleted from H.R. 6827 or, in the alternative, its application to the Osage mineral estate be specifically excluded.

Sincerely yours,
SYLVESTER J. TINKER,
Principal Chief.

DEPARTMENT OF THE INTERIOR,
BUREAU OF INDIAN AFFAIRS,
Washington, D.C., June 7, 1977.

HON. TED RISENHOOVER,
House of Representatives,
Washington, D.C.

DEAR MR. RISENHOOVER: Thank you for your recent inquiry regarding H.R. 6827 and its effects upon Indian tribes and domestic energy production.

As Chairman Privett of the Oklahoma Corporation Commission has pointed out, the effects of H.R. 6827 as written would be devastating on oil and gas operations on the Osage Reservation. We agree that the bill as written would have the unintended effect of allowing local governments to shut down all waterflood operations, which currently produce some 19,000 barrels a day from Osage lands at a steady level of production.

In addition to the program on the Osage Reservation, there are an additional 5,000,000 barrels of oil produced annually from other Indian lands in Oklahoma, and much of this also comes from secondary recovery operations.

The Winkleman Dome Phosphoria and the Lander Phosphoria Units on the Wind River Reservation in Wyoming are both currently operating on waterflood recovery and, together, produce some 3,000 barrels of oil a day at a steady rate of production.

The Two Medicine Cutbank Sand Unit on the Blackfeet Reservation in Montana is also on waterflood recovery and produces some 670 barrels a day. Although production from this unit has been declining in recent years, there are several other units on the reservation which will be converted to secondary recovery and which are expected to produce another 1,330 barrels a day.

The Aneth Field in San Juan County, Utah is largely on Indian land, and it, too, maintains a substantial level of production from secondary recovery operations. Figures from January 1977 indicate the following levels of production from secondary recovery operations on Indian lands in this area: Gothic Mesa 2,728 bbls/mo; Aneth Unit 296,630 bbls/mo; McElmo Creek 263,670 bbls/mo; Ratherford Unit 89,303 bbls/mo; White Mesa 28,405 bbls/mo; and Flodine Park 11,856 bbls/mo.

The total oil production from Indian lands achieved by the waterflood method of secondary recovery is well over 17,000,000 barrels annually, and is expected to increase as other older fields are converted. As presently written, H.R. 6827 would threaten this entire production.

Thus, the effect of H.R. 6827 on domestic energy production, local economies, tribal revenues, and state and local revenues could be enormous.

In addition to the effect H.R. 6827 would have on secondary recovery operations, we should point out that its effects on primary production may be more disastrous. As we read the language of section 8, it would affect not only waterflood injection wells, but disposal wells also.

In 1975, there were 986,285,654 barrels of oil produced from Indian lands and 2,421,903,069 mcfs of natural gas, excluding the Osage reservation. As we read H.R. 6827, all this production that comes from water-bearing formations would be affected. Water that comes from these formations must be disposed of, and it cannot be turned onto the land or into surface waterways. It must be put back into the ground. These disposal wells, it seems to us, would also be subject to the provisions of section 8. Thus, the bill as presently written would likely have devastating effects on the production of domestic energy resources from Indian lands.

Your interest in this matter is greatly appreciated, and we hope the information provided here will be helpful to you in your efforts.

Sincerely,
RAYMOND V. BUTLER,
Acting Deputy Commissioner
of Indian Affairs.

Mr. SKUBITZ. Mr. Speaker, as you know, section 1421(b)(2) of the Safe Drinking Water Act provides that no underground injection control regulation shall interfere or impede petroleum production unless that regulation is essential to assure protection of underground sources of drinking water.

I believe that Congress intended that if a State had a satisfactory injection control program relating to oil and gas production which, at the same time, protects underground sources of drinking water, then EPA is to approve the State's program. Certainly that was my understanding at the time of passage of this act in 1974. Indeed, a November 19, 1974, colloquy on the floor between Mr. PICKLE and Mr. ROGERS confirms my understanding—particularly the inserted letter of EPA Administrator Train.

Nevertheless, the proposed regulations published by EPA on August 31, 1976, in the Federal Register contained uniform requirements with extensive technical and procedural specifications not required by the act. Fortunately, as noted on page 11 of the committee report—No. 95-338—which accompanies this bill, Victor Kimm, Director of the Water Supply Office of EPA apparently recognized the problems with the proposed regulations.

However, based upon the history of agency action with respect to the underground injection control regulations, prudence demands that we reinforce our expressed intent with statutory language. Therefore, I applaud the chairman of the subcommittee for his willingness to include an amendment to section 1421(b) of the act to the effect that regulations shall permit or provide for consideration of varying geologic, hydrological, or historical conditions in different States and in different areas within a State, so long as underground sources of drinking water will not be endangered by any underground injection.

Kansas, as of October 1976, had some 1,895 producers operating 41,945 oil wells with 75.5 percent of its production. The average stripper production in Kansas is about three barrels of oil per day. Therefore, it is obvious that regulations that

are overly burdensome particularly could adversely affect the low producers. The committee in its report particularly urged the Agency to exercise due care in striking this proper balance in its guidelines with respect to stripper well production. I shall not go into detail with respect to Kansas' problems with the proposed regulations, for they can be found in the printed record of the April 22, 1977, hearings on the act—serial No. 95–9. However, I must note that I share the concerns expressed therein.

I am hopeful that the language that the gentleman from Florida has offered will assure the national guidelines for the protection of underground sources will not be inflexible and burdensome. For, I believe that Kansas has done a commendable job in protecting fresh and usable water aquifers in each and every one of the disposal permits issued.

Once again, I compliment the gentleman from Florida on his thoughtful attention to this matter.

Mr. LEHMAN. Mr. Speaker, I rise in support of H.R. 6827, the reauthorization of the Safe Drinking Water Act.

Our Nation saw fit to regulate the contents of the meat we eat three-fourths of a century ago. Yet, similar restrictions on the contents of our drinking water were not enacted until 3 years ago. Until that time, people assumed that someone properly treated their water before it got to their faucets.

In the early 1970's sensitivity grew about our abuse of the environment. We began to examine the effect on our drinking water of all the oils, chemicals, pesticides, fertilizers, and sewage which has been wantonly dumped into our waters. What we learned was alarming indeed. Dozens of organic chemicals, some of them suspected carcinogens, were found in public drinking water supplies. In response to this threat, Congress passed the Safe Drinking Water Act in 1974.

Mr. Speaker, we know all too well that the mere passage of a law does not automatically end the problem which that law was meant to address. Drinking water problems still plague the Nation. A more recent survey conducted by the Environmental Protection Agency found carcinogens in the drinking water of 80 metropolitan areas. Successive studies reveal even bleaker news. Clearly the problem is still with us.

Only a handful of States have demonstrated sufficient capabilities to be granted primacy in their drinking water programs. A goal of the 1974 act was to have the States achieve primacy and thereby control drinking water on a statewide basis.

In order for a State to have a good drinking water program, the State should have basic testing programs for bacterial, chemical, and radiological contamination. Waste disposal practices—including land spreading, underground injection, and conventional means—should be reviewed, as should industrial waste disposal practices, solid waste management plans, storm water runoff policies, and other environmental activities with an impact on potable water supplies. Also central to a strong program is the ability to determine what degree or method of water treatment is necessary to cope with particular risk-causing factors. States should have the capability to evaluate risks associated with intentionally or unintentionally adding chemicals to the water.

H.R. 6827 would reauthorize the Safe Drinking Water Act and provide badly needed funds to the States to help them comply with the act. The bill provides funds for public water supervision programs, training of personnel relating to public water systems, technical assistance, and underground water source protection programs.

Residents of Dade County, Fla., do not need to be told about the need to take care of drinking water. In 1973, the largest typhoid outbreak in recent history occurred at a labor camp in south Dade County. Investigation revealed the failure of the chlorination system caused over 200 cases of waterborne typhoid. In another incident, excessive amounts of potentially dangerous bacteria in the city of Miami Beach water system forced the issuance of a boil-water order. In another part of the State, a reported 1,200 persons became ill with shigellosis, an intestinal disorder, which was traced to water contaminated by septic tank discharge.

The fact is, Mr. Speaker, that problems with waterborne bacteria occur quite frequently in Florida, necessitating issuance of notices to boil water. For example, 40 such notices were issued in the past 18 months, along with numerous corrective orders to resolve unsatisfactory and potentially dangerous conditions existing in public water supply systems.

Widespread publicity concerning these cases obviously alarmed residents in the affected areas. People in south Florida are so distressed that the sale of various devices to "purify" drinking water has become an $8 million per year business. Six percent of south Floridians either buy bottled water to drink or have purchased home filters. Still others purchase their water through vending machines. Ironically, these devices present health hazards themselves which can make the water more dangerous to drink than the original product. This is a problem which should be looked into in the near future and which illustrates the lack of consumer confidence in their public drinking water systems.

Local residents are not the only ones aware of south Florida's drinking water problems. In repeated well-publicized nationwide surveys, Miami's drinking water has had the highest levels of chloroform and other carcinogens. An article in the official publication of the Florida League of Cities states that the drinking water situation "no doubt was responsible for some tourists canceling their Florida vacations."

There can be no doubt that we must extend the Safe Drinking Water Act. The States must be given an opportunity to develop satisfactory programs and achieve primacy. Where States fail to do so, the drinking water responsibility would be handled by the already overburdened EPA. With new air pollution, water pollution and toxic control programs recently thrust at them, the understaffed EPA has not even been able to come out with limits on chloroform and other carcinogenic compounds in drinking water. It is of utmost importance that EPA publish these standards promptly. Miami residents know that their water has more chloroform than any other city in the Nation, but standards are necessary to guide efforts to alleviate the situation. Once standards have been published, the EPA would be able to deal with "secondary standards." These would deal with the foul taste and murky color now plaguing Miami's drinking water. Secondary standards are badly needed. Chloroform or no, there will be no public confidence in the drinking water as long as it has a sickening smell, taste and appearance.

The long range solution to drinking water problems is to tighten pollution control laws so that harmful substances will be kept out of our waters. Until our waterways can be cleaned up, we should see to it that we have a good, protective drinking water program. I therefore urge my colleagues to support H.R. 6827.

Mr. CARTER. Mr. Speaker, I have no further requests for time.

Mr. ROGERS. Mr. Speaker, we have no further requests for time on this side.

The SPEAKER pro tempore (Mr. FOLEY). The question is on the motion offered by the gentleman from Florida (Mr. ROGERS) that the House suspend the rules and pass the bill H.R. 6827, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Mr. ROGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1528) to amend section 2 of the Safe Drinking Water Act (Public Law 93–523) to extend and increase authorizations provided for public water systems, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1528

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Safe Drinking Water Act Amendments of 1977".

SEC. 2. Subsection 2(a) of the Safe Drinking Water Act (88 Stat. 1660) is amended—

(1) by amending section 1442(c) (88 Stat. 1684) to read as follows:

"(c) There are authorized to be appropriated to carry out the provisions of this section $17,000,000 for the fiscal year ending September 30, 1978.";

(2) by amending section 1443(a)(5) (88 Stat. 1684) to read as follows:

"(5) For purposes of making grants under paragraph (1) there are authorized to be appropriated $20,500,000 for the fiscal year ending September 30, 1978.";

(3) by amending section 1443(b)(5) (88 Stat. 1685) to read as follows:

"(5) For purposes of making grants under paragraph (1) there are authorized to be appropriated $6,000,000 for the fiscal year ending September 30, 1978."; and

(4)(A) by amending section 1444(a) (88 Stat. 1685) by striking out "The Administrator may make grants" and inserting in lieu thereof "The Administrator shall offer grants"; and

(B) by amending section 1444(c) (88 Stat. 1686) to read as follows:

"(c) For the purposes of making grants under subsections (a) and (b) of this section there are authorized to be appropriated $25,000,000 for the fiscal year ending September 30, 1978.".

SEC. 3. There are authorized to be appropriated to the Environmental Protection Agency for research and development activities under the Safe Drinking Water Act $16,000,000 for the fiscal year ending September 30, 1978.

MOTION OFFERED BY MR. ROGERS

Mr. ROGERS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ROGERS moves to strike out all after the enacting clause of the Senate bill S. 1528 and to insert in lieu thereof the provisions of H.R. 6827, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 6827) was laid on the table.

CHANGE IN LEGISLATIVE PROGRAM

Mr. DANIELSON. Mr. Speaker, I wish to announce that the Speaker has agreed to recognize me to take up another bill, which will be No. 9 on today's Suspension Calendar. The bill is H.R. 6893, and there will be a request that we agree to Senate amendments thereto.

INTERNATIONAL NAVIGATIONAL RULES

Mr. MURPHY of New York. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 186) to implement the Convention on the International Regulations for Preventing Collisions at Sea, 1972, as amended.

The Clerk read as follows:

H.R. 186

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Navigational Rules Act of 1977".

SEC. 2. For the purposes of this Act—

(1) "vessel" means every description of watercraft, including nondisplacement craft and seaplanes, used or capable of being used as a means of transportation on water; and

(2) "high seas" means all parts of the sea that are not included in the territorial sea or in the internal waters of any nation.

SEC. 3. (a) The President is authorized to proclaim the International Regulations for Preventing Collisions at Sea, 1972 (hereinafter referred to as the "International Regulations"). The effective date of the International Regulations for the United States shall be specified in the proclamation and shall be the date as near as possible to, but no earlier than, the date on which the Convention on the International Regulations for Preventing Collisions at Sea, 1972 (hereinafter referred to as the "Convention"), signed at London England, under date of October 20, 1972, enters into force for the United States. The International Regulations proclaimed shall consist of the rules and other annexes attached to the Convention.

(b) The proclamation shall include the International Regulations and shall be published in the Federal Register. On the date specified in the proclamation, the International Regulations shall enter into force for the United States and shall have effect as if enacted by statute.

(c) Subject to the provisions of subsection (d) hereof, the President is also authorized to proclaim any amendment to the International Regulations hereafter adopted in accordance with the provisions of article VI of the Convention, and to which the United States does not object. The effective date of the amendment shall be specified in the proclamation and shall be in accordance with the provisions of the said article VI. The proclamation shall include the adopted amendment and shall be published in the Federal Register. On the date specified in the proclamation, the amendment shall enter into force for the United States as a constituent part of the International Regulations, as amended, and shall have effect as if enacted by statute.

(d)(1) Upon receiving a proposed amendment to the International Regulations, communicated to the United States pursuant to clause 3 of article VI of the Convention, the President shall promptly notify the Congress of the proposed amendment. If, within sixty days after receipt of such notification by the Congress, or ten days prior to the date under clause 4 of article VI for registering an objection, whichever comes first, the Congress adopts a resolution of disapproval, such resolution shall be transmitted to the President and shall constitute an objection by the United States to the proposed amendment. If, upon receiving notification of the resolution of disapproval, the President has not already notified the Inter-Governmental Maritime Consultative Organization of an objection to the United States to the proposed amendment, he shall promptly do so.

(2) For the purposes of this subsection, "resolution of disapproval" means a concurrent resolution initiated by either House of the Congress, the matter after the resolving clause of which is to read as follows: "That the (the concurring) does not favor the proposed amendment to the International Regulations for Preventing Collisions at Sea, 1972, relating to , and forwarded to the Congress by the President on .", the first blank space therein to be filled with the name of the resolving House, the second blank space therein to be filled with the name of the concurring House, the third blank space therein to be filled with the subject matter of the proposed amendment, and the fourth blank space therein to be filled with the day, month, and year.

(3) Any proposed amendment transmitted to the Congress by the President and any resolution of disapproval pertaining thereto shall be referred, in the House of Representatives, to the Committee on Merchant Marine and Fisheries, and shall be referred, in the Senate, to the Committee on Commerce, Science, and Transportation.

SEC. 4. Except as provided in section 5 and subject to the provisions of section 6, the International Regulations, as proclaimed under section 3, shall be applicable to, and shall be complied with by—

(1) all vessels, public and private, subject to the jurisdiction of the United States, while upon the high seas or in waters connected therewith navigable by seagoing vessels, and

(2) all other vessels when on waters subject to the jurisdiction of the United States.

SEC. 5. (a) The International Regulations shall not be applicable to vessels while—

(1) in the harbors, rivers, and other inland waters of the United States, as defined in section 1 of the Act of June 7, 1897 (30 Stat. 96), as amended (33 U.S.C. 154),

(2) in the Great Lakes of North America and their connecting and tributary waters, as defined in section 1 of the Act of February 8, 1895 (28 Stat. 645), as amended (33 U.S.C. 241), nor while

(3) in the Red River of the North and rivers emptying into the Gulf of Mexico and their tributaries, as defined in section 4233 of the Revised Statutes of the United States, as amended (33 U.S.C. 301).

(b) Whenever a vessel subject to the jurisdiction of the United States is in the territorial waters of a foreign state the International Regulations shall be applicable to, and shall be complied with by, that vessel to the extent that the laws and regulations of the foreign state are not in conflict therewith.

SEC. 6. (a) Any requirement of the International Regulations with respect to the number, position, range, or arc of visibility of lights, with respect to shapes, or with respect to the disposition and characteristics of sound-signaling appliances, shall not be applicable to a vessel of special construction or purpose, whenever the Secretary of the Navy, for any vessel of the Navy, or the Secretary of the department in which the Coast Guard is operating, for any other vessel of the United States, shall certify that the vessel cannot comply fully with that requirement without interfering with the special function of the vessel.

(b) Whenever a certification is issued under the authority of subsection (a) hereof, the vessel involved shall comply with the requirement as to which the certification is made to the extent that the Secretary issuing the certification shall certify as the closest possible compliance by that vessel.

(c) Notice of the certifications issued pursuant to subsections (a) and (b) hereof shall be published in the Federal Register.

SEC. 7. (a) The Secretary of the Navy is authorized to promulgate special rules with respect to additional station or signal lights or whistle signals for ships of war or vessels proceeding under convoy, and the Secretary of the department in which the Coast Guard is operating is authorized to promulgate special rules with respect to additional station or signal lights for fishing vessels engaged in fishing as a fleet.

(b) The additional station or signal lights or whistle signals contained in the special rules authorized under subsection (a) hereof shall be, as far as possible, such that they cannot be mistaken for any light or signal authorized by the International Regulations. Notice of such special rules shall be published in the Federal Register and, after the effective date specified in such notice, they shall have effect as if they were a part of the International Regulations.

SEC. 8. The Secretary of the department in which the Coast Guard is operating is authorized to promulgate such reasonable rules and regulations as are necessary to implement the provisions of this Act and the International Regulations proclaimed hereunder.

SEC. 9. (a) Whoever operates a vessel, subject to the provisions of this Act, in violation of this Act or of any regulation promulgated pursuant to section 8, shall be liable to a civil penalty of not more than $500 for each such violation.

(b) Every vessel subject to the provisions of this Act, other than a public vessel being used for noncommercial purposes, which is operated in violation of this Act or of any regulation promulgated pursuant to section 8, shall be liable to a civil penalty of $500 for each such violation, for which penalty the vessel may be seized and proceeded against in the district court of the United

States of any district within which such vessel may be found.

(c) The Secretary of the department in which the Coast Guard is operating may assess any civil penalty authorized by this section. No such penalty may be assessed until the person charged, or the owner of the vessel charged, as appropriate, shall have been given notice of the violation involved and an opportunity for a hearing. For good cause shown, the Secretary may remit, mitigate, or compromise any penalty assessed. Upon the failure of the person charged, or the owner of the vessel charged, to pay an assessed penalty, as it may have been mitigated or compromised, the Secretary may request the Attorney General to commence an action in the appropriate district court of the United States for collection of the penalty as assessed, without regard to the amount involved, together with such other relief as may be appropriate.

SEC. 10. Public Law 88–131 (77 Stat. 194) is repealed, effective on the date on which the International Regulations enter into force for the United States. The reference in any other law to Public Law 88–131, or to the regulations set forth in section 4 of that Act, shall be considered a reference, respectively, to this Act, or to the International Regulations proclaimed hereunder.

The SPEAKER pro tempore. Is a second demanded?

Mr. BAUMAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New York (Mr. MURPHY) and the gentleman from Maryland (Mr. BAUMAN) are recognized for 20 minutes each.

The Chair recognizes the gentleman from New York (Mr. MURPHY).

Mr. MURPHY of New York. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 186, a bill to implement the convention on the international regulations for preventing collisions at sea, 1972, as reported by the Committee on Merchant Marine and Fisheries.

International regulations governing the lighting and movement of vessels operating on the high seas and connecting waters have been adopted and utilized for approximately 100 years. Periodically, international maritime conferences have been convened to modify and update these rules. The pace of technological development and changing operational requirements in the maritime area have punctuated the necessity for keeping the rules current. Recognition of this gap between advancing technology and adoption of concomitant rules of conduct led to the inclusion in this latest revision of a "tacit amendment procedure." Now, amendments to the regulations can enter into force, subject to objections being filed by individual signatories preventing such revisions becoming applicable to them.

H.R. 186 preserves congressional participation in this process while still expediting adoption of regulation revisions through the mechanism of a legislative veto, here in the form of a concurrent resolution initiated by either House. This mechanism has been revised from that of a simple resolution, constituting a resolution of disapproval for subsequently adopted amendments to the regulations emanating from parties to the international convention.

The new rules clarify the responsibility of the privileged vessel in a crossing situation and allow it to maneuver to avoid collission before an in extremis situation develops. Compliance with approved vessel traffic separation schemes will now be mandatory. Lights of greater visibility must now be carried, reflecting higher vessel operating speeds. New lights for new classes of vessels, such as air cushion vehicles, are also included in the regulations. Vessels constrained by their draft are now clearly identifiable by their lighting configuration. Responsibility between all classes of vessels and in all operating conditions and visibility is now clearly delineated. There are several new augmentees to the class of vessels restricted in their ability to maneauver. Moreover, for the first time, the status of the vessel "not under command" is defined.

While the use of radar is now fully integrated into the operation of the rules, the role of the primary vessel sensor, the lookout, is broadened to insure the input to command from observations obtained from any of his senses. While the euphemism "unsafe at any speed" is perhaps equally applicable to vessels, given the increasing frequency of rammings, groundings, and collisions today, the new rules mandate that a safe speed be maintained under all conditions and include criteria for its determination under all circumstances.

Lastly, nostalgically speaking, the sonorous sound of the foghorn has been drowned out through technological obsolescence.

The Subcommittee on Coast Guard and Navigation and the Committee on Merchant Marine and Fisheries both endorsed the bill by unanimous voice vote.

I now call upon the House to set H.R. 186 upon a proper tack to insure its passage prior to the entry into force of the international regulations on July 15, 1977.

Mr. BIAGGI. Mr. Speaker, will the gentleman yield?

Mr. MURPHY of New York. I am happy to yield to the distinguished gentleman from New York (Mr. BIAGGI) who is the chairman of the Subcommittee on Coast Guard and Navigation of the Committee on Merchant Marine and Fisheries.

Mr. BIAGGI. Mr. Speaker, I thank the gentleman for yielding to me.

H.R. 186 is the implementing legislation for the convention, making it applicable to U.S. vessels operating on the high seas and connecting waters. If enacted, it will make the rules effective as of the date the convention enters into force for the United States. The key point to be made is that the convention will be operative internationally with or without any action being taken by the United States. It is with a sense of urgency then, and a desire to avoid any possible confusion on the part of U.S. mariners as to the rules in force, that I recommend prompt action on this bill.

Specifically, the bill broadens the definition of vessels to include both seaplanes and, more importantly, the new generation of surface-effect ships and hydrofoils, reflecting new technological developments in the marine transportation field.

The bill authorizes the President to proclaim the international regulations, to have effect as if enacted by statute. Subject to congressional oversight, the President is further authorized to proclaim any amendment to the international regulations, hereafter adopted internationally pursuant to the "tacit amendment procedure" contained in the convention. This procedure provides for expeditious adoption of amendments to the regulations subject to the filing of objections by nations signatory, thereby preventing the entering into force of these amendments as they would apply to them. Amendments shall be published in the Federal Register.

Upon receiving a proposed amendment to the international regulations, the President shall promptly notify the Congress of the same. Thereafter, if the Congress objects to certain amendments, it has 60 days within which to adopt a concurrent resolution of disapproval. This resolution shall be transmitted to the President and shall constitute an objection by the United States to the proposed amendment. The President shall promptly notify IMCO of such objection. Either house may initiate the concurrent resolution of disapproval.

It was this legislative veto procedure, constituting the manner of congressional review of subsequently adopted amendments to the international regulations, that prompted President Ford's pocket veto of H.R. 5446, the predecessor bill to H.R. 186, following passage by the 94th Congress. A concurrent resolution has been substituted for the simple resolution objected to in the former bill.

The previous administration's position was that a joint resolution would be necessary to implement revisions to the international regulations having the force and effect of law. This meant that the President would participate in the approval process for regulations twice. He would have the veto power over a veto by Congress.

More importantly, the prior administration, following this action, attempted to implement the convention domestically by depositing the instrument of ratification with IMCO and issuing an Executive order purporting to authorize certain implementing actions in the United States. The Executive order is an ineffective attempt to bypass implementing legislation. The convention is not a self-executing treaty under domestic law; hence, our constitutional law process requires legislation to implement the convention domestically. The President cannot bypass this process under the Constitution.

H.R. 186 further provides that, once adopted, the international regulations shall be applicable to all U.S. vessels, public and private, while operating on the high seas or connecting waters. The

provision for continuation of inland, Great Lakes, and western rivers rules is recognized by the international convention and is perpetuated in H.R. 186.

U.S. vessels must now comply with the international regulations while operating within the territorial waters of a foreign state, to the extent that the laws of that state are not in conflict with the international regulations.

This bill further allows the Secretary of the Navy to relax certain requirements for naval vessels of special construction or purpose while requiring the closest possible compliance by said vessels. The Secretary of Transportation is given the same authority for other U.S. vessels. Notice of these certifications must likewise be published in the Federal Register.

Further, the Secretary of the Navy is authorized to promulgate special rules for warships and vessels in convoy, and the Secretary of Transportation may do the same for fishing fleets. Again, these special rules must be published in the Federal Register.

The Secretary of Transportation is authorized to promulgate reasonable rules and regulations incident to implementation of the act and the international regulations proclaimed.

For the first time, the failure to comply with the international regulations will have more than mere legal effect on determination of fault in a court of law on the issue of negligence. Civil penalties are provided under this bill, and the regulations will be enforced by the Coast Guard on the high seas as applicable to U.S. vessels.

Last, existing law, implementing the 1960 collision regulations, is repealed, effective on the date the new regulations enter into force for the United States.

Mr. Speaker, the volume of maritime traffic, composition of vessel traffic operating on the high seas, technological advancement in type of vessels, and operational limitations common to these vessels militate that a new set of operating rules be made applicable, both internationally and domestically. These international regulations take into account these innovations in marine transportation and new considerations. The result is an up-to-date code of conduct for navigation on the high seas.

I urge passage of this legislation to underscore the U.S. policy of commitment to safe, efficient international navigation effected by the use of modern operating rules, constituting predictable behavior by oceangoing vessels.

Mr. BAUMAN. Mr. Speaker, I have no requests for time, and I yield back the remainder of my time.

Mr. MURPHY of New York. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. MURPHY) that the House suspend the rules and pass the bill H.R. 186, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 186 just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDING THE FEDERAL-AID HIGHWAY ACT OF 1976

Mr. HOWARD. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7462) to amend the Federal-Aid Highway Act of 1976 to provide an obligation limitation for fiscal year 1978.

The Clerk read as follows:

H.R. 7462

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal-Aid Highway Act of 1976 (Public Law 94–280) is amended by adding at the end thereof the following new section:

"OBLIGATION LIMITATION

"SEC. 156. (a) Notwithstanding any other provision of law, the total of all obligations for Federal-aid highways and highway safety construction programs for fiscal year 1978 shall not exceed $7,445,000,000. This limitation shall not apply to obligations for emergency relief under section 125 of title 23, United States Code.

"(b) Notwithstanding the limitation contained in subsection (a) of this section, the Secretary shall not in any way control—

"(1) the rate of obligation of such limitation by allocation of such limitation or in any other manner; and

"(2) by priority or otherwise, programs or projects eligible for Federal financial assistance from those funds for such programs and projects which are subject to such limitation, if such programs or projects are otherwise eligible for such assistance under title 23, United States Code, or any other applicable provision of law.

"(c) The Secretary shall submit to Congress, not later than the first week of each calendar month which begins after the date of enactment of this section, and before October 1, 1979, a report on the amount of obligation by State for Federal-aid highways and the highway safety construction programs during the preceding calendar month, the cumulative amount of obligation by State for fiscal year 1978, and the balance, as of the last day of such preceding month, of the unobligated apportionment of each State by fiscal year.".

The SPEAKER pro tempore. Is a second demanded?

Mr. SHUSTER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New Jersey (Mr. HOWARD) will be recognized for 20 minutes, and the gentleman from Pennsylvania (Mr. SHUSTER) will be recognized for 20 mintes.

The Chair recognizes the gentleman from New Jersey (Mr. HOWARD).

Mr. HOWARD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Committee on Public Works and Transportation today commends to the House the bill H.R. 7462, to provide an obligation limitation of $7.445 billion for fiscal year 1978, on all Federal-aid highway and highway safety construction programs, except for the section 125 emergency relief program, and to prescribe procedures for administering the obligation limitation.

This bill is a safeguard to assure that the administration of the Federal-aid highway program will conform to congressional intent within a ceiling on obligations during fiscal year 1978. It would achieve this by providing program direction to the Department of Transportation, preventing undue control of the program through administrative discretion with respect to rate of obligations, priority among programs and projects and otherwise. Thus, it would assure that the program function and projects be approved in accordance with law, provided only that the obligation ceiling not be exceeded.

H.R. 7462 is fully consistent with the ceiling contained in the transportation appropriations conference report for fiscal year 1978. The conference report contains a $7.445 billion ceiling and exempts from the ceiling the obligations for emergency relief under section 125 of title 23, United States Code. Emergency relief obligations during fiscal year 1978 should be approximately $100 million. The conference report further provides that the limitation shall not take effect if separate legislation containing an obligation limitation on the highway program is enacted by September 30, 1977.

H.R. 7462 is such legislation, Mr. Speaker, and I know of no Member of this body who opposes what we are attempting to do. The bill gives statutory expression to congressional intent that imposition of an obligation ceiling not lead to such administrative manipulation as disrupted the program during the practice of impoundment.

Because of the time constraint in the conference report of enacting this legislation by September 30, 1977, floor action on this bill must necessarily be fast. It is for this reason that this bill is being brought to the floor under suspension of the rules.

Mr. Speaker, we believe the bill strikes a proper balance between budgetary requirements and program needs. It is similar to one which passed the House last year under suspension of the rules. We commend it to the House and urge its adoption.

Mr. SHUSTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 7462.

I wish to associate myself completely with the remarks of the distinguished chairman of our subcommittee, who stated the overwhelming case for adoption of this bill.

The issue at stake here is not a partisan one. Indeed, H.R. 7462 was cosponsored by the subcommittee chairman and myself and supported by the majority and minority of our public works and transportation committee without dissent. Thus, this measure addresses the amount of money that should be made available for obligation under the Federal-aid highway program, and not where it should be spent.

The bill is a simple one, Mr. Speaker. It sets an obligational ceiling of $7.445 billion on highway trust fund programs for fiscal year 1978, which is identical to the present ceiling of $7.2 billion when you add-in two presently exempted programs. It is totally consistent with congressional budget limitations and with the ceiling contained in the fiscal year 1978 DOT Appropriations Act.

H.R. 7462 goes beyond the simple imposition of an obligational ceiling, however, by giving statutory assurance that the ceiling may not be used as a tool to manipulate the program. This is a serious concern to our committee and should be to all members when you consider the fact the $7.445 billion ceiling would be imposed at a time when unobligated apportionments could total $11.6 billion.

This bill makes clear that no single category or group of categories or projects should be favored in the release of funds, so that ideally the highway program can proceed uninterrupted. For example, it is the intent of the legislation that funds should be obligated to the States on a first-come, first served basis, up to the limit of their apportionments until the national ceiling is reached. This is a very important point which is only addressed in this bill.

H.R. 7462 also requires the Secretary of Transportation to report to the Congress on the rate at which funds are being obligated in the various programs, so that if States are able to proceed faster than anticipated, consideration can be given to adjusting the program modestly if hardships are imposed on individual States.

Mr. Speaker, this is a simple, straightforward, but extremely important bill, and I urge its adoption.

Mr. CONTE. Mr. Speaker, I rise in support of this measure to amend the Federal Aid Highway Act to provide an obligation limitation for fiscal year 1978.

As the ranking minority member of the Transportation Appropriations Subcommittee, I fully support this measure and commend the chairman and members of the Committee on Public Works and Transportation for bringing it to the floor.

As my colleagues know, last year we imposed a ceiling on obligations from the highway trust fund in the transportation appropriations bill, over the strong objections of the members of the Committee on Public Works and Transportation. I am pleased that this year we have reached an accommodation on this matter, so that the appropriations bill and this measure include the same dollar level ceiling for fiscal year 1978.

This measure also includes appropriate safeguards to insure that the limitation on obligations will not permit the Department of Transportation to manipulate the priorities inherent in the highway funding process.

The ceiling of $7.445 billion will not unduly curb progress in the construction of our highways, but will provide for orderly and responsible progress towards the completion of the interstate highway system.

Mr. Speaker, I urge the adoption of this measure.

Mr. JOHNSON of California. Mr. Speaker, I come before the House today to urge your support for the bill H.R. 7462.

My good friend and colleague from New Jersey, Mr. HOWARD, has explained clearly to us the purpose and intent of this bill, and I appreciate his hard work on it.

But there is one thing that I think needs to be emphasized even more strongly since I believe it is the key issue before us today, and that is that this Congress must safeguard our highway programs from improper manipulation through excessive discretionary authority in the Department of Transportation.

It is true that where necessary the Secretary of Transportation has been given certain discretionary authority to supervise and approve highway projects, and I have no quarrel with that.

But, and this is the most important point, Mr. Speaker, any ceiling placed on obligation authority from the highway trust fund carries with it the danger that in keeping within that ceiling, the Secretary of Transportation could be able to wield excessive discretionary authority over our highway programs, unless safeguard provisions such as contained in H.R. 7462 are in effect.

I do not mean to imply that we should be distrustful of our distinguished former colleague from the State of Washington who is serving as the Secretary of Transportation; it is the principle rather than the personality which we must address.

Indeed, while still a Member of this House, Secretary Adams himself supported the passage of similar legislation last year.

But, the House must be mindful of the performance of executive branch agencies during past periods of impoundment.

With respect to the highway program, restraints imposed for budgetary reasons had not only the effect of reducing funds available for obligation; they also make it possible to manipulate the program within the lower ceiling by picking and choosing among categories to be favored or disfavored—such as urban, rural, safety construction—by prescribing the eligible use of funds in the release of obligation authority regardless of State priorities or readiness to proceed.

Hard and painful experience has shown also that individual States and entire regions can be disadvantaged by periodic and partial release of obligation authority with ground rules shifting from period to period.

This bill seeks to redress this problem by giving specific program direction to the Secretary to insure that the will of this Congress cannot be subverted from the priorities we have established, and to assure that the programs and projects will be approved in accordance with existing law.

Mr. Speaker, the safeguards in this bill will provide that assurance, and will allow continuing progress on the Nation's highway system as we have determined.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. HOWARD) that the House suspend the rules and pass the bill H.R. 7462.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 7462) just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

TRADING WITH THE ENEMY ACT REFORM LEGISLATION

Mr. BINGHAM. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7738) with respect to the powers of the President in time of war or national emergency, as amended.

The Clerk read as follows:

H.R. 7738

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—AMENDMENTS TO THE TRADING WITH THE ENEMY ACT

REMOVAL OF NATIONAL EMERGENCY POWERS UNDER THE TRADING WITH THE ENEMY ACT

SEC. 101. (a) Section 5(b)(1) of the Trading With the Enemy Act is amended by striking out "or during any other period of national emergency declared by the President" in the text preceding subparagraph (A).

(b) Notwithstanding the amendment made by subsection (a), the authorities conferred upon the President by section 5(b) of the Trading With the Enemy Act, which were being exercised with respect to a country on July 1, 1977, as a result of a national emergency declared by the President before such date, may continue to be exercised with respect to such country, except that, unless extended, the exercise of such authorities shall terminate (subject to the savings provisions of the second sentence of section 101(a) of the National Emergencies Act) at the end of the two-year period beginning on the date of enactment of the National Emergencies Act. The President may extend the exercise of such authorities for one-year periods upon a determination for each such extension that the exercise of such authorities with respect to such country for another year is in the national interest of the United States.

(c) Paragraph (1) of section 502(a) of the National Emergencies Act is repealed.

WARTIME AUTHORITIES

SEC. 102. Section 5(b)(1) of the Trading With the Enemy Act is amended—

(1) in the text preceding subparagraph (A), by striking out "or otherwise," the first time it appears; and

(2) by striking out "; and the President may, in the manner hereinabove provided, take other or further measures not inconsistent herewith for the enforcement of this subdivision".

CRIMINAL PENALTIES

SEC. 103. (a) Section 16 of the Trading With the Enemy Act is amended by striking out "$10,000" and inserting in lieu thereof "$50,000".

(b) Section 5(d)(3) of such Act is amended by striking out the second sentence.

TITLE II—INTERNATIONAL EMERGENCY ECONOMIC POWERS

SHORT TITLE

SEC. 201. This title may be cited as the "International Emergency Economic Powers Act".

SITUATIONS IN WHICH AUTHORITIES MAY BE EXERCISED

SEC. 202. (a) Any authority granted to the President by section 203 may be exercised to deal with any unusual and extraordinary threat, which has its source in whole or substantial part outside the United States, to the national security, foreign policy, or economy of the United States, if the President declares a national emergency with respect to such threat.

(b) The authorities granted to the President by section 203 may only be exercised to deal with an unusual and extraordinary threat with respect to which a national emergency has been declared for purposes of this title and may not be exercised for any other purpose. Any exercise of such authorities to deal with any new threat shall be based on a new declaration of national emergency which must be with respect to such threat.

GRANT OF AUTHORITIES

SEC. 203. (a)(1) At the times and to the extent specified in section 202, the President may, under such regulations as he may prescribe, by means of instructions, licenses, or otherwise—

(A) investigate, regulate, or prohibit—

(i) any transactions in foreign exchange,

(ii) transfers of credit or payments between, by, through, or to any banking institution, to the extent that such transfers or payments involve any interest of any foreign country or a national thereof,

(iii) the importing or exporting of currency or securities; and

(B) investigate, regulate, direct and compel, nullify, void, prevent or prohibit, any acquisition, holding, withholding, use, transfer, withdrawal, transportation, importation or exportation of, or dealing in, or exercising any right, power, or privilege with respect to, or transactions involving, any property in which any foreign country or a national thereof has any interest; by any person, or with respect to any property, subject to the jurisdiction of the United States.

(2) In exercising the authorities granted by paragraph (1), the President may require any person to keep a full record of, and to furnish under oath, in the form of reports or otherwise, complete information relative to any act or transaction referred to in paragraph (1) either before, during, or after the completion thereof, or relative to any interest in foreign property, or relative to any property in which any foreign country or any national thereof has or has had any interest, or as may be otherwise necessary to enforce the provisions of such paragraph. In any case in which a report by a person could be required under this paragraph, the President may require the production of any books of account, records, contracts, letters, memoranda, or other papers, in the custody or control of such person.

(3) Compliance with any regulation, instruction, or direction issued under this title shall to the extent thereof be a full acquittance and discharge for all purposes of the obligation of the person making the same. No person shall be held liable in any court for or with respect to anything done or omitted in good faith in connection with the administration of, or pursuant to and in reliance on, this title, or any regulation, instruction, or direction issued under this title.

(b) The authority granted to the President by this section does not include the authority to regulate or prohibit, directly or indirectly—

(1) any postal, telegraphic, telephonic, or other personal communication, which does not involve a transfer of anything of value; or

(2) uncompensated transfers of anything of value except to the extent that the President determines that such transfers (A) would seriously impair his ability to deal with the unusual and extraordinary threat which is the basis for the exercise of authorities under this title, (B) are in response to coercion against the proposed recipient or donor, or (C) would endanger Armed Forces of the United States which are engaged in hostilities or are in a situation where imminent involvement in hostilities is clearly indicated by the circumstances.

CONSULTATION AND REPORTS

SEC. 204. (a) The President, in every possible instance, shall consult with the Congress before exercising any of the authorities granted by this title and shall consult regularly with the Congress so long as such authorities are exercised.

(b) Whenever the President exercises any of the authorities granted by this title, he shall immediately transmit to the Congress a report specifying—

(1) the circumstances which necessitate such exercise of authority;

(2) why the President believes those circumstances constitute an unusual and extraordinary threat, which has its source in whole or substantial part outside the United States, to the national security, foreign policy, or economy of the United States;

(3) the authorities to be exercised and the actions to be taken in the exercise of those authorities to deal with those circumstances;

(4) why the President believes such actions are necessary to deal with those circumstances; and

(5) any foreign countries with respect to which such actions are to be taken and why such actions are to be taken with respect to those countries.

(c) At least once during each succeeding six-month period after transmitting a report pursuant to subsection (b) with respect to an exercise of authorities under this title, the President shall report to the Congress with respect to the actions taken, since the last such report, in the exercise of such authorities, and with respect to any changes which have occurred concerning any information previously furnished pursuant to paragraphs (1) through (5) of subsection (b).

(d) The requirements of this section are supplemental to those contained in title IV of the National Emergencies Act.

AUTHORITY TO ISSUE REGULATIONS

SEC. 205. The President may issue such regulations, including regulations prescribing definitions, as may be necessary for the exercise of the authorities granted by this title.

CONGRESSIONAL REVIEW OF REGULATIONS

SEC. 206. (a) Any regulation issued under this title (including any modification of a previously issued regulation) shall be reported to the Congress not later than the date on which it becomes effective.

(b)(1) If, within the period described in paragraph (2), the Congress adopts a concurrent resolution disapproving, in whole or in part, a regulation reported pursuant to subsection (a), then such regulation shall immediately cease to be effective to the extent it is disapproved.

(2) The period referred to in paragraph (1) is the thirty-day period (excluding any day on which either House of Congress is not in session) beginning on the date on which the regulation is reported to the Congress pursuant to subsection (a).

(c) Disapproval of a regulation by the Congress under subsection (b) shall not affect the validity of such regulation (or any action taken under such regulation) during the period it was in effect.

PENALTIES

SEC. 207. (a) A civil penalty of not to exceed $10,000 may be imposed on any person who violates any license, order, or regulation issued under this title.

(b) Whoever willfully violates any license, order, or regulation issued under this title shall, upon conviction, be fined not more than $50,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment, or both.

SAVINGS PROVISION

SEC. 208. (a)(1) Except as provided in subsection (b), notwithstanding the termination pursuant to the National Emergencies Act of a national emergency declared for purposes of this title, any authorities granted by this title, which are exercised on the date of such termination on the basis of such national emergency to prohibit transactions involving property in which a foreign country or national thereof has any interest, may continue to be so exercised to prohibit transactions involving that property if the President determines that the continuation of such prohibition with respect to that property is necessary on account of claims involving such country or its nationals.

(2) Notwithstanding the termination of the authorities described in section 101(b) of this Act, any such authorities, which are exercised with respect to a country on the date of such termination to prohibit transactions involving any property in which such country or any national thereof has any interest, may continue to be exercised to prohibit transactions involving that property if the President determines that the continuation of such prohibition with respect to that property is necessary on account of claims involving such country or its nationals.

(b) The authorities described in subsection (a)(1) may not continue to be exercised under this section if the national emergency is terminated by the Congress by concurrent resolution pursuant to section 202 of the National Emergencies Act and if the Congress specifies in such concurrent resolution that such authorities may not continue to be exercised under this section.

(c)(1) The provisions of this section are supplemental to the savings provisions of paragraphs (1), (2), and (3) of section 101(a) and of paragraphs (A), (B), and (C) of section 202(a) of the National Emergencies Act.

(2) The provisions of this section supersede the termination provisions of section 101(a) and of title II of the National Emergencies Act to the extent that the provisions of this section are inconsistent with these provisions.

(d) If the President uses the authority of this section to continue prohibitions on transactions involving foreign property interests, he shall report to the Congress every six months on the use of such authority.

TITLE III—AMENDMENTS TO THE EXPORT ADMINISTRATION ACT OF 1969

AUTHORITY TO REGULATE EXTRATERRITORIAL EXPORTS

SEC. 301. (a) The first sentence of section 4(b)(1) of the Export Administration Act of 1969 is amended to read as follows: "To effectuate the policies set forth in section 3 of this Act, the President may prohibit or curtail the exportation, except under such rules and regulations as he shall prescribe, of any articles, materials, or supplies, including technical data or any other information, subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States.".

(b)(1) Section 4(b)(2)(B) of such Act is amended—

(A) in the first sentence, by striking out "from the United States, its territories and possessions,"; and

(B) in the second sentence—

(i) by striking out "from the United States"; and

(ii) by striking out "produced in the United States" and inserting in lieu thereof "which would be subject to such controls".

(2) Section 6(c)(2)(A) of such Act is amended by striking out "from the United States, its territories or possessions,".

The SPEAKER pro tempore. Is a second demanded?

Mr. WHALEN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New York (Mr. BINGHAM) will be recognized for 20 minutes, and the gentleman from Ohio (Mr. WHALEN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, 9 months ago Congress passed the National Emergencies Act, which terminates existing emergency authorities as of 2 years from enactment and sets up procedures governing the conduct of future national emergencies. However, the National Emergencies Act exempted from its terms section 5(b) of the Trading With the Enemy Act, because difficult legal and policy questions remained to be resolved. These questions arise from the fact that section 5(b) provides the statutory basis for a number of ongoing foreign policy programs. Under the National Emergencies Act, the Committee on International Relations was directed to study these questions and report its recommendations to the House. H.R. 7738 is the committee's response to that mandate. It is the product of long and careful study by the Subcommittee on International Economic Policy and Trade, which I chair, and by the full committee. I believe it is a sound bill, and I urge its passage.

The powers conferred upon the President by section 5(b) of the Trading With the Enemy Act are vast. In time of war or national emergency, the President is authorized to:

Regulate or prohibit any transaction in foreign exchange, any banking transfer, and the importing or exporting of money or securities;

Prohibit the withdrawal from the United States of any property in which any foreign country or national has any interest;

Vest—or take title to—any such property; and

Use such property in the interest and for the benefit of the United States.

In exercising these powers, the President is authorized to seize the records of any person, to redefine any of the terms used in section 5(b), and otherwise to act virtually at will. There are no policies and standards to guide the use of these powers, and no provision for reporting to Congress or for congressional review. Theoretically, once an emergency is declared by the President, it can go on forever.

There is not even a requirement that the situation with respect to which the emergency powers are being exercised have anything to do with the situation with respect to which the original emergency was declared. Let me illustrate. There are currently four declarations of national emergency in effect: One declared by President Roosevelt in 1933 to cope with the banking crisis; one declared by President Truman in 1950 in connection with the Korean conflict; one declared by President Nixon in 1970 to deal with the Post Office strike; and another declared by President Nixon to implement currency restrictions and to enforce controls on foreign trade.

By citing any of these existing states of emegency, the President may use the powers of section 5(b) to deal with any situation, at any time, for an unlimited period of time, regardless of the relationship between that situation and the situation existing at the time of the declaration of emergency. Under the authority of section 5(b), the United States has maintained trade embargoes on North Korea, Vietnam, Cambodia, and Cuba for periods of up to 27 years, and continues to block the U.S.-held assets of certain East European countries which were originally blocked during World War II. From September 1976, until last month, section 5(b) was even used to keep our entire system of export controls in effect during a lapse in the Export Administration Act. None of these uses of section 5(b) respond to any existing emergency; they are justified on the basis of emergencies long past. In short, these authorities are used because they are convenient—because they are there.

Mr. Speaker, the unlimited powers of section 5(b) may be necessary and appropriate when the Nation is in a situation of declared war. And few would deny that the President needs standby emergency authority to deal with unusual and extraordinary economic crises. But it is the height of folly to make emergency powers routinely available to the President with no standards to guide their use and no opportunity for congressional review. It is an abdication of our responsibility to make available to the President, for the day-to-day conduct of foreign policy, powers originally designed exclusively for use in time of war declared by Congress.

This bill would put an end to that situation. Let me say very briefly what the bill does. First, it leaves untouched the authorities of section 5(b) of the Trading With the Enemy Act. However, in title I, the bill provides that those authorities are available to the President only in time of war declared by Congress, and no longer in time of national emergency declared by the President. The 60-year-old prohibition on trading with the enemy is preserved, but vast powers originally intended for wartime use are reserved only for such use.

Second, the bill, in title I, specifically provides for the continuation in effect, at the discretion of the President, of trade embargoes and asset control programs currently applied by the United States under the authority of section 5(b). All existing uses of section 5(b) may continue subject only to an annual determination by the President that these uses are in the national interest.

Third, title II of the bill, the International Emergency Economic Powers Act, confers upon the President a new set of authorities for use in time of future national emergency. These authorities are both more limited in scope than those of section 5(b), and subject to various procedural limitations including those of the National Emergencies Act. The authorities basically parallel those of section 5(b), but do not include the power to vest property, to seize records, or to regulate purely domestic transactions or noneconomic transactions. Title II provides that the President may use the emergency economic powers only pursuant to an emergency declared specifically for that purpose, and must periodically report to and consult with Congress.

The exercise of the authorities of title II are subject to all of the provisions of the National Emergencies Act, including those for termination of a national emergency by concurrent resolution of the Congress. In addition, Congress may by concurrent resolution veto any regulation issued under title II. Finally, title II contains a "savings provision" whereby, despite termination of a national emergency, the President may continue to block the assets of a foreign country pending settlement of American claims against that country. This last provision should make it easier to terminate states of emergency in a timely fashion.

Fourth, title III of the bill allows the President to continue certain routine, nonemergency export controls which have been imposed under section 5(b), by providing the authority for those controls in the Export Administration Act. This provision preserves the International Emergency Economic Powers Act as a strictly emergency measure.

In short, Mr. Speaker, this is a procedural bill. Its intent is to improve the policies and procedures which will govern future uses of emergency powers. It seeks to conform the conduct of future emergencies to the constitutional doctrine of checks and balances and to the requirements of the National Emergencies Act. The bill neither endorses nor disclaims any emergency measure currently being taken by the executive branch.

Mr. Speaker, this bill was reported out of the subcommittee and the full committee by voice vote, without dissent. It was drafted in full consultation with the administration, and in several respects uses language proposed by the administration. Indeed, I compliment the administration for its forthcoming attitude and constructive participation during markup, and I believe the administration would agree that the committee has gone a long way toward meeting objections to early drafts of the bill. Again, I urge favorable consideration by my colleagues.

I include at this point a detailed section-by-section summary of the bill:

SECTION-BY-SECTION ANALYSIS

TITLE I—AMENDMENTS TO THE TRADING WITH THE ENEMY ACT

Title I of the bill makes certain amendments to the Trading With the Enemy Act, but provides conditions under which current uses of section 5(b) of that act may continue notwithstanding those amendments.

Section 101—Removal of certain emergency powers under the Trading with the Enemy Act

Section 101(a) of the bill amends section 5(b) of the act to remove the provision making the authorities to control economic transactions available to the President in time of national emergency declared by him, but retains intact these broad authorities for use in time of war declared by Congress.

Section 101(b) of the bill provides that uses of the authorities of section 5(b) of the Act with respect to specific countries, which are in effect on July 1, 1977 (such as for the embargoes of Cuba, Vietnam, and other countries, and the freeze on assets of Czechoslovakia, the People's Republic of China, and other countries), will terminate on September 14, 1978—the date specified by the National Emergencies Act for termination of all existing emergency authorities—unless extended by the President. The existing uses of the authorities of section 5(b) may be extended by the President for successive 1-year periods upon determination by the President that such extension is in the national interest. It is the intent of the committee that the President report each such determination and the reasons therefor to the Congress.

H.R. 7738 originally specified that this grandfather provision applied to uses of section 5(b) in effect on June 1, 1977. The committee amended that date to July 1, 1977. This change was made because the committee does not wish to grandfather the use of section 5(b) as authority for the continuation in force of the Export Administration Regulations. This use of section 5(b) was in effect on June 1, 1977, but will terminate as a result of the signing into law of the Export Administration Amendments of 1977 on June 22, 1977.

The committee rejected administration recommendations that it make the Export Administration Act permanent legislation, because it feels that such important regulatory legislation should be periodically reviewed. The committee expects that future lapses of the Export Administration Act can and will be avoided, if necessary, by means of continuing resolutions. Should a lapse occurr, however, the authority of title II of this bill could be used to continue the Export Administration Regulations in effect if, and to the extent that, the President declared a national emergency as a result of such lapse according to the procedures of the National Emergencies Act.

Section 101(c) of the bill repeals section 502(a)(1) of the National Emergencies Act, which exempts from the provisions of that act section 5(b) of the Trading With the Enemy Act and which is superseded by this bill.

Section 102—Wartime authorities

Section 102 of the bill amends section 5(b) of the Trading With the Enemy Act to remove two broad and unclear phrases. This is the only change made by the bill in the President's wartime authorities under section 5(b) of the act.

Section 103—Criminal penalties

Section 103 of the bill amends section 16 of the Trading With the Enemy Act to increase the maximum criminal fine for violation of the provisions of the act from $10,000 to $50,000 and makes a conforming amendment to section 5(b)(3) of the act by striking out a duplicative penalty provision. The fines have not been increased since original passage in 1917. This amendment brings the criminal fines of the Trading With the Enemy Act into conformity with those for violation of the national security and foreign policy provisions of the Export Administration Act.

TITLE II—INTERNATIONAL EMERGENCY ECONOMIC POWERS

Title II of the bill confers upon the President authority to exercise controls on international economic transactions during future national emergencies, and establishes policies and procedures to govern the use of those authorities.

Section 201—Short title

Section 201 provides that title II may be cited as the "International Emergency Economic Powers Act."

Section 202—Situations in which authorities may be exercised

Section 202 defines national emergency as an "unusual and extraordinary threat which has its source in whole or substantial part outside the United States, to the national security, foreign policy, or economy of the United States." This section provides that the authorities granted to the President by this title may be used to deal with such a threat if the President declares a national emergency with respect to the threat, that they may only be used to deal with that threat and not for any other purpose, and that the exercise of the authorities to deal with any new threat would require a new declaration of national emergency.

By its own terms, and with repeal by section 101(c) of this bill of the temporary exemption for section 5(b), the provisions of the National Emergencies Act are applicable to any exercise of authorities pursuant to any declaration of national emergency. Pertinent provisions of the National Emergencies Act provide that: (1) the President may declare a national emergency with respect to acts of Congress authorizing special or extraordinary power during time of national emergency, and that such declaration must be immediately transmitted to Congress and published in the Federal Register; (2) emergency authorities conferred by such acts of Congress are effective only when the President specifically declares a national emergency, and only if exercised in accordance with the National Emergencies Act; (3) national emergencies may be terminated by Presidential proclamation or by concurrent resolution of the Congress; (4) every 6 months that a national emergency remains in effect, each House must vote on a concurrent resolution on whether to terminate the emergency; (5) any national emergency declared by the President and not otherwise previously terminated will terminate on its anniversary date if, within 90 days prior to each anniversary date, the President does not publish in the Federal Register and transmit to Congress a notice that the emergency will continue in effect; (6) the President may not exercise any emergency power conferred by statute without specifying the statutory basis for his action; (7) the President must keep and promptly transmit to Congress adequate records of all Executive orders and proclamations, rules and regulations, issued pursuant to a declaration of war or national emergency; and (8) during time of war or national emergency the President must transmit to Congress every 6 months a report on expenditures directly attributable to the exercise of emergency authorities. Whenever a President declares a national emergency under section 202 of the bill, all of the above provisions automatically apply to the exercise of the authorities of section 203 of the bill under that declaration of national emergency.

Section 203—Grant of authorities

Section 203(a) of the bill defines the international emergency economic authorities available to the President in the circumstances specified in section 202. This grant of authorities basically parallels section 5(b) of the Trading With the Enemy Act. Paragraph (1)(A) authorizes the President to regulate transactions in foreign exchange, banking transactions involving any interest of any foreign country or a national thereof, and the importing or exporting of currency or securities, and to regulate or freeze any property in which any foreign country or a national thereof has any interest. Paragraph (1)(B) authorizes the President to require any person to keep and furnish records necessary to enforce these provisions. Section 203(a) also holds harmless from suit any person carrying out or administering these authorities in good faith.

This grant of authorities does not include the following authorities which, under section 5(b) of the Trading With the Enemy Act, as amended by title I of this bill, are available to the President in time of declared war: (1) the power to vest, i.e., to take title to foreign property; (2) the power to regulate purely domestic transaction; [23] (3) the power to regulate gold or bullion; and (4) the power to seize records.

Section 203(b) of the bill states that the authority granted to the President by this section does not include the authority to regulate or prohibit, and should not be used with the effect of regulating or prohibiting, personal communications which do not involve the transfer of anything of value, or uncompensated transfers of anything of value except if the President determines that such transfers would seriously impair his ability to deal with the emergency, are in response to coercion against the recipient or donor, or would endanger U.S. Armed Forces. It is the intent of the committee by this provision to reserve title II of the bill as an authority for the regulation of international commercial and financial transactions as necessary to protect the national security, foreign policy, or economy of the United States. The authority of title II does not extend to the interruption or hindrance, direct or indirect, of private communications, which are not commercial or financial transactions, between the citizens of the United States and those of any other country, regardless of the other country's relationship to the United States. Neither does the authority of title II extend to the interruption or hindrance, direct or indirect, of free, uncompensated transfer of anything of value, such as humanitarian contributions, by U.S. citizens to any other country, regardless of that country's relationship to the United States. In the case of uncompensated transfers of anything of value, there is provision for the President to regulate or prohibit such transfers in certain exceptional circumstances. It is the intent of the committee that these exceptions be narrowly construed, and that any doubt be resolved in favor of permitting such transfer to occur.

The Committee deleted from the bill a provision that the authority of this section does not include the authority to regulate or prohibit the collection and dissemination of news by the news media. The committee does not intend by this deletion to authorize regulation or prohibition of the collection and dissemination of news. The news media have long maintained that the First Amendment to the Constitution provides adequate and complete protection of freedom of the press, and the committee, therefore, consid-

[23] Examples of purely domestic transactions which in the past have been regulated under section 5(b) include hoarding of gold by U.S. citizens and the extension of consumer credit by U.S. businesses.

ered further statutory protection of that freedom unnecessary, redundant, and inappropriate.

The provision of section 203(b) are designed both to preserve First Amendment freedoms of expression, and to preclude policies that would totally isolate the people of the United States from the people of any other country.

Section 204—Consultation and reports

Section 204 of the bill (*a*) requires that the President consult with Congress whenever possible before exercising any of the authorities of this title, and continue to consult regularly with Congress so long as such authorities are being exercised; (*b*) requires that the President transmit to Congress, immediately upon beginning to exercise any of the authorities of this title, a report (1) defining the circumstances which necessitate the exercise of authority; (2) stating why those circumstances constitute a national emergency within the meaning of section 202(a) of the bill; (3) specifying the authorities to be exercised and the actions to be taken; (4) justifying the necessity for such actions; and (5) designating the foreign countries toward which such actions are directed; (*c*) requires that the President update the report every 6 months; and (*d*) states that these requirements are supplemental to the reporting requirements of the National Emergencies Act. Nothing in this section should be construed as requiring submission of a report as a precondition of taking action where circumstances require prompt action prior to or simultaneously with submission of a report.

Section 205—Authority to issue regulations

Section 205 authorizes the President to issue regulations and prescribe definitions necessary for exercising the authorities conferred upon him by this title.

Section 206—Congressional review of regulations

Section 206 provides that all regulations issued under this title must be reported to Congress, and the Congress may by concurrent resolution veto any regulation in whole or in part within 30 legislative days of its report to Congress, the regulation becoming ineffective at the time of the veto. This provision is considered necessary in view of past instances in which Presidents have used the authority to issue regulations as a means of expanding the scope of section 5(b), as in President Roosevelt's inclusion of vendors of consumer durable goods within the meaning of "banking institution" in order to impose consumer credit controls. The committee recognizes that the President must have latitude and flexibility to deal by regulation with future emergency situations, and it does not favor congressional veto of routine administrative regulations as a general practice. But the regulations promulgated under the International Emergency Economic Power Act will be both infrequent and extremely important, which makes it both feasible and necessary for Congress to reserve for itself the right to veto regulations and definitions which go beyond the purposes and authorities of the act.

Section 207—Penalties

Section 207 provides a civil penalty of not more than $10,000, and a criminal penalty of not more than $50,000 and 10 years imprisonment, for violations of the provisions of this title. These penalties are comparable to those contained in the Export Administration Act, which provides related export regulation authorities, and to the criminal penalties of the Trading With the Enemy Act as amended by this bill.

Section 208—Savings provision

Section 208 of the bill provides that, notwithstanding the termination of a national emergency under the National Emergencies Act, the President may continue to block any assets of a foreign country that were blocked on the date of the termination of the national emergency, if he determines that the continued blocking of those assets is necessary because of U.S. claims against the country involved, unless Congress specifies in a concurrent resolution terminating a national emergency that the assets may not continue to be blocked. Under subsection (a)(2) of section 208, notwithstanding the termination of a currently existing U.S. trade embargo of another country under section 101(b) of the bill, assets of that country which are blocked on the date of the termination of the trade embargo may continue to be blocked for the same reason. The President is required to report to Congress every 6 months on the reasons for continuing to block the assets of a foreign country under this section.

Holding the assets of a foreign country is generally the most effective means of achieving settlement of U.S. claims. The need to continue to block assets has prompted Presidents to continue a legal state of emergency in effect long after the factual state of emergency has passed. It is the intent of the committee by this section to enable the timely termination of states of emergency, and a return to government under normal law, without prejudicing the ability of U.S. citizens to recover claims against foreign countries.

TITLE III—AMENDMENTS TO THE EXPORT ADMINISTRATION ACT OF 1969

Section 301—Authority to regulate extraterritorial exports

Title III of the bill (section 301) amends the Export Administration Act of 1969 to provide authority for control over exports of non-U.S.-origin goods and technolgy by foreign subsidiaries of U.S. concerns. This is in addition to the authority currently provided in the Export Administration Act for control over the export of U.S.-origin goods and technology, whether from the United States or abroad. Section 5(b) has heretofore been cited as authority for regulation of the export of non-U.S.-origin goods. However, this is neither a wartime nor an emergency authority, and it belongs in the nonemergency statutory context of the Export Administration Act.

Mr. WHALEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 7738, a bill which deals with the powers of the President in time of war or national emergency. Let me briefly outline the reasons why I urge its adoption under suspension of the rules.

First, this is essentially a bill establishing procedures, and not a bill that sets out or judges specific policies. It reorganizes relevant pieces of legislation, creating a new act in the process, and provides a more consistent and appropriate framework for Presidential authorities.

Second, the committee in its deliberations has attempted to respond to the administration's concerns in this area. The committee particularly sought to minimize executive branch policy problems during the transition period to a new legislative framework and even after that point. Specifically, we have stipulated Presidential discretion to continue any controls currently in effect.

Third, the committee has tried to create a necessary analog to the war powers legislation passed by this committee and the Congress in 1973. Congress is as much at fault as any administration if it allows a President to carry out policies, wise or unwise, under blanket authority granted by defective legislative statute. This bill will, I hope and expect, in conjunction with the War Powers Act, call the President to task before the Congress and produce the policy justifications Congress has the right to expect. This will restore an organic relationship between the two branches.

Mr. Speaker, I urge my colleagues to support this legislation which has, in my opinion, been drafted free of any controversial policy overtones.

Mr. BINGHAM. Mr. Speaker, I have no requests for time at this point.

Mr. WHALEN. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I rise in support of this bill—H.R. 7738—to define the powers of the President to regulate international economic transactions in time of war or national emergency.

I have carefully examined this legislation and had it reviewed by various independent sources. In fact, I asked for a delay in the full committee's consideration of the bill so that my review could be as complete as possible.

I am glad to report that there are no basic problems with the bill before us and I intend to vote for it.

Mr. LEGGETT. Mr. Speaker, I feel that H.R. 7738 is a significant milestone in the establishment of reasonable limits on the powers of the Presidency. In passing this legislation, we will give Congress a voice in Presidential actions in a national emergency without tying the President's hands in times of crisis.

The situation which now exists is intolerable. The President's economic regulatory powers under a national emergency are equivalent to those he possesses in time of war.

A national emergency and a war, as you all know, are not the same in origin. Unlike a declaration of war, Congress has no voice in the initial declaration of a national emergency. Thus the President has the power to act unilaterally in a virtually unrestricted fashion in an emergency which he alone has declared.

Presidents have committed many controversial acts under national emergencies. Whether or not these particular actions have been proper, the potential for abuse is enormous.

This bill deals with the problem first by removing future national emergencies from the authority of the Trading With the Enemy Act. Section 5(b) of this act now gives the President his equivalent wartime and national emergency powers.

The bill creates the International Emergency Economic Powers Act to govern the President's emergency actions. It leaves him with ample powers to deal with the emergency by regulating certain economic transactions.

However, the act will not give the President certain economic powers he possesses during wartime. Notable among them is the power to regulate purely domestic transactions. It seems to me that this is an area particularly open to abuse. We will take an important step toward our goal of reasonable executive power by restricting this option.

The most significant provisions in this bill, I feel, are those giving the Congress a share of the responsibilities in this area. In the past, the President has had

a free rein to act without consulting the Congress. Additionally, Congress has had no way to challenge or prevent Presidential emergency actions.

In future national emergencies, the President will not be restricted in his initial acts except for the overall restraints imposed by the bill. But Congress will have the ability to nullify any emergency regulations by concurrent resolution within 30 days.

Furthermore, the President is instructed to consult with the Congress before he takes any action if at all possible. These discussions will not only give the President a preview of public reaction and the benefit of congressional ideas, they will also give him a chance to act in a way that Congress will not object to and lend added authority and legitimacy to his actions.

And finally, by calling for semiannual reports to the Congress about ongoing emergency actions, this legislation will give Congress standards by which to evaluate the necessity of continuing the emergency under the National Emergencies Act.

We have all been witness to the flow of power over the past several decades from the legislative to the executive branch. Only in recent years, upon revelations of Presidential abuses of that power, have we moved to counteract the trend.

In passing this bill, we will complete something we began last year with the adoption of the National Emergency Act. We will have an established set of procedures for dealing with national crises in as rational and democratic a way as possible without hindering necessary immediate responses to them.

I commend the Committee on International Relations for its work on this legislation. It will bring us back another measure toward Government as the Founders intended.

Mr. WHALEN. Mr. Speaker, I have no further requests for time.

Mr. BINGHAM. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. BINGHAM) that the House suspend the rules and pass the bill (H.R. 7738), as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BINGHAM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 2

Mr. UDALL. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on H.R. 2, Surface Mining Control and Reclamation Act of 1977.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

FRANKED MAIL ACT OF 1977

Mr. UDALL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7792) to amend title 39, United States Code, to establish certain limitations on the use of the frank, and for other purposes, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Franked Mail Act of 1977".

MAILINGS BY CANDIDATES FOR CERTAIN PUBLIC OFFICES

SEC. 2. (a) Section 3210(a)(5) of title 39, United States Code, is amended—

(1) in subparagraph (B)(iii) thereof, by inserting "or" after the semicolon at the end thereof;

(2) in subparagraph (C) thereof, by striking out the semicolon and "or" at the end thereof and inserting in lieu thereof a period; and

(3) by striking out subparagraph (D) thereof.

(b) Section 3210(a) of title 39, United States Code, is amended by adding at the end thereof the following new paragraph:

"(6)(A) It is the intent of the Congress that a Member of, or Member-elect to, the Congress may not mail any mass mailing as franked mail—

"(i) if such mass mailing is mailed less than 60 days immediately before the date of any primary election or general election (whether regular, special, or runoff) in which such Member is a candidate for reelection; or

"(ii) in the case of a Member of, or Member-elect to, the House who is a candidate for any other public office, if such mass mailing—

"(I) is prepared for delivery within any portion of the jurisdiction of, or the area covered by, such public office which is outside the area constituting the congressional district from which such Member or Member-elect was elected; or

"(II) is mailed less than 60 days immediately before the date of any primary election or general election (whether regular, special, or runoff) in which such Member or Member-elect is a candidate for such other public office.

"(B) Any mass mailing which is mailed by the chairman of any organization referred to in the last sentence of section 3215 of this title, and which relates to the normal and regular business of such organization, may be mailed without regard to the provisions of this paragraph.

"(C) The House Commission on Congressional Mailing Standards and the Select Committee on Standards and Conduct of the Senate shall prescribe for their respective Houses such rules and regulations, and shall take such other action, as the Commission or Committee considers necessary and proper for the Members and Members-elect to conform to the provisions of this paragraph and applicable rules and regulations. Such rules and regulations shall include, but not be limited to, provisions prescribing the time within which such mailings shall be mailed at or delivered to any postal facility to attain compliance with this paragraph and the time when such mailings shall be deemed to have been so mailed or delivered and such compliance attained.

"(D) For purposes of this paragraph, the term 'mass mailing' shall mean newsletters and similar mailings of more than 500 pieces in which the content of the matter mailed is substantially identical but shall not apply to mailings—

"(i) which are in direct response to communications from persons to whom the matter is mailed;

"(ii) to colleagues in the Congress or to government officials (whether Federal, State, or local); or

"(iii) of news releases to the communications media.".

MAILINGS WITH SIMPLIFIED FORM OF ADDRESS

SEC. 3. Section 3210(d) of title 39, United States Code, is amended—

(1) by redesignating paragraph (4) and paragraph (5) as paragraph (7) and paragraph (8), respectively; and

(2) by inserting after paragraph (3) the following new paragraphs:

"(4) Any franked mail which is mailed under this subsection shall be mailed at the equivalent rate of postage which assures that such mail will be sent by the most economical means practicable.

"(5)(A) The total number of pieces of mail which may be mailed as franked mail under this subsection during any calendar year by any individual entitled to mail franked mail under this subsection may not exceed an amount equal to 6 multiplied by the maximum number of addresses to which such mail may be delivered in accordance with this subsection in the area from which such individual was elected.

"(B) Any mail matter which relates solely to a notice of appearance or a scheduled itinerary of a Member in the area from which such Member was elected shall not count against the limitation specified in subparagraph (A) of this paragraph.

"(6) Any Member of, or Member-elect to, the House of Representatives entitled to make any mailing as franked mail under this subsection shall, before making any such mailing, submit a sample or description of the mail matter involved to the House Commission on Congressional Mailing Standards for an advisory opinion as to whether such proposed mailing is in compliance with the provisions of this subsection.

COST OF PREPARING AND PRINTING MASS MAILING

SEC. 4. (a) Section 3210(e) of title 39, United States Code, is amended by striking out the last sentence thereof.

(b) Section 3210 of title 39, United States Code, is amended by redesignating subsection (f) as subsection (g), and by inserting after subsection (e) the following new subsection:

"(f) Any mass mailing which otherwise is frankable under the provisions of this section shall not be frankable unless the cost of preparing and printing such mass mailing is defrayed exclusively from funds made available in an appropriations Act. As used in this subsection, the term 'mass mailing' has the meaning given it in subparagraph (D) of subsection (a)(6) of this section.".

USE OF FRANK AFTER LEAVING OFFICE

SEC. 5. (a) Section 3211 of title 39, United States Code, is amended by striking out "until the first day of April" and inserting in lieu thereof "during the 90-day period immediately".

(b) Section 3213(2) of title 39, United States Code, is amended by striking out "until the thirtieth day of June" and inserting in lieu thereof "during the 90-day period immediately".

FRANKED MAIL FOR SURVIVING RELATIVES OF MEMBERS OF CONGRESS

SEC. 6. (a) Section 3218 of title 39, United States Code, is amended by inserting after

"such Member" the following: "(or, if there is no surviving spouse, a member of the immediate family of such Member designated by the Secretary of the Senate or the Clerk of the House of Representatives, as appropriate, in accordance with rules and procedures established by the Secretary or the Clerk)".

(b)(1) The heading for section 3218 of title 39, United States Code, is amended by striking out "surviving spouses" and inserting in lieu thereof "survivors".

(2) The table of sections for chapter 32 of title 39, United States Code, is amended by striking out the item relating to section 3218 and inserting in lieu thereof the following new item:

"3218. Franked mail for survivors of Members of Congress.".

FRANKABILIY OF CERTAIN MAIL MATTER

SEC. 7. (a) Section 3210(a)(3) of title 39 United States Code, is amended by striking out subparagraph (F), and by redesignating subparagraph (G) through subparagraph (J) as subparagraph (F) through subparagraph (I), respectively.

(b) Section 3210(a)(5)(A) of title 39, United States Code, is amended—

(1) by inserting "(i)" after "(A)";

(2) by inserting "or" after the semicolon at the end thereof; and

(3) by adding at the end thereof the following new clause:

"(ii) any mass mailing of mail matter which constitutes or includes any article, account, sketch, narration, or other text laudatory and complimentary of any Member of, or Member-elect to, Congress on the basis of performance of official duties as a Member or on the basis of activities as a Member-elect, unless the laudatory and complimentary material is incidental to the article, account, sketch, narration, or other text, taken as a whole, and does not comprise a substantial portion of such article, account, sketch, narration, or other text;"

(c) Section 3210(a)(6)(D) of title 39, United States Code, as amended by section 2(b), is further amended by inserting before the comma "and paragraph (5)(A)(ii) of this subsection".

AUTHORITY OF HOUSE COMMISSION ON CONGRESSIONAL MAILING STANDARDS

SEC. 8. (a)(1) Section 5(d) of the Act entitled "An Act to amend title 39, United States Code, to clarify the proper use of the franking privilege by Members of Congress, and for other purposes", approved December 18, 1973 (Public Law 93–191; 87 Stat. 742) is amended by striking out "and" the second place it appears therein, and by inserting after "United States Code," the following: "and in connection with any other Federal law (other than any law which imposes any criminal penalty) or any rule of the House of Representatives relating to franked mail,".

(2) The first sentence of section 5(e) of the Act entitled "An Act to amend title 39, United States Code, to clarify the proper use of the franking privilege by Members of Congress, and for other purposes", approved December 18, 1973 (Public Law 93–191; 87 Stat. 742) is amended by inserting after "of this section" the following: "(or any other Federal law, other than any law which imposes any criminal penalty, or any rule of the House of Representatives relating to franked mail)".

(b) Section 5(d) of the Act entitled "An Act to amend title 39, United States Code, to clarify the proper use of the franking privilege by Members of Congress, and for other purposes", approved December 18, 1973 (Public Law 93–191; 87 Stat. 742) is amended—

(1) by inserting "any former Member of the House or former Member-elect, Resident Commissioner or Resident Commissioner-elect, Delegate or Delegate-elect, any" after "Delegate-elect,";

(2) by inserting "(or any individual designated by the Clerk of the House under section 3218 of title 39, United States Code)" after "any of the foregoing";

(3) by inserting "any" before "other House official"; and

(4) by inserting "or former House official" after "House official".

(c) Section 5(e) of the Act entitled "An Act to amend title 39, United States Code, to clarify the proper use of the franking privilege by Members of Congress, and for other purposes", approved December 18, 1973 (Public Law 93–191; 87 Stat. 742) is amended by inserting after the eighth sentence thereof the following new sentence: "In the case of a former Member of the House or a former Member-elect, a former Resident Commissioner or Delegate or Resident Commissioner-elect or Delegate-elect, any surviving spouse of any of the foregoing (or any individual designated by the Clerk of the House under section 3218 of title 39, United States Code), or any other former House official, if the Commission finds in its written decision that any serious and willful violation has occurred or is about to occur, then the Commission may refer the matter to any appropriate law enforcement agency or official for appropriate remedial action.".

EFFECTIVE DATE

SEC. 9. (a) Except as provided in subsection (b), the foregoing provisions of this Act and the amendments made by this Act shall take effect on the date of the enactment of this Act.

(b) The amendment made by section 4, and paragraph (5) of section 3210(d) of title 39, United States Code, as added by the amendment made by section 3(2), shall take effect at the close of December 31, 1977.

The SPEAKER pro tempore. Is a second demanded?

Mr. DERWINSKI. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Arizona (Mr. UDALL) will be recognized for 20 minutes, and the gentleman from Illinois (Mr. DERWINSKI) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in March of this year, in connection with the recommendations of the Obey Commission, the House passed H.R. 287, which established certain limitations on the use of the franking privilege as well as a number of other matters under the Rules of the House.

Shortly thereafter, the House appointed and designated the Select Committee on Ethics, now chaired by the gentleman from North Carolina (Mr. PREYER), and gave it a mandate to report legislation which would write into law those decision made by the House last March with regard to ethics, with regard to outside income of Members, with regard to the franking privilege, and so on.

H.R. 7792 is designed to carry out a part of that mandate.

As I have stated, the main purpose of this bill is to codify the limitations on the use of the franking privilege currently contained in House rule XLVI, as adopted by the House on March 2.

In addition, the bill was amended in the committee to include two major revisions recommended by the House Commission on Congressional Mailing Standards, which I have the honor to chair. These deal with the matter of expressing congratulations and condolences and mass mailings containing laudatory material about Members of Congress.

The major provisions of the bill before us, Mr. Speaker, are as follows:

First, mass mailings by Members who are candidates for public office: The bill provides that a Member may not send a mass mailing under the frank less than 60 days prior to a primary, general, or special election in which he is a candidate for any public office. This is a change from the present "cut-off" provision of 28 days before an election.

A Member who is a candidate for any public office, other than for reelection, such as Governor of a State, U.S. Senator, or mayor of a large city—and it covers several congressional districts—may not send a mass mailing under the frank to any area represented by that office which is outside the Member's congressional district.

The next change deals with the cost of preparing and printing mass mailings. Effective January 1, 1978, no mass mailings will be frankable unless the cost of preparing and printing the mailing is defrayed exclusively from appropriated funds.

Next, the legislation deals with mailings with a simplified form of address, the so-called postal patron or resident mailings.

The bill provides that postal patron mailings must be sent by the most economical means practicable. That will mean in most cases by third-class mail rather than first-class mail, which will involve considerable savings to the taxpayer.

Second, a sample or description of the mailing must be submitted to the Commission on Congressional Mailing Standards for an advisory—and I underline "advisory"—opinion prior to mailing.

Third, effective January 1, 1978, the total number of postal patron mailings during any calendar year may not exceed the equivalent of six districtwide mailings, with one major exception, and that involves notices of appearance or the scheduled itinerary of a Member.

Another provision in our bill, Mr. Speaker, deals with condolences and congratulations.

There is specific statutory authority now in the law for franking mail matter expressing condolences and congratulations. This specific authority is deleted under the proposal before us, thus subjecting such mailings to the same test of frankability as all other matters sent as official business.

With regard to laudatory material, the bill prohibits sending any mass mailing under the frank which includes material laudatory of a Member on the basis of performance of official duties unless such material is incidental to the article and does not comprise a substantial portion thereof.

The bill also deals with the authority of the House Commission on Congres-

sional Mailing Standards and makes two changes.

The first is that it extends the authority of the Franking Commission to issue regulations, investigate, or hear complaints on any violations of the franking privilege in connection with any House rule or other law, except criminal laws, relating to franked mail.

Presently the authority of the Commission is keyed to certain specific sections of title 39 and is not as broad as it should be to cover other restrictions the Commission ought to be dealing with.

The second change extends the Commission's jurisdiction to hear complaints alleging franking violations by former Members and officers of the House.

If a Member retires, is defeated, or resigns, he has the franking privilege for a matter of months to wind up his affairs. We discovered that we have no jurisdiction to deal with violations of that aspect of the franking privilege, and this provision in the bill would correct that situation.

We also, Mr. Speaker, make a new exception for the chairpersons of committees or select committees of the House. Now, as the mass mailing provision is worded, a committee chairman could not even send out regular notices or routine committee business mailings during the cutoff period under section 3210(a)(6)(A) of title 39. The bill permits a chairperson of a committee to send out mass mailings encompassing routine committee business during such cutoff periods.

There are two final changes, Mr. Speaker. One of them extends the franking privilege to one surviving relative, when there is no surviving spouse, to send nonpolitical matter relating to the death of a Member. This is part of the business of winding up the affairs of a congressional office in cases where a Member is deceased.

Finally, we make uniform the expiration dates of the franking privilege. Now there are three different times when the franking privilege expires for former Members, and this bill makes it uniform by providing that 90 days after leaving office the franking privilege for all matter shall expire.

Mr. ANNUNZIO. Mr. Speaker, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. Mr. Speaker, I appreciate the gentleman's yielding.

I am concerned about this section in the bill relating to mailings by candidates. The bill provides that a Member may not send a mass mailing under the frank less than 60 days prior to a primary or general election.

We in Illinois have an early primary. Our primary is the second Tuesday in March.

When does this 60-day period start, when our mail reaches the folding room here?

Mr. UDALL. That is essentially the test. The Commission on Franking has established regulations, which basically provide that the period would run from the time the mail is received in the folding room in the House.

Mr. ANNUNZIO. Mr. Speaker, I appreciate the gentleman's answer.

I tell my colleagues from Illinois who are here that we are going to really have a bit of a problem with this one requirement because we do have an early primary in Illinois.

Mr. UDALL. Mr. Speaker, I would say to the gentleman that there are disadvantages in having a late primary and advantages, and the same is true in having an early primary. If there is an early primary, there will be a period of 5 or 6 months, or at least 3 or 4 months, before the general election occurs during which a mass mailing can be sent.

Mr. ANNUNZIO. If the gentleman will yield further, as far as I am concerned, no one in this House is seeking an advantage, because what we have been doing lately is disadvantaging ourselves every time we turn around and vote.

Mr. UDALL. Mr. Speaker, I do want to add that if one has a late primary as in my State of Arizona, where the primary is 58 days before the general election, for all practical purposes, the mass mailing privilege is cut off from 60 days before the primary election until after the general election.

Mr. YOUNG of Florida. Mr. Speaker, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Speaker, I thank the gentleman for yielding.

Why is it that when a Member submits the franked mailing fees to the Commission to make sure that he meets all of the requirements and in order to get the Commission's approval, that that Member is prohibited from making mention in that particular mailing that it has been submitted and that it does meet the requirements of the franking rules and regulations under the law?

Mr. UDALL. We debated that question at length in the Commission.

The gentleman from Illinois (Mr. DERWINSKI) is the distinguished ranking minority member of that Commission. All we are authorized to render at that stage is an advisory opinion and nothing else.

The Commission does not approve a prospective mailing. All we say in the advisory opinion is that in the opinion of the staff of the Commission the material is in compliance with the franking statutes and regulations.

This does not finally resolve the matter since the Commission, composed formally of six Members of Congress, has not personally reviewed the mailing. We believe it is fairer and better not to prejudice any possible future complainants by permitting the Member to say that the mailing has been approved.

I recognize the merits of your argument. If the advisory opinion is positive, why can we not say so? I recognize that there is some logic behind it, but we felt that there were overriding considerations on the other side.

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Speaker, how is "mass mailing" defined in the bill?

Mr. UDALL. As 500 or more substantially identical pieces of mail.

Mr. KAZEN. And 500 or less would not be considered as a mass mailing; is that correct?

Mr. UDALL. That is right.

Mr. KAZEN. Therefore, that number, 500 or less, would not come under this bill?

Mr. UDALL. Under the cutoff; that is correct.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, in connection with congressional mailing in my congressional district, a question has arisen in my mind with respect to the restrictions with regard to photographic material.

There seems to be some indication that there is more information or there is greater readability or greater significance in the written word than there is in the photographic material.

I understand that a mailing which just includes photographs of the Member might be offensive in connection with the use of the frank, and actually, I think, would be offensive to the recipient. However, in many instances it seems to me that we could provide much more information, with much greater meaning and much more significance if, for example, in sending a piece of mail to my constituents I could include a larger amount of photographic representations in lieu of the small types of printed material that probably are not read.

Could the gentleman comment on that?

Mr. UDALL. Let me philosophize a little bit on this.

In the first place, there is no limit on photographic material in a newsletter or in any publication mailed under the frank except with regard to a picture in which a Member appears.

One can have pictures of his constituents, he can have pictures of industries, pictures of rivers, pictures of anything he wants to have, so long as he does not appear in those pictures. The reason for restrictions on a Member's picture is that it is not official business to make my face known all over my district—and therefore certain restrictions are necessary.

We discussed this matter a good deal in the Commission and we have, I think, established a fair rule with regard to the number of times a Member's picture may appear. Also, such a picture must be illustrative of the text of the material. If you held a meeting in your district on some burning issue and you were there among other people, and a picture was taken, you could use that photo together with the text on that burning issue.

Mr. McCLORY. Mr. Speaker, it is my understanding that there is no limitation with regard to photographic material but only with respect to photographs of the Member, one photograph, including one which depicted the Member on each page, but with regard to additional photographs on those pages which did not depict the Member, then there is no limitation.

Mr. UDALL. Exactly.

Mr. McCLORY. I thank the gentleman very much for yielding.

Mr. JONES of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from North Carolina.

Mr. JONES of North Carolina. Mr. Speaker, I would inquire of the gentleman from Arizona (Mr. UDALL) in the case of petitions where we can get several hundred names such as petitions on gun control or on abortion or other such very sensitive questions, and where you prepare a stock answer to those petitions, would that come under mass mailings?

Mr. UDALL. No. At the conclusion of the markup on this legislation, we changed and strengthened the language to make it very clear that the cutoff is only with regard to unsolicited type mass mailings from the Member to his constituents. If 10,000 constituents write you 1 week before the election on the same subject, you have the right to reply to them. The same is true with petitions. If you receive a petition, you have a right to reply individually to those persons who signed that petition whether there were 499 or 994 persons.

Mr. JONES of North Carolina. Mr. Speaker, I thank the gentleman for his response.

Mr. UDALL. Mr. Speaker, I reserve the balance of my time.

Mr. DERWINSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the ranking Republican on the Commission on Congressional Mailing Standards, I am happy to support H.R. 7792. This bill incorporates into the law the new limitations on the franking privilege contained in a House rule which was adopted in this Chamber on March 2. It also included what I regard as some rather appropriate modifications of that House rule dealing with franked mail.

Prior to 1973, there were no specific guidelines on the type of mail that was frankable. The law authorized the use of the frank for "official business" mail and left it up to the Post Office Department to make the determination as to proper use of the franking privilege. In 1968, the Post Office Department decided it no longer wanted that responsibility and discontinued the practice of giving advisory opinions. It was an invitation to confusion which subsequently was compounded when the Federal Judiciary began interpreting the franking law. With different judges offering a variety of opinions, it was impossible to apply the franking law uniformly. It was that situation which ultimately led to the passage of the 1973 Franking Act.

The 1973 law brought order out of chaos, and in the process benefited Congress and the Nation. In an area where numerous lawsuits were the order of the day, we now have compliance with the 1973 law to a degree that in the 1976 election year less than a dozen formal complaints are filed with our franking commission.

Rather than dwell on the restrictions resulting from the adoption of the House rule, I want to call attention to two new substantive changes on the use of the frank.

H.R. 7792 will eliminate the specific authorization to frank material expressing condolences or congratulations. In short, such material would be subject to the same test of frankability as other mail matter which is not specifically authorized. As pointed out in the committee report, this means a Member may continue to send "Baby Books" with a covering letter containing incidental congratulations to the parent. Similarly, a Member could send a letter to the spouse of a deceased constituent, providing it contained information relating to survivor benefits. I think this amendment is long overdue. I attempted to have it included in the 1973 franking legislation, but my amendment was rejected.

The other new change would prohibit mailings which include laudatory material on a Member based on the performance of official duties, if it comprises a substantial portion of the text.

This is an eminently sound piece of legislation. It deserves overwhelming support.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I thank the gentleman from Illinois for yielding me this time, although I am sure that I will not take that much time.

Mr. Speaker, I do have some concern and some questions that I would like to address to my friend and colleague, the gentleman from Arizona (Mr. UDALL).

First of all, I would assume that the effect of the law will have equal applicability to the House and the Senate; is that correct?

Mr. UDALL. If the gentleman will yield, the answer is "Yes." Hopefully we will have to go to conference with the Senate on the differences, but we want to provide one set of franking laws for both bodies, and that is the purpose of this legislation.

Mr. ASHBROOK. I appreciate that answer because I have had a great amount of concern in the past about different interpretations of the franking law by the other body.

For example, I received a letter from a constituent that one of our Senators had used his questionnaire with a return form and solicited the constituent to return the questionnaire without postage to the Senator by using his frank. Yet when I brought this to the attention of the appropriate regulatory commission in the House, they indicated that it is illegal for House Members to do it, but evidently it is legal for Senate Members to do it. If we are going to get into the frank, and the gentleman indicated earlier that he wanted to remove clouds, I am wondering if we are creating any more clouds here by different interpretations. I wonder how the gentleman would resolve the situation.

Mr. UDALL. If the gentleman will yield, this is an old thorny problem. I think the Senate got some bad legal advice. We have had our lawyers and experts look at it, and I think we are right and they are wrong.

Section 3215 of the basic Postal Code says a person entitled to use a frank "may not lend it or permit its use by any committee, organization, association, or person," and so on. To me, if one lets a constituent mail back a piece of mail under one's frank, he is lending his frank. The Senate has taken a contrary view. I would like to settle this in conference so that we have one rule which applies to both Houses.

Mr. ASHBROOK. I thank my colleague and appreciate his interest. That is one of the reasons I directed these questions, because his remarks on this proposal indicated that it was to clear up some clouds. I hope we are not creating more differences between the House and the Senate. I, for one, do not advocate the loaning or using of the frank by someone else, but I do feel, to prevent Members like myself from being embarrassed by people who write in saying, "If he can do it, why don't you?" that we should have it one way or the other. I hope in the areas covered by this legislation we can clear up any doubts, and I appreciate the gentleman's efforts.

Mr. UDALL. We will do our best to get uniformity in this area.

Mr. ASHBROOK. I appreciate the gentleman's response.

Mr. UDALL. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. THOMPSON).

Mr. THOMPSON. Mr. Speaker, I am grateful to my colleague, the gentleman from Arizona, and the gentleman from Illinois (Mr. DERWINSKI). As chairman of the Committee on House Administration, I had a comment or two with respect to this legislation which I support. The gentleman from Ohio, my friend, Mr. ASHBROOK, raised a question which I shall address. The use of stamps, purchased with the postage allowance, gives rise to a couple of questions which I understand are addressed in this bill. In the first place, having studied the matter at some length, I do not think that it would be appropriate to use postage stamps to mail letters of condolence or congratulations since they would no longer be frankable.

The modest postage allowance which we have remaining—which is, indeed, modest—was intended by the committee to supplement the frank for such things as special delivery, certified mail, or foreign mail in the course of one's legislative duties or business. The gentleman from Ohio having raised the question, I would like to ask the gentleman from Arizona with respect to lending the frank to others, or allowing others to use the frank. Did the gentleman say that that is section 3215?

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Arizona.

Mr. UDALL. The section is 3215 of the Basic Postal Code, and it has a strong—and as I read it no loophole—provision against lending the frank. One cannot lend it to a committee; one cannot lend it to an outside group; one cannot lend it to a company. It is simply ours and ours alone.

Mr. THOMPSON. May I say to the gentleman that there have been, without naming any names, literally hundreds of thousands of pieces of mail which go out in either franked envelopes, or on letterheads ostensibly provided by Members to groups for and against legislation.

Mr. UDALL. Mr. Speaker, this is another problem in part with which we do not have the jurisdiction to deal in this legislation. The question is whether one can use a congressional letterhead and have it printed and paid for by a political or a lobbying group of some kind but it is then sent out with postage. It seems somehow to have given the impression that this is the official business of the Congress when indeed it is not. The House may wish to deal with that problem but we do not deal with it in this legislation.

Mr. THOMPSON. I hope the time will come when the House does deal with the problem, because I have received mailings on issues which I have favored, as well as those which I have opposed, using letterhead or ostensibly a Member's official stationery, indicating his committee assignments, the addresses of his office here, or of his district offices, and so on, and in some cases with a return address in one of the House Office Buildings.

Mr. UDALL. It gives a misleading impression and I join with the gentleman in suggesting this ought to be looked at. In fact the Joint Committee on Printing might be able to establish some regulations with respect to the use of the congressional letterheads.

Mr. THOMPSON. As vice chairman of that committee I shall ask the committee look into the matter because I think it has been much abused. But I simply want to reiterate what I said earlier, that it was the intent of the Committee on House Administration, when it readjusted the postal allowance, that stamps be used only for special delivery, certified mail, foreign mail, and other specific postal services, and not for letters of condolence or congratulation.

I thank the gentleman.

Mr. PREYER. Mr. Speaker, H.R. 7792 was unanimously approved by the Select Committee on Ethics, which I have the privilege to chair. The purpose of this legislation is to incorporate into statute the limitations on use of the franking privilege that were adopted overwhelmingly by the House in March as part of its new ethics code. It is now time to amend the Franking Act to conform to the new House Rules and to assure a continuing mechanism for public accountability of use of the frank.

House rule XLVI, which was adopted on March 2, 1977 and H.R. 7792 take sensible approaches to preventing abuses of the frank without adversely affecting the legitimate and necessary communication between Members of Congress and their constituents. However, some Members are uncertain about the effect or intent of some of the provisions of the new House rules and H.R. 7792, and so I would like to take the opportunity to spell out exactly what this legislation does.

First, it must be understood that some provisions apply only to postal patron mailings, while others apply to "mass mailings" as well. It is most important to note these distinctions. Additionally, there is some confusion about the term "mass mailing" itself. A "mass mailing" is defined as 500 or more pieces of "substantially identical" mail matter, but does not include: First, mailing in response to inquiries or requests; second, mailings to Government officials; and third, news releases. Therefore, a Member's response to a large number of inquiries on a particular issue would not constitute a "mass mailing" and would not be subject to the provisions of H.R. 7792.

The following provisions apply only to postal patron addressed mailings:

First. Effective January 1, 1978, a Member may not exceed the equivalent of six district-wide postal patron mailings per year. Members may target postal patron mailings to certain portions of their districts, and thus send more than six such mailings, so long as the total pieces of postal patron mail sent does not exceed the equivalent of six district-wide mailings.

Second. Postal patron mailings must be sent by the most economical rate practicable. This provision is already in effect by virtue of rule XLVI, and it is anticipated that a savings of approximately $9.5 million in annual postal costs will result.

Third. A sample or description of postal patron mailings must be submitted to the House Franking Commission for an advisory opinion prior to mailing.

Again, I wish to emphasize that the three provisions noted above relate only to postal patron mailings.

The following provisions apply to all "mass mailings"—which would include postal patron mailings:

First. Mass mailings are prohibited for 60 days prior to a primary or general election in which the Member is a candidate.

Second. A Member who is a candidate for any public office (other than reelection to the House) may not send a mass mailing outside his or her congressional district to any area represented by the public office being sought.

Third. Effective January 1, 1978, private funds may not be used to print or prepare any mass mailing for use under the frank.

The six provisions noted above are contained in House rule XLVI. In addition, H.R. 7792 includes two other amendments to the Franking Act that were approved unanimously by the Select Committee on Ethics. The first amendment would eliminate a specific open-ended authorization to send mail matter expressing congratulations or condolences. This provision would have the effect of subjecting such mail to the same "franking test" as all other mail—its relation to official duties.

The second amendment concerns the frankability of mass mailings of laudatory material. Laudatory articles of a Member based on the performance of official duties are authorized under current statute. This provision has led to some abuses, particularly around campaign time. Under the terms of the amendment proposed by H.R. 7792, laudatory materials sent in a mass mailing must be incidental to the article and could not comprise a substantial portion of the text.

Mr. Speaker, the provisions of this legislation have been carefully considered by the House Franking Commission, the House Commission on Administrative Review, and most recently by the Select Committee on Ethics. The legislation has broad, bipartisan support, and I urge its adoption.

Mr. COUGHLIN. Mr. Speaker, I rise in support of H.R. 7792, the Franked Mail Act of 1977. I would personally like to commend the members of the Select Committee, and in particular the chairman, the gentleman from North Carolina (Mr. PREYER), for their work in carrying forward the mandate of ethics reform. The bill before us seeks to incorporate into statute the limitations on the franking privilege adopted last March. As such, H.R. 7792 represents an important advance in the implementation of meaningful congressional reform.

The frank is perhaps the most valuable perquisite afforded to Members; it is the most effective means by which a representative can fulfill his legislative duty to inform, and indeed to educate, his constituency on issues of national concern. Yet the frank can, at times, be manipulated into a tool of self-promotion, serving merely the political ends of an incumbent. Any overt political use of the frank contributes to a growing public cynicism while casting renewed doubts as to the motives of congressional behavor. Incidents of franking abuses have prompted journalists to print accounts which document these transgressions in pointed prose. Even though the franking privilege dates back to the Continental Congress, standards regarding its usage have long been ill defined. Despite the 1973 revision of the franking law, it is widely recognized that the statutory proscriptions are still inadequate.

In February of this year, the Republican Task Force on Congressional Reform issued a reform agenda which included proposals to insure greater accountability in the use of the franking privilege. Several of our recommendations paralleled the subsequent proposals of the Commission on Administrative Review, including:

Establishing a 60-day cutoff of mass mailings prior to primary and general elections;

Requiring that postal patron mailings be sent at the most economical postage rates; and

Limiting the total number of postal patron mailings which a Member can send to no more than the equivalent of six districtwide mass mailings during a calendar year.

The Commission on Administrative Review proposals, as drafted in House Resolution 287, prohibited a Member of the House running for statewide office from sending mass mailings outside his congressional district during the period of time in which he was a candidate. Our task force advocated a further tightening of this prohibition to include Members running for national or local office.

I am pleased to see that the select committee's bill includes this suggestion.

In one important aspect, I believe that H.R. 7792 could be strengthened. Our GOP task force is on record endorsing an amendment to the franking statutes requiring Members to file semiannual reports with the Commission on Congressional Mailing Standards detailing:

Number of postal patron mailings sent;

Number of pieces in each mailing;

The date of each mailing;

Together with sample copies of each mailing.

All such reports would be filed with the Clerk of the House and would be available for public inspection. This provision to insure fuller disclosure of the congressional use of the frank was initially offered during the ethics debate last March—unfortunately the limitations imposed on debate prevented its consideration.

I hesitate to interject a discordant note into today's deliberations. However, once again, the House is operating under a procedure which deprives Members of the opportunity to offer amendments or to debate the merits of legislation under the 5-minute rule. By resorting to suspension of the rules, we are preventing Members from contributing to the ongoing development of reform legislation—legislation which affects the very performance of their official duties.

Suspensions, in effect, establish a closed rule framework on the legislative process. Although this procedure is a convenient means to dispatch consideration of minor bills, it seems uniquely inappropriate for a proposal so central to the reform of this institution. The traditions of the House embrace a long heritage of free and open debate. We are elected by our constituents to be active participants in the drafting of legislation, and not merely interested bystanders. Why on H.R. 7792 do we employ the helter-skelter rush to judgment of the suspension procedure?

I will not belabor the point. I strongly believe that the provisions in this measure before us are worthy of the House's support. It is just that the process might have been better served if this bill had been accorded the benefit of open debate and the give-and-take of the amendment process.

The franking privilege fosters the free and active dialog so essential to self-government. The primary of the congressional "informing function" was explicitly described by Woodrow Wilson in his classic, "Congressional Government":

> It is the proper duty of a representative body to look diligently into every affair of government and to talk much about what it sees. It is meant to be the eyes and the voice and to embody the wisdom and will of its constituents . . .

Although the franking privilege facilitates the discharge of our "informing function," it bears undeniable political dividends. In light of the recently established constituent communications allowance, the frank is more potent an incumbent weapon than at any other time in our history.

We are all aware that the constitutionality of the franking law is being challenged on the grounds that it uses public funds to subsidize political activity of incumbents while discriminating against challengers. The upsurge of the volume of franked mail in election years is offered as obvious proof of the political nature of the frank.

What needs to be achieved is a balance, a refinement of the distinction of what is official and frankable—and what is political and unfrankable. For too long, this distinction has been unnecessarily blurred. H.R. 7792—by eliminating the specific authorization to send under the frank matter expressing condolences or congratulations and by prohibiting the sending of any mass mailing under the frank which includes material laudatory of a Member on the basis of performance of official duties—embraces two important restrictions.

It may well be that the new guidelines set forth today are still not sufficient. In the near future it may be necessary to consider adopting a 90-day pre-general election cutoff on mass mailings. Although it is impossible to equalize the status of a challenger confronting the advantages of an incumbent, this legislation is an honest effort to insure some degree of equilibrium.

With the passage of H.R. 7792, reforms—long perceived as necessary—are becoming accomplished fact. Each reform adopted is an essential step to restore public faith in th. integrity of the House. Our achievements sc far, however, mark only the beginning in the progress toward reform.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arizona (Mr. UDALL) that the House suspend the rules and pass the bill H.R. 7792, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill H.R. 7792.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

AMENDING TITLE IV OF UNITED STATES CODE WITH RESPECT TO STATE INCOME TAX LAWS APPLICABLE TO MEMBERS OF CONGRESS

Mr. DANIELSON. Mr. Speaker, I move to suspend the rules and take from the Speaker's desk the bill (H.R. 6893) to amend title 4 of the United States Code to make it clear that Members of Congress may not, for purposes of State income tax laws, be treated as residents of any State other than the State from which they were elected, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, after the line which follows line 20, insert:

(c) The amendments made by subsections (a) and (b) shall be effective with respect to all taxable years, whether beginning before, on, or after the date of the enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. KINDNESS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. DANIELSON) will be recognized for 20 minutes, and the gentleman from Ohio (Mr. KINDNESS) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. DANIELSON).

Mr. DANIELSON. Mr. Speaker, this bill H.R. 6893, which is now returned to us from the other body, is for the purpose of making clear that the Members of Congress may not for the purposes of State income tax laws be treated as residents of any State other than the State from which they were elected.

Mr. Speaker, we had considerable debate on the bill at the time it was passed, I believe on the 6th day of June. The purpose of this bill is specifically to meet a problem presented by the fact that the State of Maryland has in its wisdom seen fit to impose a State income tax, as well as a local income tax, upon the Federal congressional salaries of Members of Congress who maintain a temporary abode in Maryland while they are attending sessions of Congress.

I want to point out that a Member of Congress who represents any part of the State of Maryland would be, of course, still subject to the Maryland income tax; however, all of us know that all of us are here by mandate of the U.S. Constitution. By the order of the Constitution, we must be elected from the district in which we reside. We must be here to exercise and to discharge our constitutional responsibilities and it becomes actually a tax upon the Congress for a State or a subdivision of a State to impose an income tax upon Federal salaries which are earned by Members of Congress who are serving their own States and districts here in Washington.

The bill as we passed it through the House a few weeks ago, in my opinion, covered everything that was necessary under the bill. It provided that no State could treat a Member as a resident or domiciliary of any State or subdivision unless he does represent that State, nor treat any compensation paid by the United States to such Members as income for services performed within or from sources within any State or political subdivision thereof. In my opinion, that language is broad enough to cover every type of situation, both present, prospective, and retroactive; however, the other body in its wisdom added an amendment, which is subparagraph (c), which reads as follows:

> The amendments made by subsections (a) or (b) shall be effective with respect to all taxable years, whether beginning before, on, or after the date of the enactment of this Act.

I submit there is nothing at all wrong with that. I do not think it was absolutely necessary, but it does certainly clarify that which was already clear and makes certain that there be no need to test the purposes of this bill in any of the courts of our land.

I know of no reasonable basis for opposition to this bill, though I know there are some very reasonable and rational people who may decide to oppose it.

Mr. Speaker, I reserve the balance of my time in the hope I may be able to entertain more lively dialog later on.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield for a question?

Mr. DANIELSON. Very well, but if it is a long question, I would rather hear it on the gentleman's own time; but I yield.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman for his generosity; even though the gentleman does not want to pay taxes in Maryland, the gentleman is willing to yield time.

Mr. Speaker, when the bill came up on June 6, I addressed a question to the gentleman from California with respect to the retroactivity of this bill, whether, indeed, it did extend the proposed exemption to passed year's tax bills in Maryland.

Mr. DANIELSON. That is correct.

Mr. BAUMAN. Mr. Speaker, if the gentleman will yield further, at that time the gentleman gave me a less than clear response defining whether the bill was retroactive in nature. The other body's amendment leaves the issue unclouded and clear. The further question I have for the gentleman is does this now mean that Members who have paid taxes to the State of Maryland, as some have under protest or voluntarily, as well as representatives of the estates of deceased Members going back however many years, may now come back and claim payment from the State of Maryland for taxes already paid?

Mr. DANIELSON. I will give the gentleman as lucid an answer as I can.

Mr. BAUMAN. With interest?

Mr. DANIELSON. That is this, that I do not know the answer to the gentleman's question; however, I will state, based on some rather ancient and now dusty experience as a lawyer, that taxes paid under protest certainly could be the subject of litigation to recover them.

However, anyone who failed to take that precaution would have a very rough row to hoe. I give the gentleman that ancient and dusty, but lucid answer.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I merely want to indicate that one of the smallest minorities is breaking ranks on this one.

The gentleman from Maryland opposes the legislation; the gentleman from Ohio (Mr. ASHBROOK) very much favors the legislation.

Mr. DANIELSON. The gentleman from Ohio has been a leader for a long time.

Mr. ASHBROOK. I favor it for one reason, if the gentleman will yield further. That is, to remove the political cloud—not just the legal or tax cloud—but the political cloud. I never had any income in Maryland and never owed any taxes there. Yet when I have had opponents in campaigns who say, "He does not care about us anymore, he is a resident of Maryland. I know he is because he owes taxes there because he is a legal resident of Maryland."

It is foolish for us to be in the position of living in Washington, as we are required to do, and be residents of California or Ohio and pay our taxes there, and supposedly be subject to the political charge that we are actually residents of another State. And, if we do not pay taxes, it is used the other way around. They say, "You are a scofflaw." We are in a Catch 22 position.

I think, for once and for all, we ought to resolve this matter. The gentleman's legislation does it. I know we are going to be accused by some Washington papers of evading taxes, but I know of no tax that any Member of this body owes on income for being a Member of Congress. If they have earned income in Virginia or the District of Columbia, that would be something else and taxes should properly be paid.

Mr. DANIELSON. I thank the gentleman for bringing up that last point, because I had not touched upon it. This is something that everyone should bear in mind, and it is absolutely correct. If the gentleman or I or any Member of Congress earns income in Maryland from some business activity of whatever source other than his congressional salary, of course, that is taxable in Maryland, but this bill does not reach that and is not intended to. I thank the gentleman for his contribution.

Mr. Speaker, I would like to reserve the balance of my time. I would be willing to respond to any questions on the time of the gentleman from the other side of the aisle.

Mr. KINDNESS. Mr. Speaker, here we are again. We have been back and forth on this issue quite a bit, but now we have got it in the worst form we have had before us yet. The Senate has adopted an amendment which makes this bill a laughing stock. Just listen to the words of the amendment:

> The amendments made by subsections (a) and (b) shall be effective with respect to all taxable years whether beginning before, on, or after the time of the enactment of this Act.

That goes all the way back to Adam and Eve. I suppose they had taxable years then, in a sense. How can we possibly and in a serious vein adopt such language, under suspension of the rules, in particular?

This bill, when it passed the House, was the object of only a modicum of opposition. There were those of us who said, "Yes, that ought to pass. Maryland is not approaching this correctly. We ought not be subject to State income tax in two States."

All that is all right, but this is not the way to do it, and it never has been the way to do it, and it is worse now. I think Maryland is making a mistake in attempting to assert liability for income tax there, certainly, but we are making a mistake in passing such legislation as to create a special category for Members of Congress. What about military people who are residents of other States and have a residence in the State of Maryland? What about people in many other categories or occupations who are residents in other States, but actually work in the Washington area, the Washington metropolitan area, and may be subject to income tax in the State of Maryland? We do not make a special category for them by Federal legislation.

If the State of Maryland sought or chose to do so, that would be another thing entirely. But, here we are with a bad bill, turning it into a worse bill by reason of the artistic blandishments of the other body, saying that this is going to be retroactive. I do not believe that we are improving the bill by such an amendment. We are making it absolutely unconstitutional. How can we pass an ex post facto law like this in view of the provisions of the Constitution? I do not understand that. I do not even understand why it would be seriously contemplated. The taxing power of the State of Maryland is in question here.

Retroactively, we are seeking to affect the taxing power of the State of Maryland. We cannot do it. It cannot hold up in court. How can we possibly expect something like that to stand? Only on one basis. We are expecting the State of Maryland not to test it in court. We are expecting that kind of a courtesy to be extended to the Congress which says, "Those good ole boys do not have to be taxed in Maryland; they have passed a law." That does not always work. I suggest the State of Maryland may not extend that degree of courtesy.

I would certainly urge that the motion to suspend the rules and pass H.R. 6893, with the Senate amendment, be defeated. It was a turkey to begin with, and it is worse now. I think we ought to pluck its tail feathers.

Mr. DANIELSON. Mr. Speaker, will the gentleman yield?

Mr. KINDNESS. I yield to the gentleman from California (Mr. DANIELSON).

Mr. DANIELSON. I thank the gentleman for yielding.

Mr. Speaker, I wish to point out that I know from personal experience that the gentleman from Ohio is an excellent lawyer. I know that full well, since I have had the privilege of working on the same committee with him for a few years, and I have enjoyed many lively exchanges. But I want to remind the gentleman that the analogy to the military does not hold water. Ever since we enacted the Soldiers and Sailors Civil Relief Act of 1940, with amendments, there has been a provision in that law which provides that a State in which a soldier or sailor is found may not—I repeat, may not—impose a tax

upon his earnings based upon his presence in the State. I refer the gentleman to the case of Dameron against Brodhead, decided by the U.S. Supreme Court in 1953, 345 U.S. 322, in which the Supreme Court upheld the right of a member of the Air Force, who was assigned to duty in Colorado, to assert that his residence was in Louisiana and would serve as a bar to his liability for taxes in the State of Colorado. That decision has never been overturned. It is the law of the land today. I submit that it is proper law. It is good, sound law. The Court held that the law, the Soldiers and Sailors Civil Relief Act, did not deprive the States of the right to impose taxes in a proper case but that it "saved the sole right of taxation to the State of original residence."

Mr. KINDNESS. Mr. Speaker, I would submit to the gentleman that the Soldiers and Sailors Civil Relief Act was not retroactive in effect either, was it?

Mr. DANIELSON. It was effective as of 1940. I do not know—I have not checked the decisions—as to whether anyone paid in ignorance of that act and then later sought to recover. I do not know that. I would submit that if they paid under protest they could recover. If they failed to do it, then the statute of limitations would eventually bar recovery.

Mr. KINDNESS. The principal effect, of course, of the Soldiers and Sailors Civil Relief Act was to prohibit the exercise of jurisdiction of the courts in order to enforce any such liability.

Mr. DANIELSON. It also had a provision prohibiting a State other than the State of residence—which, in our case, is the State which we represent—from imposing a tax upon the earnings of the members of the Armed Forces who, because of military assignments discharging their duty to their country, happened to be found in another State.

Mr. KINDNESS. So it could not have a retroactive effect. The gentleman's point is well made that the military people in that respect are in a category which has long been established. But we have not said that we are going to take some grouping of business people, by any means, or by any stretch of the imagination, people involved in the private sector of the economy and who have two places of living or abode or abiding, and say that they will be subject to a kind of special treatment that we are suggesting ought to be accorded to Members of Congress. I think we have a clear case of special category being established here, and we ought to avoid that by all means.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. KINDNESS. I yield to the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. I thank the gentleman for yielding.

Mr. Speaker, the bill which we have before us, in my opinion, and I think in the opinion of others, merely seeks to define the status of a Member of Congress as it now exists under the Constitution.

I would not imagine that a bill like this directing a State to do one thing or another would be constitutional unless it had a constitutional basis. I think the constitutional base for this is the fact that every Member of the Congress of the United States is required by the Constitution to be a citizen of the State from which he is elected.

So, therefore, I submit to the gentleman from Ohio (Mr. KINDNESS) that the Constitution set up a special class. We are not setting up a special class. We are actually passing a bill—if we do pass it—based upon a special class already created, and we are trying to define what that special class is. There is special treatment of Members of Congress contained in the Constitution, and we are merely seeking to suggest to a sovereign State that special class, and the definition which we put on it applies not only to the activities of the Federal Government but to the activities of the State.

I felt at the time, and so stated on the floor when this bill passed, that the bill by its very nature was retroactive and that it did not define the status of a Member of Congress as of the time the bill was passed but reflected what the status of a Member of Congress was and has been since the time the Constitution was adopted.

I am not at all sure that the amendment either adds to or detracts from the bill. I think the bill by its very nature is retroactive.

So, Mr. Speaker, I suggest to my friend, the gentleman from Ohio (Mr. KINDNESS), that it does not do any harm, since the other body has already passed the bill, to go along with the amendment. I understand the argument that the gentleman made, and as he knows, I have the greatest respect for him not only as a Member but as a lawyer. But I suggest and hope that the gentleman will consider the viewpoint that I have just put forth.

Mr. KINDNESS. Mr. Speaker, I appreciate the arguments presented by the minority leader, the gentleman from Arizona (Mr. RHODES), and I would not disagree.

I think, however, that what I am attempting to say here today is that, if the Constitution is properly interpreted, Maryland is wrong. All right, then, they are wrong. But I would assert that this is not the kind of amendment that I would see as being the correct way to solve the problem.

We are, in my view, taking an extraneous step here, one which attempts to establish a category that is already perhaps established in the Constitution, but we are not able to establish it ourselves by statutory enactment.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. MOORHEAD).

Mr. MOORHEAD of California. Mr. Speaker, I strongly support this legislation.

I believe it is wrong for a State to tax the elected Representatives of any of the other States. To do so subjects the Members to double taxation.

The analogy that workers who come to Washington may have to pay local taxes and should be treated in the same category as Representatives of Congress really does not apply. Individuals who move to the Washington area, to work and to live, are not subject to taxation by the States from whence they came. They have genuinely changed their domicile. They pay taxes only to the local jurisdictions here.

I do think, however, that the amendment added to the legislation by the Senate is confusing. I think it will cause litigation, and I would prefer to see it stricken from the bill. As for those people who have paid taxes in prior years to the State of Maryland, the State has relied upon those payments. There has been no question of their right to levy the taxation, during those tax years. I seriously question whether it is constitutional for Congress to retroactively affect the taxing power of the States, as this Senate amendment would do.

So, Mr. Speaker, for that reason, I would like to see the Senate amendment rejected and the legislation pass in its original form.

Mr. DANIELSON. Mr. Speaker, I yield myself such time as I may consume.

I wish to respond to a couple of comments.

We do not have here an ex post facto situation. As the gentleman knows, the ex post facto provision of the Constitution relates only to criminal laws and not to such matters as we have before us.

Second, Mr. Speaker, I want to point out that people should not misunderstand the thrust of this bill. Each Member of Congress is still required to pay the taxes levied by his or her own State. The Member pays his own taxes. He is not being exempted from paying the income tax which is properly assessable against him. This bill only exempts income taxation by a State which is foreign to that of the Member.

Also, Mr. Speaker, the bill only exempts the salaries which are earned literally here in Washington. The Members do not earn those salaries in Maryland. They earn the salaries here in Washington when working here in the Capitol, doing their duty under the Constitution and taking care of their responsibilities because the Constitution requires that they be here.

In closing, Mr. Speaker, comment was made that this may go back to Adam and Eve. I can only wonder what they used at that time as a medium of exchange. It brings to mind the old expression, "I don't really care a fig about this."

Mr. Speaker, I do urge that every Member vote for the adoption of this bill, with the amendment added by the other body.

Mr. KINDNESS. Mr. Speaker, I yield 5 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I rise in opposition to the motion of the gentleman from California.

The motion does not go to the substance of the bill. It goes to the amendment of the other body.

Mr. Speaker, as the gentleman from Ohio (Mr. KINDNESS) has pointed out, in an abundance of caution, the sponsors of this bill are proposing that we accept

an amendment that, in all likelihood, is going to place upon the State of Maryland an enormous burden, possibly even requiring that the State officials subject themselves to claims by the estates of deceased Members of Congress who once may have lived in and paid taxes in Maryland. It may well require the State to refund taxes paid by incumbent Members who have now paid under protest.

Mr. Speaker, this bill was not scheduled on the announcement provided our offices; it was announced only a brief time ago this afternoon that it was going to be brought up. Therefore, I was unable to obtain from the Comptroller's office in Annapolis any estimate of what the amount of money would be that is involved. but certainly it is going to require, because of its retrospective aspect, some sort of refund.

Mr. Speaker, it seems to me that when we pass legislation dealing with Federal taxes, we try to make them prospective so that people can plan ahead. I do not think that the State of Maryland has any less right. Certainly the bill, as originally passed by the House, was open to judicial interpretation, as to whether the provisions would be retroactive. To me— and I agree with the gentleman from Ohio— the pending amendment alone makes the bill unconstitutional.

The only claim that the State of Maryland has made on the more than 100 Members of both bodies of Congress who live in Maryland and receive the protection of police and fire departments, have education provided for their children, and are provided with roads and other public services, is that they have some obligation to pay taxes to finance those services.

Mr. Speaker, the argument of double taxation falls under the weight of the fact that a number of Members now pay no taxes in any State because their own States do not have taxation of income. Although the Members spend 6 months a year living in the State of Maryland, they would be exempt completely under this bill.

Therefore, Mr. Speaker, I do not think the argument that Maryland should follow the State of Virginia and the District of Columbia in exempting congressional salaries has any weight. It is a poor example to offer to the people who have already many reasons to question the Congress and its conduct.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman

gentleman says is correct.

from Massachusetts.

Mr. CONTE. Mr. Speaker, what the

I want to make one observation here. The unfairness of the present system is that in Massachusetts we pay, I believe, a higher income tax than we do in Maryland, and I cannot offset one against the other because Montgomery County has a piggyback tax. That is where the unfairness occurs. We pay a real estate tax on our home in Montgomery County.

Three of my children were educated in parochial schools, so we did not impose any burden upon the State in educating our children while they were of school age.

In any event, Mr. Speaker, that is the unfairness of the system. I would agree and would vote against this bill if they did not have that piggyback tax.

Mr. BAUMAN. Mr. Speaker, the only response I can give to the gentleman is that under our system of taxation in Maryland, which is almost as onerous in degree as that of Massachusetts, if not worse, under the present administration, is that the local piggyback tax goes back to the jurisdiction where the services I have just described are provided.

So, in fact, the real estate tax does not cover the services you receive, and these piggy-back taxes go toward the provision of those services, so that there is some justification and equity in collecting them.

But, Mr. Speaker, I am under no illusions as to the temper of this House. We have taken care of a number of matters dealing with ethics and righteousness, so I have no doubt as to what the vote on this legislation will be.

Mr. SAWYER. Mr. Speaker, will the gentleman yield?

Mr. KINDNESS. I yield to the gentleman from Michigan (Mr. SAWYER).

Mr. SAWYER. Mr. Speaker, I thank the gentleman from Ohio for yielding to me. I would like to address a question to the gentleman from California (Mr. DANIELSON) if he would respond.

Mr. DANIELSON. I will attempt to do so.

Mr. SAWYER. Mr. Speaker, as I understand this bill, and I have spent some time in looking it over, it would exempt not just the pay as Members of Congress, but any investment income that the person might have if it is derived from outside the State of Maryland, is that correct?

Mr. DANIELSON. If it is derived from outside the State of Maryland.

Mr. SAWYER. For example, if I own General Motors stock and get dividends on it, or if I had real estate investments in California that I received income on, all such income would, in effect, be exempted, not just the Federal salary, is that correct?

Mr. DANIELSON. The gentleman from Michigan is talking about income that is not derived from within the State of Maryland?

Mr. SAWYER. That is correct.

Mr. DANIELSON. That would be exempted.

Mr. SAWYER. That would be exempted from the Maryland tax?

Mr. DANIELSON. That is correct.

Mr. SAWYER. So that if all of one's income from whatever source derived were from outside the State of Maryland, then you would be exempted from the Maryland tax?

Mr. DANIELSON. I think the example cited by the gentleman from Michigan is too broad, although substantially the gentleman is correct. Let me say this: If I ran a business in Baltimore then I am sure I would have to be subjected to some tax on that, but if I ran a business in Los Angeles then I would not be subjected to taxes on that business.

Mr. SAWYER. Then is not section (2) of those two numbered sections just surplusage?

Mr. DANIELSON. Insofar as I can see, this goes to the manner in which compensation is paid by the United States of America to the Member for his services. It goes to that aspect only. The first section is that the Member cannot be treated as a resident or domiciliary of such State.

Mr. SAWYER. That he has to be one of the two before they can levy a tax, either a resident of or a domiciliary of the State.

The SPEAKER. All time has expired for the gentleman from Ohio (Mr. KINDNESS).

Mr. DANIELSON. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan for a question.

Mr. SAWYER. Mr. Speaker, I thank the gentleman for yielding.

The question I have is that obviously the taxation that is sought to be eliminated by the provisions of section (1), as far as pay from the United States goes, would be eliminated under that section because it is obviously not earned in the State of Maryland, for example. But, I just wondered if you do not throw some doubt on the effectiveness of section (1) by the limitation of section (2)?

Mr. DANIELSON. The answer is "No." Further, I do not believe it is advisable to remove either one of them. As a matter of fact, they are both in the bill the way we passed it before, both here and in the other body. We are only talking about the amendment offered by the other body at this time. I think we have to leave both provisions in. One of them goes to the status of the individual person in that he cannot be treated as a resident or a domiciliary of the foreign state, and the other goes to the taxability of certain income paid by the United States to the Member.

I believe the responsible thing to do is to leave both of them in there.

Mr. SAWYER. I thank the gentleman for yielding.

Mr. CHARLES H. WILSON of California. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. I thank the gentleman for yielding.

I would like to ask a question of the gentleman from Maryland (Mr. BAUMAN) if I may. The gentleman said that the real estate tax, the gas tax, and the sales tax do not take care of the various services that he said were paid for by the income tax. Would the gentleman please tell me what the real estate tax, the gas tax, and the sales tax do take care of.

Mr. BAUMAN. If the gentleman from California (Mr. DANIELSON) will yield, the real property tax does to an extent take care of the costs of those services, but in addition Maryland law provides the right for each county to impose an additional income tax, called the piggyback tax, which goes back to the counties

for their use. Many counties have chosen to lower their real estate taxes because of citizens' protests, and they supplement it by the additional income tax.

Mr. CHARLES H. WILSON of California. The so-called piggyback tax presented the problem to me. I was prepared to go ahead and pay any difference. There is a 50-percent additional tax, as I understand, to the county. I am not required to pay any because I just moved into Maryland last September, but rather than go through this hassle that some Members have gone through, I figured it may be $100 or $200 difference between the California tax and the Maryland tax. Then I find out that the 50-percent piggyback tax is not included in that. I can only apply my California tax that I paid against the State rather than the county, so I am still stuck with a fairly high county tax.

Mr. BAUMAN. The gentleman is correct.

Mr. CHARLES H. WILSON of California. If it could all be bulked together, I would be the happiest Maryland resident in the world. As it is, I may have to sell and go back to Virginia.

GENERAL LEAVE

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks with respect to the bill H.R. 6893.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DANIELSON. Mr. Speaker, I ask for an aye vote on the motion, and I move the previous question.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. DANIELSON) that the House suspend the rules and concur in the Senate amendment to the bill H.R. 6893.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and on a division (demanded by Mr. BAUMAN) there were—ayes 44, noes 5.

Mr. BAUMAN. Mr. Speaker, having explored all other possibilities, I now object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Pursuant to clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of order is considered as having been withdrawn.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion on which further proceedings were postponed in the order in which that motion was entertained.

Votes will be taken in the following order:

H.R. 7658, H.R. 7345, and the Senate amendment to H.R. 6893.

The Chair will reduce to 5 minutes the time for any electronic votes after the first such vote in this series.

SPECIALLY ADAPTED HOUSING BENEFITS FOR VETERANS WITH CERTAIN PERMANENT AND TOTAL SERVICE-CONNECTED DISABILITIES

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill (H.R. 7658).

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill H.R. 7658, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 403, nays 0, not voting 30, as follows:

[Roll No. 406]

YEAS—403

Abdnor	Burke, Calif.	Eckhardt
Addabbo	Burke, Fla.	Edgar
Akaka	Burleson, Tex.	Edwards, Ala.
Alexander	Burlison, Mo.	Edwards, Calif.
Allen	Burton, John	Edwards, Okla.
Ambro	Burton, Phillip	Eilberg
Ammerman	Butler	Emery
Anderson, Calif.	Byron	English
	Caputo	Erlenborn
Anderson, Ill.	Carney	Ertel
Andrews, N.C.	Carr	Evans, Colo.
Andrews, N. Dak.	Carter	Evans, Del.
	Cavanaugh	Evans, Ga.
Annunzio	Cederberg	Fary
Applegate	Chappell	Fascell
Archer	Chisholm	Fenwick
Armstrong	Clausen, Don H.	Findley
Ashbrook		Fish
Ashley	Clawson, Del	Fisher
Aspin	Clay	Flood
AuCoin	Cleveland	Florio
Badham	Cochran	Flowers
Badillo	Cohen	Flynt
Bafalis	Coleman	Foley
Baldus	Collins, Ill.	Ford, Mich.
Barnard	Collins, Tex.	Ford, Tenn.
Baucus	Conable	Forsythe
Bauman	Conte	Fountain
Beard, R.I.	Conyers	Fowler
Beard, Tenn.	Corcoran	Frey
Bedell	Cornell	Fuqua
Beilenson	Cornwell	Gammage
Benjamin	Cotter	Gaydos
Bennett	Coughlin	Gephardt
Bevill	Crane	Giaimo
Biaggi	Cunningham	Gilman
Bingham	D'Amours	Ginn
Blanchard	Daniel, Dan	Glickman
Blouin	Daniel, R. W.	Goldwater
Boggs	Danielson	Gonzalez
Boland	Davis	Goodling
Bolling	de la Garza	Gore
Bonior	Delaney	Gradison
Bonker	Dellums	Grassley
Bowen	Derrick	Gudger
Breaux	Derwinski	Guyer
Breckinridge	Devine	Hagedorn
Brinkley	Dickinson	Hall
Brodhead	Dicks	Hammer-schmidt
Brooks	Diggs	
Broomfield	Dingell	Hanley
Brown, Calif.	Dornan	Hannaford
Brown, Mich.	Downey	Hansen
Brown, Ohio	Drinan	Harkin
Broyhill	Duncan, Oreg.	Harrington
Buchanan	Duncan, Tenn.	Harris
Burgener	Early	Harsha
Hawkins	Milford	Satterfield
Heckler	Miller, Calif.	Sawyer
Hefner	Miller, Ohio	Scheuer
Heftel	Mineta	Schroeder
Hightower	Minish	Schulze
Hillis	Mitchell, Md.	Sebelius
Holland	Mitchell, N.Y.	Seiberling
Hollenbeck	Moakley	Sharp
Holt	Moffett	Shuster
Holtzman	Mollohan	Sikes
Horton	Montgomery	Simon
Howard	Moore	Sisk
Hubbard	Moorhead, Calif.	Skelton
Huckaby		Skubitz
Hughes	Moorhead, Pa.	Slack
Hyde	Moss	Smith, Iowa
Ichord	Mottl	Smith, Nebr.
Ireland	Murphy, Ill.	Snyder
Jacobs	Murphy, N.Y.	Solarz
Jeffords	Murphy, Pa.	Spellman
Jenkins	Murtha	Spence
Johnson, Calif.	Myers, Gary	St Germain
Jones, N.C.	Myers, John	Staggers
Jones, Okla.	Myers, Michael	Stangeland
Jones, Tenn.	Natcher	Stark
Kasten	Neal	Steed
Kastenmeier	Nedzi	Steers
Kazen	Nichols	Steiger
Kelly	Nix	Stockman
Kemp	Nowak	Stokes
Ketchum	O'Brien	Stratton
Keys	Oakar	Studds
Kildee	Oberstar	Stump
Kindness	Ottinger	Symms
Koch	Panetta	Taylor
Kostmayer	Patten	Thompson
Krebs	Patterson	Thone
Krueger	Pattison	Thornton
LaFalce	Pease	Traxler
Lagomarsino	Pepper	Treen
Latta	Perkins	Trible
Le Fante	Pettis	Tsongas
Leach	Pickle	Tucker
Lederer	Pike	Udall
Leggett	Poage	Ullman
Lehman	Pressler	Van Deerlin
Lent	Preyer	Vander Jagt
Levitas	Price	Vanik
Lloyd, Calif.	Pritchard	Vento
Lloyd, Tenn.	Pursell	Volkmer
Long, La.	Quayle	Waggonner
Long, Md.	Quie	Walgren
Lott	Quillen	Walker
Lujan	Rahall	Walsh
Luken	Railsback	Wampler
Lundine	Rangel	Watkins
McClory	Regula	Waxman
McCloskey	Reuss	Weaver
McCormack	Rhodes	Weiss
McDade	Richmond	Whalen
McDonald	Rinaldo	White
McEwen	Risenhoover	Whitehurst
McFall	Roberts	Whitley
McHugh	Robinson	Whitten
McKay	Rodino	Wiggins
Maguire	Roe	Wilson, Bob
Mahon	Rogers	Wilson, C. H.
Markey	Roncalio	Wilson, Tex.
Marks	Rooney	Winn
Marlenee	Rose	Wirth
Marriott	Rostenkowski	Wolff
Mathis	Rousselot	Wydler
Mattox	Roybal	Wylie
Mazzoli	Rudd	Yates
Meeds	Runnels	Yatron
Metcalfe	Ruppe	Young, Fla.
Meyner	Russo	Young, Mo.
Michel	Santini	Young, Tex.
Mikulski	Sarasin	Zeferetti

NAYS—0

NOT VOTING—30

Brademas	Gibbons	Nolan
Burke, Mass.	Hamilton	Obey
Corman	Jenrette	Rosenthal
Dent	Johnson, Colo.	Ryan
Dodd	Jordan	Shipley
Evans, Ind.	McKinney	Stanton
Fithian	Madigan	Teague
Flippo	Mann	Wright
Fraser	Martin	Young, Alaska
Frenzel	Mikva	Zablocki

The Clerk announced the following pairs:

Mr. Burke of Massachusetts with Mr. Frenzel.

Mr. Brademas with Mr. Madigan.

Mr. Dent with Mr. Stanton.

Mr. Jenrette with Mr. Wright.

Mr. Ryan with Mr. Rosenthal.
Mr. Teague with Mr. Flippo.
Mr. McKinney with Mr. Gibbons.
Mr. Young of Alaska with Mr. Mikva.
Mr. Zablocki with Mr. Fraser.
Ms. Jordan with Mr. Corman.
Mr. Hamilton with Mr. Dodd.
Mr. Evans of Indiana with Mr. Fithian.
Mr. Mann with Mr. Nolan.
Mr. Shipley with Mr. Obey.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

VETERANS AND SURVIVORS PENSION ADJUSTMENT ACT OF 1977

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 7345.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. ROBERTS) that the House suspend the rules and pass the bill H.R. 7345, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 403, nays 0, not voting 30, as follows:

[Roll No. 407]

YEAS—403

Abdnor	Buchanan	Drinan
Addabbo	Burgener	Duncan, Oreg.
Akaka	Burke, Calif.	Duncan, Tenn.
Alexander	Burke, Fla.	Early
Allen	Burleson, Tex.	Eckhardt
Ambro	Burlison, Mo.	Edgar
Ammerman	Burton, John	Edwards, Ala.
Anderson, Calif.	Burton, Phillip	Edwards, Calif.
	Butler	Edwards, Okla.
Anderson, Ill.	Byron	Eilberg
Andrews, N.C.	Caputo	Emery
Andrews, N. Dak.	Carney	English
	Carr	Erlenborn
Annunzio	Carter	Ertel
Applegate	Cavanaugh	Evans, Colo.
Archer	Cederberg	Evans, Del.
Armstrong	Chappell	Evans, Ga.
Ashbrook	Chisholm	Fary
Ashley	Clausen, Don H.	Fascell
Aspin	Clawson, Del	Fenwick
AuCoin	Clay	Findley
Badham	Cleveland	Fish
Badillo	Cochran	Fisher
Bafalis	Cohen	Flood
Baldus	Coleman	Florio
Barnard	Collins, Ill.	Flowers
Baucus	Collins, Tex.	Flynt
Bauman	Conable	Foley
Beard, R.I.	Conte	Ford, Mich.
Beard, Tenn.	Conyers	Ford, Tenn.
Bedell	Corcoran	Forsythe
Beilenson	Cornell	Fountain
Benjamin	Cornwell	Fowler
Bennett	Cotter	Frey
Bevill	Coughlin	Fuqua
Biaggi	Crane	Gammage
Bingham	Cunningham	Gaydos
Blanchard	D'Amours	Gephardt
Blouin	Daniel, Dan	Giaimo
Boggs	Daniel, R. W.	Gilman
Boland	Danielson	Ginn
Bolling	Davis	Glickman
Bonior	de la Garza	Goldwater
Bonker	Delaney	Gonzalez
Bowen	Dellums	Goodling
Breaux	Derrick	Gore
Breckinridge	Derwinski	Gradison
Brinkley	Devine	Grassley
Brodhead	Dickinson	Gudger
Brooks	Dicks	Guyer
Broomfield	Diggs	Hagedorn
Brown, Calif.	Dingell	Hall
Brown, Mich.	Dornan	Hammer-schmidt
Brown, Ohio	Downey	Hanley
Broyhill		
Hannaford	Metcalfe	Santini
Hansen	Meyner	Sarasin
Harkin	Michel	Satterfield
Harrington	Mikulski	Sawyer
Harris	Milford	Scheuer
Harsha	Miller, Calif.	Schroeder
Hawkins	Miller, Ohio	Schulze
Heckler	Mineta	Sebelius
Hefner	Minish	Seiberling
Heftel	Mitchell, Md.	Sharp
Hightower	Mitchell, N.Y.	Shuster
Hillis	Moakley	Sikes
Holland	Moffett	Simon
Hollenbeck	Mollohan	Sisk
Holt	Montgomery	Skelton
Holtzman	Moore	Skubitz
Horton	Moorhead, Calif.	Slack
Howard		Smith, Iowa
Hubbard	Moorhead, Pa.	Smith, Nebr.
Huckaby	Moss	Snyder
Hughes	Motti	Solarz
Hyde	Murphy, Ill.	Spellman
Ichord	Murphy, N.Y.	Spence
Ireland	Murphy, Pa.	St Germain
Jacobs	Murtha	Staggers
Jeffords	Myers, Gary	Stangeland
Jenkins	Myers, John	Stark
Johnson, Calif.	Myers, Michael	Steed
Jones, N.C.	Natcher	Steers
Jones, Okla.	Neal	Steiger
Jones, Tenn.	Nedzi	Stockman
Kasten	Nichols	Stokes
Kastenmeier	Nix	Stratton
Kazen	Nowak	Studds
Kelly	O'Brien	Stump
Kemp	Oakar	Symms
Ketchum	Oberstar	Taylor
Keys	Ottinger	Thompson
Kildee	Panetta	Thone
Kindness	Patten	Thornton
Koch	Patterson	Traxler
Kostmayer	Pattison	Treen
Krebs	Pease	Trible
Krueger	Pepper	Tsongas
LaFalce	Perkins	Tucker
Lagomarsino	Pettis	Udall
Latta	Pickle	Ullman
Le Fante	Pike	Van Deerlin
Leach	Poage	Vander Jagt
Lederer	Pressler	Vanik
Leggett	Preyer	Vento
Lehman	Price	Volkmer
Lent	Pritchard	Waggonner
Levitas	Pursell	Walgren
Lloyd, Calif.	Quayle	Walker
Lloyd, Tenn.	Quie	Walsh
Long, La.	Quillen	Wampler
Long, Md.	Rahall	Watkins
Lott	Railsback	Waxman
Lujan	Rangel	Weaver
Luken	Regula	Weiss
Lundine	Reuss	Whalen
McClory	Rhodes	White
McCloskey	Richmond	Whitehurst
McCormack	Rinaldo	Whitley
McDade	Risenhoover	Whitten
McDonald	Roberts	Wiggins
McEwen	Robinson	Wilson, Bob
McFall	Rodino	Wilson, C. H.
McHugh	Roe	Wilson, Tex.
McKay	Rogers	Winn
Maguire	Roncalio	Wirth
Mahon	Rooney	Wolff
Markey	Rose	Wydler
Marks	Rostenkowski	Wylie
Marlenee	Rousselot	Yates
Marriott	Roybal	Yatron
Mathis	Rudd	Young, Fla.
Mattox	Runnels	Young, Mo.
Mazzoli	Ruppe	Young, Tex.
Meeds	Russo	Zeferetti

NAYS—0

NOT VOTING—30

Brademas	Gibbons	Nolan
Burke, Mass.	Hamilton	Obey
Corman	Jenrette	Rosenthal
Dent	Johnson, Colo.	Ryan
Dodd	Jordan	Shipley
Evans, Ind.	McKinney	Stanton
Fithian	Madigan	Teague
Flippo	Mann	Wright
Fraser	Martin	Young, Alaska
Frenzel	Mikva	Zablocki

The Clerk announced the following pairs:

Mr. Burke of Massachusetts with Mr. Madigan.

Mr. Zablocki with Mr. McKinney.

Mr. Jenrette with Mr. Stanton.
Mr. Teague with Mr. Young of Alaska.
Mr. Martin with Mr. Corman.
Mr. Shipley with Mr. Flippo.
Mr. Frenzel with Mr. Wright.
Mr. Obey with Mr. Nolan.
Mr. Brademas with Mr. Rosenthal.
Mr. Dodd with Mr. Ryan.
Mr. Dent with Mr. Mann.
Mr. Mikva with Mr. Gibbons.
Mr. Evans of Indiana with Mr. Fithian.
Ms. Jordan with Mr. Hamilton.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDING TITLE IV OF UNITED STATES CODE WITH RESPECT TO STATE INCOME TAX LAWS APPLICABLE TO MEMBERS OF CONGRESS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and concurring in the Senate amendment to the bill H.R. 6893.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. DANIELSON) that the House suspend the rules and concur in the Senate amendment to the bill H.R. 6893.

The Clerk read the title of the bill.

The question was taken and the Speaker pro tempore announced that, in his opinion, two-thirds of the Members had voted in favor thereof.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER pro tempore. The Chair will state that the yeas and nays have already been demanded and have been refused so that request is not in order.

Mr. BAUMAN. Mr. Speaker, is it in order to ask for a division on this vote?

The SPEAKER pro tempore. The Chair will state that a division has already been taken on the question.

Mr. BAUMAN. Then an additional division is not permitted at this time?

The SPEAKER pro tempore. That is correct. The yeas and nays have already been demanded and have been refused and prior to that a division vote had already been taken.

Mr. BAUMAN. And it is out of order to renew the request for the yeas and nays?

The SPEAKER pro tempore. The Chair will state that it is not in order to renew the request that the vote be taken by the yeas and nays.

Mr. BAUMAN. I thank the gentleman.

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 7636, DEPARTMENT OF INTERIOR AND RELATED AGENCIES APPROPRIATIONS

Mr. YATES. Mr. Speaker, I call up the conference report on the bill (H.R. 7636) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1978, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement.

(For conference report and statement see proceedings of the House of June 23, 1977.)

Mr. YATES (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. YATES) is recognized.

Mr. YATES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to present to the House the conference report on the bill, H.R. 7636, making appropriations for the Department of the Interior and related agencies for the fiscal year 1978.

The conference report provides for a total of $10,160,164,271 in new obligational authority and appropriations to liquidate contract authority. This amount is $212 million below the Senate bill and $480 million over the House bill. The bulk of the increase above fiscal year 1977 and the increase in the conference report compared to the House bill is related to the strategic petroleum reserve.

The bill is $5,421,000 below the President's budget request for fiscal year 1978.

The conference agreement provides increases over the budget for several agencies, primarily in natural resource management and Indian programs where the President's budget was not adequate. The conference agreement provides increases over the budget of $240,782,000 for the Forest Service; $23,019,000 for the Fish and Wildlife Service; $27,255,000 for the National Park Service; $9,621,000 for the Bureau of Land Management; $7,925,000 for the Geological Survey; $4,717,000 for the Bureau of Outdoor Recreation; and $4,195,000 for the Office of Water Research and Technology.

The conference agreement is $42,511,000 over the budget for the mines and minerals account of the Bureau of Mines, but the conferees agreed to a rescission of $47,500,000 in the Bureau of Mines helium fund.

For the Mining Enforcement and Safety Administration, an increase of $1,890,000 over the budget is provided for State grants and design of additional buildings. The amount provided for MESA includes $250,000 for a feasibility study on a mine health and safety institute.

The conference report includes an increase of $3,431,000 over the budget for the Bureau of Indian Affairs. That increase includes a reduction of $23,094,000 in the construction program, primarily in the Indian school program.

The conferees agreed to an additional $57,657,000 over the budget for Indian health, $14,573,000 for Indian education, and $14,465,000 for the Office of Territories.

The major reductions under the budget request are in the energy area. This is not, however, to be taken as an indication that the conferees do not consider this an important initiative. A reduction of $220,000,000 was agreed upon for the strategic petroleum reserve, $50,256,000 for development of the naval petroleum reserve outside of Alaska, $55,187,000 in the Federal Energy Administration, and $52,673,000 in the Energy Research and Development Administration. The reduction in the naval petroleum reserve program is associated with a lag in construction of a pipeline in the Elk Hills Reserve. The largest decrease in the Federal Energy Administration is a $25,000,000 reduction in a program called Innovative Conservation. The best description of this was provided by FEA witnesses when they called it a "slush fund." Of the reduction in ERDA, $50,000,000 is associated with continued large unobligated balances in this program, which exceed $120,000,000 for fiscal year 1977. This action is taken to put ERDA on notice that if they do not obligate their funds in a reasonable period of time, they will lose them.

A reduction of $7,528,000 is proposed for the Smithsonian Institution; $7,100,000 of this is associated with construction of a new library facility on top of the Museum of Science and Technology.

When this bill was before the House, I provided assurances that in the event the Senate increased the amount of money in the land and water conservation fund for assistance to States, I would be very favorably disposed to support such an increase. The Senate, however, agreed with the House allowance of $306,070,000 for assistance to States. The Senate felt that an increase of $130,767,000 over the amount provided to the States in fiscal year 1977 was more than adequate. Therefore, I was not provided with an opportunity to carry out the assurances I had provided earlier.

The conferees agreed on $3,115,000 above the amount provided in the Senate bill for the Fish and Wildlife Service to have an independent capability to participate at the initial stages in the planning and development programs which have an impact on wildlife resources and habitats. It is the intent of the conferees that the emphasis on this program be placed on this early involvement so as to avoid the deleterious confrontations which have occurred in the past. The Secretary is urged to insure that agencies which have a prime responsibility for environmental evaluation of an area involve the Fish and Wildlife Service at the earliest possible point in the environmental analysis program.

The conferees agreed on an additional $400,000 to establish cooperative fish and wildlife units in Alaska, Florida, and Mississippi, and have agreed upon an additional $2,250,000 and 150 positions for refuge management operation and maintenance, including 25 law enforcement positions.

The bill as passed by the Senate had terminated a recreation technical assistance program in the National Park Service and provided funding to carry out the program in the Bureau of Outdoor Recreation. The conferees agreed that this should not occur in fiscal year 1978, but are concerned over the duplication and have requested the Secretary to make a determination as to which agency should provide technical assistance and reflect that in the fiscal year 1979 budget.

For the Geological Survey, the conferees agreed to split the increased amount for earthquake research recommended by the House and also to provide the $5,000,000 for identification of characteristics of the major aquifers. There is no objection to the Survey continuing a program of OCS seismic risk and ocean bottom stability. The conferees also agreed on providing a significant increase for coal mine health and safety research in the Bureau of Mines to go along with the administration's emphasis on the increased production of coal in the next 8 years.

The conferees agreed on the Senate allowance for the Bureau of Indian Affairs construction program—a reduction of $29,950,000 below the House bill. The Senate shares the concern of the House over the impact that delay of construction of school buildings will have on Indian children, but felt very strongly that providing additional funds for school construction, until the BIA demonstrates that it can build quality schools in a timely manner, would not be of long-term benefit to the Indian people. The conferees, in order to stimulate the Department to move quickly, directed the Secretary to engage the General Services Administration to supervise the planning, design, construction, and maintenance of school facilities; to submit to the Congress, within 90 days following enactment of this legislation, a plan for expenditure of planning and construction funds presently available to the BIA; and to advise the committee during the year on the progress on achieving those plans.

For the Trust Territory of the Pacific Islands, the conferees restored $12 million cut by the Senate that had been added by the House for airport construction funds for the Kosrae District Center.

For the Forest Service, the conferees agreed to a funding level which is roughly a minimum of 82.5 percent of the Resources Planning Act level as set forth in the Humphrey-Rarick bill of 1974. This level provides $1,187,917,000 for the Forest Service for fiscal year 1978. This is $95,631,000 over the 1977 appropriation level. and $240,782,000 above the budget estimate. The conferees agreed to make reductions in the areas in the Forest Service that will benefit from the re-

cently enacted fiscal stimulus appropriation bill. This includes recreation areas, wildlife and fish habitat management, rangeland improvement, and other general land management activities, as well as State and private forestry cooperation and construction and land acquisition.

For ERDA, the conferees agreed to appropriations of $839,097,000. This is $225,102,000 above the level provided for fiscal year 1977, and $52,673,000 below the budget estimate. The conferees agreed on providing an additional $9,000,000 for programs for direct combustion of coal, $20,000,000 for the magnetohydrodynamics program, and $4,000,000 for fuel cell development.

For the National Endowment for the Arts, the full budget request was provided. A small reduction was made in the National Endowment for the Humanities, which is offset by an increase of $1,000,000 over the budget for the Museum Services Institute.

For 2 years, the committee has expressed concern about the impact on agency operations of end of year employment ceilings established by the executive branch. A study by the committee's investigative staff confirmed that ceilings result in constraints on agency operations and wasteful and inefficient use of tax dollars. This is particularly critical where the ceilings imposed restrictions on the ability of program managers to protect and enhance the great natural resources of the country. Some progress has been made and employment ceilings for the Park Service and Fish and Wildlife Service have been expanded. This will be very helpful in administering their important responsibilities. However, the Forest Service has not been as well treated. The conferees have added a total of 4,037 positions to those requested by the administration. Of these, 2,320 are for the Forest Service. The committee continues to believe that dollar levels and prudent management, rather than artificially established personnel ceilings should govern the level of permanent positions allocated to an agency.

If the Executive continues to ignore the concerns of the committee and the Congress in this area, there may be no recourse other than legislation to insure that employment ceilings do not impede the progress of important congressional initiatives and the guardianship of this Nation's great natural resources.

I shall insert a table which shows by agency the number of permanent positions requested and the number approved by the conferees. The conferees expect this level of permanent positions to be the basis on which personnel ceilings are established, taking into account a reasonable lapse rate. If the agencies find that employment ceilings established contrary to those set forth in this report impede their ability to administer the programs, they should place the money into a reserve and report it for deferral or rescission pursuant to title X of the Congressional Budget Control Act of 1974.

Mr. Speaker, this is a good conference report. It makes important improvements in our land and water resources and continues preservation and protection of our parks and wildlife. It lays the foundation for expanded production of energy and mineral resources, improves the health and welfare of all Indian people, and expands the cultural heritage of our Nation. I strongly urge the adoption of this conference report by the House.

Mr. Speaker, at this point in the RECORD I include a table comparing new obligational authority recommended in the bill for fiscal year 1978 and the respective recommendations contained in the House and Senate bills in comparison thereto and a table comparing the permanent positions recommended by the conferees compared to the budget request.

Mr. Speaker, I would also like to point out that page 4 of House Report 95–461, the conference report on this bill, incorrectly excludes amendment numbered 19 as an amendment in disagreement.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, FISCAL YEAR 1978
(FISCAL YEARS)

	New budget authority					Conference compared with—			
	Enacted 1977	Estimates 1978	House 1978	Senate 1978	Conference 1978	1977 enacted	1978 estimate	House bill	Senate bill
TITLE I—DEPARTMENT OF THE INTERIOR									
LAND AND WATER RESOURCES									
Bureau of Land Management									
Management of lands and resources	$272,977,000	$238,466,000	$250,289,000	$245,808,000	$246,938,000	−$26,039,000	+$8,472,000	−$3,351,000	+$1,130,000
Acquisition, construction and maintenance	10,760,000	17,558,000	16,827,000	18,707,000	18,707,000	+7,947,000	+1,149,000	+1,880,000	
Public lands development roads and trails (appropriation to liquidate contract authority)	(5,000,000)	(1,924,000)	(1,924,000)	(1,924,000)	(1,924,000)	(−3,076,000)			
Payments in lieu of taxes	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000				
Rescission of contract authority (roads and trails)	(−13,900,000)					(+13,900,000)			
Oregon and California grant lands (indefinite, appropriation of receipts)	41,250,000	45,000,000	45,000,000	45,000,000	45,000,000	+3,750,000			
Range improvements (indefinite, appropriation of receipts)	7,370,000	8,750,000	8,750,000	8,750,000	8,750,000	+1,380,000			
Recreation development and operation of recreation facilities (indefinite, special fund)	300,000	300,000	300,000	300,000	300,000				
Service charges, deposits, and forfeitures (indefinite, special fund)		11,250,000	11,250,000	11,250,000	11,250,000	+11,250,000			
Working capital fund		2,000,000	2,000,000	2,000,000	2,000,000	+2,000,000			
Miscellaneous trust funds (indefinite)		100,000	100,000	100,000	100,000	+100,000			
Total, Bureau of Land Management	432,657,000	423,424,000	434,516,000	431,915,000	433,045,000	+388,000	+9,621,000	−1,471,000	+1,130,000
Office of Water Research and Technology									
Salaries and expenses	19,024,000	21,112,000	26,409,000	24,427,000	25,307,000	+6,283,000	+4,195,000	−1,102,000	+880,000
Total, Land and Water Resources	451,681,000	444,536,000	460,925,000	456,342,000	458,352,000	+6,671,000	+13,816,000	−2,573,000	+2,010,000
FISH AND WILDLIFE AND PARKS									
Bureau of Outdoor Recreation									
Salaries and expenses	6,977,000	6,857,000	11,719,000	12,499,000	11,574,000	+4,597,000	−4,717,000	−145,000	−925,000
Land and Water Conservation Fund									
Appropriation of receipts (indefinite)	537,799,000	600,000,000	600,000,000	600,000,000	600,000,000	+62,201,000			

U.S. Fish and Wildlife Service									
Resource management	$148,506,000	$168,628,000	$172,796,000	$165,434,000	$169,279,000	$+20,773,000	+$651,000	−$3,517,000	+$3,845,000
Construction and anadromous fish	24,211,000	42,692,000	62,903,000	52,694,000	65,060,000	+40,849,000	+22,368,000	+2,157,000	+12,366,000
Migratory bird conservation account (definite, repayable advance)	14,000,000	10,000,000	10,000,000	10,000,000	10,000,000	−4,000,000			
Development and operation of recreation facilities		150,000	150,000	150,000	150,000	+150,000			
Total, U.S. Fish and Wildlife Service	186,717,000	221,470,000	245,849,000	228,278,000	244,489,000	+57,772,000	+23,019,000	−1,360,000	+16,211,000
National Park Service									
Operation of the national park system	295,173,000	323,147,000	324,515,000	321,130,000	323,105,000	+27,932,000	−42,000	−1,410,000	+1,975,000
Construction	130,952,000	143,190,000	149,397,000	155,706,000	161,442,000	+30,490,000	+18,252,000	+12,045,000	+5,736,000
Road construction (appropriation to liquidate contract authority)	(21,800,000)	(30,198,271)	(30,198,271)	(30,198,271)	(30,198,271)	(+8,398,271)			
Rescission of contract authority (road construction)	(−118,995,000)					(+118,995,000)			
Preservation of historic properties	23,133,000	6,589,000	5,667,000	5,667,000	5,667,000	−17,466,000	−922,000		
Historic preservation fund		35,000,000	40,000,000	80,000,000	45,000,000	+45,000,000	+10,000,000	+5,000,000	−35,000,000
Planning, development and operation of recreation facilities (indefinite, special fund)	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000				
John F. Kennedy Center for the Performing Arts	7,600,000	3,783,000	3,750,000	3,750,000	3,750,000	−3,850,000	−33,000		
Total, National Park Service	470,858,000	525,709,000	537,329,000	580,253,000	552,964,000	+82,106,000	+27,255,000	+15,635,000	−27,289,000
Total, Fish and Wildlife and Parks	1,202,351,000	1,354,036,000	1,394,897,000	1,421,030,000	1,409,027,000	+206,676,000	+54,991,000	+14,130,000	−12,003,000
ENERGY AND MINERALS									
Geological Survey									
Surveys, investigations, and research	320,193,000	353,622,000	367,524,000	355,247,000	361,547,000	+41,354,000	+7,925,000	−5,977,000	+6,300,000
Exploration of national petroleum reserve in Alaska	100,492,000	209,541,000	209,541,000	209,541,000	209,541,000	+109,049,000			
Total, Geological Survey	420,685,000	563,163,000	577,065,000	564,788,000	571,088,000	+150,403,000	+7,925,000	−5,977,000	+6,300,000
Mining Enforcement and Safety Administration									
Salaries and expenses	99,301,000	105,766,000	107,116,000	107,806,000	107,656,000	+8,355,000	+1,890,000	+540,000	−150,000
Bureau of Mines									
Mines and minerals	177,297,000	160,529,000	203,300,000	190,559,000	203,040,000	+25,743,000	+42,511,000	−260,000	+12,481,000
Construction of Metallurgy Research Center	9,259,000					−9,259,000			
Helium fund (permanent contract authority)		47,500,000					−47,500,000		
Total, Bureau of Mines	186,556,000	208,029,000	203,300,000	190,559,000	203,040,000	+16,484,000	−4,989,000	−260,000	+12,481,000
Total, Energy and Minerals	706,542,000	876,958,000	887,481,000	863,153,000	881,784,000	+175,242,000	+4,826,000	−5,697,000	+18,631,000
INDIAN AFFAIRS									
Bureau of Indian Affairs									
Operation of Indian programs	626,183,000	655,656,000	672,096,000	675,175,000	677,181,000	+50,998,000	+21,525,000	+5,085,000	+2,006,000
Construction	77,101,000	87,247,000	94,103,000	64,153,000	64,153,000	−12,948,000	−23,094,000	−29,950,000	
Road construction	39,075,000	70,335,000	70,335,000	75,335,000	75,335,000	+36,260,000	+5,000,000	+5,000,000	
Road construction (appropriation to liquidate contract authority)	(36,795,000)	(22,912,000)	(22,912,000)	(22,912,000)	(22,912,000)	(−13,883,000)			
Indian loan guaranty and insurance fund	15,000,000					−15,000,000			
Alaska native fund	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000				
Trust funds (definite)	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000				
Trust funds (indefinite)	25,400,000	23,000,000	23,000,000	23,000,000	23,000,000	−2,400,000			
Total, Bureau of Indian Affairs	815,759,000	869,238,000	892,534,000	870,663,000	872,669,000	+56,910,000	+3,431,000	−19,865,000	+2,006,000
TERRITORIAL AFFAIRS									
Office of Territorial Affairs									
Administration of territories	58,072,000	21,001,000	21,105,000	21,105,000	21,105,000	−36,967,000	+104,000		
Permanent appropriation (special fund)	(256,000)	(336,000)	(336,000)	(336,000)	(336,000)	(+80,000)			
Transferred from other accounts (special fund)	(620,000)	(940,000)	(938,000)	(938,000)	(938,000)	(+318,000)	(−2,000)		
Trust Territory of the Pacific Islands	101,717,000	96,083,000	109,544,000	98,852,000	110,444,000	+8,727,000	+14,361,000	+900,000	+11,592,000
Total, Office of Territorial Affairs	159,789,000	117,084,000	130,649,000	119,957,000	131,549,000	−28,240,000	+14,465,000	+900,000	+11,592,000
SECRETARIAL OFFICES									
Office of the Solicitor									
Salaries and expenses	12,916,000	14,054,000	13,844,000	13,844,000	13,844,000	+928,000	−210,000		
Office of the Secretary									
Salaries and expenses	21,362,000	23,161,000	22,443,000	22,821,000	22,488,000	+1,126,000	−673,000	+45,000	−333,000
Departmental operations	13,726,000	13,464,000	12,922,000	12,922,000	12,922,000	−804,000	−542,000		
Salaries and expenses (special foreign currency program)	907,000	1,000,000	285,000	1,000,000	1,000,000	+93,000		+715,000	
Total, Office of the Secretary	35,995,000	37,625,000	35,650,000	36,743,000	36,410,000	+415,000	−1,215,000	+760,000	−333,000
Total, Secretarial Offices	48,911,000	51,679,000	49,494,000	50,587,000	50,254,000	+1,343,000	−1,425,000	+760,000	−333,000

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, FISCAL YEAR 1978—Continued
(FISCAL YEARS)

	New budget authority					Conference compared with—			
	Enacted 1977	Estimates 1978	House 1978	Senate 1978	Conference 1978	1977 enacted	1978 estimate	House bill	Senate bill
TITLE I—Continued									
Total, title I, new budget (obligational) authority, Department of the Interior	$3,252,138,000	$3,713,531,000	$3,815,980,000	$3,781,732,000	$3,803,635,000	+$551,497,000	+$90,104,000	−$12,345,000	+$21,903,000
Consisting of:									
Appropriations	3,385,033,000	3,666,031,000	3,815,980,000	3,781,732,000	3,803,635,000	+418,602,000	+137,604,000	−12,345,000	+21,903,000
Definite appropriations	2,758,914,000	2,963,631,000	3,113,580,000	3,079,332,000	3,101,235,000	+342,321,000	+137,604,000	−12,345,000	+21,903,000
Indefinite appropriations	626,119,000	702,400,000	702,400,000	702,400,000	702,400,000	+76,281,000			
Rescission of contract authority	−132,895,000					+132,895,000			
Permanent contract authority		47,500,000					−47,500,000		
Memoranda:									
Appropriations to liquidate contract authority	(63,595,000)	(55,034,271)	(55,034,271)	(55,034,271)	(55,034,271)	(−8,560,729)			
Title I, new budget (obligational) authority and appropriations to liquidate contract authority	3,315,733,000	3,768,565,271	3,871,014,271	3,836,766,271	3,858,669,271	+542,936,271	+90,104,000	−12,345,000	+21,903,000
TITLE II—RELATED AGENCIES									
DEPARTMENT OF AGRICULTURE									
Forest Service									
Forest protection and utilization:									
Forest land management	641,259,000	424,573,000	550,035,000	531,054,000	533,918,000	−107,341,000	+109,345,000	−16,117,000	+2,864,000
Forest research	89,785,000	95,650,000	102,899,000	101,488,000	101,488,000	+11,703,000	+5,838,000	−1,411,000	
State and private forestry cooperation	33,480,000	24,743,000	55,559,000	47,551,000	53,059,000	+19,579,000	+28,316,000	−2,500,000	+5,508,000
Total, forest protection and utilization	764,524,000	544,966,000	708,493,000	680,093,000	688,465,000	−76,059,000	+143,499,000	−20,028,000	+8,372,000
Construction and land acquisition	40,159,000	22,564,000	45,141,000	34,630,000	40,630,000	+471,000	+18,066,000	−4,511,000	+6,000,000
Youth conservation corps	60,000,000	30,375,000	60,000,000	60,000,000	60,000,000		+29,625,000		
Forest roads	206,800,000	212,115,000	212,115,000	212,115,000	212,115,000	+5,315,000			
Timber salvage sales	3,000,000					−3,000,000			
Forest roads and trails	12,952,000	126,241,000	175,833,000	165,833,000	175,833,000	+162,881,000	+49,592,000		+10,000,000
Forest roads and trails (appropriation to liquidate contract authority)	(208,104,000)	(78,781,000)	(78,781,000)	(78,781,000)	(78,781,000)	(−129,323,000)			
Rescission of contract authority (roads and trails)	(−39,827,943)					(+39,827,943)			
Acquisition of lands for national forests:									
Special acts (special fund, indefinite)	160,000	165,000	165,000	165,000	165,000	+5,000			
Acquisition of lands to complete land exchanges	54,000	38,000	38,000	38,000	38,000	−16,000			
Rangeland improvements (special fund, indefinite)	700,000	5,200,000	5,200,000	5,200,000	5,200,000	+4,500,000			
Assistance to States for tree improvement	1,385,000	1,387,000	1,387,000	1,387,000	1,387,000	+2,000			
Construction and operation of recreation facilities (indefinite, special fund)	2,552,000	4,084,000	4,084,000	4,084,000	4,084,000	+1,532,000			
Total, Forest Service	1,092,286,000	947,135,000	1,212,456,000	1,163,545,000	1,187,917,000	+95,631,000	+240,782,000	−24,539,000	+24,372,000
ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION									
Operating expenses, fossil fuels	521,775,000	795,800,000	710,927,000	797,757,000	748,127,000	+226,352,000	−47,673,000	+37,200,000	−49,630,000
Plant and capital equipment, fossil fuels	62,220,000	95,970,000	90,970,000	96,970,000	90,970,000	+28,750,000	−5,000,000		−6,000,000
Total, Energy Research and Development Administration	583,995,000	891,770,000	801,897,000	894,727,000	839,097,000	+255,102,000	−52,673,000	+37,200,000	−55,630,000
FEDERAL ENERGY ADMINISTRATION									
Salaries and expenses	212,712,000	344,310,000	290,326,000	291,623,000	289,123,000	+76,411,000	−55,187,000	−1,203,000	−2,500,000
Strategic petroleum reserve	447,824,000	3,018,933,000	2,309,033,000	3,018,933,000	2,798,933,000	+2,351,109,000	−220,000,000	+489,900,000	−220,000,000
Total, Federal Energy Administration	660,536,000	3,363,243,000	2,599,359,000	3,310,556,000	3,088,056,000	+2,427,520,000	−275,187,000	+488,697,000	−222,500,000
DEPARTMENT OF DEFENSE									
Naval petroleum reserves	305,624,000	205,995,000	155,739,000	155,739,000	155,739,000	−149,885,000	−50,256,000		
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE									
Health Services Administration									
Indian health services	345,892,000	368,066,000	429,901,000	413,987,000	428,891,000	+82,999,000	+60,825,000	−1,010,000	+14,904,000
Indian health facilities	163,163,000	74,425,000	79,057,000	72,107,000	71,257,000	−91,906,000	−3,168,000	−7,800,000	−850,000
Total, Indian health	509,055,000	442,491,000	508,958,000	486,094,000	500,148,000	−8,907,000	+57,657,000	−8,810,000	+14,054,000
Office of Education									
Indian education	57,212,000	45,087,000	59,660,000	59,660,000	59,660,000	+2,448,000	+14,573,000		

Office of Assistant Secretary for Education									
Institute of Museum Services	$100,000	$3,000,000	$3,000,000	$5,000,000	$4,000,000	+$3,900,000	+$1,000,000	+$1,000,000	−$1,000,000
INDIAN CLAIMS COMMISSION									
Salaries and expenses	1,560,000	1,545,000	1,500,000	1,500,000	1,500,000	−60,000	−45,000		
NAVAJO AND HOPI RELOCATION COMMISSION									
Salaries and expenses	400,000	25,200,000	1,950,000	2,050,000	2,050,000	+1,650,000	−23,150,000	+100,000	
SMITHSONIAN INSTITUTION									
Salaries and expenses	85,236,000	89,033,000	88,243,000	88,108,000	88,238,000	+3,002,000	−795,000	−5,000	+130,000
Museum programs and related research (special foreign currency program)	3,481,000	4,500,000	4,000,000	4,000,000	4,000,000	+519,000	−500,000		
Science information exchange	1,972,000	1,977,000	1,977,000	1,777,000	1,777,000	−195,000	−200,000	−200,000	
Construction and improvements, National Zoological Park	6,580,000	1,000,000	2,500,000	1,750,000	2,500,000	−4,080,000	+1,500,000		+750,000
Restoration and renovation of buildings	2,950,000	9,700,000	2,210,000	2,425,000	2,425,000	−525,000	−7,275,000	+215,000	
Construction		325,000	325,000	325,000	325,000	+325,000			
Salaries and expenses, National Gallery of Art	12,686,000	14,717,000	14,717,000	14,419,000	14,509,000	+1,823,000	−208,000	−208,000	+90,000
Salaries and expenses, Woodrow Wilson International Center for Scholars	1,140,000	1,306,000	1,256,000	1,256,000	1,256,000	+116,000	−50,000		
Total, Smithsonian Institution	114,045,000	122,558,000	115,228,000	114,060,000	115,030,000	+985,000	−7,528,000	−198,000	+970,000
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES									
Salaries and Expenses									
Endowment for the arts	77,500,000	89,000,000	89,100,000	89,100,000	89,100,000	+11,600,000	+100,000		
Endowment for the humanities	77,500,000	87,000,000	87,800,000	85,000,000	87,800,000	+10,300,000	+800,000		+2,800,000
Administrative expenses	11,743,000	18,000,000	17,100,000	17,100,000	17,100,000	+5,357,000	−900,000		
Total, salaries and expenses	166,743,000	194,000,000	194,000,000	191,200,000	194,000,000	+27,257,000			+2,800,000
Matching Grants									
Endowment for the arts (indefinite)	16,500,000	25,500,000	25,500,000	25,500,000	25,500,000	+9,000,000			
Endowment for the humanities (indefinite)	16,000,000	25,500,000	25,500,000	22,500,000	25,000,000	+9,000,000	−500,000	−500,000	+2,500,000
Total, matching grants	32,500,000	51,000,000	51,000,000	48,000,000	50,500,000	+18,000,000	−500,000	−500,000	+2,500,000
Total, National Foundation on the Arts and the Humanities	199,243,000	245,000,000	245,000,000	239,200,000	244,500,000	+45,257,000	−500,000	−500,000	+5,300,000
COMMISSION OF FINE ARTS									
Salaries and expenses	221,000	234,000	233,000	233,000	233,000	+12,000	−1,000		
ADVISORY COUNCIL ON HISTORIC PRESERVATION									
Salaries and expenses	227,000	1,230,000	1,100,000	1,080,000	1,080,000	+853,000	−150,000	−20,000	
NATIONAL CAPITAL PLANNING COMMISSION									
Salaries and expenses	1,966,000	1,819,000	1,819,000	1,819,000	1,819,000	−147,000			
AMERICAN REVOLUTION BICENTENNIAL ADMINISTRATION									
Salaries and expenses	65,000					−65,000			
FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION									
Salaries and expenses	29,000	30,000	25,000	25,000	25,000	−4,000	−5,000		
JOINT FEDERAL-STATE LAND USE PLANNING COMMISSION FOR ALASKA									
Salaries and expenses	737,000	712,000	712,000	712,000	712,000	−25,000			
PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION									
Salaries and expenses	1,032,000	1,336,000	1,271,000	1,317,000	1,294,000	+262,000	−42,000	+23,000	−23,000
Land acquisition and development (borrowing authority)	25,000,000	7,500,000	7,500,000	7,500,000	7,500,000	−17,500,000			
Public development	4,081,000	12,354,000	12,354,000	12,354,000	12,354,000	+8,273,000			
Total, Pennsylvania Avenue Development Corporation	30,113,000	21,190,000	21,125,000	21,171,000	21,148,000	−8,965,000	−42,000	+23,000	−23,000

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, FISCAL YEAR 1978—Continued
(FISCAL YEARS)

	New budget authority					Conference compared with—			
	Enacted 1977	Estimates 1978	House 1978	Senate 1978	Conference 1978	1977 enacted	1978 estimate	House bill	Senate bill
TITLE II—Continued FUNDS APPROPRIATED TO THE PRESIDENT									
Petroleum Reserves (indefinite, special fund) (by transfer)	($400,340,000)	($561,200,000)	($561,200,000)	($561,200,000)	($561,200,000)	(+$160,860,000)			
Total, title II, new budget (obligational) authority, related agencies	3,517,586,057	6,318,239,000	5,729,761,000	6,457,171,000	6,222,714,000	+2,705,127,943	−$95,525,000	+$492,953,000	−$234,457,000
Consisting of:									
Appropriations	3,532,414,000	6,310,739,000	5,722,261,000	6,449,671,000	6,215,214,000	+2,682,800,000	−95,525,000	+492,953,000	−234,457,000
Definite appropriations	3,496,502,000	6,250,290,000	5,661,812,000	6,392,222,000	6,155,265,000	+2,658,763,000	−95,025,000	+493,453,000	−236,957,000
Indefinite appropriations	35,912,000	60,449,000	60,449,000	57,449,000	59,949,000	+24,037,000	−500,000	−500,000	+2,500,000
Borrowing authority	25,000,000	7,500,000	7,500,000	7,500,000	7,500,000	−17,500,000			
Rescission of contract authority	−39,827,943					+39,827,943			
Memoranda:									
Appropriations to liquidate contract authority	(208,104,000)	(78,781,000)	(78,781,000)	(78,781,000)	(78,781,000)	(−129,323,000)			
Title II, new budget (obligational) authority and appropriations to liquidate contract authority	3,725,690,057	6,397,020,000	5,808,542,000	6,535,952,000	6,301,495,000	+2,575,804,943	−95,525,000	+492,953,000	−234,457,000
RECAPITULATION									
Total, new budget (obligational) authority, all titles	6,769,724,057	10,031,770,000	9,545,741,000	10,238,903,000	10,026,349,000	+3,256,624,943	−5,421,000	+480,608,000	−212,554,000
Consisting of:									
Appropriations	6,917,447,000	9,976,770,000	9,538,241,000	10,231,403,000	10,018,849,000	+3,101,402,000	+42,079,000	+480,608,000	−212,554,000
Definite appropriations	6,255,416,000	9,213,921,000	8,775,392,000	9,471,554,000	9,256,500,000	+3,001,084,000	+42,579,000	+481,108,000	−215,054,000
Indefinite appropriations	662,031,000	762,849,000	762,849,000	759,849,000	762,349,000	+100,318,000	−500,000	−500,000	+2,500,000
Borrowing authority	25,000,000	7,500,000	7,500,000	7,500,000	7,500,000	−17,500,000			
Rescission of contract authority	−172,722,943					+172,722,943			
Permanent contract authority		47,500,000					−47,500,000		
Memoranda:									
Appropriations to liquidate contract authority	(271,699,000)	(133,815,271)	(133,815,271)	(133,815,271)	(133,815,271)	(−137,883,729)			
Grand total, new budget (obligational) authority and appropriations to liquidate contract authority	7,041,423,057	10,165,585,271	9,679,556,271	10,372,718,271	10,160,164,271	+3,118,741,214	−5,421,000	+480,608,000	−212,554,000

MAXIMUM PERMANENT POSITIONS

	Request	Conference change	Conference total
Bureau of Land Management	5,910	+322	6,232
Office of Water Research and Technology	78		78
Bureau of Outdoor Recreation	518	−14	504
Fish and Wildlife Service	5,269	+240	5,509
National Park Service	9,844	−2	9,842
Geological Survey	9,498	+211	9,709
Mining Enforcement and Safety Administration	3,573	+6	3,579
Bureau of Mines	[1] 2,993	+37	[1] 3,030
Bureau of Indian Affairs	13,997	+219	14,216
Territorial Affairs	184	+2	186
Office of the Solicitor	442	−26	416
Office of the Secretary	1,403	−28	1,375
Total, Department of the Interior	53,709	+967	54,676
Forest Service	19,753	+2,320	22,073
Energy Research and Development Administration	821		821
Federal Energy Administration	4,031	−97	3,934
Naval Petroleum Reserves	211	−15	196
Indian Health	8,822	+905	9,727
Indian Education	50		50
Institute of Museum Services	7		7
Indian Claims Commission	42		42
Navajo/Hopi Relocation Commission	10		10
Smithsonian Institution	3,442	−15	3,427
National Gallery of Art	691	−6	685
Woodrow Wilson International Center for Scholars	22		22
National Endowment for the Arts	230	−7	223
National Endowment for the Humanities	238	−15	223
Fine Arts Commission	7		7
Historic Preservation Council	24		24
National Capital Planning Commission	56		56
Joint Federal-State Land Use Planning Commission for Alaska	9		9
Pennsylvania Avenue Development Corporation	33		33
Total, related agencies	38,499	+3,070	41,569
Grand total	92,208	+4,037	96,245

[1] Excludes 60 positions for Carbondale which are excluded from ceiling controls.

Mr. Speaker, I reserve the balance of my time.

Mr. McDADE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join with the gentleman from Illinois in commending to the House the conference report presented today. It represents, as do all conference reports, a give and take with the Senate, areas in which we had to give, areas in which they had to give; nevertheless, it merits our attention.

Mr. Speaker, I rise in support of the conference report to the bill H.R. 7636, making appropriations to the Department of the Interior and related agencies and to urge its adoption by the House.

Mr. Speaker, I believe there are good reasons why all of the Members of the House can enthusiastically support what the conference committee has produced here. The bill is still below the President's budget request by $5.4 million. Each Member of the House who expressed a strong interest in sections or projects in this bill was considered and his needs were met by the conference. And most important the bill makes strong, realistic, and wise investments in programs that will enhance our energy needs, our human resources, and our national treasures. Because of what we do here you can be sure we will effectively husband the resources of all Americans that we hold in trust.

The bill provides $10,160,164,271 in new budget authority. This is $480.6 million above the House version and $212.5 million below the Senate version. The bulk of the increases above the House bill is to provide more money for the strategic petroleum reserve which is a keystone of our Nation's energy program. Your committee provided this additional money at the specific request of the President to guarantee the FEA would in no way be inhibited in carrying out this activity.

Mr. Speaker, the balance of this bill is substantially the same as that which this House approved last month. I urge the Members to give it their overwhelming approval.

Mr. Speaker, I reserve the balance of my time.

Mr. YATES. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa (Mr. BLOUIN).

Mr. BLOUIN. Mr. Speaker, I wish to address an inquiry to the distinguished chairman of the Appropriations Interior Subcommittee, the gentleman from Il-

linois (Mr. YATES). According to the conference report, it is the wish of the managers of the conference report that any planned revisions in the existing distribution formula for JOM should be submitted to the House and Senate Appropriations Committees prior to implementation. Thus, I assume that the managers are open to the fact that proposed modifications to the distribution formula are in order.

In light of the fact that the BIA has been evaluating the current JOM distribution formula and that both myself and Mr. QUIE have discussed possible variations in the formula, would the chairman be opposed to allowing all proposed modifications to be submitted to the authorizing committees as well as to the appropriating committees?

Mr. YATES. May I say to the gentleman, it is the intention of our committee to cooperate fully with the authorizing committee and we would expect that the information that we receive would be made available to the authorizing committees of the House and of the other body.

I am aware of the fact that proposed modifications to the JOM formula have been considered. The fact that both yourself and the gentleman from Minnesota (Mr. QUIE) have actively participated in the modification of the JOM distribution formula enhances the prospect for future change in the JOM formula. I would be most happy to cooperate with you and the Committee on Education and Labor, and you can be assured that all proposals modifying the JOM formula will be submitted to both the authorizing and appropriating committees prior to final approval.

Mr. BLOUIN. I thank the chairman for that reply.

I think it should be emphasized that the current JOM formula has been the subject of a vast amount of discussion from within the Indian education community. Members of Congress have expressed dissatisfaction over the present formula. Alternative formulas have been developed and are currently undergoing evaluation both in the field and by those committees and Members having an interest in the distribution formula. Thus, I am most pleased to hear the comments expressed by the gentleman from Illinois and he can be assured as well that a spirit of cooperation will exist between our committee and the Appropriations Committee. In addition, Mr. Speaker, allow me to raise one additional point.

As indicated in the conference report, the managers indicate that $2 million available for school operations shall be used for special education, including support for the Pierre Learning Center. Would the managers of the report agree that the BIA should solicit input from the tribal organizations being served by the Center prior to the distribution of funds to the Learning Center? I have visited the Learning Center and definitely believe in the concept of special educational needs. I do, however, believe a general concern does exist within the Sioux education community as to the administration and operation of the Center. I do not wish to create an obstacle to the development of the Center, however, I do believe that to insure the Center's credibility, BIA should be in contact with the tribes utilizing the Center to determine how the educational needs of the students served by the Center can best be addressed. In essence, I think such a request would be in the best interest of Public Law 93–638.

Mr. YATES. Mr. Speaker, I am sure the committee agrees with the thoughts of the gentleman from Iowa. We expect that the Indian tribes who are most concerned with the operation of the Pierre Learning Center would be consulted relative to their wishes and their goals with respect to the Pierre Learning Center. Our committee would cooperate in that respect fully.

Mr. BLOUIN. Mr. Speaker, I thank the gentleman for that answer.

Mr. QUIE. Mr. Speaker, will the gentleman yield?

Mr. BLOUIN. I yield to the gentleman from Minnesota.

Mr. QUIE. First, I want to say that I concur with the comments of the gentleman from Iowa and the gentleman from Illinois.

Mr. Speaker, I rise to state my concurrence with the comments of the gentleman from Iowa (Mr. BLOUIN) and the distinguished chairman of the Appropriations Interior Subcommittee, the gentleman from Illinois (Mr. YATES). I have been very concerned in the last year with the inequitable distribution of funds under the Johnson-O'Malley program for supplemental services. In my view, the formula which has been in existence had led to great inequities. It was through my prodding that consideration was given to other possible formula for distribution of JOM supplemental funds. I am of the firm conviction that the Office of Indian Education in BIA should move ahead quickly and forcefully to implement the new formula which places a floor and a ceiling on JOM State allocations similar to those incorporated in title I of the Elementary and Secondary Education Act but with an added proviso that there will be a cost-of-living adjustment for the State of Alaska. That change would bring immediate and needed equity to the program.

Of course, I agree with the gentleman from Iowa, the chairman of our Committee's Task Force on Indian Education, that any change in formula should be submitted to both the House and the Senate authorizing committees as well as the Appropriations Committee. It is my full intention that we work toward enactment into law of the formula for JOM funds to be effective the beginning of the 1978–79 school year.

The SPEAKER pro tempore. The time of the gentleman from Iowa has expired.

Mr. YATES. Mr. Speaker, I yield myself 5 additional minutes.

Mr. QUIE. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. I also concur with the comments regarding the Pierre Learning Center. It is imperative that there be Indian involvement in the planning of programs and operation of the programs.

Mr. Speaker, I would like to address an additional inquiry to the gentleman from Illinois (Mr. YATES). Amendment 19, reported in technical disagreement, states, in part, that the Secretary of the Interior shall engage the General Services Administration to supervise "the planning, design, construction, and maintenance of school facilities." I am very concerned about this amendment for a number of reasons. First, GSA is not well known by the Indian community. Second, to direct GSA to perform this function could be interpreted to exclude the participation of Indians from the planning and design of these facilities. Finally, GSA has, to my knowledge, very little expertise in school design and construction. I would like to ask the gentleman from Illinois if it is not the intention of the conferees that this general directive to GSA should not in any way infringe upon Indian self-determination as expressed in Public Law 93–638?

Also, can the distinguished chairman of the subcommittee provide us with some information on what is meant by having GSA "supervise" the planning, design, construction, and maintenance of school facilities?

Mr. YATES. I would be pleased to respond to the gentleman from Minnesota (Mr. QUIE). The provision in amendment 19 should not infringe upon Indian self-determination but, in fact will provide Indians with an adequate opportunity to participate with GSA and BIA in the planning and design of these facilities. With respect to the language regarding GSA supervision, it is not our intent that GSA shall actually take over these activities. Rather, GSA is a resource which the Department of the Interior must draw upon to resolve many of the problems which have arisen in the construction program. GSA does have an expertise with respect to construction which should be of great assistance to BIA.

That is the reason, primarily, why our committee deferred funding for the construction of some school facilities. It is not the intention of our committee that the BIA or the Indians be excluded from the school construction program. But in order that the schools be constructed in a manner in which they will last, our committee thought that the GSA, which has such vast experience in the field of construction, should supervise this program: and that is the reason why the conference provided what they did.

Mr. QUIE. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. Mr. Chairman, will the gentleman give us a description of what is meant by supervising "the planning, design, construction, and maintenance of school facilities"?

Mr. YATES. I would expect that the BIA would consult with and would request the advice and supervision of the General Services Administration in conjunction with the construction program. It is not the intention of the conferees, as I understand that intention, for the GSA to be given complete responsibility for the construction program, but, rather,

to be utilized in an advisory and supervisory capacity.

Mr. QUIE. The same kind of supervisory capacity that they have already demonstrated in the construction of GSA buildings; is that correct?

Mr. YATES. That would be my opinion, I would say to the gentleman.

Mr. QUIE. I would understand it would be similar to a person having a building constructed and someone, the supervisor or the architect, would supervise, and in this case they would utilize the services of GSA for that supervisory capacity?

Mr. YATES. I would expect GSA to promulgate the pattern or procedure which would utilize to the greatest extent possible the services of reputable engineers, architects, and inspectors, which have been sadly lacking in the past. The BIA had no adequate inspection program either in respect to the construction of the Indian schools or to their maintenance, and I think this is what led to their deterioration and ultimately to their destruction, I would say to the gentleman.

Mr. QUIE. If the gentleman will yield further, the gentleman from Iowa and I can vouch for the statement that the chairman of the subcommittee has just made, and I thank the gentleman.

Mr. BLOUIN. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Iowa (Mr. BLOUIN).

Mr. BLOUIN. I thank the gentleman for yielding.

Mr. Speaker, I would like to concur in the comments of the gentleman from Minnesota (Mr. QUIE), especially the last comment about the lack of construction and maintenance supervision within the BIA, and I would hope that this step would improve that.

Let me also thank the chairman for his clarification of these matters. Both the gentleman from Minnesota (Mr. QUIE) and I have spent a great amount of time in the last several months, at least on my part, and the gentleman has preceded me by quite some time, and we have developed a great concern with respect to Indian education and we have devoted a great deal of time and effort to secure quality education in this area. We are pleased with the cooperation we have received from the Appropriations Committee, and we hope very much that we can do something of a positive nature.

The SPEAKER pro tempore. The time of the gentleman from Illinois (Mr. YATES) has expired.

Mr. YATES. Mr. Speaker, I yield myself 5 additional minutes.

Mr. RISENHOOVER. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Oklahoma.

Mr. RISENHOOVER. Mr. Speaker, I have a couple of questions to ask.

It is my understanding that the conference report does not contain $550,000 to plan for the replacement of a hospital at Tahlequah, Okla., or $400,000 to replace a hospital at Pawnee, Okla., as contained in the House version of the bill.

Mr. YATES. Mr. Speaker, the gentleman is correct.

May I say, with some regret, that those funds are not in the conference report. The reason they are not in the conference report is because one distinguished gentleman, a Senator from the gentleman's own State, would not as a member of the conference committee yield to the House on this matter. It was his position that separate Indian hospitals should not be constructed and were not needed, and that agreements should be reached with the local communities involved to add new wings to the present local community hospital facilities. This has in fact taken place in connection with the construction at a hospital in Okfuskee County, Okla., as the distinguished gentleman knows.

It was for that reason that the funds were stricken in conference.

Mr. RISENHOOVER. Mr. Speaker, will the gentleman yield further?

Mr. YATES. I yield to the gentleman from Oklahoma.

Mr. RISENHOOVER. Mr. Speaker, I would like to ask the gentleman this: In light of his experience, in appropriating money and seeing that these hospital facilities are built, I wonder if it makes much sense fiscally speaking to try to add wings onto other hospitals in hundreds and perhaps thousands of communities across this country? It is quite possible that when we would have the hospitals segregated, just as we have some of the programs in the schools segregated at the present time.

It appears to me as though we are talking here about vastly greater sums of money to do that than we would if we were talking about following the recommendations of the Indian Health Care Improvement Act that this body and the other body passed last year and that was signed into law by a previous President.

I would like to ask also if the planning funds for these two hospitals follow the time schedule as set out in that Indian Health Care Improvement Act passed last year.

Mr. YATES. Mr. Speaker, in reply to the distinguished gentleman from Oklahoma, may I say that in my opinion it does.

Secondly, knowing of the very great interest and the intercessions of the gentleman from Oklahoma (Mr. RISENHOOVER), may I say that we will do everything that we can to try to make sure that the Indian community in Oklahoma is accorded the kind of health and welfare that we envisioned in the Indian Health Care Improvement Act.

Mr. RISENHOOVER. Mr. Speaker, I thank the gentleman.

I have one other question that may be in order. Would I be out of order in asking if we might give some kind of consideration toward replacing planning money for these hospitals, or will that come later in the year?

Mr. YATES. Mr. Speaker, may I say in reply to the gentleman that our committee will be very glad to consider that subject.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, I just want to take this time to compliment the chairman of the subcommittee and the ranking minority member and to thank them for securing some additional funds that I had requested for the White River Fish Hatchery in Bethel, Vt. I had intended to offer an amendment for that fish hatchery. At that time the subcommittee chairman said they would provide adequate funds for the next phase of construction. Now we have $1,075,000 for the White River Fish Hatchery, which will keep construction right on schedule.

I would like to take this opportunity to thank the gentlemen, and I would also say that when those Atlantic salmon begin to come up the Connecticut River again, as they did many, many years ago, I hope that the chairman of the subcommittee and the ranking minority member will come as my guests and dunk their lines and do some fly casting on the Connecticut River.

Mr. YATES. Mr. Speaker, I thank the gentleman for his remarks, and I am sure that the gentleman from Pennsylvania (Mr. MCDADE) and I would be pleased to accept the gentleman's hospitality.

Mr. GIAIMO. Mr. Speaker, the conference report on H.R. 7636, the Department of the Interior and related agencies appropriation bill for fiscal year 1978, is generally consistent with the budget targets established by the Congress.

As I mentioned when this bill was being considered in the House, H.R. 7636 includes funds for portions of eight functional categories. The major function represented is natural resources, environment, and energy (function 300). Smaller amounts are also included for general science, space, and technology (250), community and regional development (450), education, training, employment, and social services (500), health (550), law enforcement and justice (750), General Government (800), and revenue sharing and fiscal assistance (850).

In total, the conference report provides $10,026 million in budget authority and $5,849 in outlays. This is $481 million above the budget authority level passed by the House and $213 million below the level passed by the Senate. As compared to the committee subdivision under the first budget resolution, we find that the conference report amounts along with estimated outlays from prior year appropriation action will be well within the subcommittee targets. However, I might point out that if other major items, not included in this conference report but assumed in the budget resolution, are funded in a supplemental appropriation, the budget authority target could be exceeded. The items assumed in the budget resolution, but not included in this conference report are: An alternative fuels demonstration program at the budget request level of $300 million, which has not yet been authorized; and a supplemental appropriation of $250 million to cover the costs of fighting forest fires, which is ordinarily provided in the spring to reflect more closely the actual costs incurred during the fiscal year.

The projected overage is primarily attributable to the fact that the conferees

from the other body insisted on a higher level of funding for the strategic petroleum reserve program as their way of showing full support for this program. The legislative history of both the first budget resolution and the House Appropriations Committee action with respect to this program shows no less policy support and commitment than espoused in the Senate, although it does show some reservation as to whether the laudable but ambitious goals for this program can be achieved in fiscal year 1978.

As we all know, conference reports are the collective judgments of the House and the Senate. If it turns out that the conference agreement is correct in this case, I am certain that we all will be very pleased from both a budget priority and energy policy perspective.

I might add that from a functional category perspective the conference agreement would bring function 300, the dominant function in the conference report, within $155 million in budget authority and $208 million in outlays of the functional target when we consider such factors as appropriations and offsetting receipts in permanent law, annual appropriation bills already passed the House this session, and amounts assumed in the resolution but not yet considered. It seems, therefore, that the total function 300 projection is within the first budget resolution target, even though the subcommittee may exceed its subdivision for function 300 in budget authority. The reason for this apparent inconsistency is that the House in its earlier actions reduced other appropriations bill affecting this function. My projection, however, does not include an estimate of future requirements as a result of the omnibus energy legislation now being considered by the Congress. Such estimates are not yet available, but will be considered in the context of the second budget resolution.

Finally, I want to commend the House conferees, led by my distinguished colleague from Illinois, for their support of the budget process and for their highly responsible job in bringing back to the House a conference report that deserves the full support of all of us.

Mr. YATES. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER pro tempore. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 4: Page 7, line 11, insert: "$24,427,000, of which $6,900,000 shall remain available until expended."

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. YATES moves that the House recede from its disagreement to the amendment of the Senate numbered 4 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following: "$25,307,000, of which $7,975,000 shall remain available until September 30, 1979".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 5: Page 7, line 18, strike out "$11,719,000" and insert "$12,499,000".

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. YATES moves that the House recede from its disagreement to the amendment of the Senate numbered 5 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$11,574,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 7: Page 9, line 10, strike out "$62,903,000" and insert "$52,694,000".

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. YATES moves that the House recede from its disagreement to the amendment of the Senate numbered 7 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$65,060,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 9: Page 12, line 9, strike out "$149,397,000" and insert "$155,706,000".

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. YATES moves that the House recede from its disagreement to the amendment of the Senate numbered 9 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert $161,442,000.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 16: Page 19, line 21, strike out "$672,096,000" and insert "$675,175,000".

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. YATES moves that the House recede from its disagreement to the amendment of the Senate numbered 16 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert $677,181,000.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 19: Page 21, line 11, insert: *"Provided further,* That within 90 days following enactment of this bill, the Secretary of the Interior shall submit to the Congress a plan for expenditure of planning and construction funds available to the Bureau of Indian Affairs and shall advise during the year on achievement of plans and construction."

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. YATES moves that the House recede from its disagreement to the amendment of the Senate numbered 19 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following: *"Provided further,* That the Secretary shall engage the General Services Administration to supervise the planning, design, construction, and maintenance of school facilities; and that within 90 days following enactment of this bill, the Secretary of the Interior shall submit to the Congress a plan for expenditure of planning and construction funds available to the Bureau of Indian Affairs and shall advise during the year on achievement of plans and construction".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 21: Page 22, line 8, insert: *"Provided,* That for purposes of meeting its obligation under section 6(a)(3) and section 8 of the Alaska Native Claims Settlement Act in connection with the requirement that $500,000,000 be paid into the Alaska Native Fund, any and all revenues paid into such fund by the State of Alaska from sources other than those specified in section 9 of such Act shall, notwithstanding any other provision of law, be construed as payments by the State of Alaska to the fund within the meaning of sections 6(a)(3) and 9 of the Alaska Native Claims Settlement Act and credited toward the $500,000,000 to be deposited in the Alaska Native Fund under such sections.

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. YATES moves that the House recede from its disagreement to the amendment of the Senate numbered 21 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 22: Page 26, line 3, strike out "$109,544,000" and insert "$98-852,000".

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. YATES moves that the House recede from its disagreement to the amendment of the Senate numbered 22 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$110,444,000, including $900,000 for a human development project in the Marshall Islands, to become available for obligation only in such amounts as may be equal to funds provided by the Marshalls District Legislature and the District Administrator, Marshalls, in amounts not to exceed $450,000 each and none of these funds may be used to pay the salaries and travel expenses of volunteers engaged in the project".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 37: Page 39, line 17, strike out "$290,326,000" and insert "$291,623,000".

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. YATES moves that the House recede from its disagreement to the amendment of the Senate numbered 37 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$289,123,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 41: Page 41, line 14, strike out "$79,057,000" and insert "$72,107,000".

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. YATES moves that the House recede from its disagreement to the amendment of the Senate numbered 41 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$71,257,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 46: Page 43, line 19, strike out: "additional".

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. YATES moves that the House recede from its disagreement to the amendment of the Senate numbered 46 and concur therein with an amendment, as follows: Strike out the matter stricken by said amendment, and insert "passenger".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 48: Page 44, line 25, strike out: "*Provided further*, That none of these funds may be used to make grant awards to employees of the Smithsonian Institution.".

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. YATES moves that the House recede from its disagreement to the amendment of the Senate numbered 48 and concur therein with an amendment, as follows: Strike out the matter stricken by said amendment, and insert: "*Provided further*, That not to exceed $110,000 may be used to make grant awards to employees of the Smithsonian Institution: *Provided further*, That none of these funds shall be available to the Smithsonian Research Foundation".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 50: Page 44, line 19, insert: "*Provided further*, That none of these funds shall be available to the Smithsonian Research Foundation or any other private organization or entity for the purpose of administering Federal research funds.".

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. YATES moves that the House recede from its disagreement to the amendment of the Senate numbered 50 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following: ": *Provided further*, That none of these funds shall be available to the Smithsonian Research Foundation".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the last amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 63: Page 53, line 14, insert:

SEC. 304. No part of any appropriation contained in this Act shall be available for the publication or distribution of literature designed for public use that in any way tends to promote support or opposition to any legislative proposal on which congressional action is not complete, in accordance with the Act of June 25, 1948 (18 U.S.C. 1913).

MOTION OFFERED BY MR. YATES

Mr. YATES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. YATES moves that the House recede from its disagreement to the amendment of the Senate numbered 63 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

SEC. 304. No part of any appropriation contained in this Act shall be available for any activity or the publication or distribution of literature that in any way tends to promote public support or opposition to any legislative proposal on which congressional action is not complete, in accordance with the Act of June 25, 1948 (18 U.S.C. 1913).

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE

Mr. YATES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to, and to include extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AMENDING STATUTE OF LIMITATIONS PROVISIONS RELATING TO CLAIMS BY THE UNITED STATES ON BEHALF OF INDIANS

Mr. DANIELSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 5023) to amend the statute of limitations provisions in section 2415 of title 28, United States Code, relating to claims by the United States on behalf of Indians.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 5023, with Mr. MURTHA in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on July 11, 1977, all time for general debate on the bill had expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the third proviso in section 2415(a) of title 28, United States Code, is amended by deleting the words "eleven years" therein, and substituting the words "twenty-one years".

(b) The proviso in section 2415(b) to title 28, United States Code, is amended by deleting the words "eleven years" therein, and substituting the words "twenty-one years" in their place.

Mr. DANIELSON (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, line 5: Strike "eleven years" and insert "more than eleven years after the right of action accrued".

AMENDMENT OFFERED BY MR. DANIELSON TO THE COMMITTEE AMENDMENT

Mr. DANIELSON. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. DANIELSON to the committee amendment: Page 1, lines 5 and 6, strike "more than eleven years after the right of action accrued", and insert "after August 18, 1977".

Mr. DANIELSON. Mr. Chairman, the purpose of this amendment to the committee amendment is to conform the bill before the committee to the existing law as it now stands following the action of the President yesterday on signing the resolution (H.J. Res. 539), which in itself did strike the words "more than 11 years after the right of action accrued" and did insert "August 18, 1977." I do not believe that this is controversial, and I ask that the amendment be adopted.

Mr. COHEN. As I understand, Mr. Chairman, this is simply a technical amendment to conform the statute to what action the President took yesterday pursuant to the congressional resolution of last week, and I have no objection to it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. DANIELSON) to the committee amendment.

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the second committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, lines 5 and 6: Strike "twenty one years" and insert "after December 31, 1981".

AMENDMENT OFFERED BY MR. COHEN TO THE COMMITTEE AMENDMENT

Mr. COHEN. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. COHEN to the committee amendment: On page 1, line 7 strike "after December 31, 1981" and insert "after July 18, 1979".

Mr. COHEN. Mr. Chairman, the purpose of the bill before us is to extend the statute of limitations, whereby the Justice Department in representing Indian tribes throughout the country could bring suits in either tort or contract for money damages only, to extend that statute of limitations which would expire by August 18, 1977, to extend it another 4½ years.

I frankly think that this period of time is too long. The purpose of my amendment is to reduce that time frame to a 2-year extension.

There are several things this amendment would accomplish. It would, first of all, recognize that to arbitrarily cut off claims at this point would be unfair to both Indian tribes and residents of those States where pending claims are now located, because if the statute is not extended the Justice Department will have no choice but to file premature suits within the next month.

Second, it would recognize that providing no extension of the statute at all would risk the liability on the United States to suits by Indians for failure to adequately fulfill its trustee and fiduciary obligation to Indian tribes.

Third, it will allow adequate time for the informal resolution of highly publicized claims of Indians against the State of Maine, Carolina, and elsewhere.

Finally, it would serve notice to the Interior Department and the Justice Department that the Congress is unwilling to continue the practice of periodically extending the life of the pre-1966 claims.

For that reason, I am recommending that we reduce the period from 4½ to 2 years.

I would like to point out what the basic problem with this bill is. It is that it only pertains to suits by the Justice Department on behalf of tribes for money damages.

The critical point is on page 10 of our report. Notice subsection (c) on page 10:

Nothing herein shall be deemed to limit the time for bringing an action to establish the title to, or right of possession of, real or personal property.

In other words, this bill does not deal with the issue of suits by Indian tribes against the States and local municipalities. It does not deal with suits by the Justice Department for the return of property. It would not include land claims, claims for mineral rights, water rights, fishing rights, and every other remaining property claim.

So the statute does not really deal with the total issue. What I am recommending is that we extend the period for another 2 years, which would give the Carter administration an opportunity to formulate a comprehensive program and policy to resolve these issues once and for all.

Now, Justice William Gunther has been appointed by President Carter to serve, as I said yesterday, as a catalyst to see if he can solve the existing dispute between the Maine Indian tribes and the State of Maine. That resolution, if it comes about, will certainly aid the President in dealing with all the other claims that are pending or are about to be filed affecting the original 13 States.

So I think that this 2-year period would enable President Carter to inform Congress exactly how his administration proposes to resolve these complex issues, in an equitable fashion.

For those reasons, Mr. Chairman, I would recommend that we adopt the 2-year extension. It should be viewed as the final extension of this statutory period. It would give Congress an opportunity to act upon substantive legislation that the Maine delegation has submitted. There will be others submitted, I am sure; but it will give Congress an opportunity during that 2-year period to formulate the issues to deal with water rights, mineral rights, and others. In addition, it provides a short-term vehicle for money damages. For that reason, a 2-year period, I think, would be the most desirable way to proceed.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. COHEN. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, would the gentleman's amendment deprive the Indian tribes themselves from bringing action in furtherance of their claims?

Mr. COHEN. This statute would not preclude any Indian tribes anywhere in the country from bringing future action against the State, the municipal, or the Federal Government, for that matter.

Mr. YATES. Mr. Chairman, I thank the gentleman.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. COHEN. I yield to the gentleman from New York.

Mr. WALSH. Mr. Chairman, yesterday in the general debate on this issue I spoke in favor of the committee bill as propounded.

Since that time I have had the opportunity to talk with the deputy attorney general of the State of New York, who is handling claims for the State. He has assured me that a 2-year extension would be sufficient for their purposes.

In the colloquy that I had with the gentleman from Maine yesterday on the floor, I mentioned the fact that the Governor of Maine and the attorney general of Maine had testified before the other body that they would prefer at that time a 4-year extension. The gentleman from Maine assured me that both the Governor of Maine and the attorney general of Maine were willing to settle for a shorter period of time.

The CHAIRMAN. The time of the gentleman from Maine has expired.

(On request of Mr. WALSH and by unanimous consent Mr. COHEN was allowed to proceed for 2 additional minutes.)

Mr. WALSH. For these reasons, and as a layman, it seems to me that 2 years is sufficient time to prosecute these claims and handle them in expeditious fashion. I have had calls from the Justice Department, on the other hand, that would indicate that they still want to stay with the bill as reported by the committee. But, from all I can gather and from those of us who are close to the issue, it seems to me that the amendment of the gentleman from Maine does the things we are trying to do.

I think it gives sufficient time to handle these claims and treats everybody in a very fair manner. I think it is necessary that we act as expeditiously as possible and not have these claims hanging over the land forever and ever and ever. I urge support of the amendment.

Mr. COHEN. Mr. Chairman, I would like to take this opportunity to point out that I intend to offer a second amendment, since this amendment only deals with contract actions. We have a separate section of the bill which also pertains to tort actions, and I will offer a similar amendment to reduce the 4½-year period to 2 years as soon as the vote occurs on this particular amendment.

Mr. DANIELSON. Mr. Chairman, I rise to oppose the amendment offered by the gentleman from Maine. I recognize that the amendment the gentleman seeks to have adopted at this time is simply to reduce the time period so that the period would expire on July 18, 1979, rather than on December 31, 1981, as it appears in the committee amendment pending before us. That is a reduction of 2½ years.

This may not seem terribly important. It touches no other issue in the bill at this time, but it is a very substantial reduction, more than a 50-percent reduction, in the period of limitations.

In the communications I have had back and forth with the Department of the Interior and the Department of Justice, they have without exception urged me to seek to resist any amendment shortening the time because they feel that the responsibilities which they now have upon them are such that it is going to require 4 years to evaluate and process, prepare and try to dispose of the pending claims of the Indians which they are representing as trustees. There is no philosophical issue involved here at all. It is a matter of time.

The Justice Department, as I say, and the Interior Department, both of whom are taking care of this work, contend that they need the full 4½-year period. They cannot handle it in 2 years. It is simply a matter of taking care of the

work before them. For that reason, I strongly urge that the amendment be defeated.

AMENDMENT OFFERED BY MR. FOLEY AS A SUBSTITUTE FOR THE COMMITTEE AMENDMENT

Mr. FOLEY. Mr. Chairman, I offer a substitute amendment for the second committee amendment.

The Clerk read as follows:

Amendment offered by Mr. FOLEY as a substitute for the committee amendment: Page 1, line 7, strike out "December 31, 1981" and insert in lieu thereof the following: "July 18, 1979, except that no such action shall be brought by the Attorney General on the basis of matters referred to him by a Federal agency or department unless such referral was made before July 18, 1977".

Mr. FOLEY. Mr. Chairman, the substitute has two purposes and reflects my agreement with the amendment offered by the gentleman from Maine. I think that 2 years is sufficient time to process those claims which have been referred to the Justice Department already. Moreover, I understand the concern of those Members from Maine, South Carolina, New Hampshire and other States, where there are pending referrals of claims by the Interior Department which have already reached the Justice Department. Yet the substitute has a further purpose, and that is to end the statute of limitations on July 18, 1977, as to other claims not yet referred by the Interior Solicitor to the Justice Department.

If I may be permitted to go back a little bit into history, in 1966 we passed a 6-year statute of limitations on all claims for money damages arising under contract or tort actions in which the United States would represent the individual Indian tribes or individual Indians. When the legislation expired on July 18, 1972, that was supposed to be the end of it. The statute of limitations would have run and those actions would have been barred. I may say that exactly the same arguments were made by the gentleman from California that he has made today. We did not have hearings in 1972. We did not have hearings in 1977. The gentleman managed the bill in 1972. I have taken an opportunity to look at the record, and it is no disrespect to the distinguished gentleman that he is using exactly the same arguments in 1977 that he used in 1972, namely, that the Justice Department and the Interior Department wanted additional time, they do not think they can finish their work in time.

The Justice Department wanted an even more extensive period of time. What is wrong with doing that? What is wrong with it is this: If the Members will look at the committee report, on page 3, they will note that the Department and the committee do not argue that we need this time to finish those cases for negotiations in Massachusetts or in Maine or in South Carolina. They say there might be some possible difficulties if we did not have more time. The principal reason they want 4½ years is so the Interior Department can unearth—and the word is a literal repetition of the language of the report—those claims which have not yet been found. No one knows how many claims are involved or how many States are involved, or how many tens of thousands or hundreds of thousands of people run a risk, now that the United States in its impartial reaction to its citizenry is going to perpetuate an antiquated and perhaps frivolous approach. The Department of Interior makes limited judgments on these claims and tends to advance those that the Indian tribes suggest, giving these claims the full weight of the U.S. Department of Justice against individual landowners—including American citizens who have held land and rights for generations—for contract or tort damages, including trespass.

It has simply reached the point of monstrous inequity. We have reached an ancient and, I think, totally antique system of treating Indian tribes as if they were wards, as if they were foreign people, residing in these territorities different from and apart from the community of American citizens. That is, of course, not true. Every Indian is an American citizen, just as every non-Indian is an American citizen, but when it comes to claims, the U.S. Department of Justice is coming in with the weight of the Federal Government and representing those claims against other American citizens and States and again the Attorney General is doing it long after any existing Federal or State law would have extinguished any such claims from any action in any court of law. Long after the statute of limitations would have barred any possible actions for trepass or any possible actions for contract violations we are keeping alive Indian claims, and we are allowing their resuscitation and indeed their prosecution by the full weight of the Federal Government against tens of hundreds or thousands of landowners—no one knows how many—80,000 to 100,000 in Maine alone, perhaps 40,000 in New York, maybe 30,000 or 40,000 individual landowners in Massachusetts. There are, for example, 144,000 acres which are being claimed in the State of South Carolina.

The CHAIRMAN. The time of the gentleman from Washington (Mr. FOLEY) has expired.

(By unanimous consent, Mr. FOLEY was allowed to proceed for 3 additional minutes.)

Mr. HOLLAND. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from South Carolina, Mr. HOLLAND.

Mr. HOLLAND. I thank the gentleman for yielding.

Mr. Chairman, I understand the gentleman's concern about the renewal time and again of this statute of limitations. But as the gentleman and I know, the attorneys representing these tribes on July 18, if we adopt the gentleman's amendment, will have no alternative but to file suit against those thousands of landowners the gentleman is talking about, in order to protect their claim because the case that is presently in Justice may not be decided in 2 or 3 months.

Let us presume they decide against the tribes.

Mr. FOLEY. Mr. Chairman, let me say to the gentleman, as the gentleman from Maine (Mr. COHEN) reported earlier, this statute of limitations runs against the United States in its representation of Indian claims; it does not run against the Indian tribes themselves.

The Department of Justice would be precluded under my substitute from prosecuting those claims which had not been referred to the Department by July 18. They would have 2 additional years under another part of my substitute amendment, as in the amendment offered by the gentleman from Maine (Mr. COHEN), to handle all those matters reaching the Justice Department from the State of South Carolina.

As far as I can tell, my substitute would not be any different from the amendment offered by the gentleman from Maine (Mr. COHEN) with reference to those claims already referred to Justice, as have been the claims from South Carolina.

Mr. HOLLAND. Mr. Chairman, will the gentleman yield further?

Mr. FOLEY. Yes, I yield to the gentleman.

Mr. HOLLAND. Mr. Chairman, I understand the gentleman's point perfectly, but he is going on a presumption—and it should not be a presumption, in my judgment—that the Justice Department is going to decide to intervene in each and every claim filed with it. If they do not, as the gentleman well knows, there would be a lawsuit then between the Indian tribe and the United States of America to determine whether or not a fiduciary relationship has been breached.

In order to protect themselves the tribes would have no recourse but to commence legal action against the various property owners and against the United States simultaneously. As one who has practiced law—and I know the gentleman can understand this point of view—let me say that the activities they would engage in would serve to protect their clients and protect themselves and their professional relationship, and, of course, the provision of July 18 of this year would require these actions be filed, and then all economic activity would stop.

Mr. FOLEY. Mr. Chairman, I respectfully disagree with the gentleman in his statement, because the statute would run against the Justice Department by July 18, 1977. As the gentleman states, we have had claims referred to the Justice Department, and it is my understanding the Justice Department has claims referred to it from Interior.

Mr. HOLLAND. That is true, but we have no assurance as to how they are going to treat them.

Mr. FOLEY. Yes, but those claims would be protected by the Justice Department until July 18, 1979, under my substitute and under the amendment offered by the gentleman from Maine (Mr. COHEN), they would have 2 full years.

What I am talking about is not giving a hunting license to the Interior Solicitor and the Justice Department to go out and unearth, as they say, those claims that have not been referred to Justice.

Mr. RONCALIO. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the substitute amendment offered for the amendment.

Mr. Chairman, I believe the substitute is wrong. That is why I oppose it and take the well of the House against my good friend, the gentleman from Washington—in fact, both my good friends, the two gentlemen from Washington.

I think it is morally wrong to say we are not damaging the Indian in this case because it only runs against the claims of his guardian, the United States of America. It may be said that we are not hurting a ward when we harm only his guardian, but the fact is that we limit his guardian from bringing a cause of action on behalf of the ward. When we do that, we damage the ward, and that is why this action is reprehensible.

Mr. Chairman, let me give my reasons. Under the law the United States holds title to much of this property, it controls the disposal of the Indian property. When third-party actions lie, there may be damage to those rights, and the Indians have to have recourse through their guardian in the defense of their rights.

With all respect to our dear friend and caucus leader, who says this gives time to literally go out and literally unearth claims, let me say that is no such thing. The record is otherwise. The claims are well culled.

According to the hearing, Justice officials worked the list of claims down from 200 claims to a list of only 35 which they feel merit litigation. That has taken place in the Twin Cities area and in Phoenix. It is stated that the Minneapolis office reviewed and processed some 600 items, and has narrowed that down to 167. This can hardly be called unearthing claims.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, obviously the gentleman from Wyoming (Mr. RONCALIO) is reading from the hearing on this bill that was held in the Senate, and the gentleman from Washington (Mr. FOLEY) said that every claim that was unearthed—if we may use the term, "unearthed"—would be the focus of action.

The quotation from the hearings that the gentleman just read indicates that a very careful screening of claims is taking place both by Interior and the Department of Justice, and only those that have some validity are being pursued.

Mr. RONCALIO. Mr. Chairman, I thank the gentleman for his contribution.

Mr. Chairman, let me say that the 5 additional years from 1972 to 1978 that were granted were wasted by the Department of the Interior.

Mr. Chairman, I have just returned from 7 hard-working days in Alaska. Some people do not understand that we use our recesses in this august body for these working purposes.

We had hearing after hearing, with many Tlingit-Haida Indians appearing before us at these hearings.

I asked of several of these Indians, "How can you complain about the Alaska Native claims settlement? You received $1 billion plus lands now being selected."

He answered me in words which, when translated, were to the effect that the 62,000 Indians there got $2 apiece out of that $1 billion. Again, I repeat, 62,000 Indians have received to date $2 apiece in the last 5 years out of $1 billion which was appropriated.

I ask, where does the money go if not to the tribe members. Why is this always the interminable dribbling of funds that always takes place?

Mr. Chairman, I am aware that all things come to an end and an end to Indian claims, if it is to come without economic stagnation in many States, needs one more extension. In this case I think it is virtually bordering on something immoral to deny it. It tends to take away from the Indian Claims Commission their authority to bring about the settlement of these matters.

Mr. Chairman, if I may speak as chairman of the Subcommittee on Indian Affairs and Public Lands, I urge that we defeat the substitute.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, does the gentleman think that it was immoral to put a 6-year statute of limitations on these actions in 1966?

Mr. RONCALIO. Not at all, but it would not have eliminated all actions thereafter, as your substitute seeks to do.

Mr. FOLEY. Does the gentleman think it was immoral to put a 5-year extension on the 1972 act?

Mr. RONCALIO. I do not, but if Interior had functioned and processed these claims during that period we would not have this problem now.

Mr. FOLEY. If the gentleman will yield further, Mr. Chairman, what is the quarrel about bringing a final conclusion to this matter now as far as the claims are concerned?

Mr. RONCALIO. Because, to attempt to extinguish them by legislative means is, I think, unconstitutional, improper, illegal, and unwise. That group of words is preferable to "immoral." I withdraw the word "immoral."

Mr. FOLEY. Mr. Chairman, I respect the gentleman's judgment, although I disagree with his position.

I thank the gentleman for yielding.

Mr. COHEN. Mr. Chairman, I move to strike the requisite number of words.

When the issue of morality is raised, it becomes interesting.

Mr. RONCALIO. Mr. Chairman, if the gentleman will yield, I withdrew the word "immoral."

Mr. COHEN. Mr. Chairman, let me introduce it once again because I have to raise a question.

How moral is it to subject some 360,000 citizens of Maine to a suit 180 years old? They are going back to 1790, which means that we would have to turn 60 percent of the land mass of Maine over to two tribes of Indians.

There is a question of the morality of innocent people who have relied on real estate title for generations.

Mr. RONCALIO. Mr. Chairman, will the gentleman yield a half minute to me to respond?

Mr. COHEN. I yield to the gentleman from Wyoming.

Mr RONCALIO. Mr. Chairman, I appreciate the sincerity of the gentleman and the effort of all of us to arrive at something just. I really do.

I believe an extension of the act, allowing more time for the filing of these claims, might relieve some of the pressure or some of the steam, shall we say, pressure which is apparently resolvable by the present judges.

Mr. COHEN. Mr. Chairman, we have had a colloquy before, and the gentleman has indicated to me that he has been holding up hearings on this very controversial issue affecting Maine, Massachusetts, and other States, pending a resolution of the proposal by Justice Gunter acting on behalf of the Carter administration. That proposal should be forthcoming this week. After the President receives it, I am sure he is going to be interested in indicating to the Congress how he thinks this problem can best be resolved.

Mr. Chairman, that will set a precedent on how the Carter administration is going to deal with all of these claims.

My amendment is to provide the 2-year period so that the Carter administration can make that kind of recommendation.

Mr. Chairman, I want to ask the gentleman from Wyoming (Mr. RONCALIO) a question. He indicated that he thought that the substitute amendment was not immoral but, rather, unwise and unconstitutional.

Frankly, I had a similar question yesterday when the amendment was originally submitted, and that is that the gentleman has changed, as I understand it, the dates now from June 1 of 1977. It provided that there would be a cutoff period retroactive to June 1, 1977; but the gentleman has since updated that, I understand, to July 18, 1977; is that correct?

Mr. FOLEY. Mr. Chairman, if the gentleman will yield, that is correct.

Mr. COHEN. Let me go back and talk about my problem with the gentleman's amendment.

Under existing law, the tribes have the right to the guildance of counsel for a period extending to July 18, and now August 18 of 1977. If we were to adopt the gentleman's substitute, what we would be doing is that we would be effectively and retroactively terminating

that right of access to counsel for a period of about 2½ months. In my opinion, that has raised constitutional questions, which is why, I assume, the gentleman from Washington (Mr. FOLEY) has amended his proposal so as to bring it up to July 18, 1977.

A similar question in my mind still remains now that we have extended the time until August 18, 1977, that we have now a 1 month hiatus.

Mr. FOLEY. If the gentleman from Maine will recall, when that statute was extended by unanimous consent, there was a colloquy between the gentleman from Arizona (Mr. UDALL) and myself wherein I thought it was made clear that the period of extension was not to provide any opportunity for the referral of new claims, but only to proceed with the legislation in an orderly manner in the Congress; that there was no intention to extend the statute of limitations for the purpose of filing additional claims.

I believe if the gentleman from Maine will refer to the record, the gentleman will find that it was made quite clear in the colloquy at that time that the unanimous consent was obtained for the extension of the statute for 1 month solely to facilitate the orderly consideration of this more extensive legislation now before us.

Mr. COHEN. Mr. Chairman, in response to the gentleman from Washington (Mr. FOLEY) let me say that I am looking at the RECORD of June 30, 1977, wherein we have the gentleman from Arizona (Mr. UDALL) who was present, giving the gentleman from Washington (Mr. FOLEY) the assurance that, as a result, that there would be no action contemplated by the Department of the Interior or the Department of Justice that would in any way change the status quo, that we might still have a constitutional question, but I concede, if that is the response, if we can bind the Department of Justice and the Interior Department, then perhaps that removes the constitutional question. But I am glad we cleared it up for the record.

Mr. FOLEY. That is not only a matter of concern to the gentleman from Maine (Mr. COHEN) because I believe there is a question of equity and fairness involved. The gentleman from Wyoming (Mr. RONCALIO) who I admire and respect, and raises these issues on behalf of Indians, what is inconceivable to me is that more of my colleagues who are concerned about fairness to Indian citizens are not more sensitive to the Rights of the so-called third parties who are other American citizens subjected to these suits and threats of suits by their own Government. We are treating Indian citizens as if they were still wards and had to have the special protection of the American Government, and we are bringing actions in their name against those other citizens who have settled and secured property rights.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. FOLEY, and by unanimous consent, Mr. COHEN was allowed to proceed for 2 additional minutes.)

Mr. FOLEY. Mr. Chairman, if the gentleman will yield still further, I would wonder if there is a single Member in this House who represents those States where Indian claims have been filed or could be filed by the Justice Department against other citizens, who does not consider the potential unfairness of such an activity by the attorney generals in South Carolina, Massachusetts, and New York, as well as in Maine and perhaps many other States. Is there a single Member here who will stand up and say they do not have any concern that the settled property rights of non-Indian citizens may be violated by the prosecution of these suits? I would be surprised if there were many Members who would stand up and say that they welcomed such litigation. The concern that many Members express is that such suits not be preemptorily filed, and that time be granted for negotiated settlement. But if I sense the unspoken attitude of many of my colleagues correctly, I believe that even among those who for various reasons feel compelled to support the bill are concerned about the basic inequity and injustice of reaching back as far as 180 years in prosecuting Indian claims that long ago would have been extinguished by any other rule of law against any other citizens in this country.

But, beyond all of that, the use of the force and power of the Federal Government to pursue those claims seems to me patently unfair. I think it is a violation of the basic equities that should exist between citizens and their common government. I believe the spirit of equal protection under the law is being dangerously disrupted by this practice.

Sometime we must stop this reaching back almost 200 years, dredging up old, old claims, and using the force and power of the Federal Government to prosecute them.

Mr. HOLLAND. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wonder if the gentleman from Washington will respond to a question. I just learned that the claim in my district which has been submitted to the Department of the Interior has not yet been submitted to the Department of Justice. If the gentleman's amendment passes, that claim is likely going to be directly affected and perhaps even terminated, which means that within 1 week from today the suit against those people we have the most concern about, the thousands of landowners who have settled for hundreds of years, will be brought, whether it has merit or not. I am wondering, the gentleman said in his earlier presentation that his amendment would not affect or not attempt to affect a suit that had already been filed by the Department of Justice. I am informing the gentleman that my suit is with the Department of the Interior but not yet with the Department of Justice. Could the gentleman see fit to withdraw his amendment and protect the claim and protect the rights of those thousands of people who have lived there for hundreds of years?

Mr. FOLEY. If the gentleman will yield, if I were to do that, I would be withdrawing my amendment with respect to any claim that is under investigation by the Department of the Interior. I think the gentleman has understandable reason to vote against the substitute bill. I mistook the situation in the gentleman's State. I thought the case had been referred to the Department of Justice already. But that does not mean this process should continue interminately. There is already going to be another claim in the Department of the Interior. We are always going to hear "extend the statute," again and again and again. What the period of the statute of limitations is supposed to be, as I understand the law, is a period of time to quiet litigation and to bring it to an end. We have extended this statute from 1966 to 1972, from 1972 to 1977, and now its proponents want to extend it from 1977 to 1981. I predict if we do that, some other member of the Committee on the Judiciary will be rising in 1981 to propose another extension.

Mr. HOLLAND. I understand the gentleman's concern about the Department of the Interior. But my point is that Indian tribes involved, not citizens who presently occupy the land, should be penalized by what is irritating my friend, the gentleman from Washington—the slowness of action from the Department of the Interior. I think his amendment is well intentioned.

Mr. FOLEY. If the gentleman will yield further, this is the longest statute of limitations that has run against a Federal jurisdiction. It has been 11 years already. I do not see that anyone is being penalized in that these claims are not being prosecuted.

Mr. HOLLAND. They have had 180 years, not 11. But I think there has been a lot of good effort toward settling these claims by a lot of concerned citizens. If the gentleman's amendment passes, that effort is going to affect thousands of lawsuits and thousands of lis pendens, and they will be extended in every area affected.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. HOLLAND. I yield to the gentle man from Illinois.

Mr. YATES. I thank the gentleman for yielding.

The gentleman from Washington says that when this period expires, somebody else from the Department of the Interior would try to extend Indian claims further. That may be. It would follow if in fact the Department of the Interior did not provide more attention to these cases than it has over the past few years. Unfortunately, neither the Department of the Interior or Justice has given adequate attention to them, because they have not had the resources. Those who suffer are not the Department of the Interior or Justice. Rather, those hurt will be Indian tribes throughout the country.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOLLAND. I yield to the gentleman from Washington.

Mr. FOLEY. I thank the gentleman for yielding.

I do not fail to allude to it. I think the use of this trust relationship to prosecute claims by the Justice Department is something that should have been limited at the time we granted full citizenships to Indians. But in 1972 the Assistant Secretary of the Interior, Mr. Loesch, testified that he thought that if the Interior and Justice Departments had 5 years, they could complete this matter.

Mr. HOLLAND. Mr. Chairman, I just want to say in conclusion that beyond anything the gentleman from Washington might have by way of complaint against the Department of the Interior —and we are dealing with a situation that we have by immense effort in the past 6 or 8 months brought to the attention of the Department of the Interior—we have precipitated a massive amount of activity. It is now time to move on these claims. We have avoided, we think in most instances, the filing of a serious lawsuit and the economic repercussions. I hope the gentleman's amendment is defeated, because the effort we have put forth is going to be totally negated by the amendment.

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. HOLLAND. I yield to the gentleman from Maine.

Mr. COHEN. I thank the gentleman for yielding.

I think the gentleman points out the validity of some of the questions he has as to what effect it would have on his own State of South Carolina. I would ask whether in his opinion if the 2-year statute of limitations would be enough of an extension of time to resolve the issue, as we hope in Maine, Massachusetts, and the other States, would he be willing to support the amendment I have offered?

Mr. HOLLAND. To be perfectly candid with the gentleman, I think 2 years in South Carolina would be adequate. However, there are claims that are much larger and much more complicated in nature and in legal ramifications, and probably when the Judiciary Committee and everybody else considered this matter and brought in a 4-year period, that is the proper period in my judgment for all claims without regard to the fact that 2 years probably would be adequate in South Carolina.

Mr. COHEN. I think the Carter administration will be having to come up with a recommendation soon. There are all these claims pending in the Interior Department and Justice Department and they still will be able to bring suit on behalf of these tribes in South Carolina for recovery of real estate.

Mr. UDALL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, there has always been, as long as I have been in politics, a kind of guilt complex among the American people about our Indian brothers, and I suspect some people often feel that General Custer died for our sins and maybe he got what was coming for all of us. Now there has been a disturbing trend in the country in the last year or so, a kind of backlash against the Indians, a feeling that they are grasping and greedy and now we have to shut off their rights. I see that reflected a little bit in this debate. I think these attitudes are mistaken and I hope we will stay with the committee and defeat both the Cohen amendment and the Foley substitute.

I think the Foley amendment goes much too far. If we have to go with one amendment, go with the amendment offered by my friend, the gentleman from Maine (Mr. COHEN). I had sitting over here an amendment to provide for 3½ years. Clearly at some point we have to say to the Interior Department and to the Justice Department: "You have had enough time." I do not think 2 years is enough. I think they need more time than that. For my part I would be willing to compromise at 3 or 3½ years if that is the sole matter in controversy. I understand the parliamentary situation is such that there is no way I can offer 3 years at this time, but if the other two amendments are defeated I would be willing to support a 3- or 3½-year amendment if necessary.

There is a desire here, I think an understandable desire, to terminate, to end, to bring to a conclusion this whole process of settling the Indian claims. We have had the Indian Claims Commission, but it is not really involved in this bill. There is a tendency to confuse it today here. We have had this whole idea of Indian land claims against the United States. That problem also is not involved here.

What is involved here is the trust responsibility which the United States has as trustee to bring suits against third parties on behalf of the Indians for whom it is a trustee. If we quickly take these particular amendments today, particularly the limited Foley amendment, we will not achieve that goal. We may end up, as the gentleman from South Carolina pointed out, with more lawsuits against the United States for breach of its responsibility as a trustee.

The villains here are not the Indians. We are striking out and lashing out against the Indians. If there is a villain in this story of drag and delay and extension, it is the Interior Department which has done very little to carry out the intent of the Congress in extending the statute in 1972. It is the Interior Department which has made very little effort to identify or to assess those claims and has done very little research to prepare and to file the cases. As trustee they have failed in their fiduciary duties.

If we cut off these claims, we may make the United States of America the subject of suits for breaching its responsibilities as trustee.

So I hope that we will reject both of these amendments and if it is the will of the Committee and the House to have a shorter time than 4 years, I would suggest 3 years.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, without conceding that if we cut off these claims we are raising lawsuits against the United States for alleged failure to carry out this responsibility, I think that if that were the supposition it would be infinitely more fair than the United States bringing an action through the Justice Department against thousands of its individual citizens who are certainly the most innocent of these parties, who have occupied land for 180 years, or 20, or 80, or 40, and are subject to these lawsuits.

I might say that the Indians will suffer nothing, because the United States will represent the Indians against the United States and will sue the United States for lack of fiduciary responsibility.

I have put the White House and Interior Department on notice that I am not going to be a party to endless extension. I think they better get busy and work out a package of negotiated solutions. I think we can do that if we do not cut the time too short.

Mr. SYMMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Foley amendment.

I would like to repeat the committee language for the benefit of the Members, because I am sure there is no Member here which would mean to cast any aspersions on the distinguished gentleman from Washington saying this is some kind of Indian backlash. This is simply a matter of trying to have some kind of justice for all Americans.

The committee report says:

> The Justice Department sues on behalf of Indian tribes only at the request of the Solicitor of the Department of the Interior. The Justice Department has pointed out that while a few of the matters already referred to it by Interior might be affected if the current July 18, 1977 limit in the present statute were not changed, the greater problem is with those claims which have not yet been unearthed by the Department of the Interior or which have not been investigated to the extent that they can be referred to the Justice Department for litigation.

Now, the gentleman from Wyoming tried to say or made the inference that this was the language of the chairman, the gentleman from Washington (Mr. FOLEY). This is the committee and the Interior Department language. I repeat that—

> which have not yet been unearthed by the Department of the Interior or which have not been investigated to the extent that they can be referred to the Justice Department for litigation.

I think with this intent in this law, if we do not accept the Foley amendment, then we are asking for Indian claims to show up all over the country; whereas, as the gentleman from Washington so aptly puts it, we will have the Government suing the Government and the burden will be borne by the taxpayers of the United States, those totally innocent in this situation.

Mr. RISENHOOVER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, for the benefit of those Members who are worried that the taxpayers are going to be taken down a long bumpy road, let me point out something that has happened in Oklahoma just recently. The Cherokee, Chickasaw, and

Choctaw Tribes were moved from the East and given land in fee simple, and not as many of the other treaties have been negotiated and settled with Indian people. The Arkansas River bed which ran down the middle of the land of those three Indian tribes, was assumed at the time of statehood to belong to the State of Oklahoma. They sued because of this fee simple title that they had to the land and in the course of events it arrived at the Supreme Court, which upheld the tribe's claim.

Congress authorized or appropriated money for an appraisal to be made of that land, so the Indians could establish its worth. It was appraised at $177 million. They recently came before the Senate, and are scheduled for hearings before the House, to authorize the Department of the Interior to negotiate that settlement; but in the meantime, in the Senate hearings it was decided that the Department of the Interior would not support that appraisal at the last minute. In the negotiations with the Department of Justice and with the Office of Management and Budget recently where the three Indian chiefs, the elected chiefs and their attorneys were present, along with myself and the gentleman from Oklahoma (Mr. WATKINS), who represents the district of the Chickasaws and Choctaws, the Director of OMB told the Indians that as far as he was concerned it looked as if they had won a hollow victory; that they were, in fact, the owners of the Arkansas River bed, but the U.S. Government did not intend to pay them $177 million for that river bed; so I think the present administration is taking a practical look at these claims that are arising and the judgments that have been handed down by the Supreme Court; but for many years the United States has kept those treaties and its responsibility of trustee for the Indian people by filing many trespass claims for some of the tribes—and I emphasize the word "some."

We have not been trustworthy for all of the Indian tribes. The purpose of H.R. 5023 is to allow the Interior and Justice Departments to have more time to perform their responsibilities as trustees for Indians.

I do not presume to know the validity of the 1,000 or 15,000 or more claims which are left unfiled at this time. I do know that if some of the tribes have been given this protection under the law, that all the tribes deserve the same consideration. I fully understand the need to complete this work. However, I do not think that any person in this country should be denied due process of law because bureaucrats simply run out of time or refuse to perform their responsibilities in the allotted time. We should not let this artificial, man-made barrier—the statute of limitations—run out until we are satisfied that all claims are fully reviewed and until this Government has faithfully performed its stewardship.

In a practical sense, I have no illusions about the popularity of Indian claims among the non-Indian populations. I sense a mood in this country that our ancestors stole the land from the Indians fair and square. In my own home State, Oklahoma, the home of many Indians, the Republican Tulsa Tribune has strongly editorialized against honoring these ancestral claims. But, I am a Democrat, one who practices social equality. I cannot subscribe to the idea that what is past is forgotten.

Our Government has refuted such an attitude in its role of guardian of Indian rights by processing some claims for Indians which the courts subsequently ruled were valid. If this Congress forces the trustees to end their guardianship at this point of incompletion, we will have broken the faith and forced the filing of many other lawsuits which, as has been pointed out, is going to jeopardize the positions of many communities in those States where claims are being brought.

Justice is justice only when it is equally applied. It should not stop now.

Mr. DANIELSON. Mr. Chairman, I move to strike the last word, and I rise in opposition to the substitute amendment.

Mr. BONKER. Mr. Chairman, will the gentleman yield?

Mr. DANIELSON. I yield.

Mr. BONKER. Mr. Chairman, we have before us legislation that provides for another extension to the statute of limitation for filing of Indian claims. The original purpose for setting a statute of limitation on these claims was to encourage the Federal Government to meet its obligation as trustee for Indians by filing claims on their behalf to correct inappropriate actions taken during the settlement of our Nation. Because of a lack of a common language, transactions between settlers and Indians were often consummated through assumed understanding, and in many cases the Indian perception was quite different than that of the settler with whom he was dealing.

But at the same time that the Congress recognized a need to encourage the Federal Government to pursue the filing of these claims, it also recognized a need to end the possibility of filing such claims at some point in time. It envisioned a time when each group of Indians would be fairly compensated to the extent possible. A period of 5 years was thought to be adequate to do the research necessary for filing these various claims.

That was an optimistic estimate, however, as events were to show. And, in 1972 when the original period for filing was to expire, Congress moved to extend the statute of limitation for another 5 years. In that additional 5 years it was felt that all pending, or as yet undiscovered, Indian claims could be researched, filed, and adjudicated.

During the second 5-year period, however, claims surfaced that asked for territorial and financial decisions that were beyond the expectations of many who felt that settlement of Indian claims could be achieved easily. Many realized for the first time that all the misunderstandings that had occurred during the 200-year history of this Nation could not be redressed, especially in the limited time provided for in the legislation.

Such an observation proved correct because another 4½-year extension lies before us. Congress is informed that nearly 1,000 cases are pending, and many Indians are just now discovering that there are possible claims that could be filed over the transactions in which they or their forebears were involved. We are told that this extension will allow time to complete the research on these claims and to negotiate so that all claims might not have to be filed because of possible settlement out of court.

I do not know if that is a legitimate position or not. I would hope that many of the Indian claims that have been publicized could be resolved without lengthy litigation. But I do know that other citizens of this Nation are in a state of confusion as more and more of them are affected by Indian claims that are underway.

In my own State, the mere mention of Indian claims brings immediate disavowal from many people before the merits of the claim can be discussed. I am sure the same is true in the State of Maine, where there is economic and social chaos over an Indian claim that clouds the property ownership of 12.5 million acres.

In the intervening years since the statute of limitation for Indian claims was first passed, Indians have become knowledgeable and fully able financially to pursue claims that they might want to file. The trustee status of the Federal Government to protect the Indians and act in their behalf would not be set aside if no additional statute of limitation extension was granted. But is another 4½-year extension in the best interest of everyone concerned?

I think not. H.R. 5023 does exactly what its predecessor did. It proposes to extend the statute of limitation for Indian claims another 4½ years. And in the process, there is the implication that another extension could be sought as has been the case in the past.

Remember, this is the second such 5-year extension that has been sought. Two previous 5-year periods have expired. The extension last time was accompanied by assurances that it would be the final one. During that extension, Indian claims have magnified in both number and scope of redress sought. Should not it soon be time that all such claims be laid to rest?

The backlash that is building against Indians across this Nation, and the rebellion of other citizens who see themselves unprotected by the Constitution that guarantees their rights, indicate that Congress must soon address a total cutoff on the filing of Indian claims. If we must defer their questions, let us defer for 2 years as proposed by the Foley amendment rather than the 4½ years of H.R. 5023.

Mr. DANIELSON. Mr. Chairman, I respectfully oppose the substitute amendment offered by the gentleman from Washington (Mr. FOLEY) for two reasons. Although I know this amendment is offered in the best of faith and with the greatest of dedication to the interests of the area the gentleman represents and the entire United States, unwittingly it becomes a very pernicious amendment, and I strongly oppose it.

The amendment is, in effect, in two parts. First of all, it does carry forward the thrust of the Cohen amendment, namely, to terminate the period as of

July 18, 1979. That we all understand is simply a shortening of time, and there are no unexpected consequences that might derive from it except that we may have to come back in 2 years and ask for a further extension.

However, the second portion of the substitute amendment is fraught with evil, and I say that with all due respect to my friend from Washington. It provides that no such action shall be brought by the Attorney General on the basis of matters referred to it by a Federal agency—which in this case must be the Interior Department—unless such referral was made before July 18, 1977. That is one week hence, July 18, 1977.

I tell you, my friends and Mr. Chairman, that this would mean that a vast number of claims which have already been identified and which have already been substantially developed would be cut off simply because it would be mechanically and physically impossible to present those cases to the Attorney General within the next 7 days. I have in my hand a listing of claims which have been turned over to me by the Interior Department about—I believe I received this on the evening of June 22. It does not purport to be every claim that they have.

I want the Members to know that within this listing, it comes to a total of 12 pages of various claims in various States of the United States. I do not know how many claims will be here. Probably 200 or 300. The reason I say that is some of them are aggregate. For example, in Albuquerque, N. Mex., they state the area office has indicated that there are literally hundreds of trespasses of various types and degrees, in derogation of the rights of eight northern Pueblos. So one entry can mean far more than one case. I have received permission to revise and extend my remarks, and this listing is going in as my extension.

Mr. Chairman, I include at this point the following list that I referred to previously:

ABERDEEN, S. DAK.

8 trespass cases on behalf of individuals for fencing and timber trespass on allotted lands.

BILLINGS, MONT.

1. On behalf of: Fort Belknap Reservation—
Claim: Mine tailings leading to pollution of reservation and reservation streams.
Defendant: Mining corporation.
Damages: $102,000.00.
2. On behalf of: Fort Belknap Reservation—
Claim: homesite and agricultural trespass.
Defendant: Non-Indian individual.
Damages: $2500.00.
3. On behalf of: Fort Belknap Reservation—
Claim: Agricultural trespass.
Defendant: Non-Indian individual.
Damages: $900.00.
4. On behalf of: Fort Peck allottee—
Claim: trespass.
Defendant: private individual.
5. On behalf of: Fort Peck allottee—
Claim: trespass.
Defendant: private individual.
6. On behalf of: Fort Peck allottee—
Claim: Trespass.
Defendant: private individual.
7. On behalf of: allottee—
Claim: trespass.
Defendant: private individual.
8. On behalf of: individual—
Claim: trespass and deprivation of use.
Defendant: private individual.
9. On behalf of: Fort Peck tribes—
Claim: Ejectment and trespass damages.
Defendant: private individual.
10. On behalf of: Fort Peck tribes—
Claim: Encroachment from building construction on lands claimed by tribe.

SACRAMENTO, CALIF.

1. Timber trespass.

RIVERSIDE, CALIF.

1. On behalf of: Torres-Martines Band—
Claim: Inundation of reservation.
Defendant: private irrigation districts.
Damages: $1,000,000 (minimal estimate).

WINDOW ROCK, ARIZ.

1. On behalf of: Navajo tribe and individuals—
Claim: Illegal upstream diversion.
Defendants: private irrigation districts, Arizona cities, Salt River project.

ALBUQUERQUE, N. MEX.

The Area Office has indicated that there are literally hundreds of trespasses of varying types and degrees in derogation of the rights of the eight Northern Pueblos. Identification and development of these claims cannot be undertaken absent massive financial and staff support assistance.

ANADARKO, OKLA.

1. On behalf of: Sac & Fox Tribe—
Claim: Surface damage from oil and gas operations.
Defendants: private businesses.

PAWHUSKA, OKLA.

1. On behalf of: Osage Tribe—
Claim: water and mineral rights.
Defendant: Kansas (?).
2. Indeterminate number of grazing trespasses.

PHOENIX, ARIZ.

1. On behalf of: Ak Chin Indian Community—
Claim: off reservation pumping.
Defendant: 300 agricultural users.
2. On behalf of: Ak Chin Indian Community—
Claim: Railroad trespass.
Defendant: Southern Pacific RR.
3. On behalf of: Battle Mountain Colony.
Claim: Railroad trespass.
Defendant: Central Pacific RR.
4. On behalf of: Chemehuevi Tribe—
Claim: trespass.
5. On behalf of: Fallon Tribe—
Claim: Water rights adjudication.
6. On behalf of: Fort McDowell Apache—
Claim: Powerline trespass.
Defendants: Salt River Project.
7. On behalf of: Fort Mojave Tribe—
Claim: 4 separate trespasses.
8. On behalf of: Gila River Pima-Maricopa Indian Community—
Claim: Drain trespass.
Defendant: Maricopa County.
9. On behalf of: Gila River Pima-Maricopa Indian Community—
Claim: Off reservation groundwater pumping.
Defendant: San Carlos Irrigation and Drainage District.
Several other identical claims against individuals engaging in off reservation groundwater pumping.
10. On behalf of: Gila River etc.—
Claim: flood damage.
11. On behalf of: Kaibab Paiute—
Claim: pumping affecting flow of Mocassin Springs.
12. On behalf of: Papago Tribe—
Claim: Mine tailings pollution.
Defendant: private corporation.
13. On behalf of: Papago Tribe—
Claim: Off reservation pumping.
Defendant: Tuscon.
14. On behalf of: Papago Tribe—
Claim: Off reservation pumping.
Defendant: Tuscon (?)
15. On behalf of: Papago Tribe et al.—
Claim: Water Rights adjudication.
Defendants: thousands unidentified.
16. On behalf of: Salt River Tribe—
Claim: off reservation pumping.
Defendants: Municipal and industrial users.
17. On behalf of: San Carlos Apache Tribe—
Claim: illegal diversion of underflow of San Pedro River.
Defendant: private corporation.
18. On behalf of: San Carlos Apache Tribe—
Claim: Water diversion and pumping.
19. On hehalf of: San Carlos Apache Tribe—
Claim: Water diverson.
Defendant: private corporation.
20. On behalf of: San Carlos Apache Tribe—
Claim: Water diversion.
Defendant: Priavte corporation.
21. On behalf of: San Carlos Apache Tribe—
Claim: accounting and damages for failure to follow court decree regarding consumptive water use.
Defendant: New Mexico.
22. On behalf of: San Carlos Apache Tribe—
Claim: Water diversions and pumping.
Defendant: private corporation.
23. On behalf of: San Carlos Apache—
Claim: water rights adjudication concerning San Pedro River.
24. On behalf of: Western Shoshone.
Claim: Water rights adjudication concerning Bajoneta Springs.
Defendant: State.
25. On hehalf of: Walker River Tribe—
Claim: Upstream diversions.

TWIN CITIES, MINN.

108 claims pertaining to individual allotments.
102 tax forfeitures on behalf of individuals against state or county.
40 trespass on reservation resulting from sand and gravel operations, grazing, fence and field encroachment.
Defendants in above cases not identified
Damages not estimated.

ALASKA

1. On behalf of: Kenaitze Tribe—
Claim: trespass.
Defendants: several oil companies.
2. On behalf of: Chilkat Indian Village—
Claim: Trespasses.
Defendants: Alaska and its lessees and permittees.
3. On behalf of: Kootznoowoo, Inc.—
Claim: Archaelogical excavation and destruction or removal of artifacts.
4. On behalf of: allottee heir—
Claim: Timber and road trespasses across allotments.
Defendant: several oil companies.
5. On behalf of: allottee.
Claim: road trespass across allotment.
Defendant: oil company.
6. On behalf of: Kootznoowoo, Inc.—
Claim: trespass to lands individually held after Tlingit-Haida Settlement Act.
7. On behalf of: Sitka Indian Village—
Claim: erroneous survey of Indian held lands.
8. On behalf of: Sitka Village—
Claim: deprivation of use of tidelands.
Defendant: Alaska.
9. On behalf of: Sitka Indian Village—
Claim: damages arising from purported transfer of school properties in 1950.
10. On behalf of: Sitka Indian Village—
Claim: Improper transfer of tribal townsite land into individual ownership.
11. On behalf of: Sitka Indian Village—individual member—
Claim: improper transfer of individually held property to city.

12. On behalf of: Sitka Indian Village—individual member—
Claim: improper transfer of individually held property to city.

MUSKOGEE, OKLA.

1. On behalf of: Choctaw Tribe—
Claim: recovery of surface and mineral interests interfered with by railroad right of way.
Defendant: Railroad Company.
2. On behalf: Choctaw Tribe—
Claim: Extraction of sand and gravel from Riverbed.
Defendant: Oklahoma and permittees.
3. On behalf of: Choctaw Tribe—
Claim: illegal sale of tribal coal lands.
Defendant: Oklahoma.
4. On behalf of: Creek Tribe—
Claim: deprivation of use of tribal property.
5. On behalf of: Creek Tribe—
Claim: destruction of tribal cemeteries.
6. On behalf of: Wyandotte Tribe—
Claim: Encroachment on Huron Cemetery.
Defendants: Kansas, Kansas City, et al.
7. On behalf of: Seneca Cayuga Tribe—
Claim: Trespass on tribal lands.
Defendants: private individuals.

PORTLAND, OREG.

1. On behalf of: Umatilla Tribe—
Claim: Quiet title to riverbed and damages for sand and gravel removal from bed of river within exterior boundaries of Umatilla Reservation.
Defendant: Riparian land owners.
Damages: $100,000.00.
2. On behalf of: Umatilla—
Claim: Destruction of salmon runs by diversion of waters from Umatilla River.
Defendant: Various irrigation districts.
Damages: Estimated $500,000.
3. On behalf of: Umatilla Tribe—
Claim: Trespass to allotted lands. Void Condemnation.
Defendant: Pendleton, Oreg.
Damages: $50,000.00.
4. On behalf of: Swinomish Tribe—
Claim: Oil pipeline traversing reservation w/o benefit of right-of-way.
Defendant: Private Natural Gas Co.
Damages: Estimated $100,000.
5. On behalf of: Swinomish Tribe—
Claim: Trespass on tribal tidelands.
Defendant: Burlington Northern RR.
Damages: Estimated $600,000.00.
6. On behalf of: Skokomish Tribe—
Claim: Ownership and boundary dispute and claim for unauthorized use of tribal tidelands.
Defendant: State of Washington.
7. On behalf of: Skokomish Tribe—
Claim: Destruction of fishery by diversion of water for hydroelectric project on North Fork River.
Defendant: City of Tacoma.
8. On behalf of: Skokomish Tribe—
Claim: Encroachment upon tribal lands by construction of school facility within boundaries of reservation.
Defendant: Hood Canal School District.
Damages: Estimated $10,000.00.
9. On behalf of: Tulalip Tribe—
Claim: Non-Indian trespass on tidelands secured to tribe.
Defendant: A number of private individuals who have constructed summer homes on tidelands.
Damages: Estimated $100,000.00.
10. On behalf of: Kalispel Tribe—
Claim: Water fluctuation from Box Canyon Dam eroding easement lines on tribal and allotted lands causing waters to encroach upon tribal lands.
Defendant: Pend Oreille County Utility District.
Damages: Estimated $50,000.00.
11. On behalf of: Makah—
Claim: Overburdening of access easement.
Defendant: logging companies.
Damages: Estimated $150,000.00.
12. On behalf of: Shoshone-Bannock —
Claim: Unlawful taking & trespass upon tribal lands by enlargement of reservoir.
Defendant: Irrigation districts.
Damages: Estimated $30,000.00.
13. On behalf of: Puyallup Tribe—
Claim: Trespass to tribal lands by interstate freeway.
Defendant: State of Washington.
Damages: Estimated $50,000.00.
14. On behalf of: Individual Muckleshoot Owners—
Claim: Trespass to allotted lands.
Defendant: Tri-County Development Dist., City of Auburn, State of Washington and private corporation.

SACRAMENTO, CALIF.

1. On behalf of: Cuyapaipe Band of Mission Indians—
Cliam: Fence encroachment and illegal use of reservation lands.
Defendant: Adjacent private land owner.
2. On behalf of: Cuyapaipe Band of Mission Indians—
Claim: Continuing cattle trespass.
Defendants: Private ranchers.
3. On behalf of: Cuyapaipe Band of Mission Indians—
Claim: Trespass on reservation lands by County through construction of public road without valid easement.
Defendant: County.
4. On behalf of: Cuyapaipe Band of Mission Indians—
Claim: Damages for diminishment of reservation water supply.
Defendants: Individual private water users and irrigation districts.
Cases from different areas being handled by Washington, D.C., Solicitor's Office:
1. On behalf of: Crow Tribe and individual members—
Claim: Violation of Crow Allotment Act.
Defendants: Individual landowners.
2. On behalf of: Passamaquoddy and Penobscot Tribes—
Claim: Non-Intercourse Act claim for recovery of tribal lands.
Defendants: Maine and must join individual titleholders.
3. On behalf of: St. Regis Mohawk Tribe—
Claim: Non-Intercourse Act claim for recovery of tribal lands.
Defendants: New York and individual titleholders.
4. On behalf of: Cayuga Tribe—
Claim: Non-Intercourse Act claim for recovery of tribal lands.
Defendants: New York.
5. On behalf of: Oneida Nation of Indians—
Claim: Non-Intercourse Act claim for recovery of tribal lands.
Defendants: New York and individual titleholders.
6. On behalf of: Oneida Nation of New York—
Claim: Non-Intercourse Act claim for recovery of tribal lands.
Defendants: 30 individuals.
7. On behalf of: Catawba Tribe—
Claim: Non-Intercourse Act claims for recovery of tribal lands.
Defendants: South Carolina and individual title-holders.
8. On behalf of: Wind River Reservation—
Claims: Upstream channel diversion.
Defendant: 1 Non-Indian landowner.
9. On behalf of: Nez Perce Tribe—
Claim: Quiet title to riverbed; damages from sand and gravel removal.
Defendants: Idaho and state permittees.
Damages: $100,000.00.

Mr. FOLEY, Mr. Chairman, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. I thank the gentleman for yielding.

Mr. Chairman, I wish the gentleman had taken the opportunity to put that information in the RECORD a few days ago so that our colleagues who intend to vote against the Foley substitute would know they are going on record as permitting those claims to be filed against tens of thousands of citizens in their States which, in due time, may be referred by the Interior Department to the Justice Department. Indeed, the record of the full committee indicates that there may be well over a thousand such claims which are pending.

Mr. DANIELSON. If I may recapture my time, which I now do, there are more than a thousand claims. I point out only that I have this list. I want to make it eminently clear that this list is by no means exclusive. There may be far more claims than these. I have been informed by the Department of Justice and the Department of the Interior in a joint meeting that if there were no extension of limitation here, they would have to file more than a thousand lawsuits before the 18th day of July involving claims against more than 20,000 individuals. That would be utter chaos. Can the Members imagine any city or county, any title company in American being willing to insure title, being able to sell a municipal bond or utility bond or a school district bond, with such clouds upon their title as would result from our carelessly going to work here and terminating the possibility of resolving these claims?

The CHAIRMAN. The time of the gentleman from California (Mr. DANIELSON) has expired.

(By unanimous consent, Mr. DANIELSON was allowed to proceed for 2 additional minutes.)

Mr. DANIELSON. Mr. Chairman, I want to point this out: Within this partial listing which I have in my hand there are many minor types of claims. These are not all colossal. These do not all involve $20 billion worth of land, such as in the case of the State of Maine. We have little things as a claim for trespassing by a private individual, an agricultural trespassing, damages about $900. Homesite and agricultural trespass, $2,500. Here is a bigger one, a mining corporation, $102,000. Et cetera, et cetera.

Some of these can be resolved by the good offices of the Department of the Interior and the Department of Justice, by simply sitting down and negotiating and wiping them out, and we can thereby obviate the need to file lawsuits and cloud the title to real property throughout the land.

Therefore, I respectfully but most sincerely oppose this substitute amendment. I think it would work more damage than we could ever unwind, and I urge strongly that the Members vote down the substitute.

The CHAIRMAN. The time of the gentleman from California (Mr. DANIELSON) has expired.

(On request of Mr. FOLEY and by unanimous consent, Mr. DANIELSON was allowed to proceed for 1 additional minute.)

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Chairman, the gentleman states the substitute is fraught with evil.

Mr. DANIELSON. Unintentionally.

Mr. FOLEY. I was quoting the gentleman exactly.

Yet, is it not correct that this substitute is the same as the gentleman's own bill of 1972, with an extension of 2 more years for those claims referred to the Justice Department, and that the effect of the substitute would be to provide exactly what the gentleman proposed to the House in 1972 as the ultimate solution, a 5-year extension until July 18, 1977, and the addition of 2 years more for those matters referred to the Justice Department?

Mr. DANIELSON. If I may respond, there are two thrusts to the gentleman's substitute.

Mr. FOLEY. The first one extends the life of the legislation for 2 years beyond 1972.

Mr. DANIELSON. Yes.

Mr. FOLEY. The second part of the substitute merely honors the gentleman's request made in 1972 that we bring those claims to an end by July 18, 1977. I would hope that the gentleman does not mean to imply that his motives were fraught with evil back in July 1972 when he brought the same bill to our attention.

The CHAIRMAN. The time of the gentleman from California (Mr. DANIELSON) has expired.

(By unanimous consent, Mr. DANIELSON was allowed to proceed for 1 additional minute.)

Mr. DANIELSON. Mr. Chairman, let me hurry to remind the gentleman from Washington (Mr. FOLEY) that I do not question his motives. I know they are the very best. I just think that the amendment is wrong.

I am responding here to the gentleman's comments made a moment ago. Yes, the first portion of the amendment simply calls for an extension of time. We all understand that. However, my grave concern is the second part of the amendment, which would require that the Attorney General have received all of these claims on or before July 18, 1977.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, was it not the gentleman's intent in 1972 to bring an end to all these matters by 1977.

In 1972, did the gentleman not propose a 5-year extension which would bring an end to all these claims by July 18, 1977?

Mr. DANIELSON. Yes, of course, but the gentleman knows we are human and we err.

In 1966, when I was not here, nobody dreamed that we would still be here in 1977 on these claims. But I respectfully submit that if we take the date of 1979 today and in 1979 we have not fulfilled our duty, we must then come back in and extend the time again.

Mr. ALLEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have tried to listen carefully to this debate, and I must come down on the side of the substitute amendment offered by the gentleman from Washington (Mr. FOLEY).

It has been said that this would precipitate a lot of lawsuits and place a cloud upon the titles of the properties of many people. It has been said that suits would be filed by the wholesale within the next couple of weeks or so.

This may or may not come to pass. But I do know this: That as long as we keep this matter open there is going to be a cloud upon the title of all property that might be affected during the 2-year extension, or the 4½-year extension.

I believe that the gentleman from Washington (Mr. FOLEY) is absolutely correct about this matter, and if it can be shown by the Indians that we have failed in our fiduciary responsibility to protect their interests, they will indeed have a lawsuit, perhaps against the Federal Government, against the Department of Justice, and the Department of the Interior for such failure. But I submit that the Department of Justice, the Department of the Interior, and the U.S. Government are in a better position to defend themselves than would be the thousands of individual homeowners and property-owners whose property is under a cloud, and who do not know what will happen during the next 4½ years, if we extend this statute of limitations that long.

Mr. Chairman, it is well enough to say that if we do not repeal the statute of limitations fixing the time for the filing of claims and extend the time set by law, 11 years and 6 years ago, we are going to be covered up with literally thousands of additional lawsuits. We are going to be covered up with a limited number of lawsuits, however we proceed in this matter. I would rather know what we are dealing with in the next 2 or 3 weeks than continue to extend the statute of limitations on and on and on. If, as I said, there are going to be any lawsuits filed because of a breach of fiduciary relationship, I would rather that the Department of Justice, the Department of the Interior, and the taxpavers of this country as a whole be defendants than the literally thousands of individual property owners who have paid their money and had reason to believe that they were buying a good and legal title to their property.

Mr. Chairman, I support the Foley substitute.

Mr. DICKS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the substitute amendment.

Mr. Chairman, in debate on this bill yesterday I expressed my belief that it is time that the Congress address itself to the question of whether we want the U.S. Government to continue the active seeking and prosecution of suits based on historical Indian claims.

The amendment and the substitutes to the committee amendments offered by the gentleman from Washington (Mr. FOLEY) are the proper vehicles for this body to express that intent.

Much discussion has taken place this year on the need for additional time to seek, file, and prosecute these claims. In 1966 that same argument was raised. It was raised again in 1972. I have the strong suspicion that if the statute of limitations is extended for another 2 years without some sort of specific deadline for inclusion of additional claims then this question will be faced again in 1979.

In his arguments on the bill in yesterday's debate my colleague from Washington (Mr. FOLEY) made an excellent point on the effect this bill has on the property rights and causes of action in American jurisprudence. I agree that the consequence of actively seeking to uncover these ancient claims is to put into question any decision on property rights or damage claims.

A third rationale to include this language is in the desire to avoid a rush to file these claims. By setting a certain date in the very near future we can avoid the Bureau of Indian Affairs, the Department of Interior, and the Department of Justice taking hasty and perhaps ill-advised actions in order to meet a deadline.

Let me state once again that adoption of the Foley amendments will not end the filing and prosecution of these claims. Indian tribes will continue to act on their own behalf in asserting historical claims. What will be accomplished is to put these claims on an equal footing with land claims which might be brought by any other American citizen. It would end the promotion of the now outdated concept of wardship for Indian tribes, in accordance with the Indian Citizenship Act.

Literally hundreds of thousands of Americans will be faced with the situation where their property rights, paid for with full assumption that they were legitimate and permanent, will come into question as a result of historic Indian claims. It is my strong conviction that in these actions all parties should be on an equal basis. Having the U.S. Government act as prosecutor, judge, and often defendant is no way to proceed.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, the gentleman in the well is an outstanding member of our Appropriations Subcommittee which funds the BIA. He has diligently brought to the attention of our subcommittee all the problems between white people and the Indian in the State of Washington over the Boldt decision. It is admittedly a very difficult situation.

The amendment of the gentleman from Washington (Mr. FOLEY) will not terminate the trust relationship, will it?

Mr. DICKS. No, it will not.

Mr. YATES. What would happen, then, if the Foley amendment were to prevail and a lawsuit were brought by an Indian tribe on a claim? Could not the Department of Justice be named as a party defendant? In that instance, would not the Department of Justice be required to help the Indians as it would if Justice were the party plaintiff?

Mr. MEEDS. Mr. Chairman, will the gentleman yield to permit me to answer that question?

Mr. DICKS. I yield to the gentleman from Washington.

Mr. MEEDS. Mr. Chairman, if I could reply to the question of the gentleman from Illinois (Mr. YATES), that is absolutely true; but the Federal Government in that instance would simply allege that it was not the trustee and it would be let out of the suit.

In the instance here we are providing a statute of limitations in which we are compelling the Federal Government to act as a trustee, and that is the difference.

Mr. YATES. Mr. Chairman, will the gentleman yield further?

Mr. DICKS. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, the gentleman had replied to my question by saying that the Foley amendment would not terminate the trust relationship. The gentleman from Washington (Mr. MEEDS) argued, in substance, that it would terminate the trust relationship.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, to answer the gentleman's question, it terminates the authority of the United States to sue on behalf of Indian tribes on contracts or torts for money damages arising prior to 1966. It does not change the trust responsibility of the United States with respect to claims arising since 1966.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, then in the example I propounded, namely, that if an Indian tribe were to file suit and to name the Justice Department and to name the U.S. Government as a party defendant, it would be incumbent upon the Department of Justice representing the United States, in fact it would be upon all the agencies of the U.S. Government, if necessary, to help that Indian tribe in its suit, because of the trust relationship; is that not true?

The CHAIRMAN. The time of the gentleman from Washington (Mr. DICKS) has expired.

(On request of Mr. YATES and by unanimous consent, Mr. DICKS was allowed to proceed for 1 additional minute.)

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Washington (Mr. FOLEY), the author of the amendment, to answer the question.

Mr. FOLEY. Mr. Chairman, if the question arises as to a claim prior to 1966, the answer is no.

If the Foley substitute amendment is adopted and the statute of limitations runs on those cases not filed with the Attorney General or with the Justice Department by July 18, then their responsibility to represent Indian tribes on money-damage actions prior to 1966 would terminate.

Mr. YATES. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from Illinois (Mr. YATES) is recognized for 5 minutes.

Mr. YATES. Mr. Chairman, may I enter into a colloquy with my friend from Washington (Mr. FOLEY)?

I do not understand the point that the gentleman makes. I asked the Clerk for a copy of the gentleman's amendment and this is what was given to me. It says:

Page 1, line 7, strike out "December 31, 1981" and insert in lieu thereof the following:

"July 18, 1979, except that no such action shall be brought by the Attorney General on the basic of matters referred to him by a Federal agency or department unless such referral was made before July 18, 1977.

The point made in my colloquy with the gentleman from Washington (Mr. DICKS) and it was brought out in that colloquy, that the gentleman's amendment would not terminate the trust relationship. Why then does the gentleman emphasize the termination date that he did of 1966 when it is not contained in the gentleman's amendment?

Mr. FOLEY. Mr. Chairman, if the gentleman from Illinois will refer to the rest of the statute that is involved, there was an extension from 1966 to 1972, and from 1972 to July 18, 1977. The substitute would continue for 2 years the authority of the United States to prosecute on behalf of Indian tribes those claims referred by the Interior Department to the Justice Department prior to July 18, but it would not allow an extension for those cases referred to the Justice Department after July 18 to run its course. Accordingly, on July 18, 1977, the trust relationship, insofar as it relates to or involves Indian tribes or lands or claims of those Indian tribes and certain individual Indians, would terminate, for pre-1966 claims, unless they had been referred to the Attorney General.

Mr. YATES. I suggest to my good friend, the gentleman from Washington (Mr. FOLEY) and he is my good friend, that the gentleman's amendment does not refer to any kind of representation that would be prohibited except the prosecution of an action. It does not prohibit the Department of Justice from appearing as a party in the lawsuit, so long as it did not bring the action, or from representing any Indian tribe as a trustee.

Mr. FOLEY. The gentleman from Illinois (Mr. YATES) is correct if the suit against the United States were based on some allegation or violation subsequent to 1966.

Mr. YATES. There is a trust relationship, which would continue.

Mr. FOLEY. The Justice Department, however, would not be able to prosecute individual citizens and States on behalf of an Indian tribe for claims arising prior to 1966. The trust relationship would obviously continue to exist with respect to claims against the United States.

Mr. YATES. The only thing I can suggest to the gentleman that would occur is that the Department of Justice would be prohibited from bringing the action. If the Department of Justice did not bring the action, it could help the litigants in every other respect if it were a party.

Mr. FOLEY. I respectfully disagree with the gentleman from Illinois.

Mr. YATES. That is all the amendment says. There is no termination of the trust relationship.

Mr. FOLEY. I want to state for the record that the intention of the substitute is to prohibit the Attorney General from bringing actions which arose prior to 1966 after July 18, 1977.

Mr. YATES. From bringing an action?

Mr. FOLEY. Yes, if those cases have not been referred to them.

Mr. YATES. From bringing any action. But I suggest that does not bar the Department of Justice from participating or helping any Indian tribe that did bring an action.

Mr. FOLEY. I do not agree with the gentleman.

Mr. YATES. Take a look at the amendment. The amendment does not permit it.

Mr. FOLEY. The gentleman should not be so concerned about the substitute if his interpretation is correct.

Mr. PRITCHARD. Mr. Chairman, I move to strike the requisite number of words and rise in support of the Foley amendment.

Mr. Chairman, it is time to shut off the faucet on this type of activity. We tried to do it in 1966 with a time period. We tried in 1972. If we allow 2 more years or 4 more years, we are going to have exactly what the gentleman from California said. We are going to have a mass of more litigation. I do not think it is being unfair when they have had all the time since 1966. I think it is in fairness to all people that we bring this action to a close. I support the Foley amendment.

Mr. MEEDS. Mr. Chairman, will the gentleman yield?

Mr. PRITCHARD. I yield to the gentleman from Washington.

Mr. MEEDS. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the Foley amendment. I think we ought to put this in some kind of proper historic and legal context. In 1966, we imposed a statute of limitations against the U.S. Government in pursuing tort or contract actions against anybody—against anybody. Then we made an exception to that statute wherein we allowed the U.S. Government to proceed as long as it was representing Indians as trustee. We allowed that exception for 5 years. Then we extended it for 6 years. So it has been in operation now for 11 years.

There is some question about whether or not we should pursue stale claims, whether we should allow any exception from the statute of limitations. We can discuss that all day, but the fact is that we have statutes of limitations to prevent stale claims, because rights become fixed, because the people of Maine, for instance, for many generations have made purchases of land under the representation that they were getting good title. People's positions in life become fixed, so we have statutes of limitations to protect them. It seems to me it makes no difference whether you are a trustee or whether you are the Federal Government suing in your own right, if an exception is made for you. If the Federal Government was negligent in not bringing action in behalf of Indians—and perhaps that was true—then the action

should be against the Federal Government and not against the innocent third- and fourth- and fifth-generation people who are out there and who have bought land, who have entered into transactions based on what they considered to be the legal position at that time. The good thing that the Foley amendment does is to cut off what we call in legal terms champerty in maintenance, going out and hunting up lawsuits for the next 5 years. That cuts it off as of July 18. It does not affect the problems in Maine. It allows those matters which have been referred to the Department of Justice to be proceeded with and to be carried out, and for the Federal Government to meet its obligation, if such be the case in those instances. If there are actions above and beyond that, then those actions ought to be against the Federal Government and not against the individual.

Mr. STUDDS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, there has been a great deal of discussion this afternoon of concepts of right and of wrong, of morality and immorality. I do not think that I—certainly not this Member—or any other Member of the House this afternoon is equipped to determine what historic wrongs may have been committed against the aboriginal citizens of this country. I certainly do not think any one of us has the wisdom to determine today what ought to be done and how those wrongs, if any have occurred, ought justly to be righted without creating yet further wrongs in the process. Rather than address that question now, what I would like to point out to the House is the hard, cold, human consequences of what we do or do not do this afternoon.

I represent two towns in Massachusetts that have been referred to, at least indirectly, frequently in this debate, and I would remind the members of the committee that whether or not an Indian tribe seeks to bring a suit claiming title to land in your district or in your State has nothing whatever to do with our action here today. The following sentence remains in the statute, whatever we do today, and I quote:

> Nothing herein shall be deemed to limit the time for bringing an action to establish the title to, or right of possession of, real or personal property.

The cases in Massachusetts which have been referred to by the gentleman from Washington—an astonishing number, I might say, of gentlemen from Washington—among others, have nothing whatsoever to do with the Department of the Interior or the Department of Justice. These are not cases which were brought by the Federal Government in its capacity as trustee for Indian tribes.

These are cases in which the Indians themselves with their own counsel went directly to court and sued directly for title to that land. Last August the town of Mashpee in Massachusetts found itself under suit by an Indian tribe for most of its land. The situation which many Members of this Committee fear may occur in their district has been the situation in existence for almost a year in one of the towns in my district.

One of the pleas I would like to make is a plea on behalf of the gentleman from South Carolina (Mr. HOLLAND), and on behalf of I do not know how many other Members in this House, for the Congress not to act precipitously and in a fashion that may place other communities in this Nation in the situation that two communities in my district now find themselves in. People cannot buy or sell a house or even get a home improvement loan using their own homes as security. These are human hardships quite apart from the merits or demerits of any particular legal case.

I would urge the members of the committee to recall the words of the gentleman from South Carolina (Mr. HOLLAND), in whose case, if we adopt the amendment offered by the gentleman from Washington (Mr. FOLEY), the situation confronting towns in my district may well confront the towns in his district and I do not know how many other cases may be brought on precipitously.

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from Maine.

Mr. COHEN. Mr. Chairman, I would like to say that I urge the support of my own amendment instead of the Foley amendment for one reason; namely, to get time enough for the Carter administration to come to the Congress with a proposal to resolve the situations in Mashpee and Gay Head, Mass., and towns in South Carolina, Maine, and many other States, because we cannot go on with these cases ad infinitum. I think we have to have a total solution. I think we have to give the Carter administration the time to do that.

Mr. STUDDS. Justice Gunter has been appointed by the Carter administration for the situation in Mashpee, as well as that in Maine. I fully support the position and the amendment of the gentleman from Maine. This has to come to an end. It has gone on long enough, but it has to come to an end in a deliberate and quiet and rational manner and not precipitously in a way which may dump who knows how many other unnecessary problems on countless communities.

Mr. WATKINS. Mr. Chairman, I move to strike the requisite number of words. Mr. Chairman, I stand to oppose this amendment. I do so, because the amendment states that no action can be brought by the Attorney General unless the claim's are referred to the Department of Justice before July 18, 1977. They have only 6 days, I know in Oklahoma there are many tribes who have worked for many years and for many decades trying to bring action as was necessary and which is their right under the treaties that were signed many years ago. Let us not forget this day, July 12, 1977, when people are watching the action of this House to see if we are standing by those rights that our Government signed in those treaties.

We, the Government, became the trust, the trustee, if you please, of many of our Indian brethren. They are expecting us to fulfill these rights.

I think on trial today should be those agencies of the Federal Government who have literally dragged their feet in not settling the cases that have been brought to their attention. I think we should insist that they take action. I know that it is not physically and humanly possible to do so in the next 6 days.

I do not know of any Indian tribes in the State of Oklahoma that have not longed for settlement of those claims which they have had in process for a number of years.

I would like to state and emphasize that today we are discussing a treaty that we entered with the Indians of our country. Our country today is signing treaties nearly every week with other countries. People in other nations are questioning if there is any significance, if there is any trust in those treaties that we are signing with those other countries. That question may be valid if we do not fulfill the obligation we have to the American Indian that we agreed to with a treaty a number of years ago.

Mr. DANIELSON. Mr. Chairman, I ask unanimous consent that all debate on this substitute amendment and all amendments thereto close at 10 minutes past the hour of 5 p.m.

The CHAIRMAN. Is that on the committee amendment and all amendments thereto?

Mr. DANIELSON. The substitute to the committee amendment and all amendments thereto.

The CHAIRMAN. Just on the Foley substitute amendment?

Mr. DANIELSON. On the committee amendment and all amendments thereto.

The CHAIRMAN. The committee amendment, the substitute thereto, and all amendments thereto?

Mr. DANIELSON. That all debate close at 10 minutes after 5.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

(By unanimous consent, Mr. ARMSTRONG yielded his time to Mr. COHEN.)

(By unanimous consent, Mr. SPENCE yielded his time to Mr. HOLLAND.)

(By unanimous consent, Mr. SYMMS yielded his time to Mr. FOLEY.)

(By unanimous consent, Mr. DICKS yielded his time to Mr. MEEDS.)

(By unanimous consent, Mr. EMERY yielded his time to Mr. COHEN.)

(By unanimous consent, Mr. WATKINS yielded his time to Mr. DANIELSON.)

(By unanimous consent, Mr. PRITCHARD yielded his time to Mr. MEEDS.)

(By unanimous consent, Mr. RISENHOOVER yielded his time to Mr. FOLEY.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts (Mr. STUDDS).

Mr. STUDDS. Mr. Chairman, for the reasons I stated a few moments ago, I think the better part of wisdom for this House, particularly with the uncertainties in some of the States such as South Carolina and elsewhere, and not wanting to see the people of South Carolina or Maine or any other State finding themselves unexpectedly and suddenly in the situation faced by the people in two of the towns I represent, I would urge that

this committee indicate its displeasure with the period of time this has taken and support the amendment offered by the gentleman from Maine (Mr. COHEN), and oppose the amendment offered by the gentleman from Washington (Mr. FOLEY).

(By unanimous consent Mr. HOLLAND yielded his time to Mr. UDALL.)

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. YATES).

Mr. YATES. Mr. Chairman, I rise in opposition to the Foley amendment. I think it would be an invitation to chaos. The suits are going to be filed by the Indian people, and they are going to be filed whether the Justice Department files them or not. The question is, how will they be filed; whether they will be filed with some semblance of order or whether they will be cropping up piecemeal all over the country.

I think the Department of Justice serves a very useful purpose in the matter, and I urge defeat of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. WALSH).

Mr. WALSH. Mr. Chairman, I rise in support of the Cohen amendment and in opposition to the Foley amendment. If the Foley amendment goes through, I will have 6,000 claims filed in my district by the 18th of July. Just think what this is going to do to the courts in that area.

Furthermore, Judge Gunter will be making his report sometime this week on the Maine and Massachusetts cases. That will give us some indication of the way the cases are going to go. It is going to be precedent-setting.

Ultimately, the solution is going to come right back to this body. Anyway we look at it, there is going to be a congressional resolution of this problem. I urge support of the Cohen amendment. Give us negotiating time, and do not clutter up the courts with needless actions. I urge its support.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. Mr. Chairman, the Foley amendment would be particularly bad and unwise. It is unwise for the Indians and unfair to them, and particularly unwise for the United States. It ought to be defeated.

The Cohen amendment, which is a simple 2-year extension, in my judgment is not enough. I indicated earlier that while I preferred the 4 years in the committee bill if, as peacemakers, we could settle on 3, that would be agreeable. If both these amendments are defeated, I intend to offer a 3-year extension.

Let me, if I may, put to rest one thing on which I think there is misunderstanding among some of the Members here. The specter is raised in our minds of wholesale Indian filing of claims for lands all over the United States, that Indians are going to claim half of San Antonio, Downtown Chicago, Albuquerque, and everything else. This bill has nothing to do with Indian land claims against the United States. They are largely settled. In the West, the pattern has been fixed, the reservations are set.

Except for a few cases on the eastern seaboard, claims against the United States for wrongfully taking Indian land are largely settled. What this deals with are claims brought by the United States, as trustees for Indians, against third parties.

Members hold up in their hands a long list of claims. A lot of these are simply a mining company or some trader who is trespassing. We can sit down with the trader or the mining company and settle these very readily. Some do not involve much money. If we are given a little time in negotiation and put the Department of the Interior to work doing its job, we can settle most of them.

The CHAIRMAN. The Chair recognizes the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Chairman, the arguments have been long; and perhaps some of them have been a little too long. I think the basic issue here is that we must reach a conclusion of the Justice Department's authority to prosecute these pre-1966 claims and bring the statute of limitations to bear. We legislated in 1966 to do this by 1972. In 1972 we extended the statute to do this by 1977. The Foley substitute merely states that for those cases which are referred to the Justice Department by July 18, 1977, we grant 2 more years. For other cases we will let the existing law carry out the congressional intention of 1972 by bringing all these matters to conclusion on July 18, 1977. That is what the substitute does.

I agree with the gentleman from New York (Mr. WALSH) that the many complex issues must be resolved eventually by the Congress, but we can make an important start by the adoption of the substitute which I have offered.

The CHAIRMAN. The Chair recognizes the gentleman from Maine (Mr. COHEN).

Mr. COHEN. Mr. Chairman, earlier today we heard the gentleman from California list a few of the suits which are pending, some involving small amounts of money. I wish we would have had this list of cases before us. In Portland, Oreg., for example—I am looking at the first four claims—on behalf of the Umatilla Tribe, there is a claim for $100,000. There is another one for $500,000 for various irrigation districts. There is another one for $50,000 on behalf of the Swinomish Tribe, an oil pipeline traversing reservation, an estimated claim of $100,000. There is another claim by the Swinomish Tribe for $600,000. There are some rather substantial claims that are pending. The only reason I have hesitancy to support the Foley amendment is because what it might do to a State such as South Carolina. What I sought to do with my amendment—as I understand it, there will be a vote on my amendment first and then the Foley amendment, and even a vote in favor of my amendment will not preclude the Foley amendment from being voted on—I have tried to extend the period of time to the 2-year period, not to resolve the 1,500 claims, because I believe fundamentally the Congress has to come up with a comprehensive solution to the Indian claims pending in the Interior Department and do so on a uniform basis. And that is why I offered the amendment so that the Gunter proposal can be submitted to the President and we can act in the House of Representatives.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. DANIELSON) to close debate.

Mr. DANIELSON. Mr. Chairman, I think everything has been said that can be said on these points.

I do not wish to belabor the issues. I do want to point out one thing that should be kept in mind, and that is that in the partial listing of claims to which I referred, some were small, some were large, and some have a dollar value that nobody can estimate at this time.

But many of them are based upon trespass. Most of them are based on trespass, evictment, or unlawful deprivation of the use of property. Nothing in this law is going to be deemed to limit the time for bringing action to establish the title to or the right of possession of real or personal property.

But let us not forget that to establish a claim of trespass one is going to have to establish that the plaintiff has a superior right to the possession of land over that of the person presently in possession. In effect we are trying the title to real property.

Therefore, it will have a terrible, chaotic effect upon the title of real property throughout the land if we do not provide an adequate amount of time in which to resolve these claims.

For that reason, Mr Chairman, I urge the defeat of both amendments.

The CHAIRMAN. All time for debate has expired.

The question is on the amendment offered by the gentleman from Maine (Mr. COHEN) to the committee amendment.

The question was taken; and on a division (demanded by Mr. UDALL) there were—ayes 34, noes 13.

So the amendment to the committee amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington (Mr. FOLEY) as a substitute for the committee amendment, as amended.

The question was taken; and on a division (demanded by Mr. UDALL) there were—ayes 25, noes 34.

Mr. FOLEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment offered as a substitute for the committee amendment, as amended, was rejected.

PARLIAMENTARY INQUIRY

Mr. UDALL. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. UDALL. Mr. Chairman, having adopted the Cohen amendment to the second committee amendment and having rejected the Foley substitute for the committee amendment, would it now be in order for me to offer an amendment to the committee amendment which would provide for a 3-year term rather than the 2-year term as an extension?

The CHAIRMAN. The Chair will state that such an amendment would be in order.

AMENDMENT OFFERED BY MR. UDALL TO THE COMMITTEE AMENDMENT, AS AMENDED

Mr. UDALL. Mr. Chairman, I offer an amendment to the committee amendment, as amended.

The Clerk read as follows:

Amendment offered by Mr. UDALL to the committee amendment, as amended: Page 1, line 7, delete "after December 31, 1981" and insert in lieu thereof "after July 18, 1980".

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona (Mr. UDALL) to the committee amendment, as amended.

The question was taken; and on a division (demanded by Mr. UDALL) there were—ayes 8, noes 39.

So the amendment to the committee amendment, as amended, was rejected.

The CHAIRMAN. The question is on the committee amendment, as amended.

PARLIAMENTARY INQUIRY

Mr. FOLEY. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. FOLEY. Mr. Chairman, are we voting on the second committee amendment, as amended?

The CHAIRMAN. The Chair will state that the gentleman is correct. We are voting on the second committee amendment as amended.

Mr. FOLEY. I thank the Chair.

The CHAIRMAN. The question is on the committee amendment, as amended.

The question was taken; and the Chairman announced that the ayes appeared to have it.

PARLIAMENTARY INQUIRY

Mr. UDALL. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. UDALL. Mr. Chairman, in the event that the pending committee amendment, as amended, now before us were to be rejected, would we be back to the original provisions of the bill, as reported by the Committee on the Judiciary, that is, the 4-year extension?

The CHAIRMAN. The Chair will state that the gentleman is correct; we would be back to the original bill.

Mr. UDALL. Mr. Chairman, I demand a recorded vote on the committee amendment, as amended.

A recorded vote was refused.

So the committee amendment, as amended, was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, lines 8 and 9: Strike "eleven years" and insert "within eleven years after the right of action accrues".

AMENDMENT OFFERED BY MR. DANIELSON TO THE COMMITTEE AMENDMENT AS AMENDED

Mr. DANIELSON. Mr. Chairman, I offer an amendment to the committee amendment as amended.

The Clerk read as follows:

Amendment offered by Mr. DANIELSON to the committee amendment as amended. Page 1, line 10, strike "within eleven years after the right of action accrues", and insert "on or before August 18, 1977".

Mr. DANIELSON. Mr. Chairman, this amendment is of precisely the same nature as committee amendment No. 1. All it does is conform the language of the bill to the language of the existing law, which was changed when the President approved the joint resolution yesterday.

I do not believe there is any controversy about this amendment, and I urge that it be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. DANIELSON) to the committee amendment as amended.

The amendment to the committee amendment as amended was agreed to.

The CHAIRMAN. The question is on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, lines 9 and 10: Strike "twenty one years" and insert "on or before December 31, 1981".

Mr. DANIELSON. Mr. Chairman, I would like to point out that this amendment is precisely of the same nature as the one that has occupied our debate time most of this afternoon. It establishes a cutoff period for tort claims.

The earlier amendment related to contracts, express or implied. There is really no difference in substance, and the only point is that this amendment would extend until December 31, 1981, the limitation on tort claims. I urge its adoption.

AMENDMENT OFFERED BY MR. COHEN TO THE COMMITTEE AMENDMENT

Mr. COHEN. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. COHEN to the committee amendment: On page 2, lines 1 and 2, strike "on or before December 31, 1981" and insert "on or before July 19, 1979".

Mr. COHEN. Mr. Chairman, as I indicated earlier this afternoon, I offered these amendments separately because of the nature of the bill in that it divides the actions up in terms of contracts and torts.

The last amendment, which carried, confined the period of extension of the statute of limitation to 2 years. That was for a contract action.

What I propose to do in this amendment is to accomplish identically the same thing, to confine the tort actions to 2 years.

Mr. Chairman, I would suggest, in view of the debate that has taken place all afternoon, that the arguments have been fully set forth, both pro and con.

Again, Mr. Chairman, this amendment would simply conform this section of the bill dealing with torts to that already adopted on contracts, and I would move the adoption of my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine (Mr. COHEN) to the committee amendment.

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

AMENDMENT OFFERED BY MR. FOLEY AS A SUBSTITUTE FOR THE COMMITTEE AMENDMENT

Mr. FOLEY. Mr. Chairman, I offer an amendment as a substitute for the bill.

Mr. DANIELSON. Mr. Chairman, I reserve a point of order on the amendment.

The Clerk read as follows:

Amendment offered by Mr. FOLEY as a substitute for the committee amendment: Page 1, line 7, strike out "December 31, 1981".

Page 2, line 2, strike out "December 31, 1981" and insert in lieu thereof the following: "July 18, 1979, except that no such action which accrued in accordance with such subsection shall be brought by the Attorney General on the basis of matters referred to him by a Federal agency or department unless such referral was made before July 18, 1977".

POINT OF ORDER

The CHAIRMAN. Does the gentleman from California (Mr. DANIELSON) insist upon his point of order?

Mr. DANIELSON. I do, Mr. Chairman.

I make a point of order against the amendment in that the substitute now offered by the gentleman from Washington, Mr. FOLEY, is in effect, the same, and identical to the so-called Foley substitute which was just debated by the Committee and was rejected. I further object in that there is no new matter involved in it at all. It does not broaden nor does it narrow the thrust of the bill. Therefore it is a matter that has already been acted upon by the Committee and should not be allowed to be debated inasmuch as it is out of order.

The CHAIRMAN. Does the gentleman from Washington (Mr. FOLEY) desire to be heard on the point of order?

Mr. FOLEY. Mr. Chairman, it is the intention of the gentleman from Washington to offer the text of the bill with the following exceptions as a substitute.

The CHAIRMAN (Mr. MURTHA). The Chair will state that the amendment would have to be drafted in that form and in its present form it merely changes the amendments which have already been agreed to by the Committee of the Whole, and the point of order is sustained.

Mr. DANIELSON. I thank the Chairman.

Mr. UDALL. Mr. Chairman, I rise in strong support of the bill, H.R. 5023.

It has become apparent to me from the floor debate when this bill came up under suspension and from general questions being raised that there is considerable confusion and misunderstanding among some Members about the history and provisions of this bill. I would like to set the record straight.

First, this bill does not pertain to Indian claims against the United States nor to the Indian Claims Commission. There is no connection whatsoever.

Second, the Members should know, briefly, the history of the bill.

Prior to 1966, there was no statute of limitation running on claims of the United States against other parties growing out of tort or contract.

In 1966, Congress passed legislation imposing a six year statute of limitation

on tort or contract claims of the United States. Congress felt that, if other parties were bound by a 6-year statute on their tort or contract claims against the United States, the United States should also be so bound.

Not once, during the consideration of that legislation, was the issue of Indian claims against third parties raised and no Indian witnesses were heard. In fact, it is doubtful that Congress even intended that the act would apply to such Indian claims.

In 1971—one year prior to the expiration of the first 6-year period—it was determined that the statute applied to claims of Indians against third parties which the United States, as trustee, had an obligation to bring on behalf of the Indians. The fact that these Indian claims had not been filed prior to 1966 was largely the fault of the United States, as trustee. The fact that the Indians were unaware of the impact of the 1966 act was also largely the fault of the United States, as trustee.

As a consequence, emergency legislation was enacted in 1972 extending the statute of limitations on these Indian claims for 5 years, until July 18, 1977.

During that 5-year period, from 1966 to the present, the Department of the Interior has done little to carry out the intent of Congress in extending the statute on these Indian claims. The Department made little effort to identify potential claims: little effort to assess the legal validity of the claims: little effort to research and prepare the cases: and little effort to file them. As a trustee, they failed in their fiduciary duty.

Third, the Members should understand the nature of the claims involved in this legislation.

As many members know, the United States has a trust responsibility for the resources, assets, and rights of Indian tribes and has a high fiduciary obligation to take all necessary steps to preserve and protect those resources.

If any third party, through tortious conduct or breach of contract, impairs these trust resources, a cause of action arises against these third parties. The United States, having failed in its fiduciary obligation to prevent such damage, has a trust responsibility to initiate litigation to recover damages on behalf of the tribe and prevent further damages.

It is these claims we are talking about here. Claims which arose because the United States initially failed in its fiduciary obligation and claims which will be cut off by the 1966 act because the United States failed to identify and legally pursue the claim.

Fourth, the Members should clearly understand the effect of enactment or failure to enact this legislation.

The Department of the Interior has estimated that there may be up to 1,000 such cases tentatively identified. If the statute is not extended, it is certain that the United States or the Indians will file many premature actions on or before July 18. As protective suits, these actions will be overly broad and will likely name many unnecessary defendants. The disruption these premature suits will cause may be monumental.

As I said, the United States has a fiduciary obligation with respect to these claims. If we fail to extend the statute and the United States fails to file the actions before July 18, the United States, itself, may well become liable to the Indians for the value of the claim.

If we do extend the statute and if we mandate the Secretary of the Interior to expeditiously fulfill his trust responsibility, we will provide a time for negotiated settlement of these claims and can avoid, in large measure, the potential for these law suits to severely disrupt the local economy and society.

Fifth, Mr. Chairman, I want to lay to rest the issue of wholesale, nation-wide Indian land claims. The spectre is being raised about Indians claiming title to vast areas of the United States, such as has occurred in Maine. This is patently ridiculous.

Except for isolated instances on the eastern seaboard—where the States dealt with Indian tribes in violation of the so-called Nonintercourse Act—Indian land titles throughout the country are clear. Through a series of treaties and statutes, the United States has extinguished aboriginal title; opened former Indian lands to white homesteading; and allocated reservations for the Indians.

Finally, Mr. Chairman, I wish to discuss the possible amendments to the bill. I understand that some thought has been given to expanding the scope of the statute to include Indian title to land and to reducing the extension of time.

Mr. Chairman, there is no statute of limitations on claims of the United States based upon its title to lands. To illustrate, I can squat on national park lands, openly and adversely, for 50 years and the United States can always bring an action to evict me and quiet title in itself. While Indian lands are not Federal lands, the fee title to those lands is held by the United States in trust for the Indians. If there is no statute of limitations with respect to lands held by the United States for itself, there should be no statute with respect to lands which it holds in trust for the Indians. I am opposed to any amendment to so expand the scope of the legislation.

In like manner, I am opposed to any amendment to reduce the extension period. While I appreciate the concerns of some of the Members about unduly drawing out these claims, I think that if the Congress will impose a positive burden upon the Department of the Interior and the Department of Justice to wisely use this additional 4½ years, these claims can be disposed of in a timely, orderly manner. As chairman of the Committee on Interior and Insular Affairs, I stand ready to do all I can to insure that such action is taken.

Mr. Chairman, I urge the Members to pass the bill as it has been reported by the Judiciary Committee and I strongly support its enactment.

Amendments follow:

Amendment by Mr. UDALL to the committee amendment: Page 1, line 7, delete "after December 31, 1981" and insert in lieu thereof "after July 18, 1980".

Amendment by Mr. UDALL: In lieu of the amendment offered by the gentleman from Maine (Mr. COHEN) substitute: Page 1, line 7, delete "after December 31, 1981 in their place." and insert "after July 18, 1980 in their place."

The CHAIRMAN. Are there further amendments to the bill? If not, under the rule, the committee rises.

Accordingly the committee rose, and the Speaker having resumed the Chair, Mr. MURTHA, the chairman of the Committee of the Whole House on the State of the Union reported that that committee having had under consideration the bill (H.R. 5023) to amend the statute of limitations provisions in section 2415 of title 28, United States Code, relating to claims by the United States on behalf of Indians, pursuant to House Resolution 642, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros. The question is on the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. ASHBROOK. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ASHBROOK moves to recommit the bill H.R. 5023 to the Committee on the Judiciary.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. FOLEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 331, nays 69, not voting 33, as follows:

[Roll No. 408]

YEAS—331

Abdnor	Beard, R.I.	Brown, Ohio
Addabbo	Bedell	Broyhill
Akaka	Beilenson	Buchanan
Alexander	Benjamin	Burgener
Allen	Bennett	Burke, Calif.
Ambro	Bevill	Burke, Fla.
Ammerman	Biaggi	Burlison, Mo.
Anderson, Calif.	Bingham	Burton, John
	Blanchard	Burton, Phillip
Anderson, Ill.	Blouin	Byron
Andrews, N. Dak.	Boggs	Caputo
	Boland	Carney
Annunzio	Bolling	Carr
Applegate	Bonior	Carter
Armstrong	Bowen	Cederberg
Ashley	Breaux	Chappell
Aspin	Breckinridge	Chisholm
Badillo	Brinkley	Clausen, Don H.
Bafalis	Brodhead	
Baldus	Brooks	Clay
Barnard	Brown, Calif.	Cleveland
Baucus	Brown, Mich.	Cochran

Cohen	Jacobs	Quayle
Co.eman	Jeffords	Quie
Collins, Ill.	Johnson, Calif.	Quillen
Conable	Jones, N.C.	Rahall
Conte	Jones, Okla.	Railsback
Conyers	Jones, Tenn.	Rangel
Corcoran	Kasten	Regula
Corman	Kastenmeier	Reuss
Cornell	Kemp	Rhodes
Cornwell	Keys	Richmond
Cotter	Kildee	Rinaldo
Coughlin	Kindness	Risenhoover
D'Amours	Koch	Rodino
Danielson	Kostmayer	Roe
Davis	Krueger	Rogers
Delaney	LaFalce	Roncalio
Dellums	Lagomarsino	Rooney
Derrick	Latta	Rose
Derwinski	Le Fante	Rostenkowski
Devine	Leach	Roybal
Dickinson	Lederer	Rudd
Diggs	Leggett	Runnels
Downey	Lehman	Russo
Drinan	Lent	Santini
Duncan, Oreg.	Lloyd, Calif.	Sarasin
Duncan, Tenn.	Lloyd, Tenn.	Sawyer
Early	Long, La.	Scheuer
Eckhardt	Long, Md.	Schroeder
Edgar	Lott	Schulze
Edwards, Calif.	Lujan	Selberling
Edwards, Okla.	Luken	Sharp
Eilberg	Lundine	Sikes
Emery	McClory	Simon
English	McCloskey	Sisk
Erlenborn	McDade	Skubitz
Evans, Colo.	McEwen	Slack
Evans, Del.	McFall	Smith, Iowa
Evans, Ga.	McHugh	Smith, Nebr.
Fary	Maguire	Solarz
Fascell	Markey	Spellman
Fenwick	Marks	Spence
Findley	Marlenee	St Germain
Fish	Marriott	Staggers
Fisher	Mathis	Stangeland
Flood	Mattox	Stanton
Florio	Mazzoli	Stark
Flowers	Metcalfe	Steed
Ford, Tenn.	Meyner	Steers
Forsythe	Michel	Steiger
Fountain	Mikulski	Stockman
Fowler	Miller, Calif.	Stokes
Frey	Miller, Ohio	Stratton
Gammage	Mineta	Studds
Gaydos	Minish	Taylor
Gephardt	Mitchell, Md.	Thompson
Giaimo	Mitchell, N.Y.	Thone
Gilman	Moakley	Thornton
Ginn	Moffett	Traxler
Glickman	Mollohan	Treen
Goldwater	Montgomery	Tsongas
Gonzalez	Moore	Tucker
Goodling	Moorhead, Pa.	Udall
Gore	Moss	Van Deerlin
Gradison	Murphy, N.Y.	Vander Jagt
Grassley	Murphy, Pa.	Vanik
Gudger	Myers, Gary	Vento
Guyer	Myers, John	Volkmer
Hagedorn	Myers, Michael	Walgren
Hall	Natcher	Walsh
Hammer-schmidt	Neal	Watkins
	Nedzi	Waxman
Hanley	Nichols	Weiss
Hannaford	Nix	Whalen
Harkin	Nowak	White
Harrington	Oakar	Whitley
Harris	Oberstar	Whitten
Heckler	Ottinger	Wiggins
Hefner	Panetta	Wilson, Bob
Heftel	Patten	Wilson, Tex.
Hillis	Patterson	Winn
Holland	Pattison	Wirth
Hollenbeck	Pease	Wolff
Holtzman	Pepper	Wylie
Horton	Perkins	Yates
Howard	Pettis	Yatron
Hubbard	Pike	Young, Fla.
Huckaby	Pressler	Young, Mo.
Hughes	Preyer	Young, Tex.
Ichord	Price	Zeferetti
Ireland	Pursell	

NAYS—69

Andrews, N.C.	Crane	Harsha
Archer	Cunningham	Hightower
Ashbrook	Daniel, Dan	Holt
AuCoin	Daniel, R. W.	Hyde
Badham	de la Garza	Jenkins
Bauman	Dicks	Kazen
Beard, Tenn.	Dingell	Kelly
Bonker	Dornan	Ketchum
Burleson, Tex.	Edwards, Ala.	Krebs
Butler	Ertel	Levitas
Cavanaugh	Flynt	McCormack
Clawson, Del	Foley	McDonald
Collins, Tex.	Hansen	McKay
Mahon	Pritchard	Symms
Meeds	Roberts	Trible
Milford	Robinson	Waggonner
Moorhead, Calif.	Rousselot	Walker
	Ruppe	Wampler
Mottl	Satterfield	Weaver
Murphy, Ill.	Sebelius	Whitehurst
Murtha	Shuster	Wilson, C. H.
O Brien	Skelton	Wydler
Pickle	Snyder	
Poage	Stump	

NOT VOTING—33

Brademas	Fuqua	Mikva
Broomfield	Gibbons	Nolan
Burke, Mass.	Hamilton	Obey
Dent	Hawkins	Rosenthal
Dodd	Jenrette	Ryan
Evans, Ind.	Johnson, Colo.	Shipley
Fithian	Jordan	Teague
Flippo	McKinney	Ullman
Ford, Mich.	Madigan	Wright
Fraser	Mann	Young, Alaska
Frenzel	Martin	Zablocki

The Clerk announced the following pairs:

Mr. Burke of Massachusetts with Mr. Teague.
Mr. Zablocki with Mr. Frenzel.
Mr. Brademas with Mr. Young of Alaska.
Mr. Shipley with Mr. McKinney.
Mr. Ryan with Mr. Madigan.
Mr. Jenrette with Mr. Martin.
Mr. Hawkins with Mr. Wright.
Mr. Dent with Mr. Ullman.
Mr. Dodd with Mr. Fraser.
Mr. Evans of Indiana with Mr. Nolan.
Mr. Hamilton with Mr. Gibbons.
Mr. Fithian with Ms. Jordan.
Mr. Fuqua with Mr. Rosenthal.
Mr. Obey with Mr. Mikva.
Mr. Ford of Michigan with Mr. Mann.

Mr. MAGUIRE changed his vote from "nay" to "yea."

Messrs. STUMP, KREBS, and PICKLE changed their vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. DANIELSON. Mr. Speaker, pursuant to House Resolution 642, I call up from the Speaker's table the Senate bill (S. 1377) to extend the time for commencing actions on behalf of an Indian tribe, band, or group, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The Clerk read the Senate bill, as follows:

S. 1377

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the third proviso in section 2415(a) of title 28, United States Code, is amended by deleting the words "more than eleven years after the right of action accrued" therein, and substituting the words "after December 31, 1981" in their place.

(b) The proviso in section 2415(b) to title 28, United States Code, is amended by deleting the words "within eleven years after the right of action accrues" therein, and substituting the words "on or before December 31, 1981" in their place.

AMENDMENT OFFERED BY MR. DANIELSON

Mr. DANIELSON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DANIELSON: Strike out all after the enacting clause of S. 1377 and insert in lieu thereof the text of H.R. 5023, as passed. * * *

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 5023) was laid on the table.

GENERAL LEAVE

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 5023, just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON S. 1474

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the Senate bill (S. 1474), military construction funds authorization, 1978.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CONFERENCE REPORT (H. REPT. 95-494)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1474) to authorize certain construction at military installations, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: That this Act may be cited as the "Military Construction Authorization Act, 1978".

TITLE I—ARMY

SEC. 101. The Secretary of the Army may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

INSIDE THE UNITED STATES

UNITED STATES ARMY FORCES COMMAND

Fort Bragg, North Carolina, $15,976,000.
Fort Campbell, Kentucky, $553,000.
Fort Carson, Colorado, $1,924,000.
Fort Hood, Texas, $13,142,000.
Fort Lewis, Washington, $985,000.
Fort Meade, Maryland, $3,168,000.
Fort Ord, California, $4,149,000.
Presidio of San Francisco, California, $500,000.
Fort Polk, Louisiana, $48,720,000.
Fort Richardson, Alaska, $1,990,000.
Fort Riley, Kansas, $531,000.
Fort Sam Houston, Texas, $10,000,000.
Schofield Barracks, Hawaii, $10,189,000.
Fort Stewart/Hunter Army Air Field, Georgia, $10,991,000.
Fort Wainwright, Alaska, $6,985,000.

UNITED STATES ARMY TRAINING AND DOCTRINE COMMAND

Fort Belvoir, Virginia, $5,503,000.
Fort Benjamin Harrison, Indiana, $1,796,000.

Fort Benning, Georgia, $24,132,000.
Fort Bliss, Texas, $1,881,000.
Fort A. P. Hill, Virginia, $423,000.
Fort Jackson, South Carolina, $366,000.
Fort Knox, Kentucky, $15,541,000.
Fort Lee, Virginia, $313,000.
Fort McClellan, Alabama, $1,805,000.
Fort Rucker, Alabama, $1,250,000.
Fort Sill, Oklahoma, $1,100,000.

UNITED STATES ARMY MATERIEL DEVELOPMENT AND READINESS COMMAND

Aberdeen Proving Ground, Maryland, $8,458,000.
Anniston Army Depot, Alabama, $6,484,000.
Badger Army Ammunition Plant, Wisconsin, $688,000.
Corpus Christi Army Depot, Texas, $7,583,000.
Detroit Arsenal, Michigan, $228,000.
Harry Diamond Laboratory, Maryland, $1,305,000.
Indiana Army Ammunition Plant, Indiana, $1,004,000.
Iowa Army Ammunition Plant, Iowa, $708,000.
Letterkenny Army Depot, Pennsylvania, $310,000.
Lexington Blue-Grass Army Depot, Kentucky, $1,827,000.
Lone Star Army Ammunition Plant, Texas, $816,000.
Picatinny Arsenal, New Jersey, $9,593,000.
Pine Bluff Arsenal, Arkansas, $4,439,000.
Pueblo Army Depot, Colorado, $3,011,000.
Red River Army Depot, Texas, $1,193,000.
Redstone Arsenal, Alabama, $962,000.
Rock Island Arsenal, Illinois, $6,384,000.
Tooele Army Depot, Utah, $17,415,000.
Umatilla Army Depot, Oregon, $2,921,000.
White Sands Missile Range, New Mexico, $866,000.

AMMUNITION FACILITIES

Holston Army Ammunition Plant, Tennessee, $4,616,000.
Indiana Army Ammunition Plant, Indiana, $1,009,000.
Iowa Army Ammunition Plant, Iowa, $11,192,000.
Longhorn Army Ammunition Plant, Texas, $555,000.
Louisiana Army Ammunition Plant, Louisiana, $4,345,000.
Milan Army Ammunition Plant, Tennessee, $10,467,000.
Mississippi Army Ammunition Plant, Mississippi, $136,000,000.
Radford Army Ammunition Plant, Virginia, $203,000.
Riverbank Army Ammunition Plant, California, $584,000.
Volunteer Army Ammunition Plant, Tennessee, $597,000.
Unspecified location, $334,710,000.

UNITED STATES ARMY COMMUNICATIONS COMMAND

Fort Huachuca, Arizona, $1,279,000.

UNITED STATES MILITARY ACADEMY

United States Military Academy, West Point, New York, $3,047,000.

UNITED STATES ARMY HEALTH SERVICES COMMAND

Walter Reed Army Medical Center, District of Columbia, $2,089,000.

MILITARY TRAFFIC MANAGEMENT COMMAND

Bayonne Military Ocean Terminal, New Jersey, $442,000.
Sunny Point Military Ocean Terminal, North Carolina, $631,000.

UNITED STATES ARMY INTELLIGENCE AND SECURITY COMMAND

Vint Hill Farms, Virginia, $960,000.

NUCLEAR WEAPONS SECURITY

Various locations, $7,764,000.

OUTSIDE THE UNITED STATES

UNITED STATES ARMY FORCES COMMAND

Panama Area, Canal Zone, $2,384,000.

UNITED STATES ARMY, JAPAN

Various locations, $3,698,000.

KWAJALEIN MISSILE RANGE

National Missile Range, $2,603,000.

UNITED STATES ARMY INTELLIGENCE AND SECURITY COMMAND

Various locations, $1,331,000.

UNITED STATES ARMY, EUROPE

Germany, Various locations, $175,115,000, including funds for the completion of the medical/dental clinic, Building 504, Pendleton Barracks, Giessen.

Italy, Various locations, $3,770,000.

Various locations: For the United States share of the cost of multilateral programs for the acquisition or construction of military facilities and installations, including international military headquarters, for the collective defense of the North Atlantic Treaty Area, $85,000,000. Within thirty days after the end of each quarter, the Secretary of the Army shall furnish to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives a description of obligations incurred as the United States share of such multilateral programs.

NUCLEAR WEAPONS SECURITY

Various locations, $6,800,000.

EMERGENCY CONSTRUCTION

SEC. 102. The Secretary of the Army may establish or develop Army installations and facilities by proceeding with construction made necessary by changes in Army missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, or (4) improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistnt with interests of national security and, in connection therewith, may acquire permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $20,000,000. The Secretary of the Army, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire upon the date of enactment of the Military Construction Authorization Act for fiscal year 1979 except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

TITLE II—NAVY

SEC. 201. The Secretary of the Navy may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

INSIDE THE UNITED STATES

TRIDENT FACILITIES

Various locations, $106,910,000.

MARINE CORPS

Marine Corps Supply Center, Albany, Georgia, $650,000.
Marine Corps Air Station, Beaufort, South Carolina, $1,100,000.
Marine Corps Base, Camp Lejeune, North Carolina, $13,400,000.
Marine Corps Base, Camp Pendleton, California, $6,530,000.
Marine Corps Air Station, Cherry Point, North Carolina, $4,500,000.
Marine Corps Air Station, El Toro, California, $600,000.
Marine Corps Air Station, Kaneohe Bay, Hawaii, $160,000.
Marine Corps Recruit Depot, Parris Island, South Carolina, $4,250,000.
Marine Corps Recruit Depot, San Diego, California, $1,200,000.
Marine Corps Base, Twentynine Palms, California, $11,965,000.

CHIEF OF NAVAL OPERATIONS

Naval Academy, Annapolis, Maryland, $365,000.
Naval Observatory, Flagstaff, Arizona, $80,000.
Commander in Chief Pacific, Headquarters, Pearl Harbor, Hawaii, $4,200,000.
Naval Support Activity, Mare Island, Vallejo, California, $2,900,000.
Naval District Headquarters, Washington, District of Columbia, $850,000.

COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Air Station, Brunswick, Maine, $1,400,000.
Naval Air Station, Cecil Field, Florida, $90,000.
Naval Station, Charleston, South Carolina, $180,000.
Fleet Combat Direction Systems Training Center, Dam Neck, Virginia, $400,000.
Naval Amphibious Base, Little Creek, Virginia, $1,850,000.
Naval Station, Mayport, Florida, $90,000.
Naval Submarine Base, New London, Connecticut, $3,570,000.
Flag Administrative Unit Atlantic, Norfolk, Virginia, $90,000.
Fleet Intelligence Center Europe and Atlantic, Norfolk, Virginia, $1,137,000.
Naval Air Station, Norfolk, Virginia, $14,350,000.
Naval Station, Norfolk, Virginia, $4,340,000.
Naval Air Station, Oceana, Virginia, $640,000.

COMMANDER IN CHIEF, PACIFIC FLEET

Naval Station, Adak, Alaska, $11,000,000.
Naval Air Station, Barbers Point, Hawaii, $7,197,000.
Naval Amphibious Base, Coronado, California, $130,000.
Naval Air Station, Miramar, California, $1,330,000.
Naval Air Station, Moffett Field, California, $810,000.
Naval Air Station, North Island, California, $6,000,000.
Commander Oceanographic System, Pacific, Pearl Harbor, Hawaii, $7,400,000.
Naval Station, Pearl Harbor, Hawaii, $4,050,000.
Naval Submarine Base, Pearl Harbor, Hawaii, $2,090,000.
Naval Submarine Support Facility, San Diego, California, $1,670,000.
Naval Air Station, Whidbey Island, Washington, $900,000.

CHIEF OF NAVAL EDUCATION AND TRAINING

Naval Air Station, Kingsville, Texas, $550,000.
Naval Education and Training Center, Newport, Rhode Island, $270,000.
Armed Forces Staff College, Norfolk, Virginia, $160,000.
Naval Training Center, Orlando, Florida, $200,000.
Naval Amphibious School, Coronado, San Diego, California, $3,450,000.
Naval Submarine Training Center, Pearl Harbor, Hawaii, $410,000.
Naval Technical Training Center, Pensacola, Florida, $2,400,000.

BUREAU OF MEDICINE AND SURGERY

Naval Regional Medical Center, Bremerton, Washington, $1,450,000.
Naval Regional Medical Center, Norfolk, Virginia, $600,000.

CHIEF OF NAVAL MATERIAL

Naval Ship Research and Development Center, Annapolis, Maryland, $280,000.

Naval Ship Research and Development Center, Bethesda, Maryland, $200,000.

Puget Sound Naval Shipyard, Bremerton, Washington, $11,600,000.

Polaris Missile Facility Atlantic, Charleston, South Carolina, $18,150,000.

Charleston Naval Shipyard, Charleston, South Carolina, $14,376,000.

Naval Weapons Station, Charleston, South Carolina, $850,000.

Naval Air Rework, Facility, Cherry Point, North Carolina, $360,000.

Naval Weapons Center, China Lake, California, $900,000.

Naval Weapons Station, Concord, California, $1,350,000.

Navy Public Works Center, Great Lakes, Illinois, $850,000.

Naval Avionics Facility, Indianapolis, Indiana, $90,000.

Naval Ordnance Station, Indian Head, Maryland, $180,000.

Naval Air Rework Facility, Jacksonville, Florida, $1,200,000.

Naval Torpedo Station, Keyport, Washington, $3,540,000.

Portsmouth Naval Shipyard, Kittery, Maine, $10,030,000.

Naval Air Station, Lakehurst, New Jersey, $160,000.

Long Beach Naval Shipyard, Long Beach, California, $9,020,000.

Naval Underwater Systems Center, New London, Connecticut, $950,000.

Naval Air Rework Facility, Norfolk, Virginia, $390,000.

Naval Supply Center, Norfolk, Virginia, $1,200,000.

Navy Public Works Center, Norfolk, Virginia, $4,150,000.

Naval Air Test Center, Patuxent River, Maryland, $5,289,000.

Naval Supply Center, Pearl Harbor, Hawaii, $13,400,000.

Pearl Harbor Naval Shipyard, Pearl Harbor, Hawaii, $1,080,000.

Navy Public Works Center, Pearl Harbor, Hawaii, $3,000,000.

Navy Public Works Center, Pensacola, Florida, $1,250,000.

Philadelphia Naval Shipyard, Philadelphia, Pennsylvania, $17,500,000.

Pacific Missile Test Center, Point Mugu, California, $80,000.

Naval Construction Battalion Center, Port Hueneme, California, $2,510,000.

Norfolk Naval Shipyard, Portsmouth, Virginia, $100,000.

Naval Undersea Center, San Diego, California, $250,000.

Navy Public Works Center, San Francisco, California, $480,000.

Naval Air Propulsion Test Center, Trenton, New Jersey, $240,000.

Mare Island Naval Shipyard, Vallejo, California, $24,100,000.

Naval Research Laboratory, Washington, District of Columbia, $330,000.

Naval Surface Weapons Center, White Oak, Maryland, $280,000.

Naval Weapons Station, Yorktown, Virginia, $5,800,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Department, Adak, Alaska, $2,350,000.

Naval Security Group Detachment, Sugar Grove, West Virginia, $900,000.

Naval Security Station, Washington, District of Columbia, $90,000.

NUCLEAR WEAPONS SECURITY

Various locations, $20,658,000.

OUTSIDE THE UNITED STATES

CHIEF OF NAVAL OPERATIONS

Naval Support Facility, Diego Garcia, Indian Ocean, $7,300,000.

COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Facility, Antigua, British West Indies, $180,000.

Naval Station, Keflavik, Iceland, $161,000.

Naval Station, Roosevelt Roads, Puerto Rico, $320,000.

COMMANDER IN CHIEF, PACIFIC FLEET

Navy Public Works Center, Guam, $2,800,000.

Navy Fleet Activities, Yokosuka, Japan, $1,850,000.

NAVAL FORCES EUROPE

Naval Air Facility, Sigonella, Italy, $4,300,000.

BUREAU OF MEDICINE AND SURGERY

Naval Regional Medical Clinic, Pearl Harbor, Midway Island Detachment, $4,350,000.

NAVAL TELECOMMUNICATIONS COMMAND

Naval Communication Area Master Station, Naples, Italy, $1,700,000.

Naval Communications Unit, Thurso, Scotland, $350,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Department, Rota, Spain, $2,400,000.

EMERGENCY CONSTRUCTION

SEC. 202. (a) The Secretary of the Navy may establish or develop Navy installations and facilities by proceeding with construction made necessary by changes in Navy missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, or (4) improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $20,000,000. The Secretary of the Navy, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire upon the date of enactment of the Military Construction Authorization Act for fiscal year 1979 except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

(b) The Secretary of the Navy may use the authority contained in subsection (a) to provide the necessary facilities at King's Bay, Georgia, or at such other site as he may determine, to accommodate the submarine squadron currently stationed in Rota, Spain. Funds may not be expended for such purpose until the Secretary of the Navy has completed a site selection study and has publicly announced his final site decision.

(c) The third sentence of section 202 of the Military Construction Authorization Act, 1977 (Public Law 94–431; 90 Stat. 1355), is amended by striking out "fiscal year 1978" and inserting in lieu thereof "fiscal year 1979".

REPLACEMENT OF LEASED FACILITIES, SAN DIEGO, CALIFORNIA

SEC. 203. (a) The Secretary of the Navy is authorized to construct recreational facilities at the Naval Station, San Diego, California, to replace existing recreational facilities at the present Navy Athletic Field at such naval station, but such construction may not be carried out until the Secretary enters into an agreement with the San Diego Unified Port District, the current holder of the lessor interest of the City of San Diego in such Navy Athletic Field (held by the Secretary of the Navy under a lease from the City of San Diego dated August 9, 1949), which provides (1) that the San Diego Unified Port District shall pay, at such time or times and in such manner as may be prescribed in such agreement, the total cost of such construction, and (2) that the Secretary of the Navy agrees to termination of the interest of the United States in the lease and abandonment of the existing facilities of the United States on the leasehold.

(b) Any agreement under subsection (a) shall specify that such lease shall not be terminated, and the Secretary of the Navy shall not be required to relinquish use of any part of the leasehold, until—

(1) the Secretary determines that the recreational facilities constructed under such subsection are satisfactory replacements for the facilities on the existing Navy Athletic Field and that such facilities are available for use; and

(2) the amount required under such agreement to be paid by the San Diego Unified Port District has been paid in full.

TRANSFER OF AUTHORIZATION—JACKSONVILLE, FLORIDA

SEC. 204. The Secretary of the Navy may utilize $2,950,000 of the authorization for the Naval Air Station, Jacksonville, Florida, in section 201 of the Military Construction Authorization Act, 1977 (Public Law 94–431; 90 Stat. 1352), for construction of steam and condensate systems at such naval air station.

TRANSFER OF AUTHORIZATION—BETHESDA, MARYLAND

SEC. 205. The Secretary of the Navy may utilize $8,000,000 of the authorization for the National Naval Medical Center, Bethesda, Maryland, in section 201 of the Military Construction Authorization Act, 1976 (Public Law 94–107; 89 Stat. 550), for construction of a south parking structure for the 500-bed replacement hospital at such medical center.

TITLE III—AIR FORCE

SEC. 301. The Secretary of the Air Force may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

INSIDE THE UNITED STATES

AEROSPACE DEFENSE COMMAND

Kingsley Field, Oregon, $115,000.

Peterson Air Force Base, Colorado, $773,000.

Tyndall Air Force Base, Florida, $4,550,000.

AIR FORCE LOGISTICS COMMAND

Hill Air Force Base, Utah, $23,020,000.

Kelly Air Force Base, Texas, $9,878,000.

McClellan Air Force Base, California, $4,086,000.

Newark Air Force Station, Ohio, $2,080,000.

Robins Air Force Base, Georgia, $11,884,000.

Tinker Air Force Base, Oklahoma, $12,894,000.

Wright Patterson Air Force Base, Ohio, $7,274,000.

AIR FORCE SYSTEMS COMMAND

Arnold Engineering Development Center, Tennessee, $1,280,000.

Brooks Air Force Base, Texas, $550,000.

Buckley Air National Guard Base, Colorado, $1,100,000.

Edwards Air Force Base, California, $13,532,000.

Eglin Air Force Base, Florida, $16,485,000.

Los Angeles Air Force Station, California, $500,000.

Patrick Air Force Base, Florida, $300,000.

Various locations, $2,826,000.

AIR TRAINING COMMAND

Chanute Air Force Base, Illinois, $8,026,000.
Columbus Air Force Base, Mississippi, $1,183,000.
Keesler Air Force Base, Mississippi, $850,000.
Lackland Air Force Base, Texas, $4,700,000.
Lowry Air Force Base, Colorado, $5,188,000.
Mather Air Force Base, California, $115,000.
Randolph Air Force Base, Texas, $425,000.
Sheppard Air Force Base, Texas, $980,000.
Williams Air Force Base, Arizona, $679,000.

AIR UNIVERSITY

Gunter Air Force Base, Alabama, $248,000.

ALASKAN AIR COMMAND

Eielson Air Force Base, Alaska, $297,000.
Elmendorf Air Force Base, Alaska, $5,042,000.
King Salmon Airport, Alaska, $631,000.
Shemya Air Force Base, Alaska, $3, 947,000.

MILITARY AIRLIFT COMMAND

Altus Air Force Base, Oklahoma, $805,000.
Andrews Air Force Base, Maryland, $3,626,000.
Bolling Air Force Base, District of Columbia, $133,000.
Dover Air Force Base, Delaware, $165,000.
Little Rock Air Force Base, Arkansas, $573,000.
McChord Air Force Base, Washington, $1,141,000.
McGuire Air Force Base, New Jersey, $640,000.
Norton Air Force Base, California, $874,000.
Pope Air Force Base, North Carolina, $1,069,000.
Travis Air Force Base, California, $9,980,000.

PACIFIC AIR FORCE

Hickam Air Force Base, Hawaii, $2,140,000.

STRATEGIC AIR COMMAND

Barksdale Air Force Base, Louisiana, $2,253,000.
Beale Air Force Base, California, $409,000.
Carswell Air Force Base, Texas, $400,000.
Castle Air Force Base, California, $884,000.
Dyess Air Force Base, Texas, $672,000.
Ellsworth Air Force Base, South Dakota, $375,000.
Griffiss Air Force Base, New York, $645,000.
Grissom Air Force Base, Indiana, $6,300,000.
March Air Force Base, California, $1,387,000.
McConnell Air Force Base, Kansas, $216,000.
Offutt Air Force Base, Nebraska, $1,364,000.
Pease Air Force Base, New Hampshire, $910,000.
Plattsburgh Air Force Base, New York, $518,000.
Rickenbacker Air Force Base, Ohio, $137,000.
Vandenberg Air Force Base, California, $2,193,000.

TACTICAL AIR COMMAND

Bergstrom Air Force Base, Texas, $874,000.
Cannon Air Force Base, New Mexico, $937,000.
Davis Monthan Air Force Base, Arizona, $262,000.
England Air Force Base, Louisiana, $585,000.
George Air Force Base, California, $3,073,000.
Holloman Air Force Base, New Mexico, $2,377,000.
Homestead Air Force Base, Florida, $90,000.
Langley Air Force Base, Virginia, $5,202,000.
Luke Air Force Base, Arizona, $9,242,000.
MacDill Air Force Base, Florida, $2,420,000.
Moody Air Force Base, Georgia, $5,555,000.
Mountain Home Air Force Base, Idaho, $195,000.
Myrtle Beach Air Force Base, South Carolina, $718,000.
Nellis Air Force Base, Nevada, $5,180,000.
Seymour-Johnson Air Force Base, North Carolina, $3,816,000.
Shaw Air Force Base, South Carolina, $763,000.

UNITED STATES AIR FORCE ACADEMY

United States Air Force Academy, Colorado, $1,872,000.

NUCLEAR WEAPONS SECURITY

Various locations, $44,298,000.

OUTSIDE THE UNITED STATES

AEROSPACE DEFENSE COMMAND

Sondrestrom Air Base, Greenland, $310,000.
Thule Air Base, Greenland, $350,000.

PACIFIC AIR FORCES

Kadena Air Base, Japan, $2,372,000.
Osan Air Base, Korea, $1,255,000.
Yokota Air Base, Japan, $2,448,000.

STRATEGIC AIR COMMAND

Andersen Air Force Base, Guam, $1,905,000.

UNITED STATES AIR FORCES IN EUROPE

Germany, $16,417,000.
United Kingdom, $11,730,000.
Various locations, $97,905,000.

UNITED STATES AIR FORCE SECURITY SERVICE

Misawa Air Base, Japan, $732,000.

NUCLEAR WEAPONS SECURITY

Various locations, $10,162,000.

SPECIAL FACILITIES

Various locations, $2,356,000.

EMERGENCY CONSTRUCTION

SEC. 302. The Secretary of the Air Force may establish or develop Air Force installations and facilities by proceeding with construction made necessary by changes in Air Force missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new unforeseen research and development requirements, or (4) improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $20,000,000. The Secretary of the Air Force, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire upon the date of enactment of the Military Construction Authorization Act for fiscal year 1979 except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

TITLE IV—DEFENSE AGENCIES

SEC. 401. The Secretary of Defense may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for defense agencies for the following acquisition or construction:

INSIDE THE UNITED STATES

NATIONAL SECURITY AGENCY

Fort George G. Meade, Maryland, $650,000.

DEFENSE SYSTEMS MANAGEMENT COLLEGE

Fort Belvoir, Virginia, $1,810,000.

HIGH ENERGY LASER FACILITY

White Sands, New Mexico, $33,449,000.

EMERGENCY CONSTRUCTION

SEC. 402. (a) The Secretary of Defense may establish or develop installations and facilities which he determines to be vital to the security of the United States and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $20,000,000. The Secretary of Defense, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public works undertaken under this section, including real estate actions pertaining thereto.

(b) Any authorization, or any part of any authorization, for emergency construction in any prior Military Construction Authorization Act which permits the Secretary of Defense to establish or develop military installations and facilities which he determines to be vital to the security of the United States for which funds have not been appropriated before the date of enactment of this Act is repealed.

TITLE V—MILITARY FAMILY HOUSING AND HOMEOWNERS ASSISTANCE PROGRAM

AUTHORIZATION TO CONSTRUCT OR ACQUIRE HOUSING

SEC. 501. (a) The Secretary of Defense, or his designee, is authorized to construct or acquire sole interest in existing family housing units in the numbers and at the locations hereinafter named, but no family housing construction shall be commenced at any such location in the United States until the Secretary shall have consulted with the Secretary of Housing and Urban Development as to the availability of suitable private housing at such location. If agreement cannot be reached with respect to the availability of suitable private housing at any location, the Secretary of Defense shall notify the Committees on Armed Services of the Senate and the House of Representatives, in writing, of such difference of opinion, and no contract for construction at such location shall be entered into for a period of thirty days after such notification has been given. This authority shall include the authority to acquire land, and interests in land, by gift, purchase, exchange of Government-owned land, or otherwise.

(b) With respect to the family housing units authorized to be constructed by this section, the Secretary of Defense is authorized to acquire sole interest in privately owned or Department of Housing and Urban Development held family housing units in lieu of constructing all or a portion of the family housing authorized by this section, if he, or his designee, determines such action to be in the best interests of the United States, but any family housing units acquired under authority of this subsection shall not exceed the cost limitations specified in this section for the project nor the limitations on size specified in section 2684 of title 10, United States Code. In no case may family housing units be acquired under this subsection through the exercise of eminent domain authority, and in no case may family housing units other than those authorized by this section be acquired in lieu of construction unless the acquisition of such units is hereafter specifically authorized by law.

(c) Family housing units:

Fort Polk, Louisiana, one hundred units, $3,545,000.

Naval Complex, Adak, Alaska, one hundred units, $8,500,000.

Portsmouth Naval Complex, Kittery, Maine, two hundred units, $8,086,000.

Naval Security Group Activity, Winter Harbor, Maine, thirty-two units, $1,450,000.

Naval Complex, Bremerton, Washington, five hundred twenty units, $24,602,000.

Defense Attache Office, Quito, Ecuador, two units, $105,000.

Defense Attache Office, Wellington, New Zealand, two units, $88,000.

(d) Any of the amounts specified in this section may, at the discretion of the Secretary of Defense, or his designee, be increased by 10 per centum, if he determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress. The amounts authorized include the costs of shades, screens, ranges, refrigerators, and all other installed equipment and fixtures, the cost of the family housing unit, design, supervision, inspection, overhead, land acquisition, site preparation, and installation of utilities.

IMPROVEMENT OF EXISTING FACILITIES

SEC. 502. The Secretary of Defense, or his designee, is authorized to accomplish alterations, additions, expansions, or extensions, not otherwise authorized by law, to existing public quarters at a cost not to exceed—

(1) for the Department of the Army, $20,891,000, of which $223,000 shall be available only for energy conservation projects;

(2) for the Department of the Navy, $10,353,000, of which $3,500,000 shall be available only for energy conservation projects; and

(3) for the Department of the Air Force, $15,022,000, of which $485,000 shall be available only for energy conservation projects.

EXCEPTIONS TO IMPROVEMENT LIMITATION

SEC. 503. The Secretary of Defense, or his designee, within the amounts specified in section 502, is authorized to accomplish repairs and improvements to existing public quarters in amounts in excess of the $15,000 limitation prescribed in section 610(a) of the Military Construction Authorization Act, 1968 (Public Law 90–110; 81 Stat. 305), as follows:

Fort Bliss, Texas, one unit, $50,000.

Marine Corps Development and Education Command, Quantico, Virginia, thirty-three units, $739,880.

LEASED QUARTERS

SEC. 504. (a)(1) Chapter 159 of title 10, United States Code, relating to real property, is amended by adding at the end thereof the following new section:

"§ 2686. LEASES: MILITARY FAMILY HOUSING

"(a) The Secretaries of the military departments are authorized to lease housing facilities for assignment as public quarters to military personnel and their dependents, without rental charge, at or near any military installation in the United States, Puerto Rico, or Guam, if the Secretary of Defense, or his designee, finds that there is a lack of adequate housing at or near such military installation and that—

"(1) there has been a recent substantial increase in military strength and such increase is temporary,

"(2) the permanent military strength is to be substantially reduced in the near future,

"(3) the number of military personnel assigned is so small as to make the construction of family housing uneconomical,

"(4) family housing is required for personnel attending service school academic courses on permanent change of station orders, or

"(5) family housing has been authorized but is not yet completed or a family housing authorization request is in a pending military construction authorization bill.

"(b) Housing facilities may be leased under subsection (a) on an individual unit basis, and not more than ten thousand such units may be so leased at any one time.

"(c) Expenditures for the rental of such housing facilities, including the cost of utilities and maintenance and operation of such facilities, may not exceed—

"(1) for housing facilities in the United States (other than Alaska, Hawaii, and Guam) and Puerto Rico, (A) an average of $280 per month for each military department, or (B) $450 per month for any one unit; and

"(2) for housing facilities in Alaska, Hawaii, and Guam, (A) an average of $350 per month for each military department, or (B) $450 per month for any one unit."

(2) The table of sections at the beginning of chapter 159 of title 10, United States Code, is amended by adding at the end thereof the following new item:

"2686. Leases: military family housing.".

(b) Section 515 of Public Law 84–161, approved July 15, 1955 (10 U.S.C. 2674 note), is repealed.

(c) The amendments made by subsection (a) and the repeal made by subsection (b) shall take effect October 1, 1977.

LEASES FOR FAMILY HOUSING FACILITIES IN FOREIGN COUNTRIES

SEC. 505. (a) Section 2675 of title 10, United States Code, is amended—

(1) by striking out the period at the end of subsection (a) and inserting in lieu thereof ", except that a lease under this section for military family housing facilities and real property relating thereto may be for a period of more than five years but may not be for a period of more than ten years.";

(2) by inserting after "under this section" in subsection (b) the following: "or any other provision of law for structures, family housing facilities, or related real property in any foreign country"; and

(3) by adding at the end thereof the following new subsection:

"(d)(1) The average unit rental for Department of Defense family housing acquired by lease in foreign countries may not exceed $435 per month for the Department, and in no event shall the rental for any one unit exceed $760 per month, including the costs of operation, maintenance, and limitations specified in the first sentence of this paragraph with respect to not more than 150 such units if such units are leased for incumbents of special positions or for personnel assigned to Defense Attaché Offices or are leased in countries where excessive cost of housing would cause undue hardship on Department of Defense personnel.

"(2) Not more than 15,000 family housing units may be leased in foreign countries at any one time.".

(b) Section 507(b) of the Military Construction Authorization Act, 1974 (87 Stat. 676), is repealed.

(c) The amendments made by subsection (a) and the repeal made by subsection (b) shall take effect October 1, 1977.

ENERGY CONSUMPTION METERING DEVICES

SEC. 506. (a) The Secretary of Defense is authorized to accomplish the installation of energy consumption metering devices on military family housing facilities in existence or authorized before the date of enactment of this Act at a cost not to exceed—

(1) for the Department of the Army, $16,000,000;

(2) for the Department of the Navy, $24,000,000; and

(3) for the Department of the Air Force, $30,000,000.

(b) In addition to all other authorized variations of cost limitations contained in this Act and prior Military Construction Authorization Acts, the Secretary of Defense may permit increases in such cost limitations by such amounts as may be necessary to install energy consumption metering devices on military family housing facilities as authorized by subsection (a).

(c) This section shall apply with respect to any military family housing facility in any State, the District of Columbia, the Commonwealth of Puerto Rico, or Guam.

EXCESS ENERGY CONSUMPTION CHARGES

SEC. 507. (a) In order to accomplish energy conservation, the Secretary of Defense shall, under such regulations as he may prescribe—

(1) establish a reasonable ceiling for the consumption of energy in any military family housing facility equipped with an appropriate energy consumption metering device; and

(2) access the member of the Armed Forces who is the occupant of such facility a charge, at rates to be determined by the Secretary of Defense, for any energy consumption metered at such facility in excess of the ceiling established for such facility pursuant to paragraph (1).

(b) Any proceeds from excess consumption charges under subsection (a) shall be deposited in the Department of Defense family housing management account established by section 501(a) of the Act entitled "An Act to authorize certain construction at military installations, and for other purposes", approved July 27, 1962 (42 U.S.C. 1594a–1(a)).

(c) This section shall apply with respect to any military family housing facility in any State, the District of Columbia, the Commonwealth of Puerto Rico, or Guam.

(d) The provisions of subsection (a)(2) shall not be implemented until—

(1) the Secretary of Defense conducts a test program to determine the feasibility of assessing occupants of military family housing charges for excess energy consumption;

(2) the Secretary of Defense provides the written results of such test program, together with proposed regulations implementing this section, to the Committees on Armed Services and Appropriations of the Senate and the House of Representatives; and

(3) a period of 90 days expires following the date on which the results referred to in clause (2) have been submitted to such committees.

APPROPRIATIONS LIMITATIONS

SEC. 508. There is authorized to be appropriated for use by the Secretary of Defense, or his designee, for military family housing and homeowners assistance as authorized by law for the following purposes:

(1) For construction of, or acquisition of sole interest in, family housing, including demolition, authorized improvements to public quarters, minor construction, relocation of family housing, rental guarantee payments, and planning, an amount not to exceed $65,200,000.

(2) For support of military family housing, including operating expenses, leasing, maintenance of real property, payments of principal and interest on mortage debts incurred, payment to the Commodity Credit Corporation, and mortgage insurance premiums authorized under section 222 of the National Housing Act (12 U.S.C. 1715m), an amount not to exceed $1,441,440,000.

(3) For homeowners assistance under section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374), including acquisition of properties, an amount not to exceed $3,000,000.

(4) For procurement and installation of energy consumption measuring devices, an amount not to exceed $70,000,000.

TITLE VI—GENERAL PROVISIONS

WAIVER OF RESTRICTIONS

SEC. 601. The Secretary of each military department may proceed to establish or develop installations and facilities under this Act without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land, and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

APPROPRIATIONS LIMITATIONS

SEC. 602. There are authorized to be appropriated such sums as may be necessary for the purposes of this Act, but appropriations for public works projects authorized by titles I, II, III, IV, and V, shall not exceed—

(1) for title I: inside the United States, $780,598,000; outside the United States, $280,701,000; or a total of $1,061,299,000;

(2) for title II: inside the United States, $427,943,000; outside the United States, $25,711,000; or a total of $453,654,000;

(3) for title III: inside the United States, $273,307,000; outside the United States, $147,942,000; or a total of $421,249,000;

(4) for title IV: a total of $55,909,000; and

(5) for title V: military family housing, a total of $1,579,640,000.

COST VARIATIONS

SEC. 603. (a) Except as provided in subsections (b) and (c), any of the amounts specified in titles I, II, III, and IV of this Act may, at the discretion of the Secretary of the military department or Director of the defense agency concerned, be increased by 5 per centum when inside the United States (other than Hawaii and Alaska), and by 10 per centum when outside the United States or in Hawaii or Alaska, if he determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress.

(b) When the amount authorized for any construction or acquisition in title I, II, III, or IV of this Act involves only one project at any military installation and the Secretary of the military department or Director of the defense agency concerned determines that such amount must be increased by more than the applicable percentage prescribed in subsection (a), he may proceed with such construction or acquisition if the amount of the increase does not exceed by more than 25 per centum the amount authorized for such project.

(c) When the Secretary of Defense determines that any amount authorized in title I, II, III, or IV of this Act must be exceeded by more than the percentages permitted in subsections (a) and (b) to accomplish authorized construction or acquisition, the Secretary of the military department or Director of the defense agency concerned may proceed with such construction or acquisition after a written report of the facts relating to the increase of such amount, including a statement of the reasons for such increase, has been submitted to the Committees on Armed Services of the Senate and House of Representatives, and either (1) thirty days have elapsed from date of submission of such report, or (2) both committees have indicated approval of such construction or acquisition. Notwithstanding the provisions in prior Military Construction Acts, the provisions of this subsection shall apply to such prior Acts.

(d) Notwithstanding the foregoing provisions of this section, the total cost of all construction and acquisition in each such title may not exceed the total amount authorized to be appropriated in that title.

(e) No individual project authorized under title I, II, III, or IV of this Act for any specifically listed military installation for which the current working estimate is $400,000 or more may be placed under contract if—

(1) the approved scope of the project is reduced in excess of 25 per centum; or

(2) the current working estimate, based upon bids received, for the construction of such project exceeds by more than 25 per centum the amount authorized for such project by the Congress,

until a written report of the facts relating to the reduced scope or increased cost of such project, including a statement of the reasons for such reduction in scope or increase in cost, has been submitted to the Committees on Armed Services of the Senate and House of Representatives, and either thirty days have elapsed from date of submission of such report or both committees have indicated approval of such reduction in scope or increase in cost, as the case may be.

(f) The Secretary of Defense shall submit an annual report to the Congress identifying each individual project which has been placed under contract in the preceding twelve-month period and with respect to which the then current working estimate of the Department of Defense based upon bids received for such project exceeded the amount authorized by the Congress for that project by more than 25 per centum. The Secretary shall also include in such report each individual project with respect to which the scope was reduced by more than 25 per centum in order to permit contract award within the available authorization for such project. Such report shall include all pertinent cost information for each individual project, including the amount in dollars and percentage by which the current working estimate based on the contract price for the project exceeded the amount authorized for such project by the Congress.

CONSTRUCTION SUPERVISION

SEC. 604. Contracts for construction made by the United States for performance within the United States and its possessions under this Act shall be executed under the jurisdiction and supervision of the Corps of Engineers, Department of the Army, the Naval Facilities Engineering Command, Department of the Navy, or such other department or Government agency as the Secretaries of the military departments recommend and the Secretary of Defense approves to assure the most efficient, expeditious, and cost-effective accomplishment of the construction herein authorized. The Secretaries of the military departments shall report annually to the President of the Senate and the Speaker of the House of Representatives a breakdown of the dollar value of construction contracts completed by each of the several construction agencies selected together with the design, construction supervision, and overhead fees charged by each of the several agents in the execution of the assigned construction. Further, such contracts (except architect and engineering contracts which, unless specifically authorized by the Congress, shall continue to be awarded in accordance with presently established procedures, customs, and practice) shall be awarded, insofar as practicable, on a competitive basis to the lowest responsible bidder, if the national security will not be impaired and the award is consistent with chapter 137 of title 10, United States Code. The Secretaries of the military departments shall report annually to the President of the Senate and the Speaker of the House of Representatives with respect to all contracts awarded on other than a competitive basis to the lowest responsible bidder. Such reports shall also show, in the case of the ten architect-engineering firms which, in terms of total dollars, were awarded the most business, the names of such firms, the total number of separate contracts awarded each such firm, and the total amount paid or to be paid in the case of each such action under all such contracts awarded such firm.

REPEAL OF PRIOR AUTHORIZATIONS' EXCEPTIONS

SEC. 605. (a) Effective October 1, 1978, all authorizations for military public works, including family housing, to be accomplished by the Secretary of a military department in connection with the establishment or development of installations and facilities, and all authorizations for appropriations therefor, that are contained in titles I, II, III, IV, and V of the Military Construction Authorization Act, 1977 (Public Law 94–431; 90 Stat. 1349), and all such authorizations contained in Acts approved before September 30, 1976, and not superseded or otherwise modified by later authorizing legislation are repealed except—

(1) authorizations for public works and for appropriations therefor that are set forth in those Acts in the titles that contain the general provisions; and

(2) authorizations for public works projects as to which appropriated funds have been obligated for construction contracts, land acquisition, or payments to the North Atlantic Treaty Organization, in whole or in part, before October 1, 1978, and authorizations for appropriations therefor.

(b) Notwithstanding the provisions of subsection (a) of this section and section 605(a) of the Military Construction Authorization Act, 1977 (Public Law 94–431; 90 Stat. 1363), authorizations for the following items shall remain in effect until January 1, 1980:

(1) Aeromedical research building construction in the amount of $9,139,000 at Fort Rucker, Alabama, authorized in section 101 of the Military Construction Authorization Act, 1976 (Public Law 94–107; 89 Stat. 564).

(2) Academic Building construction in the amount of $5,315,000 at Fort Huachuca, Arizona, authorized in section 101 of the Military Construction Authorization Act, 1976 (Public Law 94–107; 89 Stat. 547).

(3) Solar energy plant construction in the amount of $690,000 at Fort Huachuca, Arizona, authorized in section 101 of the Military Construction Authorization Act, 1976 (Public Law 94–107; 89 Stat. 547).

(4) Relocation of the weapons range from the Culebra Complex in the amount of $12,000,000 for the Atlantic Fleet Weapons Range, Roosevelt Roads, Puerto Rico, authorization Act, 1974 (Public Law 93–166; 87 Stat. 668) and extended in section 605(b)(H) of the Military Construction Authorization Act, 1976 (Public Law 94–107; 89 Stat. 565).

(5) Solar observation facilities construction in the amount of $2,011,000 at various locations worldwide, authorized in section 301 of the Military Construction Authorization Act, 1976 (Public Law 94–107; 89 Stat. 555).

UNIT COST LIMITATIONS

SEC. 606. None of the authority contained in titles I, II, III, and IV of this Act shall be deemed to authorize any building construction project inside the United States in excess of a unit cost to be determined in proportion to the appropriate area construction cost index, based on the following unit cost limitations where the area construction index is 1.0:

(1) $42 per square foot for permanent barracks; or

(2) $45 per square foot for bachelor officer quarters;

unless the Secretary of Defense, or his designee, determines that because of special circumstances, application to such project of the limitations on unit costs contained in this section is impracticable. Notwithstand-

ing the limitations contained in prior Military Construction Authorization Acts on unit costs, the limitations on such costs contained in this section shall apply to all prior authorizations for such construction not heretofore repealed and for which construction contracts have not been awarded by the date of enactment of this Act.

INCREASES FOR SOLAR HEATING AND SOLAR COOLING EQUIPMENT

SEC. 607. The Secretary of Defense shall encourage the utilization of solar energy as a source of energy for projects authorized by this Act where utilization of solar energy would be practical and economically feasible. In addition to all other authorized variations of cost limitations or floor area limitations contained in this Act or prior Military Construction Authorization Acts, the Secretary of Defense, or his designee, may permit increases in the cost limitations or floor area limitations by such amounts as may be necessary to equip any project with solar heating equipment, solar cooling equipment, or both solar heating and solar cooling equipment.

MINOR CONSTRUCTION PROJECTS

SEC. 608. (a) Section 2674 of title 10, United States Code, is amended to read as follows:

" § 2674. Minor construction projects

"(a) Under such regulations as the Secretary of Defense may prescribe, the Secretary of a military department or the Director of a defense agency may acquire, construct, convert, extend, and install, at military installations and facilities, permanent or temporary public works not otherwise authorized by law including the preparation of sites and the furnishing of appurtenances, utilities, and equipment, but excluding the construction of family quarters.

"(b) This section does not authorize a project costing more than $500,000. A project costing more than $400,000 must be approved in advance by the Secretary of Defense, and a project costing more than $300,000 must be approved in advance by the Secretary of the military department or the Director of the defense agency concerned.

"(c) The total costs for all projects initiated under authority of this section by any military department, or by the defense agencies, in any fiscal year (except those projects funded from appropriations available for operations and maintenance as provided in subsection (e)) may not exceed the total amount authorized for minor construction projects for such military department or for the defense agencies, as the case may be, in the annual Military Construction Authorization Act for such fiscal year.

"(d) Not more than $50,000 may be spent under this section during a fiscal year at any one installation or facility to convert structures to family quarters.

"(e) Only funds appropriated to a military department or to the defense agencies for minor construction projects may be used by such department or by such agencies to accomplish minor construction projects, except that the Secretary of a military department or the Director of a defense agency may spend, from appropriations available for maintenance and operations, amounts necessary for any project costing not more than $100,000 that is authorized under this section.

"(f) The Secretary of each military department and the Secretary of Defense, for the defense agencies, shall submit an annual detailed report to the Committees on Armed Services and Appropriations of the Senate and House of Representatives on the administration of this section. In addition, such committees shall be notified in writing at least 30 days before any funds are obligated for a project approved under this section costing more than $300,000.

"(g) As used in this section, 'project' means a single undertaking which includes all construction work, land acquisition, and installation of equipment necessary to (1) accomplish a specific purpose, and (2) produce a complete and usable facility or a complete and usable improvement to an existing facility.

"(h) The Directors of the defense agencies shall carry out the construction of minor projects under authority of this section by or through a military department designated by the Secretary of Defense as provided in section 2682 of this title.".

(b) The item relating to section 2674 in the analysis at the beginning of chapter 159 of title 10, United States Code, is amended to read as follows:

"2674. Minor construction projects.".

(c) The amendments made by this section shall become effective October 1, 1978.

GAS PRICING, BARROW, ALASKA

SEC. 609. The Secretary of the Navy shall, with respect to any natural gas supplied by the Department of the Navy to villages and facilities at or near Point Barrow, Alaska, during the period beginning on October 1, 1974, and ending on April 6, 1976, charge such villages and facilities for such gas at a rate equal to the rate charged for natural gas supplied to such villages and facilities by the Department of the Navy pursuant to section 104(e) of the Naval Petroleum Reserves Production Act of 1976 (42 U.S.C. 6504 (e)), after April 6, 1976.

USE OF PROCEEDS FROM TIMBER SALES

SEC. 610. Section 2665(d) of title 10, United States Code, is amended to read as follows:

"(d) Appropriations of the Department of Defense available for operation and maintenance during a fiscal year may be reimbursed for all expenses of production of lumber and timber products pursuant to this section from amounts received as proceeds from the sale of any such property during such fiscal year.".

REVISION IN NUMBER OF NAVAL DISTRICTS

SEC. 611. (a) Chapter 516 of title 10, United States Code, is repealed.

(b) The tables of chapters at the beginning of subtitle C, and at the beginning of part I of subtitle C, of title 10, United States Code, are each amended by striking out the item relating to chapter 516.

BASE CLOSURES AND REALIGNMENTS

SEC. 612. (a) Chapter 159 of title 10, United States Code, as amended by section 504 of this Act, is amended by adding at the end thereof a new section as follows:

"§ 2687. Base closures and realignments

"(a) Notwithstanding any other provision of law, no action may be taken to effect or implement—

"(1) the closure of any military installation;

"(2) any realignment with respect to any military installation involving a reduction by more than one thousand, or by more than 50 percent, in the number of civilian personnel authorized to be employed at such military installation at the time the Secretary of Defense or the Secretary of the military department concerned notifies the Congress under subsection (b)(1) that such installation is a candidate for closure or realignment; or

"(3) any construction, conversion, or rehabilitation at any military facility other than a military installation referred to in clause (1) or (2) (regardless of whether such facility is a military installation as defined in subsection (d)) which will or may be required as a result of the relocation of civilian personnel to such facility by reason of any closure or realignment to which clause (1) or (2) applies, unless and until the provisions of subsection (b) are complied with.

"(b) No action described in subsection (a) with respect to the closure of, or a realignment with respect to, any military installation may be taken unless and until—

"(1) the Secretary of Defense or the Secretary of the military department concerned publicly announces, and notifies the Committees on Armed Services of the Senate and the House of Representatives in writing, that such military installation is a candidate for closure or realignment;

"(2) the Secretary of Defense or the Secretary of the military department concerned complies with the requirements of the National Environmental Policy Act of 1969 with respect to the proposed closure or realignment;

"(3) the Secretary of Defense or the Secretary of the military department concerned submits to the Committees on Armed Services of the Senate and House of Representatives his final decision to carry out the proposed closure or realignment and a detailed justification for such decision, including statements of the estimated fiscal, local economic, budgetary, environmental, strategic, and operational consequences of the proposed closure or realignment; and

"(4) a period of sixty days expires following the date on which the justification referred to in clause (3) has been submitted to such committees, during which period no irrevocable action may be taken to effect or implement the decision.

"(c) This section shall not apply to the closure of a military installation, or a realignment with respect to a military installation, if the President certifies to the Congress that such closure or realignment must be implemented for reasons of national security or a military emergency.

"(d) As used in this section:

"(1) 'Military installation' means any camp, post, station, base, yard, or other facility under the authority of the Department of Defense—

"(A) which is located within any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or Guam; and

"(B) at which not less than five hundred civilian personnel are authorized to be employed. Such term does not include any facility used primarily for civil works, rivers and harbors projects, or flood control projects.

"(2) 'Civilian personnel' means direct-hire permanent civilian employees of the Department of Defense.

"(3) 'Realignment' includes any action which both reduces and relocates functions and civilian personnel positions, but does not include a reduction in force resulting from workload adjustments, reduced personnel or funding levels, skill imbalances, or other similar causes.

"(e) Except as provided in subsection (c), this section shall apply to any closure of a military installation, and any realignment with respect to a military installation, which is first publicly announced after September 30, 1977.".

(b) The table of sections at the beginning of chapter 159 of such title is amended by adding at the end thereof a new item as follows:

"2687. BASE CLOSURES AND REALIGNMENT.".

(c) Section 611 of the Military Construction Authorization Act, 1966 (Public Law 89-188; 10 U.S.C. 2662 note), and section 612 of the Military Construction Authorization Act, 1977 (Public Law 94-431; 90 Stat. 1366), shall be inapplicable in the case of any closure of a military installation and any realignment with respect to a military installation, which is first publicly announced after September 30, 1977.

AUTHORITY FOR LONG TERM CONTRACT REFUSE-DERIVED FUEL

SEC. 613. The Secretary of a military department may enter into contracts for the periods not to exceed ten years for the purchase of fuel derived from waste materials (commonly known as refuse-derived fuel (RDF)). Such contracts may provide for the

collection and disposal of solid waste from Department of Defense installations and for the delivery to Department of Defense installations of refuse-derived fuel which, by weight, exceeds that installation's generation of solid waste. Funds for such contracts shall be provided from annual appropriations for operation and maintenance.

USE OF COMMISSARY SURCHARGE FUNDS FOR THE CONSTRUCTION OF COMMISSARIES OVERSEAS

SEC. 614. Section 2685(b) of title 10, United States Code, is amended by striking out "within the United States".

LAND CONVEYANCE, LOS ANGELES, CALIFORNIA

SEC. 615. The Secretary of the Navy is authorized to convey to the City of Los Angeles, California, subject to such terms and conditions as the Secretary shall deem to be in the public interest, all right, title, and interest of the United States in and to a parcel of land consisting of approximately thirty-five acres, with improvements thereon, located in the City of Los Angeles, north of and separated from Reeves Field by Seaside Avenue, in exchange for the conveyance by the City of Los Angeles to the United States of the unencumbered fee title to approximately thirty-five acres of land adjacent to the western boundary of the Naval Support Activity, Long Beach, California, to be improved in a manner acceptable to the Secretary, and subject to such other conditions as the Secretary shall deem to be in the public interest. The exact acreages and legal descriptions of both properties are to be determined by accurate surveys as mutually agreed upon by the Secretary and the City of Los Angeles.

LAND CONVEYANCE, SAN DIEGO, CALIFORNIA

SEC. 616. The Secretary of the Navy is authorized to convey to the City of San Diego, California, all right, title, and interest of the United States in land at the Naval Regional Medical Center, San Diego, in exchange for a lease of not to exceed fifty years, with an option to renew such lease for twenty-five years, for an identical number of acres for hospital and related uses.

LAND CONVEYANCE, NEW HAMPSHIRE

SEC. 617. (a)(1) The Secretary of the Army (hereinafter in this section referred to as the "Secretary") is authorized to convey to the Manchester Airport Authority, of Manchester, New Hampshire, subject to such terms and conditions as the Secretary considers appropriate, all right, title, and interest of the United States in and to a portion of land adjacent to the Manchester Municipal Airport consisting of approximately 8.3 acres, together with any improvements thereon.

(2) In consideration for the conveyance by the Secretary under paragraph (1), the Manchester Airport Authority shall convey to the United States unemcumbered fee title to an area of land which the Secretary considers to be of equivalent value to the land conveyed by the Secretary under paragraph (1) and which is otherwise acceptable to the Secretary.

(b) The exact acreages and legal descriptions of the lands to be conveyed under subsection (a) shall be determined by surveys as mutually agreed upon by the Secretary and the Manchester Airport Authority.

(c) The Secretary is authorized to accept lands conveyed to the United States under subsection (a)(2), which lands shall be administered by the Secretary.

LAND CONVEYANCE, COLORADO

SEC. 618. The Secretary of the Air Force is authorized to acquire, by right, title and interest of such city in approximately one hundred sixty seven acres of land lying adjacent to the northerly boundary of Peterson Air Force Base, El Paso County, Colorado. As consideration for this exchange, the Secretary of the Air Force is authorized to convey to the City of Colorado Springs land and improvements on Ent Air Force Base, in the City of Colorado Springs, equal in monetary value to the land to be acquired. The exact acreages and legal descriptions of both such properties are to be determined by accurate surveys as mutually agreed upon by the Secretary and the City of Colorado Springs.

LAND CONVEYANCE, SAN FRANCISCO, CALIFORNIA

SEC. 619. (a) The first section of the Act entitled "An Act authorizing the Secretary of the Army to convey certain lands to the city and county of San Francisco", approved October 13, 1949 (63 Stat. 844), is amended by inserting "or jointly for public park and recreational uses and other public purposes," after "recreational purposes,".

(b) The Secretary of the Army shall issue such written instructions, deeds, or other instruments as may be necessary to bring the conveyance made to the city and county of San Francisco, California, under authority of such Act of October 13, 1949, into conformity with the amendment made by subsection (a) of this section.

TITLE VII—GUARD AND RESERVE FORCES FACILITIES

AUTHORIZATION FOR FACILITIES

SEC. 701. Subject to chapter 133 of title 10, United States Code, the Secretary of Defense may establish or develop additional facilities for the Guard and Reserve Forces, including the acquisition of land therefor, but the cost of such facilities shall not exceed—

(1) for the Department of the Army—

(A) for the Army National Guard of the United States, $44,377,000; and

(B) for the Army Reserve, $41,390,000;

(2) for the Department of the Navy, for the Naval and Marine Corps Reserves, $19,800,000; and

(3) for the Department of the Air Force—

(A) for the Air National Guard of the United States, $37,300,000; and

(B) for the Air Force Reserve, $10,100,000.

WAIVER OF CERTAIN RESTRICTIONS

SEC. 702. The Secretary of Defense may establish or develop installations and facilities under this title without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on lands includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land, and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

And the House agree to the same.

LUCIEN N. NEDZI,
MELVIN PRICE,
CHARLES H. WILSON,
JACK BRINKLEY,
MENDEL J. DAVIS,
ABRAHAM KAZEN, Jr.,
WON PAT,
WILLIAM WHITEHURST,
BOB WILSON,
R. L. BEARD,
Managers on the Part of the House.

GARY HART,
JOHN C. STENNIS,
HENRY M. JACKSON,
HOWARD W. CANNON,
HARRY F. BYRD, Jr.,
SAM NUNN,
STROM THURMOND,
JOHN TOWER,
WILLIAM L. SCOTT,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1474) to authorize certain construction at military installations, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

LEGISLATION IN CONFERENCE

On May 13, 1977, the Senate passed S. 1474 which provides military construction authorization and related authority in support of the Military Departments, Reserve Components and the Defense Department during fiscal year 1978.

On June 6, 1977, the House considered the legislation, amended it by striking out all language after the enacting clause and wrote a new bill.

COMPARISON OF SENATE AND HOUSE BILLS

As passed by the Senate, S. 1474, provided $3,726,663,000 in new authorization.

The bill as passed by the House provided $3,508,560,000 in new authorization.

SUMMARY OF RESOLUTION OF DIFFERENCES

As a result of the conference between the House and Senate on the differences in S. 1474, the conferees agreed to a new adjusted authorization for military construction for fiscal year 1978 in the amount of $3,724,718,000.

The Department of Defense and the respective military departments had requested a total of $3,576,517,000 for new construction authorization for fiscal year 1978. The action of the conferees therefore increases the Department's request by $148,201,000 in new authorization.

Total authorization granted, fiscal year 1978

Title I (Army):	
Inside the United States	$790,598,000
Outside the United States	280,701,000
Subtotal	1,061,299,000
Title II (Navy):	
Inside the United States	427,943,000
Outside the United States	25,711,000
Subtotal	453,654,000
Title III (Air Force):	
Inside the United States	273,307,000
Outside the United States	147,942,000
Subtotal	421,249,000
Title IV (defense agencies)	55,909,000
Title V (military family housing)	1,579,640,000

Title VII (Reserve Forces Facilities):	
Army National Guard	44,377,000
Army Reserve	41,390,000
Naval and Marine Corps Reserve	19,800,000
Air National Guard	37,300,000
Air Force Reserve	10,100,000
Subtotal	152,967,000
Total Granted by titles I, II, III, IV, V, and VII	3,724,718,000

GENERAL TOPICS

Natural resources

The conferees expressed continued strong support for the Department of Defense's ongoing programs to conserve energy and to eliminate pollution sources at military installations. However, the conferees were disappointed that these two important programs had been severely reduced in the FY 1978 military construction authorization request. In the case of energy conservation, the departmental reduction would have stretched out the program an additional year and cut the planned investment in half. Likewise, the deferral of projects for pollution abatement would have meant that many installations would be in violation of air and water quality standards beyond their current waiver periods.

In view of this situation, the House conferees agreed to Senate additions totaling $175.8 million in authorization for energy conservation and pollution cleanup projects for the three services. The Senate projects accepted by the House include essentially all of the pollution abatement and energy projects, totaling $57.1 million, contained in H.R. 5502, the FY 1977 Supplemental Military Construction Authorization Bill passed by the House on April 4, 1977.

The conferees also noted and endorsed the language in the Senate Armed Services Committee report on S. 1474 regarding energy conservation—particularly those points requiring the Department of Defense to be more ambitious and innovative in planning future energy conservation programs. Likewise, the conferees made special note of language in the House report on this same subject. This area will receive increased emphasis in both the House and the Senate next year, and the Department of Defense should give special attention to the requirements for studies and reports concerning energy conservation found in the language of both committee reports.

Base realignments

The conferees agreed to establish permanent procedures for accomplishing military base realignments. Specifically, the new provision applies to military installations with 500 or more authorized civilian positions where actions are planned that both reduce and relocate functions and civilian personnel positions if the authorized level of civilian personnel is to be reduced by more than 1,000 personnel or 50 percent of the authorized strength, whichever is the smaller. The procedures would not apply to reductions in force resulting from work load adjustments, reduced personnel or funding levels, or skill imbalances or other similar causes.

As finally approved, the bill would require the Department of Defense to notify the Congress of any proposed action, comply with the provisions of the National Environmental Policy Act of 1969, render a detailed justification for any final decision, and defer implementation for 60 days following notification to the Armed Services Committees of the final decision.

Minor construction

The Senate bill included a section amending section 2674 of title 10, United States Code, which is the current authority for emergency minor construction projects costing less than $400,000. The Senate provision, to be effective in fiscal year 1979, provided the Department of Defense with the authority and flexibility to program projects costing up to $1 million without specific annual authorization. The House conferees expressed concern over the unknown impact of the process and recommended a study to determine its effects.

As finally approved by the conference, the new minor construction authority is to be effective beginning with fiscal year 1979 and will apply to projects costing less than $500,000. The Department of Defense is required to notify the Armed Services Committees in writing of any approved project costing more than $300,000 at least thirty days before any funds are obligated for the project. A project is defined as a single undertaking which includes all construction work, land acquisition and items of installed equipment necessary to accomplish a specific purpose and produce (1) a complete and usable facility, or (2) a complete and usable improvement to an existing facility. If the total requirement for a project cannot be satisfied for less than $500,000, the project must be programmed in the regular military construction request.

The conferees expect the Department of Defense to develop implementing guidelines for the new minor construction authority before the Fiscal Year 1979 budget submission to Congress and to report to the Armed Services Committees at that time regarding the procedures that will be used to effect the new authority. The conferees suggest that such procedures would (1) provide for notification to Congress on a quarterly basis of projects costing more than $300,000; (2) require certification prior to construction by the responsible commander that the project complies with the requirements of law; and (3) include a provision requiring regular audit of an appropriate sampling of projects by the service audit agency.

Operational projects

Concerned with the impact of budgetary constraints on operational capabilities, the conferees approved the Senate recommendation to include $35,287,000 in operational projects that had been included in the original 1978 budget submission developed by the services. The approved projects are high priority items that can be underway early in fiscal year 1978 and are located at military installations which are not subject to closure or significant reduction in the foreseeable future.

Miscellaneous report requirements

In considering their respective Military Construction Authorization bills, both the Senate and the House Armed Services Committees included in their reports on the bills items of "special emphasis". The conferees hereby endorse the language on items of "special emphasis" found in both reports and, unless some modification to that language is contained in this joint statement of managers, the positions and requirements contained under items of "special emphasis" in each of the respective Senate and House reports on the Fiscal Year 1978 Military Construction Authorization bills is concurred in by the conferees.

Title I—Army

The Senate approved new construction authorization in the amount of $1,114,380,000 for the Department of the Army. The House approved new construction authorization for the Army in the amount of $964,519,000. The conferees agreed to a new total for Title I in the amount of $1,061,299,000, which is $53,081,000 below the Senate figure and $96,780,000 above the House figure. Among the major items considered in conference and acted on by the conferees were the following:

Mississippi Army Ammunition Plant

The Administration's request included $181,200,000 for the construction of a new ammunition complex at Bay St. Louis, Mississippi, for the production of the 155 millimeter improved conventional artillery round.

The Senate, after in-depth hearings, authorized the project as requested.

The House deferred the project when last minute questions were raised regarding (1) the impact on employment at other ammunition plants, (2) the total requirement for this particular round, and (3) possible alternative means of producing the round.

Subsequent to House action on the bill and prior to the meeting of the conferees, the House Armed Services Subcommittee on Military Installations and Facilities held a special hearing to examine this project.

In arriving at an amount to be included in the final authorization bill, the conferees noted that the requirement that funds for the construction of ammunition production facilities be authorized by law prior to being appropriated is comparatively new. Section 801 of P.L. 94-106, the Fiscal Year 1976 Defense Procurement Authorization Act, provided that funds for the construction of ammunition production facilities must be authorized starting in Fiscal Year 1977. Prior to this requirement, $45.2 million had been appropriated for the construction of the Mississippi Army Ammunition Plant. The conferees believe that new authorization for those funds is unnecessary since they were appropriated prior to the time that authorization was required. Therefore, the conferees have included an authorization of $136 million for this project which represents the difference between the total construction cost estimate for the project and the amount previously appropriated for the project. It is the conferees intent that the project is now completely authorized for construction at the Bay St. Louis sites and no further authorization is required.

Fort Sam Houston, Texas—Hospital Alterations

In its bill, the House added $10 million in authorization for improvement and alterations at Brooke Army Medical Center at Fort Sam Houston, Texas. The Senate did not consider authorization for this project. During a thorough discussion in conference on this matter, it was pointed out that upgrading the hospital's utilities systems is required to bring it into compliance with current safety standards. Senate conferees agreed to the merits of the project but questioned the accuracy of the project's cost estimate and whether the project could be under construction in Fiscal Year 1978. After hearing convincing arguments about the urgency of the repairs to preserve the hospital's accreditation, Senate conferees reluctantly agreed to the House position.

Dental Clinic, Heidelberg

The Army requested $1,391,000 for a new dental clinic in Heidelberg, Germany. The Senate denied the facility questioning the proposed scope of the facility. The House authorized the facility as requested. The conferees agreed to authorize the facility at a reduced scope in the amount of $500,000.

Title II—Navy

The Senate approved $453,798,000 in new construction authorization for the Department of the Navy. The House approved $422,295,000. The conferees agreed to a new total in the amount of $453,654,000. This amount is $144,000 below the Senate figure and $31,359,000 above the House figure.

Among the major items considered in the conference were the following:

Kings Bay, Ga.—Ballistice Missile Submarine Base

The Navy requested $19.5 million for the first increment of facilities to accommodate

the ballistic missile submarine squadron that is to be redeployed from Rota, Spain to the east coast of the United States. The House approved the request for Kings Bay, Georgia, which the Navy identified as the "preferred" site. The Senate deferred the request on the basis that the Navy is still evaluating four other possible sites and will not make a final site selection until January 1978. Since the Senate bill did provide sufficient emergency authority for the Navy to proceed with the required facilities once a final site is selected, the House conferees agreed to recede to the Senate position.

Pearl Harbor Naval Station, Hawaii—Arizona Memorial

In its bill, the Senate added $3.3 million for visitor facilities at the *Arizona* Memorial, Pearl Harbor, Hawaii. House conferees expressed reservations about providing authority under the Military Construction Authorization Act for the construction of memorial facilities and questioned the scope of the proposed project. The House conferees were of the opinion that $2.0 million should be sufficient to provide suitable facilities for the memorial. After a thorough review of the history of this project, the conferees agreed to authorize $2.0 million.

Further, the conferees agreed that prior to the award of any construction contract for the proposed Arizona Memorial facilitaties, an agreement must be executed between the Navy and the National Park Service providing that the National Park Service will assume the responsibility for the operation of the memorial upon completion of such facilities.

Title III—Air Force

The Senate approved $428,289,000 in new construction authorization for the Department of the Air Force. The House approved $346,908,000.

The conferees agreed to a new total in the amount of $421,249,000 which is $7,040,000 below the Senate figure and $74,341,000 above the House figure.

Among the major items resolved in conference were the following:

B–1 Bomber Facilities

The Air Force requested $6,955,000 for projects to support the B–1 bomber; however, site locations for bed-down of the B–1 were not identified. The Senate had deleted these projects since they had not been sited. The House had authorized them as requested. After lengthy discussion, the House conferees agreed with the Senate to delete the specific projects.

AICUZ

The Senate added six projects to the Air Force title for the purpose of acquiring real estate in the potentially hazardous area off the ends of runways at six different Air Force bases. Subsequent to the Senate's action, updated real estate appraisals indicated that amounts added by the Senate were seriously inadequate. The conferees, therefore, elected to defer these projects without prejudice.

The Air Force and the other services are reminded that the Committees on Armed Services, while cautiously endorsing the Air Installation Compatibility Use Zone (AICUZ) program, have directed that the AICUZ program be applied judiciously on a case-by-case basis. Emphasis should be on compatible land use zoning jointly developed with the appropriate local communities; acquisition of real estate should be a last resort. Since the situation at each installation subject to this program will probably be unique, each must be considered separately, applying subjective judgment to the criteria which serves as the basis for defining the AICUZ acquisition area.

Title IV—Defense agencies

The Senate approved $57,559,000 in new construction authorization for the Defense Agencies. The House approved $30,650,000.

The conferees agreed to a new total of $55,909,000, which is $1,650,000 below the Senate figure and $25,259,000 above the House figure.

In its bill, the Senate moved two approved projects from Title I (Army) to Title IV, which contains authorizations for the Defense Agencies. The Senate action was based on its strong objection to the practice of putting projects for defense agencies or for use by all three services into other than Title IV. House conferees agreed with the Senate contention that this practice does not accurately portray the construction requests of defense agencies and receded to the Senate position. The conferees expect all tri-service projects and all projects for defense agencies contained in next year's legislative proposal from the Department of Defense to be included in the title authorizing funds for defense agencies.

Title V—Military family housing

The House approved $1,591,221,000 for construction, operation, maintenance and debt payment for military family housing. The Senate approved $1,519,640.000.

The conferees agreed to a new total of $1,579,640,000, which is $11,581,000 below the House figure and $60,000,000 above the Senate figure.

Among the major items resolved in conference were:

New Construction, Bremerton, Washington

The House deleted from its bill a Navy request for $24.6 million to build 520 units of housing at the Trident Complex, Bremerton, Washington. The Senate approved the request.

The House questioned whether the units are needed and whether they are properly sized to accommodate the military community anticipated in that area. The conferees compromised on an agreement to authorize the 520 units with the condition that no funds be obligated for this purpose until the Department of the Navy has revalidated the requirement and provided written certification to the Committees on Armed Services of the House and the Senate that a validated requirement for the housing exists.

Energy Conservation—Metering

The House bill included $161.2 million for a two year program to individually meter energy consumed in military family housing units in the United States and its possessions. Under the program, the Secretary of Defense is directed to establish reasonable energy consumption ceilings for family housing and to assess occupants for any consumption in excess of that established ceiling. The Senate conferees argued that such a program would affect the entire pay and compensation question and before implementation a test should be conducted to determine its feasibility.

The conferees agreed to retain the House language found in section 507 with an additional provision making the excess consumption assessment effective only upon completion of a test program and after a review of the test findings by the Congress. The conferees further agreed to authorize $70 million to meet the estimated Defense Department obligational capability for the program during fiscal year 1978. This action will enable the Department of Defense to proceed with the installation of meters during the test program so that implementation will be possible once feasibility is demonstrated.

The conferees further agreed that the following specific test guidelines should be included in the test program developed by the Department of Defense:

1. the cost of the test should be limited to $8.5 million;

2. a representative cross section of at least 10,000 housing units from all regions of the country, including those with meters at the present time, should be included in the test;

3. a part of the test sample should include the metering of housing units in which storm windows, thicker insulation and other energy saving devices have been installed in order to test the comparative effectiveness of the services ongoing energy conservation program.

4. occupants should receive "bills" for the excess energy consumed but would *not* be required to pay for the excess energy consumed during the test period;

5. the test should be conducted on the following schedule with progress reports submitted to the Armed Services Committees at each milestone:

a. complete test design: October 1, 1977.

b. complete energy retrofit and meter installation on test units: January 1, 1978.

c. progress report: July 1, 1978.

d. progress report with preliminary findings: January 1, 1979.

e. final report: January 1, 1980.

The conferees also agreed that all new family housing authorized in this and future military construction authorization bills should be provided with energy consumption metering devices.

Title VI—General provisions

Fort Bliss, Texas, Land Exchange

The Senate included in its bill a provision (section 618) to authorize a no-cost land exchange at Fort Bliss, Texas. The House measure did not contain such language. The Senate conferees reluctantly agreed to delete this provision after receiving assurances that early hearings on H.R. 5609, a bill to accomplish a similar, no-cost land exchange at Fort Bliss, will be held by the House Armed Services Committee.

Point Barrow, Alaska

The Senate bill included a provision to resolve a natural gas pricing dispute between the Department of the Navy and the village of Point Barrow, Alaska. The House conferees expressed concern over the fact that the matter was in litigation, but receded on the basis of humane concerns for the Alaskan natives and the heavy financial burden the litigation has placed on them and the U.S. Navy relative to the total sums in dispute. With final agreement, both House and Senate conferees expect any rebate to be passed on directly to the individual consumer.

LUCIEN N. NEDZI,
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CHARLES H. WILSON,
JACK BRINKLEY,
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WILLIAM L. SCOTT,
Managers on the Part of the Senate.

ORPHANS OF THE EXODUS

(Mr. PEPPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PEPPER. Mr. Speaker, all of the nations which signed the Helsinki Final Act, including the Soviet Union, pledged to do everything possible to reunite families separated by political boundaries.

Because the Soviet Union is not living up to that promise, Members of Congress

are conducting a vigil on behalf of the families which remain separated.

A case history of these families entitled "Orphans of the Exodus" dramatically details this tragic problem. At this time I would like to bring to the Members' attention the situation of the Shekhtman family:

YURI ISAAKOVICH SHEKHTMAN

Birthdate: 1946.

Occupation: Electrical engineer (Unemployed since June 1973).

Marital Status: Married, one son.

Applied: 1973.

Refused: August, 1973.

Reason for Refusal: Secret classification of former job.

Family Left: August 1973.

Army Service: 1967–69.

Yuri Shekhtman, Khristo Boteva 21/81, Kishinev, Moldavia SSR, USSR.

Mother: Malia Shekhtman, 3/26 Raana St., Arad, Israel.

Yuri Shekhtman is a 31 year old "refusnik" from Kishinev. An electrical engineer by training, and former chief engineer at a research institute in Kishinev, he has not been able to secure work in his field since 1973 when he and his family applied for exit visas to Israel. Permission was received in 1973, but at the last moment, Yuri's visa was revoked.

In a letter dated June 30, 1977, Mr. Richard K. Raskin wrote:

MERION, PA.,
June 30, 1977.

Congressman CLAUDE PEPPER,
Rayburn Building,
Washington, D.C.

DEAR CONGRESSMAN PEPPER: I am taking this opportunity to write to you at this time again on behalf of Uri, Raisa and Leonid Shechtman of Kishenev, Russia. On August 9, 1976 you spoke on the floor of the House of Representatives on behalf of the Schechtmans in connection with their desire to leave Russia and be reunited with their family in Israel.

Since that time I have visited in Arad, Israel, with Itzhak Shechtman and his wife, Malia, parents of Uri. It has been almost four years since the parents were allowed to go to Israel and Uri and his family have been denied Visas. Naturally, this has had a significant effect on the parents, and especially has resulted in the poor health of Uri's mother, Malia.

For some time now people in Toronto have periodically been in telephone contact with Uri and with others in Kishenev. We understand that Uri has been subject to much harassment recently and has been fired from his menial job because of his contact with the West. His wife, Raisa, now has psoriasis as a result of these problems. We understand that neither Uri or his wife have ever done anything illegal, but they have been active on their own behalf and on behalf of other Refuseniks in Kishenev to try to leave Russia and emigrate to Israel.

I understand that you will again speak on the floor of the House of Representatives on July 12, 1977 on behalf of Uri Shechtman and his wife and son. We all hope that your efforts will soon result in the granting of a Visa to Uri and his family which will enable them to emigrate to Israel and be reunited with their family.

I am sending a copy of this letter to Uri's parents in Arad, Israel, and on their behalf, I thank you.

Sincerely,

RICHARD K. RASKIN.

THE NEED FOR OIL AND GAS PRICE DEREGULATION

The SPEAKER. Under a previous order of the House, the gentleman from Oklahoma (Mr. EDWARDS) is recognized for 60 minutes.

GENERAL LEAVE

Mr. EDWARDS of Oklahoma. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include therein extraneous material, on the subject of my special order today.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I have asked for this special order to discuss the urgent need to deregulate oil and gas prices. The Interstate and Foreign Commerce Committee has been struggling for many weeks over this issue. The ad hoc Energy Committee and the full House will soon take up the debate. When considering an issue as clouded with rhetoric as deregulation it is important to set out the facts upon which we need to base our decisions. I hope this discussion will benefit my colleagues.

The President has properly recognized the serious nature of America's energy supply program. But while the goals of energy conservation are certainly laudable, they do nothing to attack the other side of the problem—the need for increased domestic energy production. The President has recognized that consumers must pay a price sufficient to allow for the replacement, under current costs, of each barrel of petroleum they use: Replacement value pricing.

Unfortunately, the President has only gone part way. He recommends that energy be priced at the value it would cost to replace that energy with newly found energy. Under his plan, this would be accomplished by imposing a crude oil equalization tax approximately equal to the difference between controlled domestic petroleum prices and imported petroleum prices.

However, the President has not provided for the other half of the equation. He plans to continue petroleum price controls to the producer, so producers will not benefit from the replacement cost revenues. The fuel revenues from the sale of energy products should go to the people who are finding and developing new energy sources. These revenues are needed to finance the replacement of the energy that is currently being used. Oil now being discovered costs much more to locate than it has before. Most of the oil which is yet to be discovered is located in remote, inaccessible regions such as the Arctic Circle or beneath hundreds of feet of water under the Outer Continental Shelf.

The cost of finding oil and gas has tripled over the last 10 years. If the cost of finding oil continues to increase at the rate it has, it could cost the petroleum industry as much as $400 billion just to replace the domestic petroleum that this country will most likely use between now and 1985.

Replacement value pricing is not a difficult concept to understand. The American people understand and use it all the time. Anyone who has recently sold a home and replaced it with a new one has most likely made a substantial paper profit on the sale. However, he had to plow back all of those profits into a new home just to buy a home of comparable size and quality.

I believe the American people understand the replacement value pricing of energy. I know of no better way to achieve replacement value pricing than through the unharnessed interplay of the laws of supply and demand. Many public opinion surveys show the public thinks petroleum prices should be decontrolled so energy producers will have the economic ability to discover and develop new energy.

Yet we continue to pass legislation that further restricts the free operation of the marketplace. The President's national energy plan is no exception. The administration has stated that it is the intent of the plan that energy price controls, scheduled to expire in 1979, would be permanently extended. Furthermore, the plan includes new, additional, regulations that will penalize and, in some cases, preclude the use of oil and gas.

History has certainly shown that the Federal Government has a terrible track record when it comes to planning and manipulating our economy. For example, in 1954 the Federal Power Commission regulated the price of natural gas at low levels which were far below its market value. This regulation of interstate natural gas prices has led to expectations on the part of consumers for gas at less than free market prices. Unregulated intrastate natural gas is now selling for between $2.00 and $2.40 per MCF. Contrasting this with the regulated price of $1.45 per MCF one can readily see why pipeline companies are having great difficulty purchasing interstate natural gas from gas producers. And it is equally understandable why a natural gas producer would be reluctant to risk his investment capital on a product that could not offer a return sufficient to cover his costs.

At the present time interstate pipeline companies are forbidden to pay unregulated prices for natural gas. As a consequence, there is little gas available to them and their pipelines are running half empty. Yet their distribution and transmission costs are the same and must be spread out over the amount of gas that does flow through the pipeline. Increasing the amount of gas that flows to the consumer lowers the transmission cost per Mcf to the consumer. While deregulating natural gas will increase the wellhead cost of gas, the net effect on the consumer with full pipeline flow will be negligible.

Most of the natural gas which has been found has been incidental to the search for oil and has been found primarily above 10,000 feet. New natural gas discoveries have been made below the 10,000 foot level, but because of Federal price regulation, virtually all of this gas is sold in the intrastate market.

Deregulation is needed to provide the return on investment capital needed to drill deep wells. The cost of drilling doubles for every 2,800 feet in depth drilled. Thus a 20,000 foot well costs 27 times as much to drill than a 4,000 foot well, and the average cost of a 15,000 foot well is $1.3 million.

The following facts on the effects of free market pricing on natural gas in Oklahoma's intrastate market from 1972 to 1976 are particularly enlightening. The average wellhead price of new natural gas rose from 30 cents per Mcf to $1.70 per Mcf. During this same period, the number of active drilling rigs in the State increased from 103 to 192 and the proven reserves of natural gas increased from 393 Bcf to 878 Bcf. Obviously, producers responded with more gas in an unregulated market.

Tragically, the record of the last 20 years shows a trend toward fewer and fewer cubic feet of proven domestic natural gas reserves—a logical result of the lack of economic incentive for producers to find and develop adequate new gas supplies. Last winter we experienced a severe shortage in natural gas which created untold hardships throughout the Nation. On June 22 of this year the Federal Power Commission estimated that natural gas deliveries would be curtailed by 23 percent of the amount required under existing contracts for delivery next winter. By contrast, last winter's curtailments were only 21 percent of requirements.

Surely we must now admit that the past practice of natural gas regulation has failed badly. Producers have responded in an unregulated market and have produced more natural gas. Consumers would suffer no increase in their gas bills if deregulation of natural gas is permitted. The president and chief executive of Brooklyn Union Gas Co., Eugene H. Luntey, said today—

> There is no question that deregulated new additional pipeline supplies would be a better bargain for our customers than these supplemental high priced supplies.

Mr. Luntey estimates his customers would save at least $10 million next winter if they did not have to resort to supplemental gas sources such as Algerian gas and synthetic gas which cost from $3.50 to $4 per Mcf.

The administration also claims that new discoveries of oil and gas would receive free market pricing under the President's energy plan. A cursory review of the legislation proposed by the administration and considered by the jurisdictional committees of the House shows this to be untrue. The problem is basically that the costs of finding new oil in today's world must be incurred today, but it will be years before any of the revenues from the production of that oil will be realized. Prudhoe Bay, Alaska, the largest and most expensive domestic oilfield ever developed, is finally coming on line this year more than 5 years after exploration had been in full swing. We must keep in perspective the fact that we must discover new Prudhoe Bay-sized oilfields at the rate of one every 2 or 3 years just to maintain our current level of domestic crude oil reserves.

Mr. Speaker, the results of the President's energy price controls are and would continue to be:

First. Artificially low prices, encouraging increased consumption;

Second. Inadequate incentives for producers to discover new domestic energy sources, encouraging increased dependence on foreign energy supplies;

Third. More and more new regulations to adjust prior regulations, and a larger more expensive bureaucracy to administer the regulations, encouraging greater frustration and alienation by the American public with their Government.

Our Nation can no longer tolerate this waste of money and natural resources and the drain on the spirit and belief of the American people in the control of their own destinies. We must decontrol oil and gas prices as soon as possible. The energy resources are there, all we need is the will to provide the means for their development.

Mr. ROUSSELOT. Mr. Speaker, as advocates of the free market system, many of us oppose Federal price controls at all levels. We particularly object to Government controls on the price of natural gas.

Last winter, many parts of our country, particularly the Northeast, experienced a serious short supply of natural gas. Factories were forced to curtail production, schools closed, thermostats were turned down to uncomfortable levels, and many more drastic measures were necessary, because consumers were unable to acquire sufficient supplies. This shortfall was only to be expected. When the Federal Government set the price of gas below what it cost to get additional supplies out of the ground, it guaranteed that we would have no new supplies. When the Government made natural gas cheaper than oil or coal, it guaranteed that consumers would use it as much as possible. The Federal Government, through tinkering with the normal pricing mechanism, told producers to keep gas in the ground, and told consumers to burn as much of the supply as possible. At lower than normal prices, last winter's gas shortage was a near disaster. Yet, when American citizens were in danger of freezing, there were additional supplies to be had where prices were unregulated and uncontrolled—in the intrastate market. This gas would not have been available at the arbitrary and unreasonable price set by the Federal Government. It would not have been available if the Government had controlled the entire market.

Luckily for many Americans, there was an uncontrolled domestic gas market, and when houses went cold, the administration was able to temporarily lift price controls and assure the delivery of these vital supplies to affected areas. The lesson should be clear. Unregulated intrastate production and distribution provided as much gas as the public wanted at a price the public was willing to pay. It also provided the supplies that staved off disaster in the Northeast. We ought to extend successes and not failures, free market principles, not price controls. We should have learned that lesson after the disastrous results of mandatory wage and price controls in 1971–74. The benefits of our intrastate system should be given to the country as a whole through the immediate deregulation of the price of natural gas.

The administration, however, would have us merge the interstate and intrastate markets and impose price controls on both. In merging the two they would effectively set the new price below the old. This would amount to a guarantee of a gas shortage with no supplies to fall back on.

In 1975, when the last vote of the full House was taken on gas prices, many of my distinguished colleagues from the gas-hungry Northeast voted to continue price controls. From Pennsylvania, New York, New Jersey, Connecticut, and Massachusetts I counted 56 who voted for controls. If we run out of natural gas, Northeasterners are liable to be cold this winter, very cold, perhaps even cold toward their elected Representatives. At that time I will be very glad I am from sunny California. And I will be very glad that I did not vote for a shortage of natural gas.

At this time, Mr. Speaker, I would like to share with my colleagues an article from the July 7 Wall Street Journal—an article which illustrates the unusual voting patterns of this House when natural gas prices are at issue:

ENERGY: IDEOLOGY, NOT INTERESTS

(By Edward J. Mitchell)

In spite of the overwhelming evidence offered by economic research that deregulation of natural gas prices is in the national interest, Federal Power Commission price controls continue.

The natural gas issue is but a part of a broader aspect of public policy. When people (Congressmen and their constituents) do not understand an issue they fall back on ideology. By ideology I mean that general body of beliefs you consult when you have to make a judgment on something you know little or nothing about. Since the energy issue is apparently beyond the ability or inclination of most people to understand, the debate is abstract and philosophical, that is, ideological.

The table below shows you all you have to know about natural gas deregulation politics.

It groups Congressmen into 11 classes using the liberal-conservative ratings of the Americans for Democratic Action (ADA). Inspection of the table shows extraordinary correlations between the deregulation vote and these ratings.

(The vote is on the Smith substitute amendment to the Natural Gas Act of Feb. 5, 1976, the last crucial vote of the full House of Representatives on deregulation. The amendment passed, which is to say deregulation failed, 205–201.)

ADA rating (Percent)	*Votes against deregulation*	*Votes for deregulation*
95–100	26	0
85–90	31	0
75–80	41	4
65–70	33	2
55–60	30	3
45–50	19	10
35–40	8	18
25–30	7	20
15–20	1	37
5–10	3	69
0	0	37

A simple prediction rule which says that if a Congressman's ADA rating is 45 percent or higher he will vote against deregulation and if under 45 percent he will vote for deregulation would be correct in 361 out of 399 cases, or better than 90 percent of the time. (Six Congressmen who voted on deregulation voted so seldom on other issues that a meaningful liberal-conservative rating could not be computed.)

The symmetry of the vote was almost perfect: The liberal half voted 180 to 19 against deregulation, while the conservative half voted 181 to 19 for deregulation.

More recently, the House Commerce Committee voted 22 to 21 in favor of the President's plan to continue price regulation thereby reversing a subcommittee decision to deregulate. Of the 43 committee members voting, 33 had ADA ratings from the previous session of Congress. The votes of 32 members were predicted correctly by my simple model. And of the three "deviant" members, one, Metcalf of Illinois, waited until all other votes had been cast and might have followed true to form if his vote had been decisive. Thus, even at the committee level, the ideological model is 90% accurate.

VOTING PATTERNS

What is especially interesting about the full House vote is that even marginally liberal and marginally conservative Congressmen voted overwhelmingly in accord with their ideological leanings. For example, of the 33 Congressmen with ADA ratings of 55% to 60%, not exactly flaming leftists, 30 voted against deregulation and only three for it. Since this pattern holds throughout the table, it means that the deregulation vote is ideologically more polarizing than the average issue used to construct the ideological ratings.

This ideological model of the deregulation vote seems to be foolproof. For example, suppose you took only those Congressmen from major gas producing states—Texas, Oklahoma, Louisiana, Kansas and New Mexico—and asked me to predict their votes using the ideological model without knowing where they were from. The actual vote was 40 for deregulation, two against. The model would predict 39 for, three against. It would identify precisely the two Congressmen who voted against deregulation, and would err only in that one liberal Congresswoman (Barbara Jordan of Texas) switched on this issue.

A more technical econometric analysis shows that state-to-state variation in economic interest factors, such as gas shortages, gas consumption and gas production explain little or nothing about voting patterns. This is especially true and rather evident in consuming states.

For example, according to FPC pipeline curtailment data, both New Jersey and North Carolina had huge shortages of natural gas during the winter the House vote was taken. The North Carolina delegation voted nine to two *for* deregulation; the New Jersey delegation voted 14 to one *against* deregulation. Michigan and Georgia were among the states least affected by pipeline curtailments. The Georgia delegation voted seven to three *for* deregulation; the Michigan delegation voted 11 to five *against* deregulation.

If this pattern holds, the reality of gas shortages will exert little influence on the course of events: Conservatives will become more convinced that regulation is folly and liberals will be more convinced that the oil industry is evil incarnate. Whether we deregulate or not will depend overwhelmingly on the philosophical complexion of the Congress.

The fact that deregulation was voted down in Congress after the dismal failure of regulation was evident, but passed in two earlier Congresses under Presidents Truman and Eisenhower before regulation had even begun, illustrates the small bearing that reality and experience have on energy politics. The earlier Congresses were simply more conservative and that is all there is to it.

Mrs. HOLT. Mr. Speaker, I commend my colleague from Oklahoma (Mr. EDWARDS) for sponsoring this special order on deregulation. Seldom are the rhetoric and facts of an issue so far apart as they are in the field of energy. I thank the gentleman for reserving this time in order that we might shed some light on the pertinent facts which must be considered so that the Members of this House can make an enlightened judgment on the President's energy program.

Since 1954 we have lived under a system of Government-regimented prices for natural gas. Only last winter did we see the full devastation that this policy has brought to the people of the United States.

The painful facts are available for all to see:

Due to price controls, 1973 reserve additions were less than one-third of consumption, total natural gas reserves dropped from a 15-year supply in 1967 to a 10-year supply today. Natural gas production began to go down absolutely in 1972;

Exploratory well drilling has shown a consistent downward trend since the late 1950's. It is still only 60 percent of its peak level reached in 1956;

The increase in well completions in the past few years has been in those areas with little gas, and where the gas is at shallow depths and is easy and cheap to produce;

The demand for this artifically low-priced fuel has extended beyond the ability of our regulation strapped industry to provide.

The current system and the system proposed by President Carter does not provide the incentive necessary to produce more; neither provides a market price for natural gas; they encourage increased consumption and waste; and they most assuredly will mean more catastrophes like last winter's.

But what will the alternative—deregulation—provide? Let us avoid rhetoric for a moment and examine history; let us see what has happened when deregulation was tried.

Stripper well oil is produced without the help of U.S. bureaucrats' control, and bought in the free market. Decontrol of this oil seems to be doing exactly what was intended. Abandonment of stripper wells has declined by about 44 percent in three key States. Evidence exists that the free market price of stripper oil is saving about 6,000 wells a year from abandonment.

The free market has also significantly increased stripper well reserves by almost 30 percent, 1.7 billion barrels, in only 3 years.

But the Carter administration ignores these facts and offers only unsubstantiated figures stating impossible and foolish cost estimates for natural gas deregulation.

Responsible cost estimates just released by the gentleman from Ohio, Congressman CLARENCE BROWN, substantiate, in depth, some quite different conclusions. The administration's plan will cost consumers $48 billion more than decontrol over the next 13 years. By 1990 under the Carter plan, American homeowners will have the dubious privilege of paying $7 billion more per year for regulated natural gas than they would for decontrolled natural gas.

Another cost Mr. Schlesinger and the energy team at the White House seem to have ignored is the "hidden" cost paid for high priced foreign substitutes. Fuel substitutes which cost two to three times as much as decontrolled natural gas. It is estimated that the costs to the taxpayer of these substitutes could run as high as $160 billion by 1990.

In addition the shortfalls in natural gas production caused by regulation could force transportation costs up by $40 billion.

These are the substantiated facts which eloquently refute the allegations made by the administration.

The President's program will continue to encourage waste of natural gas by artificially holding it at a low price. It appears that little incentive is assured a producer in the national energy plan.

To sacrifice our domestic producers while paying outlandish ransom for foreign substitutes is questionable as an energy policy. Careful examination of the facts must replace the rhetoric that has dominated consideration of this issue. The facts exist and though the decisions will be difficult they must be made soon if we are to avoid a crisis.

Mr. ROBINSON. Mr. Speaker, I am pleased to participate in this special discussion about the need to deregulate natural gas and oil supplies, in the hope that it will help to place fuel pricing policies in their proper perspective for the public, and encourage the adoption of the most enlightened, beneficial energy policies for the Nation in the foreseeable future.

There are certain fundamentals that should be borne in mind in any discussion of this subject. First, adequate supplies of energy are crucial to the economic well-being of the United States. With only 6 percent of the world's people, we consume 32 percent of the world's energy and produce 31 percent of the world's goods. Over 90 percent of the energy we are consuming is from fossil fuels—oil, natural gas, and coal—with fully 75 percent of our energy supplied by the first two fuels mentioned.

Realistically, until new alternative forms of energy can be developed and brought on stream in volume, there will of necessity remain a direct, vital link between our supplies of oil and natural gas and our national economic health.

Governmentally imposed energy conservation measures, however important and necessary, cannot guarantee the maintenance of an adequate supply of these fuels. At best, they can only help to spread out existing known supplies over a lengthier period.

Hence, increasing our production of domestic natural gas and petroleum supplies is of incalculable importance in order to avoid a declining standard of living and miserable future for the American people in the immediate decades ahead. Measures to accomplish this increased production must have first priority in any rational, comprehensive national energy program.

Underscoring the need for the above is a second fundamental: The domestic production of oil and natural gas has not been adequate in recent years to meet U.S. consumer demand.

As the President pointed out in late April, domestic production has been dropping at the rate of about 6 percent a year, while costly imported oil has doubled in the last 5 years. It is nothing short of frightening that over 40 percent

of our oil needs are being met by imports, artificially pegged at disastrously high prices due to the rigging policies of the Arab-led oil cartel. Whereas we spent $3.7 billion for imported oil 6 years ago, we paid $36 billion for imported oil last year, and the bill this year could reach $45 billion.

It is clear that the more we rely upon foreign oil to supply our needs, the more vulnerable we become to economic and political blackmail, as well as to further crushing financial depletion. It is also clear that to minimize that vulnerability, and to avoid further damaging effects on our economy, we should be doing all that is possible to increase domestic oil and natural gas production.

This brings us to a third fundamental that ought to be borne in mind in considering this entire matter. As an elementary principle of economics, there is simply no way to moderate the price of energy for consumers other than by increasing its supply.

Yet tragically, our Government has been following regulatory and price control policies that are exacerbating the energy shortage and encouraging a rate of artificially high demand for energy consumption. Government controls have been in place on interstate gas prices since 1954, and controls have also been imposed on the price and allocation of crude oil, on coal mining, on the price of gasoline at the pump, on nuclear power development and so on. Many additional controls and tax penalties have now been proposed by the Carter administration.

It is my belief that we are already reaping the whirlwind of a governmentally created shortage involving our primary fuels, and we invite a tornado into our midst if we proceed farther down this path.

Prof. Milton Friedman once asked "Do you want to produce a shortage of any product? Simply have Government fix and enforce a legal maximum price on the product which is less than the price that would otherwise prevail."

Even President Carter once accepted the validity of the good Professor's argument. In his now-famous campaign letter on the subject of natural gas deregulation, Mr. Carter said:

> The decontrol of producers' prices for new natural gas would provide an incentive for new exploration and would help our nation's oil and gas operators attract needed capital. Deregulation of new gas would encourage sales in the interstate market and help lessen the prospect of shortages in the nonproducing states which rely on interstate supplies. While encouraging new production, this proposal will protect the consumer against sudden, sharp increases in the average price of natural gas.

It is saddening that the President has now changed his mind and is calling for new Federal regulation of presently exempt intrastate gas production. As he clearly recognized during the Presidential campaign, the denial of free market policies stifles broad new exploration and energy development by the private sector of the economy—development that would avoid shortages and work to moderate prices for consumers.

It is often argued that deregulating oil and gas can do nothing to alter the world's diminishing, finite supply of fossil fuels. In response, let me quote from a recent report prepared by Melvin R. Laird, chairman of the American Enterprise Institute National Energy Project. He points out:

> As to the raw availability of oil and natural gas reserves in the ground, figures are usually cited for the contiguous forty-eight states of the United States that indicate only between fifteen and twenty-five years of supplies remain. However, these gross numbers are meaningless without some indication of price. Deeper and more expensive wells in harder-to-reach areas and more sophisticated recovery techniques for existing but diminished stores of oil and natural gas are estimated to represent a potential which is many times the so-called proven reserve. . . . By even the most conservative estimates, it is clear that this country and the world possess recoverable fossil fuel reserves sufficient to provide energy resources solely by themselves for hundreds of years."

This assessment is borne out by many other respectable authorities and, indeed, by our own past experience. It should not be forgotten, for example, that Government agencies have been woefully offbase in past energy supply predictions. In 1908, the U.S. Geological Survey said this Nation's maximum future supply of petroleum would be 22.5 billion barrels. We have produced more than 100 billion barrels since then. In 1939, the Interior Department warned that U.S. oil supplies would last only 13 years. We have pumped 90 billion barrels since then. In 1949, the Interior Department said we were nearly out of oil. We have produced more than 73 billion barrels since then.

If there is a moral to these statistics, it is that private enterprise operating in a climate of Federal cooperation and encouragement, can hit more home runs for our home team than Big Brother Government ever perceives.

Mr. Speaker, this Congress has a duty to encourage industry to find and deliver needed energy, and to provide the economic incentives that will make attaining this objective a certainty. We can easily safeguard consumers against price-gouging or excessive profiteering through enactment of a windfall profits tax and/or required plowbacks of profit into further energy production.

Our colleague, Mr. BROWN of Ohio, has wisely pointed out the high costs to the American people of failing to deregulate. The ranking minority member of the House Energy and Power Subcommittee, and one of the most respected energy experts in the Congress, Mr. BROWN notes that—

Some $610 million in wages were lost by 1.2 million workers last winter alone due to the natural gas shortage induced by federally frozen price controls of long duration.

It will cost $30 billion in the next 8 years to buy substitutes needed to fill in for natural gas shortages at current regulated prices.

It will cost industry an estimated $50 billion to convert from gas boilers to coal, plus billions more for antipollution equipment, if we do not find and produce more environmentally clean natural gas.

It will cost taxpayers an estimated $132 billion if all the President's new tax proposals are implemented, excluding the controversial gas tax, and that is the equivalent of an increase of 15 percent in Federal taxes, even though the tax haul is not to be used to increase energy production.

So, Mr. Speaker, I am among many millions of Americans who believe, since we were going to have to pay more for energy in the immediate years ahead, that we at least ought to do so in ways calculated to increase our domestic supplies of oil and natural gas. We should not settle, either for ourselves or for future generations, for a future that holds only more shortages, greater economic stagnation, an ever-declining standard of living, and unrelieved bleakness.

Mr. DICKINSON. Mr. Speaker, I rise today to call for the immediate price deregulation of new oil and gas in the United States. An adequate and steady supply of oil and gas is crucial to our social and economic well-being and is the central concern of our current energy problem and its solution. If we face this problem fully and honestly, we must conclude that deregulation is a necessary and correct policy to follow in our quest for a solution to our energy problem.

We must admit that the policy of price regulation by the Federal Government has been a disaster. Regulation has caused shortages of oil and gas by holding prices at unrealistic levels and thus discouraging exploratory drilling for new supplies, which requires great amounts of capital that can only be raised by deregulating and allowing prices to rise according to supply and demand. There is plenty of oil and gas to be found in the United States if only the price were right.

Whereas President Carter's energy plan attacks our energy problem from the demand side, by feebly encouraging conservation, a policy of deregulation would attack both the supply and demand sides of the problem. Deregulation, by letting the market mechanism work and allowing prices to rise, increases supply by encouraging new drilling and reduces demand by encouraging conservation.

The case for deregulation is bolstered by the two crises of recent times that show the necessity for immediate deregulation: The severe winter of 1976–77 for natural gas and the Arab oil embargo of 1973–74 for oil.

Last winter was extraordinarily severe and brought disastrous shortages of natural gas. Deregulation, by increasing supply and reducing demand, would help to prevent a recurrence of that awful experience. Consumers would have to sacrifice by paying a higher price for gas, but the increase would be moderate, because the wellhead price of gas, which would be deregulated, counts for only about 20 percent of the consumer's gas bill. Surely, the certainty of a steady supply of gas is worth the added cost.

Just as last winter showed us the necessity for price deregulation of natural gas, the Arab oil embargo showed us the necessity for price deregulation of oil. Have we forgotten the long lines at gas stations and the quadrupling of prices by the OPEC cartel? We had to depend on imports for much of our oil then and must depend on them even more so now,

thanks to an inadequate domestic supply of oil caused by price regulation. The consequences of our dependence on foreign oil are persistent and frightening; we are still vulnerable to blackmail by OPEC in the form of embargo or price increase, and our balance of trade still suffers tremendously. Reminders of our predicament taunt us all the time; for example, the prospects for peace in the Middle East are deteriorating and the likelihood of another Arab embargo is increasing, and our balance-of-trade deficit for the first quarter of 1977 was almost $6 billion. We must avoid the situation of dependence that Japan and Western Europe find themselves in and reduce our dependence on foreign oil.

If we want to insure an adequate and steady supply of oil and natural gas for the future, we must act immediately in favor of full deregulation. If we accept any half solutions that involve continued regulation we must someday answer for the consequences.

Mr. LAGOMARSINO. Mr. Speaker, I want to thank the gentleman from Oklahoma for securing this time so that we may further explore the question of deregulation. All of us have been inundated with information discussing the pros and cons of deregulation. It is a very complex and controversial issue, yet one that must be resolved if we are to make substantial gains toward a long-term solution of our energy problems.

Clearly the central question with the entire energy matter is: How do we best insure adequate uninterrupted supplies? One way is through an effective conservation program. By curtailing waste and making the most efficient use of existing energy supplies we create the cheapest and most immediate source of energy for productive purposes. Conservation, however, is only part of the answer. An equally strong emphasis must be placed on promoting increased exploration and production of additional fossil fuel reserves. Yet the present system of domestic price controls on oil and gas works against both these objectives by keeping the price of domestic energy artificially low. By ignoring actual replacement costs, price controls encourage consumption, not conservation, and at the same time deprive energy companies of the massive amounts of capital necessary to finance increased exploration and development of new reserves. As such, Federal price controls are currently working directly against the stated goals of our national energy program.

By largely deregulating the price of new domestic oil and natural gas we would not only achieve that measure of conservation that increased prices would produce but also provide industry with the incentives essential for them to make the kind of commitment necessary to produce more domestic energy supplies.

Opponents of deregulation argue that it will bloat the oil companies with excessive profits at the expense of the consumer. Certainly deregulation would result in higher prices, that is its purpose, but the benefits to be derived in uninterrupted supplies would far outweigh the burden of increased prices. Let me assure you that I also am concerned about the burden that increased prices would place on many Americans, especially those living on fixed incomes. I strongly believe that any Federal price deregulation should be coupled with a stringent windfall profits tax with a provision for "forgiveness" for energy development. We must realize, however, that it is inevitable that prices are going to rise, especially if we are going to encourage conservation and make the kind of investment necessary to insure adequate future petroleum supplies.

The real question is not whether we are going to allow increased prices, because this step is essential for conservation measures, but rather whether we are going to do it artificially, through counterproductive taxation policies, or productively, through deregulation. Are the revenues generated from increased prices going into the Federal bureaucracy to be endlessly rerouted, rebated, and eaten away by administrative costs, or do we put this money to work generating more jobs, more tax revenue, and more energy in the private sector? It seems to me that this is really what we are talking about when we discuss deregulation.

Mr. Speaker, the American people deserve continued, uninterrupted supplies of energy. Certainly we all remember the thousands of workers who were laid off during the natural gas crisis of last winter. These people suffered not because there was not enough natural gas but because Federal interstate price regulations resulted in natural gas being produced, distributed, and sold in those States unencumbered by Federal price controls because the producers could get a better price. It took emergency legislation by the Congress to correct the situation and get us through the crisis.

So long as the Federal Government continues to keep prices artificially low, we are going to continue to have shortages, emergency situations, and resulting economic disruption and unemployment.

In my opinion, it is time that we faced up to the facts and act to deregulate the price of new oil and gas. I am convinced that such action will be a major step toward resolving our energy problems.

Mr. SYMMS. Mr. Speaker, for over 20 years this Nation has suffered from a Government policy which held the prices for national gas at artificially controlled prices. I praise the leadership toward commonsense that the gentleman has brought to this House. Only last winter did this policy come to fruition. The result was a crisis. As many as 2 million workers were laid off, small businesses were forced to close, in many homes only the bare minimum of gas could be used, and the pipeline transportation system was in danger of collapsing, because there was not enough gas flowing through to keep up adequate pressure.

As the problem grew worse, the President, the Congress, and the people turned to the intrastate market for relief. Fair priced gas from the intrastate markets in Oklahoma, Louisiana, and Texas was shipped north as part of an emergency program. That area not suffering Federal price controls saved the rest of the country, perhaps from catastrophe. The moral should be clear.

Yet within 2 months of this rescue, the intrastate natural gas producers felt the firm bite of Government teeth on the very hand that fed the Nation enough natural gas to avoid disaster. The only fathomable explanation seems to be spite.

In a complete turnabout from his written promise and a rejection of the lesson so recently taught, President Carter proposed that Federal control be extended to intrastate gas. A ceiling price of $1.75 per 1,000 cubic feet would be placed on all "new" natural gas. A close examination of this proposal raises more questions than it answers.

The price proposed for natural gas is related to the "Btu equivalent" of crude oil. This is strange, because natural gas does not compete with and cannot be substituted for crude oil. In fact crude oil must be refined before it is sold to consumers. Thus natural gas will still be controlled at a lower price than its competition; refined fuels. This is only one of a myriad of critical facts either misunderstood or ignored by the energy bureaucracy currently advising Mr. Carter.

The definition of "new" gas, though appealing at first, is also extremely prohibitive. Currently, there are no lands on the OCS which would qualify for the new gas definition. In onshore areas there is little land in high potential areas which would qualify for the definition. Studies indicate that only 6 to 7 percent of recent exploratory well discoveries in the past 2 or 3 years would qualify.

The Carter plans would begin to restrict the amount of exploration and discovery currently ongoing in the intrastate market. Some of the fair prices offered for this gas would be rolled back by the plan; development wells recently developed in response to fair intrastate prices would no longer be pursued or produced; those supplies of natural gas flowing interstate to industrial producers at fair market rates, because they are not resales, and thus not controlled by the FPC, would now come under Federal control and thus would likely dry up.

Additions to natural gas reserves in the intrastate market have averaged 7.8 trillion cubic feet over the past 5 years. Federal interference in the intrastate market could slash the reserve additions of the intrastate market—76 percent of all reserve additions over the past 5 years—and eliminate that source which proved our salvation last winter.

There is no guarantee, because of cleverly worded language, that newly discovered gas would be sold at a higher price, or that so-called old gas would be sold at the $1.45 per 1,000 cubic feet price. Indeed, the Government might force producers to sell it at an even lower price.

I, like you, have heard the administration argue that special pricing provisions will solve any specific problems not foreseen by the Government regulations.

No one should be mislead by this specious argument. Each FPC ceiling order since the first Permian case has offered the same promise, with little or no specific relief allowed in practice. Who here honestly believes that politicians would allow specific relief to producers in need.

Predictions by both Government and private analysts agree that administration pricing proposals will result in less natural gas produced. In fact, almost 5 trillion cubic feet per year less by 1990.

Even worse is the effect the Carter proposals will have on the exploration and discovery of unconventional sources, such as geopressurized methane, which would add hundreds of years of supply to our reserves of this efficient, clean burning fuel.

Tragically the Carter proposal seeks to tax and regulate our way out of the energy crisis by Government fiat. It all too studiously avoids the free market in places with a fastidiousness bordering on paranoia; witness the definition of new natural gas which depends on 15 other related qualifiers.

The Energy and Power Subcommittee has taken the lead voting for the Krueger natural gas deregulation bill. Hopefully the wisdom shown by the subcommittee will prevail and we will once again return to the free market. The message sent us by the subcommittee, that more government cannot solve the problems caused by the same Government, ought to be heeded by this body and the administration.

Mr. Speaker, I would like to include in my remarks the text of a newspaper interview with Mr. Dick Lowe of American Quasar Petroleum Co. in Fort Worth, Tex. The following article appeared in the June 19, 1977, issue of the Fort Worth Observer:

ENERGY PLAN, NOT TAX BITE, NEEDED

(By Jim Browder)

A bumbling federal bureaucracy steered this country into an energy crunch and President Carter isn't doing anything positive to help bail us out, according to a local oil man.

"Carter's energy plan, in my view, is not an energy plan at all—it completely avoids anything that would be productive for the development of new reserves of oil and gas," says Dick Lowe, head of the Fort Worth based American Quasar Petroleum Co.

"His plan primarily is a series of taxes and rebates. Carter thinks by taxing gasoline and by taxing oil at the wellhead, then making some rebates, that somehow or another this is going to create conservation.

"It is not going to create conservation no matter how you cut it, and it is going to work a hardship on the less affluent portion of our population."

The problem dates back to the period between 1950 and 1970 when 10,000 independent oil men and companies were forced out of business because of artificially low prices dictated by the federal government, says Lowe.

During that time when foreign oil was cheap, the government also placed an artificial low ceiling on natural gas, which in effect pretty well put the coal industry out of business.

As a result, today we are faced with rapidly increasing energy costs, we are dependent on foreign nations for oil, we are trying to revive the coal industry and there's a continual feud over the price of natural gas.

Also, the public no longer trusts the federal government, the major oil companies or the utility companies.

Recently a researcher for the Energy Research and Development Administration lost his job because he refused to lower his figures on how much natural gas is available in the United States. His report of abundant gas reserves was squashed about the time Carter was revealing his energy plan.

"It is real interesting," says Lowe, "that the federal government killed a report that the federal government itself had made which indicated there was plenty of natural gas. It repudiated the administration's contention that price wouldn't help find more domestic reserves—which is a bunch of bull."

Lowe says there is a vast supply of natural gas in this country, but it is in the hard-to-get areas and will cost more money to produce. Thus it has not been economically feasible to go after this gas.

"I believe from just our company's exploration experience—by going into new remote areas or going into deep areas—there is plenty of gas to be found," says Lowe.

"If the price of gas was deregulated, that price in 10 years might go down instead of continuing to go up. That's the way supply and demand works.

"There are all kinds of places in this country that haven't been drilled yet, and the reason they haven't been drilled is because the price controls and cost mechanisms don't justify exploration. Gain doesn't justify the risk."

American Quasar set a depth record in the Rocky Mountains by drilling a 23,000 foot well in Wyoming. Commercial gas was found at 19,900 feet. "Recently in Utah we found what appears to be an excellent gas reservoir," says Lowe.

"It has been obvious from recent exposures that the government knows there is plenty of natural gas to be found if the price is right to justify the cost of exploration.

"The reason there are more gas reserves to be found is because there never has been an extensive search for gas reserves domestically in this country.

"So, I think Carter really has a lousy energy program."

Getting back to the coal situation, Lowe says, "Even the federal government admits we have plenty of coal. We're the 'Middle East' of coal reserves. But, back when the Federal Power Commission was created, the artifically low price on natural gas made coal noncompetitive.

"This damn near ruined the coal industry and created an artificial high demand for natural gas . . . forcing gas to do things coal should have done, like heat boilers to generate electricity.

Now the government wants to force natural gas out of those uses and force coal back in. Unfortunately, private industry is tooled up now to use natural gas. It would cost billions and billions of dollars to re-tool, just to make up for a stupid mistake the federal government made."

What can be done? What must be done in the future?

"I think we have to have more efficient automobiles . . . go to more mass transit . . . obtain higher efficiency in heating and cooling . . . and work on research of more exotic sources of energy such as solar, tides, winds, geothermal and etc. . . . but all those things are so far off they're not going to help us much between now and the end of this century," believes Lowe.

"Putting a tax on a gas-guzzling automobile or taxing gasoline doesn't do anything at all for the problem. The man who drives a gas-guzzling auto can afford it and he can afford whatever the price of gasoline. It makes no sense. The man who can't afford the high price of gasoline is hurt. If gas-guzzling autos are a problem, why not eliminate them? I drive one, but I damn sure can get by without it."

Although Lowe says he is philosophically opposed to government control of private industry, he indicates he could live with a real energy program.

For instance, he suggests that oil and gas be placed on the free market to seek its own level. Then the difference between that price and the existing price would be put back into exploration of new energy reserves.

If a company didn't use that portion of money for exploration, then it would be taxed at 100 per cent and placed into government research to develop a program of new energy resources.

"That way you would know the money the consumer is paying would go back into the search for more energy the nation needs," says Lowe.

"This would be a real energy program—and not a taxing and welfare program."

Mr. CRANE. Mr. Speaker, the Committee on Interstate and Foreign Commerce recently failed to deregulate the price of new natural gas by a vote of 22 to 21. In light of this action on the part of my colleagues, I would once again like to express my disappointment in the way Congress is preparing to solve the Nation's energy problems.

There is no doubt in my mind that if we are to keep our industry going and our homes sufficiently heated, we must deregulate the price of natural gas as soon as possible. We can no longer depend on the producers to find new supplies of gas unless the incentive to go out and look for new sources is substantially increased. The only way Congress can move to increase the incentive needed is to remove all price restrictions that keeps some gas selling as low as 52 cents per thousand cubic foot.

In a study released by the Energy Research and Development Administration it is estimated that at $2.25 per thousand cubic foot the Nation would be awash in natural gas. From $2.50 to $3 we would be engulfed with it. The market oriented program planning study—MOPPS—the group who prepared the study, say that at $2.50 the United States would have about 45 years worth of natural gas at current levels of consumption.

Now, the question that arises is—what are we going to do about it? Are we going to sit back and suffer through another winter like the last? Are we going to resort to the same old shopworn theories of regulation in the name of consumer protection or are we going to face up to reality and do something constructive to promote natural gas development? When we eased the price restrictions on intrastate gas several months ago, we were able to bring more gas to the Northeast States which were desperate for any gas at any price. But that was only temporary. Are we planning on keeping out the cold weather? If this type of plan worked a few months ago, it can work even better if all restrictions are removed.

Let me finish by saying that if loss of jobs, school closings, decline in GNP, and unheated homes do not scare the Congress into passing deregulation legislation, then I fear it is hopeless.

Mr. QUAYLE. Mr. Speaker, we have all been amused at the fight the administration is having with itself over the amount of natural gas left in the United States. The ERDA controversy over MOPPS I, MOPPS II, and now MOPPS III with who knows how many more MOPPS to come, will probably by the end of the summer conclude, as one pundit predicts, that beyond a shadow of a doubt the United States ran out of natural gas in early 1971.

Actually what happened is this: 70 ERDA employees were asked to provide a market-oriented program planning study to determine how much natural gas would be available at different prices.

The first study was ready April 1, but it had embarrassingly high estimates. A second study was prepared by April 6, to remedy any political problems. Predictably it had lower estimates. The latest study was released June 3 and it has the lowest estimates yet.

Though interesting, such internecine strife does little to solve the problem at hand. That is a shortage of natural gas at the Government-controlled price. President Carter's program strikes me as more of the same. It is kind of like the 18th century physician who applied leeches to cure his patient. When the patient's condition seemed to worsen the only answer was to apply more leeches. The Government caused this crisis, and by golly more Government can cure it.

The President proposes now to control not only interstate but also intrastate natural gas. This is based on the specious belief that no matter what the price, there is not much more natural gas to be found at any price in the United States. Thus the reason for the "quick fix" on that first stillborn MOPPS report.

How would it look for the President to say there is not any gas left, and his own Energy Research and Development Administration to contradict him and say that with fair incentives we would be awash in natural gas. So the prudent political action was taken—they hid the results of the first report.

But even the third try denies Mr. Carter's "no gas" conclusion. At least 55 years of natural gas are available, says MOPPS III, if a maximum price of $3.25 is allowed. And this supply conclusion ignores unconventional sources which many experts feel will be produced at lower prices than $3.25. Unsurprisingly, this problem is covered with the political instructions that—none of the MOPPS conclusions or graphs are to be used to prove that any gas will be produced at a fair market price.

An analysis by the Wall Street Journal concludes that at $2.50 to $3 per thousand cubic feet, if unconventional sources, such as geopressurized methane, are included in the predictions, hundreds of years of natural gas exist. We have only to look to the experience of Canada, where deregulation has given her people all the natural gas they need. That is an example of deregulation at work, and speaks far more eloquently than the administration guesses and estimates of higher prices with no resulting benefit.

There are development areas which could produce hundreds of trillions of cubic feet of natural gas if fair market prices were allowed. The best example is the deep Anadarko Basin. At deeper than 15,000 feet, where Mr. Carter's proposals will provide no incentive to drill, there is a 60-percent chance of finding 125 to 175 trillion cubic feet of natural gas in the 70,000 cubic miles of potentially productive sediments.

Five basic research methods of potential resource calculations were used and each confirmed the other's conclusion that trillions of cubic feet of reserves exist in the deep Anadarko Basin. All it will take to explore and develop these reserves is a fair market price.

This one area, plus unconventional sources, plus offshore reserves could easily provide hundreds of years of natural gas.

This means that we could have all the natural gas we need, a clean, efficient fuel, at a price competitive with its nearest substitute—No. 2 fuel oil which now sells at a $3 per thousand cubic foot equivalent.

But still Mr. Carter and his minions continue to bray the energy bureaucracy line—no more gas is there to be found.

The question remains: If there is really an energy crisis, why is Mr. Carter opposed to an incentive to search for more gas? As carefully sterilized as the MOPPS III report is, it still argues well for deregulation.

While enjoying the antics of the administration over the ERDA MOPPS studies, I cannot help but remember the 2 million workers laid off, the small businesses closed down, and the schools shut this past winter and all in the areas with Goverment-controlled natural gas. The moral is clear, the lesson is simple, and the solution easy to implement. This body should follow the lead of the Energy and Power Subcommittee and vote to deregulate nautral gas prices.

Mr. BADHAM. Mr. Speaker, unfortunately, we sometimes find that semantic games are the cause of controversy. Seldom has this technique been quite so effective as in the allegations made concerning the so-called "withholding" of natural gas reserves.

The critics have used several different definitions of the term "withholding" and have thus confused the public. Sometimes they mean producers who sell to intrastate buyers—rather than interstate buyers—who pay uncontrolled prices—rather than interstate buyers—who pay FPC controlled prices. At times they define it to mean all "shut-in" wells without explaining the reason for the shut-in. Finally, the definition they are using now focuses on the "behind the pipe" gas which is not being delivered at this time.

Perhaps its dangerous, but let us carefully examine the facts to see if we can find any truth in the allegations. From time to time many wells are shut-in. The United States Geological Survey—USGS—regulations require the producer and holder of an Outer Continental Shelf—OCS—lease to report monthly to the USGS on the status of all leases: the well completions and the reason for any shut-in wells. The status of these shut-in wells may change from day to day.

There are many reasons for a shut-in or nonproducing status of a well:

Flowing tube pressure is below sales line pressure.

Facilities to get gas to market are not yet completed.

Mechanical or reservoir problems—well needs a "workover."

"Workover" fails.

Some wells in the shut-in category are depleted.

Sometimes reductions in delivery are due to the fact that storage facilities are filled to capacity and thus completions reduced delivery output or were shut-in by necessity. This happened last summer.

Certain wells are shut-in while pipeline negotiations are concluded.

Wells too far from facilities, or reserves too small to justify installation of transportation facilities remain listed as shut-in.

Obviously this is a very complex situation. One not subject to quick conclusions or unfounded allegations of right and wrong.

If you recall, while busily searching for a convenient scapegoat for last winter's natural gas crisis, the Secretary of the Interior, and, some Members of this body decided that natural gas producers were to blame. No matter that Government policy had clearly caused the shortage. For a new administration about to welsh on a written promise, and a Congress which had just a year before rejected the only possible solution by four votes, a convenient fall guy was needed. Thus Secretary of the Interior Cecil Andrus ordered a quick study of the situation.

The USGS was not commissioned to do the study, rather a sole source contract was let by the Department of the Interior to J. W. Wilson, Associates, Inc.

The study team was led by George Donkin an economist who worked on employment issues at the FPC. He had no training or experience in petroleum geology or petroleum engineering.

David Schwartz, an economist who headed the Office of Economics of the Bureau of Natural Gas and now works in the Senate, also participated in the study. He has advocated on many occasions that the Government form a Federal oil and gas corporation to develop, produce, and market oil and gas.

The other members of the investigating team were Victor Zabel, Lawrence Kruysman—both of the FPC, and Paul Martin of the USGS, all of whom have the technical background to understand the issues.

Mr. Donkin and Mr. Schwartz wrote the report and did not review it with other members of the team. Leo Krulitz of the Department of the Interior—a sixth member of the team—did not sign the report, and Paul Martin dissented from the conclusions in some parts of the report. The explanations here derived are from the comments offered by Paul Martin in response to the official report.

The Andrus study compared production rates of different offshore wells in the Gulf. Because most wells produce gas on an average of 28 days per month, this monthly output could be compared with a monthly maximum production rate and be found to be producing at only 80 percent of capability. Unfortunately Mr. Donkin and Mr. Schwartz failed to include this fact in their report.

In discussing nonproducing wells the Andrus report leads one to believe that gas is being withheld.

Every reservoir retains some gas, usually 25 to 40 percent in the Gulf of Mexico. There is little chance of recompleting the well in the same reservoir once water reaches the well's perforations. In order to draw the largest possible amount of gas out of a well, sufficient reserves must remain to economically justify a new well completion—one must consider subsea depth, water

depth, proximately to present platforms, and facilities present, to determine the economic feasibility of such a project.

There is a relationship between maximum efficient rate of production and the number of well completions. Too many completions could cause capital waste.

The question of reservoir calculations also arose.

This is a highly subjective practice and no single estimate is necessarily right or wrong. Different Government groups and different private groups all have come to different conclusions on the amount of gas in a reservoir.

Several other points brought out by USGS personnel were omitted in the report:

First, pipelines requested cutbacks in the middle of 1976, because of filled storage capacity, repairs, and maintenance;

Second, production decline rates in new gas fields in the OCS are expected to be greater than historical declines due to increased pipeline demand rates and larger production tubing; and

Third, an accident—blowout and fire—on one of the studied platforms—South Marsh Island Block 48—Amoco—was ignored in the compilation of statistics.

The contention that many fields classified as gas-cap gas could be produced without reducing ultimate recovery is mere conjecture in the opinion of knowledgeable experts.

A lack of the knowledge of and the understanding of technical problems produced several errors in the report pertaining to the downtime of certain completions—Tenneco's platforms "B" and "F", and the possibility of additional drilling. The report also ignored economic and technical feasibility of new wellholes and their location to existing facilities.

To add to the circumstantial evidence and opinions in the report, the case of the East Cameron Block 272, Reservoir DH–3b was reported to have reserves of only 0.3 billion cubic feet, but had produced 2.2 billion cubic feet by late 1976. This was due to gas coming from an adjacent fault block which was expected to seal and did not. Tenneco had submitted information to this effect, but the report omitted it. The authors tried to make it appear that companies were understating reserves.

The primary study took 11 days to complete, only 3 days spent in Louisiana. They never talked to any producer lessee and did not visit any facility. It seems that the "independent" study done for Secretary Andrus started with a preconceived notion, and the information available was either misunderstood or distorted to reach the desired conclusion.

My purpose here is to debunk some of the myths and allegations often prominent in the discussions of natural gas deregulation. Rather than accusations based on distorted information, let us review the facts, and make our decision accordingly. I believe that the Subcommittee on Energy and Power made the correct decision; to deregulate. And I only hope that we, like they, will base our decision on the facts.

Mr. ARCHER. Mr. Speaker, I appreciate this opportunity to once again call attention to the pressing need to remove Federal price controls from petroleum and natural gas produced in this country.

It is inconceivable to me that the majority in this Congress can continue to ignore economic reality and instead play pure politics with this Nation's energy supply. The logic calling for deregulation of oil and gas prices is unshakeable—as I and others have repeatedly noted in this Chamber for many years.

Unfortunately, whatever notions we might have had of a statesmanlike approach to our energy dilemma seems once again to be dissolving into a sea of petty partisan politics and selfish personal political considerations.

President Carter well knows this political reality. During his campaign, when the critical votes of gas producing States were highly in doubt, he gave his oral and written pledge to work with the Congress to bring about deregulation of natural gas. Now, after the votes from those States helped put him in office, new political considerations have apparently caused the now President to call for greater regulation of both natural gas and oil. Political expediency, not economic fact, is apparently the most important consideration.

Regrettably, it is actions like this that have worked to twist the issue of Federal price controls into a divisive, geographically fractionalizing, topic of debate.

The debate should not put the producing States against the consuming States. We need not, and must not, pit the economic plight of consumers in one part of the country against that of consumers in another area—with the victor receiving the spoils of artifically lower prices at the expense of the loser.

Mr. Speaker, this is what has actually happened historically in the case of natural gas—and it is time we jut an end to it.

Deregulation of natural gas will, as long-term contracts expire and new contracts are written, gradually equalize the price of natural gas paid by consumers throughout the country. Even more important, it will provide the means to finance the ever-increasing high costs of discovering, and developing, additional sources of gas which can help us bridge the gap between now and the time when other fuels can take on a major share of the energy burden.

The case for decontrol of petroleum is equally strong. Incredibly, we are now importing nearly one-half of our crude oil—whereas we were importing just over a third of it at the time of the Arab oil embargo. Domestic price controls continue to stifle development of our petroleum reserves at a time when we have no choice but to produce more.

Artificial tax gimmicks to increase the price paid by consumers for petroleum products only speak to one side of the equation—consumption.

They do nothing to stimulate additional production that must go hand in hand with conservation as long as our society remains dependent upon oil and natural gas for the overwhelming majority of its fuel needs.

The Congress is far from finished with its consideration of the National Energy Act. There is sufficient time to indeed make it an effective means for achieving an energy program which the American people can believe in and depend upon to get us through this period of shortage and into a secure energy future.

Partisan politics must be shoved aside—and the overall good of our entire Nation must be our overriding concern.

The imposition of Federal price controls on oil and natural gas helped create the shortage we are now facing as a Nation—and their immediate elimination must be an integral part of any comprehensive program to cure it.

The facts are clear. Everyone in this Chamber knows them. The remaining question is whether or not a responsible majority of our Members will take this long-awaited, necessary action.

Mr. ARMSTRONG. Mr. Speaker, I commend the gentleman from Oklahoma (Mr. EDWARDS) for his efforts to emphasize the importance of free market pricing to cope with the Nation's energy shortage. Deregulation of oil and natural gas pricing will do more to alleviate our fossil fuel shortages than any one single step.

Yet this one step is being fought tooth and nail by those who feel that energy solutions lie in the fairyland of more and more bureaucracy and regulations.

Within the past 4 years Congress has created the Federal Energy Administration to regulate oil producers and consumers; in turn, FEA has promulgated regulations which make a pile 3 feet high; 10,000 Government employees have been hired to interpret and enforce these regulations and, awful, thought, to think up new regulations.

The result of this frenzy of Federal activity is as depressing as it is obvious: In 1976, domestic oil consumption reached an all-time high, but domestic oil production dropped to the lowest level since 1961; imported oil averaged 42 percent of U.S. petroleum consumption, and at times during the year accounted for half of U.S. consumption; since 1972 the dollar costs of imported oil have jumped from $4.3 billion to $34.6 billion in 1976; yet petroleum accounts for a greater percentage of U.S. energy use now than it did in 1970—up from 44 percent to 46 percent.

The United States is using more and more petroleum each year. But we are producing less and importing an increasing proportion of our needs from overseas sources, primarily from the OPEC nations.

In the last 5 years, U.S. production has declined from a daily average of 9.5 million barrels to 8.1 million barrels in 1976. Consumption rose from about 15 million barrels daily in 1970 to 17.3 million barrels in 1972. The embargo reduced demand somewhat, but the daily average rose to a new high of 17.4 million barrels by the end of 1976.

Aside from the purely financial considerations and the drain on our balance

of trade and balance of payments, our heavy dependence on foreign sources for a crucial raw material has ominous geopolitical and strategic implications. It literally make our Nation's energy-based prosperity the hostage of the oil sheiks. It is now about time that we face the facts about why domestic oil production is lagging and start solving the problem?

The regulatory bureaucracy has been spectacularly successful in creating jobs for regulators. There are over 7,300 employees at FEA alone. The regulatory scheme has promulgated a stunning number of regulations—over 3,200 pages of such regulations and proposed regulations were issued by FEA in its first year alone. The FEA manual is now over 36 inches thick, and monthly revisions add 50 to 100 pages at a crack. While solving some injustices, the regulations and regulators have created many new injustices, disrupted the Nation's oil industry, and imposed severe hardships on many producers, refiners, distributors, retailers, and consumers.

But all this economic regimentation has not prevented consumer price increases—gasoline has gone from about 32 cents a gallon to over 64 cents a gallon in the last 4 years. Nor has this regulation encouraged new U.S. oil production. Quite obviously, the whole regulation scheme has had the opposite effect.

While consumer prices have responded to the unregulated prices of OPEC oil, domestic oil prices have been held below the level at which producers have an economic incentive to discover, produce, and market oil. So we are producing less oil at home and becoming even more dependent on overseas sources. The situation will surely grow worse until free market pricing is restored.

Will a return to free market oil prices result in still higher consumer gasoline and oil product prices? Probably not, although a modest price increase would be better than the present trend toward ever-increasing dependency on OPEC, which means vastly higher consumer prices and unhealthy reliance on undependable sources.

Both letters from my own constituents and public opinion polls show that while a slight majority of the American people believe we face an energy problem, a majority also feels that the oil companies are "getting too much" and are somehow to blame.

Yet both the current laws and regulations and the President's proposal do nothing to deal with one of the principal problems of the current situation. Domestic crude oil discovered in the United States before 1973 is price-regulated at $5.17/barrel, while imported oil sells for around $13.70/barrel.

So the current Government policy rewards U.S. companies for having explored and produced foreign oil, while penalizing domestic production.

While there is a chance that some type of oil price deregulation might cause price increases and untoward profit margins, the first priority should be a price policy which will encourage exploration, new discoveries, and new production of oil and natural gas.

Then if the resulting profits are truly windfalls, Congress could and should enact windfall tax legislation, including plowback provisions to encourage oil companies to reinvest profits in increased new production.

But the main thing is to encourage production through either gradual decontrol of prices or by legislating the end of the entire price-control allocation scheme.

In the 94th Congress, I introduced legislation to end the Nation's worsening natural gas shortage by removing Federal controls on the wellhead price of natural gas. And I continue to support deregulation.

But after the worst winter for the east coast in many years, summer is here, and the natural gas crunch of 6 months ago seems largely forgotten.

Even now some of our colleagues are reluctant to face the central fact about the natural gas shortage—it has been artificially created by these Federal controls. Until these restrictions are eliminated, or drastically modified, the situation is bound to grow worse. And the longer a decision is delayed, the more serious the consequences will become.

Until 9 years ago, America enjoyed an abundant supply of this efficient and environmentally desirable fuel. Gas consumption rose dramatically, but production more than kept pace. Year after year, more new gas was developed than consumed; reserves steadily increased.

But in 1968 the Supreme Court upheld the Federal Power Commission's complicated system of price regulation which was imposed on all natural gas sold for transmission in interstate commerce.

The effect was dramatic. Incentive to produce new gas for interstate commerce vanished almost overnight. The Nation's total gas production leveled out after rising for years, and the country began to use more gas than was produced. By 1973 new reserve additions were less than one-third of consumption and the Nation's total natural gas reserves dropped from a 15-year supply in 1967 to a 10-year service in 1976.

Actual new reserve discoveries in 1976 amounted to about 7.5 trillion cubic feet—36 percent of 1976 consumption levels. And of that 7.5 TCF, only 3.5 TCF were actually new dscoveries. The rest was "discovered" by revisions in existing reserves.

As Federal Power Commission regulations have held down the price of gas, more and more has been diverted to intrastate use. Even though the highest regulated price for new natural gas has been increased to $1.42/mcf, the average price paid by the gas suppliers is still only 77 cents/mcf for interstate sales. But almost all intrastate gas is being sold at close to $2/mcf.

Consequently, new discoveries in the continental United States are mostly sold inside State boundaries—and less and less of U.S. gas is sold in interstate commerce.

U.S. natural gas production—decline of interstate sales

	Production [1]	Percent interstate
1966	17.5	67
1968	19.3	66
1969	20.8	67
1970	21.8	64
1971	22.6	67
1972	22.5	65
1973	22.6	62
1974	21.6	58
1975	20.1	[2] 55
1976	19.9	NA

[1] Trillion cubic feet.
[2] Estimate.

Sources: AGA, FEA, FPC.

As a result of these short-sighted Federal policies, shortages have plagued the Nation for the past 5 years.

The main objection to returning to free-market pricing seems to be the fear of a drastic increase in home heating costs. Such increases may be justified by comparison to other fuels which are harder to transport and use, less desirable environmentally and far more expensive on an energy equivalent basis. Fortunately, however, further higher prices to residential users do not seem likely.

Most of the burner-tip cost of natural gas to the consumer is the cost of distribution, not gas. Only about 20–25 percent of the price paid for home heating is accounted for by the fuel cost, the balance representing the distribution charges. So even if the field price of gas were to double or triple, a pessimistic estimate, I believe, the effect on most homeowners would be relatively modest, other fuels if natural gas stocks are further depleted. And such increases would probably be phased over many years.

The alternative should also be considered. If nothing is done, and the volume of gas carried in interstate pipelines declines, the shrinking volume of gas will necessarily become more expensive as the cost of the pipeline—the major component of the cost—is amortized over fewer and fewer units of natural gas. In short, some experts believe that price increases resulting from decontrolling the wellhead price will be less than price increases inherent in the present regulatory structure. As FPC Chairman John Nassikas pointed out:

> Whatever the cost of deregulation may ultimately be, it will be far less than the costs associated with current and anticipated curtailments of gas deliveries, idle pipeline capacity, high cost supplemental supplies.

The Nation has suffered long enough as a result of this experiment with regimentation in the natural gas industry. By substituting Government decisionmaking for a free market, we have curtailed supply, increased costs, fostered economic dislocations, and permitted the Nation to become increasingly dependent on foreign sources of natural gas.

There are over 4,000 producers of natural gas in this country. I think it is time to turn them loose again. Let us go back to the kind of competition that provided us with abundant nautral gas before and will do so again.

There is no reason to delay. This subject has been exhaustively studied and the conclusions are obvious.

By deregulating natural gas, Congress can do more to alleviate the Nation's overall energy shortage than by any other piece of legislation before Congress.

Mr. BAUMAN. Mr. Speaker, natural gas deregulation is one of those rare problems whose only feasible solution satisfies both economic and environmental concerns.

Environmentalists have long supported the increased use of natural gas as the best way to solve the emissions problems caused by the use of coal.

Economists, on the other hand, are in agreement that the only way to increase the supply of this clean burning, efficient fuel is to deregulate the price of natural gas.

Yet the politics of this difficult action have long kept Congress from voting to deregulate natural gas prices; the only action which can solve the current natural gas shortage. Rhetoric is a strong argument, and the rhetoric of higher prices and decreasing supplies now used by the administration only increases the sweet siren call which will lead to a catastrophe worse than last winter's.

Let us examine and unravel the myth surrounding the end of Government control and taxpayer subsidy of foreign energy supplies which is the result of our artificial natural gas price structure.

The solution is not so complex as the rhetoric would suggest. Several examples might help to clarify the matter.

With regulated prices, the most immediate problem is not the price of gas but how much gas will be available. Assuming that businesses and factories will buy substitutes when they are cut off from natural gas, and knowing that substitutes are often used in peak months by supply companies to augment their dwindling supplies of natural gas to homeowners, it is clear that in figuring the cost of regulation it is necessary to realize that substitutes are used and that they cost more than the current prices paid for deregulated natural gas.

In some cases Algerian liquefied natural gas is used. This ranges in price anywhere from $1.90 per thousand cubic feet to more than $6 per thousand cubic feet. In contrast, deregulated natural gas has been sold at around $2 per thousand cubic feet. According to Federal Power Commission price projections the free market price for natural gas in 1975 was 22 percent cheaper than liquefied natural gas, 31 percent cheaper than Alaskan gas, 44 percent cheaper than coal gas, and 46 percent cheaper than synthetic gas.

Deregulation would increase the price of natural gas in the short run but it would also expand the supply of natural gas. This, of course, would displace those sustitutes which are far more expensive than deregulated natural gas.

Thus the homeowner would benefit in two ways. First, he would have enough natural gas, and second, he would pay less for domestic natural gas than he now pays for the high-priced foreign substitutes he is forced to use.

Government control of the price of natural gas increases the cost to taxpayers not only because they have to buy more expensive foreign substitutes, but because diminishing supplies increase pipeline costs which compute 80 percent of the actual consumer delivery price.

The price for pipeline operation is constant whether one cubic foot of natural gas is transported or several trillion cubic feet are transported. Obviously, the more gas transported through the pipeline the lower the cost to the consumer to have the gas delivered. As the Wall Street Journal pointed out:

In the U.S. there's about $40 billion worth of pipeline on which principal and interest has not been paid. The pipeline companies, regulated by the FPC, are permitted to charge enough to pay off the debt, along with operating costs and a small profit. Say gas costs $.52, and the pipeline is being amortized at 10 percent a year. If only one cubic foot of gas moves through the system, the customer at the end will pay $4,000,000,000.52. If two cubic feet move through the system, the retail price plummets to $2,000,000,000.52.

The point is that if the pipeline is not full, each cubic foot bears a higher transmission burden. In 1973, the pipeline was full. Now, because it was against the law for the pipeline company to pay more than $.52 and nobody would sell gas at that rate, the pipeline supplying Brooklyn Union runs half empty. The cost goes from $.50 per Mcf to $1.00 per Mcf for all the pipeline customers. Brooklyn Union has its own pipeline network to pay off and must, in the same fashion, spread these charges over an underutilized distribution system.

Zinder and Associates have estimated in a report filed with the Federal Power Commission that if the $0.52 price ceiling had been retained by the FPC the interstate pipelines would be 45 percent empty by 1980. The average wellhead price would be $0.37, the pipeline transportation cost would be $2.03 and the point-of-use cost to the consumer would be $2.40 per thousand cubic feet. The shortfall in supply would have to be made up for electricity, fuel oil, synthetic gas and imported liquefied gas at over $4. By way of comparison, with a $2 new gas price and full pipeline, the average wellhead price would be $1.12 and the cost of pipeline transportation would be $1.27. Cost at point of consumption would be $2.39, about the same as the estimated cost with $0.52 marginal prices and 55-percent utilization of the pipeline. However, the big cost differential produced by regulation comes with the cost of the 5.89 trillion cubic feet shortage of natural gas which would cost about $24 billion to replace with substitute fuels.

Ironically, with deregulation the price of domestic natural gas will increase, but because this will increase the supply, the delivered price to the consumer may well decrease.

There is another cost which until recently was ignored by proponents of Government control. Unfortunately, it took the crisis and suffering of the past winter to bring attention to this problem. Shortages have severe repercussions and costs. Last winter there were $610 million in wages lost by 1.2 million workers idled by shortages of natural gas. These shortages are the result of the federally controlled price of $1.42 per thousand cubic feet.

With natural gas shortages growing worse each winter, the FPC predicts that interstate pipelines will have 170 billion cubic feet less gas available during the 1977–78 heating season than during last year's crisis, we ought to heed the advice of economists and environmentalists succinctly stated by Ernst R. Habicht, Jr. of the Environmental Defense Fund.

We must give energy producers incentives to look for new oil and natural gas . . . In recent years we have subsidized expensive synthetic or liquefied natural gas with one hand while creating disincentives to drill for and produce cheaper gas with the other. Absent the aggressive participation of these producers, we have no way of knowing the extent of conventional gas reserves or the costs of producing those vast quantities of gas locked up in geologically unconventional reservoirs.

The facts show that deregulation is good for the consumers, the environment, and the economy, but very bad for those who advocate increased Government control. Perhaps that is the reason it is so difficult to free the people and the system from these needless controls.

Mr. WHITE. Mr. Speaker, as we all understand, this is the first time that a President of the United States has attempted to establish an energy policy complete with goals and expectations. I agree with President Carter that we need to provide incentives for insulating homes, using solar energy, and driving more efficient automobiles. Certainly, there is an enormous amount of waste to be eliminated. The question is, how much and how quickly can the measures proposed result in significant energy reduction.

Therefore, I feel that it is somewhat improvident to depend on conservation alone, particularly when the country is faced with a demanding need for economic expansion. Any simple basic conclusions regarding economic expansion have to include needs for increased energy. If the proposed conservation measures do not produce the energy required for economic expansion—and I doubt that they will—then we are quite impossibly trapped. Therefore, I must conclude that we will be much better off to provide enough additional energy supplies to meet at least a modest increase demand. To me, then, the only safe course is to increase energy supplies while at the same time working boldly and with innovation to hold consumption down. If it should prove easier to reduce demand than now seems possible, we could find ourselves in the happy circumstance of having surpluses in energy for a change.

The lead time in developing additional energy supplies is so long that if we are going to take a chance on guessing wrong, we should err on the side of adequate supplies. Conservation is only one side of the coin. I insist, along with many of my colleagues, that the only way to assure adequate supplies of oil and natural gas is to deregulate. Future production of oil and gas will obviously depend in large part on investments not yet

made and on reserves not yet discovered and developed.

In the light of this combination of pressing need and exciting opportunity, is there reason to believe our Government has begun to move in the right direction? I say that the trend in Congress and in the regulatory agencies in recent years has been in the other direction. The President's energy plan has ignored the production of new oil and gas by simultaneously deemphasizing exploration while regulating the prices of both intrastate and interstate markets. This regulation will artificially depress the price of natural gas to a point where wasteful consumption will be stimulated while supply is discouraged. While focusing on the consumer's short-term interest in low prices, the Government will ignore his equally great long-term interest in adequacy and security of supply. A rational approach to the pricing of oil and gas is what the country needs to achieve both the degree of conservation we need and the increase in energy supplies we must have. Crude oil and natural gas should be deregulated to reflect prices near the level of imports. Such prices will encourage conservation and will stimulate the discovery and development of additional domestic supplies, and yet will cost the consumer no more than the foreign source supplies they will replace. It is impossible to believe that we will ever be able to return to the days of 40- or 50-cent gas; but on the other hand, there is every reason to believe that deregulation could result in uniform costs to everyone, and costs with which we could live. This is the direction I hope Congress will take. If we accept the fact that costs cannot be low, let us at least hope that they can be equitable. To insure the confidence of the country's consumers that the resulting prices would indeed be equitable, Mr. Speaker, it is my feeling that deregulation ought to be accompanied by some carefully devised and enforced Federal monitoring systems. Thank you.

Mr. KEMP. Mr. Speaker, I commend my friend from Oklahoma (Mr. EDWARDS) for reserving the time of the House this afternoon to discuss this issue—a vital one to every American home and business. The issue is how to best assure adequate supplies of natural gas. The gentleman is doing exemplary service on behalf of the American consumers by affording us this opportunity to shift opinion in this town more in their favor.

Representative EDWARDS and I are cosponsors of legislation which would assure new supplies of natural gas. So are a growing number of other Members of the House and Senate. But we are opposed by the administration and by the Democratic Party's majority in Congress. At a time when we need less Government regulation and the costly bureaucracy which administers it, this year has given us a new Department of Energy with 20,000 employees and a Presidential initiative which is a mirror image of what we are supposed to be getting away from.

NATURAL GAS MEANS JOBS IN NEW YORK STATE

The reason I am so concerned about this issue is that I represent an area of the country—western New York—which is heavily dependent on uninterrupted supplies of natural gas to heat our homes and schools and keep our businesses and factories running. The natural gas issue there is the jobs issue—pure and simple. And I intend to see that the workers and homeowners in New York do not lose their jobs or their fuel supplies because Government policies prevent them from getting adequate amounts of energy at reasonable prices.

The natural gas debate centers around the effects of price.

On the one hand—that represented by President Carter, Energy Secretary Schlesinger, and a majority within the Democratic Party in Congress—you have the following line of reasoning: Keep the price of natural gas below what the true market price would be. Do not let it rise above $1.75 per thousand cubic feet, even if that artificially low price depresses exploration for new sources. It is better to force conservation because of inadequate supply and to run the risk of further shortages, if those are the consequences of $1.75 per Mcf, than to let the price rise.

On the other hand—that represented by MICKEY EDWARDS, myself, and most consumers—you have this approach. Let the price of natural gas rise to the level which will assure adequate supply. It is better to have enough gas at a slightly higher price than not enough. These slight price rises, such as to $2.50 per Mcf, would bring on line another 45 years supply. Because this is the minority opinion here in Washington, it is easy to see how the majority opinion has created the present energy shortage in general and the present natural gas shortage in particular.

Who is right? Which ought to be our policy for the future?

The most convincing way to do this is to examine the alternatives to slightly higher prices.

THE EFFECT OF PRICE UPON SUPPLY

Let us assume the price of domestically produced natural gas rises to $2.50. That's 75 cents per Mcf higher than President Carter's $1.75 per Mcf. That $1.75 will not bring enough new domestic gas onto line. It will, rather, increase our dependence on liquefied natural gas from Arab countries and synthetic natural gas. LNG, by contrast with the $2.50 price, is running as high as $4.00 per Mcf. SNG is expected to run about $5 per Mcf. Thus, the consumer will have to pay $1.50 per Mcf more for LNG and $2.50 per Mcf more for SNG under the Carter proposal than he would have had to pay for the $2.50 domestic natural gas. Thus, the alternative to the $2.50 per Mcf is $4 and $5 per Mcf.

The supply factor here is crucial, since that is what the consumers want. Under President Carter's price formula, we would only have about 280 trillion cubic feet brought on line. Yet, if we went to $2.25, that price could bring on 230 trillion additional cubic feet in what are called inferred reserves, 285 trillion cubic feet from the Devonian shale in the Appalachian region—of tremendous importance to the Northeast and Midwest, another 600 trillion cubic feet from the western tight sands, and from 200 to 300 trillion cubic feet in coal-seam methane. If the price rose to $3.00 per Mcf, it could make feasible the recovery of between 20,000 and 30,000 trillion Mcf of natural gas dissolved in onshore and offshore waters at depths of 15,000 feet. Yet, by staying with the President's insisted-upon price of $1.75, we will have enough for only about 20 more years.

What this tells us is that the President's warning that we may freeze in the dark is correct—but only if we adopt his program. We will not freeze in the dark—because we will not run out—if we adopt a program which allows market prices to determine supply instead of a board of bureaucrats.

THE ADMINISTRATION'S SUPPRESSION OF ALTERNATIVE POLICIES

We would be less than candid with the American people if we told them the supply figures used by the President in his energy message were not without heavy political overtone. As a matter of fact, those figures were pulled together to support a political conclusion already reached—not the other way around. The way in which these figures were arrived at, has reached near-scandal proportions.

I quote from a recent editorial summarizing this incident:

> In January, about 70 ERDA people were thrown into a task force to study potential supply and demand. In most resource studies, such a thing as prices never appears. So apparently nobody thought it was necessary to warn the MOPPS people against calculating supply curves, that is, calculating how much gas would be available at different prices in an unregulated environment. In their innocence, they tried to apply a little economics.
>
> The study estimated that at $2.25 per thousand cubic feet (mcf) the nation would be awash in natural gas. From $2.50 to $3 we'd be engulfed with it. MOPPS reckoned that at $2.50 the U.S. would have about 45 years' worth of natural gas at current levels of consumption. The price would have to go higher to tap some of the unconventional sources, like geopressured methane, which conceptually would last us for a thousand years. But why would anyone worry about these exotic sources if we had 45 years' worth of the usual stuff likely to be available at lower prices?
>
> Indeed if that were true how could there be an energy crisis? How could the President go on television with ringing calls for sacrifice? Why should American taxpayers be scared into coughing up billions of dollars—something like 5% of GNP—to cause conservation? How could Exxon recoup its investments in gasification research and coal properties by supplying gas from these sources at $3.75 per mcf?
>
> The innocent scientists and technicians in MOPPS had no idea what vested interests their simple calculations threatened. Even more to the point, bearing this unwanted message to the White House would be a black mark against the ERDA bureaucracy. The Federal Energy Administration would be in a position to gobble up all of the best spots when the two were merged into the new Department of Energy.
>
> Given these realities, there was only one answer to the non-energy-crisis crisis. The ERDA brass recalled the MOPPS study, and threw out all the charts that had been so innocently put together over the months. By April 6, it had a "revised" MOPPS study, with the charts looking much like those from the FEA.
>
> In these five days, the price projections jumped so high that the energy crisis was

back in business. Mr. Carter's regulated gas price of $1.75 looked good, because MOPPS II showed that higher prices in an unregulated market won't do much good anyway. And surely it would be prudent to give Exxon and other coal-gasification people a few billion dollars of tax money to spend on their plants.

A higher price can even be given to exotic sources like geopressured methane; Mr. Fri assures us ERDA will do the research on that. Gas sources of two or three generations hence do not threaten anyone. The problem is allowing prices of ordinary gas to rise into the $1.75–$3.00 range, where if MOPPS I is right they would bring on the next generation of gas at threatening low prices. While promising to do the research, ERDA has disbanded the MOPPS I crew, reassigning its members to study almost anything else but natural gas.

Now we have no idea whether the price figures in MOPPS I are correct. It is certainly possible for other groups in the administration to dispute them in all good faith. And clearly Exxon has made serious investment decisions on the basis of other numbers though perhaps tempered with "political reality." But to us the MOPPS I estimates seem not at all implausible, given the one thing we know for sure about natural gas: Since the Phillips-decision in 1954 its price has been held at not only artificially but, in recent years, ridiculously low levels. Most of the gas found has only been a by-product of oil exploration. It stands to reason that if looking for gas suddenly becomes profitable a lot will suddenly be found. But the point is—the point of our original editorial was—that no one will know until the price is deregulated.

The conclusions of all three MOPPS studies show the ways in which price effects supply and higher prices would result in greater supply. This table proves this:

Comparison of cumulative resource quantity/cost data—Total U.S. conventional gas

[Lower 48 and Alaska, onshore and offshore]

Producer cost	MOPPS I [1]	MOPPS II [2]	MOPPS III [3]
$1.00/MCF	550	330	120
2.00/MCF	800	490	275
3.00/MCF	990	590	465
5.00/MCF	1100	750	622
7.00/MCF	1140	810	700

[1] Estimate 1, April 7, 1977.
[2] Estimate 2, April 7, 1977.
[3] Estimate 3, May 24–26, 1977.

Note: Quantities are in quads representing moderate case estimates corresponding to indicated costs.

Quantities include proved, inferred and undiscovered.

THE EFFECTS ON NEW YORK STATE CONSUMERS

This is not just an academic, mathematical, or scientific exercise. It is a matter of profound importance to the Northeast, particularly New York State, and to its economic revitalization.

A lot happens to a cubic foot of natural gas from the time it enters the pipeline in Texas or Louisiana until it burns under a frying pan in New York. When the New Yorker pays his gas bill, only 20 percent of it goes to buy gas. The other 80 percent goes to buy the pipelines. Whether his bill goes up or down depends principally not on the cost of gas but on whether the pipelines operate efficiently. Thus, a doubling of wellhead price would not double the consumer's gas bill. Quite to the contrary, it would raise it by only 20 percent, and the tradeoff for that cost rise would be an assurance that supply would be adequate for home and factory. An example of this comes from the operations of the Brooklyn Union Gas Co. While the wellhead price of their gas went up 20 cents over the past 4 years, the cost at retail went up $1.66 for heating and cooking and $2.36 for only cooking. The reason for this lies mostly in pipeline costs.

In the United States today there is about $40 billion worth of pipeline on which principal and interest has not been paid. The pipeline companies, regulated by the Federal Power Commission, are permitted to charge enough to pay off the debt, along with operating costs and a small profit. Say gas costs 52 cents and the pipeline is being amortized at 10 percent a year. If only 1 cubic foot of gas moves through the system, the customer at the end will pay $4,000,000,000. But if 2 cubic feet move through the system, the retail price plummets to $2,000,000,000.

The point—since obviously much more flows—is that if the pipeline is not full, each cubic foot bears a higher transmission burden. In 1973, that pipeline to lower New York was full. Now, because it is against the law for the pipeline company to pay more than 52 cents and nobody will sell at that rate, the pipeline supplying the area runs half empty. The cost thus goes from 50 cents per Mcf to $1 per Mcf for all the pipeline customers.

Then too, it gets colder in New York State, so when more supply is needed and it cannot be brought through the pipeline, New York suppliers have to rely on extremely costly foreign imports or synthetic fuels. Again, the price to the consumer skyrockets.

Yet, we have enough natural gas under our country to supply us for the next 1001 years.

My administrative assistant recently cochaired a delegation of young political leaders from the United States attending a seminar on the problems of United States- Soviet relations. The seminar was held in the Soviet Union. Upon his return, he told me that it is impossible to explain the rationale behind present American natural gas policy—and the president's recommendations for continuing it—to the Soviets. They cannot comprehend as a matter of logic and economics, why the United States has underneath it all the natural gas it could possibly need, yet continues policies which keep it in the ground and force dependence on foreign and synthetic sources. He is right; it cannot be explained because it does not make sense.

PRESIDENT'S PROGRAM ULTIMATELY MEANS HIGHER COSTS THAN DEREGULATION

When an administration spokesman recently suggested the cost of deregulation would be a "$71 billion ripoff" over the next 8 years, no mention was made of the estimated $50 billion cost of public utilities converting gas boilers to coal in the President's program—not counting the additional costs of needed antipollution systems.

Neither did he mention the inadequate supply which would be caused by the President's program.

Or the $610 million in wages lost last winter by 1.2 million workers idled by shortages of natural gas—shortages that can be laid directly to the federally frozen price.

Nor did he mention the cost to gas consumers of using synthetic gas at $4.14 because Federal regulation prohibits them from buying it at the $2 price which was satisfying demand in the unregulated intrastate market. Of course, now the President wants to regulate that too.

In summary, the President's program will ultimately mean higher costs than deregulation would.

These points must be brought to the attention of the American people, and I again commend the leadership of our colleague from Oklahoma (Mr. EDWARDS) for having given us another important opportunity to do just that.

LEGISLATION TO CORRECT THE PUBLIC SAFETY OFFICERS BENEFITS ACT

The SPEAKER. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 10 minutes.

Mr. WHALEN. Mr. Speaker, last year Congress enacted the Public Safety Officers Benefits Act. This law provides a $50,000 payment to the dependents of any law enforcement officer or fireman who is killed in the line of duty. The House of Representatives approved this measure by a vote of 290 to 71, indicating overwhelming support for the view that we owe a great debt to those men and women who daily risk their lives to assure our safety. However, according to regulations recently promulgated by the Law Enformecent Assistance Administration, this benefit is not available to one important group of firemen: those who work for rescue squads. Thus, I am pleased to join with Congressman NEAL in introducing legislation today which will correct this flaw in the 1976 law.

In its final regulation released on May 6, LEAA defined "firefighters" as those "fire service personnel authorized to engage in the suppression of fires." This narrow interpretation effectively excludes rescue squad members from public safety officers benefits.

Rescue squad functions at the scene of a fire include search and rescue of persons trapped in the burning building, forcible entry, ventilation, lighting, and assistance in cleanup operations. If there is no rescue squad to carry out these duties, they are assigned to one of the fire department units on the scene. Other activities commonly assigned to rescue squads include heavy rescue, water rescue, response to automobile accidents, and other ambulance work. Since they do work so closely with fire departments, many rescue squads are included within the fire department's organization.

Because of the many instances in which fire departments and rescue squads work closely together, the present law could cause serious inequities in its implementation. If, for example, a fireman and rescue-squadsman were

killed while working together to save a person trapped in a burning building, the survivors of the former would be eligible for a Federal payment while the latter's heirs would be ineligible. According to LEAA, rescue-squadsmen are covered only when actually involved in fire suppression.

This same bias would occur even if the deaths resulted from a non-fire-related-rescue attempt. The family of a fireman killed while responding to an automobile accident would be eligible for benefits; but survivors of a rescue-squadsman who died alongside the fireman would receive nothing. This stems from the LEAA's decision that all firefighter activities will be covered even when those duties extend beyond fire suppression. The May 6 regulation states:

"Line of duty" means any action which an officer whose primary function is . . . suppression of fires is obligated or authorized by rule, regulation, or condition of employment or service, or law to perform, including those social, ceremonial, or athletic functions to which he is assigned.

The measure which we are introducing today provides a simple solution to the inequity which presently exists. Our bill specifies that rescue squad members will be covered in the same way as firemen. Rescue squad members are defined in the bill so that only those members of groups which serve in a public capacity will be eligible for benefits. In this way the requirements for eligibility are similar to those of firemen.

Regrettably, the Department of Justice has indicated that it does not support the legislation which Congressman NEAL and I are proposing. According to Assistant Attorney General Patricia Wald,

The Department of Justice appreciates the contributions such individuals make, but objects to establishing new categories of coverage . . . Opening up the legislation to provide payment of death benefits to the survivors of additional individuals would set an undesirable precedent . . .

However, this statement shows a lack of understanding of fire department operations. It is not our intention to create a new class of beneficiaries, but rather to cover the totality of the firefighting effort.

Mr. Speaker, I urge prompt consideration of this legislation. Congress needs to extend the program it promulgated last year to all of those in the fire services. The hundreds of rescue squads and their members throughout the Nation deserve the same protection which we have provided for their colleagues in the fire services.

THE ROAD TO DISENCHANTMENT

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 5 minutes.

Mr. CORCORAN of Illinois. Mr. Speaker, from time to time, this House considers bad bills. Many are defeated, but occasionally, some become law. It is unfortunate that this happens, for it is our constituents who suffer because of our mistakes. And, in a larger sense, it is our Nation itself which suffers. Shortly, though, this House will be called on to consider two bills which may be among the most unsound, unwise pieces of legislation ever to reach this floor. I am referring, Mr. Speaker, to the Universal Voter Registration Act of 1977 and to the plans for public financing of congressional elections.

These bills should be considered very carefully. Both may result in the most serious consequences, because both deal with the electoral system—one of the cornerstones of our system of Government. Both have the potential to make a shambles of that system.

In the case of the Universal Voter Registration Act, the issue is the value of a man's vote. One of the reasons the right to vote is so valuable is that, in our system, every man's vote has the same weight—the "one man—one vote" rule first voiced by the Supreme Court 15 years ago. In the case of Baker against Carr, Justice Douglas spoke of the need for citizens to have "practical opportunities for exerting their political weight at the polls." Anything that lessens the value of a man's vote deprives him of a fundamental right. That, despite all the rhetoric, is just what this bill threatens to do.

Those who support this bill argue that the present method of voter registration influences people not to vote. In other words, it is too hard for people to register ahead of time, so they just do not vote. This idea is as false as it is self-serving. People are far more likely not to vote because they are apathetic or disenchanted with the system. In short, people do not vote because they do not want to, or because they do not think it will do any good. No "instant registration" scheme will change that.

What this plan will do, though, is open the gates of the electoral process to massive fraud. A memo prepared by the Justice Department, which the administration tried to cover up, has this to say about the plan:

In the place of the protection which preelection registration provides as a guard against election fraud, the bill offers four purported safeguards. We feel that all are inadequate.

Even if subsequent inquiry was able to establish that an individual used the relaxed procedures . . . to defraud his fellow citizens of an election fairly conducted under the "one man—one vote" principle, the fraudulent votes would already have been cast and the damage done . . .

The experience of the Criminal Division . . . indicates that there is a tremendous potential for fraud in the bill.

I would like to know why some of our colleagues refuse to listen to the Justice Department—people who have experience in enforcing our laws, and who know how hard it already is, in some areas, to guarantee a fair election?

I know that those who support this legislation will say that those of us who oppose it are trying to keep people from voting. That is not the case. I believe every person who is legally qualified to vote should be allowed—indeed, encouraged—to do so. I believe we should make it more convenient for people to exercise their constitutional rights. But we should not try to do these things at the expense of honest elections. We must not open the polls without adequate protection against the fraud perpetrated by ineligible voters and self-serving politicians. If we do, we will not have opened up the electoral process—we will have cheapened it. It will no longer be important, because it will no longer be a true expression of the people's will. We will have made it possible for the dishonest among us to steal our elections.

The issue of public financing for Congressional elections presents a different problem. It has the potential to lock incumbent Members in their seats. At the very least, it would require a challenger of unusual fame to have a chance of unseating that incumbent.

Challengers have customarily been forced to outspend incumbents. With the exception of landslide years such as 1964 or 1974, challengers spend, on the average, about $40,000 more than incumbents. This is because of the tremendous advantages of incumbency—of which we are all aware already.

Now, since all of us are incumbents, and since most of us would like to stay on the job, it might seem like we should all support this bill. I would benefit from this bill, if it passes, as will every Member of this House. But the American people would lose. They would lose because many able men and women would be locked out of Congress. They would lose because this bill would be expensive. The cost estimate for H.R. 5157 is $20 million to $25 million every 2 years.

Most importantly, our system of Government would lose, over time, because fewer and fewer people would get involved to the extent, personally and financially, necessary to unseat an unrepresentative Congressman. The present value of incumbency, added to the public financing of campaign expenses, would not only discourage challengers, but make it virtually impossible to raise the money needed to offset the value of our incumbency. People who have already "contributed" with their tax dollars would not feel inclined to chip in again.

In addition to these problems, there are others. It would encourage frivolous, one-issue candidates, whose only plan is to use tax money to promote a single cause. It would place a tremendous burden on campaign organizations, which would be forced to hire lawyers and accountants to interpret and comply with those regulations—if it is possible for anyone to really understand those rules. It would make it more complicated for citizens to seek office. Candidates would be burdened with costly new requirements. This bill would undermine political party organizations, since the party would no longer be the primary campaign fundraiser.

Finally, it is something the American people do not support. Although polls have shown Americans say they support the idea of public election financing, a solid majority every year fail to take advantage of the current Presidential check off system.

I fail to see, Mr. Speaker, how, with all these drawbacks, we can seriously believe that such legislation is in the best interest of the country. This legislation does not point the way to a better electoral system, or a better America. It leads us, in fact, down the long road to disenchantment. For these reasons, I urge my colleagues to reject these schemes when they come before us.

REGIONAL RAIL REORGANIZATION ACT OF 1973 SHOULD PERMIT COMBINATION OF FEDERAL RAIL ENTITLEMENT FUNDS BY THE STATES

The SPEAKER. Under a previous order of the House, the gentleman from Delaware (Mr. EVANS) is recognized for 5 minutes.

Mr. EVANS of Delaware. Mr. Speaker, I am today introducing legislation which would permit States to combine or pool their allocation under the rail service continuation program of the Regional Rail Reorganization Act of 1973.

Under current law, a State which does not use or commit its entire entitlement must return the unused portion to the Secretary, who then reallocates money to other States based on the formula. This requirement completely ignores the regional, multi-State nature of rail transportation by prohibiting States from pooling their resources for projects of mutual interest which lie outside one State's boundaries.

For instance, the Delmarva Peninsula is made up of three States—Delaware, Maryland and Virginia—each of which receives an entitlement under section 402 of the Regional Rail Reorganization Act. The main line between Norfolk and major eastern cities such as Wilmington, Philadelphia and New York, passes up the peninsula through each State, and the maintenance of this north-south artery is of extreme importance to each of those three States.

However, that continued service is jeopardized by the inability of the State of Virginia to fully subsidize their portion of the line. This inability is due to the fact that the Virginia portion of the line contains high-cost operations such as a car float across the mouth of the Chesapeake Bay. Should service on the Virginia portion of the line be curtailed or eliminated completely, then operation in Delaware and Maryland would be severely impacted. In short, the Delaware line would cease to be a major transportation artery and instead become a long spur line with no direct access to the South.

Fortunately, the State of Delaware receives more Federal funding than it needs to operate their subsidized lines. They want to be able to contribute their excess to the maintenance of rail service on the Delaware Peninsula, but are prevented solely because the high-cost portions of the line which is so important to Delaware farms and businesses happens to lie outside of the boundaries of our State.

Thus, money which could and should help Delmarva must be returned to Washington.

The Delmarva Peninsula is an integrated economic community. I am sure there are other equally valid examples of the economic interdependence throughout the Northeast, and across the country. I urge the Congress to recognize this fact, and change the law to permit combination of Federal rail entitlement funds by the States.

B–1 AND CRUISE MISSILE

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 5 minutes.

Mr. FINDLEY. Mr. Speaker, President Carter's recent dual decision to forego production of the B–1 bomber while accelerating development of the cruise missile indicates a laudable concern for a prudent U.S. defense.

Though a superlative aircraft, the B–1 has a price tag which is unacceptable. Current estimates of $102 million per unit would undoubtedly rise once the craft were in production, further increasing the share of resources the B–1 would consume. It would be a tempting target.

Rather than going ahead with the B–1, the President has, instead, turned to a more promising and less expensive alternative—the cruise missile—which can use the now in service B–52 as a delivery system. The cruise missile has many advantages. It can be armed with a nuclear or conventional warhead; it can fly long ranges or short. It can be launched from ground, air, or sea. It is relatively inexpensive and easy to operate. The cruise missile is of the new class of smart weaponry whose guidance technologies permit accuracies that are 10 to a 100 times greater than those of unguided munitions. With precision-guided munitions such as the cruise missile we have almost a one-shot, one-hit possibility.

The implications of this increased accuracy for arms control and stability are awesome. With the cruise missile, we may pinpoint targets, thereby reducing collateral damage. Destroying a military objective, therefore, does not necessarily entail obliterating nearby civilian population centers through saturation bombing or through nuclear attack. The conventional cruise missile thus has the potential for raising the nuclear threshold. It would be unfortunate, indeed, if B–1 proponents, in their anguish over cancellation, began to vent their anger on this promising new system.

Although the Vladivostok Agreement did not include cruise missiles among the systems to be limited, the Soviets later insisted that these weapons be brought within the scope of SALT. They proposed, and we almost acquiesced, to range and numerical limits that would have drastically favored the Soviet Union. Because most important Soviet targets lie well in from coastal areas, while many of ours lie quite close, it was of course in the Soviet interest to get us to agree to short-range limits on the cruise. The limitations would have severely constrained the cruise missiles potential for revitalizing the defense of NATO.

By acting as he has, President Carter has managed to steer us away from such debilitating concessions and toward a more effective military force. With such a move, he enhanced the U.S. strategic posture, NATO deterrence, and most of all, the prospects of peace.

PERSONAL EXPLANATION

The SPEAKER. Under a previous order of the House, the gentleman from Kansas (Mr. GLICKMAN) is recognized for for 5 minutes.

Mr. GLICKMAN. Mr. Speaker, due to previous commitments in Kansas, I was absent from yesterday's session, Monday, July 11, and missed three votes, I wish to state for the record how I would have voted had I been present:

Roll No. 403, "yea."
Roll No. 404, "yea."
Roll No. 405, "yea."

WASHINGTON POST EDITORIAL ON ORAL BIDDING

The SPEAKER. Under a previous order of the House, the gentleman from Oregon (Mr. AUCOIN) is recognized for 5 minutes.

Mr. AUCOIN. Mr. Speaker, the Washington Post, in an editorial June 26, openly suggests that those of us who support a return to the historical practice of oral bidding on Federal timber in the Pacific Northwest are playing into the hands of timber interests who engage in illegal collusion. I resent that suggestion, as well as the implication that Congressmen and Senators from the Northwest are pawns of that region's timber industry. I believe this is yet another example of misunderstanding about the management of natural resources in the West. The purpose of my remarks today is to offer a more reasoned explanation of what the issue that has centered on oral bidding really amounts to.

First off, I want to object that the issue of oral versus sealed bidding for timber has been cast as being for or against collusion. This is simply not accurate. I contend that neither bidding practice is more inherently collusive. If persons want to collude, they can and have done so under both oral and sealed bidding procedures.

Those of us who favor a return to the historical practice of oral bidding for Federal timber in the Northwest oppose collusion as much as anyone. It certainly is not in the public interest. It is illegal. Steps should be taken to prosecute when evidence is unearthed indicating alleged collusion. Not just in bidding for Federal timber, but in any activity bearing upon public resources or money.

To the best of my knowledge, there has been only one conviction of this type involving timber interests in the Pacific Northwest where oral bidding was practiced. But collusion is not the real issue in the "sealed bid/oral bid" controversy. Most of those opposed to oral auctions usually will admit that what they are concerned about is something called preclusive bidding. This is where several companies, usually on an informal basis, defer to one another by declining to bid for certain Federal timberland sales, especially when a sale is particularly advantageous to a particular mill operator.

For some this has conjured up an image of two or three cigar-smoking cronies sitting around a pot-bellied stove somewhere carving up the public lar-

gesse. In my home State of Oregon, however, the average timber sale offered by the Federal Government draws a crowd of 10 to 12 bidders in forests such as the Siuslaw, Umpqua, and the south half of the Willamette. Exceptional sales may fetch as many as 15 bidders. The competition at such sales is fierce. Most are representing small- and medium-sized timber outfits with less than 500 personnel, not the industry giants. One forester—and not an advocate of oral bidding, incidentally—told me that the pitch of the bidding reaches such a point that many times timber operators bid over their head. Yet that same forester admitted only about 2 percent of the bidders on timber sales offered by the U.S. Forest Service wind up in default.

Admittedly, there are situations in which there are just a handful of bidders, and in which the competition is less than heated. I, for one, am not appealing that sealed bidding be scrapped for sales under those conditions. The same goes for extremely small sales appealing to only a limited number of buyers. However, in those intensively competitive regions, oral bidding has a public purpose. This public purpose is not to generate more public revenue, although—as it happens—that is a side effect. Oral bidding in highly competitive situations has produced proportionately higher timber revenues than sealed bidding.

The public purpose, simply, is that local mills and timber operators have an opportunity to face competition head-on for timber that is nearby and which, many times, is the species and type of timber the plant is designed to use.

The significance of this public purpose may not strike home at first. The reason it is so important in the Northwest is because the Federal Government, combined with State governments, own most of the available timber. In many regions within the Northwest, the Federal Government has a virtual monopoly on the available timber supply. To appreciate the importance of that fact, let me note that in Oregon, the forest products industry represents 12 percent of the State's gross product, nearly three times more than agriculture, the State's No. 2 industry. In 1974, Oregon produced 20 percent of the softwood plants in the United States. In that period, almost 40 percent of those logs came from Federal timberlands. Also, Oregon has more installed industry capacity than can be sustained by existing timber supply; therefore, to stay in business, companies must improve their facilities, thus increasing their degree of timber utilization, squeezing more use and more profit out of every fiber. This is especially significant given that 16 percent of every dollar spent to build a housing unit goes to building supplies, including lumber.

Given this set of circumstances, is it any wonder that timber company officers are critically concerned with timber supply and the certainty of its availability, especially those who own no timber of their own? Is it surprising that these lumbermen, faced with lumber shortages in the marketplace and escalating prices, have refused to expand production? I think not. If they did anything else, under the circumstances, they would be foolish businessmen.

Oregon has a proud tradition of independence. It is not a State sullied with scandal. It is known for its industriousness and its commitment to doing things well, even if it means staying small to do it. Former Gov. Tom McCall could not have made that clearer than when he told out-of-State residents to visit anytime, but not to stay.

What many have chosen to perceive as raw collusion or a "good old boy" arrangement is, I contend, nothing more than the strivings of small- and medium-sized timber operators to stay afloat and to keep their timber supply as stable as possible.

The situation at present is anything but stable. Indeed, it may be ludicrous. One of the results of sealed bidding in the Northwest has been the growing success of so-called outside bidders in timber sales in particular regions. Now the Forest Service guards against timber speculators and is empowered to refuse to sell to such bidders. These outside bidders are timber firms that, for whatever their reasons, chose to bid in regions outside their own operating territory. Certainly, nothing in the past has prevented them from doing this. The difference now is that they may catch local mill operators napping on a particular sale and snap it up. Of course, this is good from the viewpoint that it stimulates competition and keeps everyone on his toes. But from another, overall viewpoint, it is silly. If a timber company loses a sale, especially one it needs if it is to keep operating, it will have to go raid someone else's home territory for timber, perhaps evening the score with the firm that initiated the raid. And this is not just a possibility; it actually occurred in my State just recently, A Bend lumber mill lost a sale in its own backyard to an "outsider" from Prineville on May 30. On June 27, the Bend firm—to protect itself—outbid four Prineville firms on a sale in their backyard.

The vision comes to mind of log trucks passing on the highway, one bound for some far-distant mill and the other returning from some far-distant forest. This is chaos.

The defenders of oral bidding rest their case on its value as a stabilizing force. In Oregon, stability is critical when you consider 10 percent of the State's work force and 46.3 percent of its manufacturing work force are involved in the forest products industry.

There is ample precedent for public policy aimed at stabilizing communities using Federal timber. There is the small timber company set-aside program that is used extensively. Indeed, the Forest Service is empowered to sell timber without any competitive bidding whatsoever in the name of community stability.

For me, if I am to be depicted as a hobgoblin for the timber industry, I would like my detractors to be specific. I am most emphatically an advocate for small- and medium-sized timber operators. Not because I oppose large timber operators. On the contrary, they usually can take care of themselves—that is how they got big. My concern is that the timber industry remain as decentralized as possible. That is the best assurance the Nation has that timber earnings will reach the most people. It is also the best insurance that there also will be a good crop of bidders willing to risk all they own on their ability to convert a too-high bid into a profit through hard work and ingenuity.

The Washington Posts of this country that choose to view this situation from a continent away fail to see a very troubling reality: the small timber operator is becoming an extinct species. Larger timber companies are growing larger. And when a mill in a small town closes—as occurred in Garibaldi in my Oregon district—the economic lifeblood of the town is drained. As I watch this occur I am saddened and alarmed. It is a tragedy, the proportions of which we are only beginning to see in the form of continued high rates of unemployment in the small timber-oriented cities and towns.

HEARINGS ON IMPROVING AVIATION SAFETY

The SPEAKER. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

Mr. LEVITAS. Mr. Speaker, a number of months ago, on March 15, I spoke about the need for an investigation into the Federal Aviation Administration's delays in implementing recommendations made by the National Transportation Safety Board concerning which both agencies had previously agreed were necessary to be implemented to cut down on the loss of life in air accidents during the postcrash period. I brought up the subject then because at that time, it had been a long period since there had been an air tragedy, and I felt that such an inquiry should not be made during the emotionalism which follows any air accident, but rather should be made at a time when objective study could be accomplished. Regrettably, my speech preceded the tragedies at Tenerife, Canary Islands, and New Hope, Ga., by only a few weeks.

Those terrible accidents are now some months behind us, and the investigation I called for in March is now being held by the Subcommittee on Investigations and Review, chaired by my friend and fellow Georgian, Congressman Bo GINN. The hearings this week are just the first of a series which will deal with aviation safety. I believe these hearings will lead to improved and timely regulatory action to provide even better safety performance for our Nation's air carriers and for the millions of passengers who travel them.

To point out some of the sorts of questions we are attempting to find answers to, I am submitting for the RECORD correspondence I had recently with the National Transportation Safety Board and the newspaper article which prompted it, arising out of NTSB hearings in Atlanta, Ga., pertaining to the New Hope crash.

[From the Atlanta Journal and Constitution, June 11, 1977]

BURNS, SMOKE KILLERS ON DC9

(By Jerry Schwartz)

Incomplete autopsy results show that many of the 72 victims who perished in the crash of Southern Airways Flight 242 died of burns or smoke inhalation rather than from impact injuries when the plane landed, a National Transportation Safety Board (NTSB) official told The Atlanta Constitution Friday.

However, as the NTSB concluded its five-day public hearing into the Southern crash, there was no testimony about the cause or extent of the fire which swept through the shattered DC9 jetliner moments after it hit the ground while attempting an emergency landing on a highway in the tiny community New Hope.

Southern Flight 242 was en route from Muscle Shoals and Huntsville, Ala. on April 4 when it encountered a severe hailstorm. Moments later the airplane lost power in both engines and was forced to make the emergency landing.

An attorney for a consumer group that monitors airline operations said he was concerned because there was no testimony about the fire or about some flammable and smoke-producing fabrics which are used in aircraft cabins.

Larry Noble, attorney for Aviation Consumers Action Project (ACAP), said he had asked that testimony about the flammable materials be offered at the public hearing.

But, he said Friday, he was told at a pre-hearing conference that testimony about the fire and flammable materials would not be allowed.

"He (hearing chairman William R. Haley) told me he wouldn't allow any testimony about that unless the autopsy results were complete," Noble said.

But, Noble said, the incomplete autopsy results suggest strongly that most of the passengers lived through impact, only to die from smoke inhalation or flame.

"The toxicity tests indicate the presence of carbon monoxide and hydrogen cyanide in many of the victims," Noble said. "That would indicate they were breathing."

First autopsy reports included in the NTSB hearing exhibits showed that 29 persons inhaled toxic gases. There was no evidence of poisonous fumes in 24 of the bodies.

Noble said that ACAP, a branch of Ralph Nader's Washington-based consumer lobby, has been fighting the use of flammable materials in aircraft for years.

"We have had an Emergency Action Petition pending for four years on this. And they still haven't taken any action. The NTSB has no power to order anybody to do any thing about it," Noble said.

"They make recommendations to the FAA and the FAA drags its heels," he added.

"An airline can't advertise, 'Fly our airline and if the plane crashes you won't get burned up,'" Noble said.

Rudolf Kapustin, chief NTSB investigator of the Southern crash, said there was no testimony about the flammable fabrics because, "We've gotten testimony in these areas a number of times. Lots of recommendations were made. Some of them were implemented. Some of them are still being studied."

"At first, the airlines thought they had found fabrics that were flame resistant. But they found out that those fabrics produced more smoke and toxic gases," Noble said. "DuPont announced about four years ago that they had a fabric that was low in all three. But they've backed off that in the past few years and we think they did it because of pressure from the airline industry."

The final day of the NTSB hearing produced evidence of mostly a technical nature. However, one witness, the fixed base operator of Cornelius Moore airport, provided a surprise when he testified that he frequently flew instrument flights from the tiny airport near Cedartown to Atlanta's Hartsfield International Airport and back.

In addition, said Larry Easterwood, a charter service at the Cornelius Moore airport also flies frequently to Atlanta.

His testimony was considered significant because an air traffic controller who guides instrument flights at Hartsfield had testified Friday that in 18 years at the Atlanta tower he had never heard of Cornelius Moore airport—the airport closest to the path of the Southern jet.

The controller, Robert St. Martin, was attempting to help the crippled jetliner make an emergency landing at Dobbins Air Force base, some 20 miles away even though the plane passed within five miles of the Cornelius Moore airport, an airport which isn't depicted on the radar scopes at the Atlanta tower.

An FAA spokesman said early Friday that the agency had no plans to place the Cornelius Moore airport on the radar screens.

But in his testimony later Friday, Easterwood said he had been asked by the FAA to make a flight over the Cedartown facility so it could be plotted on the tower radar screens. The airport already is shown on the radar screens at another FAA facility at Hampton, south of Atlanta.

A large portion of Fridays' hearings was devoted to the testimony of Southern's vice president for the flight division, Capt. T. M. Shanahan. Shanahan said he had personally flown with the first officer of the fatal flight, Lyman W. Keele Jr.

Shanahan described Keele as "competent, very knowledgeable, enthusiastic, an excellent Navy aviation background. A good man. First class."

He said Southern had used its DC9 ground simulator in an attempt to duplicate the flight conditions encountered by Southern 242.

But, Shanahan said, simulator pilots were never able to "coast" the simulator as far as Keele and Capt. William McKenzie managed to coast their crippled jet.

An engineer for Douglas Aircraft Co. testified Friday that the optimum distance the plane could have coasted with both engines out at an altitude of 14,000 feet was 34.5 miles.

The plane actually coasted for 32.5 miles, said W. R. Walley, a performance engineer for Douglas.

Shanahan did concede, under questioning from FAA attorney John Harrison, that the crew of Southern 242 did not follow emergency procedure in at least one respect.

Although captains and first officers frequently alternate the chore of actually flying an airplane, Shanahan said Southern's procedure requires the captain to assume the controls in an emergency.

"In a single engine condition and in most emergencies, the captain is required to fly the airplane," Shanahan said.

The plane's cockpit voice recorder shows clearly that First Officer Keele was flying the airplane at the time it crashed.

Friday, testimony again focused on the capacity of the crippled jetliner to land at Cornelius Moore airport.

FAA officials had said earlier during the hearings that a DC9 could not have landed safely on the 4,000-foot runway at Cornelius Moore airport.

But, according to Walley, a DC9 carrying the same passenger load and in the same flight configuration as Southern 242, needed only 1,730 feet to come to a complete stop once it touched the pavement.

Although the public hearing on the fatal crash ended Friday, there is unlikely to be an official report on the crash for several months, according to Bob Buckhorn, information officer for the NTSB.

JUNE 15, 1977.

Hon. WEBSTER B. TODD, Jr.,
Chairman, National Transportation Safety Board, Independence Avenue, SW., Washington, D.C.

DEAR MR. CHAIRMAN: Your attention is called to an article appearing in the June 11th Atlanta Constitution concerning the Board's public hearing into the Southern Airways Flight 242 crash.

My specific concern is with regard to hearing chairman William R. Haley's reported refusal to allow testimony during the hearing on fire and flammable materials based on preliminary autopsies showing some 29 persons perished from burns or smoke inhalation rather than from impact injuries. Furthermore, investigator Rudolf Kapustin is quoted as stating there was no testimony on flammable materials because "We've gotten testimony in these cases a number of times. Lots of recommendations were made. Some of them were implemented. Some of them are still being studied."

More important than the content and accuracy of the actions and statements attributed to Messrs. Haley and Kapustin is the need for a clear statement of Board policy on this matter. As you know, I have for some considerable time publicly expressed concern with the lack of timeliness of FAA's responses to Board recommendations. I have a growing concern, however, that the Board may be unwisely assuming a more passive role in the safety regulatory process by not following up on past recommendations made and using new data as a basis for renewing the call to action to FAA. This concern has certainly not been put to rest by the enclosed article.

The questions and statements of Board policy I would like discussed are as follows:

1. Did Mr. Haley refuse to hear evidence on fire and flammable materials?
2. Did he hear argument on the issue of whether such evidence should be heard.
3. Upon what basis did Mr. Haley refuse to hear such evidence?
4. Was a transcript kept of the pre-hearing conference at which such refusal was reportedly made?
5. Was this refusal temporary or conditional in that Mr. Haley intends to reopen the public hearings when the autopsy reports are final?
6. Was the reported refusal to hear such testimony based on specific Board policy or precedent?
7. With reference to the statement attributed to Mr. Kapustin, what is Board policy on looking into areas covered in past accident investigations and recommendations?

Before closing, let me say that in my view Section 304(a) of the Independent Safety Board Act of 1974 imposes upon the Board certain nondiscretionary duties sufficiently broad in scope to cover injuries or deaths caused not by crash impact alone but by fire and toxic fumes inhalation. It goes without saying that, having once investigated a specific matter and made recommendations based thereon, the Board is not discharged from its statutory duties in future such instances.

I would appreciate your prompt attention to the questions raised herein and look forward to a clear statement of Board policy on the issues raised.

Sincerely,

ELLIOTT H. LEVITAS,
Member of Congress.

NATIONAL TRANSPORTATION SAFETY BOARD,
Washington, D.C., June 30, 1977.

Hon. ELLIOTT H. LEVITAS,
House of Representatives, Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN LEVITAS: This is in reply to your letter of June 15, 1977, wherein you posed numerous questions concerning

the National Transportation Safety Board's investigation and recent hearing into the Southern Airways Flight 242 accident. I have asked Member Haley to respond directly to you on those questions concerning the prehearing conference and the hearing held in Atlanta. His response to your questions has been reviewed and is endorsed by the Board.

It is the policy of the Board in investigating any major accident to pursue all aspects of the accident in an effort not only to determine causation, but also to identify all safety problems that may require correction in the interest of accident prevention and increased survivability. We are particularly mindful of the language in section 304(a) of the Independent Safety Board Act of 1974 which emphasizes the need to include in our efforts all problems which may invoke risk of injury and its avoidance.

I believe the information furnished by Member Haley will indicate that this policy has been and is being adhered to in the investigation of the Southern Airways accident. As he indicates, the human factors aspect of this accident is not being ignored, but is still under investigation. The absence of any additional discussion of this problem at the hearing should not be interpreted as meaning that we are not pursuing it in our investigation.

In further explanation, I should point out that a Safety Board accident hearing is only one part of the Board's total investigation; that the absence of any discussion at the hearing of a particular item does not mean that it is not being pursued in the total investigation; and in this particular case, as Member Haley indicates, the human factors aspect of the accident is being pursued at this time and will not only be included in the Board's accident report but will undoubtedly be considered by the Board for the purpose of forwarding safety recommendations to the Administrator for further action.

The Board is not assuming a more passive role with regard to safety problems. We have made numerous recommendations in the past concerning problems of survivability and will continue to do so. The fact that prior recommendations have been made on this subject, some of which remain outstanding, does not in any way inhibit us from pursuing the same subject in further recommendations based on additional data obtained from current investigations. Any comments, in the press, to the contrary do not reflect Board policy. I believe our record in past cases and in this case will clearly demonstrate that fact.

I wish to thank you for bringing this matter to my attention and trust that the information furnished you by Member Haley and my remarks will alleviate your concern.

Sincerely yours,

WEBSTER B. TODD, Jr.,
Chairman.

NATIONAL TRANSPORTATION
SAFETY BOARD,
Washington, D.C., June 30, 1977.

Hon. ELLIOTT H. LEVITAS,
U.S. House of Representatives, Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN LEVITAS: Chairman Todd has asked me to respond to those questions set forth in your letter of June 15th as they bear on the planning and conduct of the Safety Board's Pre-Hearing Conference and Public Hearing into the Southern Airways Flight 242 accident held in Atlanta on June 6–10 at which I served as Chairman of the Board of Inquiry.

I share your concern over the statements attributed to me by a third party as reported in the Atlanta Constitution on Saturday, June 11th. While I made myself available during the entire week of the Hearing to the Atlanta press and media to answer questions relating to the Hearing and the scheduled witnesses. I regret that the Constitution's reporter covering the Hearing at no time questioned me or sought confirmation by me of the statements and Board policies reported in this particular news story either before or after publication. Unfortunately, the published report appeared the day after the Hearing recessed and I was not in a position to reply on the record.

I appreciate very much the opportunity you are affording me to comment in detail on the June 11th news report. I believe an appropriate way to proceed would be to answer your questions according to the chronology of events of the Board's investigation.

That part of the Board's investigation concerning passenger survivability was undertaken by the Human Factors Group—a team of eleven experts representing the parties, including representatives of the Air Line Pilots Association, flight attendants, three FAA medical doctors, a crash injury specialist, Mr. Terry Wallace of the Civil Aeromedical Institute and chaired by a senior member of the Safety Board's staff. The Human Factors Group made an examination of the wreckage, interviewed all of the survivors and cataloged their injuries, interviewed rescue and fire personnel, and reviewed the evacuation procedures and evacuation training of the flight attendants. During the investigation the team collected the pertinent facts of the accident and applied these facts to the Board's definition of a survivable accident. In addition to the basic premise that impact forces transmitted to the occupants should not exceed human tolerance, the following criteria must be met:

1. Seats, seatbelts and floor remain relatively intact although they may be deformed.

Application to Flight 242—A large number of seats and passengers were ejected from the cabin with some of the passengers still in their seats. A number of passengers struck trees. Many seatbelts pulled out of seats and seats pulled out of the floor.

2. Cabin and cabin furnishings remain relatively intact and do not impinge upon occupants.

Application to Flight 242—The cabin was torn apart after impact with the ground and numerous trees and broke into four parts.

3. That passengers are not struck by nor do they strike objects which may render them incapacitated/impaired to the extent that they cannot escape.

Application to Flight 242—Trees entered the cabin and fire erupted in the cabin before the aircraft came to a stop. Passengers were seen by the rear flight attendant burning in their seats before the aircraft stopped.

The Board's staff has concluded that the accident was marginally survivable in a very limited area of the cabin. Survival of several of the passengers in this case has to be attributed to random and fortuitous circumstances, rather than controllable factors.

The Pre-Hearing Conference was held in Washington on May 24, 1977 and attended by all eight parties in the investigation and Mr. Lawrence Noble, spokesman for the Aviation Consumer Action Project (ACAP), a party to the public hearing but not to the investigation. As a result of discussions with the parties at this meeting a number of additional FAA personnel and several experts from Pratt & Whitney and Douglas Aircraft were added to the witness list making a total of forty-two witnesses. I was requested by the spokesman for ACAP to add additional witnesses who would testify on the survivability aspects of the accident including testimony concerning fire and flammable materials.

I refused this request and based my refusal on the fact that until the autopsy reports giving the cause of death were available and analyzed it would not be productive to schedule additional witnesses at the Public Hearing because the individual selection and the questioning of expert witnesses would be difficult in the absence of the necessary autopsy data; otherwise, the questioning would have to be broad and general and not directly related to the specific conditions existing in this accident. I also stated that we were scheduling as witnesses the two flight attendants, one of the surviving passengers with an aviation background, and the Chief of the Fire Department participating in the fire fighting and rescue activities.

At the conclusion of the Conference I discussed again with Mr. Noble his request and stated that our staff would review the need for this testimony after the autopsy reports were completed.

In reply to your question four, I wish to state that the Board has no established procedure for transcribing prehearing conferences.

I would like to point out that during the first day of the Public Hearing passenger briefings and evacuation procedures were the subjects of extensive testimony by Flight Attendants Ward and Lemoine who testified concerning the preparation of the passengers for an emergency landing and evacuation. Interviews of the passengers commend the flight attendants for the thoroughness of these emergency instructions which many passengers confirm were instrumental to their survival. These activities will be discussed and analyzed in detail in the Board's formal report.

While the Public Hearing was in progress in Atlanta the autopsy reports of fifty-seven out of sixty-one passengers and crew were received at the Safety Board's Washington office from Dr. Joseph Burton, the Atlanta Assistant Medical Examiner. The Board then forwarded these reports to CAMI at Oklahoma City to the attention of Dr. William Kirkham for analysis. Dr. Kirkham's findings will be reviewed by those individuals making up the Human Factors Group at a meeting scheduled to be held in Atlanta on June 26, 27 and 28 at the Southern Airways Training Center. This meeting will consider the following subjects:

1. A review of the medical reports of the survivors and the autopsy and toxicology reports of the non-survivors.

2. A determination of distribution of the wreckage prior to the removal of the bodies.

3. A determination of the location of the bodies before they were removed in the rescue activities.

4. A review of passenger statements in order to reconstruct the evacuation and the manner in which the aircraft broke up.

5. Reconstruction of the ignition point and propagation of the fire.

Based on the conclusions reached at this meeting a separate report will be filed in the Board's Docket to become Exhibit 6–0 and we will decide at this time the need for deposing additional witnesses. I will be happy to forward a copy of this report to your office when it is received.

Returning to the Constitution's news story of June 11th, the reporter's interpretation of "preliminary autopsy results" misrepresents the actual information presented in Exhibit 6–A of the Board's Docket which contains only data from the toxicology reports and no autopsy findings. Contrary to the reporter's claim that "many of the seventy-two victims who perished . . . died of burns or smoke inhalation rather than from impact injuries", Exhibit 6–A reports only that twenty-four passengers had no levels of carbon monoxide or hydrogen cyanide and twenty-nine passengers had positive levels of one or both substances. However, we could not conclude then, nor even at this time, that these twenty-nine people in fact died from toxic fumes without further analysis of the autopsy results in conjunction with the toxicology reports. The fact that carbon monoxide and hydrogen cyanide were detected in these twenty-nine passengers in varying degrees does not necessarily imply that carbon monoxide and hydrogen cyanide were the actual causes of death.

I trust that the above factual report is responsive to and answers the questions raised in your letter to Chairman Todd.

Should you desire further or additional information please advise me and I will be pleased to provide it to the best of my ability. In closing I would like to note that Mr. John Stratton, a staff member of the Investigations Subcommittee of the House Public Works Committee, was in attendance and monitoring the proceedings of the Board's Public Hearing in Atlanta.

Again, I want to thank you for this opportunity to set the record straight in these important matters.

Sincerely yours,

WILLIAM R. HALEY.

PROTECTING THE CONSUMER

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. ECKHARDT) is recognized for 5 minutes.

Mr. ECKHARDT. Mr. Speaker, C. Wright Mills, a noted educator and author, once commented—

> It is better to take one dime from each of ten million people at the point of a corporation than $100,000 from each of ten banks at the point of a gun. It is also safer.

Mr. Mills hit the nail squarely on the head. Under our present laws, the large corporations can cheat consumers in the marketplace, secure in the knowledge that there is little the consumer can do to get his money back. Studies show that consumers are bilked out of more than $1.3 billion a year by misrepresentations and other fraudulent retail practices.

The House Interstate and Foreign Commerce Committee has approved legislation which would correct this situation. Under the bill, H.R. 3816, consumers injured by a violation of an FTC rule or order prohibiting an unfair or deceptive market practice would be authorized to go into court to get their money back. Under present law, the consumer has no Federal right to sue to recover his losses.

Of course, as a practical matter, most consumer injuries are too small to justify the expense of going to court. So, H.R. 3816 would allow groups of consumers injured by the same person to join together in class actions to recover losses. In this manner, the costs of litigation can be shared, and the defendant can be forced to redress all consumers who have been cheated. Further, through these class suits, merchants will have to give up the millions of dollars in profits they have illegally obtained. This should remove the profit incentive companies now have to engage in unfair and deceptive practices.

National lobbyists for this country's largest chain retailers have launched an all out attack on the bill. These lobbyists are engaging in an old "power-politics" effort to stop this bill in the House Rules Committee. By attempting to sway votes in the Rules Committee, these lobbyists are attempting to deprive the full House of an opportunity to vote on this important consumer legislation.

Moreover, using deliberate misrepresentations, these national lobbyists have deceived innocent local merchants into joining them in their deceptive lobbying.

Certainly the great mass of small retailers really would not object to a law which permits a consumer to recover for losses suffered at the hands of the dishonest merchant because they are not dishonest merchants. These honest retailers suffer along with consumers, because they lose profits when customers are deceived into dealing with the fraudulent or dishonest merchant.

But the lobby for big business is talking out of both sides of its mouth on consumer issues. On the one hand, they are opposing the creation of an agency for consumer protection on the ground that it would increase the Federal bureaucracy. On the other, they are opposing H.R. 3816 on the grounds that only this Federal bureaucracy should be permitted to seek redress for consumers injured by unfair and deceptive practices. I believe, as do the consumer representatives who testified in support of this bill, that consumers should not have to rely on a Government agency to get back $50 from a dishonest merchant.

Mr. Speaker, until the House votes on this legislation, I shall be reserving other special orders to further spell out the kinds of distortions and misrepresentations that lobbyists against this bill are using—and I shall, on each successive occasion, point out a different lobby group that states that its members want a law which will permit them to cheat with impunity.

COOPERATIVES DO PAY TAXES ON TAXABLE INCOME

The SPEAKER. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 5 minutes.

Mr. REUSS. Mr. Speaker, there is much misinformation on the question of taxation on cooperatives. This has been a longstanding issue which is invariably used to attack cooperatives of all types. Often these attacks are based simply on a misunderstanding of the nonprofit nature of cooperatives and the function of the patronage refunds from cooperative organizations.

Four times in the last 15 years—in 1961, 1966, 1969, and 1973—the subject of cooperative taxation was examined exhaustively by the Congress. All viewpoints were heard including those of organizations testifying at these hearings. The provisions enacted into the Revenue Act of 1962 removed uncertainties out of which co-op antagonists had built a powerful attack. It cleared the way for people to develop cooperatives, knowing that they are also living up to their taxpaying responsibilities.

In general terms, the current co-op tax law:

Assures that the U.S. Government will get all income tax due it from income arising from activities of cooperatives;

Recognizes in law the principle that co-ops as user-owned institutions are different and that the patron's savings resulting from his patronage of a co-op belong to him—not to the cooperative corporation.

As established in the law and its interpretation, cooperatives pay taxes on a basis of full equality with all other taxpayers. Patronage refunds which cooperative businesses are obligated to pay to their members and patrons are not taxed as income to the cooperative, but neither are similar refunds taxed against any other businesses. There is no special privilege for cooperatives involved. Furthermore, to the extent that any profit is made by cooperatives, they are taxed on such profits the same as all other businesses are. The difference comes about only because cooperatives obligate themselves to pay what would be profits to other businesses in patronage refunds to their patrons.

Savings realized by spending in a co-op store—saving on food, clothing, and other consumer items—are not additions to income. They simply are a way of getting more out of the income that one already has earned upon which taxes have been paid. Savings refunded by a cooperative to its members are not income to the member who receives them.

The fact is that a cooperative is formed, owned, and controlled by the same people who patronize it. Hence the cooperative binds itself to operate on a nonprofit basis so far as business with its members is concerned. The earnings which result from business with members legally belongs to those members, not to the cooperative. In other forms of doing business the earnings belong to the business, not to its customers.

The cooperative business must return to its members all of their share of the earnings. On any business a cooperative does beyond this and which it is not obligated to return to its members, it is fully taxed at regular business rates.

Any business may, if it chooses to operate as a cooperative—provided it obligates itself ahead of time to return to its customer—not its stockholders—their share of profits. This is an essential, basic difference and the tax laws have always recognized it. So have the courts.

NORTHEAST: GATEWAY TO THE PROMISE AND PROBLEMS OF NATIONAL URBAN RECREATION AREAS

(Mr. ADDABBO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ADDABBO. Mr. Speaker, the summer issue of the Sierra Club bulletin contains a thought-provoking article concerning development of the Gateway National Recreational Area.

Since the project is the most ambitious National Park Service facility ever to be undertaken in an urban area, and since it will eventually be viewed as a model for projects yet to follow, I thought the Members of the House would benefit greatly from reading the article by Sam Sage and Thomas Hyde. Mr. Hyde, incidently, is manager of the New York office of the Sierra Club. I ask unanimous consent to insert this article in the RECORD.

[From Sierra Club Bulletin, Summer 1977]

NORTHEAST: GATEWAY—THE PROMISE AND PROBLEMS OF NATIONAL URBAN RECREATION AREAS

(By Sam Sage and Tom Hyde)

The creation in 1972 of Gateway National Recreation Area (Gateway) may be a mixed blessing for the lands it includes. The National Park Service (NPS) has been slow

to draft a general management plan for Gateway, and local special-interest groups have taken the opportunity to exert their influence.

Gateway and the two other Urban National Recreation Areas (Golden Gate near San Francisco and Cuyahoga near Cleveland) pose special problems for planners, since they will be much more intensively used than other parts of the national park system. Gateway already has the largest attendance of any unit of the parks, with a conservative estimate of 10 million in 1976. In a recreation-starved city, estimates of potential visitation are 20 to 30 million a year.

The Sierra Club, principally through the New York City Group of the Atlantic Chapter and the Northeast Regional Conservation Committee, wants to see Gateway become a viable park serving both a regional and national constituency. At the same time, however, we want to ensure that these few remaining natural areas in the New York region are not destroyed by overdevelopment.

Gateway consists of unconnected pieces of land surrounding the entrance to New York Harbor (see map). These 26,000 acres of parkland have been broken down by the NPS into four units: Jamaica Bay, Breezy Point, Staten Island, and Sandy Hook. With the exception of Sandy Hook in New Jersey, all of them lie within the confines of New York City. The Manhattan skyline is visible from every part of Gateway.

The present quality and character of these areas vary greatly, though all of them are low-lying coastal regions that originally contained beaches, mudflats, sand dunes and uplands typical of this stretch of the Atlantic Coast. Today, a few areas remain remarkably unspoiled, considering their proximity to the center of New York City.

The Jamaica Bay Unit, encompassing some 3,200 acres of land and 12,400 acres of fresh- and salt-water marshes, includes many of the more important natural areas. Despite grossly polluted waters, an amazing variety of plant and animal life can be found there. The Jamaica Bay Wildlife Refuge provides resting, feeding, and nesting areas for more than 300 species of resident and migratory birds. Another natural area, Sandy Hook, contains an interesting complex of ocean beaches, fresh- and salt-water marshes, beach dunes and holly forest. Less spectacular wetlands and dune areas can also be found in other parts of Gateway.

The park also includes more than twenty miles of beaches, some used for swimming while others are closed because of water pollution. Gateway also possesses historical monuments of considerable significance, including the massive nineteenth-century fortifications at Staten Island and Sandy Hook built to protect New York Harbor from attack. Sandy Hook is also the site of the oldest working lighthouse in the United States.

Juxtaposed to the natural areas are places in appalling condition. Part of Gateway is a former garbage dump; upland areas include deteriorated buildings of former military bases, airplane runways and, in one case, the gutted frames of concrete apartment buildings. Still, all these areas can be salvaged; Gateway could provide a model for ecological reclamation of urban environments.

All of Gateway has traditionally been used by neighboring communities and special interest groups for their private purposes. Local residents make up an overwhelming percentage of current visitors to Gateway. These neighborhood groups are often violently opposed to changes that might bring large numbers of "outsiders," particularly the urban poor, into their communities. Some have fought the establishment of Gateway from the beginning. They are now struggling to prevent any improvement in rail or bus access to the park.

Other groups want the park to cater to their special needs, regardless of environmental consequences. Fishermen have fought hard to retain their "right" to use off-road vehicles in certain areas. Boaters have pressured Gateway planners into including a proposal for expanding a marina at federal expense. Model-airplane enthusiasts have been able to convert a bird-nesting area on Staten Island into a flying field for their sport.

As a consequence of these pressures from local and special-interest groups, the Park Service's management proposal for Gateway has become a grab-bag of concessions. The announced philosophy of the plan calls for the reconciliation of the needs of local communities with mass recreation and environmental preservation. In practice, the latter objective has frequently received short shrift.

The Park Service's proposals regarding transportation are mostly unsatisfactory. In order to accommodate large numbers of people with minimal environmental damage, restrictions on the number of automobiles in the park are necessary. This in turn requires improved mass-transit access. The NPS has refused to become involved in planning or advocating mass-transit access to the park, maintaining that external transportation is outside its sphere of responsibility. The Park Service has also refused to plan for shuttle service within several key areas of the park. Instead it has constructed additional parking facilities and opened up new sections to automobiles. The agency has decided to solve the problem of providing access for the many New Yorkers who do not own cars by busing large numbers of people from the inner city—a proposal with worthy objectives, but one that may create serious traffic problems, especially on the already crowded local streets. The Park Service's suggestion that ferry service be provided to the various units of the park is very welcome.

Local environmentalists are also concerned about the kind of recreational activities to be available at Gateway. The Park Service has proposed to build several "Gateway Villages," but so far has said little about what activities are to take place there. Some of the proposals associated with these villages seem quite commendable—for example, the use of solar and wind power wherever feasible, the development of self-contained natural sewage systems, increased facilities for environmental education, and land for small-plot gardening. Clearly these Gateway Villages have the potential for experience of a type new to many city dwellers. Unfortunately, there are also strong pressures to turn them into recreation facilities that duplicate services found in city parks or provided by private entrepreneurs. Although described in general terms difficult to evaluate, the proposals seem to imply that Gateway will be developed into an urban amusement and athletic center, something the Sierra Club strongly opposes.

The Sierra Club is most concerned, however, about the inadequate provisions for protecting many natural areas. Except for parts of the Jamaica Bay Wildlife Refuge, the Park Service seems to have succumbed to pressures to provide mass recreation at the expense of environmental preservation. For example, swimming and camping areas are planned for Jamaica Bay, whose natural character has already been compromised by overuse. The Park Service also has issued a number of proposals for beach recreation, automobile access and other activities that would destroy the natural character of Sandy Hook. The Sierra Club has made it clear that we are not opposed to large-scale recreation, but it can and must be provided in other than natural areas.

Gateway and other national urban recreation areas may evolve in one of two directions. The first is toward a federally funded, poorly executed system of local parks. The second is toward the creation of a few areas near cities where citizens can enjoy a predominantly natural environment. The latter would justify the presence of the Park Service; the former would not.

In areas such as New York City, there is an undeniable need for more recreation, including participant sports. Since the large urban populations requiring such services can exert considerable political pressures, they may well be able to turn urban national recreational areas into little more than local sports and entertainment complexes. These forces are further strengthened by the financial difficulties of municipal and state governments, which would be glad to rid themselves of the burden of paying for local parks. Gateway already includes some former city and state parks, and proposals exist to add additional city parks to the National Recreation Area. There are reportedly about forty areas under consideration nationwide as possible sites for expansion of the system. If Gateway develops as a system of local parks, politicians across the nation will demand similar facilities for their constituents. There is a possibility that the country eventually might be dotted with national urban recreation areas, the federal government in effect assuming the inappropriate role as chief administrator of local parks. Such development could distort the impetus of the entire national park system.

National urban recreation areas could, however, be a boon for both the national park system and urban environments. It is vital that these areas be developed for environmental and historical conservation and for compatible forms of recreation and education.

Although the scenic and ecological equality of lands coming under the jurisdiction of Gateway and its sister parks is, generally speaking, lower than that of other units in the national park system, their metropolitan location and accessibility endow their more limited assets with greater value than they might otherwise deserve. For these reasons, it is all the more important that their natural and historic character be preserved and enhanced.

In June and July, the Bureau of Outdoor Recreation will hold public information sessions in seventeen urban study areas to assess needs for urban recreation and open space. Dates and times are available from the Bureau's seven regional offices. The views expressed by the public at these sessions will in part determine recommendations made to Congress next September.

WHY IS OPPOSITION TO H.R. 2777 CLOAKED IN A COSTLY FEDERAL STUDY COMMISSION AND PILOT PROJECT?

(Mr. ST GERMAIN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ST GERMAIN. Mr. Speaker, opposition to a National Consumer Cooperative Bank is being masked in something called a "pilot project" designed to open up a series of investigations of the entire cooperative movement.

Mr. Speaker, these bills, including H.R. 6750, introduced by Mr. LAFALCE, Mr. ASHLEY, Mr. STANTON, and Mr. ROUSSELOT on April 28, and H.R. 6783, introduced by Mr. LAFALCE and Mr. STANTON on April 29, establish an interagency task force which would be given the broadest kind of power to look into every aspect of—as one of the bills states—"all types of cooperatives." The bills contain a long laundry list of areas to be investigated by this interagency task force including taxation, antitrust policies and the rela-

tionship of cooperatives "to the economy, to ongoing Federal programs, to small business, to consumers and to competition."

Mr. Speaker, seldom have I seen legislation give such broad powers to agencies in the executive branch to make a top-to-bottom study of a single sector of our free enterprise economy.

The legislation does not tell us the expense of such a massive investigation although it does describe the work as a "comprehensive study."

Mr. Speaker, it is strange indeed that legislation creating a National Consumer Cooperative Bank with very specific powers relating to consumer cooperatives would trigger such a broad counterattack on "all types of cooperatives"—cooperatives which have been proud members of the American economy from the beginnings of this Nation. It is estimated that 50 million Americans and their families are members of cooperative organizations working together to provide credit, housing, rural electric and telephone services, marketing and processing services, preschool educational opportunities and a variety of consumer goods.

Mr. Speaker, the bills which are being used in an attempt to block H.R. 2777 do not indicate why such a broad study of cooperatives is needed. The bill does not contain justification and none of the hearings which have been conducted by either the Subcommittee on Financial Institutions of the Committee on Banking, Finance and Urban Affairs have indicated a need for this kind of investigation.

The testimony covering 800 pages over the past 2 years does show that consumer cooperatives have been hampered by the lack of credit from traditional lending sources. The need for a National Consumer Cooperative Bank has been clearly established in this hearing record but I can find no justification in this testimony for the establishment of a costly, interagency task force to look into every aspect of every cooperative in every State.

The approaches of the opponents of H.R. 2777 indicate a deep distrust about the concept of self-help cooperative organizations. This is highly regrettable because members of cooperatives are hard-working Americans—committed supporters of local business and civic groups, churches, schools and governmental activities. They are solid citizens who believe in our free enterprise system. They have enriched our American way of life through self-help mutual organizations.

Mr. Speaker, the opponents of the National Consumer Cooperative Bank have raised questions throughout the cooperative movement and the National Council of Farmer Cooperatives, which represents some of the long-established cooperatives in this Nation, has wired Members of the House describing the studies proposed in the LaFalce-Rousselot-Stanton-Ashley bills as a "complete waste of public funds."

Mr. Speaker, I place in the RECORD at this point a copy of a telegram signed by Kenneth D. Naden, president of the National Council of Farmer Cooperatives.

WASHINGTON, D.C., *July 11, 1977.*

Hon. FERNAND J. ST GERMAIN,
U.S. House of Representatives,
Washington, D.C.:

The National Council of Farmer Cooperatives is opposed to section 2 of H.R. 6750 and H.R. 6783. This provision, in both bills, would provide for the creation of an interagency task force to study all cooperatives. Such a study would be a complete waste of public funds and is proposed without the slightest evidence to demonstrate the need for such a report. The National Council therefore urges you to reject this proposition if offered as a substitute amendment to the National Consumer Cooperative Bank Bill, H.R. 2777.

KENNETH D. NADEN,
President, National Council of Farmer Cooperatives, Washington, D.C.

Mr. Speaker, the attacks on cooperatives are not new. A few years ago, the National Rural Electric Cooperative Association in its Rural Electric Newsletter published an article entitled "The Crusade Against Cooperatives" and I place a copy of this article in the RECORD:

THE CRUSADE AGAINST COOPERATIVES

(By Russ Tall, Director of Public Relations, National Council of Farmer Cooperatives)

There's good money in leading a crusade against cooperatives.

In fact it can be a lucrative lifetime business, as practiced by a few Washington-wise professions. They've made a career of the campaign and reaped handsome rewards despite a notable lack of results.

For more than two decades, enterprising "organization counselors" have extracted many millions from both large and small businesses, on the promise of alleviating the competition from co-ops. The co-ops remain strong, though far from dominant, in the nation's private enterprise system.

But the beat goes on. And the fund raisers, working behind an everwidening curtain of businessmen's front organizations, continue to reap the harvest. The promise of punitive legislation against co-ops resounds across the land with each new ripple of activity on the tax front.

The issue breaks into the bigtime at least once every ten years. Seemingly settled in 1962, it's back again as a little-noticed section of the Tax Reform bill passed by the House and soon due for debate in the Senate.

Whatever the outcome of the current effort—aimed at putting a crimp in the financing plans of farmers and others who use co-ops—the fundraisers are not likely to leave the scene. They've got a good thing going.

How was this merry-go-round set in motion?

IT STARTED IN 1943

Pushing the panic button, a group of Midwest businessmen summoned a highly-recommended consultant to a closed-door meeting in Minneapolis. The problem: competition from co-ops. The solution: tie 'em down with more taxes.

They figured six months would be time enough to "develop facts, present them to Congress, and the problem would be met." The consultant, Vernon Scott, would tend to the details.

Twenty-six years later, the campaign chugs merrily along. Scott and a longtime partner, Loring Schuler, fashioned a many-headed enterprise and made a good living at it.

Out of that Minneapolis meeting, attended by grain merchants Ben McCabe and Austin Cargill among others, emerged the makings of what proved to be a much more durable organization than its founders had intended. Later in Chicago the group formally organized National Tax Equality Association. Three years later the same people opened another front—now known as National Associated Businessmen, Inc.

When NTEA witnesses appeared before the House Ways and Means Committee to testify on tax legislation in 1951, they met a barrage of sharply-worded questions and comments during cross examination by committee members. Rep. Daniel Reed of New York, ranking Republican on the committee, said NTEA's literature was aimed at "creating a class cleavage between businessmen and farmers." Rep. Carl Curtis (R-Neb.) chastised the organization for sending a telegram to Committee Chairman Robert Doughton of North Carolina accusing the committee and the administration of "pandering the cooperatives' leadership." After several sharp exchanges with NTEA President, Garner Lester of Jackson, Miss., Rep. Curtis concluded "No, gentlemen, I think that if you were honest, you would give this money back to these businessmen whose leg you are pulling month after month and let them come in here themselves. I have respect for them. I want them to have a fair deal."

Congress had become interested in NTEA two years earlier, in 1949. Rep. Wright Patman (D-Tex.) convened a Select Committee on Small Business to determine whether NTEA, NAB and other organizations "purporting to represent small business actually do represent small business."

The Committee's published report stated that neither was a bona fide small business organization and that both "devoted most of their energies to but one of their stated objectives, namely the so-called tax equality objectives of taxing cooperatives." Further, the Committee reported evidence of "mutually evasive lobbying reports" from NTEA and NAB.

Those hearings also disclosed some details of the intricate lobbying machinery put together by grain, coal, lumber, livestock and cotton dealers and with financial backing of big utilities. Testimony of Scott himself revealed a complicated interlocking of offices and directorships. Scott and Schuler were the chief executive officers of NTEA and NAB respectively. The firm of Scott & Schuler (organization and business counselors) drew a retainer from each (totalling $58,000 in 1949) and spent 99 percent of its time on the two accounts. NTEA had income of more than $500,000 per year and NAB more than $50,000.

The situation today is strikingly similar, at least from outward appearances. In Washington one phone number will get you the firm of Scott & Scheuler or NAB or yet another front—Bankers Committee for Tax Equality, also listed as Bankers Congressional Committee. All are at the same address, as is NTEA. H. Vernon Scott is listed on letterheads as president of NTEA and executive vice president of NAB.

NTEA filed lobbying reports indicating income of more than $300,000 in 1968 and said less than 10 percent of it was spent on lobbying activity. NAB says its money is for research and publicity, and that less than 6 percent is used in connection with action by the Congress. Lobbying reports of both NTEA and NAB are signed by the same person—Homer E. Marsh.

When the campaign was launched in the forties, it was declared loudly and often that co-ops would either be brought to their knees or would put everyone else out of business.

The doomsayers were wrong on both counts. Co-ops have maintained a steady rate

of growth and saved farmers several billions of dollars.

While the so-called tax equality groups have never been able to convince Congress of their righteousness, they have persisted as a thorn in the side of co-ops through the years. Their propaganda has put co-ops in a bad light with large segments of business and the general public.

They still ballyhoo the bogeyman—posing cooperatives as a threat to the nation's business community. They demand a double tax on the money a farmer saves by doing business through a cooperative. They want patronage refunds taxed once before and once after the farmer gets them from the co-op.

Each time they tap a chink in the co-op armor, a letter goes out to businessmen around the country, asking for appropriate reward. Most recently, they boasted of having prevailed upon Rep. Joseph Gilbert (D-N.Y.) to introduce an anti-co-op bill, and having engaged former IRS Commissioner Mortimer Caplin to testify against co-ops.

Such good deeds should be worth a $100 "subscription" to the services of NTEA, suggested a form letter addressed to Melvin E. Sims. The sender did not, of course, know that Mr. Sims is a farmer and co-op leader. He is president of his regional cooperative, FS Services, Inc., of Bloomington, Ill., and also president of the National Council of Farmer Cooperatives.

The request drew little more than a chuckle and shake of the head from Sims. But it probably reaped a handsome harvest from businessmen less familiar with NTEA and its companions. There'll be more such mailings, more cash in the kitty and more noise from these co-op adversaries.

That six-month campaign launched in 1943 has been parlayed into permanence.

Mr. Speaker, business attacks on consumer legislation are a continuing phenomena. Many Members of the House have received letters in the last few days from the National Federation of Independent Business attacking the National Consumer Cooperative Bank.

The lobbying tactics of the National Federation of Independent Business are described in the July 4 issue of Time under the headline "New Corporate Clout in the Capital."

Time says:

The new business effectiveness is the product of a new cohesion among the main lobbying groups (the U.S. Chamber of Commerce, the National Association of Manufacturers, the N.F.I.B. and the elite Business Roundtable), new tactics and a new awareness by executives that they need to make their voice heard on Capitol Hill.

Mr. Speaker, the lobbying pressures are heavy on the National Consumer Cooperative Bank Act but I am confident that the Members of the House will see through the pilot project gimmick and support H.R. 2777 as reported by the Banking Committee.

Mr. Speaker, I want to place in the RECORD a copy of the article from Time magazine.

NEW CORPORATE CLOUT IN THE CAPITAL

"I've been lobbying the House for seven years and I haven't seen the business community this organized before," says John Motley, congressional representative of the 500,000-member National Federation of Independent Business. With smoothly coordinated pressure, business lobbyist have managed to win exemptions from congressional committees on taxes on oil and gas use, and to defeat organized labor's bid to pass a common situs picketing bill that would have allowed a single union to shut down a construction site. Now the lobbyists are on the verge of their biggest victory: sidetracking the proposed Agency for Consumer Advocacy. A bill to set one up squeaked through a House committee last month by only a single vote, and the word is out in Washington that the agency is dead. Says Representative Benjamin Rosenthal, a New York Democrat: "This bill is the victim of the most intense lobbying campaign in the 15 years I've been here."

KIWANIANS AND LIONS

The new business effectiveness is the product of a new cohesion among the main lobbying groups (the U.S. Chamber of Commerce, the National Association of Manufacturers, the N.F.I.B. and the elite Business Roundtable), new tactics and a new awareness by executives that they need to make their voice heard on Capitol Hill. Though some experts trace the speedup in business lobbying efforts to 1973, when the AFL–CIO President George Meany's call for election of a "veto-proof" Congress prodded corporate leaders into action, all agree that the biggest spur with the election of Jimmy Carter. Says the N.F.I.B.'s Motley: "With Ford in there we could count on vetoes. Now we can't."

The sense of urgency has prompted business lobbyists to use more aggressive tactics. On the common situs bill, explain Forrest Rettgers, executive vice president of the NAM, "we overlooked nothing." Rettgers even lobbied black Congressmen, whom business groups previously had ignored, telling them that minority contractors, who employ mainly nonunion workers, would be hurt by the bill's passage.

In both that campaign and the one against the consumer protection agency, business lobbyists also roused the folks back home to put heat on Congress. They formed Southern businessmen's groups to exhort Dixie House members, and some corporations sent letters to stockholders urging them to write to Congressmen in opposition to the consumer agency. Says Andrew Biemiller, chief AFL–CIO lobbyist: "One thing they can do is flood that goddamned Hill with letters." Motley adds that the N.F.I.B. can turn out "local auto dealers, local accountants and dry cleaners, hardware dealers, dairymen—Kiwanians, Lions, church people. When we tell a Congressman, 'we've got 600 members in your district'—that's different."

A good example of the new coordination of business lobbyists is the battle against the consumer protection bill. It is being directed by the Consumer Issues Working Group, which represents some 130 trade associations and corporations. Strategy is crafted by a 20-member steering committee headed by Emmett W. Hines, Jr., Armstrong Cork's Washington representative, with assistance from Bryce Harlow, Procter & Gamble's shrewd lobbyist and onetime legislative aide to Presidents Eisenhower and Nixon. The Chamber of Commerce and NAM are working more closely together than ever before; some of their members lunch regularly with President Carter's domestic affairs counselor Stuart Eizenstat and Commerce Secretary Juanita Kreps.

JOB FOR JAWORSKI

A final reason for business's new political clout is that chief executives of the giant corporations, rather than leaving the job to lower-echelon aides, are taking a personal hand in the lobbying through the Business Roundtable. It now consists of 180 chief executives, including such luminaries as Chairmen Thomas Murphy of General Motors, Reginal Jones of General Electric, John deButts of A.T. & T. and James Ferguson of General Foods. Besides personally buttonholing Congressmen on the consumer protection bill, the Roundtable members hired former Watergate Special Prosecutor Leon Jaworski to write opposing letters to members of the House Government Operations Committee. The group has task forces at work developing policy on energy, taxes and the environment, and Roundtable Chairman Irving Shapiro, DuPont's chief executive, helped frame legislation limiting the involvement of U.S. corporations in the Arab boycott of Israel.

CONFERENCE REPORT ON H.R. 2

Mr. UDALL submitted the following conference report and statement on the bill (H.R. 2) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes.

CONFERENCE REPORT (H. REPT. NO. 95–493)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2) To provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: That this Act may be cited as the "Surface Mining Control and Reclamation Act of 1977".

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TITLE I—STATEMENT OF FINDINGS AND POLICY

FINDINGS

SEC. 101. The Congress finds and declares that—

(a) extraction of coal and other minerals from the earth can be accomplished by various methods of mining, including surface mining;

(b) coal mining operations presently contribute significantly to the Nation's energy requirements; surface coal mining constitutes one method of extraction of the resource; the overwhelming percentage of the Nation's coal reserves can only be extracted by underground mining methods, and it is, therefore, essential to the national interest to insure the existence of an expanding and economically healthy underground coal mining industry;

(c) many surface mining operations result in disturbances of surface areas that burden and adversely affect commerce and the public welfare by destroying or diminishing the utility of land for commercial, industrial, residential, recreational, agricultural, and forestry purposes, by causing erosion and landslides, by contributing to floods, by polluting the water, by destroying fish and wildlife habitats, by impairing natural beauty, by damaging the property of citizens, by creating hazards dangerous to life and property by degrading the quality of life in local communities, and by counteracting governmental programs and efforts to conserve soil, water, and other natural resources;

(d) the expansion of coal mining to meet the Nation's energy needs makes even more urgent the establishment of appropriate standards to minimize damage to the environment and to productivity of the soil and to protect the health and safety of the public.

(e) surface mining and reclamation technology are now developed so that effective and reasonable regulation of surface coal mining operations by the States and by the Federal Government in accordance with the requirements of this Act is an appropriate and necessary means to minimize so far as practicable the adverse social, economic, and environmental effects of such mining operations;

(f) because of the diversity in terrain, climate, biologic, chemical, and other physical conditions in areas subject to mining operations, the primary governmental responsibility for developing, authorizing, issuing, and enforcing regulations for surface mining and reclamation operations subject to this Act should rest with the States;

(g) surface mining and reclamation standards are essential in order to insure that competition in interstate commerce among sellers of coal produced in different States will not be used to undermine the ability of the several States to improve and maintain adequate standards on coal mining operations within their borders;

(h) there are a substantial number of acres of land throughout major regions of the United States disturbed by surface and underground coal on which little or no reclamation was conducted, and the impacts from these unreclaimed lands impose social and economic costs on residents in nearby and adjoining areas as well as continuing to impair environmental quality;

(i) while there is a need to regulate surface mining operations for minerals other than coal, more data and analyses are needed to serve as a basis for effective and reasonable regulation of such operations;

(j) surface and underground coal mining operations affect interstate commerce, contribute to the economic well-being, security, and general welfare of the Nation and should be conducted in an environmentally sound manner; and

(k) the cooperative effort established by this Act is necessary to prevent or mitigate adverse environmental effects of present and future surface coal mining operations.

PURPOSES

SEC. 102. It is the purpose of this Act to—

(a) establish a nationwide program to protect society and the environment from the adverse effects of surface coal mining operations;

(b) assure that the rights of surface landowners and other persons with a legal interest in the land or appurtenances thereto are fully protected from such operations;

(c) assure that surface mining operations are not conducted where reclamation as required by this Act is not feasible;

(d) assure that surface coal mining operations are so conducted as to protect the environment;

(e) assure that adequate procedures are undertaken to reclaim surface areas as contemporaneously as possible with the surface coal mining operations;

(f) assure that the coal supply essential to the Nation's energy requirements, and to its economic and social well-being is provided and strike a balance between protection of the environment and agricultural productivity and the Nation's need for coal as an essential source of energy;

(g) assist the States in developing and implementing a program to achieve the purposes of this Act;

(h) promote the reclamation of mined areas left without adequate reclamation prior to the enactment of this Act and which continue, in their unreclaimed condition, to substantially degrade the quality of the environment, prevent or damage the beneficial use of land or water resources, or endanger the health or safety of the public;

(i) assure that appropriate procedures are provided for the public participation in the development, revision, and enforcement of regulations, standards, reclamation plans, or programs established by the Secretary or any State under this Act;

(j) provide a means for development of the data and analyses necessary to establish effective and reasonable regulation of surface mining operations for other minerals;

(k) encourage the full utilization of coal resources through the development and application of underground extraction technologies;

(l) stimulate, sponsor, provide for and/or supplement present programs for the conduct of research investigations, experiments, and demonstrations, in the exploration, extraction, processing, development, and production of minerals and the training of mineral engineers and scientists in the field of mining, minerals resources, and technology, and the establishment of an appropriate research and training center in various States; and

(m) wherever necessary, exercise the full reach of Federal constitutional powers to insure the protection of the public interest through effective control of surface coal mining operations.

TITLE II—OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

CREATION OF THE OFFICE

SEC. 201. (a) There is established in the Department of the Interior, the Office of Surface Mining Reclamation and Enforcement (hereinafter referred to as the "Office").

(b) The Office shall have a Director who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of the United States Code, and such other employees as may be required. Pursuant to section 5108, title 5, and after consultation with the Secretary, a

majority of members of the Civil Service Commission shall determine the necessary number of positions in general schedule employees in grade 16, 17, and 18 to perform functions of this title and shall allocate such positions to the Secretary. The Director shall have the responsibilities provided under subsection (c) of this section and those duties and responsibilities relating to the functions of the Office which the Secretary may assign, consistent with this Act. Employees of the Office shall be recruited on the basis of their professional competence and capacity to administer the provisions of this Act. The Office may use, on a reimbursable basis when appropriate, employees of the Department and other Federal agencies to administer the provisions of this Act, providing that no legal authority, program, or function in any Federal agency which has as its purpose promoting the development or use of coal or other mineral resources or regulating the health and safety of miners under provisions of the Federal Coal Mine Health and Safety Act of 1969 (83 Stat. 742), shall be transferred to the Office.

(c) The Secretary, acting through the Office shall—

(1) administer the programs for controlling surface coal mining operations which are required by this Act; review and approve or disapprove State programs for controlling surface coal mining operations and reclaiming abandoned mined lands; make those investigations and inspections necessary to insure compliance with this Act; conduct hearings, administer oaths, issue subpenas, and compel the attendance of witnesses and production of written or printed material as provided for in this Act; issue cease-and-desist orders; review and vacate or modify or approve orders and decisions; and order the suspension, revocation, or withholding of any permit for failure to comply with any of the provisions of this Act or any rules and regulations adopted pursuant thereto;

(2) publish and promulgate such rules and regulations as may be necessary to carry out the purposes and provisions of this Act;

(3) administer the State grant-in-aid program for the development of State programs for surface and mining and reclamation operations provided for in title V of this Act;

(4) administer the program for the purchase and reclamation of abandoned and unreclaimed mined areas pursuant to title IV of this Act;

(5) administer the surface mining and reclamation research and demonstration project authority provided for in this Act;

(6) consult with other agencies of the Federal Government having expertise in the control and reclamation of surface mining operations and assist States, local governments, and other eligible agencies in the coordination of such programs;

(7) maintain a continuing study of surface mining and reclamation operations in the United States;

(8) develop and maintain an Information and Data Center on Surface Coal Mining, Reclamation, and Surface Impacts of Underground Mining, which will make such data available to the public and the Federal, regional, State, and local agencies conducting or concerned with land use planning and agencies concerned with surface and underground mining and reclamation operations;

(9) assist the States in the development of State programs for surface coal mining and reclamation operations which meet the requirements of the Act, and at the same time, reflect local requirements and local environmental and agricultural conditions;

(10) assist the States in developing objective scientific criteria and appropriate procedures and institutions for determining those areas of a State to be designated unsuitable for all or certain types of surface coal mining pursuant to section 522;

(11) monitor all Federal and State research programs dealing with coal extraction and use and recommend to Congress the research and demonstration projects and necessary changes in public policy which are designated to (A) improve feasibility of underground coal mining, and (B) improve surface mining and reclamation techniques directed at eliminating adverse environmental and social impacts;

(12) cooperate with other Federal agencies and State regulatory authorities to minimize duplication of inspections, enforcement, and administration of this Act; and

(13) perform such other duties as may be provided by law and relate to the purposes of this Act.

(d) The Director shall not use either permanently or temporarily any person charged with responsibility of inspecting coal mines under the Federal Coal Mine Health and Safety Act of 1969, unless he finds and publishes such finding in the Federal Register, that such activities would not interfere with such inspections under the 1969 Act.

(e) The Office shall be considered an independent Federal regulatory agency for the purposes of sections 3502 and 3512 of title 44 of the United States Code.

(f) No employee of the Office or any other Federal employee performing any function or duty under this Act shall have a direct or indirect financial interest in underground or surface coal mining operations. Whoever knowingly violates the provisions of the above sentence shall, upon conviction, be punished by a fine of not more than $2,500, or by imprisonment for not more than one year, or both. The Director shall (1) within sixty days after enactment of this Act publish regulations, in accordance with section 553 of title 5, United States Code, to establish the methods by which the provisions of this subsection will be monitored and enforced, including appropriate provisions for the filing by such employees and the review of statements and supplements thereto concerning their financial interests which may be affected by this subsection, and (2) report to the Congress as part of the annual report (section 706) on the actions taken and not taken during the preceding calendar year under this subsection.

(g)(1) After the Secretary has adopted the regulations required by section 501 of this Act, any person may petition the Director to initiate a proceeding for the issuance, amendment, or repeal of a rule under this Act.

(2) Such petitions shall be filed in the principal office of the Director and shall set forth the facts which it is claimed establish that it is necessary to issue, amend, or repeal a rule under this Act.

(3) The Director may hold a public hearing or may conduct such investigation or proceeding as the Director deems appropriate in order to detremine whether or not such petition should be granted.

(4) Within ninety days after filing of a petition described in paragraph (1), the Director shall either grant or deny the petition. If the Director grants such petition, the Director shall promptly commence an appropriate proceeding in accordance with the provisions of this Act. If the Director denies such petition, the Director shall so notify the petitioner in writing setting forth the reasons for such denial.

TITLE III—STATE MINING AND MINERAL RESOURCES AND RESEARCH INSTITUTES

AUTHORIZATION OF STATE ALLOTMENTS TO INSTITUTES

SEC. 301. (a) There are authorized to be appropriated to the Secretary of the Interior sums adequate to provide for each participating State $200,000 for fiscal year 1978, $300,000 for fiscal year 1979, and $400,000 for each fiscal year thereafter for five years, to assist the States in carrying on the work of a competent and qualified mining and mineral resources research institute, or center (hereinafter referred to as "institute") at one public college or university in the State which has in existence at the time of enactment of this title a school of mines, or division, or department conducting a program of substantial instruction and research in mining or minerals extraction or which establishes such a school of mines, or division, or department subsequent to the enactment of this title and which school of mines, or division or department shall have been in existence for at least two years. The Advisory Committee on Mining and Minerals Resources Research as created by this title shall determine a college or university to have an eligible school of mines, or division or department conducting a program of substantial instruction and research in mining or minerals extraction wherein education and research in the minerals engineering fields are being carried out and wherein at least four full-time permanent faculty members are employed: Provided, That—

(1) such moneys when appropriated shall be made available to match, on a dollar-for-dollar basis, non-Federal funds which shall be at least equal to the Federal share to support the institute;

(2) if there is more than one such eligible college or university in a State, funds under this title shall, in the absence of a designation to the contrary by act of the legislature of the State, be paid to one such college or university designated by the Governor of the State; and

(3) where a State does not have a public college or university with an eligible school of mines, or division, or department conducting a program of substantial instruction and research in mining or mineral extraction, said advisory committee may allocate the State's allotment to one private college or university which it determines to have an eligible school of mines, or division, or department as provided herein.

(b) It shall be the duty of each such institute to plan and conduct and/or arrange for a component or components of the college or university with which is is affiliated to conduct competent research, investigations, demonstrations, and experiments of either a basic or practical nature, or both, in relation to mining and mineral resources and to provide for the training of mineral engineers and scientists through such research, investigations, demonstrations, and experiments. Such research, investigations, demonstrations, experiments, and training may include, without being limited: exploration; extraction; processing; and development; production of mineral resources; mining and mineral technology; supply and demand for minerals; conservation and best use of available supplies of minerals; the economic, legal, social, engineering, recreational, biological, geographic, ecological, and other aspects of mining, mineral resources, and mineral reclamation, having due regard to the interrelation on the natural environment, the varying conditions and needs of the respective States, and to mining and mineral resources research projects being conducted by agencies of the Federal and State governments, and other institutes.

RESEARCH FUNDS TO INSTITUTES

SEC. 302. (a) There is authorized to be appropriated annually for seven years to the Secretary of the Interior the sum of $15,000,000 in fiscal year 1978, said sum increased by $2,000,000 each fiscal year thereafter for six years, which shall remain available until expended. Such moneys when appropriated shall be made available to institutes to meet the necessary expenses for purposes of:

(1) specific mineral research and demonstration projects of industrywide application, which could not otherwise be undertaken, including the expenses of planning and coordinating regional mining and mineral resources research projects by two or more institutes, and

(2) research into any aspects of mining and mineral resources problems related to the mission of the Department of the Interior, which may be deemed desirable and are not otherwise being studied.

(b) Each application for a grant pursuant to subsection (a) of this section shall, among other things, state the nature of the project to be undertaken, the period during which it will be pursued, the qualifications of the personnel who will direct and conduct it, the estimated costs, the importance of the project to the Nation, region, or State concerned, and its relation to other known research projects theretofore pursued or being pursued, and the extent to which it will provide opportunity for the training of mining and mineral engineers and scientists, and the extent of participation by nongovernmental sources in the project.

(c) The Secretary shall, insofar as it is practicable, utilize the facilities of institutes designated in section 301 of this title to perform such special research, authorized by this section, and shall select the institutes for the performance of such special research on the basis of the qualifications without regard to race or sex of the personnel who will conduct and direct it, and on the basis of the facilities available in relation to the particular needs of the research project, special geographic, geologic, or climatic conditions within the immediate vicinity of the institute in relation to any special requirements of the research project, and the extent to which it will provide opportunity for training individuals as mineral engineers and scientists. The Secretary may designate and utilize such portions of the funds authorized to be appropriated by this section as he deems appropriate for the purpose of providing scholarships, graduate fellowships, and postdoctoral fellowships.

(d) No grant shall be made under subsection (a) of this section except for a project approved by the Secretary of the Interior and all grants shall be made upon the basis of merit of the project, the need for the knowledge which it is expected to produce when completed, and the opportunity it provides for the training of individuals as mineral engineers and scientists.

(e) No portion of any grant under this section shall be applied to the acquisition by purchase or lease of any land or interests therein or the rental, purchase, construction, preservation, or repair of any building.

FUNDING CRITERIA

SEC. 303. (a) Sums available to institutes under the terms of sections 301 and 302 of this title shall be paid at such times and in such amounts during each fiscal year as determined by the Secretary, and upon vouchers approved by him. Each institute shall set forth its plan to provide for the training of individuals as mineral engineers and scientists under a curriculum appropriate to the field of mineral resources and mineral engineering and related fields; set forth policies and procedures which assure that Federal funds made available under this title for any fiscal year will supplement and, to the extent practicable, increase the level of funds that would, in the absence of such Federal funds, be made available for purposes of this title, and in no case supplant such funds; have an officer appointed by its governing authority who shall receive and account for all funds paid under the provisions of this title and shall make an annual report to the Secretary on or before the first day of September of each year, on work accomplished and the status of projects underway, together with a detailed statement of the amounts received under any provisions of this title during the preceding fiscal year, and of its disbursements on schedules prescribed by the Secretary. If any of the moneys received by the authorized receiving officer of any institute under the provisions of this title shall by any action or contingency be found by the Secretary to have been improperly diminished, lost, or misapplied, it shall be replaced by the State concerned and until so replaced no subsequent appropriation shall be allotted or paid to any institute of such State.

(b) Moneys appropriated pursuant to this title shall be available for expenses for research, investigations, experiments, and training conducted under authority of this title. The institutes are hereby authorized and encouraged to plan and conduct programs under this title in cooperation with each other and with such other agencies and individuals as may contribute to the solution of the mining and mineral resources problems involved, and moneys appropriated pursuant to this title shall be available for paying the necessary expenses of planning, coordinating, and conducting such cooperative research.

DUTIES OF THE SECRETARY

SEC. 304. (a) The Secretary of the Interior is hereby charged with the responsibility for the proper administration of this title and, after full consultation with other interested Federal agencies, shall prescribe such rules and regulations as may be necessary to carry out its provisions. The Secretary shall furnish such advice and assistance as will best promote the purposes of this title, participate in coordinating research initiated under this title by the institutes, indicate to them such lines of inquiry as to him seem most important, and encourage and assist in the establishment and maintenance of cooperation by and between the institutes and between them and other research organizations, the United States Department of the Interior, and other Federal establishments.

(b) On or before the 1st day of July in each year after the passage of this title, the Secretary shall ascertain whether the requirements of section 303(a) have been met as to each institute and State.

(c) The Secretary shall make an annual report to the Congress of the receipts, expenditures, and work of the institutes in all States under the provisions of this title. The Secretary's report shall indicate whether any portion of an appropriation available for allotment to any State has been withheld and, if so, the reason therefor.

AUTONOMY

SEC. 305. Nothing in this title shall be construed to impair or modify the legal relationship existing between any of the colleges or universities under whose direction an institute is established and the government of the State in which it is located, and nothing in this title shall in any way be construed to authorize Federal control or direction of education at any college or university.

MISCELLANEOUS PROVISIONS

SEC. 306. (a) The Secretary of the Interior shall obtain the continuing advice and cooperation of all agencies of the Federal Government concerned with mining and mineral resources, of State and local governments, and of private institutions and individuals to assure that the programs authorized in this title will supplement and not duplicate established mining and minerals research programs, to stimulate research in otherwise neglected areas, and to contribute to a comprehensive nationwide program of mining and minerals research, having due regard for the protection and conservation of the environment. The Secretary shall make generally available information and reports on projects completed, in progress, or planned under the provisions of this title, in addition to any direct publication of information by the institutes themselves.

(b) Nothing in this title is intended to give or shall be construed as giving the Secretary of the Interior any authority over mining and mineral resources research conducted by any agency of the Federal Government, or as repealing, superseding, or diminishing existing authorities or responsibilities of any agency of the Federal Government to plan and conduct, contract for, or assist in research in its area of responsibility and concern with mining and mineral resources.

(c) Contracts or other arrangements for mining and mineral resources research work authorized under this title with an institute, educational institution, or nonprofit organization may be undertaken without regard to the provisions of section 3684 of the Revised Statutes (31 U.S.C. 529) when, in the judgment of the Secretary of the Interior, advance payments of initial expense are necessary to facilitate such work: Provided, That authority to make payments under this subsection shall be effective only to such extent or in such amounts as are provided in advance by appropriation Acts.

(d) No research, demonstration, or experiment shall be carried out under this Act by an institute financed by grants under this Act, unless all uses, products, processes, patents, and other developments resulting therefrom, with such exception or limitation, if any, as the Secretary may find necessary in the public interest, be available promptly to the general public. Nothing contained in this section shall deprive the owner of any background patent relating to any such activities of any rights which that owner may have under that patent. There are authorized to be appropriated such sums as are necessary for the printing and publishing of the results of activities carried out by institutes under the provisions of this Act and for administrative planning and direction, but such appropriations shall not exceed $1,000,000 in any fiscal year: Provided, That no new budget authority is authorized to be appropriated for fiscal year 1977.

CENTER FOR CATALOGING

SEC. 307. The Secretary shall establish a center for cataloging current and projected scientific research in all fields of mining and mineral resources. Each Federal agency doing mining and mineral resources research shall cooperate by providing the cataloging center with information on work underway or scheduled by it. The cataloging center shall classify and maintain for public use a catalog of mining and mineral resources research and investigation projects in progress or scheduled by all Federal agencies and by such non-Federal agencies of government, colleges, universities, private institutions, firms, and individuals as may make such information available.

INTERAGENCY COOPERATION

SEC. 308. The President shall, by such means as he deems appropriate, clarify agency responsibility for Federal mining and mineral resources research and provide for interagency coordination of such research, including the research authorized by this title. Such coordination shall include—

(a) continuing review of the adequacy of the Government-wide program in mining and mineral resources research;

(b) identification and elimination of duplication and overlap between two or more agency programs;

(c) identification of technical needs in various mining and mineral resources research categories;

(d) recommendations with respect to allocation of technical effort among Federal agencies;

(e) review of technical manpower needs and findings concerning management poli-

cies to improve the quality of the Government-wide research effort; and

(f) actions to facilitate interagency communication at management levels.

ADVISORY COMMITTEE

SEC. 309. (a) The Secretary of the Interior shall appoint an Advisory Committee on Mining and Mineral Research composed of—

(1) the Director, Bureau of Mines, or his delegate, with his consent;

(2) the Director of the National Science Foundation, or his delegate, with his consent;

(3) the President, National Academy of Sciences, or his delegate, with his consent;

(4) the President, National Academy of Engineering, or his delegate, with his consent;

(5) the Director, United States Geological Survey, or his delegate, with his consent; and

(6) not more than four other persons who are knowledgeable in the fields of mining and mineral resources research, at least one of whom shall be a representative of working coal miners.

(b) The Secretary shall designate the Chairman of the Advisory Committee. The Advisory Committee shall consult with, and make recommendations to, the Secretary of the Interior on all matters involving or relating to mining and mineral resources research and such determinations as provided in this title. The Secretary of the Interior shall consult with, and consider recommendations of, such Committee in the conduct of mining and mineral resources research and the making of any grant under this title.

(c) Advisory Committee members, other than officers or employees of Federal, State, or local governments, shall be, for each day (including traveltime) during which they are performing committee business, entitled to receive compensation at a rate fixed by the Secretary, but not in excess of the maximum rate of pay for grade GS–18 as provided in the General Schedule under section 5332 of title 5 of the United States Code, and shall, notwithstanding the limitations of sections 5703 and 5704 of title 5, United States Code, be fully reimbursed for travel, subsistence, and related expenses.

TITLE IV—ABANDONED MINE RECLAMATION

ABANDONED MINE RECLAMATION FUND AND PURPOSES

SEC. 401. (a) There is created on the books of the Treasury of the United States a trust fund to be known as the Abandoned Mine Reclamation Fund (hereinafter referred to as the "fund") which shall be administered by the Secretary of the Interior, State abandoned mine reclamation funds (State funds) generated by grants from this title shall be established by each State pursuant to an approved State program.

(b) The fund shall consist of amounts deposited in the fund, from time to time derived from—

(1) the reclamation fees levied under section 402 of this Act: *Provided,* That an amount not to exceed 10 per centum of such reclamation fees collected for any calendar quarter shall be reserved beginning in the first calendar year in which the fee is imposed and continuing for the remainder of that fiscal year and for the period in which such fee is imposed by law, for the purpose of section 507(c), subject to appropriation pursuant to authorization under section 712: *Provided further,* That not more than $10,000,000 shall be available for such purposes;

(2) any user charge imposed on or for land reclaimed pursuant to this title, after expenditures for maintenance have been deducted;

(3) donations by persons, corporations, associations, and foundations for the purposes of this title; and

(4) recovered moneys as provided for in this title.

(c) Moneys in the fund may be used for the following purposes:

(1) reclamation and restoration of land and water resources adversely affected by past coal mining, including but not limited to reclamation and restoration of abandoned surface mines areas, abandoned coal processing areas, and abandoned coal refuse disposal areas; sealing and filling abandoned deep mine entries and voids; planting of land adversely affected by past coal mining to prevent erosion and sedimentation; prevention, abatement, treatment, and control of water pollution created by coal mine drainage including restoration of stream beds, and construction and operation of water treatment plants; prevention, abatement, and control of burning coal refuse disposal areas and burning coal in situ; and prevention, abatement, and control of coal mine subsidence;

(2) for use under section 406, by the Secretary of Agriculture, of up to one-fifth of the money deposited in the funds annually and transferred by the Secretary of the Interior to the Secretary of Agriculture for such purposes;

(3) acquisition and filling of voids and sealing of tunnels, shafts, and entryways under section 409;

(4) acquisition of land as provided for in this title;

(5) enforcement and collection of the reclamation fee provided for in section 402 of this title;

(6) studies by the Department of the Interior by contract to such extent or in such amounts as are provided in appropriation Acts with public and private organizations to provide information, advice, and technical assistance, including research and demonstration projects, conducted for the purposes of this title;

(7) restoration, reclamation, abatement, control, or prevention of adverse effects of coal mining which constitutes an emergency as provided for in this title;

(8) grants to the States to accomplish the purposes of this title;

(9) administrative expenses of the United States and each State to accomplish the purposes of this title; and

(10) all other necessary expenses to accomplish the purposes of this title.

(d) Moneys from the fund shall be available for the purposes of this title, only when appropriated therefor, and such appropriations shall be made without fiscal year limitations.

RECLAMATION FEE

SEC. 402. (a) All operators of coal mining operations subject to the provisions of this Act shall pay to the Secretary of the Interior, for deposit in the fund, a reclamation fee of 35 cents per ton of coal produced by surface coal mining and 15 cents per ton of coal produced by underground mining or 10 per centum of the value of the coal at the mine, as determined by the Secretary, whichever is less, except that the reclamation fee for lignite coal shall be at a rate of 2 per centum of the value of the coal at the mine, or 10 cents per ton, whichever is less.

(b) Such fee shall be paid no later than thirty days after the end of each calendar quarter beginning with the first calendar quarter occurring after the date of enactment of this Act, and ending fifteen years after the date of enactment of this Act unless extended by an Act of Congress.

(c) Together with such reclamation fee, all operators of coal mine operations shall submit a statement of the amount of coal produced during the calendar quarter, the method of coal removal and the type of coal, the accuracy of which shall be sworn to by the operator and notarized.

(d) Any person, corporate officer, agent or director, on behalf of a coal mine operator, who knowingly makes any false statement, representation or certification, or knowingly fails to make any statement, representation or certification required in this section shall, upon conviction, be punished by a fine of not more than $10,000, or by imprisonment for not more than one year, or both.

(e) Any portion of the reclamation fee not properly or promptly paid pursuant to this section shall be recoverable, with statutory interest, from coal mine operators, in any court of competent jurisdiction in any action at law to compel payment of debts.

(f) All Federal and State agencies shall fully cooperate with the Secretary of the Interior in the enforcement of this section.

(g)(1) The geographic allocation of expenditures from the fund shall reflect both the area from which the revenue was derived as well as the national program needs for the funds.

(2) Fifty per centum of the funds collected annually in any State or Indian reservation shall be allocated to that State or Indian reservation by the Secretary pursuant to any approved abandoned mine reclamation program to accomplish the purposes of this title. Where the Governor of a State or the head of a governing body of a tribe certifies that (i) objectives of the fund set forth in sections 403 and 409 have been achieved, (ii) there is a need for construction of specific public facilities in communities impacted by coal development, (iii) impact funds which may be available under provisions of the Federal Mineral Leasing Act of 1920, as amended, or the Act of October 20, 1976, Public Law 94–565 (90 Stat. 2662), are inadequate for such construction and (iv) the Secretary concurs in such certification, then the Secretary may continue to allocate all or part of the 50 per centum share to that State or tribe for such construction: *Provided, however,* That if funds under this subparagraph (2) have not been expended within three years after their allocation, they shall be available for expenditure in any eligible area as determined by the Secretary.

(3) The balance of funds collected on an annual basis may be expended in any State at the discretion of the Secretary in order to meet the purposes of this title. Such funds may be expended directly by the Secretary or by making additional grants to approved State reclamation programs pursuant to section 405 when the Secretary finds that such programs are the best means of accomplishing the specific reclamation projects. The Secretary shall consult and coordinate with the respective States those projects funded directly or in conjunction with other Federal agencies.

OBJECTIVES OF FUND

SEC. 403. Expenditure of moneys from the fund on lands and water eligible pursuant to section 404 for the purposes of this title shall reflect the following priorities in the order stated:

(1) the protection of public health, safety, general welfare, and property from extreme danger of adverse effects of coal mining practices;

(2) the protection of public health, safety, and general welfare from adverse effects of coal mining practices;

(3) the restoration of land and water resources and the environment previously degraded by adverse effects of coal mining practices including measures for the conservation and development of soil, water (excluding channelization), woodland, fish and wildlife, recreation resources, and agricultural productivity.

(4) research and demonstration projects relating to the development of surface mining reclamation and water quality control program methods and techniques;

(5) the protection, repair, replacement, construction, or enhancement of public facilities such as utilities, roads, recreation, and conservation facilities adversely affected by coal mining practices;

(6) the development of publicly owned land adversely affected by coal mining practices including land acquired as provided in this title for recreation and historic purposes, conservation, and reclamation purposes and open space benefits.

ELIGIBLE LANDS AND WATER

SEC. 404. Lands and water eligible for reclamation or drainage abatement expenditures under this title are those which were mined for coal or which were affected by such mining, wastebanks, coal processing, or other coal mining processes, and abandoned or left in an inadequate reclamation status prior to the date of enactment of this Act, and for which there is no continuing reclamation responsibility under State or other Federal laws.

STATE RECLAMATION PROGRAMS

SEC. 405. (a) Not later than the end of the one hundred and eighty-day period immediately following the date of enactment of this Act, the Secretary shall promulgate and publish in the Federal Register regulations covering implementation of an abandoned mine reclamation program incorporating the provisions of title IV and establishing procedures and requirements for preparation, submission, and approval of State programs consisting of the plan and annual submissions of projects.

(b) Each State having within its borders coal mined lands eligible for reclamation under this title, may submit to the Secretary a State Reclamation Plan and annual projects to carry out the purposes of this title.

(c) The Secretary shall not approve, fund, or continue to fund a State abandoned mine reclamation program unless that State has an approved State regulatory program pursuant to section 503 of this Act.

(d) If the Secretary determines that a State has developed and submitted a program for reclamation of abandoned mines and has the ability and necessary State legislation to implement the provisions of this title, sections 402 and 410 excepted, the Secretary shall approve such State program and shall grant to the State exclusive responsibility and authority to implement the provisions of the approved program: *Provided,* That the Secretary shall withdraw such approval and authorization if he determines upon the basis of information provided under this section that the State program is not in compliance with the procedures, guidelines, and requirements established under subsection 405(a).

(e) Each State Reclamation Plan shall generally identify the areas to be reclaimed, the purposes for which the reclamation is proposed, the relationship of the lands to be reclaimed and the proposed reclamation to surrounding areas, the specific criteria for ranking and identifying projects to be funded, and the legal authority and programmatic capability to perform such work in conformance with the provisions of this title.

(f) On an annual basis, each State having an approved State Reclamation Plan may submit to the Secretary an application for the support of the State program and implementation of specific reclamation projects. Such annual requests shall include such information as may be requested by the Secretary including:

(1) a general description of each proposed project;

(2) a priority evaluation of each proposed project;

(3) a statement of the estimated benefits in such terms as: number of acres restored, miles of stream improved, acres of surface lands protected from subsidence, population protected from subsidence, air pollution, hazards of mine and coal refuse disposal area fires;

(4) an estimate of the cost for each proposed project;

(5) in the case of proposed research and demonstration projects, a description of the specific techniques to be evaluated or objective to be attained;

(6) an identification of lands or interest therein to be acquired and the estimated cost; and

(7) in each year after the first in which a plan is filed under this title, an inventory of each project funded under the previous year's grant; which inventory shall include details of financial expenditures on such project together with a brief description of each such project, including project location, landowner's name, acreage, type of reclamation performed.

(g) The costs for each proposed project under this section shall include: actual construction costs, actual operation and maintenance costs of permanent facilities, planning and engineering costs, construction inspection costs, and other necessary administrative expenses.

(h) Upon approval of State Reclamation Plan by the Secretary and of the surface mine regulatory program pursuant to section 503, the Secretary shall grant, on an annual basis, funds to be expended in such State pursuant to subsection 402(g) and which are necessary to implement the State reclamation program as approved by the Secretary.

(i) The Secretary, through his designated agents, will monitor the progress and quality of the program. The States shall not be required at the start of any project to submit complete copies of plans and specifications.

(j) The Secretary shall require annual and other reports as may be necessary to be submitted by each State administering the approved State reclamation program with funds provided under this title. Such reports shall include that information which the Secretary deems necessary to fulfill his responsibilities under this title.

(k) Indian tribes having within their jurisdiction eligible lands pursuant to section 404 or from which coal is produced, shall be considered as a "State" for the purposes of this title.

RECLAMATION OF RURAL LANDS

SEC. 406. (a) In order to provide for the control and prevention of erosion and sediment damages from unreclaimed mined lands, and to promote the conservation and development of soil and water resources of unreclaimed mined lands and lands affected by mining, the Secretary of Agriculture is authorized to enter into agreements of not more than ten years with landowners including owners of water rights), residents, and tenants, and individually or collectively, determined by him to have control for the period of the agreement of lands in question therein, providing for land stabilization, erosion, and sediment control, and reclamation through conservation treatment, including measures for the conservation and development of soil, water (excluding stream channelization), woodland, wildlife, and recreation resources, and agricultural productivity of such lands. Such agreements shall be made by the Secretary with the owners, including owners of water rights, residents, or tenants (collectively or individually) of the lands in question.

(b) The landowner, including the owner of water rights, resident, or tenant shall furnish to the Secretary of Agriculture a conservation and development plan setting forth the proposed land uses and conservation treatment which shall be mutually agreed by the Secretary of Agriculture and the landowner, including owner of water rights, resident, or tenant to be needed on the lands for which the plan was prepared. In those instances where it is determined that the water rights or water supply of a tenant, landowner, including owner of water rights, resident, or tenant have been adversely affected by a surface or underground coal mine operation which has removed or disturbed a stratum so as to significantly affect the hydrologic balance, such plan may include proposed measures to enhance water quality or quantity by means of joint action with other affected landowners, including owner of water rights, residents, or tenants in consultation with appropriate State and Federal agencies.

(c) Such plan shall be incorporated in an agreement under which the landowner, including owner of water rights, resident, or tenant shall agree with the Secretary of Agriculture to effect the land uses and conservation treatment provided for in such plan on the lands described in the agreement in accordance with the terms and conditions thereof.

(d) In return for such agreement by the landowner, including owner of water rights, resident or tenant, the Secretary of Agriculture is authorized to furnish financial and other assistance to such landowner, including owner of water rights, resident, or tenant, in such amounts and subject to such conditions as the Secretary of Agriculture determines are appropriate in the public interest for carrying out the land use and conservation treatment set forth in the agreement. Grants made under this section, depending on the income-producing potential of the land after reclaiming, shall provide up to 80 per centum of the cost of carrying out such land uses and conservation treatment on not more than one hundred and twenty acres of land occupied by such owner, including water rights owners, resident, or tenant, or not more than one hundred and twenty acres of land which has been purchased jointly by such landowners, including water rights owners, residents, or tenants, under an agreement for the enhancement of water quality or quantity or on land which has been acquired by an appropriate State or local agency for the purpose of implementing such agreement; except the Secretary may reduce the matching cost share where he determines that (1) the main benefits to be derived from the project are related to improving offsite water quality, offsite esthetic values, or other offsite benefits, and (2) the matching share requirement would place a burden on the landowner which would probably prevent him from participating in the program; *Provided, however,* That the Secretary of Agriculture may allow for land use and conservation treatment on such lands occupied by any such owner in excess of such one hundred and twenty acre limitation up to three hundred and twenty acres, but in such event the amount of the grant to such landowner to carry out such reclamation on such lands shall be reduced proportionately.

(e) The Secretary of Agriculture may terminate any agreement with a landowner including water rights owners, operator, or occupier by mutual agreement if the Secretary of Agriculture determines that such termination would be in public interest, and may agree to such modification of agreements previously entered into hereunder as he deems desirable to carry out the purposes of this section or to facilitate the practical administration of the program authorized herein.

(f) Notwithstanding any other provision of law, the Secretary of Agriculture, to the extent he deems it desirable to carry out the purposes of this section, may provide in any agreement hereinunder for (1) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history

is used as a basis for an allotment or other limitation on the production of such crop; or (2) surrender of any such history and allotments.

(g) The Secretary of Agriculture shall be authorized to issue such rules and regulations as he determines are necessary to carry out the provisions of this section.

(h) In carrying out the provisions of this section, the Secretary of Agriculture shall utilize the services of the Soil Conservation Service.

(i) Funds shall be made available to the Secretary of Agriculture for the purposes of this section, as provided in section 303(c).

ACQUISITION AND RECLAMATION OF LAND ADVERSELY AFFECTED BY PAST COAL MINING PRACTICES

SEC. 407. (a) If the Secretary or the State pursuant to an approved State program, makes a finding of fact that—

(1) land or water resources have been adversely affected by past coal mining practices; and

(2) the adverse effects are at a stage where, in the public interest, action to restore, reclaim, abate, control, or prevent should be taken; and

(3) the owners of the land or water resources where entry must be made to restore, reclaim, abate, control, or prevent the adverse effects of past coal mining practices are not known, or readily available; or

(4) the owners will not give permission for the United States, the States, political subdivisions, their agents, employees, or contractors to enter upon such property to restore, reclaim, abate, control, or prevent the adverse effects of past coal mining practices. Then, upon giving notice by mail to the owners if known or if not known by posting notice upon the premises and advertising once in a newspaper of general circulation in the municipality in which the land lies, the Secretary, his agents, employees, or contractors, or the State pursuant to an approved State program, shall have the right to enter upon the property adversely affected by past coal mining practices and any other property to have access to such property to do all things necessary or expedient to restore, reclaim, abate, control, or prevent the adverse effects. Such entry shall be construed as an exercise of the police power for the protection of public health, safety, and general welfare and shall not be construed as an act of condemnation of property nor of trespass thereon. The moneys expended for such work and the benefits accruing to any such premises so entered upon shall be chargeable against such land and shall mitigate or offset any claim in or any action brought by any owner of any interest in such premises for any alleged damages by virtue of such entry: *Provided, however,* That this provision is not intended to create new rights of action or eliminate existing immunities.

(b) The Secretary, his agents, employees, or contractors or the State pursuant to an approved State program, shall have the right to enter upon any property for the purpose of conducting studies or exploratory work to determine the existence of adverse effects of past coal mining practices and to determine the feasibility of restoration, reclamation, abatement, control, or prevention of such adverse effects. Such entry shall be construed as an exercise of the police power for the protection of public health, safety, and general welfare and shall not be construed as an act of condemnation of property nor trespass thereon.

(c) The Secretary or the State pursuant to an approved State program, may acquire any land, by purchase, donation, or condemnation, which is adversely affected by past coal mining practices if the Secretary determines that acquisition of such land is necessary to successful reclamation and that—

(1) the acquired land, after restoration, reclamation, abatement, control, or prevention of the adverse effects of past coal mining practices, will serve recreation and historic purposes, conservation and reclamation purposes or provide open space benefits; and

(2) permanent facilities such as a treatment plant or a relocated stream channel will be constructed on the land for the restoration, reclamation, abatement, control, or prevention of the adverse effects of past coal mining practices; or

(3) acquisition of coal refuse disposal sites and all coal refuse thereon will serve the purposes of this title or that public ownership is desirable to meet emergency situations and prevent recurrences of the adverse effects of past coal mining practices.

(d) Title to all lands acquired pursuant to this section shall be in the name of the United States or, if acquired by a State pursuant to an approved program, title shall be in the name of the State. The price paid for land acquired under this section shall reflect the market value of the land as adversely affected by past coal mining practices.

(e) States are encouraged as part of their approved State programs, to reclaim abandoned and unreclaimed mined lands within their boundaries and, if necessary, to acquire or to transfer such lands to the Secretary or the appropriate State regulatory authority under appropriate Federal regulations. The Secretary is authorized to make grants on a matching basis to States in such amounts as he deems appropriate for the purpose of carrying out the provisions of this title but in no event shall any grant exceed 90 per centum of the cost of acquisition of the lands for which the grant is made. When a State has made any such land available to the Federal Government under this title, such State shall have a preference right to purchase such lands after reclamation at fair market value less the State portion of the original acquisition price. Notwithstanding the provisions of paragraph (1) of this subsection, reclaimed land may be sold to the State or local government in which it is located at a price less than fair market value, which in no case shall be less than the cost of the United States of the purchase and reclamation of the land, as negotiated by the Secretary, to be used for a valid public purpose. If any land sold to a State or local government under this paragraph is not used for a valid public purpose as specified by the Secretary in the terms of the sales agreement then all right, title, and interest in such land shall revert to the United States. Money received from such sale shall be deposited in the fund.

(f) If the Secretary, in formulating regulations for making grants to the States to acquire land pursuant to this section, shall specify that acquired land meet the criteria provided for in subsections (c) and (d) of this section. The Secretary may provide by regulation that money derived from the lease, rental, or user charges of such acquired land and facilities thereon will be deposited in the fund.

(g)(1) Where land acquired pursuant to this section is deemed to be suitable for industrial, commercial, residential, or recreational development, the Secretary may sell or authorize the States to sell such land by public sale under a system of competitive bidding, at not less than fair market value and under such other regulations promulgated to insure that such lands are put to proper use consistent with local and State land use plans, if any, as determined by the Secretary.

(2) The Secretary or the State pursuant to an approved State program, when requested after appropriate public notice shall hold a public hearing, with the ppropriate notice, in the county or counties or the appropriate subdivisions of the State in which lands acquired pursuant to this section are located. The hearings shall be held at a time which shall afford local citizens and governments the maximum opportunity to participate in the decision concerning the use of disposition of the lands after restoration, reclamation, abatement, control, or prevention of the adverse effects of past coal mining practices.

(h) In addition to the authority to acquire land under subsection (d) of this section the Secretary is authorized to use money in the fund to acquire land by purchase, donation, or condemnation, and to reclaim and transfer acquired land to any State or to a political subdivision thereof, or to any person, firm, association, or corporation, if he determines that such is an integral and necessary element of an economically feasible plan for the project to construct or rehabilitate housing for persons disabled as the result of employment in the mines or work incidental thereto, persons displaced by acquisition of land pursuant to this section, or persons dislocated as the result of adverse effects of coal mining practices which constitute an emergency as provided in section 410 or persons dislocated as the result of natural disasters or catastrophic failures from any cause. Such activities shall be accomplished under such terms and conditions as the Secretary shall require, which may include transfers of land with or without monetary consideration: *Provided,* That, to the extent that the consideration is below the fair market value of the land transferred, no portion of the difference between the fair market value and the consideration shall accrue as a profit to such persons, firm, association, or corporation. No part of the funds provided under this title may be used to pay the actual constructions costs of housing. The Secretary may carry out the purposes of this subsection directly or he may make grants and commitments for grants, and may advance money under such terms and conditions as he may require to any State, or any department, agency, or instrumentality of a State, or any public body or nonprofit organization designated by a State.

LIENS

SEC. 408. (a) Within six months after the completion of projects to restore reclaim, abate, control, or prevent adverse effects to pats coal mining practices on privately owned land, the Secretary or the State pursuant to an approved State program, shall itemize the moneys so expnded and may file a statement thereof in the office of the county in which the land lies which has the responsibility under local law for the recording of judgments against land, together with a notarized appraisal by an independent appraiser of the value of the land before the restoration, reclamation, abatement, control, or prevention of adverse effects of past coal mining practices if the moneys so expended shall result in a significant increase in property value. Such statement shall constitute a lien upon the said land. The lien shall not exceed the amount determined by the appraisal to be the increase in the market value of the land as a result of the restoration, reclamation, abatement, control, or prevention of the adverse effects of past coal mining practices. No lien shall be filed against the property of any person in accordance with this subsection, who owned the surface prior to May 2, 1977, and who neither consented to, nor participated in nor exercised control over the mining operation which necessitated the reclamation performed hereunder.

(b) The landowner may proceed as provided by local law to petition within sixty days of the filing of the lien, to determine the increase in the market value of the land as a result of the restoration, reclamation, abatement, control, or prevention of the adverse effects of past coal mining practices. The amount reported to be the increase in value of the premises shall constitute the amount of the lien and shall be recorded with the statement herein provided. Any party aggrieved by the decision may appeal as provided by local law.

(c) The lien provided in this section shall be entered in the county office in which the land lies and which has responsibility under

local law for the recording of judgments against land. Such statement shall constitute a lien upon the said land as of the date of the expenditure of the moneys and shall have priority as a lien second only to the lien of real estate taxes imposed upon said land.

FILLING VOIDS AND SEALING TUNNELS

SEC. 409. (a) The Congress declares that voids, and open and abandoned tunnels, shafts, and entryways resulting from any previous mining operation, constitute a hazard to the public health or safety and that surface impacts of any underground or surface mining operation may degrade the environment. The Secretary, at the request of the Governor of any State, or the chairman of any tribe, is authorized to fill such voids, seal such abandoned tunnels, shafts, and entryways, and reclaim surface impacts of underground or surface mines which the Secretary determines could endanger life and property, constitute a hazard to the public health and safety, or degrade the environment. State regulatory authorities are authorized to carry out such work pursuant to an approved abandoned mine reclamation program.

(b) Funds available for use in carrying out the purpose of this section shall be limited to those funds which must be allocated to the respective States or Indian reservations under the provisions of subsection 402(g).

(c) The Secretary may make expenditures and carry out the purposes of this section without regard to provisions of section 404 in such States or Indian reservations where requests are made by the Governor or tribal chairman and only after all reclamation with respect to abandoned coal lands or coal development impacts have been met, except for those reclamation projects relating to the protection of the public health or safety.

(d) In those instances where mine waste piles are being reworked for conservation purposes, the incremental costs of disposing of the wastes from such operations by filling voids and sealing tunnels may be eligible for funding providing that the disposal of these wastes meets the purposes of this section.

(e) The Secretary may acquire by purchase, donation, easement, or otherwise such interest in land as he determines necessary to carry out the provisions of this section.

EMERGENCY POWERS

SEC. 410. (a) The Secretary is authorized to expend moneys from the fund for the emergency restoration, reclamation, abatement, control, or prevention of adverse effects of coal mining practices, on eligible lands, if the Secretary makes a finding of fact that—

(1) an emergency exists constituting a danger to the public health, safety, or general welfare; and

(2) no other person or agency will act expeditiously to restore, reclaim, abate, control, or prevent the adverse effects of coal mining practices.

(b) The Secretary, his agents, employees, and contractors shall have the right to enter upon any land where the emergency exists and any other land to have access to the land where the emergency exists to restore, reclaim, abate, control, or prevent the adverse effects of coal mining practices and to do all things necessary or expedient to protect the public health, safety, or general welfare. Such entry shall be construed as an exercise of the police power and shall not be construed as an act of condemnation of property nor of trespass thereof. The moneys expended for such work and the benefits accruing to any such premises so entered upon shall be chargeable against such land and shall mitigate or offset any claim in or any action brought by any owner of any interest in such premises for any alleged damages by virtue of such entry: *Provided, however,* That this provision is not intended to create new rights of action or eliminate existing immunities.

FUND REPORT

SEC. 411. Not later than January 1, 1978, and annually thereafter, the Secretary or the State pursuant to an approved State program, shall report to the Congress or operations under the fund together with his recommendations as to future uses of the fund.

MISCELLANEOUS POWERS

SEC. 412. (a) The Secretary or the State pursuant to an approved State program, shall have the power and authority, if not granted it otherwise, to engage in any work and to do all things necessary or expedient, including promulgation of rules and regulations, to implement and administer the provisions of this title.

(b) The Secretary or the State pursuant to an approved State program, shall have the power and authority to engage in cooperative projects under this title with any other agency of the United States of America, any State and their governmental agencies.

(c) The Secretary or the State pursuant to an approved State program, may request the Attorney General, who is hereby authorized to initiate, in addition to any other remedies provided for in this title, in any court of competent jurisdiction, an action in equity for an injunction to restrain any interference with the exercise of the right to enter or to conduct any work provided in this title.

(d) The Secretary or the State pursuant to an approved State program, shall have the power and authority to construct and operate a plant or plants for the control and treatment of water pollution resulting from mine drainage. The extent of this control and treatment may be dependent upon the ultimate use of the water: *Provided.* That the above provisions of this paragraph shall not be deemed in any way to repeal or supersede any portion of the Federal Water Pollution Control Act (33 U.S.C.A. 1151, et seq. as amended) and no control or treatment under this subsection shall in any way be less than that required under the Federal Water Pollution Control Act. The construction of a plant or plants may include major interceptors and other facilities appurtenant to the plant.

(e) The Secretary may transfer funds to other appropriate Federal agencies, in order to carry out the reclamation activities authorized by this title.

INTERAGENCY COOPERATION

SEC. 413. All departments, boards, commissioners, and agencies of the United States of America shall cooperate with the Secretary by providing technical expertise, personnel, equipment, materials, and supplies to implement and administer the provisions of this title.

TITLE V—CONTROL OF THE ENVIRONMENTAL IMPACTS OF SURFACE COAL MINING

ENVIRONMENTAL PROTECTION STANDARDS

SEC. 501. (a) Not later than the end of the ninety-day period immediately following the date of enactment of this Act, the Secretary shall promulgate and publish in the Federal Register regulations covering an interim regulatory procedure for surface coal mining and reclamation operations setting mining and reclamation performance standards based on and incorporating the provisions set out in section 502(c) of this Act. The issuance of the interim regulations shall be deemed not to be a major Federal action within the meaning of section 102(2)(c) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332). Such regulations, which shall be concise and written in plain, understandable language shall not be promulgated and published by the Secretary until he has—

(A) published regulations in the Federal Register and afforded interested persons and State and local governments a period of not less than thirty days after such publication to submit written comments thereon;

(B) obtained the written concurrence of the Administrator of the Environmental Protection Agency with respect to those regulations promulgated under this section which relate to air or water quality standards promulgated under the authority of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1151–1175), and the Clean Air Act, as amended (42 U.S.C. 1857, et seq.); and

(C) held at least one public hearing on the proposed regulations.

The date, time, and place of any hearing held on the proposed regulations shall be set out in the publication of the proposed regulations. The Secretary shall consider all comments and relevant data presented at such hearing before final promulgation and publication of the regulations.

(b) Not later than one year after the enactment of this Act, the Secretary shall promulgate and publish in the Federal Register regulations covering a permanent regulatory procedure for surface coal mining and reclamation operations performance standards based on and conforming to the provisions of title V and establishing procedures and requirements for preparation, submission, and approval of State programs; and development and implementation of Federal programs under the title. The Secretary shall promulgate these regulations, which shall be concise and written in plain, understandable language in accordance with the procedures in section 501(a).

INITIAL REGULATORY PROCEDURES

SEC. 502. (a) No person shall open or develop any new or previously mined or abandoned site for surface coal mining operations on lands on which such operations are regulated by a State unless such person has obtained a permit from the State's regulatory authority.

(b) All surface coal mining operations on lands on which such operations are regulated by a State which commence operations pursuant to a permit issued on or after six months from the date of enactment of this Act shall comply, and such permits shall contain terms requiring compliance with, the provisions set out in subsection (c) of this section. Prior to final disapproval of a State program or prior to promulgation of a Federal program or a Federal lands program pursuant to this Act, a State may issue such permits.

(c) On and after nine months from the date of enactment of this Act, all surface coal mining operations on lands on which such operations are regulated by a State shall comply with the provisions of subsections 515(b)(2), 515(b)(3), 515(b)(5), 515(d)(10), 515(b)(13), 515(b)(15), 515(b)(19), and 515(d) of this Act or, where a surface coal mining operation will remove an entire coal seam or seams running through the upper fraction of a mountain, ridge, or hill by removing all of the overburden and creating a level plateau or a gently rolling contour with no highwalls remaining, such operation shall comply with the requirements of section 515(c)(4) and (5) without regard to the requirements of section 515(b)(3) or (515)(d)(2) and (3), with respect to lands from which overburden and the coal seam being mined have not been removed: *Provided, however,* That surface coal mining operations in operation pursuant to a permit issued by a State before the date of enactment of this Act, issued to a person as defined in section 701(19) in existence prior to May 2, 1977 and operated by a person whose total annual production of coal from surface and underground coal mining operations does not exceed one hundred thousand tons shall not

be subject to the provisions of this subsection except with reference to the provision of subsection 515(d)(1) until January 1, 1979.

(d) Not later than two months following the approval of a State program pursuant to section 503 or the implementation of a Federal program pursuant to section 504, regardless of litigation contesting that approval or implementation, all operators of surface coal mines in expectation of operating such mines after the expiration of eight months from the approval of a State program or the implementation of a Federal program, shall file an application for a permit with the regulatory authority. Such application shall cover those lands to be mined after the expiration of eight months from the approval of a State program or the implementation of a Federal program. The regulatory authority shall process such applications and grant or deny a permit within eight months after the date of approval of the State program or the implementation of the Federal program, unless specially enjoined by a court of competent jurisdiction, but in no case later than forty-two months from the date of enactment of this Act.

(e) Within six months after the date of enactment of this Act, the Secretary shall implement a Federal enforcement program which shall remain in effect in each State as surface coal mining operations are required to comply with the provisions of this Act, until the State program has been approved pursuant to this Act or until a Federal program has been implemented pursuant to this Act. The enforcement program shall—

(1) include inspections of surface coal mine sites which may be made (but at least one inspection for every site every six months), without advance notice to the mine operator and for the purpose of ascertaining compliance with the standards of subsections (b) and (c) above. The Secretary shall order any necessary enforcement action to be implemented pursuant to the Federal enforcement provision of this title to correct violations identified at the inspections;

(2) provide that upon receipt of inspection reports indicating that any surface coal mining operation has been found in violation of subsections (b) and (c) above, during not less than two consecutive State inspections or upon receipt by the Secretary of information which would give rise to reasonable belief that such standards are being violated by any surface coal mining operation, the Secretary shall order the immediate inspection of such operation by Federal inspectors and the necessary enforcement actions, if any, to be implemented pursuant to the Federal enforcement provisions of this title. When the Federal inspection results from information provided to the Secretary by any person, the Secretary shall notify such person when the Federal inspection is proposed to be carried out and such person shall be allowed to accompany the inspector during the inspection;

(3) provide that the State regulatory agency file with the Secretary and with a designated Federal office centrally located in the county or area in which the inspected surface coal mine is located copies of inspection reports made;

(4) provide that moneys authorized by section 712 shall be available to the Secretary prior to the approval of a State program pursuant to this Act to reimburse the State for conducting those inspections in which the standards of this Act are enforced and for the administration of this section;

(5) for purposes of this section, the term "Federal inspector" means personnel of the Office of Surface Mining Reclamation and Enforcement and such additional personnel of the United States Geological Survey, Bureau of Land Management, or of the Mining Enforcement and Safety Administration so designated by the Secretary, or such other personnel of the Forest Service, Soil Conservation Service, or the Agricultural Stabilization and Conservation Service as arranged b yappropriate agreement with the Secretary on a reimbursable or other basis;

(f) Following the final disapproval of a State program, and prior to promulgation of a Federal program or a Federal lands program pursuant to this Act, including judicial review of such a program, existing surface coal mining operations may continue surface mining operations pursuant to the provisions of section 502 of this Act. During such period no new permits shall be issued by the State whose program has been disapproved. Permits which lapse during such period may continue in full force and effect until promulgation of a Federal program or a Federal lands program.

STATE PROGRAMS

SEC. 503. (a) Each State in which there are or may be conducted surface coal mining operations on non-Federal lands, and which wishes to assume exclusive jurisdiction over the regulation of surface coal mining and reclamation operations, except as provided in sections 521 and 523 and title IV of this Act, shall submit to the Secretary, by the end of the eighteen-month period beginning on the date of enactment of this Act, a State program which demonstrates that such State has the capability of carrying out the provisions of this Act and meeting its purposes through—

(1) a State law which provides for the regulation of surface coal mining and reclamation operations in accordance with the requirements of this Act;

(2) a State law which provides sanctions for violations of State laws, regulations, or conditions of permits concerning surface coal mining and reclamation operations, which sanctions shall meet the minimum requirements of this Act, including civil and criminal actions, forfeiture of bonds, suspensions, revocations, and withholding of permits, and the issuance of cease-and-desist orders by the State regulatory authority or its inspectors;

(3) a State regulatory authority with sufficient administrative and technical personnel, and sufficient funding to enable the State to regulate surface coal mining and reclamation operations in accordance with the requirements of this Act;

(4) a State law which provides for the effective implementation, maintenance, and enforcement of a permit system, meeting the requirements of this title for the regulation of surface coal mining and reclamation operations for coal on lands within the State;

(5) establishment of a process for the designation of areas as unsuitable for surface coal mining in accordance with section 522 provided that the designation of Federal lands unsuitable for mining shall be performed exclusively by the Secretary after consultation with the State; and

(6) establishment for the purposes of avoiding duplication, of a process for coordinating the review and issuance of permits for surface coal mining and reclamation operations with any other Federal or State permit process applicable to the proposed operations; and

(7) rules and regulations consistent with regulations issued by the Secretary pursuant to this Act.

(b) The Secretary shall not approve any State program submitted under this section until he has—

(1) solicited and publicly disclosed the views of the Administrator of the Environmental Protection Agency, the Secretary of Agriculture, and the heads of other Federal agencies concerned with or having special expertise pertinent to the proposed State program;

(2) obtained the written concurrence of the Administrator of the Environmental Protection Agency with respect to those aspects of a State program which relate to air or water quality standards promulgated under the authority of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1151–1175), and the Clean Air Act, as amended (42 U.S.C. 1857 et seq.);

(3) held at least one public hearing on the State program within the State; and

(4) found that the State has the legal authority and qualified personnel necessary for the enforcement of the environmental protection standards.

The Secretary shall approve or disapprove a State program, in whole or in part, within six full calendar months after the date such State program was submitted to him.

(c) If the Secretary disapproves any proposed State program in whole or in part, he shall notify the State in writing of his decision and set forth in detail the reasons therefor. The State shall have sixty days in which to resubmit a revised State program or portion thereof. The Secretary shall approve or disapprove the resubmitted State program or portion thereof within sixty days from the date of resubmission.

(d) For the purposes of this section and section 504, the inability of a State to take any action the purpose of which is to prepare, submit or enforce a State program, or any portion thereof, because the action is enjoined by the issuance of an injunction by any court of competent jurisdiction shall not result in a loss of eligibility for financial assistance under titles IV and VII of this Act or in the imposition of a Federal program. Regulation of the surface coal mining and reclamation operations covered or to be covered by the State program subject to the injunction shall be conducted by the State pursuant to section 502 of this Act, until such time as the injunction terminates or for one year, whichever is shorter, at which time the requirements of sections 503 and 504 shall again be fully applicable.

FEDERAL PROGRAMS

SEC. 504. (a) The Secretary shall prepare and, subject to the provisions of this section, promulgate and implement a Federal program for a State no later than thirty-four months after the date of enactment of this Act if such State—

(1) fails to submit a State program covering surface coal mining and reclamation operations by the end of the eighteen-month period beginning on the date of enactment of this Act;

(2) fails to resubmit an acceptable State program within sixty days of disapproval of a proposed State program: *Provided*, That the Secretary shall not implement of a Federal program prior to the expiration of the initial period allowed for submission of a State program as provided for in clause (1) of this subsection; or

(3) fails to implement, enforce, or maintain its approved State program as provided for in this Act.

If State compliance with clause (1) of this subsection requires an act of the State legislature, the Secretary may extend the period of submission of a State program up to an additional six months. Promulgation and implementation of a Federal program vests the Secretary with exclusive jurisdiction for the regulation and control of surface coal mining and reclamation operations taking place on lands within any State not in compliance with this Act. After promulgation and implementation of a Federal program the Secretary shall be the regulatory authority. If a Federal program is implemented for a State, section 522(a), (c), and (d) shall not apply for a period of one year following the date of such implementation. In promulgating and implementing a Federal program for a particular State the Secretary shall take into consideration the nature of that State's terrain, climate, biological, chemical, and other relevant physical conditions.

(b) In the event that a State has a State program for surface coal mining, and is not enforcing any part of such program, the Secretary may provide for the Federal enforcement, under the provisions of section 521, of that part of the State program not being enforced by such State.

(c) Prior to promulgation and implementation of any proposed Federal program, the Secretary shall give adequate public notice and hold a public hearing in the affected State.

(d) Permits issued pursuant to a previously approved State program shall be valid but reviewable under a Federal program. Immediately following promulgation of a Federal program, the Secretary shall undertake to review such permits to determine that the requirements of this Act are not violated. If the Secretary determines any permit to have been granted contrary to the requirements of this Act, he shall so advise the permittee and provide him an opportunity for hearing and a reasonable opportunity for submission of a new application and reasonable time, within a time limit prescribed in regulations promulgated pursuant to section 501(b), to conform ongoing surface mining and reclamation operations to the requirements of the Federal program.

(e) A State which has failed to obtain the approval of a State program prior to implementation of a Federal program may submit a State program at any time after such implementation. Upon the submission of such a program, the Secretary shall follow the procedures set forth in section 503(b) and shall approve or disapprove the State program within six months after its submittal. Approval of a State program shall be based on the determination that the State has the capability of carrying out the provisions of this Act and meeting its purposes through the criteria set forth in section 503(a)(1) through (6). Until a State program is approved as provided under this section, the Federal program shall remain in effect and all actions taken by the Secretary pursuant to such Federal program, including the terms and conditions of any permit issued thereunder shall remain in effect.

(f) Permits issued pursuant to the Federal program shall be valid under any superseding State program: *Provided*, That the Federal permittee shall have the right to apply for a State permit to supersede his Federal permit. The State regulatory authority may review such permits to determine that the requirements of this Act and the approved State program are not violated. Should the State program contain additional requirements not contained in the Federal program, the permittee will be provided opportunity for hearing and a reasonable time, within a time limit prescribed in regulations promulgated pursuant to section 501, to conform ongoing surface mining and reclamation operations to the additional State requirements.

(g) Whenever a Federal program is promulgated for a State pursuant to this Act, any statutes or regulations of such State which are in effect to regulate surface mining and reclamation operations subject to this Act shall, insofar as they interfere with the achievement of the purposes and the requirements of this Act and the Federal program, be preempted and superseded by the Federal program. The Secretary shall set forth any State law or regulation which is preempted and superseded by the Federal program.

(h) Any Federal program shall include a process for coordinating the review and issuance of permits for surface mining and reclamation operations with any other Federal or State permit process applicable to the proposed operation.

STATE LAWS

SEC. 505. (a) No State law or regulation in effect on the date of enactment of this Act, or which may become effective thereafter, shall be superseded by any provision of this Act or any regulation issued pursuant thereto, except insofar as such State law or regulation is inconsistent with the provisions of this Act.

(b) Any provision of any State law or regulation in effect upon the date of enactment of this Act, or which may become effective thereafter, which provides for more stringent land use and environmental controls and regulations of surface coal mining and reclamation operation than do the provisions of this Act or any regulation issued pursuant thereto shall not be construed to be inconsistent with this Act. The Secretary shall set forth any State law or regulation which is construed to be inconsistent with this Act. Any provision of any State law or regulation in effect on the date of enactment of this Act, or which may become effective thereafter, which provides for the control and regulation of surface mining and reclamation operations for which no provision is contained in this Act shall not be construed to be inconsistent with this Act.

PERMITS

SEC. 506. (a) No later than eight months from the date on which a State program is approved by the Secretary, pursuant to section 503 of this Act, or no later than eight months from the date on which the Secretary has promulgated a Federal program for a State not having a State program pursuant to section 504 of this Act, no person shall engage in or carry out on lands within a State any surface coal mining operations unless such person has first obtained a permit issued by such State pursuant to an approved State program or by the Secretary pursuant to a Federal program; except a person conducting surface coal mining operations under a permit from the State regulatory authority, issued in accordance with the provisions of section 502 of this Act, may conduct such operations beyond such period if an application for a permit has been filed in accordance with the provisions of this Act, but the initial administrative decision has not been rendered.

(b) All permits issued pursuant to the requirements of this Act shall be issued for a term not to exceed five years; *Provided*, That if the applicant demonstrates that a specified longer term is reasonably needed to allow the applicant to obtain necessary financing for equipment and the opening of the operation and if the application is full and complete for such specified longer term, the regulatory authority may grant a permit for such longer term. A successor in interest to a permittee who applies for a new permit within thirty days of succeeding to such interest and who is able to obtain the bond coverage of the original permittee may continue surface coal mining and reclamation operations according to the approved mining and reclamation plan of the original permittee until such successor's application is granted or denied.

(c) A permit shall terminate if the permittee has not commenced the surface coal mining operations covered by such permit within three years of the issuance of the permit: *Provided*, That the regulatory authority may grant reasonable extensions of time upon a showing that such extensions are necessary by reason of litigation precluding such commencement or threatening substantial economic loss to the permittee, or by reason of conditions beyond the control and without the fault or negligence of the permittee: *Provided further*, That in the case of a coal lease issued under the Federal Mineral Leasing Act, as amended, extensions of time may not extend beyond the period allowed for diligent development in accordance with section 7 of that Act: *Provided further*, That with respect to coal to be mined for use in a synthetic fuel facility or specific major electric generating facility, the permittee shall be deemed to have commenced surface mining operations at such time as the construction of the synthetic fuel or generating facility is initiated.

(d)(1) Any valid permit issued pursuant to this Act shall carry with it the right of successive renewal upon expiration with respect to areas within the boundaries of the existing permit. The holders of the permit may apply for renewal and such renewal shall be issued (provided that on application for renewal the burden shall be on the opponents of renewal), subsequent to fulfillment of the public notice requirements of section 513 and 514 unless it is established that and written findings by the regulatory authority are made that—

(A) the terms and conditions of the existing permit are not being satisfactorily met;

(B) the present surface coal mining and reclamation operation is not in compliance with the environmental protection standards of this Act and the approved State plan or Federal program pursuant to this Act; or

(C) the renewal requested substantially jeopardizes the operator's continuing responsibility on existing permit areas;

(D) the operator has not provided evidence that the performance bond in effect for said operation will continue in full force and effect for any renewal requested in such application as well as any additional bond the regulatory authority might require pursuant to section 509; or

(E) any additional revised or updated information required by the regulatory authority has not been provided. Prior to the approval of any renewal of permit the regulatory authority shall provide notice to the appropriate public authorities.

(2) If an application for renewal of a valid permit includes a proposal to extend the mining operation beyond the boundaries authorized in the existing permit, the portion of the application for renewal of a valid permit which addresses any new land areas shall be subject to the full standard applicable to new applications under this Act: *Provided, however*, That if the surface coal mining operations authorized by a permit issued pursuant to this Act were not subject to the standards contained in section 510(b)(5)(A) and (B) by reason of complying with the proviso of section 510(b)(5), then the portion of the application for renewal of the permit which addresses any new land areas previously identified in the reclamation plan submitted pursuant to section 508 shall not be subject to the standards contained in section 510(b)(5)(A) and (B).

(3) Any permit renewal shall be for a term not to exceed the period of the original permit established by this Act. Application for permit renewal shall be made at least one hundred and twenty days prior to the expiration of the valid permit.

APPLICATION REQUIREMENTS

SEC. 507. (a) Each application for a surface coal mining and reclamation permit pursuant to an approved State program or a Federal program under the provisions of this Act shall be accompanied by a fee as determined by the regulatory authority. Such fee may be less than but shall not exceed the actual or anticipated cost of reviewing, administering, and enforcing such permit issued pursuant to a State or Federal program. The regulatory authority may develop procedures so as to enable the cost of the fee to be paid over the term of the permit.

(b) The permit application shall be submitted in a manner satisfactory to the regulatory authority and shall contain, among other things—

(1) the names and addresses of (A) the permit applicant; (B) every legal owner of record of the property (surface and mineral), to be mined; (C) the holders of record of any

leasehold interests in the property; (D) any purchaser of record of the property under a real estate contract; and (E) the operator if he is a person different from the applicant; and (F) if any of these are business entities other than a single proprietor, the names and addresses of the principals, officers, and resident agent;

(2) the names and addresses of the owners of record of all surface and subsurface areas adjacent to any part of the permit area;

(3) a statement of any current or previous surface coal mining permits in the United States held by the applicant and the permit identification and each pending application;

(4) if the applicant is a partnership, corporation, association, or other business entity, the following where applicable: the names and addresses of every officer, partner, director, or person performing a function similar to a director, of the applicant, together with the name and address of any person owning, of record 10 per centum or more of any class of voting stock of the applicant and a list of all names under which the applicant, partner, or principal shareholder previously operated a surface mining operation within the United States within the five-year period preceding the date of submission of the application;

(5) a statement of whether the applicant, any subsidiary, affiliate, or persons controlled by or under common control with the applicant, has ever held a Federal or State mining permit which in the five-year period prior to the date of submission of the application has been suspended or revoked or has had a mining bond or similar security deposited in lieu of bond forfeited and, if so, a brief explanation of the facts involved;

(6) a copy of the applicant's advertisement to be published in a newspaper of general circulation in the locality of the proposed site at least once a week for four successive weeks, and which includes the ownership, a description of the exact location and boundaries of the proposed site sufficient so that the proposed operation is readily locatable by local residents, and the location of where the application is available for public inspection;

(7) a description of the type and method of coal mining operation that exists or is proposed, the engineering techniques proposed or used, and the equipment used or proposed to be used;

(8) the anticipated or actual starting and termination dates of each phase of the mining operation and number of acres of land to be affected;

(9) the applicant shall file with the regulatory authority on an accurate map or plan, to an appropriate scale, clearly showing the land to be affected as of the date of the application, the area of land within the permit area upon which the applicant has the legal right to enter and commence surface mining operations and shall provide to the regulatory authority a statement of those documents upon which the applicant bases his legal right to enter and commence surface mining operations on the area affected, and whether that right is the subject of pending court litigation: *Provided,* That nothing in this Act shall be construed as vesting in the regulatory authority the jurisdiction to adjudicate property title disputes.

(10) the name of the watershed and location of the surface stream or tributary into which surface and pit drainage will be discharged;

(11) a determination of the probable hydrologic consequences of the mining and reclamation operations, both on and off the mine site, with respect to the hydrologic regime, quantity and quality of water in surface and ground water systems including the dissolved and suspended solids under seasonal flow conditions and the collection of sufficient data for the mine site and surrounding areas so that an assessment can be made by the regulatory authority of the probable cumulative impacts of all anticipated mining in the area upon the hydrology of the area and particularly upon water availability: *Provided, however,* That this determination shall not be required until such time as hydrologic information on the general area prior to mining is made available from an appropriate Federal or State agency: *Provided further,* That the permit shall not be approved until such information is available and is incorporated into the application;

(12) when requested by the regulatory authority, the climatological factors that are peculiar to the locality of the land to be affected, including the average seasonal precipitation, the average direction and velocity of prevailing winds, and the seasonal temperature ranges;

(13) accurate maps to an appropriate scale clearly showing (A) the land to be affected as of the date of application and (B) all types of information set forth on topographical maps of the United States Geological Survey of a scale of 1:24,000 or 1:25,000 or larger, including all manmade features and significant known archeological sites existing on the date of application. Such a map or plan shall among other things specified by the regulatory authority show all boundaries of the land to be affected, the boundary lines and names of present owners of record of all surface areas abutting the permit area, and the location of all buildings within one thousand feet of the permit area;

(14) cross-section maps or plans of the land to be affected including the actual area to be mined, prepared by or under the direction of and certified by a qualified registered professional engineer, or professional geologist with assistance from experts in related fields such as land surveying and landscape architecture, showing pertinent elevation and location of test borings or core samplings and depicting the following information: the nature and depth of the various strata of overburden; the location of subsurface water, if encountered, and its quality; the nature and thickness of any coal or rider seam above the coal seam to be mined; the nature of the stratum immediately beneath the coal seam to be mined; all mineral crop lines and the strike and dip of the coal to be mined, within the area of land to be affected; existing or previous surface mining limits; the location and extent of known workings of any underground mines, including mine openings to the surface; the location of aquifers; the estimated elevation of the water table; the location of spoil, waste, or refuse areas and top-soil preservation areas; the location of all impoundments for waste or erosion control; any settling or water treatment facility; constructed or natural drainways and the location of any discharges to any surface body of water on the area of land to be affected or adjacent thereto; and profiles at appropriate cross sections of the anticipated final surface configuration that will be achieved pursuant to the operator's proposed reclamation plan;

(15) a statement of the result of test borings or core samplings from the permit area, including logs of the drill holes; the thickness of the coal seam found, an analysis of the chemical properties of such coal; the sulfur content of any coal seam; chemical analysis of potentially acid or toxic forming sections of the overburden; and chemical analysis of the stratum lying immediately underneath the coal to be mined except that the provisions of this paragraph (15) may be waived by the regulatory authority with respect to the specific application by a written determination that such requirements are unnecessary.

(16) for those lands in the permit application which a reconnaissance inspection suggests may be prime farm lands, a soil survey shall be made or obtained according to standards established by the Secretary of Agriculture in order to confirm the exact location of such prime farm lands, if any; and

(17) information pertaining to coal seams, test borings, core samplings, or soil samples as required by this section shall be made available to any person with an interest which is or may be adversely affected: *Provided,* That information which pertains only to the analysis of the chemical and physical properties of the coal (excepting information regarding such mineral or elemental content which is potentially toxic in the environment) shall be kept confidential and not made a matter of public record.

(c) If the regulatory authority finds that the probable total annual production at all locations of any coal surface mining operator will not exceed 100,000 tons, the determination of probable hydrologic consequences required by subsection (b)(11) and the statement of the result of test borings or core samplings required by subsection (b)(15) of this section shall, upon the written request of the operator be performed by a qualified public or private laboratory designated by the regulatory authority and the cost of the preparation of such determination and statement shall be assumed by the regulatory authority.

(d) Each applicant for a permit shall be required to submit to the regulatory authority as part of the permit application a reclamation plan which shall meet the requirements of this Act.

(e) Each applicant for a surface coal mining and reclamation permit shall file a copy of his application for public inspection with the recorder at the courthouse of the county or an appropriate public office approved by the regulatory authority where the mining is proposed to occur, except for that information pertaining to the coal seam itself.

(f) Each applicant for a permit shall be required to submit to the regulatory authority as part of the permit application a certificate issued by an insurance company authorized to do business in the United States certifying that the applicant has a public liability insurance policy in force for the surface mining and reclamation operations for which such permit is sought, or evidence that the applicant has satisfied other State or Federal self-insurance requirements. Such policy shall provide for personal injury and property damage protection in an amount adequate to compensate any persons damaged as a result of surface coal mining and reclamation operations including use of explosives and entitled to compensation under the applicable provisions of State law. Such policy shall be maintained in full force and effect during the terms of the permit or any renewal, including the length of all reclamation operations.

(g) Each applicant for a surface coal mining and reclamation permit shall submit to the regulatory authority as part of the permit application a blasting plan which shall outline the procedures and standards by which the operator will meet the provisions of section 515(b)(15).

RECLAMATION PLAN REQUIREMENTS

SEC. 508. (a) Each reclamation plan submitted as part of a permit application pursuant to any approved State program or a Federal program under the provisions of this Act shall include, in the degree of detail necessary to demonstrate that reclamation required by the State or Federal program can be accomplished, a statement of:

(1) the identification of the lands subject to surface coal mining operations over the estimated life of those operations and the size, sequence, and timing of the subareas for which it is anticipated that individual permits for mining will be sought;

(2) the condition of the land to be covered by the permit prior to any mining including:

(A) the uses existing at the time of the application, and if the land has a history of previous mining, the uses which preceded any mining; and

(B) the capability of the land prior to any mining to support a variety of uses giving consideration to soil and foundation characteristics, topography, and vegetative cover, and, if applicable, a soil survey prepared pursuant to section 507(b)(16); and

(C) the productivity of the land prior to mining, including appropriate classification as prime farm lands, as well as the average yield of food, fiber, forage, or wood products from such lands obtained under high levels of management;

(3) the use which is proposed to be made of the land following reclamation, including a discussion of the utility and capacity of the reclaimed land to support a variety of alternative uses and the relationship of such use to existing land use policies and plans, and the comments of any owner of the surface, State and local governments or agencies thereof which would have to initiate, implement, approve or authorize the proposed use of the land following reclamation;

(4) a detailed description of how the proposed postmining land use is to be achieved and the necessary support activities which may be needed to achieve the proposed land use;

(5) the engineering techniques proposed to be used in mining and reclamation and a description of the major equipment; a plan for the control of surface water drainage and of water accumulation; a plan, where appropriate, for backfilling, soil stabilization, and compacting, grading, and appropriate revegetation; a plan for soil reconstruction, replacement, and stabilization, pursuant to the performance standards in section 515(b)(7) (A), (B), (C), and (D), for those food, forage, and forest lands identified in section 515(b)(7); an estimate of the cost per acre of the reclamation, including a statement as to how the permittee plans to comply with each of the requirements set out in section 515;

(6) the consideration which has been given to maximize the utilization and conservation of the solid fuel resource being recovered so that reaffecting the land in the future can be minimized;

(7) a detailed estimated timetable for the accomplishment of each major step in the reclamation plan;

(8) the consideration which has been given to making the surface mining and reclamation operations consistent with surface owner plans, and applicable State and local land use plans and programs;

(9) the steps to be taken to comply with applicable air and water quality laws and regulations and any applicable health and safety standards;

(10) the consideration which has been given to developing the reclamation plan in a manner consistent with local physical environmental, and climatological conditions;

(11) all lands, interests in lands, or options on such interests held by the applicant or pending bids on interests in lands by the applicant, which lands are contiguous to the area to be covered by the permit;

(12) the results of test boring which the applicant has made at the area to be covered by the permit, or other equivalent information and data in a form satisfactory to the regulatory authority, including the location of subsurface water, and an analysis of the chemical properties including acid forming properties of the mineral and overburden: *Provided*, That information which pertains only to the analysis of the chemical and physical properties of the coal (excepting information regarding such mineral or elemental contents which is potentially toxic in the environment) shall be kept confidential and not made a matter of public record;

(13) a detailed description of the measures to be taken during the mining and reclamation process to assure the protection of:

(A) the quality of surface and ground water systems, both on- and off-site, from adverse effects of the mining and reclamation process;

(B) the rights of present users to such water; and

(C) the quantity of surface and ground water systems, both on- and off-site, from adverse effects of the mining and reclamation process or to provide alternative sources of water where such protection of quantity cannot be assured;

(14) such other requirements as the regulatory authority shall prescribe by regulations.

(b) Any information required by this section which is not on public file pursuant to State law shall be held in confidence by the regulatory authority.

PERFORMANCE BONDS

SEC. 509. (a) After a surface coal mining and reclamation permit application has been approved but before such a permit is issued, the applicant shall file with the regulatory authority, on a form prescribed and furnished by the regulatory authority, a bond for performance payable, as appropriate, to the United States or to the State, and conditional upon faithful performance of all the requirements of this Act and the permit. The bond shall cover that area of land within the permit area upon which the operator will initiate and conduct surface coal mining and reclamation operations within the initial term of the permit. As succeeding increments of surface coal mining and reclamation operations are to be initiated and conducted within the permit area, the permittee shall file with the regulatory authority an additional bond or bonds to cover such increments in accordance with this section. The amount of the bond required for each bonded area shall depend upon the reclamation requirements of the approved permit; shall reflect the probable difficulty of reclamation giving consideration to such factors as topography, geology of the site, hydrology, and revegetation potential, and shall be determined by the regulatory authority. The amount of the bond shall be sufficient to assure the completion of the reclamation plan if the work had to be performed by the regulatory authority in the event of forfeiture and in no case shall the bond for the entire area under one permit be less than $10,000.

(b) Liability under the bond shall be for the duration of the surface coal mining and reclamation operation and for a period coincident with operator's responsibility for revegetation requirements in section 515. The bond shall be executed by the operator and a corporate surety licensed to do business in the State where such operation is located, except that the operator may elect to deposit cash, negotiable bonds of the United States Government or such State, or negotiable certificates of deposit of any bank organized or transacting business in the United States. The cash deposit or market value of such securities shall be equal to or greater than the amount of the bond required for the bonded area.

(c) The regulatory authority may accept the bond of the applicant itself without separate surety when the applicant demonstrates to the satisfaction of the regulatory authority the existence of a suitable agent to receive service of process and a history of financial solvency and continuous operation sufficient for authorization to self-insure or bond such amount or in lieu of the establishment of a bonding program, as set forth in this section, the Secretary may approve as part of a State or Federal program an alternative system that will achieve the objectives and purposes of the bonding program pursuant to this section.

(d) Cash or securities so deposited shall be deposited upon the same terms as the terms upon which surety bonds may be deposited. Such securities shall be security for the repayment of such negotiable certificate of deposit.

(e) The amount of the bond or deposit required and the terms of each acceptance of the applicant's bond shall be adjusted by the regulatory authority from time to time as affected land acreages are increased or decreased or where the cost of future reclamation changes.

PERMIT APPROVAL OR DENIAL

SEC. 510. (a) Upon the basis of a complete mining application and reclamation plan or a revision or renewal thereof, as required by this Act and pursuant to an approved State program or Federal program under the provisions of this Act, including public notification and an opportunity for a public hearing as required by section 513, the regulatory authority shall grant, require modification of, or deny the application for a permit in a reasonable time set by the regulatory authority and notify the applicant in writing. The applicant for a permit, or revision of a permit, shall have the burden of establishing that his application is in compliance with all the requirements of the applicable State or Federal program. Within ten days after the granting of a permit, the regulatory authority shall notify the local governmental officials in the local political subdivision in which the area of and to be affected is located that a permit has been issued and shall describe the location of the land.

(b) No permit or revision application shall be approved unless the application affirmatively demonstrates and the regulatory authority finds in writing on the basis of the information set forth in the application or from information otherwise available which will be documented in the approval, and made available to the applicant, that—

(1) the permit application is accurate and complete and that all the requirements of this Act and the State or Federal program have been complied with;

(2) the applicant has demonstrated that reclamation as required by this Act and the State or Federal program can be accomplished under the reclamation plan contained in the permit application:

(3) the assessment of the probable cumulative impact of all anticipated mining in the area on the hydrologic balance specified in section 507(b) has been made by the regulatory authority and the proposed operation thereof has been designed to prevent material damage to hydrologic balance outside permit area;

(4) the area proposed to be mined is not included within an area designated unsuitable for surface coal mining pursuant to section 522 of this Act or is not within an area under study for such designation in an administrative proceeding commenced pursuant to section 522(a)(4)(D) or section 522(c) (unless in such an area as to which an administrative proceeding has commenced pursuant to section 522(a)(4)(D) of this Act, the operator making the permit application demonstrates that, prior to January 1, 1977, he has made substantial legal and financial commitments in relation to the operation for which he is applying for a permit);

(5) the proposed surface coal mining operation, if located west of the one hundredth meridian west longitude, would—

(A) not interrupt, discontinue, or preclude farming on alluvial valley floors that are irrigated or naturally subirrigated, but, excluding undeveloped range lands which are

not significant to farming on said alluvial valley floors and those lands as to which the regulatory authority finds that if the farming that will be interrupted, discontinued, or precluded is of such small acreage as to be of negligible impact on the farm's agricultural production, or

(B) not materially damage the quantity or quality of water in surface or underground water systems that supply these valley floors in (A) of subsection (b)(5):

Provided, That this paragraph (5) shall not affect those surface coal mining operations which in the year preceding the enactment of this Act (I) produced coal in commercial quantities, and were located within or adjacent to alluvial valley floors or (II) had obtained specific permit approval by the State regulatory authority to conduct surface coal mining operations within said alluvial valley floors.

With respect to such surface mining operations which would have been within the purview of the foregoing proviso but for the fact that no coal was so produced in commercial quantities and no such specific permit approval was so received, the Secretary, if he determines that substantial financial and legal commitments were made by an operator prior to January 1, 1977, in connection with any such operation, is authorized, in accordance with such regulations as the Secretary may prescribe, to enter into an agreement with that operator pursuant to which the Secretary may, notwithstanding any other provision of law, lease other Federal coal deposits to such operator in exchange for the relinquishment by such operator of his Federal lease covering coal deposits involving such mining operations, or pursuant to section 206 of Federal Land Policy and Management Act of 1976, convey to the fee holder of any such coal deposits involving such mining operations the fee title to other available Federal coal deposits in exchange for the fee title to such deposits so involving such mining operations. It is the policy of the Congress that the Secretary shall develop and carry out a coal exchange program to acquire private fee coal precluded from being mined by the restrictions of this paragraph (5) in exchange for Federal coal which is not so precluded. Such exchanges shall be made under Section 206 of the Federal Land Policy and Management Act of 1976;

(6) in cases where the private mineral estate has been severed from the private surface estate, the applicant has submitted to the regulatory authority—

(A) the written consent of the surface owner to the extraction of coal by surface mining methods; or

(B) a conveyance that expressly grants or reserves the right to extract the coal by surface mining methods; or

(C) if the conveyance does not expressly grant the right to extract coal by surface mining methods, the surface-subsurface legal relationship shall be determined in accordance with State law: *Provided*, That nothing in this Act shall be construed to authorize the regulatory authority to adjudicate property rights disputes.

(c) The applicant shall file with his permit application a schedule listing any and all notices of violations of this Act and any law, rule, or regulation of the United States or of any department or agency in the United States pertaining to air or water environmental protection incurred by the applicant in connection with any surface coal mining operation during the three-year period prior to the date of application. The schedule shall also indicate the final resolution of any such notice of violation. Where the schedule or other information available to the regulatory authority indicates that any surface coal mining operation owned or controlled by the applicant is currently in violation of this Act or such other laws refered to this subsection, the permit shall not be issued until the applicant submits proof that such violation has been corrected or is in the process of being corrected to the satisfaction of the regulatory authority, department, or agency which has jurisdiction over such violation and no permit shall be issued to an applicant after a finding by the regulatory authority, after opportunity for hearing, that the applicant, or the operator specified in the application, controls or has controlled mining operations with a demonstrated pattern of willful violations of this Act of such nature and duration with such resulting irreparable damage to the environment as to indicate an intent not to comply with the provisions of this Act.

(d)(1) In addition to finding the application in compliance with subsection (b) of this section, if the area proposed to be mined contains prime farmland pursuant to Section 507(b)(16), the regulatory authority shall, after consultation with the Secretary of Agriculture, and pursuant to regulations issued hereunder by the Secretary of Interior with the concurrence of the Secretary of Agriculture, grant a permit to mine on prime farmland if the regulatory authority finds in writing that the operator has the technological capability to restore such mined area, within a reasonable time, to equivalent or higher levels of yield as non-mined prime farmland in the surrounding area under equivalent levels of management and can meet the soil reconstruction standards in Section 515(b)(7). Except for compliance with subsection (b), the requirements of this paragraph (1) shall apply to all permits issued after the date of enactment of this Act.

(2) Nothing in this subsection shall apply to any permit issued prior to the date of enactment of this Act, or to any revisions or renewals thereof, or to any existing surface mining operations for which a permit was issued prior to the date of enactment of this Act.

REVISION OF PERMITS

SEC. 511. (a)(1) During the term of the permit the permittee may submit an application for a revision of the permit, together with a revised reclamation plan, to the regulatory authority.

(2) An application for a revision of a permit shall not be approved unless the regulatory authority finds that reclamation as required by this Act and the State or Federal program can be accomplished under the revised reclamation plan. The revision shall be approved or disapproved within a period of time established by the State or Federal program. The regulatory authority shall establish guidelines for a determination of the scale or extent of a revision request for which all permit application information requirements and procedures, including notice and hearings, shall apply: *Provided*, That any revisions which propcse significant alterations in the reclamation plan shall, at a minimum, be subject to notice and hearing requirements.

(3) Any extensions to the area covered by the permit except incidental boundary revisions must be made by application for another permit.

(b) No transfer, assignment, or sale of the rights granted under any permit issued pursuant to this Act shall be made without the written approval of the regulatory authority.

(c) The regulatory authority shall within a time limit prescribed in regulations promulgated by the regulatory authority, review outstanding permits and may require reasonable revision or modification of the permit provisions during the term of such permit: *Provided*, That such revision or modification shall be based upon a written finding and subject to notice and hearing requirements established by the State or Federal program.

COAL EXPLORATION PERMITS

SEC. 512. (a) Each State or Federal program shall include a requirement that coal exploration operations which substantially disturb the natural land surface be conducted in accordance with exploration regulations issued by the regulatory authority. Such regulations shall include, at a minimum (1) the requirement that prior to conducting any exploration under this section, any person must file with the regulatory authority notice of intention to explore and such notice shall include a description of the exploration area and the period of supposed exploration and (2) provisions for reclamation in accordance with the performance standards in section 515 of this Act of all lands disturbed in exploration, including excavations, roads, drill holes, and the removal of necessary facilities and equipment.

(b) Information submitted to the regulatory authority pursuant to this subsection as confidential concerning trade secrets or privileged commercial or financial information which relates to the competitive rights of the person or entity intended to explore the described area shall not be available for public examination.

(c) Any person who conducts any coal exploration activities which substantially disturb the natural land surface in violation of this section or regulations issued pursuant thereto shall be subject to the provisions of section 518.

(d) No operator shall remove more than two hundred and fifty tons of coal pursuant to an exploration permit without the specific written approval of the regulatory authority.

(e) Coal exploration on Federal lands shall be governed by section 4 of the Federal Coal Leasing Amendments Act of 1975 (90 Stat. 1085).

PUBLIC NOTICE AND PUBLIC HEARINGS

SEC. 513. (a) At the time of submission of an application for a surface coal mining and reclamation permit, or revision of an existing permit, pursuant to the provisions of this Act or an approved State program, the applicant shall submit to the regulatory authority a copy of his advertisement of the ownership, precise location, and boundaries of the land to be affected. At the time of submission such advertisement shall be placed by the applicant in a local newspaper of general circulation in the locality of the proposed surface mine at least once a week for four consecutive weeks. The regulatory authority shall notify various local governmental bodies, planning agencies, and sewage and water treatment authorities, or water companies in the locality in which the proposed surface mining will take place, notifying them of the operator's intention to surface mine a particularly described tract of land and indicating the application's permit number and where a copy of the proposed mining and reclamation plan may be inspected. These local bodies, agencies, authorities, or companies may submit written comments within a reasonable period established by the regulatory authority on the mining applications with respect to the effect of the proposed operation on the environment which are within their area of responsibility. Such comments shall immediately be transmitted to the applicant by the regulatory authority and shall be made available to the public at the same locations as are the mining applications.

(b) Any person having an interest which is or may be adversely affected or the officer or head of any Federal, State, or local governmental agency or authority shall have the right to file written objections to the proposed initial or revised application for a permit for surface coal mining and reclamation operation with the regulatory authority within thirty days after the last publication

of the above notice. Such objections shall immediately be transmitted to the applicant by the regulatory authority and shall be made available to the public. If written objections are filed and an informal conference requested, the regulatory authority shall then hold an informal conference in the locality of the proposed mining, if requested within a reasonable time of the receipt of such objections or request. The date, time, and location of such informal conference shall be advertised by the regulatory authority in a newspaper of general circulation in the locality at least two weeks prior to the scheduled conference date. The regulatory authority may arrange with the applicant upon request by any party to the administrative proceeding access to the proposed mining area for the purpose of gathering information relevant to the proceeding. An electronic or stenographic record shall be made of the conference proceeding, unless waived by all parties. Such record shall be maintained and shall be accessible to the parties until final release of the applicant's performance bond. In the event all parties requesting the informal conference stipulate agreement prior to the requested informal conference and withdraw their request, such informal conference need not be held.

(c) Where the lands included in an application for a permit are the subject of a Federal coal lease in connection with which hearings were held and determinations were made under sections 2(a) (3) (A), (B) and (C) of the Mineral Lands Leasing Act, as amended (30 U.S.C. 201(a)(3) (A), (B), and (C)), such hearings shall be deemed as to the matters covered to satisfy the requirements of this section and section 514 and such determinations shall be deemed to be a part of the record and conclusive for purposes of sections 510, 514 and this section.

DECISIONS OF REGULATORY AUTHORITY AND APPEALS

SEC. 514. (a) If an informal conference has been held pursuant to section 513(b), the regulatory authority shall issue and furnish the applicant for a permit and persons who are parties to the administrative proceedings with the written finding of the regulatory authority, granting or denying the permit in whole or in part and stating the reasons therefor, within sixty days of said hearings.

(b) If there has been no informal conference held pursuant to section 513(b), the regulatory authority shall notify the applicant for a permit within a reasonable time as determined by the regulatory authority and set forth in regulations, taking into account the time needed for proper investigation of the site, the complexity of the permit application, and whether or not written objection to the application has been filed, whether the application has been approved or disapproved in whole or part.

(c) If the application is approved, the permit shall be issued. If the application is disapproved, specific reasons therefor must be set forth in the notification. Within thirty days after the applicant is notified of the final decision of the regulatory authority on the permit application, the applicant or any person with an interest which is or may be adversely affected may request a hearing on the reasons for the final determination. The regulatory authority shall hold a hearing within thirty days of such request and provide notification to all interested parties at the time that the applicant is so notified. If the Secretary is the regulatory authority the hearing shall be of record and governed by 5 U.S.C. Section 554. Where the regulatory authority is the State, such hearing shall be of record, adjudicatory in nature and no person who presided at a conference under section 513(b) shall either preside at the hearing or participate in this decision thereon or in any administrative appeal therefrom. Within thirty days after the hearing the regulatory authority shall issue and furnish the applicant, and all persons who participated in the hearing, with the written decision of the regulatory authority granting or denying the permit in whole or in part and stating the reasons therefor.

(d) Where a hearing is requested pursuant to subsection (c), the Secretary, where the Secretary is the regulatory authority, or the State hearing authority may, under such conditions as it may prescribe, grant such temporary relief as it deems appropriate pending final determination of the proceedings if—

(1) all parties to the proceedings have been notified and given an opportunity to be heard on a request for temporary relief;

(2) the person requesting such relief shows that there is a substantial likelihood that he will prevail on the merits of the final determination of the proceeding; and

(3) such relief will not adversely affect the public health or safety or cause significant imminent environmental harm to land, air, or water resources.

(e) For the purpose of such hearing, the regulatory authority may administer oaths, subpoena witnesses, or written or printed materials, compel attendance of the witnesses, or production of the materials, and take evidence including but not limited to site inspections of the land to be affected and other surface coal mining operations carried on by the applicant in the general vicinity of the proposed operation. A verbatim record of each public hearing required by this Act shall be made, and a transcript made available on the motion of any party or by order of the regulatory authority.

(f) Any applicant or any person with an interest which is or may be adversely affected who has participated in the administrative proceedings as an objector, and who is aggrieved by the decision of the regulatory authority, or if the regulatory authority fails to act within the time limits specified in this Act shall have the right to appeal in accordance with section 526.

ENVIRONMENTAL PROTECTION PERFORMANCE STANDARDS

SEC. 515. (a) Any permit issued under any approved State or Federal program pursuant to this Act to conduct surface coal mining operations shall require that such surface coal mining operations will meet all applicable performance standards of this Act, and such other requirements as the regulatory authority shall promulgate.

(b) General performance standards shall be applicable to all surface coal mining and reclamation operations and shall require the operation as a minimum to—

(1) conduct surface coal mining operations so as to maximize the utilization and conservation of the solid fuel resource being recovered so that reaffecting the land in the future through surface coal mining can be minimized;

(2) restore the land affected to a condition capable of supporting the uses which it was capable of supporting prior to any mining, or higher or better uses of which there is reasonable likelihood, so long as such use or uses do not present any actual or probable hazard to public health or safety or pose any actual or probable threat of water diminution or pollution, and the permit applicants' declared proposed land use following reclamation is not deemed to be impractical or unreasonable, inconsistent with applicable land use policies and plans, involves unreasonable delay in implementation, or is violative of Federal, State, or local law.

(3) except as provided in subsection (c) with respect to all surface coal mining operations backfill, compact (where advisable to insure stability or to prevent leaching of toxic materials), and grade in order to restore the approximate original contour of the land with all highwalls, spoil piles, and depressions eliminated (unless small depressions are needed in order to retain moisture to assist revegetation or as otherwise authorized pursuant to this Act): *Provided, however,* That in surface coal mining which is carried out at the same location over a substantial period of time where the operation transects the coal deposit, and the thickness of the coal deposits relative to the volume of the overburden is large and where the operator demonstrates that the overburden and other spoil and waste materials at a particular point in the permit area or otherwise available from the entire permit area is insufficient, giving due consideration to volumetric expansion, to restore the approximate original contour, the operator, at a minimum, shall backfill, grade, and compact (where advisable) using all available overburden and other spoil and waste materials to attain the lowest practicable grade but not more than the angle of repose, to provide adequate drainage and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region: *And provided further,* That in surface coal mining where the volume of overburden is large relative to the thickness of the coal deposit and where the operator demonstrates that due to volumetric expansion the amount of overburden and other spoil and waste materials removed in the course of the mining operation is more than sufficient to restore the approximate original contour, the operator shall after restoring the approximate contour, backfill, grade, and compact (where advisable) the excess overburden and other spoil and waste materials to attain the lowest grade but not more than the angle of repose, and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region and that such overburden or spoil shall be shaped and graded in such a way as to prevent slides, erosion, and water pollution and is revegetated in accordance with the requirements of this Act;

(4) stabilize and protect all surface areas including spoil piles affected by the surface coal mining and reclamation operation to effectively control erosion and attendant air and water pollution;

(5) remove the topsoil from the land in a separate layer, replace it on the backfill area, or if not utilized immediately, segregate it in a separate pile from other spoil and when the topsoil is not replaced on a backfill area within a time short enough to avoid deterioration of the topsoil, maintain a successful cover by quick growing plant or other means thereafter so that the topsoil is preserved from wind and water erosion, remains free of any contamination by other acid or toxic material, and is in a usable condition for sustaining vegetation when restored during reclamation, except if topsoil is of insufficient quantity or of poor quality for sustaining vegetation, or if other strata can be shown to be more suitable for vegetation requirements, then the operator shall remove, segregate, and preserve in a like manner such other strata which is best able to support vegetation;

(6) restore the topsoil or the best available subsoil which is best able to support vegetation;

(7) for all prime farm lands as identified in section 507(b)(16) to be mined and reclaimed, specifications for soil removal, storage, replacement, and reconstruction shall be established by the Secretary of Agriculture, and the operator shall, as a minimum, be required to—

(A) segregate the A horizon of the natural soil, except where it can be shown that other available soil materials will create a final soil

having a greater productive capacity; and if not utilized immediately, stockpile this material separately from other spoil, and provide needed protection from wind and water erosion or contamination by other acid or toxic material;

(B) segregate the B horizon of the natural soil, or underlying C horizons or other strata, or a combination of such horizons or other strata that are shown to be both texturally and chemically suitable for plant growth and that can be shown to be equally or more favorable for plant growth than the B horizon, in sufficient quantities to create in the regraded final soil a root zone of comparable depth and quality to that which existed in the natural soil; and if not utilized immediately, stockpile this material separately from other spoil, and provide needed protection from wind and water erosion or contamination by other acid or toxic material;

(C) replace and regrade the root zone material described in (B) above with proper compaction and uniform depth over the regraded spoil material; and

(D) redistribute and grade in a uniform manner the surface soil horizon described in subparagraph (A);

(8) create, if authorized in the approved mining and reclamation plan and permit, permanent impoundments of water on mining sites as part of reclamation activities only when it is adequately demonstrated that—

(A) the size of the impoundment is adequate for its intended purposes;

(B) the impoundment dam construction will be so designed as to achieve necessary stability with an adequate margin of safety compatible with that of structures constructed under Public Law 83–566 (16 U.S.C. 1006);

(C) the quality of impounded water will be suitable on a permanent basis for its intended use and that discharges from the impoundment will not degrade the water quality below water quality standards established pursuant to applicable Federal and State law in the receiving stream;

(D) the level of water will be reasonably stable;

(E) final grading will provide adequate safety and access for proposed water users; and

(F) such water impoundments will not result in the diminution of the quality or quantity of water utilized by adjacent or surrounding landowners for agricultural, industrial, recreational, or domestic uses;

(9) conducting any augering operation associated with surface mining in a manner to maximize recoverability of mineral reserves remaining after the operation and reclamation are complete; and seal all auger holes with an impervious and noncombustible material in order to prevent drainage except where the regulatory authority determines that the resulting impoundment of water in such auger holes may create a hazard to the environment or the public health or safety: *Provided,* That the permitting authority may prohibit augering if necessary to maximize the utilization, recoverability or conservation of the solid fuel resources or to protect against adverse water quality impacts;

(10) minimize the disturbances to the prevailing hydrologic balance at the mine-site and in associated offsite areas and to the quality and quantity of water in surface and ground water systems both during and after surface coal mining operations and during reclamation by—

(A) avoiding acid or other toxic mine drainage by such measures as, but not limited to—

(i) preventing or removing water from contact with toxic producing deposits;

(ii) treating drainage to reduce toxic content which adversely affects downstream water upon being released to water courses;

(iii) casing, sealing, or otherwise managing boreholes, shafts, and wells and keep acid or other toxic drainage from entering ground and surface waters;

(B) (i) conducting surface coal mining operations so as to prevent, to the extent possible using the best technology currently available, additional contributions of suspended solids to streamflow, or runoff outside the permit area, but in no event shall contributions be in excess of requirements set by applicable State or Federal law;

(ii) constructing any situation structures pursuant to subparagraph (B) (i) of this subsection prior to commencement of surface coal mining operations, such structures to be certified by a qualified registered engineer to be constructed as designed and as approved in the reclamation plan;

(C) cleaning out and removing temporary or large settling ponds or other siltation structures from drainways after disturbed areas are revegetated and stabilized; and depositing the silt and debris at a site and in a manner approved by the regulatory authority;

(D) restoring recharge capacity of the mined area to approximate premining conditions;

(E) avoiding channel deepening or enlargement in operations requiring the discharge of water from mines;

(F) preserving throughout the mining and reclamation process the essential hydrologic functions of alluvial valley floors in the arid and semiarid areas of the country; and

(G) such other actions as the regulatory authority may prescribe;

(11) with respect to surface disposal of mine wastes, tailings, coal processing wastes, and other wastes in areas other than the mine working or excavations, stabilize all waste piles in designated areas through construction in compacted layers including the use of incombustible and impervious materials if necessary and assure the final contour of the waste pile will be compatible with natural surroundings and that the site can and will be stabilized and revegetated according to the provisions of this Act;

(12) refrain from surface coal mining within five hundred feet from active and abandoned underground mines in order to prevent breakthroughs and to protect health or safety of miners: Provided, That the regulatory authority shall permit an operator to mine near, through or partially through an abandoned underground mine or closer to an active underground mine if (A) the nature, and timing, and sequencing of the approximate coincidence of specific surface mine activities with specific underground mine activities are jointly approved by the regulatory authorities concerned with surface mine regulation and the health and safety of underground miners, and (B) such operations will result in improved resource recovery, abatement of water pollution, or elimination of hazards to the health and safety of the public;

(13) design, locate, construct, operate, maintain, enlarge, modify, and remove or abandon, in accordance with the standards and criteria developed pursuant to subsection (f) of this section, all existing and new coal mine waste piles consisting of mine wastes, tailings, coal processing wastes, or other liquid and solid wastes, and used either temporarily or permanently as dams or embankments;

(14) insure that all debris, acid-forming materials, toxic materials, or materials constituting a fire-hazard are treated or buried and compacted or otherwise disposed of in a manner designed to prevent contamination of ground or surface waters and that contingency plans are developed to prevent sustained combustion;

(15) insure that explosives are used only in accordance with existing State and Federal law and the regulations promulgated by the regulatory authority, which shall include provisions to—

(A) provide adequate advance written notice to local governments and residents who might be affected by the use of such explosives by publication of the planned blasting schedule in a newspaper of general circulation in the locality and by mailing a copy of the proposed blasting schedule to every resident living within one-half mile of the proposed blasting site and by providing daily notice to resident/occupiers in such areas prior to any blasting.

(B) maintain for a period of at least three years and make available for public inspection upon request a log detailing the location of the blasts, the pattern and depth of the drill holes, the amount of explosives used per hole, and the order and length of delay in the blasts;

(C) limit the type of explosives and detonating equipment, the size, the timing and frequency of blasts based upon the physical conditions of the site so as to prevent (i) injury to persons, (ii) damage to public and private property outside the permit area, (iii) adverse impacts on any underground mine, and (iv) change in the course, channel, or availability of ground or surface water outside the permit area;

(D) require that all blasting operations be conducted by trained and competent persons as certified by the regulatory authority;

(E) provide that upon the request of a resident or owner of a man-made dwelling or structure within one-half mile of any portion of the permitted area the applicant or permittee shall conduct a pre-blasting survey of such structures and submit the survey to the regulatory authority and a copy to the resident or owner making the request. The area of the survey shall be decided by the regulatory authority and shall include such provisions as the Secretary shall promulgate.

(16) insure that all reclamation efforts proceed in an environmentally sound manner and as contemporaneously as practicable with the surface coal mining operations: Provided, however, That where the applicant proposes to combine surface mining operations with underground mining operations to assure maximum practical recovery of the mineral resources, the regulatory authority may grant a variance for specific areas within the reclamation plan from the requirement that reclamation efforts proceed as contemporaneously as practicable to permit underground mining operations prior to reclamation:

(A) if the regulatory authority finds in writing that:

(i) the applicant has presented, as part of the permit application, specific, feasible plans for the proposed underground mining operations;

(ii) the proposed underground mining operations are necessary or desirable to assure maximum practical recovery of the mineral resource and will avoid multiple disturbance of the surface;

(iii) the applicant has satisfactorily demonstrated that the plan for the underground mining operations conforms to requirements for underground mining in the jurisdiction and that permits necessary for the underground mining operations have been issued by the appropriate authority;

(iv) the areas proposed for the variance have been shown by the applicant to be necessary for the implementing of the proposed underground mining operations;

(v) no substantial adverse environmental damage, either on-site or off-site, will result from the delay in completion of reclamation as required by this Act;

(vi) provisions for the off-site storage of spoil will comply with section 515(b)(22);

(B) if the Secretary has promulgated specific regulations to govern the granting of

such variances in accordance with the provisions of this subsection and section 501, and has imposed such additional requirements as he deems necessary;

(C) if variances granted under the provisions of this subsection are to be reviewed by the regulatory authority not more than three years from the date of issuance of the permit; and

(D) if liability under the bond filed by the applicant with the regulatory authority pursuant to section 509(b) shall be for the duration of the underground mining operations and until the requirements of sections 515 (b) and 519 have been fully complied with.

(17) insure that the construction, maintenance, and postmining conditions of access roads into and across the site of operations will control or prevent erosion and siltation, pollution of water, damage to fish or wildlife or their habitat, or public or private property;

(18) refrain from the construction of roads or other access ways up a stream bed or drainage channel or in such proximity to such channel so as to seriously alter the normal flow of water;

(19) establish on the regraded areas, and all other lands affected, a diverse, effective, and permanent vegetative cover of the same seasonal variety native to the area of land to be affected and capable of self-regeneration and plant succession at least equal in extent of cover to the natural vegetation of the area; except, that introduced species may be used in the revegetation process where desirable and necessary to achieve the approved postmining land use plan;

(20) assume the responsibility for successful revegetation, as required by paragraph (19) above, for a period of five full years after the last year of augmented seeding, fertilizing, irrigation, or other work in order to assure compliance with paragraph (19) above, except in those areas or regions of the country where the annual average precipitation is twenty-six inches or less, then the operator's assumption of responsibility and liability will extend for a period of ten full years after the last year of augmented seeding, fertilizing, irrigation, or other work: *Provided*, That when the regulatory authority approves a long-term intensive agricultural postmining land use, the applicable five- or ten-year period of responsibility for revegetation shall commence at the date of initial planting for such long-term intensive agricultural postmining land use: *Provided further*, That when the regulatory authority issues a written finding approving a long-term, intensive, agricultural postmining land use as part of the mining and reclamation plan, the authority may grant exception to the provisions of paragraph (19) above:

(21) protect offsite areas from slides or damage occurring during the surface coal mining and reclamation operations and not deposit spoil material or locate any part of the operations or waste accumulations outside the permit area;

(22) place all excess spoil material resulting from coal surface mining and reclamation activities in such a manner that—

(A) spoil is transported and placed in a controlled manner in position for concurrent compaction and in such a way to assure mass stability and to prevent mass movement;

(B) the areas of disposal are within the bonded permit areas and all organic matter shall be removed immediately prior to spoil placement;

(C) appropriate surface and internal drainage systems and diversion ditches are used so as to prevent spoil erosion and movement;

(D) the disposal area does not contain springs, natural water courses or wet weather seeps unless lateral drains are constructed from the wet areas to the main underdrains in such a manner that filtration of the water into the spoil pile will be prevented;

(E) if placed on a slope, the spoil is placed upon the most moderate slope among those upon which, in the judgment of the regulatory authority, the spoil could be placed in compliance with all the requirements of this Act, and shall be placed, where possible, upon, or above, a natural terrace, bench, or berm, if such placement provides additional stability and prevents mass movement;

(F) where the toe of the spoil rests on a downslope, a rock toe buttress, of sufficient size to prevent mass movement, is constructed;

(G) the final configuration is compatible with the natural drainage pattern and surroundings and suitable for intended uses;

(H) design of the spoil disposal area is certified by a qualified registered professional engineer in conformance with professional standards; and

(I) all other provisions of this Act are met.

(23) meet such other criteria as are necessary to achieve reclamation in accordance with the purposes of this Act, taking into consideration the physical, climatological, and other characteristics of the site; and

(24) to the extent possible using the best technology currently available, minimize disturbances and adverse impacts of the operation on fish, wildlife, and related environmental values, and achieve enhancement of such resources where practicable.

(25) provide for an undisturbed natural barrier beginning at the elevation of the lowest coal seam to be mined and extending from the out slope for such distance as the regulatory authority shall determine shall be retained in place as a barrier to slides and erosion.

(c)(1) Each State program may and each Federal program shall include procedures pursuant to which the regulatory authority may permit surface mining operations for the purposes set forth in paragraph (3) of this subsection.

(2) Where an applicant meets the requirements of paragraphs (3) and (4) of this subsection a permit without regard to the requirement to restore to approximate original contour set forth in subsection 515(b)(3) or 515(d) (2) and (3) of this section may be granted for the surface mining of coal where the mining operation will remove an entire coal seam or seams running through the upper fraction of a mountain, ridge, or hill (except as provided in subsection (c)(4)(A) hereof) by removing all of the overburden and creating a level plateau or a gently rolling contour with no highwalls remaining, and capable of supporting postmining uses in accord with the requirements of this subsection.

(3) In cases where an industrial, commercial, agricultural, residential or public facility (including recreational facilities) use is proposed for the postmining use of the affected land, the regulatory authority may grant a permit for a surface mining operation of the nature described in subsection (c)(2) where—

(A) after consultation with the appropriate land use planning agencies, if any, the proposed postmining land use is deemed to constitute an equal or better economic or public use of the affected land, as compared with premining use;

(B) the applicant presents specific plans for the proposed postmining land use and appropriate assurances that such use will be—

(i) compatible with adjacent land uses;

(ii) obtainable according to data regarding expected need and market;

(iii) assured of investment in necessary public facilities;

(iv) supported by commitments from public agencies where appropriate;

(v) practicable with respect to private financial capability for completion of the proposed use;

(vi) planned pursuant to a schedule attached to the reclamation plan so as to integrate the mining operation and reclamation with the postmining land use; and

(vii) designed by a registered engineer in conformance with professional standards established to assure the stability, drainage, and configuration necessary for the intended use of the site;

(C) the proposed use would be consistent with adjacent land uses, and existing State and local land use plans and programs;

(D) the regulatory authority provides the governing body of the unit of general-purpose government in which the land is located and any State or Federal agency which the regulatory agency, in its discretion, determines to have an interest in the proposed use, an opportunity of not more than sixty days to review and comment on the proposed use;

(E) all other requirements of this Act will be met.

(4) In granting any permit pursuant to this subsection the regulatory authority shall shall require that—

(A) the toe of the lowest coal seam and the overburden associated with it are retained in place as a barrier to slides and erosion;

(B) the reclaimed area is stable;

(C) the resulting plateau or rolling contour drains inward from the outslopes except at specified points;

(D) no damage will be done to natural watercourses;

(E) spoil will be placed on the mountaintop bench as is necessary to achieve the planned postmining land use; *Provided*, that all excess spoil material not retained on the mountaintop shall be placed in accordance with the provisions of subsection (b)(22) of this section;

(F) insure stability of the spoil retained on the mountaintop and meet the other requirements of this Act;

(5) The regulatory authority shall promulgate specific regulations to govern the granting of permits in accord with the provisions of this subsection, and may impose such additional requirements as he deems to be necessary.

(6) All permits granted under the provisions of this subsection shall be reviewed not more than three years from the date of issuance of the permit, unless the applicant affirmatively demonstrates that the proposed development is proceeding in acocrdance with the terms of the approved schedule and reclamation plan.

(d) The following performance standards shall be applicable to steep-slope surface coal mining and shall be in addition to those general performance standards required by this section: *Provided, however*, That the provisions of this subsection (d) shall not apply to those situations in which an operator is mining on flat or gently rolling terrain, on which an occasional steep slope is encountered through which the mining operation is to proceed, leaving a plain or predominantly flat area or where an operator is in compliance with provisions of subsection (c) hereof:

(1) Insure that when performing surface coal mining on steep slopes, no debris, abandoned or disabled equipment, spoil material, or waste mineral matter be placed on the downslope below the bench or mining cut: *Provided*, That spoil material in excess of that required for the reconstruction of the approximate original contour under the provisions of paragraph 515(b)(3) or 515(d)(2) shall be permanently stored pursuant to section 515(b)(22).

(2) Complete backfilling with spoil material shall be required to cover completely the highwall and return the site to the appropriate original contour, which material will maintain stability following mining and reclamation.

(3) The operator may not disturb land above the top of the highwall unless the regulatory authority finds that such disturbance will facilitate compliance with the environmental protection standards of this section: *Provided, however,* That the land disturbed above the highwall shall be limited to that amount necessary to facilitate said compliance.

(4) For the purposes of this subsection (d), the term "steep slope" is any slope above twenty degrees or such lesser slope as may be defined by the regulatory authority after consideration of soil, climate, and other characteristics of a region or State.

(e)(1) Each State program may and each Federal program shall include procedures pursuant to which the regulatory authority may permit variances for the purposes set forth in paragraph (3) of this subsection, provided that the watershed control of the area is improved; and further provided complete backfilling with spoil material shall be required to cover completely the highwall which material will maintain stability following mining and reclamation.

(2) Where an applicant meets the requirements of paragraphs (3) and (4) of this subsection a variance from the requirement to restore to approximate original contour set forth in subsection 515(d)(2) of this section may be granted for the surface mining of coal where the owner of the surface knowingly requests in writing, as a part of the permit application that such a variance be granted so as to render the land, after reclamation, suitable for an industrial, commercial, residential, or public use (including recreational facilities) in accord with the further provisions of (3) and (4) of this subsection.

(3)(A) After consultation with the appropriate land use planning agencies, if any, the potential use of the affected land is deemed to constitute an equal or better economic or public use;

(B) is designed and certified by a qualified registered professional engineer in conformance with professional standards established to assure the stability, drainage, and configuration necessary for the intended use of the site; and

(C) after approval of the appropriate state environmental agencies, the watershed of the affected land is deemed to be improved.

(4) In granting a variance pursuant to this subsection the regulatory authority shall require that only such amount of spoil will be placed off the mine bench as is necessary to achieve the planned postmining land use, insure stability of the spoil retained on the bench, meet all other requirements of this Act, and all spoil placement off the mine bench must comply with subsection 515(b)(22).

(5) The regulatory authority shall promulgate specific regulations to govern the granting of variances in accord with the provisions of this subsection, and may impose such additional requirements as he deems to be necessary.

(6) All exceptions granted under the provisions of this subsection shall be reviewed not more than three years from the date of issuance of the permit, unless the permittee affirmatively demonstrates that the proposed development is proceeding in accordance with the terms of the reclamation plan.

(f) The Secretary, with the written concurrence of the Chief of Engineers, shall establish within one hundred and thirty-five days from the date of enactment, standards and criteria regulating the design, location, construction, operation, maintenance, enlargement, modification, removal, and abandonment of new and existing coal mine waste piles referred to in section 515(b)(13) and section 516(b)(5). Such standards and criteria shall conform to the standards and criteria used by the Chief of Engineers to insure that flood control structures are safe and effectively perform their intended function. In addition to engineering and other technical specifications the standards and criteria developed pursuant to this subsection must include provisions for: review and approval of plans and specifications prior to construction, enlargement, modification, removal, or abandonment; performance of periodic inspections during construction; issuance of certificates of approval upon completion of construction; performance of periodic safety inspections; and issuance of notices for required remedial or maintenance work.

SURFACE EFFECTS OF UNDERGROUND COAL MINING OPERATIONS

SEC. 516. (a) The Secretary shall promulgate rules and regulations directed toward the surface effects of underground coal mining operations, embodying the following requirements and in accordance with the procedures established under section 501 of this Act: *Provided, however,* That in adopting any rules and regulations the Secretary shall consider the distinct difference between surface coal mining and underground coal mining. Such rules and regulations shall not conflict with nor supersede any provision of the Federal Coal Mine Health and Safety Act of 1969 nor any regulation issued pursuant thereto, and shall not be promulgated until the Secretary has obtained the written concurrence of the head of the department which administers such Act.

(b) Each permit issued under any approved State or Federal program pursuant to this Act and relating to underground coal mining shall require the operator to—

(1) adopt measures consistent with known technology in order to prevent subsidence causing material damage to the extent technologically and economically feasible, maximize mine stability, and maintain the value and reasonably foreseeable use of such surface lands, except in those instances where the mining technology used requires planned subsidence in a predictable and controlled manner: *Provided,* That nothing in this subsection shall be construed to prohibit the standard method of room and pillar mining;

(2) seal all portals, entryways, drifts, or other openings between the surface and underground mine working when no longer needed for the conduct of the mining operations;

(3) fill or seal exploratory holes no longer necessary for mining, maximizing to the extent technologically and economically feasible return of mine and processing waste, tailings, and any other waste incident to the mining operation, to the mine workings or excavations;

(4) with respect to surface disposal of mine wastes, tailings, coal processing wastes, and other wastes in areas other than the mine workings or excavations, stabilize all waste piles created by the permittee from current operations through construction in compacted layers including the use of incombustible and impervious materials if necessary and assure that the leachate will not degrade below water quality standards established pursuant to applicable Federal and State law surface or ground waters and that the final contour of the waste accumulation will be compatible with natural surroundings and that the site is stabilized and revegetated according to the provisions of this section;

(5) design, locate, construct, operate, maintain, enlarge, modify, and remove, or abandon, in accordance with the standards and criteria developed pursuant to section 515(f), all existing and new coal mine waste piles consisting of mine wastes, tailings, coal processing wastes, or other liquid and solid wastes and used either temporarily or permanently as dams or embankments;

(6) establish on regraded areas and all other lands affected, a diverse and permanent revegative cover capable of self-regeneration and plant succession and at least equal in extent of cover to the natural vegetation of the area;

(7) protect offsite areas from damages which may result from such mining operations;

(8) eliminate fire hazards and otherwise eliminate conditions which constitute a hazard to health and safety of the public;

(9) minimize the disturbances of the prevailing hydrologic balance at the minesite and in associated offsite areas and to the quantity of water in surface ground water systems both during and after coal mining operations and during reclamation by—

(A) avoiding acid or other toxic mine drainage by such measures as, but not limited to—

(i) preventing or removing water from contact with toxic producing deposits;

(ii) treating drainage to reduce toxic content which adversely affects downstream water upon being released to water courses;

(iii) casing, sealing, or otherwise managing boreholes, shafts, and wells to keep acid or other toxic drainage from entering ground and surface waters; and

(B) conducting surface coal mining operations so as to prevent, to the extent possible using the best technology currently available, additional contributions of suspended solids to streamflow or runoff outside the permit area (but in no event shall such contributions be in excess of requirements set by applicable State or Federal law), and avoiding channel deepening or enlargement in operations requiring the discharge of water from mines;

(10) with respect to other surface impacts not specified in this subsection including the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, repair areas, storage areas, processing areas, shipping areas, and other areas upon which are sited structures, facilities, or other property or materials on the surface, resulting from or incident to such activities, operate in accordance with the standards established under section 515 of this title for such effects which result from surface coal mining operations: *Provided,* That the Secretary shall make such modifications in the requirements imposed by this subparagraph as are necessary to accommodate the distinct difference between surface and underground coal mining;

(11) to the extent possible using the best technology currently available, minimize disturbances and adverse impacts of the operation on fish, wildlife, and related environmental values, and achieve enhancement of such resources where practicable;

(12) locate openings for all new drift mines working acid-producing or iron-producing coal seams in such a manner as to prevent a gravity discharge of water from the mine.

(c) In order to protect the stability of the land, the regulatory authority shall suspend underground coal mining under urbanized areas, cities, towns, and communities and adjacent to industrial or commercial buildings, major impoundments, or permanent streams if he finds imminent danger to inhabitants of the urbanized areas, cities, towns, and communities.

(d) The provisions of title V of this Act relating to State and Federal programs, permits, bonds, inspections and enforcement, public review, and administrative and judicial review shall be applicable to surface operations and surface impacts incident to an underground coal mine with such modifications to the permit application requirements, permit approval or denial procedures, and bond requirements as are necessary to accommodate the distinct difference between surface and underground coal mining. The Secretary shall promulgate such modifications in accordance with the rulemaking procedure established in section 501 of this Act.

INSPECTIONS AND MONITORING

SEC. 517. (a) The Secretary shall cause to be made such inspections of any surface coal

mining and reclamation operations as are necessary to evaluate the administration of approved State programs, or to develop or enforce any Federal program, and for such purposes authorized representatives of the Secretary shall have a right of entry to upon, or through any surface coal mining and reclamation operations.

(b) For the purpose of developing or assisting in the development, administration, and enforcement of any approved State or Federal program under this Act or in the administration and enforcement of any permit under this Act or of determining whether any person is in violation of any requirement of any such State or Federal program or any other requirement of this Act—

(1) the regulatory authority shall require any permittee to (A) establish and maintain appropriate records, (B) make monthly reports to the regulatory authority, (C) install, use, and maintain any necessary monitoring equipment or methods, (D) evaluate results in accordance with such methods, at such locations, intervals, and in such manner as a regulatory authority shall prescribe, and (E) provide such other information, relative to surface coal mining and reclamation operations as the regulatory authority deems reasonable and necessary;

(2) for those surface coal mining and reclamations operations which remove or disturb strata that serve as aquifers which significantly insure the hydrologic balance of water use either on or off the mining site, the regulatory authority shall specify those—

(A) monitoring sites to record the quantity and quality of surface drainage above and below the minesite as well as in the potential zone of influence;

(B) monitoring sites to record level, amount, and samples of ground water and aquifers potentially affected by the mining and also directly below the lowermost (deepest) coal seam to be mined;

(C) records of well logs and borehole data to be maintained; and

(D) monitoring sites to record precipitation.

The monitoring data collection and analysis required by this section shall be conducted according to standards and procedures set forth by the regulatory authority in order to assure their reliability and validity; and

(3) the authorized representatives of the regulatory authority, without advance notice and upon presentation of appropriate credentials (A) shall have the right of entry to, upon, or through any surface coal mining and reclamation operations or any premises in which any records required to be maintained under paragraph (1) of this subsection are located; and (B) may at reasonable times, and without delay, have access to and copy any records, inspect any monitoring equipment or method of operation required under this Act.

(c) The inspections by the regulatory authority shall (1) occur on an irregular basis averaging not less than one partial inspection per month and one complete inspection per calendar quarter for the surface coal mining and reclamation operations covered by each permit; (2) occur without prior notice to the permittee or his agents or employees except for necessary onsite meetings with the permittee; and (3) include the filing of inspection reports adequate to enforce the requirements of and to carry out the terms and purposes of this Act.

(d) Each permittee shall conspicuously maintain at the entrances to the surface coal mining and reclamation operations a clearly visible sign which sets forth the name, business address, and phone number of the permittee and the permit number of the surface coal mining and reclamation operations.

(e) Each inspector, upon detection of each violation of any requirement of any State or Federal program or of this Act, shall forthwith inform the operator in writing, and shall report in writing any such violation to the regulatory authority.

(f) Copies of any records, reports, inspection materials, or information obtained under this title by the regulatory authority shall be made immediately available to the public at central and sufficient locations in the county, multicounty, and State area of mining so that they are conveniently available to residents in the areas of mining.

(g) No employee of the State regulatory authority performing any function or duty under this Act shall have a direct or indirect financial interest in any underground or surface coal mining operation. Whoever knowingly violates the provisions of this subsection shall, upon conviction, be punished by a fine of not more than $2,500, or by imprisonment of not more than one year, or by both. The Secretary shall (1) within sixty days after enactment of this Act, publish in the Federal Register, in accordance with section 553 of title 5, United States Code, regulations to establish methods by which the provisions of this subsection will be monitored and enforced by the Secretary and such State regulatory authority, including appropriate provisions for the filing by such employees and the review of statements and supplements thereto concerning any financial interest which may be affected by this subsection, and (2) report to the Congress as part of the Annual Report (section 706) on actions taken and not taken during the preceding year under this subsection.

(h) (1) Any person who is or may be adversely affected by a surface mining operation may notify the Secretary or any representative of the Secretary responsible for conducting the inspection, in writing, of any violation of this Act which he has reason to believe exists at the surface mining site. The Secretary shall, by regulation, establish procedures for informal review of any refusal by a representative of the Secretary to issue a citation with respect to any such alleged violation. The Secretary shall furnish such persons requesting the review a written statement of the reasons for the Secretary's final disposition of the case.

(2) The Secretary shall also, by regulation, establish procedures to insure that adequate and complete inspections are made. Any such person may notify the Secretary of any failure to make such inspections, after which the Secretary shall determine whether adequate and complete inspections have been made. The Secretary shall furnish such persons a written statement of the reasons for the Secretary's determination that adequate and complete inspections have or have not been conducted.

PENALTIES

SEC. 518. (a) In the enforcement of a Federal program or Federal lands program, or during Federal enforcement pursuant to section 502 or during Federal enforcement of a State program pursuant to section 521 of this Act, any permittee who violates any permit condition or who violates any other provision of this title, may be assessed a civil penalty by the Secretary, except that if such violation leads to the issuance of a cessation order under section 521, the civil penalty shall be assessed. Such penalty shall not exceed $5,000 for each violation. Each day of continuing violation may be deemed a separate violation for purposes of penalty assessments. In determining the amount of the penalty, consideration shall be given to the permittee's history of previous violations at the particular surface coal mining operation; the seriousness of the violation, including any irreparable harm to the environment and any hazard to the health or safety of the public; whether the permittee was negligent; and the demonstrated good faith of the permittee charged in attempting to achieve rapid compliance after notification of the violation.

(b) A civil penalty shall be assessed by the Secretary only after the person charged with a violation described under subsection (a) of this section has been given an opportunity for a public hearing. Where such a public hearing has been held, the Secretary shall make findings of fact, and he shall issue a written decision as to the occurrence of the violation and the amount of the penalty which is warranted, incorporating, when appropriate, an order therein requiring that the penalty be paid. When appropriate, the Secretary shall consolidate such hearings with other proceedings under section 521 of this Act. Any hearing under this section shall be of record and shall be subject to section 554 of ttile 5 of the United States Code. Where the person charged with such a violation fails to avail himself of the opportunity for a public hearing, a civil penalty shall be assessed by the Secretary after the Secretary has determined that a violation did occur, and the amount of the penalty which is warranted, and has issued an order requiring that the penalty be paid.

(c) Upon the issuance of a notice or order charging that a violation of the Act has occurred, the Secretary shall inform the operator within thirty days of the proposed amount of said penalty. The person charged with the penalty shall then have thirty days to pay the proposed penalty in full or, if the person wishes to contest either the amount of the penalty or the fact of the violation, forward the proposed amount to the Secretary for placement in an escrow account. If through administrative or judicial review of the proposed penalty, it is determined that no violation occurred, or that that amount of the penalty should be reduced, the Secretary shall within thirty days remit the appropriate amount to the person, with interest at the rate of 6 percent, or at the prevailing Department of the Treasury rate, whichever is greater. Failure to forward the money to the Secretary within thirty days shall result in a waiver of all legal rights to contest the violation or the amount of the penalty.

(d) Civil penalties owed under this Act, may be recovered in a civil action brought by the Attorney General at the request of the Secretary in any appropriate district court of the United States.

(e) Any person who willfully and knowingly violates a condition of a permit issued pursuant to a Federal program, a Federal lands program or Federal enforcement pursuant to section 502 or during Federal enforcement of a State program pursuant to section 521 of this Act or fails or refuses to comply with any order issued under section 521 or section 526 of this Act, or any order incorporated in a final decision issued by the Secretary under this Act, except an order incorporated in a decision issued under subsection (b) of this section or section 704 of this Act, shall, upon conviction, be punished by a fine of not more than $10,000, or by imprisonment for not more than one year or both.

(f) Whenever a corporate permittee violates a condition of a permit issued pursuant to a Federal program, a Federal lands program or Federal enforcement pursuant to section 502 or Federal enforcement of a State program pursuant to section 521 of this Act or fails or refuses to comply with any order issued under section 521 of this Act, or any order incorporated in a final decision issued by the Secretary under this Act except an order incorporated in a decision issued under subsection (b) of this section or section 703 of this Act, any director, officer, or agent of such corporation who willfully and knowingly authorized, ordered, or carried out such violation, failure, or refusal shall be subject to the same civil penalties, fines, and imprisonment that may be imposed upon a person under subsections (a) and (e) of this section.

(g) Whoever knowingly makes any false statement, representation, or certification,

or knowingly fails to make any statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained pursuant to a Federal program or a Federal lands program or any order or decision issued by the Secretary under this Act, shall, upon conviction, be punished by a fine of not more than $10,000, or by imprisonment for not more than one year or both.

(h) Any operator who fails to correct a violation for which a citation has been issued under section 521(a) which the period permitted for its correction (which period shall not end until the entry of a final order by the Secretary, in the case of any review proceedings under section 525 initiated by the operator wherein the Secretary orders, after an expedited hearing, the suspension of the abatement requirements of the citation after determining that the operator will suffer irreparable loss or damage from the application of those requirements, or until the entry of an order of the court, in the case of any review proceedings under section 526 initiated by the operator wherein the court orders the suspension of the abatement requirements of the citation), shall be assessed a civil penalty of not less than $750 for each day during which such failure or violation continues.

(i) As a condition of approval of any State program submitted pursuant to section 503 of this Act, the civil and criminal penalty provisions thereof shall, at a minimum, incorporate penalties no less stringent than those set forth in this section, and shall contain the same or similar procedural requirements relating thereto. Nothing herein shall be construed so as to eliminate any additional enforcement right or procedures which are available under State law to a State regulatory authority but which are not specifically enumerated herein.

RELEASE OF PERFORMANCE BONDS OR DEPOSITS

SEC. 519. (a) The permittee may file a request with the regulatory authority for the release of all or part of a performance bond or deposit. Within thirty days after any application for bond or deposit release has been filed with the regulatory authority, the operator shall submit a copy of an advertisement placed at least once a week for four successive weeks in a newspaper of general circulation in the locality of the surface coal mining operation. Such advertisement shall be considered part of any bond release application and shall contain a notification of the precise location of the land affected, the number of acres, the permit and the date approved, the amount of the bond filed and the portion sought to be released, and the type and appropriate dates of reclamation work performed, and a description of the results achieved as they relate to the operator's approved reclamation plan. In addition, as part of any bond release application, the applicant shall submit copies of letters which he has sent to adjoining property owners, local governmental bodies, planning agencies, and sewage and water treatment authorities, or water companies in the locality in which the surface coal mining and reclamation activities took place, notifying them of his intention to seek release from the bond.

(b) Upon receipt of the notification and request, the regulatory authority shall within thirty days conduct an inspection and evaluation of the reclamation work involved. Such evaluation shall consider, among other things, the degree of difficulty to complete any remaining reclamation, whether pollution of surface and subsurface water is occurring, the probability of continuance of future occurrence of such pollution, and the estimated cost of abating such pollution. The regulatory authority shall notify the permittee in writing of its decision to release or not to release all or part of the performance bond or deposit within sixty days from the filing of the request, if no public hearing is held pursuant to section 519(f), and if there has been a public hearing held pursuant to section 519(f), within thirty days thereafter.

(c) The regulatory authority may release in whole or in part said bond or deposit if the authority is satisfied the reclamation covered by the bond or deposit or portion thereof has been accomplished as required by this Act according to the following schedule:

(1) When the operator completes the backfilling, regrading, and drainage control of a bonded area in accordance with his approved reclamation plan, the release of 60 per centum of the bond or collateral for the applicable permit area.

(2) After revegetation has been established on the regraded mined lands in accordance with the approved reclamation plan. When determining the amount of bond to be released after successful revegetation has been established, the regulatory authority shall retain that amount of bond for the revegetated area which would be sufficient for a third party to cover the cost of reestablishing revegetation and for the period specified for operator responsibility in section 515 of reestablishing revegetation. No part of the bond or deposit shall be released under this paragragh so long as the lands to which the release would be applicable are contributing suspended solids to streamflow or runoff outside the permit area in excess of the requirements set by section 515 (b)(10) or until soil productivity for prime farm lands has returned to equivalent levels of yield as nonmined land of the same soil type in the surrounding area under equivalent management practices as determined from the soil survey performed pursuant to section 507(b)(16). Where a silt dam is to be retained as a permanent impoundment pursuant to section 515(b)(8), the portion of bond may be released under this paragraph so long as provisions for sound future maintenance by the operator or the landowner have been made with the regulatory authority.

(3) When the operator has completed successfully all surface coal mining and reclamation activities, the release of the remaining portion of the bond, but not before the expiration of the period specified for operator responsibility in section 515: Provided, however, That no bond shall be fully released until all reclamation requirements of this Act are fully met.

(d) If the regulatory authority disapproves the application for release of the bond or portion thereof, the authority shall notify the permittee, in writing, stating the reasons for disapproval and recommending corrective actions necessary to secure said release and allowing opportunity for a public hearing.

(e) When any application for total or partial bond release is filed with the regulatory authority, the regulatory authority shall notify the municipality in which a surface coal mining operation is located by certified mail at least thirty days prior to the release of all or a portion of the bond.

(f) Any person with a valid legal interest which might be adversely affected by release of the bond or the responsible officer or head of any Federal, State, or local governmental agency which has jurisdiction by law or special expertise with respect to any environmental, social, or economic impact involved in the operation, or is authorized to develop and enforce environmental standards with respect to such operations shall have the right to file written objections to the proposed release from bond to the regulatory authority within thirty days after the last publication of the above notice. If written objections are filed, and a hearing requested, the regulatory authority shall inform all the interested parties, of the time and place of the hearing, and hold a public hearing in the locality of the surface coal mining operation proposed for bond release within thirty days of the request for such hearing. The date, time, and location of such public hearings shall be advertised by the regulatory authority in a newspaper of general circulation in the locality for two consecutive weeks, and shall hold a public hearing in the locality of the surface coal mining operation proposed for bond release or at the State capital at the option of the objector, within thirty days of the request for such hearing.

(g) Without prejudice to the rights of the objectors, the applicant, or the responsibilities of the regulatory authority pursuant to this section, the regulatory authority may establish an informal conference as provided in section 513 to resolve such written objections.

(h) For the purpose of such hearing the regulatory authority shall have the authority and is hereby empowered to administer oaths, subpena witnesses, or written or printed materials, compel the attendance of witnesses, or production of the materials, and take evidence including but not limited to inspections of the land affected and other surface coal mining operations carried on by the applicant in the general vicinity. A verbatim record of each public hearing required by this Act shall be made, and a transcript made available on the motion of any party or by order of the regulatory authority.

CITIZEN SUITS

SEC. 520. (a) Except as provided in subsection (b) of this section, any person having an interest which is or may be adversely affected may commence a civil action on his own behalf to compel compliance with this Act—

(1) against the United States or any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution which is alleged to be in violation of the provisions of this Act or of any rule, regulation, order or permit issued pursuant thereto, or against any person who is alleged to be in violation of any rule, regulation, order or permit issued pursuant to this title; or

(2) against the Secretary or the appropriate State regulatory authority to the extent permitted by the eleventh amendment to the Constitution where there is alleged a failure of the Secretary or the appropriate State regulatory authority to perform any act or duty under this Act which is not discretionary with the Secretary or with the appropriate State regulatory authority.

The district courts shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties.

(b) No action may be commenced—

(1) under subsection (a)(1) of this section—

(A) prior to sixty days after the plaintiff has given notice in writing of the violation (i) to the Secretary, (ii) to the State in which the violation occurs, and (iii) to any alleged violator; or

(B) if the Secretary or the State has commenced and is diligently prosecuting a civil action in a court of the United States or a State to require compliance with the provisions of this Act, or any rule, regulation, order, or permit issued pursuant to this Act, but in any such action in a court of the United States any person may intervene as a matter of right; or

(2) under subsection (a)(2) of this section prior to sixty days after the plaintiff has given notice in writing of such action to the Secretary, in such manner as the Secretary shall by regulation prescribe, or to the appropriate State regulatory authority, except

that such action may be brought immediately after such notification in the case where the violation or order complained of constitutes an imminent threat to the health or safety of the plaintiff or would immediately affect a legal interest of the plaintiff.

(c)(1) Any action respecting a violation of this Act or the regulations thereunder may be brought only in the judicial district in which the surface coal mining operation complained of is located.

(2) In such action under this section, the Secretary, or the State regulatory authority, if not a party, may intervene as a matter of right.

(d) The court, in issuing any final order in any action brought pursuant to subsection (a) of this section, may award costs of litigation (including attorney and expert witness fees) to any party, whenever the court determines such award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with the Federal Rules of Civil Procedure.

(e) Nothing in this section shall restrict any right which any person (or class of persons) may have under any statute or common law to seek enforcement of any of the provisions of this Act and the regulations thereunder, or to seek any other relief (including relief against the Secretary or the appropriate State regulatory authority).

(f) Any person who is injured in his person or property through the violation by any operator of any rule, regulation, order, or permit issued pursuant to this Act may bring an action for damages (including reasonable attorney and expert witness fees) only in the judicial district in which the surface coal mining operation complained of is located. Nothing in this subsection shall affect the rights established by or limits imposed under State Workmen's Compensation laws.

ENFORCEMENT

SEC. 521. (a)(1) Whenever, on the basis of any information available to him, including receipt of information from any person, the Secretary has reason to believe that any person is in violation of any requirement of this Act or any permit condition required by this Act, the Secretary shall notify the State regulatory authority, if one exists, in the State in which such violation exists. If no such State authority exists or the State regulatory authority fails within ten days after notification to take appropriate action to cause said violation to be corrected or to show good cause for such failure and transmit notification of its action to the Secretary, the Secretary shall immediately order Federal inspection of the surface coal mining operation at which the alleged violation is occurring unless the information available to the Secretary is a result of a previous Federal inspection of such surface coal mining operation. The ten-day notification period shall be waived when the person informing the Secretary provides adequate proof that an imminent danger of significant environmental harm exists and that the State has failed to take appropriate action. When the Federal inspection results from information provided to the Secretary by any person, the Secretary shall notify such person when the Federal inspection is proposed to be carried out and such person shall be allowed to accompany the inspector during the inspection.

(2) When, on the basis of any Federal inspection, the Secretary or his authorized representative determines that any condition or practices exist, or that any permittee is in violation of any requirement of this Act or any permit condition required by this Act, which condition, practice, or violation also creates an imminent danger to the health or safety of the public, or is causing, or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources, the Secretary or his authorized representative shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the condition, practice, or violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the condition, practice, or violation has been abated, or until modified, vacated, or terminated by the Secretary or his authorized representative pursuant to subparagraph (a)(5) of this section. Where the Secretary finds that the ordered cessation of surface coal mining and reclamation operations, or any portion thereof, will not completely abate the imminent danger to health or safety of the public or the significant imminent environmental harm to land, air, or water resources, the Secretary shall, in addition to the cessation order, impose affirmative obligations on the operator requiring him to take whatever steps the Secretary deems necessary to abate the imminent danger or the significant environmental harm.

(3) When, on the basis of a Federal inspection which is carried out during the enforcement of a Federal program or a Federal lands program, Federal inspection pursuant to section 502, or section 504(b) or during Federal enforcement of a State program in accordance with subsection (b) of this section, the Secretary or his authorized representative determines that any permittee is in violation of any requirement of this Act or any permit condition required by this Act; but such violation does not create an imminent danger to the health or safety of the public, or cannot be reasonably expected to cause significant, imminent environmental harm to land, air, or water resources, the Secretary or authorized representative shall issue a notice to the permittee or his agent fixing a reasonable time but not more than ninety days for the abatement of the violation and providing opportunity for public hearing.

If, upon expiration of the period of time as originally fixed or subsequently extended, for good cause shown and upon the written finding of the Secretary or his authorized representative, the Secretary or his authorized representative finds that the violation has not been abated, he shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the violation has been abated, or until modified, vacated, or terminated by the Secretary or his authorized representative pursuant to subparagraph (a)(5) of this section. In the order of cessation issued by the Secretary under this subsection, the Secretary shall determine the steps necessary to abate the violation in the most expeditious manner possible, and shall include the necessary measures in the order.

(4) When, on the basis of a Federal inspection which is carried out during the enforcement of a Federal program or a Federal lands program, Federal inspection pursuant to section 502 or section 504 or during Federal enforcement of a State program in accordance with subsection (b) of this section, the Secretary or his authorized representative determines that a pattern of violations of any requirements of this Act or any permit conditions required by this Act exists or has existed, and if the Secretary or his authorized representative also find that such violations are caused by the unwarranted failure of the permittee to comply with any requirements of this Act or any permit conditions, or that such violations are willfully caused by the permittee, the Secretary or his authorized representative shall forthwith issue an order to the permittee to show cause as to why the permit should not be suspended or revoked and shall provide opportunity for a public hearing. If a hearing is requested the Secretary shall inform all interested parties of the time and place of the hearing. Upon the permittee's failure to show cause as to why the permit should not be suspended or revoked, the Secretary or his authorized representative shall forthwith suspend or revoke the permit.

(5) Notices and orders issued pursuant to this section shall set forth with reasonable specificity the nature of the violation and the remedial action required, the period of time established for abatement, and a reasonable description of the portion of the surface coal mining and reclamation operation to which the notice or order applies. Each notice or order issued under this section shall be given promptly to the permittee or his agent by the Secretary or his authorized representative who issues such notice or order, and all such notices and orders shall be in writing and shall be signed by such authorized representatives. Any notice or order issued pursuant to this section may be modified, vacated, or terminated by the Secretary or his authorized representative. A copy of any such order or notice shall be sent to the State regulatory authority in the State in which the violation occurs: *Provided*, That any notice or order issued pursuant to this section which requires cessation of mining by the operator shall expire within thirty days of factual notice to the operator unless a public hearing is held at the site or within such reasonable proximity to the site that any viewings of the site can be conducted during the course of public hearing.

(b) Whenever on the basis of information available to him, the Secretary has reason to believe that violations of all or any part of an approved State program result from a failure of the State to enforce such State program or any part thereof effectively, he shall after public notice and notice to the State, hold a hearing thereon in the State within thirty days of such notice. If as a result of said hearing the Secretary finds that there are violations and such violations result from a failure of the State to enforce all or any part of the State program effectively, and if he further finds that the State has not adequately demonstrated its capability and intent to enforce such State program, he shall give public notice of such finding. During the period beginning with such public notice and ending when such State satisfies the Secretary that it will enforce this Act, the Secretary shall enforce, in the manner provided by this Act, any permit condition required under this Act, shall issue new or revised permits in accordance with requirements of this Act, and may issue such notices and orders as are necessary for compliance therewith: *Provided*, That in the case of a State permittee who has met his obligations under such permit and who did not willfully secure the issuance of such permit through fraud or collusion, the Secretary shall give the permittee a reasonable time to conform ongoing surface mining and reclamation to the requirements of this Act before suspending or revoking the State permit.

(c) The Secretary may request the Attorney General to institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which the surface coal mining and reclamation operation is located or in which the permittee thereof has his principal office, whenever such permittee or his agent (A) violates or fails or refuses to comply with any order or decision issued by the Secretary under this Act, or (B) interferes with, hinders, or delays the Secretary or his authorized representatives in carrying out the provisions of this Act, or (C) refuses to admit such authorized representative to the mine, or (D) refuses to permit inspection of the mine by such

authorized representative, or (E) refuses to furnish any information or report requested by the Secretary in furtherance of the provisions of this Act, or (F) refuses to permit access to, and copying of, such records as the Secretary determines necessary in carrying out the provisions of this Act. Such court shall have jurisdiction to provide such relief as may be appropriate. Temporary restraining orders shall be issued in accordance with rule 65 of the Federal Rules of Civil Procedure, as amended. Any relief granted by the court to enforce an order under clause (A) of this section shall continue in effect until the completion or final termination of all proceedings for review of such order under this title, unless, prior thereto, the district court granting such relief sets it aside or modifies it.

(d) As a condition of approval of any State program submitted pursuant to section 503 of this Act, the enforcement provisions thereof shall, at a minimum, incorporate sanctions no less stringent than those set forth in this section, and shall contain the same or similar procedural requirements relating thereto. Nothing herein shall be construed so as to eliminate any additional enforcement rights or procedures which are available under State law to a State regulatory authority but which are not specifically enumerated herein.

DESIGNATING AREAS UNSUITABLE FOR SURFACE COAL MINING

SEC. 522. (a) (1) To be eligible to assume primary regulatory authority pursuant to section 503, each State shall establish a planning process enabling objective decisions based upon competent and scientifically sound data and information as to which, if any, land areas of a State are unsuitable for all or certain types of surface coal mining operations pursuant to the standards set forth in paragraphs (2) and (3) of this subsection but such designation shall not prevent the mineral exploration pursuant to the Act of any area so designated.

(2) Upon petition pursuant to subsection (c) of this section, the State regulatory authority shall designate an area as unsuitable for all or certain types of surface coal mining operations if the State regulatory authority determines that reclamation pursuant to the requirements of this Act is not technologically and economically feasible.

(3) Upon petition pursuant to subsection (c) of this section, a surface area may be designated unsuitable for certain types of surface coal mining operations if such operations will—

(A) be incompatible with existing State or local land use plans or programs; or

(B) affect fragile or historic lands in which such operations could result in significant damage to important historic, cultural, scientific, and esthetic values and natural systems; or

(C) affect renewable resource lands in which such operations could result in a substantial loss or reduction of long-range productivity of water supply or of food or fiber products, and such lands to include aquifers and aquifer recharge areas; or

(D) affect natural hazard lands in which such operations could substantially endanger life and property, such lands to include areas subject to frequent flooding and areas of unstable geology.

(4) To comply with this section, a State must demonstrate it has developed or is developing a process which includes—

(A) a State agency responsible for surface coal mining lands review;

(B) a data base and an inventory system which will permit proper evaluation of the capacity of different land areas of the State to support and permit reclamation of surface coal mining operations;

(C) a method or methods for implementing land use planning; decisions concerning surface coal mining operations; and

(D) proper notice, opportunities for public participation, including a public hearing prior to making any designation or redesignation, pursuant to this section.

(5) Determinations of the unsuitability of land for surface coal mining, as provided for in this section, shall be integrated as closely as possible with present and future land use planning and regulation processes at the Federal, State, and local levels.

(6) The requirements of this section shall not apply to lands on which surface coal mining operations are being conducted on the date of enactment of this Act or under a permit issued pursuant to this Act, or where substantial legal and financial commitments in such operation were in existence prior to January 4, 1977.

(b) The Secretary shall conduct a review of the Federal lands to determine, pursuant to the standards set forth in paragraphs (2) and (3) of subsection (a) of this section, whether there are areas on Federal lands which are unsuitable for all or certain types of surface coal mining operations: Provided, however, That the Secretary may permit surface coal mining on Federal lands prior to the completion of this review. When the Secretary determines an area on Federal lands to be unsuitable for all or certain types of surface coal mining operations, he shall withdraw such area or condition any mineral leasing or mineral entries in a manner so as to limit surface coal mining operations on such area. Where a Federal program has been implemented in a State pursuant to section 504, the Secretary shall implement a process for designation of areas unsuitable for surface coal mining for non-Federal lands within such State and such process shall incorporate the standards and procedures of this section. Prior to designating Federal lands unsuitable for such mining, the Secretary shall consult with the appropriate State and local agencies.

(c) Any person having an interest which is or may be adversely affected shall have the right to petition the regulatory authority to have an area designated as unsuitable for surface coal mining operations, or to have such a designation terminated. Such a petition shall contain allegations of facts with supporting evidence which would tend to establish the allegations. Within ten months after receipt of the petition the regulatory authority shall hold a public hearing in the locality of the affected area, after appropriate notice and publication of the date, time and location of such hearing. After a person having an interest which is or may be adversely affected has filed a petition and before the hearing, as required by this subsection, any person may intervene by filing allegations of facts with supporting evidence which would tend to establish the allegations. Within sixty days after such hearing, the regulatory authority shall issue and furnish to the petitioner and any other party to the hearing, a written decision regarding the petition, and the reasons therefore. In the event that all the petitioners stipulate agreement prior to the requested hearing, and withdraw their request, such hearing need not be held.

(d) Prior to designating any land areas as unsuitable for surface coal mining operations the regulatory authority shall prepare a detailed statement on (i) the potential coal resources of the area, (ii) the demand for coal resources, and (iii) the impact of such designation on the environment, the economy, and the supply of coal.

(e) After the enactment of this Act and subject to valid existing rights no surface coal mining operations except those which exist on the date of enactment of this Act shall be permitted—

(1) on any lands within the boundaries of units of the National Park System, the National Wildlife Refuge Systems, the National System of Trails, the National Wilderness Preservation System, the Wild and Scenic Rivers System, including study rivers designated under section 5(a) of the Wild and Scenic Rivers Act and National Recreation Areas designated by Act of Congress;

(2) on any Federal lands within the boundaries of any national forest: *Provided, however,* That surface coal mining operations may be permitted on such lands if the Secretary finds that there are no significant recreational, timber, economic, or other values which may be incompatible with such surface mining operations and—

(A) surface operations and impacts are incident to an underground coal mine; or

(B) where the Secretary of Agriculture determines, with respect to lands which do not have significant forest cover within those national forests west of the 100th meridian, that surface mining is in compliance with the Multiple-Use Sustained-Yield Act of 1960, the Federal Coal Leasing Amendments Act of 1975, the National Forest Management Act of 1976, and the provisions of this Act; *And provided further,* That no surface coal mining operations may be permitted within the boundaries of the Custer National Forest;

(3) which will adversely affect any publicly owned park or places included in the National Register of Historic Sites unless approved jointly by the regulatory authority and the Federal, State, or local agency with jurisdiction over the park or the historic site;

(4) within one hundred feet of the outside right-of-way line of any public road, except where mine access roads or haulage roads join such right-of-way line and except that the regulatory authority may permit such roads to be relocated or the area affected to lie within one hundred feet of such road, if after public notice and opportunity for public hearing in the locality a written finding is made that the interests of the public and the landowners affected thereby will be protected; or

(5) within three hundred feet from any occupied dwelling, unless waived by the owner thereof, nor within three hundred feet of any public building, school, church, community, or institutional building, public park, or within one hundred feet of a cemetery.

FEDERAL LANDS

SEC. 523. (a) No later than one year after the date of enactment of this Act, the Secretary shall promulgate and implement a Federal lands program which shall be applicable to all surface coal mining and reclamation operations taking place pursuant to any Federal law on any Federal lands: *Provided,* That except as provided in section 710 the provisions of this Act shall not be applicable to Indian lands. The Federal lands program shall, at a minimum, incorporate all of the requirements of this Act and shall take into consideration the diverse physical, climatological, and other unique characteristics of the Federal lands in question. Where Federal lands in a State with an approved State program are involved, the Federal lands program shall, at a minimum, include the requirements of the approved State program: *Provided,* That the Secretary shall retain his duties under sections 2(a), (2)(B) and 2(a)(3) of the Federal Mineral Leasing Act, as amended, and shall continue to be responsible for designation of Federal lands as unsuitable for mining in accordance with section 522(b) of this title.

(b) The requirements of this Act and the Federal lands program or an approved State program for State regulation of surface coal mining on Federal lands under subsection

(c), whichever is applicable, shall be incorporated by reference or otherwise in any Federal mineral lease, permit, or contract issued by the Secretary which may involve surface coal mining and reclamation operations. Incorporation of such requirements shall not, however, limit in any way the authority of the Secretary to subsequently issue new regulations, revise the Federal lands program to deal with changing conditions or changed technology, and to require any surface mining and reclamation operations to conform with the requirements of this Act and the regulations issued pursuant to this Act.

(c) Any State with an approved State program may elect to enter into a cooperative agreement with the Secretary to provide for State regulation of surface coal mining and reclamation operations on Federal lands within the State, provided the Secretary determines in writing that such State has the necessary personnel and funding to fully implement such a cooperative agreement in accordance with the provision of this Act. States with cooperative agreements existing on the date of enactment of this Act, may elect to continue regulation on Federal lands within the State, prior to approval by the Secretary of their State program, or imposition of a Federal program, provided that such existing cooperative agreement is modified to fully comply with the initial regulatory procedures set forth in section 502 of this Act. Nothing in this subsection shall be construed as authorizing the Secretary to delegate to the States his duty to approve mining plans on Federal lands, to designate certain Federal lands as unsuitable for surface coal mining pursuant to section 522 of this Act, or to regulate other activities taking place on Federal lands.

(d) The Secretary shall develop a program to assure that with respect to the granting of permits, leases, or contracts for coal owned by the United States, that no class of purchasers of the mined coal shall be unreasonably denied purchase thereof.

PUBLIC AGENCIES, PUBLIC UTILITIES, AND PUBLIC CORPORATIONS

SEC. 524. Any agency, unit, or instrumentality of Federal, State, or local government, including any publicly owned utility or publicly owned corporation of Federal, State, or local government, which proposes to engage in surface coal mining operations which are subject to the requirements of this Act shall comply with the provisions of title V.

REVIEW BY SECRETARY

SEC. 525. (a) (1) A permittee issued a notice or order by the Secretary pursuant to the provisions of subparagraphs (a) (2) and (3) of section 521 of this title, or pursuant to a Federal program or the Federal lands program or any person having an interest which is or may be adversely affected by such notice or order or by any modification, vacation, or termination of such notice or order, may apply to the Secretary for review of the notice or order within thirty days of receipt thereof or within thirty days of its modification, vacation, or termination. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing, at the request of the applicant or the person having an interest which is or may be adversely affected, to enable the applicant or such person to present information relating to the issuance and continuance of such notice or order or the modification, vacation, or termination thereof. The filing of an application for review under this subsection shall not operate as a stay of any order or notice.

(2) The permittee and other interested persons shall be given written notice of the time and place of the hearing at least five days prior thereto. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code.

(b) Upon receiving the report of such investigation, the Secretary shall make findings of fact, and shall issue a written decision, incorporating therein an order vacating, affirming, modifying, or terminating the notice or order, or the modification, vacation, or termination of such notice or order complained of and incorporate his findings therein. Where the application for review concerns an order for cessation of surface coal mining and reclamation operations issued pursuant to the provisions of subparagraph (a) (2) or (a) (3) of section 521 of this title, the Secretary shall issue the written decision within thirty days of the receipt of the application for review, unless temporary relief has been granted by the Secretary pursuant to subparagraph (c) of this section or by the court pursuant to subparagraph (c) of section 526 of this title.

(c) Pending completion of the investigation and hearing required by this section, the applicant may file with the Secretary a written request that the Secretary grant temporary relief from any notice or order issued under section 521 of this title, a Federal program or the Federal lands program together with a detailed statement giving reasons for granting such relief. The Secretary shall issue an order or decision granting or denying such relief expeditiously: Provided, That where the applicant requests relief from an order for cessation of coal mining and reclamation operations issued pursuant to subparagraph (a) (2) or (a) (3) of section 521 of this title, the order or decision on such a request shall be issued within five days of its receipt. The Secretary may grant such relief, under such conditions as he may prescribe, if—

(1) a hearing has been held in the locality of the permit area on the request for temporary relief in which all parties were given an opportunity to be heard;

(2) the applicant shows that there is substantial likelihood that the findings of the Secretary will be favorable to him; and

(3) such relief will not adversely affect the health or safety of the public or cause significant, imminent environmental harm to land, air, or water resources.

(d) Following the issuance of an order to show cause as to why a permit should not be suspended or revoked pursuant to section 521, the Secretary shall hold a public hearing after giving written notice of the time, place, and date thereof. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Within sixty days following the public hearing, the Secretary shall issue and furnish to the permittee and all other parties to the hearing a written decision, and the reasons therefor, concerning suspension or revocation of the permit. If the Secretary revokes the permit, the permittee shall immediately cease surface coal mining operations on the permit area and shall complete reclamation within a period specified by the Secretary, or the Secretary shall declare as forfeited the performance bonds for the operation.

(e) Whenever an order is issued under this section, or as a result of any administrative proceeding under this Act, at the request of any person, a sum equal to the aggregate amount of all costs and expenses (including attorney fees) as determined by the Secretary to have been reasonably incurred by such person for or in connection with his participation in such proceedings, including any judicial review of agency actions, may be assessed against either party as the court, resulting from judicial review or the Secretary, resulting from administrative proceedings, deems proper.

JUDICIAL REVIEW

SEC. 526. (a) (1) Any action of the Secretary to approve or disapprove a State program or to prepare or promulgate a Federal program pursuant to this Act shall be subject to judicial review by the United States District Court for the District which includes the capital of the State whose program is at issue. Any action by the Secretary promulgating national rules of regulations including standards pursuant to sections 501, 515, 516, and 523 shall be subject to judicial review in the United States District Court for the District of Columbia Circuit. Any other action constituting rulemaking by the Secretary shall be subject to judicial review only by the United States District Court for the District in which the surface coal mining operation is located. Any action subject to judicial review under this subsection shall be affirmed unless the court concludes that such action is arbitrary, capricious, or otherwise inconsistent with law. A petition for review of any action subject to judicial review under this subsection shall be filed in the appropriate Court within sixty days from the date of such action, or after such date if the petition is based solely on grounds arising after the sixtieth day. Any such petition may be made by any person who particiapted in the administrative proceedings and who is aggrieved by the action of the Secretary.

(2) Any order or decision issued by the Secretary in a civil penalty proceeding or any other proceeding required to be conducted pursuant to 5 U.S.C. § 554 (1970) shall be subject to judicial review on or before 30 days from the date of such order or decision in accordance with subsection (b) of this section in the United States District Court for the district in which the surface coal mining operation is located. In the case of a proceeding to review an order or decision issued by the Secretary under the penalty section of this Act, the court shall have jurisdiction to enter an order requiring payment of any civil penalty assessment enforced by its judgment. This availability of review established in this subsection shall not be construed to limit the operations of rights established in Section 520.

(b) The court shall hear such petition or complaint solely on the record made before the Secretary. Except as provided in subsection (a), the findings of the Secretary if supported by substantial evidence on the record considered as a whole, shall be conclusive. The court may affirm, vacate, or modify any order or decision or may remand the proceedings to the Secretary for such further action as it may direct.

(c) In the case of a proceeding to review any order or decision issued by the Secretary under this Act, including an order or decision issued pursuant to subparagraph (c) or (d) of section 525 of this title pertaining to any order issued under subparagraph (a) (2), (a) (3), or (a) (4) of section 521 of this title for cessation of coal mining and reclamation operations, the court may, under such condition as it may prescribe, grant such temporary relief as it deems appropriate pending final determination of the proceedings if—

(1) all parties to the proceedings have been notified and given an opportunity to be heard on a request for temporary relief;

(2) the person requesting such relief shows that there is a substantial likelihood that he will prevail on the merits of the final determination of the proceeding; and

(3) such relief will not adversely affect the public health or safety or cause significant imminent environmental harm to land, air, or water resources.

(d) The commencement of a proceeding under this section shall not, unless specifically ordered by the court, operate as a stay of the action, order, or decision of the Secretary.

(e) Action of the State regulatory authority pursuant to an approved State program shall be subject to judicial review by a court of competent jurisdiction in accordance with State law, but the availability of such review shall not be construed to limit the operation of the rights established in section 520 except as provided therein.

SPECIAL BITUMINOUS COAL MINES

SEC. 527. (a) The regulatory authority is authorized to issue separate regulations for those special bituminous coal surface mines located west of the 100th meridian west longitude which meet the following criteria:

(1) the excavation of the specific mine pit takes place on the same relatively limited site for an extended period of time;

(2) the excavation of the specific mine pit follows a coal seam having an inclination of fifteen degrees or more from the horizontal, and continues in the same area proceeding downward with lateral expansion of the pit necessary to maintain stability or as necessary to accommodate the orderly expansion of the total mining operation;

(3) the excavation of the specific mine pit involves the mining of more than one coal seam and mining has been initiated on the deepest coal seam contemplated to be mined in the current operation;

(4) the amount of material removed is large in proportion to the surface area disturbed;

(5) there is no practicable alternative method of mining the coal involved;

(6) there is no practicable method to reclaim the land in the manner required by this Act; and

(7) the specific mine pit has been actually producing coal since January 1, 1972, in such manner as to meet the criteria set forth in this section, and, because of past duration of mining, is substantially committed to a mode of operation which warrants exceptions to some provisions of this title.

(b) Such separate regulations shall also contain a distinct part to cover and pertain to new bituminous coal surface mines which may be developed after the date of enactment of this Act on lands immediately adjacent to lands upon which are located special bituminous mines existing on January 1, 1972. Such new mines shall meet the criteria of section 527(a) except for subparagraphs (3) and (7), and all requirements of State law, notwithstanding in whole or part the regulations issued pursuant to subsection (c) of this section. In the event of an amendment or revision to the State's regulatory program, regulations, or decisions made thereunder governing such mines, the Secretary shall issue such additional regulations as necessary to meet the purposes of this Act.

(c) Such alternative regulations may pertain only to the standards governing onsite handling of spoils, elimination of depressions capable of collecting water, creation of impoundments, and regrading to the approximate original contour and shall specify that remaining highwalls are stable. All other performance standards in this title shall apply to such mines.

SURFACE MINING OPERATIONS NOT SUBJECT TO THIS ACT

SEC. 528. The provisions of this Act shall not apply to any of the following activities:

(1) the extraction of coal by a landowner for his own noncommercial use from land owned or leased by him;

(2) the extraction of coal for commercial purposes where the surface mining operation affects two acres or less; and

(3) The extraction of coal as an incidental part of Federal, State or local government-financed highway or other construction under regulations established by the regulatory authority.

ANTHRACITE COAL MINES

SEC. 529. (a) The Secretary is hereby authorized to and shall issue separate regulations according to time schedules established in the Act for anthracite coal surface mines, if such mines are regulated by environmental protection standards of the State in which they are located. Such alternative regulations shall adopt, in each instance, the environmental protection provisions of the State regulatory program in existence at the date of enactment of this Act in lieu of sections 515 and 516. Provisions of sections 509 and 519 are applicable except for specified bond limits and period of revegetation responsibility. All other provisions of this Act apply and the regulation issued by the Secretary of Interior for each State anthracite regulatory program shall so reflect: *Provided, however,* That, upon amendment of a State's regulatory program for anthracite mining or regulations thereunder in force in lieu of the above-cited sections of this Act, the Secretary shall issue such additional regulations as necessary to meet the purposes of this Act.

(b) The Secretary of Interior shall report to Congress biennially, commencing on December 31, 1977, as to the effectiveness of such State anthracite regulatory programs operating in conjunction with this Act with respect to protecting the environment and such reports shall include those recommendations the Secretary deems necessary for program changes in order to better meet the environmental protection objectives of this Act.

TITLE VI—DESIGNATION OF LANDS UNSUITABLE FOR NONCOAL MINING

DESIGNATION PROCEDURES

SEC. 601. (a) With respect to Federal lands within any State, the Secretary of Interior may, and if so requested by the Governor of such State, shall review any area within such lands to assess whether it may be unsuitable for mining operations for minerals or materials other than coal, pursuant to the criteria and procedures of this section.

(b) An area of Federal land may be designated under this section as unsuitable for mining operations if (1) such area consists of Federal land of a predominantly urban or suburban character, used primarily for residential or related purposes, the mineral estate of which remains in the public domain, or (2) such area consists of Federal land where mining operations would have an adverse impact on lands used primarily for residential or related purposes.

(c) Any person having an interest which is or may be adversely affected shall have the right to petition the Secretary to seek exclusion of an area from mining operations pursuant to this section or the redesignation of an area or part thereof as suitable for such operations. Such petition shall contain allegations of fact with supporting evidence which would tend to substantiate the allegations. The petitioner shall be granted a hearing within a reasonable time and finding with reasons therefor upon the matter of their petition. In any instance where a Governor requests the Secretary to review an area, or where the Secretary finds the national interest so requires, the Secretary may temporarily withdraw the area to be rereviewed from mineral entry or leasing pending such review: *Provided, however,* That such temporary withdrawal be ended as promptly as practicable and in no event shall exceed two years.

(d) In no event is a land area to be designated unsuitable for mining operations under this section on which mining operations are being conducted prior to the holding of a hearing on such petition in accordance with subsection (c) hereof. Valid existing rights shall be preserved and not affected by such designation. Designation of an area as unsuitable for mining operations under this section shall not prevent subsequent mineral exploration of such area, except that such exploration shall require the prior written consent of the holder of the surface estate, which consent shall be filed with the Secretary. The Secretary may promulgate, with respect to any designated area, regulations to minimize any adverse effects of such exploration.

(e) Prior to any designation pursuant to this section, the Secretary shall prepare a detailed statement on (i) the potential mineral resources of the area, (ii) the demand for such mineral resources, and (iii) the impact of such designation or the absence of such designation on the environment, economy, and the supply of such mineral resources.

(f) When the Secretary designates an area of Federal lands as unsuitable for all or certain types of mining operations for minerals and materials other than coal pursuant to this section he may withdraw such area from mineral entry or leasing, or condition such entry or leasing so as to limit such mining operations in accordance with his determination, if the Secretary also determines, based on his analysis pursuant to subsection 601(e), that the benefits resulting from such designation would be greater than the benefits to the regional or national economy which could result from mineral development of such area.

(g) Any party with a valid legal interest who has appeared in the proceedings in connection with the Secretary's determination pursuant to this section and who is aggrieved by the Secretary's decision (or by his failure to act within a reasonable time) shall have the right of appeal for review by the United States district court for the district in which the pertinent area is located.

TITLE VII—ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

DEFINITIONS

SEC. 701. For the purposes of this Act—

(1) "alluvial valley floors" means the unconsolidated stream laid deposits holding streams where water availability is sufficient for subirrigation or flood irrigation agricultural activities but does not include upland areas which are generally overlain by a thin veneer of colluvial deposits composed chiefly of debris from sheet erosion, deposits by unconcentrated runoff or slope wash, together with talus, other mass movement accumulation and windblown deposits;

(2) "approximate original contour" means that surface configuration achieved by backfilling and grading of the mined area so that the reclaimed area, including any terracing or access roads, closely resembles the general surface configuration of the land prior to mining and blends into and complements the drainage pattern of the surrounding terrain, with all highwalls and spoil piles eliminated; water impoundments may be permitted where the regulatory authority determines that they are in compliance with section 515(b)(8) of this Act;

(3) "commerce" means trade, traffic, commerce, transportation, transmission, or communication among the several States, or between a State and any other place outside thereof, or between points in the same State which directly or indirectly affect interstate commerce:

(4) "Federal lands" means any land, including mineral interests, owned by the United States without regard to how the United States acquired ownership of the land and without regard to the agency having responsibility for management thereof, except Indian lands: *Provided,* That for the purposes of this Act lands or mineral inter-

ests east of the one hundredth meridian west longitude owned by the United States and entrusted to or managed by the Tennessee Valley Authority shall not be subject to sections 715 (Surface Owner Protection) and 712 (Federal Lessee Protection) of this Act.

(5) "Federal lands program" means a program established by the Secretary pursuant to section 523 to regulate surface coal mining and reclamation operations on Federal lands;

(6) "Federal program" means a program established by the Secretary pursuant to section 504 to regulate surface coal mining and reclamation operations on lands within a State in accordance with the requirements of this Act;

(7) "fund" means the Abandoned Mine Reclamation Fund established pursuant to section 401;

(8) "imminent danger to the health and safety of the public" means the existence of any condition or practice, or any violation of a permit or other requirement of this Act in a surface coal mining and reclamation operation, which condition, practice, or violation could reasonably be expected to cause substantial physical harm to persons outside the permit area before such condition, practice, or violation can be abated. A reasonable expectation of death or serious injury before abatement exists if a rational person, subjected to the same conditions or practices giving rise to the peril, would not expose himself or herself to the danger during the time necessary for abatement;

(9) "Indian lands" means all lands, including mineral interests, within the exterior boundaries of any Federal Indian reservation, notwithstanding the issuance of any patent, and including rights-of-way, and all lands including mineral interests held in trust for or supervised by an Indian tribe;

(10) "Indian tribe" means any Indian tribe, band, group, or community having a governing body recognized by the Secretary;

(11) "lands within any State" or "lands within such State" means all lands within a State other than Federal lands and Indian lands;

(12) "Office" means the Office of Surface Mining Reclamation and Enforcement established pursuant to title II;

(13) "operator" means any person, partnership, or corporation engaged in coal mining who removes or intends to remove more than two hundred and fifty tons of coal from the earth by coal mining within twelve consecutive calendar months in any one location;

(14) "other minerals" means clay, stone, sand, gravel, metalliferous and nonmetalliferous ores, and any other solid material or substances of commercial value excavated in solid form from natural deposits on or in the earth, exclusive of coal and those minerals which occur naturally in liquid or gaseous form:

(15) "permit" means a permit to conduct surface coal mining and reclamation operations issued by the State regulatory authority pursuant to a State program or by the Secretary pursuant to a Federal program;

(16) "permit applicant" or "applicant" means a person applying for a permit;

(17) "permit area" means the area of land indicated on the approved map submitted by the operator with his application, which area of land shall be covered by the operator's bond as required by section 509 of this Act and shall be readily identifiable by appropriate markers on the site;

(18) "permittee" means a person holding a permit;

(19) "person" means an individual, partnership, association, society, joint stock company, firm, company, corporation, or other business organization;

(20) the term "prime farmland" shall have the same meaning as that previously prescribed by the Secretary of Agriculture on the basis of such factors as moisture availability, temperature regime, chemical balance, permeability, surface layer composition, susceptibility to flooding, and erosion characteristics, and which historically have been used for intensive agricultural purposes, and as published in the Federal Register.

(21) "reclamation plan" means a plan submitted by an applicant for a permit under a State program or Federal program which sets forth a plan for reclamation of the proposed surface coal mining operations pursuant to section 508;

(22) "regulatory authority" means the State regulatory authority where the State is administering this Act under an approved State program or the Secretary where the Secretary is administering this Act under a Federal program;

(23) "Secretary" means the Secretary of the Interior, except where otherwise described;

(24) "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, and Guam;

(25) "State program" means a program established by a State pursuant to section 503 to regulate surface coal mining and reclamation operations, on lands within such State in accord with the requirements of this Act and regulations issued by the Secretary pursuant to this Act;

(26) "State regulatory authority" means the department or agency in each State which has primary responsibility at the State level for administering this Act;

(27) "surface coal mining and reclamation operations" means surface mining operations and all activities necessary and incident to the reclamation of such operations after the date of enactment of this Act;

(28) "surface coal mining operations" means—

(A) activities conducted on the surface of lands in connection with a surface coal mine or subject to the requirements of section 516 surface operations and surface impacts incident to an underground coal mine, the products of which enter commerce or the operations of which directly or indirectly affect interstate commerce. Such activities include excavation for the purpose of obtaining coal including such common methods as contour, strip, auger, mountaintop removal, box cut, open pit, and area mining, the uses of explosives and blasting, and in situ distillation or retorting, leaching or other chemical or physical processing, and the cleaning, concentrating, or other processing or preparation, loading of coal for interstate commerce at or near the mine site: Provided, however, That such activities do not include the extraction of coal incidental to the extraction of other minerals where coal does not exceed 16⅔ per centum of the tonnage of minerals removed for purposes of commercial use or sale or coal explorations subject to section 512 of this Act; and

(B) the areas upon which such activities occur or where such activities disturb the natural land surface. Such areas shall also include any adjacent land the use of which is incidental to any such activities, all lands affected by the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, and excavations, workings impoundments, dams, ventilation shafts, entryways, refuse banks, dumps, stockpiles, overburden piles, spoil banks, culm banks, tailings, holes or depressions, repair areas, storage areas, processing areas, shipping areas and other areas upon which are sited structures, facilities, or other property or materials on the surface, resulting from or incident to such activities; and

(29) "unwarranted failure to comply" means the failure of a permittee to prevent the occurrence of any violation of his permit or any requirement of this Act due to indifference, lack of diligence, or lack of reasonable care, or the failure to abate any violation of such permit or the Act due to indifference, lack of diligence, or lack of reasonable care.

(30) "lignite coal" means consolidated lignitic coal having less than 8,300 British thermal units per pound, moist and mineral matter free;

(31) the term "coal laboratory", as used in title VIII, means a university coal research laboratory established and operated pursuant to a designation made under section 801 of this Act;

(32) the term "institution of higher education" as used in titles VIII and IX, means any such institution as defined by section 1201(a) of the Higher Education Act of 1968.

OTHER FEDERAL LAWS

SEC. 702. (a) Nothing in this Act shall be construed as superseding, amending, modifying, or repealing the Mining and Minerals Policy Act of 1970 (30 U.S.C. 21a), the National Environmental Policy Act of 1969 (42 U.S.C. 4321–47), or any of the following Acts or with any rule or regulation promulgated thereunder, including, but not limited to—

(1) The Federal Metal and Nonmetallic Mine Safety Act (30 U.S.C. 721–740).

(2) The Federal Coal Mine Health and Safety Act of 1969 (83 Stat. 742).

(3) The Federal Water Pollution Control Act (79 Stat. 903), as amended (33 U.S.C. 1151–1175), the State laws enacted pursuant thereto, or other Federal laws relating to preservation of water quality.

(4) The Clean Air Act, as amended (42 U.S.C. 1857 et seq.).

(5) The Solid Waste Disposal Act (42 U.S.C. 3251–3259).

(6) The Refuse Act of 1899 (33 U.S.C. 407).

(7) The Fish and Wildlife Coordination Act of 1934 (16 U.S.C. 661–666c).

(8) The Mineral Leasing Act of 1920, as amended (30 U.S.C. 181 et seq.).

(b) Nothing in this Act shall affect in any way the authority of the Secretary or the heads of other Federal agencies under other provisions of law to include in any lease, license, permit, contract, or other instrument such conditions as may be appropriate to regulate surface coal mining and reclamation operations on land under their jurisdiction.

(c) To the greatest extent practicable each Federal agency shall cooperate with the Secretary and the States in carrying out the provisions of this Act.

(d) Approval of the State programs, pursuant to section 503(b), promulgation of Federal programs, pursuant to section 504, and implementation of the Federal lands programs, pursuant to section 523 of this Act, shall not constitute a major action within the meaning of section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332). Adoption of regulations under section 501(b) shall constitute a major action within the meaning of section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332).

EMPLOYEE PROTECTION

SEC. 703. (a) No person shall discharge, or in any other way discriminate against, or cause to be fired or discriminated against, any employee or any authorized representative of employees by reason of the fact that such employee or representative has filed, instituted, or caused to be filed or instituted any proceeding under this Act, or has testified or is about to testify in any proceeding resulting from the administration or enforcement of the provisions of this Act.

(b) Any employee or a representative of employees who believes that he has been fired or otherwise discriminated against by any person in violation of subsection (a) of this section may, within thirty days after such alleged violation occurs, apply to the Secretary for a review of such firing or alleged discrimination. A copy of the application shall be sent to the person or operator who will be the respondent. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing at the request of any party to such review to enable the parties to present information relating to the alleged violation. The parties shall be given written notice of the time and place of the hearing at least five days prior to the hearing. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Upon receiving the report of such investigation the Secretary shall make findings of fact. If he finds that a violation did occur, he shall issue a decision incorporating therein his findings and an order requiring the party committing the violation to take such affirmative action to abate the violation as the Secretary deems appropriate, including, but not limited to, the rehiring or reinstatement of the employee or representative of employees to his former position with compensation. If he finds that there was no violation, he will issue a finding. Orders issued by the Secretary under this subsection shall be subject to judicial review in the same manner as orders and decisions of the Secretary are subject to judicial review under this Act.

(c) Whenever an order is issued under this section to abate any violation, at the request of the applicant a sum equal to the aggregate amount of all costs and expenses (including attorneys' fees) to have been reasonably incurred by the applicant for, or in connection with, the institution and prosecution of such proceedings, shall be assessed against the persons committing the violation.

PROTECTION OF GOVERNMENT EMPLOYEES

SEC. 704. Section 1114, title 18, United States Code, is hereby amended by adding the words "or of the Department of the Interior" after the words "Department of Labor" contained in that section. Any person who shall, except as permitted by law, willfully resist, prevent, impede, or interfere with the Secretary or any of his agents in the performance of duties pursuant to this Act shall be punished by a fine of not more than $5,000 or by imprisonment for not more than one year, or both.

GRANTS TO THE STATES

SEC. 705. (a) The Secretary is authorized to make annual grants to any State for the purpose of assisting such State in developing, administering, and enforcing State programs under this Act. Except as provided in subsection (c) of this section, such grants shall not exceed 80 per centum of the total costs incurred during the first year, 60 per centum of total costs incurred during the second year, and 50 per centum of the total costs incurred during each year thereafter.

(b) The Secretary is authorized to cooperate with and provide assistance to any State for the purpose of assisting it in the development, administration, and enforcement of its State programs. Such cooperation and assistance shall include—

(1) technical assistance and training including provision of necessary curricular and instruction materials, in the development, administration, and enforcement of the State programs; and

(2) assistance in preparing and maintaining a continuing inventory of information on surface coal mining and reclamation operations for each State for the purposes of evaluating the effectiveness of the State programs. Such assistance shall include all Federal departments and agencies making available data relevant to surface coal mining and reclamation operations and to the development, administration, and enforcement of State programs concerning such operations.

(c) If, in accordance with section 523(d) of this Act, a State elects to regulate surface coal mining and reclamation operations on Federal lands, the Secretary may increase the amount of the annual grants under subsection (a) of this section by an amount which he determines is approximately equal to the amount the Federal Government would have expended for such regulation if the State had not made such election.

ANNUAL REPORT

SEC. 706. The Secretary shall submit annually to the President and the Congress a report concerning activities conducted by him, the Federal Government, and the States pursuant to this Act. Among other matters, the Secretary shall include in such report recommendations for additional administrative or legislative action as he deems necessary and desirable to accomplish the purposes of this Act.

SEVERABILITY

SEC. 707. If any provision of this Act or the applicability thereof to any person or circumstances is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

ALASKAN SURFACE COAL MINE STUDY

SEC. 708. (a) The Secretary is directed to contract to such extent or in such amounts as are provided in advance in appropriation Acts with the National Academy of Sciences-National Academy of Engineering for an in-depth study of surface coal mining conditions in the State of Alaska in order to determine which, if any, of the provisions of this Act should be modified with respect to surface coal mining operations in Alaska.

(b) The Secretary shall report on the findings of the study to the President and Congress no later than two years after the date of enactment of this Act.

(c) The Secretary shall include in his report a draft of legislation to implement any changes recommended to this Act.

(d) Until one year after the Secretary has made this report to the President and Congress, or three years after the date of enactment of this Act, whichever comes first, the Secretary is authorized to modify the applicability of any environmental protection provision of this Act, or any regulation issued pursuant thereto, to any surface coal mining operation in Alaska from which coal has been mined during the year preceding enactment of this Act if he determines that it is necessary to insure the continued operation of such surface coal mining operation. The Secretary may exercise this authority only after he has (1) published notice of proposed modification in the Federal Register and in a newspaper of general circulation in the area of Alaska in which the affected surface coal mining operation is located, and (2) held a public hearing on the proposed modification in Alaska.

(e) In order to allow new mines in Alaska to continue orderly development, the Secretary is authorized to issue interim regulations pursuant to section 501(b) including those modifications to the environmental standards as required based on the special physical, hydrological and climatic conditions in Alaska but with the purpose of protecting the environment to an extent equivalent to those standards for the other coal regions.

(f) There is hereby authorized to be appropriated for the purpose of this section $250,000: *Provided*, That no new budget authority is authorized to be appropriated for fiscal year 1977.

STUDY OF RECLAMATION STANDARDS FOR SURFACE MINING OF OTHER MINERALS

SEC. 709. (a) The Chairman of the Council on Environmental Quality is directed to contract to such extent or in such amounts as are provided in appropriation Acts with the National Academy of Sciences-National Academy of Engineering, other Government agencies or private groups as appropriate, for an in-depth study of current and developing technology for surface and open pit mining and reclamation for minerals other than coal designed to assist in the establishment of effective and reasonable regulation of surface and open pit mining and reclamation for minerals other than coal. The study shall—

(1) assess the degree to which the requirements of this Act can be met by such technology and the costs involved;

(2) identify areas where the requirements of this Act cannot be met by current and developing technology;

(3) in those instances describe requirements most comparable to those of this Act which could be met, the costs involved, and the differences in reclamation results between these requirements and those of this Act; and

(4) discuss alternative regulatory mechanisms designed to insure the achievement of the most beneficial postmining land use for areas affected by surface and open pit mining.

(b) The study together with specific legislative recommendations shall be submitted to the President and the Congress no later than eighteen months after the date of enactment of this Act: *Provided*, That, with respect to surface or open pit mining for sand and gravel the study shall be submitted no later than twelve months after the date of enactment of this Act: *Provided further*, That with respect to mining for oil shale and tar sands that a preliminary report shall be submitted no later than twelve months after the date of enactment of this Act.

(c) There are hereby authorized to be appropriated for the purpose of this section $500,000: *Provided*, That no new budget authority is authorized to be appropriated for fiscal year 1977.

INDIAN LANDS

SEC. 710. (a) The Secretary is directed to study the question of the regulation of surface mining on Indian lands which will achieve the purpose of this Act and recognize the special jurisdictional status of these lands. In carrying out this study the Secretary shall consult with Indian tribes. The study report shall include proposed legislation designed to allow Indian tribes to elect to assume full regulatory authority over the administration and enforcement of regulation of surface mining of coal or Indian lands.

(b) The study report required by subsection (a) together with drafts of proposed legislation and the view of each Indian tribe which would be affected shall be submitted to the Congress as soon as possible but not later than January 1, 1978.

(c) On and after one hundred and thirty-five days from the enactment of this Act, all surface coal mining operations on Indian lands shall comply with requirements at least as stringent as those imposed by subsections 515(b)(2), 515(b)(3), 515(b)(5), 515(b)(10), 515(b)(13), 515(b)(19), and 515(d) of this Act and the Secretary shall incorporate the requirements of such provisions in all existing and new leases issued for coal or Indian lands.

(d) On and after thirty months from the enactment of this Act, all surface coal mining operations on Indian lands shall comply with requirements at least as stringent as those imposed by sections 507, 508, 509, 510, 515, 516, 517, and 519 of this Act and

the Secretary shall incorporate the requirements of such provisions in all existing and new leases issued for coal on Indian lands.

(e) With respect to leases issued after the date of enactment of this Act, the Secretary shall include and enforce terms and conditions in addition to those required by subsections (c) and (d) as may be requested by the Indian tribe in such leases.

(f) Any change required by subsection (c) or (d) of this section in the terms and conditions of any coal lease on Indian lands existing on the date of enactment of this Act, shall require the approval of the Secretary.

(g) The Secretary shall provide for adequate participation by the various Indian tribes affected in the study authorized in this section and not more than $700,000 of the funds authorized in section 712(a) shall be reserved for this purpose.

EXPERIMENTAL PRACTICES

SEC. 711. In order to encourage advances in mining and reclamation practices or to allow post-mining land use for industrial, commercial, residential, or public use (including recreational facilities), the regulatory authority with approval by the Secretary may authorize departures in individual cases on an experimental basis from the environmental protection performance standards promulgated under sections 515 and 516 of this Act. Such departures may be authorized if (i) the experimental practices are potentially more or at least as environmentally protective, during and after mining operations, as those required by promulgated standards; (ii) the mining operations approved for particular land-use or other purposes are not larger or more numerous than necessary to determine the effectiveness and economic feasibility of the experimental practices; and (iii) the experimental practices do not reduce the protection afforded public health and safety below that provided by promulgated standards.

AUTHORIZATION OF APPROPRIATIONS

SEC. 712. There is authorized to be appropriated to the Secretary for the purpose of this Act the following sums; and all such funds appropriated shall remain available until expended:

(a) For the implementation and funding of sections 502, 523, and 710, there are authorized to be appropriated to the Secretary of the Interior for the sum of $10,000,000 for the fiscal year ending September 30, 1978, and $10,000,000 for each of the two succeeding fiscal years.

(b) Commencing in the fiscal year ending September 30, 1978, and for each fiscal year for a period of fifteen fiscal years thereafter, for the implementation and funding of section 507(c) there are authorized to be appropriated sums reserved by section 401(b)(1) for the purpose of section 507(c) and such additional sums, for the fiscal year ending September 30, 1978, and for each fiscal year for a period of fifteen fiscal year thereafter, are authorized to be appropriated as may be necessary to provide an amount not to exceed $10,000,000 to carry out the purposes of section 507(c).

(c) For the implementation and funding of section 705 and for the administrative and other purposes of this Act, except as otherwise provided for in this Act, authorization is provided for the sum of $20,000,000 for the fiscal year ending September 30, 1978, and $30,000,000 for each of the two succeeding fiscal years and such funds that are required thereafter.

(d) In order that the implementation of the requirements of this Act may be initiated in a timely and orderly manner, the Secretary is authorized, subject to the approval of the appropriation Committees of the House and of the Senate, to utilize not to exceed $2,000,000 of the appropriations otherwise available to him for the fiscal year ending September 30, 1977, for the administration and other purposes of the Act.

COORDINATION OF REGULATORY AND INSPECTION ACTIVITIES

SEC. 713. (a) The President shall, to the extent appropriate, and in keeping with the particular enforcement requirements of each Act referred to herein, insure the coordination of regulatory and inspection activities among the departments, agencies, and instrumentalities to which such activities are assigned by this Act, by the Clean Air Act, by the Water Pollution Control Act, by the Department of Energy Organization Act, and by existing or subsequently enacted Federal mine safety and health laws, except that no such coordination shall be required with respect to mine safety and health inspections, advance notice of which is or may be prohibited by existing or subsequently enacted Federal mine safety and health laws.

(b) The President may execute the coordination required by this section by means of an Executive order, or by any other mechanism he determines to be appropriate.

SURFACE OWNER PROTECTION

SEC. 714. (a) The provisions of this section shall apply where coal owned by the United States under land the surface rights to which are owned by a surface owner as defined in this section is to be mined by methods other than underground mining techniques.

(b) Any coal deposits subject to this section shall be offered for lease pursuant to section 2(a) of the Mineral Lands Leasing Act of 1920, as amended.

(c) The Secretary shall not enter into any lease of Federal coal deposits until the surface owner has given written consent to enter and commence surface mining operations and the Secretary has obtained evidence of such consent. Valid written consent given by any surface owner prior to the enactment of this Act shall be deemed sufficient for the purposes of complying with this section.

(d) In order to minimize disturbance to surface owners from surface coal mining of Federal coal depcsits and to assist in the preparation of comprehensive land-use plans required by section 2(a) of the Mineral Lands Leasing Act of 1920, as amended, the Secretary shall consult with any surface owner whose land is proposed to be included in a leasing tract and shall ask the surface owner to state his preference for or against the offering of the deposit under his land for lease. The Secretary shall, in his discretion but to the maximum extent practicable, refrain from leasing coal deposits for development by methods other than underground mining techniques in those areas where a significant number of surface owners have stated a preference against the offering of the deposits for lease.

(e) For the purpose of this section the term "surface owner" means the natural person or persons (or corporation, the majority stock of which is held by a person or persons who meet the other requirements of this section) who—

(1) hold legal or equitable title to the land surface;

(2) have their principal place of residence on the land; or personally conduct farming or ranching operations upon a farm or ranch unit to be affected by surface coal mining operations; or receive directly a significant portion of their income, if any, from such farming or ranching operations; and

(3) have met the conditions of paragraphs (1) and (2) for a period of at least three years prior to the granting of the consent.

In computing the three-year period the Secretary may include periods during which title was owned by a relative of such person by blood or marriage during which period such relative would have met the requirements of this subsection.

(f) This section shall not apply to Indian lands.

(g) Nothing in this section shall be construed as increasing or diminishing any property rights by the United States or by any other landowner.

FEDERAL LESSEE PROTECTION

SEC. 715. In those instances where the coal proposed to be mined by surface coal mining operations is owned by the Federal Government and the surface is subject to a lease or a permit issued by the Federal Government, the application for a permit shall include either:

(1) the written consent of the permittee or lessee of the surface lands involved to enter and commence surface coal mining operations on such land, or in lieu thereof;

(2) evidence of the execution of a bond or undertaking to the United States or the State, whichever is applicable, for the use and benefit of the permittee or lessee of the surface lands involved to secure payment of any damages to the surface estate which the operations will cause to the crops, or to the tangible improvements of the permittee or lessee of the surface lands as may be determined by the parties involved, or as determined and fixed in an action brought against the operator or upon the bond in a court of competent jurisdiction. This bond is in addition to the performance bond required for reclamation under this Act.

ALASKA COAL

SEC. 716. Nothing in this Act shall be construed as increasing or diminishing the rights of any owner of coal in Alaska to conduct or authorize surface coal mining operations for coal which has been or is hereafter conveyed out of Federal ownership to the State of Alaska or pursuant to the Alaska Native Claims Settlement Act: *Provided*, That such surface coal mining operations meet the requirements of the Act.

WATER RIGHTS AND REPLACEMENT

SEC. 717. (a) Nothing in this Act shall be construed as affecting in any way the right of any person to enforce or protect, under applicable law, his interest in water resources affected by a surface coal mining operation.

(b) The operator of a surface coal mine shall replace the water supply of an owner of interest in real property who obtains all or part of his supply of water for domestic, agricultural, industrial, or other legitimate use from an underground or surface source where such supply has been affected by contamination, diminution, or interruption proximately resulting from such surface coal mine operation.

ADVANCE APPROPRIATIONS

SEC. 718. Notwithstanding any other provisions of this Act, no authority to make payments under this Act shall be effective except to such extent or in such amounts as are provided in advance in appropriation Acts.

CERTIFICATION AND TRAINING OF BLASTERS

SEC. 719. In accordance with this Act, the Secretary of the Interior (or the approved State regulatory authority as provided for in section 503 of this Act) shall promulgate regulations requiring the training, examination, and certification of persons engaging in or directly responsible for blasting or use of explosives in surface coal mining operations.

TITLE VIII—UNIVERSITY COAL RESEARCH LABORATORIES

ESTABLISHMENT OF UNIVERSITY COAL RESEARCH LABORATORIES

SEC. 801. (a) The Administrator, Energy Research and Development Administration (hereafter referred to as "Administrator" in this title), after consultation with the Na-

tional Academy of Engineering, is authorized and directed to designate ten institutions of higher education at which university coal research laboratories will be established and operated.

(b) In making designations under this section, the Administrator shall consider the following criteria:

(1) The institution of higher education shall be located in a State with abundant coal reserves.

(2) The institution of higher education shall have experience in coal research, expertise in several areas of coal research, and potential or currently active, outstanding programs in coal research.

(3) The institution of higher education has the capacity to establish and operate the coal laboratories to be assisted under this title.

(c) Not more than one coal laboratory established pursuant to this title shall be located in a single State and at least one coal laboratory shall be established within each of the major coal provinces recognized by the Bureau of Mines, including Alaska.

(d) The Administrator shall establish a period, not in excess of ninety days after the date of enactment of this Act, for the submission of applications for designation under this section. Any institution of higher education desiring to be designated under this title shall submit an application to the Administrator in such form, at such time, and containing or accompanied by such information as the Administrator may reasonably require. Each application shall—

(1) describe the facilities to be established for coal energy resources and conversion research and research on related environmental problems including facilities for interdisciplinary academic research projects by the combined efforts of specialists such as mining engineers, mineral engineers, geochemists, mineralogists, mineral economists, fuel scientists, combustion engineers, mineral preparation engineers, coal petrographers, chemical engineers, civil engineers, mechanical engineers, and ecologists;

(2) set forth a program for the establishment of a test laboratory for coal characterization which, in addition, may be used as a site for the exchange of coal research activities by representatives of private industry engaged in coal research and characterization;

(3) set forth a program for providing research and development activities for students engaged in advanced study in any discipline which is related to the development of adequate energy supplies in the United States. The research laboratory shall be associated with an ongoing educational and research program on extraction and utilization of coal.

(e) The Administrator shall designate the ten institutions of higher education under this section not later than ninety days after the date on which such applications are to be submitted.

FINANCIAL ASSISTANCE

SEC. 802. (a) The Administrator is authorized to make grants to any institution of higher education designated under section 801 to pay the Federal share of the cost of establishing (including the construction of such facilities as may be necessary) and maintaining a coal laboratory.

(b) Each institution of higher education designated pursuant to section 801 shall submit an application to the Administrator. Each such application shall—

(1) set forth the program to be conducted at the coal laboratory which includes the purposes set forth in section 891(d);

(2) provide assurances that the university will pay from non-Federal sources the remaining costs of carrying out the program set forth;

(3) provide such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursement of and accounting for Federal funds received under this title;

(4) provide for making an annual report which shall include a description of the activities conducted at the coal laboratory and an evaluation of the success of such activities, and such other necessary reports in such form and containing such information as the Administrator may require, and for keeping such records and affording such access thereto as may be necessary to assure the correctness and vertification of such reports; and

(5) set forth such policies and procedures as will insure that Federal funds made available under this section for any fiscal year will be so used as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available for the purposes of the activities described in subsections 801(d) (1), (2), and (3), and in no case supplant such funds.

LIMITATION ON PAYMENTS

SEC. 803. (a) No institutions of higher education may receive more than $4,000,000 for the construction of its coal research laboratory, including initially installed fixed equipment, nor may it receive more than $1,500,000 for initially installed movable equipment, nor may it receive more than $500,000 for new program startup expenses.

(b) No institution of higher education may receive more than $1,500,000 per year from the Federal Government for operating expenses.

PAYMENTS

SEC. 804. (a) From the amounts appropriated pursuant to section 806, the Administrator shall pay to each institution of higher education having an application approved under this title an amount equal to the Federal share of the cost of carrying out that application. Such payments may be in installments, by way of reimbursement, or by way of advance with necessary adjustments on account of underpayments or overpayments.

(b) The Federal share of operating expenses for any fiscal year shall not exceed 50 per centum of the cost of the operation of a coal research laboratory.

ADVISORY COUNCIL ON COAL RESEARCH

SEC. 805. (a) There is established an Advisory Council on Coal Research which shall be composed of—

(1) the Administrator, ERDA who shall be Chairman;

(2) the Director of the Bureau of Mines of the Department of the Interior;

(3) the President of the National Academy of Sciences;

(4) the President of the National Academy of Engineering;

(5) the Director of the United States Geological Survey; and

(6) six members appointed by the Administrator from among individuals who, by virtue of experience or training, are knowledgeable in the field of coal research and mining, and who are representatives of institutions of higher education, industrial users of coal and coal-derived fuels, the coal industry, mine workers, nonindustrial consumer groups, and institutions concerned with the preservation of the environment.

(b) The Advisory Council shall advise the Administrator with respect to the general administration of this title, and furnish such additional advice as he may request.

(c) The Advisory Council shall make an annual report of its findings and recommendations (including recommendations for changes in the provisions of this title) to the President not later than December 31 of each calendar year. The President shall transmit each such report to the Congress.

(d)(1) Members of the Council who are not regular officers or employees of the United States Government shall, while serving on business of the Council, be entitled to receive compensation at rates fixed by the Administrator but not exceeding the daily rate prescribed for GS–18 of the General Schedule under section 5332 of title 5, United States Code, and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(2) Members of the Council who are officers or employees of the Government shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out their duties on the Council.

(e) Whenever a member of the Council appointed under clauses (1) through (5) is unable to attend a meeting, that member shall appoint an appropriate alternate to represent him for that meeting.

AUTHORIZATION OF APPROPRIATIONS

SEC. 806. There are authorized to be appropriated not to exceed $30,000,000 for the fiscal year ending September 30, 1979 (including the cost of construction, equipment, and startup expenses), and $7,500,000 beginning with the fiscal year 1980 each fiscal year thereafter through the fiscal year ending June 30, 1983, to carry out the provisions of this title.

TITLE IX—ENERGY RESOURCE GRADUATE FELLOWSHIPS

PROGRAM AUTHORIZED

SEC. 901. (a) The Administrator of ERDA (hereafter referred to as "Administrator" in this title), is authorized to award under the provisions of this title not to exceed one thousand fellowships for the fiscal year ending September 30, 1979, and each of the five succeeding fiscal years. Fellowships shall be awarded under the provisions of this title for graduate study and research in those areas of applied science and engineering that are related to the production, conservation, and utilization of fuels and energy. Fellowships shall be awarded to students in programs leading to master's degrees. Such fellowships may be awarded for graduate study and research at any institution of higher education, library, archive, or any other research center approved by the Administrator after consultation with the Commissioner of Education.

(b) Such fellowships shall be awarded for such periods as the Administrator may determine, but not to exceed two years.

(c) In addition to the number of fellowships authorized to be awarded by subsection (a) of this section, the Administrator is authorized to award fellowships equal to the number previously awarded during any fiscal year under this title but vacated prior to the end of the period for which they were awarded; except that each fellowship awarded under this subsection shall be for such period of graduate work or research, not in excess of the remainder of the period for which the fellowship which it replaces was awarded as the Administrator may determine.

AWARDING OF FELLOWSHIPS

SEC. 902. Recipients of fellowships under this title shall be—

(a) persons who have been accepted by an institution of higher education for graduate study leading to an advanced degree or for a professional degree, and

(b) persons who plan a career in the field of energy resources, production, or utilization.

DISTRIBUTION OF FELLOWSHIPS

SEC. 903. In awarding fellowships under the provisions of this title, the Administrator shall endeavor to provide equitable distribu-

tion of such fellowships throughout the Nation, except that the Administrator shall give special attention to institutions of higher education, libraries, archives, or other research centers which have a demonstrated capacity to offer courses of study or research in the field of energy resources and conservation and conversion and related disciplines. In carrying out his responsibilities under this section, the Administrator shall take into consideration the projected need for highly trained engineers and scientists in the field of energy sources.

STIPENDS AND INSTITUTIONS OF HIGHER EDUCATION ALLOWANCES

SEC. 904. (a) Each person awarded a fellowship under this title shall receive a stipend of not more than $10,000 for each academic year of study. An additional amount of $500 for each such calendar year of study shall be paid to such person on account of each of his dependents.

(b) In addition to the amount paid to such person pursuant to subsection (a) there shall be paid to the institution of higher education at which each such person is pursuing his course of study, 100 per centum of the amount paid to such person less the amount paid on account of such person's dependents, to such person less any amount charged such person for tuition.

LIMITATION

SEC. 905. No fellowship shall be awarded under this title for study at a school or department of divinity. For the purpose of this section, the term "school or department of divinity" means an institution or department or branch of an institution, whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects.

FELLOWSHIP CONDITIONS

SEC. 906. (a) A person awarded a fellowship under the provisions of this title shall continue to receive the payments provided in section 904(a) only during such periods as the Administrator finds that he is maintaining satisfactory proficiency in, and devoting essentially full time to, study or research in the field in which such fellowship was awarded, in an institution of higher education, and is not engaging in gainful employment other than part-time employment in teaching, research, or similar activities, approved by the Administrator.

(b) The Administrator shall require reports containing such information in such forms and to be filed at such times as he determines necessary from each person awarded a fellowship under the provisions of this title. Such reports shall be accompanied by a certificate from an appropriate official at the institution of higher education, library, archive, or other research center approved by the Administrator, stating that such person is making satisfactory progress in, and is devoting essentially full time to the research for which the fellowship was awarded.

APPROPRIATIONS AUTHORIZED

SEC. 907. There are authorized to be appropriated $11,000,000 for the fiscal year ending September 30, 1979, and for each of the five succeeding fiscal years. For payments for the initial awarding of fellowships awarded under this title, there are authorized to be appropriated for the fiscal year ending September 30, 1979, and for each of the five succeeding fiscal years. such sums as may be necessary in order that fellowships already awarded might be completed.

RESEARCH AND DEMONSTRATION PROJECTS OF ALTERNATIVE COAL MINING TECHNOLOGIES

SEC. 908. (a) The Administrator is authorized to conduct and promote the coordination and acceleration of, research, studies, surveys, experiments, demonstration projects, and training relating to—

(1) the development and application of coal mining technologies which provide alternatives to surface disturbance and which maximize the recovery of available coal resources, including the improvement of present underground mining methods, methods for the return of underground mining wastes to the mine void, methods for the underground mining of thick coal seams and very deep seams; and

(2) safety and heatlh in the application of such technologies, methods, and means.

(b) In conducting the activities authorized by this section, the Administrator may enter into contracts wtih and make grants to qualified institutions, agencies, organizations, and persons.

(c) There are authorized to be appropriated to the Administrator, to carry out the purposes of this section, $35,000,000 for each fiscal year beginning with the fiscal year 1979, and for each year thereafter for the next four years.

(d) At least sixty days before any funds are obligated for any research studies, surveys, experiments or demonstration projects to be conducted or financed under this Act in any fiscal year, the Administrator in consultation with the heads of other Federal agencies having the authority to conduct or finance such projects, shall determine and publish such determinations in the Federal Register that such projects are not being conducted or financed by any other Federal agency. On December 31 of each calendar year, the Secretary shall report to the Congress on the research studies, surveys, experiments or demonstration projects, conducted or financed under this Act, including, but not limited to, a statement of the nature and purpose of each project, the Federal cost thereof, the identity and affiliation of the persons engaged in such projects, the expected completion date of the projects and the relationship of the projects to other such projects of a similar nature.

(e) Subject to the patent provisions of section 306(d) of this Act, all information and data resulting from any research studies, surveys, experiments, or demonstration projects conducted or financed under this Act shall be promptly made available to the public.

And the Senate agree to the same.

MO K. UDALL,
PHILLIP BURTON,
TENO RONCALIO,
JONATHAN BINGHAM,
JOHN SEIBERLING,
PAUL E. TSONGAS,
NICK RAHALL,
JOE SKUBITZ,
PHILIP E. RUPPE,
Managers on the Part of the House.

HENRY M. JACKSON,
LEE METCALF,
HOWARD M. METZENBAUM,
WENDELL H. FORD,
SPARK M. MATSUNAGA,
CLIFFORD P. HANSEN,
JAMES A. MCCLURE,
PETE V. DOMENICI,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

INTRODUCTION

This is the third time in each of the last three Congresses that House and Senate conferees have met to resolve differences in federal legislation to control the impact of surface coal mining. Due to the continued consideration by Congress over the last five years both H.R. 2 and S. 7 were structurally similar and substantively similar in most provisions. Differences were focused on specific provisions which represented different approaches on selected issues considered by the House and Senate.

H.R. 2 as introduced was a modified version of H.R. 25, vetoed in June, 1975. The modifications which were embodied in H.R. 13950, 94th Congress, reflected the continued effort on the part of the House to shape a bill which would provide the essential protection to the land and water resources while still trying o meet the concerns which led to th last veto. The Senate bill, S. 7, as introduced was a streamlined version of H.R. 25. Committee acion this year in both Houses focused on procedural simplification as well as specific environmental protction provisions. While the bills as they emerged from the House of Representatives and U.S. Senate had a large number of specific differences, most of these were minor and approximately only ten issues emerged for significant attention by the Conferees. The Conference attention was focused on: the funding of mineral research institutes, coal research laboratories, and energy fellowships; the requirments for surface owner consent over both Federal and privately owned coal; specific environmental standards pertaining to mountain mining standards in the eastern United States specifically the requirement to backfill all highways completely and the appropriate phase-in period for small coal operators; the protection of alluvial valley floors in the western United States; the range of program alternatives pertaining to Indian land and resources; the scope and jurisdiction of the abandoned mine reclamation program; and the nature of the protection of prime agricultural lands.

Following is an Overview of Conference Decisions which present a brief description of the House bill, the Senate amendment and the resolution of the differences.

OVERVIEW OF CONFERENCE DECISIONS

Title I sets forth the findings and policy of the legislation which were melded by the conferees.

Title II establishes an Office of Surface Mining Reclamation and Enforcement with the Department of Interior and delineates the duties of its Director. The House Bill included authorization for the Civil Service Commission, after consultation with the Secretary, to determine the necessary number of supergrade positions required to meet the functions of the office and to allocate such positions to the Secretary. The Senate receded ot this provision. The Senate amendment provided greater administrative flexibility to the Secretary in locating the Office within the Department. The House receded to this provision.

Title III establishes the State Mining and Mineral Resources and Research Institutes. It is identical to the title contained in H.R. 2, as passed by the 94th Congress and subsequently vetoed by President Ford. The only significant difference between the House bill and the Senate amendment was that the Senate amendment would have restricted the purposes of the research institutes to coal research. The Conferees' agreement on the House version also included adoption of Title VIII (Title V of S. 7) which establishes University Coal Research Laboratories, and Title IX (Title VI of S. 7), authorizing a

program of Energy Resource Graduate Fellowships.

Title IV contains the Abandoned Mine Reclamation program. The Senate amendment, which was generally adopted throughout Title IV, provides for establishment of State abandoned mine reclamation programs with somewhat broader jurisdiction than was proposed in the House bill. Provisions which differ from either version are noted below.

Sec. 401: The Senate amendment provided that a State fund is to be established for each approved State abandoned mine reclamation program, and fund moneys are to be used for various purposes connected with reclamation of orphan lands, including subsidence control. The House bill required one-fifth of the funds collected to be earmarked for use by the Secretary of Agriculture for a rural lands reclamation program. The Conferees agreed to both provisions.

Sec. 402: Both the House bill and the Senate amendment imposed a reclamation fee of 35 cents per ton on surface mined coal and 15 cents per ton on underground mined coal. The Conferees agreed to the imposition of a reclamation fee for lignite coal at the lesser rate of 10 cents per ton or two per cent of the value of the coal, whichever is less. The compromise reached on the reclamation fee for lignite reflects the Conferees balancing two factors. First, lignite generally has had a lower value than coal and thus a 10% fee could be onerous. Second, many recent long term contracts for lignite have had prices in the same range as subbituminous coal.

The Conferees intend that 50% of the reclamation fee must be allocated to the state or Indian reservation in which the coal was mined, if there is an approved State or reservation reclamation program. Once all the eligible lands in a State or reservation have been reclaimed, all voids filled, and all tunnels sealed, the Secretary has discretionary authority to allow use of all or part of this 50% for construction of public facilities in communities impacted by coal development. This can only be done if certain specified Federal payments are inadequate to meet the needs.

The additional 50% is to be spent by Secretary through the State program if he determines that is the best means of achieving the purpose or, on his own or by other Federal agency after consultation with the State.

The Conferees limited this "impact" provision which originated in the Senate amendment in recognition of the increase in the State share of Federal coal and other mineral leasing revenues and the impact loan fund enacted in the 94th Congress as part of the Federal Coal Leasing Amendments Act and the Federal Land Policy and Management Act.

Sec. 403: The Senate amendment set forth somewhat more detailed and specific objectives of the Abandoned Mine Reclamation Fund, such as the conservation of various natural resource values and the development of publicly-owned lands adversely affected by past coal mining operations. The House receded.

Sec. 404: Provisions of the House bill were adopted, covering both land and water resources which are adversely affected by past coal mining activities.

Sec. 405: This section is a melding of both bills in nearly equal proportions. Under the Senate amendment the Secretary was required to promulgate rules and regulations covering State abandoned mine reclamation programs, within 180 days after the date of enactment. Also, he was barred from funding such programs in the absence of an approved State regulatory program, he was to grant exclusive authority to a State to implement its approved abandoned mine reclamation program, reserving the right to withdraw his approval upon non-compliance by the State with the requirements of this title, and he was to monitor the progress and the quality of the State program. The House receded to these provisions.

Under the House bill, to which the Senate receded, States may submit for the Secretary's approval a reclamation plan which shall meet certain informational specifications as to reclamation areas, projects, costs, and other planning elements. When the Secretary approves a reclamation plan, it then becomes the approved program for that State and is to be funded as such. Indian tribes are to be considered as "States" for purposes of this title.

Sec. 406: The provisions of this section were identical in that both bills would establish a program for rehabilitation of small landholdings, except for one proviso. The Senate amendment which contained this proviso allowed the Secretary of Agriculture, in administering the rural lands program, to exercise his discretion to exceed the eligibility limit of 120 acres of land for up to 320 acres, if the grant to the landowner in such cases is reduced proportionately. The Senate proviso was agreed to.

Sec. 407: In combining the two versions in this section, the Conferees clarified the State role throughout by ensuring that equal authority may be exercised by the Secretary or by the State under its approved State program. The Senate version as adopted required a finding of fact as to certain preconditions having been met, prior to entry upon or acquisition of land or water resources adversely affected by past coal mining practices. It contained various authorizations, including those for the construction of treatment facilities and the acquisition of coal refuse dumps, the resale of land after reclamation at not less than fair market value, and the transfer of such lands by the Secretary for use in projects to construct or rehabilitate housing for persons displaced, disabled or dislocated as a result of past coal mining activities or natural disasters.

Section 407(b) authorizes the Secretary to acquire eligible lands and then, after reclamation, transfer them to state or private ownership, if he determines that acquisition and reclamation is an element of an economically feasible plan for a project to construct or rehabilitate housing for several classes of persons set out in the bill. The land acquisition authorization includes authority to acquire any improvements on the lands. The value of such lands or improvements is to be determined without regard to any damage from past mining, such as subsidence.

For example, the Secretary could acquire lands and improvements thereon damaged by subsidence, and the owners then could use the funds to buy a new residence.

Also lands damaged by mining could be acquired, reclaimed, and used as site for housing for people displaced by a natural disaster, such as a flood.

Sec. 408: The Senate amendment was adopted in its entirety but was modified by the Conferees so as to empower both the Secretary and the States, pursuant to an approved State program, to act to recover the costs of reclaiming privately-owned lands. Retained from the House bill, which was similar to the Senate amendment, was a requirement that the lien shall have priority second only to real estate taxes imposed upon the land in question.

Sec. 409: There were no differences between the House and Senate bills in this section, with the exception of a provision authorizing State regulatory agencies to carry out this type of reclamation, which was agreed to by the Conferees. The section relates to non-coal mine reclamation of abandoned or orphan lands.

Sec. 410: This section accords certain power to the Secretary to act where an emergency constituting danger to the public health and safety exists and where no other remedy is available. It has no counterpart in the House bill and the House receded. The Conferees deleted a requirement that money expended under this section could be recovered in full from the landowner involved.

Sec. 411: The House bill and the Senate amendment were identical with respect to the reporting requirements on reclamation fund activities.

Sec. 412: The House bill contained no comparable language. The House receded and agreed to adopt the Senate version.

Sec. 413: This section was taken from the Senate amendment. The Conferees deleted a paragraph requiring consultation by the Secretary with certain other Federal agencies. There was no equivalent provision in the House bill.

Title V contains the most critical portion of the two bills: the authority to regulate surface mining; the procedures to be used by all parties—federal, state and local governments. and operators and citizens; the environmental protection standards; bonding; enforcement and penalty provisions; and the judicial remedies available to all participants.

Sec. 501: The House bill and the Senate amendment were quite similar and the melded provision provides for the issuance of regulations for the interim and permanent regulatory programs. This provision also excludes the issuance of regulations for the interim program from being a major Federal action under the National Environmental Policy Act of 1969.

Sec. 502: The House bill provided for an interim regulatory program which would apply to existing mines nine months after the date of enactment, and new mines six months after date of enactment. The interim program consisted of a number of environmental protection standards: planning, regrading to approximate original contour, topsoil segregation, revegetation, water resources protection, mine waste disposal, surplus spoil disposal, blasting, and steep slope mountain mining standards of no spoil on the downslope and complete back filling of all high walls. The interim program also provided for back-up Federal inspections after a series of State inspections showed failure to comply with the interim environmental standards.

The Senate amendment provided for a similar interim program, however with the following differences: The interim standards did not include blasting provisions, the back-up Federal inspection program mandated Federal inspection of every operation every 3 months, and a specification that small mine operators (up to 100,000 tons annual production) would not have to meet requirements of interim program (excepting the steep-slope provision regulating downslope placement of spoil immediately below the bench) for a 24-month period after the date of enactment.

The Senate receded to the House in the range of environmental standards (the conference report includes surplus spoil disposal areas by reference through inclusion of Sec. 515(d) and (c)). The House receded to the Senate by agreeing to a more complete back-up Federal inspection system. A compromise provision stating that surface mine operations permitted in a State prior to date of enactment of this Act, having total annual production from surface and underground mines not exceeding 100,000 tons, do not have to meet the interim Federal standards (excepting the prohibition of pushing spoil on the downslops below the bench) until January 1, 1979.

In accepting the concept of the Senate amendment the Conferees modified it in two ways. First, they made the 100,000 ton per operator (not per mine) ceiling qualifica-

tion for the additional time to comply with the interim standard applicable to the combined total production from all mines—both surface and underground.

Second, the extension expires on January 1, 1979. The Conferees want to stress that the individual States have complete authority to require full compliance at an earlier time if they so chose.

The Conferees expect the Secretary to promulgate regulations establishing procedures under which operators may demonstrate that they are eligible for the extension of time for compliance with the interim standards.

The Conferees also wish to note that the extension applies only to permits issued on or before six months after enactment of H.R. 2. It does not apply to renewal of such permits. The permit is, of course, established by state law.

Sec. 503: Both bills were virtually identical and this Section establishes the procedure for the development, submission and approval of a permanent State regulatory program meeting all of the minimum requirements set forth in the Act. The Conferees agreed to clarify the language of the bill dealing with the consistency of state laws and regulations with the Federal laws and the Secretary's regulations. They adopted the principle of the Senate amendment that an approved Federal law and (2) state rules and regulations consistent with the Secretary's regulations. The conference report retains the basic principle that the Federal law and regulations are minimum standards which may be exceeded by the states.

Sec. 405: Both bills were virtually identical. This Section of the Conference Report sets forth the procedure by which the Secretary of Interior implements a Federal program for regulating coal surface mining in the absence of an approvable State program. Procedures are also established to provide for the transition from State to Federal programs, or vica-versa, in order to assure that coal operations can continue in an orderly manner.

Sec. 505: Both bills were identical. This Section stipulates that States may have regulatory laws more stringent than provisions in Federal legislation.

Sec. 506: The House bill and the Senate amendment set forth a timetable for obtaining permits to conduct surface coal mining operations under the permanent regulatory program. The provisions of both bills were similar. The agreed upon meld includes the following provisions combined from both bills: all mines must have valid permits no later than 8 months after the implementation of the State or Federal regulatory program; permits are for an area to be mined in a term not to exceed 5 years, however a longer term permit may be issued if necessary for financial reasons; termination requirements in the absence of commencing operations with provisos for extension for specified reasons; the right of successive renewal for areas within a valid permit with the burden of non-renewal upon objectors to renewal or the regulatory authority finds that certain specified conditions are not being met by the operator; and that any new areas included in such a permit renewal requires meeting full standards applicable to new permits.

H.R. 2 included a specific provision pertaining to the renewal of permits for mines eligible under the "proviso" pertaining to operations on alluvial valley floors [Sec. 510(b)(5)]. Existing permits for eligible mines may cover only a portion of the planned life of the mine on file with the regulatory authority. In such instances, the House provisions stipulates that appropriate new areas identified in the long term mine plan on file with the regulatory authority but not under existing permit, also are eligible under the provision. The Senate amendment had no such provision and the Senate receded.

Sec. 507: Both bills details the information to be included in an application for coal surface mine operations. Such information included: identification of the operator and lands to be mined; past mining record; method of operation; accurate maps showing cultural, physical, and pertinent geologic data; hydrologic information; a reclamation plan and certificate of insurance. H.R. 2 included the provision to waive certain test boring or core sampling analysis if the data were already available and therefore unnecessary with respect to a specific application. The Senate receded.

The Senate amendment included the stipulation that the determination of hydrologic consequences with respect to cumulative impacts of all anticipated mining would not be required unless data were available. The House receded with the further stipulation that the mine permit would not be approved until such information was available and incorporated into the application.

Sec. 508: This Section details the Reclamation Plan Requirements. The provisions of both bills were similar and specified that a wide range of information and analysis be included in the plan. The following data, for example, were included in both bills: an identification of the entire area to be mined over the life of the operation and smaller areas for individual permits; land capability prior to mining; post-mining land uses, and how they are to be achieved; the mine plan including the engineering techniques, technology to be used, and timetable of operations; and methods of protecting water resources. H.R. 2 also included specific provisions concerning productivity of prime agricultural lands and the Senate receded after such provisions were made applicable to prime farm lands.

Sec. 509: This Section sets forth the requirements for performance bonds. Both bills included such requirements. The Senate amendment included discretionary authority for allowing applicants to bond themselves. The House receded. H.R. 2 included discretionary authority for alternative bonding approaches providing the objectives and purposes of this bonding program are met. The Senate receded.

Sec. 510: This Section includes the provisions from both bills which set forth the standards by which permit applications are to be approved or disapproved in the permanent regulatory program. Both bills placed the burden-of-proof upon the applicant to show that the provisions of the Act will be met and the regulatory authority must make such a finding in writing. Specific tests are included: the permit application is complete and accurate; the applicant has demonstrated that reclamation requirements can be met; the assessment of cumulative hydrologic impacts has been made; the area is not under consideration for "designation unsuitable for surface mining" and the imposition of certain constraints if located on an alluvial valley floor.

Several of the significant differences between H.R. 2 and 5.7 were included in this section and pertain to alluvial valley floors, prime farm land, and consent of surface landowners to mining operations.

Alluvial valley floors

H.R. 2 stipulated that no mines were to be located on "alluvial valley floors" in the west, nor were such mines to materially damage the quantity or quality of water in grounds surface systems which supply the valley floors. However, surface coal mine operations producing coal in commercial quantities in the year preceding enactment of this Act and were located on or adjacent to an alluvial valley floor were exempt from this constraint. Similarly, those mines which already obtained specific permit approval to conduct mining in an alluvial valley floor were also excluded.

The Senate amendment provided for new mine operations on alluvial valley floors under limited circumstances. Mines that would interrupt, discontinue or prevent farming on alluvial valley floors when such farming is part of the farm's agricultural production would not be approved. Undeveloped rangelands are not included in this constraint as well as those developed or farmed lands which are so small as to have a negligible impact on the farm's agricultural production. The exemption to this provision for existing or permitted mines is essentially the same as that in H.R. 2.

The Senate amendment also provided authority for the Secretary of Interior to lease Federal coal deposits as an exchange relinquishment of a Federal coal lease for coal affected by this alluvial valley floor constraint. Such an "exchange" would be limited to those operators who had made a "substantial legal and financial" commitment to mine such coal prior to January 1, 1977. Similar exchange authority under Section 206 of the Federal Land Policy and Management Act of 1976 was granted the Secretary with respect to "fee" coal owned in alluvial valley floors. Both of these authorities were discretionary on the part of the Secretary.

The House receded to the Senate provision with few changes. The phrase "not interrupt, discontinue or prevent farming" was modified to "not interrupt, discontinue or preclude farming" in order to assure coverage of those lands which may be taken out of agricultural production in order to qualify for a new mine start on an alluvial valley floor. The Conferees did not want this type of change in land-use to qualify an alluvial floor for mining. The phrase "not adversely affect" with respect to off-floor operations was changed to "not materially damage". The Conferees also stipulated that the Secretary develop and carry out a coal exchange program for fee coal located in alluvial valley floors under the provisions of Sec. 206 of the Federal Land Policy and Management Act of 1976. If developed lands on alluvial valley floors were of "such small acreage as to be of negligible impact on the farm's agricultural production" they may be included in a mine plan. The Conferees recognize that farming on the mine site must be interrupted during the mining and reclamation process. Therefore, the language quoted above is not intended to apply to such temporary on-site interruptions but is limited solely to such interruptions of off-site farm activities.

The language added by the Conferees to the "Wallop Amendment" of the Senate version is designed to make it clear that the Secretary should actively implement the coal exchange program. This program would apply to all those private coal deposits, regardless of any previous financial or legal commitments, which the Secretary determines cannot be mined because of the provisions of Section 510(b)(5). The program would not apply to privately owned coal which might have been mined in the same operation but which can still be mined.

Prime farmlands

The Senate amendment contained a special test, effective on the date of enactment, with respect to the protection of prime farmlands. Any mine application whose area in prime farmlands exceeded 10% of the total area included in the application would have to demonstrate that such lands would be restored to full productivity. The granting of such a permit would be discretionary on the part of the regulatory authority. Permits and coal surface mine operations existing on the date of enactment would not have to meet this test.

The House bill had no such provision.

Conferees agreed to a revised provision which stipulates that such a permit shall be granted if the regulatory authority finds that the applicant has "the technological capability to restore such mined area, within a reasonable time, to equivalent or higher levels of yield as non-mined prime farmland soils in the surrounding area under equivalent levels of management." The exclusion for existing mines, permit or renewals thereof after the date of enactment was also agreed to by the Conferees who desired to assure continued operation of ongoing mines. It is the intention of the Conferees that the written finding that the regulatory authority is required to make before a permit is granted to mine on prime farmland can be based in part on the expert opinion of the regulatory authority, the operator has the technological capability to perform the soil reconstruction standards of section 515(b)(7) and the performance of those standards will result in the restoration of the mined area to equivalent or higher levels of agricultural yield as non-mined prime farmland in the surrounding area under equivalent levels of management. This does not mean that mining and restoration must have taken place in the surrounding area, but simply that the operator can show by agricultural school studies, or other data for comparable areas that equivalent yields can be obtained after mining.

The Conferees agreed that the protection for prime farmland should apply to all permits issued after enactment. The Conferees expect that the Secretary will issue regulations to implement this section as soon as possible.

The term "prime farmland" is defined in Section 701(33). The definition by the Secretary of Agriculture was set out during the Senate debate (May 20, 1977—page 15717).

Surface owner consent

H.R. 2 required consent of the surface landowner for stripmining if both the surface and mineral estates were in separate private ownerships. The applicant would have to show: (a) written consent; (b) a conveyance expressly granting the right to stripmine; or (c) other evidence establishing that the conveyance authorized stripmining. It was presumed that in the absence of such evidence the conveyance was intended to limit coal mining to the practices in general use at the time of conveyance.

The Senate amendment had no such provision.

The matter was resolved by providing that in those cases in which there is no written consent of the surface owner nor express coverage of the right to mine coal by surface methods in the relevant legal instruments that (1) the determination of whether or not the private mineral estate owner or a successor-in-interest has the right to mine the coal by surface methods be made in accordance with applicable state law, and (2) jurisdiction to make that determination under applicable state law shall remain in the body—most probably the state courts—given that jurisdiction by the state in question. In those cases in which the applicant has neither the written consent of the surface owner nor a legal instrument expressly providing for surface mining, the applicant would be able to furnish the regulatory authority with any appropriate evidence of its right to engage in surface mining, including the original severance instrument and legal authority under applicable state law that the language in such instrument gives it the right to mine coal by surface methods.

If there is any legal question, the body designated by state law to determine property rights will resolve the issue.

Sec. 511: The House bill and the Senate amendment were quite similar and set forth procedures for revision of permits during the term of the permit. H.R. 2 stipulated that the regulatory authority could require reasonable revision or modification of the permit during its term. The Senate amendment stipulated that the regulatory authority within time limits prescribed in regulations review outstanding permits for identification of necessary revisions or modifications. The House receded with respect to this provision.

Sec. 512: This Section prescribes the procedures and standards that apply to exploration activities for coal: The provision was the same in both bills except for a 250 ton limit on coal removal without specific written authority which was included in H.R. 2. Senate conferees receded on this limitation.

Secs. 513 and 514: These two sections pertaining to Public Notice and Hearings and Decisions of the Regulatory Authority and Appeals were similar in the House bill and Senate amendment and were considered jointly by the Conferees.

Both the House Bill and the Senate Amendment set forth statutory guidelines for public notice and hearings on permit applications. The House Bill and Senate Amendment both require the applicant for a surface mining permit to give public notice of his pending application through local newspaper advertisement and the regulatory authority is required to notify local governmental agencies of the pendency of the application. Under the Senate Amendment, such agencies were obligated to submit comments on the application to the regulatory authority. The House Bill makes the submission of comments optional. The Conferees adopted the House approach.

The House Bill provides that "any person having interest which is or may be adversely affected," or appropriate governmental officials may intervene in the permit process by filing written objections to the permit. The House Bill authorizes the regulatory authority to hold an informal conference on the objections prior to the decision on the permit. The Senate Amendment allows appropriate government officials or any person "with a valid legal interest" to intervene by written objections, and confers the right to a public hearing if the objections are not frivolous. The Conferees adopted the House approach both as to standing to intervene and informal procedures in lieu of a formal public hearing. The Conferees further provided for a full public hearing after the decision on the application to be governed by 5 USC § 554 if the Secretary is the regulatory authority. If the State is the regulatory authority, the hearing is to be of record and adjuticatory in nature. The Conferees rejected the Senate provision that the Secretary may not prescribe hearing procedures as a condition of approval of a State program.

The requirement in 513(b) for a newspaper advertisement of an informal conference "at least two weeks" prior to the conference date is to be interpreted in accordance with applicable state law. For example, where weekly newspapers are used, state laws frequently interpret "two-week notice" to be satisfied by publication in two consecutive weekly issues.

This section also requires that a public record of an informal conference be maintained. The Conferees believe that records of informal conferences do not have to be as complete and formal as would be required for records of formal hearings.

Sec. 515: This Section contains the specific environmental protection performance standards for surface mine operations. The structure and general content of this section was similar in the two bills. The section has a number of subsections, however, there are three main subsections concerning: (1) general standards for all mines, (2) additional standards for mountain top operations and (3) additional standards for steep slope contour mine operations.

General standards

The general standards common to both bills include: restoration objectives; regrading to "approximate original contour"; topsoil segregation; revegetation and time periods for operator responsibility; water impoundment controls; water resources protection; control of blasting; mine waste disposal and control of access roads.

H.R. 2 provided a general standard for surplus spoil disposal in lieu of practices of pushing the spoil downslope from mining benches. The Senate amendment included similar standards for the various types of mining. Conferees melded the provisions into ono provision (515(b)(22)).

H.R. 2 provide for special soil reconstruction standards for prime farmlands. The Senate amendment had no comparable provision and the Senate receded.

H.R. 2 provided that surface mine operations could mine closer than 500 feet active underground mines as long as the regulatory authorities for both (1) underground mine health and safety and (2) surface mines approved the coincidence of operations. The Senate amendment prohibited outright surface operations from coming within 500 feet of an active underground mine. Based on the possible large number of combinations of mining occurrences, geologic factors and health and safety parameters, and the apparent inflexibility of the stipulated 500 foot prohibition, the Senate conferees receded to the H.R. 2 provision. The Conferees adopted the House version with the addition of language from the Senate amendment which makes it clear that surface mines can be permitted to mine completely or partially through abandoned underground mines.

The Senate amendment included a short-term limited and temporary variance to the approximate original contour grading standard when underground mining is to immediately follow stripmining and when backfilling the highwall and regrading to the approximate original contour is inappropriate. Such may be the case for "punch mining" from a contour stripmine bench. Such variance would be for only those portions of the highwall and related bench area required for entryways, etc. of the punch mine. At the completion of underground mining, the deferred regrading to the approximate original contour with all highwalls backfilled would be required and the operator's performance bond would be held for the duration of both operations and until the full requirements of regrading to approximate original contour are met. H.R. 2 had no such provision and House conferees receded.

The Senate amendment provided environmental standards and policy guidance with respect to auger mining as part of surface mine operations. House conferees receded on this provision.

The Senate amendment included specific standards to minimize disturbances to and protect fish and wildlife resources and related environmental values. House conferees receded on this provision.

Mountaintop mining

The second major subsection pertains to mountaintop mining and stipulates special specific land-use assurances for a wide range of past mining land uses. Excess spoil is to be disposed of in accordance with the general spoil disposal standards. Conferees melded the two provisions.

Contour mining

The third major subsection concerns contour mining on steep slopes. Both bills provided for regrading to approximate original contour including complete backfilling of the highwall. H.R. 2 stipulated that no spoil was to be pushed or placed downslope of the bench while S. 7 allowed that spoil from the

first short initial cut to be placed downslope below the bench. Senate conferees receded to the House provision.

The Senate amendment provided a variance to the approximate original contour and backfilling highwalls completely for a wide range of post mining land uses. In addition, if "sound engineering technology" indicated that the highwall could not be completely backfilled, then the operator would have been required to reduce the highwall to the maximum extent consistent with "sound engineering technology" and develop a revegetation plan that is "reasonably calculated" to screen the remaining highwall within 5 years. H.R. 2 included no such provisions.

Conferees agreed on a modified variance to the approximate original contour standard which requires that all highwalls are to be completely backfilled in every instance. This amounts to a variance from the "configuration" aspects of the regrading standard [See the definition, Sec. 701 (2).] This gives an opportunity for a broad range of post-mining land uses on those operations which would result in a very wide bench accommodating both the stable and complete backfilling of the highwall as well as additional areas for the planned land uses. Conferees did not adopt the "sound engineering technology" provision of S. 7.

Sec. 516: This section establishes environmental standards for the surface impacts of underground mine operations. The provisions of both bills were similar and the melded version include environmental standards covering: subsidence, exploratory activities, surface disposal of mine wastes, revegetation, protection of off-site areas from damage, elimination of fire hazards, protection of water resources, the design of new mines to prevent gravity discharge of mine drainage, and the protection of fish, wildlife and related environmental values. The implementation of these standards is to be coordinated with MESA in order to assure that health and safety standards are not abridged. The House conferees receded to the Senate with respect to the standards pertaining to gravity water discharges from mine openings and protection of fish and wildlife resources.

Sec. 517: This section sets forth the authority for inspection of coal surface mine operations and monitoring the impacts of such operations including the effectiveness of reclamation activities. The general provisions in both bills were virtually identical. However, the House receded to the following additional provisions in the Senate amendment: (1) mine identification at entrance to operation; (2) written notice of violations to operators; (3) availability of inspection reports to the public; (4) conflict-of-interest provision concerning inspectors; and (5) Secretarial responsibility for issuance of citations for violations and performance of adequate and complete inspections.

Sec. 518: This section of the Conference Report sets forth the penalty scheme to be applied under the act and the procedures to be followed in the imposition of penalties. Any violation may lead to a civil penalty but if a cessation order is issued then the penalty is mandatory.

A major issue was presented by the House Bill's inclusion of language in Section 518(e) that would allow the Secretary to take civil penalties owed by the operator from the performance bond posted to assure reclamation of the area upon default. The Senate Amendment had no similar provision. The House receded to the Senate on this issue.

The Senate amendment included a provision for the assessment of a penalty of $750.00 for each day an operator fails to comply with an order to correct a violation within the period permitted for correction. H.R. 2 had no such provision and the House receded.

The Senate amendment explicitly stated that the enforcement section of the Federal bill will not prevent a State from adopting additional enforcement mechanisms. The House receded.

Sec. 519: This section sets forth procedures for release of performance bonds. Both bills provided for phased release depending on amount of reclamation accomplished and for public notice and hearings.

The House bill provided a 60 day period for site inspection after the request for bond release. The Senate amendment provided for a 30 day period and this was adopted by the Conferees in order to provide for expeditious action on the part of the regulatory authority. The Conferees intend that site inspections be made, where necessary, prior to action on the release.

The House bill included a special test for partial bond release geared to restoring productivity of prime farmlands. The Senate Conferees receded.

The Senate amendment included a provision pertaining to maintenance of silt dams as a condition of partial bond release. The House receded.

SEC. 520: This provision of the Conference Report pertains to citizen suits.

The House bill and the Senate amendment thereto had similar citizen suit provisions. The Conferees adopted a blend of these two sections including the House language vesting jurisdiction in the federal courts without regard to citizenship or jurisdictional amount (the Senate Amendment is silent on this point) and a rewritten version of the Senate Amendment's subsection (f) that establishes a right of action for injuries resulting from an operator's violation of any rule, regulation or order or permit issued under the act (the House Bill contained no similar provision).

SEC. 521: This section of the Conference Report sets forth the procedures to be followed by the Secretary in the enforcement of the Act.

The House Bill and Senate Amendment presented different treatment of procedures leading to a cessation order and permit suspension. Section 521(a)(4) of the House Bill requires that the finding of three "serious violations" within a 90-day period would automatically trigger a cessation order mandating correction of the violation and an automatic cessation order for every violation noticed six months thereafter. An order to show cause why the permit should not be suspended or revoked must issue under the House Bill after the third cessation order. The companion provision of the Senate Amendment requires the issuance of an order to show cause why the permit should not be suspended or revoked upon the finding of a "pattern of violation" either willfully caused by the permittee or as a result of an "unwarranted failure" to comply. The House receded to the Senate on this point and the Conference Report contains the provisions of the Senate Amendment.

Another issue presented in the Enforcement section of the legislation is the differing procedures by which the Secretary can enforce part of a State program. The House receded from its position that the Secretary could exercise this authority upon the finding of a State's effective failure to enforce, and the Conference adopted the Senate Amendment's requirement for a public hearing prior to such action by the Secretary.

Sec. 522: The House bill and the Senate amendment had similar provisions pertaining to the designation of lands unsuitable for surface coal mining. State regulatory programs must include a responsible process to respond to petitions for designating areas unsuitable for all or certain types of surface coal mine operations and criteria and procedures for designation are set forth.

With respect to such designation of Federal lands by the Secretary, the House bill required consultation with local and State agencies. The Senate amendment was silent as to consultation and the Senate conferees receded.

Both the Senate Amendment and the House Bill contained similar provisions barring strip mining in national forests with limited exceptions. The House bill provides that such exceptions were not applicable to the Custer National Forest, while the Senate Amendment extended this limitation to all national forests in Alaska. The Senate receded so that the Conference Report does not ban the application of the exceptions to the general prohibition on mining to national forests in Alaska.

Sec. 523: The House bill and the Senate amendment direct the Secretary to promulgate a program regulating coal surface mine operations on Federal lands and which incorporates all of the provisions of the Act.

The House bill required that this be accomplished in 6 months while the Senate amendment established a 12 month time period. The House receded.

The Senate amendment required that the provisions of an approved State regulatory program be made part of Federal permits, leases or contracts. The House receded stipulating that such inclusion was linked with the authority for State regulation of Federal lands.

The House bill required the Secretary to develop a program to avoid unreasonable denial of Federal coal to any class of purchasers. The Senate amendment did not include such a provision and the Senate conferees receded.

Sec. 524: This provision stipulating that public agencies, public utilities and public corporations must comply with Title V of the Conference Report was an identical provision in each bill.

Section 525 of the House bill and its companion section of the Senate amendment were very similar. The House bill allows the Secretary to award costs in an administrative proceeding. The Senate amendment contained no similar provision. The Conferees adopted a version of the House provision modified to clarify responsibility for awarding such costs.

Sec. 526: The House bill and Senate amendment are similar in their treatment of judicial review. The House bill provides for judicial review of the Secretary's decisions regarding approval or disapproval of a State program in the U.S. Court of Appeals in the circuit in which the State is located while regulations were subject to review in the District Court for the District of Columbia. Under the House bill, other orders are subject to review in the U.S. District Court in the district in which the surface coal mine is located. The Senate amendment established jurisdiction in the U.S. Court of Appeals for the areas in which the operation is located.

The Conferees agreed to language vesting jurisdiction in the appropriate District Courts and established that review of the Secretary's action to approve or disapprove State programs, promulgate a federal program, promulgate regulations and any action constituting rule making shall be based on an arbitrary or capricious standard.

Sec. 527: The House bill authorized the Secretary to issue separate regulations for specified environmental protection standards for special bituminous coal mines located in the West which meet certain criteria. Existing operations as well as potential new mines adjacent to such eligible operations are covered. State laws, regulations and decisions made by State regulatory authorities are to be protected.

The Senate amendment mandated the Secretary to issue such separate regulations only for existing eligible mines. The Senate receded to the House provisions.

Sec. 528: The House bill and the Senate amendment exempted certain small noncommercial coal mining operations from the provisions of this Act.

The Senate amendment also included an exemption for all construction. The Conferees agreed to a modified version of the Senate amendment which limits the exemption to extraction of coal as an incidental part of government-funded construction only, rather than all construction as originally provided in the Senate language.

Sec. 529: The House bill included a provision requiring the Secretary to issue special regulations for anthracite coal mine operations which are especially regulated by the State in which they are located.

The Senate amendment had no such provision and the Senate conferees receded to the House provision.

Title VI of the House bill establishes a process for designating certain lands unsuitable for all or certain types of mining of minerals other than coal. The Senate Amendment contained no such title.

Conferees agreed to adopt a modified provision identical to that contained in H.R. 25, 94th Congress, which was approved by the Congress but vetoed.

Title VII: The House bill and Senate amendment included similar titles containing definitions, authorizations for appropriations, and miscellaneous provisions.

Section 701: All the definitions contained in the House and Senate bills were identical except for the following instances:

(1) "alluvial valley floors". Additional clarifying language taken from the definition colluvial deposits composed chiefly of debris from sheet erosion deposits, by unconcentrated runoff or slope wash, together with talus, other mass movement deposits and windblown deposits.

(2) "approximate original contour". The House version as agreed to by the Conferees allows terracing and the retention of access roads within the mined area after back-filling to the approximate original contour, but requires complete elimination of all highwalls and spoil piles.

(4) "Federal lands". A modification of the proviso contained in the Senate amendment was included so as to exempt coal deposits of the Tennessee Valley Authority from the effect of surface owner protection and Federal lessee protection provisions of the Act.

The Conferees adopted a version of the definition of Federal lands in the Senate amendment to make it clear that coal owned by the Tennessee Valley Authority would not be subject to the surface owner and Federal lessee protection requirements applicable to other coal owned by the United States.

This definition retains the House bill provision which gives the Secretary of the Interior certain authority to set guidelines for mining of coal owned by TVA. (See Sections 522 and 523.)

In granting this authority to the Secretary, the Conferees recognize that the coal reserves entrusted to or managed by the Tennessee Valley Authority are needed for it to carry out its responsibilities under the Tennessee Valley Authority Act of 1933. In view of the importance of the availability and use of such coal reserves in conjunction with the proper operation of TVA's power program, it is the Conferees intent that the Secretary recognize and give due regard to the needs and responsibilities of the Tennessee Valley Authority when carrying out the provisions of this Act.

(8) "imminent danger to the health and safety of the public." Language taken from the House bill was added to the definition, relating to reasonable expectation of death or serious injury.

(20) "prime farmlands". The Senate amendment was adopted (the House bill defined "prime agricultural lands"). The Conferees agreed that the Senate definition was technically preferable with the addition of a requirement taken from the House bill to the effect that the historical land uses must be considered by the regulatory authority in determining the eligibility of lands under this definition.

(28) "surface coal mining operations". The Senate amendment's reference to the provisions of section 512 which concerns underground coal mining performance standards, and the House bill's inclusion of the use of explosives and blasting were both incorporated into the definition by the Conferees.

(30) "lignite coal". This definition was taken from the Senate amendment, originally provided by the U.S. Bureau of Mines. The Conferees deemed it to be necessary because lignite coal would be subject to a lesser reclamation fee under the provisions of title IV.

(31) and (32) "coal laboratory" and "institution of higher learning". These terms refer to titles VIII and IX respectively. They were adopted from the Senate amendment.

Sec. 702. The adopted Senate amendment added the Mineral Leasing Act of 1920, as amended, to the list of Federal laws which would not be superseded, amended, modified or repealed by the Act.

Sec. 703: The House bill required the Secretary to conduct an evaluation of potential losses or shifts of employment resulting from enforcement of the Act. The Conferees deleted this requirement as being unnecessary. In all other respects, the House and the Senate versions were identical with respect to this provision of protection of employees.

Sec. 704: Protection of Government Employees. The House and Senate versions were identical.

Sec. 705: Grants to the States. The House receded to the more liberal Senate amendment establishing a ceiling on annual grants made by the Secretary to the States and setting these at 80 percent of the total costs in the first year of implementation, 60 percent in the second year, and 50 percent thereafter. The House bill would have established a 50 percent ceiling throughout.

It is expected that the higher levels of reimbursement will provide better incentives for timely State participation in the various aspects of implementation of the Act.

Sec. 706: Annual Report. The House bill and the Senate amendment were the same.

Sec. 707: Severability. There were no differences between the House and Senate versions.

Sec. 708: Alaskan Surface Coal Mine Study. The compromise arrived at in this section includes a requirement from the House bill that funds for studies contracted by the Secretary must be provided in appropriation acts, and a Senate authorization under which the Secretary may issue special interim rules and regulations modifying environmental protection performance standards as applied to the unique physical and other conditions existing in Alaska.

Sec. 709: Both the House bill and the Senate amendment included study authority for reclamation of non-coal surface mined minerals. Conferees accepted the House provision since it contained budget specifications.

Sec. 710: The House bill was adopted by the Conferees. It was identical to the language reported by the Senate Energy and Natural Resources Committee. However, the Senate had replaced this section with a new title VIII which would have treated Indian tribes in much the same way as States are treated under the Act, in particular by allowing tribal authorities to submit regulatory programs for approval by the Secretary. The Conferees rejected this Senate approach, agreeing instead to the House bill in requiring that a study be carried out by the Secretary and that operations on Indian lands comply with the performance standards of the Act.

One reason that the Conferees agreed to the House version of the Indian lands provision was that they did not want to change the status quo with respect to jurisdiction over Indian lands both within reservations and outside reservation boundaries. Nothing in the study provision or any other part of H.R. 2 is intended to make any such change.

Sec. 711: The modifications of the experimental practices section adopted by the Conferees are intended to permit the states to allow the specified post-mining land uses where such uses require a modification of the basic reclamation standards of Section 515 and 516. Approval by the Secretary is required as a safeguard against abuses, but the Conferees fully expect that the Secretary will allow such practices to facilitate beneficial post-mining land uses.

Sec. 712: The House bill agreed upon by the Conferees would authorize the funding of interim enforcement and the Indian lands study at an annual rate of $10 million through 1980, rather than establishing a ceiling of $10 million for each year through 1979, as in the Senate amendment. Also included by the Conferees was authorization taken from the House bill for an additional $10 million annually for 15 years to enable regulatory authorities to provide assistance to small operators in making a determination of the probable hydrologic consequences of surface mining operations, as required in their permit applications.

For funding grants to the States and for other administrative or general purposes, the more generous House authorization of $20 million for the fiscal year ending September 30, 1978, and $30 million for each of the next two fiscal years, and as much from then on as would be required, was adopted by the Conferees.

While the funds authorized under Section 712(c) are primarily for grants to states, they can be used by the Secretary for his administration costs. The conferees intend that the Secretary use these funds only if there are authorized appropriations still available after state grants are made.

Sec. 713: The Senate amendment contained a provision pertaining to the coordination of regulatory and inspection activities. The House conferees receded.

Sec. 714: The Conferees agreed to the House bill. It would require the Secretary to obtain the written consent of the surface owner (as defined) before leasing any Federal coal deposits underlying the surface owner's land for surface mining. The Senate amendment allowed the Secretary to override the surface owners objection to leasing Federal coal under his land, if the Secretary found that such leasing was in the national interest.

Sec. 715: Federal Lessee Protection.

Sec. 716: Alaska Coal.

Sec. 717: Water Rights and Replacement. There were no significant differences between the House bill and the Senate amendment in these sections.

Sec. 718: Advance Appropriations.

Sec. 719: Certification and Training of Blasters. The Senate amendment contained no such provisions and the Senate receded in each instance.

Title VIII: University Coal Research Laboratories.

Title IX: Energy Resources Graduate Fellowships.

These titles were adopted in their entirety from the Senate amendment. No similar provisions were contained in the House bill.

The only revision made by the Conferees was the placement of responsibility for administering the provisions of both titles with the Administrator of Energy Research and Development Administration rather than

with the Director of the National Science Foundation. This was done at the request of the Administration.

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Managers on the Part of the Senate.

CONFERENCE REPORT ON H.R. 8841

Mr. BOLAND submitted the following conference report and statement on the bill (H.R. 7554) making appropriations for the Department of Housing and Urban Development, and for sundry independent executive agencies, boards, bureaus, commissions, corporations, and offices for the fiscal year ending September 30, 1978, and for other purposes.

CONFERENCE REPORT (H. REPT. NO. 95-495)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7554) "making appropriations for the Department of Housing and Urban Development, and for sundry independent executive agencies, boards, bureaus, commissions, corporations, and offices for the fiscal year ending September 30, 1978, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 8, 10, 17, 23, 34, 36, and 41.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 4, 5, 11, 13, 14, 16, 18, 19, 21, 22, 25, 32, 33, 37, 38, 39, and 42, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,159,995,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$31,483,563,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$685,000,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$57,000,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$52,000,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$272,547,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$25,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$783,200,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,500,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,500,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$73,200,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$393,689,000"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment insert the following: "407"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment insert the following:

SEC. 408. No contract or budget authority provided in this Act for Annual Contributions for Assisted Housing, and no funds appropriated in this Act for Housing Payments, shall be subject to the Federal regulation defining the conditions under which two or more persons shall be eligible for admission to public housing as a family, which was promulgated by the Department of Housing and Urban Development on May 9, 1977, at 24 CFR § 812.2(d)(1).

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 9, 24, 28, 40, 45, and 46.

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BOB TRAXLER,
MAX BAUCUS,
LOUIS STOKES,
TOM BEVILL,
LINDY (MRS. HALE) BOGGS,
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LAWRENCE COUGHLIN,
JOSEPH M. MCDADE,
C. W. BILL YOUNG,
E. A. CEDERBERG,
Managers on the Part of the House.
WILLIAM PROXMIRE,
JOHN C. STENNIS,
BIRCH BAYH,
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JOHN L. MCCLELLAN,
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CLIFFORD P. CASE,
EDWARD W. BROOKE,
HENRY BELLMON,
MILTON R. YOUNG,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7554) making appropriations for the Department of Housing and Urban Development, and for sundry independent executive agencies, boards, bureaus, commissions, corporations, and offices for the fiscal year ending September 30, 1978, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying report:

TITLE I—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Amendment No. 1: Appropriates $1,159,995,000 in annual contract authority for annual contributions for assisted housing, instead of $1,203,370,000 as proposed by the House and $1,116,620,000 as proposed by the Senate.

Amendment No. 2: Earmarks not more than $42,500,000 for modernization of public housing projects as proposed by the Senate, instead of $35,000,000 as proposed by the House.

Amendment No. 3: Appropriates $31,483,563,000 for annual contributions for assisted housing, instead of $32,580,000,000 as proposed by the House and $30,336,400,000 as proposed by the Senate.

Amendment No. 4: Deletes language proposed by the House earmarking a minimum of $206,250,000 in annual contract authority exclusively for conventional public housing.

Amendment No. 5: Deletes language proposed by the House permitting funds earmarked for public housing agencies to be committed for the acquisition of existing housing.

Amendment No. 6: Restores language proposed by the House and stricken by the Senate providing that the receipts and disbursements of the housing for the elderly or handicapped fund shall be included in the totals of the Budget of the United States Government.

Amendment No. 7: Appropriates $685,000,000 for payments for operation of low-income housing projects, instead of $665,000,000 as proposed by the House and $690,800,000 as proposed by the Senate.

Amendment No. 8: Deletes language proposed by the Senate providing for the use of up to $2,000,000,000 of recaptured emergency mortgage purchase authority.

Amendment No. 9: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate providing for the use of up to $2,000,000,000 of recaptured special assistance purchase authority.

Amendment No. 10: Deletes language proposed by the Senate changing the account title.

Amendment No. 11: Inserts language as proposed by the Senate providing funds for allocations and grants, instead of for grants to cities and urban counties as proposed by the House.

The conferees expect that the Department of Housing and Urban Development will provide a full competitive opportunity for cities and urban counties to qualify for urban development action grants, including the use of preapplications in accordance with OMB Circular 74–7. The conferees also agree that the actions taken in amendments numbered 10 and 11 are not intended to prejudice in any way the deliberations of the Conference Committee on Title I of the Housing and Community Development Act of 1977.

Amendment No. 12: Appropriates $57,000,000 for comprehensive planning grants, instead of $50,000,000 as proposed by the House and $62,500,000 as proposed by the Senate.

Amendment No. 13: Deletes language proposed by the House prohibiting the use of 1978 comprehensive planning funds for direct grants to large cities or to urban counties which receive community development block grant funds. The Committee of Conference is in agreement that the Department of Housing and Urban Development should not deviate from its budget estimate with regard to providing comprehensive planning grants directly to urban counties and cities with populations in excess of 50,000.

Amendment No. 14: Appropriates $91,000,000 for flood insurance activities as proposed by the Senate, instead of $85,000,000 as proposed by the House.

Amendment No. 15: Appropriates $52,000,000 for research and technology, instead of $51,000,000 as proposed by the House and $55,000,000 as proposed by the Senate.

Amendment No. 16: Appropriates $462,494,000 for salaries and expenses of the Department as proposed by the Senate, instead of $467,494,000 as proposed by the House.

TITLE II—INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

Amendment No. 17: Appropriates $6,463,000 for salaries and expenses as proposed by the House, instead of $6,163,000 as proposed by the Senate and restores language proposed by the House and stricken by the Senate providing that $300,000 shall remain available until expended.

CONSUMER PRODUCT SAFETY COMMISSION

Amendment No. 18: Appropriates $39,144,000 for salaries and expenses as proposed by the Senate, instead of $40,104,000 as proposed by the House.

DEPARTMENT OF DEFENSE—CIVIL

Cemeterial expenses, Army

Amendment No. 19: Appropriates $5,000,000 for salaries and expenses are proposed by the Senate, instead of $5,486,000 as proposed by the House.

ENVIRONMENTAL PROTECTION AGENCY

Amendment No. 20: Appropriates $272,547,000 for research and development, instead of $273,647,000 as proposed by the House and $266,947,000 as proposed by the Senate. The Committee of Conference is in agreement with the following changes from the budget estimate:

+$600,000 for the Ames, Iowa Solid Waste Resources Recovery Facility;

+$1,600,000 for Great Lakes research;

+$1,300,000 for continuation of Phase II of the Ohio River Basin Energy Study;

+$1,500,000 for staffing regional laboratories;

+$500,000 for the cold climate research program in Fairbanks, Alaska;

+$6,000,000 for the health and ecological effects program; and

—$2,000,000 from the interagency grants program.

The conferees agree that, in accordance with the Senate report, a total of 200 positions will be funded from the amounts provided by this amendment.

Amendment No. 21: Appropriates $428,573,000 for abatement and control as proposed by the Senate, instead of $425,573,000 as proposed by the House. The Committee of Conference is in agreement with the recommendations contained in the report of the Senate except for the following changes:

+$2,300,000 for the Clean Lakes program;

+$400,000 for initial funding of an environmental impact statement of natural resource development in the Flathead River Basin in Montana; and

+$2,300,000 for solid waste planning, instead of $5,000,000 as proposed by the Senate.

Amendment No. 22: Deletes language proposed by the House appropriating $1,142,000 for buildings and facilities.

CONSUMER INFORMATION CENTER

Amendment No. 23: Appropriates $4,700,000 for the Consumer Information Center as proposed by the House, instead of $3,200,000 as proposed by the Senate.

Amendment No. 24: Reported in disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $2,995,300,000, instead of $2,943,600,000 as proposed by the House and $3,013,000,000 as proposed by the Senate.

The item reported in disagreement is the $20,700,000 denied by the House for the Jupiter Orbiter Probe.

The Committee of Conference is in agreement with the recommendations contained in the report of the House except for the following changes:

+$56,700,000 for shuttle orbiter production. The conferees agree that none of the $56,700,000 restored for shuttle orbiter production may be obligated until shuttle program milestones, including engine testing, are met to the satisfaction of the House and Senate Committees on Appropriations;

—$5,000,000 for space industrialization;

—$2,000,000 for a solar satellite power generating system;

+$7,000,000 for expendable launch vehicles;

+$1,000,000 for tracking and data acquisition;

—$3,000,000 for a Mars follow-on mission; and

—$3,000,000 for V/STOL development.

Amendment No. 25: Inserts language as proposed by the Senate limiting the availability of research and development funds until September 30, 1979, instead of providing that such funds remain available until expended as proposed by the House.

Amendment No. 26: Earmarks not to exceed $25,000 for scientific consultations or extraordinary expense, instead of $35,000 as proposed by the House and $20,000 as proposed by the Senate.

NATIONAL SCIENCE FOUNDATION

Amendment No. 27: Appropriates $783,200,000 for research and related activities, instead of $759,330,000 as proposed by the House and $807,800,000 as proposed by the Senate.

Amendment No. 28: Reported in technical disagreement. The managers on the part of the House will offer a motion restoring language proposed by the House and stricken by the Senate, amended to earmark not more than $63,000,000 for research applied to national needs. The House bill earmarks $50,000,000 for this purpose. The text of the amendment is as follows:

That not more than $63,000,000 shall be available for Research Applied to National Needs: *Provided further,*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendments Nos. 29 and 30: Earmark $4,500,000 for pre-college science teacher training seminars and $1,500,000 for advanced teacher workshops, instead of $6,000,000 and $2,000,000, respectively, as proposed by the House and $3,000,000 and $1,000,000, respectively, as proposed by the Senate.

Amendment No. 31: Appropriates $73,200,000 for science education activities, instead of $79,700,000 as proposed by the House and $71,200,000 as proposed by the Senate.

VETERANS ADMINISTRATION

Amendment No. 32: Provides technical correction as proposed by the Senate.

Amendment No. 33: Appropriates $4,721,686,000 for medical care as proposed by the Senate, instead of $4,723,926,000 as proposed by the House. The Committee of Conference agrees that the VA may continue to lease 3 H–316 and 5 H–716 automated clinical laboratory reporting systems at an estimated cost of $1,760,000 using available funds or by reprogramming the necessary amount from lower priority items in the 1978 medical care appropriation.

Amendment No. 34: Appropriates $550,000,000 for general operating expenses as proposed by the House, instead of $541,500,000 as proposed by the Senate.

The Committee of Conference is in agreement with the recommendations contained in the report of the House except for the following changes:

+$3,500,000 for an additional 205 internal auditors; and

—$3,500,000 from the amount requested for the Target system.

Amendment No. 35: Appropriates $393,689,000 for construction, major projects, instead of $281,389,000 as proposed by the House and $542,789,000 as proposed by the Senate. The Committee of Conference agrees that when the House Committee has received and reviewed the recommendations of its investigative staff pertaining to the replacement hospital facility at Portland/Vancouver, consideration will be given to providing construction funds in a supplemental appropriation.

Amendment No. 36: Appropriates $10,000,000 for grants for construction of State extended care facilities as proposed by the House, instead of $15,000,000 as proposed by the Senate.

The Committee of Conference agrees to give consideration to a budget request for further funding to implement revisions in P.L. 92–541 and directs the VA to accept applications under the revised program.

Amendment No. 37: Appropriates $45,611,000 for assistance for health manpower training institutions as proposed by the Senate, instead of $45,045,000 as proposed by the House.

Amendment No. 38: Appropriates $1,700,000 for grants to the Republic of the Philippines as proposed by the Senate, instead of $2,100,000 as proposed by the House.

Amendment No. 39: Provides technical correction as proposed by the Senate.

Amendment No. 40: Reported in disagreement. The managers on the part of the House will offer a motion as follows:

No part of the foregoing appropriations shall be used for the adjudication of claims or the payment of benefits for any individual who was discharged from the military under less than honorable conditions, and who received an honorable or general discharge as the result of revised standards for review of discharges as implemented April 5, 1977, by the Department of Defense's special discharge review program.

TITLE IV—GENERAL PROVISIONS

Amendment No. 41: Restores language proposed by the House and stricken by the Senate prohibiting the use of funds in this Act by the Environmental Protection Agency to administer or promulgate any program to tax, limit or otherwise regulate parking that is not specifically required pursuant to subsequent legislation.

Amendment No. 42: Deletes language proposed by the House relating to Federal Housing Administration mortgage insurance in Merced County, California.

Amendment No. 43: Changes section number.

Amendment No. 44: Restores limiting language proposed by the House and deletes language proposed by the Senate applicable to the Federal regulation defining the conditions under which two or more persons shall be eligible for public housing as a family. The conference agreement also changes the section number.

Amendment No. 45: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

SEC. 409. None of the funds provided in this Act may be used, directly or through grants, to pay or to provide reimbursement for payment of a consultant (whether retained by the Federal Government or a grantee) at more than the daily equivalent of the maximum rate paid for GS–18, unless specifically authorized by law.

The conference agreement adopts the text of the Senate amendment amended to change the section number.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 46: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

SEC. 410. None of the funds provided in this Act to any department or agency may be expended for the transportation of any officer or employee of such department or agency between his domicile and his place of employment, with the exception of the Secretary of the Department of Housing and Urban Development, who, under title 5, United States Code, section 101, is exempted from such limitations.

The conference agreement adopts the text of the Senate amendment amended to change the section number.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1978 recommended by the Committee of Conference, with comparisons to the fiscal year 1977 amount, the 1978 budget estimates, and the House and Senate bills for 1978 follow:

New budget (obligational) authority, fiscal year 1977	$67,099,764,000
Budget estimates of new (obligational) authority, fiscal year 1978	[1] 70,774,412,000
House bill, fiscal year 1978	70,241,683,000
Senate bill, fiscal year 1978	67,648,491,000
Conference agreement	69,352,854,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1977	+2,253,090,000
Budget estimates of new (obligational) authority, fiscal year 1978	—1,421,558,000
House bill, fiscal year 1978	—888,829,000
Senate bill, fiscal year 1978	+1,704,363,000

[1] Includes $56,700,000 of budget estimates not considered by the House.

EDWARD P. BOLAND,
BOB TRAXLER,
MAX BAUCUS,
LOUIS STOKES,
TOM BEVILL,
LINDY (MRS. HALE) BOGGS,
BILL D. BURLISON,
BILL ALEXANDER,
GEORGE MAHON,
LAWRENCE COUGHLIN,
JOSEPH M. MCDADE,
BILL YOUNG,
E. A. CEDERBERG,
Managers on the Part of the House.

WILLIAM PROXMIRE,
JOHN C. STENNIS,
BIRCH BAYH,
WALTER D. HUDDLESTON,
PATRICK J. LEAHY,
JAMES R. SASSER,
JOHN L. MCCLELLAN,
CHARLES MCC. MATHIAS, JR.,
CLIFFORD P. CASE,
EDWARD W. BROOKE,
HENRY BELLMON,
MILTON R. YOUNG,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted:

Mr. CORMAN (at the request of Mr. WRIGHT), for until 4:15 p.m. today, on account of official business.

Mr. JENRETTE (at the request of Mr. WRIGHT), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. COLEMAN) and to revise and extend their remarks and include extraneous matter:)

Mr. BROYHILL, for 60 minutes, today.
Mr. GOLDWATER, for 30 minutes, today
Mr. WHALEN, for 10 minutes, today.
Mr. SAWYER, for 3 minutes, today.
Mr. CORCORAN of Illinois, for 5 minutes, today.
Mr. EVANS of Delaware, for 5 minutes today.
Mr. FINDLEY, for 5 minutes, today.

(The following Members (at the request of Mr. PANETTA), to revise and extend their remarks, and to include extraneous matter:)

Mr. GLICKMAN, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. KOCH, for 10 minutes, today.
Mr. AUCOIN, for 5 minutes, today.
Mr. LEVITAS, for 5 minutes, today.
Mr. ECKHARDT, for 5 minutes, today.
Mr. REUSS, for 5 minutes, today.
Ms. OAKAR, for 5 minutes, on July 13.
Mr. LE FANTE, for 5 minutes, on July 13.
Mrs. BOGGS, for 60 minutes, on July 20.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. COLEMAN) and to include extraneous matter:)

Mr. DICKINSON.
Mr. FRENZEL.
Mr. SARASIN.
Mr. CONABLE.
Mr. ARCHER in three instances.
Mr. ASHBROOK in two instances.
Mr. ANDERSON of Illinois.
Mr. DERWINSKI in two instances.
Mr. LAGOMARSINO in three instances.
Mr. YOUNG of Florida.
Mr. COLLINS of Texas in three instances.
Mr. CUNNINGHAM.
Mr. SYMMS.
Mr. STEIGER.
Mr. ABDNOR in three instances.
Mr. SNYDER.
Mr. LEACH in two instances.
Mr. LOTT in two instances.
Mr. CRANE.
Mr. SKUBITZ.
Mr. MCKINNEY.
Mr. STEERS.
Mr. HANSEN.
Mr. CORCORAN of Illinois.
Mrs. SMITH of Nebraska.
Mr. EDWARDS of Oklahoma in two instances.
Mr. GILMAN.
Mr. FORSYTHE.
Mr. WIGGINS.
Mr. HORTON.

(The following Members (at the request of Mr. PANETTA), and to include extraneous matter:)

Mr. RICHMOND in two instances.
Mr. SKELTON in two instances.
Mr. MCDONALD in five instances.
Mr. TEAGUE in two instances.
Mr. BRODHEAD in two instances.
Mr. EILBERG in 10 instances.
Mr. WAXMAN in two instances.
Mr. LONG of Maryland.
Mr. GONZALEZ in three instances.
Mr. ANDERSON of California in three instances.
Mr. VENTO in two instances.
Mrs. BURKE of California in three instances.
Mr. FORD of Michigan in three instances.
Mr. BINGHAM in 10 instances.
Mr. TSONGAS in two instances.
Mr. WEAVER.
Mr. JONES of Tennessee.
Mr. MURPHY of New York.
Mr. HARKIN.
Mr. HARRIS.
Mr. GEPHARDT.
Mr. DRINAN.
Mr. AUCOIN.
Mr. VANIK.
Mrs. BOGGS.
Mr. MINISH.
Mr. FISHER in 10 instances.
Mr. NICHOLS.
Mr. COTTER.
Mr. YATRON.
Mr. JOHN L. BURTON.
Mr. WHITE.
Mr. KOCH in six instances.
Mr. WIRTH.
Mr. ECKHARDT.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1828. An act to provide for the establishment of the George W. Norris Home National Historic Site in the State of Nebraska, and for other purposes; to the Committee on Interior and Insular Affairs.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on July 11, 1977, present to the President, for his approval, bills of the House of the following title:

H.R. 4585. To authorize appropriations for the Indian Claims Commission for fiscal year 1978; to facilitate the transfer of cases from the Indian Claims Commission to the U.S. Court of Claims; and for other purposes; and

H.R. 4992. To amend the Indian Financing Act of 1974 by revising the appropriations authorization for the Indian business development program.

ADJOURNMENT

Mr. PANETTA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 55 minutes p.m.) the House adjourned until tomorrow, Wednesday, July 13, 1977, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1881. A communication from the President of the United States, transmitting proposed supplemental appropriations for fiscal year 1977 for the legislative branch and the Small Business Administration, and amendment to the request for appropriations for fiscal year 1978 for the legislative branch (H. Doc. No. 95–183); to the Committee on Appropriations and ordered to be printed.

1882. A letter from the Director, U.S. Arms Control and Disarmament Agency, transmitting supplementary reports to the final report on the impact on military expenditures of arms control measures mutually agreed to by the United States and the Soviet Union, pursuant to section 142 of Public Law 94–141; to the Committee on International Relations.

1883. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Army National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

1884. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Act No. 2–39, "To regulate the installation, maintenance and repair of electrical equipment in the District of Columbia," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1885. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Act No. 2–40, "To regulate the construction of buildings in the District of Columbia," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1886. A letter from the Administrator, Agency for International Development, Department of State, transmitting notice of a proposed new systems of records, pursuant to 5 U.S.C. 552(a)(o); to the Committee on Government Operations.

1887. A letter from the Chairman, Privacy Protection Study Commission, transmitting the final report of the Commission, pursuant to section 5(g) of Public Law 93–579; to the Committee on Government Operations.

1888. A letter from the Assistant Secretary of State for Congressional Relations, transmitting the semiannual report on international narcotics control program activities for the period July 1 through December 31, 1975, pursuant to section 481 of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

1889. A letter from the Assistant Secretary of State for Congressional Relations, transmitting reports on political contributions made by Ambassador-designates David B. Bolen, Raymond L. Garthoff, John R. Burke, and Maurice Solaum, and their families, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

1890. A letter from the Director, U.S. Information Agency, transmitting the annual report on the assignment of foreign service officers to public organizations, pursuant to section 576(e) of the Foreign Service Act of 1946, as amended (89 Stat. 764); to the Committee on International Relations.

1891. A letter from the Chairman, Civil Service Commission, transmitting a draft of proposed legislation to amend title 5, United States Code, to provide for retention of grade and pay for certain employees, and for other purposes; to the Committee on Post Office and Civil Service.

1892. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting a supplement to the second annual report recommending deauthorization of certain projects, pursuant to section 12 of Public Law 93–251 (H. Doc. No. 95–184); to the Committee on Public Works and Transportation and ordered to be printed.

1893. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Social Security Act and the Internal Revenue Code of 1954 to strengthen the financing of the social security system; to the Committee on Ways and Means.

1894. A letter from the Comptroller General of the United States, transmitting a report on the improved management of computer resources needed to enhance the Marine Corps' efficiency and effectiveness (LCD–76–124, July 11, 1977); jointly, to the Committees on Government Operations, and Armed Services.

1895. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend title II of the Social Security Act and for other purposes; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 3, A bill to strengthen the capability of the Government to detect, prosecute, and punish fraudulent activities under the medicare and medicaid programs, and for other purposes; with amendment (Rept. No. 95–393, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. ANNUNZIO: Committee on House Administration. H.R. 133. A bill to amend the act of March 2, 1931, to provide that certain proceedings of the Italian American War Veterans of the United States, Inc., shall be printed as a House document, and for other purposes; with amendment (Rept. No. 95–489). Referred to the Committee of the Whole House on the State of the Union.

Mr. DENT: Committee on House Administration. House Resolution 12. Resolution to permit all employees of the House of Representatives to contribute, through payroll withholdings, to charitable organizations in coordination with the Combined Federal Campaign and other fundraising in the executive branch of the Federal Government (Rept. No. 95–490). Referred to the House Calendar.

Mr. NEDZI: Committee on House Administration. H.R. 6214. A bill to provide for the establishment of a Center for the Book in the Library of Congress, and for other purposes (Rept. No. 95–491). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. H.R. 2176. A bill to amend the Accounting and Auditing Act of 1950 to provide for the audit, by the Comptroller General, of the Federal Reserve Board, the Federal Reserve banks and their branches and check clearing, wire transfer, and security facilities, the Federal Deposit Insurance Corportation, and the Office of the Comptroller of the Currency; with amendment (Rept. No. 95–492). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee of conference. Conference report on H.R. 2 (Rept. No. 95–493). Ordered to be printed.

Mr. NEDZI: Committee of conference. Conference report on S. 1474 (Rept. No. 95–494). Ordered to be printed.

Mr. BOLAND: Committee of conference. Conference report on H.R. 7554 (Rept. No. 95–495). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California (for himself and Mr. WALGREN):

H.R. 8213. A bill to amend title 38, United States Code, to provide for the payment of service pensions to veterans of World War I and the surviving spouses and children of such veterans; to the Committee on Veterans' Affairs.

By Mr. BINGHAM:

H.R. 8214. A bill to provide for certain increases in the membership of the Gateway National Recreation Area Advisory Commission; to the Committee on Interior and Insular Affairs.

By Mr. BRODHEAD:

H.R. 8215. A bill to provide for reimbursement of certain litigation expenses to real property owners who prevail in certain litigation arising from the condemnation of real property to be administered by the National Park Service; to the Committee on Government Operations.

By Mr. BRODHEAD (for himself and Mr. BLANCHARD):

H.R. 8216. A bill to amend title 38, United States Code, to eliminate the time period in which a veteran has to use his educational benefits; to the Committee on Veterans' Affairs.

By Mrs. BURKE of California:

H.R. 8217. A bill to amend the Emergency Unemployment Compensation Act of 1974 to provide an additional 13 weeks of benefits in States with high unemployment rates, and for other purposes; to the Committee on Ways and Means.

H.R. 8218. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to strengthen the financing of the social security system, to reduce the effect of wage and price fluctuation on the system's benefit structure, and to eliminate from that system gender-based distinctions; to the Committee on Ways and Means.

By Mr. CEDERBERG:

H.R. 8219. A bill to amend the authorization for the project for flood protection on the Saginaw River, Mich.; to the Committee on Public Works and Transportation.

By Mr. DANIELSON:

H.R. 8220. A bill to amend section 1821 of title 28, United States Code, relating to per diem and mileage expenses for witnesses in U.S. courts; to the Committee on the Judiciary.

By Mr. DE LUGO:

H.R. 8221. A bill to increase the percent of appropriations under the Adult Education Act which is available for allotment among Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands; to the Committee on Education and Labor.

By Mr. DE LUGO (for himself, Mr. UDALL, Mr. PHILLIP BURTON, Mr. SEBELIUS, Mr. KREBS, Mr. LAGOMARSINO, Mr. SANTINI, Mr. ECKHARDT, Mr. BYRON, Mr. MILLER of California, Mr. RISENHOOVER, Mr. WEAVER, Mr. LUJAN, Mr. MEEDS, Mr. TSONGAS, Mr. RUNNELS, Mr. HUCKABY, Mr. WON PAT):

H.R. 8222. A bill to apply duty-free treatment under certain circumstances to articles produced in the insular possessions of the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. DUNCAN of Oregon (for himself, Mr. AUCOIN, and Mr. WEAVER) (by request):

H.R. 8223. A bill to reduce the size of the Bull Run Reserve within Mt. Hood National Forest lands in Oregon; to the Committee on the Judiciary.

By Mr. EDWARDS of California (for himself, Mr. BEILENSON, Mr. MINETA, and Mr. WAXMAN):

H.R. 8224. A bill to amend title XVIII of the Social Security Act to eliminate the deduction from benefits with respect to blood provided an individual which is not replaced; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. EVANS of Delaware (for himself, Mr. BAUMAN, and Mr. TRIBLE):

H.R. 8225. A bill to amend the Regional Rail Reorganization Act of 1973 to permit States to combine funds for the maintenance and improvement of rail service continuation programs established under such act; to the Committee on Interstate and Foreign Commerce.

By Mr. FORD of Tennessee (for himself, Mr. ASPIN, Mr. BEDELL, Mr. LEACH, and Mr. SNYDER):

H.R. 8226. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. HAGEDORN:

H.R. 8227. A bill to convey certain interests in property held by the United States of America; to the Committee on Interior and Insular Affairs.

By Mr. HAMMERSCHMIDT:

H.R. 8228. A bill to reorganize the executive branch of the Government by consolidation of functions and to increase efficiency and coordination in the area of disaster assistance, emergency preparedness, mobilization readiness, and for other purposes; to the Committee on Government Operations.

By Mr. HARKIN:

H.R. 8229. A bill to amend title 38, United States Code, to improve the quality of hospital care and medical services in Veterans' Administration health care facilities, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. HARRIS:

H.R. 8230. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to include rescue squad members in the group of persons eligible for public safety officers' death benefits; to the Committee on the Judiciary.

By Mrs. HECKLER:

H.R. 8231. A bill to amend the Small Business Act to declare a national policy on small business investment, provide for an ongoing program of advocacy and economic research and analysis for small business, and to increase the exchange of pertinent information and the level of cooperation between the Small Business Administration and other departments, agencies and instrumentalities of the Federal Government; jointly to the Committees on Small Business, and Banking, Finance and Urban Affairs.

By Mr. HEFNER:

H.R. 8232. A bill to exempt from coverage under the Fair Labor Contractor Registration Act of 1963 any person who engages in farm labor contracting solely within a 75-mile radius of his home; to the Committee on Education and Labor.

H.R. 8233. A bill to amend the Fair Labor Contractor Registration Act of 1963 by providing that the term "migrant worker" excludes any individual who returns to his place of permanent residence on a daily basis; to the Committee on Education and Labor.

H.R. 8234. A bill to exempt from coverage under the Fair Labor Contractor Registration Act of 1963 any person who engages in farm labor contracting solely for the purpose of supplying migrant workers who return each day from their places of employment to their permanent residences; to the Committee on Education and Labor.

By Mr. KASTENMEIER (for himself, Mr. AUCOIN, Mr. BAUCUS, Mr. BONIOR, Mr. CARTER, Mr. FOUNTAIN, Mr. GUYER, Mr. HAWKINS, Mrs. HECKLER, Mr. HOLLAND, Mr. PEPPER, Mr. RONCALIO, Mr. VOLKMER, and Mr. WHITLEY):

H.R. 8235. A bill to amend title 39 of the United States Code to prohibit the Postal Service from limiting regular daily mail delivered to fewer than 6 days each week, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. NEAL (for himself and Mr. WHALEN):

H.R. 8236. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide that rescue squad members are entitled to death benefits made available under such act; to the Committee on the Judiciary.

By Mr. OBERSTAR:

H.R. 8237. A bill to provide for additional assistance for the preservation of historic structures under title I of the National Housing Act of 1964, and the act of October 15, 1966 (80 Stat. 917); to the Committee on Banking, Finance and Urban Affairs.

H.R. 8238. A bill to amend title 39, United States Code, to establish congressional review of postal rate decisions, to increase congressional oversight of the U.S. Postal Service, to abolish the Board of Governors of the U.S. Postal Service. and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PATTEN:

H.R. 8239. A bill to incorporate the U.S. Coastal Cadets; to the Committee on the Judiciary.

By Mr. ROBERTS (by request):

H.R. 8240. A bill to amend 38 U.S.C. 101(2) to provide that the term "veteran" shall include a person who was discharged from the active military, naval, or air service on the condition that such person immediately reenter such service; to the Committee on Veterans' Affairs.

H.R. 8241. A bill to amend 38 U.S.C. 301(3) so as to include lupus erythematosis among the chronic diseases; to the Committee on Veterans' Affairs.

H.R. 8242. A bill to amend title 38, United States Code, to provide hospital and medical care to certain members of the Canadian Armed Forces; to the Committee on Veterans' Affairs.

By Mr. ROSTENKOWSKI (for himself, Mr. MIKVA, and Mr COHEN):

H.R. 8243. A bill to amend the Social Security Act to authorize international agreements with respect to social security health insurance benefits; to the Committee on Ways and Means.

By Mr. SMITH of Iowa (for himself, Mr. DUNCAN of Tennessee, Mr. SYMMS, Mr. NEAL, Mr. MCHUGH, Mr. QUIE, Mr. JOHNSON of California, Mr. LOTT, Mr. BROYHILL, Mr. COCHRAN of Mississippi, Mr. GOLDWATER, Mr. SISK, Mr. KETCHUM, Mr. LAGOMARSINO, Mr. LEGGETT, Mr. HARKIN, Mr. BROWN of Michigan, Mr. ICHORD, Mr. STANGELAND, Mr. BOWEN, Mr. MOORHEAD of California, Mr. IRELAND, Mr. SKELTON, and Mr. HANLEY):

H.R. 8244. A bill to amend the Internal Revenue Code of 1954 to equalize the treatment of charitable contributions and investment tax credits for certain cooperatives and their members; to the Committee on Ways and Means.

By Mr. SPENCE:

H.R. 8245. A bill to amend chapter 49 of title 10, United States Code, to prohibit union organization in the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. STEERS:

H.R. 8246. A bill to amend section 703(h) of the Civil Rights Act of 1964 to provide that seniority systems which perpetuate the effects of past discrimination shall not be exempt from the prohibition against unlawful employment practices; to the Committee on Education and Labor.

By Mr. STRATTON (for himself and Mr. BEARD of Tennessee):

H.R. 8247. A bill to amend title 10, United States Code, to abolish one of the two positions of Deputy Secretary of Defense and establish the position of Under Secretary of Defense for Policy and to change the title of the Director of Defense Research and Engineering to the Under Secretary of Defense for Research and Engineering; to the Committee on Armed Services.

By Mr. WHITEHURST:

H.R. 8248. A bill to provide medical and dental care for certain former wives and husbands of members and former members of the armed services; to the Committee on Armed Services.

By Mr. WHITLEY:

H.R. 8249. A bill to amend the Farm Labor Contractor Registration Act of 1963 to exempt from its coverage persons engaged in activities within a 50-mile intrastate radius of their permanent place of residence and for not more than 26 weeks; to the Committee on Education and Labor.

By Mr. YATRON:

H.R. 8250. A bill to amend the Immigration and Nationality Act to change certain criteria for determining whether an alien is excludable from admission to, or deportable from, the United States as a public charge and to provide that an alien may not be admitted to the United States unless a citizen of the United States enters into an enforceable agreement to provide support to such alien for a period of 5 years after admission; to the Committee on the Judiciary.

By Mr. YOUNG of Florida (by request):

H.R. 8251. A bill to amend the Internal Revenue Code of 1954 with respect to retroactive determination of eligibility for disability compensation from the Veterans' Administration; to the Committee on Ways and Means.

By Mr. JOHN L. BURTON:

H.R. 8252. A bill to amend section 304 of the Comprehensive Employment and Training Act of 1973 to provide that eligibility of

low-income individuals for programs thereunder shall be determined on the basis of the lower living standard budget issued by the Bureau of Labor Statistics; to the Committee on Education and Labor.

By Mr. MANN (for himself, Mr. GUDGER, Mr. EVANS of Georgia, Mr. WIGGINS, and Mr. HYDE):

H.R. 8253. A bill to amend title 28 of the United States Code to change the procedure for the removal of certain State criminal cases to the Federal courts; to the Committee on the Judiciary.

By Mr. SKUBITZ:

H.R. 8254. A bill to amend the Internal Revenue Code of 1954 to impose an excise tax on certain property transported on inland waterways, and to authorize the collection of a $25 fee for the use of locks along such waterways; jointly, to the Committee on Ways and Means, and Public Works and Transportation.

By Mr. HEFTEL (for himself and Mr. AKAKA):

H.J. Res. 542. Joint resolution to extend from 25 years to 30 years the age limitation within which certain passenger vessels may qualify for operating-differential subsidies; to the Committee on Merchant Marine and Fisheries.

By Mr. JACOBS:

H.J. Res. 543. Joint resolution proposing an amendment to the Constitution of the United States to limit service by Representatives, Senators, and Federal judges; to the Committee on the Judiciary.

By Mr. VANDER JAGT:

H.J. Res. 544. Joint resolution proposing an amendment to the Constitution of the United States to give citizens of the United States the right to enact and repeal laws by voting on legislation in a national election; to the Committee on the Judiciary.

By Mr. BRODHEAD:

H. Con. Res. 276. Concurrent resolution expressing the sense of Congress with respect to the Baltic States; to the Committee on International Relations.

By Mr. CHARLES H. WILSON of California (for himself, Mr. BEARD of Rhode Island, Mr. BREAUX, Mr. DELLUMS, Mr. DINGELL, Mr. DORNAN, Mr. EDGAR, Mr. ENGLISH, Mr. FOUNTAIN, Mr. HAMMERSCHMIDT, Mr. HAWKINS, Mrs. HECKLER, Mr. HUCKABY, Mr. LATTA, Mrs. MEYNER, Mr. MILLER of Ohio, Mr. RICHMOND, Mr. ROE, Mr. SANTINI, Mr. SLACK, Mr. STANGELAND, Mr. STEIGER, Mr. WINN, Mr. WON PAT, and Mr. YOUNG of Missouri):

H. Con. Res. 277. Concurrent resolution expressing the sense of the Congress that the U.S. Postal Service should not reduce the frequency of mail delivery service; to the Committee on Post Office and Civil Service.

By Mr. BAFALIS:

H. Res. 680. Resolution urging the expeditious completion of the Subcommittee on Communication's review of the Communications Act of 1934; to the Committee on Interstate and Foreign Commerce.

By Mr. CUNNINGHAM:

H. Res. 681. Resolution relative to a national telecommunications regulatory policy; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

216. By the SPEAKER: Memorial of the Legislature of the State of California, relative to Gypsy moth eradication and control; to the Committee on Agriculture.

217. Also, memorial of the Legislature of the State of Louisiana, relative to official recognition of the Houma Indian Tribes; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

Mr. McKAY introduced a bill (H.R. 8255) for the relief of Aishe Kader; which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

145. The SPEAKER presented a petition of the council of the city of Akron, Ohio, relative to providing low-cost spaying and neutering clinics for pet animals; to the Committee on Interstate and Foreign Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3816

Offered by Mr. LLOYD of California:

Page 49, after line 7, insert the following new section:

TERMINATION OF ACT

SEC. 14. The Federal Trade Commission Act, as amended by section 7, is further amended by redesignating section 22 as section 23, and by inserting after section 21 the following new section:

"TERMINATION OF ACT

"SEC. 22. (a) The provision of this Act shall terminate on September 30, 1982, and the Federal Trade Commission shall be abolished on such date.

"(b) The President shall—

"(1) commencing 2 years before the date of termination specified in subsection (a), conduct an investigation of the overall performance of the Commission, including a study of the effectiveness of the Commission in accomplishing its purposes and in promoting the general welfare; and

"(2) not later than one year before the date of termination specified in subsection (a), make public and submit to each House of the Congress a report containing—

"(A) the findings of the investigation conducted by the President under paragraph (1); and

"(B) recommendation relating to whether the authority of this Act should be extended, the Commission should be reorganized, or the provisions of this Act should be permitted to terminate.

"(c) Each committee of the Senate and the House of Representatives having primary oversight responsibility with respect to the Commission shall, not later than 6 months before the date of termination specified in subsection (a), conduct an inquiry with respect to the performance and effectiveness of the Commission. Each such committee shall make public a report of its findings, conclusions, and recommendations, including any proposed legislation for such extension of the provisions of this Act, or such reorganization of the Commission, as such committee considers appropriate.".

And redesignate the following section accordingly.

H.R. 4287

By Mr. GAYDOS:

On page 80, immediately following line 23, insert the following:

"(b) Section 101(c) of such Act is amended by striking out 'Labor' and inserting in lieu thereof, 'the Interior'.

On page 80, line 24, strike out "(b)" and insert in lieu thereof, "(c)".

On page 87, line 15, strike the period following the word "therein", and insert the following:

", and by striking 'Labor' and inserting in lieu thereof, 'the Interior'."

By Mr. MICHAEL O. MYERS:

Page 87, immediately after line 22, insert the following:

"(3) Section 503(h) of such Act is amended by deleting '$5,000,000' and by inserting in lieu thereof, '$10,000,000', and by inserting before the final period the following: 'Provided That no less than one-half of such sums shall be allocated to coal producing States'."

H.R. 5400

By Mr. PANETTA:

Page 26, strike out line 15 and all that follows down through page 27, line 7, and insert in lieu thereof the following new paragraph:

(2)(A) Any State may establish a program designed to carry out the requirement established in paragraph (1) with respect to the general election for Federal office occurring in 1978. Any State which establishes such a program on a state-wide basis shall be eligible for financial assistance, upon application by such State, in accordance with the provisions of section 7.

(B) Except as provided in subparagraph (A), the requirement established in paragraph (1) shall apply to the general election for Federal office occurring in 1980, and to each general election for Federal office thereafter.

Page 31, strike out line 16 and all that follows down through page 32, line 14, and insert in lieu thereof the following new subparagraph:

(A)(i) in the case of the general election for Federal office in 1978, 50 cents multiplied by the number of voters who cast ballots in such State in the most recent quadrennial general election, if the Commission determines that such State will establish a program in accordance with section 6(a)(2)(A) which is in compliance with the requirements of section 6(a)(1) and section 6(b);

(ii) in the case of the general election for Federal office in 1980—

(I) 35 cents multiplied by the number of voters who cast ballots in such State in the most recent quadrennial general election, if such State did not receive any funds under clause (i) with respect to the general election for Federal office in 1978, and if the Commission determines that such State will be in compliance with the provisions of section 6(a)(1) and section 6(b) at the time of the general election for Federal office with respect to which an alolcation of funds is made by the Commission under this section; and

(II) 20 cents multiplied by the number of voters who cast ballots in such State in the most recent quadrennial general election, if such State received funds under clause (i) with respect to the general election for Federal office in 1978, and if the Commission makes the determination referred to in subclause (I) with respect to such State; and

(iii) in the case of any other general election for Federal office, 20 cents multiplied by the number of voters who cast ballots in such State in the most recent quadrennial general election for Federal office, if the Commission makes the determination referred to in clause (ii)(I) with respect to such State;

Page 46, after line 8, insert the following new section:

REGISTRATION REVIEW COMMISSION

SEC. 15. (a) There is hereby established a commission to be known as the Registration

Review Commission (hereinafter in this section referred to as the "Review Commission").

(b) The Review Commission shall—

(1) review the operation of the optional election-day registration program established in section 6(a)(2)(A);

(2) analyze the cost and effectiveness of such program; and

(3) review (A) the operation of this Act, (B) the effectiveness of the Federal Election Commission in assisting the States and units of general local government in complying with the requirements established in this Act, and (C) changes which may be appropriate to encourage maximum participation in the electoral process.

(c)(1) The Review Commission shall be composed of 18 members as follows:

(A) 4 individuals appointed by the President from among individuals who serve as chief election officials in any State (or the delegates of such individuals);

(B) 4 individuals appointed by the President from among individuals who serve as chief election officials of units of general local government (or the delegates of such individuals);

(C) 5 members of the general public appointed by the President;

(D) the Vice President (or his delegate);

(E) the Attorney General (or his delegate);

(F) 2 individuals appointed by the President from among the Commissioners of the Federal Election Commission; and

(G) the Administrator of Voter Registration (ex officio).

(2)(A) Not more than 9 members of the Review Commission may be members of the same political party.

(B) Members appointed under paragraph (1)(F) may not be members of the same political party.

(3) The Chairman of the Review Commission shall be appointed by the President.

(4) The President shall make appointments under paragraph (1) in a manner which assures broad geographic representation in the membership of the Review Commission.

(5)(A) Members of the Review Commission shall serve without compensation.

(B) While away from their homes or regular places of business in the performance of services for the Review Commission, members of the Review Commission—

(i) who are employees of the Federal government shall be allowed travel expenses, including per diem in lieu of subsistence, in accordance with section 5702 of title 5, United States Code; and

(ii) who are not employees of the Federal Government shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of such title.

(d) Upon request of the Review Commission, the Federal Election Commission shall make available such personnel and administrative support services as may be necessary to assist the Review Commission in carrying out its functions under this section.

(e)(1) The Review Commission shall transmit a report of its findings and recommendations to the Congress no later than March 1, 1979.

(2) The Review Commission shall terminate on April 15, 1979, except that members of the Review Commission may present testimony before the Congress or any committee of the Congress on behalf of the Review Commission after such date.

(f)(1) Except as provided in paragraph (2), expenses of the Review Commission shall be defrayed from amounts appropriated under section 18(b).

(2) The Review Commission may not incur any expenses or obligations before the close of August 31, 1978.

And redesignate the following sections accordingly.

H.R. 7171

By Mr. WEAVER:

1. Page 6, strike out lines 20 through 24, and page 7, strike out lines 1 and 2 and insert in lieu thereof the following:

"(a) The Secretary shall make available to producers loans and purchases on each crop of wheat at such level, not less than $2.25 per bushel for the 1977 crop and $2.35 per bushel for the 1978 through 1981 crops, except that—

"(1) if such minimum loan rate for a given year is less than 80 per centum of the average price received by farmers in the United States during the three-year period preceding the scheduled date for the announcement of the rate, then the loan rate for that year shall be equal to said 80 per centum of the three-year average farm price, unless the rate so determined exceeds 90 per centum of the then average price received by farmers in the United States, taken over the preceding sixty days, in which case

"(2) the loan rate shall be the higher of (i) 90 per centum of such current average price received by farmers in the United States, or (ii) the aforementioned minimum loan rate for that year ($2.25 per bushel for the 1977 crop and $2.35 per bushel for the 1978 through 1981 crops).".

2. Page 14, strike out lines 16 through 22, and insert in lieu thereof the following:

"(a)(1) The Secretary shall make available to producers loans and purchases on each crop of corn at such level, not less than $1.75 per bushel for the 1977 crop and $2.00 per bushel for the 1978 through 1981 crops, except that—

"(i) if such minimum loan rate for a given year is less than 80 per centum of the average price received by farmers in the United States during the three-year period preceding the scheduled date for the announcement of the rate, then the loan rate for that year shall be equal to said 80 per centum of the three-year average farm price, unless the rate so determined exceeds 90 per centum of the then average price received by farmers in the United States, taken over the preceding sixty days, in which case

"(ii) the loan rate shall be the higher of (i) 90 per centum of such current average price received by farmers in the United States, or (ii) the aforementioned minimum loan rate for that year ($1.75 per bushel for the 1977 crop and $2 per bushel for the 1978 through 1981 crops.)".

TITLE IX—MISCELLANEOUS COMMODITY PROVISIONS

3. Page 44, strike out lines 22 through 24; page 45, strike out lines 1 through 24; page 46, strike out lines 1 through 19, and insert in lieu thereof the following:

"SEC. 109. (a) Notwithstanding the provisions of any other law, the Secretary of Agriculture shall establish, maintain, and dispose of a separate reserve of wheat, corn, and other enumerated feed grains through storage contracts with producers as described in this section and in accordance with the provisions of this Act. Such reserves shall be no less than twenty-five million tons nor more than thirty-five million tons: *Provided*, (i) That such maximum amount may be adjusted by the Secretary as required to meet such commitments as may be assumed by the United States pursuant to an international agreement containing provisions relating to grain reserves; (ii) that the Secretary is authorized to proportion reserve stocks of grain to correspond to usual marketing demands; and (iii) that the aforementioned totals and proportions of stocks are to be considered norms or averages and shall not prohibit the accumulation or release of stocks as authorized under other provisions of this section. The Secretary shall not charge interest on a loan on grain held by a producer in such reserve.

"(b) The reserve shall be constituted by offering to producers who have eligible commodities under a Community Credit Corporation loan or purchase agreement an opportunity to enter into a storage agreement of not less than three nor more than five years, and by providing for storage payments to producers of such amounts as the Secretary determines appropriate to cover the cost of storing the commodities held under these agreements. The grain initially stored under a producers storage contract shall have been produced by the producer and stored at his expense for the first eight months of the marketing year in which it was produced. Such producer agreements shall permit producers to cancel the agreement or redeem the commodity held under the terms of this section during such periods as the Secretary determines that the market price for that commodity exceeds 140 per centum of the then current loan rate for such commodity, and payments for storage shall cease during these same periods. The Secretary shall establish interest and storage penalties sufficient to offset any advantages which might accrue to producers due to premature redemption of loans (that is, redemption which occurs when the Secretary has determined the market price equals or is below 140 per centum of the then current loan rate), or any other actions in violation of the terms of this subsection.

"(c) Storage contracts made under provisions of this Act shall contain a provision permitting cancellation by the Secretary of storage agreements, and cancellation of any Commodity Credit Corporation loans made under provisions of this section at such time as the Secretary determines that the market price for the commodity exceeds the higher of the following:

"(1) 165 per centum of the then current loan rate for that commodity, or

"(2) 130 per centum of the average market price for the preceding three marketing years.

Provided, however, That the quantity of the commodity covered by such cancellations shall be limited to the net quantities by which estimated domestic consumption and exports exceed estimated domestic production, imports, and carryovers for the marketing year.

"(d) The Secretary may, at his option, reconcentrate all grains stored in commercial warehouses at such points as he deems to be in the public interest, taking into account factors including transportation and normal marketing patterns. The Secretary shall permit rotation of stocks and facilitate maintenance of quality under regulations which assure that the holding producer or warehouseman shall, at all times, have available for delivery at the designated place of storage both the quantity and quality of grain covered by his commitment. In the event of failure to cover his commitment with either the quantity or quality of grain specified, the holding producer shall be required to reimburse the government for any deficiencies in value and the holding warehouseman shall pay twice the amount of any such deficiencies in value.

"(e) The net additional quantity of any commodity covered by such long-term storage contracts under this section in any marketing year shall not exceed the lesser of the following:

"(1) the net additional estimated total carryover in excess of normal for the marketing year; or

"(2) the amount the maximum reserve inventory determined for the given commodity in subsection (a) above exceeds the total stocks of such commodity held in the reserve at the beginning of the marketing year.

"(f) Except as provided in subsection (g) herein, notwithstanding any other provision of law, the Commodity Credit Corporation shall not sell any wheat, corn, barley, rye,

oats or grain sorghum owned or controlled by it for less than 150 per centum of the then current respective loan rates. The provisions of this subsection shall not apply to sales or other disposals of such commodities under (a) the fifth and sixth sentences of section 407 of this Act; (b) the Act entitled 'An Act to authorize the sale at current support prices of agricultural commodities owned by the Commodity Credit Corporation to provide feed for livestock in areas determined to be emergency areas, and for other purposes', approved September 21, 1959 (73 Stat. 574), and (c) section 813 of the Agricultural Act of 1970.

"(g) The Secretary may buy and sell at an equivalent price, allowing for the customary location and grade differentials, substantially equivalent quantities in different locations or warehouses to the extent needed to properly handle, rotate, distribute, and locate such commodities which the Commodity Credit Corporation owns or controls. Such purchases to offset sales shall be made within two market days. The Secretary shall make a daily list available showing the price, location, and quantity of the transactions entered into hereinunder.

"(h) The Secretary shall use the Commodity Credit Corporation to the extent feasible to fulfill the purposes of this section; and to the maximum extent practicable consistent with the fulfillment of the purposes of this section and the effective and efficient administration of this section shall utilize the usual and customary channels, facilities, and arrangements of trade and commerce.".

4. Page 52, immediately after line 4, insert the following:

International Emergency Food Reserve

SEC. 910. Title I of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new section 111, as follows:

"SEC. 111. (a) The President is authorized to enter into negotiations with other nations to develop an international system of food reserves to provide for humanitarian food relief needs, and to establish and maintain a food reserve as a contribution of the United States toward the development of such a system, to be made available in the event of food emergencies in foreign countries. The reserve shall be known as the International Emergency Food Reserve.

"(b) The Secretary shall, as soon as practicable, build minimum stocks of food (including processed and blended foods insofar as practicable) for the International Emergency Food Reserve of no less than two million tons as an indication of the commitment of the United States to the establishment of an international system of food reserves. Pursuant to an international agreement on food reserves, the Secretary is authorized to increase the stocks to a level not greater than six million tons.

"(c) As soon as practicable, following the effective date of an international agreement on food reserves, the Secretary shall adjust the maximum level of stocks to such level as may be established as a provision of the United States participation in such international agreement. The Secretary shall reestablish such reserve to the level prescribed under the respective cases provided for above the earliest possible date following any action under subsection (d) which has drawn the reserves to a level less than two million tons. Such reserve may be acquired by the Commodity Credit Corporation as the result of default on loans made under price support programs administered by the Secretary. The Secretary may also acquire such reserve through purchases by the Commodity Credit Corporation on the market to the extent that quantities acquired by the Commodity Credit Corporation under price support operations as inadequate.

"(d) Food in the International Emergency Food Reserve may be disposed of only under the following circumstances:

"(1) Such food may be utilized for the purposes of providing humanitarian relief in any foreign country which suffers a major disaster, as determined by the President.

"(2) Such food may be utilized for the purpose of assisting any developing country to meet its food requirement in any year in which there has been such a severe shortfall in food production, as determined by the Secretary, as to warrant the use of United States food for such purpose.

"(e) Notwithstanding any provision of this Act, the Secretary shall provide for the periodic rotation of stocks of the International Emergency Food Reserve to avoid spoilage and deterioration of such stocks, utilizing programs authorized by the Agricultural Trade Development and Assistance Act of 1954, as amended, but any quantity removed from the reserve for rotation purposes shall be promptly replaced with an equivalent quantity. Notwithstanding any other provision of law, none of the stocks of food in the International Emergency Food Reserve shall be included in the Secretary's determination of the carryover of wheat, feed grains, rice, or soybeans.".

EXTENSIONS OF REMARKS

TERRY CURTOLA, JR., CIVIC LEADER EXTRAORDINAIRE

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. LEGGETT. Mr. Speaker, every city, every organization, needs a sparkplug in the form of a person who will assume responsibility, take the lead, show the way.

Such a person is Terry A. Curtola, Jr., who retired March 1, 1977, upon the completion of his second 4-year term as a councilman of the city of Vallejo.

A former vice mayor of Vallejo, he served his city in public office for 10 years. He spent 2 years as a member of the Vallejo Planning Commission, where I myself started a political career 20 years ago.

The Vallejo Times-Herald recently reviewed the career of Vallejo's 37-year-old businessman and civic leader. Young Terry has helped pioneer a family chain of successful restaurants and catering founded by Terry, Sr., a half century ago.

Terry Curtola, Jr., the newspaper said, intends to keep active in the affairs of the city and maintain the keen interest he has always had in its affairs. There is every evidence, the newspaper noted, that he will enter political life again in the future.

Terry has been active in city commission and council work beginning in his late 20's. He was named by the mayor and council to the planning commission in 1967, and was elected to the council in 1969 and again in 1973.

He has served on many city, county, and regional committees, and was the first Solano County representative to the Metropolitan Transportation Commission.

Terry served as chairman of the city of Vallejo's transit advisory committee since 1972 and was instrumental in purchasing a fleet of new buses and completely upgrading the Vallejo transit system, regarded as one of the finest in the San Francisco Bay area.

In the field of transportation, former Vice Mayor Curtola worked diligently to acquire reduced transportation rates for seniors and handicapped persons of the community.

Curtola has said the two goals he hopes to see reached in the near future are the revitalization and redevelopment of the downtown shopping area and the recreational and commercial usage of Vallejo's waterfront.

Curtola told the Times-Herald:

I hope in the near future the City Council will renew its efforts to improve these areas for the enjoyment and betterment of our community.

Curtola, in announcing his decision to retire from political life for the present, said he is

very confident that our city, being in capable managerial hands, in excellent financial condition and protected by the finest police and fire departments in the state, will continue to prosper and progress in the years ahead.

Many times in Washington, national press gets mesmerized with international machinations and the U.S. part that is played therein. The real America is in the 10,000 cities and 3,000 counties in the country, and in the aggressive, creative spirit of local leaders of which the Terry Curtola, Jr., saga is but a microcosm.

AMENDMENT OF THE EMERGENCY UNEMPLOYMENT COMPENSATION ACT OF 1977

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mrs. BURKE of California. Mr. Speaker, today I am introducing a bill to amend the Emergency Unemployment Compensation Act of 1974 to provide an additional 13 weeks of benefits in States with high unemployment rates.

Recent data from the Bureau of Labor Statistics indicates that the number of unemployed workers has dropped significantly, to 7 percent of the workforce, the lowest rate in months. While we have all been heartened that perhaps this signals an end to the long period of unemployment, the figures are, after all, representative of a national average. As such, these statistics reflect accurately neither the situation in certain sectors of the country nor the situation for specific categories of workers.

The recent 7 percent unemployment rate does not reflect the fact that recovery will proceed slower in areas which have suffered extremely high rates of unemployment. In 1976, the average rate of unemployment was 9 percent in Boston; 10.9 percent in Buffalo, 9.1 percent in Detroit, 9.4 percent in Miami, 9.8 percent in Nassau-Suffolk Counties, N.Y., 10.8 percent in New York City, 10.2 percent in Newark, 11.8 percent in San Diego, 10.3 percent in San Francisco-Oakland, and 9.8 percent in Riverside-San Bernardino. California's unemployment rate averaged 9.6 percent in 1976, a decline of only 0.3 percent over that of 1975. This statistic translates as 911,000 unemployed workers in California alone, an unconscionable number.

Minority workers have also borne a disproportionate share of the burden of unemployment. The minority population, according to the Bureau of Labor Statistics, has an unemployment rate of nearly 13 percent, or almost twice that of the white population. Minority youths have experienced an unemployment rate of 40 percent according to the Bureau of Labor Statistics, with other sources estimating minority youth unemployment at 50 percent or higher.

In light of these factors, I have prepared legislation which will respond to the legitimate needs of unemployed workers in areas of continued high unemployment. These workers must be able to provide the essentials for themselves and their families and, as a young man in Los Angeles observed, it costs money just to look for a job.

The legislation I am offering today contains two major provisions. First, it would extend the availability of unemployment compensation benefits under the Emergency Unemployment Compensation Act of 1974 an additional 13 weeks for a total of 65 weeks of maximum benefits to be triggered when the State unemployment rate reaches 6 percent.

Second, recipients of unemployment compensation benefits would not be required to accept employment unless the pay equaled at least 75 percent of the previous salary in the base period of employment.

For many of our workers, the economic upturn and subsequent decline in unemployment has yet to become a reality. This legislation will assure workers living in areas of high unemployment that they will not be penalized unfairly for a slower rate of economic recovery in their communities.

INTERNAL REVENUE SERVICE FORMS MAZE

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. ARCHER. Mr. Speaker, the following letter is from one of my constituents who is addressing President Carter on the Internal Revenue Service and its many complications. I hope that my colleagues will take the time to read it:

President JIMMY CARTER,
White House,
Washington, D.C.

DEAR PRESIDENT CARTER: My father, brother, and I have a small farm partnership operation in South Texas. The farm income contributes very little to our individual livelihoods and is actually little more than a way for us to continue our interest in agricultural affairs.

I have just completed our annual partnership income tax work and as probably all other taxpayers, am thoroughly disgusted with the time, effort, and money wasted on the Federal Government's method of collecting taxes. It is unthinkable that a bureaucracy such as the Internal Revenue Service has been allowed to become the monster that it is. Webster defines "bureaucracy" as "a system of administration marked by officialism, red tape, and proliferation", which is a rather mild way of describing the IRS.

I am enclosing copies of IRS Instructions and Supplemental Instructions for the Partnership Form 1065. Reading these two instruction sheets and trying to make some sense out of them is impossible to an average person trying to make enough money to pay his taxes. The following references are mentioned in the two sheets for use in filling out Form 1065:

Forms 3115, 1096, 1099Int, 4683, 926, 4952, 4832, 5500K, 5006, T. 5500, 500–C, 5329, 4797, 5713, 2439, 4136, 4874, 4625, 4626, 3468, 4255.

Internal Revenue Code Sections 706b, 442, 708(b)(2), 446, 679, 1491, 1057, 761(a), 1.761–2, 901, 617, 57(c), 163(d), 1033, 754, 702(a), 901, 702(a)8, 465(a), 704(b), 704(d), 704, 301.7701–2(d)(2), 263; 709, 280, 453, 970, 501, 521, 856, 858, 280A, 464, 278, 447, 267, 461(g), 189, 163(d), 189, 167, 179, 167(f), 167(j), 1250, 167K, 174, 177, 616, 169, 188, 189, 191, 613A, 265, 1231, 1236, 1237, 84, 1031, 167, 341, 483, 706(c)(2), 465, 267(b), 464(e), 204(c)(2), 116, 274(h), 901, 999(a), 999(b)(3), 111, 165(d), 175, 263(c), 617, 751(b), 1251, 1252, 613(A), 57(e).

Publications 552, 534, 550.

Bulletin 77–13.

How can anyone spend the time to acquire, read, and digest the above material in order to properly prepare just one income tax form? If this were an isolated case, we would dissolve the partnership and eliminate our part of the problem. The sad thing is that the whole business of Federal income tax collection is an unbelievable mess in our country.

I know that you are not responsible for the current situation, but you are the President now and I hope that you will accept the responsibility for cleaning up some of the mess. We do not need tax "reform" since recent "reforms" have only led to more rules and regulations. What we need is elimination—do away with some of the bureaucracy which has created our present sad predicament.

Yours very truly,

PHILLIP W. MCDANIEL.

TIME TO REVIEW THE DAVIS-BACON ACT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. ASHBROOK. Mr. Speaker, I have been a consistent advocate of the need to reduce Government spending. Unless we are willing to slash Federal expenditures, we risk another round of double-digit inflation.

One law contributing to higher spending is the Davis-Bacon Act. This act is basically a minimum wage law under which a specific minimum is set for each classification of workers in each locality for all types of construction. It applies to those contractors working on Government-sponsored construction.

Examples of the negative effects of Davis-Bacon are numerous. A General Accounting Office study has documented the excess costs incurred by the Government due to Davis-Bacon and set them at 5 to 15 percent of total construction expenditures. This is a $1 billion annual increase in public construction costs. In addition, it has been estimated that perhaps 15 percent fewer jobs exist due to the artificially high wages and low productivity caused by Davis-Bacon regulations.

The Cincinnati Enquirer recently expressed its concern over the Davis-Bacon Act. In a June 21 editorial, the Enquirer writes:

But if indeed the GAO study is accurate, and if noted economists of varying philosophies are convinced of its waste and inflationary impact, the act should receive serious congressional review. Given the march of federal spending, each review, perhaps, is long overdue.

I agree with these comments. It is time that Congress took another look at the Davis-Bacon Act. Following is the text of the editorial from the Cincinnati Enquirer.

[From the Cincinnati Enquirer, June 21, 1977]

DAVIS-BACON: THE HIDDEN TAXER

Back in the 1920s, an out-of-state contractor imported laborers at low wages to land the construction contract for a Veterans Administration hospital in the New York congressional district of Rep. Robert Bacon, a Republican. The upshot was a law, known as the Davis-Bacon Act, reaching far beyond its intended range and apparently costing American taxpayers billions of dollars unnecessarily.

The Davis-Bacon Act had the laudable aim of barring contractors who would recruit workers from low-wage areas to grab off federal contracts. It was designed to protect workers and contractors who could not otherwise compete. The act requires contractors to pay the "prevailing wage" of the area where a federal project is targeted. But some members of Congress are complaining now the act often gouges taxpayers by how it is applied.

"As diverse a group of economists as Walter Heller, Arthur Burns, Hendrik Houtthakker and Milton Friedman agree that the act fuels inflation and results in wasteful, unnecessary government spending by, in effect, requiring the payment of 'superminimum' wages on all federal and on most federally assisted construction," Rep. Tom Hagedorn (R-Minn.) told the House the other day. Mr. Hagedorn tried unsuccessfully to get the House to eliminate certain defense construction from the Davis-Bacon Act.

He recalled a 1971 General Accounting Office (GAO) report declaring the primary impact of Davis-Bacon was to increase public construction costs 5% to 15%—or $1 billion to $3 billion annually.

For one thing, Davis-Bacon has come to embrace just about all federally connected projects. Many smaller communities, for example, are said to shun certain federal programs that require matching construction funds because of the Davis-Bacon provision.

Mr. Hagedorn contends the act "imposes burdensome paper work costs upon contractors and subcontractors—often running as high as 1% to 2% of total project costs—discourages full utilization of apprentices and helpers, contributes to declining employee morale and impacts heavily upon totally private construction."

As an example of how the act is used, GAO referred to the Marine Corps' contract for a 450-unit housing project near its Quantico, Va. base, according to Rep. Phillip Crane (R-Ill.). It seems that the wage rates required were actually those of Washington, D.C., "some 35 miles away," Mr. Crane told the House, rather than those of the immediate Quantico area. Mr. Hagedorn said the Labor Department all too often looks simply to the nearest union-organized urban area to determine the "prevailing wage." Comprehensive wage surveys are thus not made in fixing the pay base.

The defense debate was not the ideal setting for what ought to be a thorough investigation and discussion of the broad impact of Davis-Bacon and whether modifications are desirable. Certainly the 298–76 rejection of the Hagedorn amendment showed the House in no mood to tamper with the act then.

But if indeed the GAO study is accurate, and if noted economists of varying philosophies are convinced of its waste and inflationary impact, the act should receive serious congressional review. Given the march of federal spending, such review, perhaps, is long overdue.

HEED THE COMMANDER'S MESSAGE

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. ABDNOR. Mr. Speaker, the President has declared it the policy of this Nation to withdraw our troops from South Korea. Some who have questioned the wisdom of this policy have been reprimanded. Others have spoken out strongly and I would like to direct the attention of my colleagues to the Commander's Message in the July 1977 issue of the American Legion magazine. As Commander Rogers says: "Let's hope North Korea knows this isn't 1950.":

THE COMMANDER'S MESSAGE—LET'S HOPE NORTH KOREA KNOWS THIS ISN'T 1950

A few weeks ago some 500 South Koreans gathered in Seoul to sing "Onward Christian Soldiers" and pray that the United States changes its mind and does not withdraw its ground forces from their country.

The American Legion has steadfastly opposed the withdrawal of American forces from the Korean peninsula so long as Kim Il-Sung of North Korea threatens war. This has been American policy since the Korean conflict. Now the President has decided it is time to pull out U.S. ground forces, although he pledges this will not weaken the American commitment to defend South Korea in case of North Korean attack.

The President obviously is convinced that it is not a gamble. We pray he is right. The withdrawal of 1948, the Dean Acheson declaration that left South Korea outside the U.S. Asian defense perimeter and the 1950 invasion by North Korea are history that must not be repeated.

Early in my year as national commander I visited South Korea, toured the demilitarized zone (DMZ) and Panmunjom where the sessions between Allied and Red "peacemakers" go on interminably in a supercharged atmosphere of hate and suspicion. Two American officers were literally hacked to pieces last year by Communist guards at Panmunjom. Border incidents are commonplace. North Korean and South Korean gunboats have fought a series of running battles in the cold, foggy north Pacific.

The 33,000 American troops on guard in South Korea are perhaps the finest honed outfit in the U.S. Army. The 2nd Infantry Division is alert at the DMZ for any surprise attack and deeply aware of the threat from the north.

It was not surprising to hear a major general in Korea express fear that withdrawal of American forces might encourage another Communist invasion. The unfortunate timing of Gen. John K. Singlaub's remarks, just as U.S. negotiators were about to open talks with South Korean officials, probably left the President no option but to transfer the general. Delicate negotiations cannot succeed if one side is in doubt about the other's purpose. Certainly the President is well aware of the risks inherent in the Korean situation. And he has the ultimate responsibility as commander-in-chief.

Gen. Singlaub's case was handled with too much publicity, perhaps, but it was encouraging that the President did not take punitive action. The general is a fine soldier. The Army needs his kind.

What is not so encouraging is the prospect that the Singlaub affair could silence all professional military men. Their views are needed if the public is to understand the complex issues of foreign policy, disarmament and national security.

The Wall Street Journal suggests in an editorial that "journalists can forget about interviewing generals. Even if an officer is willing to risk an interview, no candor can be expected. Secretary of Defense Brown (has) declared that once a policy is set, an officer is expected 'to support that policy publicly if he plans to stay in the military,' even if he has advised against it and in fact privately dissents. So the journalists, and for that matter the public and the Congress, will be dealing with officers who may be facing the blunt choice: resign or lie."

I hope the choice is not so stark.

The American Legion stands squarely behind the concept of civilian control of the military. Our entire system of government is based on every citizen's ultimate responsibility to elected authority.

But if citizens are to understand clearly basic changes in our world defense system, especially the withdrawal of American forces from such a critical spot as Korea, they deserve full airing of all points of view. Certainly the professional military's on-the-spot appraisal of Communist capabilities and intentions is one critical point of view.

At stake in Korea is not only the independence of the Republic of Korea, but protection of major American business holdings and the strategic defense of Japan.

If the Republic of Korea is now able to handle its own defenses, great. The saving to the American taxpayer will be substantial. But let's be satisfied in advance that Communist North Korea understands this isn't a replay of 1948 and 1950.

PUBLIC HEALTH RESEARCH INSTITUTE OF NEW YORK

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. MURPHY of New York. Mr. Speaker, as we all agree, basic scientific research is vital to solving many of the problems we face in this country today. Thanks to such research we have begun to explore outer space, to improve the quality and quantity of agricultural products, and to harness solar energy for our daily energy needs.

But in none of these areas has scientific inquiry and study been as vital to the improvement of the human condition as it has been in the field of medicine. In our lifetimes we have discovered answers to questions that are centuries old. Alone, the discovery of penicillin has saved millions of lives and eased unimaginable suffering.

Biological investigations go forward. Today we are rushing to find the basic causes of cancer, heart disease, and many other killers.

I should like to address your attention today to the activities of one institution which, despite enormous obstacles, has helped improve the life and health of people across the Nation and throughout the world.

The Public Health Research Institute of the city of New York boasts an impressive series of achievements. Established in 1941 to aid New York City's official laboratory facilities, the institute worked to control diseases such as polio and influenza which periodically threatened public welfare.

In its early years the Public Health Research Institute made notable contributions to prevention of disease. Their researchers were instrumental in planning and carrying out large-scale vaccinations of dogs against rabies; the development of a slow-absorbing type of penicillin; early preparation of a triple vaccine against whooping cough, diphtheria, and tetanus, combining in one dose all three of these antigens; emergency diagnosis of small pox by isolation of virus in threatened epidemics; and the isolation of the virulent "cord" factor from tubercle bacilli.

As the scientific body of knowledge increased and public health research became more sophisticated, so too did the institute. Close cooperation between New York's Health Department, university research divisions, and the institute became routine.

Other investigations yielded great benefits. The use of adjuvants, which makes possible the enchancement of immunity obtainable by injecting vaccines, was developed by the Public Health Research Institute.

They studied intermediary metabolism which broadened the knowledge of nutrition. Fundamental studies in the field of viral diseases resulted in more accurate diagnosis and classification of various types of epidemic influenza and effective immunization against those viral agents.

Basic research into cholesterol accumulations and bile acid pathways may shortly provide a technique to dissolve gallstones without surgery. Researchers at the institute have spent an entire generation studying this problem.

Other current laboratory inquiries include work on cellular organelles that appear to bear responsibility for antibiotic resistance, study of the effectiveness of antibodies in fighting tumors, and the difference in cellular processes between healthy cells and tumor cells.

Throughout its productive history, the institute has been intensely committed to searching out, studying and finding weapons against the microscopic enemies of man.

By recognizing the Public Health Research Institute's contributions to the improvement of health care, we are taking notice of all researchers and scientists. We are saying that their work can have a lasting effect on all our lives. Certainly the Public Health Institute has done just that.

RELEASE OF LIBRARY OF CONGRESS REPORT ON "TAXES IN 2000"

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. VANIK. Mr. Speaker, as a member of the House Ways and Means Committee, I have been concerned that we have a better understanding of how the various social programs and regular tax programs interrelate to place a "total" tax burden on the citizen.

Therefore, earlier this year, I requested the Library of Congress to provide me with an analysis, using the best techniques available to them of what the likely tax burden would be over the next quarter century. The attached report from the Library indicates that, using reasonable economic assumptions, the burden—and the benefit—of Government programs will be increasing during the remainder of this century.

The report, which clearly and carefully stresses the fact that it is only a set of "projections—based on an extensive set of assumptions about the future," finds that the real income of Americans will be increasing dramatically in the future:

However, the "total government sector of the economy (is projected as) growing from 30.8 percent of GNP in 1975 to 34.6 percent in 1990 and 37.5 percent in the year 2000."

The Federal income tax is projected to remain the largest tax paid by the median income family and to increase considerably as a percent of the family's income.

The State and local individual income tax paid by the median income family is likewise estimated to increase both in absolute and relative terms over the next quarter century.

Unlike income taxes, the combined burden of sales taxes and property taxes is estimated to remain relatively constant as a percent of the median income family's income over the next twenty-five years.

It should be noted that while the data on the Government percentage of GNP includes the various social insurance programs, the tables in the study showing the "taxes paid directly by the median family" do not reflect the substantial and growing burden of social security and medicare taxes.

It is not at all clear that the econometric models used by the Library reflect the need to repair the social security trust funds or allow for any net increase in cost due to a possible national health insurance program.

I believe that this study is useful in showing us all that we must be extremely careful in starting new programs and amending existing ones. Perhaps it is time that we should debate more clearly the question of how large a role Government should play in our lives in the future:

TAXES IN 2000: A PROJECTION OF THE MAJOR TAXES PAID DIRECTLY BY A MEDIAN-INCOME FAMILY FOR THE REMAINDER OF THE 20TH CENTURY

If indeed it is true that the only things in life which are certain are death and taxes, then all we can say with certainty about the year 2000 is that man will not have achieved immortality nor escaped taxation. But what will be his life expectancy and how high will taxes be? These questions can be answered only with much less certainty and much greater difficulty. Projections of life expectancies are routinely available from the Census Bureau; it is the purpose of this paper to provide projections of tax levels for a median income family to the year 2000. Section I is an introduction and summary of the results. Section II provides details of the estimation procedures and projections.

I INTRODUCTION AND SUMMARY OF PROJECTIONS

This study presents projections of Federal and State and Local tax burdens on a median income family to the year 2000. The results should not, under any circumstances, be interpreted as predictions of actual tax burdens or economic quantities. The inability of economists to predict economic events accurately, even one year in advance, recently has received frequent newspaper coverage, roughly coinciding with the announcement of each new set of economic indicators.

Rather, the estimates in this paper are projections of tax burdens based on an extensive set of assumptions about the future. The assumptions are not expectations but instead serve two purposes. First, they provide the basis for estimation; some assumptions must be made to perform the projection, and hopefully those chosen will stand the test of reasonableness. Second, the assumptions provide a basis for assessing the impact of future events on the projections. As time passes and economic values differ from those assumed, the projections can be revised to be consistent with actual developments.

The foundation for the projections in this paper is the Spring 1977 long-term econometric forecast by Data Resources, Inc. (DRI).[1] This source provides projections of myriad economic variables to the year 1990. DRI employs two versions of its long-term econometric model to generate two separate sets of projections. One model (Trend-long) provides trend line projections without attempting to account for cyclic variations in the economy. The second model (Cyclelong) attempts to project the cyclic behavior of economic variables. Because of the purpose of this paper, the DRI Trendlong projections are used as the basis for the estimates. Thus, all of the multitudinous assumptions about the nature of the economy and about future events incorporated in this econometric model are also implicitly assumed in the projections presented here.

Using such an econometric model for the long-term projections provides a great advantage over mere extrapolation of past events. An econometric model provides projections based on a large set of internally consistent assumptions about the workings of the economy and also is constructed to take into account the interactions and interdependencies among economic variables. For these reasons, the model also enables incorporation into the projections of assumptions about future events which differ from past trends, such as adoption of new government programs or changes in economic growth rates.

However, because the DRI Trendlong projections extend only to the year 1990 and do not include all the economic qualities needed for this study, several additional assumptions and procedures are necessitated. These assumptions and procedures are explained along with the detailed results in section II.

[1] Data Resources, Inc., The Data Resources U.S. Long-Term Review, Spring 1977.

TABLE I.—MEDIAN FAMILY INCOME AND MAJOR TAXES PAID DIRECTLY BY A MEDIAN INCOME FAMILY IN NOMINAL AND REAL TERMS, 1975-2000

	Median family income		Total of major taxes paid directly by family			Federal individual income tax		
	Nominal dollars	1975 dollars	Nominal dollars	1975 dollars	Percent of income	Nominal dollars	1975 dollars	Percent of income
Year:								
1975	$13,719.00	$13,719.00	$2,483.77	$2,483.77	18.1	$1,496.00	$1,496.00	10.9
1976	14,931.70	14,126.50	2,812.64	2,660.96	18.8	1,716.00	1,623.46	11.5
1977	16,406.20	14,583.30	3,017.38	2,682.11	18.4	1,831.28	1,627.80	11.2
1978	18,043.80	15,188.40	3,467.85	2,919.07	19.2	2,187.52	1,841.35	12.1
1979	19,791.00	15,820.14	3,911.43	3,126.64	19.8	2,524.68	2,018.13	12.8
1980	21,674.90	16,445.30	4,388.03	3,329.31	20.2	2,914.52	2,211.32	13.4
1985	30,588.60	18,305.60	6,589.16	3,943.24	21.5	4,254.94	2,546.34	13.9
1990	41,638.60	20,381.10	9,373.81	4,588.26	22.5	5,919.16	2,897.29	14.2
1995	56,826.50	22,867.80	13,312.53	5,357.15	23.4	8,187.46	3,294.75	14.4
2000	77,687.40	25,690.30	19,012.78	6,287.29	24.4	11,351.20	3,753.70	14.6

	Median family income		State and local individual income tax			State and local sales tax and property tax		
	Nonimal dollars	1975 dollars	Nominal dollars	1975 dollars	Percent of income	Nominal dollars	1975 dollars	Percent of income
1975	13,719.00	13,719.00	260.66	260.66	1.9	727.11	727.11	5.3
1976	14,931.70	14,126.50	302.41	286.10	2.0	794.23	751.40	5.3
1977	16,406.20	14,583.30	332.27	295.35	2.0	853.83	758.96	5.2
1978	18,043.80	15,188.40	365.44	307.61	2.0	914.89	770.11	5.1
1979	19,791.00	15,820.14	417.35	333.61	2.1	969.40	774.90	4.9
1980	21,674.90	16,445.30	461.60	350.23	2.1	1,011.91	767.76	4.7
1985	30,588.60	18,305.60	804.72	481.58	2.6	1,529.50	915.32	5.0
1990	41,638.60	20,381.10	1,282.33	627.67	3.1	2,172.32	1,063.30	5.2
1995	56,826.50	22,867.80	2,106.02	847.49	3.7	3,019.05	1,214.91	5.3
2000	77,687.40	25,690.30	3,454.96	1,142.51	4.4	4,206.62	1,391.08	5.4

A summary of the results of the projections of median family income and the major taxes paid directly by a median income family is shown in Table I. The projections show median family income, in nominal terms, rising from $13,719 in 1975 to $21,675 in 1980, $41,639 in 1990, and $77,687 in the year 2000. However, a significant portion of this increase is attributable to inflation; median family income in constant dollars of 1975 purchasing power is projected to increase to $16,445 in 1980, $20,381 in 1990, and $25,690 in 2000. This represents an increase in standard of living for the median income family of 20 percent between 1975 and 1980, 49 percent between 1975 and 1990, and 87 percent during the last quarter of the Twentieth Century.[2]

The major taxes paid directly by a family are the Federal individual income tax, State and Local income taxes, State and Local sales taxes, and property taxes. These taxes added together cost the typical median income family $2,484 in 1975. This cost is projected to rise to $4,388 in 1980, $9,374 in 1990, and $19,013 in 2000. These tax levels represent both increasing real amounts and increasing shares of the median income family's income. The total tax bill for the major directly paid taxes of the median income family, in real terms, is estimated to rise to $3,329 in 1980, $4,588 in 1990, and $6,287 in 2000. In terms of the percent of the median income family's income that taxes claim, these amounts represent 18.1 percent in 1975, 20.2 percent in 1980, 22.5 percent in 1990, and 24.4 percent at the end of the century.

The Federal income tax is projected to remain the largest tax paid by the median income family and to increase considerably as a percent of the family's income. In nominal terms, the Federal income tax bill of the median income family, estimated at $1,496 in 1975 (not counting the rebate of 1974 income taxes under the Tax Reduction Act of 1975, P.L. 94–12), is projected to rise to $2,915 in 1980, $5,919 in 1990, and $11,351 in 2000. In constant dollar terms, this represents an increase to $2,211 in 1980, $2,897 in 1990, and $3,754 in 2000, compared to the 1975 amount. As a percent of income, the median income family's Federal income tax liability is estimated to rise from 10.9 percent in 1975 to 13.4 percent in 1980, 14.2 percent in 1990, and 14.6 percent in the year 2000.

The State and Local individual income tax paid by the median income family is likewise estimated to increase both in absolute and relative terms over the next quarter century. In nominal dollars, the State and Local income tax for the family is projected to increase from $261 in 1975 to $462 in 1980, $1,282 in 1990, and $3,455 in 2000. In real terms, this implies an increase from the 1975 level to $350 in 1980, $628 in 1990, and $1,142 in 2000 in constant dollars. Under these circumstances, State and Local individual income taxes would increase from 1.9 percent of the median income family's income in 1975, to 2.1 percent in 1980, 3.1 percent in 1990, and 4.4 percent in 2000.

State and Local sales taxes and property taxes are estimated jointly in this study. Unlike income taxes, the combined burden of sales taxes and property taxes is estimated to remain relatively constant as a percent of the median income family's income over the next twenty-five years. In nominal dollar amounts, the sales and property tax burden on the median income family is projected to increase from an average of $727 in 1975 to $1,012 in 1980, $2,172 in 1990, and $4,207 in the year 2000. In constant dollar terms, this represents an increase from the 1975 level to $768 in 1980, $1,063 in 1990, and $1,391 in 2000. As a percent of family income, these tax burdens amount to 5.3 percent in 1975, 4.7 percent in 1980, 5.2 percent in 1990, and 5.4 percent in 2000.

[2] Real income is the usual measure for "standard of living", but its accuracy in this regard diminishes as the time period over which comparisons are made lengthens.

"NORMALIZATION": DOES IT MEAN ABANDONMENT OF THE CHINESE ON TAIWAN?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. ASHBROOK. Mr. Speaker, Secretary of State Cyrus Vance addressed the Asia Society on June 29. In that speech he stated:

"We (the Carter Administration) shall seek to move toward full normalization of relations" with Communist China. In a press conference on June 30, President Carter stated, "My hope is that we can work out an agreement with the People's Republic of China having full diplomatic relations with them. . . .

Press reports since that time have discussed the possibilities of Secretary of State Vance announcing full diplomatic relations with mainland China and breaking relations with the Republic of China during his visit to the mainland in August. Many of these commentaries discuss how the administration desires to get some type of agreement from the Communists to respect the security of the Republic of China on Taiwan. If such agreement was reached, the conventional wisdom seems to be that the Carter administration would then be able to break relations with Taiwan, abrogate the mutual Security Treaty and begin carrying on unofficial relations with Taiwan. Such actions would be a sellout of our longtime ally the Republic of China on Taiwan.

Let no one forget that Taiwan is one of the few countries of the world that once received U.S. foreign economic aid and no longer does. It is a model for development for many other countries. It is a country that relies on foreign trade to survive. And that reliance on foreign trade opens up pressure points for the Communists that are not as readily available in other countries.

Also, what reliance can we or the people on Taiwan, the Pescadores, Quemoy and Matsu place on any guarantees that the Communist Chinese may give? We only have to reach back a few years to see what the Communists did to the Tibetans who were supposed to have their own autonomous region and instead were the victims of genocide.

Let us look at what is being asked. The Chinese Communists say "We want full relations with you but before that you must break all relations with Taiwan." In my opinion the answer to that should be a resounding "No." Giving up relations with the Republic of China to gain relations with Communist China is not in our national interest, does nothing to further human rights, and is against basic American principles of fair play.

The Carter administration should not be misled about the Communist Chinese position on Taiwan. Fox Butterfield, in an article in the New York Times of July 9, points out that the Communist Chinese have a definite policy on Taiwan: They want to control it.

The Carter administration has a choice: It can try and set up a smokescreen while making it difficult or impossible for Taiwan to continue as a free country or it can say to the Communists we want better relations but not at the expense of our friend and ally the Republic of China. The choice is clear.

As my colleague and friend, the chairman of the House Committee on International Relations CLEMENT ZABLOCKI, has stated in a recent speech:

We should remember that it is the PRC—not the United States—which is setting the price for establishment of full diplomatic relations.

I for one do not believe the United States should let this continue to be the case. Giving in to totalitarians is no way to further peace, the rule of law or to gain respect for the United States.

At this point I include the several paragraphs of the article from the New York Times that I discussed earlier:

NOTHING INSCRUTABLE ABOUT CHINA WHEN IT STATES POLICY ON TAIWAN

(By Fox Butterfield)

HONG KONG, July 8.—Unlike in the United States, where official spokesmen seem endlessly available to comment on anything be it consequential or trivial getting an official response in China to a breaking news story can take days, or more likely, can be impossible. Hence when a senior member of Peking's hierarchy not only comments on a development in America, but his remarks are also carried by the Chinese press agency, Hsinhua, it can be considered as a significant statement.

So it was this week that Li Hsiennien, the senior deputy prime minister and third-ranking member of the Communist Party, offered China's reaction to a speech five days earlier by Secretary of State Cyrus R. Vance outlining the Carter Administration's China policy. Mr. Vance's talk, almost Chinese in its obliqueness, said Washington wanted to "move toward full normalization of relations" with China and made no mention of the American security treaty with Taiwan.

That treaty, which commits the United States to Taiwan's defense, has been the main stumbling block to improved ties with Peking. A State Department source, briefing reporters on Mr. Vance's speech, said it was "a conscious act, both what is included in it and what is not."

Was that a hint that the Administration was now prepared to drop the security treaty, a step likely to be opposed by Congress, or was Mr. Vance simply trying to obscure the issue by not mentioning it, hoping Peking might accept normalization if we just don't say any more about the treaty?

A MODEL OF CLARITY

By contrast, Mr. Li's rejoinder was a model of clarity. "Relations can continue to be improved," Hsinhua quoted him as having said, provided the United States fulfills three conditions: "Severance of diplomatic relations with Taiwan, withdrawal of its troops and abrogation of the treaty."

"And none of these three can be dispensed with," he added, suggesting that out of sight is not out of mind for Peking.

Then, referring to an expression of interest by Mr. Vance that the Taiwan question be

settled peacefully, Mr. Li said, "As to when and in what way the Chinese people are to liberate their sacred territory of Taiwan, that is entirely China's internal affair which brooks no interference from other countries."

Ironically, Mr. Li made his remarks to Elmo R. Zumwalt Jr., the retired former chief of naval operations and a strong advocate of American sea power. Mr. Zumwalt is the lastest in a series of American military experts invited to Peking in recent months to convey another message—Peking's abiding suspicion of Russian military expansion.

AN ANALYSIS OF THE KING REPORT

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. STEIGER. Mr. Speaker, a few weeks ago, the U.S. Military Academy held its 1977 senior conference at West Point. The discussion topic was mandatory national service. Participants in the conference represented views across the spectrum on the subject of national service, as well as the all-volunteer military concept.

One of the participants was Dr. William King, professor of business administration at the University of Pittsburgh. Dr. King's presentation reflected a report he prepared for the Subcommittee on Manpower and Personnel of the Senate Armed Services Committee in February of this year.

Though he was unable to attend the conference, Stephen E. Herbits, who served as the Special Assistant to Secretary of Defense Donald Rumsfeld during the Ford administration, wrote an analysis of the King report which was presented at West Point. The Herbits analysis is an important document.

Many individuals knowledgeable in the field of military manpower policy have felt the King report was a one-sided piece of work on behalf of national service, with a strong anti-Volunteer Force bias. Herbits said he reached that conclusion and added that King "appears to have set out deliberately to discredit the Volunteer Force in order to enhance the attractiveness of the national service alternative."

Over the next several days, I will be placing into the RECORD the full text of the Herbits piece. Part I of the analysis follows:

AN ANALYSIS OF THE KING REPORT

(By Stephen E. Herbits)

In February, 1977, Professor William King, a member of the Business Administration faculty at the University of Pittsburgh, filed a study prepared for Senator Sam Nunn, Chairman of the Manpower and Personnel Subcommittee of the Senate Committee on Armed Services.

Senator Nunn, in a letter of transmittal to Armed Services Committee Chairman John Stennis, indicated his concern over the long term feasibility of the all volunteer force (AVF) and said he had requested Professor King's study because of his conviction "that we need to proceed with a careful examination of the problems and alternatives" to the AVF. He noted the need for a thorough national debate, and his decision to hire an outside consultant to undertake this study was one that should be cheered by all concerned about both the short and long-term defense capability.

After study of the King Report and based on my own experience with the subject, I have concluded that the report which Dr. King produced is an unbalanced presentation on the facts and prospects of the all volunteer force.

The subtleties of slanting are always very difficult to document clearly, but the overwhelming and unavoidable impression left with the reader is that the all volunteer force faces irreparable problems and that the desirable alternative is some sort of national service. The study is not research in the usual academic sense: It is highly selective in its use of data and example; it is internally contradictory; it frequently cites worst case data without explanation or balance; it contains factual errors; it is replete with innuendo; and its unmistakable emphasis is on the negative aspects of the AVF and positive aspects of national service.

As such, in my opinion, the study is intellectually shabby and not worthy of serious Congressional or public consideration. Had the work been described as having been written to be a catalyst for political debate or as a political diatribe and not research and analysis, the author could take pride in his work. As it is, Professor King did a serious disservice to Senators Nunn and Stennis, the Congress, the Department of Defense, the young men and women serving their nation in the military and all Americans. He appears to have set out deliberately to discredit the volunteer force in order to enhance the attractiveness of the national service alternative.

To set the record straight, this paper suggests some additional facts which should be considered by those seeking a balanced view of the all volunteer force. It touches minimally on the merits of national service, doing so only as those questions pertain to his arguments relating to the AVF. Accordingly, Part I reviews King's chapters 3, 4, and 5, the principal chapters on the AVF and Part II reviews the remainder of the report in summary fashion.

PART ONE

Chapters 3 through 5

Chapter 3

In Chapter 3, "The Status of the AVF," Dr. King gives a very good demonstration of his nimbleness in acknowledging the success of the AVF, then saying, "However, there could be problems. . . ." He describes implementation of the AVF as "a significant defense management achievement," says that overall an aggregate statistical case can be made that it's working and viable, and admits that DOD makes this case in its public reports. Apparently, though, all silver linings must have their clouds, and Dr. King tries finding some.

It is sometimes hard to understand how the professor reaches his conclusions. Once more, he states that aggregate statistics "show that the AVF has been largely successful." Once more, he follows that with a "however." The concerns he raises are potential problems with the "representatives" of the force and "the degree to which the AVF's success may have been due to exogenous factors—unemployment, population, and military pay increases—which will not continue into the future."

In citing these four elements of "problems" to which he returns over and over, and to which I'll return, King does not mention corresponding favorable factors:

1. Representativeness was not achieved by the draft and can be achieved with national service only under the most dire forms of selective compulsion.

2. Unemployment, while relevant, impacts to a much smaller degree on military enlistment than is generally assumed.

3. Population shortage in the appropriate manpower pool predictable for the mid '80's is precisely predictable now, affording managers the opportunity to institute management measures, also known now, to avoid shortfalls during the temporary dip.

4. Military pay raises are not only controllable, but as a result of the 1967 "Rivers" amendment will automatically keep pace unless specific action is taken to the contrary.

Dr. King goes on to discuss specific areas of concern which he sees in measuring the long-term viability of the AVF. It is regrettable that in doing so he displays a lack of a certain historical knowledge which would have been elucidating.

One clear conclusion of a recently published history of the AVF, written by Gus C. Lee, is that the services have often placed the blame on the AVF, rather than their own management mistakes, for problems they've had. Dr. Richard Cooper, RAND Corporation's military affairs expert has commented similarly: "Many of the current problems are traceable to the services' own management, but to avoid criticism, the services find it more convenient to criticize the AVF."

Dr. King's analysis of the cost of the AVF exemplifies his lack of understanding. Though he doesn't say it directly, he unmistakably implies that the AVF is responsible for the cost increases that have taken place in total manpower cost expenditures.

For instance, in a section titled "Costs of the AVF," he slips in a definition of the more general category of manpower costs. He points out that manpower costs are 54% of defense outlays, a figure which bears little relevance to the costs of the volunteer force and is highly misleading. The active duty military personnel share of the defense budget has in fact *gone down* from 31% to 27% since the end of the draft. The failure to break down manpower costs with easily available data distorts the true picture. As a percentage of the defense budget, personnel costs peaked in FY 1976 and are going down. Whereas King says that personnel costs have increased from 43 percent to 54 percent of the defense budget since 1964, it is important to realize that 91 percent of that increase is attributable to career force pay, to retired military pay, to civilian pay, and to other personnel support costs that would have occurred even if the draft had continued. FY '76 manpower costs not attributable to the AVF include retired pay (8.2% of defense outlays), civilian pay (18.6%), military pay excluding junior enlisted pay (24.4%), and personnel support (4.3%). The active duty payroll portion of the defense budget has decreased in every year since 1971 when Congress enacted the pay which brought military pay in line with the civilian sector.

Another misrepresentation deals with his analysis of "Project Volunteer." As Rick Cooper has noted, Dr. King fails to recognize that the "Project Volunteer" account included not only the entry pay raise for junior military personnel but also a substantial increase in quarters allowances awarded to career personnel, despite the fact such increases cannot be traced to the volunteer force. He also demonstrates no awareness that many of these improvements in basic living conditions and quarters were delayed because of the Vietnam conflict and would have been budgeted in any event. Dr. King himself violates the "aggregate" rule he earlier decries by failing to understand adequately what AVF costs really mean or what they do or should measure.

Furthermore, he refers in the last paragraph on page 12 to "the many costly programs for facilities improvements which are

indirectly, but rather clearly, attributable to AVF." Making no distinctions is a convenient way to (mis-)emphasize his point. He makes this sweeping statement, giving the reader a false impression of high AVF-related costs, without documentation and, as it turns out, without fact.

The Army has responded to Dr. King's "AVF Cost Verities" subsection by noting that recent cost comparisons of a two-year draft versus the AVF showed a possible saving in FY '77 of $23.3 million—and a possible additional cost of $40 million—if we resumed the draft. These assume that current military pay rates would continue.

In its response to Dr. King's comments that accession quality has improved except in the Army, I thought the Army showed both great kindness and restraint in saying his "statistics vary somewhat from Army date." The Army said, "It must be noted that Army quality did improve significantly until its recruiting resources were cut in FY '76." It continued to say that "the Army's program to achieve a quality Army extends beyond accessions to high standards for reenlistment and to a number of separation programs designed to eliminate the unsatisfactory soldiers."

Figures supplied by the Army show that overall AVF quality is significantly better than during the draft era. During the last three draft years, 70.6% of army enlisted personnel had high school diplomas and graduate equivalency diplomas; in the first three AVF years the figure was 80.4%. According to the Army, high school diploma graduate accessions have risen from 50% in FY 1974 to 59% in FY 1976. They are projected to be 62% in FY 1978. The comparison is also favorable by mental category: in the last three draft years, 31.4% were in Mental Categories I and II, 47.2% in Category III and 21.4% in Category IV; in the first three AVF years, the respective figures were 33.6%, 52.9% and 13.5%.

Other measures that influence Army "quality" are attrition, readiness, and disciplinary rates. The Army reports that "recently there has been a significant decrease in the rate of attrition of first term personnel from the Army." Trends indicate that the Army has "turned the corner" on adverse losses of personnel recruited since the Volunteer Army began. These trends confirm that the Army's programs for early identification and separation of those who are not suited for or cannot adapt to military service are effective. The steady improvement in the quality of the accessions from FY '74 through FY '76 also contributed to the downturn in attrition. The projection of adverse losses in FY '78 has dropped from 76,000 when the FY '78 President's budget was prepared to the current estimate of 63,000. This happened because the first term attrition rate for personnel recruited in each fiscal year since the Volunteer Army will be lower than that for the preceding fiscal year."

With respect to disciplinary rates and readiness, the Army reports "trends in crime rates, AWOL and desertion continue to be encouraging." Generally, since the inception of the All Volunteer Force, the incidence of crimes, AWOL's and desertions has decreased significantly. For example, the AWOL rate during the first quarter of CY '73 was 43.9 per 1,000; that has declined too 14.2 per 1,000 during first quarter CY '76. Other discipline indicators show marked improvement:

	Deserters [1]	Crimes of violence	Courts martial
1st quarter calendar year 1973	13.2	2.02	7.01
1st quarter calendar year 1976	3.2	1.65	3.18
4th quarter calendar year 1976	2.9	1.58	2.71

[1] Per 1,000.

Decreasing incidents allow commanders more time to devote to training and maintaining—hence improved morale, increased readiness and a significantly better Army ensue.

Readiness of the active force has generally improved since the inception of the AVF. Improvements are attributable to reduced turbulence in units, with lower enlistments and stabilized assignment policies associated with a voluntary system, as well as the substantially lowered disciplinary rates. Additionally, three new Divisions have been added to the force structure and are being fleshed out now.

Dr. King's analysis of AVF demographics and income distribution is particularly distressing. He says the Army and Marine Corps are over-sampling from low-income groups but does not point out that they have always sampled more highly from those groups, under the draft or the volunteer force. Cooper suggests that the AVF in general is no different from its draft-produced predecessor with respect to the income distribution of new recruits entering the force. Table 3–5 if studied closely, shows that the AVF is very much similar to the total population in economic distribution.

TABLE 3–5.—PERCENT DISTRIBUTION OF EARNINGS OF PARENTS OF RECRUITS (MAY 1975) COMPARED WITH U.S. FAMILY INCOME (MARCH 1975)

	Army	Navy	Marine Corps	Air Force	All services	U.S. family earnings (March 1975)
0 to $2,999	8.7	3.9	8.9	3.6	6.4	5.3
$3,000 to $7,999	24.0	17.8	20.6	17.7	20.5	21.0
$8,000 to $10,999	19.6	16.3	17.1	17.8	18.1	14.5
$11,000 to $13,999	15.2	17.8	16.2	19.4	17.0	14.8
$14,000 to $19,999	18.7	23.1	23.5	25.2	22.0	22.3
$20,000 and over	13.9	21.1	13.6	16.2	16.0	21.8

Source: Preliminary results May 1975 AFEES survey: consumer income, families by total money income, money income of families and persons in the United States, U.S. Department of Commerce, Bureau of Census.

With respect to geographical distribution of accessions, Dr. King strains to find reasons for complaint where none exists. As his chart 3–5a shows, there is remarkable similarity in states' sizes and the degree of their contribution to the total force. It is picayunish—and a reflection of how bad a case Dr. King has—that he feels he must cite the lower contribution of Alaska and North Dakota to the total force. Together, the two states represent less than 1% of the nation's population. Furthermore, Alaska tends to contribute less to the force because of its substantial Eskimo population, not liable to military service. What significance these nitpickings have when the population representations of most states are almost identical to their share of accessions is most difficult to understand. Dr. King tries to make a mountain out of what is not even a molehill.

His analysis of educational distributions again is skewed and shows how careful selection of data can be used to make a point that isn't valid. For one thing, Dr. King shifts from 1964 to 1971 to list the number of new recruits with one or more years of college. Naturally, the figure would be substantially higher, since graduate school deferments were removed in 1968 and all college deferments in 1971. King fails to point out that college educated (one or more years) soldiers are now 11.5% of the force, as opposed to 12% in FY '72. As this clearly shows, the disparity is much less dramatic than he would have the reader of his study believe.

Furthermore, in another of his generalities, he mentions that "to some" it is "a bothersome aspect of the AVF" that there are fewer college graduates among today's recruits. Why? What are the bothersome aspects? Are they tangible? Are they subject to analysis? Are they correctable, and if so, by what mechanism? What are the results of correcting them? Are not the problems of overqualification for a position as serious as those of underqualification? Wasn't this one of the major causes of disruptions within the ranks during the last five years of the draft?

Raising the racial issue is particularly odious. I was impressed with the Army's response to it. It said: "The Army's enlistment policy is on record. Any qualified person for whom there is a requirement may be enlisted regardless of race, or economic and regional origin. As a matter of long-term policy, the recruiting effort is distributed to obtain geographic representativeness. There is no legal or moral basis for limiting participation in the Armed Forces on the basis of race."

NEW COMPETITION LOWERS CONSTRUCTION COSTS

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. ARCHER. Mr. Speaker, the following article is one of the best I have ever read describing the need for competition in the construction industry. I hope my colleagues will take the time to review it:

NEW COMPETITION LOWERS CONSTRUCTION COSTS

(By Anthony Mastey)

A major force behind the moderate wage increases negotiated by the construction industry last year was the growing competitive strength of the open shop contractor.

Open shop contractors have continued to grow in number throughout the U.S. Membership in the open shop organization of the Associated Builders & Contractors Inc. (ABC)

now stands at close to 10,000—triple the number of five years ago.

This group has grabbed an increasing share of the commercial, institutional, and industrial business by selling services free from costly and complex union work rules that enable the construction user to reap savings of 15 percent to 45 percent on the cost of a project.

At one time most open shop outfits were small and relatively inexperienced, and lacked access to the skilled craftsmen available through union hiring halls.

Today, of the top 400 construction firms in the country, 93 have declared themselves open shop, and three of these (Brown & Root Inc., Daniel International Corp., and J. R. McDermott & Co.) have done enough multimillion dollar contracts to be listed in the top ten. The National Assn. of Manufacturers (NAM), says that half of all nationwide construction is now being done by open shop workers; seven years ago the figure was less than 20 percent.

Donald H. Hoffman, general manager-labor relations, U.S. Steel Corp., Pittsburgh, helped explain this shift when he said: "In the past we have dealt almost exclusively with union contractors—but spiraling costs, lower productivity, and the growth of open shop contractors and joint ventures are new factors which demand consideration. How can U.S. Steel justify, to its stockholders and its customers, paying substantial differentials so we can use union versus nonunion labor? How can we justify the low productivity of union employees because of restrictive work rules and the inevitable work delays?"

He concluded his remarks to delegates attending a Joint Executive Conference sponsored by the Associated General Contractors of America (AGC) with this provocative thought: "We are not a party to your collective bargaining agreements, nor can we directly influence the outcome of your negotiation—so, all I can do is tell you that we will have to do if the construction industry's process works to our disadvantage."

RULED OUT

Unions have been pricing themselves out of the construction market, not so much by wages and fringes as by work rules.

The difference shows up starkly in bids on identical jobs from union and nonunion contractors. The Industrial Research unit of the University of Pennsylvania's Wharton School has published a study which includes an open shop contractor's estimate of costs on a hypothetical powerplant to be built in the Southeast. Using 1973 figures, the contractor figured labor costs for a union operation would run $113 million for the 347-week work life of the project, compared with $74 million for open shop construction—a spread of 34.5% or $39 million.

Georgia Power Co., Atlanta, built a coal-fired generating plant which came on line in Aug. 1976 with an open shop contractor and saved $28 million. "We weighed the open shop concept against union shop proposals, incorporating the concessions which were available to us at the time, and our evaluation convinced us that we could save at least 30% in field labor costs by accepting the low bid from the open shop contractor," states William Ehrensperger, senior vice president-power supply.

His opinions—also voiced by other construction users—on what improvements building trade unions must make to stop spiraling costs involve:

Jurisdictional disputes. In one year, Georgia Power lost over 100,000 man-hours in strikes, with most resulting from who-does-what disputes.

On a union job, he explains, you may find plumbers or electricians waiting while a carpenter is found to cut a hole in a wall, even though the journeymen on the job are capable of performing the work themselves. All work comes to a halt. On top of that, the supervisor invariably must spend extensive time trying to make proper assignments of work according to the contract.

Although absolute contract language can be written to prohibit these situations, Mr. Ehrensperger points out that one ambitious union business agent from the hiring hall can still shut the job down and cause costly disruptions. A shutdown costs money before and after a jurisdictional strike, which is illegal under the National Labor Relations Act. Even if it's courageous enough to sue for damages, a company may have trouble proving the full extent of the loss. Proving full actual damages in a construction labor dispute is practically impossible, a fact not unknown to the building trades.

Restrictive work practices. There are work rules in union contracts which are designed to specifically limit the workman's productivity.

"With the wage scale being paid today, you can't allow a workman's productivity to be limited, either by restricting the size of tool which he is permitted to use, specifying the number of men required to perform a given task, or whatever. Also, I don't think we can continue to tolerate a man working for only a portion of the day. As an employer, I feel that I am entitled to a full day's work for a full day's pay."

Construction supervision. From the foreman on up this should be removed from the jurisdiction of the local union.

He feels that so long as the supervisor is subject to disciplinary action by the union—is vulnerable in matters of pension and other rights—and must depend on the hiring hall for his next job, "we will never have adequate or proper construction supervision."

Labor classification. Much of the work to be performed on a job does not require skilled craftsmen. There is a great deal of just plain "bull" work, yet the unions continue to insist on using high-priced journeymen, with just a sprinkling of apprentices, to perform all of the work.

One example: pulling cable in trays. This job usually calls for journeymen electricians. "All it takes is one journeyman on the front end who understands the drawings to be sure that the wire goes to the right place. All you need in the middle are unskilled people to help pull the cable along—bull work."

Mr. Ehrensperger is convinced there is a need to establish additional labor classifications to cover labor doing unskilled and semiskilled work. The construction user would benefit because it would help to lower labor costs. The worker would benefit because there would be an incentive to move up and into a better paying job.

Mr. Ehrensperger placed these proposals squarely before the Georgia Building Trades Councils and, with help from the AFL–CIO's Building & Construction Trades Dept. in Washington, attempted to negotiate an agreement that would eliminate most of the restrictive practices and provide for greater productivity by union workers on Georgia Power projects. The concessions offered were limited, so he decided to weigh the merits of open shop construction.

Open shop and union contractors were asked to bid on three fair-sized jobs. In each case the bid of the lowest open shop contractor was at least 15% less than that of the lowest union contractor.

"I'm convinced that the open shop contractor can perform his work for less because he has eliminated restrictive work practices. The wage scale is the same as that paid by a union contractor. The major factor is that the open shop contractor is not hamstrung by restrictive work rules and featherbedding," says Mr. Ehrensperger.

OTHERS EXERCISE OPTION

Leap-frogging wages, limitless fringe benefits, a breakdown in discipline and production, and ever-increasing work restraints prompted Du Pont to find a better way to build.

"The situation had deteriorated to the point in 1971 that our division was a source not only of extreme embarrassment but also of actual operating difficulties to our manufacturing plant managers," says Trumbull Blake, director, Construction Div., Engineering Dept., E. I. du Pont de Nemours & Co., Wilmington, Del.

"In our case, the only feasible alternative appeared to be a return to open shop operation wherever the local laws, law enforcement, and community attitudes would support such a change."

Today, about half of the labor (or nearly 10,000 mechanics and laborers) required for Du Pont's total $70 million expansion program are supplied by open shoppers. This switch has netted savings of 20% to 30% in labor costs and produced these results:

It has restored a considerable degree of discipline and productivity to the projects that continue to be operated on a union basis. There is a greater willingness to supply contractors with apprentices and helpers; jurisdictional disputes are no longer a problem, and equal employment opportunity is beginning to be taken seriously.

Much of the pressure has been removed from plant managers, particularly at the open shop locations, and, to a lesser degree, even at the union sites.

Opening up projects to open shop employers has given Construction Div. managers a new benchmark against which to measure productivity. They can gage the merit of assigning unskilled and semiskilled men to jobs and observe the results of interchanging personnel based on ability rather than the kind of membership card carried in a billfold.

"You have to keep in mind that our middle management was of an age that until 1971 they had never known anything but the union contract method of construction," explains Mr. Blake. "Only four or five people in the whole division (850 salaried personnel) had ever been involved in the open shop or nonunion type of operation. As the program progressed, more people recognized that this method offered a lot of possibilities to do more and to perform better."

Where local conditions permit, Shell Oil Co., Houston, also attempts to use a competitive mix of building trades and open shop contractors on its projects.

"I think the mere presence of both parties in the area and, even better, on the jobsite has some impact on improving productivity," points out William Gabig, manager, construction relations and engineering studies.

He says it has helped to reduce absenteeism at Shell's Deer Park facility outside Houston, where the workforce of 3,000 is divided equally between union and open shop workers. Mr. Gabig used detailed attendance records to show the union contractors that their absenteeism far exceeded the 5% no-show record posted by the open shop force.

This new awareness, coupled with the knowledge that their poor record could jeopardize their ability to get future work, moved the union contractors to quickly put their house in order.

UNIONS ATTEMPT COMEBACK

The growth of the open shop and its successes have not gone unnoticed by the building trades unions.

Especially unnerving to the building trades leaders is that open shop firms have made inroads into projects in New York, Philadelphia, Boston, Detroit, and other areas long considered impenetrable union fortresses.

To get jobs, some of these unions compete by making concessions. Others have resorted to violence. And there are others who continue to conduct business as usual, negotiating wage increases and maintaining or tightening restrictions on contractors whose competitive status has already been severely compromised.

In an attempt to prevent continued losses to open shoppers, the National Constructors Assn. (NCA), whose members have historically operated on a union basis, has tried a variety of approaches, including national labor agreements with several of the building trades unions, project labor agreements, two different attempts to improve work rules on a national scale, and a National Disputes Adjustment Plan. None has worked as well as hoped, partly because NCA's national agreements have still left its members exposed to many local labor contract provisions.

NCA President C. R. Fitzgerald is convinced "that a national industrial construction agreement, aimed at improving on-site efficiency and productivity and tailored to the needs of large, high-cost, long-term projects is the last clear chance NCA and the building trades have to turn the situation around."

J. H. Lyons, general president of the International Assn. of Bridge, Structural & Ornamental Iron Workers, states that the loss of $8.6 billion in contruction work to the four largest open shop contractors is a "shattering fact," and adds that "a change in direction can come about only by leaving no stone unturned that is needed to accomplish this change."

Some unaccustomed concession are being made at bargaining tables:

Operating engineers in Massachusetts and Maine eased a work rule that required the manning of submersible pumps and accepted a relatively modest 4 percent pay raise.

Union bricklayers in New York City, who reported themselves more than 80 percent unemployed, agreed to work on renovation, rehabilitation, and small residential and shopping center jobs for one-third less than their regular $14.52 hourly rate.

Bricklayers in 23 North Texas counties similarly agreed to take a 30 percent cut on some work and to reduce overtimes rate from double to time-and-a-half.

Plumbers in St. Louis gave bosses more flexibility in scheduling starting times and reduced overtime rates on service and repair work.

In Pittsburgh, 20 union leaders called in management for a three-day series of talks in January on cutting work rules to make union labor more attractive. They agreed to work toward the elimination of nonworking foremen, organized coffee breaks, and other restrictive work rules. Boilermaker official John Gualterie said the unions tooks the initiative "to pressure and increase jobs for our members."

Open shop contractors agree that the unions have given up some wasteful practices, but complain that they sometimes refuse to go beyond temporary agreements that apply only to big projects where open shop contractors are bidding.

St. Louis building trades, in order to save an estimated 1,800 jobs, signed an agreement with Daniel International Corp. granting it unusual flexibility in constructing a $1.8 billion nuclear powerplant for Union Electric Co.

Among the union concessions: a pledge not to stop work during the life of the project; granting Daniel International the right to set crew sizes and to assign work: abandonment of official coffee breaks although the agreement permits workers to carry coffee to their work site.

VIOLENCE

Despite concessions, open shop contractors continue to make inroads, cutting deep enough to cause some unionized construction workers to fight a violent war to save their jobs.

With the strike that followed Georgia Power's decision to use an open shop contractor to build its coal-fired generating plant came picketing that shut down all projects in the North Georgia Building Trades Council area, including one being constructed by a large, nationally known engineer/contractor working under a project agreement containing a no-strike clause.

Accompanying violence resulted in over $1 million worth of damage to transmission line and substation facilities. Several years later, one man was tried and convicted for dynamiting a transmission tower.

"After a month," recounts Mr. Ehrensperger, "the strike ended when it became obvious to the unions that our open shop contractor was going to perform his work at that site."

"It's commonplace for big union genera s to come into an area, mess up the project, and leave the owner with such a bad taste that thereafter all the expansion and improvement work goes to the open shop contractor," says John Trimmer, assistant to the president of ABC, an organization that continues to pressure Congress to amend the Hobbs Act to make jobsite violence a federal offense. As Mr. Trimmer states: "We believe such an enactment would provide a deterrent because it would put the expertise of the Justice Department into investigation and prosecution against criminals who masquerade as building trade unionists."

"The industrials have been more reluctant than the commercials to accept open shop construction," claims Jerry Slusser, president, Construction Development Corp., a Columbus Ind., contractor. "It's when they have a real economic crunch, a time problem, or a really tough job that they see the advantages of this concept, and we hear from them the loudest."

Robert Georgine, head of the AFL–CIO Building & Construction Trades Dept., fees the still-lingering recession has helped the open shop contractors because they can find out-of-work union men who will take any job they can find, even for less than union wages.

Open shop contractors counter Mr. Georgine's remarks by saying they give their men steadier employment. To support their contention, they point to a contractor-sponsored poll of open shop employers who said 78% of their field workers were paid for more than 1,800 hours a year—compared with the 1,535 hours a year that the AFL–CIO says its members work.

DORMANT ISSUE

Organized labor, and in particular Mr. Georgine's building trades department, had been pushing hard for passage of legislation that would permit a single building trades union to picket the general contractor of a job-site—the so-called common situs picketing bill—and grant it the power to shut down an entire project, thus bringing considerable pressure to bear on the targeted employer.

However, the ignominious death suffered by that bill has made it a dormant issue, at least for the present.

Should common situs ever become law, some contractors suggest it might backfire against the unions. Many open shop contractors may decide to avoid the danger of increased labor tieups by using nonunion labor exclusively.

STRANGE REASONING

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. ABDNOR. Mr. Speaker, the drought which has plagued my State of South Dakota for over 4 years has spread to vast areas of this Nation. At the same time we have seen a thus far qualifiedly successful move on the part of the administration to halt the development of projects which have been planned for the conservation of that resource most lacking in a drought—water.

I have addressed the folly of this policy on frequent occasions, and today I would like to direct the attention of my colleagues to the following comments in the same vein:

[Aberdeen (S.D.) American News, June 14, 1977]

EDITORIAL—WATER PROJECTS, VIEWED IN FULL CONTEXT, ENCOURAGE SAVING FOR A RAINLESS DAY

Backers of the Oahe water diversion project in South Dakota and the Garrison diversion project in North Dakota are not the only critics of the stand taken by President Carter's secretary of interior on water development.

The Daily Camera of Boulder, Colo., in an editorial urging saving for a rainless day and viewing water projects in total context, said:

Residents of Colorado and other Western states well may wonder whether Cecil Andrus has forgotten so soon where he came from. The Secretary of the Interior is the former governor of Idaho. Yet he seems to have been converted to Eastern ignorance of Western conditions.

In a recent speech he made some good points and some bad points. He said the prime elements in the Carter administration's national water policy will be "conservation and more efficient use of water."

We Westerners can all agree on that. We can agree, too, with the secretary's warning that unless water use is managed and distribution made more efficient, the Western areas could "flat run out of water."

After making those sensible statements, Mr. Andrus went astray. He defended President Carter's decision to cut 17 water projects from the new budget and said the administration's goals can be achieved without building new water projects. In support of that contention, he dredged up the dogeared self-evident fact that "dams, reserviors and canals do not create water."

That's like saying a car doesn't need a gas tank because the tank doesn't create petrol.

But it holds fuel for use. And dams and reservoirs conserve water for later use, while canals provide for its distribution. Otherwise a great deal of potentially useable water goes down to the oceans and gulfs.

Most arid regions simply don't have adequate facilities to store water in normal or above-normal years of precipitation for future use in drought years.

It is often argued by opponents of water projects that much of the water stored in reservoirs evaporates and it lost. But does more water evaporate from a comparatively small but deep concentration than from streams that spread the liquid over shallower, more extensive areas exposed to the sun? And where does the evaporated water go? It forms clouds and the potential for rainfall.

Concern about water has heightened during the current drought, one of the West's severest in a century. California's water supply is the lowest in the state's recorded history.

Mr. Andrus contends that new dams and reservoirs are "not emergency remedies for watershort areas today . . . they take decades to plan and build."

Nobody disputes that. But the current drought certainly emphasizes the importance of preparing for future dry spells. They recur periodically.

We don't wait for a rainy day to repair a leaky roof.

True, there have been boondoggles in some water projects. And some of them won't stand up under a cost-benefit analysis.

Neither will the Postal Service, the welfare system, farm price supports, foreign aid or the congressional emolument package. But we don't abolish them.

We consider government programs, which rarely are profitable, in the context of the general public good.

Water-conserving projects ought to be judged the same way.

THE AGRICULTURAL WATER QUALITY ACT

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. JONES of Tennessee. Mr. Speaker, on June 30, 1977, I introduced, with Representative JEFFORDS, the Agricultural Water Quality Act, a bill to establish a new program designed to help farmers, ranchers, and other rural land uses to meet the mandate of the Federal Water Pollution Control Act—Public Law 92-500. As attention is drawn more clearly to the magnitude of nonpoint source pollution, it is becoming obvious we are not geared to cope with the problem.

When Senator CLARK introduced a similar measure, the Rural Source Water Quality Act, earlier this year, he said our soil erosion problem and our nonpoint source water pollution problem are two sides of the same coin. The farmer sees soil erosion as degradation of his resource base and production capability; the water quality people view the same process as water pollution with inherent costs and problems. I agree completely with this assessment—when we conquer soil erosion we will greatly enhance water quality.

Studies sponsored by the National Commission on Water Quality have shown that, in some areas, the control of point sources of pollution will not be adequate to meet the water quality goals of Public Law 92-500. Pollutants from natural sources, agricultural activities, and other nonpoint sources are too great. As a result, the massive investments already made by individuals, industries, and governments in the control of point source pollution will be insufficient unless nonpoint source control is achieved.

The Environmental Protection Agency plans to rely heavily upon the regional comprehensive planning required by section 208 of the Federal Water Pollution Control Act to control these nonpoint pollutants. To quote from the seventh annual report of the Council on Environmental Quality, however—

> It is not clear whether the agencies given this planning responsibility (under Section 208 of P.L. 92-500) have either the necessary authority or access to adequate financial and technical resources to deal with non-point source pollution.

Nevertheless, the 208 planning process is continuing, with proposals for increasingly strict requirements that will be of direct and immediate impact on the Nation's rural land users. Farmers, ranchers, and others may be compelled by these requirements to make substantial investments to control or restrain runoff from their land. American farmers may be facing mandatory controls imposed by the Environmental Protection Agency if Congress does not otherwise address the issue.

The bill would provide cost-sharing and technical assistance to help rural landowners meet those requirements. It would be a supplement to the existing Federal programs for water quality. This Nation has spent some $18 billion on the construction of water treatment facilities for municipalities and industries. The Environmental Protection Agency estimates that about 20 percent of that investment—around $3.6 billion—has been to the direct benefit of private industry. Because of the public benefit in achieving pollution control without causing undue economic stress, industries are given 30 years—at no interest—to repay the capital costs of the investments that benefit them directly.

American agriculture needs similar assistance. Much of the cost of installing needed erosion and runoff control measures is never recovered by the landowner. Much of the benefit accrues to the public. Many of the investments are too great for the average farmer—and this is liable to be particularly true of the small farmer. For these reasons, we must find other solutions for accomplishing water quality goals—farmers cannot carry the burden alone. Some system of financial and technical support is essential.

The bright spot in this picture is that we know how to control nonpoint source pollution in most cases and have the institutional capability already in place to deal with the problem. The soil and water conservation programs of the Department of Agriculture have historically been aimed at preserving the productive capacity of the Nation's soil and water resources, but those same programs are directly effective in achieving improved water quality. The linkage between soil conservation and nonpoint pollution control, in the face of our current concerns for both issues, lends real strength to this program.

While sediment is less harmful to water quality than many industrial or municipal pollutants, it remains the Nation's largest pollutant by volume. Around 50 percent of the annual sediment load comes from agricultural land. Another 10 percent comes from range and forest lands and 10 percent comes from eroding roadsides, construction activities, surface mined lands, and other disturbed areas. The remaining 30 percent comes from natural forces at work on land relatively undisturbed by man. This process has gone on through geologic time and will continue.

What these estimates indicate is that around 70 percent of the sediment in our Nation's waters is subject to control at its source through proper soil conservation methods. Our goal must be to keep this soil on the land where it is a productive resource instead of a costly nuisance. Such a goal is essential both for long-term agricultural stability and acceptable water quality.

It appears to me, the logical way to meet the demands for nonpoint pollution control, then, is to strengthen and supplement the soil and water conservation programs of the Department of Agriculture. This bill would do that. It specifically recognizes that the responsibilities for developing State and areawide water quality plans rests with those agencies approved under the programs administered by the Environmental Protection Agency. The program created in this bill provides a way to implement such plans, particularly as they affect farmers, ranchers, and other rural land users.

It authorizes the Secretary of Agriculture to develop and implement a new program for providing technical assistance and cost-sharing on those practices needed to reduce water pollution. It directs the Secretary of Agriculture to give priority to those practices and those lands where the maximum impact on water pollution can be achieved. It provides that the specific program for each local area must be coordinated with the areawide waste treatment management plan developed under section 208 of the Federal Water Pollution Control Act.

Mr. Speaker, this bill is presented for discussion and comment. We do not regard it as a final solution. We are convinced, however, that it addresses a major problem that the Nation must face in the very near future. The Congress must become aware of the magnitude of the potential impact in store for American agriculture. We cannot sit by idly and allow pollution control requirements imposed by national goals to create unbearable burdens on rural America. We must work out a fair, equitable, and effective program that balances our aspirations for clean water with our abilities to control pollution. We must take advantage of the technical, institutional, and operational capability already existing in the Federal Government. We must link our goals for agricultural production, soil conservation, and water quality in the most effective and efficient manner. To attempt less will almost surely see us spend too much, take too long, and accomplish too little.

In this regard, I ask my colleagues to examine this issue and this proposed solution then give me and the Congress the benefit of your suggestions, advice, and alternative approaches.

WHO OWNS AMERICAN BUSINESS?

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. ABDNOR. Mr. Speaker, in a recent editorial comment, Publisher Harold Jones of the Redfield, S. Dak., Press called the attention of his readers to some facts we all overlook, particularly those of us in the Congress:

UNEXPECTED ANSWER

Who owns American business? That's a question worthy of debate because so many people have misconceptions about it.

Most people will answer, "the rich," "the elite," "two percent of the population" or something similar. But those people are wrong. Their answers may have been true once, but not now.

The correct answer is that a majority of Americans have a piece of the action—and many of them don't even know it. The fact is, private employee pension funds now own more than one-third of business and industry, and it's predicted that they will control 50 percent by 1985.

Every person who has a life insurance policy—and there are about 365 million of them—also has a stake in business because of his insurance company's corporate holdings.

Then there are employee stock ownership plans. These plans, which are becoming increasingly popular, encourage employees to buy stock in the company where they work.

Ask yourself again: who owns American business? If you fit into any of the categories above, the answer is: you do.

MORE SAFETY—LESS GOVERNMENT

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. HANSEN. Mr. Speaker, the awareness of the Nation concerning the Occupational Safety and Health Administration is rapidly rising. Although I laud the idea of the much needed reform promised by the Secretary of Labor, Ray Marshall, and OSHA Administrator, Dr. Eula Bingham, I cannot help but note the similarity of the promises being offered to the Nation today and those offered by past Labor Secretaries and OSHA Administrators. It is beginning to sound like a broken record.

A growing number of Americans are of the opinion that many of OSHA's procedures are misdirected and that most, if not all, of the tasks charged to the agency could be accomplished much better by other means.

A recent editorial in the New York Times on June 6 seems to reflect this shift of opinion which I include for the RECORD and for the benefit of my colleagues:

MORE SAFETY, LESS GOVERNMENT

Almost from the day it was created in 1971, the Occupational Safety and Health Administration—OSHA for short—has been a symbol of Federal bureaucracy at its worst. OSHA is the agency that sets and enforces work safety standards, and it quickly acquired a reputation—partly deserved—for needless harassment and poor technical judgment. Even those most concerned about occupational health were therefore pleased with the Carter Administration's recent decision to redirect OSHA's efforts toward serious safety problems in high-risk industries.

Housecleaning at the agency was certainly in order. OSHA spent too much of its time haphazardly enforcing ill-devised regulations on everything from the shape of toilet seats to the color of lane markers in factory aisles. But revised operating procedures will not solve a more basic problem: Many of the tasks assigned to OSHA would be done better by others.

At first glance, OSHA's job looks difficult but straightforward. Some 14,000 workers are killed in industrial accidents each year; 100,000 are permanently disabled. The health of thousands, perhaps millions, is threatened by poisonous gases, dust, radiation and noise. To reduce these risks, OSHA is empowered to investigate complaints, to pinpoint a problem, and to force businesses to alter procedures.

The task sounds straightforward, but it isn't. When OSHA was created, Congress simply assumed that the best way to regulate work safety was to regulate it, with little thought about alternatives. But in practice, the problems inherent in regulation became enormous. No Government agency could amass the information needed to define the safest procedure for every work routine or situation. Even if it could, no agency could hope to police the observance of tens of thousands of safety standards in millions of establishments.

Many economists now believe that there is a sensible alternative: Pure OSHA's responsibilities as much as possible by substituting economic incentives for regulatory procedures. They propose laws based on the central doctrine that employers must bear the full financial burden of worker deaths and injuries. At present, mandatory insurance programs compensate employees only partially for on-the-job mishaps; the employer's responsibility in accidental deaths is even more limited. And only rarely do workers obtain financial relief when they are disabled by occupation-related diseases.

If companies were liable for the costs of injuries, they would have the strongest possible incentive to look to their own safety procedures. This objective could be reached by strengthening the government workmen's compensation programs, and perhaps also requiring firms to purchase life insurance for the most vulnerable employees.

OSHA would still retain a large role in occupational safety. Certain hazards are not easily identified without expert help. General Motors may be able to judge the risks of injury from a metal stamping press and to modify the machine. But it may not be able to evaluate the long-term risks of exposure to paint chemicals or to assembly-line noise. OSHA should continue to set and enforce standards where private firms cannot—most clearly in cases where the injury is slow to develop, hard to detect, or of uncertain origin. OSHA might also provide research and act as an information clearinghouse.

For the moment, these reforms appear politically blocked. Organized labor wants to increase OSHA's powers, not diminish them. But it is mistaking the symbolism of regulation for the fact. Instead of enhancing safety, OSHA's regulation is only strengthening the opposition to real reform. OSH has become so unpopular in Congress that its powers are being stripped away with no alternative program. If ever business and labor shared a common interest, it is in a major change in the whole approach to occupational safety. Workers stand to gain better conditions and more reliable compensation; employers stand to gain freedom from overbearing bureaucratic control.

WHAT BABY DOE WILL COST

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. ARCHER. Mr. Speaker, the following article from the Wall Street Journal has some ominous figures relating to the Department of Energy. It is well worth reading by my colleagues in Congress:

WHAT BABY DOE WILL COST

A Chevron statistician has been sizing up the $10.6 billion budget of the proposed new Department of Energy. For example, it is about double the value of all the oil the U.S. imported from Saudi Arabia last year. It exceeds capital and exploration expenditures by the petroleum industry to find and produce oil, gas and gas liquids in the U.S. in 1975. It exceeds by $800 million the 1974 profits of the seven largest international oil companies; Chevron can't resist adding that those profits were described by a U.S. Senator as "obscene." It is equivalent to about $3 a barrel of domestic crude oil production, which means, if our own arithmetic is correct, that you could decontrol all domestic crude oil prices and still end up paying less for oil than the federal energy bureaucracy costs. And one should keep in mind that the $10.6 billion is only the cost of the newly borning baby DOE. Think what it will cost when it grows up!

RHODE ISLAND ADDS TO GROWING LIST OF OSHA DEFEATS

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. HANSEN. Mr. Speaker, the great State of Rhode Island has again added to its illustrious history. On June 30, 1977, Rhode Island became the 12th State to originate a winning court case against warrantless inspections by OSHA. It also marks the sixth win against OSHA in the Federal courts. The tiny New England State joins fourth amendment victories in California, Oregon, Alaska, Idaho, New Mexico, Utah, Maryland, Kentucky, Ohio, Georgia, and Texas.

Mr. Speaker, it is indeed gratifying to note the American judicial system so consistently upholding our fourth amendment rights. It is unfortunate that the Congress cannot rise out of its sea of indecisiveness and stand up as well for these basic constitutional rights.

In light of the noticeable accomplishment in Rhode Island, I include for the RECORD a copy of an article by Mr. Hamilton F. Allen of the Providence Journal on June 30, 1977:

OSHA THWARTED: A R.I. COURT FIRST

(By Hamilton F. Allen)

PROVIDENCE.—A controversial job-safety agency failed Tuesday to get a federal court order allowing its inspectors to examine scaffolding at a West Warwick construction site.

It was believed to be the first time in its six-year existence that the U.S. Occupational Safety and Health Administration (OSHA) has been thwarted by federal court here.

OSHA has developed a reputation as the federal agency that businessmen love to hate. The American Conservative Union recently brought its "Stop OSHA" campaign to Rhode Island.

U.S. Magistrate Jacob Hagopian ruled at a hearing that an OSHA inspector and two government lawyers failed to justify "governmental intrusion" at a nursing home being constructed on Legris Avenue, West Warwick, by Alfred Calcagni & Sons, a Johnston firm.

In testimony, OSHA inspector Guido DiCenso said he decided to stop at the Calcagni site because he saw men working on a

scaffold there. DiCenso said he was told he could not enter the area without a court order.

Hagopian, however, said DiCenso lacked "probable cause" (a basis for believing that a violation probably would be found) which is necessary to get a search warrant.

He cited the Fourth Amendment's protection against illegal searches as well as recent federal court rulings regarding OSHA.

As an example, the judge noted he recently granted a warrant allowing OSHA inspectors into a Woonsocket auto body shop. In that case, Hagopian said, government lawyers had the sworn statement of a shop employe alleging that lack of ventilation made him sick. In that case, he said, "it was more likely than not that an inspection would show a violation" of OSHA regulations.

But in the Calcagni case, government lawyers failed to show "there was even the suspicion—much less the probable cause—that inspections would disclose some sort of noncompliance."

HUMAN RIGHTS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. DERWINSKI. Mr. Speaker, with the current emphasis on human rights in the Congress as well as in the conduct of the executive branch's foreign policy, I certainly recognize that the Members realize that an automatic denial of human rights comes with Communist rule.

This point is very well made in an editorial appearing in a recent edition of the Min Tsu Evening News of Taipei, Taiwan. The article follows:

HUMAN RIGHTS, HUMAN RIGHTS

Carter's theory of human rights not only implies double standards for the Free World, but also for the Communist bloc.

For instance, Cuba's Castro has admitted to reporters that there are numerous political prisoners in his country, but the U.S. has not taken this into consideration. Instead, it is planning to resume full diplomatic relations with Cuba.

The U.S. pays due attention to the human rights issue in Russia and Eastern European countries, and would like to trace the causes through diplomatic channels.

But the U.S. has ignored the problem of human rights in North Korea, Vietnam, Cambodia, Laos and Red China.

WHOLE PICTURE

Taking the whole picture of human rights into consideration, perhaps the Chinese mainland is the most serious example of human rights violation.

The Chinese Communists themselves have proclaimed that more than 40 million people have been put into custody or sent to slave labor camps.

Such a great number of people is more than the total population of some Eastern European countries or the total population of 10 states in the U.S.

How serious it is when so many people have lost their freedom?

And yet the U.S. makes no mention of human rights in the China mainland!

In the Soviet Union, dissidents are allowed to be interviewed by reporters, revealing some of the facts about their persecution, and calling for attention from the outside world.

Is there such a possibility on the China mainland?

In Russia, Sarolov is allowed to deliver some of his own opinions. On the China mainland, where is Liang Su-ming now?

In Russia, there is some freedom of religion. How about the situation in Red China?

From the Western viewpoint, the human rights issue in Russia is rather serious. But still, it is better than the picture in Red China.

Hence, speaking of human rights, the problem lies more in Red China than in any other country.

DOUBLE STANDARDS

As a matter of fact, however, Carter's administration puts different countries on the list of human rights in this order: the U.S. allies or free countries, followed by the Communist bloc, in which attention is focused on Russia and Eastern European countries, casting aside the Communist controlled Asian nations.

What is the reason behind this?

It would be unbelievable if we say that the U.S. has not fully understood the situation in the Communist-held Asian countries.

It would also be unbelievable if we say that the U.S. dare not mention the issue of human rights before the Asian Communists.

This can only force us to explain the illogical U.S. move by its applying a double standard.

But facts are facts. Such a criterion can never cover up the cruel facts on the China mainland for long.

Already, the U.S. Hearst papers and the U.S. representative before the U.N. Human Rights Commission have clearly indicated the seriousness of the human rights problem on the China mainland and called for open discussion and necessary action.

A BILL TO EXTEND PUBLIC SAFETY OFFICERS' BENEFITS TO RESCUE SQUAD MEMBERS

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. HARRIS. Mr. Speaker, today, I am introducing a bill to expand the coverage of the Public Safety Officers' Benefits Act to include rescue squad members.

Recognizing the unique dangers facing public safety officers, as well as their special contribution to our communities, Congress last year enacted legislation which provides a $50,000 Federal payment to the surviving dependent of certain public safety officers killed in the line of duty. Under the current law, an eligible individual is defined as "a person serving a public agency in an official capacity, with or without compensation, as a law enforcement officer or as a fireman." My bill would expand coverage to include individuals serving the public as rescue squad members.

In many communities rescue squad personnel serve as members of the fire department, and in fact, are firemen who have been specially trained to provide rescue services. These individuals are covered under the current law only if the rescue squad member is killed while performing a fire-related duty; the individual's family does not receive assistance under the current act if a rescue squad member is killed in an accident not related to a fire, such as, while assisting individuals involved in an automobile accident.

Further, a rescue squad member killed while performing a fire-related duty would not be covered under the current act unless he was a member of a fire department and authorized to engage in the suppression of fires. In a number of communities, rescue squads are affiliated with the fire department, but rescue personnel are not firemen; these individuals are not covered under the present act.

It is tragic that each year several public safety officers die as a direct result of injuries sustained in the performance of their duty. Individuals who serve our communities as rescue squad members face dangers similar to those facing firemen and policemen. For this reason, I believe that the coverage of the Public Safety Officers' Benefits Act should be extended to those who serve the public as rescue squad members.

The enactment of this legislation will not require the expenditure of vast amounts of money. The current law costs approximately $7.1 million each year; and, expanding the act to include rescue squad members will increase the cost only slightly. However, although the cost to the Government is minimal, the $50,000 direct payment to the surviving families of public safety officers will provide needed relief in a most difficult period.

This bill gives proper recognition to those who serve our communities as professional or volunteer rescue squad members. I hope the Congress will give early consideration to the legislation.

DONALD L. FANETTI

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. GEPHARDT. Mr. Speaker. recently, St. Louis lost one of its most distinguished citizens. With the passing of Don Fanetti, we did not lost a banker, business or labor leader, but a man who spent his life making people laugh and feeling good.

The founder and editor of the Bugle, a newspaper that gets its news from the taverns and backyard barbecues of St. Louis, Don Fanetti began his journalistic career by mimeographing the scores of the neighborhood baseball games at the age of 13.

He devoted his life and the pages of his newspaper to those that were less fortunate than himself and sought to make them smile. For children without parents, the handicapped and the aged, he dispensed his special brand of medicine that brought joy to everyone.

For me and thousands of other St. Louisans, Don's death was a personal loss that cannot be replaced. He wanted us all to keep on smiling as he suffered through a very painful illness, and his friends will continue to smile after his death. The best tribute we can make to this wonderful man is to remind one another that our time is short on this earth, but there is always time to make someone happy. It is my hope that Don's many friends and loyal readers will pass on to the younger generation his spirit of

kindness, thoughtfulness and charitable nature. There is a lesson for all of us in reviewing the life of this man, that nice guys do finish first in the hearts of all mankind. Don Fanetti—may he never be forgotten.

CONGRESSMAN GOLDWATER ADVISES AD HOC ENERGY COMMITTEE ON THE CLINCH RIVER BREEDER REACTOR

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. ANDERSON of Illinois. Mr. Speaker, Congressman BARRY M. GOLDWATER, JR., has submitted a penetrating and perceptive analysis to his fellow members of the Ad Hoc Committee on Energy regarding the Clinch River breeder reactor. He argues that the choice to build a breeder demonstration plant in the United States does not necessarily lead to the proliferation of nuclear weapons around the world, as the administration suggests. Instead, he points out that the real challenge we face is to come to agreement with other nations on how to intelligently control the use of nuclear fuels, extracting the maximum amount of energy from them, but at the same time preventing illicit use for military purposes. I am fully in accord with this approach.

Mr. Speaker, as ranking minority member of the Ad Hoc Energy Committee, I would like to share Congressman GOLDWATER's views on breeder reactors with the full membership of this distinguished body. I am therefore inserting the text of his letter to the committee in the RECORD. I urge all Members to examine the approach he has suggested, and to support the full funding level of $150 million for the Clinch River breeder reactor when the ERDA authorization bill (H.R. 6796) is considered by the House.

Mr. GOLDWATER's letter follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 11, 1977.

All MEMBERS,
Ad Hoc Committee on Energy, U.S. House of Representatives, Washington, D.C.

DEAR COLLEAGUE: I am writing to you as fellow members of the Ad Hoc Energy Committee since we have a special interest and responsibility in assuring that the nation has adequate future supplies of energy. My particular concern at this time is the situation with regard to the Clinch River Breeder Reactor which will soon be considered by the House when the ERDA Authorization bill comes up for Floor action. I intend to support continued design and construction of the CRBR and believe you should do the same.

In recent days, we have seen several "Dear Colleague" letters come out on the subject and I am aware there will be more. I don't intend to repeat all the arguments we are now hearing for and against nuclear power, for and against the breeder reactor program, and for and against the key plant in that program—the CRBR. What I would like to do is suggest that these arguments boil down to one simple issue: the need for energy versus the need to control the proliferation of nuclear weapons.

Very briefly, the breeder reactor, as a device capable of producing material that can be used in nuclear weapons, has been termed a threat to our efforts to control weapons proliferation. It has therefore been suggested that by deferring the lead facility in our breeder program, namely the CRBR, the U.S. will clearly signal its serious desire to control proliferation. Other countries will supposedly follow suit and a major threat to world peace will be overcome. The penalty of this approach on our ability to meet future energy needs by use of breeder reactors is considered by some to be of secondary importance to the overriding concern over proliferation.

Now I don't intend to argue whether proliferation or energy needs is the more critical issue. The former has been described as the most pressing problem facing mankind today; the latter has been termed a crisis which must be addressed with the moral equivalent of war. One could argue either way. What I do want to address is the likely consequences of the course of action the Administration has chosen and explore the ramifications of those consequences.

If we do not build the CRBR, we will surely delay the availability of breeder reactors by at least five years and likely much longer. At the same time, the U.S. will lose whatever advantage it has in advanced reactor technology and any ability we may have to influence the actions taken in this area by other nations. Skilled technical teams will be disbanded, perhaps never to be reassembled. A major energy option will for all practical purposes be placed on the back burner with the light dimmed. There is no question that we will suffer substantial losses if we cancel the CRBR.

What do we gain in its place? The U.S. will have sent out a "signal" of our intent to control proliferation, a signal that other nations have already indicated they will not heed. Even if they should do so, other technologies with perhaps even greater potential for the production of nuclear weapons material will remain or soon be in wide-scale use; our noble sacrifice in accepting unilateral energy disarmament may well be for naught.

The point I believe we as members of the Ad Hoc Committee should be concerned with is that the Administration is attempting to impose a foreign policy constraint (concern over proliferation) over our ability to optimize the development of a new energy source. I do not believe that the two concerns are mutually exclusive—there is no reason why we cannot solve one problem if we act independently to solve the other. Specifically, there are various international initiatives that can be taken to safeguard nuclear materials that do not require or in any way justify the deferral of an important domestic energy project such as the Clinch River Breeder Reactor.

I am convinced that this Nation needs the advanced nuclear option and that the CRBR represents the best means for us to achieve it. I am also convinced that the reasons we now see raised against the Clinch River Reactor are invalid and should not be heeded. I commented on this subject at greater length in a "Dear Colleague" letter to all members of the House dated June 22, 1977, which I would again call to your attention.

In conclusion, I submit that the members of the Ad Hoc Energy Committee have a unique concern in assuring that energy supply policy matters are not subordinated to other important issues in the establishment of national priorities. This is particularly so when the "other issues" represent a failure or refusal of the national leadership to solve those other problems in their proper context. I therefore urge that you support full funding for the Clinch River Breeder Reactor in the ERDA Authorization bill, H.R. 6796, soon to be considered by the House, and that you bring this matter to the attention of other of our colleagues who may not have our special perspective on energy.

Sincerely,

BARRY M. GOLDWATER, Jr.,
Member of Congress.

REFUSING TO PULL DOWN THE INDOCHINA SHADES

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following commentary written by John P. Roche. Mr. Roche writes about the administration's interest in normalizing relations with Vietnam and apparent disinterest in unresolved issues still facing our two countries.

The article follows:

REFUSING TO PULL DOWN THE INDOCHINA SHADES

(By John P. Roche)

At a recent meeting in New York, Allard K. Lowenstein, who has been playing "Tonto" to Andy Young's "Lone Ranger," objected when a friend of mine raised the issue of human rights in its Indochinese context. The gist of Al's message was that we should all drop the "divisive" subject of Vietnam and move forward into a smiling future.

How charming. While the Khmer Rouge is ruthlessly engaged in what an impartial French observer called "self-genocide," with at least a fifth of the population dead or dying; while the South China Sea is dotted with tiny craft full of Vietnamese, who have adopted New Hampshire's motto "Live Free or Die" and are mostly dying; while, in short, Indochina is an abattoir, Lowenstein suggests we forget it. Vietnam is part of a bad old past, one which saw Americans divided; the response is drop that reel from the historical film.

Al's offer to let us all off the historical hook is not without a certain disingenuous quality. Wasn't it Egyptian President Anwar Sadat who embraced Secretary of State Kissinger in the wake of the 1973 Yom Kippur War and said, "Why don't we just tell Israel to let bygones be bygones?" Well, I'm one stubborn old social democrat who isn't going to pull down the shades: It was Lowenstein and his pals in the "Dump Johnson" movement who played a tragic role in turning Indochina into a totalitarian inferno.

True, I can't rewrite history: We lost. The basic ingredient in our defeat was isolationist—Americans don't like fighting interminable wars at the end of the world for murky objectives. However, what Lowenstein & Co. did was mount a major campaign to obscure the fundamental issue in South Vietnam: defending the freedom of decent people from a branch of "Murder, Inc." In fairness, he was never a "Hanoi hawk," one of those who advocated victory for the "progressive North Vietnamese."

He and his associates orchestrated a different theme: the dictatorial corruption of the Thieu regime. In essence they blurred the line between North and South, reinforcing in this country the Pavlovian reaction that it didn't really make any difference who won. Of course, the Thieu regime was corrupt, but corruption there was simply old-fashioned stealing, not the infinitely worse corruption of the soul one finds in totalitarian societies. Sure, Thieu's government was dictatorial in aspiration, and its police were perhaps half as rough as the Mexican, yet its real problem was weakness. Anybody whose moral calculations put Saigon in the same

league with Hanoi should spend a junior year in Gulag.

As the Communist butcher's bills have accumulated from South Vietnam, Laos and Cambodia, the lesson is that human rights are not an all-or-nothing affair, that, in Arthur Koestler's phrase, our fate in this world is to defend the half-truth against the total lie. Specifically, the last thing our human rights honchos should do is black out Southeast Asia and switch to Africa or Latin America.

So much for ancient history. The question now is what should we do about those poor souls floating around the ocean, denied entry by nation after nation, aided by only a handful of organizations with limited funds? Or even those lucky few who have managed somewhere to obtain temporary refuge?

To ask the question is to answer it. We should launch a crash program to save their lives and resettle them in nations where they are welcome. First among the latter should be the United States, historically a haven for brave people of all backgrounds who have chosen to live free or die.

Unfortunately the administration seems to have adopted the Lowenstein line. Take the case of Nguyen Cong Hoan, the anti-Thieu politician who was considered sufficiently "progressive" by Hanoi to warrant a seat in the National Assembly of the new united Vietnam. Rapidly disillusioned, Hoan and two colleagues of the former Saigon opposition to Thieu managed to escape to Japan. Have they been brought to the United States to express their views on Hanoi's graveyard peace?

No, they are isolated in Japan, in some danger of extradition to Vietnam for holding a press conference explicating Hanoi's version of "people's democracy." The State Department has treated them like lepers. Hoan applied for permission to emigrate to the United States, was told to be "patient," and now is apparently on indefinite "hold."

Why? Because he is a disinterested witness to the moral bankruptcy of any policy of "normalization" of American relations with Hanoi. Dump Lowenstein!

MR. DONALD E. WESTERBERG—RED CROSS CERTIFICATE OF MERIT

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. SARASIN. Mr. Speaker, we often speak in this Chamber about the serious problems that face our Nation. Our real security lies in the American people's spirit of courage, resourcefulness, and brotherhood. Mr. Donald E. Westerberg, a resident of Prospect, Conn., exhibited these characteristics in a noble action—he saved another man's life.

Last fall, Mr. Westerberg, trained in Red Cross advanced first aid, was at his place of employment when a fellow employee collapsed. The man was breathing with great difficulty and his face turned blue from lack of oxygen. Confronted with the tremendous pressure of this life and death situation, Mr. Westerberg acted quickly and calmly. He tilted the victim's head back in order to establish an air passage, and cleared the throat with his fingers. After several minutes the victim regained consciousness and was later admitted to a hospital.

It is with a great deal of pleasure that I take this opportunity to publicly commend Mr. Westerberg. For his heroic effort he has been named to receive the Red Cross Certificate of Merit. This is the highest award given by the American National Red Cross to a person who saves or sustains a life by using the skills and knowledge learned in a Red Cross volunteer training program in first aid. It is certainly an award well deserved by Mr. Westerberg.

SOLAR ENERGY AS A COMPETITOR OF COAL AND NUCLEAR ENERGY

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. BROWN of California. Mr. Speaker, last week the Congressional Office of Technology Assessment released one of the most thorough, and I believe one of the most significant studies on solar energy that I have seen. As a member of the Technology Assessment Board which oversees this office, I have been following this solar energy report for several years as it has been researched and prepared. As a consequence, I am not as surprised with the findings as some of my colleagues might be. The major surprise that some will find is that solar energy is deemed to be a competitor with coal and nuclear-fired powerplants, not only for space heating and water heating but also for the generation of electricity. This means that solar energy is a major, and not a minor, energy source for the future.

This two-volume report entitled "Application of Solar Technology to Today's Energy Needs" can be obtained from the Office of Technology Assessment, and is well worth the effort to obtain. If the conclusions of this study are correct, and I have no reason to believe they are not, solar energy will play a much more significant role in the United States and the world's energy future than most experts believe. For those countries that do not have fossil fuel reserves, this will be very good news.

At this time I wish to place two articles about this study in the CONGRESSIONAL RECORD for my colleagues' review.

The articles follow:

[From the Christian Science Monitor, July 6, 1977]

SOLAR HEATING: STILL EXPENSIVE—BUT LIKELY TO GAIN POPULARITY AS COSTS OF OTHER FUELS GO UP—STUDY URGES CONGRESS TO PUSH SOLAR POWER

(By Robert C. Cowen)

BOSTON.—Don't discount the sun as an important part of the United States energy supply in this century.

In spite of the primitive state of solar technology today, a major new study by the congressional Office of Technology Assessment (OTA) concludes that sun power could begin to make a significant contribution in the next decade.

For example, the study suggests ". . . it should be possible by 1980 to build solar systems which supply 100 percent of the heating and hot water needs of large buildings in three of the four cities examined in this report (Albuquerque, New Mexico, Boston, and Fort Worth, Texas) at prices competitive with electric heating. . . ."

It adds that, given a 20 percent investment tax credit, the fourth city (Omaha, Nebraska) could make similar use of solar power.

The large buildings the OTA refers to are apartment or office buildings.

In making its estimate, OTA assumes electricity costs will continue to rise—about 40 percent in terms of constant dollars by the year 2000.

That, indeed, is the key factor in OTA's optimism about solar energy's future. It does not expect solar energy to be as cheap as heating with natural gas at current gas prices or as cheap as heating with coal in large industrial facilities. But, since electricity heats many homes and larger buildings, the study anticipates a large potential market for solar power.

Noting that this confirms results of other studies, OTA says it's findings also break new ground. For example, OTA cites its findings "that within a decade it may well be possible to use sunlight to generate electricity in homesized units for prices in the range of 5 to 15 cents per kilowatt hour." It adds, "Although the average price of residential electricity now is 3 to 4 cents per kilowatt hour, it is as high as 10 cents in some urban areas and will be higher if new energy policies raise energy prices generally and the world oil price continues to rise."

PLANNERS URGED: 'THINK SMALL'

To make the most of solar energy, OTA urges planners to think small. The study foresees the most economical use of solar energy in units designed for homes, larger buildings, and complexes such as shopping centers, rather than in the construction of large central solar power stations. It suggests the Energy Research and Development Administration is misguided in emphasizing central power stations in its current development program for solar-electric energy.

Although the tone of the report is optimistic, OTA does not minimize the effort needed to make solar energy practical.

The study estimates it would take a massive 500 billion-dollar investment to bring solar power to the point of supplying 10 percent of the U.S. energy needs within 20 years. Sales of solar devices would need to increase by over 50 percent a year during that time.

Local, state, and federal regulations, and tax and other incentives need to be tailored to encourage solar energy development, the study states.

[From the Los Angeles Times, July 6, 1977]

COST EDGE IN LARGE BUILDINGS—STUDY PREDICTS SWITCH TO SOLAR HEATING

WASHINGTON.—If electricity prices continue to rise, solar energy may be the cheapest way to provide heat and hot water in large buildings within three years, a congressional study concluded Tuesday.

The report predicted that private homes, office and apartment buildings and shopping centers all might turn to the sun for large parts of their energy requirements in the future.

But most buildings probably cannot get by on solar energy alone; they still would require part of their energy from large central power plants or from back-up heating systems powered by electricity or natural gas.

And solar energy will not make a dent for at least 20 years in industries that can burn coal, the study by Congress' Office of Technology Assessment also concluded.

The report suggested that government policies should give a bigger push to the improvement and application of small solar energy units serving individual homes or large buildings.

The benefits would include a cleaner environment and increased employment through construction of solar units.

The main problem, it said, is not the unpredictability of sunshine or the need for far-out scientific break-throughs, but the cost of solar energy compared with the conventional energy sources: natural gas, coal and central power plant electricity.

In some parts of the United States, solar heating already can compete economically with electric heating, the study said.

Overseas, it added, some countries with high conventional energy costs offer a potentially large market for existing solar technology.

The study was based largely on computer analysis of solar energy economics, using various types of solar equipment with electric or natural gas backup systems.

The analysis was applied to four cities—Albuquerque, Omaha, Boston, and Ft. Worth.

Summing up the findings the report said:

—"Solar equipment can produce hot water for domestic use at costs which are competitive with the cost of water heated by conventional water heaters."

—If electricity prices rise at a rate of about 1.5 percent a year, "it should be possible by 1980 to build solar systems which supply 100 percent of the heating and hot water needs of large buildings in three of the four cities" at prices competitive with electricity; the exception was Omaha.

—With a 20 percent investment tax credit favoring solar installations, solar heating and hot water would be competitive in all four cities. The Carter Administration has proposed a similar credit.

—If electricity prices rise "slightly faster"—about 2 percent a year—and if the Energy Research and Development Administration meets its 1985 goal of drastically reducing the cost of solar cells, "solar devices would be able to generate supplemental electricity at prices competitive with electricity from other sources in wide areas of the country."

"Solar energy is not expected to be competitive with heating or hot water systems which use natural gas at today's prices but it may be competitive with synthetic gas (when it becomes available) in many parts of the country for these applications," the report said.

The report said its emphasis differed from the Carter Administration's approach to solar energy on several points.

The congressional study placed "greater emphasis on accelerating a wide variety of on-site solar electric systems during the next decade," while the Carter program "appears to stress heating and cooling systems, relegating most other applications of solar power to longer term research programs and placing major emphasis on the development of large, centralized electric generating systems."

The report urged the use of "life cycle costing techniques," which average out for the consumer the complete costs of building and using an energy system over its useful lifetime. Solar energy has high costs at the outset but can be cheaper over a lifetime than conventional energy.

TAX REFORM

HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mrs. SMITH of Nebraska. Mr. Speaker, we have all undoubtedly learned of President Carter's announced interest in reforming our tax laws. I welcome this announcement as an opportunity to urge a necessary improvement in the method for calculating capital gains taxes on inherited property. Under the present law, generations of inheritors will be locked into holding inherited property to avoid unreasonable capital gains taxes. In an effort to focus the President's attention on this critical issue, I have sent him the following letter. I would encourage my colleagues, especially those 18 who joined me in introducing H.R. 1733 to repeal this carryover basis method of computing capital gains in estate taxes, to make their interest known to the President. Now, before it harms family-owned farms and businesses, is the time to repeal the carryover basis provisions.

HON. JIMMY CARTER,
Office of the President,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: In connection with your consideration of various tax reform proposals, I respectfully urge you to recommend a repeal of the carryover basis provisions enacted in the Tax Reform Act of 1976 as a part of your legislative proposals.

Unusually complex parliamentary constraints as well as time limitations accompanied the conference report on H.R. 10612 last September 16, 1976. Many members of Congress refused to reconsider the carryover basis problem fearing that the other excellent estate tax changes would be jeopardized. Since this was the first modification of estate tax law in 34 years, I can understand this hesitancy. To avoid costly litigation and reduce the burden on estate administrators and executors, it is essential to repeal Section 2005 of P.L. 94–455 as soon as possible. Moreover, this carryover basis provision will soon inhibit free transfer of property.

Before P.L. 94–455 was enacted, a beneficiary received a step up in tax basis for inherited property to the date of death. This new basis was the fair market value of the estate when the property owner died. This meant that each upcoming generation received a clean slate for capital gains taxes. Each generation was unhampered by the capital gains of the previous generation.

The Tax Reform Act of 1976, however, changed this equitable scheme drastically. With these changes, the basis for capital gains tax is either the value of the estate as of December 31, 1976, or the decedent's basis. Under this valuation procedure, eventually every beneficiary will be locked into holding inherited property to avoid exorbitant capital gains taxes which would occur with a sale. This will fall most heavily on the small family-owned farm or business which is passed down from generation to generation.

While you are weighing ways to improve our tax laws, I trust that you will sense deeply the inequities and dangers of the present carryover basis provisions and recommend their repeal.

Sincerely,

VIRGINIA SMITH,
Member of Congress.

PRESIDENT ADVISED TO KILL OSHA

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. HANSEN. Mr. Speaker, I recently learned of a most interesting memorandum to President Carter which was drafted by top administration officials approximately 1 month ago.

That memorandum has recommended the elimination of most of the safety regulations that are presently administered by the Occupational Safety and Health Administration in favor of a system of higher workmen's compensation benefits for accidental injury, or a system of fines for companies or industries where on-the-job accident rates are high.

The memo was drafted to President Carter on May 27 by Charles L. Schultze, Chairman of the Council of Economic Advisers; Bert Lance, Director of the Office of Management and Budget; and Stuart Eizenstat, a Carter assistant for domestic affairs and policies.

I have felt the need on many occasions to rise before this body and voice my views concerning OSHA. I have been consistently pointing out that OSHA's methods were improper and ineffective and that many alternatives exist which would accomplish the goals of the agency in a better and a more efficient manner. To this end I am writing to the President to encourage his approval of the recommendations of his advisers and urge my colleagues to do likewise.

Mr. Speaker, a recent article in the July 7, 1977 issue of the New York Daily News, by Judy Randall, offers a most interesting assessment of this situation which I include for the RECORD:

CARTER ADVISED TO KILL MOST WORK SAFETY RULES

(By Judy Randal)

WASHINGTON.—Top administration officials have recommended that President Carter seriously consider the elimination of most safety regulations that govern conditions in the workplace, according to a memorandum obtained by The News.

The memo said that the aim of the proposal was obtaining more effective health and safety protection at less cost to the government and business.

The proposal, if adopted, would have their greatest effect on the operations of the controversial Occupational Safety and Health Administration—the Labor Department agency that has come under fire both from business and public interest groups.

The memo to Carter, dated May 27, was drafted by Charles L. Schultze, chairman of the Council of Economic Advisers: Bert Lance, head of the Office of Management and Budget; and Stuart Eizenstat, a Carter assistant for domestic affairs and policies.

NO CARTER REACTION

There was no immediate indication from the White House on Carter's position on the proposals.

The memorandum suggested dropping the safety regulations now administered by safety administration and replacing them with a system of higher workmen's compensation benefits for accidental injury, or a system of fines for companies or industries where on-the-job accident rates were high.

The proposals were sure to spark new controversy over the issue of occupational safety.

The memo also was likely to draw fire from labor groups that want the government to put greater emphasis on the prevention of accidents at work rather than on after-the-fact compensation for injuries.

UNIONS LIKELY POSITION

Unions are likely to press this position because of earlier studies that found that disability benefits varied greatly from state to state but were not adequate in any of the states.

But business and industry officials, who have long ridiculed the federal regulation as complex, expensive and sometimes frivolous, are likely to say that the proposals do not go far enough in freeing them of worker protection constraints.

Along these lines Rep. Steven D. Symms (R-Idaho) has repeatedly introduced legislation in the House that would abolish the safety administration.

RUFUS BELL BURRUS

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. SKELTON. Mr. Speaker, during the district work period just completed, I had the pleasure of taking part in Fourth of July exercises at the Harry S. Truman Library in Independence, Mo. The master of ceremonies for these exercises was one of my dearest friends, Rufus Bell Burrus, Sr. As always, Mr. Burrus's handling of this ceremony attested to his deep love of country and his strong sense of history. Recently, Mr. Burrus received the "Patriot of the Year" Award, presented by the Kansas City Chapter of the Sons of the Revolution. In light of this honor which has been bestowed on him and in recognition of his outstanding career, I would like to take a moment of this body's time to pay tribute to a distinguished American.

Rufus Bell Burrus has lived in the community of Independence since 1901. He attended public schools in Independence, was later a graduate of Kansas City Polytechnic Institute, and in 1921 graduated from the Kansas City School of Law. Since 1921, he has practiced law from an office on Independence Square.

In 1927, Mr. Burrus enlisted in the field artillery and in 1928, he was commissioned a second lieutenant. He served in the Field Artillery Reserve Unit commanded by Maj. Harry S. Truman and was called to active duty in April 1941. During the war he served in North Africa and in Italy. Following the war he retired from active duty, but served in inactive duty with the Army Reserve in Kansas City until he retired in 1965 with the rank of colonel.

In addition to his private law practice, Mr. Burrus was assistant county counsel for Jackson County, Mo., from 1928 to 1941. In 1949, he was chosen to be president of the Missouri Bar Association. Following President Truman's departure from the White House in 1953, Mr. Burrus advised the former President on many legal matters and, at Mr. Truman's urging, he organized the Fourth of July ceremonies that have become a tradition in Independence. He also served as counsel for the Harry S. Truman Library Corp. from its formation through construction.

In 1921, Mr. Burrus married Ila Beets of Atherton, Mo. They have lived together in the same home in Independence since 1926. They have one son, Rufus Bell Burrus II, and three grandchildren. To say that Rufus Bell Burrus has been a pillar of the Independence community since the turn of the century does not adequately recognize this fine man's unique contributions. He is a man of impeccable character, unflagging loyalty, and extraordinary accomplishment. I am delighted to see him honored as "Patriot of the Year" and I wish him many more years of fulfillment.

CAPTIVE NATION WEEK

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. DERWINSKI. Mr. Speaker, next week we commemorate Captive Nations Week. The importance of this observance is that it places emphasis on the denial of freedom of human rights to over 100 million non-Russians held captive within the U.S.S.R.

The well-known correspondent, Joseph C. Harsch addresses this subject in his column appearing in the Christian Science Monitor of June 9. I wish to insert it at this point:

MOSCOW'S INHERENT WEAKNESS

(By Joseph C. Harsch)

Leonid Brezhnev's proposed new constitution for the Soviet Union shows that much as he might like to go down in history as a reformer and modernizer, he dare not do any such thing.

His constitution is full of things he likes to call "human rights." And in an accompanying speech he has indicated his horror at the old atrocities of the Stalinist period and has given his assurance that those particular misdeeds will not be repeated.

Yet he puts authority inside the Soviet Union on precisely the same base which Stalin used. "The Communist Party of the Soviet Union is the leading and guiding force of Soviet society and the nucleus of its political system." And he provides that the "rights and freedoms" of Soviet citizens "shall be inseparable from the performance by citizens of their duties." One of these duties is "to respect the rules of socialist behavior."

In other words Mr. Brezhnev has written a new constitution which is most carefully designed to perpetuate the absolute control over all the peoples of the Soviet Union by the oligarchy which lives uneasily at the pinnacle of the party and rules the country through the bureaucracy of the state. Anyone who doesn't like the system will be found guilty either of failing in his "duties" to the state or in violation of any one of the "rules of socialist behavior" which the Kremlin may from time to time promulgate as suits its whims or needs of the moment.

Thus, 60 years after the communist revolution in Russia which was to end in a "withering away of the state" the people of the Soviet Union are just as firmly held in subjection by that state as has been usual throughout the course of Russian history. By comparison with Ivan the Terrible or Joseph Stalin, Mr. Brezhnev is an enlightened despot, but no less a despot. His power is absolute, and none of that power is to be allowed to wither away under the new constitution.

There is no withering and there can be no withering because the arbitrary power of the state is in fact the only thing which holds the disparate peoples of the Soviet Empire together.

This is just one more reminder of the fact that the Soviet Union is not inhabited by a homogeneous people. It is not a single nation state as, for example, Holland or Spain or Portugal, or France or Italy. Its people have not been knitted together through the centuries into a single family sharing a common culture. The Soviet Union does not even have a single common language.

Back in the days of Lenin it was widely assumed among communists that Marxism itself would be the cement which would bring together and unite in common purpose all the different people who live inside the geographic area known now as the Soviet Union. But if that had happened Mr. Brezhnev's constitution would not need to assert the superior authority of the state. He could let the state wither away.

The essential fact about the Soviet Union today is that Marxism has not proved successful as the cement even of the people inside the borders of the Soviet state itself. It is proving even less effective as a means of tying the peoples of Eastern Europe to the Soviet cause.

Russian emigré historian Andrei Amalrik wrote an essay under the title, "Can the Soviet Union Survive Until 1984?" George Kennan, America's top Kremlinologist, in a new book due out later this month under the title "The Cloud of Danger," discusses the dissident movement in the Soviet Union today and observes:

"It was, after all, something very similar to this that occurred in the final decades of the last century and laid much of the groundwork for the eventual demise of the Tsarist regime."

Neither Mr. Amalrik nor Mr. Kennan predicts the demise of the communist regime by 1984. They merely note the existence of dissent and the existence of enormous strains within the political fabric of the Soviet state which cause the regime to hang onto the apparatus of arbitrary power. And they both call attention to the fact that neither Tsarist nor communist regimes have ever been able to work themselves out of the dilemma of how to hold together the vast territories now controlled from Moscow by any but despotic methods.

Mr. Kennan speaks about "national restlessness in the constituent republics" as a "hard one to cope with; for both tolerance and repression tend to enhance rather than to dispel it."

That is Moscow's nagging problem. It alternates between tolerance and repression, and neither one works. The regime is essentially both despotic and inefficient. Tolerance allows these facts to be observed and discussed more openly. Repression makes them even more uncomfortable.

Mr. Brezhnev's constitution proves that he has come no closer to finding the way out of the great Russian dilemma than did any of his predecessors beginning with Ivan the Terrible.

LABOR SUPPORTS THE NATIONAL CONSUMER COOPERATIVE BANK ACT

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. MINISH. Mr. Speaker, H.R. 2777, a bill to create a National Consumer Cooperative Bank was reported out of the Banking, Finance and Urban Affairs Committee on a 28-to-11 vote and since that time it has been picking up support from all over the Nation.

Mr. Speaker, some of the strongest support for this bill is coming from the AFL–CIO and other labor organizations

whose members participate in many cooperative endeavors ranging from housing to health services. Consumer cooperatives are extremely important to wage-earners who must have the means to stretch their buying power.

Mr. Speaker, H.R. 2777 is scheduled for floor action tomorrow and I urge my colleagues to support this bill and to oppose efforts to weaken it or to substitute a "pilot project" for the real thing.

Mr. Speaker, I want to place in the RECORD a copy of a letter from Andrew J. Biemiller, director of the department of legislation for the AFL–CIO:

AMERICAN FEDERATION OF
LABOR AND CONGRESS OF
INDUSTRIAL ORGANIZATIONS,
Washington, D.C., July 12, 1977.

The AFL–CIO strongly supports H.R. 2777 as reported by Committee and scheduled for floor action on Wednesday, July 13.

The National Consumer Cooperative Bank Bill, H.R. 2777, would establish a bank to provide financing and technical assistance to eligible consumer cooperatives in both urban and rural areas. The proposed bank will repay the Government capital and become a part of the private sector.

Many of our members have been involved in establishing cooperatives which serves to better their lives and improve the community. Unfortunately development often has been hampered by the lack of capital and technical assistance.

The AFL–CIO considers H.R. 2777 the key to continued growth and vitality of consumer cooperatives in this country. With a bank to provide sound financing and technical expertise, cooperatives can aid consumers to obtain reasonably-priced goods and services. Clearly this bill offers exciting opportunities for every citizen.

We would especially urge you to oppose crippling or substitute amendments that may be offered.

On behalf of all consumers, as well as the working men and women of the AFL–CIO, please support H.R. 2777.

Sincerely,

ANDREW J. BIEMILLER,
Director, Department of Legislation.

1978 DEFENSE APPROPRIATIONS BILL

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. FISHER. Mr. Speaker, the House has approved a $110.6 billion defense appropriations for fiscal year 1978. This bill includes funds for most defense items except military construction. Without agreeing with the policy represented by every item in the bill, I did vote for the final passage of this legislation.

Each year as Congress considers the defense authorization and appropriation bills, we have an opportunity to debate the direction of this country's defense policy. Although we are fortunate enough to be at peace this year, we must maintain a strong defense in order to remain at peace. I think that the support for defense activities in this appropriations bill will permit the necessary strength. This effort is needed for the time being while negotiations on SALT and other arms limitations go forward. I hope that some time soon there will be sufficient progress in the reduction of world arms that we will not have to spend one-quarter of the Federal budget on defense, but for now I recognize the need for these expenditures.

Certain general principles have guided my votes on specific issues in the appropriations bill. In order to maintain a force of trained, experienced, and motivated personnel, pay and allowances must be adequate. Research and development on new weapons and equipment should be continued. Expensive production commitments should be held off until it is clear that the new items will be valuable in the kinds of military operations which are likely to occur.

The result of my deliberations on the bill, based on these principles, is that I voted to reinstate or postpone some personnel items cut by the Appropriations Committee and to reduce some funds for weapons and equipment added by the Committee. Specifically, I voted against denying retired pay to military in the Civil Service, for continuing to pay civilian technicians who work for the Reserves, and for delaying any changes in blue collar pay until the Civil Service Committee completes a study of the issue. Also I voted against funds for production of the Lance non-nuclear missile, which the Carter administration had dropped from its budget; against funds for designing a replacement engine for the F–14, which the committee had added; and against production funds for the B–1 bomber, while permitting completion of research on it. In addition, I voted to maintain the production funds for A–10 attack aircraft and, of course, for the numerous other weapons items contained in the bill. My vote on the B–1, cast after careful research and consultation with experts, was based on favorable prospects for alternatives such as the cruise missile, B–52 system, the heavy cost commitment that the B–1 program would entail, and the best appraisal I could make of the unfolding strategic situation. Subsequently, the President also decided against procuring the new aircraft.

FINANCIAL STATEMENT OF HON. JIM LEACH

HON. JAMES A. S. LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. LEACH. Mr. Speaker, below is a balance sheet prepared by Carpentier, Armstrong, Acord and Marshall, certified public accountants. For 1976, my wife and I paid $5,158 in Federal and $516 in Iowa State income tax on an adjusted gross income of $34,187:

JAMES A. S. AND ELISABETH LEACH BALANCE SHEET (PREPARED WITHOUT AUDIT) APRIL 25, 1977

Assets

Cash	$30,000
Marketable Securities—(Market Value)	283,808
Closely Held Family Companies	$1,847,337
Other Investments:	
Foxley Partnership	57,000
West Bellevue Company	40,000
Marin II Limited Partnership	13,000
Automation Systems, Inc	70,000
Real Estate—(Estimated Market Value):	
Commercial Building—Cost	5,000
Personal Residences (Pledged)	145,000
Other Assets:	
Automobiles	9,000
Personal Property	30,000
Cash Value of Life Insurance	7,000
Total Assets	2,537,145

LIABILITIES AND NET WORTH

Liabilities

Note Payable—First National Bank of Moline, Illinois	$22,000
Note Payable—American Security and Trust Company, Washington, D.C	750
Note Payable—Perpetual Building Association, Washington, D.C	40,000
Note Payable—Roman R. Schantz—Mortgage	12,000
Note Payable—Citizens Federal Savings and Loan, Davenport, Iowa	30,000
Note Payable—Life Insurance	5,000
Note Payable—James A. Leach (Per Stock Purchase Agreement	26,000
Total Liabilities	135,750
Net worth	2,401,395
Total liabilities and net Worth	2,537,145

My wife and I have agreed to place all of our business and investment assets in a blind trust to be administered by an Iowa bank for the length of my service in public office. The trust stipulates that no investments can be made in banks, savings and loan associations, insurance companies or other financial institutions or in companies directly affected by postal regulation or in the transportation, utility, television, radio, alcohol and tobacco industries or in any corporation which as its principal business produces natural gas, oil or other basic fuels.

CONGRESSIONAL THOUGHTLESSNESS AND BUREAUCRATIC ARROGANCE

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. EDWARDS of Oklahoma. Mr. Speaker, it is no secret to anybody in this Chamber that the American people are sick and tired of excessive Federal regulation. And yet there are times when the results of our interference in peoples' lives become so outrageous that it is impossible to sit quietly by.

One of these examples of congressional thoughtlessness and bureaucratic arrogance was brought to my attention during a recent visit to my district. There a small businessman, a printer with two employees, handed me a copy of a form letter he had received from the Environmental Protection Agency.

Two bureaucrats I have never heard of demanded that this businessman take time to fill out for their benefit a 5-part, 17-page exercise in frustration and nonsense, complete with a typical bureaucratic instruction sheet and 3 pages of definitions of terms.

There then follow 106 questions, most with 5 parts making a total of nearly 500 separate response possibilities.

No doubt the mental lightweights who devised this joke believe they are contributors to the American system. The truth is, they are its destroyers. As they lug home their briefcases filled with sandwiches and trivia, I hope they will be bothered slightly by the fact that this hard-working businessman, with more important things to do, has had to take time away from productive work to engage in such bureaucratic nonsense.

And I hope the Members of this great Congress will take a moment to reflect on what flows from the precious brainstorms which emit from ourselves and our assistants.

Congress will soon be again in recess. Is is too bad we cannot schedule a lengthy recess for the bureaucracy as well.

INSTANT REGISTRATION—INSTANT FRAUD

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. HANSEN. Mr. Speaker, the right to vote is one of the most fundamental privileges and responsibilities of U.S. citizenship. Since the days of the American Revolution, participation in our electoral process has been far from unanimous.

The administration's most recent legislative proposal advertised to correct the situation is labeled the "Universal Voter Registration Act." Although the concept is appealing at first glance, the specific contents fall far short under close scrutiny.

The major provision of H.R. 5400 requires that all States permit voter registration for Federal elections at the polls on election day.

Current safeguards, such as time to verify information and purge lists in other localities would be lost. Perhaps more importantly, the preregistration signature which can be used as a quick doublecheck at the polls, would be eliminated.

President Carter supports H.R. 5400, knowing full well that such a law would supersede all State voter registration laws in Federal elections and mandate that anyone who showed up at the polls on election day with identification be allowed to vote.

His support has remained persistent, despite the fact that State officials in charge of supervising elections oppose the bill by more than 2 to 1. His support persists despite the fact that a May 1977 Gallup poll showed opposition to election day registration by a majority of the public and a majority of Independents, Democrats, and Republicans.

Steven L. Klein, director of the Americans for Democratic Action affiliate in Illinois, has said that this bill will mean voting by "every tombstone, firehouse, and lamppost in the city of Chicago." William A. Recktenwald, chief investigator for the nonpartisan Better Government Association of Chicago, said:

> Chicago has long been known as a city where the dead still vote and the living vote more than once. I have no doubt that election day registration would be a devastating tool benefiting dishonest politicians.

Even members of the U.S. Justice Department are not supportive of the measure. Craig Donsanto, head of the election unit of the Justice Department's criminal division said:

> I oppose the concept embodied in H.R. 5400 as a dangerous relaxation of what precious few safeguards presently exist against abuse of the franchise. This division has not had any input into this bill. We have not even seen a copy of the bill and our comments thereon have never been sought.

The administration even announced several compromise amendments on June 15 aimed at assuring congressional acceptance, however, the proposed changes in no way give H.R. 5400 any redeeming value. The measure still remains an open invitation to election fraud.

Additionally the administrative burden which would be imposed upon local election officials would be overly burdensome, perhaps even to the point of maintaining two sets of voter lists—one State and local, the other Federal.

The bill also proposes grants to the States to implement the new plan, and provides for added Federal jobs within the Federal Election Commission to administer them. An initial cost for the first 2 years of operation is estimated at over $50,000,000.

The proposed penalties provided concerning fraud are not that tough, considering the relative ease with which an individual may obtain false identification.

The reason given publicly by those advocating election-day registration is that it is needed in order to stop the decline in election participation. North Dakota, however, which presently allows election-day registration, had a smaller percentage of citizens take part in the 1976 election than voted in the 1972 elections.

I believe that political parties who are willing to inform the electorate of the issues and candidates who take clearcut stands on issues important to the voters are what are needed to increase voter participation.

In short, it is my feeling that H.R. 5400 has many shortcomings: Great potential for fraud, additional Federal bureaucracy, more Government spending, unenforceable penalties, and unworkable administrative burdens for local election officials. All in all, it is one of those pleasant sounding, but actually deceptive and appalling ideas—and each step erodes the traditional role of the States and stifles free, competitive political activity. Certainly, H.R. 5400 is not the means for combatting voter apathy, the true cause for the decline in election participation.

COMMISSIONING OF THE "PETERSON"

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. LOTT. Mr. Chairman, on Saturday, July 9, my colleague from New York State, BEN GILMAN, was in my hometown of Pascagoula, Miss., where he was the principal speaker at the commissioning of the destroyer *Peterson* at the Ingalls Shipyard where the vessel was constructed.

The new ship is named for Lt. Com. Carl J. Peterson, who was killed in action on Apr. 2, 1969 while leading an operation on Vam Co Dong River in South Vietnam. He was the son of Capt. and Mrs. Carl A. Peterson, USN Ret., of Tuxedo Park, N.Y., residents of Congressman GILMAN's 26th District.

At this point in the RECORD, Mr. Chairman, I would like to insert Representative GILMAN's remarks at the historic commissioning of the *Peterson*. I am proud of the vessels which come out of the Ingalls Shipbuilding Division in Pascagoula, and I wish the men who serve on the *Peterson* the best of luck and Godspeed in the days to come:

COMMISSIONING OF THE DESTROYER "PETERSON"

(By Congressman BENJAMIN A. GILMAN)

This is truly an ecumenical ceremony when you invite a former Air Force Sergeant and member of the U.S. Military Academy's Board of Visitors to help the Navy strengthen its fleet.

I am honored to take part in this historic occasion, the Commissioning of the Destroyer Peterson—a meaningful tribute to the dedication and loyalty of an outstanding young Naval hero who courageously and without hesitation gave of himself in the service of our nation.

Commander Carl Jerrold Peterson truly believed in the miracle called America, a belief which took him from his home and Navy family in New York, through the rigorous training at Annapolis, to his volunteer duty in South Vietnam, to action on the Vam-Co-Dong River . . . and to eternity. Today's Commissioning of the Navy's newest destroyer in honor of Commander Peterson will help us long remember his exuberance for life, his love for America and his devotion to the Navy.

Right across the Hudson River from the Congressional District I represent in New York State, is a town called Beacon, New York. It's a small industrial community, and it lays claim as being the home-town of James Forrestal, our first Secretary of Defense and a former Secretary of the Navy.

Because of that city's gift to the American Armed Services, the U.S.S. Beacon, a patrol gunboat, was commissioned in honor of the birthplace of Mr. Forrestal, and once every few years that ship traveled up the river and docked for a week-end at Beacon. The warm, exuberant reaction by the city's residents on those occasions was unbelievable.

"It's a part of us," one of the residents once told me about that vessel that carried the name of a city where 13,000 people live, work and raise their families.

And that is the same feeling that we have for the Peterson. Carl Peterson's strength and

goodness will live on as part of us as long as the Peterson sails the seas. The courageous dedicated spirit of Carl Peterson will be at the wheel, in the engine room, wherever the men of the Peterson will toil.

As a young man, I grew fond of a poet named John Masefield who wrote a verse called "Sea-fever."

Most sailors dream of having their own ship, and Masefield, recognizing this, said, in one of my favorite verses:

"I must go down to the Seas again,
To the Lonely sea and sky,
And all I ask is a tall ship,
And a star to steer her by."

Captain and Mrs. Peterson we all share your pride in your son's loyalty and accomplishments and we are proud that your son now has another tall ship to command . . . for we know he'll be looking after its welfare . . . and will be its star "to steer her by."

And it is only fitting that the Commissioning of the Peterson take place so close to the occasion of our nation's 201st birthday. It is a token of honor and esteem by the American Government for the sacrifice of this young Naval Officer's life.

I was once told by a good friend that a gift, given in love, needs never to be repayed. Carl Peterson gave us a gift of love—a love for his nation.

We didn't have to repay Carl. The good Lord knows that we could never repay him for his ultimate sacrifice. But we will remember and this is our nation's way of remembering, and of trying in a small way to repay our debt.

Carl Peterson's brave actions, which earned him the bronze star with the Combat V, stemmed from his extraordinary heroism as the Commander of three river patrol boat divisions when, on April 2nd, 1969, they came under rocket and machine gun attack on the Vam-Co-Dong River, and he was mortally wounded by an enemy rocket.

Permit me to share with you the description of the events that immediately preceded his death, as they were expressed on his bronze star citation:

"While serving as the on-scene commander for the Vam-Co-Dong operation "Giant Slingshot," Lt. Commander Peterson was tasked with planning and coordinating the operations of 3 river patrol boat divisions which engaged the enemy along a narrow and extremely hazardous waterway.

"Prosecuting a campaign of aggressive offensive, he travelled from his base of operations aboard the LST, the U.S.S. Harnett County, to advanced tactical sites at Tra Cu, Hiep Ho and Go Dau Ha, to obtain first hand insight into the difficulties encountered by his division commanders. Personally effecting close liaison with U.S. and Vietnamese units, Lt. Commander Peterson became singularly responsible for operational successes at such campaigns as Keel Haul I and II, which were joint Army/Navy quick reaction operations designed to draw the enemy out of concealment and eliminate them with quick reaction ground sweeps . . . Lt. Commander Peterson's devotion to duty, courage under fire, exemplary leadership and outstanding professionalism reflected credit upon himself and were in keeping with the highest traditions of the Navy Service."

Signed, E. R. Zumwalt, Vice Admiral of the U.S. Navy, and Commander of U.S. Naval Forces in Vietnam.

Every true soldier and sailor, deep down in his heart, desires peace and I'm sure it was no different for Carl Peterson. But sometimes, even the peaceful, must fight for their way of life, for their beliefs and to provide a longer and lasting peace. Carl Peterson knew the price that had to be paid for his beliefs and devotion to his country. He dedicated his life to the security of our nation.

We are thankful today, as we recall past hostilities, that the United States of America is at peace. But we must be mindful too that it is a peace in a world of hostility. For millions of oppressed people around the globe, we are the sole shining light on the horizon and we enjoy that lofty status in the minds and hearts of good people everywhere because of the many Americans dedicated to freedom and justice . . . Because of people like Lt. Commander Peterson and his family. Because of these same good people, we are envied and disliked by the oppressors of the world.

As we celebrate the Peterson's joining of the fleet, we know that she will sail with the goodness of Carl Peterson and with the power not only of her formidable armament, but, mightier, for what she stands for . . . our Nation's staunch commitment to life, liberty and the pursuit of happiness.

It is difficult to think of this powerful Spruance class destroyer as an instrument of peace, and yet, that is its main mission. You, the men and officers of the Peterson, and this modern Naval Unit, are keepers of the peace. It is our 1977 version of what Teddy Roosevelt some 70 years ago called the Big Stick when he said:

"There is a homely adage which runs; 'Speak softly and carry a big stick; you will go far.'

"If the American Nation will speak softly, and yet build and keep at a pitch of the highest training, a thoroughly efficient Navy, the Monroe Doctrine will go far."

The competition out there on the high seas may be more plentiful and more formidable than it was at the turn of the century. But as we look at this powerful, sophisticated naval vessel and at the good people who'll be on board, we know, deep down in our hearts that with ships and crews like this, leading the way, the U.S. can feel more at ease and more secure.

From the daring Civil War exploits of Lt. Cushing, destroyers have played a significant role as an integral part of our Fleet.

From the early ram-and-run Picket vessels, to the bigger, faster World War I "four-stackers," the initial defensive concept for Destroyers gradually developed into the recognition that it could be a powerful offensive weapon.

The high speed, heavy armament and sophisticated electronic equipment of the Spruance Class of Navy Destroyer, enables it to effectively fulfill its role of "seeking out the enemy and attacking."

We all know of the shift towards warheads beneath the water, and that the silent service is becoming the vocal equalizer. That's why the Peterson and other Spruance Class Destroyers, with their versatility and speed, will be paying off in the long run. They assure America's strength on the world's seas and hopefully will help us deter war in our Nation's 3rd Century.

On a day like today, there is a tendency to over-emphasize our pride. But that's the way it should be on a truly proud day . . . a day of pride, not only for the Peterson Family and all who knew Commander Peterson and served with him, but it's also a day of pride for the thousands of men and women of the Ingalls Shipbuilding Division of Litton Industries who worked on this ship's construction, and all the men who will now serve on it. . . . And yes, it's a proud day too for our entire nation, who will benefit from that service.

Over 200 years ago, David Garrick wrote some words that I would like to leave with you with:

"Heart of oak are our ships
Heart of oak are our men
We always are ready
Steady, boys, steady
We'll fight
And we'll conquer, again and again."

Men and officers of the Peterson, as you man this magnificent vessel and as you join our proud fleet, and as you pass the torch from one generation to another, we congratulate you . . . we wish you God speed, a mission of Peace and a proud tradition of service to our Nation. God Bless.

THE IMPACT OF GROWTH OF THE STANDARD DEDUCTION

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. CONABLE. Mr. Speaker. In our anxiety to try to simplify the tax code, we have created a condition which is not in the interests of American philanthropy. The tendency of recent tax changes, rather than dealing with the issue of tax structure directly, is to benefit the lower income taxpayers by increasing the standard deduction, thus taking them outside the necessity of itemized deductions. Some of the most basic tax preferences which are also the most useful in the social sense are lost through this process—for instance, the incentives to homeownership, protection from the castrophe of personal illness and the encouragement of private donation to public charity.

A recent econometric study by Prof. Martin Feldstein of Harvard, based on 1970 information and the changes in the law made since that time, indicates that the growth of the standard deduction alone since 1970 will cause a loss in 1977 of approximately $1.357 billion in charitable contributions through the reductions in the tax incentive to make such gifts for those claiming the standard deduction; $615 million of this is attributed to the standard deduction changes in the Tax Reduction and Simplification Act of 1977. Professor Feldstein points out that permitting individuals to deduct charitable contributions despite the use of the standard deduction would increase charitable giving by $3.803 billion and would cause revenue losses to the Treasury of $3.190 billion. I wanted my colleagues to have this information and muse about its meaning before we involve ourselves in new tax reform efforts.

The viability of the American charitable movement is important to the pluralism of American society. One obvious disadvantage of continued growth of the standard deduction is the narrowing base of American philanthropy and the shift of its involved participants toward those of increasing wealth. Ultimately this will affect the charitable policies of the Nation and it will also affect the mix of successful charitable effort, since lower income people tend to contribute to different charities, particularly the religious ones, than those who make very large contributions.

The satistics I have listed demonstrate quite clearly that the tax laws have a major impact on the nongovernmental institutional life of our society, on the motivations of our people and ultimately on their sense of involvement in the causes which we like to think are part of the American tradition.

SOME CONSEQUENCES OF B–1 DECISION

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. LAGOMARSINO. Mr. Speaker, President Carter's decision to terminate production and deployment of the B–1 bomber has far-reaching implications for the Nation, both militarily and diplomatically. I would like to bring to the attention of my colleagues an excellent article exploring some of the consequences of the B–1 decision. The article is written by my constituent, Henry Huglin, a syndicated columnist and lecturer on national security and international affairs. Mr. Huglin's article follows:

SOME CONSEQUENCES OF B–1 DECISION

(By Henry Huglin)

President Carter's stunning decision to cancel production of the B–1 bomber seems badly mistaken in timing, even if it may not be in overall judgment. This is because it can lead to some consequences harmful to our country's superpower relations with Soviet Russia and with the rest of the world as well. Thus, it could lessen our prospects for long-term security and well-being.

Such consequences may have contributed to the President's statement that "this has been one of the most difficult decisions I have made since I took office."

And, obviously as a hedge against unfavorable consequences, he did order that "the existing testing and development program now underway on the B–1 should continue." (The B–1 is a wonderfully fine, technologically up-to-date airplane.)

But the political and psychological damage abroad has been done.

Even more than some major weapon systems, the B–1 had become a major piece in the on-going grim chess game of power politics, in which we are unavoidably engaged with the Soviets. And, of course, on this grim game ultimately hangs not only our nation's continued security but that of many other nations as well.

Therefore, the cancellation of the B–1, without any comparable action by the Soviets, has clear implications for the strategic balance between them and us—and, potentially, for instability in other areas, too.

But perhaps even more important may be the effect of this decision on the way our country is regarded by the Soviet leaders and by others as well.

This B–1 cutoff—in the face of the Soviets' long-term and massive arms buildup, and with no cut back on their part—can be taken by many abroad as a harbinger that we are really not going to have the will to respond effectively to the Soviets' leading pace in the arms race, or to their geopolitical thrusts or coercive challenges.

Recent history provides no comfort over any such weakening of our national image.

President Kennedy's inept and naive handling of the Cuba Bay of Pigs invasion 16 years ago apparently encouraged Chairman Khrushchev to believe he could get away with sneaking strategic nuclear missiles into Cuba 18 months later. And, of course, this led to the most serious confrontation and showdown we have had with the Soviets.

Other nations' perceptions are important, too. Twenty years ago there was widespread belief that our country was in decline, when the Soviets launched their Sputnik satellites as our lagging space efforts failed. That image of decline was overcome with our crash space program, but only after many years of effort and expense.

There may be similar, though lesser, psychological consequences of the B–1 cancellation—because this weapon system had become a barometer of our nation's mood.

Part of its barometer role was created by the fervent opposition to the B–1. Anti-military trumpeters, idealistic pacifists, and ivory-tower wishful thinkers have been in the forefront of a huge campaign to stop B–1 production.

So, it will now be quite logical for the leaders of Soviet Russia and of other countries to deduce that the Carter Administration may be leaning to the dovish, rose-tinted, McGovern view of national security and his "come home America" theme that were so overwhelmingly rejected in the presidential election five years ago.

An early consequence we can anticipate from the Soviets is a stand even tougher than before in strategic arms negotiations. Since we have given up a major piece in the game of power politics without their giving up anything, why should they compromise?

And they will likely now turn their propaganda and negotiating guns on our new cruise missile, the deployment of which, on the aging B–52 bombers, President Carter has ordered, as a cheaper substitute for part of the B–1's capabilities.

Further, we need to watch out for Chairman Brezhnev's moves. He has vastly greater military power than did Khrushchev, and is upset over President Carter's pressure on human rights. He might even use the Soviets' military strength and image of toughness in some crucial area—such as the oil-rich regions of the Mideast or southern Africa—to set up a test of our will, to determine if they can push their expansionism with impunity.

There are other actions in the national security field that the Administration—and Congress—could and may take which, conceivably, could lessen the harmful consequences of the B–1 decision. But only time will tell if such actions are taken and what their ameliorating effects may be.

In any event, the consequences of this decision—on top of the Korean troop withdrawal decision—are going to plague President Carter, and our nation, for a long time. The Soviets will surely try to capitalize on its impact. And doubts will be raised in the minds of allies and friends as to the worth, in the long term, of continued trust and confidence in our leadership, as the superpower on which they depend.

THE CANAL ZONE IS U.S. TERRITORY—OUR PRESENT STATE DEPARTMENT NOTWITHSTANDING

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. SNYDER. Mr. Speaker, President Carter has been sadly misadvised by the State Department which claims that the Republic of Panama gave the United States only rights in the Canal Zone, and not territory, under the 1903 treaty.

President Carter should be told that President William Howard Taft, upon signing the Panama Canal Act on August 24, 1912, issued an accompanying memorandum.

In that memorandum, President Taft said:

. . . the Panama Canal is being constructed by the United States wholly at its own cost, upon territory ceded to it by the Republic of Panama for that purpose, and unless it has restricted itself, the United States enjoys absolute rights of ownership and control, including the right to allow its own commerce the use of the canal upon such terms as it sees fit . . .

Mr. Speaker, President Taft could not have claimed the territory of the Canal Zone had been ceded to the United States by Panama were that not a fact.

I hope President Carter will heed history rather than his State Department.

ROY WILKINS' LEGACY

HON. EDWIN B. FORSYTHE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. FORSYTHE. Mr. Speaker, I think a recent editorial in the Christian Science Monitor accurately sums up the feeling of many of us upon hearing of Roy Wilkins' recent decision to retire from his position as executive director of the National Association for the Advancement of Colored People. I would like to bring the article to the attention of my colleagues.

As the Monitor points out, although the legal battles for racial equality have largely been already fought and won, economic and political battles still must be fought to assure real equality for all our fellow citizens in the United States.

Roy Wilkins has truly left a great legacy to those of us who must actively continue the effort to which he has devoted so much of his life. I too hope he will enjoy a fitting retirement after his job well done. I just as fervently hope that we will be able to finish the great job that he has begun.

The article follows:

[From the Christian Science Monitor, June 30, 1977]

ROY WILKINS' LEGACY

It will hardly seem the same organization without Roy Wilkins. So long has Mr. Wilkins been associated with the National Association for the Advancement of Colored People—46 years, to be exact, 22 of them as its executive director—that the two had become synonymous in the public eye. Indeed, because the NAACP has been the largest of the predominantly black civil-rights organizations, Mr. Wilkins has often been thought of as a national spokesman for America's blacks. In a fundamental sense, certainly, he spoke for all Americans whose freedom is indivisible.

Hence we join in the warm outpouring of tributes to Mr. Wilkins as he retires from office. It is rightly recalled that during the many years under his leadership the NAACP waged a courageous and often lone battle to make legal decisions and civil-rights laws a reality in the lives of black people. The battle was necessarily a legal one because of the vicious Jim Crow laws and barriers of discrimination that kept blacks on the lowest rungs of society.

Today, the legal struggle is in many ways over. The NAACP is groping for a new thrust and policies. It is expected to focus more on affirmative action in the economic sphere and on playing a bigger role in the political process.

That it should evolve a new leadership and policy in keeping with changed times

is only natural. But the essential goal of racial equality whose banner Mr. Wilkins helped hold so high remains, as does his commitment to it. In his own words, "I retire from active leadership but I shall not retire from active participation in the fight for racial justice."

A fitting retirement after a job well done.

RESOLUTION BY BALTIC NATIONS COMMITTEE

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. BRODHEAD. Mr. Speaker, recently the Baltic Nations Committee of Detroit met to commemorate the 37th year of the forcible occupation of the Baltic Republics by the Soviet Union.

The United States must never acquiesce in this illegal action by the Soviet Union. We must continue our policy of nonrecognition of the Soviet Union's annexation of Lithuania, Latvia, and Estonia. I have today introduced a resolution in the House reaffirming this policy and urging the President to bring this matter before the United Nations.

I would like to share with my colleagues a resolution that was unanimously adopted at the Baltic Nations Committee meeting:

RESOLUTION

Whereas, we are convinced that security and peace in Europe can be maintained only if all European Nations including Estonia, Latvia and Lithuania, who by aggression of the Soviet Union, have been deprived of their national freedom and independence, regain those rights that are theirs under international law; and

Whereas, the forcible annexation of the Republics of Estonia, Latvia and Lithuania 37 years ago by the Soviet Union as a result of the notorious Molotov-Ribbentrop Pact was an act of aggression committed in violation of treaties and agreements valid between these States and the Soviet Union and cannot have any legal or binding effect under international law. The Soviet Union cannot, therefore, claim that the problem of the Baltic States is her domestic affair; and

Whereas, the annexation of the Republics of Estonia, Latvia and Lithuania by the Soviet Union is not only legally void, it cannot be justified by possible claims that it was necessary for Soviet Security and whereas, the United States Senate unanimously passed Resolution 319 on July 26th in the Bicentennial Year 1976 of our Republic stating that United States should continue not to recognize this illegal occupation. Now, therefore be it

Resolved, That the United States raise the question of this hideous occupation at the Belgrade Conference as the most pressing issue and as a fitting tribute to the just aspiration to liberty and freedom by those oppressed people; and

That we respectfully request the U.S. Government to bring up at the Belgrade Conference as well as other world forums the HUMAN RIGHTS question in the Baltic States and other Soviet Russian occupied countries. We emphasize again the illegal occupation of our homelands and therefore, respectfully request the President of the United States to use his good office to help to restore freedom to the Baltic States of Estonia, Latvia and Lithuania, as well as to all captive nations, and

That although today our thoughts are with the people of Estonia, Latvia and Lithuania, we also are concerned about the future of all Captive Nations occupied by the Russian Communist Imperialists, and

That we again warn the Western Powers against signing conciliatory agreements with the USSR, such as the agreement that was signed at the Helsinki Security Conference with the USSR! The failure of the USSR to permit free emigration of separated families from the occupied Baltic States; and

That no "Powers" ever should have the right to decide the future of: Estonia, Latvia and Lithuania! Only the Baltic peoples themselves have the solemn right to choose their political and cultural structure, as Sovereign States with proud heritage of many thousands of years on the Baltic shores; and

That the Baltic people will never accept the incorporation of Estonia, Latvia and Lithuania into the Soviet Union; and

That we send this Resolution to the President of the United States and copies thereof to the Vice-President of the United States, the Speaker of the House of Representatives, the Secretary of State, our Senators and Congressmen representing Michigan in Congress, and to the press.

Done at the Lithuanian Cultural Center, Southfield, Michigan, this 12th day of June, 1977.

DR. ALGIS BARAUSKAS,
Chairman.
BERNARDAS BRIZGYS,
Secretary.

CONGRESS SHOULD VETO ROMANIA'S MOST-FAVORED-NATION STATUS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. McDONALD. Mr. Speaker, the President just is not facing the facts when he recommends that most-favored-nation status be extended for Communist Romania for another year. Being in sharp disagreement with this policy decision, I introduced House Resolution 653 on June 22, 1977, which would disapprove the extension of this MFN authority for Romania. My strong hope is that all Members of Congress who are truly interested in human rights will vote for this resolution. No one assists the cause of human rights by doing favors for the oppressive government of the Communist nations. My remarks on this resolution are contained on page E3988 of the CONGRESSIONAL RECORD for June 22, 1977.

Columnist John Lofton recently made the case very well in support of the resolution I have proposed. In his column for United Features Syndicate on June 24, 1977, he neatly dissects the President's arguments in favor of renewal of MFN for Romania. The column follows:

CONGRESS SHOULD VETO RUMANIA'S MOST-FAVORED-NATION STATUS

(By John D. Lofton, Jr.)

WASHINGTON.—Next week, the Senate Finance Committee's subcommittee on international trade will begin hearings to decide whether Congress should terminate, affirmatively vote to extend, or permit by inaction the extension of President Carter's authority to waive the requirement that Rumania allow freedom of emigration in order to keep its Most-Favored-Nation (MFN) treatment, a special trade status it has enjoyed since 1975.

In a message to Congress earlier this month, Carter recommended that his waiver authority be extended 12 months because, as he puts it, while Rumanian emigration to Israel has been somewhat inconsistent and uneven that "overall" emigration has "risen markedly" since implementation of the U.S.-Rumanian Trade Agreement two years ago. But the facts are blatantly at odds with what the president says they are.

An internal background document prepared last month for the members of the congressional commission established to monitor the Helsinki Agreement reports the following:

Noting that the Rumanian government has "largely ignored" or "further restricted" its family reunification and human rights policies since Helsinki, Rumanian society is characterized as "one of the most tightly-controlled in Eastern Europe."

On the subject of emigration specifically, this background paper declares:

"The Rumanian record of compliance on 'human contacts' since Helsinki has been mixed, but, on the whole, negative . . . emigration of ethnic Germans to the Federal Republic of Germany and Jewish emigration to Israel has declined considerably since 1974. (Both the FY 1975 and 1976 totals to Israel are 45 percent lower than 1974. The figures to Israel for the first nine months of FY 1977 are 50 percent lower than for the same period last year—to the United States, 30 percent lower.)

"The Rumanians claim that fewer Jews are applying; that is no doubt true since it seems that the procedures for emigrating to be reunified with families have become more complex, difficult, and arbitrary—in direct contradiction to the Helsinki provisions. It is estimated that about 25–50 percent of Rumania's Jewish population (estimated at 60,000 total) have informed relatives in Israel that they wish to leave, but most have not applied because application procedures remain discouraging and dangerous for Jews as well as other Rumanians.

"Applying is a lengthy, convoluted process involving several branches of the bureaucracy—local and national—long delays, uncertainties, harassment, job loss, and unexplained and arbitrary rejections—often of the preliminary request for application forms. Some of these difficulties are the result of local bureaucratic inefficiencies, but the government has done nothing to facilitate the situation. President Ceausescu has, to the contrary, repeatedly spoken out against those who wish to desert their homeland."

One seemingly negative act since Helsinki, says this private background report, was the creation, in December 1975, of local commissions, made up of local Communist Party members and community representatives, to screen and interview Rumanians wishing to leave their country. While the government claims these bodies were set up to discourage young Rumanian women from marrying foreigners who later desert them, this confidential paper says, however, that "such commissions have become a formidable obstacle for all others who wish to emigrate. In addition to the obvious social and psychological pressure they can bring to bear, the commissions can and frequently do hold back applications or recommend rejections."

It is also noted:

"Procedures for obtaining a travel visa are equally difficult, and little change is evident since Helsinki; delays are protracted; passports are limited as to duration and destination; family members have to stay behind as 'hostages'; currency regulations are prohibitively strict; and supervisors often have to sign statements guaranteeing their employe's return (which most, obviously, refuse to do)."

Citing a variety of other violations of the Helsinki Agreement by the Rumanian government, including a crackdown on dissidents, a policy of "cultural genocide" against certain ethnic minorities, increased religious discrimination, and a reduction in the free flow of information from the West, this background memo for congressional Helsinki commission members concludes:

"The Rumanians have been taking an unusually belligerent attitude on the question of human rights and the Belgrade Conference . . . several lengthy articles (in the Government-controlled press) have appeared which sharply attack the West's abuses of freedom, its reactivation of fascism, and continued intervention in the internal affairs of sovereign states. The standard Warsaw Pact arguments are being reiterated . . . The evidence to date therefore indicates that the Rumanians at Belgrade will probably be more hard-line and less independent than they tended to be at the Helsinki negotiations in Geneva . . ."

In a meeting last month with a group of out-of-town editors and news directors, responding to a question about whether he planned to desist in his human rights policies, President Carter answered negatively, saying: "I think it is something that our country ought to assume as a permanent clear-cut commitment of our people."

Well, I couldn't agree more. But Carter's request that Congress continue MFN treatment for Rumania, and that it continue to allow him to waive the "free emigration" section of this provision, is a strange way of demonstrating a commitment to human rights.

Congress should not only refuse to give the president the waiver authority he is seeking, but it also should revoke Rumania's MFN status altogether.

FOURTH OF JULY EDITORIAL, THE ENTERPRISE LEDGER

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. DICKINSON. Mr. Speaker, I would like to share with my colleagues a front page editorial carried in the Enterprise Ledger, Enterprise, Ala., on this past Fourth of July. The piece poses some questions which cause us as Americans to examine just what "Independence" does and does not mean to us today.

INDEPENDENT AND FREE

Each year one hears old-timers remark that Independence Day isn't what it used to be. The slogan, "Hurray for the great and glorious Fourth," now brings a nostalgic smile.

The all-day booming of firecrackers and rockets, oratory and parades seems to have passed into limbo to be replaced by quiet family gatherings and private pursuits, yet this new mood is not due to patriotism going out of style. Perhaps it is because we are beginning to realize that "independence" is no longer an adequate word to describe the great event we celebrate.

Just who is independent today and what are they independent of? Not of government bureaucracy—sometimes good and sometimes bad. Not of foreign entanglements and responsibilities—which years of isolationism have proved to be inevitable, if not vitally necessary to the preservation of our nation.

Just how many of us would want to be independent today, if we could—independent of strong central government, allies, taxes and all the services that taxes pay for?

We must remember that the Continental Congress asserted that the colonies should be not only independent but free. There is a difference.

The founders of this nation believed that governments exist to make men free and to help them enjoy their freedom. Their tie to Britain was a bar to this goal so they wrote a Declaration of Independence.

Yes, it is freedom that we really celebrate today. But it was not secured to us by the men of '76 for all time to come. It is something that each generation must earn and preserve for itself.

Are we bartering away our freedom for a little security, both individually and nationally? Or are we putting the meaning of freedom into the broader context of a decent life for all, achieved through national and international co-operation, even though it may limit a certain kind of rugged individualism?

There's room for argument on both sides. And it's certainly worth thinking about, not only on this July 4th but every day of the year.

FARMERS BEWARE OF CRACKPOT BUREAUCRATS

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. HANSEN. Mr. Speaker, recently I received a letter from a farmer in Missolua, Mont., concerning a recent OSHA inspection of his farm. His situation is not a unique one, but I fear that it is a signal of what is to come for the American farmer. The letter is very revealing and I offer it for the benefit of my colleagues and as a warning of what the future holds for the American farmer if action is not taken to curb the unconstitutional abuses of the Occupational Safety and Health Administration. The letter follows:

LITTLE BEAVER CREEK RANCHES,
Missoula, Mont., June 29, 1977.

Representative GEORGE HANSEN,
Washington, D.C.

DEAR SIR: Enclosed is a copy of OSHA's Citation and Notification of Penalty, which has been received by our company. In line with President Carter's statements that the activities of OSHA must be curtailed to prevent harassment of business, as is the case at hand, I am writing to solicit your assistance. I will attempt to set forth the facts—and restrain my emotions—but the ludicrousness of this OSHA citation overwhelms my ordinarily calm manner.

This citation arises out of a fatal accident to a young farmhand who was electrocuted when an irrigation pipe which he lifted upright to remove a gopher, got caught in the wind and came into contact with a high-voltage line located outside of the boundary line fence of our property. In this case, the young man did what he had been told by his parents, by his co-workers, and by our manager, never to do—that is, "Don't lift an irrigation pipe in the air because there have been people hurt by doing so." Contact with the power line with the pipe upright would not have been possible if the pipe had not been lifted, and even then, only if the wind caught the pipe and directed it to the line. The power line was not located on our property; it is owned and operated by a local REA and serves the entire Frenchtown Valley; our company has no control over it whatsoever and under no circumstances could we de-energize the line.

We have irrigators on our ranch, as do thousands and thousands of ranches across our country. Irrigating is a tedious and thankless job which has to be done if we are to maintain the food production now required in America, which will need to be increased in the future. The job of irrigating has less hazard to it than almost any kind of employment, but ranchers and farmers cannot provide "employees a place of employment . . . free from recognized hazards that were likely to cause death or serious physical harm to his employees", etc. How is a rancher to "de-energize" a transmission line when a sprinkler pipe is to be moved when he doesn't own or control the line and when it is not even located on his property? Is the rancher to be faulted in not requiring rubber gloves, which any idiot would know would be taken off as soon as the boss's back is turned—or in not furnishing a "sky hook" and a "protective insulated boot" for placement over a public utility transmission line, the use of which could cause far more accidents than the number sought to be prevented?

Despite all that a rancher can do—even with all of OSHA's nonsensical requirements—accidents still happen. We have irrigation ditches that one can drown in, tractors that can tip over, pickups that are mishandled, and even lightning that strikes without notice.

The advent of OSHA into the regulatory field has unleashed upon American business, and particularly upon the small businessmen, including farmers and ranchers, the biggest boondoggle in American history that costs taxpayers untold millions in administration of nonsensical, stupid and ridiculous regulations. Each of us is well aware of the present plight of farmers and ranchers. The cost, to say nothing of the difficulties of complying with OSHA regulations, places additional onerous burdens on the agricultural industry with which they cannot endure and continue in business. Not even a peanut farmer in Georgia could endure this.

No one would contest the advisability of sound safety measures for the benefit of workmen. Regulations promulgated by bureaucrats in OSHA evidence a lack of knowledge of the agricultural business and in fact are impossible of compliance. By way of illustration, the citation states: "The law requires that a copy of this citation be posted immediately in a prominent place at or near the location of the violation cited below." Yes, I will post the damn thing on a fence post, but what good that will do, I fail to comprehend. It is ridiculous beyond comprehension.

To put it bluntly, you people in government had better get these crackpot bureaucrats off our backs or there will be a lot of small businesses, including ranchers and farmers, who are going to be out of business.

The citation came as a distinct surprise to us because an OSHA inspector spent several hours at our ranch after the accident occurred and advised our ranch manager that there were no OSHA violations and that no citation would be issued.

The price of penalties—$540 in this case—is unconscionable for alleged violations of nonsensical regulations. If we, as a small business, seek to fight this penalty, imposed without hearing, the cost, including attorneys' fees, would be several times the amount of the penalty. We ask you—how is one expected to stay in business under these circumstances?

I believe as a taxpayer, as a citizen, as a farmer, as a rancher, and as a businessman, I can expect from you, our President and our elected Representatives, an answer directly setting forth what you can and will do or

attempt to do relative to OSHA and to the penalty so unjustly imposed. The immediate demise of OSHA would be a blessing to all.

May I hear from you at your earliest convenience.

Sincerely,

DALE G. MOORE,
President.

TRIBUTE TO HAWLEY QUIER

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. YATRON. Mr. Speaker, it is with a great deal of quiet reflection and a deep personal sense of loss that I would like to note the passing of Hawley Quier, who for more than 40 years headed the Reading Eagle Co.

Although he had been in ill health for several years, the eminent publisher continued to be active almost to his death in guiding the century-old newspaper firm started by his grandfather, Jesse Hawley, and his loss will be deeply felt by the people of the Sixth Congressional District.

So that we can all learn from, as well as pay tribute to this remarkable man, I would like very much to share the events of his life with you, as recently published in the Reading Times and Eagle:

HAWLEY QUIER

Mr. Quier completed his own half-century career with the company in the capacity of chairman of the board. He had begun his career after driving trucks in France during World War I and completing studies in 1918 at Princeton University, where he was a member of the Phi Beta Kappa honor society.

He was born in Reading, a son of the late Edwin Addams Quier and Helen (Hawley) Quier. In 1914 he was valedictorian of his graduating class at the former Reading Boys High School and assistant news editor of the "Red and Black" school newspaper staff. He excelled in the study of Greek and Latin.

In order to prepare for the newspaper leadership that followed, he received an apprenticeship in all departments of the Eagle, including the editorial staff.

He became president and treasurer of the Reading Eagle Co. in 1935 after the death of William Seyfert, who had been president from 1906.

Under Mr. Quier's leadership, the conservative tone of the Eagle was continued. An editorial page was restored to the paper after an absence of many years, and Mr. Quier gave a politically independent stance to the newspaper.

The firm moved in 1938 from a long-established location at the southwest corner at the 6th and Penn streets to its present area at the southwest corner of 4th and Court streets. The following year, the Reading Times was acquired.

Managing editors of the two papers were instructed by the publisher to continue their individual formats and editorial policies, a practice that has been maintained to the present. The publisher believed in choosing key personnel on whose judgment he could rely and permitting them to function without interference unless necessary.

Twice during Mr. Quier's tenure, new printing presses were installed to keep the firm abreast of new trends in the industry. Since 1935, the circulation of the dailies has tripled and that of the Sunday Eagle has quadrupled.

The number of employees has grown to 500. Yet Mr. Quier knew many of them on a first-name basis and retained an easy relationship with all of them.

The 1938 move was accompanied by the replacement of obsolete equipment, and again in the early 1970's, a new press, a building to house it, and other equipment were added at the cost of $3 million.

In the 1960's, the plant was extended from Court Street to Penn, where it fronts at 345 Penn. Finally, in the past few years, the printing process has been converted from lead "hot type" to a computerized electronic system and page paste-ups known as "cold type".

Other key positions held by Mr. Quier were chairman of the board of WEEU Broadcasting Company, president and treasurer of the Hawley Realty Company and of the Moselem Development Corporation, and, for 25 years, director of the National Central Bank and its predecessor, The Reading Trust Company.

He also was a member of the Berkshire Country Club for many years.

In January 1973, Mr. Quier was named chairman of the board, chief executive officer, and publisher of the Reading Eagle Company. Because of his illness this past summer, the title of publisher was passed to William J. Rohn, then general manager, while Mr. Quier retained the board chairmanship.

Mr. Quier, like many other members of his family, was deeply involved in two hobbies, golf and bridge. He was a dedicated outdoorsman, being an avid fisherman and considered one of the finest amateur golfers in Berks County.

He won the first Berks Amateur title in 1929, and from 1916 to 1933, he captured the club championship at the Berkshire Country Club nine times. In 1923, while team captain of the Club's first team, he became champion of the Central Pennsylvania Golf Association. His sister, Edith, had won the association's woman golf championship a month earlier.

Mr. Quier always enjoyed a challenge, and the tougher the course, the better he liked it. He was a life member of the Pine Valley Country Club at Clementon, N.J., one of the most talked-about courses in the country where pinpoint accuracy on almost every shot is a must. He also had been a member of the Country Club of North Carolina for several years.

Because he enjoyed difficult courses, Mr. Quier was instrumental in the development of Moselem Springs Golf Club, opened in July 1964, which is rated among the 100 most difficult layouts in the United States.

An enthusiastic fisherman, he took frequent trips to Canada for salmon and spent weekends at a lakefront lodge at Hunter's Range in the Poconos. Mr. Quier was one of the original members of the Porter's Lake Association in the Poconos.

Early in his life, he devoted considerable time to horseback riding that helped set the pattern of his outdoor interests.

Indoors, Mr. Quier played as hard at contract bridge as he did participating in the business and sports worlds. Determined to reach desired heights in that field, he took lessons from two experts, Charles Goren and B. Jay Becker. Several times, he won the Reading Bridge Club trophy.

An Eagle report noted in 1934 that at the end of one contest "when the smoke finally cleared away," north-south honors had been won by Mr. Quier and Sydenham E. Ancona, and Mr. Quier was the last survivor of a team that included Mr. Ancona, Earl (Jake) Mohn, J. Hawley Swan, and Robert Hutchinson.

Less known now because of the time that has elapsed is the dramatic experience Mr. Quier endured as a Princeton student and war volunteer returning from France.

He had gone to France in May 1917 with a Princeton ambulance unit but was transferred to Army transport service after arrival at Longport, near Soissons. Sent to Jouaignes, he drove heavy trucks containing ammunition, iron, lumber, and other supplies moving to the front.

On October 26 that year, he was one of 250 passengers leaving Bordeaux, France for home. The next day, about 150 miles from land, his ship, the Finland, a 21,500-ton transport, was torpedoed by a German submarine.

About 10 persons died from the explosion and the lowering of a lifeboat. Mr. Quier later told the Eagle he grabbed his life preserver and waited on deck until he was lowered into a raft "the size of a barn door," sharing it initially with 15 others. Mr. Quier, who could not swim at the time, was rescued from the raft two hours later by a converted yacht, the Alcedo, which was to be sunk by a torpedo a week later.

He was returned to Brest for several days of questioning about the incident, and then sent to Paris, from where he returned to New York and resumed his studies. The Finland managed to keep afloat and steamed back to a French port under her own power.

Mr. Quier was a member of the Moselem Springs Golf Club, Wyomissing Club, University Club, and Maidencreek Fish and Game Association.

Surviving are his wife, the former Myrtle Bechtel; a sister Edith Q., widow of Dr. Harrison F. Flippin, Douglassville, R.D. 2; and a number of nephews and nieces.

THE POSTAL SERVICE'S "GRAND PLAN"

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. AuCOIN. Mr. Speaker, on Monday, July 11, a beautiful card of congratulations arrived at the home of a member of my staff, Margie Spicer. The envelope was properly addressed, and was postmarked Washington, D.C., July 8, 1977, indicating delivery must have been made within 3 days. The card in the envelope, addressed to Mr. and Mrs. James F. Spicer of Clinton, Md., said: "Your new baby boy makes this big old world a lot more beautiful!" It was sent by Mr. and Mrs. Harry Gray of Washington, D.C.

Well, Mr. and Mrs. Spicer were more than mildly surprised. Their only child, Aaron, was born on January 30, 1975—which, Mr. Speaker, was when the card was mailed. Close examination of the envelope revealed that it bore a 10-cent stamp, the applicable first-class rate in early 1975. Mr. and Mrs. Gray affirm they mailed the card shortly after the birth of Aaron in that year.

Clinton, Md., is only 20 miles from Washington. This means the letter from the Grays to the Spicers inched along at an average of about seven-tenths of a mile per month.

Be that as it may, Mr. Speaker, the slow delivery of mail to the Spicers may be fraught with far more meaning than we at first might suspect. I note that the Postmaster General wants to eliminate delivery of mail on Saturday. But this may be only the first step of his long-range plan.

My guess is that the letter from the Grays to the Spicers actually was selected for use in a test run prior to instituting a system of delivering mail to households once each 2½ years. I have to admit the test was successful, for the letter did arrive. I hope, then, that my colleagues will join me in giving the Postmaster General full credit for this performance. Above all, he deserves it.

ONE HUNDRED AND THIRTY-SIX INDIVIDUALS, FORTY-NINE ORGANIZATIONS HONORED FOR VOLUNTARY SERVICE AT VETERANS HOSPITAL IN PHILADELPHIA

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. EILBERG. Mr. Speaker, in this day and age when so much of life takes on a cold and impersonal nature, it is heartwarming to be reminded that there are still some wonderful people in this world who volunteer their time and efforts to help people who are in need.

These volunteers are the ones who give that most precious gift of all—the gift of themselves and their involvement—and it is always a pleasure to come across such thoughtful people.

In the city of Philadelphia, Mr. Speaker, there are many such people who are imbued with this spirit of voluntarism. Recently, the Veterans' Administration hospital in Philadelphia honored 136 such individuals and 49 organizations for their efforts on behalf of men and women who served our country and who were victims of the horror and sadness that war brings.

This year's ceremonies in honor of these volunteers, Mr. Speaker, were highlighted by the award of a 15,000-hour VA Golden Medallion—the first such award in the hospital's history.

Mr. Speaker, I would like to add my own personal congratulations, and to pay my own personal tribute, to these outstanding Philadelphians, who have done so much on behalf of hospitalized veterans. Their efforts give new proof that Philadelphia is the "City of Brotherly Love."

It is with great pride that I place in the RECORD the names of those volunteers who have been honored for their services last year at the Philadelphia Veterans' Administration Hospital:

SPIRIT OF VOLUNTEERISM

VA Golden Medallion (15,000 hours): Eleanor Greene (ALA).

VA Silver Bowl (10,000 hours): Sara Myers (AL).

VA Plaque (7,500 hours): Michael Radvansky (315th Inf.).

VA Gold Pin (5,000 hours): Helene Hoback (NA) and Anne McKenna (VFWA).

VA Silver Pin (2,500 hours): Dorothy Rose (ARC) and Benjamin Powell (JWV).

VA Bronze Pin (1,750 hours):

Josephine Jackson (NA), Joseph Klotz (JWV), Ann Miller (JWVA), Ali Mir (NA), Kabir Mohuddin (NA), Walter Spence (NA), and William Woolingham (AL).

Certificate of Service Award (Previously earned 1,000 hours):

Helen Braun (NA), Willie Brown (NA), Augusta Campbell (AWM), Eleanora Cerquitella (ALA), Marjorie Greene (ARC), Vada Hyde (NA), Reine Land (ALA), Rose Matt (VFW), Margaret Miller (CWVA), and Roscoe Thornton (NA).

Certificate of Devotion (1,000 hours):

Katherine Greim (CDA), Ralph Shenfelder, (AL), Elsie Titus (CDA), Florence Toupe (NA), and James White (NA).

Certificate of Outstanding Service (500 hours):

Robert Emmons (NA), Eunice Gamble (AWM), Ernestine Gibson (NA), Mabel Hagherty (SA), Helen Knox (DAR), Mrs. Lewis (NA), Inez Lincoln (NA), Harry Lincoln (NA), Marion Reynolds (RSVP), Fred Seubert (NA), Adrianne Simmons (NA), John Thain (AL), Albert Thompson (NA), and Gerald Ziccardi (NA).

Certificate of Merit (300 hours):

John R. Balmos (NA), Bette Boardman (NA), Victor Del Piano (CWV), Ruth Fuller (NA), Stanley Gates (DAV), Olga Goodwin (DAVA), Charles Haughey (MOPH), Pearl Hegh (VFWA), Vertelle Hughes (DAVA), Elizabeth Hypolite (NA), Thomas Keefer (NA), Mildred Miller (VFWA), Harold Musnuff (DAV), Mary Ann Spice (CWVA), and Dorothy West (ARC).

Certificate of Merit (300 hours) Youth Volunteers: Jody Di Giacomo (NA) and Cindy Neigh (NA).

Certificate of Appreciation (100 hours):

James R. Brown (NA), Catherine Cheung (NA), Arthur Davis (DAV), Fred Dee (NA), Mohammad Iqbal (NA), Sharon Johnson (NA), Winefred Jones (NA), Edward Kawa (ARC), Edward Oswald (DAV), Edith Reddish (AL), Marjorie Slocum (AL), Joseph Smith (NA), James Stoutmire (NA), Mrs. Elmer Weber (DAR), Louise Williams (RSVP), and Margaret Wooten (NA).

CERTIFICATE OF RECOGNITION

American Gold Star Mothers: Rep. Regina Coughlin, Dep. Maude Bailey, and Dep. Lillian Sinclair.

American Legion: Rep. Marjorie Slocum, Dep. John Stewart, and Dep. John Thain.

American Legion Auxiliary: Rep. Marie Kenney and Dep. Frances Urwiler.

American Red Cross: Rep. Dorothy Rose.

American War Mothers: Rep. Grace Wilkinson, Dep. Anne Lauff, and Dep. Jane Johnson.

AMVETS: Rep. Joseph Biello and Dep. Walter Zulewski.

AMVETS Auxiliary: Rep. Ann Gill and Dep. Henrietta McCloskey.

B'nai B'rith Men: Rep. Edward B. Segen and Dep. Lewis August.

B'nai B'rith Women: Rep. Mrs. Eugene Glazer and Dep. Bunny Solomon.

BPO Elks: Rep. Frank P. Nocitra, Dep. Vincent DiDominic, and Dep. Oscar Wexlin.

Brith Sholom: Rep. Herman Bovell and Dep. Samuel Winkler.

Catholic Daughters of America: Rep. Kay Greim and Dep. Elsie Titus.

Catholic War Veterans: Rep. Victor DelPiano.

Catholic War Veterans Auxiliary: Rep. Mary Ann Spice and Dep. Mary Renaglia.

Disabled American Veterans: Rep. Dante Bonatucci, Assoc. Rep. Anthony Zappley, Dep. William Letino, Dep. Harold Musnuff, and Dep. Winslow Barrigan.

Disabled American Veterans Aux.: Dep. Mae Weisgrow, Dep. Olga Goodwin, and Dep. Vertelle Hughes.

Defense Personnel Support Center: Rep. Samuel Nedd.

IBPOEW Dept. of Veteran Affairs: Rep. Dennis C. White, Dep. William A. L. Clay, and Dep. Louise Baskerville.

Italian American War Veterans Aux.: Rep. Anne B. Clarkson.

Jewish War Veterans: Rep. Melford Hyman and Dep. Joseph Goldstein.

Jewish War Veterans Auxiliary: Rep. Ann Miller and Dep. Bernice Glashofer.

Masonic Service Association: Rep. Paul S. Stewart and Dep. Ernest P. Knorr.

Military Order of the Cootie: Rep. Prince A. Clifton and Dep. Joseph Corey.

Military Order of the Cootie Aux.: Rep. Joan L. Haughey, Dep. Dorothy Stein, Rep. Vera Allard, and Dep. Thelma Lee.

Military Order of Lady Bugs: Rep. Marie V. Taylor and Dep. Mabel Thomlinson.

Military Order of the Purple Heart: Rep. Charles L. Haughey and Dep. James Valentine.

Military Order of the Purple Heart Aux.: Rep. Eleanor Kilpatrick and Dep. Augusta Campbell.

Mothers of WW I: Rep. Carrie Meck and Dep. Estelle Snyder.

National Catholic Community Service: Rep. Mrs. William Dougherty and Dep. Catherine Auerwick.

National Society DAR: Rep. Jane Lundahl, Dep. Helen Knox and Dep. Edna Weber.

Navy Mothers Club: Rep. Helen Hoeffer and Dep. Kathryne Twiford.

Old Guard, City of Philadelphia: Rep. Harry S. Burr, Dep. Harry Kimmel, and Dep. John F. Carr.

Order of the Eastern Star: Rep. Thelma E. Richards, Dep. Margaret Hastings, and Dep. Kathryn Kaelin.

Polish Legion of American Vets. Aux.: Rep. Frances Piwnicki and Dep. Helen Zarek.

Reserve Officers' Association Ladies' Clubs of the U.S.: Rep. Mrs. C. Hangsterfer and Dep. Mrs. W. Barr.

Sons of Spanish American War Vets.: Rep. Arthur T. Lou.

Supreme Cootiette Club: Rep. Rose Cloud, Dep. Mary McKinley, and Dep. Ann Foster.

The 315th Infantry Association: Rep. Michael S. Radvansky and Dep. Cheston Hunter.

The Forty-Eight La Societe des 40 Hommes et 8 Chevaux: Rep. Elmer Confair and Dep. Richard Ross.

The Salvation Army: Rep. Mrs. Major I. Cranford and Dep. Mabel Hagherty.

The Senior Citizens of East Lansdowne: Rep. Margaret E. Siegman and Dep. Amelia Di Prima.

U.S. Army Ambulance Service Assn.: Rep. Clifford Hoag and Dep. Thomas Ellis.

United Spanish American Vets. Aux.: Dep. Anna Parker.

United Services Organization: Rep. Mr. J. Hill.

Veterans of Foreign Wars: Rep. Cassel Wechter and Dep. Robert Graham.

Veterans of Foreign Wars Auxiliary: Rep. Mae McElvaney and Dep. Pearl Hegh.

Veterans of World War I: Rep. Winslow H. Shive and Dep. Edward Hughes.

Veterans of World War I Auxiliary: Rep. Margaret Wagner and Dep. Alma Tracey.

WAC Veterans Association Rep. Rebecca Melvin and Dep. Gloria Pruden.

IN MEMORIUM

William J. Tadley (American Legion)—served as a Regular Scheduled Volunteer in Physical Therapy for 8 years.

William J. Toy (VWW 1)—served as a Regular Scheduled Volunteer in Physical Therapy for 10 years.

Honorable mention, over 7,500 hours: William Tadley.

Honorable mention, over 5,000 hours: Catherine Rotay (ALA), Samuel Schiff (JWV), and Wilson Shive (VWW I).

Honorable mention, over 2,500 hours: Elizabeth Aro (ALA), Esther Biddle (ALA), Elizabeth Hicks (ARC), Marie Kenney (ALA), Eleanor Kilpatrick (MOPH), Florence Krug (ARC), William Letino (DAV), Mae Mc Elvaney (VFWA), Harold Nelson (AL), Paul Stewart (MASONIC), Frances Urwiler (ALA), and Mae Weisgrow (DAVA).

Honorable mention, over 1,750 hours: John F. Carr (OGP), Rose Cloud (SCC), Wiley Harmon (VFW), Elizabeth G. Jones (CWVA), Josephine Ratay (ALA), James Fields (DAV), Ronald Temptest (DAV), and Grace Wilkinson (AWM).

Honorable mention, over 500 hours: John W. Boulware (DAV), Dolores Bridges (MOCA), Guillama Cerone (VFWA), Mary Dougherty (ALA), Anne Lauff (AWM), Jane Lundahl (DAR), Henrietta McClockey (AMVETS AUX) May Richards (NA), Mrs. Leo Riley (ALA), and Anna Stay (ALA).

Honorable mention, over 300 hours: Arthur Barone (NA), Joseph Lauriello (NA), Irene Nedd (AMVETS AUX), Bertha Schimpf (MOCA), and Gabriel Wang (NA).

Honorable mention, over 100 hours: C. Bamford (SA), Joseph Biello (AMVETS), Gertrude Brenner (NA), Anna Callahan (CDA), Barbara Campbell (NA), Anne B. Clarkson (AWMA), Mary Draper (CWVA), Elizabeth Frick (AMVETS AUX) Jane Johnson (AWM), Ethel Kehm (AMVETS AUX), Rosalie Lewis (NA), Samuel Nedd (DPSC), Deborah Stevens (NA), Mary E. Tenaglia (CWVA), Sarah Wolfson (NA), and Walter Zulewski (AMVETS).

Honorable mention: Altaf Ahmand (NA), Donald Burney (NA), Madeline Coyne (NA), Mrs. Major Cranford (SA), Cecilia Lieginger (CWVA), Richard Martin (NA), and Tom Mitchell (VFW).

PROTECTION AGAINST DISCRIMINATION IN SENIORITY SYSTEMS

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. STEERS. Mr. Speaker, today I am introducing a bill that would reverse the recent Supreme Court decisions concerning discriminatory seniority systems. My bill would amend section 703(h) by providing that seniority systems which perpetuate the effects of past discrimination shall not be exempt from the prohibition against unlawful employment practices.

These two decisions, particularly the International Brotherhood of Teamsters against United States, can only perpetuate discriminatory employment practices the Civil Rights Act of 1964 was supposed to stop. The court ruled that seniority systems that are established expressly along sex or race considerations are illegal. However, a seniority system that is neutral is not illegal. These neutral systems can be based on employment practices that are by themselves discriminatory. For instance, as in the Teamsters case, a minority citizen was hired as a serviceman or local city driver. When that same individual was promoted to a higher paying, line-driver job he had to forfeit all of his previous seniority and start as the least experienced line driver.

What these decisions mean to members of any minority group is that they can only accumulate benefits attached to seniority if they stay in the lower paying and least promising jobs that were only open to them just more than a decade ago. In this way seniority systems perpetuate the revolting practice of discrimination in the workplace. Justice Marshall in his dissenting opinion states, "Petitioners' seniority system does precisely that: it awards the choicest jobs and other benefits to those possessing a credential—seniority—which, due to past discrimination, blacks and Spanish-speaking employees were prevented from acquiring."

I believe the Court was incorrect in its finding in these two cases. For too long, this country has tried to afford all citizens equal opportunity in education, housing, health care and in jobs. I feel that these decisions could reverse the flow of equal opportunity and should be changed by the 95th Congress.

UNIVERSAL VOTER REGISTRATION ACT—THE WRONG ANSWER

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. HANSEN. Mr. Speaker, H.R. 5400 purports to be the solution to the problem of voter apathy. However, it is my contention that the Carter administration as well as the sponsors of the bill have deluded themselves with two fundamentally erroneous assumptions:

First. That voter participation in recent elections has been declining sharply; and

Second. That voter registration laws create structural and administrative barriers to voter participation.

It is a statistical fact that voter participation has dropped in the last 20 years. However, it must be pointed out that the validity of the conclusions drawn from statistics for such a short period of time are not that reliable. Certainly, the sponsors of the bill have pointed out that recent elections have had significantly poorer turnouts than those of the early 1960's. While this is true, further investigation demonstrates that the elections of the early 1960's had significantly higher participation rates than the average of elections since 1900. When compared to the average participation of the past 80 years, the rates of participation in recent elections show only a slight decline. The average for the 19 Presidential elections since the turn of the century is 57.7 percent; the average for 1972 and 1976 is approximately 55 percent. A difference of 2.7 percent is well within the statistical average limits of cyclical fluctuation and is therefore insignificant.

In addition, it is important to note that there has been a substantial change in the age composition of the American electorate since the 1960's. The combination of the coming to majority of the postwar "baby boom" and the 18-year-old voting act has significantly lowered the age of the average voter. Furthermore, it is a well established fact that young voters participate at a far lower rate than do older voters. For example, in the 1976 general election the participation rate for 18 to 21-year-olds was 34 percent, compared to a rate of 64 percent for those in the 45 to 65 age group. When allowance is made for the changing character of the electorate, the modest reduction in participation since the 1960's almost disappears entirely.

The second assumption made by the sponsors of the bill, that restrictive registration laws depress voter participation, is not borne out by experience. California, which has been a pioneer in liberalizing registration laws—permitting registration by mail and conducting extensive outreach programs—has had a 14 percent decline in participation over the 1960 to 1976 period. Arizona, which has done practically nothing to relax its registration laws, has had a decline of only 4 percent over the same period. An analysis of participation rates in other States have also failed to show any correlation between liberalization of registration laws and voter participation.

Additionally, it should be pointed out that the majority of registration rules and procedures have been greatly eased since 1960—and the percentage of voting-age Americans who turn out in Presidential elections has been dropping anyway. The primary causes of the decline are demographic change, public disenchantment and apathy—force that cannot be countered by a law. While simplifying preregistration—by using a postcard system, for example—is a good idea in itself, it does not necessarily lead to larger turnouts at the polls. Even abolishing preregistration may affect the turnout less than the nature of a given campaign. Last November, turnouts were a few percentage points above the 1972 levels in the four States with instant registration. But they were also higher in most Southern States where preregistration is still required.

The administration's bill presents other problems, too. It would compel most States to rewrite their election laws in short order, and to train many new precinct workers to process instant registrations. It would trample on the tradition of State governance of State and local elections. States would have to either extend instant registration across the board or suffer the cost and confusion of running elections under two different sets of rules. Finally, the Federal grants for administration and "voter outreach" strike me as virtually impossible to police without bureaucratic controls so elaborate that the States will rebel and the Federal Election Commission will surely collapse.

Voter participation is a serious problem in this country, but instant registration is not the answer. I agree that in comparison to other industrial democracies, the United States has historically had lower participation rates. However, the United States stands alone in the democratic world in putting the onus for registration and voting on the individual citizen. Our country's emphasis on freedom, voluntarism, and individualism has far more of an impact on voter participation than our present voter registration laws. Instant registration will not alter the underlying tradition.

Finally, in light of the fact that H.R. 5400 would be detrimental not only to my constituents, but the country as a whole, I must remain firmly opposed to the concept of instant registration as the cure for voter apathy. I believe the matter should rest with the States. They are the ones who stand to be affected most

of all. Why not let them decide if instant registration is what they want?

NEW POLICY IN AFRICA?

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following editorial, which appeared in the June 26 issue of the Hearst newspapers. Written by William Randolph Hearst, Jr., the commentary discusses the administration's Southern Africa policy and focusses on Andy Young as "The Spearhead of a Drastic Change in America's Very Posture in an Ever-Shrinking World."

The editorial follows:

NEW POLICY IN AFRICA?

(By William Randolph Hearst, Jr.)

NEW YORK.—Many Americans, and too many editors, are not taking seriously enough that young black man from Atlanta, Georgia, Andrew Young, whom the Carter administration has projected into international limelight through his appointment as American ambassador to the United Nations.

It is easy to dismiss Andy Young as a brash and unseasoned loudmouth who shoots from the hip and too often makes statements that have not been carefully considered. It is a fact that since assuming his duties in January he has been in and out of trouble in various parts of the world because of statements he has uttered, seemingly without much thought and has spent much of his time either explaining or toning them down.

Indeed, he has been called onto the carpet in the Oval Room of the White House a couple of times, though what was said is not public knowledge.

What many of us have been slow to understand is that Andrew Young is not just speaking for himself—he is enunciating a major portion of the Carter administration's foreign policy, especially as it pertains to southern Africa. He is not, then, to be taken lightly. He speaks wisely or unwisely, but certainly undiplomatically, of the future, of a large portion of the world.

He speaks, indeed, of a profound change in emphasis in this Nation's foreign policy, for better or for worse.

In this regard, then, Andy Young is not merely a rights activist from the Deep South and an ordained Congregational minister whose enthusiasms in the civil rights movement of the 1960s carry over into his diplomatic life. He is the spearhead of a drastic change in America's very posture in an ever-shrinking world.

It is not Andrew Young we may wish to question but the evolving foreign policy that he has been asked to initiate and establish. In every respect, it behooves us all, and especially those of us in the media who comment on our current affairs, to realize that Mr. Young is much more than he appears to be. He is an important scout and forerunner in the plans of the Department of State.

Those plans call for the U.S. to provide much more vigorous support for black African nations in their struggles against the white ruling minorities in Rhodesia and South Africa. Vice President Walter Mondale firmed up this policy when he met in Vienna with South African Prime Minister John Vorster and clearly stated that the U.S. expects South Africans to expedite a progressive "transformation" of their system to provide full equality for the black majority, or else the U.S. is prepared to take diplomatic steps against the whites.

The American civil rights movement figures prominently in the thinking behind this hard-line African policy.

President Carter, himself a son of the Deep South, shares with Ambassador Young the deep moral conviction that there are heaven-directed moral obligations for political leaders in the struggle for civil rights, both here and abroad.

Within the American conscience, the issue of civil rights has loomed large for more than a century, and it is natural for Americans and their leaders to equate such problems elsewhere with those that plagued this nation and still do.

There is a fundamental difference, however. The search for civil rights in the U.S. was not for rule by the majority—that already existed in most places. Instead it was a quest to extend equal and full opportunity and the due process of the laws and the system to minorities to whom such basics has been denied, not by law, but by practice and custom.

It is hard for any Westerner to believe that whoever succeeds Mr. Vorster in South Africa or Ian Smith in Rhodesia will provide due process or full opportunity or democratic style civil rights to any citizen, be he black, white or brown or yellow.

For the harsh truth is, that in Africa, the struggle is not for democracy but for racial rule. The feeling persists, then, that the Carter administration (and that includes Mr. Young, the spearheader) is not thinking broadly enough on African policies.

Even as this was being labored over Wednesday night, a dispatch came across my desk from the chief of our London Bureau, Si Freidin, the lead of which reads as follows:

"Under direct orders from Fidel Castro, more than 400 Cuban military advisers have just arrived in Ethiopia to help the Marxist regime there crush rebel opposition.

"They joined an original bloc of 50 advisers sent a month ago to appraise conditions in consultation with Soviet and East German helpers, highly qualified sources disclosed today."

As in Angola, the aim of the Russians is not that the black majority rule these valuable territories, but that their Soviet armed and indoctrinated black minority rule the country.

Let's hope both President Carter and Secretary Young will keep this fact in mind in future dealings and pronouncements concerning the Third World.

Meanwhile, I'm looking to hear from my friend Cy Vance in all this. He is, after all, officially our secretary of state. I hope he doesn't slip or permit himself to be pushed into a relatively minor role as did Secretary of State Bill Rogers vis-a-vis Henry Kissinger.

WATER USERS CHARGE

HON. JOE SKUBITZ

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. SKUBITZ. Mr. Speaker, on June 22, the Senate voted for the imposition of a waterway users charge. I have long supported the proposition that waterway users should be charged for the operation of the waterway system and for at least a part of the construction cost for new or rehabilitated facilities. The appropriate committees of the House will be considering the action taken by the Senate. Today, I have introduced a slightly different approach for putting the Nation's inland waterways on a pay-as-you-go basis. I am hopeful that a ton-mile charge will be given careful consideration during House consideration of this issue.

THE RED CHINA VISITORS NEVER SEE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. ASHBROOK. Mr. Speaker, when official visitors tour the People's Republic of China, they find a nation that has been carefully groomed and prepared for their inspection. They never meet people who can express a "minority opinion." They never meet the "class enemies," men and women who battle against the party machine for reasons as various as a faith in Buddhism or a taste for blue jeans.

They hear nothing of tragic suicides under pressure from criticizing comrades or the ticket touts who make a living in big cities.

In short, visitors to Red China are brainwashed, to borrow a phrase from George Romney. The American public is being brainwashed by the liberal media which would never apply the same standard to the Communist dictators who have selectively murdered millions of people that they apply to President Park of Korea or Ian Smith of Rhodesia. No; to the American liberal establishment, China is private property and they will tell you exactly what they want you to think.

On the other hand, once in a while we do get some honest journalism. Isabel Hilton lived in Peking and Shanghai for 2 years and came to know some of China's private life—the hidden dissenters who disturbed the peace of the party. In the London Sunday Times on June 12, 1977 she wrote a very interesting story profiling some of China's odd men out. I urge my colleagues to read this story in the hope that they will start to see the other side:

THE HIDDEN SIDE OF THE PEOPLE'S REPUBLIC—THE BITTER JOBLESS YEARNING FOR JEANS AND JAZZ

On a Shanghai street, near the station, there is a column of marching teenagers. It's not an unusual sight, and it's not unusual that they sing as they march. The song sounds like "The East Is Red," China's great revolutionary song. But nobody is joining in.

Listening, I realize why. The words are not the official eulogy to Mao, but a highly unauthorised version. Embarrassed officials try to stop the song.

Small children love annoying those officials and interpreters—taunting them with street songs about their leather shoes and their high-handed manners. Rhymes about big-nosed foreigners with large wallets dissolve into giggles as the outraged guides turn on the kids.

For those guides are required to present the official view of China. They stage-manage the tours for journalists and diplomats. But another reality keeps breaking through their careful public relations exercise. It can be as simple as a young man in shades who plays a home-made guitar in the park; or a well-dressed, well-educated man in a restaurant

who takes an "improper" interest in whether Laurence Olivier is still alive.

These are not people who have served time in labour camps, although some had done shorter stints of "re-education." Nor are they members of the ultra-Left groups within China, mainly Trotskyite in orientation, which somehow survived the Cultural Revolution of 1966. Yet their break with the official line comes as a shock. China, too, has misfits.

For the most part, they led fairly orthodox lives until the mid-Sixties. Then, some found themselves under attack because they had relatives in the U.S. or Taiwan. Some were bullied for their cultural preferences—a taste for Beethoven, for example. Others had been active Red Guards, but had lost out in the factional fighting. They were simply on the wrong side when the final whistle was blown.

One or two had factory jobs . . . tempt for the regular political meetings. They reckoned their fellow workers had much more sympathy with their scepticism than with the enthusiastic factory cadres.

Others had refused the jobs that were offered, and survived for several years without working.

* * * At the height of the programme to send young people to the countryside, many simply refused to go, ran away or returned to their homes. If their families were prepared to support them, they could survive. They bought rice and clothing coupons on the black market. They did odd jobs—illegal street trading, peddling cinema tickets, even a certain amount of petty crime.

Some had a taste for Western clothes, or Western pop music. There were "underground music meetings." At first, I imagined they were private concerts for surreptitious string quartets. Later, I discovered they had a harder political edge. The protest song is alive and well.

There is a certain irony in the fact that it was music which formed the vehicle for the most bitter clash between authority and individuals. The official line produced music that was either indignant or triumphant—and the rebels fought back with parody.

Their versions of party songs mocked the morals of the Peking Opera Troupe—one singer, was barred from an American tour rumour suggested, because he had slept with leading lady. They savaged the much vaunted working-class origins of the new hero Wang Hung-wen. Even in his assembly line days, the songs said, Wang had always been a supervisor.

Those protesters ranged from workers' sons who refused to accept the discipline of work in the countryside, to middle-class kids whose access to luxury items like foreign cigarettes could buy them time and tolerance from the ever-present street committees. What follows is a handful of their stories.

Li was 29 and growing cynical. Eight years of inactivity had given him too much time to nurse his grievances and dream about the West. He approached me in a park, just as I was leaving the gate. We began to talk as we walked towards the bus stop. I realised, disbelieving, that he was talking about things the Chinese simply do not talk about.

He accepted an invitation to eat, another extraordinary thing; and he was prepared to talk about himself. He had led an average middle class life until the disturbances of the Cultural Revolution. He had a place at the Conservatory to study piano. When the Cultural Revolution came he took to the streets along with his classmates and enjoyed the brief period of licence.

But he made some discoveries at that time, too. There was the day they stormed a building they had known as a factory and discovered it was a prison. It seemed exciting at the time, but he was to remember it later with an edge of bitterness. He never went to prison, but the moment came when he did face denunciation. His house was wrecked, his classical records were broken and his parents were paraded through the streets with tall hats like dunces' caps.

He has had a long time to think about those days. For two years he was an outcast in his district, living on one bowl of noodles a day while his mother swept the streets every day under her neighbours' watchful eyes.

He was required to write self-criticism regularly, but he did it without conviction. As the pressure gradually eased, he was given the chance to rehabilitate. He was offered jobs teaching music to primary school children, but by then he had lost the capacity to compromise. The payments from relatives abroad gradually resumed and he preferred to live off the monthly cheque and nourish his dreams of the West, where, he was sure, his career on the concert platform would have been assured.

He still had friends. He had been at school with the children of many prominent cadres and he was careful to cultivate their protection. He gave music lessons in important houses which provided him both with extra cash and names to drop when he was in a tight corner. It gave him a chance to see party circulars and pick up gossip which he would trade in the informal power games which were still played in his neighbourhood.

The people's militia, organised on a local basis, made occasional visits to his house to check on his activities. Outwitting them gave him some sense of purpose. It was not an existence to be envied; by then it had continued for eight years. He was a "class enemy" in the classic sense of the term—prepared to play an extended game of ideological and tactical chess against a system he saw as repressive and sterile.

Lisa was a different case. She was named by a mother who had a passion for Western films, and who had married a gynaecologist trained in the West. Her parents returned to China in the 'Fifties. For a while, they were welcomed as patriotic returnees. But their foreign connections made them a target for the Red Guards. Lisa's life took a different turn.

Instead of the university career she had planned, she was offered a factory job. The passport to university was now political activism. She felt cheated and constantly compared her life to that of her cousin in America.

Foreign relatives sent some money to the family—but more important to Lisa were the smart Western clothes they sent. She could never wear them on the street, but she dressed up at home in Californian fashion and dreamed of the West.

The factory she worked in had a number of people like her—workers who did not attend the political meetings, but who held their own satirical versions in parody. For Lisa, China held little but the hope of an exit visa.

Anyone who attempted firmer political opposition was treated less kindly. In FuDan University, near Shanghai, a student pasted up a wall-poster that attacked the new Constitution for promoting the dictatorship of the Party and not of the proletariat. Her right to put up the poster was guaranteed. Her right to do so with impunity was questionable.

She faced immediate mass denunciation from her fellow students. She was put into detention within the university, while it was determined whether she was an enemy of the people or simply a comrade who made a mistake. She killed herself under the pressure.

Other Shanghai wallposters claim extensive political assassination, disguised as suicide. This gruesome series included illustrations of injuries which could not have been self-inflicted. They alleged that a city hospital was collaborating with a group of gangsters who controlled one of the city's central districts. The posters could never be checked—and they rarely stayed long on the walls.

Neither the names nor the fates of the authors were possible to trace. Nor is there any easy way to estimate how many of China's 800 million people really believe that their political system is one of "slavery" and "fear." The clues are scarce and difficult to read.

But it is clear that, in the vast complexity of Chinese society, most of the students, peasants and soldiers follow the path the Party lays down for them. Many do so unwillingly. But most, so far as I could see, do so with a strong conviction that over-rides the pockets of dissent. In China's private life, the public face of discipline and determination may still be the most important part of the truth.

SMALL-TOWN AMERICA

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. CORCORAN of Illinois. Mr. Speaker, as do many of my colleagues, I represent a congressional district which contains a number of small, rural communities. These are truly the bedrock of this country and are presently growing at an increasing rate. For the first time in U.S. history, rural America is growing faster than urban America. Since 1970, nonmetropolitan areas have increased in population by 6.3 percent, as opposed to 3.6 percent rise in the population of metropolitan areas.

There was a recent article in the Washington Post which presents a picture of such a small community and how free enterprise has made it a model for other areas in the country. I am referring to Gibson City in Ford County, Ill., which is in my congressional district. According to the last census, Gibson City has a population of 3,454 people.

During the recent Independence Day District Work Period, I had an opportunity to visit the "Mini-Mac" outlet in Gibson City and I believe it will be a successful venture for the reasons pointed out in the Washington Post article. At this time, I would like to enter this article in the RECORD:

SMALL-TOWN AMERICA IS ON THE UPSURGE

(By Susan Stewart)

Gibson City, Ill. (pop. less than 10,000) is a town in the eastern part of its state near nothing in particular, save similar small towns with names like Sibley and Foosley.

It is remarkable for the fact that the far-flung McDonald's Corp. has plucked it out of middle America to become the site of the very first "Mini-Mac," a fast-food outlet half the size of a conventional McDonald's restaurant. It is geared to a small-town, small-volume production of the corporation's comestibles, "Big Macs" and "Quarter Pounders."

Gibson City's Mini-Mac has been doing exceptionally well since its June 15 opening, a McDonald's spokesman said. The Mini-Mac experiment began in that part of the country, he added, because "a lot of people are out there—there's an upsurge in small communities."

McDonald's, as usual, is on the cutting edge.

Recent census figures indicate that more and more Americans are taking to rural life. For the first time in U.S. history, rural America has grown faster than urban America. Since 1970, non-metropolitan areas have increased in population by 6.3 per cent, as opposed to a 3.6 per cent rise in the population of metropolitan areas.

This is being heralded as a "dramatic reversal" in population trends by some members of the community of academics, government planners, and assorted soothsayers who pay attention to who is living where and for how long. Other facts that interest them:

Since 1970, the South has emerged as the region experiencing the nation's largest population gains.

In 1976, more people lived in the South and West than in the North for the first time in U.S. history.

U.S. population is increasing, but at a steadily declining rate. An 8 per cent increase is predicted for the 1970s, compared with a 19 per cent increase in the 1950s and a 13 per cent increase in the 1960s.

Americans are getting older. The median age in 1970 was 27.9 in 1975 it was 28.8.

Fewer Americans are being born. In 1975 the birth rate was 14.7 births per 1,000, the lowest rate in U.S. history.

These statistics are among the data that prompted the Department of Housing and Urban Development and the Ford Foundation to fund a $20,000, three-day workshop on population redistribution at the National Academy of Sciences recently. Assorted experts were there to debate the meaning of census numbers.

Many of their predictions about the United States in 1990 were, predictably, tied to the cost of energy, which some said would not be prohibitive.

Cars will continue to dominate as a private transportation mode, particularly with the declining birth rate, said some, but others predicted the paling of the car as an American love object.

One expert saw "a substantial reduction in housing as a capital-cumulative device and as a status device—the age of the 'bigger house, better house' may be drawing to a close."

"I disagree," said another. "We must consider the attitudes and aspirations of the Baby Boom generation. We have raised a fat generation on television and they have received image after image of houses as status symbols. Houses, not cars."

And so on and so forth. Predicting the future, even the short-term future, is as dubious a proposition for professional statisticians as it is for laymen. Numbers are deceiving, and, according to some futurists, we are being deceived even now.

Stanford University economist Richard Muth, for one, is doubtful that the post-1970 census report really indicates an out-migration from the central cities. He believes that the increase in non-metropolitan population since 1970 may simply reflect "overspill" into nearby areas from central cities.

And Wendell Black of the Chamber of Commerce is "suspicious of the whole 'hollow doughnut' idea" that central cities are dying as surrounding suburbs are filling up.

Even as participants in last week's Population Redistribution workshop headed for home to begin work on a book they are collectively writing on the decentralization of America post-'70 trends, the Senate Banking Committee was preparing for hearings on what some see as a mass movement of people into central city neighborhoods.

"I think the demographers and type of people at the workshop are about five years behind," said a Banking Committee staff member.

The difference of opinion results from different sets of numbers.

Frank James of the Urban Institute, said, "I don't think population figures are the place to look. For example, here in D.C. on Capitol Hill, small families are displacing larger ones and you tend to get population decline and not growth.

"But housing maintenance costs, improvement costs and rents are going up—when you look at the housing side of it, there's no doubt that since around 1973 there's been a rapid influx into the central city, maybe not a back-to-the-city movement but rather one from within, from apartments to more expensive, often old, housing."

While some members of the Baby Boom generation are moving into central city neighborhoods, others are indeed taking to the farm. As with Gibson City's Mini-Mac, the most vivid evidence is ancedotal .

Calvin Hamilton, Director of Planning for the City of Los Angeles, raised three sons in various cities. Now all three live in rural areas, one on a farm in Kentucky.

NATIONAL DIVIDEND ACT OF 1977

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. HANSEN. Mr. Speaker, I have today introduced legislation to create a National Dividend Plan designed to provide as much as a $700 tax-free annual payment to every registered voter of the Nation.

In addition to accomplishing the stated goals my legislation will virtually eliminate the need for dangerous and controversial legislation such as the instant voter registration bill.

Mr. Speaker, the national dividend concept is revolutionary and merits the attention of every Member of this body. Therefore, I include for the RECORD a copy of my news release explaining the potential of my legislation and an informative editorial by Michael Novak of the Washington Star on November 30, 1976. The articles follow:

WASHINGTON, D.C.—Congressman George Hansen today introduced legislation in the House of Representatives to create a National Dividend Plan designed to provide as much as a $700 taxfree annual payment to every registered voter of the nation.

Hansen's bill, the National Dividend Act (NDA) of 1977, is designed to distribute proceeds of the American free enterprise system as collected under the current corporate tax structure to every registered voter.

In addition, all corporate dividends will be exempted from federal personal income tax which eliminates the current practice of double taxation, and a moratorium on major new government spending is included in the proposal.

Hansen, a veteran member of the House Banking Committee, stated, "The National Dividend Act is a program designed to rebuild confidence in the American economic system by providing each citizen an opportunity to share in the profitability of American Free Enterprise. My bill is the product of a year's work by me and my staff to adapt and refine a revolutionary idea conceived by Florida businessman, John H. Perry, Jr."

Hansen noted that he has been working closely with Mr. Perry, author of the book, "The National Dividend," and with the "Americans for the National Dividend, Inc", an organization formed to promote Perry's idea.

Hansen said, "The National Dividend Plan has been studied and debated for some time outside Congress; however, my bill is the first time this program has been drafted into workable legislative form. Former U.S. Representative, H. R. Gross, known as the watchdog of the Congress, recommended the National Dividend Plan in his parting speech to the House of Representatives in 1975."

Hansen stated, "In addition to the direct benefits of annual payments, of tax relief, and curbing government spending, my legislation will provide added bonuses socially and economically to the citizens of the nation. These benefits include incentive for maximum voter participation, provisions for eliminating election fraud, providing for large reduction of welfare roles by significantly reducing the number of people below the poverty level, and creating greater national prosperity and reduced unemployment by initiating more consumer buying and investment potential.

Official estimates of corporation income tax revenues for the next fiscal year run to nearly $60 billion, so that a share for each registered voter would be approximately $600–$700 annually, depending on how much additional registration is encouraged by the existence of the Plan.

"In the case of a married couple," Hansen said, "it will mean a total of approximately $1,200 to $1,400 per year to spend or save as they wish. It can mean a nest egg or investment for the future, a downpayment on a car or home, supplemental income for retired or low income families, or just a means to satisfy needs or desires as the individual sees fit."

The beautiful part of NDA is that it can be phased-in so it will not damage any necessary functions of the Federal government. It also does not require changing existing government programs, such as Social Security, Medicare, and so forth. In fact, the National Dividend payment will be received in addition to such benefits.

Hansen explained that his bill has a five-year phase-in feature, so that any shortfall in government revenues because of the plan will be covered by ordinary growth in taxes resulting from growth in the national economy. "That way," Hansen claimed, "there is no reason for a budget deficit because of the plan. Of course, that means that in the first year of operation, the National Dividend to each voter would only be one-fifth of what it would be when the Plan is fully operational. Another one-fifth would be phased in each year until, after five years, the Plan is completely implemented."

Asked whether the Plan might be inflationary, Hansen said that it simply represented a switch of purchasing power from the government to the people.

"Because of basic laws of finance, there will be a significant increase in total purchasing power in our economy as a result of the Plan," Hansen said. "And it will strengthen the private enterprise system by giving everyone a stake in business, and should result in better understanding and appreciation of our free enterprise system."

"I plan to push for early hearings to give my legislation opportunity to be tested by the economic and social interests of the nation," Hansen concluded. "Any necessary modifications can better be effected by this process."

NEW DIVIDENDS ON VOTING

(By Michael Novak)

Which would you rather have—a post card or a $750.00 cheque?

Much attention has been given to the Democrats' proposal to register voters by post card. Much ignored is a proposal by the National Dividend Foundation to reward each registered voter with an annual dividend payment estimated at $750.

The plan developed by the Foundation offers benefits for conservatives as well as

liberals. It involves every registered voter in the profits of America's corporations.

The basic idea is that the federal tax structure should be modified by taking a percentage of the taxes on corporate profits, and turning that sum directly into the hands of individual registered voters. These tax monies would go from the corporations to voters.

The National Dividend Plan would complement Family Assistance Plans or the Negative Income Tax, by giving direct income to individuals.

Many corporate leaders like the plan, because while it does not actually lower their taxes, it sends a percentage of their taxes directly to consumers. This stimulus should raise demand.

The NDP would give the approximately 100 million registered voters a direct tax-free annual dividend. It would give the approximately 50 million persons of voting age who are not now registered a strong, tangible reason for registering.

This dividend would be higher when profits are good, lower when profits are poor. Economists project that all corporate taxes—about 16 per cent of all federal receipts—will soon amount to about $750 annually per registered voter. The plan would go into effect gradually over five years, so as not to disrupt federal tax planning too much in one year.

Many poor families with two registered voters would soon move above the poverty level, with a full $1500 annual dividend.

Some families with two or more dependent children of voting age would benefit even more—just at an age when college costs press on them severely.

This gigantic profit-sharing plan would reinforce a sense of tangible participation in the economic system. One person, one vote, one dividend.

The NDP was first proposed to the Congress by H.R. Gross (R., Iowa) as he retired from the House of Representatives, after years of eagle-eyed guardianship over the public treasury. Congressman Gross reasoned that corporations do play a public role, and should distribute a portion of their profits for the public good. Better that they should do so directly, to the voters, rather than to the government.

Of course, under the NDP, corporations would continue to pay their full taxes to the government, at a fixed and predictable level. In the beginning, one-fifth of this amount would go into the National Dividend. At this level, each voter would receive about $150 per year.

Reassuring conservatives, the NDP would commit the government to a limit of 50 percent of corporate taxes. (This is higher than at present.)

The efforts of labor unions to register all their own voters would be assisted by the tangible Dividend reward. Workers would receive a fresh bonus.

The concept of the NDP is more than 10 years old. It has been modified and sharpened as practical, experienced persons criticize it. For example, proponents want all corporate taxes, eventually, to go into the NDP. A compromise might consist of a percentage.

The Dividend could be distributed simply, without any additional bureaucracy, through the states. Voting records are maintained in local communities. Signatures can be compared, to prevent fraud.

The American economy has brought more goods and services, in great variety, to more persons than any system in history. Yet often individual workers and citizens, paid simply in wages, salaries and fringe benefits, have not felt identified with the driving force that enables the system to grow: profits.

Without profits, there is no money for research, expansion, and new industries. There are fewer jobs. The costs of the future are paid by today's profits. The NDP would raise individual incomes by distributing corporate profits.

If you think your family could use $750 per registered voter annually, ask your congressman why he is not for the NDP.

AMERICA COULD SOON BE A NUCLEAR HAS-BEEN

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. TEAGUE. Mr. Speaker, the July 11 issue of U.S. News and World Report carried a comprehensive article on European nuclear development entitled "Reasons U.S. May Not Be No. 1 In Nuclear Energy Much Longer."

I wish to present excerpts of that article in tandem with a perspective of U.S. nuclear development.

"On the other hand, European officials are delighted by Carter's plans to cancel U.S. programs for recycling fuel and for demonstrating a commercial fast breeder reactor. They see it as a golden opportunity for France, Britain and West Germany, in particular, to sell their expertise and services around the world without U.S. competition."

"Germany and France have become the continent's two most aggressive exporters of reactors, seriously challenging the dominance of American manufacturers."

Until 1972, the United States filled 85 percent of the world export orders for nuclear plant equipment. Since then, the United States share of export trade has decreased to 42 percent.

"Germany is trying to minimize the terrorist threat to its plutonium cycle by locating at a common site nearly all elements in the production cycle; reprocessing spent fuel, turning high-level liquid waste into glass, burying the waste in a salt mine and making new fuel elements from recycled uranium and plutonium."

On the other hand, some Americans still believe that we can minimize the terrorist threat by prohibiting plutonium use here at home and trying to dissuade other nations from using plutonium. In the face of other nations philosophical economic, financial and energy commitments to increased use of plutonium this seems unrealistic.

"So far, the Germans have a small, 20 megawatt fast breeder pilot plant in operation, and they are building a 300-megawatt facility on the Rhine River in cooperation with Belgium and the Netherlands."

"The French now have a 250-megawatt breeder called Phenix, and are building a 1200-megawatt version called Superphenix."

"It takes 140 tons of natural uranium per year to fuel today's generation of light water reactors, but only 1.5 tons to power a fast breeder."

If the U.S. Congress authorized full funds for the Clinch River breeder reactor today we would have this 375-megawatt demonstration plant no sooner than 1985.

The U.S. has enough U–238 stockpiled from its light water reactors to equal the energy derived from one trillion barrels of oil or 700 years of electrical power production at the rate electricity was consumed in the U.S. in 1976. This valuable resource will remain idle unless we build the Clinch River breeder and accrue from it the knowledge necessary to perfect our own breeder technology which lags far behind our European neighbors.

"In addition, there is a major uranium enrichment plant at Pierrelatte in Southern France. The Germans buy most of their enriched fuel from Russia and the U.S., but the French make their own, using the same process—gaseous diffusion—that the U.S. uses. In conjunction with Italy, Spain, Belgium and Iran, the French are building a hugh addition to the Pierrelatte facility. It will begin operation in the early 1980's, shipping enriched uranium to customers around the globe."

In the past, 90 percent of the western world's reactor fuel has been enriched in the United States. Since June of 1974, enriched uranium from America's three plants has been fully committed. We are still supplying enrichment services under old contracts, but have not been able to take any new orders. A new uranium enrichment plant has been proposed for Portsmouth, Ohio. Construction is projected to begin near the end of 1978 and production to start in 1986. Full production will not be reached until 1988, 11 years from now.

"The ambitious programs of France, West Germany and Britain to build nuclear capabilities domestically and to sell that technology abroad, are seen as an economic necessity. As fast as other European countries can involve themselves in atomic power, they also are moving ahead."

What makes the United States believe it can play a leadership role in safeguarding the world from proliferation if it back peddles on breeder development, if its marketplace influence declines and other nations fill the void and replace it as world suppliers of nuclear technology, equipment, and services, if its nuclear development is already behind some nations and will continue to slip further if we defer the decision to build the Clinch River breeder?

I believe that these back to back comparisons provide the stark realization of how America could become a nuclear has been in the world community. On the other hand a yes vote for full funding of Clinch River now would not only provide the assurance for a secure energy future for America, but also prove to the world that we are not stepping out of the arena, but intend to stay right in the center of it to provide energy and safeguard all citizens of this planet.

DOWN ON THE FARM

HON. JAMES WEAVER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. WEAVER. Mr. Speaker, on June 17, I introduced H.R. 7871, "The Stocks Management and Reserve Act of 1977." This bill authorizes the Secretary of Agriculture to establish a domestic grain reserve and an international emergency food reserve. The domestic grain reserve

is to be entirely farmer held and owned and is to be established through a system of extended USDA Commodity Credit Corporation loan and storage agreements.

Given the desperate nature of the current farm situation, in which price depressing surpluses have forced farm returns far below actual costs of production, it is essential that the farm bill be amended to include a national grain reserve. In today's RECORD, I have published four amendments to the Agricultural Act of 1977—H.R. 7171—which convey the substance of H.R. 7871. I will be offering these amendments at the appropriate time during consideration of the farm bill.

I submit for the RECORD, a New York Time's editorial by Tom Wicker, "Down on the Farm." Mr. Wicker points out the compelling reasons for the House to take action immediately to establish a domestic grain reserve:

[From the New York Times, July 1, 1977]

DOWN ON THE FARM

(By Tom Wicker)

On Feb. 15, 1949, six Administrations and nearly three decades ago, the price of wheat was $1.90 a bushel. Earlier this month, in Goodwin, Kans., wheat fell to $1.64 a bushel. Given inflation, that's only about half of what wheat was bringing in 1949, and less than a third of the current parity price, $5.03 a bushel. There's almost surely worse yet to come for the farmer—and the result could be political disaster for the Democrats and a stubbornly budget-conscious Carter Administration.

This year's wheat harvest in Texas and Oklahoma is about finished, with each state bringing in the second largest crop in its history. Harvesting is beginning in Kansas and Colorado and will move north through the wheat belt throughout July, with great expectations everywhere. By the early days of August, the wheat crop will be in and the best predictions are that it will be the second or third biggest in the nation's history.

But the carryover from last year's ample crop already is about 1.1 billion bushels, and with good growing weather prevailing throughout the world, there's not much hope of absorbing or significantly reducing this year's surplus on the international market. Instead, the total carryover from the two years probably will be somewhere near 2 billion bushels—a surplus that is bound to depress wheat prices even further.

In desperation, American farmers are likely to seek increased shipments of food aid abroad, as well as expanded foreign markets. Cheap American surplus grain might therefore depress prices in the developing countries, frustrating their efforts to build up their own agricultural resources.

Even more certainly, American growers faced with rock-bottom prices that deny them anything like a fair return on production costs (about $3.55 a bushel) are likely to turn solidly against an Administration—never too popular to begin with—that insists on holding down Federal expenditures as its highest priority. In the farm belt, that means the Administration is willing neither to raise the wheat support price (actually a loan level) of $2.25 a bushel nor to invest in an adequate grain reserve that might help maintain market prices.

Obviously, with so much wheat on hand and in prospect, this is the right time for the nation to begin rebuilding the grain reserves that disappeared after Richard Nixon poured almost $3 billion into farm areas in advance of the 1972 elections, paying farmers to withhold 60 million acres of grain land from production; sold 19 million tons of American grain to the Soviet Union in 1972, and took 20 million acres out of production in 1973.

The Carter Administration has announced its intention to create a national grain reserve—but one limited at the outset to about 8 million tons of wheat, a drop in the bucket to the surplus now in prospect. Senate legislation has embodied this proposal, but in the House, farm legislation makes no mention at all of a grain reserve. Even the Senate provision, if finally adopted, would provide an inadequate reserve and leave far too much grain on the market.

Representative James Weaver of Oregon has introduced separate legislation to establish a domestic grain reserve of 25 to 35 million tons; a reserve of that size would just about hold the wheat carryover to its present 1.1 billion bushels. Unfortunately, the Administration appears no more likely to accept the Weaver bill than to agree to higher support prices, and for the same reason—it would cost too much money for the budget-cutters to accept.

There are nevertheless good reasons why a national grain reserve ought to be developed again. Such a reserve could help, above all, to avert famines like those that so recently struck much of the world. It could help keep domestic food prices from rising or falling too steeply, and it could keep periods of oversupply from leading to depressed markets and the discouragement of food production abroad. A grain reserve therefore could be a vital factor in fighting inflation and aiding prosperity, both at home and abroad.

Just this month, for example, a panel of food experts convened by the National Research Council reported to President Carter that even though there were no current famines, 450 million to one billion of the world's people remain underfed. Both in the short run to avert the ever-present danger of bad weather turning food shortages to famine, and in the long run to eliminate hunger, the panel said, an effective system of food and grain reserves was needed.

As for politics, the way things are going now in the farm belt, some experts on the region think the Democrats stand to lose as many as 40 House seats next year, most of them west of the Mississippi. Since Mr. Carter carried nothing in that vicinity himself, such a setback for his party would hardly be a happy augury for 1978.

COLORADO PASSES MAJOR BILL ON GRAND JURY REFORM

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. EILBERG. Mr. Speaker, on March 29 I informed my colleagues that the Colorado Legislature was considering an extensive reform of that State's grand jury system.

Many of the proposals I outlined then have now been approved by the Colorado Legislature. They are similar to the provisions of H.R. 94, the Grand Jury Reform Act of 1977, which is now being considered by the House Judiciary Subcommittee which I chair.

The Colorado measure, I believe, illustrates the moderateness and practicality of the reforms under study in Congress.

Like H.R. 94, the Colorado statute:

Provides for the right to counsel in the grand jury room but limits counsel's role to advice only and allows the court to remove disruptive attorneys;

Provides for detailed instructions to be given by the court to all grand jurors;

Provides for hearings on contempt orders and limits incarceration for contempt to no more than 6 months total;

Provides for witnesses to be advised of their rights prior to their testimony;

Precludes calling any witness who indicates he will invoke his privilege against self-incrimination, unless immunity is granted;

Allows a witness to request the grand jury for an opportunity to testify or retestify;

Provides for recording of all grand jury proceedings and furnishing of transcripts, with appropriate safeguards, to witnesses;

Provides for review of subpoenas by the court of their reasonableness and purpose; and

Precludes repeated grand jury investigations of the same transaction unless based on additional evidence.

Mr. Speaker, I would like to insert Colorado Senate Bill No. 186 into the RECORD for consideration by the House and comparison with our proposed reforms:

COLORADO SENATE BILL NO. 186

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. 16-5-204, Colorado Revised Statutes 1973, is repealed and reenacted, with amendments, to read:

16-5-204. Witness before a grand jury—procedure. (1) (a) Whenever a witness in any proceeding before any grand jury refuses, without just cause shown, to comply with an order of the court to testify or provide other information, including any book, paper, document, record, recording, or other material, the prosecuting attorney may submit an application to the court for an order directing the witness to show why the witness should not be held in contempt. After submission of such application and a hearing at which the witness may be represented by counsel, the court may, if the court finds that such refusal was without just cause, hold the witness in contempt and order the witness to be confined. Such confinement shall continue until such time as the witness is willing to give such testimony or provide such information; however, the court may release the witness from confinement if the court determines that further confinement will not cause the witness to give such testimony or provide such information. No period of such confinement shall exceed the term of the grand jury, including extensions, before which such refusal to comply with the court order occurred, and in no event shall such confinement exceed six months.

(b) If a witness has been confined in accordance with paragraph (a) of this subsection (1), he may, upon petition filed with the court, request a hearing to be held within ten days to review the contempt order at which hearing he shall have the right to be represented by counsel. The court, at the hearing, may rescind, modify, or affirm the order.

(c) In any proceeding conducted under this section, counsel may be appointed for a person financially unable to obtain adequate assistance.

(2) No person who has been imprisoned or fined by a court for refusal to testify or provide other information concerning any criminal incident or incidents in any proceeding before a grand jury impaneled before any district court shall again be imprisoned or fined for a subsequent refusal to testify or provide other information concerning the same criminal incident or incidents before any grand jury.

(3) Upon impanelment of each grand jury, the court shall give to such grand jury adequate and reasonable written notice of and shall assure that the grand jury reasonably understands the nature of:

(a) Its duty to inquire into offenses against the criminal laws of the state of Colorado alleged to have been committed;

(b) Its right to call and interrogate witnesses;

(c) Its right to request the production of documents or other evidence;

(d) The subject matter of the investigation and the criminal statutes or other statutes involved, if these are known at the time the grand jury is impaneled;

(e) The duty of the grand jury by an affirmative vote of nine or more members of the grand jury to determine, based on the evidence presented before it, whether or not there is probable cause for finding indictments and to determine the violations to be included in any such indictments; and

(f) The requirement that the grand jury may not find an indictment in cases of perjury unless at least two witnesses to the same fact present evidence establishing probable cause to find such an indictment.

(4) (a) At the option of the prosecuting attorney, a grand jury subpoena may contain an advisement of rights. If the prosecuting attorney determines that an advisement is necessary, the grand jury subpoena shall contain the following advisement prominently displayed on the front of the subpoena:

NOTICE

(I) You have the right to retain an attorney to represent you and to advise you regarding your grand jury appearance.

(II) Anything you say to the grand jury may be used against you in a court of law.

(III) You have the right to refuse to answer questions if you feel the answers would tend to incriminate you or to implicate you in any illegal activity.

(IV) If you cannot afford to obtain an attorney, you may consult with the public defender's office, or request the court to appoint an attorney to represent you.

(b) Any witness who is not advised of his rights pursuant to paragraph (a) of this section (4) shall not be prosecuted or subjected to any penalty or foreiture for or on account of any transaction, matter, or thing concerning which he testifies or any evidence he produces, nor shall any such testimony or evidence be used as evidence in any criminal proceeding, except for perjury, against him in any court.

(c) In any proceeding before the grand jury, if the prosecuting attorney has written notice in advance of the appearance of a witness that such witness intends to exercise his privilege against self-incrimination, such witness shall not be compelled to appear before the grand jury unless a grant of immunity has been obtained.

(d) Any witness subpoenaed to appear and testify before a grand jury or to produce books, papers, documents, or other objects before such grand jury shall be entitled to assistance of counsel during any time that such witness is being questioned in the presence of such grand jury, and counsel may be present in the grand jury room with his client during such questioning. However, counsel for the witness shall be permitted only to counsel with the witness and shall not make objections, arguments, or address the grand jury. Such counsel may be retained by the witness or may, for any person financially unable to obtain adequate assistance, be appointed in the same manner as if that person were eligible for appointed counsel. An attorney present in the grand jury room shall take an oath of secrecy. If the court, at an *in camera* hearing, determines that counsel was disruptive, then the court may order counsel to remain outside the courtroom when advising his client. No attorney shall be permitted to provide counsel in the grand jury room to more than one witness in the same criminal investigation, except with the permission of the grand jury.

(e) Once a grand jury has returned a no true bill based upon a transaction, set of transactions, event, or events, a grand jury inquiry into the same transaction or events shall not be initiated unless the court finds, upon a proper showing by the prosecuting attorney, that the prosecuting attorney has discovered additional evidence relevant to such inquiry.

(f) A certified or authorized reporter shall be present at all grand jury sessions. All grand jury proceedings and testimony from commencement to adjournment shall be reported. The reporter's notes and any transcripts which may be prepared shall be preserved, sealed, and filed with the court. No release or destruction of the notes or transcripts shall occur without prior court approval.

(g) Upon application by the prosecutor, or by any witness after notice to the prosecutor, the court, for good cause, may enter an order to furnish to that witness a transcript of his own grand jury testimony, or minutes, reports, or exhibits relating to them.

(h) Any witness summoned to testify before a grand jury, or an attorney for such witness with the witness's written approval, shall be entitled, prior to testifying, to examine and copy at the witness's expense any statement in the possession of the prosecuting attorney or the grand jury which such witness has made that relates to the subject matter under inquiry by the grand jury. If a witness is proceeding in forma pauperis, he shall be furnished, upon request, a copy of such transcript and shall not pay a fee.

(i) No person subpoenaed to testify or to produce books, papers, documents, or other objects in any proceeding before any grand jury shall be required to testify or to produce such objects, or be confined as provided in this section, for his failure to so testify or produce such objects, if upon filing a motion and, upon an evidentiary hearing before the court which issued such subpoena or a court having jurisdiction under this section, the court finds that:

(I) A primary purpose or effect of requiring such person to so testify or to produce such objects before the grand jury is or will be to secure testimony for trial for which the defendant has already been charged by information, indictment, or criminal complaint;

(II) Compliance with a subpoena would be unreasonable or oppressive;

(III) A primary purpose of the issuance of the subpoena is to harass the witness;

(IV) The witness has already been confined, imprisoned, or fined under this section for his refusal to testify before any grand jury investigating the same transaction, set of transactions, event, or events; or

(V) The witness has not been advised of his rights as specified in paragraph (a) of this subsection (4).

(j) Any grand jury may indict a person for an offense when the evidence before such grand jury provides probable cause to believe that such person committed such offense.

(k) The district court before which the indicted defendant is to be tried shall dismiss any indictment of the grand jury if such district court finds, upon the filing of a motion by the indicted defendant based upon the grand jury record without argument or further evidence, that the grand jury finding of probable cause is not supported by the record.

(l) Any person may approach the prosecuting attorney or the grand jury and request to testify or retestify in an inquiry before a grand jury or to appear before a grand jury. The prosecuting attorney or the grand jury shall keep a record of all denials of such requests to that prosecuting attorney or grand jury, including the reasons for not allowing such person to testify or appear. If the person making such request is dissatisfied with the decision of the prosecuting attorney or the grand jury, such person may petition the court for hearing on the denial by the prosecuting attorney or the grand jury. If the court grants the hearing, then the court may permit the person to testify or appear before the grand jury, if the court finds that such testimony or appearance would serve the interests of justice.

(m) The foreman, or acting foreman when designated by the court, of the grand jury may swear or affirm all witnesses who come before the grand jury.

(n) Any other motions testing the validity of the indictment may be heard by the court based only on the record and argument of counsel, unless there is cause shown for the need for additional evidence.

SEC. 2. 16–5–205, Colorado Revised Statutes 1973, is amended by the addition of a new subsection to read:

16–5–205. *Information—authority to file—indictments—warrants and summons.* (4) The report of the grand jury shall not be made public except when required by statute or except that all of the report or a portion thereof may be released if the chief judge of the district court finds such a release will exonerate a person or persons who have requested such a release.

SEC. 3. *Appropriation.* There is hereby appropriated out of any moneys in the state treasury not otherwise appropriated, for the fiscal year commencing July 1, 1977, to the judicial department, trial courts, the sum of thirty-five thousand two hundred thirty-four dollars ($35,234), or so much thereof as may be necessary, for the implementation of this act.

SEC. 4. *Safety clause.* The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

THE PRESIDIO INCIDENT

HON. RICHARD C. WHITE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. WHITE. Mr. Speaker, I should like to correct some misconceptions, refute some totally unfair criticism, and relate some studied conclusions relative to the recent assistance provided by President Carter in securing Mexican seasonal labor for the farmers of the Presidio Valley of Texas. First, it is necessary to understand that the Presidio Valley is located in an extremely isolated area of the Big Bend of Texas along the Mexican border. The town of Presidio itself has a population of approximately 1,000 people. The sole industry of the town and the area is farming with a total of some 5,000 acres under cultivation in the desert valley. The farms, mainly family endeavors, range in size from 10 acres to 1,200 acres with 98 percent of them being 50 acres or less. The traditional crops are onions, cantaloupes, and chilis, with a limited amount of acreage in cotton. The annual crop value is between $6 million and $8 million. Harvesting of the onions starts in May, normally, followed by cantaloupes and then chilis. In order for the Presidio farmers to pursue their

operations successfully, they need seasonal labor twice a year—about 250 for 5 months, December through April, to prepare the fields and accomplish the planting, and then up to 1,500 commencing in May to harvest. The harvesting manpower needs will dwindle to 1,000 and less through mid-fall. Since no other alternative has ever been available to them, and still is not, the Presidio farmers have traditionally solved their labor needs through the simple expediency of hiring willing Mexican nationals from Ojinaga, Presidio's sister community across the Rio Grande in Mexico. This year, however, Gen. Leonard F. Chapman, Jr., who was still Commissioner of the Immigration and Naturalization Service, announced that he was sending extra Border Patrolmen to Presidio for the purpose of sealing off the border and thus preventing the Mexican workers from crossing into the Presidio Valley. I do not criticize General Chapman for this action because he was charged with preventing aliens from entering this country illegally. As a matter of fact, this action has proved beneficial to farmers all over the country in that the Presidio incident has glaringly illustrated the hopeless unworthiness of the H–2 visa program as presently administered by the Department of Labor.

As just one other example, a representative of Northeast applegrowers contacted my office and reported that they have for many years found the Labor Department to be totally hostile in dealing with growers bent on legally utilizing the H–2 program. He said that growers are forced to litigate almost every year, and that as a result substantial crop losses ranging into the millions of dollars are suffered each harvest season. As a specific illustration, in 1974 certification for needed workers in the six New England states was delayed just 1 week and the applegrowers lost over $2 million. When the Presidio farmers found that General Chapman had sealed the border in their area, they applied to the Labor Department for 809 H–2 visas. Following regulations, they advertised for domestic workers in the four nearest population centers—San Angelo, about 335 miles distant; San Antonio, over 400 miles away; El Paso, 275 miles up the Rio Grande Valley; and Lubbock, 385 miles removed in the Texas panhandle. These figures should serve clearly to establish the isolation of Presidio which I referred to earlier. Response to the advertising in these 4 population centers produced approximately 100 workers. The Department of Labor still persisted in throwing up roadblocks. First, they said that the Presidio farmers were offering the legal minimum of $2.20 per hour, but they had determined that a minimum $2.83 would have to be paid in order to avoid an adverse effect on wage levels of U.S. citizens. Parenthetically, one wonders why Congress goes about legislatively setting minimum wage standards when apparently the Labor Department can establish its own minimum levels by instant regulation. In fact, they overlooked the piecework incentives which are allowing workers in the Presidio fields at this very moment to earn up to $5 per hour. Then, the folks in the Labor Department said that the visas could not be granted because the farmers could not provide adequate extra housing in Presidio. This time they chose to ignore the fact that the workers for whom the visas were proposed all lived in Ojinaga about a mile away, that they would leave their homes in the morning, cross the Rio Grande to work in the fields, and return to their homes in the evening. At about mid-May the farmers realized that the Labor Department had no intention whatsoever of accommodating them, even though it was clearly understood within the Department that no domestic help was forthcoming, that some crops were already beginning to rot in the fields, that the farmers faced combined losses of up to $8 million, and that nearly all of them would be permanently wiped out as a result.

My office was doing everything possible to assist in finding a solution. I personally talked to Labor Secretary Marshall. By this time, General Chapman had been replaced as Commissioner of Immigration and Naturalization by Mr. Leonel Castillo, and I was in close communication with Commissioner Castillo. He was most cooperative and sympathetic, but his hands were virtually tied by the adamant attitude of the Labor Department which still had not made a final decision. On June 8, the Labor Department finally said no after about 40 percent of the onion crop had been lost. The next day, on June 9, I seized the opportunity to attend a meeting with President Carter in the White House along with several Congressmen. During this meeting I outlined the problem to the President emphasizing its unique and peculiar aspects. He took immediate action, and the next day 809 H–2 visas were authorized for Mexican workers to assist the Presidio farmers. As indicated, approximately 40 percent of the onion crop had been lost by this time, but the major portion of the cantaloupes and chilis will be secure. During the just completed district work period, I visited Presidio while touring my district. I can testify through personal observation that tons upon tons of prime onions have rotted in the fields, and it is saddening and enraging to understand that this did not have to happen. The President's intervention in this matter received considerable attention in the Nation's mass media, much of it critical. Additionally, various labor spokesmen have denounced President Carter for this action, and some of them have threatened court action to try to force withdrawal of the visas which have been issued. None of these same organizations ever offered any labor to help harvest the crops though they knew of the desperate situation. Any criticism of President Carter is completely undeserved, and I question the motives of those being critical.

What he did was take quick and decisive action which unquestionably saved the farmers of Presidio from ruin. He acted in the best interest of the country and should be roundly commended, not criticized. I should like to emphasize that even after the broad publicity this situation has received, on top of the advertisements for help placed in the four markets described, there are still only about 200 domestic workers in the fields of Presidio. In addition to these, and the 800-plus Mexican workers, the farmers could still use up to an additional 500 workers through the remainder of the harvest season. This emphatically notes the need for some workable form of individual, case-by-case, contracting for seasonal alien labor. At hearings by the Judiciary Committee on amendments to the Immigration Act offered by Chairman RODINO during the last Congress, I tried unsuccessfully to get language included to provide for such alien labor contracting. Just on the basis of my personal experience with the farmers of Presidio on the question this year, I am led to wonder what staggering annual losses certain areas of the agricultural industry endure each year because of the lack of domestic seasonal workers while the Labor Department drags its feet on the H–2 program. What are the resultant costs to the consumer? What amount of precious energy is lost in producing crops that rot in the fields or in the orchards? I intend to discover answers to these and other pertinent questions, and I solicit the assistance of my colleagues who have constituencies who suffer these same problems. This is a matter which begs resolution on a permanent basis, and while we are searching for solutions I want to reiterate my admiration and my gratitude for the wisdom and the quick and courageous action taken by President Carter to preclude tragedy for my constituents in the Presidio Valley of Texas.

RECTIFYING ARTISTS' ESTATE

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. RICHMOND. Mr. Speaker, on Monday, June 20, 1977, I introduced H.R. 7896, which when signed into law, will significantly aid the heirs and estates of creative artists.

Several artists, arts organizations, and concerned citizens have written me in support of H.R. 7896. Since these individuals more than adequately describe the benefits of this legislation, and the financial burdens under the current estate tax laws, I would like to insert their comments into the RECORD:

COMMENTS BY ARTISTS AND CULTURAL REPRESENTATIVES ON H.R. 7896

This bill is essential to family security and piece of mind of every creative artist in the country. Evaluating artists' work at cost solves the agonizing problem of heirs having to quickly sell the art to pay the estate tax.

RUBIN GOREWITZ,
President, Artists' Rights Today.

The irony of an artist not to be able to afford being alive or dead can be creatively altered by the passing of your bill. Everyone survives in this change in the law, even the deceased is comforted. Thank you.

ROBERT RAUSCHENBERG,
Prominent American Artist.

The present estate tax situation is a glaring inequity. It seems to me an appalling contradiction that an artist giving a gift of his or her own work to a public institution may deduct only the cost of producing that work.

(Usually about $75.) At the artist's death that same work is then assessed at fair market value and this figure often reaches into the hundrdes of thousads of dollars. The real losers in this situation are our public institutions, libraries, and museums and thus the American people. If we are to believe that the arts are a national resource, let us encourage them with this measure.

JAMIE WYETH,
Prominent American Artist.

Artists' Equity Association, the national organization for professionals in the visual arts, endorses H.R. 7896 so that created art work may be valued for estate tax purposes at the costs of artists' materials. In addition to relieving the punitive burden on artists' heirs, the legislation would, if enacted, bring the code into line with those portions that pertain to deductions for casualty losses and charitable donations.

GILDA ELLIS,
President Artists' Equity Association.

I want to thank you for writing this bill to enable the artist at his death to leave his work evaluated at cost to his heirs. This would help stop the confusion between esthetic value and money, so that after death each painting could achieve its own value and be taxed as it is sold. Thomas Hart Benton whose murals adorned the Truman Library burned many of his works so his family wouldn't inherit an immediate, unusual tax burden. The passing of this bill will help normalize a stricken cultural situation.

JAMES ROSENQUIST,
Prominent American Artist.

An unfair contradiction exists in present tax law. In an artist's estate, his work is taxed at full value, but should he donate his works to an institution during his life-time, the works are valued essentially at zero. One end or the other of this contradiction should be changed. I am very much in favor of H.R. 7896.

ROY LICHTENSTEIN,
Prominent American Artist.

As an artist deeply concerned about the welfare of my family, I heartily endorse this bill. Being an artist is a risky and uncertain occupation. I am disturbed that I can contribute to a museum and only deduct cost of materials. If I give the work as a gift, I must pay a gift tax. I cheerfully pay all my taxes when I sell my work. When I die, my heirs under present law would be forced to pay large taxes on unsold works. Your bill redresses an unfair situation and I wish you great success in your endeavors.

GEORGE SEGAL,
Prominent American Artist.

FORMER CONGRESSMAN EMANUEL CELLER COMMENTS ON ANTITRUST LEGISLATION

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. KOCH. Mr. Speaker, our distinguished former colleague, Emanuel Celler, has authored an article which appeared in the New York Law Journal on antitrust laws entitled Celler Sees Trust Laws Falling Behind the Times. Manny Celler needs no introduction to this House. He was the dean of this House and served here for 50 years. As the chairman of the House Judiciary Committee the record that he made was exceptional and needs no recounting by me. I am very proud of my continuing relationship with him and treasure our friendship. The article follows:

CELLER SEES TRUST LAWS FALLING BEHIND THE TIMES

(By Emanuel Celler)

Our antitrust laws have not kept pace with the growth and intricacies of our national and multinational entities. Gigantic corporations have flourished with immunity from antitrust violations. The Department of Justice Antitrust Division seems helpless to achieve any appreciable victories in cases against so-called "Big" outfits, e.g. the complex case against International Business Machine Corp., has dragged on for eight years in the U.S. District Court for Southern New York and the end is not in sight. The court is tangled in a gigantic mess of motions and counter motions and maneuvers by skillful lawyers on both sides to confuse and confound.

So far the transcript has more than 42,000 pages, 29,000 exhibits with another 60,000 pages. I.B.M. is recorded to be spending 20 million a year on legal costs. Chief Judge David Edelstein, who is presiding sought to tighten the proceedings as to the presentation of evidence but he was overruled by the granting of a writ of mandamus by the U.S. Court of Appeals. The presiding judge seems helpless to control and shorten the proceedings. The farce continues.

This case is only one of the facets of difficulty confronting the Justice Department in its campaign against "Big" antitrust violations. As Attorney General Griffin Bell stated, "It is not necessarily justice that prevails—it may be the party with the largest budget and the greatest stamina that prevails."

Frankly the courts have broken down in the face of the "giant" corporations charged with antitrust violations, who have the means to stretch and expand for the years the proceedings against them.

ELEMENT OF TIME

To obviate the excessive time it takes for a U.S. District judge to hear and sift the avalanche of testimony involved in so-called "Big" cases, perhaps a special master might well be appointed to hear and determine the case with rulings to be controlled by appeal to the U.S. District judge. A special master would confront the same difficulties as the judge but his time is more expendable. Also a few well equipped judges experienced in antitrust trials could be assigned to hear complicated cases. They could well handle some lawyers who become vulpine.

It has also been suggested by Attorney General Bell and others that the so-called "Big" cases involving tough enforcement be transferred to Congress to fathom, decide and enforce. This would mean the abdication by the executive branch of responsibility and turning same over to the legislative branch. This would be tantamount to turning over enforcement to Congress to "hear evidence" of monopoly or need for a remedy. This would also make the proceedings political, and would require a complete overhauling of American industry and economy. Congress should not have the dual role to legislate and judicially hear the facts and determine as judges. Congress would be compelled to legislate new definitions of what constitute monopoly or quasi-monopoly.

Aside from the constitutionality of such a process, asking a congressional committee or subcommittee to hear and determine issues that bewitch and bother a judge would be novel and ineffectual. Members of such a committee would be so subject to all manner of pressures and influences by proponents and opponents of the case as to make the proceedings ridiculous. I can well appreciate what happens in hearings before committees. I was Chairman of the House Judiciary Committee for seventeen years. I am aware of the pitfalls and turmoil that accompany committee hearings. Such evil would be exacerbated if the committee were to sit as judge in the so-called "Big" cases. Attorney General Bell's idea is intriguing but impractical.

JUDGES TO 'CHECKMATE'

What then is the remedy?

The U.S. District Judges in these big cases must be fair but firm and must checkmate the expert antitrust lawyers. They must duly but not unduly restrict them, shorten the process, curb dilatory tactics and with fairness hold the reins of judicial process in strict control. The civil practice rules must be carefully adhered to.

A reform has been offered to change the law against monopoly to provide that the case be brought only if the monopoly can be shown and that the company acquired dominance "willfully," but firms that grew into monopolies through natural means by good conduct involving no predatory practices should not be menaced by antitrust suits. I do not accept this theory.

One of the greatest difficulties confronting the judge is to determine what is or is not market control of a product. This usually involves a mystic maze of exhibits, documents and other evidences, consuming days.

Chief Judge Irving R. Kaufman, of the Second Circuit Court of Appeals, suggests the courts might make use of parajudges in intricate cases "who may deal with discovery, assist with motions, calendars and other preliminary matters" and thus sparing much work for the judges. Judge Kaufman relates he can foresee the day when the courts "may request the disinterested expert opinions of legal scholars on complicated, specialized and unusually important issues."

Such experts would be paid by the government. They could be called to testify on an intricate question of which he has expertise and exclude attorneys from either side to offer evidence on such subject or issue. This would prevent attorneys from offering protracted evidence. It would preclude the right to offer evidence. But we either have to shorten these trials or go on with the present practice of permitting lawyers to proliferate the facts and endure endless trials. We cannot persist in the present practice.

PROTECT AND PUNISH

Congress intended and should continue to strike down monopolies achieved by bad or exemplary conduct. The purpose of antitrust law is to protect and punish—to protect the public from the unjust enrichment of the guilty company and to punish for continuation of the evil economic situation. Otherwise the purpose of an antitrust proceedings is but half achieved. Further, I doubt you can find any monopoly completely innocent of overreaching and taking undue advantage throughout its history. The market dominance, bad or innocent, must be banned for the public good and the free competition system. As Virgil said, "The noblest motive is the public good".

Frankly, it is absurd and a vast and unnecessary expense to allow a case to proceed for eight years with a Niagara of testimony and exhibits—with no end in sight. A judge must be able and willing to cut across umbrageous tactics and quickly come to the substance of the case.

If Congress were made to decide these cases it would be compelled to restructure the antitrust laws. It may have to decide new definitions and conceptions of monopoly and what the structure of particular industries should be and legislate expeditious remedies to achieve desired results. This would involve an awesome task.

Would Congress determine by guidelines that a company like General Motors is, ipso facto, a monoply? Would it call the oil

companies that drill for oil, ship it, refine it, and sell it at gas stations each a monopoly? Would it name some of our huge food companies monopolies? Would the criterion be "BIGNESS" of itself or what "BIGNESS" does?

To answer these questions would be as difficult as drawing water out of a desert. Yet Congress could not hear these cases as a judge and jury without the clearest definitions and classifications of what is—or is not—monopoly.

Indeed, frankly, I think Congress is not the policeman of industry structure. I disagree with Attorney General Bell.

NOT SILENT CONGRESS

It does not mean that Congress must remain quiescent. With changing times and conditions the form of our antitrust laws require amendments—perhaps drastic amendments. They must keep in step with changed economic conditions. The big conglomerates have inordinate power over the lives and habits of our citizenry. They have power and as Lord Acton said, "Power corrupts." See what Lockheed did with its power. With hubris it scattered its funds unlawfully in bribery. See what IT&T did in Chile; see what Gulf Oil Company as a member of a cartel did to fix the price of uranium.

This inordinate power has grown overwhelmingly since the antitrust laws were first adopted and from time to time amended. Many loopholes in these laws have been discovered by astute lawyers. For example, the Celler-Kefauver Act (which was authored by me with the late Senator Kefauver) amending Section 7 of the Clayton Act as to mergers has been chipped away by decisions suggested by clever lawyers. The escape clauses must be closed.

One of the most insidious and widespread excesses of big corporations is price fixing. One hundred grand juries throughout the nation are now busy with charges of price fixing. This is shameful.

Will Congress attempt to wrestle with these problems? The task would be arduous and bewildering but nonetheless necessary if we are to control and prevent the evils of high concentrations and thus protect the public interests.

GOVERNMENT DERELICT

The Justice Department and the Federal Trade Commission have been derelict in offering revised rules to implement the Antitrust Improvement Act of Sept. 30, 1976, that would require notification if one of the companies of a proposed merger has assets or annual sales in excess of $100 million. This defect should be speedily remedied.

Encouragement should be given state attorneys general to prosecute companies violating antitrust laws. No suit by any state attorney general has been started although permission to do so was granted by Congress. A number of cases brought by the Department of Justice, especially localized price fixing cases, could have been better handled if brought by state attorneys general.

Perhaps the Carter Administration's suggestions to merge the FTC's Bureau of Competition with the Antitrust Division of the Justice Department should be followed. This might prevent needless duplication and save money. But, although such a merger would be difficult to consummate (the FTC has many "friends" in Congress), it may be needful.

A vexatious question is whether to jail violators of the antitrust laws, especially price fixers. Under the 1974 change in the law, corporate price fixers may be sentenced up to three years in prison. Is jail the effective deterrent? I believe price fixers should land in jail but for short periods of time. Fines are not effective. Some incarceration is required, and perhaps thirty days is enough.

Price fixing is a deliberate wrong—a calculated crime and should be treated as such. Jail should be mandatory, not discretionary. Judge find it difficult to jail price fixers. They must be compelled to do so. Otherwise the statute becomes a nullity and the proceedings before the judge becomes a mere charade. The judge imposes a slap on the wrist with a sermon to the defendant to sin no more—to which sermon the defendant lends a deaf ear.

ECONOMIC CLIMATE

Thus changes in the economic climate require changes in the law that should protect and strengthen that climate. Time marches on and needed changes in statutes should march with time.

A tender subject that might be considered by Congress is the inordinate emoluments paid big entities to their executives. At times the yearly stipends exceed three quarters of a million dollars. Stockholders often rebel but they lack control and fail to limit the payments. I query whether any executive should receive such reward. Stockholders' dividends are reduced. Congress might place a fair limit upon the amount of money executives should receive. Determination of the limit might be difficult but I believe it is essential. Under the commerce clause such a fiat would be constitutional. Otherwise these salaries plus bonuses will be enhanced with the years. There is no limits. Board directors usually accept the requests or demands of their chairman or president.

The executive with lesser sums would not lessen his value to the corporation. He would not diminish his ingenuity, his expertise and his managerial skill.

At least any Congressional debate on the subject would be healthy. It would focus public attention upon this practice. Recalcitrant stockholders would gather many allies.

I offer these suggestions as one who in his Congressional career of fifty years displayed much interest in and study of our antitrust fabric.

THE NATION'S FOUR HORSEMEN

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. JOHN L. BURTON. Mr. Speaker, I would like to call the Members' attentions to the statement made by. Dr. Carlton Goodlett to the President's Commission on Mental Health at the Commission's June 21 meeting, which was held in San Francisco.

THE NATION'S FOUR HORSEMEN

PRESIDENT'S COMMISSION ON MENTAL HEALTH, SAN FRANCISCO—JUNE 21, 1977

Mrs. Carter, Dr. Bryant, Dr. Love: Three minutes does not provide much opportunity to present my views on the status of mental health in the United States; however, a word about the societal causes of mental illness in the U.S.A.:

The struggle in the founding conventions of the nation pitted supporters of humanistic values against those of materialistic values. Unfortunately, the materialists won, and the nation has traveled its first 200 years down the contradictory road of verbalizing paeans of "Freedom, Liberty, Justice and Equality," but the cadence of the nation's drum-beat in act and deed emphasizes the unassailable commitment: "Property rights held in primacy over human rights."

The greed of the Whites who landed at Plymouth Rock began a process of sustained exploitation which led ultimately to the extinction of the native Red Man, and accepted for 200 years the moral stench of Black slavery. The neurosis of greed displayed in the destruction of both material and human resources in the name of freedom, justice and equality, has created an avaricious breed of homo sapiens interested foremost in the acquisition and accumulation of wealth—vast holdings by the powerful and greedy, in violation of the most elemental laws of a finely honed eco-cycle. Racism, sexism and classism are a double-edged sword, contributing to the mental illness of both the victims of this aberrant behavior and the perpetrators.

How could a system that lived a lie, and glorified personal greed, which flaunted human and moral values, create a physical and psychological climate which was not foreboding to all societal resources, physical and human?

The Kerner Commission's Report identified racism as the one cardinal sickness which haunts the nation; the second and third horsemen of the Apocalypse which threaten the nation are sexism and classism. The fourth, mental illness.

How can good mental health abound in a society which: 1) spends $50 billion securing Western Europe against communist dogma, post-World War II, but guarantees a national wage below the poverty line for its workers? 2) Whose leader proclaims human rights throughout the world, yet the nation rejects equal rights for its female citizens? 3) A nation which spends $25 billion to place footsteps on the moon but will not guarantee to its citizens the right to a job with all of the rehabilitating virtues which honest work gives to a man or woman? 4) A nation more interested in the bottom line for industry and investment with no concern for the lifeline to health for its citizens? This is indeed a sick society.

According to the Joint Commission on Mental Health, 1969, in terms of mental health, racism is a more pervasive and far more serious threat than childhood schizophrenia, mental retardation, psychoneurosis or any other emotional derangement. Its destructive effects severely cripple the growth and development of millions of our citizens, both young and old alike. Yearly, it directly and indirectly causes more fatalities, disabilities, and economic loss than any other single factor.

At this moment the ravages of racism are most dramatic. One million Black youth ranging from 8 to 19 years of age in the 25 largest cities live outside of the pale, as enemies of organized society. The state of Louisiana has more Black youth incarcerated in its penitentiaries than it educates in its colleges and universities. Of all the Black males born in 1960, today the horror exists that of these 17-year-old Black males one in ten is now dead from murder, and one in ten has been convicted of murder. Today it is Black youth who is the endangered species. Tomorrow, what will the ravages be, as the other three horsemen move across the land?

John D. Rockefeller III said it best: This nation needs a Second Revolution, in which humanistic values long deferred become the elan vital of the body politic. Rampant inflation, with unbridled unemployment, are the bells which toll the irreconcilable conflicts of a laissez-faire capitalist society. With Lincoln's words ringing down through the ages: "A nation divided cannot endure," the evils of racism, sexism and poverty threaten the survival of our society. Such bitter harvest has led this Commission on a national inquiry into Mental Health. As a psychologist and a physician interested in illness—personal and societal—let me urge this Commission to beware the folly of probing symptoms only, and ignoring the deep etiological factors which allow—indeed, force—a sick society to spawn mental illness among its citizenry.

Our nation created the atomic bomb, and now, while its scientists cringe in horror, its political leaders amass without restraint weapons capable of destroying all of humanity and all living things, to leave its

skyscrapers as sentinels resembling the pyramids of Egypt and the temples of the Incas.

In the 201st year of the founding of the nation, we call upon all of the institutions: political, industrial and educational, to recognize that human rights are more inviolate than property rights. In a word, the direction of this nation, founded with so much promise and inspiration 200 years ago, must be turned around 180 degrees, if we are to save ourselves from the four horsemen: racism, sexism, poverty and mental illness.

CARLTON B. GOODLETT,
Ph. D., M.D., Citizen.

PHILADELPHIA HUMAN RELATIONS HEAD SPEAKS OUT AGAINST AMERICAN NAZIS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. EILBERG. Mr. Speaker, all right-thinking Americans are appalled at what they have read in their newspapers or seen on their television screens about the resurgence of the American Nazi Party, with its campaign of hatred against Jews and blacks.

In the last few days, Mr. Clarence Farmer, chairman of the Philadelphia Commission on Human Relations, has spoken out courageously against those who would undermine our system with their campaign of bigotry. Because Mr. Farmer's remarks are deserving of the attention of all Americans, I am placing them in the RECORD for the enlightenment of my colleagues in the Congress:

STATEMENT FROM CLARENCE FARMER, CHAIRMAN, PHILADELPHIA COMMISSION ON HUMAN RELATIONS

Frank Collins and his swaggering Nazis didn't have to carry banners through a heavily-Jewish section of Skokie, Illinois, proclaiming "Stop the Niggers" and "Kill the Kikes." The millions of dollars worth of free news coverage provided by newspapers, radio and television did the job much more effectively.

Isn't there something patently wrong here? Is there not some obvious violation of rationality about a handful of warped fanatics having the power to use freedom to threaten both the freedom and the lives of minority groups they do not like? . . . to openly have the right to threaten mayhem, murder, and genocide?

Clearly, all Americans are entitled to freedom of speech and freedom of assembly. But where is the line between freedom and abuse of freedom? Where is the right of minority groups to protection against hate mongers who would spread hate and incite riots against them?

The American Nazis, of course, know the law, and they use and misuse it to serve their nefarious purposes. They are well aware that they cannot threaten any individual citizen without risking legal prosecution. But at the same time, they know as well that, paradoxically, the law protects their right to slander and threaten minority groups.

It was Norman Thomas who once said: "Anti-Semitism is a barometer which measures pretty accurately the state of democracy and peace."

As a matter of preserving democracy and peace, the Nation must search for new means for dealing with the hate groups, just as medical science still searches for a medicine for destroying cancer cells which will not destroy healthy cells.

New laws might help—laws to protect minority groups against threats of extermination, just as housing and employment laws now safeguard their right to equal treatment. But improved community response also is needed—response such as massive, peaceful counter demonstrations by citizens of affected localities standing up for decency . . . response such as news media coverage that does not cry "the sky is falling down" in lengthy broadcasts and 24-point type each time a handful of demented cranks dresses up in obsolete "hate" costumes.

Until effective counter means are found, Nazi-style malignancies will continue to flourish as a menace to democracy and peace. The Nation's health demands that the search move forward at full speed.

VOLUNTARY STANDARDS AND ACCREDITATION ACT OF 1977

HON. PAUL E. TSONGAS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. TSONGAS. On June 30, 1977, I introduced the Voluntary Standards and Accreditation Act of 1977. The bill has three major aims. The first is to establish procedures and safeguards to eliminate the anticompetitive impact of the existing standardization process. The second is to insure that the United States' interest in international standardsmaking activity is protected. The third is to insure that a uniform standardization process, once instituted, fulfills its proper role of facilitating commerce, encouraging innovation, eliminating wasteful duplication, and reducing market entry barriers for small firms.

One of the most controversial issues of the day is the survival of small business and government interference. We hear much about the excesses of government red tape and the negative impact it has on business and economic growth. Many of these claims are not without merit. However, Government is not the only maze of cumbersome and confusing rules, regulations, and arbitrary actions. For the small business concern, the world of voluntary standards can rival any government bureaucracy.

Before entering the marketplace, a businessman must first receive approval of his product from one or more of the some 400 voluntary standardsmaking bodies. These organizations promulgate performance, design and/or construction specifications for virtually every product manufactured in the United States. A businessman must cope with duplication which occurs not only because of the large number of organizations in standardmaking, but also due to their self-interest in generating business. This confusion is compounded by the involvement of over 1,300 testing and certification laboratories and hundreds of local code authorities. All too often the result of this activity is delay, expense, and frustration for the businessman, not, as claimed, consumer protection or the promotion of product quality and safety.

I would like to cite an example. On December 26, 1976, the Columbia Broadcasting System's "60 Minutes" included a segment entitled "Gold Comfort" which described the 10-year ordeal of a small businessman attempting to market Vent-O-Matic, a venting device which reduces by nearly 25 percent the amount of gas consumed by a furnace. In an era of dwindling natural gas supplies and ever-increasing energy costs, one would expect the inventor of such a device to become immediately rich and famous. In fact, in the 10 years since the Vent-O-Matic was developed, the inventor has never been able to market it, and his company has gone bankrupt. Why? The inventor was never able to get Vent-O-Matic certified by the Z–21 Committee of the American National Standards Institute—ANSI.

In the 10 years since Vent-O-Matic's inventor applied to the Z–21 Committee for certification, the committee has not only failed to rule on the device itself, but has yet to devise an approved standard for such devices. The committee claims, despite the substantial evidence to the contrary, that Vent-O-Matic is neither very effective nor very safe. It is interesting to note that the American Gas Association provides the office space, administrative support, and technical assistance required by the Z–21 Committee.

Unfortunately, Vent-O-Matic's difficulty with certification is not an unusual case. The other committees of ANSI, and the hundreds of other voluntary standardsmaking bodies, often exercise the same sort of unassailable control over the market of goods and products which fall under their particular purviews. Unsurprisingly, these standardsmaking bodies are generally composed of, or closely related to, representatives or organizations which are already in the markets for which they promulgate standards. Consequently, these organizations are often considerably less sympathetic to new products or cost-saving improvements than they might otherwise be. Because these bodies effectively control market entry, they can operate a powerful restraint on trade and competition. Further, if a businessman disputes the findings of a standardsmaking body, his only option is expensive and time-consuming litigation in the courts. He has no access to procedures for "due process" or "appeal" to a neutral third party. Again, this lack of redress is suspect since the membership of standardsmaking bodies is dominated by large companies with an interest in protecting their share of the market.

As I have mentioned, one of the purposes of the bill is to insure that the United States interest is protected in international standardsmaking. The Department of Commerce is charged with developing and promoting foreign trade. However, the Department has no authorization or mandate to participate in international standardsmaking. Consequently, even though international standardsmaking activity has been rapidly increasing, U.S. participation has been inconsistent at best. In addition, many U.S. companies are hesitant to compete in foreign markets because of distances and differences in language, laws, and product designs and specifica-

tions. The United States can no longer afford not to participate. It is imperative to protect our interests and to prevent through standards the creation of trade barriers to U.S. products. The development of mutually acceptable international standards would facilitate entry into foreign markets and improve our balance of trade and balance of payments.

In conclusion, the testing and certification of products is an acceptable means of protecting the consumer and market products. This bill would establish procedures and safeguards which will assure access and fairness to all affected persons and organizations. In addition, it is designed to coordinate standards making so that quality standards will be established which will be recognized by both the public and private sectors. Moreover, the bill recognizes the emergence of international standards and mandates the representation of United States interests in the international standardization process. I feel that there is ample need and justification for passage of the Voluntary Standards and Accreditation bill.

HENRY HYDE OF ILLINOIS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. MICHEL. Mr. Speaker, the Chicago Tribune, June 19, 1977, carried a story about our distinguished friend and colleague, HENRY HYDE. The story quotes another member of the Illinois delegation, PAUL SIMON, as follows: "HENRY acts only out of conviction . . . it would be difficult to dislike him." That combination of principle and essential decency is at the heart of HENRY HYDE's professional and personal life. I would like to insert in the RECORD at this time "'Evil' Hyde—Nice Enough To Be a Jekyll":

"EVIL" HYDE—NICE ENOUGH TO BE A JEKYLL

(By Arthur Siddon)

WASHINGTON.—The leaflet shows a huge man, eyes wild, hair rumpled, draining a goblet while wretched urchins stand by watching. The caption says simply, "The Infamous Mr. Hyde!"

Distributed by a pro-abortion group, the handout is an obvious attempt to depict Rep. Henry Hyde [R., Park Ridge] as the evil Mr. Hyde of Robert Louis Stevenson's "The Strange Case of Dr. Jekyll and Mr. Hyde."

But the real Mr. Hyde is neither infamous nor evil. Instead, he is a junior Republican congressman—rather obscure on a national level—who is more likely to grin then sneer.

He is the author of the controversial Hyde amendment, a congressional mandate that says no Medicaid money can be used to perform abortions unless the life of the mother is endangered.

This, pro-abortion forces charge, discriminates against poor women and results in unwanted and uncared for children being brought into the world.

The original Hyde amendment, adopted by Congress last year, has been challenged in the courts, and the Supreme Court is expected to rule on it within the next two weeks.

On Friday, however, the House reiterated its belief in the Hyde amendment by voting 201 to 155 to bar federal spending for any abortions, and thrusting the name Hyde once again into the headlines.

"Outside of Illinois my name is much more famous than am I," says Hyde.

"You know, I put that amendment in last year when I was a freshman, and people were saying, 'Who's Hyde?' It's pretty hard as a freshman to get any attention unless you're obnoxious or lucky."

He insists he did not seek to become "the infamous Mr. Hyde," but rather that he offered the original Hyde amendment because nobody else seemed to be doing anything about abortions.

Both his friends and opponents agree Hyde is acting out of conviction and not ambition.

An Irish Catholic whose 6th District includes such highly ethnic suburbs as Cicero and Berwyn, he has always been willing to take the lead on moral issues both in Congress and earlier during his days in the Illinois legislature.

"Henry has a deep-seated conservative morality," said Rep. Thomas Corcoran [R., Ottawa], who knew Hyde during his Springfield days.

"The issues he has been most intimately involved in are those like abortion, the death penalty, gun controls, and things I call nonmoney issues."

The more liberal Rep. Paul Simon (D., Carbondale), who also knew Hyde in Springfield, agreed.

"Henry acts only out of conviction," said Simon. "It would be awfully hard to fault the man. It would be difficult to dislike him."

Hyde is a friendly, shrewd politician who is at home with politics as played in Illinois and particularly in Chicago. Had he grown up in Bridgeport rather than the city's northwest side, he probably would have ended up a Daley Democrat rather than a Republican.

His first attempt to get to Congress in 1962 failed, but the man who beat him, Ald. Roman Pucinski (41st), concedes Hyde was a tough opponent.

Hyde demonstrated the same political savvy when he battled former Illinois House Speaker Robert Blair in 1973 for the speakership, giving up only after Blair agreed to a compromise he later renounced.

"Henry went up against the Ogilvie (former Gov. Ogilvie) forces as well as Blair in that battle," said a congressman who recalled the fight. "But it was typical of Henry to go it alone because he has never been willing to compromise and strike the deals that are necessary to be one of the boys."

The support was there last week for the Hyde amendment, but had it not been, Hyde says he still would have fought the battle.

"A fetus is not a chicken or a tumor or a bad tooth to be pulled out," he said. "It is a human being. Abortion is the calculated killing of an innocent but inconvenient human being.

"You know, I have never been able to divorce what happened in Dachau from what is happening in the abortion clinics."

RALLY ENDS IN PLEA FOR AID TO DISSIDENTS

A telegram to President Carter, urging him to "intervene" in behalf of Ukranian political prisoners in the Soviet Union, was drafted Saturday at a rally attended by about 150 persons at the Daley Center plaza.

Speaking at the rally, U.S. Rep. Henry Hyde (R., Ill.) said the Soviet Union ignores provisions of the 1975 Helsinki agreement by suppressing civil rights in Eastern European countries.

At the same time, Hyde said, the Helsinki accord and resulting detente have brought the Soviets many technological and trade benefits.

Hyde commended those at the rally, which included youths in traditional old world costumes, for showing support of dissidents against communism.

"Resistance to tyranny is obedience to God," he said.

MILTON COWAN RECEIVES COOK MEMORIAL AWARD

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. PATTEN. Mr. Speaker, for 30 years Milton Cowan has provided distinguished leadership to the New Jersey Cooperative Extension Service, the New Jersey Agricultural Experiment Station, Cook College, and Rutgers University.

Thousands of persons have benefited from his talents, dedication, and compassion. The feeling Milton Cowan has for people is truly great—he loves them with that big heart of his, and people love him: a sweet, gentle, and wonderful man.

At the graduation service of Cook College, Milton Cowan received a coveted honor: the George H. Cook Memorial Award. With special feeling and pride, I hereby insert in the CONGRESSIONAL RECORD two items which covered the award to this great servant of humanity: the Rutgers University news release in which details are contained, and the story by Sandra Lanmam, staff writer of the Home News of the commencement exercises:

RUTGERS NEWS SERVICE

NEW BRUNSWICK.—Milton H. Cowan of (101 Lan View Ave.) Milltown received the George H. Cook Memorial Award during Cook College's commencement exercises yesterday (June 2) at Rutgers University.

Cowan was honored for "30 years of undivided loyalty to the New Jersey Cooperative Extension Service, Agricultural Experiment Station, Cook College and Rutgers University," according to the award citation.

He is currently the senior county agent in the Middlesex County office of the Cooperative Extension Service at 7 Elm Row in New Brunswick.

The award was presented by Dr. Grant F. Walton, dean of Cook College, on behalf of the Cook College Board of Managers.

Cowan is a native of Talladega, Ala., and a veteran of combat in Europe during WWII. He received his master's degree in agriculture from Rutgers in 1947 and joined the Extension Service that same year as assistant Middlesex County agricultural agent.

Cowan is an active member of many local charitable and civic groups and is the immediate past president of the New Brunswick Kiwanis Club, president of the Middlesex County Cerebral Palsy Association, vice-president of the New Brunswick Salvation Army, was the first president of the Middlesex County Economic Opportunity Corporation and is a former member of the St. Peter's Hospital Advisory Board.

COOK COLLEGE GRADUATES FIRST CLASS ALL ITS OWN

(By Sandra Lanman)

NEW BRUNSWICK.—The college that had its origins more than 100 years ago with one man's philosophy and teachings on education yesterday graduated its first class to spend all four undergraduate years there.

Cook College conferred degrees on about 500 students, who entered the school as freshmen four years ago when the college, formerly known as the College of Agriculture and Environmental Science, first established as a separate college of Rutgers University.

In keeping with the occasion, Cook's first dean, Dr. Charles Hess, was invited back to give the main commencement address beside the scenic College Pond. Hess is now the University of California's College of Agriculture and Environmental Sciences an associate director of the California Agricultural Station at Davis.

Hess told the history of Cook College, beginning with the life of George H. Cook, for whom the college is named, through the work necessary to make the school the reality that coincided with Cook's philosophy developed more than a century ago.

His speech brought the college's history through its beginnings as a land grant college, as the College of Agriculture and Environmental Science and finally to its status now as a full-curricula institution.

Hess warned, however, that George Cook's philosophy that science should serve man is now being threatened by the current questioning of the value of expensive scientific research. As a result, he said, legislative attempts to regulate research are growing.

"Although concern may be justified, I hope that in the zeal to alleviate concerns, we do not overreact and seriously limit free inquiry," Hess said.

"Short-term solutions like social-impact statements on research proposals may seem attractive and straightforward but in the long run may impair the development of knowledge which is the basis of progress in improving the quality of life in all areas—physical, biological and social," he added.

Following Hess's address, the Cook College board of managers honored Middlesex County Senior Agricultural Agent Milton Cowan with the George H. Cook Memorial Award, presented by Dean Grant F. Walton.

Cowan was recognized for his 30 years of service to the N.J. Cooperative Extension Service, the N.J. Agricultural Experiment Station, Cook College and Rutgers University.

Designated as "Professor of the Year" by the students was Dr. Rex Gilbreath, professor of animal science.

CONQUEST OF CANCER PROGRAM IS WORKING IN TEXAS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. PICKLE. Mr. Speaker, testimony at recent House oversight hearings showed that one out of three persons with cancer is cured but that fully 50 percent are curable.

The higher percentage is not cured because the very best medicine is not known to all doctors or the best care is not available to all patients.

I am proud to tell my colleagues in the Congress that the M. D. Anderson Hospital of the University of Texas System Cancer Center in Houston has "gone national" with an information system which has over and over again proved its worth in putting out information on the best cancer therapy.

M. D. Anderson Hospital, under the world-famed leadership of R. Lee Clark, M.D., began 7 years ago to provide telephone dial access information for physicians and other health professionals.

Until recently it served 17 Southeastern States. Now it serves the Nation.

The system is toll-free. That encourages the doctors to call in. Tape decks with more than 350 cassettes of information on specific patient problems can be tapped by a call.

Last June the service got some 650 calls a month and is now answering about 1,500 calls per month. Doctors can choose from a catalog which tape they want to hear, as well. Some 350,000 catalogs will be distributed this year, a phenomenal number when one considers that there are some 260,000 physicians and 900,000 nurses in this country.

The system also takes care of personal calls and provides personal answers to the doctors where the tapes do not hone in on an individual problem.

There are 19 comprehensive cancer centers in the country now. One of them might be in your congressional district. If so, you might want to glance at the article below from The Anderson Messenger of April 1977, to see how this system is moving toward a complete regional cancer therapy education system with potential for grades, credits, and accomplishment records for health professionals.

This is one reason the conquest of cancer program is so beneficial to the country.

A summary of this service is as follows:

CANCER DOCTORS GET LATEST THERAPY FACTS

Seven years ago M. D. Anderson Hospital established the Dial Access System to make the latest information on cancer more available to health professionals.

The system uses toll-free WATS lines, tape decks and more than 350 tape cassettes to give information on cancer to the doctors, nurses, dentists and other health professionals who call.

Until recently the system officially served only 17 southeastern states under the sponsorship of the Southern Medical Association, although calls had been received from every state in the continental United States. The system has now officially expanded nationwide and the Dial Access operators find themselves increasingly busy.

Last June the service was receiving around 650 calls per month. At present calls average more than 1,500 a month.

Dr. Charles K. Tashima, who coordinates production of the tapes and tape catalogs, credits several factors for the rise in the number of calls. Last year 200,000 catalogs were printed and distributed, which was twice as many as the year before. This year plans call for 350,000 catalogs to be distributed.

A concerted effort also has been made to broaden the audience that uses Dial Access. In the past physicians have been the major users of the services, but nurses, pharmacists and other health professionals are now being encouraged to call for taped information.

In 1977, the scope of Dial Access will be broadened. The more popular tapes will be translated into Spanish and the tapes will be used to give more basic information about cancer.

Surveys sent to users indicate that at present physicians with immediate patient-related problems mainly use the system, but that many health professionals are using the service for study, review or personal interest.

"This year we want to set up a structured educational system using the syllabus method to describe courses of study," Dr. Tashima says. "When Dial Access was established it was problem-oriented for consultation. The physicians wanted to know 'What should I do next?'

"But that is a very clinical approach. We also need to teach basic information about cancer. In such an education system, physicians would listen to a series of tapes and then we would send them a questionnaire on the topic. If they satisfactorily answer the questions, the physicians would receive medical education credit."

UNITED NATIONS—MORE OR LESS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. COLLINS of Texas. Mr. Speaker, down home people are talking about whether we need more or less of the United Nations. The people that talk about more are the ones that said we have more United Nations than we had anticipated. They have been discouraged to see the salaried staff of the United Nations double in recent years. They cannot understand why 75 United Nations officials are paid more than we pay members of our own Cabinet.

The general consensus is that we should have much, much less of the United Nations. Folks at home believe we should pay a much smaller share and since everyone has one nation and one vote, let them also have one share of paying for it. The Dallas News has one of the greatest editorial pages in the United States. They research deeply and they speak out effectively. I know you will be interested in reading this editorial on the United Nations from last week's issue of the Dallas Morning News:

UNITED NATIONS—MORE OR LESS

It's about time—but there is increasing concern in this country about the expense, arrogance and danger of the United Nations headquartered on the East River in New York City.

Columnist Pat Buchanan calls it "the world's largest game preserve for foreign spies."

Nearly a third of the 401 Soviet nationals employed at the U.N. is reported to be tied to the KGB, Russian espionage network. Inasmuch as our own government pays 25 per cent of the U.N. bill, we are in the ridiculous position of financing our own destruction.

When you count the countries aligned with Russia, you get some idea of the spy network on the East River—and to that you can add the estimated 400 Russians roaming around Washington and in direct contact with the U.N. crowd.

Aside from this danger, the arrogance and expense of some officials and delegations are appalling.

A Pultizer Prize winner, William Sherman of the New York Daily News, describes the "rot" and "decay" of the organization and the incredible use of funds for a better life that borders on the lavish.

Kurt Waldheim, U.N. secretary-general, lives in a 4-story, tax-exempt, rent-free

palace in New York, originally designed for the daughter of J. Pierpont Morgan.

His salary is $120,000 a year. He has a house staff of 53, an additional $37,000 for maids, $25,000 for maintenance, $45,000 for airline tickets, $40,000 for entertainment.

More than 75 U.N. officials make more than the $60,000 a year we pay our own Cabinet members. Teen-age messengers get $10,000 a year.

U.N. delegates seemingly can park where they please—and do not have to pay traffic fines. A case of the finest Scotch costs them only $24—the same case which costs the American citizen, who helps foot the bill, $116.

No wonder that the U.N. "permanent staff" has doubled in recent years to more than 40,000.

With millions of underfed and starving children throughout the world, the U.N. Food and Agricultural Organization spends 80 per cent of its budget on itself and the rest for bulletins and travel.

What is the American taxpayer, who has poured $7 billion into "man's last best hope," getting out of it? Right now very little, except perennial cussing from the African bloc. Oh yes, we had the privilege of picking up the tab recently for 225,000 unpaid traffic tickets.

COLLECTION OF ARMS, ARMOR TO GO ON DISPLAY AT THE PHILADELPHIA MUSEUM OF ART

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. EILBERG. Mr. Speaker, the world's finest private collection of arms and armor bequeathed to the Philadelphia Museum of Art by the late C. Otto von Kienbusch is now being installed at the museum and will go on public view October 2.

The bequest was made possible by the city's agreement to construct a special gallery to house the collection, valued at over $6 million.

Announcement of the premiere showing of the extensive art-historical collection of some 1,200 objects, supplemented by an extensive library and related materials, has been made my William P. Wood, president of the Philadelphia Museum of Art, and Albert V. Gaudiosi, city representative and director of commerce.

First announcement of the gift to Philadelphia was made by Mr. von Kienbusch back in 1964. The New York collector said the gift would be made upon his death if the city would agree to provide suitable gallery space for the collection.

The city agreed, and a three-story complex with five separate galleries was constructed at a cost of about $445,000. The last pieces arrived recently completing the collection and work has been underway toward the October exhibition.

"Philadelphia is fortunate to receive this magnificent collection which is of interest to art lovers and historians," according to Mr. Gaudiosi.

Since 1974 a small selection of objects from the collection have been shown in the armory. The complete installation being readied for the October opening will make the Philadelphia Museum of Art one of the finest repositories of arms and armor in the United States, Mr. Gaudiosi has said.

The collection will be installed under the direction of Harvey Murton, former armorer of the Metropolitan Museum of Art in New York, who also served as personal armorer to Mr. Kienbusch from 1929 until the collector's death last year.

In a lifetime of discriminating collecting, Mr. von Kienbusch amassed one of the largest and most distinguished privately owned collections of arms and armors in the world. The entire collection will be on view in the second floor armory.

The collection includes a rich representation of German, Italian, and English armor, many pieces dating from the high point of European armor-making in the late 15th and 16th centuries. Also on display will be lavishly ornamented swords, halberds, and other weapons used in medieval warfare, as well as guns and pistols used for sport and combat in later periods.

C. Otto von Kienbusch—1884–1976—was introduced to the world of arms and armor in 1910. In that year he met Dr. Bashford Dean, professor of zoology at Columbia University, curator of fossil fishes at the American Museum of Natural History, and curator of arms and armor at the Metropolitan Museum.

Mr. von Kienbusch was a 1906 graduate of Princeton University and spent most of his life in the tobacco business. During World War I he was the assistant to Dr. Dean, who was a major in charge of the helmet and body armor unit. During this time, Dr. Dean passed on much of his knowledge about armor and arms to Kienbusch.

Mr. von Kienbusch considered Dr. Dean the most scholarly man that he had ever met. Dean introduced Kienbusch to his collection of Japanese armor and arms, and to his collection of European weapons. Dean's collection, and his enthusiasm for Japanese metalwork, inspired Kienbusch to start collecting Japanese sword blades and furnishings.

After the war, Mr. von Kienbusch consulted Dr. Dean on the purchase of some inexpensive weapons. This was the beginning of his spectacular collection.

In 1921 Mr. von Kienbusch helped organize the Armor and Arms Club of New York City. This club issued a series of picture books containing photographs and descriptions of armor and arms.

The club also sponsored exhibitions of European helmets and Japanese sword fittings at the Metropolitan Museum of Art. This club was a powerful incentive to Mr. von Kienbusch becoming a serious student and collector of arms.

Dr. Dean died in 1928 leaving the majority of his collection to the Metropolitan Museum with some pieces going to relatives. From these relatives, Mr. von Kienbusch was able to buy a number of outstanding pieces.

After the First World War much fine armor and arms came on the market because so many people had been reduced to poverty and were forced to sell their family possessions. From 1919 to about 1925 auctions abroad saw many important private holdings go up for sale.

The Metropolitan Museum also sold duplicates in the Dean collection along with the duplicates of other collections by auction. From all of these sources, Mr. von Kienbusch was able to build an important armor collection.

Though ailing and blind in the years before his death in 1976, Mr. von Kienbusch continued to add to his already legendary collection. During his 60 years of active collecting he amassed what was considered to be the best private collection in the world.

A COMPROMISE ON NATURAL GAS

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. WAXMAN. Mr. Chairman, I would like to call to the attention of my colleagues Lee White's most provocative article which recently appeared in the July 10 Outlook section of the Washington Post. As past Chairman of the Federal Power Commission and current Chairman of the Energy Policy Task Force of the Consumer Federation of America, Mr. White's experience and expertise make him uniquely qualified to discuss alternatives to the current quagmire over natural gas pricing.

Debate over the regulation or deregulation of natural gas has continued since President Eisenhower vetoed a deregulation bill in 1956. The essence of this perhaps greatest of congressional debates is the perennial argument over what price is sufficient incentive for natural gas producers to pursue exploration and production of new sources of supply.

Proponents of the pure deregulation philosophy contend that only market forces, vis-a-vis the invisible hand of Adam Smith, can accurately determine prices sufficient to stimulate exploration for new natural gas resources.

Opponents counter that despite the assurances of deregulation enthusiasts, claims of additional production are illusionary promises grounded neither in fact or precedent. They cite recent diversification by major producers into non-energy fields as a demonstration of producers' unwillingness to invest increased revenues in additional exploration. In addition, it is said that deregulation would likely result in domestic prices rising to world levels. In such an occurrence, we would simply be trading U.S. regulation for regulation by a foreign producing cartel. In the case of OPEC, prices are established not on the basis of production incentives but on political and international expediency .

I do not accept the argument of deregulation proponents that the United States should be willing to trade reasonable prices for the hypothetical promise of additional supplies. No credible evidence has been presented that demonstrates that unregulated prices will result in increased supply. In fact, evidence was presented during a recent de-

bate in the Interstate and Foreign Commerce Committee that suggests production within the unregulated, intrastate market has actually declined in the face of rising prices.

Similarly, however, I am unwilling to arbitrarily establish artificially low natural gas prices which bear little relation to the actual costs of production. While such prices would undoubtedly please natural gas consumers, it would not be equitable to producers who invest their talents, energies, and financial resources in exploration for new sources of supply. It is of paramount importance, therefore, that a middle ground approach be developed which would guarantee producers a fair return on investment as well as assure consumers of fair market prices.

In the past, the Federal Power Commission has depended upon the vague, cost-based methodology of "just and reasonable" to guide them in establishing natural gas area rates. As a general rule, "just and reasonable" has been interpreted as a price sufficient to permit producers to achieve a 15 percent to 18 percent return on investment.

Mr. White proposes that Congress enact legislation which would guarantee natural gas producers an 18 percent return on their investment. Area rates would therefore be based upon production costs plus a full 18 percent return on every dollar invested. Any natural gas company not receiving an 18 percent return could present relevant documentation and be granted a higher rate by the FPC.

Mr. Chairman, I know of no industry spokesman or deregulation advocate who would contend that an 18 percent return on investment is insufficient to conduct the natural gas business profitably. Indeed, for the prospective investor, I suspect a guaranteed 18 percent return on equity would make the natural gas industry one of the most secure, profitable, and attractive investments in American business.

It is my understanding that my good friend and the dean of the California delegation, JOHN MOSS, has been laboring on a natural gas pricing policy much along the lines suggested in Mr. White's article. I think we all want to do what is fair; fair to consumers and fair to producers. When the full House begins deliberations on the President's natural gas pricing proposal I urge my colleagues to give serious consideration to this suggestion. A guaranteed 18 percent return on investment provides sufficient price protection to consumers, insulates the economy from the ravaging effects of unrestricted energy price increases, and provides a generous and eminently adequate investment incentive for producers.

I would ask that Mr. White's article be placed in the RECORD at this point:

LEE WHITE—NATURAL GAS: AN OFFER THEY CAN'T REFUSE

An issue that is surely a contender for the title of the longest playing legislative controversy of this generation is the question of whether natural gas prices will be regulated at the wellhead and, if so, how.

President Truman vetoed a bill that would have deregulated natural gas because he thought it was the wrong policy. President Eisenhower vetoed a bill that would deregulate wellhead gas rates, with teardrops on the veto message because of a major scandal involving efforts to buy votes for deregulation. The Senate in 1975 passed the Pearson-Bentsen bill, which would have deregulated new natural gas, but the House in a surprise action voted to continue regulation for the nation's 18 major gas producers, and the 94th Congress could not reconcile those widely conflicting positions.

President Carter has proposed that a ceiling be applied to natural gas prices and that the protection of the ceiling be extended to the intrastate market (that is, gas produced and consumed in the same state), which currently is exempt from federal price controls, as well as the interstate market.

Congress, in focusing on this issue, which is a central and controversial element of the Carter energy package before the Congress, is at long last about to make a decision, and the decision it makes will have a signifiacnt impact on the nation's consumers.

There is a broad range of options open to the Congress: 1) deregulation as proposed by Sen. James Pearson (R-Kan.) and Lloyd Bentsen (D-Texas) and by Rep. Robert Krueger (D-Texas); 2) the version adopted by the House l st year, which would exempt independent producers from regulation but continue regulation for the largest major producers of natural gas; 3) the Carter proposal, which would establish a national ceiling tied to the cost of domestically produced crude oil (estimated to start at about $1.75 per thousand cubic feet); 4) the continuation of cost-based regulation mandated by the Natural Gas Act of 1938, which requires the Federal Power Commission to establish "just and reasoanble" rates; and 5) assorted combinations and variations on those approaches.

I propose for consideration a variation on an old theme, which I believe makes sense to consumers and ought to be snapped up by producers. The approach is simplicity itself: The Congress should enact legislation that will guarantee natural gas producers a return of 18 per cent on their investment.

Under this arrangement, the FPC (or whatever agency has the responsibilities when the new Department of Energy is established) would be required to fix national wellhead rates on the basis of the costs of production plus a return on investment of up to 18 per cent. Any company that on an annual basis does not realize an 18 per cent return on its investment would have the statutory right to go to the regulatory body with its records and documentation and to request a higher rate that would, in fact, return 18 per cent. The procedures would be streamlined requiring the agency to act within a fixed period, say 90 days, or the proposed rates would go into effect (with requirements for refunds if the application is ultimately found to be unwarranted). For the smaller independent producers, the higher rates sought could be put into effect immediately, with the regulatory agency having the burden of proving that the applying company was already making at least 18 per cent. This plan would be applicable to all new gas, both onshore and offshore, both interstate and intrastate.

Gas producers have claimed through the years that they are engaged in an inherently risky business and that it is necessary, therefore, to have a maximum incentive to induce them to make the necessary investments. The idea of a guaranteed minimum return of 18 per cent on investment is basically what the regulatory process has operated upon in the past. However, there previously has never been a congressional mandate for this technique, and it may now be an idea whose time has come.

There are precious few major industries in this country that operate on a basis that returns a minimum of 18 per cent on investment. But to consumer groups, such an arrangement would be far preferable to the selection of an arbitrary ceiling or "cap" as proposed by President Carter or, even worse, deregulation, which in times of shortage permits a relative handful of companies to have the ability, whether exercised or not, to exploit captive consumers.

There are 40 million American families connected to the ends of the network of pipes that traverse the country. They have little or no ability to switch to competing or alternative energy sources. Consumers certainly want to have a healthy gas-producing industry; indeed, they are already paying prices that are eight times as much as the wellhead price was in 1971, and three times what the price was in 1975. But because consumers recognize and concede that energy costs are going up, it does not mean that they should be unprotected in the pricing of gas for services as vital as home- and water-heating and cooking.

The only reason that consumer spokesmen can support what seems on the face of it to be an overly generous guaranteed return is their belief that any other serious proposal being considered by Congress would result in even higher prices and greater returns.

One of the most frustrating aspects of the legislative debate over whether regulation ought to be eliminated or extended to the intrastate market is the slightly unbelievable and incomprehensible fact that no reliable data have been produced by the Carter administration, by the FPC, by natural-gas trade associations or by individual companies indicating the historical record of profitability of natural-gas producing companies. The plan outlined above finesses that question and rests on the assumption that any particular company that did not realize the guaranteed 18 per cent return would avail itself of the right to do so by producing its cost records.

So far as I am aware, no gas-producing company has ever indicated that an assured rate of at least 18 per cent would not provide an adequate incentive for such companies to make the necessary investments to find new supplies of gas. If gas producers reject this offer, Congress and the public would undoubtedly find such actions most instructive.

VOTING RECORD OF REPRESENTATIVE JONATHAN B. BINGHAM

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. BINGHAM. Mr. Speaker, on June 1, 1977, I was absent from the House on official business while attending the Ministerial Conference on International Economic Cooperation in Paris.

Due to my attendance at the Ministerial Conference, I missed five House votes and wish to record here what my position would have been had I been present and voting:

Rollcall No. 292, motion to pass House Resolution 600, the rule to consider H.R. 6967, authorizing appropriations for fiscal year 1978 for the Peace Corps; "yea."

Rollcall No. 293, motion to agree to an amendment to H.R. 6970, the Marine Mammal Protection Act, requiring a reduction in porpoise quota by 50 percent for 1980; "aye."

Rollcall No. 294, motion to agree to amendment to H.R. 6970 assessing a fee of $32 for each porpoise killed to defray cost of observer program; "aye."

Rollcall No. 295, motion to pass H.R. 6970; "yea."

Rollcall No. 296, motion to pass H.R. 6967, Peace Corps fiscal year 1978 authorization; "yea."

THE INEQUITY AND INEFFICIENCY OF ENERGY CONSERVATION TAX CREDITS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. DRINAN. Mr. Speaker, I have long been concerned with the proliferation of loopholes within our Federal tax laws. The issue of tax reform, however, must extend beyond examining the merits of each credit, exemption, and deduction considered by Congress. The question which the taxpaying public is already demanding its Representatives to answer is rather simple: Are tax privileges an appropriate and equitable means of accomplishing even the most worthwhile social objectives? The answer is a resounding no.

Tax expenditures—as loopholes are euphemistically described by economists—have not only been seriously abused, but have inherent deficiencies which make them an inappropriate instrument of national policy. First, unlike direct appropriations, tax expenditures do not undergo periodic review by Congress. This means that the public and its elected representatives have little actual control over fixed costs which already exceed $106 billion per year.

Second, tax deductions and credits favoring specific types of investments are available only to those who have the capital to exploit them, especially those upper-income individuals who do not require or deserve them.

Third, unrestricted tax expenditures for highly economical investments—such as home weatherization—provide needlss incentives for actions which would otherwise take place in many households, and thus represent a highly inefficient expenditure of Federal funds.

Finally, tax expenditures require the IRS to develop expertise and make substantive policy decisions in highly technical areas over which it should have no jurisdiction.

In short, Mr. Speaker, tax credits for solar and home weatherization by homeowners—such as those recently approved by the House Ways and Means Committee—require a needless and difficult choice between a simple, progressive tax code or an energy-efficient society. By offering direct grant and loan assistance to small businesses and homeowners, I contend we can do both, and 90 of my colleagues have expressed similar concern by cosponsoring the Solar and Energy Conservation Commercialization Act, H.R. 3981.

I highly commend to my colleagues the following excerpts of an article from Tax Notes, which clearly outline the social and economic disadvantages of reliance on the tax code to implement otherwise progressive energy policy:

A CRITIQUE OF INSULATION AND SOLAR ENERGY TAX CREDIT PROPOSALS

(By Steven D. Moore)

ARGUMENTS AGAINST USING TAX EXPENDITURES TO ENCOURAGE HOME INSULATION AND USE OF SOLAR ENERGY EQUIPMENT

Proposals to promote insulation and use of solar energy equipment share a number of common characteristics with other tax expenditures. Among them are the following:

"Tax credits for home insulation and solar energy equipment constitute back door spending."

Given the thesis that tax expenditures constitute a form of federal spending—since they represent a tacit Congressional decision to forego revenues—it is not unreasonable to suggest that such expenditures should clear the same hurdles as direct appropriations. But tax expenditures are subjected to few of the appropriations, budget, or oversight procedures which direct expenditures must undergo.

With respect to energy-related tax proposals, the first legislative step is referral of the proposals to the House Ways and Means Committee and the Senate Finance Committee, since the proposals concern taxation. While the members and staffs of those two committees may be experts in the area of taxation, they do not possess special expertise in energy-related fields. Thus the tax expenditures in general, and these energy-related proposals in particular, commence review in a committee without any special understanding of the underlying subject matter involved.

Thus there is no real assurance that the legislation is best-suited to achieving the energy goals sought. Certainly there may be better means to the desired end, which could increase the efficiency or effectiveness of the proposals. All of these matters, normally carefully considered by a committee with expertise in that substantive area, are neglected when tax specialists consider energy legislation. The 1975 tax credit proposals were described by Representative Sam Gibbons, D-Fla., and others as:

The Ways and Means Committee's attempts to shape U.S. energy policy, tainted by further tax loopholes perpetrated on the taxpaying public in the name of energy savings. [H. Rept. 94–221, page 224.]

"Tax expenditures are not subjected to annual budgetary review."

If and when a tax expenditure proposal is enacted into law, there is no appropriation of funds for the program, because the program has merely been grafted onto the tax system. Since there is no direct appropriation, there is no need for further review to consider whether continued funding is justified. These tax expenditure items become imbedded in the Internal Revenue Code, and are seldom, if ever again, subjected to review. There is no periodic assessment of whether the desired goal is still justified, whether the program has been efficient and effective, and whether it should be continued. All of these questions are answered in the direct appropriations review process by periodic budgetary review.

The energy tax credit proposals here involved may not suffer from this second asserted disadvantage of tax expenditures in general. Both the House and Senate versions of the proposal would be automatically self-terminating, the home insulation credit to last two years and the solar energy credit four years. At that time, the programs would supposedly be reexamined to determine if continuation of the tax credits is warranted. But experience with similar cutoff techniques has not been encouraging. (See "Cutoff Dates for Tax Benefits," *Tax Notes*, June 16, 1975, page 5.) To date, even when tax expenditures are limited by cutoff dates, they have frequently been extended, as the expiration date neared, without hearings, staff study, or even a request to Treasury for research regarding their effectiveness.

"There is no control over the amount of allocation of the tax expenditure."

In addition to the lack of annual or periodic review of tax expenditures, they are by their very nature not subject to expenditure limitations or controls. The amount of tax expenditures is for the most part within the control of the taxpaying public, and the state of the economy and innumerable other variables prevent the government from exercising control over the amount of expenditures. The amount of foregone revenues can surge upward, constricting the tax base and requiring other groups of taxpayers to shoulder more of the tax burden. Tax expenditures can increase in dollar terms and even as a percentage of the government budget, without any conscious Congressional decision that they do so.

Because of their inherent nature, tax expenditures are automatically renewed with each passing year. They take precedence over direct appropriations, which must depend on annual scrutiny by Congress and the Executive Branch. This results in a misallocation of expenditures, or at least an unconscious allocation. Congress does not affirmatively decide, under public scrutiny, to expend a definite sum of money to subsidize the various aspects of the tax expenditure budget. As a result, government funds may not be allocated to the areas of highest priority, as is generally the case with respect to direct expenditures.

In the case of the insulation and solar energy credits, there can only be rough estimates of the revenue effects of the measures. The actual amount of foregone expenditures will depend on decisions made not by Congress, but by the general public. Inflation, unemployment, and the economic situation in general would be much more influential in determining how much revenue will be lost by these programs than any factors within the control of Congress. This lack of control over the amount and allocation of funds is a serious disadvantage of these tax credit proposals. Although the amounts of expenditures for insulation and solar energy equipment which would qualify for the credit, and the percentage of such expenditures which would constitute the credit, were the subject of considerable debate, there is little Congressional ability to control the level of spending and foregone revenues.

"A tax credit does not provide any added incentive to install better insulation or solar energy equipment."

Perhaps the most damaging argument against the tax expenditure format of spending is its inefficiency. Opponents of the insulation and solar energy credits argued that the credits were wasteful or inefficient in that they merely encouraged people to do what they would do anyway. If better insulation of homes can produce significant savings on heating bills, that should be sufficient incentive, in and of itself, to encourage people to insulate their homes. Thus Congress is merely rewarding those persons who plan to insulate their homes for doing just that.

With respect to solar energy equipment, proponents of the credit point to the high

initial cost of installation, and claim that the tax credit will help the homeowner to "bridge the gap" and make the initial $3,000 to $8,000 expenditure to install a solar energy heating or cooling apparatus. If this is true, why not utilize a direct appropriations process, so as to closely control the amount of expenditure, properly administer the program by an agency expert in the field, and review the program annually?

There have been no hard data presented which demonstrate that tax credits will produce better-insulated homes or more solar energy-equipped homes than the workings of the market place would otherwise produce. Indeed, the Federal Energy Administration advised that the proposed home insulation tax credit *not* be provided for new home construction, since a new home buyer would receive substantial enough energy savings to warrant better insulation without the tax credit. Accordingly, both the House and Senate bills excluded new home construction from eligibility for the insulation credit.

The same reasoning should apply to insulation improvements on existing homes, three-fourths of which the Federal Energy Administration found to lack adequate insulation. Thus the energy tax credit proposals suggested in the 94th Congress appear to be an inefficient means to achieve a desirable goal.

"Tax expenditures in the form of credits against tax are inequitable."

In general, a tax expenditure or preference is highly inequitable. If in the form of a tax deduction, an exclusion, or an exemption, it constitutes an "upside-down welfare system." The greatest benefit goes to the taxpayer in the highest tax bracket. Many existing tax expenditures are of this type. For example, the deduction for medical expenses creates a type of "co-insurance" system under which the government pays 70% of the highest bracket taxpayer's medical bills, but only 14% of the lowest bracket taxpayer's medical bills.

This egregious feature of most tax preference items has been avoided in the instant energy-related tax proposals. Both versions provide for an expenditure in the form of a credit against tax due. This concept has its own faults, however. Those persons without sufficient income to have a tax liability equal to the credit ceiling, or even an income allowing them to take advantage of part of the tax credit, are simply deprived of the benefit of the credit. These persons—the retired living on nontaxable social security payments, the unemployed or disabled living on nontaxable compensatory benefits, or those simply too poor to have taxable income—get no benefit from a tax credit. These people may well be those most desperately in need of governmental assistance in improving the insulation of their homes, and in fighting rising utility bills on fixed incomes. Their homes are likely to be older and in greater need of improved insulation.

The 1976 Senate energy bill sought to avoid this problem by making the tax credit refundable. The House version did not provide for a refundable credit. Even assuming that a refundable feature is adopted, serious problems persist. First, the persons to whom a credit would be refundable are unlikely to have sufficient funds to afford the luxury of making an insulation expenditure and then sitting back and awaiting a refund months later. They live on fixed incomes, and have little savings, if not negative savings. Furthermore, the problem of publicizing the availability of the credit is another obstacle to the program's success. Finally, the necessity to file a piece of paper with the government to be eligible for the credit causes many poor persons to decline the "opportunity" to be on "Uncle Sam's list."

These are real and practical problems inherent in a refundable credit concept. So despite efforts to eliminate the inequitable aspects of social engineering via the tax system by making the tax credit refundable, the 1976 Senate bill contained serious defects which a direct expenditure program would avoid or minimize. Under a direct expenditure program, funds would presumably be available in advance to qualified claimants on either a grant or loan basis.

"Tax expenditures such as the insulation and solar energy equipment tax credits keep tax rates high by constricting the tax base and reducing revenues."

If one accepts the concept of the tax expenditure budget, it is not difficult to understand how the tax preferences reduce revenues by eroding the tax base. The Internal Revenue Code is virtually riddled with tax "loopholes," identified as various items of the tax expenditure budget. Over $100 billion in such expenditures are estimated to be part of the 1977 budget. The obvious effect of such an erosion of the tax base is an upward pressure on tax rates. Those who take advantage of the tax "loopholes" or preferences effectively shift the tax burden to others.

The vast majority of such preference items benefits the upper tax bracket taxpayers, leaving lower- and middle-bracket taxpayers with the brunt of the tax burden. This leads to a serious blow to perceived fairness of the tax system. A potential loss of taxpayer morale can seriously affect collection of revenues, which is dependent in our self-assessment system upon voluntary disclosure and compliance with the law.

Although the insulation and solar energy credits would have added only a few hundred million dollars annually to the tax expenditure budget, continual chipping away at the tax base can cause serious taxpayer discontent, further precipitating revenue loss by potential noncompliance with the tax laws.

"Tax credits distort the free play of the marketplace and produce unneutralities in the allocation of resources."

This, of course, is what a tax expenditure is designed to do: encourage an activity which the marketplace would not otherwise produce. Interference with the free market is a natural consequence of a decision by the government to intervene and exert influence toward achieving a social goal. This "disadvantage" is really only a description of the effect of the governmental decision to intervene, and is also a characteristic of a direct expenditure program.

"Tax credits for Insulation and solar energy equipment expenditures are administered by an agency without expertise in the housing and energy fields."

As was noted with respect to the argument that tax expenditures constitute "back-door" spending, the insulation and solar energy equipment tax credits were proposed by tax-related committees of Congress not expert in the field of energy. This same reasoning is also applicable in the area of administration. The Internal Revenue Service does not have the expertise to administer an insulation or solar energy credit. It must, by the very terms of the proposed legislation, consult with and rely upon determinations of other agencies of the federal government. This contributes to a proliferation of bureaucratic problems, and decreases the effectiveness of administering the program.

CONCLUSION

Tax expenditures have few if any advantages not also characteristic of direct appropriations programs. On the other hand, the disadvantages of a tax expenditure proposal generally do not plague direct appropriations programs.

A direct appropriations program to encourage better home insulation and utilization of residential solar energy equipment could be designed to be simple and to involve only minimal governmental supervision. It could allow the private sector of the economy to make its own decisions free of excessive governmental involvement. Such a program would be required to clear the usual appropriations process, and would be subject to annual budgetary review. Definite ceilings on spending could be set and adhered to and funding could be channeled into those areas most in need of assistance. The program could be administered by an agency with special expertise in the area. And the program is less likely to become imbedded in the statute books and survive beyond an effective or desired stage.

If there is to be federal assistance in achieving better insulation and increasing utilization of alternative energy sources for home and business needs, then such assistance should take the form of a direct appropriation of federal funds after full legislative consideration and scrutiny. Such a program could incorporate all of the desirable attributes of a tax expenditure type of program, while suffering few if any of the negative aspects of a tax expenditure. In short, a direct expenditure of government funds is the fairest and most efficient means to achieve the goals of better home insulation to reduce energy consumption and encouragement of the development and utilization of non-conventional energy sources.

It is somewhat comforting that these energy-related tax proposals were not enacted into law in 1976. However, there is no guarantee that such legislation will not be enacted in the 95th Congress, despite the protests of tax reformers. As this paper has demonstrated, tax expenditures are not the most efficient and equitable method to achieve such social and economic goals as better home insulation and increased use of solar and other non-conventional energy sources. A direct subsidy or loan program is the better means to achieve the goals sought.

JOBS: THE KEY TO OUR FUTURE

Hon. John E. "Jack" Cunningham

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. CUNNINGHAM. Mr. Speaker, there is no more natural alliance in this country than one that calls for the creation and preservation of meaningful jobs in the productive private sector of our economy. Recently, I was disappointed that the unemployment rate in our country has again shot up. Too many discouragements to jobs of workers already employed and those wanting to join the mainstream of American prosperity are showing up in the statistics again.

I strongly recommend that all Members read with care the recent issue of Viewpoint, the quarterly magazine of the industrial union department of the AFL–CIO. While the entire issue is excellent in pointing out this growing menace, I specifically refer Congress to the leadoff article by I. W. Abel, president of the IUD.

Mr. Speaker, workers in the free enterprise sector of the economy need to know that Government policy is not squandering their hopes for a happy and secure life. They must know that international trade policies are not seeking to buy friends overseas at the expense of their jobs here at home. They must know that well-meaning friends of the environment are not undermining the employment prospects of themselves and their fami-

lies. And they must know that shipments of technology to foreign lands does not leave them with the bleak prospect of the Government dole instead of a productive job.

I call for an alliance of those needing and holding productive jobs in private industry with those very same businesses, especially when Government policy fails to see how it is undermining our national productivity. Labor and management, businesses and employees are partners, especially in small business, which offers each the opportunity to share in the American dream.

I commend Mr. Abel's remarks to Members as a realization of this natural alliance to which I pledge my total support.

AUGUST WILL MEAN A FINAL FAREWELL TO "SIMMER" TOO

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. VENTO. Mr. Speaker, I would like to share with my colleagues the following, excellent column which appeared in the Tuesday, June 28, St. Paul Dispatch. The article carries the byline of Oliver Towne—Gary Hiebert—one of that paper's most versatile columnists.

Mr. Hiebert comments on the forthcoming retirement of Charles "Chuck" Simmer from the St. Paul school system. He traces Mr. Simmer's career from Mechanic Arts, a downtown high school, through his tenure at the St. Paul Technical Vocational Institute and finally as director of vocational and career education for school district No. 625. While the article covers Chuck Simmer's professional career very adequately, it is fair to note that Mechanic Arts High School achieved a much lower dropout rate in those days than the schools in the more affluent neighborhoods. This, of course, is just another significant achievement so typical of Chuck Simmer.

I join his former students, fellow educators, and his many, many friends in wishing him a happy and fruitful retirement:

AUGUST WILL MEAN A FINAL FAREWELL TO "SIMMER" TOO

It was after church the other Sunday and Charles (Chuck) Simmer came over to where I was unchaining my bicycle.

"Well," he said, "I'm going to hang it up Aug. 16. All finished. Over 30 years. I'm 63. Time to go."

Chuck is retiring from the position of director of vocational and career education for the St. Paul Department of Education.

But that's not where my mind went when he said that.

We were back in old Mechanic Arts High School in the early 1960s, the principal's office. The sign said: "Charles Simmer."

That's where thousands of Mechanic Arts grads will see Chuck when they read this column.

They'll see him at noon at the food checker's end of the cafeteria line watching for a boy or girl to come through without any money. When the food servers hesitated, Chuck said, "That's all right. He doesn't have to pay. I invited him (or her)."

Chuck, you see had a little fund for making sure everybody got enough to eat at lunch. Mechanics was that kind of high school for a lot of kids, who lived on "Hungry Hill," the name Chuck gave the low cost housing developments. Nobody ever went hungry in his school if he knew.

He had that fund and he had the late Ted Kenny, big, affable, M-man, boiler factory owner, benefactor of hundreds of young people. It was Ted who slipped Chuck checks for $50–$100–$200 steadily for almost 14 years to "buy the kids shoes or coats, socks, lunches, tide them over."

But Chuck was no Pollyana.

The miscreants and truants, the cut-ups and trouble makers called a visit to Chuck's office "Simmerizing." A lot will see him there when they read this.

There was a sense of the dramatic about Chuck. He'd face a boy or girl, then go into his act, raising his voice; once he jumped up on his desk and waggled his finger so hard that the delinquent fainted. When he came to, Chuck was standing alongside, arm around him, talking in a soothing, soft voice of a father.

"I think you get the message . . . now, go out there and rejoin the human race," he said, patting the boy's derriere.

That same lad met Chuck again. The boy was a peer, an assistant principal in a southern Minnesota school.

"Simmerizing did it," he said.

"I remember a really turned-off kid that Chuck finally 'Simmerized' and sat him down hard on his fanny in the hall one day," says a colleague.

"That afternoon, Chuck was calling all over town trying to get the boy a job . . . and he'd already slipped him five bucks . . . to buy a pair of gloves . . . Chuck was that kind of guy . . . fair, honest, just, compassionate, but he was a Navy man and he ran a tight ship."

He began "Courts of Pride" and invited the famous graduates back to appear at assemblies. Roy Wilkins, of the NAACP, Adm. Momsen, inventor of a rescue device for trapped submariners, people like that. He wanted his students to see who had gone before them, out of the same slums and ghettos, and he wanted them to know that they could make it.

Once he invited the late Joseph L. Shiely, the sand, gravel and cement king, back and surprised the usually crusty old gentleman by giving him the high school diploma Joe had never had time to stay and earn.

But even in those halycon "Simmon" years, Chuck and I sat at lunch in Fred Ullrich's modest food service-chef's school on the third floor and talked about the great and coming need for technically-vocationally-trained men and women.

So it was only natural that Chuck Simmer "fathered" St. Paul's TVI as its first principal in 1966. He took with him the same discipline, the firm hand in the fur-lined glove and the same compassion.

Not long after it opened, Chuck gave me a "ship's" tour.

We were going down the halls, all empty, quiet.

"Where is everybody?" I said.

"In class or they won't stay . . . you can't teach people when they're loafing in the halls," said Chuck.

One afternoon when he'd called me to come up and get a human interest story, he was talking to a student in his office.

"The world's full of lemons," I heard him say. "So what we do is get some sugar and sweeten them."

"Simmerizing," they called it.

CALIFANO AND THE AMA TRADE ACCUSATIONS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. SYMMS. Mr. Speaker, for those Members who may have missed the Washington Post's article entitled "Califano, AMA Trade Accusations" and Representative PHILIP CRANE's letter to the editor, I would like to insert them both in the RECORD at this point:

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 21, 1977.

Mr. BENJAMIN C. BRADLEE,
Executive Editor,
The Washington Post,
Washington, D.C.

DEAR MR. BRADLEE: I was rather amused to read of the exchange between Secretary of HEW Califano and AMA Executive Vice President Sammons, which took place at Sunday's opening of the AMA House of Delegates meeting in San Francisco. Although the American Medical Association and I have had disagreements on a number of occasions, I feel obligated to defend the medical profession in this instance. Aside from his questionable taste in attacking an organization which he had been invited to address, the Secretary's speech contained many serious allegations which I would challenge him to substantiate. However, it is his assertion that doctors are responsible for the "runaway" costs of health care that are "gobbling" so many tax dollars that causes me the most concern. Granted, all physicians are not totally blameless and should make greater efforts to hold down costs. But if the costs of government health programs have grown so large that they are imperiling both other government services and health care, as Mr. Califano apparently believes, then it is the government, not the medical profession, which should bear the brunt of his criticism.

As a Member of the Health Subcommittee of the House Ways and Means Committee, I have had the opportunity to hear the Secretary and his associates testify on health matters. His tirade against the AMA is typical of HEW's total disregard for our health care providers in its drive toward the enactment of a universal, mandatory national health insurance plan, which I feel would be disastrous. HEW's record to date in the administration of government health programs and the myriad rules and regulations imposed on health providers is abominable. Should government control be expanded to completely cover health care, we can expect the same kind of service from HEW as we have from the U.S. Postal Service. Government intervention in the delivery of health care is by far the greatest factor in the increasing costs of that care, and government monopoly is no guarantee of better, more efficient service.

The effects of the Medicare and Medicaid programs on our health system have been enormous, both in terms of increased utilization and Federal outlays. Hospital admission rates for the elderly rose nearly 25 percent after the introduction of Medicare, and the rate of surgical procedures in this age group increased 40 percent. The average length of stays for those over 65 also rose, increasing by nearly 50 percent the number of hospital days per elderly person. Though the proportion of the population over 65 is only slightly above 10 percent, the elderly account for 22 percent of all hospital stays and occupy 32 percent of all hos-

pital beds. The annual rates of price increases for medical services as measured by the CPI were 3.2 percent per year premedicare—July, 1959 to June, 1966—and 7.9 percent postmedicare—June, 1966 to June, 1971. Increased use of medical services by the poor under Medicaid placed similar additional burdens on the health system, which obviously had to expand to accommodate the growing demand for services.

During the period 1970 to 1975, health-related outlays of the Federal budget rose 74.1 percent, from $18.3 to $31.9 billion, a 40.5 percent increase in constant dollars. Even with the savings proposed under the Administration's plan to cap the increase in hospital revenues at 9 percent, Medicare and Medicaid will account for $36.5 of the $44.3 billion in Federal outlays for health in fiscal 1978. If any of the numerous proposals to include more services under Medicare are adopted, this figure will be even higher.

Numerous government regulations have raised the costs of health care by requiring additional staff for the added paperwork, legal, accounting, and administrative tasks. Hospitals are affected by Federal minimum wage laws, Taft-Hartley, ERISA legislation, OSHA, EPA, FDA personnel licensing standards, budget review, rate and reimbursement regulations, and quality assurance standards. If each of the more than 7,000 hospitals in the U.S. added just one employee as the result of Federal regulations, the annual added costs would be at least $70 million. Obviously, the number of extra personnel is far higher than that at untold expense. Physicians are finding the red tape involved in submitting Medicare and Medicaid claims hardly worth the effort and, therefore, many are discouraged from treating these patients.

For all the hue and cry over the number of excess hospital beds, the recently-terminated Hill-Burton program was responsible for constructing 40% of the beds in non-Federal short-term hospitals as recently as 1974, a year in which more than $15 billion was spent to operate Hill-Burton supported beds. Implementation of the Life Safety Standards has mandated additional capital expenditures on the part of hospitals to meet these new fire codes. Certainly the government must be blamed for the added costs cited in these two examples.

Congressional action to increase the number of doctors in this country resulted in the doubling of medical school enrollment in the last 10 years. Because all of these students take post-graduate training in hospitals, costs of stipends and salaries of interns and teaching physicians rose as well, adding to the costs of teaching hospitals.

I could go on and on reciting the direct and indirect effects of government intervention on the costs of medical care, effects which Mr. Califano conveniently ignored in his speech on Sunday. If the Administration truly intends to do its part to hold down costs in health care, it must begin by easing the burden of government regulations and by reducing Federal expenditures. It is unfair, though politically expedient, to rail at our health care providers, most of whom are undeserving of such a venomous attack. I suggest that Mr. Califano either retract his fangs or direct them at his own Department.

Cordially,

PHILIP M. CRANE, M.C.

CALIFANO, AMA TRADE ACCUSATIONS—HEW SECRETARY SAYS SYSTEM NEEDS "PROFOUND REFORM"

(By Victor Cohn)

SAN FRANCISCO.—Health, Education and Welfare Secretary Joseph A. Califano Jr. told the American Medical Association today that the nation's health-care system is a "very costly . . . virtually noncompetitive . . . obese" business that needs "profound reform."

But the AMA replied that it is the Carter administration, big on talk but "short on substance," that needs the overhaul.

To Califano's charges that the health industry ignores the poor and concentrates on "lucrative" suburbs, AMA Executive Vice President Dr. James H. Sammons replied that Americans are getting more health care in better facilities than citizens of any other country.

Improvements are needed, Sammons conceded. But cost control and not health is this administrations' top priority, he maintained, and the administration meanwhile has "more fluff than substance"—"a lot of head but little beer"—in health and other areas.

The head-on confrontation between liberal health bureaucrat and conservative doctor was like few the conservative AMA has never permitted. It was certainly like nothing heard by the AMA in eight years of Republican administrations.

Califano, then Sammons, addressed the opening session of the AMA's 250-member House of Delegates, a representative body elected by medical societies all over the country.

Califano was well-applauded when he appeared on the platform, but only by a handful after he finished. Sammons was heartily applauded before and after his presentation. One spectator said, "You might say that Mr. Califano was greeted with a notable lack of enthusiasm."

Califano called on the nation's doctors to cooperate in reforming health care lest all reform leadership come from others.

But the administration is also in the process of taking some concrete steps. Califano Saturday announced an expanded program against Medicare and Medicaid fraud.

Monday in Los Angeles, it was learned, HEW Under Secretary Hale Champion is expected to announce President Carter's support for wide expansion of "health maintenance organizations," or HMOs.

Champion is scheduled to unveil a new program of federal aid to help establish more of these medical plans that give total care for a flat monthly sum rather than charging for each service, test or hospitalization.

Champion is expected to say that these centers—like the West Coast's huge Kaiser plans and the Washington-Area Group Health Association—have proved they can save money because they have no financial incentive to over-hospitalize or overtest. He is expected to say they now should be supported as a proven system rather than experiments.

Califano opened his AMA address with a tribute to the country's "extraordinary" and "dedicated" doctors "who have encouraged us to set our sights high."

Then he got down to this bill of particulars:

Not only is health care a lucrative business for doctors, "but the giants of corporate America" have "moved in to obtain their share," with drug and equipment makers finding "patent monopoly, pots of gold."

Health resources are not distributed "economically or equitably," with inner cities and rural areas and especially the children in those areas lacking attention.

Doctors moving to suburbs have forced city dwellers to patronize hospital outpatient departments at 2 to 3 times the cost of similar HMO care.

"We have not made much progress" in using non-physicians like nurses and doctors' assistants to give care.

The health system emphasizes acute care rather than prevention, "needlessly risking illness and sometimes even lives and recklessly consuming resources."

Present health insurance is "an expensive and inequitable crazy quilt," with 18 million persons completely uncovered, 19 million having only "skimpy" non-group coverage and nearly half those under 65 lacking enough insurance to cover "crushing" major bills.

Runaway costs, expected to double by 1980 at the present rate, are "gobbling" so many tax dollars that they are imperiling both other government services and health care.

He warned the doctors that the administration's current proposal for a lid on hospital revenues—with a limit of about 9 per cent on annual increases—is "merely a stopgap solution."

"For the long run," he said, "we must" organize the system more effectively and "establish a fair and effective system of national health insurance."

Sammons countered that this was so much more promise of Washington bureaucracy, which he called a "cancerous, relentless, mindless blob . . . that seeps under the doors and as soon as you stop it in one direction it creeps in from another."

Doctors need to help control costs, he agreed, but "when cost becomes the overriding factor in medical decisions," he maintained, "first you get rationing of care to patients," next second-rate medical equipment, next a pinch on physician training "and finally you wake up one day to find you have a second-rate medical care system." He said all this has happened in Britain.

While the administration talks of improving health, he said, it has weakened the role of HEW's assistant secretary for health and diminished medical input on HEW medical decisions. HEW has a Health Insurance Issues Advisory Committee, he said, but Califano, has "ludicrously" told it it cannot recommend any particular insurance plan.

He promised increased effort by doctors to police their own ranks and "show some restraint" on increasing costs. Meanwhile, he said, "let the administration be more specific and less vague about what it wants" and "we will continue to try to cooperate."

HARD LINE ON SOFT MONEY

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. WIGGINS. Mr. Speaker, in a recent column, Martha Angle and Robert Walters made some telling observations on campaign financing by labor unions that should be of interest and concern to all Members at any time. They are particularly relevant since the House is likely later this year to consider public financing of congressional elections as well as amendments to the Federal Election Campaign Act.

The article points out that direct monetary contributions are only the tip of the iceberg of union political activity. Their importance is overshadowed by other types of activity that have been sanctioned over the years by amendments to the Federal Election Campaign Act. They have the potential for becoming all the more important if some form of public financing of congressional elections is enacted which restricts or even eliminates the role of private money in politics. This should be borne in mind when public financing is considered by the House.

I commend this column to the attention of all my colleagues:

HARD LINE ON "SOFT MONEY"

(By Martha Angle and Robert Walters)

WASHINGTON.—The cash and checks may look quite similar, but in the arcane world of campaign finance "hard money" and "soft money" are two very different commodities.

That distinction is especially important to the political operatives of the nation's labor unions, which dole out millions of dollars in every even-numbered year to support the candidates of their choice.

"Hard dollars" are the ostensibly voluntary contributions made by union members to the AFL–CIO's Committee on Political Education (COPE) and similar political action committees established by many individual unions.

That "hard money" can be used for any lawful purpose, most notably direct contributions to the campaign committees of favored candidates.

"Soft dollars," on the other hand, are derived from dues and assessments paid by workers into a union's general fund or treasury. They can be used in federal elections only for technically nonpartisan activities such as voter registration and get-out-the-vote drives.

Both the Smith-Connally Act of 1943 and subsequently the Taft-Hartley Act of 1947 specifically prohibited the use of "soft money" dues payments for the purpose of influencing the outcome of elections to federal office.

Federal statutes contain a similar prohibition against the use of corporate funds in campaigns for federal office, but a loophole was created by the 1974 and 1976 amendments to the Federal Election Campaign Act.

Those amendments legitimized the long-standing union practice of using dues money to promote, within the membership candidates perferred by the leadership. At the same time, corporations were given the right to use money from their treasuries to solicit the support of stockholders and employees on behalf of candidates favored by company officials.

In 1976, the first election year the changes were in effect, corporate officials were very chary of taking advantages of the opportunity, with good reason. They feared stockholder suits which would question the use of shareholder funds to intervene in a partisan political election.

Indeed, all of the country's corporations reported to the Federal Election Commission that they spent a cumulative total of less than $50,000 in support of then-President Ford.

Oblivious to the ethical and constitutional questions raised by the use of a member's dues in support of a candidate not necessarily preferred by the worker, the labor unions were far less reticent. They reported spending more than $1 million to promote President Carter—and that figure is a very conservative one.

The Supreme Court, in an opinion handed down late last month, ruled that a group of Michigan teachers "may constitutionally prevent a union's spending a part of the required service fees to contribute to political candidates or to express political views . . ."

In 1961 and again in 1963, the high court handed down similar decisions in cases involving two railroad unions. In the latter case, it specifically held that those who object to the use of their dues for political purposes should receive a rebate.

The almost universal reaction of organized labor, however, has been to either ignore the Supreme Court or establish a dues structure which offers dissenting members a preposterously low rebate—often only a few cents a month—if they insist upon a refund.

It should require no great wisdom on the part of Congress to recognize that the arbitrary expenditure of a union member's dues on behalf of leadership-favored political candidates is a serious abridgment of First Amendment rights.

But the likelihood that the loophole will be closed is nil, because the House and Senate are dominated by the very Democrats who are the principal beneficiaries of organized labor's "soft money" support.

CONGRESSMAN CHARLES WHALEN'S ANNOUNCEMENT

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. HORTON. Mr. Speaker, it is with very mixed feelings that I share with our colleagues the text of a statement issued in Dayton, Ohio, on July 5 by my very close friend and respected colleague, CHARLES W. WHALEN, Jr., of the Third District of Ohio.

CHUCK WHALEN'S announcement that he will not seek reelection to the 96th Congress was handled by him in the same graceful and rational manner which has characterized CHUCK WHALEN'S outstanding career in this House for the past 11 years. I very much regret that CHUCK WHALEN has decided to end his career as Ohio State legislator and as a United States Congressman after 23 years. This man has much wisdom, judgment, commonsense, and a spirit of reality to contribute to the resolution of the future problems of this Nation. I know that every one of our colleagues on both sides of the aisle will miss his companionship and, more importantly, the confident feeling of quality that inevitably results from working with CHUCK WHALEN on a piece of legislation or on the resolution of a major issue.

While CHUCK has thoughtfully given us 18 months to consider how we might properly mark his retirement from the House, I would like at this time to share with my colleagues the full text of his retirement announcement, which he made at a news conference in his congressional district:

CONGRESSMAN CHUCK WHALEN'S ANNOUNCEMENT

I have called this news conference to announce that I shall not seek reelection to the 96th Congress.

Two reasons prompt this rather early disclosure of my impending retirement. First, it will give leaders of both political parties ample time in which to prepare for next year's Third District House of Representatives contest. Second, my staff—unquestionably the most effective in Congress—will have the next year and one-half in which to secure other positions.

As I make this statement, I cannot help but recall a day in late 1953 which shaped the course of my life for the next quarter of a century. While flying home from a Florida vacation, I was agonizing as to whether to accept GOP Chairman Howard Young's invitation to run for the State House of Representatives in November, 1954. When our Convair stopped at the Atlanta Airport, I purchased at the news stand a paperback edition of Dorothea Brande's 1936 inspirational work "Wake Up and Live". I was greatly impressed by the author's message which, in effect, contended that lack of success resulted primarily from fear of failure.

After completing the book, I dozed briefly. I then had a fleeting dream—in no way maudlin or somber—in which I saw myself near the end of my life span wondering what might have happened had I, run "back in 1954" for the Ohio General Assembly. At that point I awoke determined to make the race. After all, the disgrace is not in losing; the disgrace is in not trying.

As I now look at my life through the other end of the tunnel I count my blessings for having made the right decision in 1954. My nearly two and one-half decades of legislative activity have been fulfilling, stimulating, and yes, even fun (as well as frustrating on occasion).

First, my work in Columbus and Washington has broadened my horizons and produced scores of new friends—locally, nationally and internationally. To one of these—former Shelby County State Representative William Milligan—I shall be eternally grateful. Taking pity on a lonely bachelor, Bill arranged for me a date with one of his attractive constituents who ultimately became my wife and the mother of our six children.

Second, since 1955 I have been privileged to help fashion laws which have enhanced the welfare of the citizens of Ohio and our nation.

Third, and most important, I have been afforded the opportunity to heed St. Paul's admonition to the Galatians: "Out of love place yourself at one another's service". From time to time as I view various facilities in the Dayton area, I take secret pride in knowing that I helped make their construction possible. To the thousands of individuals whose casework my staff and I have handled I hope that for them we have made the gigantic federal government a little more human.

Finally, while politicians usually deny it, there is a little "ham" in all of us. Thus, I have enjoyed being "on stage" where the action is. And while my picture has never appeared on the cover of Time Magazine, I have had the pleasure of working with many who have.

But there comes a time when a public servant must return to private life. The founders of our republic envisioned a Congress occupied by citizen-legislators, not political careerists. Thus, I agree with those, including Leonard Stubbs, my last year's Democratic opponent, who argue that service in the United States House of Representatives should be limited to six terms. As my former University of Dayton colleague, Dr. Eugene J. Torchia, observed in a Journal Herald guest column last year, such a restriction "would effectively remove the goal of longevity from the politics of the Congress and restore the goal of public service." Representative Berkley Bedell offers yet another persuasive reason. As quoted in a March 16, 1977 Wall Street Journal interview, the Democrat suggests: "It (the House of Representatives) does not need a revolution every two years, but it does need a steady flow of people, people who are fresh from issues and problems with logic and imagination".

So, upon completion of twenty-four years of public endeavor in the words of John Connally (Meet the Press, June 19, 1977), I feel that it is time to "go home".

At the moment, my plans beyond December 31, 1978, are uncertain. I do intend to remain active. But, whatever my new role, to paraphrase the late Walter Hagen, I expect to spend more time "smelling the roses".

In closing, a word to the media representatives present this morning. One of the ancillary joys of my political career has been my association with newspersons. Not only do I find you among the more informed and stimulating of my acquaintances, but I also respect you for your significant contribution in maintaining a free, open society. I adjure you to continue your vigilance so as to preserve America's greatness.

Today, of course, is not "good-bye". During the next eighteen months I am confident that my Congressional efforts will more than keep you and your editors busy.

THE DANGERS OF PUBLIC FINANCING

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. CRANE. Mr. Speaker, the following column by George E. Agree, which appeared in the July 11 edition of the Washington Post, portrays a huge flaw in the concept of public financing of Presidential and congressional elections; a flaw which cannot be overlooked. I have said repeatedly that the extension of public financing to congressional campaigns would seriously abridge our political freedoms and damage the electorial process. Before we take any dangerous steps toward adopting public financing for congressional races, I urge my colleagues to read this illuminating commentary:

HOW REFORM RIGGED THE ELECTION

(By George E. Agree)

Recent Federal Election Commission data reveal a clear example of how reform can rig American politics. Inequities in the system of matching private contributions with federal money skewed the outcome of the 1976 presidential primaries, assuring Jimmy Carter of a nomination he might not otherwise have won. The facts merit careful consideration by congressmen now contemplating adoption of the same system for their own elections.

What the FEC figures show is that tax money did not flow to candidates according to the number of Americans supporting them, but in proportion to the wealth of their contributors. Morris Udall, who had more contributors than Carter (97,764 to 94,419), received only about half as much taxpayer money ($1,898,686 to $3,465,584) because his average donor could only afford half as much as the average Carter giver ($21.84 to $41.09).

Udall himself believes he had a significantly larger lead over Carter in numbers of contributors during the critical period of the campaign, and that the President's volume of small contributions increased "only when his nomination was becoming apparent in May and June of last year."

The electoral effect of these disparities was heightened by reforms that increased the number of states holding primaries and based delegate selection in non-primary states on a proportionate showing in party caucuses. Money became more important than before, as success depended on having the resources to contest for delegates in each of thousands of precincts across the country. It is unlikely that Carter could have been so effective in taking advantage of the new rules without that extra $1,566,898 from the common pool of taxpayer dollars.

On the reasonable assumption that the same percentage of Udall and Carter contributors had checked off dollars on their income tax returns, the Udall people put more money into the Presidential Election Fund. But what was "one man/one dollar" going into the fund clearly was not "one man/one dollar" coming out.

Thus, while other democracies such as Germany, Norway and Sweden have public financing of politics on the number of citizens who support the recipient, the United States has instituted a means test in its elections.

Ironically, Udall—not Carter—shares major responsibility for this aspect of our public financing system, which had such important bearing on his defeat. He was one of its principal architects.

Some might argue that, since Carter's supporters were richer anyway, Udall was better off with the law than he would have been without it—that he could have derived more incremental benefit from his less-than-$2-million in taxpayer funds than Carter did from his almost $3.5 million. But this is a doubtful proposition, not likely to commend itself to many pro-Udall taxpayers. Doubling the dollar gap between closely running opponents even if it did help in a rare case, would be damaging in most financially poorer candidates. And it surely is true that Udall himself would have fared much better under a system that like those in other democracies, gave him and his opponents public money in direct proportion to the number of citizens supporting them.

Moreover, beyond considerations of relative advantage to one or another candidate, there is the broader question of what is fair to taxpayers and voters. It should not be beyond the capacity of American lawmakers to enact a public-financing system at least as fair as those abroad. The voucher plan offered by Sen. Lee Metcalf (D-Mont.) would be "one man/one dollar" coming out of the Treasury as well as going in. The majority of Americans who favor public financing as a method of curbing corruption do not yet realize that it is now conducted so as to deploy their tax dollars most heavily on the side of the candidates of the rich.

A NEW PANAMA CANAL TREATY

HON STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. SOLARZ. Mr. Speaker, there are few more emotional issues now confronting the Congress and the country than the future of the Panama Canal.

In an effort to fully familiarize myself with the political, economic, and diplomatic aspects of this critical and controversial question, I went on a fact-finding mission to Panama earlier this year with several of my colleagues on the International Relations Committee.

While we were there we met with the highest ranking American military and civilian officials in the country, talked at length with the President and Foreign Minister of Panama, visited with Americans living both inside and outside the zone, and went on a special helicopter tour of the canal, followed by an on-ground inspection of the locks by which this engineering marvel is operated.

After meeting with the partisans on both sides of the issue, it became clear to me that the conflicting views on the matter were so divergent that even a Solomon would find them difficult to reconcile.

There are those, like the distinguished junior Senator from California, who contend "we stole it fair and square," and that having been given a right to run it forever, as if we were sovereign, we should continue to exercise our contractual prerogatives in perpetuity.

There are others, like the distinguished ambassador of one of our closest allies with whom I met in Panama, who see our presence in the Canal Zone, in an age when the extraterritorial presence of one nation on the soil of another has become completely unacceptable, as a lingering manifestation of colonialism.

This is neither the time nor the place in which to review the history of our relationship with Panama. It seems to me, however, that what we should be doing, in the Congress and around the country, is considering our interest in, rather than our right to, continued American ownership and operation of the canal. It is, after all, the protection of our interests, rather than the affirmation of our rights, that should determine what we do.

In these terms, I would submit that the greatest single threat to our permanent ability to use the canal, paradoxical as it may seem, lies in the present treaty. It would, after all, avail us little to continue owning the canal if we were ultimately unable to use it. And so long as the present treaty remains in existence, the canal will be vulnerable to the most serious threat to its continued operation, which comes not from the remote possibility of an external invasion, but from the real possibility of internal subversion.

The fact is that the Panama Canal, as the highest military authorities in the zone told us, is inherently indefensible. A single terrorist with a bomb in his briefcase could, by dropping his device on any one of a dozen locations, easily knock the canal out of commission for a number of years. And so long as we maintain our presence in Panama, without the genuine consent of the Panamanian people, not even 100,000 American soldiers could guarantee the canal against such an attack.

The best defense against the growing threat to our continued ability to use the canal is to accommodate the understandable political passions that have been aroused against it by agreeing to a new treaty designed to modernize and normalize our relationship with Panama.

Indeed, were we to reject a new treaty with Panama, in which control of the canal and sovereignty over the zone would gradually be turned over to the Panamanians by the end of the century, the chances are that we will have created a very serious political problem for ourselves, not only in Panama, but throughout the rest of Latin America as well.

Our willingness to permit Panama to reclaim the right to exercise legal authority over the affairs of the zone, and the operation of the canal, is a litmus test of our commitment to the principle of national self-determination in the eyes of our South American neighbors. Let the negotiations collapse or, if they succeed, let the Congress repudiate the result, and we will be politically pilloried in the OAS, the U.N., and every other international organization where the issue can be raised against us. To give our enemies such an opportunity would be an act of gratuitious political masochism—since it would not only provide a propaganda bonanza for those who wish us ill, but would also endanger our ability to continue using the canal in the first place.

There are those who fear that, if we do agree to turn the canal over to the Panamanians—even if it takes to the end of the century to do it—they will either refuse to let our ships go through, or they will charge us exorbitant rates for its use. Such fears, I think, are unfounded. Panama clearly has an interest in keeping the canal open—it does, after all, account for about 12 percent of its gross national product—and it is most unlikely Panama would ever prohibit one of the major users of the canal from using it. The tolls, to be sure, will most likely be raised once Panama is given control over the canal. But the tolls today are only 50 percent of what they are for the Suez Canal and, according to a recent U.N. study, the users of the Panama Canal are already saving about $700 million annually by using it. Clearly there is ample room for an increase in tolls without substantially inconveniencing those who pay them and, in any case, the availability of alternate routes and methods of transportation set real and realistic limits on the extent to which tolls can be raised.

Even if worse came to worse, however, and we were either prohibited from using the canal completely, or were charged exorbitant rates for the privilege of doing so, I submit that it would hardly be a national disaster. From a purely military point of view, the canal is a rapidly diminishing asset and, according to responsible military authorities, should be of relatively little value by the end of the century—when the Panamanians would presumably take over complete control of the canal, if there is a new treaty. From an economic point of view, the canal accounts for only 13 percent of our total waterborne foreign trade which comes to less than 1 percent of our gross national product. Given the available alternatives, even the worse case scenario described above, should not create any insurmountable problems for us.

In short, the canal, while militarily useful and economically advantageous, is far from indispensable. And, to the extent that it is in our national interest to continue using it, we would be far better off by graciously and gradually giving it to the Panamanians, than by obstinately holding onto it for ourselves.

"FACTS" TO SUPPORT THE NATIONAL ENERGY PLAN

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. EDWARDS of Oklahoma. Mr. Speaker, since the President announced his national energy plan, alleged "facts" have been reeled off in great abundance by the President, his press secretary, Dr. Schlesinger, and others to support the national "energy" plan and to refute alternatives offered by "special interest groups."

So intense has been the lobbying, including personal calls from the President, that "facts" are judged not by their substance, but by whose "fact" is whose. This has apparently infected John O'Leary, head of the Federal Energy Administration. Believing that the truth is only that which the people can be made to believe is the truth, Mr. O'Leary has engaged in a little hyperbole on the subject of domestic oil and gas supplies. I recommend the following article on this subject by syndicated columnist John D. Lofton, Jr., to all my colleagues.

FUEL RESERVE QUESTION POPS UP AGAIN

(By John D. Lofton, Jr.)

WASHINGTON.—A few weeks ago, after one of energy czar James Schlesinger's numerous press briefings, I had the opportunity to talk with John O'Leary, head of the Federal Energy Administration. When I challenged President Carter's assertion that we are running out of gas and oil, O'Leary replied, somewhat curtly, "The oil industry has come around to the view that we are in bad shape on these supplies. You ask the majors. They will tell you we can't do much to increase production capacity. This is a resource problem. We've shot the resource."

Well, I've followed O'Leary's suggestion, and here is what I've been told:

—H. D. Hoopman, president of the Marathon Oil Co., says, "Nobody really knows how much domestic oil and gas reserves are left to be found. And that includes Mr. O'Leary, who speaks so authoritatively on the subject. We are convinced that, with adequate returns for capital formation and proper incentives for risk-reward investment coupled with progressive government leasing policies, a maximum exploratory and development effort could be unleashed which would produce highly positive results in terms of increased reserves and productivity."

Citing estimates by Dr. Schlesinger himself, which anticipate increased oil production by 1985, above current levels. Hoopman notes: "These increased levels of daily production obviously imply massive additions to reserves. That doesn't sound to me as if they really think the resource is shot!"

NO TIME FOR DOOMSDAY

—W. F. Martin, chief executive officer of the Phillips Petroleum Co., says O'Leary "overstates" his case, observing: "This country has an abundance of energy resources waiting to be utilized. This is no time for a doomsday attitude. Such an attitude can only lead to calls for rationing and other extreme, counterproductive controls on the production, allocation and use of energy."

—Rawleigh Warner, chairman of the board of the Mobil Oil Corp., says O'Leary's view is "too narrow," stating, "Reputable analyses estimate that undiscovered oil and gas resources in the United States are probably as great as our cumulative production to date. The undiscovered potential may be two to two and a half times as large as current proved reserves. A large portion of these reserves is likely to be found on the offshore continental shelf and in remote areas."

—Warren Davis, chief economist for the Gulf Oil Corp., says he's afraid O'Leary "has misread the attitude and judgment of the major oil companies." In summary, says Davis, "We believe, and I suspect other major oil companies also believes, that there are large volumes of oil and gas yet to be found in the United States. It will be expensive oil to find and develop, and with the right incentives, much of it will be found."

—Charles Spahr, chairman of Standard Oil of Ohio, says O'Leary is "not correct," that "it is possible to find and develop substantial new oil fields in our country, particularly offshore."

UNDULY PESSIMISTIC

—Howard Blauvelt, chairman of the Continental Oil Co., warning against being "unduly pessimistic," says, "In addition to the petroleum that remains to be discovered from known deposits, the U.S. Geological Survey estimates that between 322 trillion and 655 trillion cubic feet of natural gas remain to be discovered in the United States. These estimates are based on historical price-cost rations and current technology. If prices and technology improve, the estimates could be higher."

—W. Renberg, speaking for C. C. Garvin Jr., head of the Exxon Corp., says that by 1990 more than half of the total U.S. natural gas and oil production must come from reserves yet to be discovered. "We believe that these reserves can be discovered and tapped," says Renberg, "but because they will be in frontier areas, which are often hostile and remote, success in this effort will require time, capital and a favorable climate in Washington."

DEAD WRONG

—Max Eliason, president of the Rocky Mountain Oil and Gas Association, says O'Leary is "dead wrong," that we are "a long way" from reaching our oil and gas potential. To do this though, he explains, oil and natural gas prices must be decontrolled so that the economics of drilling in remote areas and to greater depths will improve.

Besides these comments, others who wrote me regarding O'Leary's assertions include: H. Robert Sharbaugh, head of the Sun Oil Co.; John Hall, executive vice president of the Independent Petroleum Association of America; Harold Berg, president of the Getty Oil Co., and Frank Ikard, president of the American Petroleum Institute. Not one of these individuals agreed with what John O'Leary told me.

GO-GETTERS

In his book, *The Americans: The Democratic Experience*, Dr. Daniel Boorstin has high praise for the people he calls the "Go-Getters," those Americans who over a century ago, "went in search of what others had never imagined was there to get." These individuals made something out of nothing, they brought meat out of the desert, found oil in rocks and brought light to millions.

In 1977, we still have "Go-Getters," and many of them are to be found running our oil and gas industry. But in order to go and get what is there, these imaginative individuals must be allowed to operate freely, unencumbered by the defeatist mind-set of people like John O'Leary.

Unfortunately, President Carter's national energy plan reflects the thinking of O'Leary instead of the thinking of people like H. D. Hoopman and his colleagues.

AGENCY FOR CONSUMER ADVOCACY

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. BRODHEAD. Mr. Speaker, because the House will soon be considering legislation to create an Agency for Consumer Advocacy, I believe that Members will be interested in the results of a recent poll of readers of the Detroit Free Press.

The question was worded as follows:

Congressional leaders say legislation to create a consumer protection agency is not likely to be enacted this year. Do you think a federal consumer protection office should be created?

The results of the poll were published on June 13 and were overwhelming: 93.1 percent of the respondents favored creation of the agency; only 6.9 percent op-

posed it. While I realize that such polls are unscientific, I believe that this result indicates the very strong grassroots support enjoyed by the measure.

THE NEED FOR A NATIONAL CONSUMER COOPERATIVE BANK

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. McKINNEY. Mr. Speaker, in May the Banking, Finance and Urban Affairs Committee reported to the House the National Consumer Cooperative Bank Act, H.R. 2777. This bill will provide for more competition in some markets—specifically in inner city neighborhoods—than currently exists.

One of the basic elements in the free enterprise system is the freedom to choose where to shop. Economic considerations have prevented some businessmen from competing in all parts of our cities. By making capital available to neighborhood cooperatives, the Consumer Cooperative Bank Act will reintroduce the element of competition to these areas by offering an alternative source to the consumer.

The problems of urban consumers are not limited to finding places where they can shop. The Committee on Banking, Finance and Urban Affairs is well acquainted with the practice referred to as "redlining." Federal housing and SBA programs have proved inadequate in meeting the needs of people in inner city neighborhoods who desire to borrow money to renovate a house. H.R. 2777 can assist the neighborhood cooperatives by providing the loans which are normally unavailable through other programs.

Not only will the cooperatives provide for personal involvement and human development, they will also give the residents in the community the ability to make decisions without the frustrations of dealing with the bureaucracy.

The Bank is modeled after the successful Farm Credit System, which developed rural cooperatives for farmers without costing the taxpayer a single dollar. Experience has taught us that an independent cooperative bank is necessary to prevent the fragmentation which would develop if any existing agencies were to administer this program.

Among the witnesses who appeared in support of this proposal were two residents of Connecticut who have personally had extensive experience with the use of the cooperative concept. From their experience they were able to emphasize the benefits that could be derived from the availability to the public of such an alternative and the desperate need for such legislation to provide the funding to make these projects successful.

One of these was Roger Willcox, president, National Association of Housing Cooperatives. Because I felt it will help my colleagues' understanding of H.R. 2777, the National Consumer Cooperative Bank bill, I request unanimous consent to insert in the RECORD a recent letter to me from Mr. Willcox on the importance of this legislation.

The letter follows:

NATIONAL ASSOCIATION OF HOUSING COOPERATIVES,

June 27, 1977.

Hon. STEWART B. McKINNEY,
106 Cannon House Office Building
Washington, D.C.

DEAR CONGRESSMAN McKINNEY: We understand that the crucial vote in the House of Representatives on HR 2777, the National Consumer Cooperative Bank Bill, will probably take place early in July.

We believe you have announced your support for this bill and we certainly hope that you will do what you can to see that it does pass the House without any crippling amendments. I can personally testify as to the urgent need for this legislation.

I have been professionally engaged in the development, organization and management of housing cooperatives for more than 25 years and have had years of personal experience with the frustrations and problems which arise when there is no source of cooperatively oriented financing available.

Most housing cooperatives, once created, must rely on bootstrap operations for every financing need. Repairs and improvements must be done on a self-help basis, or through complete refinancing of the project mortgage. This is seldom possible. As a result, there are hundreds of housing cooperatives throughout the country whose facilities are gradually approaching obsolescence. Among other things: they need more efficient heating and insulation systems to offset the rising costs of fuel. They need individual metering of utilities and water saving equipment. They need more efficient waste disposal systems to comply with new environmental ordinances.

Despite such needs for financing, the record of existing cooperative housing developments has been extraordinarily good, even during this period of rapidly rising prices. Many new housing cooperatives would be built, and many existing housing cooperatives would add to their present facilities if the National Consumer Cooperative Banking Bill becomes a reality.

There are more than 30 housing cooperatives in Connecticut, most of them in the Stamford, Norwalk, Bridgeport and New Haven areas. There are many other kinds of cooperatives as well in your district which could benefit from this legislation. As one illustration, I remember how the Community Cooperative Nursery School in South Norwalk was started some 20 years ago. The building was built with a privately backed construction loan and only received savings and loan permanent financing (with a mortgage as a 4 bedroom house) with co-signatures from two individuals, both of whom had to have sufficient assets to pay off the mortgage in full. How can the full potential of people desiring to help themselves through cooperative efforts be realized if this kind of financing is all that is available!

Very sincerely yours,

ROGER WILLCOX, *President.*

SOVIET IMPERIALISM IN AFRICA

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. ASHBROOK. Mr. Speaker, a few short years ago American foreign policy did not pay much attention to Africa. To say that has radically changed is an understatement.

Africa has become front page news. From the murderous tyrant Amin of Uganda to the Marxist governments in Angola and Mozambique, Americans are reading more and more about what is taking place in that continent. But while there is more news coverage there is not very much which discusses the role of the Soviets in stirring up the pot. In my opinion the national media is doing our country a disservice in not pointing out the goals of Soviet imperialism.

The Globe of June 30, 1977, carried an analysis entitled "Soviet Imperialism in Southern Africa Grows." The author is a former resident of Mozambique. He discusses "the Soviet strategy of speaking peace while making war" and what the Soviet goals in Southern Africa are. At this point I include the text of the article and commend it to the attention of my colleagues:

SOVIET IMPERIALISM IN SOUTHERN AFRICA GROWS

(By Miguel A. Murupa)

Editor's Note: Murupa is a journalist who was born and grew up in Mozambique. In 1975 he was forced to flee from that country as it became increasingly dominated by marxist influences. He has told American audiences that the most important crisis for both Africa and the West is that of Soviet aggression and takover of African political organizations.

Let us first consider the ideological trappings of the Soviet Union's global strategy against the Western democracies:

Some forty-five years ago, in 1931, the Soviet ideologist and chief of Komintern, Mr. Manuilsky, declared in a Statement of Principles and Guidelies, I quote:

Certainly, we are not strong enough today to attack. Our time will come in 20 or 30 years from now.

In order to win, we need one element of surprise. The Bourgeoisie must be lulled to sleep. We shall therefore begin by kindling the most theatrical peace movement the world has ever known. We shall make dynamic proposals and extraordinary concessions.

The capitalist countries, stupid and decadent as they are, will work out with pleasure their own self-destruction. In their search for opportunity of friendship with us, they will fall into our trap. And as soon as their protecting belts are denuded, we shall smash them with our clenched fists.

These words were said forty-five years ago, and since then the Soviet dealing with the Western world has followed this line of thinking and action with unfailing coherence, devotion and a sense of duty, now and again with new refinements and improved tactics, but always toward the ultimate goal: the ideological and political subjugation of the Western world without a shot of gun, and almost always with the cooperation of forces within the Western countries themselves.

So one finds that the Soviet Union, while speaking of democracy—which is not allowed to function in the Communist empire—and while speaking of peace, has sought and succeeded in building huge armies and advanced weaponry; in infiltrating Western universities, trade and student unions; in putting its spying agents in every Western organization—to sabotage and undermine Western positions; influence Western press, radio and television; and break the Western morale and capacity to resist in defence of its own values.

The desired goal is of course clear: to build against the Western democracies such a force

that, when the day of direct confrontation comes, the West will give up and capitulate without resistance or will to resist.

ELEMENT OF SURPRISE

Such now and again repeated phrases as "peaceful coexistence," "policy of detente," "defence of world peace," "respect for each other's sovereignty," "world disarmament," are in the eyes of the Soviet Union only different ways of expressing Manuilsky's idea of "element of surprise."

They have never been understood in the Soviet Union to mean a world order, where Communism and Capitalism can co-exist and develop side by side, because the expressed aim of Communism has always been, and still remains, the destruction of the capitalist system.

The Soviet strategy of speaking peace while making war has of course reaped good fruits and recently brought new, valuable experience: The Vietnam war was won in the United States, not in the jungles of Southeast Asia; the war in Portuguese Africa was won in Lisbon, not in the hot African jungles.

And now the highly experienced tacticians in Moscow are trying hard to win the war in Southern Africa, not in that part of the world, but in Washington and London. In fact, the post-war world history has been essentially one of retreat of Western positions in favour of increasing Soviet might and imperialism.

With all these Soviet efforts, however the Western democracies have proved so far strong enough to delay that day of final, direct confrontation. And so the Soviet tacticians, even as a result of their awareness of the incalculable destructiveness of modern nuclear weapons, while not in the least relinquishing their efforts to undermine and conquer Western positions at the home front, have shifted the battlefield to the poor, undeveloped and overpopulated areas of the Third World and, in particular, to Southern Africa, with its strategical positions and rich raw materials.

By so doing, the Soviet Union's new czars have followed literally the advice of the man they most disliked, because he was the first to warn the world against the imperialistic nature of Soviet Communism, the late Chairman Mao Tse-Tung.

MAO'S ADVICE

Mao's advice was that, in the struggle against the capitalist world through the application of guerrilla warfare methods, the cities should be encircled through the conquering and domination of the countryside, and the rich, developed countries of Western Europe and Northern America should be encircled through the conquering and domination of the poor and undeveloped countries of the Southern Hemisphere, now commonly known as "the Third World."

It is in the Soviet Union's pursuit of Mao's advice that one can understand the nature, the meaning and the direction of the battle for Southern Africa, which the Soviet Union has today intensified with every effort, means and tactics.

With this in mind, one should not, of course, underestimate the now more dangerous type of guerrilla warfare that the Soviet Union is waging in the Western countries: I mean in the press, radio, television, universities, trade and student movements—all designed to arouse the consciousness of Western culpability, or the feeling that the West is the worldwide criminal.

An example of this is the attempt to make the world believe that American intervention in Vietnam is criminal, but the Soviet intervention in Angola is not criminal.

Southern Africa, therefore, is of primary importance, not only in terms of military strategy (waterways, port facilities, uranium), but also in terms of economics (gold, mineral wealth). It is also an area of important social and political contradictions, some of which are institutionalized in the framework of apartheid or in traditional set-up of tribal rivalries.

These contradictions are extremely useful to the proliferation of communist ideas, which can be intelligently manipulated to suit the aims of Soviet imperialism.

Southern Africa is therefore one area where the now very experienced apostles of Soviet imperialism will efficiently manipulate the growing racial, tribal and political bitterness among the populations there, in the old classical law of divide and rule.

WHERE DOES FOREIGN AID GO? . . . AND WHERE DOES IT ALL COME FROM?

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. YOUNG of Florida. Mr. Speaker, several weeks ago, I called for a national debate to stimulate conservation nationwide on the subject of foreign aid. The beginning of that national debate took place on the floor of this Chamber, when we had under consideration the foreign assistance appropriations bill for fiscal year 1978. Following that debate, on July 3, 1977, an article appeared in the St. Petersburg Times, written by that paper's veteran Washington correspondent, Charles Stafford, which presents many of the program's good points and bad points. It is evident that Mr. Stafford spent a great deal of time delving into the complexities of this subject, and he included a considerable amount of material that I believe is virtually unknown to many Americans, whose hard-earned tax dollars are being used to support our foreign aid program. I am certain that the readers of the St. Petersburg Times found Mr. Stafford's article very helpful, and I would like to offer that article, entitled "Where does foreign aid go? . . . and where does it all come from?" for the benefit of those of my colleagues who are interested in further interpreting the intricacies of the foreign aid program to their own constituents:

WHERE DOES FOREIGN AID GO? . . . AND WHERE DOES IT ALL COME FROM?

(By Charles Stafford)

WASHINGTON.—Foreign.

Aid.

Just two harmless words.

But put them in tandem, and they begin to tug at the emotions.

Foreign aid.

Probably no other phrase in the working vocabulary of Uncle Sam is so misunderstood, so misconstrued, mistrusted or disliked as that one.

Popular synonym: Ripoff.

Common images; Striped-pants Americans scuttling from one seedy capital to another, dropping off suitcases of money to evil little men in comic uniforms . . . The Ugly American bartering bucks in a banana republic for the assurance from the ruler of the moment that communism shall not enter there . . . Unscrupulous members of the wealthy class in impoverished countries lining their pockets with money that could better line American pockets . . . Millions of dollars flowing out of the U.S. Treasury into foreign ratholes.

It isn't like that at all.

But the foreign aid programs of the United States government have no constituency to defend them. Supporters, yes. But no pressure groups of voters out in the hinterlands whose economic well-being is so entwined with foreign aid that they will fuss and scrap for understanding and acceptance.

The programs go on, despite an unpopularity measured and remeasured in countless surveys, simply because president after president assures the citizenry that they are vital to the worldwide interests of the nation.

Citizens grumble. Their elected representatives in the Congress respond by laying the rhetorical lash to foreign aid, decrying the foreign giveaways, hacking at the presidential funding requests with their cutting knives.

But foreign aid survives.

It happened once again in the House of Representatives on June 22 and 23. President Carter's $7-billion foreign aid appropirations bill was called up.

EMOTIONS WELLED UP

"I want to say," said Rep. Tim Lee Carter, R-Ky., "that some of my good friends who have gotten into the diplomatic whirl, wearing striped pants and morning coats, have lost their feeling of reality, and they lose touch with their constituents. They live in high style, hobnobbing with the big wigs, eating caviar, fish eggs, that is; and they forget the people they are serving and strew their tax money to the four winds of the Earth."

"Water is life in my part of the country," said Rep. B. F. Sisk, D-Calif. "I cannot sit idly by while life-sustaining, food-producing water projects are arbitrarily knifed out of the federal budget (by the President) when at the same time our people's money is being sent overseas to fund somebody else's water projects."

"Thirteen years ago," said Rep. Paul E. Tsongas, D-Mass., "I was living in Wolisso, Ethiopia, a place most of you never heard of. The people I lived with there . . . worried about survival on the most basic level . . . I remember those people. And when I see well-fed and well-nourished and well-clothed members of the richest and most resource-wasteful country on Earth who joyously seek to take a bare standard of living from those people, it makes me sick. I think anyone who votes for these amendments (to reduce foreign aid) or anything like them should be forced to spend 60 days in Wolisso, Ethiopia. He will come back thinner, but he will come back more humane."

"I," said Rep. C. W. Bill Young, R-Fla., "have been to places in the United States where I have seen people starving with their bellies protruding, their teeth falling out, and a great number of them being unable to read because their eye deficiencies have not been taken care of . . . I can show the members some people in the State of Florida who eat cat food and dog food at the end of the month because their Social Security check has run out. Do not tell me about hungry people. They are all over the world. We ought to do all we can to help them, but I do not think we ought to do it by lining the pockets of some administrators and bureaucrats who have a big fancy job with a lot of travel supposedly coordinating some of these things."

For two days, the debate continued. The amending knives altered the bill. St. Petersburg's Young, a leader in the debate, pushed through an amendment that would prohibit any U.S. funds paid into the international development banks, such as the World Bank, from going to places like Vietnam, Uganda and Ethiopia. Rep. Clarence E. Miller, R-Ohio, scored a surprising victory with an amendment, debated for only a half-dozen minutes, that cut the spending bill by 5 per cent.

But in the end, the scarred foreign aid appropriations bill—pared down to $6.7-bil-

lion—passed by a vote of 208–174 and was sent limping to the Senate.

Once more foreign aid had survived, just as it has for almost three decades.

These programs have their roots in the massive American program that rebuilt ravaged Europe after World War II. President Truman made the commitment in his Inaugural Address of Jan. 20, 1949, stating:

"We must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas . . . For the first time in history, humanity possesses the knowledge and the skill to relieve the suffering of these people (in underdeveloped nations) . . . Democracy alone can supply the vitalizing force to stir the peoples of the world into triumphant action, not only against their human oppressors, but also against their ancient enemies—hunger, misery and despair."

It was conceived by the generosity in the American heart, and former Secretary of State Dean Rusk explained its rationale in a speech in Miami in 1961.

"Whenever an underdeveloped country makes economic, social and political progress," Rusk said, "it expands the frontiers of freedom. Whenever we cooperate in breaking down the barriers of ignorance, poverty, disease and despair, we further not only the well-being of mankind but our own security.

But if the American people have lost sight of the charitable purpose, it is not their fault so much as that of their presidents. For through the years the bigger share of U.S. aid has been military assistance given not so much from the heart as out of American self-interest in its 30-year Cold War struggle with the communist bloc nations.

Out of the confusion generated by the mingling of military and developmental aid has come the most familiar of the stereotyped criticisms of foreign aid:

"You can't buy friendship."

For whatever the purpose—a charitable effort to erase poverty and ignorance, or a selfish attempt to contain communism—the United States has dispensed more than $190-billion worth of assistance to other nations since that Truman inaugural in 1949.

Actual figures are hard to come by. Foreign aid is not a single program, but several. The Defense Department dispenses military aid, and also some developmental aid in support of the military effort. The Agriculture Department supervises the Food for Peace program. The Agency for International Development (AID) oversees the nation's program of direct economic assistance to other nations from its offices at the State Department. The Treasury Department is in charge of providing American dollars to the international development banks, which get their funds from many nations and loan them out to needy countries.

If you look at the President's budget in search of how much the nation spends for foreign aid, you come up short. Since it isn't a popular program, administrations—both Democratic and Republican—are not inclined to be completely forthright about how much money they are sending abroad. Military assistance is contained in the defense budget rather than the foreign aid category. During the Vietnam War, much of the money flowing there was listed under national defense.

Nor are congressional appropriations bills a ready source of information. The bill considered two weeks ago by the House, while styled the Foreign Aid Appropriations Bill, did not contain funds for military assistance or the Food for Peace programs. Those funds are in other appropriations bills.

The best source is a report prepared for Congress by the Agency for International Development, which pulled all the figures together (see chart).

As an example of the figure discrepancy, the Foreign Aid Appropriations Bill for 1975 totaled $3.7-billion. "The Budget of the United States Government for Fiscal Year 1977" listed actual foreign aid expenditures during fiscal 1975 as $4.9 billion. But AID, in its report, said total foreign aid for the year amounted to $7.2-billion.

The programs:

Security Assistance—Since military assistance is considered a national defense function, the Pentagon handles the program. It makes weapons available and finances military training in those countries in which it determines that such aid will further U.S. national security interests. It also provides some economic assistance which bolsters the military assistance program.

But the Defense Department isn't handing out dollars. It dispenses weapons and services. And in recent years, at the direction of Congress, it has shifted away from outright gifts—or grants—toward military sales credits. The country getting the weapons are expected to pay for them, though the terms are generous.

The bulk of security assistance at the moment is concentrated in Israel, Egypt, Jordan and Syria. Its stated goal is to achieve peace in the Middle East, and the strategy is for the United States to keep the friendship of both Israel and the Arab nations while keeping the military forces of both sides of the dispute in balance. It's like making sure that both sides in a tug of war are so equalized that neither can win.

The United States is also planning to increase aid to several countries in southern Africa in an effort to bring about a peaceful resolution between black- and white-dominated governments.

Bilateral Development Assistance—The greater share of U.S. economic assistance to less fortunate countries is handled by the Agency for International Development. It makes aid available on a one-to-one basis: "Mr. President, the farmers of your country need training in how to obtain better yields through use of fertilizer; we will provide you with the expertise and the fertilizer."

AID programs are teaching water management techniques to small farmers in Pakistan, building roads in rural areas of Kenya, expanding the market for crops produced by small farmers in Bolivia, teaching birth control in Colombia, supporting 60 rural health clinics in Nepal, training village health workers in Liberia, developing 25 community skills centers to reach the rural poor in Ethiopia, building barrio schools in the Philippines, helping earthquake victims in Italy and Guatemala to rebuild their homes, and supporting U.S. schools and hospitals in poor nations.

Multilateral Development Assistance—While most of the U.S. developmental aid is bilateral, there has been a steady increase in the amount of multilateral aid. Multilateral aid is aid provided to developing countries by the United States in partnership with other developed nations. This aid is administered through international agencies: The World Bank, the Inter-American Development Bank, the Asian Development Bank, and the African Development Bank.

The World Bank, founded in 1945, is the patriarch of the family of development institutions. It is the largest with 128 member nations. All of the members contribute to its supply of capital, and each has a voice in its operation in direct proportion to its contribution. The United States, which through the years has contributed 25 per cent of the funding, has that large a vote in the management. But this does not give it a veto over actions of the bank. The bank makes loans to developing nations for projects designed to improve their economies.

Food For Peace—This program helps alleviate hunger and malnutrition in developing countries by providing concessional loans and grants to finance agricultural imports from the United States.

There are other lesser aid programs, such as the Peace Corps, the Export-Import Bank which makes American products available to developing nations on very favorable purchase terms, and international narcotics control assistance.

The idea that foreign aid consists of dollars shipped abroad is particularly faulty. Military assistance consists of credits to purchase arms manufactured in the United States. Almost all of AID's economic assistance is in the form of commodities and services that are provided by American businesses.

Foreign aid is good business for American business.

During fiscal 1976, Florida manufacturers and suppliers received $3,236,973 for commodities shipped to less developed countries by AID. This brought to more than $50-million the total value of AID-financed product purchases in Florida during the last eight years.

In addition, Florida farmers and food processors received $4,773,000 for agricultural commodities distributed in 1976 under the Food for Peace program.

Amid all the meaningless rhetoric of the House debate in early June, there was a meaningful concern—expressed forcefully by Representative Young—over where the money the U.S. is putting into multilateral aid is going.

Young told his colleagues he supported a generous foreign aid program "that insures that the dollars will get to those people who actually need the help and will be used in those countries that are at least neutral rather than hostile toward the United States."

Noting that the Administration request for multilateral aid was 85 per cent larger than a year ago, Young said these funds go to the international banks which set the rules on how the funds are distributed. "Congress will not have any authority, period, on how those U.S. tax dollars are used once they go into these international banks," he said. "And I do not like that."

Citing a headline stating "Ugandans Reported Fleeing Massaacre," Young said there was nothing to prevent the banks from making loans to the government of Idi Amin. On his motion, the House adopted an amendment prohibiting the use of any U.S. funds paid to the banks for assistance to Uganda, Cambodia, Laos or Vietnam. Supporters of the bill warned that the vote could force the U.S. to withdraw from participation in the development banks, because bank regulations forbid such prohibitions, but the vote was decisive.

Whether the Senate will embrace the prohibitions, remains to be seen.

Earlier this year, C. Fred Bergsten, assistant secretary of the Treasury for international affairs, explained to a congressional committee why the administration considers multilateral aid so important.

"Poverty and misery remain endemic in many parts of the world," he said. "Our very spirit as a nation requires that we do our part toward alleviating those conditions."

There are three basic reasons, he said, for supporting the efforts of the international development lending institutions.

First, Bergsten said, the banks can and do insist on sound projects and programs in the countries obtaining loans. "They can do so with particular effectiveness because of their political independence and collective representation of donor interests," he said. "Hence they are a good bet to carry out programs which will effectively implement our wide-ranging interests in the development process."

BROTHERHOOD CITATION

HON. BILL NICHOLS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. NICHOLS. Mr. Speaker, I would like to bring to the attention of my colleagues in the House of Representatives a resolution which was recently adopted by the city of Tuskegee, Ala. and a similar resolution adopted by the city of Los Angeles honoring the great success and achievement of six of my constituents. These young men have achieved the pinnacle of success in the recording industry by producing albums which not only have reached gold record sales levels, but also platinum.

The resolutions follow:

BROTHERHOOD CITATION—"COMMODORES"

The Commodores are hereby cited for their outstanding inspirational contribution to the furtherance of brotherhood. Coretta Scott King, President, Martin Luther King, Jr. Center for Social Change, Atlanta, Georgia, May 16, 1977.

Resolution from the office of the mayor, Tuskegee, Ala.:

Whereas the city of Tuskegee, Alabama, home of Tuskegee Institute, the National Historic site for black education and accomplishment in America, land of Dr. Booker T. Washington, land of Dr. George Washington Carver, is also the home and land of the world famous Commodores; and Whereas, the world famous Commodores have been acclaimed contemporary music's top act, both artistically and financially; and Whereas, The Commodores show no signs of resting on the laurels of astronomical sales figures achieved for the albums, "Machine Gun", "Caught In The Act", "Movin' On", and "Hot On The Tracks"; and, Whereas, the city of Tuskegee and the State of Alabama are often and profoundly mentioned by the group along with publicity generated by record sales and concert appearances across the United States and around the world; and Whereas, The Commodores . . . Lionel Ritchie, Walter "Clyde" Orange, Thomas McClary, Ronald LaPread, Milan Williams and William King . . . through their phenomenal successes and unselfish recognition of home state, home town and home folk have brought immeasurable fame to Tuskegee; now, therefore, be it resolved by The Mayor and Council of Tuskegee, Alabama, that Monday, May 16, 1977 be proclaimed "Commodores Day" and Tuskegee, "the pride of the swift growing South", and hereby call upon *all* of our citizens to join the citizens of Los Angeles, California in paying tribute to Tuskegee's "favorite sons".

THE CITY OF LOS ANGELES COMMENDATION

Whereas the Motown singing group known as The Commodores have enriched the American scene by virtue of the versatility of their music; and, Whereas, The Commodores have become goodwill ambassadors for the United States to music lovers in Europe, Africa and the Far East, also by virtue of the songs they have written, sung and recorded; and, Whereas, the group has achieved gold record status for four albums in the United States, as well as one platinum, two gold albums in the Philippines and one gold in both Nigeria and Japan: Now therefore, I, Thomas Bradley, Mayor of the City of Los Angeles, commend Lionel Ritchie, Walter "Clyde" Orange, Thomas McClary, Ronald LaPread, Milan Williams and William King, the members of The Commodores, for their contributions and achievements and wish them continued success in all their future undertakings.

COURTROOM INTERPRETERS FOR THE DEAF

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. HARKIN. Mr. Speaker, on June 10, 1977, I introduced H.R. 7723 to require the appointment of interpreters for hearing-impaired individuals in certain judicial proceedings. This bill is identical to S. 819 introduced by Senator MATHIAS.

There are, living in the United States, an estimated 13.4 million hearing-impaired persons. Of these persons, 1.8 million are totally deaf, and of those totally deaf, 410,000 have been deaf since birth.

The problems of these deaf or hearing impaired persons center around impaired communication, both in that few normal hearing persons understand sign language, and that deaf persons have no way of completely understanding spoken language. Further, those who have been deaf since birth are more seriously affected since language and communication between individuals is the principal means through which much of our knowledge is obtained throughout life.

Impaired ability to communicate presents a real problem to the deaf individual who comes in contact with the judicial system. The potential for achieving fairness and meaningful representation is seriously impaired for the deaf person if he or she does not understand the nature of the proceedings taking place in a court of law and if he or she cannot make themselves understood in the way in which he or she wants to be understood.

The lack of a legal voice in the courtroom is threatening to the deaf person in his quest to achieve fair representation.

My bill provides that, if the judge determines, in any civil or criminal action, that the defendant, because of hearing impairment, does not speak or understand the English language with a facility sufficient to comprehend the proceedings or testimony, an interpreter will be appointed to convey all proceedings in a mode of communication that is understood by the defendant.

The defendant, at any time, has the option to waive the interpretation in whole or part after having the nature of the waiver explained to him.

The district court will maintain a file of certified interpreters for the hearing impaired from which an interpreter will be selected. If no certified interpreter is located within the judicial district in which the court is located, an interpreter from a nearby district may be utilized. If no certified interpreter from a nearby district is available, an otherwise competent interpreter may be appointed.

Provision is also made in the bill for the determination and certification of the qualifications of persons who may serve as certified interpreters for the hearing impaired. A current list of qualified interpreters would be maintained and all fees and costs of interpreters and necessary equipment would be paid out of moneys appropriated to the judiciary for the conduct of proceedings involving hearing impaired interpreters and equipment.

I urge my colleagues to support this bill. Those persons who would otherwise be excluded from fair legal representation because of impaired communication abilities, deserve an equal opportunity to be represented properly and fairly in a court of law.

SPECIAL ORDER ON WITHDRAWAL OF U.S. TROOPS FROM KOREA

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. LOTT. Mr. Speaker, the question of whether or not this country should withdraw its ground forces from Korea is an extremely serious one. What we do or do not do in Korea will cause major repercussions not only for ourselves, but also for our allies and friends throughout Asia. Haste has no place in such a decision.

That is why I am concerned today about the circumstances under which this withdrawal decision has been made. From what information we have so far, it appears that this decision has been reached clandestinely by President Carter and a handful of advisers.

Let me say that I am not opposed to an eventual U.S. withdrawal from Korea per se. When the evidence is available that the North Koreans have ceased their aggressive designs against the South and that American forces are no longer necessary to the stability of the peninsula, then I will welcome the return of our forces. But those signs do not exist today, and the Administration has made no claim that they do.

What I am particularly opposed to, however, is the closed nature of this decision and the restricted environment in which it seems to have been made. This is exactly the moment when those concerned with the Korean decision should be seeking the broadest consultation and the greatest input from as many sources as possible, as part of a comprehensive review and study of all aspects of the withdrawal question. This is something which should be done, but apparently has not.

It is reassuring at least that the Congress is asserting itself on this matter and is demanding some say on what this country decides to do in Korea. At the very least, it is our responsibility to examine as thoroughly as possible all the information available to us on this matter, including those views which have not been solicited elsewhere.

My colleagues Congressman ABDNOR and Congressman HAGEDORN and I wish to bring to the attention of the Members

at this time an extremely comprehensive and well-reasoned statement by Gen. Richard G. Stilwell, USA, Retired, who from August 1973 through October 1976 served as Commander-in-Chief of the United Nations Command in Korea. General Stilwell, more than anyone else today, is in a position to comment authoritatively on the political and military considerations affecting an American decision to withdraw. His essay draws on the insight and information gained in the course of a long and distinguished military career, in addition to his recent experience of spending over 3 years on the line in Korea. General Stilwell's views are an important contribution to the debate on the Korean withdrawal question.

The article may be found in the AEI Defense Review, No. 2, on page 14. It is titled, "The Need for U.S. Ground Forces in Korea." Mr. HAGEDORN, Mr. ABDNOR, and I hope that our colleagues will take the time to read this very worthwhile article.

NAVAL ACADEMY GRADUATE JEFF SAPP—"READY FOR THE WORLD!"

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mrs. COLLINS of Illinois. Mr. Speaker, I take this opportunity to include in the CONGRESSIONAL RECORD an article from the June 8 issue of the Washington Post entitled, "Pioneer Sapp Leaves Mark on Naval Academy," an interview with a young black man, Jeff Sapp, who graduated from the U.S. Naval Academy this June and who is the first black All-American football player in the Academy's history.

I offer this article as an indication of the opportunity that is available for qualified high school graduates to receive an excellent education and a key to future success with the tab to be picked up by the Federal Government. In this article, Mr. Sapp says of his 4 years at the academy, "I'll tell you this: I'm walking out of here with $70,000 worth of education. Free. No one can hold me down now. If I apply for a job and they do not want me, fine. I've got the background now to go down the street and make it somewhere else. This place has prestige."

The Seventh Congressional District of Illinois, which I represent, is an area with pockets of unemployment often many points above the national average. This June, my district gained an estimated 2,500 high school graduates—the great majority of whom are now beginning their working careers with a search for meaningful and satisfying employment. You and I know that oftentimes this will be a frustrating and disappointing experience.

It is my hope that the young people of my district will consider continuing their education at the U.S. Naval Academy or any of the other service academies as a viable alternative to their job search. Following is a vivid description of one man's experience at the Academy and of the value of this education to him:

ANNAPOLIS.—Soon after he graduates Wednesday from the United States Naval Academy, Jeff Sapp will climb into his silver Granada, the one with the license plate "JEFFREY," and start driving toward his home in Colorado Springs.

"When I wheel out of here," he said today, "I'd like to think not so much that I'll remember the academy but that the academy will remember Jeff Sapp for a long time."

It will, in different ways. His coaches will remember him as the first black football captain and first black All-America football player in the academy's history. Academy officials will remember him even more, Sapp believes, for being what he calls "an everyday, regular pioneer."

Sapp is not the first black to graduate from the Naval Academy. But he probably is the most publicized and he easily is the most honored athletically.

He has tried to use his fame to bring about subtle changes in the academy's attitude toward blacks. And he believes that the mere fact that someone like him, a self-described average student with no pretensions of academic immortality, can survive four years at the academy should convince other blacks that it's not a bad place for them, either.

"This is how it used to be," explained Sapp in his nonstop fashion of talking. "Blacks who were brains could get into here or the Ivy Leagues. They'd say, 'Why here?' and go to the Ivies.

"The rest of us, the ones without brains, we saw the academy and we heard that it wasn't a good place for blacks. You had a hard time academically, it wasn't always that friendly and then you had that military obligation.

"Well, I say that doesn't have to be so. You don't have to be a brain to make it here. I proved that. And I found that this place is changing. Oh, it's slow and there are things I'd like to see different, but there is progress.

"I'll tell you this: I'm walking out of here with $70,000 worth of education. Free. No one can hold me down now. If I apply for a job and they don't want me, fine. I've got the background now to go down the street and make it somewhere else.

"This place has prestige. Americans admire someone who graduates from the Naval Academy. And I've got a foundation that will last me the rest of my life. I can build from this point, because I made my mark here mentally, not just athletically."

Sapp smiled. "Don't make me out," he said, "as some wild-eyed radical. I'm a people person. I see something wrong and I think it should be changed, that's all. I mean, some things are dumb as hell, so why put up with them?"

It was one of those gorgeous late-spring days with the sun glistening off the Severn River and the grounds of the Naval Academy alive with the sounds of birds and the giggling of school-age children.

Jeff Sapp strolled down one of the long, tree-lined walkways and sat on a concrete bench. The muscles in his bulging chest rippled under this white uniform as he talked of the last four years and how they had affected his life.

Sapp has one of those infectious personalities that can adapt to any situation. Friends at the academy say they have never seen Sapp uncomfortable with anyone, be it the academy superintendent or a rooter at a gathering of football boosters.

For the next few months, he is going to recruit for the Navy. It seems a perfect position for him. Sapp appears capable of luring a bee away from honey if he wanted to.

"I love to talk," he said. "I've found that's the best way to find things out. You get people going and they are going to fill you in on things you didn't know before. I just like to live life and be happy about it."

Sapp has a right to be sad if he wants. He has the desire and skill to become a marvelous pro football player, even with a five-year military obligation standing in the way. But he never grew larger than a solid 200 pounds, much too small for an aspiring defensive lineman.

Although he'd like a chance somewhere along the line to try out for a pro team, he's passed the state of brooding about his fate.

"If I was 40 pounds bigger, then I'd be cursing about having to wait five years," he said. "But since it would be foolish for me to think I could make the pros, I don't worry about it. The curiosity will always be there, but now I have to depend on my mind, not my body, to make it from here on out."

So football fans most likely have seen the last of Sapp outsmarting 240-pound offensive linemen with the quickness and anticipation that characterized his middle-guard play.

His coach, George Welsh, says that without question he was the finest middle guard in college football last year. Considering that Sapp came to Navy expecting to wrestle, not play football, his performance is even more remarkable.

Sapp's goal coming out of high school in Colorado was to become a world-class wrestler, capable of earning a gold medal at the Olympics. But a standout showing in a summer high school all-star game rekindled his enthusiasm for football (he had been all-state in three sports: football, track and wrestling and he wound up never wrestling a bout at Navy.)

"It's unbelievable how my life has changed since I left home," he said. "When I came out of high school, I was going to Arizona State to wrestle, take psychology, sociology and music and become an athletic star."

But Sapp's father, who spent 22 years in the Army, had other plans. He had checked out the military academies and decided that his son belonged at Navy. Only after a series of heated discussions did Sapp agree to his father's wishes.

Three times after reaching Annapolis, Sapp decided to leave. The third time, his father had to fly in to talk him out of it.

"I never had a technical background in high school," Sapp recalled. "I wasn't prepared for the courses at Navy. Here I was struggling with engineering and I could have been some place else taking courses I liked.

"But he told me you can eat an elephant if you want by taking one bite at a time. He told me that he was black and that he had made it. Just think what I could do with a degree from the Naval Academy. So I stayed."

Academics proved no more troublesome than his fear of facing those monster offensive guards every fall Saturday afternoon and realizing those guys probably eat their young for breakfast." If I wasn't perfect in what I did, they'd eat me alive.

"I got where I'd talk to my opponents and smile at them. In one Notre Dame game. I even blew one guy a kiss. Hey, I'm a hot dog. I admit it."

There were also serious times. The academy superintendent consulted him on how to make the school more appealing for blacks. He played drums in a small musical combo. As football cocaptain, he was responsible for settling internal problems "and being called on the carpet when we didn't."

Prior to the graduation ceremonies, Jeff Sapp will be given the Thompson Trophy, one of the academy's two most prestigious athletic awards. It goes to the senior whom the academy feels has done the most "for promotion of athletics at the Naval Academy."

Another black, sprinter Daryl Anderson, will receive the Naval Academy Athletic Association Sword, the other major award. It

will be the first time blacks have won both awards in the same year.

"I'm not 1000 per cent sold on this place," said Sapp. "When I leave, I won't remember much but the Army-Navy game and the fact that I graduated.

"But if just one black child sees what I've done and wants to follow me here, then I'm glad things worked out as they did. It might sound corny, but I mean it. I've tried to leave my mark and now it's on to other things."

ST. STEPHEN'S CROWN

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. McDONALD. Mr. Speaker, our colleague, Representative MARY ROSE OAKAR, has made a valuable contribution to our understanding of an attempt to turn a valuable symbol of freedom over to the Communist dictatorship that rules Hungary. St. Stephen's Crown is the symbol of legitimacy and national independence for Hungary for almost 1,000 years. Even during the rule of the Hapsburgs, Hungary was considered a partner of Austria and not a colony.

Today Hungary is a colony of Soviet imperialism. In 1956, when the Hungarians attempted to achieve freedom from Communist rule, it was Soviet tanks that suppressed the revolt.

For many years, the Communists have attempted to obtain St. Stephen's Crown. It would be used to establish the legitimacy of their rule in Hungary and to discourage the aspirations of the Hungarians for freedom. There is an element in our State Department that would turn this important symbol over to the Communist despots. Representative OAKAR has raised her voice in protest against such a desecration. Her article in Review of the News, July 6, 1977, should encourage all of us to join her in this protest. I urge my colleagues to cosponsor H.R. 6634, which would prevent the delivery of the Crown to the Communists.

I commend Representative OAKAR's article to the attention of my colleagues. The article follows:

SAINT STEPHEN'S CROWN

(By U.S. Representative MARY ROSE OAKAR)

When I think of the millions of people in Eastern Europe who have been brutally deprived of their freedom since World War II, my thoughts go back to when I was a student at Saint Patrick's Elementary School in Cleveland, and how my classmates and I would in our daily prayers, include a special plea for the safety of the bold advocate of freedom for Hungary, Jozsef Cardinal Mindszenty. This man was one of the world's great freedom fighters; a holy man who repeatedly and without hesitation sacrificed all he had for the cause of liberty.

Thus I was deeply honored when, several years ago, I was granted a special audience with Cardinal Mindszenty during his visit to Cleveland. I was then a member of the City Council, and he was kind enough to receive me privately for about half an hour. This great man spoke dramatically to me of the deep desire of the Hungarian people for freedom from their Communist oppressors. It is almost impossible to describe the emotion and eloquence with which he reminded me of the Hungarian Crown of Saint Stephen.

The Crown has been in the possession of the United States since the end of World War II, having been turned over to American troops in Austria for safekeeping by the Hungarian Crown Guard. Over the decades since, the American government has refused the repeated demands of the Communist regime in Hungary that the Crown be surrendered to its authority. This is a matter of great concern to all Hungarians who love God and their country. Which is why Cardinal Mindszenty's message to me during our meeting in Cleveland was this: The Crown *must not* be returned to a Communist government in Hungary. Never. Not ever. He made it very clear that the Holy Crown should be returned *only* when in God's grace Hungary is once again a free and independent nation.

Since my meeting with Cardinal Mindszently I have spoken about this matter with hundreds of Hungarian-Americans. They repeatedly echo the great Cardinal's sentiments.

To understand the deep feeling that those of Hungarian descent have for the Crown, one must understand that to them it is as much a symbol of freedom as the Statue of Liberty and the Liberty Bell. Perhaps even more so because it has great religious significance. Given to King Stephen of Hungary in the year 1001—nearly a thousand years ago—the Holy Crown was a gift from Pope Sylvester II, sent to the King to celebrate his personal conversion, and the conversion of the Hungarian nation, to Christianity.

Originally it was quite simple, but through the years the Crown was embellished with tiers of gold, jewels, and enamel portraits of ancient Kings. Nine pendants are strung from it by golden chains, and when a monarch wore it these would make a musical sound as he walked. A cross at the top of the Crown was bent, legend has it, when in the 13th Century conspirators tried and failed to assassinate a King who it is believed was saved by the special powers of the Crown. It is a beautiful and historic work of art, as well as a symbol of both religious and national freedom.

One of my most prized possessions is a lovely, little enameled pin that pictures not only the Crown but also the Hungarian flag. This pin was given to me by two Hungarian friends who host an ethnic radio program in my home District that reaches out into greater Cleveland. I treasure it because, like the Crown itself this is not simply a piece of jewelry but was presented in the same spirit that the Crown was entrusted to the United States. My friends consider the enameled pin a sign of trust and of our mutual determination to defend the freedoms and traditionals we hold dear.

The Crown of Saint Stephen was given to our country for safekeeping, as I have noted, near the end of World War II. As Russian troops were making their way toward Budapest, alert members of the Hungarian Royal Guard are believed to have removed the Crown and some other relics of Hungarian royalty to insure their safety. They buried these treasures at a number of sites in Austria to keep them out of the sight of marauding Russian soldiers. In 1945 officials of the Royal Guard led Americans to the Crown and the other national treasures and asked that they be delivered to the United States, to a people able to guard the Crown for the freedoms it symbolizes, until such a time as their homeland might again be free.

Great as the trust of the Hungarian people has been in us, however, our State Department has since the 1960s been giving serious consideration to surrendering the Crown to the Communist regime in Hungary. All the State Department will say officially is that the matter of the Crown's return "will be addressed in light of improvement in U.S.-Hungarian relations." This is at best an intentionally vague statement; and, at worst, it suggests that the Crown might be returned as part of something like the April 1977 cultural exchange agreement with the Hungarian Reds.

When we review the history and the deeds of the current Government of Hungary it is clear that we would be wise to watch our step. This is the same Government that, with the help of Soviet troops and tanks, crushed the gallant fight for freedom in Hungary in 1956. Thousands were killed or wounded in that effort, thousands more were forced to flee their homeland, and still more thousands were imprisoned in the slave camps. Some 200,000 Soviet troops continue to occupy the homeland of the Hungarian people. The Government of Hungary is a Soviet puppet. Hungary is *not* free. How in the name of decency could we even consider breaking our promise and giving the Holy Crown to the atheistic oppressors of the Hungarian people? Imagine this Holy Crown surrendered to the Communists as a "good will" gesture and then put on display, to be seen by a people crying out for freedom, as just another Soviet "war trophy."

Trial balloons on return of the Crown have repeatedly been floated by the boys at State. Were it not for the storm of protest that these caused among Conservatives and in the American-Hungarian community, the Crown would be in Budapest today.

Learning from Cardinal Mindszenty and my Hungarian friends of the history of the Crown, and the possibility of its delivery to the Communists, I wanted very much to do all I could to see that America keeps faith with her commitment never to surrender the Crown except to a free Hungary. While a member of the Cleveland City Council, the best I could do was to put the Council on record against its return. Cleveland has a huge Hungarian population—by some estimates, it is the largest Hungarian community outside of Budapest—and so I thought such action might carry some weight with the State Department. I introduced in Council a Resolution strongly disapproving return of the Crown, and I was delighted when it was approved.

Naturally I knew that the Council's action was not binding on the State Department. My chance to do more came soon after I took office as a Member of Congress in January of this year. Once again, trial balloons about return of the Crown were being floated, and it seemed that return of the Crown might be imminent. There had to be something I could do that would amount to more than just a gesture in preventing the State Department from surrendering the Crown. Researching past Congressional efforts to protect it, I found that in earlier years only "Sense of the Congress" Resolutions had been introduced in behalf of the Crown. While I certainly agreed with the sentiment behind these Resolutions, they were no more binding on the State Department than the one I had persuaded the City Council in Cleveland to approve.

It was clear to me that only the force of public opinion had saved the Crown over the past several years, so why not let the views of the people of this country—as expressed through the House and Senate—actually decide the Crown's future? I sincerely believe that any decision on the Crown should be made by the people and not by some State Department bureaucrat, or even by the President. So I drafted and recently introduced H.R. 6643, which states that the Crown of Saint Stephen shall not be returned to Hungary, or be transported out of the country, without the specific approval of Congress. This bill, if enacted, would be binding on the State Department, and it would guarantee that the Crown and all it represents will not become a victim of the "surprise diplomacy" that has disturbed so many of us in recent years.

With the requirement of Congressional approval, any proposal to return the Crown of Saint Stephen would be fully debated in

both houses of Congress, and the Crown could not be whisked back to Budapest before the American people have had their say.

The introduction of my bill, which I have entitled the Hungarian Crown of Saint Stephen Protection Act, is only a first step in the legislative process. Hearings must be held, and the measure must be approved by both houses of Congress. But I am encouraged by the favorable response I am receiving from other Members of Congress, and from concerned men and women all over the country. It is my hope that each of you will urge your own Congressmen to join in this effort.

In the meantime I shall continue my efforts to try to protect the Holy Crown. And I look forward to the day, which I know will come, when we can, with a full and joyful heart, return the Crown of Saint Stephen to a Hungarian Government freely chosen by the Hungarian people.

QUESTIONS AND ANSWERS ON THE BREEDER REACTOR

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. BROWN of California. Mr. Speaker, the following questions and answers, and others that I will insert into the RECORD later, will hopefully clarify some important points regarding the breeder reactor. I hope that the House will carefully examine all of the issues in this controversy. When the ERDA authorization bill, H.R. 6796, comes to the floor, I will introduce an amendment to defer the Clinch River breeder reactor project, as the President recommends.

The questions and answers follow:

1. What is meant by the "plutonium economy"?

The "plutonium economy" signifies the use of separated plutonium as a fresh fuel for nuclear reactors. Plutonium is produced by current light water reactors (LWRs), but their operation is not dependent on reprocessing the highly radioactive spent fuel to recover and reuse plutonium.

An optional transition stage to the mature "plutonium economy" would use plutonium reprocessed from spent reactor fuel as a supplementary fuel in LWRs. Although this recycling saves roughly 25 percent on uranium requirements, economics are marginal and, at best, result in a savings of only 1 percent or 2 percent of the cost of nuclear power. Primarily for non-proliferation reasons, both Presidents Ford and Carter have deferred commercial reprocessing and recycling. The fledgling plutonium reprocessing industry in the U.S. for LWR spent fuel is represented by the partially completed, privately financed plant in Barnwell, South Carolina. (With reprocessing deferred, LWR spent fuel can be stored retrievably so that the energy value can be recovered if ever needed.)

The mature "plutonium economy" implies the use of the liquid metal fast breeder reactor (LMFBR) on the plutonium-uranium fuel cycle, which is sixty times more uranium-efficient than an LWR but which *requires* the reuse of the produced plutonium. Each commercial size LMFBR would contain about 3 tons of plutonium—enough to construct several hundred nuclear weapons. At each annual refueling, about one-half this amount would be removed. A commercial-size (1500 metric tons per year) fuel reprocessing plant would recover annually sufficient plutonium to construct over one thousand nuclear weapons if it reprocessed LWR spent fuel; and up to ten thousand nuclear weapons if it reprocessed plutonium breeder spent fuel. As these figures indicate, a nuclear power economy based on the breeder reactor would require tremendous amounts of plutonium being moved about.

2. How hard is it to make a bomb with reactor-grade plutonium?

The pacing consideration in the acquisition of a first weapon is the availability of nuclear weapons material rather than the capability to design a nuclear device. Roughly 10 kilograms (22 pounds) of plutonium is required for a bomb (the exact amount depending on chemical form and whether a reflector is used). The Office of Technology Assessment study of "Nuclear Proliferation and Safeguards" concludes that (i) "military useful weapons with reliable nuclear yields in the kiloton range can be constructed with reactor grade plutonium, using low technology" and (ii) "given the weapons material and a fraction of a million dollars, a small group of people, none of whom have ever had access to the classified literature, could possibly design and build a crude nuclear explosive device . . . which would produce a significant nuclear yield." A Lawrence Livermore study concludes that reactor grade plutonium, used in relatively simple designs, could produce effective, highly powerful weapons with explosive yields that range in predictable fashion from the equivalent of 1000 tons of TNT to 20 kilotons, the power of the plutonium bomb that destroyed Nagasaki.

3. How will the "plutonium economy" affect the proliferation of nuclear weapons?

Pure plutonium is not easily obtained from spent fuel because of the intense radioactivity of the fission products; separation of the plutonium requires a shielded chemical reprocessing plant. For a country using LWRs without reprocessing, acquiring nuclear weapons through the civilian power program is thus fairly difficult, requiring control over the spent fuel and the significant time to build and operate a clandestine reprocessing facility. Once a country enters into the commercial "plutonium economy", however, the situation is quite different. According to Victor Gilinsky, Commissioner of the Nuclear Regulatory Commission, "for a nation that has done its homework, separated plutonium can be suddenly appropriated from its storage place and inserted in warheads within days. . . . it is difficult to see how inspection safeguards over reprocessing and separated plutonium can give any protection." In other words, the "plutonium economy" gives a country an immediate weapons capability as a byproduct of civilian nuclear power. This capability, which may be used in a crisis, exists without a prior commitment to make weapons, and the warning time to the rest of the world is vanishingly short.

Countries can acquire nuclear weapons via other routes, but historical proliferation has been rather slow. The "plutonium economy" offers the potential of rapidly increasing the number of countries acquiring nuclear weapons capability. Moreover, a large commerce in plutonium significantly increases the possibility of theft or diversion of this material and subsequent building of a bomb by terrorist groups.

4. What is the possibility of developing adequate technical safeguards for the "plutonium economy"?

Since the advent of renewed concern over proliferation from the "plutonium economy", several technical safeguard measures have been suggested. For example, one suggestion is to have plutonium blended or coprecipitated with uranium at international reprocessing plants and the mixture spiked with radioactive materials (either by irradiating the fresh fuel for a short period of time or by adding radioactive sources such as Cobalt-69). The fuel would then be in a form hazardous to handle and not readily available for weapons. However, according to the American Physical Society study of Nuclear Fuel Cycles and Waste Management, "technical measures for safeguards, by themselves, do not provide adequate protection against theft or diversion of fissile material, but such measures can play an important role in complementing and reinforcing necessary conventional physical security measures." Although technical safeguards are helpful in guarding against theft or diversion, especially by subnational groups, blending and spiking procedures acceptable from an occupational safety standpoint probably could be reversed without too much difficulty by a nation and even by sophisticated terrorists. Another possible safeguard measure for LMFBRs is to use a form of "dry processing," called pyro-processing, which leaves a large amount of fission products with the plutonium in contrast to the Purex process which produces very pure plutonium. All of these measures should be thoroughly investigated during the pause and reappraisal period which the President has proposed, but it is not prudent to move full speed ahead now with the "plutonium economy" on the hope that these suggested technical safeguard measures will later prove adequate.

5. What has been the response of other countries to the President's non-proliferation initiatives?

President Ford deferred commercial plutonium recycle in the U.S. and asked other countries to stop selling internationally reprocessing and enrichment plants. In continuing that policy, President Carter asked other countries to rethink their commitment to the "plutonium economy" and to consider a pause in which to obtain an international framework for dealing with or bypassing plutonium. The only possible domestic decision consistent with a serious international reevaluation was also taken by the President, and that was to defer the project, the CRBRP, which is integral to the U.S. breeder commercialization effort. As the U.S. will continue with breeder research and development, other countries were not asked to cancel their own domestic breeder programs. Instead, Carter requested an International Nuclear Fuel Cycle Evaluation to explore ways to make nuclear technology more proliferation resistant and to investigate alternative means to meet world energy needs in the 21st century.

Since then, France and Germany have stated that they will no longer sell reprocessing plants overseas. Unlike Germany's prior contract with Brazil, France may indefinitely defer its previous contract to sell a reprocessing plant to politically unstable Pakistan. Japan may accede to an American request to delay its reprocessing plant, and the number of countries for tightened export controls has increased. England and Germany have both delayed the commitment to the next stage in their own breeder programs, but France and Germany have agreed to set up a company to market breeders. Although these results are mixed, we should not prejudge the ultimate success or failure of a long-term initiative.

RECOGNIZING THE PLIGHT OF OUR VETERANS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. GILMAN. Mr. Speaker, I was pleased today to support both H.R. 7345

the Veterans and Survivors Pension Adjustment Act of 1977, and H.R. 7658, special adapted housing benefits for veterans with total and permanent service-connected disabilities.

H.R. 7345, providing a 7-percent cost-of-living increase for veteran pensioners and extending a 25-percent pension increase to widows eligible for pensions at age 78 or older, will assist in providing much needed and deserved relief to these financially hard-pressed individuals.

In a similar manner, H.R. 7658, extends Federal assistance to veterans with a compensable permanent and service-connected disability from the loss, or loss of use, of one upper and one lower extremity.

I am extremely heartened that the House has acted to extend this assistance to what the Veterans' Administration estimates to be approximately 2,227 eligible veterans, so that they are not forced to bear the expense of adapting their own homes—an expense made necessary because of their service-connected disabilities.

As the 95th Congress addresses the many salient and pressing problems requiring expeditious and deliberative consideration, that it will afford those various pieces of veterans legislation—such as those pertaining to educational benefits—the high priority that they so very much deserve.

RESTRICT SMOKING IN PUBLIC PLACES

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. LONG of Maryland. Mr. Speaker, I bring to the attention of my colleagues a letter by Mr. Joseph J. Schirano, wholesale distributor of Schirano Candy and Tobacco Co. in Baltimore. Mr. Schirano ably represents the American tobacco industry's point of view regarding actions to restrict smoking in public places:

Representative CLARENCE D. LONG of Maryland,
House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE LONG: The smoke hasn't cleared yet! What is going to happen in the cigarette business?

For twenty years or so, many millions of adult Americans enjoy tobacco.

Scientific research provides strong evidence that tobacco smoke does not affect non-smokers' health. Non-smokers are annoyed by tobacco smoke.

Civil Aeronautics Board was asked to ban smoking on airplanes. Inhalation from tobacco smoke, generated as a result of passengers smoking aboard commercial aircraft, does not represent a significant health hazard to non-smoking passengers. They have received scores of comments from physicians, dentists, medical associations, health organizations and others. Many of them noted the lack of medical evidence of any harm to non-smokers.

There is no valid evidence to justify a claim. Government bodies continue to make new laws or regulations.

Joseph J. Schirano, Wholesale Distributor of Schirano Candy and Tobacco Company, 1614 Eastern Boulevard, Baltimore, Maryland 21221, would submit this is an area of individual rights. No way should we have Civil Aeronautics Board, governmental intrusion in the freedom of choice of a good business that has been good to all . . . the millions and billions of dollars that were and are still being collected in cigarette taxes, not only in the Federal government, but also in states, counties and municipal governments.

This kind of rhetoric is not a very healthy situation for all cigarette makers. The cigarette makers are spending millions of dollars to promote what the consumers are clamoring for—low tar and nicotine. Two cigarette makers will survive the low-tar cigarette, but the high spending on advertisements and cigarette low-tar making will eventually put the other cigarette makers in a bind because they just do not have 40 or 50 million dollars every time a new cigarette is manufactured. So what happens is it all filters down that they would sell or go out of cigarette making, which in turn many small wholesale distributors would go out of business, affecting 600,000 farm families, 7,500 factory workers, 900 warehouses, more than 2,000 wholesale firms and estimated 1.5 million retail outlets and uncounted thousands in other industries which supply and service this tobacco industry.

America, the land of the free, home of the brave—we are proud to be part of an industry that is as old and as honorable as our Nation's system of government that was based on freedom, justice, and individual rights.

Let us all be united in our industry and our work—please keep in touch with our government leaders. Remember, let us all join hands in our efforts to keep those zealots and parasites out of their meddling into our business.

I am surprised to hear and read that Mr. Frank Borman, President of Eastern Airlines, Inc., Miami International Airport, Miami, Florida 33148, is allowing 65 percent of air space on their planes to non-smokers .

I am also moved that the Civil Aeronautics Board, 1825 Connecticut Avenue, N.W., Washington, D.C. 20428, invoked a ban smoking on airplanes.

Very truly yours,

JOSEPH J. SCHIRANO.

INFORMING THE PRESIDENT ON PRM–10

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. McDONALD. Mr. Speaker, decisions concerning the defense posture of the United States should not be dependent on political whim. William Safire's column in the New York Times of July 11, 1977, provides an interesting insight into the problems faced by those who have the responsibility to prepare our defenses against Communist aggression.

Trapped between the legacy of 1976 campaign rhetoric on the one hand and extremist ideologues who have recently penetrated the administration on the other, the Defense Department's experts have serious problems. Faced by the newly appointed, sharp-eyed young doves who see no danger from Communist aggression, defense planners have a difficult time making their views available to the President.

If we are to avoid world war III, we must be strong enough to discourage Soviet aggression. The President must have available to him the truth about Soviet intentions and capabilities without political colorations. It would be useful if the President would read William Safire's comments on Presidential Review Memorandum–10, and I recommend it to my colleagues:

PRM–10 AND ERA-TWO

(By William Safire)

WASHINGTON.—"Nissms," they used to be called, from the acronym for National Security Study Memorandum. These detailed analyses sometimes led to historic changes in policy, in the Nixon Administration, NSSM–1 was a reassessment of policy toward China.

In the Carter Administration, the name of these studies has been changed, to show a break with the past. At first, they were to be called Presidential Study Memoranda, but alert global strategists shied from potential acronymic derision, and so the new studies are named Presidential Review Memoranda—PRM, or "prims."

PRM–10 is now the chief topic of conversation among defense, diplomatic and budget officials. The top-secret study is a whizperson's weltanschauung; more than 150,000 words on world power relationships, assessing where the United States stands in competition with the Soviet Union and estimating what we must do to maintain the military balance in the future.

Since the study is far more optimistic than previous Pentagon or National Security Council forecasts, doves in the Carter Administration have launched a pre-emptive opinion strike: Leaks of PRM–10's contents in the past week feed the hopes for a smooth road to peace, with reduced American military expenditures leading to easily balanced budgets.

Rose-colored spectacles firmly in place, the prim-tenners argue that the Russians have their hands full. Farm failures, capital shortages, arguments with the Chinese, dissention about the succession to Brezhnev—all these headaches, combined with the possibility of lucky breaks in United States technology, mean that we are entering what the study calls "Era Two," which is a kind of limited cold war, or hot détente, with the Soviets not as important to us as they used to be.

In this way, public opinion is prepared for relaxing American defenses. Belatedly hawkish counter-leakers have been scrambling to the pumps, and here are the first gurgles of their response.

The portions of PRM–10 dealing with alternative United States military postures are an acute embarrassment to Defense Secretary Harold Brown. The author, Deputy Asst. Secretary Lynn Davis, assumes that in the event of a Soviet attack, all Europe would succumb within thirty days. The approach is not to recommend what would be needed to put up a real fight, but to adopt a no-remedy, defeatist attitude.

The study admits this is not based on solid intelligence: "We had to make certain assumptions about the nature of the Warsaw Pact threat," the report explains in grammatical absurdity, "because no currently available intelligence estimates were available."

When the Joint Chiefs saw this kind of pap zinging past them to the White House—along with a substantial slash in the Navy—they went to complaisant Defense Secretary Brown with a request that he disown the section of PRM–10 that Defense prepared.

That put Secretary Brown in a bind. Months ago, he had given tacit approval to a secret concession made in Moscow by arms control negotiator Paul Warnke for a 2500 kilometer limit to the range of the cruise missile, which made the Defense Secretary's subsequent reliance on the cruise missile as a strategic substitute for the B–1 bomber

look silly. Mr. Brown knew President Carter wanted budget-balancing optimism in PRM–10—but could he afford to ignore the military again? So, for the first time in the history of the Defense Department, the man supposedly in charge sent a we-really-don't-mean-it report to the President on the subject of planning for future military budgets. In his letter of transmittal to the President, Defense Secretary Brown wrote: "This study does not provide a sufficient basis for specific decisions in United States military force structures or force planning."

Of course, such a basis was exactly what PRM–10 was supposed to provide—and not casual nighttime reading for Jimmy Carter. Backtracking furiously from the thrust of the prim proper, and with an eye to his memoirs in case the new complacency leads to Soviet superiority, Mr. Brown's covering letter added:

"The importance of the choices ahead of us, the size of the investments involved, and the possible consequences of misjudging the Soviets, all warrant that we do nothing now to foreclose our ability largely to determine the nature of our longterm competition with the USSR, rather than to react to their initiatives in a context set by them."

Translated from the bureaucratese, the Defense Secretary is in effect telling the President: "Watch out for this PRM–10 stuff, which I am forwarding only because it is too thick to junk. Don't believe everything I send you to read."

If the complacent strategic savants are right, we could save billions by easing into what they call Era Two; but if their nissms or prims are wrong, our drift into military inferiority would be an invitation to World War III.

HUMAN RIGHTS

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. PHILLIP BURTON. Mr. Speaker, I am taking this opportunity to place in the RECORD a resolution passed by the California Legislature concerning human rights and the adherence to the Helsinki Declaration.

The question of human rights must be the concern of all persons of conscience.

I commend the members of the California Legislature for this expression of concern and place it in the RECORD to share it with my colleagues:

JUNE 28, 1977.

Hon. PHILLIP BURTON,
Member of Congress,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BURTON: Enclosed is a copy of my Assembly Joint Resolution 35, which calls on the government of the Union of Soviet Socialist Republics to adhere to the Helsinki Declaration and halt its obstruction and harassment of Jews, Christians, and other minorities seeking emigration visas and freedom to worship God.

On June 16, 1977, this measure received final approval by the California Legislature.

AJR 35 was coauthored by 63 of the 80 members of the Assembly and 28 of the 40 members of the State Senate. Its passage represents the judgment of the elected representatives of twenty-two million Californians that denials of fundamental human rights by the Soviet government will not be ignored.

Sincerely,

MIKE D. ANTONOVICH.

[California Legislature—1977–78 Regular Session, May 10, 1977]

ASSEMBLY JOINT RESOLUTION NO. 35—RELATIVE TO HUMAN RIGHTS

Introduced by Assemblymen Antonovich, Cline, McAlister, Vasconcellos, Agnos, Alatorre, Arnett, Bane, Bannai, Bates, Berman, Boartwright, Brown, Chappie, Chel, Chimbole, Collier, Cordova, Craven, Dannemeyer, Deddeh, Dixon, Duffy, Egeland, Ellis, Fazio, Fenton, Goggin, Greene, Gualco, Hallett, Hayden, Hughes, Imbrecht, Ingalls, Kapiloff, Keene, Keysor, Lancaster, Lanterman, Lehman, Lewis, Lockyer, McCarthy, McVittie, Mello, Mori, Papan, Perino, Priolo, Rosenthal, Stirling, Suitt, Vincent Thomas, William Thomas, Thurman, Torres, Tucker, Vicencia, Maxine Waters, Wornum, Wray, and Young.

(Coauthors: Senators Alquist, Ayala, Behr, Beverly, Briggs, Campbell, Dennis Carpenter, Paul Carpenter, Deukmejian, Dills, Dunlap, Foran, Greene, Gregorio, Holden, Johnson, Marks, Mills, Rains, Richardson, Robbins, Roberti, Rodda, Sieroty, Smith, Stiern, Wilson, and Zenovich)

Whereas, The obstruction and harassment of Soviet Jews, Christians, and other minorities trying to obtain emigration visas to reunite with their families profoundly offends the conscience of a free people; and

Whereas, This coercive totalitarian force prevents the general freedom to leave one's country; and

Whereas, These incidents of Soviet government sanctioned ethnic and religious discrimination violate internationally agreed upon principles of human rights; now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the sustained interest of the American people be conveyed to the Soviet government regarding adherence to the Helsinki Declaration, including their pledge to facilitate freer movement of people, expedite the reunification of families, and uphold the general freedom to leave one's country; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, and to the Soviet Ambassador to the United States.

RELOCATION OF TRIMBLE WILDLIFE AREA TO JACKASS BEND

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. SKELTON. Mr. Speaker, on June 22, 1977, the Senate adopted an amendment, cosponsored by Senators JOHN C. DANFORTH and THOMAS F. EAGLETON of Missouri, to S. 1529, a bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes. The amendment authorizes the Corps of Engineers to acquire a tract of real estate in western Missouri, known as Jackass Bend, to replace the Trimble Wildlife Area, which is about to be inundated by the filling of the Smithville Reservoir near Smithville, Mo. When this bill comes before the House, I intend to give my full support to the Danforth-Eagleton amendment.

The bill which authorized the construction of the Smithville Reservoir directed the Corps of Engineers to locate a site for the relocation of the Trimble Wildlife Area which is owned and managed by the Missouri Department of Conservation. A study to determine the most desirable alternative site was carried out by the corps, in cooperation with the Missouri Department of Conservation and the U.S. Fish and Wildlife Service. The Jackass Bend location was one of about 30 sites studied. It lies in the flood plain of the Missouri River in Ray, Jackson, and Clay Counties, about 30 miles east of Kansas City. The selection of Jackass Bend was recently endorsed by the Governor of Missouri, the Honorable Joseph P. Teasdale, after a careful review and analysis.

I have made an indepth study of this proposed relocation and its ramifications. In reaching my decision to support the Jackass Bend site, I found the following factors to be most persuasive:

First. The dislocation problem which usually occurs when the Government takes private land for public purposes is minimal in this instance. Only one family would be required to move, as compared to several in many of the other areas which were considered.

Second. The fact that Jackass Bend is located in three counties will mean that the tax loss will be shared, rather than falling heavily on one county.

Third. As a member of the House Agriculture Committee, I am concerned about taking valuable farmland out of production. However, concessions made by the Corps of Engineers in trimming the boundaries of the original Jackass Bend site have removed much of the prime cropland from the wildlife area. Moreover, some of the land within the wildlife area can continue to be farmed on a share-cropping basis.

In addition, I am aware of demands on our scarce land resources for recreation, conservation, and other purposes. Trimble Wildlife Area has been available to the Greater Kansas City area as a recreational resource since 1949. The Jackass Bend site is within easy driving distance of the greater metropolitan area, thus permitting hunters, fishermen, and other wildlife enthusiasts in the Greater Kansas City area to continue to enjoy these pursuits.

Fourth. Jackass Bend was selected with the full participation of State government, it has the strong support of Governor Teasdale, and my correspondence and personal contracts indicate that there is broad public support for the site in the area. I would find it impossible to support any site if it were being forced on the State and the public by the Federal Government.

Fifth. In arriving at my decision I also considered the argument that wildlife from Jackass Bend could cause large amounts of depredation to the adjacent croplands. The corps' supplemental environmental statement admits that an increase in crop depredation is a possible problem. However, steps can be taken to lessen this problem. The availability of food for wildlife within the Jackass Bend area will reduce the ne-

cessity for wildlife to range beyond the boundaries to search for food. This will help hold crop depredation on adjoining lands to a minimum. In addition, it should be noted that the wildlife will migrate out of the area before many of the crops are planted and will not return until many of the crops are harvested. Lastly, I have been assured by persons familiar with farming in the vicinity of the Swan Lake National Wildlife Refuge that crop depredation in that area is not so serious as to overcome the benefits that accrue to farmers from the wildlife refuge.

In conclusion, Mr. Speaker, I want to stress that time is of the essence in this matter. The Smithville Dam is nearing completion and cannot be delayed without unnecessarily risking the lives and property of Smithville area residents. Trimble Wildlife Area must be relocated before it is flooded by the reservoir behind the dam. Therefore, I urge my colleagues in the House to join the Senate and support this authorization to acquire Jackass Bend as replacement for the Trimble Wildlife Area when it comes before the House.

CARTER'S LITTLE SUGAR PILL—IT'S THE REAL THING

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. HANSEN. Mr. Speaker, President Carter recently chose to disregard the recommendation of the United States International Trade Commission—USITC—concerning the need to restrict sugar imports.

Rather than lowering quotas, the President chose to provide a small subsidy to domestic producers at taxpayers' expense—action which is inadequate and largely ineffective in providing relief to the American sugar industry from economic buffeting caused by excessive imports.

Please note I specified excessive imports to distinguish from the fact that it is generally necessary to import in order to export and maintain reasonable channels of free trade.

However, no good is to be served by subjecting American producers to unfair competition from abroad—competition which pits our domestic family farmers against the mass marketing power of foreign governments bolstered by artificially low costs often derived from primitive and slave labor conditions.

Free and fair trade are dependent upon the application of common sense by the President and the Congress in the passage and administration of law. In this case, the President had the opportunity to rectify a glut of imported sugar on the market and in reaching for political positioning, failed to address himself to the solution of the problem. Domestic sugar production has been squeezed into only 50 percent of the market in the United States largely because of massive lobbying power of well-heeled foreign sugar interests in Washington, D.C., prestigious law firms, and a significant number of highly placed administration officials in sensitive agencies, such as the Department of State, who have vested interests in the sugar importing business.

It appears that there is more consideration being given by this administration to foreign and even Communist nations and the high per capita income law firms of the East than to the struggling American sugar farmer, who only ask for a fair share of the market at a price not depressed by unfair competition.

The USITC, after 6 months of extensive investigation and evaluation strongly recommended that the President lower sugar import quotas. Since the President has refused to follow these reasonable and responsible recommendations, I have introduced legislation in the House and others have expressed similar interest in the Senate to require the President to give the necessary consideration to domestic producers. My bill, House Concurrent Resolution 231, is designed to reduce the excess foreign sugar on the market and restore the price received by producers to a reasonable level, and in the long run provide relief to the taxpayer and the consumer.

It is difficult to really understand the gross proportions to which the foreign sugar interests in the American market have grown. The shocking fact is that even Cuban sugar is silently being merchandised in this country in direct contravention of current foreign policy prohibiting trade with the Communist government of Fidel Castro. This situation can only become worse as the administration proceeds to improve relations with Cuba and arrange trade agreements which will invariably include the direct importation of Cuban sugar.

This conflict is interestingly described in a New York Times article of July 7, 1977. The author, Mr. Safire, asks the President several interesting and pertinent questions regarding influences on the administration, sugar, and our relationship with Castro. This directly relates to problems my resolution would help to solve in the domestic sugar industry. I insert the article at this point for the benefit of my colleagues and for the RECORD:

CARTER, COKE AND CASTRO

(By William Safire)

WASHINGTON.—The Atlanta-based Coca-Cola Company's long-term investment in Jimmy Carter has begun to pay off.

Campaign contributions from Coca-Cola executives swelled the Carter coffers when he was Governor of Georgia; Coca-Cola corporate aircraft bounded him around the Nation, as he picked up political support while ostensibly promoting the State; and Coca-Cola chairman J. Paul Austin hosted a luncheon in New York's "21" to raise a major bundle for the Carter Presidential campaign.

That was the investment; here is the return:

1. Proposed windfall payments benefiting sugar processors. Coke is the biggest buyer of sugar—a million tons a year—and wants prices kept low. Strangely, as sugar prices have dropped, soft-drink prices have risen, a market anomaly that Coke would like to see continue.

But because of sugar-dumping around the world, the price is now too low for profitable production in the United States. To keep U.S. producers in business and to prevent future price-gouging, the U.S. Trade Commission, after lengthy study, recommended a two-cent duty on incoming sugar.

Coke did not like that. Through the "Sugar Users Group"—a trade lobby run by Coca-Cola vice president John Mount—it sold the Carter Administration a scheme that would save big processors money at the expense of taxpayers.

President Carter rejected the two-cent duty (which would have added money to the U.S. Treasury) and instead proposed a subsidy (taking money from the Treasury). In the name of free trade, Mr. Carter adopted a weird form of protection: instead of raising the price of sugar to Coca-Cola with a duty, he would protect corporations like Coke by paying their suppliers an estimated $240 million a year to cover losses. Although Kansas Senator Bob Dole has blocked this ripoff with an amendment limiting payments to $50,000 per grower, Coke lobbyists can expect to overcome resistance soon.

2. Using the Carter connection. On June 4, Coke's J. Paul Austin went to Havana to meet with Fidel Castro. Upon his return from Cuba, Mr. Austin met in the White House with his friend, recent Coca-Cola stockholder Jimmy Carter.

The Coca-Cola Company refuses to say what Mr. Austin discussed with Mr. Carter or Mr. Castro. The White House also refuses to reveal what Mr. Austin reported.

Couple of questions arise. Whom did Mr. Austin represent in his talk with Mr. Castro? Since Coca-Cola stockholders paid for the trip, and since Coca-Cola has a $27.5-million claim against Cuba for the confiscation of its properties in 1961, one would assume the Coke chairman went on behalf of the Coca-Cola Company.

Why, then, the hush-hush briefing of the President immediately upon his return? The White House insists that Mr. Austin was not sent as an emissary. Coca-Cola stonewalls completely, saying only that Mr. Austin and Mr. Carter did not discuss sugar prices.

Assuming that to be true, logic dictates the answer: Mr. Austin carried the President's personal greetings to Mr. Castro; after that lubrication for talking business, the Coke chairman asked if he could carry a message to his friend, President Carter; and the Cuban leader took him up on the kind offer, just as Mr. Austin and Mr. Carter knew he would.

That was the reason for the Austin-Carter White House meeting immediately upon his return from Cuba. The President now has an "unofficial channel" on matter affecting trade relations between the United States and Cuba that happens to have a huge economic interest in the outcome.

What's wrong with that? Everything.

First, the unofficial ambassador trick neatly circumvents the Congress, which is supposed to confirm and be able to question ambassadors. The Senate Foreign Relations Committee is still a doormat, but one hopes the House International Affairs Committee—as well as the overseas of foreign trade decisions—will soon question the man who is carrying the word from Mr. Castro.

Second, the President's conscious use of Mr. Austin involves the White House in the most brazen conflict of interest. It is no secret that Coca-Cola is dying to do business with Cuba, especially if the U.S. taxpayer is made to subsidize the U.S. cane, beet and corn sweeteners. In that case, is the Coke boss really the person to use for "reports" or private messages from Cuba's boss?

Partisans with good memories will claim a precedent from the Nixon years with Pepsi

president Don Kendall opening the Russian market; but even if the case were the same (which it is not), since when are all the actions of the Nixon Administration to be held up as moral criteria for the Carter men?

If this is an open Administration, let's get some answers: What non-business matters did the Coke chairman discuss with Mr. Castro? What business-related matters did he discuss with Mr. Carter? Should a President send a campaign contributor with "personal greetings" to another chief of state when he knows it is a gambit for a business deal?

The Carter-Coke-Castro sugar diplomacy is not merely a potential conflict of interest. It's the real thing.

LABOR UNIONS AND EDUCATION

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. FORD of Michigan. Mr. Speaker, since the mid-1800's labor unions in the United States have played a significant role in making education more relevant and expanding equal educational opportunity. Not only has labor played a significant role on the Federal level by supporting such important vocational education legislation as the Smith-Hughes Act in 1917 and the George-Barden Act in 1946, but representatives of labor have been active supporters and advisers on the State level as well. In my home State of Michigan, members of the Utilities Union of America, AFL–CIO, the United Auto Workers, the Service Employees International Union, Michigan Federation of Teachers and the Michigan Education Association serve on such advisory bodies as the Michigan Career Education Advisory Commission, the State Advisory Council for Vocational Education, and the Advisory Council for the State Technical Institute and Rehabilitation Center, just to name a few.

Labor was also in the forefront when Congress made the first large investment in Federal aid to education in the early 1960's. As a member of the Committee on Education and Labor and the Chairman of the Subcommittee on Postsecondary Education, I have worked closely with labor organizations and have been genuinely impressed with their commitment to free universal public education.

Mr. Speaker, because I sincerely believe in this Nation's labor movement and the role they have played in the development of quality education in the United States, I am submitting for the RECORD the following chronicle of the leadership activities of the AFL–CIO, written by AFL–CIO Director of Education, Walter G. Davis, and published in the 1977, first-quarter edition of Viewpoint, an Industrial Union Department Quarterly:

THE KIDS GET THE BENEFITS—LABOR HAS WORKED FOR GOOD SCHOOLS

(By Walter G. Davis, Director of Education, AFL–CIO)

American labor has played a strong, active role in the development of the American education system. Since the workingmen's parties of the 1830's, it has been the mission of American organized workers to press for equal access to educational opportunities for every citizen regardless of their economic condition or their "station" in life.

Unions and workingmen's parties were determined that the promise of American democracy should be fulfilled in terms of equality of opportunity and the uprooting of class privileges.

The notion that free instruction should be meted out to the poorest of the poor engendered substantial resentment from the workers of the period. "Why place a social stigma on the poor?" was the rationale of union leaders of the period. The answer, indeed, was universal free public education for everyone, rich and poor alike. They organized support for this point of view and the State of Pennsylvania became the first state to establish a free public school system.

The rest is history regarding free schools. The interest of unions, however, was not to rest their case there. The families of workers became the chief beneficiaries of public education, thus laying the ground work for labor's consumer interest in education.

The evolution of labor's role in education is well documented in the annals of labor history through convention proceedings, legislative initiatives and the public utterances of national labor leaders. The legislative history of the Smith-Hughes Act of 1917 and the George-Barden Act of 1946 offers a perfect example of the strong support which labor gave to advance vocational education in the United States.

But, it hasn't stopped there. Beginning with *Brown* v. *The Board of Education of Topeka, Kansas, et al,* in which both the AFL and the CIO supported the plaintiff, labor has been active in the struggle for equal educational opportunities for all Americans.

It is generally acknowledged that the Brown decision, coupled with the launching of sputnik, revolutionized American education. These two acts led to a serious examination of what indeed was happening in the classrooms of America.

Did the Brown case open up Pandora's box? Indeed it did. We find ourselves 23 years later still trying to define quality education. The hassle over school integration goes on, and hundreds of studies—both public and private—have preoccupied the time and energy of thousands of educators, legislators and consumer groups.

LABOR'S 'CRUCIAL ROLE'

But, there is a positive side. In the early sixties the labor movement played a crucial role in the major breakthrough in federal aid to education. A series of legislative victories made greatly increased sums of federal money available to meet a wide range of educational needs.

Among the bills passed since 1963 have been the Vocational Education Act of 1963, the Higher Education Facilities Act of 1963, the Library Services and Construction Act of 1964, the Nurses Training Act of 1965, the Higher Education Act of 1965, the Elementary and Secondary Education Act of 1965, the National Technical Institute for the Deaf Act of 1965 and the National Foundation on the Arts & Humanities Act of 1965.

Bills having to do with manpower training, together with programs such as Head Start and adult literacy training, also received strong labor support.

"All of these programs would not have been passed without the strong support of the AFL-CIO and its affiliates," according to Senator Ralph Yarborough, former chairman of the Senate Committee on Labor and Public Welfare.

Labor organizations throughout the period 1954 to the present have had major input in the decision making process in American education.

The American Federation of Teachers, representing classroom teachers in most major cities, has been exemplary in its leadership role of righting the wrongs of the past. The teachers have manifested their strong support for quality education and their concern for a high-quality product of their efforts which will meet the demands of society, now and in the future. They have provided the insight on what is necessary to reach the goal of equal opportunity in education. When the teachers talk of manageable class size, improvement in the field of guidance and counseling, improvements in the development of reading skills and so forth, America's legislative leaders run for cover—because all of these things require a greater public investment in education.

HISTORICAL SUPPORT

Yet, organized labor has never wavered from its historical support of free universal public education. By and large, it is the children of American workers who are the beneficiaries.

Beyond the secondary school level, labor has played a positive role in the future development of our system of higher education. More students of working class families are either enrolled in institutions of higher learning or are college bound than any other time in our history. This has been true throughout the sixties, tapering off in the Nixon-Ford years because of the lack of support and commitment of these two administrations to request the Congress to fully fund the Higher Education Act.

As a result, the sons and daughters of American workers have faced serious problems.

The AFL-CIO, therefore, was glad to become a founding member of the Coalition for Low Tuition so that concerted action by unions, consumer groups and the higher education community itself can work toward the goal of easy access to post-secondary education for all Americans, regardless of their economic condition.

The American Association of State Colleges and Universities, in a pamphlet entitled *Basic Facts About Tuition and Educational Opportunity,* states the case well. It is worth quoting:

"For over 150 years, the American people have accepted the principle that tuition should be kept as low as possible at public institutions—state universities and colleges, teachers' colleges, community colleges, and post-secondary vocational schools."

The reasons are obvious. Most Americans have seen low-tuition higher education as an extension of the free public elementary and secondary school system; an extension that becomes more logical and more necessary as the complexity of modern society increases. This system has resulted in an extremely well-educated population which has made the United States the most productive and the most technologically advanced country in the world. Universal free or low-cost education is seen by most Americans as one of the most fundamental safeguards of our democratic way of life.

SPREAD OF HIGHER EDUCATION

Through low-tuition colleges, millions of Americans have risen occupationally and financially, made a greater contribution to our society, and also paid much higher federal, state, and local taxes. Research also shows far more individual and social stability among the college educated—lower rates of family instability, poverty, unemployment, and crime, and far less dependence on costly government social services.

Unfortunately, even today many qualified people are excluded from the benefits of higher education; by the costs of college in most cases, sometimes because of their sex (historically, fewer women than men

have had the chance to go to college), or because of race or religion. But the GI Bills after World War II, the widespread growth of public as well as private college education, and the beginnings of a national student aid system have shown promise that these shortcomings can be overcome.

Yet today, Americans seeking a college education are in real trouble. More high school students are graduating each year, but fewer of them are going on to any college. Rates of college-going and full-time attendance are falling precipitously among dependent students from families with incomes under $15,000 and even among those with higher incomes.

What is more, college-going varies greatly according to the state and locality in which a person lives.

The most important single reason for this decline in higher educational opportunity since about 1968 is student charges. Hard-pressed governors and state legislators have raised tuition and other charges as a way of balancing state budgets, sometimes with the mistaken belief that 'there is enough student aid to take care of anyone who wants to go to college,' or that 'fewer people want to go, anyway.'

The overwhelming majority of Americans—working-class, lower-income and middle-income people, whites and nonwhites—still want themselves and their children to have education and training for which they are qualified and in which they are interested. Yet this great majority is not organized in any state to work effectively for low tuition, to make possible educational opportunity for all, or to fight for the adequate appropriations for higher education which are necessary in order to make low tuition and quality education possible.

Available data make the overwhelming case that many people now are kept out of college because of student charges, especially tuition; and that a major effort is needed to help reverse the trend toward higher student charges and lower enrollment rates. America's third century holds serious challenges and great promise. It is no time for Americans to turn their backs on over 150 years of progress toward universal opportunity for education beyond the high school level."

ADULT EDUCATION

In the field of adult education, the American labor movement again is exerting a leadership role along with universities, government and private organizations.

Labor in America has long had a commitment to adult education and the unions themselves have sponsored far-flung labor education programs designed to make leaders and members more effective participants in union and community activities.

We are today living in a time of technological change that is having an effect upon virtually every aspect of our lives. The effect upon the work force has been profound. We can expect in the coming years changes which will be devastating to many occupations in which there is now relative stability. These changes make the availability of adult education more important than ever and they make it even more important that the concept of adult education be broadened into one of lifelong learning.

The world in which we live is one in which there is no place for what was once called "terminal" education. A person who terminates an education, whether at the eighth grade level or at the Ph.D. level, will soon find that education to be obsolete in terms of the demands which must be satisfied. Education must be a continuous process which goes on throughout one's lifetime.

Technological change has gone hand in hand with other new and complex problems concerning which citizens in a democracy must be prepared to reach informed decisions—the energy crisis, raw materials issues, the multinational corporations, scarcities, and the demands of the third world for economic justice. Technology has also made possible more leisure time and earlier retirement. If these free hours, days, and years are to be used creatively, then individuals must be adequately prepared to use them well.

All of these developments create a need for a concept of education in which learning is a lifetime process. An increasing number of the collective bargaining agreements between unions and employers provide for tuition refunds for union members who enroll in approved classes. This is an excellent development that deserves to be encouraged, but it should in no way be regarded as a substitute for a careful assessment of the needs for lifelong learning and for public funding at a level commensurate to that need.

An important beginning toward the public funding of lifelong learning is included in the Education Amendments of 1976 which added to the Higher Education Act a new provision authorizing $20 million for lifelong learning in 1977, increasing to $40 million by 1979. Although these are primarily planning and research funds, the provision does constitute a significant first step and it establishes as a matter of federal policy that "American society should have as a goal the availability of appropriate opportunities for lifelong learning for all its citizens." We urge the new Administration to take full advantage of this worthwhile beginning and to follow it up with further recommendations.

LABOR EDUCATION KEEPS PACE

In the field of labor education, American unions with the valuable aid of some 40 major universities, have kept pace with our needs over the years. Labor education extension programs have been effective in bringing courses directly to the union hall. This, of course, was not always the case.

The first national U.S. workers' school in this century was formed in 1922 by A. J. Muste, then famous for heading up the Lawrence, Mass., textile strike in 1919. Brookwood College, as it was named, began as a two-year residency institution offering courses in the traditional liberal arts together with training for trade union service. The history of the rise and fall of Brookwood is well told in James O. Morris' *Conflict Within the AFL*, Cornell University, 1958. I mention it only to take note of span of 55 years in which labor and the college community have been working at upgrading the knowledge and skills of trade union activists.

THE MEANY LABOR CENTER

In 1969, following a feasibility study conducted by the AFL-CIO Department of Education, the AFL-CIO convention adopted a recommendation of the Executive Council to establish what is now known as the George Meany Center for Labor Studies.

The center opened on Labor Day 1969 after two meetings of the Board of Trustees at which preliminary plans were discussed and adopted.

The purpose of the center as approved by the council were:

To develop trade union leadership through training programs in the various technical skills required of a union leader.

To develop trade union leadership through educational programs in the social sciences and humanities in order that technical skills be buttressed by a firm grounding in theory and philosophy.

To develop and engage in education programs and provide information about the labor movement which will carry its basic philosophy to all parts of the community.

To involve the students in the problems to the total labor movement and thus strengthen all affiliated organizations.'

In the initial stages, the center's programs were planned for full-time officials and staff of national and international unions. Today it boasts of a bevy of activities with one-week institutes in a variety of subject areas and an impressive program in the visual and performing arts. Without question, the American labor movement now has a major institution of learning which union members can call their own.

The American system of education can count on the strong support of the American labor movement.

The national alliance is there. It should grow and develop to meet the knowledge needs of the remainder of this century. The AFL-CIO is committed to that end.

BACK IN THE U.S.S.R.

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. WAXMAN. Mr. Speaker, with each passing day, which brings with it news of more arrests of dissidents in the Soviet Union, it becomes clearer that the Soviet Government has made a decision to systematically eliminate organized dissent against the regime. In recent weeks, practically all who formed a group in Moscow to monitor Soviet compliance with the Helsinki Accords have been detained or otherwise silenced. For people whom the Soviet press officially characterizes as "a tiny group of nonentities who represent no one and nothing," the Government's brutal intimidation and repression of the dissidents speaks to how seriously the Kremlin feels threatened by the movement for human rights.

Christopher Wren of The New York Times has recently written an overview of the plight of the Soviet activists. I am pleased to commend Mr. Wren's article to the attention of my colleagues:

THE TINY ORLOV GROUP CASTS LARGE SHADOW

(By Christopher S. Wren)

Moscow.—Once a month, Irina Orlov travels to Lefortovo prison with a food parcel for her husband, Yuri, locked somewhere within the building's thick, butterscotch-colored walls. Her gift is restricted to two pounds each of sausage and biscuits, a pound each of sugar and cheese and a little more than four pounds of fruit and vegetables.

Mrs. Orlov, a diminutive, vivacious woman, is never permitted to see her husband though recently, nearly five months after his arrest, she was finally told that he was charged with slandering the Soviet system. In reality, the offense committed by Mr. Orlov, a stocky red-headed physicist, was monitoring Moscow's compliance with the human rights obligations it reluctantly assumed in signing the Helsinki accord two years ago.

Dr. Orlov and his dissident colleagues seemed a confident lot in May 1976 when, in preparation for a conference in Belgrade this year that is to review the Helsinki agreement, they formed a committee to gather and pass on instances of Soviet political and religious repression. Although there were just nine founding members, other prominent human rights advocates, Andrei D. Sakharov among them, supported their efforts. In a flourish of formality, the group even printed its own letterhead stationery.

Fourteen months later, the group is in disarray. Only three of its founders remain active (a fourth, Anatoly Marchenko, is in Siberian exile). The others have been jailed or encouraged to emigrate. Their supporters are likely to face harassment for the duration of the Belgrade conference.

TOO MUCH SUCCESS

The Helsinki monitoring group, the latest to arise in the Soviet human rights movement, was, ironically, in part a victim of too much success. Dr. Orlov's two-room apartment in southwest Moscow rapidly became a clearing house for reports of human rights violations, which were compiled and channeled to the West. Similar monitoring groups sprang up in the Ukraine, Lithuania, Georgia and Armenia. The group struck a response beyond the small coterie of urban intellectuals who usually support human rights campaigns. Blue-collar Baptists, Pentecostals and Seventh Day Adventists contributed accounts of religious persecution. Some Soviet workers complained about low pay. Jewish dissidents, such as Anatoly Shcharansky and Vladimir Slepak, formed a link with their activist community. The Orlov group's periodic reports even noted governmental interference in postal services and travel abroad.

But the Kremlin was also preparing for the Belgrade review conference and, rather than make gestures toward liberalization, it apparently concluded that it would be simpler to crack down harder on dissent. As the critics' evidence grew more damning, the police, judicial system and press were mobilized against them. Late last year, the police raided apartments in Moscow and Kiev and confiscated incriminating files. The press denounced Dr. Orlov and two colleagues as henchmen hired by a Western emigre group, then turned uglier by accusing Mr. Shcharansky and Mr. Slepak of working for the Central Intelligence Agency.

The arrests began in early February. Aleksandr I. Ginzburg was first. After the State Department protested Mr. Ginzburg's detention in an early demonstration of President Carter's concern for human rights, Dr. Orlov emerged from hiding, optimistic that "I will not be arrested now." He was. Two Ukrainians, Mikola Rudenko and Oleksa Tikhy, were also arrested, as were two Georgian members. The most explicit rebuff of Mr. Carter's stand was the detention of Mr. Schcharansky in March. The dissident, whose fluent English had been a valuable asset for the movement at conferences with the foreign press, was charged with espionage to frighten others from meeting Western correspondents and diplomats.

The repression has raised questions about the wisdom of the Carter policy. While the arrests and harassment began before the President began speaking out, Mr. Carter's initial outspokenness probably emboldened Soviet dissidents, such as Mr. Orlov, to take greater risks. Roy A. Medvedev, the dissident historian, contends that the United States human rights stance has proved counterproductive. Dr. Sakarov disagrees.

MOSCOW ACTS CAUTIOUSLY

Still, Soviet authorities do seem to have gauged their reprisals with Western opinion in mind. They have not incarcerated any of the monitors in mental hospitals, for example, possibly because such action would be too inflammatory in Belgrade. On the same day Mr. Shcharansky's arrest was announced, Moscow disclosed that Mikhail Shtern, a physician, had been released from prison. And where Mr. Rudenko and Mr. Tikhy were sentenced to 7 and 10 years respectively on conviction for dispensing anti-Soviet propaganda, Mr. Orlov, who is better known, was charged under a lesser statute and faces at worst three years in prison or internal exile. Group members Vitaly Rubin and Mikhail Bernshtam have been allowed to emigrate.

Mr. Ginzburg has been charged with anti-Soviet agitation. With two previous convictions for dissident activity, he is expected to receive the maximum 10 years sentence. Mr. Shcharansky's prospects look as bleak. The treason charge carries a potential death sentence, but he seems more likely to draw a a long term in prison. Since he is accused of spying for the United States, his fate may ultimately rest on the Kremlin's mood toward President Carter, who has denied the espionage charges.

Despite the repression, Moscow has not succeeded in dismantling the Orlov group. "For everyone arrested, we have someone wanting to take his place," insisted Pyotr Grigorenko, a former Soviet general and a founding member of the group. Nonetheless, the severity of the Government response offers a lesson on dissent in the Soviet Union Dismissed by the official press as "a tiny group of nonentities who represented no one and nothing," the Helsinki monitors posed a threat that Moscow felt it could not ignore. As Valentin F. Turchin, head of the small Soviet branch of Amnesty International, explained recently, "Even though the system is stable, it is not secure."

NATION FACING CRUCIAL DECISIONS OVER POLICIES ON COMMUNICATIONS

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. WIRTH. Mr. Speaker, during the 2½ years I have served on the Communications Subcommittee I have become increasingly aware of the many important communications policy decisions that have to be made if we are to avoid facing a national telecommunications crisis before this century is out. Some of these decisions must be made by the Congress. This is one reason why the Communications Subcommittee, under the leadership of LIONEL VAN DEERLIN, has begun a comprehensive review of the 1934 Communications Act. Other decisions must be made by the Carter administration, the Federal Communications Commission, and by private industry.

While these decisions will have a tremendous impact on the public, surprisingly little has been written about them. Thus, I was very pleased to read in last Friday's New York Times a front page article by David Burnham entitled "Nation Facing Crucial Decisions Over Policies on Communications." Having followed communications for some time, I think the Burnham piece provides the best overview on this subject that I have seen. I urge my colleagues to read it:

[From the New York Times, July 8, 1977]

NATION FACING CRUCIAL DECISIONS OVER POLICIES ON COMMUNICATIONS

(By David Burnham)

WASHINGTON, July 7.—Fundamental changes in the way that Americans communicate are forcing the Federal Government to make policy decisions that could alter the fortunes of the nation's largest communication organizations and the lives of most citizens.

The pending decisions confronting the Carter Administration, Congress and the Federal Communications Commission involve a complex balancing of such questions as the competing rights of large corporations, the possible demise of the United States Postal Service, delicate diplomatic negotiations over the use of the air waves by individual nations and the importance of privacy to individual citizens.

The communication changes, made possible by the increasing use of several technologies, are expected to transform the way that many Americans conduct their lives: how they send written messages, pay their bills, talk to their politicians, get their pay, obtain medical care and receive entertainment, news and other information in their homes.

According to interviews with scores of communication experts and reports by dozens of different agencies, commissions and consultants, some of the most difficult pending questions awaiting resolution are the following:

How is the Carter Administration going to shape the executive branch agencies under its control to deal with communications issues? At present, according to several officials, Mr. Carter is planning to abolish the existing White House Office of Telecommunications Policy and scatter its functions among a few Presidential assistants and the Commerce Department.

Should Congress follow the lead of the House Communications Subcommittee and attempt a total revision of the Communications Act of 1934, the basic framework for regulation of all communications in the United States and a document that many experts contend has been largely outmoded and is now slowing the application of the most advanced technologies?

Should the Federal Communications Commission continue its policy of gradually subjecting the American Telephone and Telegraph Company to increasing competition in the sale of specific kinds of telephone equipment and communication services?

Should Congress grant the United States Postal Service a legal monopoly on electronic mail similar to the one it enjoys with conventional mail in the hope that such an extension could subsidize the sagging fortunes of the Postal Service and guarantee the continuation of first-class mail delivery? Or should electronic mail, like the telephone, be operated by private industry?

PARALLEL WITH ENERGY SEEN

Should there be a single clearing house within the Federal Government to serve as a highly efficient central switching point for the steadily increasing volume of financial transactions completed by electronics and computers, or would such a clearing house pose a threat to individual liberty?

"Communications now has the potential to change the way Americans live more than any other sector of the American economy," said one White House staff official.

"But there seems to be a close parallel between communications today and energy 20 years ago. You could see the energy problem was coming back in 1957, but because there weren't any gas lines then, it was impossible to get a consensus that it was something that required careful consideration."

Another factor contributing to the difficulty of developing communications policy is the sheer size of the industry. According to such experts as Marc U. Porat, an economist now working with the Aspen Institute, more than half of the wages paid in the United States and nearly half of the nation's $1.8 trillion gross national product "originate with the production, processing and distribution of information goods and services."

In a recent article, Dr. Porat argued that while "information occupations" accounted for only 10 percent of the work force at the turn of the century, they now represent "45 percent of all jobs in the United States."

While there are economists who argue with some of Dr. Porat's definitions, there is no question that communication encompasses a huge sector of the American economy and some of the largest and most powerful institutions: the National Letter Carriers Asso-

ciation, the International Business Machines Corporation, the advertising industry, the three television networks, the Communication Workers of America, the movie industry and Ma Bell's empire.

SOCIAL PROBLEMS RAISED

Beyond sheer size, the new technologies raise difficult social problems, according to many experts.

The development of electronic systems for the transfer of funds, in which cash and checks are replaced by blips on a computer, has been made possible by the availability of increasingly cheap and reliable computers in banks, insurance companies and retail establishments. The growth of relatively small electronic funds systems has suggested the need for a national clearing house where all such transactions could be sorted out and possibly stored.

The Federal Reserve System, for example, recently initiated an experimental project in which its customary role as a clearing house for banks was broadened to include the handling of tapes carrying transactions of individual electronic-fund transfers.

Last year, John M. Eger, then acting director of the White House Office of Telecommunications, challenged the Federal Reserve plan on the ground that it might one day be used to build centralized Government files on the buying habits and movements of individual citizens.

The Federal Reserve plan, Mr. Eger said in a brief filed in opposition to it, could ultimately give the Federal Government "a highly effective tool for keeping track of people and enforcing 'correct' behavior."

Representative Lionel Van Deerlin, the chairman of the House Communications Subcommittee, discussed some of the stakes involved in the decisions awaiting resolution.

"What we have now in communications is government by court edict," the California Democrat said. "The 1934 Communications Act, in large part a rewrite of the 1887 Interstate Commerce Act, is hopelessly out of date. There is no overall policy statement from Congress, and the F.C.C.'s regulations therefore are frequently arbitrary and capricious."

Mr. Van Deerlin said that a major result of the outdated law and faltering regulation was that competition was being discouraged throughout the communications industry, and that the American people were therefore being deprived of "better, faster and cheaper communications."

Representative Timothy E. Wirth, a Colorado Democrat who is a member of the Communications Subcommittee, talked about other aspects of the situation in a speech last fall to the Institute for Telecommunication Sciences.

"There is very little recognition of the social significance of the computer and communication revolution," he said. "The unspoken fact is, in today's society, that information is power, and the terms of access to information determine who has influence and who reaps benefits in our society.

"Think of that for a moment. We are talking about economic power, about social and intellectual standing and about political participation. All are fundamentally affected by the availability of knowledge, which depends upon information which is rooted in technology."

HIGH SKILLS REQUIRED

A White House staff member discussed the same issue in somewhat different terms. Noting that the increasingly complicated communications environment was going to require "very high skills" to operate, the official speculated that this "may make it even harder than it is today for important segments of our society to take part in the economy."

In an effort to develop a more informed consensus about some of these issues, the House Communications Subcommittee two months ago published a 486-page staff report that tried to define some of the key communications issues and the possible steps that Congress might take to resolve them.

Various chapters in the report dealt with the use of the radio spectrum, broadcasting, domestic telephone service, international telecommunications, cable television and privacy.

The subcommittee, which has been holding hearings on these issues, now hopes to complete by December a draft proposal for rewriting the 1934 Communications Act.

Richard E. Wiley, the outgoing chairman of the F.C.C., said in a recent interview that the commission's effort to develop new policies "may slow down the introduction of new services."

"I would like to have more national direction, we could use policy guidance," he said, noting that the 1934 Act naturally contained no reference to recent technologies.

Three key technologies are involved in the communication revolution. First is the computer, which each year grows cheaper, more reliable and smaller. In a report published several years ago by the Conference Board, a nonprofit business research organization, it was reported that since the early 1950's, the physical size of computers has diminished by a factor of about 1,000, the costs have dropped a hundredfold and the capacity has grown by a factor of 1,500.

NEW SATELLITE PLANNED

A recent article in Science magazine described the results of these changes. In 1950, the Federal Government ordered its first two big computers. Today, the article said, there are 220,000 computers in the United States, 40 percent of them medium or large size, manned by 2.5 million computer professionals.

The second key technical development is the high-altitude communication satellite, which can transmit directly to roof-top antennas. The potential of direct broadcasting from satellite has prompted Japan to consider developing a single transmitting station in space for all its people. In a world where large numbers of nations in Africa, South America and Asia are unable to afford conventional television broadcast stations, the social and educational possibilities are enormous.

In another application, a company established by I.B.M. and Aetna Insurance has won permission from the F.C.C. to launch a satellite that would permit corporations to transmit data between offices and factories all over the United States without ever picking up a telephone or going near a post office.

The third and possibly most significant new technology is fiber optics communications, which is now being pursued by A.T. & T., the International Telephone and Telegraph Corporation, Siemans A.G. of Germany, Nippon Electric and Corning Glass. According to virtually all experts, fiber optics is expected to cost less than coaxial cable, be far smaller and lighter and be capable of transmitting far more information.

Fiber optics deals with the transmission of light and images, as around bends and curves, through a flexible bundle of plastic optical fibers.

Assuming the resolution of the remaining technical problems, such as how to achieve simple splices, many experts believe that within a few years A.T. & T. can begin a program to replace the copper telephone wire running into almost every building with fiber optics, which would be able to carry two-way television, a variety of two-way teletype services, dozens of conventional television channels and telephone messages.

The combined impact of these new technologies on the way Americans live will be enormus, most experts agree.

"If you link fiber optics with a teletype machine, you could do much of your banking from home, some of your shopping from home, buy airline tickets from home and maybe even work at home," said Richard Neustadt, one of several White House staff members now spending much of their time on communication issues.

The new communication technologies, he said, could also mean major improvements in the delivery of various social services, especially in rural areas where vast distances could be erased by electronics in the delivery of medical and school services.

Representative Van Deerlin sees the new communication systems leading to profound changes in politics, with candidates campaigning over citizens' band radio and elected officials being able to have "town meetings" via two-way cable television that would allow give-and-take conversations with all constituents who cared to turn on their sets.

But beyond the specific changes expected in the way that Americans bank, shop and obtain information and news, some experts believe that the communication and information revolution may ultimately strongly influence some of the basic values of society.

In an essay published several years ago, John McHale, director of the Center for Integrative Studies, State University of New York, speculated that the rapid growth of communications might affect the value of real property.

With more and more wealth being generated by information and communication technologies that, unlike coal and oil and uranium, cannot be used up, material property will no longer be the sole basis of economic power, Mr. McHale suggested.

In the industrial age, he said, wealth resided in visible assets such as land, buildings, machines and animals. But with the increasing value of information processing, physical properties "already have less and less intrinsic wealth values themselves."

CHANCELLOR VERNON I. CHEADLE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. ANDERSON of California. Mr. Speaker, on June 30 of this year an old and dear friend of mine retired from his duties as chancellor of the University of California at Santa Barbara. Dr. Vernon I. Cheadle has long been considered one of the outstanding university administrators in the Nation, and he will be deeply missed by the faculty, students, and staff of his campus as well as by the entire University of California system.

Our association began when I was serving on the board of regents for the U.C. system as Lieutenant Governor of the State of California. Vernon, at that time, was heading the department of botany at the University of California at Davis. Our mutual interest in obtaining for California students a chance to study abroad provided us with an opportunity to work closely with each other—and eventually led to a trip to several European universities to set up a comprehensive foreign studies program.

My wife, Lee, and I still look back upon those times with fond memories, and Vernon Cheadle is certainly a large part of those remembrances. We visited several nations in Europe, and were success-

ful in laying the groundwork for the highly successful exchange programs at several university campuses, including those in Edinburg, Scotland; Brighton, England; and Göttingen, Germany.

Dr. Cheadle's performance during this trip exemplified his tremendous vitality and extraordinary competence. It also allowed us to grow familiar with each other and establish a close relationship which I have cherished.

Vernon's interest in foreign studies has continued through the years. The Santa Barbara campus is the administrative headquarters for the university's education abroad program, which now includes 37 centers in 17 nations with 650 students enrolled from all University of California campuses. Chancellor Cheadle, who served as chairman of the council on International Educational Exchange, developed the program to its current outstanding level.

Born in Salem, S. Dak., on February 6, 1910, Vernon I. Cheadle received his bachelor of arts degree from Miami University—Ohio—in 1932, and his Ph. D. from Harvard University in 1936. While at Harvard, he served as an Austin teaching fellow from 1933–36.

After working for the botany department of Rhode Island State College from 1936 to 1952, where he eventually became head of the department, Vernon Cheadle arrived at the University of California's Davis campus in 1952. His educational career had been interrupted in 1944, when he was called into active duty from the U.S. Naval Reserve, until his discharge as a lieutenant in 1946.

At the Davis campus, Vernon Cheadle demonstrated his abilities as an administrator by serving as chairman of the botany department from 1952 to 1960. He was acting chancellor for the campus from 1961 to 1962 before receiving his appointment as chancellor of the University of California at Santa Barbara in 1962.

As chancellor, Dr. Vernon I. Cheadle has proven to be an outstanding leader for a modern university during one of the most trying periods in the history of higher education. Under his direction, the Santa Barbara campus has achieved the status of a major entity in the strong University of California system. During Chancellor Cheadle's tenure, enrollment has grown from 4,785 to its current 14,000 level. Undergraduate majors, 36 in 1962, are currently offered in 100 subjects, and the number of organized research units has gone from 1 in 1962 to 11.

Even these impressive accomplishments do not give a fair rendering of the outstanding administration led by Chancellor Vernon Cheadle. It is reflected in the faculty, which has grown strong both in numbers and in quality; in the campus itself, which has added 25 new buildings under his direction; and in the strong voice the student body holds in all levels of campus governance, which reflects his early belief that students should share in campus responsibilities.

Among Chancellor Cheadle's many awards are a Fulbright Fellowship, a fellowship in the California Academy of Sciences, membership in the American Academy of Arts and Sciences, and honorary LL.D degrees from the University of Rhode Island and Miami—Ohio—University. He also holds a certificate of merit from the Botanical Society of America, and two outstanding Civilian Service Medals from the office of the Secretary of the Army.

Vernon Cheadle is a former president of the Botanical Society of America, and his many professional memberships include the Torrey Botanical Club, the American Institute of Biological Sciences, and several fraternities.

Mr. Speaker, Vernon I. Cheadle is truly a "renaissance man" in the finest tradition. Scientist, administrator, negotiator, leader—he has demonstrated all of these abilities during his distinguished career. He is also a good friend and a warm, complete human being, whose honesty and integrity are beyond question.

My wife, Lee, joins me in expressing our fondest congratulations to Vernon I. Cheadle as he steps down from the position he has served so well, and utilized for the benefit of so many. We are positive that his lovely wife, Mary, and their son, William must be justly proud of this fine and outstanding individual.

HOUSE OF REPRESENTATIVES—*Wednesday, July 13, 1977*

The House met at 12 o'clock noon.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. FOLEY) laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
July 13, 1977.

I hereby designate the Honorable THOMAS S. FOLEY to act as Speaker pro tempore for today.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Reverend John Charles Walker, pastor, Wesley United Methodist Church, Washington, D.C., offered the following prayer:

Eternal God, whom we call in reverent devotion, our Father, the quietness of this moment awakens within us once again the fact of our dependence on Your goodness, and the power of Your unseen presence in this Chamber. We call to You to touch us by the unique impulse of Your great spirit—that in the midst of problems which sometimes baffle and bewilder, we will always take heart as we perceive the kindly hand of Your great providence at work in the designs of our times.

How good it is to be alive, and to be free, and to know the satisfaction of opportunities opening before us—yes, and to have the assurance of a Father God who loves us enough to admonish, as well as encourage. So may the fullness of Your holy spirit be here to guide and uplift, all to the end that Your name shall be glorified throughout our land and in all the Earth—as it is in heaven. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 1551. An act granting the consent of Congress to an amendment to the Sabine River Compact entered into by the States of Texas and Louisiana; and

H.R. 5638. An act to amend the Fishery Conservation Zone Transition Act in order to give effect during 1977 to the Reciprocal Fisheries Agreement between the United States and Canada.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7636) entitled "An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1978, and for other purposes."

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 409. An act to designate the Meat Animal Research Center located near Clay Center, Nebr., as the "Roman L. Hruska Meat Animal Research Center";

S. 854. An act to authorize the Secretary of Commerce to sell two obsolete vessels to Mid-Pacific Sea Harvesters, Inc., and for other purposes;

S. 1331. An act to provide for the establishment of a Center for Books in the Library of Congress; and

S. 1608. An act to abolish the Joint Committee on Congressional Operations, and for other purposes.

INTRODUCTION OF SPECIAL PROSECUTOR RESOLUTION

(Mr. GOODLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. GOODLING. Mr. Speaker, at least two committees of the Congress are investigating the so-called Korean scandal. The Justice Department within its normal framework is conducting an investigation. Without going into a discussion of the progress of those investigations, it can be stated that the public views these actions with skepticism and this skepticism is being reflected by increas-

ing discussions within the Congress and elsewhere about the need for a special prosecutor.

I, for one, believe the creation of an office of special prosecutor is desirable. A body with the resources of the Justice Department and the proper mandate and independence could do much to help get this scandal behind us. Recent Senate action indicates that body sees some merit in establishing a special prosecutor, also. However, the legislative device which it used is not conclusive, could be time-consuming, and raises a constitutional issue as to how the prosecutor would be appointed.

The fact of the matter is that the Attorney General presently has the authority to appoint a special prosecutor. I believe we should urge him to do so, in the most direct and prompt legislative manner possible. For this reason, I am today introducing the following resolution, the passage of which would clearly put us on record, and the Attorney General under pressure, in this regard:

Resolved, That it is the sense of the House of Representatives that the Attorney General of the United States should appoint a special prosecutor to serve in the Department of Justice to investigate, and prepare prosecutions with respect to, acts by agents of foreign governments or by other individuals to obtain by means contrary to the laws of the United States influence for such governments from elected and non-elected officials of the United States. The special prosecutor should serve for such period as may be necessary and should be provided with the mandate and the independence to pursue all investigations and prosecutions without fear of reprisal or removal, and with freedom from political pressures from any source.

APPOINTMENT OF CONFEREES ON H.R. 7555, DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1978

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to take from the speaker's table the bill, H.R. 7555, making appropriations for the Departments of Labor, Health, Education, and Welfare, and related agencies for the fiscal year ending September 30, 1978, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania? The Chair hears none, and appoints the following conferees: Messrs. FLOOD, NATCHER, SMITH of Iowa, PATTEN, OBEY, ROYBAL, STOKES, EARLY, MAHON, MICHEL, CONTE, O'BRIEN, and CEDERBERG.

APPOINTMENT OF CONFEREES ON H.R. 7558, AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, FISCAL YEAR 1978

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7558) making appropriations for Agriculture and Related Agencies programs for the fiscal year ending September 30, 1978, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi? The Chair hears none, and appoints the following conferees: Messrs. WHITTEN, EVANS of Colorado, BURLISON of Missouri, BAUCUS, TRAXLER, ALEXANDER, SIKES, NATCHER, MAHON, ANDREWS of North Dakota, ROBINSON, JOHN T. MYERS, and CEDERBERG.

PERMISSION FOR SUBCOMMITTEE ON INVESTIGATIONS AND REVIEW OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT TODAY AND DURING THE REMAINDER OF THE WEEK UNDER THE 5-MINUTE RULE

Mr. HEFNER. Mr. Speaker, I ask unanimous consent that the Subcommittee on Investigations and Review of the Committee on Public Works and Transportation may be permitted to sit this afternoon, and during the remainder of the week, while the House is in session and sitting under the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1978

Mr. PRICE. Mr. Speaker, I call up the conference report on the bill (H.R. 5970) to authorize appropriations during the fiscal year 1978, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 20, 1977.)

The SPEAKER pro tempore. The gentleman from Illinois (Mr. PRICE) is recognized for 30 minutes, and the gentleman from California (Mr. BOB WILSON) is recognized.

(Mr. PRICE asked and was given permission to revise and extend his remarks.)

Mr. PRICE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conferees on the defense appropriation authorization bill reached agreement with the Senate on Friday, June 17. The conference report is printed in the RECORD for June 20 beginning on page 19834 and has therefore been available to the Members of the House. The report explains in detail the actions of the conferees and I shall accordingly be as brief as possible in my explanation, as I am aware of the crowded agenda facing the House.

The conference report provides in titles I, II, and VII a total dollar authorization of $36.097.3 billion. This compares with an amended budget request of $36.047 billion. Thus, there is only a $50 million difference from a request of over $36 billion. In addition, reductions in military and civilian personnel were agreed upon by the conference. If the authorized strengths are funded at the levels provided in the conference report it would result in additional savings of $76 million, as compared with funding for the strength level by the President.

Independent of budget, many important weapons and personnel decisions were agreed upon by the conferees.

CONFERENCE PROCEDURE

Mr. Speaker, this was a difficult conference. The conferees had to consider 44 procurement differences, over 200 R. & D. differences and 44 differences in specific authorization language, including various general provisions.

The conferees met for a total of 18 hours and 30 minutes. In addition to the 18 hours of conference, the House conferees spent a total of 3 hours and 25 minutes in various meetings preparing for the conference. There were also numerous get-togethers of subgroups of the conference attempting to develop compromises to propose to the full conference.

In line with the rules of the House, and the specific authority provided by the House, the conference was open, except at the times the conferees voted to go into closed session for national security purposes. Under the authority provided by the House, sitting Members of Congress were allowed to sit in on the closed sessions. Parts of these sessions were closed on 4 of the 6 days of the conference.

I would like to express to the House conferees my appreciation for their diligence in attending the conference and for the persistence with which they attempted to defend the House position. A conference by nature is designed to achieve a compromise. That is what we did. I believe we got a good bill, and more important, I believe we got the best bill we could get. In some cases we had to set priorities and had to reach accommodation with the Senate and give up some items which we wanted in order to get items which we felt were more important for national defense.

While I will not go into details on the bill, I will take a few moments to highlight some of the major items in the various titles:

TITLE I—PROCUREMENT

For the procurement categories in title I—that is, aircraft, missiles, ships, tracked combat vehicles, and other weapons—the bill provides a total authorization of $24 billion, 713.3 million. This compares with an original House figure of $24 billion, 836.4 million and a Senate recommendation of $24 billion, 384.1 million.

Here is the conference action relative to some of the major aircraft programs:

UTTAS helicopter: Restored Senate reduction in Army UTTAS, authorized 56 at $236 million.

C–12A: Authorized 20 of these Army utility transport aircraft at $17.2 million.

A–7E attack jet: Authorized 12 A–7E's plus advance procurement for 12 in fiscal year 1979.

F–14: Provided 40 F–14's in fiscal year 1978—Senate had 36 and House had 44—and advance procurement for 36 in fiscal year 1979—Senate had 36 and House had 60.

CTX: Provided $21.6 million for procurement of an off-the-shelf turboprop light utility transport.

F–15: Authorized 108 F–15's as in the House bill for $1,697.1 million. Senate had accepted the Carter budget reduction to 78.

F–16: Fully authorized R. & D. and procurement request for 105 F–16's and $1,484 million.

Advanced tanker cargo aircraft (ATCA): Denied authorization for ATCA. Senate had accepted President Carter's budget cut and House had provided for six ATCA at $276.6 million as in the original January budget request.

C–130H: Provided eight C–130H cargo airplanes for $62.2 million for the Air National Guard. House had added 16 to the budget.

Civil Reserve Air Fleet (CRAF): Provided $15 million for two prototypes, one full or "major" modification and one "mini" modification of commercial jumbo-jet airliners to carry large cargo items in Civil Reserve Air Fleet (CRAF).

Tanks were a difficult issue in conference. On the M–60 tanks, the Senate had authorized 649 M–60A1 tanks. The House had authorized 859 M–60A3's—tanks with a more advanced fire control system than the M–60A1's. The conferees agreed on 800 of the improved M–60A3's. The conferees also agreed to authorize procurement of tank thermal sights which will make the M–60A3 approximately equal to the new Russian T–72 tanks.

The conferees further agreed to authorize $13 million to complete upgrading earlier model M–48 tanks to enhance our overall prime tank asset posture.

On the XM–1 program, the conferees adopted House language assuring that there will be adequate testing of all candidates and congressional review before a final decision on the gun for this new tank.

The conferees spent considerable time in the area of naval shipbuilding.

They approved a program of 19 ships, including advance procurement for a *Virginia*-class Aegis ship, as requested by the President; 1 attack submarine; 2 DD–963 destroyers, planned primarily for helicopter capability, to enhance the Navy's ASW role; and 8 guided missile frigates. The compromise included $81.6 million proposed by the Senate for advance procurement for a CVN nuclear carrier.

After considerable discussion, the conferees agreed to authorize $40 million for studies of a *Nimitz*-class nuclear carrier and smaller size carriers—CVV, V/STOL aviation ship, and DD–963(H). The purpose of these studies is to allow sufficient review of all alternatives so that next year Congress can make a decision on which is the most suitable platform to authorize for the Navy. Essentially, we allowed all options for carrier development to be kept open, and the Senate was very insistent on this.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

For the various categories of R.D.T. & E. the bill provides a total of $11 billion, 288.7 million in authorization. This compares to the House bill of $10 billion, 952.8 million and the recommendation in the Senate amendment of $11 billion, 475.5 million.

The amount agreed to by conference is $430.7 million below the Administration request.

In the R. & D. area, the House had made a reduction of $103 million in authorization for the F–16, based on concern over excessive cost growth. Following extensive discussion with the Senate, the House receded and agreed to the authorization of the full request for the F–16.

There was a dispute in conference about the NATO AWACS, with the Senate approving the full $15.7 million requested and the House denying all of the authorization. The conferees agreed to authorize the $15.7 million, but included language in the bill which stipulated that the funds may not be authorized until at least one of the member countries of NATO other than the United States enters into a contract to purchase AWACS aircraft.

The Senate agreed to the House position authorizing development funds for the cruise missile to Director, Defense Research and Engineering and providing for centralized management of cruise missile development programs. Likewise, the Senate receded and concurred with the House position to require maximum commonality of guided missile projectile development.

The Senate had wanted to provide a requirement for installation of chemical protection on all tracked combat vehicles. The conferees agreed to simply require the Secretary of the Army to provide a plan for incorporating such capability in combat vehicles, the plan to be due by next February 1.

TITLE III—TITLE VI—PERSONNEL

The active duty manpower level agreed on is 5,300 below the House bill and 13,200 above the Senate bill. The civilian personnel level for the Department of Defense is 15,700 below the House bill and 12,100 less than the administration request. It is 7,700 above the Senate amendment.

The conferees also agreed to allow management flexibility by providing authority to exceed authorized end strength by 1¼ percent, roughly 12,700 spaces. The conferees made clear that personnel reductions among civilian employees was not to be applied to industrially funded activities. The conferees agreed to a redefining of the term "combat" as part of the move to expand the military jobs open to women.

After much debate, the conference agreed on a strength of the drilling naval reserve of 87,000. This compares with 93,600 provided in the House bill, and 76,400 contained in the Senate amendment, and the administration recommendation of 52,000. The conference agreed to the House proposal for incentive pay for enlistments in the Reserve program but at a maximum expenditure of $5 million. Essentially, this is to provide a test program on the idea but the conference report stipulates that reprograming would be permitted if found necessary and if the test proves successful.

TITLE VII—CIVIL DEFENSE

The bill contains $95.2 million for civil defense, as recommended by the Senate. The House had proposed $134.8 million for this program but the Senate was adamant.

TITLE VIII—GENERAL PROVISIONS

All of the House general provisions contained in the bill were retained in the conference, with the exception of section 810 on base closures and section 812 on conflict of interest limitations.

Briefly the conferees concluded that the base closure provision more appropriately belonged in the military construction bill, where it had already been placed by the Senate in a bill which is now going into conference.

In the case of the Hughes amendment on conflict of interest, the Senate conferees adamantly maintained that this should be more appropriately considered in the broader context of ethics in government legislation, such as H.R. 6952, the President's proposal which is now before a number of committees of the House. Our committee intends to look closely at this proposal and see if it is consistent with the objectives of the Hughes amendment.

The House conferees agreed to accept general provisions proposed by the Senate which would require approved reporting on combat readiness, would assert congressional readiness to consider modifications in strategic arms programs as the President might recommend if they will facilitate the SALT negotiations, would require a report to Congress on the impact of foreign military sales on U.S. force readiness, and would allow for a reduction in the number of flag and general officers in the Department of Defense and a corresponding reduction in the number of higher grade civilian employees in DOD.

Both of these senior personnel reductions will be made over a 3-year period for a total reduction of 6 percent. This involves a reduction of 68 in the number of admirals and generals and a reduction of approximately 3,650 in the number of upper grade civilian employees. Again, this is to be made over a 3-year period.

Page 2 of the printed version of the conference report contains a printer's error under missiles for the Army. The report lists the figure 563,700,000 and the correct figure is 562,700,000. This is a printer's error in the printed copy. The official papers are correct. A printer's error also appears in Navy item under 273, R.D.T. & E. ship and aircraft support, in the last column on page 31 of the joint explanatory statement of the Committee of Conference. The conferees agreed to authorize $52.462 million for this item, not the $56.462 million shown.

This also is a printer's error only. These misprints do not affect the final totals approved by the conferees.

In summary, Mr. Speaker, we believe we have a good bill which will strengthen the Department of Defense in the years ahead, and I urge all of the Members of the House to approve the conference report.

Mr. ADDABBO. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from New York.

Mr. ADDABBO. Mr. Speaker, I would inquire of the gentleman from Illinois as to what the conferees did in reference to the nuclear carrier since the House had overwhelmingly voted to delete it, and the Senate put those funds back in.

Mr. PRICE. What we in effect did was to just long-lead money as the Senate proposed so that all options could be opened and we provided for a further study of all alternatives.

Mr. ADDABBO. You provided for a further study but not for its actual construction?

Mr. PRICE. That is correct.

Mr. ADDABBO. I thank the gentleman from Illinois.

Mr. BOB WILSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report to H.R. 5970 and urge its adoption as submitted. The recognition of the very great difference between the two Houses when the confeernce began, it is a tribute to the power of reason and the spirit of compromise that the conferees were able to find a middle ground.

I truly believe, Mr. Speaker, that the agreement of the conference combines the best features of both bills. Our House conferees had great faith in the wisdom of the House position when the conference began. However, we were confronted with a group of equally strong-minded Senators. It is important to remember that a conference on a bill such as the Defense Appropriation Authorization Act is a two-way street and involves some give as well as some take.

In the main, we were able to hold most of the more important positions of the House, but some compromises were necessary in order to reach agreement in the procurement, research and development, and personnel areas.

I would like to address some specific remarks to the compromise in the shipbuilding area. The conference would authorize 12 combatant ships and 2 strategic missile-firing submarines for our deterrent triad. The conferees agreed to authorize $81 million in additional long lead funds in order to keep open the option for an additional CVN aircraft carrier next year. The conferees recognized that the Navy's studies were not far enough advanced so that the Congress could have the cost and combat effectiveness data it would need to exercise an option for other sea-based aircraft platforms next year. The conference report would provide $40 million for the purpose of conducting studies of conventional aircraft carriers such as the CVV, VSTOL carriers, such as the VSS, and ways to improve the DD–963 class destroyers so that these ships can utilize more helicopters.

The conferees agreed that a final decision on either class of ship should be made next year in connection with the fiscal year 1979 authorization.

The Senate version of the bill contained a provision which would have repealed title VIII, which is the policy statement that all major combatant vessels be nuclear powered unless the President finds that it is in the national interest to build conventional ships. The Senate receded from its position and this conference report would leave the existing policy unchanged. The repeal of title VIII would have been a drastic and ill-considered change of direction. It would have had the effect of undoing all our past efforts aimed at giving our surface combatants a decisive edge in a combatant engagement. It would have negated the superior capabilities of our nuclear strike forces.

Mr. Speaker, the conference report before the House contains a good and adequate R. & D. program and provides for a small amount of growth in procurement. The bill contains some things which I did not want and does not contain several things, such as additional attack submarines, which I would have preferred; but we simply had to take some of the changes in order to get a bill. We had to compromise. I urge support of the conference report.

Mr. Speaker, I again want to warn the Congress and the American people that we are facing a perilous maritime situation which will increase in severity in the early 1980's.

The power of the Soviet naval and merchant marine fleets is increasing, while ours gradually decreases. Meanwhile, we have tended to build weaker ships as compared to some Soviet designs.

Most unfortunately for the security of the United States, the Department of Defense has utterly failed for nearly a decade to present the Congress with an adequate and acceptable shipbuilding program. Our economy and national security are more dependent upon the sea than at any time during the past 200 years.

Any existing superiority of the U.S. Navy over the Soviet Navy lies in the force of 12 large deck aircraft carriers which operate high performance ASW, fighter and attack aircraft possessing outstanding combat capabilities. These carriers and their air wings, along with the modern SSN–688 class attack submarines are the only ships that will seriously threaten Soviet naval operations in the 1980's. The large deck aircraft carrier, with a sufficient number of F–14 aircraft equipped with the Phoenix missile system, are the only protection the U.S. fleet will have against the Soviet Backfire bomber.

Given these facts, Mr. Speaker, it would seem that we would build upon and emphasize our strong points. Unfortunately, this has not been the case. Can the Pentagon's planners be unaware of the situation? Certainly they are not, but their actions over the past several years seem to demonstrate a lack of awareness and a willingness to gamble on the Nation's maritime security. Time and time again we have seen military capability compromised out of ships and weapons for alleged "fiscal reasons."

Look at the 5-year shipbuilding plans for carriers sent to the Congress in recent years.

The fiscal year 1974–78 plan called for one large 90,000-ton nuclear carrier and eight sea control ships of 14,000 tons.

The fiscal year 1976–80 plan included two 90,000-ton nuclear carriers and seven VSS ships of 22,000 tons.

The fiscal year 1977–81 plan called for two, 90,000-ton carriers and one VSS of 22,000 tons. None of these ships survived the Pentagon's systems analysts and budgeteers.

We were presented with three different shipbuilding plans in just the past year.

As the finishing touches were being put on the fiscal year 1978 budget request, DOD proposed two so-called CVV's of undetermined tonnage and capability.

So, Mr. Speaker, after more than 20 years of DOD and congressional studies; after the completion last year of a comprehensive study of carrier designs—the CVNX study—we have arrived at the point where two oil-fired CVV's are going to be requested instead of one or more nuclear-powered carriers.

This proposal is a compromise with reality. It was made without much regard for what is needed or what is most cost effective.

The CVNX study and the National Security Council Study concluded that if only one or two more large carriers are to be built, the most cost-effective choice would be the *Nimitz* class carrier. Two CVV's instead of one of two *Nimitz* class carrier neither increases the numbers of ships at sea nor does it save much money. Overall, military capability, however, will suffer from such a decision. The most logical thing to do at this time is to build the fourth *Nimitz* CVN to provide 12 large deck carriers from 1985 through 1995 plus 1 ship undergoing a service life extension modernization.

Mr. Speaker, DOD has been playing a shell game with the Congress. In the case of the nuclear carrier, it appears that there was no pea under any shell. Once again, it appears that the Congress will have to take over and mandate DOD to do what is best for national security.

Mr. Speaker, I wish to make a few points about one of the programs deleted by congressional action this year; I hope without prejudice.

This action by the joint conference of the House and Senate Armed Services Committees denies all fiscal year 1978 funding for the nuclear hull test vehicle (NHTV). This action could terminate one of the Navy's very few fundamental submarine technology programs, and the only technically responsible program which can provide a hull material for future, deeper diving, attack submarines, The NHTV is funded under program element 64559; $13.5 million was requested in the fiscal year 1978 budget. I am asking the Navy to request it again next year.

The U.S. Navy's edge over the Soviet submarine force for the past several years has been maintained through quality, not quantity. This edge must be maintained if the United States is to remain in competition as a world naval

power. The rate of ASW technology development makes it certain that increased submarine operating depths will be required in the future. Although this need does not exist as an overriding requirement today, it is inescapable that such a requirement will be essential in the future. The Navy must be ready with the technology when it is needed.

Current U.S. submarine designs are constrained in operating depth by the characteristics of the best certified structural material available, HY–80 steel. Other characteristics being equal, the deeper diving SSN wil have definie operational advantages over its adversary in any confrontation. These advantages include better acoustic detection avoidance capability, better weapons avoidance and evasion capability, better acoustic surveillance and tracking capability, and higher margins of safety and recoverability.

The only material under advanced development in the U.S. Navy which will allow practical achievement of increased operating depths is HY–130 steel. The HY–130 Steel Development Program is in the final stages. Product specifications, fabrication documents, qualification of manufacturers and model tests are essentially complete. This program has shown that we are pushing the state-of-the-art in high strength steel technology to the limit for application to combatant submarines.

In the Navy's best technical judgment, a hull test vehicle is essential to prove HY–130 steel prior to making a commitment to a combatant submarine building program. The introduction of the less advanced HY–80 steel into the fleet without a hull test vehicle in 1958 resulted in severe cracking problems. These caused significant delays and added costs in combatant ship construction and operations. The construction of a hull test vehicle in a shipyard production environment and subsequent testing at sea is considered the only cost-effective way to insure that similar problems do not recur with application of the more advanced HY–130 steel to combatant submarines. Of major importance is demonstration of satisfactory resolution of the known increased propensity of HY–130 for stress corrosion cracking as demonstrated in laboratory test specimens.

The Navy evaluated several alternatives as potential HY–130 hull test vehicles. Candidates included towed unmanned vehicles, nonnuclear and nuclear powered test vehicles, and full sized submarines. Towed vehicles were rejected because they cannot simulate combatant submarine operations. Full sized submarines are too costly in terms of time and resources. The NHTV was chosen over a nonnuclear vehicle because: First, it would be more effective in simulating combatant submarine operations at sea; second, testing would be completed 2 years earlier; and third, it would be no more expensive.

Twenty million dollars out of a total program cost of $182 million have been authorized for the NHTV through fiscal year 1977. Detail design is in progress leading to award of a construction contract early in fiscal year 1979. Denial of requested fiscal year 1978 funding will delay this program at least another year and will prevent attainment of HY–130 certification for use in combatant submarines until fiscal year 1986. The earliest possible operational date for a deeper diving attack submarine thus would become 1994.

The Navy's capability to build deeper diving submarines must be neither impeded nor denied. After careful review, the Navy has concluded that the only way to achieve this essential future capability is to build the NHTV and test it at sea. There is no easier or cheaper way.

Mr. RUPPE. Mr. Speaker, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Speaker, I rise in opposition to the conference report on H.R. 5970, the Military Procurement Authorization bill for the fiscal year 1978.

As the House passed this bill, no funding authorization was provided for the Navy's controversial Project Seafarer program despite the administration's request for $23,789 million.

For the last 3 years, the Navy has been trying to build this massive, 4,700 square mile underground communications antenna for submarines in my northern Michigan district. It has been an issue which has caused profound public debate not only among my constituents, but throughout Michigan as well as in Wisconsin, Texas, and other subject States.

The history of this project is long and tangled. The Navy was banned from its number one site, Wisconsin—the place the Navy to this day still calls the best site—on the orders of then Secretary of Defense Melvin Laird.

The next spot the Navy picked was Texas, which it abruptly left after it became apparent that the citizens in that state did not want Project Seafarer.

Now, Mr. Speaker, the Navy has focussed a 3-year propaganda campaign on securing a site in Michigan's Upper Peninsula for this unwanted and unloved system.

My colleagues—both in this House and in the other body—have often asked me about the opposition to locating this system in Michigan. Many cannot understand why citizens would be opposed to a national defense project, and the Federal expenditures involved, one that the Navy claims will do no harm to people, nor to animals, plants and other important aspects of the unique northern Michigan environment.

The answer to these questions comes in two parts.

The first is, that the more average citizens learn about this system and what the Navy cannot tell or will not tell them about Seafarer—despite 19 years of research effort and the expenditure of over $169 million during that time—the more they fear becoming guinea pigs in what would be the navy's largest science laboratory.

For the fact remains, as we debate this conference report today, that the Navy cannot tell us what the final size of the Seafarer system would be were it to be built in northern Michigan; it cannot tell us what restrictions would be placed on land uses, for example blasting by the economically crucial upper Michigan mining industry; and, most damaging of all, the Navy cannot or will not provide the answers as to why small private lands rather than the huge Ottawa National Forest were included in the area into which the Seafarer cables would penetrate.

All of these serious questions remain unanswered today, Mr. Speaker. Yet, in its zeal to find a permanent resting place for Seafarer, the Navy's public relations people are audacious enough to subtly suggest a lack of patriotism on the part of upper Michigan citizens, despite the fact that these same citizens have openly welcomed three Air Force bases in their midst for the past 25 years.

However, in a series of eight referendums, the people of the Upper Peninsula by margins of from three to four to one, have rejected the idea of placing Seafarer in their land.

This leads me to the second major objection to Project Seafarer on the part of northern Michigan citizens. In my view, it is a far more serious problem.

The second objection to Project Seafarer goes right to the heart of a much larger and complicated problem about which we in this House are justifiably worried and concerned.

That is, Mr. Speaker, the reason many people in this country are convinced that the Federal Government can no longer be believed and trusted.

In order to gain entry to the State of Michigan as a site for Project Seafarer, the Navy made a number of promises to the Governor of the State—not verbal promises, mind you, but written promises.

One of those promises was specifically offered in writing by the Deputy Secretary of Defense. The promise to the Governor of Michigan was that if he objected to the building of Project Seafarer in the State, the Navy would not recommend building it there. Period. There were no conditions on that promise, just that if the Governor objected, the Navy would not build Seafarer in Michigan.

Now, Mr. Speaker, I am not suggesting that this procedure—that of permitting the Governor of a State a veto over national defense installation—should be the usual procedure for determining their location.

However, while I cannot speak for the other Members of this Chamber, I was brought up on the simple philosophy that a deal is a deal.

The Navy, in an agreement ratified by the second highest civilian official in the Pentagon, made a bargain with the Governor of Michigan. If the Governor would let the Navy do it environmental studies on a Michigan site for Seafarer, it would agree to leave the State if the Governor objected to the service's continued presence.

But what happened when the Governor exercised his rights under the veto, Mr. Speaker? Did the Navy live up to the agreement in an honorable fashion?

No sir, not for 1 minute. The Governor exercised his right to ask the Navy out of Michigan, so to speak, on March 18. The response from civilian officials at the Department of Defense—

specifically Defense Secretary Harold Brown and Secretary of the Navy W. Graham Claytor—has been one of "studying" the Governor's objection.

Meanwhile, over in the public relations arm of the Navy, the service has suddenly discovered a veritable gold mine of constitutional reasons for not permitting the Governor of a State a veto over a national defense installation, such as Project Seafarer.

The truth of the matter is this: the Navy made a deal, but when it got a decision it did not like, it decided to repudiate the deal and is now actively lining up reasons and support for a repudiation of those promises.

Is it any wonder, given this performance in Michigan, that the people of my district are so cynical about the promises and performance of the Federal Government?

However, let me point out here that this is not the only example of the Navy's hedging on its commitments, but only the most glaring one. For example, when the Navy first came into Michigan the system's size totaled 2,500 square miles. As of February 18 when the Navy released its environmental impact statement, the system had grown to one of 4,700 square miles. In 1975 the Navy's plans called for a distance of 5 miles between the buried antenna cables which are the heart and soul of this submarine communications system. Today, the gap has narrowed to a distance of between 3 and 3¾ miles.

However, the Navy's record of obfuscation is not the only basis for citizen cynicism about Federal promises and commitments. The Federal record in this regard extends to the White House as well.

Last October 25 while campaigning for the Presidency, President Carter promised that Seafarer would not be built in the Upper Peninsula if the people did not want it built there.

That was a promise not to the Congress, not to our State's two Senators, not to our Governor, and not to me. It was a promise the President gave to the people of Michigan, a solemn commitment that the people's will would dictate whether Seafarer would be built in our State.

What has happened to that October 25 promise? In a word, nothing—except perhaps, for a subtle retreat sounded only this past month.

Despite pleas by Senator GRIFFIN and myself that the President keep his word and order the Navy out of Michigan, the only response from the White House was silence, except for a line from Frank Moore referring our request to the Navy—of all people—for study.

In what the Detroit Free Press called an attempt to stifle "opposition with the old military strategy of divide and conquer" last month the President proposed a smaller variation of the same old Seafarer theme.

Instead of a 4,700 square mile, 3½ million acre Seafarer proposal as contained in the Navy's February 18 environmental impact statement, the President, presumably at the Navy's urging, is now proposing a much reduced system.

It would consist, according to news media reports, of two crossed cables at what was going to be the test site for the larger version of Seafarer—K. I. Sawyer Air Force Base. In addition, the existing test site at Clam Lake, Wis., would be upgraded to work in tandem with the new site in Michigan.

And of course, another promise would be issued. This time the promise offered from Mr. Carter, the President himself, would be that the test site would not be enlarged into the 4,700-square-mile version of Seafarer.

Mr. Speaker, the people of northern Michigan and I have had more than enough of the solemn promises of the Navy, of the Department of Defense, of the White House, indeed of the entire executive branch.

The past performance record on these promises strongly indicates that they are worth little more than the paper on which they are written.

Which, Mr. Speaker, brings me back to the conference report on the military procurement bill. Even though the House Armed Services Committee unanimously rejected the funding authorization request for Seafarer, this conference report contains the $20.1 million the Senate voted for Seafarer.

I am puzzled that the conferees would consider extending this program in light of a report issued by a House Armed Services Committee special investigating panel which said of the larger, 4,700 square mile system proposed for Michigan, and I quote, "It is questionable whether Seafarer could satisfy the minimum," and let me emphasize that, Mr. Speaker, "the minimum data rate required for primary command and control of fleet ballistic submarines."

If the House Armed Services Committee does not believe that the 4,700 square mile system consisting of 2,200 miles of antenna cable, can satisfy the minimum requirements for communicating with our submerged submarines, how can we believe that a system less than 5 percent the size of that huge grid will even begin to meet the command and control needs?

Mr. Speaker, in light of the Navy's stream of broken promises to the people of Michigan, considering the lack of good faith in the Navy's and the Department of Defense's dealings with the Governor of Michgan and other elected officials from our State, and finally, in view of the President's broken promise to the people of Michigan, I believe it is time to put an end to Project Seafarer and the serious erosion of trust in the Federal Government it has caused among large numbers of American citizens.

Lest the Navy think that they will succeed by using the smaller system as a wedge to get into Michigan, let me state unequivocally: I will not rest until Seafarer and the Navy has been permanently driven from Michigan. The people of Northern Michigan and I will never, never accept Seafarer in any shape or form. Period.

Mr. Speaker, for all of these reasons I will vote against the military procurement bill.

There is simply no reason to endorse, through this $20.1 million authorization, continued work on a system that will not work and the bureaucratic incompetence that has marked Project Seafarer through all these years.

Mr. Speaker, further, if I might, I would also like to direct a question to my distinguished colleague from the State of Illinois, the chairman of the Committee on Armed Services, concerning the intent of the conferees with respect to the Navy's ELF program, otherwise known as Project Seafarer?

Mr. PRICE. I will be happy to respond to the inquiry of the gentleman from Michigan.

Mr. RUPPE. First I would ask regarding the $20.141 million that the conference committee recommended be authorized for continued research and development work on the Navy's Project Seafarer. Am I correct in my understanding that it is the intent of the conferees that none of these funds shall be used by the Department of the Navy for further work during fiscal year 1978 on a Michigan site?

Mr. PRICE. The gentleman is correct.

Mr. RUPPE. Mr. Speaker, if I might ask one more question, just so the record is clear, the conferees do not intend for the Navy to use one dime or dollar of the $20.141 million authorized under this bill for any work whatsoever in Michigan, be it research and development, public information, or whatever, during fiscal year 1978, is that correct?

Mr. PRICE. The gentleman from Michigan is also correct in this instance.

Mr. RUPPE. I would like to thank the chairman very much for his courtesy in this matter.

Mr. PRICE. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Speaker, I want first to take this opportunity to commend the gentleman from Illinois (Mr. PRICE) for the excellence with which he conducted the conference.

Mr. Speaker, in the area of manpower, this conference report represents a reasonable compromise which will provide the manpower resources required for national security purposes in fiscal year 1978.

For the active force, the two houses were 18,525 apart in their recommended strengths. The resolution was in favor of the House position with the recommended totals only 5,000 below the House-passed version of the bill. The strengths for each of the services are as follows:

Army	787,000
Navy	535,800
Marine Corps	191,500
Air Force	570,800

The major difference between the houses was in the Army where the agreed-on strength of 787,000 will permit the Army to further increase its combat forces by 4,200 in fiscal year 1978 through a conversion from existing support units. In the Marine Corps, the strength of 191,500 is only 500 below the House position. This strength was agreed on as appropriate only so long as the Marine Corps maintains its current quality standards.

The House agreed to the Senate provision which will place a limit on pay

for cadets at the military academies and senior ROTC cadets on summer training. This provision will not reduce the pay of cadets. It simply puts a ceiling on it.

The House also agreed to a Senate provision requiring the Secretary of Defense to provide a precise definition of the word "combat" and to make recommendations for expanding utilization of women in the military.

In the reserve forces, title IV, the conference report establishes the strength of 87,000 for the Naval Reserve. As you recall, the administration had recommended 52,000, the House 93,600, and the Senate 76,400. This strength was arrived at through compromise but represents a figure which will permit the Naval Reserve to perform its required missions in fiscal year 1978. The statement of the managers indicates that the reductions from the current on-board strength of 93,000-plus should be made by attrition to the extent possible or allocation among shore-based units. It is also important to mention that the conferees agreed that the Naval Reserve strength should now stabilize at approximately this level and that the annual reductions in Naval Reserve strength over the past several years should cease.

For the Air Force Reserve, the conferees accepted the House position of 52,000.

The conference report does include the important reserve recruiting incentives which had been provided by the House. In conference it was agreed to limit this authority to 1 year and to an initial expenditure of $5 million in order to test the effectiveness of these incentives. The acceptance of these incentives by the Senate and their being placed in law is very important in light of the continually declining strengths in the reserves.

For civilian personnel in title V, the conferees agreed on an overall Department of Defense-wide ceiling of 1,018,600. This ceiling represents a reduction of 15,700 from the House position and 12,100 from the administration request. The statement of the managers indicates that this reduction shall be accomplished by attrition and not by a reduction-in-force, that it is to come from white-collar workers and not from industrially funded activities. In a related matter, the conference report provides that the Secretary of Defense shall have authority to exceed this ceiling by one to one and one-fourth percent, roughly 12,700 spaces, when he considers it in the national interest to do so. The House version of the bill had provided authority of 3 percent, while the Senate position was one-half of 1 percent. One and one-quarter percent should be adequate to provide the Secretary of Defense ample flexibility to avoid inefficiencies in administering civilian personnel.

The general provisions title of the conference report also contained several sections impacting on manpower. The most significant of these is the inclusion of a Senate proposal to reduce the number of senior management officials in the Department of Defense by a total of 6 percent over the next 3 fiscal years. This reduction in both general and flag officers and in senior civilian positions of GS–13 through GS–18 is specifically linked so that in each of the fiscal years any reduction of general and flag officers must be accompanied by a proportionate reduction in GS–13 through GS–18 personnel. The original Senate proposal was quite restrictive in accomplishing these reductions, mandating a 2-percent reduction in fiscal year 1978 and 4-percent in fiscal year 1979. The version agreed to in conference of a total of 6-percent spread over 3 years provides the Secretary of Defense sufficient management flexibility to accomplish this reduction in a reasonable manner.

In a related matter which is not specifically in the conference report or the statement of managers, there was general agreement that an investigating panel be considered to inquire into the overall readiness of the military force on a periodic basis. The establishment of such a body with representatives from appropriate agencies, such as the GAO and possibly the Department of Defense, should provide useful information to the Congress in the consideration of service policy.

All in all, the conference report represents a compromise, but a reasonable one, which should be supported.

Mr. ASPIN. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Wisconsin.

Mr. ASPIN. I thank the gentleman for yielding.

Mr. Speaker, I would like to raise the issue, if I might, with the chairman of the committee about what has happened with regard to the aircraft carrier, which was such a controversial part of the defense bill this year. Just to reiterate for the Members of the House here what we have gone through on that, it started with the rescission vote on the *Nimitz* carrier. We had funded some money for a new nuclear *Nimitz* large aircraft carrier last year in the budget. When the Ford administration sent up their budget this year, they requested a rescission of the money in the current fiscal year's budget for the new nuclear carrier. The Carter administration then came in, looked at the numbers, and also recommended that the money for the nuclear carrier be rescinded. So both the Ford and the Carter administrations had recommended a rescission of the money for the nuclear carrier.

We had a vote here on March 3 by which rather overwhelming vote of 252 to 161 the House of Representatives voted to rescind the money for the new nuclear carrier and in effect by doing that had voted to go ahead with the smaller carrier, the CVV, which was the implied other option.

Then during the process of the Committee on Armed Services' sending the authorization forward, we did not put in the money for a new nuclear carrier at all and had no money in the budget for the carrier, either the CVV or for the CVN. The Senate, on the other hand, as I understand it, went ahead and passed money for both of the carriers, both of the options, and in fact maybe included money for several other options. The conference committee accepted the Senate version.

I would like, if I could, to have the chairman, the gentleman from Illinois, expand a little bit on where we are on the nuclear versus the conventional small carrier issue.

Mr. PRICE. The gentleman has pretty well stated the conflict between the House and the Senate on this matter.

It is correct that I received a letter from the Secretary of the Navy in regard to section 201 of the bill. The impetus of the letter is not known to me.

In his letter, the Secretary states that design efforts on the CVV, a VSTOL aviation ship, and a DD–963(H) will not be sufficiently complete to enable them to be placed under "contract" in fiscal year 1979. He states that since preliminary design of these ships cannot commence until October 1, 1977 that contract design could not be completed in time for contracting prior to fiscal year 1980.

I would first point out that the conference report does not require that the ships "be placed under contract" in fiscal year 1979.

The conference report states that the Secretary shall take such actions as necessary to insure that studies "are sufficiently advanced" so that any of these ships may be "authorized in fiscal year 1979."

The only way that the work could be started earlier would be for approval of a reprograming, which if approved immediately could save about 2½ months starting time.

It is true that our committee previously turned down a reprograming of $6 million for design work on the CVV.

Two things should be clearly understood by the House; we were not able to approve authorization of any fiscal 1977 funds in conference because it would have been beyond the scope of the conference. No 1977 authorization was at issue in conference. We were, thus, unable to consider 1977 funds in conference. This matter was checked with the Parliamentarian at the time.

The second important point is that the committee previously turned down the fiscal year 1977 reprograming since it was presented to us clearly on the basis of beginning the design work with the full intent of going ahead and constructing these ships. The committee could now reconsider that reprograming to release the funds consistent with the purposes spelled out in the compromising language in the conference report on 1978 funds. That is, to use the money for studies sufficient to allow a decision by the Congress in next year's authorization cycle.

Mr. ASPIN. Let me clarify a point if I may, Mr. Speaker. Is it the intention of the gentleman from Illinois to go back to the committee now and to ask, in light of this conference and the compromise that comes out of the conference, if they might reconsider their voting on the reprograming?

Mr. PRICE. That is correct, consistent with the intent of the conference.

Mr. ASPIN. Mr. Speaker, I would like to ask the gentleman from California (Mr. WILSON) if it is his view that we would also reconsider the reprograming matter?

Mr. BOB WILSON. Mr. Speaker, if the gentleman from Wisconsin will yield, I would think so. I think I would support the reprograming, consistent with the intent of the conference report.

The idea that came out of the conference, as I understand it, is to give the Navy and the Congress the options of going in three or four different directions. I am frankly personally going to opt in favor of the nuclear carrier, but certainly the gentleman is privileged to suggest reconsideration any time he cares in our Armed Services Committee.

Mr. ASPIN. I thank the gentleman. I understand the gentleman is for the nuclear design and I am for the smaller conventional carriers, but I think we can agree at this point that what we ought to do is at least to go ahead and design the several options and then in next year's budget decide what we are going to do.

Mr. BOB WILSON. That is the whole intent.

Mr. PRICE. That is the intent.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Speaker, I want to commend the distinguished gentleman and the other Members of the conference committee for coming up with this procurement program.

If the gentleman would not mind, I would like to ask the chairman of the Military Personnel Subcommittee a question pertaining to our National Guard and Reserves, which was included in the House bill. The reason I ask this question is that the National Guard and Reserve strength has fallen off dangerously in the last several months. We had put incentives in, educational incentives and reenlistment bonuses in our legislation. As I understand, it has been changed some.

Mr. PRICE. Mr. Speaker, I yield to the gentleman from Texas (Mr. WHITE) to answer this question.

Mr. WHITE. Mr. Speaker, in the House committee there was parallel action to some degree to the active forces incentive programs, because as the gentleman has stated, the Reserves have fallen off in strength and in that committee action we gave incentives in the form of educational benefits for new enlistees and re-enlistment bonuses to those re-enlisting with up to 10 years service in the National Guard and Reserves.

At this point the Secretary of Defense had a real question about any program of this nature. Finally, after we had taken the action in the House, the Defense Department did come through and say, "Well, we'll go ahead and approve or endorse a test program of $5 million based on the educational assistance and re-enlistment bonuses."

The conference committee actually came out with a $5-million program for 1 year for reenlistment bonuses, and educational benefits. That appears on page 54 of the conference report before the House today.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield further?

Mr. PRICE. I yield.

Mr. MONTGOMERY. Mr. Speaker, I am concerned as our strength levels fall off that the Defense Department will not have the authority, if they wanted to implement the educational programs, that they could ask for funds to reprogram a start on the educational incentive program to beef up the strength of the Guard and the Reserve. I do not think we have any choice. I think the Defense Department will be back in here within a month to ask that we give more funds for incentives for the National Guard and Reserves. Can this be done?

Mr. WHITE. Mr. Speaker, I will say to the gentleman, we estimated that the total program would cost something like $30 million, but the $5 million was a ceiling; however, the conference committee included a provision that the reprograming action could be had if it was proved to be successful. In my opinion, we are going to have to have an educational program to bring in the troops needed to keep up those forces.

Unfortunately, some Members of Congress on the Appropriations Committee do not understand the total value of the educational program. I think this is where part of the emphasis should be placed, if we are going to maintain the performance necessary to have backup forces in the event we get into conflict.

Mr. MONTGOMERY. Mr. Speaker, I agree with the gentleman.

Mr. BENNETT. Mr. Speaker, I would like to arise for the purpose of establishing what was agreed to by the conferees in the fiscal year 1978 authorization legislation. The clear intent of the conferees respecting research and development of various aircraft carrier platforms.

The conferees agreed to review various options, including the CVV, conventionally powered carrier, the smaller V/STOL carrier and a destroyer platform with expanded antisubmarine warfare helicopter capability, called the DD-963(H); as well as nuclear-powered carrier options. Certain Members of the other body felt that the Congress had acted too hastily in its wisdom not to continue with a fourth *Nimitz*-class carrier.

There was unanimous agreement to spend a little more time for study of the various options I mentioned so that the Congress may have a better data base from which to reaffirm or reevaluate this most crucial decision effecting the future of naval aviation. That is why the statutory language approved by the conference would require that the $40 million approved for these studies be used only "for the purpose of conducting comprehensive evaluation studies of the costs and combat effectiveness of sea-based aircraft platforms for both the short- and long-term needs of the Navy."

In order to establish a good, budget quality estimate of the cost of alternative aircraft carrier systems, and their operational characteristics, it is not necessary to proceed to contract design of each of these ships.

You can usually get a good budget quality estimate of the cost of a ship system and its operational characteristics before completion of the preliminary design phase.

You have got to understand the significance of, and the difference between, a preliminary design phase and a contract design phase.

The Navy defines a concept formulation design, which is part of the preliminary design phase, as:

A description of a technically feasible and logistically supportable ship which meets the required military effectiveness criteria and from which credible costs estimates may be derived. The CF Baseline Design consists of all necessary functional, physical and interface characteristics, specifications (both performance and hardware) selected drawings, plans and analytical results. It serves as the Navy's guide when competitive contract design follows concept formulation.

On the other hand, contract design, includes the cost of every nut and bolt and cotter pin. You do not have to spend millions of dollars to determine the cost of every nut and bolt and cotter pin in order to get a good budget estimate on a viable aircraft carrier system. To do so would be unconscionably wasteful of the taxpayers money.

Let me give you a brief example of what I mean:

Neither the SSN-688, CSGN, or the DDG-47 completed the preliminary design phase before a decision was made to proceed toward procurement.

Preliminary design for the DDG-47, our newest, missile-equipped, destroyer was not completed until April 1976, yet in January 1976, $858.5 million was requested by the Navy for full funding of the lead ship.

Preliminary design for the SSN-688, our new nuclear attack submarine, was not completed until May 1969, yet $626.6 million was requested for full funding of the lead ship in January 1969.

So you see, you do not have to complete preliminary design work before you can make an informative judgment on what kind of a ship to buy.

Mr. Speaker, I want to elaborate on one point. In order to highlight the intent of the conferees, certain funds allocated under research and development for ship development—engineering—which would have provided funds for contract design were transferred to ship development—advanced—which provides for funds for conceptual and preliminary design, in the aggregate of $40 million. That shows the clear intent of the conferees.

I also want to commend my chairman for his fairness in handling this very important issue; the future of U.S. Navy aircraft carrier forces.

Mr. WEISS. Mr. Speaker, I oppose the conference committee version of H.R. 5970 because it authorizes unnecessary money for our national defense program. What is most alarming is that the total amount authorized—$36.1 billion—exceeds the original House authorization by $183.3 million and the Senate's by $112.5 million. Even more surprising, the conference bill authorizes $244.1 million more than the administration requested.

This authorization, in addition to being excessive, ignores much of the thrust of the House Armed Services Committee report accompanying the House bill. That report advocated a "better-not-more" approach. The conference bill not only authorizes more, but it is questionable how much of what it authorizes is better.

Some of the more suspect projects included are the B–1 bomber, an overpriced civil defense program, and seed money for a fifth nuclear aircraft carrier, the *Nimitz*. I am also disturbed by the *Nimitz* authorization because earlier this year the House struck down funding for a carrier like this because it was not cost effective and because it was determined to be too susceptible to attack. In addition, the original request for it, made by President Ford during the heat of the 1976 presidential campaign, was rather dubious.

I urge my colleagues to reflect on whether the United States needs to increase its combat readiness when there is no immediate danger to our national security, and when there is a tremendous need to do battle with the country's domestic problems.

Mr. PRICE. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 350, nays 40, not voting 43, as follows:

[Roll No. 409]

YEAS—350

Abdnor	Burgener	Edwards, Ala.
Addabbo	Burke, Fla.	Edwards, Okla.
Akaka	Burleson, Tex.	Eilberg
Alexander	Burlison, Mo.	Emery
Allen	Butler	English
Ammerman	Byron	Ertenborn
Anderson, Calif.	Caputo	Ertel
	Carney	Evans, Colo.
Anderson, Ill.	Carter	Evans, Del.
Andrews, N.C.	Cavanaugh	Fary
Andrews, N. Dak.	Cederberg	Fascell
	Chappell	Fenwick
Annunzio	Clawson, Del	Findley
Applegate	Cleveland	Fish
Archer	Cochran	Fisher
Armstrong	Cohen	Flood
Ashbrook	Coleman	Florio
Ashley	Collins, Ill.	Flowers
Aspin	Collins, Tex.	Flynt
AuCoin	Conable	Foley
Badham	Conte	Ford, Tenn.
Bafalis	Corcoran	Fountain
Barnard	Corman	Fowler
Baucus	Cornwell	Frey
Bauman	Cotter	Fuqua
Beard, R.I.	Coughlin	Gammage
Beard, Tenn.	Crane	Gaydos
Benjamin	Cunningham	Gephardt
Bennett	D'Amours	Giaimo
Bevill	Daniel, Dan	Gilman
Biaggi	Daniel, R. W.	Ginn
Bingham	Danielson	Glickman
Blanchard	Davis	Goldwater
Boggs	de la Garza	Gonzalez
Bolling	Delaney	Goodling
Bonker	Derrick	Gore
Bowen	Derwinski	Gradison
Breaux	Devine	Grassley
Breckinridge	Dickinson	Gudger
Brinkley	Dicks	Guyer
Brodhead	Diggs	Hagedorn
Brooks	Dornan	Hall
Broomfield	Downey	Hammer-schmidt
Brown, Calif.	Drinan	
Brown, Mich.	Duncan, Oreg.	Hanley
Brown, Ohio	Duncan, Tenn.	Hannaford
Broyhill	Eckhardt	Hansen
Buchanan	Edgar	Harris
Harsha	Meyner	Scheuer
Hawkins	Michel	Schroeder
Heckler	Mikulski	Schulze
Hefner	Milford	Sebelius
Heftel	Miller, Ohio	Sharp
Hightower	Mineta	Shuster
Hillis	Minish	Sikes
Hollenbeck	Mitchell, N.Y.	Simon
Horton	Moakley	Sisk
Howard	Mollohan	Skelton
Hubbard	Montgomery	Skubitz
Huckaby	Moore	Slack
Hughes	Moorhead, Calif.	Smith, Iowa
Hyde		Smith, Nebr.
Ichord	Moorhead, Pa.	Snyder
Ireland	Moss	Solarz
Jacobs	Mottl	Spellman
Jeffords	Murphy, Ill.	Spence
Jenkins	Murphy, N.Y.	St Germain
Jenrette	Murphy, Pa.	Staggers
Johnson, Calif.	Murtha	Stangeland
Jones, N.C.	Myers, Gary	Stanton
Jones, Okla.	Myers, John	Steed
Jones, Tenn.	Myers, Michael	Steers
Kasten	Natcher	Steiger
Kazen	Neal	Stockman
Kelly	Nedzi	Stratton
Kemp	Nichols	Stump
Ketchum	Nix	Symms
Keys	Nowak	Taylor
Kindness	O'Brien	Thone
Krebs	Panetta	Thornton
Krueger	Patten	Traxler
LaFalce	Patterson	Treen
Lagomarsino	Pattison	Trible
Latta	Pepper	Tsongas
Le Fante	Perkins	Tucker
Leach	Pettis	Udall
Lederer	Pickle	Van Deerlin
Leggett	Poage	Vander Jagt
Lehman	Pressler	Vanik
Lent	Preyer	Vento
Levitas	Price	Waggonner
Lloyd, Calif.	Pritchard	Walgren
Lloyd, Tenn.	Pursell	Walker
Long, La.	Quayle	Walsh
Long, Md.	Quie	Wampler
Lott	Quillen	Watkins
Lujan	Rahall	Waxman
Luken	Regula	Whalen
Lundine	Rhodes	White
McClory	Rinaldo	Whitehurst
McCloskey	Risenhoover	Whitley
McCormack	Roberts	Whitten
McDade	Robinson	Wiggins
McDonald	Rodino	Wilson, Bob
McEwen	Roe	Wilson, C. H.
McFall	Rogers	Wilson, Tex.
McHugh	Roncalio	Winn
McKay	Rooney	Wirth
Madigan	Rose	Wolff
Mahon	Rousselot	Wydler
Marks	Roybal	Wylie
Marlenee	Rudd	Yates
Marriott	Runnels	Yatron
Martin	Russo	Young, Alaska
Mattox	Santini	Young, Fla.
Mazzoli	Sarasin	Young, Mo.
Meeds	Satterfield	Young, Tex.
Metcalfe	Sawyer	Zeferetti

NAYS—40

Baldus	Forsythe	Pease
Bedell	Harkin	Rangel
Bouin	Harrington	Reuss
Bonior	Holtzman	Richmond
Burke, Calif.	Kildee	Seiberling
Burton, John	Kostmayer	Stark
Burton, Phillip	Maguire	Stokes
Carr	Markey	Studds
Chisholm	Miller, Calif.	Thompson
Clay	Mitchell, Md.	Volkmer
Conyers	Moffett	Weaver
Cornell	Oakar	Weiss
Dellums	Oberstar	
Edwards, Calif.	Ottinger	

NOT VOTING—43

Ambro	Flippo	Mikva
Badillo	Ford, Mich.	Nolan
Bellenson	Fraser	Obey
Boland	Frenzel	Pike
Brademas	Gibbons	Railsback
Burke, Mass.	Hamilton	Rosenthal
Clausen, Don H.	Holland	Rostenkowski
	Holt	Ruppe
Dent	Johnson, Colo.	Ryan
Dingell	Jordan	Shipley
Dodd	Kastenmeier	Teague
Early	Koch	Ullman
Evans, Ga.	McKinney	Wright
Evans, Ind.	Mann	Zablocki
Fithian	Mathis	

The Clerk announced the following pairs:

On this vote:

Mr. Burke of Massachusetts for, with Mr. Badillo against.

Mr. Zablocki for, with Mr. Koch against.

Until further notice:

Mr. Boland with Mr. Rosenthal.

Mr. Teague with Mr. Ryan.

Mr. Ford of Michigan with Mr. Don H. Clausen.

Mr. Brademas with Mr. Rostenkowski.

Mr. Dodd with Mr. Railsback.

Mr. Mathis with Mr. McKinney.

Mr. Obey with Mr. Dent.

Mr. Nolan with Mr. Evans of Georgia.

Mr. Pike with Mr. Flippo.

Mr. Hamilton with Mr. Fraser.

Mr. Dingell with Mr. Bellenson.

Mr. Ambro with Ms. Holt.

Mr. Early with Mr. Gibbons.

Mr. Fithian with Mr. Holland.

Mr. Kastenmeier with Mr. Mikva.

Ms. Jordan with Mr. Ruppe.

Mr. Ullman with Mr. Shipley.

Mr. Mann with Mr. Wright.

Mr. Evans of Indiana with Mr. Frenzel.

Mr. HARKIN, Mr. RANGEL, Ms. OAKAR, Mr. KOSTMAYER, and Mr. PEASE changed their vote from "yea" to "nay."

Mr. ECKHARDT changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PRICE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on the bill H.R. 5970, Department of Defense Appropriation Authorization Act, 1978.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERSONAL EXPLANATION

Mr. RUPPE. Mr. Speaker, on rollcall No. 409, adoption of the military procurement conference report, I was unavoidably detained. Had I been present, I would have voted "no."

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO SIT DURING 5-MINUTE RULE FOR BALANCE OF THIS WEEK

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce be permitted to sit during the 5-minute rule for the balance of this week.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I wonder whether the gentleman can tell us whether or not the request that he has made has been cleared with the minority, with the gentleman from Ohio (Mr. BROWN), and others?

Mr. STAGGERS. Mr. Speaker, if the gentleman will yield, I did not speak with

the gentleman from Ohio (Mr. BROWN), but I did speak with the gentleman from Kansas (Mr. SKUBITZ), also a member of the committee. Later I did tell the gentleman from Ohio (Mr. BROWN) about the fact that I had asked the gentleman from Kansas (Mr. SKUBITZ) whether he had any objection to this request.

Mr. BAUMAN. The only reason I bring this matter up is that I know there has been some concern, during the amendment process of these various bills, so that it might not be appropriate for the committee to sit this afternoon.

Mr. BROYHILL. Mr. Speaker, reserving the right to object, I do so for the purpose of asking the chairman of the committee a question.

It was my understanding that the Committee on Interstate and Foreign Commerce has proposed to bring another bill to the House today or tomorrow. I had expressed some concern that we should not be sitting amending another bill when we had a bill already up for consideration. Therefore, the question I ask is whether or not that bill is still on the agenda for this week?

Mr. STAGGERS. Mr. Speaker, if the gentleman will yield, I do not know whether the bill is on the agenda for this week; but if it is, I would assure the gentleman that the committee would break or recess at the time we had the bill on the floor.

Mr. BROWN of Ohio. Mr. Speaker, further reserving the right to object, could I ask the chairman, the gentleman from West Virginia (Mr. STAGGERS), whether the request was specific as to a particular piece of legislation, or was it just to sit on any legislation that might come before the committee?

Mr. STAGGERS. The request was general but I could cut it down to the energy bill. I thought we could get at it and complete it this afternoon without going into a night session.

Mr. BROWN of Ohio. It would be my hope that we could complete it this afternoon also. As I understand, we had a general agreement that if we do not complete it this evening, it may be completed tomorrow.

Mr. STAGGERS. That is right.

Mr. BROWN of Ohio. There was a unanimous consent request that was not objected to, in the full committee, that if we do not complete it tonight we will complete it tomorrow.

Mr. STAGGERS. That is correct.

Mr. BROWN of Ohio. If that is what the request was, to sit this afternoon, then I have no objection. But I did not know whether it involved other matters.

Further, do I understand that it was the gentleman's response to the inquiry of the gentleman from North Carolina (Mr. BROYHILL) that other legislation from the committee will not come to the floor of the House during the time we are sitting?

Mr. STAGGERS. The only thing I can say to the gentleman from North Carolina is this, that if any other piece of legislation comes on the floor from our committee that we will adjourn the committee.

Mr. BROWN of Ohio. I think it might be preferable, just to get an agreement that we would not take up legislation on the floor of the House from the committee while we are sitting, and that we will be sitting for today and tomorrow.

Mr. STAGGERS. I will talk to the Speaker after we complete this, at the first opportunity, and see if we can get that agreement.

Mr. BROWN of Ohio. Could not the gentleman clarify his unanimous-consent request by saying that we would just be sitting for today and tomorrow in the committee on the energy bill?

Mr. STAGGERS. That is correct.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

Mr. BROWN of Ohio. Mr. Speaker, I still have my reservation of objection, but I am having trouble, I am trying to hear through each of my ears the gentlemen who are expressing their concerns to me.

Mr. BROYHILL. Mr. Speaker, I reserved the right to object originally and I want to know what the unanimous-consent request is. As I understand it now, this is only for the purpose of marking up the energy bill?

Mr. STAGGERS. That is correct.

Mr. BROYHILL. Further, that if a bill that our committee had reported to this House is under consideration then that unanimous-consent request will not be applicable during the time that that bill is under consideration here on the floor of the House?

Mr. STAGGERS. I would think it would be fair that we should not sit.

Mr. BROWN of Ohio. Further reserving the right to object, does the Speaker understand the unanimous-consent request? I believe it should be restated.

The SPEAKER pro tempore. The Chair will state that the gentleman from West Virginia (Mr. STAGGERS), has attempted to state his unanimous-consent request three different times. We will ask the gentleman to do it one additional time for the benefit of the Members.

Mr. STAGGERS. In order to try to make the request clear to my friends, Mr. Speaker, I would ask unanimous consent that during the 5-minute rule today the Committee on Interstate and Foreign Commerce may be permitted to sit for marking up the energy bill, which we have before our committee now, and that after that time the unanimous-consent request would be dissolved.

Mr. BROWN of Ohio. And that would be for the next 2 days?

Mr. STAGGERS. For the next 2 days.

Mr. BROYHILL. Mr. Speaker, further reserving the right to object, what about with respect to legislation that may be on the floor from our committee?

Mr. STAGGERS. I thought that I had made that clear in my colloquy with the gentleman from North Carolina, that if a bill comes on the floor and it affects our committee, or in which our committee has control of it, then we will adjourn the committee until that bill is completed.

Mr. BROYHILL. Mr. Speaker, I thank the gentleman from West Virginia (Mr. STAGGERS) and I withdraw my reservation of objection on those assurances.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

REQUEST FOR PERMISSION FOR COMMITTEE ON RULES TO FILE A REPORT

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a privileged report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

Mr. LOTT. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

PERSONAL EXPLANATION

Mr. MARTIN. Mr. Speaker, I ask unanimous consent that the RECORD show that while I was away the last 2 days attending the session of the Members of Congress with the European Parliament I missed six votes. Had I been present, I would have voted aye on rollcall No. 403; I would have voted aye on rollcall No. 404; I would have voted aye on rollcall No. 405; I would have voted aye on rollcall No. 406; I would have voted aye on rollcall No. 407; and I would have voted no on rollcall No. 408.

MARITIME APPROPRIATION AUTHORIZATION, FISCAL YEAR 1978

Mr. MEEDS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 660 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 660

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4963) to authorize appropriations for the fiscal year 1978 for certain maritime programs of the Department of Commerce, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Merchant Marine and Fisheries now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and all points of order against said amendment for failure to comply with the provisions of clause 7 of rule XVI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Washington (Mr. MEEDS) is recognized for 1 hour.

Mr. MEEDS. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from Mississippi (Mr. LOTT) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 660 is a 1-hour, open rule providing for consideration of H.R. 4963, a bill to authorize appropriations for the fiscal year 1978 for certain maritime programs of the Department of Commerce, and for other purposes. The rule makes in order the consideration of the committee's substitute now printed in the bill as the original bill for purposes of amendment. The bill shall be read for amendment under the 5-minute rule. Points of order are waived against portions of the legislation for failure to comply with clause 7, rule XVI—the germaneness rule. Finally, the resolution allows for a motion to recommit with or without instructions.

The bill contains authorizations for acquisition, construction, or reconstruction of vessels and construction-differential subsidy and costs of national defense features incident to the construction, reconstruction, or reconditioning of ships in the amount of $135,000,000 for fiscal year 1978.

It contains an authorization of $372,-109,000 for fiscal year 1978 for the payment of obligations incurred for operating-differential subsidy.

The bill authorizes $20,725,000 for fiscal year 1978 for expenses necessary for research and development activities.

Provision is made for Reserve Fleet expenses not to exceed $5,137,000 for fiscal year 1978.

The bill amends section 209(b) of the Merchant Marine Act of 1936 to provide funding increases related primarily to increased operating costs and to the facilities modernization program of the U.S. Merchant Marine Academy at Kings Point, N.Y. Fiscal year 1978 authorizations to be used for this purpose are not to exceed $14,656,000.

The bill amends section 6(a) of the Maritime Academy Act of 1958 to provide for financial assistance to state marine schools not to exceed $5,970,000 for fiscal year 1978. According to the committee report, $1.2 million of this amount would be used to increase the subsistence allowance to students at the State Maritime Academies from $600 to $1,200 per year to assist in defraying the cost of uniforms, books, and subsistence for these students. As indicated in the committee report, similar payments to ROTC cadets at colleges and universities were increased from $600 to $1,200 per year by Public Law 92–171, which became effective in July 1971.

The bill amends subsections (c) and (d) of section 216 of the Merchant Marine Act of 1936 to clarify that the Secretary of Commerce has the responsibility for conducting extension and training courses the Secretary deems necessary to supplement other training programs as provided in the act.

Mr. Speaker, this is vital legislation. The committee is to be commended for presenting this legislation to the House and I urge the adoption of the rule so that the House may consider this legislation.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Washington has explained the terms of this 1-hour, open rule providing for the consideration of H.R. 4963, the maritime appropriation authorization for fiscal year 1978. The resolution makes in order the amendment in the nature of a substitute now printed in the bill as an original bill for purposes of amendment. All points of order are waived against the amendment for failure to comply with clause 7 of rule XVI, the germaneness rule. Finally, the resolution permits a motion to recommit with or without instructions.

The purpose of this legislation is to authorize fiscal year 1978 appropriations for certain maritime programs of the Department of Commerce. The total authorization of $553,597,000 includes the construction subsidy, operating subsidy, research and development, reserve fleet expenses, maritime training at the U.S. Merchant Marine Academy, and State marine schools assistance.

Mr. Speaker, it seems that every time we consider this legislation we always mention the fact that our merchant marine fleet is declining in comparison with the other nations of the world. But what are we doing about it? Verbiage will not solve our problems. What will help is to enable private industry, through Federal encouragement and assistance, to replenish our merchant marine. This should be a national policy, and we should begin now.

I urge the adoption of this rule so that we may proceed to the passage of this legislation.

Mr. Speaker, I have no further request for time, and I reserve the balance of my time.

Mr. MEEDS. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. MURPHY of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4963) to authorize appropriations for the fiscal year 1978 for certain maritime programs of the Department of Commerce, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from New York (Mr. MURPHY).

The motion was agreed to.

The SPEAKER pro tempore. The Chair designates the gentleman from Massachusetts (Mr. MOAKLEY) as Chairman of the Committee of the Whole and requests that the gentleman from Illinois (Mr. YATES) assume the chair temporarily.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 4963, with Mr. YATES, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN pro tempore. Under the rule, the gentleman from New York (Mr. MURPHY) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. RUPPE) will be recognized for 30 minutes.

The Chair now recognizes the distinguished gentleman from New York (Mr. MURPHY).

Mr. MURPHY of New York. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chariman, I rise in strong support of H.R. 4963, as amended by the Merchant Marine and Fisheries Committee.

The purpose of H.R. 4963, as amended, is to authorize fiscal year 1978 appropriations in the total amount of $553,597,-000, for certain maritime programs of the Department of Commerce, increase the subsistence allowance for students at the State marine schools from $600 to $1,200 a year, generally require annual authorization of appropriations for other elements of expense now provided for in the operations and training account of the annual appropriations bill, but not now covered by the annual authorization bill, and to make certain minor technical corrections.

Mr. Chairman: I would like to comment on the various sections of H.R. 4963.

Section 1 of the bill provides that the act may be cited as the "Maritime Appropriations Authorization Act for fiscal year 1978."

Section 2 of H.R. 4963 sets forth the six elements of the annual authorization request of the Maritime Administration.

Section 2(1) of the bill provides for the construction-differential subsidy request of the Maritime Administration for fiscal year 1978. The Merchant Marine and Fisheries Committee favorably reported the administration's request of $135 million for this activity.

As the Members know, construction-differential subsidy is generally based on the difference between United States and foreign shipbuilding prices, and paid to U.S. shipyards so that our vessels can compete in international trade. Prior to the Merchant Marine Act of 1970, such subsidy was generally limited to liner vessels, but that act extended it to all types of qualified U.S.-flag vessels engaged in our foreign trade.

Subsidy contracts awarded under the 1970 act through May 21, 1977, cover the construction of 69 ships and reconstruction or conversion of 33 ships; a total production of over 6.5 million deadweight tons. These contracts encompass a total of about $3.3 billion in business to U.S. shipyards at a Federal subsidy cost of $1.3 billion.

After the collapse of the tanker market in 1974, the worldwide economic recession, and the concomitant decrease in international trade, demand for the construction of new merchant ships declined. Although U.S. shipyard employment has been sustained by substantial orderbook backlogs, the recent absence of significant new contracting is leading to reduced backlog and prospects for a sharp decline in employment.

The requested $135 million for construction-differential subsidy, together with $98 million carried forward, will

provide for a total construction program level of $133 million, to fund the construction of seven vessels in fiscal year 1978.

These funds will assist in the construction of seven new U.S.-flag merchant ships—provide needed employment in our shipyards—and help to maintain the shipbuilding industrial base required by the United States.

Section 2(2) of the bill provides for the operating-differential subsidy request of the Maritime Administration for fiscal year 1978.

Operating-differential subsidy is paid to American ship operators in order to promote the maintenance of a U.S. merchant fleet capable of providing essential shipping services. These are the ocean services, routes and lines, and bulk carrying service, essential for the maintenance of the foreign commerce of the United States. At the present time, 10 subsidized liner operators and 12 subsidized bulk operators are providing these essential shipping services.

Generally, operating subsidy is based on the difference between subsidizable United States and comparable foreign operating costs, and paid to the owners of U.S.-flag vessels so that they can operate in international trade at competitive rates. The Merchant Marine Act of 1970 generally extended this subsidy to bulk carriage operators in our foreign trade.

Subsidy is generally provided for U.S.-flag wage, maintenance and repair, and insurance costs. Payments are determined as the difference between the fair and reasonable cost of these items and the cost of the same items of expense if the vessel were operated under the registry of the flag of substantial foreign competitors. Allowable U.S. wage costs are adjusted by a special nonmaritime U.S. wage index developed by the Bureau of Labor Statistics. This provides an incentive to the subsidized operators to minimize wage increases reached in collective bargaining agreements. Further control on wage costs is achieved by requiring manning levels for new subsidized vessels to be determined prior to the time construction subsidy contracts are entered into.

I am pleased to be able to inform the Members of the House that the Merchant Marine and Fisheries Committee favorably reported the administration's fiscal year 1978 request of $372,109,000 for operating differential subsidy. These funds will provide for the subsidized operation of U.S.-flag merchant vessels as follows:

$20,801,000 for the operation of passenger and passenger/cargo vessels. This is $7,003,000 less than last year as the two passenger vessels operated by Pacific Far East Lines will reach the end of their economic lives in fiscal year 1978, and subsidy terminated. Therefore, only 4.6 ship years of subsidized operation is provided. Prudential Lines will continue to operate four combination passenger/cargo vessels from the west coast.

$281,178,000 for the operation of 177 liner vessels owned by the 10 subsidized liner operators. This represents an increase of $7,879,000 from last year for this purpose, and primarily results from the escalation of United States and foreign operating costs. About 164 ship years of operation will be funded by this amount.

Finally, $70,180,000 will be used to fund 34 ship years of subsidized operations of bulk vessels; a decrease of $16,869,000 from last year. Of this amount, about 13 ship years are scheduled for the carriage of Russian grain at a cost of $29,886,000.

The total requested amount of $372,109,000 for operating differential subsidy represents a decrease of $31,612,000 from the amount authorized for this activity last year.

Section 2(3) of the bill provides for the research and development program of the Maritime Administration for fiscal year 1978. The objective of this research and development program is to explore and find ways to make the U.S. merchant fleet and the U.S. shipbuilding industry more efficient and competitive. Projects are directed toward the development of information and technology which will aid in reducing construction costs, operating costs and Government subsidies for ship construction and operation. The program aims at developing new and more efficient types of ships, machinery, equipment for shipbuilders and operators, and at improving operational practices in shipyards and aboard ships. Industry participation and cost-sharing projects have been obtained and enlarged. This joint Government and industry coordination results in expanded efforts and in enhanced probability of use of results by the U.S. maritime industry.

The administration requested $18,325,000 for this activity in fiscal year 1978—a decrease of $175,000 from the amount authorized last year. The Merchant Marine and Fisheries Committee amended section 2(3) to increase this amount to $20,275,000.

This amendment is intended to fund an ongoing Maritime Administration R. & D. project to accelerate ocean testing of industrial plant ships and to conduct the necessary studies regarding the long-term prospects for commercialization of ocean thermal energy. For several years, the Johns Hopkins applied physics laboratory has been working to construct an industrial plant ship which will operate in international waters where it will generate electricity to ultimately produce ammonia which will be transported to U.S. markets in conventional bulk carriers.

This proposal holds significant near-term potential for replacing large volumes of natural gas now used as a feedstock in the production of ammonia. Furthermore, it will generate hundreds of shipyard jobs during the construction of the plant ships as well as seagoing jobs for the crew of supporting supply vessels and bulk carriers which will transport this ammonia to U.S. ports.

Section 2(4) provides for the National Defense Reserve Fleet.

The Maritime Administration maintains a National Defense Reserve Fleet of merchant ships in three anchorages in the United States. This Reserve Fleet provides an inventory of ships to supplement the active fleet in times of war and national emergency. The fleet is the only source of reserve breakbulk shipping capacity available to the United States during a military or commercial shipping crisis. Reserve fleet sites are also used as repositories for ships awaiting disposal. Due to mounting obsolescence, a portion of the fleet, most of which was built during World War II, is sold for scrap each year.

The requested $5,137,000, an increase of $577,000 over the amount authorized for fiscal year 1977, will permit the Maritime Administration to continue to maintain this vital national defense asset. The increase of $577,000 results from: first, the inclusion of the ship transfer activity into the NDRF program; second, higher reserve fleet operating cost due to increased costs of personnel supplies, utilities, and repair and maintenance for the fleet's service craft; and third, implementation of the joint Maritime Administration-Navy program to improve the reactivation response time for selected ships in the Reserve Fleet; the designated ships to form a Ready Reserve Fleet.

The Merchant Marine and Fisheries Committee favorably reported the administration's request of $5,137,000 for expenses of the National Defense Reserve Fleet.

Mr. Chairman, the Merchant Marine and Fisheries Committee is fortunate to have an ad hoc select Subcommittee on Maritime Education and Training. This select subcommittee is chaired by the honorable GERRY E. STUDDS.

Mr. STUDDS and his subcommittee have done a lot of good work in this area.

Mr. Chairman, H.R. 4963, as so amended, would authorize fiscal year 1978 appropriations in the total amount of $553,597,000; an increase of $105,556,000 over the amount authorized for fiscal year 1977. In 1977, funds for the construction-differential subsidy program were not requested, and this increase primarily results from the inclusion of such funds for fiscal year 1978.

These amendments were incorporated in an amendment in the nature of a substitute, and reported out of committee by voice vote. H.R. 4963 has the strong support of the vast majority of the members of the Merchant Marine and Fisheries Committee.

I strongly urge my colleagues in the House to support this very vital legislation.

Mr. RUPPE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 4963, legislation that would authorize appropriations for the Department of Commerce maritime programs for fiscal year 1978.

As my colleague from New York has indicated, the funds that would be authorized by this legislation are necessary for the construction and operation of a modern, privately owned, U.S.-flag merchant fleet. The total amount requested is $553,597,000. This figure, in turn, is

broken down into: First, $135,000,000 for the payment of construction-differential subsidy. Construction subsidy is calculated to make up the difference in shipbuilding prices between United States and representative foreign shipyards. The subsidy is paid to the yard, so that the cost of the vessel to the U.S. purchaser is the same as if he bought the vessel from a foreign yard. This request for funds, coupled with an unexpended balance from prior fiscal years of $98,000,000, will support the construction of seven modern, sophisticated vessels in U.S. shipyards.

Second, $372,109,000 is requested for the payment of operating-differential subsidy. Operating subsidy is calculated to make up the difference in certain vessel operating costs between the U.S.-flag vessels and foreign-flag vessels plying the same trade routes. The operating costs which are subsidized are wages, maintenance and repair, and insurance. Wages are by far the largest item of expense. This level of funding will support the operation of 177 liner and 42 bulk carriers in fiscal year 1978 and will be used to liquidate prior fiscal year contractual obligations.

Third, $20,725,000 is sought for the conducting of maritime-related research and development projects. This program supports a variety of R. & D. initiatives, including the operation of the ship operations research and simulation facility at Kings Point, N.Y. Industry cost sharing assures that the maritime R. & D. dollars is expended on practical, useful projects. I note that a portion of these funds will be used to implement certain program elements emanating from the U.S. Great Lakes-St. Lawrence Seaway Port Development and Shipper Conference held last April which I initiated.

Fourth, $5,137,000 is requested for the payment of national defense reserve fleet expenses. This fleet, which is located at three anchorages in the United States, represents the only source of reserve breakbulk shipping capacity available to the United States during a military or commercial shipping crisis.

Fifth, $20,626,000 is sought for the payment of the costs of maritime training at the Federal Merchant Marine Academy at Kings Point and the six State marine schools. These schools graduate approximately 610 students annually, who are generally employed at sea as deck or engineering officers or ashore in the maritime industry.

The bill would also effect a number of improvements in the maritime education sector. The chief improvement is to correct an inequity in the size of the subsistence payments to students at the six State marine schools by increasing the annual Federal payment from $600 to $1,200 per student. The reason I say that this is to correct an inequity is because since the enactment of the Maritime Academy Act of 1958 inflation has eroded the purchasing power of $600 to $296. Additionally, similar payments to Army and Navy ROTC cadets were raised from $600 to $1,200 per year approximately 5 years ago.

Finally, the bill would require all elements of expense now provided in the operations and training account of the Maritime Administration appropriations bill be included in the authorization process. The Congress, at the request of the Merchant Marine and Fisheries Committee, enacted a similar change in the Coast Guard authorization legislation last year.

In conclusion, I believe the items of expense are necessary and proper if we are to continue to fulfill our commitment contained in the Merchant Marine Acts of 1936 and 1970 to provide for a modern, efficient merchant marine capable of carrying substantial amounts of U.S. imports and exports in peacetime and of serving as a naval auxiliary in wartime. Accordingly, I urge my colleagues to support the passage of H.R. 4963.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from Kentucky.

Mr. CARTER. I thank the gentleman for yielding.

Mr. Chairman, I would like to ask the gentleman how many maritime vessels does the United States have at sea today under its own flag?

Mr. RUPPE. Approximately 520.

Mr. CARTER. Approximately 500.

How many do we have mothballed at this time at various locations throughout our country?

Mr. RUPPE. Perhaps 150.

Mr. CARTER. 250?

Mr. RUPPE. That is right.

Mr. CARTER. This $400 million which we are authorizing today includes expenses for the Merchant Marine Academy, and other necessary expenditures?

Mr. RUPPE. The Merchant Marine Academy and State maritime academy funds are included in this authorization.

Mr. CARTER. Is it not true, in regard to the maritime groups, that many distinquished figures in our Government, past and present, have received significant contributions toward their campaigns from the Maritime Union?

Mr. RUPPE. Mr. Chairman, I think the whole maritime industry, including the labor organizations, the shipbuilding organizations, and the ship operators, have all been very active politically, and I expect that a number of our colleagues on both sides of the aisle have received significant contributions in these areas.

Mr. CARTER. Mr. Chairman, if the gentleman will yield further, since we have 250 ships in mothballs at the present time, why do we need this additional $200 million to build more ships?

Mr. RUPPE. I would say to my colleagues that most of the 100-plus ships that are in mothballs today are of the old Liberty and Victory variety. They date back to 1942 and 1944; they are essentially World War II categories of ships.

I do not believe these ships would be efficient in worldwide trade today, nor do I believe they would be in any way competitive, with or without subsidy. To the extent they are mothballed, they are simply available in case of national emergency, and there would have to be a tremendous surge of activity in order to reactivate many of these ships.

Mr. CARTER. Mr. Chairman, if the gentleman will yield further, it happens that I was on one of those ships during World War II, and I agree with the gentleman that they would not be usable today.

However, is it not factual to state that really we have many ships in mothballs which could be used and which are not being used? Is it not also true that the actions of our Government and of different groups have increased the price to our shippers to such an extent that our merchant marine has almost disappeared from the oceans?

Mr. RUPPE. Mr. Chairman, I would say to my colleague that it is a fact that the large percentage of U.S. trade is not carried in U.S. bottoms, particularly the bulk trade. I do not think that the Victory or Liberty ships that are owned by the Government and that are in mothballs today would be particularly useful or even competitive in increasing the U.S. share of our foreign trade.

These ships are old, and they are inefficient. They in no way, with or without subsidy, could really compete with foreign-owned vessels or with our more modern U.S. fleet. I feel that this country has to make a determination as to whether we do or do not want a strong merchant fleet. To increase the American carriage of our trade will require the construction of new vessels, and if we want them built in the United States, as I believe many of us do, that will involve an operating subsidy as well as a construction subsidy.

Mr. CARTER. Mr. Chairman, I would like to thank the distinguished gentleman from Michigan (Mr. RUPPE) for yielding and allowing me to participate in this discussion. I would state that I, too, want a good merchant marine.

However, for several years we have been called upon each year to make authorizations along this very same line. Many of our merchant ships were sold years ago to Onassis, and as a result, he became a billionaire. Many ships were sold to other operators in this area, and many of these ships to which we have referred are now under Panamanian registry and under other registeries, although they were built by the United States.

I am just as strong for a good merchant marine as any other Member, but in some manner or other our funds are not being spent wisely or well and are not accomplishing the purpose for which they were intended.

Mr. Chairman, I thank my distinguished colleague for yielding.

Mr. RUPPE. Mr. Chairman, I yield 10 minutes to the gentleman from California (Mr. MCCLOSKEY).

Mr. MCCLOSKEY. Mr. Chairman, I address the committee at this time to discuss some amendments that I propose to offer to this bill and to ask several questions of our distinguished chairman, the gentleman from New York (Mr. MURPHY), who has so ably reinvigorated the Committee on Merchant Marine and Fisheries during his brief term in office.

My primary concern over the performance of the Committee on Merchant Marine and Fisheries during the last decade is that we have given such a light review, until fairly recently, to the immense problems of the merchant marine and of the United States as a world seapower.

The chairman of the committee has referred to the cooperation between the Secretary of Commerce and the Secretary of the Navy in trying to coordinate merchant marine and Navy activities as a "national disgrace."

Mr. Chairman, I agree; it is a national disgrace that our merchant marine today is not an adequate auxiliary for the Navy in the event that a war or a national emergency should occur.

What are the solutions to these problems that we face?

In this bill all we do is continue to authorize the same programs that have led to the merchant marine's being in the state of disaster it is today. Our ships are not competitive. We carry a very minor percentage of our bulk trade and practically no percentage of our oil, an issue which should be shortly remedied with the administration's new cargo preference proposals. However, worst of all, this industry is widely believed to be corrupt.

Mr. Chairman, I would like to read to the Committee the statements of the Federal Maritime Commission's Director of Compliance, and he said this fairly recently, as reported in the New Orleans States-Item of January 19, 1977:

> Federal investigators predict an investigation of illegal rebate practices in the shipping industry will turn up a $200 million scandal linking carrier lines and shipping companies, many of which operate through the Port of New Orleans, to under-the-table dealings.

William Jarrel Smith, Jr., Director of the Bureau of Compliance of the Federal Maritime Commission, said:

> This agency is pursuing a far-flung investigation devoted to finding malpractices. The malpractices have been standard operating procedure for carriers, shippers, and consignees, but Federal law brands them clearly illegal.

Mr. Charman, this disclosure of widespread illegal behavior in the shipping industry was not discovered by the agency which regulates the shipping industry and was not commented upon in any testimony by officers of the Maritime Commission before our committee. It was discovered through a filing with the Securities and Exchange Commission of the R. J. Reynolds Tobacco Co., which owns SeaLand, one of our largest carriers.

SeaLand admitted to the SEC that they have paid $19 million in illegal rebates over the years, and agreed to pay a $4 million fine to the Federal Maritime Commission as a result of these practices.

SeaLand also admitted, or R. J. Reynolds admitted—and, let me quote precisely their filing—they reported that their investigation to date—and this is the internal investigation of R. J. Reynolds—indicated that corporate funds had been used for domestic political contributions during the period from January 1968 through early 1973, and that the total amount of such contributions over a 5-year period appeared to be between $65,000 and $90,000. The investigation indicated that the practice was stopped early in 1973. Corporate funds were devoted to an off-book fund for this purpose.

The investigation to date has not indicated that any recipient had reason to know that corporate funds were involved.

That is one of our largest carriers, SeaLand, that pled guilty to illegal rebates and said that this practice was widespread in the industry.

SeaTrain, which is based in the chairman's area in New York, pled guilty in late 1975 to a number of counts of illegal rebates.

A third carrier, U.S. Lines, in March of this year—and, let me read from the New York Times of March 11, 1977:

> Walter Kidde & Company, which owns the shipping line, said in a filing with the Securities and Exchange Commission that among payments uncovered in a special company investigation was $5,000 given "to an elected official of the United States Government in an attempt to insure passage of favorable legislation."

Mr. Chairman, there are only 537 elected officials of the United States, the President, Vice President, 100 Senators, and 435 Members of the House of Representatives. It seems almost insane to me that, at a time when the Congress faces proper public concern over the investigation of Korean influence peddling and payments to our colleagues, that this committee should report to this floor a bill of this kind without a full disclosure as to which of us may have received that $5,000.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I will yield to the gentleman in just a moment.

We should not have reported to the floor of this House a bill of this kind without knowing which Members of the Congress received these illegal payments that have been public for months.

Now I will be glad to yield to the gentleman from New York.

Mr. MURPHY of New York. The reference the gentleman from California (Mr. McCLOSKEY) has just made has been the subject of a Federal grand jury investigation, which is now complete, and the U.S. attorney has the responsibility for the further prosecution or disposition of that case. It is up to him and the Justice Department whether they will make a presentment to the grand jury in these matters. Further, it concerns no present Members of the Congress.

Mr. McCLOSKEY. Then the chairman, the gentleman from New York (Mr. MURPHY) knows who it is. Why does not the Congress know?

Mr. MURPHY of New York. I know that it is not a present Member of the Congress, and it is going through the judicial process.

Mr. McCLOSKEY. But until that name or names are known all present Members of the Congress are under suspicion.

Mr. MURPHY of New York. It is going through the appropriate legal processes of this Government.

Mr. McCLOSKEY. I am glad the chairman, the gentleman from New York (Mr. MURPHY) made these comments, because that instance of the U.S. Lines payment being under investigation and potentially under prosecution, is one instance. But what about the $65,000 to $90,000 paid by R. J. Reynolds?

The point that I make is that our committee has not required of the Securities and Exchange Commission, as we have the power to do, that they divulge to us which of our Members, if any, received these illegal political contributions, and I would like to ask the chairman, the gentleman from New York (Mr. MURPHY), why not? What is wrong? When we go before the Congress to urge a $500-million subsidy to an industry which is accused of widespread violations of the law and that has conceded it violated the law—and the chairman heard, as I did, the Assistant Secretary of Commerce for Maritime Affairs, Mr. Blackwell, saying that this was a pernicious practice in the industry—why is it that we do not inquire and divulge the names of our Members who received those contributions from this industry which is admittedly so corrupt?

Mr. MURPHY of New York. Mr. Chairman, if the gentleman will yield, I would say to my colleague that in his just concluded comments he mentioned SeaLand, U.S. Lines, and SeaTrain specifically by name. I might point out that none of those lines are subsidized, and that none of them come under the provisions of this bill.

Mr. McCLOSKEY. U.S. Lines has an application for a U.S. Maritime subsidy, I might say.

Mr. MURPHY of New York. I might further say to my colleague that I have personally written to the Attorney General, to the Federal Elections Committee and to the Clerk of the House. These are the agencies, committees, and entities Congress has established to investigate any problems with campaign contributions, whether they be legal or otherwise. I do not think that with an Ethics Committee and an Official Standards of Conduct Committee that enter into the evaluation of any allegations against a Member, we should now bring in the Merchant Marine Committee to perform the function of the Attorney General, the Federal Elections Administration, and the Ethics Committee, as well as the other judicial entities that are involved.

Mr. McCLOSKEY. Then let me ask the Chairman this question: One of the amendments which I will offer today, which the Chairman opposed in the committee, was the requirement that every recipient of a maritime operating subsidy of the 10 liner companies—and the Chairman heard, as I did, that 6 of these 10 companies are under present investigation by the Federal Maritime Commission with

no indication yet of their full cooperation—sign a certificate under oath; and why does the Chairman oppose an amendment which would require that the chief executive officer of each liner company which is going to receive these $372 million in subsidies sign a certificate under oath that, one, he will stop illegal rebate during the period of the subsidy that he is to receive and will take steps to do that, and, two, that he will cooperate with the Federal Maritime Commission in its investigation?

We would not give money to a welfare recipient without a declaration that that welfare recipient was entitled to the money. What is wrong with asking that of these recipients?

Mr. MURPHY of New York. If the gentleman will yield, in response to the gentleman I will say I opposed his amendment, as did the majority of the committee in their wisdom. We understand the operations of this industry, and we are saying to the president of a steamship company, "You must sign and be responsible for the activities and actions of your agents." These agents are in Bangkok, Thailand, Taiwan; they are in Teheran; they are in Rome; they are in Amsterdam; in London. They are all over the world. They are in the competitive practice of soliciting freight, and they are in competition with some of the most predatory commercial types in the world of international business.

Mr. McCLOSKEY. I cannot yield my time further. The amendment does not require that; it requires only that the chief executive officer issue the orders and take the steps to see that there be no illegal rebate. It does not hold any person responsible.

Mr. MURPHY of New York. If the gentleman will yield further, the fact that he has to make that certification, I think, to many of the presidents and chief executive officers of these companies, would not be within the legality of their responsibility because of the activity of the industry and the way it is set up on a worldwide competitive basis.

Mr. McCLOSKEY. Let me use the remaining balance of my time to talk about one more amendment which I will offer. I do not know that our colleagues understand, Mr. Chairman, that when we authorized the Russian grain deal, we not only sold the grain to the Russians, which was beneficial, but we obtained the right to have a third of that grain carried in American bottoms. Shipment of that grain costs $30 per ton. The Russians pay $16 and the U.S. taxpayer is paying $14 through operating subsidy to keep that grain going to the Russians in in American bottoms. It is true if we did not pay that subsidy, some ships would carry the grain, and they would be Russian or third-country ships; they would not be U.S. ships.

What is the purpose of the basic U.S. maritime subsidy? It is to have a merchant marine capable of an auxiliary status to the United States in time of war. The ships that are carrying that grain to Russia today will be scrapped when this subsidy ends.

I have a personal friend who owns three ships which have carried grain to Russia. One of them has now been scrapped. The other two will possibly be scrapped when this subsidy ends. What benefit to this Nation is there in paying $19 million next year to subsidize the shipping of grain to Soviet Russia?

I ask my colleagues, what does the American taxpayer want to do in this instance? Does he want to keep eight rust buckets in existence and pay nearly half the cost of shipping that grain to Soviet Russia? I cannot conceive of this. On this amendment I would like to ask the chairman this, Is it not true, Mr. Chairman, that there is not a nickel's worth of defense ability in any of those ships that are carrying grain to Russia today and they will be scrapped when this subsidy is ended?

We are not keeping in existence something that is ultimately going to be a part of our national defense fleet or our national reserve fleet or helpful to the Nation in time of national emergency. Is that not true?

Mr. MURPHY of New York. I have not made an analysis of the ships of the gentleman's friend, but the other ships in the Russian grain-carrying trade, I would say, do participate in an overall tonnage lift capability of the United States.

This morning, as the gentleman well knows, we had a colloquy with the Secretary of the Navy. One question not asked the Secretary was: What contingencies did we have for the protection of American shipping ability in the event of an emergency? As we found out very drastically in two world wars in this century we had lost most of our ocean carriage. I would say any tonnage we had available certainly must become a positive aspect of strategic sealift capability and therefore I would not write off a rust bucket. We never can tell when we might need it.

Mr. McCLOSKEY. I would hope those subsidies going to subsidize the ships will be helpful to the Nation. If we take the $19 million out of subsidizing Russian grain we can spend that $19 million in subsidizing new fast ships that will be helpful to the Nation.

Let me speak briefly in the time I have on the third amendment. I have suggested that the operating subsidy program we authorize today be limited to 1-year renewal contracts rather than 20-year contracts for this reason. The $372 million operating subsidy covers 177 ships in the U.S. foreign trade. Next year, 81, almost half of those ships, come up for renewal. The Maritime Administration proposes to renew those operating subsidy contracts at about $2 million a ship for 20 years.

We have under review, and the chairman will agree that maritime policy badly needs review, what the new maritime policy of this Nation will be. We hope before this Congress ends that under the distinguished chairman's leadership we will have a new Maritime law of 1977 or 1978 which will cure many of the problems we have seen develop in our merchant marine. It is useless, however, to adopt new maritime policy if we are stuck with 20 years of continuing subsidies for a total of $3.2 billion.

The Ford administration, before it went out of office, recommended a suspension, a complete suspension of these operating subsidies pending overall review of our maritime policy and the adoption of a new policy.

All I suggest in this amendment is that we limit renewal of the operating subsidies to 1-year terms so that if we do adopt a new maritime policy we will not have the old policy hanging around our necks for 19 more years. In the revision of our policy we may go to other options. We may go to closed conferences with the extension of antitrust immunity to shippers' conferences. There are a number of other options the chairman and the staff are considering. We should not tie ourselves down to operating subsidies for the next 20 years under these circumstances.

Mr. MURPHY of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts (Mr. STUDDS).

Mr. STUDDS. Mr. Chairman, I thank the Chair.

Mr. Chairman, section 2(5) of the bill provides for the continued operation of the U.S. Merchant Marine Academy at Kings Point, N.Y., during fiscal year 1978. The Academy trains its students to become merchant marine officers. The Acadamy has an enrollment of about 1,000, and graduates about 200 students annually. The Federal cost to graduate each student in the class of 1976 was $36,625. Graduates are generally employed at sea as deck or engineering officers, or ashore in the maritime industry.

The administration requested $14,633,000 for the operation of the Academy for fiscal year 1978, an increase of $1,591,000 over the amount authorized for fiscal year 1977. The increase of $1,591,000 can be broken down into an increase of $767,000 for higher operating costs for personnel, utilities, and support contracts, and an increase of $824,000 for the ongoing modernization program.

The Merchant Marine and Fisheries Committee amended section 2(5) to increase the authorization for the Academy to $14,656,000. The $23,000 increase in the authorization is intended to be used for the replacement of barracks windows, a part of the Academy's modernization program.

Section 2(6) of the bill provides for the Federal grants and student aid which the Maritime Administration administers for the six State maritime academies. These academies are located in California, Maine, Massachusetts, Michigan, New York, and Texas. These academies have a total enrollment of about 2,900 and graduate about 410 students annually. The Federal cost to graduate each student in the class of 1976 was $6,125. Graduates are generally employed at sea as deck or engineering officers, or ashore in the maritime industry.

The administration requested $4,020,000 for assistance to State maritime academies and cadets for fiscal year 1978, an increase of $279,000 over the amount

appropriated for this purpose for fiscal year 1977. The entire $279,000 increase is caused by increased labor costs for the annual maintenance costs for training vessels loaned to State academies by the Maritime Administration.

The Merchant Marine and Fisheries Committee amended section 2(6) of the bill to increase the authorization to $5,970,000. The $1,950,000 increase is intended to be used as follows: $1.2 million to fund the increase in the annual subsistence allowance to State maritime academy cadets from $600 to $1,200 as provided by section 4, which I will describe shortly, and $750,000 for improvements in habitability and instructional facilities of training vessels owned by the Federal Government and being loaned to State maritime academies.

Section 3 of the bill authorizes supplemental appropriations for activities covered by section 2 of the bill, to the extent that they are necessary to cover increases in salary, pay, retirement, or other employee benefits authorized by law, and also to cover increased costs for public utilities, food service, and other expenses of the Merchant Marine Academy at Kings Point, N.Y. This section will make it unnecessary to pass separate legislation authorizing supplemental appropriations if they become necessary. This section is similar to sections contained in the maritime authorization bill in previous years, and the language requested by the administration was not amended by the committee.

Section 4 of the bill amends the Maritime Academy Act of 1958 to increase the subsistence allowance to students at State maritime academies from $600 to $1,200 per year. This section was added to the bill by the Merchant Marine and Fisheries Committee. These payments are made to assist in defraying the cost of uniforms, books, and subsistence for these students. Since the $600-per-year payment level was set in 1958, the consumer price index has risen 102.4 percent, reducing the actual purchasing power from $600 to $296. Similar payments to ROTC cadets at colleges and universities were increased from $600 to $1,200 per year in 1971.

The number of State maritime academy students receiving these subsistence payments is strictly limited by the regulations of the Maritime Administration. Consequently, this section of the bill will not cause any increase in the number of graduates from the State academies. The change made by this section will, however, alleviate the intense financial burdens on the students at these academies and their families, and will help to make it possible for those without personal or family wealth to continue to seek training for work at sea as licensed officers of the merchant marine.

Section 5(a) of the bill amends section 209(b) of the Merchant Marine Act, 1936, as amended, to require annual authorization of appropriations for extension and correspondence courses offered by the Maritime Administration, and for all other expenses now provided for in the operations and training account of the Maritime Administration which are not now authorized on an annual basis. This section was added to the bill by the Merchant Marine and Fisheries Committee to assist the committee in carrying out its oversight responsibilities with respect to the activities of the Maritime Administration. Section 5(b) of the bill provides that the amendment made by section 5(a) will be effective for fiscal year 1979 and later fiscal years.

Section 6 of the bill amends subsections (c) and (d) of section 216 of the Merchant Marine Act, 1936, as amended, to substitute the words "Secretary of Commerce" for the word "Commission" wherever it appears. This minor technical amendment was added to the bill by the Merchant Marine and Fisheries Committee to conform the 1936 act to the existing authority of the Secretary of Commerce.

Mr. Chairman, that completes the section-by-section description of the bill.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I am happy to yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, I think the gentleman in the well has done an outstanding job in pioneering the rehabilitation of our maritime schools. Certainly the provisions in this legislation to upgrade the maritime ships, to authorize the upgrading of ships, to authorize the upgrading of the stipends for the students, is extremely commendable.

I am somewhat concerned by the fact that we have now appropriated funds for the current fiscal year 1978, and I believe the conference report is imminently coming back to us. The increases that we authorized in this bill, will they apply to 1979 or does the gentleman anticipate a supplemental to take care of 1978? What does the chairman have in mind?

Mr. STUDDS. Mr. Chairman, I will say to the gentleman that the chairman of the full committee may have to answer that in part. I know, for example, that the increase in subsistence payments to students at State academies, that that increase was accepted in the appropriation bill and it is my understanding it will take effect in fiscal year 1978.

With respect to the other increases in authorizations here, I gather that they are not covered in the conference report for fiscal year 1978 appropriations.

So that, either we will have to seek a supplemental or we will have to wait until fiscal year 1979.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. MURPHY of New York. Mr. Chairman, I yield 2 additional minutes to the gentleman from Massachusetts.

Mr. LEGGETT. I understand that the authorization for the increased habitability of these ships is an authorization that, unfortunately, only extends for 1 year. So, it will be necessary for us to get a supplemental appropriation unless we want to go through this exercise again next year.

Mr. STUDDS. I believe the gentleman is correct. I hope this will be one of many object lessons for the House this year in procedure. It behooves us to do our authorizing work prior to our appropriating work. I thank the gentleman very much.

Mr. MURPHY of New York. Mr. Chairman, I yield 3 minutes to the gentleman from Washington (Mr. McCORMACK).

Mr. McCORMACK. I thank the Chairman for allowing me this time. There is one particular facet of this legislation which I think is worthy of special attention. It relates to ocean thermal gradiants research and development for the production of electricity or products requiring electric energy. This R. & D. is being funded by the Energy Research and Development Administration, which directs the project.

Under section 2 of the bill before us, H.R. 4965, $20,755,000 is authorized for R. & D., and I note that of that, $2.4 million is for research and development for a ship for the study of the production of electricity from ocean thermal gradients

I welcome this consideration and this support for this project because I believe that this particular approach to the ocean thermal gradient technology is the most viable approach for early application. However, I think we should recognize the fact that the Science and Technology Committee has also authorized $10.1 million for this project for fiscal year 1978, and this amount has been appropriated by the House.

I note also that the appropriation for MARAD for this area has been cut to $200,000. I suggest that it may be in order to request a memorandum of understanding between the Department of Commerce and the Energy Research and Development Administration—or subsequently the Department of Energy—to resolve the respective roles of each of these two agencies with respect to their participation in OTEC research and development, especially to protect against overlap and duplication of activity. Clearly, there are distinct areas of responsibility here.

The Department of Commerce has all responsibility for shipbuilding design and construction. On the other hand, the Energy Research and Development Administration has responsibility for energy-producing devices on shipboard.

In a letter of March 15 to one of the Members of this House, Secretary of Commerce Juanita M. Kreps, wrote:

MARCH 15, 1977.

Thank you for your letter of January 26, 1977, regarding Ocean Thermal Energy Development and your endorsement of the Maritime Administration's program for an OTEC (ammonia producing) plant ship. We are currently concluding an evaluation of the economic value of this type of vessel as well as a program plan of development for such a system in the event the overall concept is determined to be feasible.

As you know, the overall responsibility within the Federal Government for the development of new energy sources for the Nation has been delegated to the Energy Research and Development Administration. This agency has been involved in the OTEC program since the beginning and has worked closely with various offices within the Department of Commerce on this project.

As you are aware, the Department of Commerce has already completed a substantial amount of research in the marine area which is within our sphere of responsibility; however, it is my understanding that the remaining R&D programs are primarily in the energy source (the heat engine) rather than the plant ship or the marine system itself. We have provided ERDA with the results of our efforts and should ERDA desire further technical assistance in the marine area, we stand ready to provide all assistance possible within the limit of our capabilities and authority.

Let me assure you that I share your concerns for the energy needs of the country and appreciate your bringing this matter to my attention.

Sincerely,

JUANITA M. KREPS.

Therefore, Mr. Chairman, I would like to ask the chairman the gentleman from New York (Mr. MURPHY) a question. Would the gentleman be willing to join with me in a request to the two agencies, the Department of Commerce and the Energy Research and Development Administration, suggesting that a memorandum of understanding be prepared so that duplication of activities will be avoided, either in committee or in the agencies, and so that we can proceed with this project in the most expeditious manner?

Mr. MURPHY of New York. If the gentleman will yield when the Secretary of Commerce comes before the committee in her next appearance, we will specifically question her with respect to this problem. Obviously one of the aspects of this problem is the assurance that ERDA would transfer funds to MARAD for this type of project. We are not convinced that ERDA has a great deal of background or experience with respect to ship construction and ship operation. That is why we inserted this item in this legislation, because the program has been presented to us over the last several years under the impetus of Johns Hopkins University. There is in the jurisdictional area of the Committee on Science and Technology, when we apply it to this particular project, a thermal energy element. There will also be an ocean nutrient element in this project. In this connection, I would point out that two of our subcommittees have been working very carefully in the aquaculture area and these two aspects would be related to the activities of our two subcommittees. I would, however, be happy to explore with the gentleman the jurisdictional problem and discuss with him further the possibilities of calling upon the executive branch to cooperate in further funding in moving forward with the project.

The CHAIRMAN. The time of the gentleman from Washington (Mr. McCORMACK) has expired.

(By unanimous consent, Mr. McCORMACK) was allowed to proceed for 3 additional minutes.)

Mr. McCORMACK. Mr. Chairman, I want to emphasize that I do not think there is any desire on anyone's part to infringe upon anyone else's jurisdiction. Certainly we do not want ERDA trying to build ships or entering into engineering or acquaculture studies which may be undertaken by the Department of Commerce. I would certainly encourage ERDA to transfer adequate funds to the MARAD to keep the project going at the maximum possible speed.

Mr. RUPPE. Mr. Chairman, I yield 2 minutes to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, I am not a member of the committee, but I think there are questions which the public has a right to ask. If we need ships for defense, I think we should not be subsidizing their operation without recommendations from the Department of Defense that so many ships are needed and that these ships are going to be useful for the defense and security of our country. I do not think we can any more allow the Maritime Commission and the system we have of subsidizing the operation of building our ships, presumably to take part in our defense, without anything from the Defense Department to say that those ships are necessary or useful. I would like to question some other things. The Jones Act, what does that cost consumers every year? What are the consumers of this Nation paying for these acts of Congress? What, may I ask, has happened to the graduates, as so ably described by our colleague from Massachusetts, of our State schools, and our Federal school? Why are they behind the eight ball when it comes to getting employment as engineers? And I think we know why: Because there is only one set of schools that can graduate graduates who receive the seniority preference not given to others who are trained at public expense. It is not fair. Those union schools—and I understand, according to the newspapers, they are union schools—obtain preference for their graduates in hiring as engineers. To me this is intolerable. What has happened? Is the Commission not doing its job? Why do we have a system in which everything is being handled by a Commission which apparently is not paying any attention to what is happening to the people of this country?

We are happy to subsidize the students, and I voted to raise the subsidy in our State and Federal colleges. But up to what point? Why are they hampered when it comes to getting employment as engineers?

Mr. MURPHY of New York. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, I support H.R. 7304, the Maritime Authorization Act for 1978 and I would like to call the attention of my colleagues to two important recent reports concerning the merchant marine.

The first, issued by the General Accounting Office, is on the subject of merchant marine officer education. The second study was conducted by the Maritime Administration and predicts a serious impending shortage of deep sea merchant marine officers.

The GAO report discusses several problems relating to naval science training of merchant marine officers and employment of graduates of the six State maritime academies and the U.S. Merchant Marine Academy. It also makes recommendations to deal with these problems.

I commend this report to my colleagues since it points up a serious deficiency in the preparedness of our deep sea merchant marine, especially regarding their national defense function. The GAO report highlights the fact that the vast majority of deep sea merchant marine officers lack naval science training.

According to both the Maritime Administration and Navy officials, merchant marine officers need to know Navy procedures and tactics to coordinate with the Navy in times of peace, war, or national emergency. Students at the Merchant Marine Academy and all of the State maritime academies, except the Great Lakes Maritime Academy, are provided by the Navy with the requisite scientific training.

But, as the following table illustrates, a 1974 survey showed that over 80 percent of deep sea merchant marine officers do not come from these academies and, as a result, do not receive this training:

Composition of merchant marine officer work force, November 1974

Source:	*Percentage*
Hawsepipe (self-study, on-the-job training)	76.9
Kings Point Merchant Marine Academy	4.8
Maine Maritime Academy	4.2
State University of New York Maritime College	3.4
California Maritime Academy	2.3
Calhoon School	2.1
Massachusetts Maritime Academy	1.8
Texas Maritime Academy	.3
Great Lakes Maritime Academy	.1
Other	2.8
No record	1.3

I am pleased to say that Coast Guard officials predict that over the next 10 or 15 years, the merchant marine officer work force will consist of a growing percentage of maritime academies' graduates. But the problem is and will continue to be a serious one.

In fact, the report shows that 81.6 percent of the 1976 graduates of the California Maritime Academy in my district took jobs on seagoing vessels, the highest percentage for any State or Federal academy. But the problem is and will continue to be a serious one.

The GAO report recommends that the Secretaries of Commerce and Defense direct the Navy and Maritime Administration to jointly develop and implement a program providing the minimum naval science training required by all licensed merchant marine officers. I endorse this recommendation.

Another problem cited in the GAO report deals with the difficulty of evaluating the success of the various maritime academies in placing graduates in merchant marine jobs. This is due to the lack of specific goals against which to measure performance. In order to best utilize the products of the fine maritime education which these schools provide, the Secretary of Commerce, according to the report, should direct the Maritime Administration to establish formal job placement goals for the graduating

classes of each academy for each sector of the merchant marine.

With such specific goals, Congress would find it much easier to evaluate the academies' performance.

The Maritime Administration study states that a steep rise in combined demand for deck and engine officers "will occur through the remainder of the decade." This, along with other factors, makes "an overall shortage beginning at the turn of the decade—a distinct possibility." This shortage could occur beginning in 1981 even if 80 percent of all academy graduates and all "hawsepipe" officers and union training school graduates were to accept deep sea employment upon graduation.

One problem contributing to this potential shortage is the relatively short period spent at sea by graduates of Federal and State maritime academies. The current average for deep sea employment among these graduates is 4.25 years.

The approaching shortage could be cut in half by increasing this employment period to 8.9 years. If it would rise to 13.5 years, and if 80 percent of academy graduates would accept deep sea employment, a balance of supply and demand could be maintained.

But the Maritime Administration suggests two factors which could upset even this possible balance. The first is the availability of new jobs in offshore mineral and oil exploration. The second factor is the large number of deepsea jobs which will open up when the Congress passes legislation guaranteeing that up to 30 percent of oil imports be carried by American ships.

The large increase in business for American ships would result in a shortage of between 1,500 and 2,500 ship officer jobs by 1985.

Needless to say, this impending shortage presents us with a major problem. But it is also an opportunity. If we can strengthen our merchant marine officer force to meet this challenge, the result can only be a bonus for the economy and rewarding careers for many capable young people.

I hope that my colleagues will find time to examine both of these reports. I look forward to discussing them with the Members and working toward solutions to the problems they underscore.

Mr. Chairman, certainly the questions that were asked by the gentlewoman from New Jersey (Mrs. FENWICK), who was just in the well, do require an answer. I think one of the easiest answers is that the Department of Defense does certify as to the defense requirements when these subsidized ships are constructed.

That is a formal procedure. It is transacted in each and every instance, and the Department has recently testified before the committee as to that procedure.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, let me ask this question:

Do they certify that those three ships that were used or that the many ships that were used in the grain transport are still necessary for defense?

Mr. LEGGETT. Those ships do not just travel between the United States and the Soviet Union. They are used for many purposes. If in fact they were subsidized when they were originally contracted for and purchased, we did have the general assurance of the Department of Defense that they were needed for purposes of defense.

Mrs. FENWICK. Were they under a 20-year contract?

Mr. LEGGETT. They would have been under a 20-year contract.

I think we must keep in mind the fact that that 20-year contract is necessary so we can have a proper guarantee of financing from the bank for the operation and construction of that ship. Most of these ships expire, as I understand it, within about a 20- or 25-year lifetime.

So in spite of the fact that they might have a 20-year term on a ship and have a subsequent 20-year renewal contract, that ship will be replaced during the second 20-year period. So we do in fact have a continuous program of modernization of the merchant marine fleet.

It is obvious, considering the fact that we only carry, under the 1970 Modernized Merchant Marine Act, about 6 percent of our total volume in American vessels—perhaps 30 percent by value—that we need to do something radically different, and that is why the committee chaired by the gentleman from New York (Mr. MURPHY) is going to take on this program for cargo preference for certain types of materials. The gentleman from California (Mr. MCCLOSKEY) supports that program.

With respect to the other item that was mentioned concerning merchant marine officers, the remarks that I have included in the RECORD state that according to a current GAO report, of those at sea, 76.9 percent were self-trained on the job, 4.8 percent came from the U.S. Academy at Kings Point, 4.2 percent from the Maine State Maritime Academy, 3.4 percent from the New York State Maritime Academy, 2.3 percent from the California Maritime Academy, and 2.1 percent from Calhoon, the school that was mentioned. So Calhoon does not play the great part that is sometimes ascribed to it.

Mrs. FENWICK. Mr. Chairman, let me ask this further question, then, if the gentleman will yield.

Were the newspapers mistaken in saying that they received seniority?

The CHAIRMAN. The time of the gentleman from California (Mr. LEGGETT) has expired.

Mr. MURPHY of New York. Mr. Chairman, I yield 30 additional seconds to the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, I will agree with the gentlewoman from New Jersey (Mrs. FENWICK) that I think we do have a problem in that regard, and we are going to get to the bottom of it. Under the new bill that we have from the committee chaired by the gentleman from New York (Mr. MURPHY), we are going to have a shortage of maritime officers, and that presents a real problem.

The CHAIRMAN. The gentleman from New York (Mr. MURPHY) has 1 minute and a half remaining.

Mr. MURPHY of New York. Mr. Chairman, I yield my remaining time, 1 minute and one-half, to the gentleman from California (Mr. GOLDWATER).

Mr. GOLDWATER. Mr. Chairman, I am concerned about this ocean thermal gradient research and development that the Maritime Administration is going to be involved in, in the building of a ship.

I would like to ask the chairman of the subcommittee of the Committee on Science and Technology this question: Have we not already authorized some $50 million in this particular area of ocean thermal gradient?

Mr. MCCORMACK. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from Washington.

Mr. MCCORMACK. Yes; the gentleman is correct, $10.1 million of that amount have been earmarked for research and development in fiscal year 1978 for the OTEC project recommended by the Applied Physics Laboratory at Johns Hopkins University.

Mr. GOLDWATER. Mr. Chairman, does the gentleman see any possible duplication in this area between what ERDA is doing and what the Maritime Administration is doing, or is this a compatible relationship?

Mr. MCCORMACK. I think there is compatability between what the Department of Commerce is doing with respect to shipbuilding design, and what the ERDA is doing in energy conversion, in heat exchangers, and energy use on shipboard, and so forth.

Mr. GOLDWATER. Is it clear in the gentleman's own mind, being very close to the ERDA program, that there is a cooperative, coordinated type of program wherein in fact the Maritime Administration does the actual work—the dipstick and what have you—and ERDA does some of the technical R. & D. applications? In other words, is there a different program?

Mr. MCCORMACK. I think that, in the minds of the individuals involved in both agencies and within the involved committees, the appropriate coordination probably exists in broad outline. However, it has not been spelled out in a formal memorandum. I do not think there is any desire on anyone's part to infringe on anyone else's jurisdictional area, and for these reasons, I think this is an excellent time to have a memorandum of understanding issued to clarify this situation.

Mr. GOLDWATER. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. Pursuant to the rule, the Clerk will read the committee amendment in the nature of a substitute recommended by the Committee on Merchant Marine and Fisheries now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

H.R. 4963

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this

Act may be cited as the "Maritime Appropriation Authorization Act for Fiscal Year 1978".

SEC. 2. Funds are authorized to be appropriated without fiscal year limitation as the appropriation Act may provide for the use of the Department of Commerce, for the fiscal year 1978, as follows:

(1) For acquisition, construction, or reconstruction of vessels and construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships, $135,000,000;

(2) For payment of obligations incurred for operating-differential subsidy, not to exceed $372,109,000;

(3) For expenses necessary for research and development activities, not to exceed $20,725,000;

(4) For reserve fleet expenses, not to exceed $5,137,000;

(5) For maritime training at the Merchant Marine Academy at Kings Point, New York, not to exceed $14,656,000; and

(6) For financial assistance to State marine schools, not to exceed $5,970,000.

SEC. 3. There are authorized to be appropriated for the fiscal year 1978, in addition to the amounts authorized by section 2 of this Act, such additional supplemental amounts for the activities for which appropriations are authorized under section 2 of this Act, as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law, and for increased costs of public utilities, food service, and other expenses of the Merchant Marine Academy at Kings Point, New York.

SEC. 4. Section 6(a) of the Maritime Academy Act of 1958, as amended (46 U.S.C. 1385 (a)), is amended by striking out "$600" and inserting in lieu thereof "$1,200".

SEC. 5. (a) Section 209(b) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1119(b)), is further amended by striking out "and" after the semicolon at the end of item (7), and by inserting the following new items after the semicolon at the end of item (8):

"(9) expenses necessary for extension and correspondence courses authorized under section 216(c) of this Act; and

"(10) other operations and training expenses related to the development of waterborne transportation systems, the use of waterborne transportation systems, or general administration;".

(b) The amendment made by subsection (a) of this section shall be effective for fiscal years beginning after September 30, 1978.

SEC. 6. Subsections (c) and (d) of section 216 of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1126), are amended by striking out "Commission" wherever it appears therein and inserting in lieu thereof "Secretary of Commerce".

Mr. MURPHY of New York (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENT OFFERED BY MR. LEGGETT

Mr. LEGGETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEGGETT: On page 5, after line 8, add a new section 7 to read: "That section 509 of the Merchant Marine Act, 1963 (46 U.S.C. 1159) is amended by inserting in the fourth sentence thereof after the words "eight knots" a comma and the words "or in the case of a ferry operating solely in point-to-point transportation which is designed to be of not less than seventy-five gross tons and to be capable of a sustained speed of not less than eight knots,"."

Mr. LEGGETT. Mr. Chairman, I rise for the purpose of offering an amendment to H.R. 4963, the maritime appropriations authorization for fiscal year 1978.

Mr. Chairman, my amendment is quite straightforward with no earth-shattering consequences for our maritime program, although it would significantly benefit our public transportation system. My amendment would simply add a category of vessels to those now eligible for loan guarantees of 87.5 percent of the construction cost of a new ship under the title XI Federal ship financing program.

Specifically, my amendment proposes that a ferry operating solely in point-to-point transportation which is designed to be of not less than 75 gross tons and is capable of a sustained speed of not less than eight knots be authorized to receive a loan guarantee at the level I have just cited, as opposed to the 75 percent guarantee currently provided by this law.

As my colleagues know, the Congress first adopted the Merchant Marine Act in 1936 for the purpose of promoting the commerce of the United States and improving our merchant marine capability. As part of that effort, the Congress saw fit to establish the title XI Federal ship financing program to provide a more modern fleet and to increase shipbuilding activity in our Nation's shipyards.

Over the years, the revolving fund established by this program to guarantee loans for ship construction has functioned admirably. The program is completely self-supporting, as the borrowers agree to a one-half percent increase in their interest rate to support the program. All losses are covered by these fees, and all Federal employees who administer this program are paid from these fees. With a substantial portion of the loan guaranteed by the "full faith and credit" of the U.S. Government, the borrowers had tradiitonally been able to negotiate very favorable credit terms with private lenders. This has measurably assisted ship construction at all levels.

Under the current program, most vessels can qualify for 75 percent of the necessary loan being guaranteed by the program. Eligible vessels include: Passenger, cargo, and combination passenger and cargo; tankers, tugs, towboats; dredges; fishing vessels; and floating drydocks. The only tonnage and speed restriction concern floating drydocks.

The following vessels qualify for 87.5-percent loan guarantees:

Ships not less than 3,500 gross tons and capable of a sustained speed of not less than 14 knots;

Passenger vessels operating solely on inland waterways of at least 1,000 gross tons capable of sustained speeds of at least 8 knots;

Oceangoing tugs of more than 2,500 horsepower;

Oceangoing barges of at least 2,500 tons; and

Ships of more than 2,500 horsepower designed to be capable of not less than 40 knots.

All barges.

My amendment would add ferries which meet the specifications I have reviewed earlier to this latter category of vessels eligible for an 87.5-percent loan guarantee.

Mr. Chairman, my motivation for offering this amendment today is to encourage the construction of additional ferries for use in our Nation's growing public transportation system. Our citizens are slowly moving away from the use of the private automobile to such forms of mass transit as buses and Washington's newly opened subway. The Congress ought not to neglect the role ferries play in our urban mass transportation system in those cities blessed with adequate waterways.

The San Francisco Bay area is a prime example of the potential for increased use of ferries. As many of my colleagues know, ferries regularly plied the San Francisco Bay before the Golden Gate and Bay Bridges were built. The completion of the bridges increased the automobile traffic into the city to the point where unacceptable congestion now exists. With the increase in automobile traffic, a once-beautiful and superbly functional ferry system all but died out.

Happily, commuters are returning to the use of ferries in the bay area, as well as a number of other cities. In the San Francisco Bay area, commuters from Marin County are taking the bus or driving their cars to ferry departure points on the north side of the bay. There, commuters board passenger ferries which deposit them in downtown San Francisco. Not only are these commuters reducing the traffic congestion on the Golden Gate Bridge, they are also contributing to a substantial savings of gasoline in this part of northern California.

In my own district, the Mare Island Ferry Co. currently operates three ferries transporting employees of the Mare Island Naval Shipyard to and from work. The demand for this form of public transportation has increased so dramatically over the past few years that a fourth ferry is now required.

You may ask why a small increase in the amount of a loan guarantee is of such importance in promoting this form of public transportation. The answer is really quite simple: Even a very modest ferry costs over $\frac{1}{2}$ million to construct at today's prices. Most cost much more. The 12.5 percent difference in the two loan guarantee rates means that the prospective ferrybuilder must either have that amount of ready cash available or be able to afford very high interest rates to finance the remaining parts of the necessary loan, as well as have on hand the required collateral. On even a modest $\frac{1}{2}$ million ferry, the amount of money required by a potential shipbuilder is in excess of $125,000. Obviously, a more substantial amount of assets is required for a larger ship. This

additional burden is a significant obstacle to ferry operators in the bay area, and I suspect in other areas of the country served by such means of mass transportation.

I have reviewed the impact of this amendment with the General Counsel's Office of the Maritime Administration, and they believe that the amendment is completely consistent with the intent of the 1936 act, as amended. In fact, the General Counsel's office provided the technical assistance in drafting the language before you this afternoon.

I must admit that the MARAD officials I talked with do not believe that ferryboat operators will beat MARAD's doors down with applications for loan guarantees should we adopt this amendment this afternoon. MARAD believes the overall impact of such a change in the law on their program will not be substantial. They have assured me that the existing revolving fund can easily withstand any increased demand created by this amendment.

Mr. Chairman, it was my intention to argue this question before my Merchant Marine and Fisheries Committee. However, I believe that we ought not to delay for a full year or longer the obviously worthwhile benefits of such a change in the Maritime Act. Additionally, the merits of the case are so clearly on the side of increasing the loan guarantee rate to 87.5 percent that I could not imagine what objections might be raised. I have, therefore, chosen to offer the floor amendment for your consideration.

I trust my colleagues will agree with me that just as we have supported legislation promoting mass transit on our highways, we ought to do likewise for mass transit on our waterways. I ask for your earnest support of my amendment.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, I would be happy to accept my colleague's amendment. I think it is a very rationally worded amendment in terms of including ferries in the title XI program and with respect to the limitations it places on this inclusion.

We are reminded that our title XI program is a net-plus operation for the U.S. Government, and that it does not cost the Government any money.

Mr. Chairman, again, I would be happy to accept the amendment.

Mr. LEGGETT. I thank the chairman of the committee.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, I am overwhelmed by the logic of the argument, but certainly not by the point that no Government subsidy is involved.

In any event, would the gentleman say that this amendment would have wide applicability or would the gentleman feel that this amendment would apply to certain specific but needed situations?

Mr. LEGGETT. Frankly, the people in the Maritime Administration anticipate that they are not going to be overwhelmed with applications.

Mr. RUPPE. Mr. Chairman, if the gentleman will yield further, I think on that basis, the fact that it would apply to very select situations, we would accept the amendment on this side.

Mr. LEGGETT. Mr. Chairman, I appreciate the gentleman's support.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. LEGGETT).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. M'CLOSKEY

Mr. McCLOSKEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCLOSKEY: On page 3, line 14, after "$372,109,000" add the words: *"Provided, however,* That no funds authorized by this paragraph may be used to subsidize the carriage of grain to Russia".

Mr. McCLOSKEY. Mr. Chairman, this amendment is very simple. As I mentioned earlier in the day, included in the $372 million of operating subsidies which we propose to pay next year, there is $19 million which will pay almost half the cost of shipping the grain to Russia under the Russian grain sale.

I do not know of any rationale that can justify why U.S. taxpayers should pay half the cost of shipping grain to the Soviet Union. Why are not the Russians paying the full cost themselves?

There is one possible rationale and that would be if this $19 million were being paid to keep in operation trained U.S. crews on fast, efficient, U.S. ships that somehow might be of assistance to this Nation in the event of a national emergency, an Arab oil embargo, or something of that type. The fact is that this $19 million will pay this year for about 8.6 ship-years of operation. That is about $2¼ million that the U.S. taxpayers will pay this year for each of the eight ships. Those ships are essentially rust buckets which will be scrapped at the end of the subsidy period. If those ships are scrapped they are of absolutely no use to the future national defense of this Nation. They sail at an average of 8 knots. They are not of a quality that would be helpful to the Nation in time of war.

It seems to me almost absurd that with a maritime subsidy program of this kind, which is justified on the basis of national defense, where our subsidy supposedly goes to maintain U.S. ships in operation which will be helpful to the Nation, that we are keeping in operation ships that will be scrapped, and a program from which only the crews and the companies involved will benefit, and, indeed, the Russians.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, as I read the amendment offered by the gentleman from California (Mr. McCLOSKEY) the amendment says that none of the funds authorized in the program may be used to subsidize the carriage of grain to Russia.

Mr. McCLOSKEY. That is correct.

Mr. LEGGETT. Could they be used to carry fertilizer to Russia?

Mr. McCLOSKEY. If the Maritime Administration finds $19 million worth of some other subsidy use, that is fine. Presumably they will use the operating subsidy to preserve a fleet which will be competent to serve as auxiliaries to the Navy in time of emergency. That is not what the funds for the Russian grain subsidy are used for, however, because in this case they will not be used for anything remotely related to the national security of the United States; the subsidy goes primarily to benefit the Russians.

Mr. LEGGETT. Mr. Chairman, if the gentleman will yield still further, I know that the gentleman from California (Mr. McCLOSKEY) is a great promoter of détente and certainly the gentleman does not discriminate against the Soviet Union or any other less popular countries around the world; why does the gentleman select the Soviet Union now?

Mr. McCLOSKEY. The Soviet Union is the only country, to my knowledge, to which we are subsidizing the shipping of grain. I am not speaking about the agricultural subsidies.

Mr. LEGGETT. We are shipping grain to South Korea.

Mr. McCLOSKEY. Korea?

Mr. LEGGETT. Yes, we are sending over rice to South Korea all the time. We are shipping various kinds of things out to the Marcos government, which is considerably unpopular at the present time. Why do we not designate that country in this amendment? Also, why not Bangladesh?

Mr. McCLOSKEY. There are many countries that I might possibly want to benefit by foreign aid, but the Russians would not be one.

Mr. LEGGETT. We understand the ships will not be used exclusively for dealing with the Soviet Union?

Mr. McCLOSKEY. I merely wish to end the subsidy of the shipment of grain on the ships to the Soviet Union.

Mr. RUPPE. Mr. Chairman, I think we ought to make the point that the Public Law 480 cargoes go on liner carriers, not on tankers.

The gentleman's amendment does not effect the carriage of Public Law 480 cargo.

Mr. LEGGETT. The effect of the amendment would be that the Soviet Union would carry all this grain in their own ships.

Mr. McCLOSKEY. If the cost is $30 per ton, I ask why the U.S. taxpayer should pay nearly half of the cost of shipping that grain to Russia?

Mr. LEGGETT. The Soviet Union would love to have that privilege, and if they are drinking vodka in Moscow or drinking vodka anywhere else, the important thing is that they have the vodka to drink.

Mr. McCLOSKEY. Does the Russian Government wish to have this cost picked up by their country instead of ours?

Mr. COLEMAN. Mr. Chairman, I move to strike the last word.

First of all, I think we ought to look at the record. It is clear that the subsidy that the gentleman from California is trying to eliminate is a subsidy to the American maritime industry and not to the Soviet Union. As I recall, the Soviets were not the least bit anxious to ship our grain in American vessels in the first place. In fact, the 1972 longshoremen's strike was called because the grain deal which the administration at that time had signed with the Russians did not require shipment in American vessels. The Russians subsequently agreed—and I might add very reluctantly—to transport one-third of the grain in American vessels, but only in exchange for our promise to subsidize the cost of the American vessels, because it is clear that it cost more to ship by American boats than by Russian. In fact, it is pointed out in the committee report that shipping by the Russians is $16 a ton, while by the United States it costs $30 a ton. I think that we must realize that in the 1975 grain agreement the Soviets agreed to continue the 1972 agreement in shipping. I think it is very critical that in 1972 and 1975 the Russians needed our grain desperately; today they do not. In fact, today we need desperately to sell them grain.

If the Soviets or the United States renege on this agreement at this time, the United States would be faced with the prospect of millions of tons of unsold wheat being unloaded on the domestic market when prices are severely depressed.

If I might, I would like to inquire of the gentleman from California, was it his statement that this subsidy was to help the Russians—when in fact they could actually transport cheaper than we could? Is that not correct?

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN. I yield to the gentleman from California.

Mr. McCLOSKEY. I thank the gentleman for yielding.

I think they can, and I think the problem is that we are subsidizing half the cost of shipping that grain to them. It costs $30 a ton. They pay $16. By negotiated agreement, we pay the additional $14 to the company. This would not in any way intrude on the existing grain agreement. It would not in any way stop the shipment of that grain. It would merely require the Russians to pay the cost of that shipment.

Mr. COLEMAN. Is that not changing the terms of a contract that has already been negotiated?

Mr. McCLOSKEY. No, it is not.

Mr. COLEMAN. Does the gentleman think they are going to voluntarily want to buy as much grain, having also to absorb the increased and additional cost of the shipping?

Mr. McCLOSKEY. If the gentleman will yield further, they have bought the grain, and they have the right to the grain. They have the duty to buy it. Under the contract, we have the right to insist on transporting one-third of it, if we wish. We have exercised that right to transport one-third of it, but only at this incredible additional $19 million cost per year to the American taxpayer. If we do not exercise that option, they have to pick up the transportation costs. The only thing is that those particular old ships we are now subsidizing at $2¼ million each will be scrapped.

Mr. COLEMAN. Does the gentleman from California have any assurance from the Department of State that the Russians will not in fact withdraw from the agreement this year if the gentleman's amendment passes?

Mr. McCLOSKEY. No; I do not.

Mr. COLEMAN. Has the gentleman checked with the Department of Agriculture as far as our exports and what effect that would have?

Mr. McCLOSKEY. No. When these issues were debated in the committee, we had no communication of any kind with the Administration either for or against.

Mr. COLEMAN. I thank the gentleman.

Mr. Chairman, I think, in conclusion, that the gentleman's amendment was offered with the noblest intentions, but I think it is probably penny-wise and pound-foolish to adopt it. If we give the Russians any excuse whatsoever to cancel the grain sales and the agreements they have made with this country, the taxpayers and consumers of this country will pay a great deal more through price supports, with the already depressed market that we have in this country.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

(On request of Mr. COHEN, and by unanimous consent, Mr. COLEMAN was allowed to proceed for 2 additional minutes.)

Mr. COHEN. Mr. Chairman, if the gentleman from Missouri will yield, the gentleman from Missouri inquired of the gentleman from California whether he had checked with the State Department. May I inquire whether the gentleman from Missouri also has checked with the State Department?

Mr. COLEMAN. It is not my amendment so I feel the burden of proof should be on the person proposing the amendment.

Mr. COHEN. If the gentleman will yield further, I think if the gentleman questions whether or not the Soviets would then break the contract and suggests to this body they would in fact do so, then at least the gentleman from Missouri has some burden to furnish that information to the body.

Mr. COLEMAN. I do not want to give them that opportunity.

Mr. McCLOSKEY. Mr. Chairman, if the gentleman will yield, why does the gentleman think they have the opportunity to break the contract? I do not think anybody on our committee would urge that they would have the opportunity to break this contract if the amendment passes.

Mr. COLEMAN. But the Longshoremen have indicated they might.

Mr. McCLOSKEY. The Longshoremen are under investigation by three grand juries.

Mr. MURPHY of New York. Mr. Chairman, I rise in opposition to the amendment.

The amendment would eliminate $19.3 million in operating-differential subsidy for the carriage of grain to Russia in 1978, pursuant to the U.S.-U.S.S.R. maritime agreement.

The net effect of this amendment would be to arbitrarily deny to U.S. operators the opportunity to participate in this trade. About 20 ships—accounting for 13.3 ship years—and associated seafarers' jobs would be affected. They would be replaced in the trade by ships of the Soviet Union and, probably to a lesser degree, by third-flag vessels.

The only result of this amendment from the gentleman from California would be to shift the carriage of the commodity in question from U.S.-flag vessels to Russian-flag vessels and vessels of third-flag nations, with the result in loss of jobs for U.S. workers and business for U.S. businessmen.

This amendment does not make any sense at all, and I cannot believe that any Member of the House would vote for an amendment which would take business away from U.S. businessmen and give it to the Soviet Union and other nations of the world, and take jobs from U.S. workers and give them to Soviet workers—that is what this amendment would do.

I completely oppose this amendment, and I urge my colleagues to vote against this destructive proposal.

To date, operating-differential subsidy for dry bulk cargoes has been limited to U.S.-flag vessels engaged in the carriage of grain to the Soviet Union. The U.S.-U.S.S.R. maritime agreement generally provides that cargo moving in U.S.-U.S.S.R. trade, including grain purchased by the Soviet Union from the United States, shall be transported one-third on Soviet-flag vessels, one-third on U.S. flag vessels, and one-third on other flag vessels. Operating-differential subsidy for the ocean transportation of this grain on U.S.-flag vessels is paid on a voyage basis, at so many dollars a ton, pursuant to the authority provided by section 603(b), of the Merchant Marine Act, 1936, as amended.

In this regard, section 603(b) provides that the Secretary of Commerce may, with respect to any vessel in an essential bulk carrying service, pay as operating-differential subsidy such sums as he determines to be necessary to make the cost of operating such vessel competitive with the cost of operating similar vessels under the registry of a foreign country.

Pursuant to this authority, the Maritime Administration selects a typical foreign-flag vessel that has actually engaged in this trade. The amount of the subsidy is the excess, as determined by the Maritime Administration of the operating expenses—which include wages and subsistence of officers and crew, maintenance and repair, vessel insurance, stores, supplies, expendable equipment, and fuel—of the subsidized vessel over the estimated cost of the same items

of expense of the typical foreign-flag vessel, plus the excess of the interest and depreciation charges of the subsidized vessel over the estimated interest and depreciation charges that would exist if the subsidized vessel had been constructed in a foreign shipyard.

The U.S./U.S.S.R. maritime agreement negotiated at the end of last year established a minimum charter rate of $16 per long ton to be paid by the U.S.S.R. to American operators carrying grain. The charter rate is related to an index of world charter rates and will apply to voyage fixtures through December 31, 1976. This amount will be paid even if the applicable index rate falls below $16. However, when the index is below the minimum rate, a cumulative adjustment will be maintained in favor of the U.S.S.R., to be reduced as the derived rate rises above the minimum rate. When this credit in favor of the U.S.S.R. is offset, the rate paid to U.S.-flag vessels will be in accordance with the index. For those voyages which are fixed at charter rates above $13 per ton, operating-differential subsidy is reduced through a subsidy abatement formula. The net result of this formula has been to reduce U.S. subsidy payments from approximately $14 to $9 per ton of grain transported to the U.S.S.R.

For the future, the new grain purchase agreement with the U.S.S.R. provides for minimum purchases of 6 million tons annually for 5 years beginning in October 1976. This minimum will give a stable base to what has previously been a highly volatile program and will allow the Maritime Administration to plan at least for minimum subsidized carriage levels.

The amendment on the surface can be appealing, but if we analyze the history of our transportation problems with our American grain sales and shipments to Russia, we may start 12 or 14 years ago with the original Russian grain shipment. Of course the price was very favorable to the Russians then. But we also enacted a very strict 50–50 cargo movement policy and it took the Committee on Merchant Marine and its oversight to insure that the United States got 50 percent of the shipment of that grain. Now almost 13 years later, the Department of Commerce, under whose responsibility maritime affairs fall, went to Moscow and negotiated the one-third/one-third/one-third arrangement. This means that prior to our current problems, foreign shippers were already trying to subvert the one-third guaranteed carriage in U.S. ships.

The limited subsidy that is paid here does a number of things: It helps our balance of payments; it helps American farmers; and it keeps the U.S. merchant marine employed.

These ships are not cargo ships such as the grain ships we used in the original trade. These are tanker ships which because of the bias of the oil companies for foreign-flag ships would now be idle as would seamen, shipyard workers, and thousands of others dependent on trade. The gentleman from California has called these ships rust buckets. Notwithstanding the age of some of these ships, they and their crews are an asset to our country.

What the gentleman from California agrees with me on is a maritime policy. We cannot start to scrap the American fleet now until this Congress has enacted a rational cohesive maritime policy. We made the first breakthrough last week but we cannot start unraveling piece by piece the maritime programs of this country.

What we would do if we enacted the gentleman's amendment would be as I said to strengthen the Soviet merchant marine employment of Russian sailors instead of American sailors and create a larger deficit in our balance of payments. As a consequence I would urge my colleagues to defeat this amendment.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from California.

Mr. McCLOSKEY. Mr. Chairman, strangely enough we do agree on a number of points.

Would my distinguished chairman not agree that if his new cargo prices bill, which the Administration has finally been dragooned into supporting by the gentleman's strenuous leadership, is passed into law, that the eight ships carrying grain to Russia instead of being scrapped will find a market carrying oil to the United States and will not need a subsidy carrying American grain. Is that not correct?

Mr. MURPHY of New York. The tonnage of these ships is such that they would not be applicable in certain instances. They could be perhaps used as shuttle vessels for transit of oil through the Panama Canal. Larger tankers are more efficient for the longer legs, for example, *Loom Valdez* to a transshipment point near the Panama Canal.

Mr. McCLOSKEY. Even under our cargo preference program, they are suitable to carry oil?

Mr. MURPHY of New York. They could carry oil as described where relatively shallow drafts are needed. They are not in the efficiency rating of the new class of vessels that the gentleman is trying to assist me in bringing into the American-flag fleet.

Mr. McCLOSKEY. Are they useful to Alaskan oil shipment?

Mr. MURPHY of New York. I think to the extent I have described, they could be moved into a shuttle portion of that trade, once that cargo is transferred from the very large crude carriers which are the basic vessels for the carriage of this Alaskan oil trade. Moreover, all new tonnage has been constructed for the carriage of this Alaskan oil.

Mr. RUPPE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment introduced by the gentleman from California. His amendment would prohibit the payment of operating-differential subsidy funds to any U.S.-flag operator to subsidize the carriage of grain to the Soviet Union. It is logical, necessary, and deserves immediate enactment.

The transportation by U.S.-flag ships of grain to Russia involves a triple, I repeat a triple, subsidy. Let me explain. First, there is a protected market which frees our vessels from foreign flag competition. This market results from the U.S.-U.S.S.R. Maritime Agreement of 1972 that requires one-third of the commodities transported between the two countries be carried on U.S.-flag ships. Second, the executive branch has negotiated a special freight rate, which is far in excess of the prevailing world market rate, for the carriage of grain to the Soviet Union. Finally, on top of these aids, the vessels engaged in this trade also qualify for operating-differential subsidy.

As one might expect, this very generous trade has attracted the oldest vessels in our bulk fleet. In fact, some knowledgeable maritime individuals contend that in the absence of this Russian trade many of the ships engaged in the trade would be scrap candidates. Also, the costs of operating these vessels to the taxpayer exceeds those of our more modern liner fleet.

Frankly, one of the reasons I support this amendment is that I believe an objective of the Merchant Marine Act of 1970 is to modernize our bulk fleet. Thus, this trade by preserving our "rust buckets" is inconsistent with that objective. Another reason I support this amendment is that if the Russians really want our grain that bad, they should be willing to pay the full cost of shipping that commodity from the United States to the U.S.S.R. There is no reason whatsoever for U.S. taxpayers, hit by rising prices here at home, to subsidize food prices in the Soviet Union.

Accordingly, I urge my colleagues to support the passage of this amendement.

Mr. COLEMAN. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from Missouri.

Mr. COLEMAN. What would be the circumstances if we had a repeat of the 1972 longshoremen's strike? Would not this amendment precipitate another such action?

Mr. RUPPE. I do not think we could speculate on a longshoremen's strike. We could speculate on a railroad strike, in which case the grain would never get out of the West or Far West.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from California.

Mr. McCLOSKEY. Mr. Chairman, the longshoremen's strike, and the chairman can correct me if I am wrong, was basically because the longshoremen did not want to load grain to Russia and they struck. President Ford had a dispute with them. They felt that we should not send grain to Russia at all.

Mr. COLEMAN. Mr. Chairman, if the gentleman will yield further, that was what was in the media. The real intent behind it was to provide jobs for American longshoremen and American ship-

pers; but under this amendment, we would wipe this out. I am afraid we would precipitate the same disastrous situation that occurred, right or wrong, and the farmers are the ones to suffer.

Mr. RUPPE. This amendment does not wipe out jobs for American shippers or American crews. It simply says we can continue and will continue to carry one-third of our cargo to Russia in American ships. We will get our one-third, but the Russians will have to pay a little bit more for the grain, as well they should, because there is no reason why the grain to Russian consumers should be subsidized by the American taxpayer.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I do not think any Member of this House is suggesting we have to give in to threats and blackmail. The time has not come when we cannot pass amendments that we think are sound and for the good of our American taxpayers because some group is threatening us. I do not think that is a worthy argument against any amendment.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, it is the understanding of the gentleman that if this amendment is adopted, that grain will no longer be carried in American ships?

Mr. RUPPE. No, that is not the case. That is not the directive of the amendment. I am sure the gentleman from California (Mr. McCLOSKEY) would answer that the percentage of that grain carried in American bottoms would continue as it is today, without being subsidized.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(On request of Mr. KAZEN and by unanimous consent, Mr. RUPPE was allowed to proceed for 1 additional minute.)

Mr. KAZEN. Will the gentleman yield for one more question?

Mr. RUPPE. I yield.

Mr. KAZEN. Is there anything in the law anywhere else that makes it mandatory that this grain be shipped in American bottoms?

Mr. RUPPE. The maritime agreement requires one-third of the cargoes to be shipped in American bottoms. So, the battle will be on the rate, but not on the question of whether one-third will be transported in American bottoms. Without the subsidy, the Russian must pay the price. That is a negotiating point, but one-third share allocated to American vessels is not negotiable. It will only be the price, which may have to be adjusted.

Mr. KAZEN. How much is being carried in American bottoms today?

Mr. RUPPE. One-third. The one-third is mandatory.

Mr. KAZEN. Will this amendment in any way change that formula?

Mr. RUPPE. It should not. No.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the chairman.

Mr. MURPHY of New York. The formula would be changed by the simple fact that the U.S. carriers could not compete at that rate, and the subsidy is vital to the U.S. shippers on this carriage. We are going to take up controlling the carrier legislation that deals with the problem of American flagships competing with the Socialist countries, which subsidize their shipping to such an extent that they lay on our trade routes and capture our cargoes, not just in grain, but all across the board.

Mr. RUPPE. We simply negotiate a higher price by the State Department.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. McCLOSKEY).

The question was taken; and on a division (demanded by Mr. McCLOSKEY) there were—ayes 4; noes 12.

Mr. McCLOSKEY. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN pro tempore (Mr. FARY). One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN pro tempore. The pending business is the demand of the gentleman from California (Mr. McCLOSKEY) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 143, noes 251, not voting 39, as follows:

[Roll No. 410]

AYES—143

Ammerman	Clausen, Don H.	Flynt
Anderson, Ill.	Clawson, Del	Forsythe
Andrews, N.C.	Cleveland	Fountain
Archer	Cohen	Fowler
Armstrong	Collins, Tex.	Frey
Ashbrook	Conte	Gilman
Aspin	Cornwell	Goldwater
Badham	Cotter	Goodling
Bafalis	Coughlin	Gradison
Barnard	Crane	Gudger
Beard, Tenn.	Cunningham	Guyer
Bennett	Daniel, Dan	Hall
Bevill	Derrick	Hammer-schmidt
Blanchard	Derwinski	Hansen
Brinkley	Devine	Harris
Broomfield	Dickinson	Heckler
Brown, Ohio	Dornan	Hefner
Broyhill	Drinan	Hollenbeck
Buchanan	Duncan, Tenn.	Hyde
Burgener	Edwards, Ala.	Ichord
Burke, Fla.	Emery	Jacobs
Burleson, Tex.	Erlenborn	Jeffords
Butler	Evans, Del.	Jenkins
Carter	Fenwick	Kasten
Chappell	Findley	Kastenmeier
Clausen, Don H.	Fish	Kelly
Clawson, Del	Fisher	Ketchum
Cleveland	Flood	Lagomarsino
Cohen	Florio	Leach
Collins, Tex.	Flowers	Lent
Conte	Foley	Levitas
Cornwell	Ford, Tenn.	Lloyd, Calif.
Cotter	Fuqua	Long, Md.
Coughlin	Gammage	Lujan
Crane	Gaydos	Luken
Cunningham	Gephardt	McCloskey
Daniel, Dan	Giaimo	McDade
Derrick	Ginn	McDonald
Derwinski	Glickman	Maguire
Devine	Gonzalez	Martin
Dickinson	Gore	Mazzoli
Dornan	Grassley	Meyner
Drinan	Hagedorn	Michel
Duncan, Tenn.	Hanley	Milford
Edwards, Ala.	Hannaford	Miller, Ohio
Emery	Harkin	Minish
Erlenborn	Harrington	Mollohan
Evans, Del.	Hawkins	Montgomery
Fenwick	Heftel	Moorhead, Calif.
Findley	Hightower	Mottl
Fish	Hillis	Nedzi
Fisher	Holland	Nichols
Flood	Holt	Pattison
Florio	Holtzman	Pease
Flowers	Howard	Pettis
Foley	Hubbard	Preyer
Ford, Tenn.	Huckaby	Pursell
Fuqua	Hughes	Quayle
Gammage	Ireland	Quillen
Gaydos	Jenrette	Rahall
Gephardt	Johnson, Calif.	Regula
Giaimo	Jones, N.C.	Robinson
Ginn	Jones, Okla.	Rogers
Glickman	Jones, Tenn.	Rousselot
Gonzalez	Kazen	Rudd
Gore	Kemp	Runnels
Grassley	Keys	Ruppe
Hagedorn	Kildee	Santini
Hanley	Kindness	Sarasin
Hannaford	Kostmayer	Satterfield
Harkin	Krebs	Sawyer
Harrington	Krueger	Schulze
Hawkins	LaFalce	Shuster
Heftel	Latta	Simon
Hightower	Le Fante	Spence
Hillis	Lederer	St Germain
Holland	Leggett	Stanton
Holt	Lehman	Steiger
Holtzman	Lloyd, Tenn.	Stockman
Howard	Long, La.	Stump
Hubbard	Lott	Symms
Huckaby	Lundine	Taylor
Hughes	McClory	Treen
Ireland	McCormack	Udall
Jenrette	McEwen	Vanik
Johnson, Calif.	McFall	Walgren
Jones, N.C.	McHugh	Waxman
Jones, Okla.	McKay	Whalen
Jones, Tenn.	Madigan	Wilson, C. H.
Kazen	Mahon	Wolff
Kemp	Markey	Wydler
Keys	Marks	Wylie
Kildee	Marlenee	Yates
Kindness	Marriott	Young, Fla.
Kostmayer	Mattox	
Krebs	Meeds	
Krueger	Metcalfe	
LaFalce	Mikulski	
Latta	Miller, Calif.	
Le Fante	Mineta	
Lederer	Mitchell, Md.	
Leggett	Mitchell, N.Y.	
Lehman	Moakley	
Lloyd, Tenn.	Moffett	
Long, La.	Moore	
Lott	Moorhead, Pa.	
Lundine	Moss	
McClory	Murphy, Ill.	
McCormack	Murphy, N.Y.	
McEwen	Murphy, Pa.	
McFall	Murtha	
McHugh	Myers, Gary	
McKay	Myers, John	
Madigan	Myers, Michael	
Mahon	Natcher	
Markey	Neal	
Marks	Nix	
Marlenee	Nowak	
Marriott	O'Brien	
Mattox	Oakar	
Meeds	Oberstar	
Metcalfe	Ottinger	
Mikulski	Panetta	
Miller, Calif.	Patten	
Mineta	Patterson	
Mitchell, Md.	Pepper	
Mitchell, N.Y.	Perkins	
Moakley	Pickle	
Moffett	Pike	
Moore	Poage	
Moorhead, Pa.	Pressler	
Moss	Price	
Murphy, Ill.	Pritchard	
Murphy, N.Y.	Quie	
Murphy, Pa.	Rangel	
Murtha	Reuss	
Myers, Gary	Rhodes	
Myers, John	Richmond	
Myers, Michael	Rinaldo	
Natcher	Risenhoover	
Neal	Roberts	
Nix	Rodino	
Nowak	Roe	
O'Brien	Roncalio	
Oakar	Rooney	
Oberstar	Rose	
Ottinger	Roybal	
Panetta	Russo	
Patten	Scheuer	
Patterson	Schroeder	
Pepper	Sebelius	
Perkins	Seiberling	
Pickle	Sharp	
Pike	Sikes	
Poage	Sisk	
Pressler	Skelton	
Price	Skubitz	
Pritchard	Slack	
Quie	Smith, Iowa	
Rangel	Smith, Nebr.	
Reuss	Snyder	
Rhodes	Solarz	
Richmond	Spellman	
Rinaldo	Staggers	
Risenhoover	Stangeland	
Roberts	Stark	
Rodino	Steed	
Roe	Steers	
Roncalio	Stokes	
Rooney	Stratton	
Rose	Studds	
Roybal	Thompson	
Russo	Thone	
Scheuer	Thornton	
Schroeder	Traxler	
Sebelius	Trible	
Seiberling	Tsongas	
Sharp	Tucker	
Sikes		
Sisk		
Skelton		
Skubitz		
Slack		
Smith, Iowa		
Smith, Nebr.		
Snyder		
Solarz		
Spellman		
Staggers		
Stangeland		
Stark		
Steed		
Steers		
Stokes		
Stratton		
Studds		
Thompson		
Thone		
Thornton		
Traxler		
Trible		
Tsongas		
Tucker		

NOES—251

Ullman	Watkins	Wilson, Tex.
Van Deerlin	Weaver	Winn
Vander Jagt	Weiss	Wirth
Vento	White	Yatron
Volkmer	Whitehurst	Young, Mo.
Waggonner	Whitley	Young, Tex.
Walker	Whitten	Zeferetti
Walsh	Wiggins	
Wampler	Wilson, Bob	

NOT VOTING—39

Annunzio	Flippo	Mathis
Applegate	Ford, Mich.	Mikva
Beard, R.I.	Fraser	Nolan
Beilenson	Frenzel	Obey
Brademas	Gibbons	Railsback
Breckinridge	Hamilton	Rosenthal
Brodhead	Harsha	Rostenkowski
Burke, Mass.	Horton	Ryan
Dent	Johnson, Colo.	Shipley
Dodd	Jordan	Teague
Early	Koch	Wright
Evans, Ind.	McKinney	Young, Alaska
Fithian	Mann	Zablocki

Mr. SEIBERLING, Mr. MOORE, Mrs. BURKE of California, Mr. RINALDO, and Mrs. COLLINS of Illinois changed their vote from "aye" to "no."

Mr. SYMMS and Mr. GUDGER changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. M'CLOSKEY

Mr. McCLOSKEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCLOSKEY: On page 3, line 14, after "$372,109,000" add the words: "*Provided, however,* That no funds authorized by this paragraph may be paid to any liner company unless its chief executive officer certifies under oath to the Secretary of Commerce that he (1) has taken prompt and comprehensive action to insure that, currently and for the period during which these funds are to be received, no company owner, employee, or agent will pay any rebates which are illegal under the Shipping Act of 1936 and (2) will fully cooperate with the Federal Maritime Commission in its investigation of illegal rebating in United States foreign and domestic trades, and in its efforts to end such illegal procedures".

Mr. McCLOSKEY. Mr. Chairman, this amendment seeks to obtain the cooperation of the American shipping industry with the ongoing investigation of that industry by the Federal Maritime Commission. It became apparent in the fall of 1975 when one of America's largest shipping companies, Sea Train, pled guilty to a number of counts of illegal rebating. Following that, two other major companies, U.S. Lines and Sea Land, filed with the FMC to advise that they had paid illegal rebates and that illegal rebates were widespread in the United States shipping industry. As a result of that rebating, the Federal Maritime Commission is now investigating 6 of the authorized 10 liner companies that received $372 million in subsidies in this bill.

This amendment is very simple. It requires two things of the President in each of those 10 subsidized liner companies. Let me read the amendment to emphasize its simplicity:

Provided, however, That no funds authorized by this paragraph may be paid to any liner company unless its chief executive officer certifies under oath to the Secretary of Commerce that he (1) has taken prompt and comprehensive action to insure that, currently and for the period during which these funds are to be received, no company owner, employee, or agent will pay any rebates which are illegal under the Shipping Act of 1916 and (2) will fully cooperate with the Federal Maritime Commission in its investigation of illegal rebating in United States foreign and domestic trades, and in its efforts to end such illegal procedures.

With 9 of the 13 major U.S. companies either under investigation or having pled guilty to illegal rebating, it is particularly important that this Congress require that the recipients of maritime subsidies both certify that they are trying to end these practices by their own companies and, second, that they do cooperate with the Federal Maritime Commission.

Why is this appropriate for the Congress? Because, back in 1972, 5 years ago, this House on an unrecorded vote passed a law which reduced the penalties for illegal rebating from criminal to civil. The House did that, and the Senate did that, by unrecorded vote. Quietly, there passed into law a bill which was of immense benefit to the maritime industry, because no longer were they guilty of criminal conduct in violating the very laws enacted by Congress. What then happened? The maritime industry has probably given more money to Members of Congress per capita than any industry in the United States. Two of these three companies filed with the Securities and Exchange Commission a statement. U.S. Lines said:

We paid $5,000 to an elected official of the United States Government in an attempt to procure passage of favorable legislation.

None of us know which Member of Congress or Member of the Senate or Vice President or President it was who was paid $5,000 by this shipping line, but surely companies which are getting this benefit from the Government should not object to signing a certificate that they are obeying the laws with the moneys they get, and that they will cooperate with the Federal Maritime Commission in its investigation.

When the Commission testified before our committee, they could not give us the assurance that they had received full cooperation from the companies which were under investigation. This amendment would require that those liner companies' presidents file a certificate that they will cooperate. This does not violate the fifth amendment and does not require that any individual might incriminate himself. All it does is require that, "If we give you any money from the United States taxpayers, you will abide by the law and cooperate with the Commission's investigation of illegal practices."

The CHAIRMAN. The time of the gentleman from California has expired.

(On request of Mr. COHEN and by unanimous consent Mr. McCLOSKEY was allowed to proceed for 1 additional minute.)

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from Maine.

Mr. COHEN. As I understand it, the recipients of the maritime subsidies are presently not required to cooperate with the Maritime Commission that is investigating the illegal rebating.

Mr. McCLOSKEY. That is correct. No liner company receiving the subsidy is presently required to cooperate with the Federal Maritime Commission in its investigation.

Mr. COHEN. So, all the gentleman's amendment does is to require that the officers certify that they are not engaged in illegal conduct and to cooperate with the Federal agency investigating illegal activities.

Mr. McCLOSKEY. That is correct.

Mr. COHEN. I thank the gentleman.

Mr. MURPHY of New York. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I suppose we could aptly call this the age of scandal. Here, we have an amendment that is going to label the American-subsidized liners and categorize them in such a way as to harm them. The purpose of the legislation is to try to preserve an American-flag merchant fleet. This committee has undertaken a revision of our entire perspective as far as our ocean carriage is concerned.

The President has just agreed last week to a 9½-percent cargo equity provision on American carriage of imported strategic petroleum products. The committee is going into the question of analyzing the other cargo areas and why the American fleet is fast disappearing from the high seas. We had the Secretary of the Navy before the committee this morning. We do not have sufficient American flag vessels to support, at the present time, America's defense forces. And we would be in worse shape during any period of emergency.

This amendment is not as simple, as my colleague from California would have you believe. Should a president of a company be found guilty under this amendment, it would take away the subsidy completely from that steamship line. It only goes to the subsidized carrier. It does not go to the other American carriers. And who does the gentleman name in the amendment as the people who may have violated—and some who did violate—FMC regulations and Federal law? Seatrain, U.S. Lines, and Sea-Land. None of them are subsidized carriers. They are all unsubsidized carriers.

So let us get to the heart of the amendment and find out what this amendment does, This is a captious, dangerous and completely unfair amendment in its thrust which would provide that no operating differential subsidy funds may be paid to a liner company—subsidized operator—until the chief executive officer of that company certifies to the Secretary of Commerce that no company employee or agent will pay any rebates which are illegal under the Shipping Act of 1916.

Of course, when the gentleman offered his amendment in full committee—which, incidentally was soundly defeated—he had a retroactive provision which applied to company practices over the past 5 years. Substantively, great doubt exists as to whether the Govern-

ment can now change fundamental commitments made at the time of execution of such contracts and not subject itself to an action in breach of contract. Moreover, I cannot believe that the Congress would ever sever necessary Federal aid ex post facto or approve retroactive application. Apparently, the gentleman from California thinks so too.

As mentioned previously, this is a captious amendment and the gentleman from California argues for the amendment in a most beguiling way. He attempts to lure us into the belief that all he is asking is that the company agree that it is not doing anything illegal and then in committee markup asked, "What is wrong with that?". Obviously, nothing is wrong with that and we all agree that the company should not do anything illegal. However, if that is all the gentleman wants, and we agree to that, then there is no necessity for tying this to eliminating necessary operating differential subsidy. But, I am sure the gentleman would not agree to that. But this is where the penalty is and this is where the wrongness and even potential illegality of this amendment exists. Let us not allow him to beguile us into believing his amendment simply asks that the company not do anything illegal. It is not that simple and the amendment carries inherent, dangerous and disastrous consequences for the U.S.-flag merchant fleet if subsidy funds were to be deleted.

The FMC and not the Maritime Administration is the proper regulatory agency entrusted to deal with rebating.

The amendment's approach to the rebating problem is both unwise and unwarranted. The amendment would give certification to the Secretary of Commerce, but the Congress, over the years, imposed, and revised as appropriate penalty provisions for those operators who may violate the antirebating sections of the Shipping Act of 1916. In fact, to require sanctions discriminating against any particular class of carrier is inconsistent with the mandate of the regulatory statute, and the concept behind it and reorganization plan No. 7 (1961). This is a matter properly before the Federal Maritime Commission and its administration of the Shipping Act of 1916, and to attempt to approach the issue through the subsidy contracts entered into under the Merchant Marine Act of 1936—administered by the Maritime Administration—is inconsistent with the statutes, with the administrative law, and doctrine of the Federal agencies involved, and with the philosophy and entire doctrine of fairness, which is the essence of our jurisprudence.

The proposed amendment would harm the national security.

It would be unreasonable and contrary to the national security to deny traditional and long-standing operating subsidies to those U.S.-flag ocean carriers which are under investigation by the FMC on suspicion of having rebated.

The real purpose of the subsidy program is to preserve a U.S. merchant marine adequate to meet the needs of our Nation in time of peace and war, and to provide jobs for American seamen and workers in shipyards, on vessels, and in shipping related industries.

The appropriate punishment for violations of a specific statute, in this case the Shipping Act of 1916, should be the penalty provided for such violations under that statute, and not a disjointed, disoriented attempt at eliminating support for a vital national security asset.

The real problem of overtonnaging would not be solved by the proposed amendment.

Generally, vessel operators are the victims of rebating and are as anxious as anyone to see this practice which erodes their profits eliminated. The gentleman's amendment, which would strike at the heart of a vital national security and economic asset, but is craftily clothed in the assertion that the carrier obey the law, has a superficial appeal, but does not apply to gross overtonnaging which is the principal reason for rebating which is not a problem in foreign-to-foreign trades, where policies of other governments encourage limits on carrying capacity through the use of closed conferences.

The proposed amendment discriminates against U.S.-flag subsidized operators.

The amendment, of course, does not apply to unsubsidized operators, only to subsidized operators. And even the most conscientious carrier cannot guarantee that his agent, for example, in a foreign country where rebates are legal, will not engage in the practice of rebating or even that shipments will not accidentally be misstated with regard to type or weight of cargo.

Thus, the only effect of Mr. McCLOSKEY's amendment would be to add another layer of Government regulation and place an inequitable and destructive burden on the ODS carrier, who would have vastly more at risk than U.S. carriers receiving different forms of Government aid, or foreigners.

The amendment would not address the issue it is directed at. It is applied to the wrong Government agency in the wrong way, in the wrong place, at the wrong time, and is insidious, in that it could completely destroy the U.S. subsidized liner fleet which is the only modern, viable segment of the U.S.-flag merchant marine.

I cannot urge my colleagues strongly enough to defeat this amendment.

First, we must be absolutely certain of the facts. The Federal Maritime Commission is currently conducting a comprehensive and deliberate investigation of ocean carriers who have paid rebates and shippers who received them.

Nine U.S.-flag carriers and 17 foreign-flag carriers are involved in this investigation.

Not a single U.S.-flag, and I repeat, not a single U.S.-flag carrier has yet failed or refused to cooperate with the Federal Maritime Commission in this investigation. In fact, they are in the process of cooperating. The Commission is attempting to achieve voluntary disclosure agreements with all U.S. carriers. These investigations require extensive audit and review, including field investigations of both U.S. and overseas operations of these carriers. This was the procedure that resulted in the Sea-Land Service, Inc., settlement reached in January of this year. I am advised by the Commission that as of today there is no reason to believe that such voluntary disclosure and settlements will not be reached.

In regard to the 17 foreign-flag carriers, one has already been referred to the Justice Department. Whatever happens to the remainder is not affected in any way by the amendment before us.

The question has been raised that a $5,000 payment was made to a Member of Congress. That incident has been fully investigated by a Federal grand jury. It is in the hands of the Attorney General at this time for proper legal processing. This is proof of the surveillance and oversight of the proper regulatory agencies and entities in this area. It is now up to the Justice Department to decide whether there is sufficient evidence for a presentment to the grand jury.

As I have mentioned, we know that in the case of Sea-Land, that was a voluntary disclosure. Every subsidized carrier has voluntarily come forward and is in complete cooperation with the Federal Maritime Commission. The problem is being handled properly within the regulatory agencies that the Congress created to handle it, and I would say that the committee should resoundingly defeat this amendment.

The CHAIRMAN. The time of the gentleman from New York (Mr. MURPHY) has expired.

(On request of Mr. VOLKMER and by unanimous consent, Mr. MURPHY of New York was allowed to proceed for 2 additional minutes.)

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Missouri (Mr. VOLKMER).

Mr. VOLKMER. I thank the gentleman for yielding.

During the hearings, was there any testimony as to rebates, which are illegal under the Shipping Act of 1916?

Mr. MURPHY of New York. The entire question of rebating is a subject of a task force in our committee. The committee has worked with the Federal Maritime Commission over the past 6 months. Either later this month or as soon as we get back in September after the break, the entire question of rebating and the Federal Maritime Commission's answer and surveillance of the problem will be addressed at that time.

Mr. VOLKMER. In other words, it is the gentleman's opinion then that the rebating matter as pertains to American shipping should be considered in a separate piece of legislation?

Mr. MURPHY of New York. Yes, it should be, if our work indicates that legislation is necessary.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from California (Mr. McCLOSKEY).

Mr. McCLOSKEY. I thank the gentleman for yielding.

I do not understand why the chairman would resist this amendment that requires the presidents of shipping companies to cooperate with the FMC if the chairman states they are already cooperating. All the amendment does is require that they have taken steps to end it in their companies and that they will cooperate with the FMC.

For the life of me I cannot understand why the chairman of the committee resists this amendment when this industry and this Congress are both under suspicion because of what the industry has done in the past.

The Chief of Compliance of the Federal Maritime Commission has said there has been widespread illegal activity throughout the industry. Secretary Blackwell testified before us that it is a pernicious practice, and that he has learned there are widespread illegal practices throughout the industry.

What are we supposed to do in order to tell the U.S. taxpayers that we expect these beneficiaries of $372 million in subsidies should abide by the law and be cooperative in the investigation and furnish this data for the chairman who says he is conducting the investigation?

The CHAIRMAN. The time of the gentleman from New York (Mr. MURPHY) has expired.

(By unanimous consent, Mr. MURPHY of New York was allowed to proceed for 1 additional minute.)

Mr. MURPHY of New York. Mr. Chairman, the beneficiaries of this program have wholeheartedly cooperated with the Federal Maritime Commission. They have come forward voluntarily in the investigation.

The gentleman's amendment is so narrow that he singles out the one element of the American-flag fleet that is subsidized for punitive action. The three cases that the gentleman mentions are in the nonsubsidized fleet, and the nonsubsidized fleet does not come under the purview of this amendment.

What we intend to do, as I just said in response to my colleague, is to continue the investigation of this whole issue that we have started. If it is necessary, the committee will develop separate legislation that deals with this problem, but we do not want to precipitously penalize one segment of the industry. We do not want to penalize the one vital segment that we have subsidized over the years, which is the major Sealift segment for the national defense and security of this country.

Under the gentleman's amendment, the president of a subsidized company would be responsible for the activities of all his employees in this area, which he cannot possibly be accountable for. Under these circumstances the company could lose its subsidy payments. This could cripple the most modern viable segment of the maritime industry.

Mr. COHEN. Mr. Chairman, I move to strike the requisite number of words. and I rise in support of the amendment.

Mr. Chairman, the statement that was just made in the well was that our primary goal is to keep the American fleet afloat. The question I must raise is this: At what price? Is it at the price of corruption and lawbreaking?

I ask that because certainly the only issue raised by the gentleman from California (Mr. McCLOSKEY) is that he is opposed to using taxpayers' dollars to pay for illegal activities. We have seen this country rocked by scandal after scandal during the past few years, and we have seen instances in which illegal contributions and kickbacks were made.

The chairman of the committee says we are going to study the whole issue of rebating. Somehow the use of the word "rebating" makes it sound like a proper business procedure. But what we are talking about is illegal kickbacks in the maritime industry.

I find it incredible that this Congress should go on record as resisting this amendment. We are saying, No. 1, all we want is certification that the companies are acting properly and not illegally, and, No. 2, they will cooperate with Federal officials now investigating illegal activities.

Certainly this Congress and each Member of this Congress has been called upon to certify to the Committee on Standards of Official Conduct that he or she has not engaged in illegal activities, and it does not seem to be an unreasonable requirement to ask the operators of a heavily subsidized industry to make a similar declaration.

Mr. Chairman, I would like to have the gentleman from California (Mr. McCLOSKEY) clear up this issue as to whether or not the maritime industry has in fact fully cooperated.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. COHEN. I yield to the gentleman from California.

Mr. McCLOSKEY. Mr. Chairman, the fact of the matter is that they are not cooperating. We have only had one hearing of our committee on that question. Secretary Blackwell came before us, the FMC came before us, and they told us that of the 10 subsidized liner companies, 6 are currently under investigation. They could not assure us whether those companies were guilty or not because they had not received the full cooperation of those six companies.

An 11th company, U.S. Lines, has pleaded guilty. U.S. Lines pleaded guilty to substantial illegal rebating practices. They are negotiating now on a fine. We were told that U.S. Lines is the one that paid $5,000 as an illegal payment to a U.S. official to assure the passage of favorable legislation. U.S. Lines is asking for a subsidy that will be before the Maritime Administration next year.

It seems to me clear that with 6 of the 10 companies receiving subsidies under investigation, and with 1 that has already pleaded guilty and is now asking for a subsidy, this is a proper certification and a procedure we should insist upon.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. COHEN. I yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Chairman, all U.S.-subsidized carriers have cooperated with the Federal Maritime Commission.

The FMC told this committee yesterday that the 10 subsidized U.S.-flag companies are cooperating 100 percent in their investigation of rebating practices. One of the things we found out was that there were only 36 investigators in the FMC which means the staffing of the Federal Maritime Commission is not at the proper level to oversee and investigate properly. Further, we were told that no foreign carrier in competition with the American-flag fleet has come forward to cooperate.

But here on the floor of Congress, do we want to destroy the American maritime fleet to the benefit of the noncooperating foreign fleets? That is what we would accomplish with this amendment.

Mr. COHEN. Mr. Chairman, let me reclaim my time.

I find it ironic to say on the one hand that we are going to destroy the industry and yet, on the other hand, the chairman of the committee says they are fully cooperating.

If they are fully cooperating, there is no additional burden placed on them by having them certify they will cooperate in the future. Certainly there is no additional burden put on them to require them to say they will certify they will commit no illegal kickbacks or rebates.

I think the gentleman from California (Mr. McCLOSKEY) is simply asking that they make a declaration that they are abiding by the law and will cooperate with those investigating lawbreaking.

Mr. McCLOSKEY. Mr. Chairman, if the gentleman will yield further, I might make one point which the chairman brings out. The Federal Maritime Commission somehow, in all of its years of existence, never was able to discover illegal rebating. It was discovered when two of these companies filed with the Securities and Exchange Commission, and a third company was prosecuted by a grand jury in New York.

Mr. Chairman, 36 people cannot complete an investigation without the full cooperation of the companies.

Sealand and United States Lines made internal investigations and furnished the whole record to the FMC as to what they had done; it is on the basis of that furnishing of the record that the investigation now proceeds against the subsidized carriers.

Mr. RUPPE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it seems to me that the amendment offered by my colleague, the gentleman from California (Mr. McCLOSKEY), is eminently fair, and actually at this time would be of substantial benefit to the maritime industry.

First of all, I think we ought to acknowledge that there has been rebating over the years. The Federal Maritime Commission acknowedges this, and they have been conducting an investigation for a number of months as to rebating practices.

Second, the bill is not retroactive, so we are not asking anybody to sign away or to renounce his rights or prerogatives

with respect to anything that might have been encountered in years past; but, rather, the amendment goes to the future.

Mr. Chairman, I think we all have to recognize that the law today says that we can establish conference rates, but one cannot rebate on them. It is against the law to rebate.

I think it is particularly important that the vessel owners and operators adhere to the law and meet the conference rates but not rebate. I think it is doubly important that they comply with the law at a time when they are getting some $350 million in operating subsidy. It does not seem logical to me that we subsidize the operators in that amount of money, $350 million, without having the right, indeed, the obligation on the part of the American taxpayer, to ask them very clearly and distinctly to adhere to the law. That is all the gentleman wants to do.

Mr. Chairman, I might add one more point. We are not really penalizing the good American operator by this amendment. There is tremendous competition in the liner trades. In some trades there are simply too many vessels competing for the cargo, so there has been rebating. However, what this amendment would do would be to protect the good operator because the good operator is the one who has not been rebating. He has been chewed to pieces in the past by the operator who does rebate.

Mr. Chairman, all American operators are going to put on record that no rebating is going to be tolerated, and they are going to be told that they are going to have to sign on the dotted line, saying they are going to comply with the law. This is going to make it much easier in the future for the clean or for the nonrebating American operator because he is going to stand, maybe for the first time, on an equal footing with his competitor, who may have been rebating for years.

Therefore, Mr. Chairman, we are simply putting the industry on notice by saying we are against all forms of rebating, and we are going to make the entire industry, much of which is subsidized to the tune of $350 million a year, stand on an equal footing. As has been the case in the past, we are not going to permit the bad operator, through a rebate, to have an unfair competitive advantage in carrying freight in these conferences over the good operator, who has refused to rebate and has carried out the letter and the intent of American law.

Again, Mr. Chairman, I say that this amendment is a good amendment because it protects the American operator who has agreed not only to comply with the conference rates, but who has agreed to adhere to the legal requirement that those conference rates not be abused or cut illegally. I think this is an amendment that is absolutely important and is of distinct benefit to the good American operator.

It is not retroactive. We are not asking anybody to say "mea culpa" with respect to what might have been the situation in years gone by. We are simply saying, "In the future you all have to agree to abide by American law and remain within the conference rates so as to give the operator who does not cheat on the conference rates just as much opportunity to stay alive and to do business as the operator who has propensities for doing just the opposite."

Mr. LEGGETT. Mr. Chairman, I move to strike the last word.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from New York (Mr. MURPHY), the chairman of the committee.

Mr. MURPHY of New York. Mr. Chairman, I am amazed by the inconsistency of our colleague, the gentleman from Michigan, Mr. RUPPE, as I look at our committee report on this authorization legislation. On page 32 of the concurring views of the gentleman from Michigan, continuing over on page 33, the gentleman states:

> Questionable rebating practices have nothing to do with this contractural obligation; rather, such practices may be a violation of a different statute which is administered by a separate and distinct agency. Second, why should the Congress in an authorization bill interfere with an ongoing industry-wide investigation of suspected illegal activities when by law that investigation is the responsibility of an Executive Branch agency? I am unaware that those line operators who are parties to operating-differential contracts are "stonewalling" the FMC in its investigation.
>
> Finally, there is the issue of fundamental fairness to those liner companies who are recipients of operating-differential subsidies. The Congress, to my knowledge, has never sought to deny government freight payments due the unsubsidized lines for the carriage of government-impelled cargo (e.g., military or P.L. 480) if these lines refused to "confess" to the FMC all questionable rebates made in the normal course of their commercial ocean trade (one must remember that these lines are major competitors of our subsidized operators). The most important aspect of the notion of fundamental fairness with which this proposal comes into conflict, however, is the American tradition of justice iterated in the Constitution of not forcing a citizen to give evidence that may be damaging to his own interests.

Yet we see that it is the subsidized carriers who are the focal point of this amendment, who have bared their souls to the Federal Maritime Commission, who are the ones who could be hurt as a result of the predatory foreign carriers with their pernicious rebate practices. This will result in the foreigners capturing even more American cargo in the future if the subsidized operator is driven out of business by eliminating his operating subsidy.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Michigan.

Mr. RUPPE. Mr. Chairman, let me say in response to the statement just made by the Chairman, the gentleman from New York (Mr. MURPHY) and I want to say that I have the very highest regard for the Chairman of this committee—that my opposition to the original McCloskey amendment in the committee was that it was retroactive. I think we should all agree that there have been rebates in the past. I do not think we want to require the operators to now say how much rebating they have done in the past 5 years. I think that type of research into past practices is something for the Federal Maritime Commission or the Justice Department to undertake, not for this Congress under this particular piece of legislation.

The amendment today offered by the gentleman from California (Mr. MCCLOSKEY) is not retroactive, which is a very important distinction, and applies primarily to the future. I believe we should ask the companies to adhere to the law, and to say to them that if they are to receive $350 million this year and the next, then they most definitely should not rebate conference rates. I think that goes to the protection of the operators who did not rebate. I am very much aware of the facts of life, and that is that some of these conferences are just like people living down on your block, down the street from where you live, who rebate and who are cheating, and it puts tremendous pressure on the people who have not, heretofore, cheated, to do the same thing.

What I really believe the amendment offered by the gentleman from California (Mr. MCCLOSKEY) does this time is to put pressure on everybody that they are going to get into trouble if they rebate, so that everybody is going to compete equitably and fairly.

It is more important than ever that we can say to the American people that this is so, at a time when we are authorizing $350 million in subsidized funding.

Mr. JONES of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman, from North Carolina.

Mr. JONES of North Carolina. Mr. Chairman, one of the weaknesses of the amendment offered by the gentleman from California (Mr. MCCLOSKEY) is the fact that it does not touch the American vessels sailing under foreign flags, of which there are some 17 now under investigation, and I feel that this is no reason we should punish the other companies in trying to stop this practice.

Mr. LEGGETT. I think the gentleman is exactly correct. I am against the amendment if he is in doubt. I think that really there is no company in its right mind at the present time which is going to be engaging in rebates, with one company having paid $4 million in finds for such activites. It is not really worthwhile to require cooperation. That is a very vague term. What does it mean? You investigate all of your employees; you waive all of your employees' fifth amendment rights; you retroactively go back and uncover every record that is available.

I think that the amendment, while well intended, is mischievous. I think we are all against rebates. I do not think this amendment relates to that question at all; it relates to taking advantage of one group. It does not relate to the bulkers which receive subsidies. It does not apply to all U.S., flagships. I think the amendment ought to be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. MCCLOSKEY).

The question was taken; and on a division (demanded by Mr. McCLOSKEY) there were—ayes 41, noes 27.

So the amendment was agreed to.

The CHAIRMAN. Are there further amendments?

AMENDMENT OFFERED BY MR. M'CLOSKEY

Mr. McCLOSKEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCLOSKEY: On page 3, line 14, after "$372,109,000" add the words: *"Provided, however,* That no funds authorized by this paragraph may be paid under the terms of any future operating-differential subsidy contract which has a duration greater than one year".

Mr. McCLOSKEY. Mr. Chairman, the $372 million that we authorized for next year's operating subsidies go to assist 177 U.S. ships owned by a number of U.S. shipping lines. If this bill is passed, 81 of those ships—nearly half—will come up for renewal next year. The Maritime Administration in the past has been in the habit of negotiating 20-year operating subsidy contracts. This means that next year, 81 ships, at a cost of about $2 million per ship come up for subsidy renewal, and the renewal will be for a period of 20 years and will involve a total budget obligation of over $3.2 billion.

The Ford administration, before it went out of office, recommended that all operating subsidies be suspended until we could review the current maritime policy.

It is widely recognized that our chairman, the gentleman from New York (Mr. MURPHY) in obtaining a budget for this year of about four times what we had last year for this committee, under his leadership in reinvigorating this committee, has pledged that this year and next we will completely overhaul and review the maritime laws of the United States.

We have a number of options. We can move to cargo preference where we require that American cargo be carried in U.S. ships. The chairman has recently gotten the approval of the administration to a bill for limited preference for the carriage of oil. We could move to closed conferences as the European nations do, requiring that only U.S. ships carry a certain percentage of U.S. trade, and that no ships get into conferences unless they meet our criteria. There is a possibility that we could extend antitrust immunity to shippers' groups and to other carriers' groups so that we could counter the economic power of the shipping companies and protect against monopoly, not by the antitrust exemption and the FMC regulations we have today, but by collective bargaining and negotiations with the shippers' groups who put those cargoes on U.S. ships. These options can be badly hampered for next year while we are considering what policy we should adopt.

We hang around our necks like a bellwether, however, a 19-year additional obligation to pay over $3 billion in maritime subsidies. My suggestion is only this, that we do not accept the Ford administration's recommendation that we abandon all subsidies while we consider this new program, but that we do limit the new operating subsidy contracts to a 1-year term. That means that during that 1-year term while we are considering what policy to adopt, and whether we go with cargo preference or insistence on a certain percentage of cargo in U.S. ships—in which case we would not need the subsidy certainly—while we are considering this policy, we would not tie our hands by obligating the $3 billion in future budgets over 19 years. That is the sole purpose of the amendment.

I have asked the liner companies that will be affected by this to furnish me with information and specific facts as to how any of them will be damaged if their operating contract for 1 year is 1 year alone instead of 20.

I have received answers that they think their investors may be concerned, but I have found no specific evidence, and none has been furnished us or the committee in the past months since this amendment has been pending, that it would precisely endanger any liner company if we limit their operating subsidy contracts to 1 year.

The amendment does not cut any money out of this budget, and it does not take any money out of any company. It merely says that instead of a 20-year obligation we will have only a 1-year obligation where they may receive these funds.

Mr. DERRICK. Mr. Chairman, I rise in support of the McCloskey amendment to the maritime authorization for fiscal year 1978. I wish to make clear that the objections which I state here are based not on the operating subsidy program itself but on sound budgetary principles.

As chairman of the House Budget Committee task force on budget process, I have become very concerned with various forms of financing used by the Federal Government to fund programs and activities. My task force has issued several in-depth studies on these financing techniques in order to focus on the long-term costs to the Government of particular forms of financing and to point out that in some cases there are alternatives which would increase congressional control.

The McCloskey amendment is intended to offer Congress one of these alternatives by placing the operating differential subsidy contracts for U.S. maritime vessels back under congressional control. Currently, long-term contracts obligate the Federal Government to provide the difference between United States and foreign operating costs for 20 years. These operating costs are approximately 86 percent for wages and the remaining is indemnification and protection insurance. If the money is not appropriated, the companies can sue the U.S. Government in the court of claims to recover under their contract rights.

If this were a newly authorized program, it would clearly violate the backdoor spending provisions of the Budget Act section 401(a). This says it shall not be in order to consider new contract or spending authority as described in the act unless it is effective for any fiscal year only to the extent provided in appropriations acts.

But because this is not a new program but the signing of new contracts under an already authorized program, it slips through the Budget Act controls.

However, this program is clearly bad budgetary practice. It obligates the Federal Government to pay the difference between U.S. and foreign operating costs on our maritime fleet for 20 years. Once the contract has been negotiated, the Appropriations Committee has no discretion and must appropriate this amount each year. Although the amount of the subsidy is recomputed each year, currently it is averaging about $2 million per year per ship for 181 currently operating ships. And it is going up.

There has been concern shown by both Presidents Ford and Carter about this kind of budgetary practice. It is inconsistent with President Carter's zero base budgeting concept. President Ford acted on the program specifically by placing a moratorium on the renewal of any operating differential subsidy contracts beyond June 30, 1978, pending outcome of an intensive analysis on the basis of the Federal support for the maritime industry.

The amount included in this bill you are voting on today may seem minor—the annual subsidy for four companies on 81 ships which come up for renewal this year. But this $2 million per ship will eventually cost the Government over $3.2 billion and this is only for those ships whose contracts expire this year. What about the remainder of the fleet which will come up next year and the next and the next until all ships have new 20-year contracts which the Government cannot touch?

Do we want to commit the Government to 20 years of contract subsidies at one time without seeing the full 20-year cost? This operating subsidy has been growing dramatically in recent years. The 1975 authorization of $245 million grew to $404 million by fiscal year 1977, yet the number of vessels receiving this subsidy declined from 215 to 181.

I would urge my colleagues to vote for this amendment today which does not restrict the program but which allows Congress the flexibility to determine its own commitment to this program at a more frequent time interval and which heightens its own sense of controllability and responsibility to the American taxpayer.

Mr. MURPHY of New York. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, I think all of the Committees of the House of Representatives have experienced some tribulations with the Office of Management and Budget when they go to the authorization lewels. We know that the Budget people are experts in redlining. We know the problems of having such tremendous budgets to work with, the problems in taxing and fitting within the overall programs of an administration the proper programs that should be funded. This is a responsibility of the authorizing committee and it must understand the Office of Manage-

ment and Budget and its particular problems.

Last year the administration was recommending a 1-year operating differential subsidy program, instead of the 20-year program. This amendment is insidious in that its only thrust and impact would be to completely destroy the subsidized liner fleet which is the only modern and viable segment of the U.S.-flag merchant marine.

This amendment would lead to the decay and demise of most of the U.S.-flag foreign trade liner fleet. Neither the companies that depend on such subsidy nor the financial institutions that support them could be expected to undertake necessary massive investments in new operating equipment without the assurance of continuing Government support that is provided through long-term subsidy contracts. In short, such massive investments must be capitalized over a long period of time.

Additionally, the effect of this amendment would be highly inequitable, since it would impact immediately on those companies whose 20-year operating differential subsidy contracts have not been recently renewed. In other words, some U.S.-flag operators would be able to capitalize their investments over a long period of time, and others would be limited to 1 year. This amendment is probably the most destructive of all the negative amendments offered in committee and was quite properly overwhelmingly voted down by the full committee.

As just mentioned, the effect of this amendment would be highly inequitable, since it would impact immediately only those companies whose 20-year ODS contracts have not been recently renewed. Six ODS contracts involving five companies and 99 ships are scheduled for renewal before the end of fiscal year 1978. The affected companies are: American President Lines, Lykes Brothers Steamship Co., Prudential Lines, States Steamship Co., and Pacific Far East Line.

Under section 603 of the Merchant Marine Act of 1936, the Secretary of Commerce is authorized to enter into contracts for the payment of operating differential subsidy "for a period not exceeding 20 years." In recent years, contracts signed have generally been for 20 years. U.S. operators, financial institutions and the Maritime Administration indicate that long-term contracts are necessary. Mortgages which are used to finance vessels generally are for 20 years or more. If operating subsidy is not provided during all or most of this period, there is no assurance that carriers will be able to meet their mortgage payments. In many cases, substantial investments in both vessels and related shoreside equipment is required, and the predictability of long-term contracts is required to justify this commitment of large sums on ship replacements.

Our task force on long-term American-flag merchant marine policy has come up with the fact interalia, that in this quarter alone four of our major subsidized carriers had a deficit of over $3 million.

The critical nature and the necessity for the ODS and CDS programs cannot be more graphically noted than by the financial statistics of the U.S.-flag steamship companies today.

Mr. Chairman, I could not urge my colleagues more strongly to vote down this misguided and disruptive amendment.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from California.

Mr. McCLOSKEY. Mr. Chairman, I think the gentleman has focused on one point that could hurt the four companies that are receiving these operating subsidies that will be renewed for 20 years, that is, if they want to build new ships.

It is my understanding, Mr. Chairman, and I ask the gentleman to confirm this, that none of the four companies whose ships come up for renewal on the 20-year period intend to build new ships next year, with the exception of the American President Lines; is that correct?

Mr. MURPHY of New York. None of us at this time are in a position to say what the building requirements and plans of those companies will be in the next several years of these companies clearly APL will build and Prudential and Lykes may well be in the market for new vessels. I do know this, that because of the proposals and the procedures of the Office of Management and Budget of the Ford administration, the construction program of the U.S. flagships would amount to nothing being constructed through 1981 because of the lack of confidence thus engendered in the long-range program which the previous administration had put in doubt.

With only a 1-year guarantee, no financial institution will come in and support replacement construction and it would virtually gut the American-flag merchant fleet.

The CHAIRMAN. The time of the gentleman from New York has expired.

(On request of Mr. McCLOSKEY and by unanimous consent Mr. MURPHY of New York was allowed to proceed for 2 additional minutes.)

Mr. McCLOSKEY. If the gentleman will yield, the only concern that a bank would have about an operating liner company would be whether it should advance new funds for the construction of new ships. Granted, then they would want a 20-year guaranteed operating subsidy if they were going to loan money for the construction of that ship, but if none of these operating companies plan to build new ships, with the exception of this one ship by APL, then why should we commit ourselves to $3 billion when they are going to get the money anyway? They are not hurt if they are building new ships.

Mr. MURPHY of New York. As I mentioned earlier, I completely disagree with my colleague with respect to how many vessels these companies will construct. I would say to my colleague that what we face here is the uncertainty of the U.S. Government in the ODS and CDS program areas. That unfortunately has been reflected in the confidence of these steamship liners in their long-range construction programs. To limit to 1 year this operating subsidy, I think, would negate anything that this committee could possibly do in the next 5 years.

I would say that as we went through the 93d Congress, the 94th Congress, and into this Congress, and saw the pocket veto of legislation by the previous administration, it is little wonder why there is such a lack of confidence in American Government support of American-flag liners.

Mr. McCLOSKEY. This is my point. If the gentleman is successful—and I commend him highly for the leadership he has given this committee—if we come up with new cargo schemes, with new regulations, with new maritime law, and restore the confidence of the banking public and American public in the shipping industry because of the laws the gentleman has pledged to pass in this Congress, then will we not be authorizing for 19 years, $3 billion alone in the United States for projects which we may well have abandoned?

Mr. MURPHY of New York. No matter what the actions of this committee are, they are not going to dissolve the American-flag fleet in the 2 years of this Congress.

Moreover, I would point out to my colleague that the construction program for the companies in question is at the discretion of the Maritime Administration and that the statute clearly states "for a period not exceeding 20 years." So there is no fixed 20-year period as the gentleman seems to think.

Mr. RUPPE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think that the author of the amendment is moving in a very proper direction. I would say, however, that I am really not sure that this amendment is really the vehicle under which we would be attacking the problem. I think there are some particular difficulties with the overall operating subsidy program as it stands today.

However, we have several ways of changing the operating subsidy program at the present time. First of all, the Maritime Administration can develop contracts that run for less than 20 years. There is flexibility for the Maritime Administration to do a few innovative things that they have not done heretofore.

Second, I think that if the operating subsidy program is in need of being overhauled completely, perhaps we should change the 1936 act under which the old program has been estabilished. I think, however, there are some real dangers, if I might say so, in actually developing legislation today that would limit new operating subsidy contracts to 1 year.

As the Chairman suggests, it is almost impossible to build a new vessel today if the financing arrangements are not made over 20 years. There is no way an American vessel built in an American yard and operated with U.S. crews in the

world trade can compete effectively without subsidization over its economic life. So the fact is that without the operating subsidy no American vessel can compete. And, therefore, no American vessel will be constructed. American President Lines indicates it is going to build a ship, and Prudential Lines indicates it is going to build several ships. Perhaps new companies will come in the field. If that is the case, if we are to get a new construction program in the next fiscal year, it is almost imperative that we give the Maritime Administration the flexibility to enter into operating subsidy contracts for up to 20 years. Without the firm agreement of a 20-year subsidy contract there is no way any financial institution in the United States today is going to extend the type of credit necessary to build new ships. The companies do not have the money to build them on their own. The financial institutions are not going to give them the money to build a new ship under a 1-year agreement. They would not know next year or the year after whether they are going to meet the revenue.

I would say that without that type of commitment we are not going to see any new vessels constructed. In this case I think the chairman of the committee makes a very good point.

I would say, however, that the gentleman from California (Mr. McCLOSKEY) is absolutely right in that the operating subsidy agreements entered into by the Maritime Administration do deserve change. And, I hope that with his efforts and I know with the cooperation of the chairman of the committee that some of the things that have been common practice heretofore can be changed. But I would say at this time that I think the amendment would make it very difficult for a vessel replacement program to be undertaken by our maritime industry in the next 12 months.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. RUPPE. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

Mr. Chairman, I wonder if the gentleman can tell us—maybe every member of the committee knows—what proportion of the cost of construction does the American taxpayer support and what proportion of the operating cost?

Mr. RUPPE. On the construction end of the business the support is flexible. As I recall, in the last 2 years the construction subsidy runs about 40 percent or 45 percent of the cost of building the vessel. It does vary a little bit. At one time it was around 50 percent. In the 1970 act we pushed the subsidy down to around 35 percent. However, because of a worldwide recession in shipbuilding, notably in Japan, they have done a lot of wheeling and dealing, so to speak, in the pricing of new vessels and as a result the subsidy has run back over 45 percent.

Mrs. FENWICK. What is the operation subsidy? What proportion is that?

Mr. RUPPE. I have forgotten. Maybe the Chairman can advise me what that figure is.

Mr. MURPHY of New York. If the gentleman will yield, the operating subsidy is about 20 to 25 percent.

Mrs. FENWICK. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. McCLOSKEY).

The question was taken; and on a division (demanded by Mr. McCLOSKEY) there were—ayes 9, noes 26.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. M'CLOSKEY

Mr. McCLOSKEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCLOSKEY: On page 3, line 14, after "$372,109,000" add the words: *"Provided, however,* That no funds authorized by this paragraph may be paid to compensate for wage differentials that are based on U.S. shipboard wages which are higher than the average shipboard wages for all national crews of a composite of the Western European industrialized countries that have sizeable merchant marines and standards of living similar to the United States".

Mr. McCLOSKEY. Mr. Chairman, this amendment is offered to try to put an incentive for a ceiling on wage negotiations between management and labor in the maritime industry.

What it does is to establish an index of the composite of Western European nations whose ships compete with ours. These are the Norwegians, the Swedes, the West Germans, the British, the Dutch, and others.

Those countries, Mr. Chairman, have a standard of living similar to ours. The Norwegian wage rates, the West German wage rates, and the Swedish wage rates are comparable to ours. Yet from statistics furnished us by the Maritime Administration, the wage costs on a Norwegian container ship, for example, are less than one-third those of a U.S. ship.

Why is this? Because our operating differential subsidy is intended to compensate U.S. shipping companies for the difference in the operating costs of our ships as distinguished from competitors' ships. Because of that, there is absolutely no reason to reduce the wage negotiations to any level, because whatever wage increase may be negotiated between a union and management, the additional cost is going to be picked up by the Government of the United States under this operating subsidy. In other words, in the wage negotiations, since we have agreed by subsidy to pick up the difference in costs, if wage prices go up, the U.S. Government will pick up the increase.

It is true, as reflected in the answer to the question the gentlewoman from New Jersey (Mrs. FENWICK) asked that we subsidize about 20 percent of the operating costs of these ships, but we subsidize 73 percent of the seamen's wages.

What incentive is there, then, on management to resist a negotiated wage increase, if the Government is going to pick up whatever the increase may be.

What this amendment would do is this: It would say, "Sure, we will pay the difference in wage costs, but we will not pay a figure that exceeds the composite average of the Swedish, the Dutch, the Norwegian, the British, the French, and the West German rates." Those pay rates are similar to ours, and they have standards of living that are similar to ours.

In Sweden and West Germany, for example, the standard of living and the index of operating wages are almost exactly the same as those in the United States.

Mr. Chairman, I think this is a very helpful amendment. It was recommended, incidentally, by the former chairman of this committee, Mrs. Leonor Sullivan.

Mr. MURPHY of New York. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is another amendment, if adopted, that would lower the American flag on the high seas. This amendment would limit subsidizing of wage costs to levels based on average wages of European competitors.

This amendment would limit subsidizable wage costs to levels based on average wages of European competitors. This amendment is completely unworkable, and would violate the fundamental principle of parity provided by the statute.

Operating-differential subsidy is generally based on the difference between subsidizable United States and comparable foreign operating costs, and paid to the owners of U.S.-flag vessels so that they can operate in international trade at competitive rates. One of these subsidizable costs is wages.

Although U.S.-flag vessel operators are obliged to pay crew wages arrived at through collective bargaining, wage subsidy increases are limited to increases in a Bureau of Labor Statistics Wage Index. This amendment would impose a new kind of ceiling on wage subsidy, based on "average shipboard wages for all national crews of a composite of Western European industrialized countries." Since average European shipboard wages are lower than U.S. collective bargaining wages, but are rising, and bear no consistent relation to those wages, the effect of this amendment would be to reduce arbitrarily the net revenues of subsidized U.S. ship operators. Additionally, it would be extremely difficult, if not impossible to administer a standard based on judgments regarding relative standards of living.

In terms of constant dollars, during the period from 1954 through 1976, the cost of operating-differential subsidy has increased only $10 million, and this subsidy cost has actually decreased in terms of the subsidized fleet's ton-mile capacity and value of cargo carried. Also there are more rational ways to minimize U.S. operating-differential subsidy costs, and efforts should be directed in these areas. For example, the Maritime Administration does not provide operating subsidy in the cases of LNG's and large crude carriers—over 100,000 dwt—because crew costs for these ship types are inherently very small relative to total operating and capital costs.

In his amendment the gentleman from California speaks of the "composite of the Western European industrialist countries that have sizable merchant marine or standards of living similar to

United States." In the discussion in committee, he stated, "We are talking essentially West Germany, Norway, Scandinavian countries with whom we compete." Mr. McCLOSKEY has made the point in committee repeatedly that the general industrial wages of these countries are higher than ours but that the wage costs on their vessels are much lower than ours, which is the basis of his argument that U.S. shipboard wages, therefore, are too high and must be pegged on the wages of these European nations.

The chief counsel of our committee recently came into possession of the following telegram at the Embassy in Rome, which points out the precarious position of the Swedish merchant fleet due to the escalating wage costs on Swedish-flag vessels. These high wage costs are the result of wage negotiations and from the language in the telegram, both Swedish maritime management and labor recognize the seriousness of this escalating vessel wage cost.

I submit that this completely destroys the amendment and the argument of the gentleman from California and I would like to read the telegram to the Members:

[Telegram]

U.S. EMBASSY,
May 24, 1977.

Subject: Swedish shipping official warns of disaster.

1. Sture Odner, chairman of the Swedish Shipowners Association, warned of impending disaster for Sweden's shipping industry recently in a press article. The immediate occasion was a reservation entered by the association to the latest employers' organization (SAF) offer in the current wage negotiations. "It was necessary to underline that Swedish shipping has reached a point where each new economic burden could mean the disintegration of our merchant fleet. . . . It is strange how difficult it has proved to be to gain confidence in and understanding for the fact that we no longer can manage. Does every single vessel flying the Swedish flag have to disappear before the nation understands that shipowners are speaking the truth?" Odner said.

2. Odner pointed out that Swedish costs are 75–100 percent above those of U.K., Greek, and Liberian flags. The current wage negotiation could push costs up an additional 15–20 percent, Odner said, further reducing Sweden's competitive abilities. "Naturally, we will not oppose the agreement," Odner said, "but the outcome will be a further weakening of shipping operations unless extraordinary steps can be taken. In November, we calculated that the Salen group would run at a loss of about 90 million kronor in 1977. Today we think the figure will be more like 158 million, and might well be even higher. Much of this is, of course, due to the international freight situation. Greeks, Liberians, and Englishmen are today getting paid for daily operating costs but not for capital investment. This is a situation in which Swedish vessels must again go to the buoys, which is why Salens is again laying up its large tankers."

3. Gunnar Karlsson, chairman of the Swedish Seaman's Union, agreed to some extent with Odner, admitting that the situation is troublesome. He went on to say that some degree of cooperation would be possible, perhaps in exploring the costs of manning Swedish flag ships—not in the sense of wage cuts but in looking at other cost-cutting possibilities.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from California.

Mr. McCLOSKEY. On the point the chairman makes, I think the chairman has escaped noticing that this says, "wage differentials that are based on U.S. shipboard wages which are higher than the average shipboard wages for all national crews."

Mr. MURPHY of New York. How does the gentleman expect to find out what those figures are?

Mr. McCLOSKEY. The Maritime Administration knows them. We got them from the Maritime Administration during our oversight hearings. They keep a composite record of those wages paid to foreign crews.

Mr. MURPHY of New York. Nevertheless, the Federal Maritime Administration cannot pierce the veil that foreign companies put around all of their operating costs and practices. That is the problem we had with the preceding amendment.

However, as I stated, in terms of constant dollars, during the period from 1954 to 1976, the cost of operating differential subsidies has increased only $10 million, and this subsidy cost has actually decreased in terms of the subsidized fleets' ton-mileage capacity and the value of the cargo carried.

I think there are more rational ways to minimize U.S. operating differential subsidy costs, and I think efforts should be directed in these areas. However, I do not think the proposal of the gentleman from California merits the confidence of the committee.

Mr. Chairman, I would urge a strong "no" vote on this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. McCLOSKEY).

The amendment was rejected.

AMENDMENTS OFFERED BY MR. M'CLOSKEY

Mr. McCLOSKEY. Mr. Chairman, I offer two amendments, and I ask unanimous consent that they be considered en bloc. They both apply to the Sealift Readiness program.

The Clerk read as follows:

Amendments offered by Mr. McCLOSKEY: On page 3, line 14, after "$372,109,000" add the words: *"Provided, however,* That no funds authorized by this paragraph may be paid for the operation of any vessel which does not participate in a Sealift Readiness Program approved by the Secretary of Defense and on page 3, line 12, after "$135,000,000" add the words: *"Provided, however,* That no funds authorized by this paragraph may be paid to subsidize the construction of any vessel which is not enrolled as a part of a Sealift Readiness Program approved by the Secretary of Defense prior to its construction".

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McCLOSKEY. Mr. Chairman, I do not know that the full committee is aware of what the sealift readiness program is or of what it intends to do.

The sealift readiness program is a program which requires that when a person constructs a ship with Federal subsidy or operates a ship with Federal subsidy, one-half of his ships must be suitable for commandeering by the Defense Department in an emergency situation short of mobilization.

This year, under this program, we are going to authorize the construction of 7 new ships. We will subsidize possibly 177 ships in the operating subsidy program.

Mr. Chairman, all my amendments do is require that the recipient of a maritime subsidy permit all of his ships that are subsidized for either operation or construction to be subject to the Sealift Readiness program.

The reason for these amendments being offered stems from a classified briefing that we received on the part of the Subcommittee on Merchant Marine about 6 weeks ago from the Defense Department, when they admitted to us, as they had a year and a half earlier, that in the event of a short-of-war situation in the Mideast or in the other areas other than NATO, within the first 30 days they would not have an adequate supply of merchant ships to support two divisions or four divisions going ashore in, say, Iran or Syria or Africa or in an Indian Ocean area. They do not have an adequate number of merchant ships today to support an American expeditionary force if it is not a NATO situation, where NATO ships are available.

We know that in the event of a war in the Mideast, for example, if American troops were committed there, we could not count on NATO, which receives its oil from the Arab nations, to necessarily provide us with shipping, since they refused to supply us with fly-over and landing rights when we supported Israel in the last Mideast confrontation.

Therefore, this amendment would only require that all seven of these ships constructed with these construction subsidies, and the 177 ships operated with the $372 million operating subsidy, be placed under the sealift readiness program, so that in that kind of situation they would be available for a national emergency.

Why do we do this? Because the whole rationale since 1936 of the merchant marine subsidy program is to provide a merchant marine that is adequate to serve as a naval auxiliary in time of war.

There is an argument against this amendment. The argument is that if such a situation existed and we called in all of these ships that are subsidized, to assist an expeditionary force, that American ships would have a devil of a time getting back into trading competition because the shippers, domestically, that were using those ships, would shift over to other bottoms.

In the Vietnam war the sealift readiness program was not invoked by the military. It would seem to me, Mr.

Chairman, that if we justify this subsidy on the basis that the merchant marine is a naval auxiliary, we should require that all our ships so subsidized be available to serve as naval auxiliaries in time of war.

Mr. MURPHY of New York. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California (Mr. McCLOSKEY).

Mr. Chairman, this subject came up this morning with the Department of Defense witnesses before our committee and the Department of Defense did not agree to this provision, basically because already we have a program and conditions that cover our mobilization period of U.S.-flag ships. All U.S. flag ships in a mobilization period must come under the control of the Department of Defense. This amendment is not, therefore, necessary in this case. In the nonmobilization period of time, under the Sealift Readiness program, those ships that want to carry defense cargoes in peacetime must commit half of their ships for diversion and military support operations in the event of an emergency.

So we are talking about two different phases or situations for use of commercial vessels. In the period of mobilization every ship comes in automatically, therefore the amendments are not necessary. In the nonmobilization period, the Department of Defense is presently well satisfied with the extant arrangement. Those ships which want to carry defense cargoes must commit half of their ships for utilization in nonmobilization emergencies. Therefore we feel, the Navy feels, the Department of Defense, and the Department of Commerce feel that this amendment is not desirable.

These amendments would generally require any vessel which receives construction-differential subsidy or operating-differential subsidy to be committed to the Sealift Readiness program in the event of national emergency. These amendments demonstrate a lack of understanding of the Sealift Readiness program administered by the Department of Defense.

Under the Sealift Readiness program, U.S.-flag liner operators who wish to transport Department of Defense cargo in peacetime must commit half of their ships for diversion to military support operations in the event of a contingency. It is essentially a nonmobilization contingency program for U.S.-flag liner vessels. To the best of my knowledge, the Department of Defense, and they so testified today before our committee, is not interested in tankers, or other nonliner vessels for this program. Under mobilization conditions, all U.S.-flag vessels are subject to requisition by the Government. In short, the amendments are not wanted or required. Certainly, there is nothing in the record to support it.

Therefore, I believe the committee should vote no on these unnecessary amendments.

The CHAIRMAN pro tempore (Mr YATES). The question is on the amendments offered by the gentleman from California (Mr. McCLOSKEY).

The question was taken; and on a division (demanded by Mr. McCLOSKEY) there were—ayes 16, noes 25.

So the amendments were rejected.

The CHAIRMAN pro tempore. Are there further amendments?

AMENDMENT OFFERED BY MR. M'CLOSKEY

Mr. McCLOSKEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCLOSKEY: On page 3, line 12, after "$135,000,000" add the words: *"Provided, however,* That no funds authorized by this paragraph may be paid to subsidize the construction of liquefied natural gas carriers".

Mr. McCLOSKEY. Mr. Chairman, this amendment again goes to the basic purpose of why we pay maritime subsidies. We pay maritime subsidies because we want a capable American merchant marine that can serve this country in time of war. In the 1936 act we required that the ships we subsidized be suitable for defense use. In the 1970 act we said that they be suitable for defense and national security use.

In the testimony before us by the Department of Defense, no witness has ever contended that a liquefied natural gas carrier has any national defense or national security benefit. Why should we spend most of this money—$126 million of a $233 million program—we are appropriating $135 million here for construction subsidies to add to $98 million that is still left over—to subsidize three liquefied natural gas carriers?

I believe the Chairman himself was a member of a committee in his own district to get rid of natural gas terminals in his home port of New York because of an explosion up there in which damage was done and people were killed. Why should we subsidize in our maritime policy the conveyance of liquefied natural gas? Is there any indication from the Energy Committee, for example, that it would like to see the subsidization of liquefied natural gas being brought to this country? Is there any indication from any source that LNG carriers ought to be subsidized?

The Department of Defense, as the ladies and gentlemen in the House here will remember, this year sought to build two oilers, two fleet oilers, at a cost of $161 million each. It sought to build three tugboats at a total cost of $52 million. Here we are offering a maritime subsidy to a ship which has no national defense benefits at a time when we recognize a lack of ships sufficient to support an overseas expeditionary force.

I do not seek to strike this money from the maritime subsidy program. I do not think it should be used to build liquefied natural gas carriers.

Mr. Chairman, I yield back the remainder of my time.

Mr. MURPHY of New York. Mr. Chairman, I rise in opposition to the amendment.

In order to clarify some misconceptions my colleague, the gentleman from California, might have, the question of liquid natural gas terminals has been a subject before the committee, particularly the Subcommittee on Oceanography. It has been the subject of extensive hearings by the Investigations Subcommittee of the Commerce Committee and the Energy Subcommittee of the Commerce Committee. The question is where should liquid natural gas terminals be sited. I felt they should not be located in very congested metropolitan areas.

Of course, an application pending before the Federal Power Commission at the present time to solve one of the most vital problems that the State of California has at this time is an application for one of the major world liquid natural gas landing sites, which will be not too far from the gentleman's district.

What is the answer to the question of when is a vessel necessary for national defense? If we put the very narrow definition that a vessel is necessary for national defense only when it is participating with a fleet unit in a military exercise, then we might give some credence to this amendment. But when we take the broad concept that a national defense fleet must be able to supply the energy demands of the industrial plants of America, not only during times of crisis but during times of cold war or during times of nonmobilization, then energy transportation is vital.

This amendment would eliminate $126 million in construction-differential subsidy funds earmarked for the construction of three LNG vessels, and generally prohibit the use of such subsidy for the construction of LNG vessels. During the full committee markup, the rationale for this amendment was that LNG vessels lack national security utility. As the national security justification for such vessels had been demonstrated, your committee voted down the amendment.

It would now appear that the rationale for the amendment is that only the most useful vessels for the military should be constructed, and that too many bulk vessels have been constructed under the Merchant Marine Act of 1970.

Market forces drive ship construction demand. However, one of the primary purposes of the Merchant Marine Act of 1970 was to expand the scope of subsidy to include bulk carriers. The proposed amendment would seek to end this emphasis. As there is nothing in the record to support this amendment, and market demand supports their construction, I am opposed to arbitrarily changing one of the fundamental tenets of the Merchant Marine Act of 1970.

Finally, I would like to point out that the committee had several closed session meetings with the representatives of the Department of Defense and the Maritime Administration to satisfy me and the gentleman from California, with respect to Defense Department needs and requirements with respect to the merchant fleet. In this connection, these witnesses stated at one of our hearings several months ago with respect to the three liquified natural gas vessels which are the subject of the gentleman's amendment, "May I say that all of the LNG's that we have built with construction differential

subsidy have been certified by the Secretary of the Navy under section 501(b) of the 1936 and 1970 acts as suitable for the U.S. Government in time of war or national emergency. All these ships can carry oil, as well as LNG."

The testimony in the record refutes the gentleman from California and certifies as to the use of these vessels in time of war or national emergency.

With the requirement for clean energy in certain areas of America, the movement of liquid natural gas is certainly a vital national issue, and I think the sentiments of the gentleman from California should be rejected by the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. McCLOSKEY).

The amendment was rejected.

AMENDMENT OFFERED BY MR. M'CLOSKEY

Mr. McCLOSKEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCLOSKEY: On page 3, line 12, after "$135,000,000" add the words: *"Provided, however,* That in paying the funds authorized by this paragraph, the construction-differential subsidy rate otherwise applicable shall be reduced by 5 percent unless the Secretary of Commerce determines that the vessel to be constructed is part of an existing or future vessel series".

Mr. McCLOSKEY. Mr. Chairman, this amendment carries out the recommendation of the oversight hearings of the committee that were held last year and the report rendered by Mrs. Sullivan, the former chairman of the Merchant Marine Committee.

One of the sad aspects of American shipbuilding has been that we have apparently failed in the attempt in the 1970 act to reduce shipbuilding costs and increase shipbuilding productivity. The committee will remember that when we passed the 1970 act we were paying up to 50 percent construction subsidy so that American shipyards could compete in building ships for American shipowners. In the 1970 act we provided that we would reduce the level of that contribution of Federal subsidy progressively each year, I think it was 2 percent every year, until we got down to 35 percent.

We did get down to 35 percent in 1975, but by paying only a 35-percent construction subsidy what happened was that no United States shipyard could compete with the West German yards and the Swedish yards and the foreign yards at 35 percent. So very, very quietly Congress authorized that we would return to the 50-percent construction subsidy level because we just cannot compete.

I think it is almost criminal that American shipyards, which pay the same general wages to employees as they do in West Germany, are faced with a situation where U.S. companies like Sea-Land chose not to build their ships in U.S. yards but chose to build the ships in West German yards. These are new containerships which are really the product of American technology, and yet with American technology the American yards have not been able to compete.

Every American shipbuilding expert agrees that the only way we can cut down these costs is to build ships in series in American yards, not one ship at a time.

The chairman, the gentleman from New York (Mr. MURPHY)—and I want to commend him for this—made a speech in New York recently in which he urged that all American ships be built in series, that we develop a common kind of ship to be constructed in series. May I ask the chairman, the gentleman from New York, whether he has recommended all American ships be built in series?

Mr. MURPHY of New York. I will respond to that in my own time.

Mr. McCLOSKEY. It is certainly the consensus, I know the chairman will agree, of the Shipbuilders Council, the Maritime Administration, the Commission on American Shipbuildng, and the General Accounting Office that we must proceed to series construction.

What I am recommending in this amendment is very simple. If a shipbuilder will agree and a shipping company will pay to construct in series, the construction differential subsidy rate shall be increased 5 percent. In other words, the construction differential subsidy rate otherwise applicable shall be reduced by 5 percent unless the Secretary of Commerce determines that the vessel to be constructed is to be part of an existing or future vessel series. We create an incentive to both the shipyard and the shipbuilder to construct in series, and that incentive I think is consistent with the chairman's announced position that we should try to stimulate series construction.

If we cannot stimulate series construction we will be reduced to a noncompetitive position with an ever-increasing subsidy rate which we will be forced to pay.

Mr. MURPHY of New York. Mr. Chairman, I rise in opposition to the amendment.

When the Congress enacted the Merchant Marine Act of 1970, the intent of that act was to build 30 ships a year over a 10-year period or to add 300 ships to the American fleet, and it also provided that we could subsidize tankers and liquid natural gas-type ships. The most that the industry ever contracted for in any given year was 13 ships and that was at the outset of the period and a large proportion of those were oil-carrying vessels, VLCC's.

We never saw this act work the way it was intended to work. My remarks in New York were, yes, I would like to see ships built in series if we had the economic need to build that number of ships and if we had the shipbuilding base that could build those ships.

The realities as of today are these. The U.S. effort and genius goes into the production of ships, but not necessarily ships in series, because certain trade routes require different types of ships. We have the LASH ships, lighter aboard ships that are applicable to some trades, but not others. We have certain RO–RO, roll-on-roll-off ships. We have container ships applicable to other trades and then we have dry cargo ships, but we do not have an economic base and cargo requirement yet for the United States to be able to order enough ships in series so that we could take advantage of this device.

The intent of this proposed amendment is to encourage the industry to avail itself of those economies that are associated with the construction of multiples of the same ship type in a single shipyard. It would, therefore, appear to reflect an assumption that operators would not otherwise seek those economies, even though they must commit 50 to 75 percent of the funds—depending on ship type—required for vessel construction. Such an assumption would be difficult to defend.

Although series construction has occurred in a number of cases in recent years, the large-scale production of a few standard ship types envisioned at the inception of the Merchant Marine Act of 1970 has not taken place. Among the reasons for this are: First, the specialized needs of individual operators—different route structures and trade patterns call for different ship types; second, the timing of requirements for new ships, which causes operators to split their orders among several yards to assure timely delivery; and third, the relatively small scale of the U.S. shipbuilding market, which is effectively limited to domestic demand, in comparison with lower cost shipbuilding centers, such as Japan, which can attract foreign orders and hence have greater series production opportunities than the U.S. industry.

I agree that every effort should be made to promote the construction of vessels in series, but this is the wrong way to go about it. Without cargo, ships will not be constructed; and without a sufficient number of standard ships to be constructed, series production cannot be utilized. And reducing subsidy by 5 percent will not produce the cargo required for the vessel numbers to institute series production.

This amendment would not stimulate appreciably more series construction than would otherwise occur. Additionally, it would penalize operators with specialized needs and would tend to discourage the kinds of small-scale pilot ventures that often lead to new breakthroughs in technology.

This amendment would be counterproductive to the basic improvement of the merchant marine.

Hopefully, when the cargo programs of the committee get acted on later this year, we may come to the situation where, economically, we could build in series. This certainly is the intent of the program, because every vessel operator would like to build in series and take advantage of the cost savings inherent therein.

But do not cut this existing CDS program by 5 percent under the guise of putting an incentive in to build in series. I strongly recommend a "no" vote on this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. McCLOSKEY).

The amendment was rejected.

The CHAIRMAN. Are there further amendments? If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. FOLEY) having assumed the chair, Mr. MOAKLEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4963) to authorize appropriations for the fiscal year 1978 for certain maritime programs of the Department of Commerce, and for other purposes, pursuant to House Resolution 660, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 355, nays 40, not voting 38, as follows:

[Roll No. 411]

YEAS—355

Abdnor	Bolling	Conte
Addabbo	Bonior	Conyers
Akaka	Bonker	Corcoran
Alexander	Bowen	Corman
Allen	Breaux	Cornell
Ambro	Breckinridge	Cornwell
Anderson, Calif.	Brinkley	Cotter
	Brodhead	Cunningham
Anderson, Ill.	Brooks	D'Amours
Andrews, N.C.	Brown, Calif.	Daniel, Dan
Andrews, N. Dak.	Brown, Ohio	Daniel, R. W.
	Buchanan	Danielson
Annunzio	Burgener	Davis
Applegate	Burke, Calif.	de la Garza
Archer	Burke, Fla.	Delaney
Ashbrook	Burleson, Tex.	Dellums
Ashley	Burlison, Mo.	Derrick
Aspin	Burton, John	Derwinski
Badham	Burton, Phillip	Devine
Badillo	Butler	Dickinson
Bafalis	Byron	Dicks
Baldus	Caputo	Diggs
Barnard	Carney	Dingell
Baucus	Carr	Dornan
Bauman	Cavanaugh	Downey
Beard, R.I.	Chappell	Duncan, Oreg.
Benjamin	Chisholm	Duncan, Tenn.
Bennett	Clausen, Don H.	Eckhardt
Bevill		Edgar
Biaggi	Clawson, Del	Edwards, Ala.
Bingham	Clay	Edwards, Calif.
Blanchard	Cochran	Edwards, Okla.
Blouin	Cohen	Eilberg
Boggs	Coleman	Emery
Boland	Collins, Ill.	English
Erlenborn	Long, La.	Rodino
Ertel	Long, Md.	Roe
Evans, Colo.	Lott	Rogers
Evans, Del.	Lujan	Roncalio
Evans, Ga.	Luken	Rooney
Fary	Lundine	Rose
Fascell	McClory	Roybal
Findley	McCloskey	Rudd
Fish	McCormack	Runnels
Fisher	McDade	Ruppe
Flood	McEwen	Russo
Florio	McFall	Santini
Flowers	McHugh	Sarasin
Flynt	McKay	Satterfield
Foley	Madigan	Sawyer
Ford, Tenn.	Mahon	Scheuer
Forsythe	Markey	Schulze
Fountain	Marks	Sebelius
Fowler	Marlenee	Seiberling
Frey	Marriott	Sharp
Fuqua	Mattox	Sikes
Gammage	Mazzoli	Simon
Gaydos	Meeds	Sisk
Gephardt	Metcalfe	Skelton
Giaimo	Meyner	Slack
Gilman	Michel	Smith, Iowa
Ginn	Mikulski	Smith, Nebr.
Goldwater	Milford	Snyder
Gonzalez	Miller, Calif.	Solarz
Goodling	Miller, Ohio	Spellman
Gore	Mineta	Spence
Grassley	Minish	St Germain
Gudger	Mitchell, Md.	Staggers
Guyer	Mitchell, N.Y.	Stanton
Hall	Moakley	Stark
Hammer-schmidt	Moffett	Steed
	Mollohan	Steers
Hanley	Montgomery	Stockman
Hannaford	Moore	Stokes
Harkin	Moorhead, Calif.	Stratton
Harrington		Studds
Harris	Moorhead, Pa.	Stump
Harsha	Moss	Taylor
Heckler	Murphy, Ill.	Thompson
Hefner	Murphy, N.Y.	Thone
Hefte.	Murphy, Pa.	Thornton
Hightower	Murtha	Traxler
Hillis	Myers, John	Treen
Holland	Myers, Michael	Trible
Hollenbeck	Natcher	Tsongas
Holt	Neal	Udall
Horton	Nedzi	Ullman
Howard	Nichols	Van Deerlin
Hubbard	Nix	Vander Jagt
Huckaby	Nowak	Vento
Hughes	O'Brien	Volkmer
Hyde	Oakar	Waggonner
Ichord	Oberstar	Walgren
Ireland	Ottinger	Walker
Jenkins	Patten	Walsh
Jenrette	Patterson	Wampler
Johnson, Calif.	Pattison	Watkins
Jones, N.C.	Pease	Waxman
Jones, Okla.	Pepper	Weaver
Jones, Tenn.	Perkins	Weiss
Kazen	Pettis	Whalen
Kemp	Pickle	White
Ketchum	Pike	Whitehurst
Keys	Pressler	Whitley
Kildee	Preyer	Whitten
Kindness	Price	Wiggins
Kostmayer	Pritchard	Wilson, Bob
Krebs	Pursell	Wilson, C. H.
Krueger	Quayle	Wilson, Tex.
LaFalce	Quie	Winn
Lagomarsino	Quillen	Wolff
Latta	Rahall	Wright
Le Fante	Rangel	Wyd.er
Lederer	Regula	Wylie
Leggett	Reuss	Yatron
Lehman	Rhodes	Young, Alaska
Lent	Richmond	Young, Fla.
Levitas	Rinaldo	Young, Mo.
Lloyd, Calif.	Risenhoover	Young, Tex.
Lloyd, Tenn.	Robinson	Zeferetti

NAYS—40

Ammerman	Gradison	Myers, Gary
Armstrong	Hagedorn	Foage
Bedell	Hansen	Roberts
Broomfield	Holtzman	Rousselot
Brown, Mich.	Jacobs	Schroeder
Broyhill	Jeffords	Shuster
Carter	Kasten	Stangeland
Cleveland	Kastenmeier	Steiger
Collins, Tex.	Kelly	Symms
Coughlin	Leach	Vanik
Crane	McDonald	Wirth
Drinan	Maguire	Yates
Fenwick	Martin	
Glickman	Mottl	

NOT VOTING—38

AuCoin	Bellenson	Burke, Mass.
Beard, Tenn.	Brademas	Cederberg
Conable	Hamilton	Panetta
Dent	Hawkins	Railsback
Dodd	Johnson, Colo.	Rosenthal
Early	Jordan	Rostenkowski
Evans, Ind.	Koch	Ryan
Flippo	McKinney	Shipley
Fithian	Mann	Skubitz
Ford, Mich.	Mathis	Teague
Fraser	Mikva	Tucker
Frenzel	Nolan	Zablocki
Gibbons	Obey	

The Clerk announced the following pairs:

Mr. Burke of Massachusetts with Mr. Dent.
Mr. Zablocki with Mr. Fithian.
Mr. Brademas with Mr. Fraser.
Mr. Hamilton with Mr. Tucker.
Mr. Bellenson with Mr. Skubitz.
Mr. AuCoin with Mr. Ryan.
Mr. Evans of Indiana with Mr. Nolan.
Mr. Shipley with Mr. Gibbons.
Mr. Teague with Mr. Flippo.
Mr. Rostenkowski with Mr. Mann.
Mr. Mikva with Mr. Frenzel.
Mr. Koch with Mr. McKinney.
Mr. Dodd with Mr. Railsback.
Mr. Early with Mr. Ford of Michigan.
Mr. Hawkins with Mr. Cederberg.
Ms. Jordan with Mr. Conable.
Mr. Mathis with Mr. Rosenthal.
Mr. Panetta with Mr. Obey.

Mr. WIRTH changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1019) to authorize appropriations for the fiscal year 1978 for certain maritime programs of the Department of Commerce, and for other purposes, a bill similar to H.R. 4963, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate bill. as follows:

S. 1019

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Maritime Appropriation Authorization Act for Fiscal Year 1978".

SEC. 2. Funds are authorized to be appropriated without fiscal year limitation as the appropriation Act may provide for the use of the Department of Commerce, for the fiscal year 1978, as follows:

(1) for acquisition, construction, or reconstruction of vessels and construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships, not to exceed $135,000,000;

(2) for payment of obligations incurred for operating-differential subsidy, not to exceed $372,109,000;

(3) for expenses necessary for research and development activities, not to exceed $20,-725,000;

(4) for reserve fleet expenses, not to exceed $5,137,000;

(5) for maritime training at the Merchant Marine Academy at Kings Point, New York, not to exceed $14,633,000; and

(6) for financial assistance to State marine schools, not to exceed $5,370,000.

SEC. 3. There are authorized to be appropriated for the fiscal year 1978, in addition to the amounts authorized by section 2 of this Act, such additional supplemental amounts for the activities for which appropriations are authorized under section 2 of this Act, as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law, and for increased costs for public utilities, food service, and other expenses of the Merchant Marine Academy at Kings Point, New York.

SEC. 4. Section 4 of the Maritime Academy Act of 1958 (46 U.S.C. 1383) is amended by striking out "$75,000" and inserting in lieu thereof "$100,000".

SEC. 5. Section 6(a) of the Maritime Academy Act of 1958, as amended (46 U.S.C. 1385(a)), is amended by striking "$600" and inserting in lieu thereof "$1,200".

SEC. 6. (a) There shall be in the Department of Commerce, in addition to the Assistant Secretaries provided by law as of the date of the enactment of this Act, one additional Assistant Secretary of Commerce who shall be appointed by the President, by and with the advice and consent of the Senate. Such Assistant Secretary shall receive compensation at the rate prescribed by law for Assistant Secretaries of Commerce, and shall perform such duties as the Secretary of Commerce shall prescribe.

(b) Section 5315 of title 5, United States Code, is amended by striking out paragraph (12) and inserting in lieu thereof:

"(12) Assistant Secretaries of Commerce (8).".

MOTION OFFERED BY MR. MURPHY OF NEW YORK

Mr. MURPHY of New York. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MURPHY of New York moves to strike out all after the enacting clause of the Senate bill (S. 1019) and to insert in lieu thereof the provisions of H.R. 4963, as passed by the House, as follows:

That this Act may be cited as the "Maritime Appropriation Authorization Act for Fiscal Year 1978".

SEC. 2. Funds are authorized to be appropriated without fiscal year limitation as the appropriation Act may provide for the use of the Department of Commerce, for the fiscal year 1978, as follows:

(1) For acquisition, construction, or reconstruction of vessels and construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships, $135,000,000: *Provided, however*, That no funds authorized by this paragraph may be paid to any liner company unless its chief executive officer certifies under oath to the Secretary of Commerce that he (1) has taken prompt and comprehensive action to insure that, currently and for the period during which these funds are to be received, no company owner, employee, or agent will pay any rebates which are illegal under the Shipping Act of 1916 and (2) will fully cooperate with the Federal Maritime Commission in its investigation of illegal rebating in United States foreign and domestic trades, and in its efforts to end such illegal procedures;

(2) For payment of obligations incurred for operating-differential subsidy, not to exceed $372,109,000;

(3) For expenses necessary for research and development activities, not to exceed $20,725,000;

(4) For reserve fleet expenses, not to exceed $5,137,000;

(5) For maritime training at the Merchant Marine Academy at Kings Point, New York, not to exceed $14,656,000; and

(6) For financial assistance to State marine schools, not to exceed $5,970,000.

SEC. 3. There are authorized to be appropriated for the fiscal year 1978, in addition to the amounts authorized by section 2 of this Act, such additional supplemental amounts for the activities for which appropriations are authorized under section 2 of this Act, as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law, and for increased costs of public utilities, food service, and other expenses of the Merchant Marine Academy at Kings Point, New York.

SEC. 4. Section 6(a) of the Maritime Academy Act of 1958, as amended (46 U.S.C. 1385(a)), is amended by striking out "$600" and inserting in lieu thereof "$1,200".

SEC. 5. (a) Section 209(b) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1119(b)), is further amended by striking out "and" after the semicolon at the end of item (7), and by inserting the following new items after the semicolon at the end of item (8):

"(9) expenses necessary for extension and correspondence courses authorized under section 216(c) of this Act; and

"(10) other operations and training expenses related to the development of waterborne transportation systems, the use of waterborne transportation systems, or general administration;".

(b) The amendment made by subsection (a) of this section shall be effective for fiscal years beginning after September 30, 1978.

SEC. 6. Subsections (c) and (d) of section 216 of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1126), are amended by striking out "Commission" wherever it appears therein and inserting in lieu thereof "Secretary of Commerce".

SEC. 7. That section 509 of the Merchant Marine Act, 1963 (46 U.S.C. 1159) is amended by inserting in the fourth sentence thereof after the words "eight knots" a comma and the words "or in the case of a ferry operating solely in point-to-point transportation which is designed to be of not less than seventy-five gross tons and to be capable of a sustained speed of not less than eight knots,".

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 4963) was laid on the table.

GENERAL LEAVE

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 4963.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

CONFERENCE REPORT ON H.R. 4746, WATER RESOURCES RESEARCH AND SALINE WATER CONVERSION ACTS AUTHORIZATION 1978

Mr. MEEDS submitted the following conference report and statement on the bill (H.R. 4746) to extend certain authorities of the Secretary of the Interior with respect to water resources research and saline water conversion programs, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 95-497)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4746) to extend certain authorities of the Secretary of the Interior with respect to water resources research and saline water conversion programs, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That, (a) the Water Resources Research Act of 1964 (Public Law 88-379; 78 Stat. 330) as amended, and the Saline Water Conversion Act of 1971 (Public Law 92-60; 85 Stat. 162) as amended, are further amended as follows:

(1) Title II, additional water resources research programs, section 200(a) of the Water Resources Research Act, is hereby further amended by adding after "for each of the fiscal years 1972-1976," the words "and for 1978,".

(2) Section 10(b) of the Saline Water Conversion Act is amended by changing the phrase "during the fiscal years 1973 to 1977, inclusive," to read "during the fiscal years 1973 to 1978, inclusive,".

(b) There is authorized to be appropriated to carry out the provisions of the Saline Water Conversion Act of 1971 during fiscal year 1978 the sum of $11,950,000, to remain available until expended as follows:

(1) Research Expense, $1,500,000;

(2) Development Expense, $7,950,000;

(3) Test Facility Operation and Maintenance, $1,500,000;

(4) Administration and Coordination, $1,000,000.

(c) Expenditures and obligations under any activity authorized by paragraphs (1), (2), and (3) above may be increased by not more than 10 per centum if any such increase is accompanied by a corresponding decrease in expenditures and obligations in one or more activities set forth in subsection (b) above.

(d) Notwithstanding any provision of the Saline Water Conversion Act of 1971 (85 Stat. 162) or any other provision of this Act, no authority to make payments under this Act shall be effective except to such extent or in such amounts as are provided in advance in appropriations Acts.

(e) All other provisions of the above Acts shall remain unchanged by this Act.

SEC. 2. (a) The Secretary of the Interior is authorized and directed to study, design, construct, operate, and maintain desalting plants demonstrating the engineering and economic viability of membrane and phase-change desalting processes at not more than four locations in the United States, including Puerto Rico, Virgin Islands, and Guam; provided, that at least two such plants shall demonstrate desalting of brackish ground water.

(b) Funds appropriated pursuant to the authority provided by this section may not be expended until thirty calendar days (excluding days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three calendar days to a day certain) have elapsed following transmittal of a report to the Chairman of the Committee on Interior and Insular Affairs of the House of Representatives and the Chairman of the Committee on Environment and Public Works of the United States Senate. Such report shall present information that includes, but is not limited to, the location of the demonstration plant, the characteristics of the water proposed to be desalted, the process to be utilized, the water supply problems confronting the area in which the plant will be located, alternative sources of

water and their probable cost, the capacity of the plant, the initial investment cost of the demonstration plant, the annual operating cost of the demonstration plant, the source of energy for the plant and its cost, the means of reject brine disposal and its environmental consequences, and the unit cost of product water, considering the amortization of all components of the demonstration plant and ancilliary facilities. Such report shall also be accompanied by a proposed contract between the Secretary and a duly authorized non-Federal public entity, in which such entity shall agree to furnish, at no cost to the United States, necessary water rights, water supplies, rights-of-way, power source interconnections, and brine disposal facilities. Such proposed contract will further provide that the United States will construct the plant described in the report at no cost to the non-Federal public entity and that the United States will provide all costs of operation and maintenance of the plant for a term of at least two but not more than five years, during which access to the plant and its operating data will not be denied to the Secretary or his representatives. The Secretary is authorized to include in the proposed contract a provision for conveying all rights, title, and interest of the Federal Government to the non-Federal public entity, subject only to a future right to re-enter the facility for the purpose of financing at Federal expense modifications for advanced technology and for its operation and maintenance for a successive term under the same conditions as pertain to the original term.

(c) There is authorized to be appropriated, to remain available until expended, for the fiscal year ending September 30, 1978, and thereafter the sum of $40,000,000 to finance the construction of demonstration plans authorized by this section. There are also authorized to be appropriated such additional sums as are necessary to defray operation, maintenance, and energy costs for demonstration plants during the periods of Federal responsibility for such activities, under this section.

And the Senate agree to the same.

LLOYD MEEDS,
MORRIS K. UDALL,
GEORGE MILLER,
JOHN KREBS,
JAMES WEAVER,
MANUEL LUJAN, JR.,
DAN MARRIOTT,
Managers on the Part of the House.

MIKE GRAVEL,
LLOYD BENTSEN,
PETE V. DOMENICI,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4746) to extend certain authorities of the Secretary of the Interior with respect to water resources research and saline water conversion programs, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

EXPLANATION OF DIFFERENCES IN HOUSE AND SENATE VERSIONS

The House version of H.R. 4746 reinstated for one year the authorization for grants under Title II of the Water Resources Research Act, extended the Saline Water Conversion Act of 1971 for one additional year, and authorized appropriations in the amount of $11,950,000 for saline water conversion research and development for fiscal year 1978.

The Senate version of H.R. 4746 repealed and re-enacted in their entirety the Water Resources Research Act and the Saline Water Conversion Act of 1971; including for the latter the authorization of appropriations in the amount of $70,000,000 for fiscal years 1978 and 1979. The Senate version also increased the authorization for basic support of Water Resources Research Institutes in the several States and Territories from $250,000 per Institute per annum to $500,000 per Institute per annum; increased the authorization for appropriations for matching grants for Institutes from $5,000,000 per annum to $10,000,000 per annum for fiscal years 1978 and 1979; authorized appropriations for general water resources research contracts and grants in the amount of $10,000,000 per annum for fiscal years 1978 and 1979; and authorized a program of demonstration plants.

EXPLANATION OF EFFECT OF CONFERENCE ACTION

The summary effect of the Conferees' recommendation is to authorize appropriations for fiscal year 1978 for saline water conversion research and development at the level of the House version. The Conferees included from the Senate bill a program to demonstrate the technology of desalination. The demonstration program includes authorization for four such projects, at least two of which must utilize underground brackish water such as that found in the Tularosa Basin. Such underground aquifers contain vast reserves of brackish or otherwise contaminated water that can be utilized for possible industrial, residential, and agricultural use.

The Conferees' recommendation also sets forth guide lines and limitations for carrying out the demonstration plant program.

The House version authorized appropriations not heretofore authorized in the amount of $21,950,000 for fiscal year 1978. The Senate version authorized appropriations not heretofore authorized in the amount of $63,500,000, for each of the fiscal years 1978 and 1979; for a total of $127,000,000. The Conferees' recommendations authorizes appropriations not heretofore authorized in the amount of $21,950,000 for fiscal year 1978 and $40,000,000 of no-year demonstration plant funds for a total of $61,950,000.

LLOYD MEEDS,
MORRIS K. UDALL,
GEORGE MILLER,
JOHN KREBS,
JAMES WEAVER,
MANUEL LUJAN, JR.,
DAN MARRIOTT,
Managers on the Part of the House.

MIKE GRAVEL,
LLOYD BENTSEN,
PETE V. DOMENICI,
Managers on the Part of the Senate.

PROVIDING FOR THE CONSIDERATION OF H.R. 2777, NATIONAL CONSUMER COOPERATIVE BANK ACT

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 638 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 638

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2777) to provide for consumers a further means of minimizing the impact of inflation and economic depression by narrowing the price spread between costs to the producer and the consumer of needed goods, services, facilities, and commodities through the development and funding of specialized credit sources for, and technical assistance to, self-help, not-for-profit cooperatives, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Banking, Finance and Urban Affairs now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be read for amendment by titles instead or by sections, and all points of order against said amendment for failure to comply with the provisions of clause 5 of rule XXI are hereby waived. At the conclusion of consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Louisiana (Mr. LONG) is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from Illinois (Mr. ANDERSON) and pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 638 provides for the consideration of H.R. 2777, a bill which would authorize the development and funding of specialized credit sources for, and technical assistance to, self-help, not-for-profit cooperatives. The rule provides for 1 hour of general debate and makes it in order to consider for purposes of amendment the amendment in the nature of a substitute recommended by the Committee on Banking, Finance and Urban Affairs.

The substitute will be read by titles rather than by sections. The rule grants a waiver against all points of order which might be raised against H.R. 2777 for failure to comply with clause 5 of rule XXI, which prohibits appropriations in a legislative measure. This waiver was necessary because of the language in section 301 and 406 of the committee substitute.

The goals of expanding opportunities to develop cooperatives have my full support. I have always backed the concept of cooperatives. They are a very important form of commercial activity in the rural communities of Louisiana which I represent. I believe that cooperatives provide great benefits to consumers when they are well devised. I am furthermore very eager to provide all the help we can to cooperative efforts. But the question arises: what is the best approach?

I have several reservations about the bill as reported by the committee. H.R. 2777 may go too far too fast with solutions that may not fit the problem, which is not yet clearly defined. The establishment of a major new Govern-

ment program should be carefully conceived so that the help provided is certain to meet the public needs in an appropriate way. A new program must be based on reliable information and statistical background. The Congress should ascertain that the proper Government agency implements the program.

There are numerous points of controversy surrounding this legislation. Little of the controversy, however, affects the purpose of the legislation. It is rather the method of solving the problem that is being questioned. Both the Office of Management and Budget and the Department of Treasury prefer to establish a pilot project to study the needs of cooperatives so that the Federal response will be tailored to specific identifiable needs. The Rules Committee had the benefit of testimony by several persuasive advocates of different approaches to the goal of giving Federal support to cooperatives, in addition to the eloquent statements of the sponsors of the legislation.

Mr. Speaker, I am looking forward to hearing the arguments on this legislation in the form of a full discussion by this body. As a strong supporter of the cooperative movement and of the farm credit system which was perhaps the inspiration for the present proposal for cooperative financing, I believe we should take the bill before us very seriously and proceed with caution.

I therefore encourage my colleagues to vote in favor of this open rule so that all points of view on the national consumer cooperative bank proposal can be heard. Mr. Speaker, I therefore urge adoption of House Resolution 638.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 638 provides for 1-hour of general debate on the bill, H.R. 2777, the National Consumer Cooperative Bank Act. The rule further provides that the committee amendment in the nature of a substitute, which is printed in the bill beginning at page 45, shall be considered as an original bill for the purpose of amendment, and that the committee substitute shall be read by titles, instead of by sections, for the purposes of amendment under the 5 minute rule. Finally, the rule waives points of order against the committee substitute for failure to comply with clause 5 of rule XXI which prohibits an appropriation on an authorization bill. This waiver is made necessary by the fact that the Self-Help Development Fund, established under title III of the bill, would include a revolving fund derived from repayments on low-interest loans made to low-income, inner city, new cooperatives, and others meeting special needs. Thus, this is considered an unauthorized appropriation only in the sense that it permits the reallocation of these loan repayments through the revolving fund, and therefore does not involve the obligation of additional tax revenues.

Mr. Speaker, this rule and this legislation are not without controversy, and indeed some witnesses before our Rules Committee urged that we not grant a rule because of the manner in which this was rushed through committee without adequate hearings or opportunity for amendment. Moreover, it was pointed out that the administration opposes the committee bill and would prefer a more limited, pilot test approach funded at a level of $20 million in loans and technical assistance. The bill was reported from the Committee on Banking, Finance and Urban Affairs by a vote of 28–11. Nine members of the committee signed the minority views and expressed support for the administration's pilot program alternative. That alternative lost in full committee by a vote of 17–23. It is my understanding that there will be no problem under this rule in offering that alternative as a substitute for the committee bill.

Mr. Speaker, I am sympathetic to the complaints of the committee minority that this measure was rushed through without adequate consideration and deliberation. Indeed, the vote in the Rules Committee to report a rule on this bill, was 9 to 3, with one voting present; but three of the nine members voting to report expressed "hesitancy" in voting to report the bill, I suspect in large part because of the complaints on the way this was handled. I think the Rules Committee does have a legitimate right to deny a rule on a bill which has not been properly or fairly handled by a committee. At the same time, in defense of the committee, I think it should be pointed out that a similar bill was reported by the committee in the last Congress, but died in the Rules Committee when it became apparent the Senate would not have time to consider the bill before adjournment of the 94th Congress. It should also be noted that the committee was up against the May 15 reporting deadline under the terms of the Budget Act, and this measure was reported, just under the wire, on May 13. So this was a close and difficult call for the Rules Committee, and in this case the committee gave the Banking Committee the benefit of the doubt.

H.R. 2777 would establish a National Consumer Cooperative Bank to fill the credit vacuum which now exists for nonprofit, self-help consumer co-ops in a variety of fields ranging from food to health. The bank would make loans to these co-ops at market interest rates, much in the same way farm cooperatives have received assistance from the farm credit system and small businesses from the Small Business Administration. The bill would also establish an Office of Consumer Cooperatives in the ACTION Agency to administer a self-help development fund for low-income, inner-city, new cooperatives, and cooperatives meeting special needs. Based on need, the Office could use the fund, established in the Treasury, to make low-interest loans to these co-ops on the condition that they be fully repayable. As I mentioned earlier, the repayments on these low-interest loans would go into a revolving fund and thus provide a continuing source of funding for these co-ops. In addition to administering the self-help development fund, the Office of Consumer Cooperatives would be authorized to provide technical assistance for initial planning, operational problems, financial analysis, and similar activities.

Mr. Speaker, the bill authorizes $100 million in fiscal 1978 and up to $400 million over the succeeding 4 fiscal years for the purchase of class A stock in the bank by the Treasury. It also authorizes $10 million in fiscal 1978 and up to $420 million over the succeeding 4 fiscal years for the self-help development fund. In addition, the estimated administrative costs are projected at $0.7 million in fiscal 1978, $3 million in fiscal 1979, $5 million in 1980, $6 million in 1981, and $7 million in 1982. The Congressional Budget Office estimates that the actual costs to the Government, because of the repayment factor of such loan programs, will range from $1 million in fiscal 1978 up to $46 million in fiscal 1982.

Another feature of this bill which I think should be emphasized is the fact that we are not creating a permanent, new Government bureaucracy. The National Consumer Cooperative Bank created by this bill would be a mixed ownership, financial institution, initially subject to Presidential control through appointments of board members. Initially, three classes of stock would be issued, including subscriptions by Treasury. But this outlay would be repaid with interest and ultimately the Treasury would not own any stock and the bank would become wholly privately owned and thus no longer a Government entity. As the committee report points out, and I quote from page 12:

> The Committee believes that this approach—the combining of Federal seed money with local initiative—is preferable to a conventional loan and grant program which could create a self-perpetuating bureaucracy. Instead of an ongoing Federal bureaucracy, the legislation specifically provides for a phase-out and a mandatory payback.

The other important feature of this bill which I would like to emphasize is that it contains specific safeguards against the possibility of unfair competition. In establishing criteria for loans to cooperatives, the consumer bank must include an assessment of the impact of the loan on existing small businesses in the applicant's business territory. In addition, the bill provides that the Small Business Administration is one of the agencies eligible for membership on the board of directors of the bank, thus assuring a voice for the small business community. The committee report notes that the economic activity created by this legislation will be important "to the revitalization of many business areas, a fact which will benefit small businesses as well as cooperative organizations."

In conclusion, Mr. Speaker, I urge adoption of this rule so we can hear the various points of controversy thoroughly debated on this bill and consider any alternatives or improvements in the amendment process.

Mr. ST GERMAIN. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. I thank the gentleman from Illinois for yielding.

As usual, the gentleman's presentation is a very accurate one. I would like to make one point, and that is that as far as consideration of the legislation is concerned, I have with me 312 pages of last year's hearings, and this year's hearings are 506 pages long. So we did have adequate hearings on this matter.

As the gentleman so accurately stated, we last year went to the Committee on Rules, but when we determined that the Senate would not take the bill up, we did not want to burden the Committee on Rules at the end of the session, and we withdrew the bill that is now before us today.

We were faced with a deadline as a result of our budget resolution, and that is why we had to get it out in an expeditious manner, but the fact is we did have 2 days of markup at the full committee level and full hearings.

I thank the gentleman for yielding and for his statement.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I want to say to my colleague that this bill before us is the third version that has been presented. The committee never really justly considered all aspects of this bill, because when it came out of the subcommittee, it was in one form and came out of subcommittee in 20 minutes. When it came to the full committee, we took all of 45 minutes, maybe a little longer, and the administration was never really allowed time to propose its suggested legislation. We hope to bring that out in the coming debate.

But I would urge my colleagues to vote against the rule. I think it would save a lot of time, because basically the administration claims it does not favor this legislation. It came up to testify to that effect. If any Members want to establish another whole bank system, they will like this bill, but many think it will be and is unnecessary.

Mr. LONG of Louisiana. Mr. Speaker, having no further requests for time, I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 339, nays 55, answered "present" 1, not voting 38, as follows:

[Roll No. 412]

YEAS—339

Abdnor	Andrews, N.C.	AuCoin
Addabbo	Andrews, N. Dak.	Badillo
Akaka	Annunzio	Baldus
Alexander	Applegate	Barnard
Allen	Armstrong	Baucus
Ambro	Ashbrook	Bauman
Ammerman	Ashley	Beard, R.I.
Anderson, Calif.	Aspin	Beard, Tenn.
Benjamin	Guyer	Nowak
Bennett	Hagedorn	Oakar
Bevill	Hall	Oberstar
Biaggi	Hammer-schmidt	Ottinger
Bingham	Hanley	Panetta
Blanchard	Hannaford	Patten
Blouin	Harkin	Patterson
Boggs	Harrington	Pattison
Boland	Harris	Pease
Bolling	Harsha	Pepper
Bonior	Hawkins	Perkins
Bonker	Heckler	Pettis
Bowen	Hefner	Pickle
Breaux	Heftel	Pike
Breckinridge	Hightower	Poage
Brodhead	Hillis	Pressler
Brooks	Holland	Preyer
Brown, Mich.	Hollenbeck	Price
Brown, Ohio	Holtzman	Pritchard
Broyhill	Horton	Pursell
Buchanan	Howard	Quayle
Burke, Calif.	Hubbard	Quie
Burke, Fla.	Huckaby	Rahall
Burlison, Mo.	Hughes	Rangel
Burton, John	Hyde	Regula
Burton, Phillip	Jacobs	Reuss
Byron	Jeffords	Rhodes
Caputo	Jenkins	Richmond
Carney	Jenrette	Rinaldo
Carr	Johnson, Calif.	Risenhoover
Carter	Jones, Okla.	Rodino
Chappell	Jones, Tenn.	Roe
Chisholm	Kasten	Rogers
Clausen, Don H.	Kastenmeier	Roncalio
Clay	Kazen	Rooney
Cleveland	Kelly	Rose
Cochran	Kemp	Roybal
Cohen	Keys	Ruppe
Coleman	Kildee	Russo
Collins, Ill.	Kostmayer	Santini
Conte	Krebs	Sarasin
Conyers	Krueger	Sawyer
Corcoran	Lagomarsino	Scheuer
Corman	Le Fante	Schroeder
Cornell	Leach	Schulze
Cornwell	Lederer	Sebelius
Cotter	Leggett	Seiberling
Coughlin	Lehman	Sharp
Cunningham	Lent	Sikes
D'Amours	Levitas	Simon
Daniel, Dan	Lloyd, Calif.	Sisk
Danielson	Lloyd, Tenn.	Skelton
Davis	Long, La.	Slack
de la Garza	Long, Md.	Smith, Iowa
Delaney	Lujan	Smith, Nebr.
Dellums	Luken	Solarz
Derrick	Lundine	Spellman
Devine	McCloskey	St Germain
Dickinson	McCormack	Staggers
Dicks	McDade	Stangeland
Diggs	McFall	Stanton
Dingell	McHugh	Stark
Downey	McKay	Steers
Drinan	Madigan	Stokes
Duncan, Oreg.	Maguire	Stratton
Duncan, Tenn.	Markey	Studds
Eckhardt	Marks	Thone
Edgar	Marlenee	Thornton
Edwards, Ala.	Marriott	Traxler
Edwards, Calif.	Martin	Treible
Edwards, Okla.	Mattox	Tsongas
Eilberg	Mazzoli	Tucker
Emery	Meeds	Udall
English	Metcalfe	Ullman
Ertel	Meyner	Van Deerlin
Evans, Colo.	Mikulski	Vander Jagt
Evans, Del.	Milford	Vanik
Evans, Ga.	Miller, Calif.	Vento
Fary	Miller, Ohio	Walgren
Fascell	Mineta	Walker
Fenwick	Minish	Walsh
Findley	Mitchell, Md.	Wampler
Fish	Mitchell, N.Y.	Watkins
Fisher	Moakley	Waxman
Flood	Moffett	Weaver
Florio	Mollohan	Weiss
Flowers	Montgomery	Whalen
Foley	Moore	White
Ford, Tenn.	Moorhead, Calif.	Whitehurst
Forsythe	Moorhead, Pa.	Whitley
Fountain	Moss	Whitten
Fowler	Mottl	Wiggins
Frey	Murphy, Ill.	Wilson, Tex.
Fuqua	Murphy, N.Y.	Winn
Gammage	Murphy, Pa.	Wirth
Gaydos	Murtha	Wolff
Gephardt	Myers, Gary	Wright
Giaimo	Myers, John	Wydler
Gilman	Myers, Michael	Wylie
Ginn	Natcher	Yates
Glickman	Neal	Yatron
Goodling	Nedzi	Young, Alaska
Gore	Nichols	Young, Mo.
Gradison	Nix	Young, Tex.
Gudger		Zeferetti

NAYS—55

Archer	Grassley	Rousselot
Badham	Hansen	Rudd
Bafalis	Holt	Runnels
Brinkley	Ichord	Satterfield
Broomfield	Ireland	Shuster
Burgener	Jones, N.C.	Snyder
Burleson, Tex.	Ketchum	Spence
Butler	Kindness	Steiger
Cavanaugh	LaFalce	Stockman
Clawson, Del	Latta	Stump
Collins, Tex.	Lott	Symms
Crane	McClory	Taylor
Daniel, R. W.	McDonald	Treen
Derwinski	McEwen	Volkmer
Dornan	Mahon	Waggonner
Erlenborn	Michel	Wilson, Bob
Flynt	Quillen	Young, Fla.
Goldwater	Roberts	
Gonzalez	Robinson	

ANSWERED "PRESENT"—1

O'Brien

NOT VOTING—38

Anderson, Ill.	Ford, Mich.	Obey
Bellenson	Fraser	Railsback
Brademas	Frenzel	Rosenthal
Brown, Calif.	Gibbons	Rostenkowski
Burke, Mass.	Hamilton	Ryan
Cederberg	Johnson, Colo.	Shipley
Conable	Jordan	Skubitz
Dent	Koch	Steed
Dodd	McKinney	Teague
Early	Mann	Thompson
Evans, Ind.	Mathis	Wilson, C. H.
Fithian	Mikva	Zablocki
Flippo	Nolan	

The Clerk announced the following pairs:

Mr. Burke of Massachusetts with Mr. Dent.
Mr. Zablocki with Mr. Fithian.
Mr. Brademas with Mr. Fraser.
Mr. Hamilton with Mr. Ryan.
Mr. Bellenson with Mr. Nolan.
Mr. Evans of Indiana with Mr. Gibbons.
Mr. Shipley with Mr. Flippo.
Mr. Teague with Mr. Mann.
Mr. Rostenkowski with Mr. Frenzel.
Mr. Mikva with Mr. McKinney.
Mr. Koch with Mr. Railsback.
Mr. Dodd with Mr. Rosenthal.
Mr. Early with Mr. Anderson of Illinois.
Ms. Jordan with Mr. Brown of California.
Mr. Ford of Michigan with Mr. Cederberg.
Mr. Mathis with Mr. Conable.
Mr. Obey with Mr. Steed.
Mr. Thompson with Mr. Charles H. Wilson of California.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4287, FEDERAL MINE SAFETY AND HEALTH ACT OF 1977

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 95-499) on the resolution (H. Res. 682) providing for consideration of the bill (H.R. 4287) to promote safety and health in the mining industry, to prevent recurring disasters in the mining industry, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION TO AMEND THE RULES OF THE HOUSE OF REPRESENTATIVES AND ESTABLISH A PERMANENT SELECT COMMITTEE ON INTELLIGENCE

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 95-498) on the resolution (H.

Res. 658) to amend the Rules of the House of Representatives and establish a permanent Select Committee on Intelligence, which was referred to the House Calendar and ordered to be printed.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO FILE REPORT, ALONG WITH ANY SEPARATE AND MINORITY VIEWS, ON TITLE II OF H.R. 6831

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means have until midnight tonight to file its report, along with any separate and minority views, on title II of H.R. 6831, the National Energy Act.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

NATIONAL CONSUMER COOPERATIVE BANK ACT

Mr. ST GERMAIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2777) to provide for consumers a further means of minimizing the impact of inflation and economic depression by narrowing the price spread between costs to the producer and the consumer of needed goods, services, facilities, and commodities through the development and funding of specialized credit sources for, and technical assistance to, self-help, not-for-profit cooperatives, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Rhode Island (Mr. ST GERMAIN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 2777, with Mr. MAZZOLI in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Rhode Island (Mr. ST GERMAIN) will be recognized for 30 minutes, and the gentleman from California (Mr. ROUSSELOT) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Rhode Island (Mr. ST GERMAIN).

Mr. ST. GERMAIN. Mr. Chairman, I yield such time as he may consume to the chairman of the full Committee on Banking, Finance and Urban Affairs, the gentleman from Wisconsin (Mr. REUSS).

Mr. REUSS. Mr. Chairman, the National Consumer Cooperative Bank is self-help in the finest tradition of our competitive free enterprise system. It is a concept which can be embraced by conservatives, liberals, Republicans, and Democrats. The Banking, Finance and Urban Affairs Committee reported H.R. 2777 to the House by a bipartisan 28 to 11 vote.

It is significant that the two principal sponsors of the bill are the distinguished chairman of the subcommittee, the gentleman from Rhode Island (Mr. ST GERMAIN) and the distinguished gentleman from Ohio (Mr. WYLIE).

Mr. Chairman, H.R. 2777 provides temporary Federal seed money and relies heavily on local initiative, local control, and citizen participation at the grassroots level.

This and succeeding Congresses will never have a more effective means of channeling help to depressed rural communities and the inner city than is provided in H.R. 2777.

The funds advanced to capitalize the National Consumer Cooperative Bank will be repaid in full with interest, and the operation of the Bank will be taken over by the cooperative-users without further cost to the Federal Government.

The Bank is modeled specifically after the banks created under the farm credit system, which have repaid their capital in full and which today are operated and owned by farmers and rural citizens. We are simply extending a proven concept to consumer cooperatives long deprived of credit at the loan windows of commercial banks.

We have extended billions of dollars to small businesses through the Small Business Administration and economic development programs; we have extended billions of dollars of subsidies to big business and big banks; we have passed along endless Government assistance to homebuilders and others in the real estate industry.

Consumer cooperatives ask not for subsidies or Government grants. They simply ask for a temporary advance of seed money so that they may start their own bank and deal with the private money markets without subsidies from the Federal Government.

This is a good bargain for the Federal Government.

But even good bargains and good legislation have their opponents. H.R. 2777 has created confusion in the ranks of the administration, with departments and agencies split. Today, the "official" position of the administration is for a "pilot project" in lieu of a self-help bank.

The need for consumer cooperatives has been studied carefully by the Financial Institutions Subcommittee and the full Banking, Finance and Urban Affairs Committee for almost 3 years. The testimony fills 800 pages. Evidence of the need for a specialized bank serving consumer cooperatives continues to pour into the Congress daily.

The legislative branch should not dodge its responsibility and suggest that the executive branch now conduct still another study. We have too often sloughed off the legislative responsibilities by authorizing commissions, studies, and task forces which grind out the gobbledy-gook that gives the Federal Government such a bad name across the land. We have too often aroused unattainable expectations by passing underfunded new programs, such as the Treasury proposes.

Let us face the issue squarely. Consumer cooperatives can be important tools in efforts to have people help themselves. They can provide consumers with a greater voice in the marketplace, and opportunity to provide themselves with goods and services at cheaper prices and better quality. They can fight inflation. They can also be great forces in pulling together people and neighborhoods. They can do much to revitalize inner city areas long abandoned by profitmaking enterprises.

Though H.R. 2777's support is bipartisan. I want to address a few special words to my colleagues on the Democratic side. We have always been proud of our concern for people and our side of the aisle has always given big majorities to self-help cooperative programs. I want to see that continue here today.

Last August, in New York City, many of us were delegates to the Democratic Convention. We proudly adopted the National Democratic Platform, and we said on the face of that document "The Platform is the Party's Contract with the People."

Our Democratic Platform states:

> We shall encourage consumer groups to establish and operate consumer cooperatives that will enable consumers to provide themselves marketplace alternatives and to provide a competitive spur to profit-oriented enterprises.

Let us keep that contract with the American people.

Mr. ROUSSELOT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to the committee version of H.R. 2777, the National Consumer Cooperative Bank Act, and in support of the substitute offered by my distinguished colleague from New York (Mr. LAFALCE).

The committee bill would establish a half-billion-dollar National Consumer Cooperative Bank to provide financial and technical assistance to consumer cooperatives. The Bank would be authorized to borrow from the Treasury, at Treasury's discretion, up to 10 times its paid-in capital and surplus. Although the Bank would charge market rates of interest on the loans that it makes its borrowings from the Treasury will, according to a Congressional Budget Office estimate, be subsidized to the extent of about $58 million, net of dividends, during its first 5 years of operation. Retirement of Treasury stock is not required to begin until 1990, and dividend payments will be a mere 25 percent of the Bank's earnings.

Proponents of the committee bill loudly proclaim that the Bank will only make sound loans to creditworthy borrowers. However, the bill would also create a quarter-billion-dollar "self-help development fund," administered by ACTION, which would provide below-market financing and technical assistance to consumer cooperatives which would not otherwise qualify for assistance from the Bank. These same cooperatives, with their spruced-up balance sheets could then apply for assistance from the Bank, for they would now be creditworthy.

The administration position, stated so eloquently by OMB Director Bert Lance and Assistant Treasury Secretary Roger C. Altman, is that massive new Federal

programs should not be started in the absence of compelling evidence of need. Accordingly, the administration proposes to conduct a 2-year, $20 million interagency task force study and pilot loan project to determine whether there really is a need for additional assistance for consumer cooperatives and, if a need is found to exist, whether it cannot be met without the establishment of a huge new Federal bank and two or more new bureaucracies. The study would evaluate the need in light of tax and antitrust advantages which cooperatives enjoy, so that a balanced assessment of the impact which cooperatives have on the national economy and on the Federal budget could be obtained.

This proposal makes good commonsense at a time when liberals as well as conservatives have come to realize that money does not rain down from the sky and that the growth of the bureaucracy must be checked if the economy is to achieve a satisfactory level of growth and if the ordinary citizen is to be given a reasonable chance to share in that growth.

Although the administration—presumably out of an understandable desire to give the proponents the benefit of any doubt—stresses the need for additional information and experience in order to determine whether a new assistance program for cooperatives is needed, there is much that is known which is pertinent to this legislation. The following list of facts is by no means exhaustive, but it may be of interest to many of my colleagues who may have been told that this is just another piece of consumer legislation, a harmless statement of support for the cooperative amendment:

First, approximately 77 percent of the projected loan demand of the Bank is expected to come from housing cooperatives. Housing cooperatives are concentrated in relatively few areas of the country—most notably Manhattan—where they are well understood and experience no undue difficulty in obtaining financing. There are already more than a dozen Federal programs to assist housing cooperatives, and more than $2 billion of insured mortgages are outstanding at the present time.

Second. Another 16 percent of the projected loan demand is expected to come from "consumer goods" cooperatives. Small neighborhood cooperatives rely on the financial resources and volunteer labor to achieve savings through self-help. They do not need, and many do not want, large amounts of outside cash. It is the large, professionally managed cooperatives which require large amounts of capital to support paid staffs and elaborate facilities. The record of these large cooperatives in serving inner-city neighborhoods and in achieving savings for consumers is not demonstrably better than that of investor-owner enterprises. The remaining 7 percent includes a wide range of projects, from health co-ops to cable television. Milwuakee, Wis., appears to be first in line to be wired; one would think the proponents could come up with more urgent needs on which to spend taxpayers' money. In short, there is no demonstrated need for this massive new Federal program.

Third. Consumer cooperatives have not demonstrated any special ability to serve the needs of the poor and of inner-city residents, and the evidence of this is close at hand. Greenbelt Consumer Services, Inc., operates 25 stores in the Metropolitan Washington area, down from 45 in 1971. Only 2 of the presently operating 25 facilities are located in the District of Columbia. These are Scan stores which sell expensive imported furniture and gifts in the Georgetown Canal Square complex and on upper Connecticut Avenue. Neither the goods nor the locations are calculated to appeal to the poor.

Neither co-ops nor investor-owned enterprises can afford to maintain units which consistently fail to operate profitably. Unprofitability was the reason Greenbelt closed 15 of its 22 supermarkets and all 5 of its pharmacies. This consumer co-op has an accumulated deficit of nearly a million dollars and has suffered furniture losses due to employee theft of about half a million dollars. No dividends have been paid on its stock for the past 6 fiscal years, and no patronage dividends have been paid since 1959.

Fourth. Cooperatives enjoy enormous tax advantages which are unavailable to investor-owned enterprises. In a 1969 Georgetown Law Journal article, Mortimer M. Caplin, U.S. Commissioner of Internal Revenue during the Kennedy Administration stated—

> Cooperatives virtually are exempt from the corporate income tax. In contrast, ordinary business corporations currently pay a tax of over 50 percent on their taxable income in excess of $25,000, whether that income is distributed to stockholders or retained for use in the business.

Mr. Caplin called for a reexamination of Federal tax policies applicable to cooperatives. In the absence of such a reexamination, the least we should do is to refrain from enacting a major assistance program which will further tilt the competitive balance in favor of cooperatives. This restraint is particularly appropriate in view of the fact that cooperatives contribute so little revenue to the Treasury from which they are now seeking to receive assistance.

Fifth. The administration of the "self-help development fund" and the provision of "cooperative technical assistance" under titles III and IV would be entrusted to ACTION Agency. The General Accounting Office has found that this agency does not have an accounting system which meets the requirements of the Budget and Accounting Procedures Act of 1950. A staff study by the Select Committee on Aging conducted in September 1976 concluded that—

> The 140 audit reports clearly demonstrate *that there is a definite lack of control over Federal funds given out in the form of grants for operation of OAVP programs.* (Emphasis is in the original.)

Proponents of the bill will argue that a nationwide volunteer audit now being conducted by the Nation's largest accounting firms shows that ACTION is straightening itself out. However, the fact is that only upon completion of the audit will the magnitude of the clean-up task be known, and the audit itself is difficult to conduct in the absence of proper internal controls. Meanwhile, under this bill, the task of serving as a "management consulting agency" for cooperatives would be entrusted to an agency which appears to be in urgent need of technical assistance, far from being in a position to provide it.

For all of the reasons stated above, and in full consideration of the extent of our present knowledge about cooperatives and the need for further knowledge and experience, I strongly urge my colleagues to support the LaFalce-Ashley substitute.

Mr. ST GERMAIN. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas (Mr. WRIGHT), the distinguished majority leader.

Mr. WRIGHT. Mr. Chairman, the need for a credit institution for consumer cooperatives has been demonstrated over and over again in the hearings before the Subcommittee on Financial Institutions Supervision, Regulation and Insurance.

The simple truth is that commercial banks and other private lenders, for the most part, have been unwilling to provide credit to consumer cooperatives; and that includes some of the most creditworthy of the consumer cooperatives.

Mr. Chairman, I do not raise this point as a criticism of the commercial banking industry. It is a simple fact that commercial banks are controlled by boards of directors drawn from the profitmaking sector and their dealings are with the profitmaking businesses. They are simply not familiar with the idea of member-owned, not-for-profit cooperative organizations.

As we all know, bankers and bank loan committees generally tend to shun the unfamiliar. That is why we have been required on many occasions to provide specialized credit mechanisms. We have done this through the farm credit system to take care of a variety of farmer and rural needs.

Small businesses have found it difficult to obtain credit on reasonable terms. As a result of that, the Small Business Administration was born. Today SBA has $7 billion in loan and guarantees outstanding to small businesses throughout the country.

I believe that the overwhelming majority of the Members in the House support the Small Business Administration in its legitimate efforts to finance small businesses, but, let us not forget that when the SBA was born in 1953, it too was beset by the claim that there was not any real need for it. The opponents then suggested a "pilot program." I would just like to quote from the testimony of the illustrious American Bankers Association before the House Banking Committee. They said:

We recommend that the lending functions of the SBA be terminated *as no tangible proof has been offered to prove there is a need for the Government to engage in this field.*

Of course, the American Bankers Association, and others, always were opposed to the National Consumer Cooperative Bank, and today we have been hearing the story that there is not a need for it.

The contrary is true. Let me give the Members three illustrations.

The first illustration involves a long-established cooperative in New Jersey. It had good dealings with their local bank, but they were cut off from credit when a large conglomerate bought out the bank, and then the Wall Street management decided that they did not understand the cooperative.

The second illustration: A successful student housing cooperative in Austin, Tex., was told by eight different banks in turning down their loan request that their structure was "unconventional."

The third illustration: A group health cooperative in Puget Sound could not get a commercial mortgage until it had been operating for 17 years. Its members had to take second mortgages on their own homes.

That list could go on and on with other illustrations of the need for some specialized means to make credit available to these legitimate commercial cooperatives. We are not asking that money be made available to those who do not establish a record and a reasonable prospect of paying their loans back. We are not talking about giving the money away. We are simply talking about making credit available to this well-established and, in many instances, very highly successful form of enterprise throughout the United States.

Mr. Chairman, I hope that the Members will support this legislation.

Mr. ROUSSELOT. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. STANTON).

Mr. STANTON. Mr. Chairman, the administration opposes H.R. 2777. This has been made quite clear in a letter under date of May 9, 1977, to Chairman REUSS of the House Banking, Finance and Urban Affairs Committee from Henry C. Stockwell, Jr., Acting General Counsel of the Treasury Department and again by Mr. Bert Lance in a letter to our colleague Mr. LAFALCE, dated June 29, 1977. Mr. Lance flatly states:

We have concluded that adequate justification does not exist for the establishment of a new Federal Bank and the expenditure of billions of Federal funds for the purchase of capital stock and debt to finance consumer cooperatives.

Instead, the administration favors establishment of an interagency task force on consumer cooperatives and of a 2-year pilot project lending facility. The task force will study and report on the need for financial assistance to cooperatives, the relationship between cooperatives and the Federal Government, how needs of cooperatives are currently being met by conventional private credit sources and the need for a Consumer Cooperative Bank as well as how co-ops are affected by Federal agencies administering tax and antitrust programs. The pilot project lending facility would make loans to consumer cooperatives and provide technical assistance to its borrowers. Such proposal would be funded through a $20 million appropriation.

The administration's proposal makes commonsense. Before establishing a new $750 million program—$500 million for a new Consumer Co-op Bank and $250 million for a new soft loan consumer co-op development fund—the Congress should take the time to examine this new proposal very carefully.

The assignment to ACTION of the tasks of administering the $250 million self-help development fund and of providing technical assistance to cooperatives causes grave concern.

The findings of a recent staff study by the Select Committee on Aging, which was based upon material supplied by the General Accounting Office, concluded that—

In its five years of operation, ACTION has not met the requirements of the Budget and Accounting Procedures Act of 1950.

Furthermore, the administration has commissioned an unprecedented nationwide volunteer audit of ACTION by 10 leading accounting firms.

For Congress to grant substantial additional funds and powers to an agency which is clearly unable to discharge its present responsibilities would be highly imprudent.

Mr. Chairman, there are several things about H.R. 2777 which give cause for alarm. Our colleagues should know that the bill now before them is a product, born in a crisis atmosphere.

After hearings, scattered over a 2-year period, in consideration of a grandiose $15 billion scheme to set up a Consumer Co-op Bank with a regional bank structure similar to the Federal Reserve System, the bill was suddenly redrafted, reduced in dollar impact and rushed out of committee without change.

The new bill substantially departed from the proposals considered in hearings. It was not properly discussed and was not amended in any degree from its draft version.

Our colleagues are being presented with a bill which has not been properly attended in the committee process. Our colleagues are being asked to do the committee's work on the floor of the House.

It is disappointing to many of us, who are associated with this committee, to see this irresponsible action over and over again.

Mr. Chairman, there have been many attempts to justify this bill and the manner in which it has been handled. The real reason for it is the administration's strong opposition to the concept. The bill was redrafted overnight because of the administration's testimony before the subcommittee. It was forced out of subcommittee without any consideration of the administration's alternative proposal. Similarly, it was rushed through full committee.

Why? Because the supporters of the bill before you could not accept anything short of the immediate establishment of a Consumer Co-op Bank.

The statements of need for the bank have not been substantiated by the facts. Therefore, the supporters are unwilling to accept an interagency task force study of the real need.

The most regrettable aspect is their willingness to establish a new bank, a $750 million outlay of taxpayer money, $58.1 million in subsidy, and unlimited amounts for operations, in order to have in hand a bank which supporters only a concept of organization and uncertain need.

Mr. Chairman, I daresay that few, if any, of our colleagues oppose in any degree the concept of consumer co-ops. That is not the question we face here today.

Given a factual basis for Federal support of co-ops, you would find our colleagues ready with support.

In the absence of such a study as that proposed by the administration, how can we possibly justify the proposals presented by H.R. 2777.

Mr. Chairman, by personal choice I would vote to send this bill back to committee. That is where it actually belongs. However, in keeping with constructive action, and with the great hope that we will someday dispose of the lingering questions concerning financing for co-ops, I intend to support the LaFalce substitute. I urge our colleagues to join in support of the substitute.

Mr. ST GERMAIN. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New York (Mr. RICHMOND).

Mr. RICHMOND. Mr. Chairman, I want to commend my colleague, the gentleman from Rhode Island (Mr. ST GERMAIN) for his marvelous work on this outstanding bill, as well as commend his outstanding associate, the gentleman from New York (Mr. LAFALCE).

Mr. Chairman, I rise in strong support of this bill. As an urban member of the Agriculture Committee, I have learned firsthand how important cooperatives are to farmers, and I have seen the need to expand this vital self-help movement in our inner-cities.

My urban constituents need this financial assistance to help them start cooperatives and increase their bargaining power in the marketplace. Already, food co-ops are springing up in our cities, allowing farmers to market their products directly, while giving consumers fresh, wholesome farm products at lower prices.

But, if this movement is to grow and flourish, it must be given the technical and financial assistance which this bill provides. In the early part of this century, fledging farm co-ops had no financing and were discriminated against by commercial lenders. Then, Federal legislation helped create a credit system that allowed farm co-ops to develop and prosper. Like the Farm Credit Banks before it, the Consumer Cooperative Bank will

enable people to improve the quality of life in their rural and urban communities.

The time has come to tear down the barriers between urban and rural America, and forge bridges of cooperation;

The time has come to build upon the success of our farm co-ops, and let consumers share the benefits of Federal assistance to promote consumer co-ops;

The time has come to encourage competition to strengthen our free enterprise system and develop alternative marketing programs.

This bill is the most far-reaching consumer legislation Congress has considered this year, and its benefits will be felt for years to come.

I urge my colleagues to support this measure to make consumer participation in the marketplace meaningful and real, and to show that a coalition between representatives of urban areas and rural areas is indeed possible.

Mr. ST GERMAIN. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New York (Mr. LAFALCE).

Mr. LAFALCE. Mr. Chairman, I oppose this bill for a great many reasons. I would like to outline them briefly now and elaborate on them tomorrow.

First of all, I think it is important to realize that the administration is in strong opposition to this bill. There has been some talk that it is not the administration that opposes the bill; that it is the Treasury Department and OMB that oppose it. Let me dispel that. This matter has gone up to the President of the United States, and it is his position and his administration's position that this particular bill should be opposed. Let there be no confusion about that, and do not let anybody else attempt to confuse Members by saying that Agriculture wants it, HEW wants it, or HUD wants it. It is not so. This administration opposes this bill. To be sure, certain individuals in HUD may differ from the administration position, but it will always be true that a few individuals oppose administration decisions. That does not alter the strength of the administration opposition one iota.

The administration has come up with an alternative. An alternative which I intend to offer tomorrow as an amendment in the nature of a substitute.

Also, I want to emphasize that it is a $20 million pilot loan and technical assistance program. It is not a $20 million study. The study of how best to help cooperatives will be incidental to the pilot loan and technical assistance program.

The substitute which I will offer tomorrow will differ very slightly from the one that I placed in the RECORD this past Monday, in order to eliminate something that is not a real problem but which has, as a scare tactic, been raised as if it were a problem.

The study proposed in section 2 of the administration's substitute has been characterized as an "investigation." It has been said to be part of the broad "attack" on the cooperative concept. Nothing could be further from the truth. The goal of the study is to ascertain the needs of consumer cooperatives and to see what appropriate Federal assistance programs might be proposed to help meet those needs.

To spread rumors—as has been done today—to the effect that the study proposed by the administration is intended as part of an effort to cut back on existing Federal programs that assist producer cooperatives, primarily in the agriculture industry, is 100 percent off base. When I heard this, I immediately contacted Assistant Treasury Secretary Altman, who said that:

> The study and related loan program has nothing whatsoever to do with any examination of existing federal credit programs relating to the agriculture industry of producer cooperatives generally.

Mr. Altman went on to say that:

> The provision in the proposed substitute mentioning study of existing tax and antitrust benefits available to cooperatives is intended to be taken in the context of a study to ascertain whether *additional* benefits should be provided and, if so, what they should be. This is not and should not be construed as a re-examination of the wisdom of existing benefits.

That, under ordinary circumstances, should be that. The present administration has shown that it is compassionate and that it does not underhandedly seek to deprive benefits under the rubic of studying whether to provide additional ones. But the debate on this bill has been heated at times, so I have changed the substitute that I will offer to clarify this point and put it to rest once and for all.

The change is in section 2(b) of the substitute, the introduction to which will now read as follows:

> (b) Study. The Task Force is directed to make a comprehensive study of the relationship of cooperatives to the economy and to existing federal programs. As used in this title, the term "cooperative" shall mean a cooperative *eligible for assistance under the Cooperative Assistance Loan Program authorized by Section 3 of this Act*. No later than two years after the effective date of this Act, the Task Force shall submit to the President, for subsequent transmittal to Congress, a report of its findings and recommendations including its findings and recommendations with respect to:

The italic words, Mr. Chairman, constitute new language making it clear that the study shall be relating to cooperatives which are eligible for the pilot loan program.

And when we turn to that section of the substitute we find that cooperatives which are eligible for assistance from the Banks for Cooperatives or other institutions of the Farm Credit System, the Rural Electrification Administration, or the National Rural Utilities Cooperative Finance Corporation are not eligible for assistance under the pilot loan program. These are the producer cooperatives who, we are erroneously told, are "threatened by this study."

This new language, Mr. Chairman, makes it crystal clear that the study, which is incidental to the pilot loan and technical assistance program, will be directed at consumer cooperatives. I see nothing wrong, frankly, with a study looking at existing benefit programs during an assessment of how the Federal Government might better provide assistance to meet given needs. This Congress is—or ought to be—concerned about making our assistance programs more effective, and this is one opportunity to do just that.

In considering the bill before us, I think it is important to go into the procedure that was used to bring it to the floor. In the subcommittee, the bill that is now before us was never considered. Indeed, neither was the original bill. Neither bill was even discussed within the subcommittee. It is important to understand that. It was not even discussed. At the request of the subcommittee chairman the original bill was reported out without discussion or without amendment because, as he put it, of the exigencies of time—of the May 15 deadline he wanted to meet.

The full committee then met, perhaps a week later, and at that time a substitute was presented, and that is the bill before us today. That substitute was made available to the members of the full committee approximately an hour ahead of time. There may have been one or two exceptions. But that was about it.

I offered at that time the administration substitute to the St Germain substitute. After a few minutes' discussion, there was a motion for the previous question, there was an immediate vote, and the administration substitute was defeated 23 to 17, largely by proxy votes. There was a recess for a vote on the floor. We came back. There was another motion for the previous question, and there was a vote on the St Germain substitute, and here we are today.

There has been virtually no discussion of this bill. This is the first meaningful discussion of it. One can say: "Oh, 800 pages of testimony exist." Well, true, but a lot of pages exist in books over at the Library of Congress, too. There could be 2,000 or 5,000. That is not the issue—how many pages of testimony exist. The issue is: What consideration or discussion was given to whatever testimony was presented? And I say to the Members: Virtually none.

What we are doing today in the Committee of the Whole is the work that truly ought to have been done by the subcommittee. We are discussing it for the first time.

I could go on and cite a great many other points.

First of all, should we create a new federally chartered bank at a time when President Carter is seeking to eliminate and consolidate and reorganize various governmental entities? The President does not think so. I do not think so.

Should we be providing credit, not for given social problems, but for a particular form of business organization?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. ROUSSELOT. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. LAFALCE. Mr. Chairman, if we want to assist inner cities, if we want to assist neighborhoods, if we want to address a particular social problem, I suggest we should address that prob-

lem, rather than try to give particular benefit to a particular legal form.

Also, should we be authorizing, given the consideration that was undertaken by the subcommittee and the full committee, three-quarters of a billion dollars, one-half billion dollars for capitalization of the bank and one-quarter of a billion dollars for the self-help fund?

Now, so far as the self-help fund is concerned, should we be creating—here is another question—a new responsibility for the ACTION Agency when the ability of the ACTION Agency to handle it was never considered for 1 second before our committee? There was no testimony whatsoever. Particularly, should we be doing this when the administration is opposed to it?

Also, again, should we permit a governmental subsidy to a particular form of business organization?

People say, "Oh, this bill does not provide a subsidy." That is not so. That is a gross misrepresentation. In this quarter of a billion dollars self-help fund, the ACTION Agency is able to give low interest or no interest loans to virtually any form of consumer cooperative they want in any location that they want. They could give loans with interest rates of 1 percent, 2 percent, or 3 percent, you name it; and, for extremely long terms—up to 30 years. So, when the representation is made that loans are going to be made at market interest rates, just ask about that quarter of a billion dollars that could be given at no interest, or at 1 percent, 2 percent, or 3 percent, and ask how they answer that. Not only do they not answer it, they do not bring it up. They avoid it, but we cannot avoid it. We have to come to grips with it.

Mr. Chairman, tomorrow I will be offering an amendment, which is a constructive amendment. It is not anti-cooperative. It is procooperative. I think cooperatives serve a very valuable function in our society. I think we ought to encourage them and we ought to try to aid and abet them where aid and assistance is needed.

The question is what form should that aid and assistance take, where should we do it so it can mesh with our other Federal programs and other societal needs? That is what the Carter program, the pilot loan program, coupled with technical assistance can provide.

Mr. ROUSSELOT. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, I rise in support of H.R. 2777 and against the substitute which will be offered tomorrow. It is my sincere belief that enactment of H.R. 2777 could well be acclaimed as one of the landmark pieces of legislation in this century. I say that because this bill could provide the means for millions of Americans faced with financial problems to help themselves.

The farm credit system has performed a great service since the depression days. It has had a very favorable impact on the economy of the United States. I envision the same kind of impact for urban cooperatives on urban areas if this bill is enacted into law, which I hope it will be.

Mr. Chairman, in 1752 Benjamin Franklin formed the first cooperative. Herbert Hoover suggested the farm credit system and rural electric cooperatives while he was President of the United States. The depression came along and President Franklin Roosevelt seized on his suggestion and, with a Democratic Congress, passed it into law. The rural cooperatives were formed because of the inability of banks to lend, or rural farm people to borrow money from the banks.

In Ohio the farm bureau cooperatives have had a tremendous impact on the economy of our State. Since those early days when the farm bureau cooperatives were formed, they could not borrow money from the banks in depression days, they have become some of the biggest customers of banks in our area; so they have had a tremendous economic impact on our community.

Mr. Chairman, I remember just a short time ago when we had the Arab oil embargo, our farmers could not buy fertilizer from commercial fertilizer producers in this country, profit-making fertilizer facilities, because they were selling it overseas at huge profits.

So, the farmer cooperatives came to the rescue of domestic farmers. They helped the rural folk in America to provide the food and fiber for our Nation, and I say that if co-ops can help the rural folk, why cannot an urban cooperative help the urban folk in need of help? That is where we are.

The Puget Sound Health Cooperative provides health care for over 200,000 members who, in some cases, mortgaged their homes to get this cooperative started, and to put in a thousand dollars of their own money. Today, all that money has been returned, and health care is provided to members at a reasonable cost.

The Hyde Park Cooperative in Chicago is another example. The Cooperative Services in Detroit provides optical services at low cost to its members. The Harvard Cooperative is one which I remember fondly, because I was a member of it when I went to law school. It helped me buy clothing, toilet articles, and books at a reasonable cost.

I think that this bill can provide an alternative to Government handout welfare programs and aid people to help themselves in urban communities. We are told here today that we do not have any expertise in this area. We help foreign lending institutions form cooperatives all over the world every day through the World Bank and the Association for International Development, so we do have the expertise in this field. We do not need a study. This study is like pouring $20 million down a rat hole. We already have the study; we do not need to study this problem. H.R. 2777 is an attempt, to me, to move the problem out of the Government sector and into the private sector.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding to me. I would like to associate myself with his remarks, which are very much to the point. We have extended in this country an old and tried and true method of helping people locally to decide and to invest and to start new practices in the rural areas, particularly. Certainly now, with the condition of our cities, it is the time to extend it to our cities.

It is not a new principle or something that has not been tried. It is an old-fashioned method of bringing a constructive program to the place where it is needed. Above all, our cities, I think, need it now. I thank my colleague for yielding to me.

Mr. WYLIE. I thank the gentlewoman from New Jersey for her contribution and support.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. WYLIE) has expired.

Mr. ST GERMAIN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Ohio.

Mr. WYLIE. I would just like to give the Members an example of how this might work if this bill is passed into law. Let us assume some rural people find a need for health care at low cost, and there are numerous examples of that in my own State and all over the United States. This group might go to the cooperative bank, which would be formed under this act. This bank could act as a catalyst and help them write the articles of incorporation and incorporate under the laws of Ohio; determine their capital needs and what kind of investment they should make; whether they should borrow from the cooperative bank or from a commercial bank. If they did not have enough information, they could make a feasibility study, and that could be done by the Office of Consumer Cooperatives. The bank people might even talk to HEW to see if some supplemental health benefits might be available, or to the U.S. Department of Agriculture for assistance to rural communities.

The Office of Consumer Cooperatives, the Bank, as envisioned by this bill, and supplemental institutions could put a package together for health services. They might do it for a housing co-op for retired people. They might do it for an automobile repair co-op. They might do it for a consumer goods cooperative. There are all kinds of ways which this legislation could help people in need all across this Nation. Cooperatives have grown because conventional corporations could not meet the need.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. WYLIE) has expired.

Mr. ROUSSELOT. I yield to the gentleman from Ohio (Mr. WYLIE) 1 additional minute.

Mr. WYLIE. Mr. Chairman, one of the arguments against this is that it would kill off the Mom and Pop stores. There are no Mom and Pop stores in the area of Columbus, Ohio, which I have in mind,

that could be helped by this bill. There are no chain stores there either, except chain carryouts which are open on a 24-hour basis and are very expensive. There has been talk about competition. What is wrong with competition if it helps the housewife bring down food costs? But that is only a small part of the bill. We will get into other parts tomorrow. This will help people help themselves. I think we should vote against the substitute. This subject has been before the committee for 3 years now, and the substitute was suggested by Mr. Roger Altman, who is Deputy Secretary of the Treasury today, before he was even confirmed. The administration, I submit, has been somewhat ambivalent on this, but he came before our subcommittee and was asked about this bill. He did not really know what it was all about, and he said, "I think it should be studied." The next day, this substitute came up, which called for a $20 million study for 2 years.

If the Members are against the bill, vote against it; but do not vote for this substitute.

Mr. ROUSSELOT. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Chairman, there are many problems with the bill before us today, but the real question I think we should address is whether or not we even need this bill.

You know, a lot of us in the minority have been trying to streamline, simplify, and improve the Government for years. It came as kind of a shock to us to see how effectively President Carter popularized the idea with the American public last fall, and we were a bit dismayed to see how many of the majority climbed successfully on that bandwagon. Now, in complete contravention of that philosophy, we are proposing another new agency and new programs of technical aid and subsidized loans. To the President's credit, it must be noted that he has opposed the idea. As he pointed out, there has not been any effective demonstration of a need for this program nor have we explored the possibility of using existing programs more effectively to meet any need that does exist.

I think members should note that establishing this new bank will not create more money in the marketplace, it will merely create one more competitor for the funds currently available.

Nor will the creation of this bank assure a prompt flow of funds for consumer cooperatives. The bank must be formed and a staff assembled. More than likely, lending experts and others will be pirated from existing agencies.

Proponents of the bill do not deny that more than half the banks' funds are likely to go to housing co-ops; but, as is noted on page 42 of the committee report, there are 17 different programs in existence at HUD providing all sorts of assistance for housing cooperatives. It might be consistent with some of those grandiose campaign promises to support this bill if it eliminated some or all of those 17 programs. But no, your committee did not even consider this, or whether those programs could be improved, or whether those functions might be transferred to this new bank. Because a few spokesmen for the cooperative movement are dissatisfiied with those programs, we are creating a whole new agency to duplicate those functions. That is not the kind of thinking the American people voted for last fall or if you think so you certainly have a different impression than I have.

Mr. Chairman, the testimony we received on this bill did demonstrate that some consumer cooperatives have had difficulty financing their operations. It also was apparent that some of those attempting to start cooperatives lacked business experience and would likely have had trouble getting financing irrespective of their business form. I do not suggest the Congress ignore this problem, but I do suggest that it is grossly irresponsible to ignore the multitude of Government assistance programs currently operating. To suggest a new agency, as this bill does, which will have to start from scratch without looking at how our existing agencies with their experienced staffs might help, is irresponsible.

Nor do I think we should overlook the fact that the United States has one of the most competitive banking systems in the world. We have made no effort to determine why loans to consumer cooperatives are unattractive to the private sector, if indeed they are, nor how long they could be made attractive with a minimum of Government involvement.

In conclusion, all I can say to the Members is that a vote for this bill may endear you to a few, but it will certainly be a betrayal of all those voters who thought you were going to support sound, well-conceived Government operations.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. GRASSLEY) has expired.

Mr. ROUSSELOT. Mr. Chairman, I yield 2 additional minutes to the gentleman from Iowa (Mr. GRASSLEY).

Mr. Chairman, will the gentleman yield?

Mr. GRASSLEY. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague's yielding.

I know that my colleague, the gentleman from Iowa, has been involved for much of his life in farming, and I know he has been involved in providing financial resources for his own farming operations.

When the gentleman has been home to Iowa in recent times, have the farm cooperatives there told him that a whole new banking system like this is needed, and that they have been unable to get financing?

Mr. GRASSLEY. No. In fact, when I was home during our district work days, I met with a group of cooperatives. There were probably between 150 and 200 people at this meeting. This bill did not even come up for discussion.

If it had, though, I believe we would have found the answer that the gentleman would have expected: that the cooperatives in the rural areas are not having the problems that this bill would indicate they are.

Mr. ROUSSELOT. To the best of the gentleman's knowledge, then, has he found that either farmers or farm cooperatives in his area of the country have had difficulty in finding financial institutions willing to assist them in their various projects?

Mr. GRASSLEY. No, they have not had these problems.

Mr. ROUSSELOT. So, coming from a farm area, as the gentleman does, could he say that there has been really no testimony from his own area that this is needed?

Mr. GRASSLEY. That is true. I found no such testimony, and I made a determined effort to find it.

I might say in addition that there is a lot of feeling that these cooperatives will take care of the problems of low-income, elderly, and intercity residents generally. But I have run across the operations of Scan furniture here in Washington. While offering good quality merchandise, they are hardly catering to this class of people that this bill is attempting to address. That is owned by Greenbelt Consumer Services. Scan's products are priced for middle-class and upper middle-class consumers. Scan does well because it offers a unique product, not because it is meeting some basic need at a lower price than for-profit enterprises can offer.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague's comment, because I know he has spent much of his life in the farm community, and he has put to rest the argument that there is a great demand out there for a whole new system of banking.

Mr. Chairman, I thank the gentleman for yielding.

Mr. ST GERMAIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 2777 comes to the floor after 2 years of hearings and approximately 4 years of work. Frankly, I have never handled a piece of legislation that had such a broad coalition of support during the 17 years that I have been on the Committee on Banking, Finance and Urban Affairs, which used to be known as the Committee on Banking, Currency, and Housing.

Mr. Chairman, tomorrow we are going to have an opportunity to strike a blow for the American consumer, for the idea of people helping themselves; and frankly, it may be the only opportunity in this Congress that any of us will have to so do as I view the legislation and the legislative calendar at hand.

Mr. Chairman, we are very proud of the fact that this legislation has 100 cosponsors in the House and 35 in the other body. We have been able to attract active support from both political parties. It is a bipartisan piece of legislation.

Mr. Chairman, the groups supporting this legislation are numerous. They come from all sectors of our economy. They are the AFL–CIO; the United Auto Workers; NETWORK, which is a Catholic social justice organization; the Na-

tional Council of Senior Citizens; the Consumer Federation of America; the Consumer Affairs Department of the State of California; the National Sharecroppers Fund; the Wisconsin State Senate and Assembly; the Pennsylvania Department of Agriculture; the National Rural Electric Cooperative Association; the Credit Union National Association; the Commission on Religion in Appalachia; the Colorado Cooperative Council; Ralph Nader; the Nationwide Insurance Co.; the National Association of Federal Credit Unions; the Federation of Southern Cooperatives in Alabama; the Lieutenant Governor of the State of South Carolina; the National Farmers Union; the Southern Cooperative Development Fund in Louisiana; and the mayors of Detroit, Ann Arbor, and Atlanta; and the United Steel Workers.

Mr. Chairman, this is but a partial list, but I can say without equivocation that virtually every people-oriented group in this Nation is in support of a National Consumer Cooperative Bank. This broad support has developed because the legislation has been brought forward carefully, with the overwhelming need for a National Consumer Cooperative Bank established not only in the 800 pages of hearings, but during the months and months of deliberations on this legislation.

Mr. Chairman, we all know and we all recognize, and we should, if we want to be very honest with each other, that legislation is written after the hearings by a give-and-take method. This Member, yes, did introduce a new bill for the markup. Why? Because I made every effort to cooperate with Treasury in their recommendations. We did, in fact, make changes in the bill in a spirit of cooperation and compromise.

Negotiations with Treasury proved to be impossible. As the gentleman from Ohio (Mr. WYLIE) stated when Mr. Altman came before us, he did not know what the bill was all about and asked for a study.

We wrote to the incoming administration in December of last year, and we contacted them time after time, letting them know that this legislation was going to come to the floor, early in this session. They ignored us.

When we told them 3 weeks ahead of time about the hearings, they then called us. They called me a few days before and said, "Can you reschedule this? We are not ready."

Mr. Chairman, that is the administration's problem with this legislation. I imagine they were more concerned about working out legislation to pay $500 million to $600 million in interest to commercial banks for the funds they have on deposit with the Fed. That was more important to them than to look at legislation that would help the consumer.

Mr. Chairman, my colleague from Iowa brought up the fact that under H.R. 2777, that x number of dollars would go to housing cooperatives.

That is one of the items I negotiated with myself on in this bill. If you read the bill carefully you will see that the bill contains a requirement that housing cooperatives first go to the existing agencies in HUD to obtain the funds. That is in the bill. That is one of the changes that was made when it was reintroduced. I assure the Members that the sponsors of this legislation here in the House, and the proponents of this legislation from throughout the country, do not want the money to go to only a small number of cooperatives; they want to do the most good possible with this and that is done by spreading it around, to the qualified consumer cooperatives, including the small consumer cooperatives, the type that came in and testified before our committee and cited their problems in obtaining finance.

Like our majority leader, I am not critical of the banking industry in this instance. I am in other instances. I can see their point. Cooperatives are not what their personnel and their loan officers are trained to examine. Their loan officers are trained to look for a profit from whatever business they lend to, over and beyond the collateral, to determine and decide whether a loan should be made. The SBA cannot lend to consumer co-ops because, again, it is limited to the profit sector. There is clearly a need for credit and it is not being met by banks or existing agencies.

I am very sorry that this new administration has brought into some of its agencies technical Treasury personnel who probably never had to grub for a living. I did. Most of the cosponsors and supporters of this legislation did. We have been working all of our lives. We have families who worked in the mills, in the plants, with their hands. They know what need is. But the people who are assigned by the administration to examine this legislation, as I say, they did not realize that there was a need because they did not even think that there was a need to look at the legislation until shortly before the hearings. So what would you expect? I repeat, what would you expect? They were more concerned again, over what kind of interest we pay to the commercial banks than this. That is going to be $600 million a year. But that is money from the taxpayers. You know, I read an attempt to justify this last night, and it was pointed out that, well, these banks are going to pay taxes on this increased profit they are going to make.

Who are they kidding? Who are they kidding? You know how much taxes the banks pay. They are experts at not paying taxes. Very expert at it. And I commend them for it, for taking advantage of all of the loopholes possible.

Mr. Chairman, returning to this bill, remember, the funds are going to be loaned to the bank. They will be repaid to the Treasury. The loans the co-op bank will be making will be at market interest rates. The lending officers have to determine, as prudent lenders in loaning to a co-op, that there is not a service of that type already being offered that is sufficient to fulfill the needs because, remember, if there is no need, how could the co-op hope to succeed? The Consumers Cooperative Bank must be a prudent lender if it is to raise funds in the private markets.

H.R. 2777 has been drafted and modeled after the successful credit institutions established under the farm credit system—institutions which have repaid their capital to the Federal Treasury and which today operate as private concerns controlled by farmers and rural citizens.

As I have stated, the legislation is critically needed because consumer cooperatives have been hampered by the lack of adequate credit from traditional lending sources. Commercial banks with boards of directors from the profitmaking sector do not understand or appreciate the member-owned, not-for-profit cooperative structure. The hearing record is filled with examples of unmet financing needs of credit-worthy consumer cooperatives. This includes cooperatives providing a variety of services such as health care, housing, auto repair, eyeglasses, food, and other consumer goods.

Unlike many Government loan-and-grant programs, the National Consumer Cooperative Bank is a self-supporting institution combining Federal seed money with a strong local initiative and citizen participation. All of the Government's capital will be repaid at interest rates reflecting the Government's cost of borrowing. As was true in the successful farm credit system, the bank will eventually be phased out of the Federal Government becoming a private institution operated by the cooperatives which use its services. It will not be a permanent part of the Federal bureaucracy.

H.R. 2777 also creates a separate self-help development fund to assist low-income cooperatives serving the poor in rural and inner-city areas. All of the outlays for the self-help development fund will on a loan basis and repayments go into a revolving fund.

In bringing this legislation to the floor we have tried—in the spirit of legislative compromise and cooperation with the budgetary concerns of the Congress and the administration—to scale down the original H.R. 2777.

In fact, the first year's budget authorizations of $110 million for the Bank and the self-help development fund are only 20 percent of the outlay provided in the original bill. Overall, the Bank and the self-help development fund are about one-half the authorizations contemplated in the original legislation. We have also reduced by three-fourths the authorization for the Bank to borrow in the private markets.

We have tried successfully to report a bill with minimal budgetary impact while maintaining the important concept of self-help and the ability to move the Bank out of the Government and into the private markets in the shortest period of time possible.

Contrary to the propaganda and misinformation which has been spread widely, the National Consumer Cooperative Bank is not a vehicle for unfair competition. I have been a member of the Small Business Committee since I came to the Congress and I have worked actively on the major small business leg-

islation. I am the last one to support anything that would hurt small business. This bill does not.

In fact, the legislation is drafted to specifically assure fair competition in the true spirit of the free enterprise system. The Bank may make loans only at market interest rates to eligible not-for-profit cooperatives operating on a sound, prudent, and fully democratic basis. The Bank must take into consideration the impact on other businesses in the market area before granting any extensions of credit. The operations of the Bank will be governed by a 13-member Board of Directors which will be controlled by the administration until two-thirds of the Government's capital is repaid, and one of the Board members is to be drawn from the Small Business Administration.

The opposition to H.R. 2777 and to cooperatives is embodied in something called a pilot project which we understand will be offered as a substitute to the committee-passed bill. This approach was defeated in committee by a 24 to 15 vote.

A vote for the pilot project is a vote to kill H.R. 2777 and to kill support for consumer cooperatives.

Several versions of the pilot project are floating around. Two have been introduced as bills H.R. 6750 and 6783. Another was placed in the RECORD this week. And late yesterday, I learned that still another version was being circulated in the administration.

The opposition suggests that the Federal Government put $20 million in a pilot loan program to be administered in some unnamed agency somewhere in the Government.

This, of course, is a return to a traditional "loan and grant" approach and contains nothing of the self-help, self-liquidating features of a Consumer Cooperative Bank. A pilot project would prove nothing about the need for a bank. It would prove nothing but the ability of the Government to waste money.

But, the $20 million for a pilot project is only part of the opposition's substitute. The bigger half of the pie apparently is a mammoth study program to be carried out by something called an Inter-Agency Task Force on Cooperatives. Since the language of the pilot study program keeps shifting, we do not know just how this would be structured but one of the bills introduced by Mr. LAFALCE and Mr. STANTON—H.R. 6783—would involve representatives of the following agencies: Treasury, Housing and Urban Development, Health, Education, and Welfare, Agriculture, Labor, National Credit Union Administration, Farm Credit Administration, Small Business Administration, Federal Reserve Board, Office of Management and Budget, and the Assistant to the President on Consumer Affairs. The Small Business Administration would serve as the lead agency of the task force.

This conglomeration of executive branch bureaucrats would under this bill be given authority to look at the relationship of all types of cooperatives to "ongoing Federal programs, to small businesses, to consumers, to competition" and would among other things investigate tax and antitrust policies relating to cooperatives. The mandate is broad and apparently would authorize the executive branch to investigate the affairs of every single cooperative in the Nation and the 50 million Americans who participate as Members of cooperatives.

We have no estimate in the bill or from the Budget Office about the cost of this Government-wide investigation nor is there any justification contained in the legislation for such a broad study.

The National Council of Farm Cooperatives, which represents long-established agricultural cooperatives, describes this study as "a complete waste of public funds." Apparently the study could encompass rural electric cooperatives, farm cooperatives, preschool cooperatives—the whole range.

This may turn out to be the greatest boondoggle study ever devised. A dozen or so agencies including the Federal Reserve System involved—all of which undoubtedly would demand more staff and more funds to finance their participation. The pilot project will probably spawn the greatest proliferation of super-grade bureaucrats that the Congress has seen in years.

Mr. Chairman, the pilot project is a great waste. It should be rejected overwhelmingly.

Mr. Chairman, the committee reported bill is a prudent and sound approach to meeting the obvious credit needs of consumer cooperatives. It is based on proven workable concepts. I urge your support for the committee bill and I strongly urge you not to create another Federal Study Commission in the executive branch.

Questions have been raised about why ACTION was chosen to administer the self-help development fund and the technical assistance in the Consumer Cooperative Bank bill.

This was carefully considered and it was placed in ACTION for two primary reasons:

First. To meet the administration's objections to the creation of new agencies; and

Second. ACTION has long experience in self-help volunteer programs and has extensive communication ties into neighborhoods and community development organizations which will be valuable in making the consumer cooperative program work for low-income people. We are convinced that it would be irresponsible to place this in some other agency without this kind of orientation and without this kind of background in working with low-income families, to whom the self-help development fund is directed.

Mr. Chairman, the minority, in its report, raised questions about past administrative difficulties in ACTION. As you know, the problems cited by the minority were in a previous administration and occurred long before the present director and his staff took over at ACTION.

While we on the Democratic side may appreciate this confession on the part of the minority party, this is hardly pertinent as it relates to the new ACTION Agency and the assignment of the self-help development fund.

In fact, the new administration at ACTION has taken a series of affirmative steps to place heavy emphasis on efficient management and administration to assure that the programs assigned the agency work soundly. ACTION has brought in a new management team with special expertise with computer techniques and has sought the volunteer help of major accounting firms to review its management practices. Some may criticize ACTION for taking so much time on its internal procedures, its accounting and management techniques, but those who are interested in careful use of the public moneys should applaud this strong effort to provide the maximum accountability.

The agency is headed by a former State treasurer who handled the investment of $400 million of State funds in Colorado and participated actively in overseeing a $2.1 billion State budget. ACTION is clearly qualified to handle the activities generated under the self-help development fund and technical assistance titles from both the standpoint of strong management and experience.

Questions have also been raised about the relationship of this bill to small business.

The opponents of the National Consumer Cooperative Bank have spread a tremendous amount of misinformation about the competitive effects on small businesses.

Mr. Chairman, the cooperatives financed by this bank will not be given unfair advantages. As the legislation clearly states, all the loans from the National Consumer Cooperative Bank must be at market rates of interest. No subsidies.

In addition, the Board of Directors is required under this legislation to take into consideration the impact of loans on other businesses in the market area. As a further precaution, the bill designates SBA as one of the agencies for the board of directors of the Bank. The SBA will be able to be right there to make its voice heard on loan policies.

For the low-income cooperatives, the idea that there will be unfair competition is absurd. These cooperatives will be located, for the most part, in distressed rural areas and the inner city, areas where as we all know, profitmaking enterprises have fled. In these areas, there are few if any businesses with which to compete.

In fact, Mr. Chairman, the economic activity generated by these consumer cooperatives will create a new climate which will allow businesses of all types to come in and prosper once again. The successful development of consumer cooperatives will open the way for other small businesses. Let us face it. The inner cities need all the economic activity they can generate whether it comes from small businesses, cooperatives, or big businesses.

Mr. Chairman, in many areas of the

country, cooperatives have sponsored successful shopping centers and have provided opportunities for small businessmen in a variety of fields. Often a consumer cooperative grocery store is formed and it is quickly surrounded by hardware stores, drugstores, repair shops, gas stations—all small businesses.

Mr. Chairman, the truth is that cooperatives and small business can coexist and then clearly complement one another.

Mr. ROUSSELOT. Mr. Chairman, I yield myself such time as I may consume.

I am sure that my good colleague, the gentleman from Rhode Island, did not mean to leave the implication that because he does not feel commercial banks pay much tax, that cooperatives that will be supported by this legislation pay more taxes, because, of course, they do not.

Mr. ST GERMAIN. Mr. Chairman, if the gentleman will yield, he is referring to my statement and taking issue with it. He was not paying attention.

Mr. ROUSSELOT. I was paying very close attention, as I always do, to my distinguished subcommittee chairman. And I know the difference between my subcommittee chairman and my full chairman.

First of all, Farmland Industries, which is the largest cooperative in the country today with assets in excess of $2 billion, paid taxes of 4.8 percent in 1975. So most of the organizations that this new banking system will support will pay far less tax than a commercial bank, a savings and loan, or anyone else, so to try to say the reason we need this new banking system is because the banks are making too much profit is, of course, ridiculous because we all know that the banks of this country, the savings and loans, the mutual savings banks—that operate in the gentleman's State—make loans to the cooperatives of this country all the time.

Because I still am not sure our colleagues understand, let me remind them that the administration came up and testified on this bill on April 26, and it has not revoked in any way that testimony. As a matter of fact, on every attempt we have made to contact the Treasury, OMB, anyone who speaks for the administration, they say that they stand by this statement that was made before our committee, which I would like to read.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding.

Who testified? Roger Altman.

Mr. ROUSSELOT. The same gentleman that the gentleman from Ohio mentioned, who had not been confirmed at that time but who now has been confirmed. This testimony that was given before our committee remains on the record as the administration's position, and it has since been reaffirmed by OMB Director Lance. I would just like to review with our colleagues what was stated by the administration.

Mr. LAFALCE. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from New York.

Mr. LAFALCE. I thank the gentleman for yielding.

I think it is necessary to point out that the testimony of Mr. Altman was reconsidered, reviewed again, and reconfirmed. I have a most recent letter from Mr. Bert Lane, as the gentleman knows, confirming those very facts.

Mr. ROUSSELOT. I appreciate my colleague, the gentleman from New York's comments. Mr. Altman's statement before our committee was as follows, and I think it was a very reasonable position that the administration took in this position. This is in response to my colleague, the gentleman from Rhode Island's suggestion that the administration did not consider this very carefully. I think it has considered this legislation very carefully, and I am sure President Carter would have sent us a letter very quickly if he felt this was good legislation. The administration said:

> Yet, before this Administration can support H.R. 2777, we must have more evidence concerning the need for, and cost effectiveness of, creating a Consumer Cooperative Bank and the related entities proposed here. It seems to us that much remains to be learned about (1) the specific unsatisfied financial and nonfinancial needs of cooperatives which the Government should address, (2) the type of capital which cooperatives most require, (3) the existing government programs which might be expanded or better coordinated to help cooperatives and (4) whether an existing government entity, rather than a new one, is best suited to handle cooperative issues.

This position of the administration, after it had studied the gentleman's legislation on which he asked for a comment, was stated. To the best of my knowledge, it has not altered that one bit, and they still raise the same question: Why do we need it? Its position was, just as the gentleman from New York will offer in his substitute tomorrow, that an interagency task force and pilot loan program should be set up to test the need for this kind of program.

Before we go all out for $100 million or however cheap we think that might be, it still is $100 million out of the Treasury, and before we go that far we should know what the needs are, and that is why I support the position of the gentleman from New York.

I would also like to state to my colleagues who are concerned about the possibility that taxpayers' funds may be wasted as a result of the enactment of one or another version of this bill that I find it incredible that the committee bill would entrust the administration of the programs created under titles II, III, and IV—hundreds of millions of dollars—to an agency, ACTION, which cannot account for the funds which have already been appropriated to it.

Last September 26, the Committee on Aging conducted hearings on the funding of Federal programs benefiting older Americans—ACTION programs. Exhibit I of those hearings included a statement of fact on accountability for Federal funds, which is reproduced below. I urge my colleagues to read it and then to decide for themselves whether they want to turn over more than $250 million to ACTION or whether they feel that a study and pilot loan program would be a more prudent alternative.

The full text of the statement of fact, which can be found on pages 101–112 of the Committee on Aging hearings, follows:

IV. ACCOUNTABILITY FOR FEDERAL FUNDS

Statement of fact

(From material provided by GAO and ACTION as set forth in Appendices A, B, and C, attached; and Appendix E, retained in committee files.)

Section 113(a) of the Budget and Accounting Procedures Act of 1950 requires the head of each executive agency to establish systems of accounting and internal control designed to provide, among other things, effective control over and accountability for all funds, property, and other assets for which the agency is responsible.

In its five years of operation, ACTION has not met the requirements of the Budget and Accounting Procedures Act of 1950. To account for its operations, ACTION adopted the accounting system of the Peace Corps which had been condemned by the GAO in a report of August 15, 1969 (B–16573). In that report, the GAO expressed the opinion that "the Peace Corps accounting system was inadequate and failed in material respects to conform to the principles, standards, and related requirements of the Comptroller General."

During 1974, GAO examined ACTION's accounting system, particularly with reference to efforts taken to resolve certain problems and inadequacies in the Peace Corps accounting system identified in its 1969 report. These included, among others, a need for revised administrative fund controls, deficiencies in property management in overseas locations, and incorrect accounting for volunteer living allowances.

While GAO noted some progress, it found current problems in recording obligations for contracts and in the preparation of useful, timely, and complete accounting reports. In its report of December 13, 1974 (B–165743) to the Director of ACTION, GAO recommended that he "* * * assign sufficient resources and staff to design and operate an effective accounting system that provides management with complete, accurate, and useful financial information . . . and review periodically the progress being made to resolve the problems described in this and previous reports." (See Appendices A and B).

According to GAO, during the latter part of 1974 an administrative reorganization at ACTION took place, resulting in an increase in the accounting staff including a systems accountant. A review of ACTION's "Special Salary Report for DO (Domestic Operations) Regions, CA (Congressional Affairs) and Accounting." of August 5, 1976 (related in committee files), reveals that in the Office of Administration and Finance, Accounting Director, charged with devising a new accounting system, ACTION employs the following:

Functions, number of employees, and total salaries

Accounting Officer GS–15	1	$36,529.00
Secretary-Typist GS–7	1	12,886.00
Systems Accountant GS–13	1	23,670.00
Systems Accountant GS–12	1	22,616.00
Total		95,701.00

In addition to the 1974 increases in the accounting department staff by the creation of a new systems design section, ACTION

also hired, during September 1974, a public accounting firm to design and document a revised accounting system at a contract price of $300,000.

The foregoing changes in the accounting department apparently did not diminish or seem to lessen the staffing expense in ACTION's Main Accounting Division, which employs the following:

Function, number of employees, and total salaries		
Staff Payroll	19	$231,884.00
Computer System Analyst	1	34,916.00
Fiscal Services	19	241,770.00
Support Services	11	130,683.00
Accounting Operations	16	245,215.00
Supervisor Computer Systems Analyst	1	34,916.00
Total		919,384.00

In January 1976, 15 months after the employment of the certified public accounting firm and an increase in ACTION's accounting staff, ACTION began submitting documentation on draft portions of its revised accounting system to GAO for review. GAO anticipates that it will be at least December, 1976 before the final portions of the drafts are submitted. There is no indication as to when or if the revised systems design presently under development will be approved by GAO and implemented by ACTION, although ACTION has indicated that it expects approval by March 1, 1977.

If approved, it is questionable whether ACTION plans to adopt the system it is designing. There is, however, a strong indication to the contrary. On page 11 of the document entitled "ACTION Summary Report on Statement of Accounting Principles and Standards" (retained in committee files), it states: "Accounting Support for Cost-Based Budgets."

"Through the use of a coding structure, cost data can be accumulated by organizations, budget activities (programs), projects, and by types of costs incurred. Although the system will be capable of supporting cost-based budgets (financial plans), the agency has no immediate intention of adopting such budgets for the administration of funds and program operations."

That statement would appear to run counter to Public Law 84–863 (Accounting and Reporting in Executive Agencies Act of August 1, 1956) which requires:

(1) the maintenance of accounts on an accrual basis to show resources, liabilities, and costs of operations to facilitate the preparation of cost-based budgets (31 U.S.C. 66a(c));

(2) the use of cost-based budgets for purposes of administration and operation, and for making administrative subdivisions of appropriations or funds (31 U.S.C. 24c);

(3) consistency in accounting and budget classifications and their synchronization with organization structure (31 U.S.C. 18c);

(4) support of the budget justifications by information on performance and program costs by organizational unit (31 U.S.C. 18c); and

(5) the maintenance of adequate monetary property accounting records in the accounting system (31 U.S.C. 66a(c)).

In its five years of operation, it would appear that ACTION has conducted its accounting procedures outside of the provisions of P.L. 84–863, and that as a consequence many other Federal statutes have been violated both by ACTION and ACTION grantees. These violations are well-documented in 140 audits conducted by ACTION. In response to Committee inquiries on administrative cost data, ACTION was able to provide only estimates, which were transmitted by letter on June 4, 1976, with the following caution:

"In order to provide the information which you have requested, we shall have to make arbitrary assumptions and resort to imprecise formulae. The results will necessarily be estimates which could contain substantial margins of error. The results must be treated with caution to avoid drawing faulty conclusions from the data."

Conceptually, ACTION's Statement of Accounting Principles and Standards, which was approved by the Comptroller General of the United States on March 31, 1975 (Appendix F) was found to be in conformity in all material respects with the accounting principles and standards prescribed by the Comptroller General. However, on page 4 of Appendix C, GAO states, "It appears that ACTION's proposed system design will generally provide the Committee the type of information needed for overview of the Older American Volunteer Programs. However, ACTION's ability to obtain actual expenditure data on specific grants will be dependent upon the accuracy of grantee reporting and follow-up audits.[1] (Emphasis added)

Since its inception, ACTION has conducted only 140 audits of its more than 800 OAVP grantees. Nineteen of the audits were conducted by ACTION auditors and 121 were conducted by certified public accounting firms on a contract basis.

As indicated in the table below, ACTION has no consistent pattern of auditing.

Year audits conducted:

	Number of audits
1973	3
1974	71
1975	60
1976 (as of September 11)	4

Of the four audits during the first nine months of 1976, three were conducted by ACTION on its own initiative. One of the four audits referred to above was requested by the Select Committee on Aging. The Committee requested still another audit of an RSVP project in May of 1976 but as of September 13, 1976, the certified public accountants have been unable to audit the project because "the books were not in auditable condition."

The one 1976 audit requested by the Committee revealed that out of $409,634 of Federal expenditures, $165,632 were placed in a Proposed Questioned Costs category. Out of $45,917 of non-Federal costs incurred, $6,363 were placed in the Proposed Questioned Costs category. Foster Grandparent stipends were paid in cash for approximately three years of the grant. In November 1975, $3,864 of project funds were lost through theft of Foster Grandparent stipends when the funds were placed in an unlocked box and left unattended in the office of the project director. Neither the grantee nor the host institution had insurance to cover the loss.

The auditors noted that checks were being signed without examination of supporting documentation and without the amounts entered thereon. The grantee did not maintain daily time and attendance records for its regular staff to support salary and wages charged to the grants. Annual and sick leave records for regular staff and "Grandparents" were not supported by accurate records.

One of the other 1976 audits was of a grantee that is no longer in existence. The grantee was in the state of bankruptcy at the time of the audit. The grantee had received three grants from ACTION, totaling $89,860. The total costs incurred for the thirty-four month period were $76,889, resulting in $12,971 being due to ACTION.

The same grantee had purchased the following equipment with Federal funds received from ACTION for the RSVP Program during the period February 1, 1973, through November 28, 1975; title to the equipment is in the name of the grantee rather than RSVP:

1 IBM Selectric II Typewriter and Typing Elements	$731
1 Dodge Maxiwagon	5,079
Total	5,810

The Federal Property and Administrative Services Act of 1949 requires agencies to maintain adequate inventory controls and accountability systems for property under their control (40 U.S.C. 483). A review of the 140 audits revealed many instances of failure to properly control property and equipment purchased with Federal funds.[2]

The Federal Claims Collection Act of 1966, Public Law 89–508 (31 U.S.C. 951–953) places responsibility in the administrative agencies for collecting debts determined to be due the United States as a result of their activities. The responsibility includes the authority to compromise, terminate, or suspend collection action under certain conditions specified in the Federal Claims Collection Standards.

The audits revealed numerous instances of questioned costs and funds due ACTION for sundry reasons. In some audits there were notations that at least some of these amounts would be difficult to collect or "stand a poor chance of being collectible."

As noted on page 2 of Appendix A, the Peace Corps volunteer readjustment allowances (stipend) subsidiary records exceeded the general ledger balance and the balance in the trust fund account maintained by the Department of the Treasury by approximately $400,000. The imbalance, which had existed for a number of years, "was caused by accounting system deficiencies, such as inadequate flow of documentation, overpayments to departing volunteers, and major unreconciled differences in subsidiary records, general ledger, and Treasury fund accounts."

As noted elsewhere in this report, ACTION adopted the Peace Corps accounting system for the OAVP programs and in so doing duplicated the problems involved with that program.

ACTION ultimately resolved the problems of the imbalance in the Peace Corps trust fund account by contracting a certified public accounting firm, at a contract price of $43,294, to "determine the amount of the imbalance." In July, 1973, the accounting firm reported that as of February 18, 1973, approximately $314,000 was needed to correct the imbalance.

On June 1, 1974, Public Law 93–302 (Peace Corps Authorization) was enacted providing the authority to fund the imbalance by transferring up to $315,000 from the Peace Corps' 1975 appropriation to the trust fund account at the Treasury. (Appendix B).

In light of the revelations of serious deficiencies in accountability contained in the ACTION audits, such an approach to remedy imbalances resulting from accounting system deficiencies could be costly. This problem is noted here because the problems are continuing as of the present date.

The foregoing is presented only for purposes of illustration. The 140 audits revealed numerous instances of delinquent reporting, inaccurate reporting and no reporting with cash advances continuing.

[1] ACTION advised during the hearing on September 27 that it has conducted 211 audits; 28 having been conducted by internal audit staff.

[2] ACTION stated in its critique to this report (Exhibit II) that the FPAS Act does not apply to grants. It would appear the audits were referring to violations of Federal Management Circular 74–7, Attachment N of September 13, 1974, and published in the Federal Register, Vol. 41, No. 148—Friday, July 30, 1976, and appended as Hearing Exhibit VII.

The audits revealed that very few grantees are meeting their non-Federal matching funds required under the terms of their ACTION grants. Many of the grantees do not maintain books and records of cash contributions to the programs or documentation of in-kind contributions. Quarterly reports are submitted to ACTION containing figures which are not documented or supported by appropriate entries of cash received by project personnel, and in other instances reports based on formula or estimates.

In other instances there was a commingling of Federal and non-Federal funds; in others, a commingling of ACTION grant funds with other Federal grant funds. There were instances of RSVP funds being loaned to other projects, contrary to ACTION regulations.

Other problems frequently noted in the audit reports:

Non-expendable property acquired with both Federal and local funds is not properly identified as ACTION property.

Payment for volunteer meals and transportation in cash and the volunteer is not required to countersign the report or a voucher that reimbursement was received.

P.L. 93-302 also (1) relieves agency certifying and disbursing officers from liability, except in cases involving fraud, for erroneous fiscal transactions in the Peace Corps volunteer readjustment allowance account between March 1, 1961 and February 18, 1973, and (2) authorizes the Director of ACTION to waive claims resulting from erroneous payments of readjustment allowances to Peace Corps volunteers who terminated their services during the same period.

A review of the 140 audits of the books and records of individual OAVP grantees, performed by ACTION auditors and certified public accountants, reveals conclusively that by adopting the Peace Corps accounting system to account for its operations, ACTION simply duplicated the Peace Corps errors in the OAVP accounting.

The 140 audits also reveal that ACTION has failed to enforce its own regulations as to accountability for Federal funds and reporting. Even in instances where quarterly reports had not been received from grantees, ACTION continued to advance program funding. Chapter 5, ACTION Handbook 2650.3 requires withholding of cash advances in cases of delinquent reporting. One audit states, "However, during the past fiscal year, Region III of ACTION has made the following cash advances to the grantee despite provisions of Chapter 5, Handbook 2650.3 concerning delinquent reports and withholding of such cash advances:

Date and Amount of Advance

(1) 11/07/74, $24,676.60.
(2) 12/11/74, $27.408.50.
(3) 03/18/75, $26,000.00".

Another almost universal criticism by the auditors: Failure to stamp vouchers "paid" to prevent duplication of payments. There was one instance reported of vouchers being stamped "paid" before the check had been signed. This practice also allows a possibility of duplicate payments to exist.

One paid Director of a Foster Grandparent project had been elected to a State Legislature and later appointed to the Senate. He continued to serve as FGP Director but would take a leave of absence when the Legislature was in session. This Project Director took six months leave of absence in 1973 and was again on a leave of absence at the time the audit was being conducted.

Fictitious Grantee: "The initial award to * * * County Senior Services should have never been made. The grantee was fictitious, the product of a former County employee's imagination. * * * officials in fact went so far as to obtain a written statement from the State Attorney General's Office on January 24, 1974, disclaiming any liability for any actions of the grantee.

"During the 14 months of the initial award there were a total of four separate amendments to the grant. Of the $55,652.28 expended by the grantee during this period, $25,505.36 has been questioned by the Auditor. However, opportunity for recovery of these funds is most unlikely.

"The grantee was finally incorporated on December 4, 1973, over seven months after the end of the first grant award. The individual who served as RSVP Director during this period was an employee of the County Parks and Recreation Department. She was also the same person who sought and obtained incorporation for the new grantee, thus changing the name of the grantee from * * * County Senior Services to Senior Services of * * * County.

"Another key participant in the RSVP grant during both grant awards was a temporary employee of the City of * * *. This individual's salary was paid from Federal funds (Emergency Employment Act) and later used as a credit for the non-Federal contribution to the RSVP grant.

"This latter RSVP staff member was convicted of embezzling RSVP funds and made restitution of $1,700.20 on January 3, 1975. His wife, the former RSVP Director and County employee, is presently serving on the new grantee governing Board of Directors. * * *"

The auditor states further, "At the present time, the only apparent weakness in the system maintained by the grantee is adequate control of cash flow. On at least one occasion, April 1974, the grantee loaned approximately $1,000 of RSVP funds to cover cash flow deficits in other grantee accounts. The loan was repaid in July 1974."

There were numerous complaints in the audit reports of travel costs being paid without proper documentation or proof of travel. One project exceeded its authorized travel budget by $12,000.

In summary, the 140 audit reports clearly demonstrate that there is a definite lack of control over Federal funds given out in the form of grants for the operation of OAVP programs. They raise a serious question as to whether the older volunteers are receiving even the small benefits shown on reports back to ACTION. One Project Director states to the auditors that he had been informed by volunteers that reimbursement for volunteer meals and transportation was made to the work stations, who, in turn, would give the money back to the project as their "in kind contribution." This had presumably taken place under a former project director.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I just wanted to observe that the gentleman's comments about the administration position on this bill are completely consistent with a statement that President Carter made to me and several other Members of the minority party when we visited him yesterday morning at the White House at his invitation.

One question asked him was what he intended to do to cut back on the growth of Government which indeed he made as a campaign pledge. He said that while the majority party and the minority party may not always agree with him he does intend to carry out this pledge as far as Congress will permit him, and he did renew his pledge to balance the budget by 1981 if Congress will permit him.

What the gentleman from California stated today is consistent with the President's pledge and I think is the best policy for the country. We can start by rejecting this bill.

Mr. ANNUNZIO. Mr. Chairman, I rise today to urge your support of H.R. 2777, the National Consumer Cooperative Bank Act. This legislation provides a means for the consumers of this country to develop their own self-help organizations as a deterrent to inflation.

Similar legislation was passed after extensive hearings last Congress by the Financial Institutions Subcommittee of the House Banking Committee, of which I am a member. The present H.R. 2777 comes before you today after continued lengthy hearings this year and has been revised to take into consideration the major objections of its opponents.

It was felt that the initial request for an appropriation of $4 billion at this time would not help the Nation's economy. The bill before you today provides merely for an initial capitalization for the National Consumer Co-op Bank of $100 million for the first year and a total expenditure after 5 years of at most $500 million. This modest sum, it must be remembered, will not be a handout from the Federal Government to groups who will come back year after year asking for additional appropriations. This is seed money which will be repaid to the Treasury.

It has been suggested by some opponents of this bill, that the need for such a bank has not been established and that all that is needed at the present time is a 2-year pilot study. However, the National Consumer Cooperative Bank is not a new idea in banking. It is, rather, an urban counterpart to the successful farm credit system. Also, volumes of testimony give credence to the need for such a credit institution for urban cooperatives.

The farm credit system was established 60 years ago for rural cooperatives. The system also started with Government capital, but it is now owned by its users, the member farmers and their cooperatives. Every dollar of the Government's investment in the Farm Credit Administration has been repaid. The same procedure will be established for the Consumer Co-op Bank.

I also want to point out that, when the Farm Credit System was established no time-consuming, costly pilot study was conducted to support the need for such a system. The conditions of the rural areas during the depression spoke clearly for the need without the necessity of conducting a study. I contend that the situation in our urban areas today offers the only proof necessary that there is an urgent need for aid to consumers from the effects of inflation, poor quality of services, and costly goods.

I applaud this Congress for not taking the plight of the inner city lightly. A number of pieces of legislation have been passed this year which will provide assistance for the revitalization of the great cities of this country. I have cosponsored H.R. 2777 because I feel that this bill is a good example of measures we can take to help our citizens help themselves in a lasting way.

I urge you not to listen to the doomsday opponents of the National Cooperative Bank who would have you believe that urban co-ops will not be successful. Do not believe those who insist that the existing banking system is sufficient for all cooperatives which merits credit. The existing banking system does not appreciate, nor understand, the cooperative movement and will continue to redline co-ops as they have other inner city loans. Such doomsday predictions were heard when Congress established the credit union system, also, and these credit unions have met with overwhelming success.

Titles II, III, and IV of this bill provide for the establishment of a Self-Help Development Fund and a technical assistance program for fledgling cooperatives. The self-help appropriations of $100 million for the first year, and additional funds for the next 4 years as appropriated, but not exceeding $250 million, will provide needed financial assistance especially for the inner city and elderly co-ops.

It must be remembered that co-ops are not restricted to food purchase and distribution. The elderly, especially, have a need for other types of co-ops such as eyeglass and health care. There are many other types of cooperative movements being tried such as furniture, auto repair, and housing. The self-help office will be able to coordinate technical advice which will help assure the success of newly formed groups.

The last point I want to stress is that the creation of the National Consumer Cooperative Bank will, in no way, be a threat to the small businessman of the United States. The loans made to cooperatives are to be repaid at competitive market interest rates. The bank's authority to borrow is limited to only 10 times the capital and surplus of the bank. The cooperatives, once operating, will not present unfair competition to small business. Instead they will provide a needed yardstick by which to measure costs and quality of goods and services. H.R. 2777 also specifically prohibits credit unions, mutual savings banks and mutual savings and loans from borrowing from the co-op bank.

In conclusion, I urge you to vote in favor of this bill because our country needs healthy, flourishing urban areas. One major way to insure the health of urban areas is to provide for the consumers of those areas a system for self-help in this age of inflation and too few services for too many people. Consumers need the cooperatives, not in place of existing business, but as a way to make the private enterprise system more effective.

Mr. MINISH. Mr. Chairman, I rise in strong support of H.R. 2777, the Consumer Cooperative Bank Act. As a cosponsor of this legislation in both the last and the present Congress, I want to commend the gentleman from Rhode Island (Mr. ST GERMAIN) for his leadership on this important issue.

The measure before us establishes a National Consumer Cooperative Bank to make loans at market interest rates to consumer cooperatives. It also creates the Office of Consumer Cooperation in ACTION to provide technical assistance and to help finance new co-ops.

Consumer Cooperatives, Mr. Speaker, are controlled by the memberships—each member is accorded one vote. Cooperatives are nonprofit, rebating all revenue after expenses to the members based on the percentage of their shares. Cooperatives have been fulfilling pressing needs in our country for nearly a century in numerous areas of the economy including housing, food, health, repair, and other services.

An expansion of the cooperatives movement, as envisioned under H.R. 2777, would assist in reducing inflation by adding a consumer-responsive competitive force to the market place. As Ester Peterson, Consumer Advisor to President Jimmy Carter, has stated,

> The success of cooperatives in the fields of housing and health—areas where costs have risen so rapidly—point to the need for many more such self-help efforts. Sound financing and technical assistance such as that which would be provided by the National Consumer Cooperative Bank is urgently needed to make such development possible.

Under the legislation, all of the Government's capital would be repaid—at interest rates reflecting the Government's costs—and the bank will eventually be phased out of the Federal Government, becoming a self-supporting private institution operated by the cooperatives which use its services.

I urge my colleagues to reject the "LaFalce-Rousselot" pilot project amendment, which would gut the pending bill. This amendment would establish yet another Government-run direct loan agency on a scale too small to be effective, but large enough to raise false hopes of meaningful progress.

H.R. 2777, as reported by the Banking Committee by an overwhelming margin, deserves the support of the House. It will increase marketplace competition and enhance consumer bargaining power. Cooperatives give citizens a chance to provide for themselves and to choose which services and facilities they need most.

Mr. CORRADA. Mr. Chairman, I rise in support of H.R. 2777.

I am a firm believer in the cooperative movement and any legislative measure geared to provide for the financial needs of cooperatives has my firm support and sympathy.

Based on the information provided to me by the Puerto Rico Cooperative Development Administration, I would like to include in the record a brief account of the origin of the cooperative movement and its success in Puerto Rico.

The first attempt toward the organization of a cooperative movement in Puerto Rico dated back to the year 1813 when "The Public Welfare Friends," a public mutual assistance society, was organized. It operated successfully for 20 years. After this first attempt, several credit unions made their appearance, but all of them failed for obvious reasons: the absence of a systematic and continuous educational program, deficient administration and the negative attitude of the government. Another factor which contributed to this failure was the political transition in 1898.

At the beginning of the 20th century new attempts were made in the merchandising, credit, and production fields.

In 1920 the Insular Legislature approved the first cooperative law in Puerto Rico regulating the organization of consumer and production cooperatives. This proved to be inadequate, and in 1925, another law was approved. Its aim was the organization of agricultural cooperatives. A year later the legislature approved a joint resolution to exempt cooperatives from paying property taxes. During this period the Federal Board of Agriculture permitted the approval of loans to the Puerto Rican farmers. In 1932 the Coffee Growers of Puerto Rico was granted a loan by the Insular Government. In the same year the government was authorized to invest $50,000 for the sole purpose of organizing cooperatives in the Riego de Isabela.

In 1934 a law was passed creating a special fund of $100,000 for the development of agricultural cooperatives.

The Government continued being interested in the organization of cooperatives in Puerto Rico. The Economic Agricultural Division of the Agricultural Service Extension and the Experimental Extension of the University of Puerto Rico supported a program for the investigation of educational services for agricultural cooperatives.

This display of efforts by the Government resulted in the new treaty which in turn influenced and promoted the Office of Credit Administration of the Department of Agriculture of the United States to offer credit facilities to cooperatives. It was also responsible for the development of aid and reconstruction programs federally sponsored. The creation of the Administration of Programs for Emergency Aid and the Administration for Reconstruction of Puerto Rico stemmed from this action. Its financing program facilitated the organization of agricultural cooperatives. Some of these were Los Caños, in Arecibo; Lafayette, in Arroyo; Agricultural Cooperative Union and a few more of which the Villalba Vegetable Cooperative Union and the Jayuya Vegetable Cooperative Union are the only two operating at present.

Most of the cooperatives organized from 1920 to 1940 failed to succeed because of poor administration and the absence of a full blast educational program. In 1943, 183 cooperatives were registered, but only 43 were operating. Eight of these were organized in 1938. In 1941 the Insular Legislature approved the first budget assignment for cooperative education. This was part of the Land Law of Puerto Rico. This same year the Land Authority initiated an experimental educational program sponsored by the consumers' cooperatives and their integration as a central organization.

The approval of the General Law for Cooperative Societies in Puerto Rico stemmed from the efforts of a commission who studied the cooperative movement in the United States and Canada.

The recommendation of this commis-

sion was responsible for the approval of this law. It provided for the creation of a Cooperative Department in the Agricultural Extension Service, and established the importance of cooperative education making it mandatory for the cooperatives to put aside 1/10 of 1 percent of the gross volume of business for education purposes. It also created the Office of the Inspector of Cooperatives and established tax exemption for cooperatives including property tax.

The Cooperative League was organized in 1948 with the purpose of creating an organism capable of integrating the cooperative movement. Two years later, the Credit Cooperative Federation was incorporated.

In 1951 the Cooperative Bank was established with an initial capital of $1,000,000.

The Cooperative Development Administration is entrusted with the promotion of cooperatives. In their promotional work they try to balance the social and economic aspect of cooperation.

In matters of financing, the Cooperative Development Administration has a special revolving fund for education, promotion and investigation for cooperatives. This fund provides incentives or special assistance, to help cooperatives in their operational set-up, including, of course, financial aspects and management. Since the creation of this fund, almost all incentives have been granted to the cooperatives, on a nonrefundable basis.

The other Government agency created to offer financing to cooperatives is the Cooperative Development Co. It is a public corporation. The purpose of this company is to develop activities and facilities that will propitiate and forward with celerity the expansion of the cooperative movement in Puerto Rico. Toward that goal the company will assist the cooperative movement in the development and expansion of cooperative enterprises by helping them promote, initiate, and maintain in operation all kinds of economic activities.

The company also grants loans to any cooperative society for the establishment, maintenance, operation, reconstruction and improvement of cooperative facilities necessary for its operation.

In order to render the service and to fulfill the aims and purposes for which it was created, the company also makes investments in cooperatives and guarantee loans and rent.

We have in Puerto Rico 467 cooperatives with a 374,102 membership which will be greatly benefited by this bill.

Puerto Rico is an excellent example of what can be achieved by local initiative and citizen participation. The approval of H.R. 2777 will be a new stimulus for making people work together for their mutual benefit.

I urge my fellow members to approve this piece of legislation so the cooperative movement will be encouraged once more in their praiseworthy endeavors.

Ms. OAKAR. Mr. Chairman, I rise today in support of H.R. 2777 and to commend my chairman for his diligent efforts on this bill. Mr. ST GERMAIN and all my colleagues on the Banking Committee have produced, what I believe to be, legislation that will provide invaluable assistance to the thousands of cooperative organizations across the United States.

The need for this legislation has been demonstrated by 2 years of testimony before the Banking Committee. We have heard testimony on how our financial institutions are reticent to lend to the nonprofit, member-owned cooperative. In one case, a cooperative with $4 million in equity capital was denied a $600,000 loan by a commercial bank. We have heard other testimony on the increasing rate of abandonment of our urban centers by the retail merchants; we have heard testimony on the frustrations of our neighborhood people who have tried to fill the void left by the fleeing merchant. The fact is that our financial institutions have not given the cooperatives an adequate opportunity to develop their resources.

The bill will provide funds for these Americans who seek to help themselves. These funds are to be loans at competitive market rates. The people who make up the cooperative organizations simply want the opportunity to develop their own resources and capabilities. This bill gives them the opportunity; it does not give them a handout. The cooperatives have been redlined at the loan window, and we are in a position to show proper concern for these inequities that the co-ops have been exposed to.

The needs of the co-ops are clear. The urgency is clear. I ask my colleagues to show proper concern for the industrious American who bands together with his neighbors to help himself, his neighbor, and his community. I ask you to support the National Consumer Cooperative Bank as provided for in H.R. 2777.

Mr. LEGGETT. Mr. Chairman, I rise in support of the National Consumer Cooperative Bank Act. I am proud to have cosponsored this legislation which will promote the development of consumer cooperatives and the communities in which they exist.

Cooperatives are an important part of our economy. They have long been widely used in the agricultural sector to provide vital services. Helped along by credit from the Farm Credit System's Banks for Cooperatives and the Rural Electrification Administration, farmers have built thousands of strong cooperatives which have helped preserve small rural communities.

Every penny of Government seed money has been repaid to the Farm Credit System. The legislation we have before us is modeled directly upon this system.

Consumer cooperatives exist in many other areas, providing housing, health, food, and other services. There is little doubt as to the advantages they bring to consumers. The California Department of Consumer Affairs estimates that these organizations save consumers up to 30 percent on their food bills. This is due not only to the lower prices they charge, but also to the competition they bring to a market area.

Consumer cooperatives are important for other reasons, too. They provide for consumer involvement and development. And they can contribute a great deal to the economic strength of their communities.

Unfortunately, cooperatives find it almost impossible to get loans from commercial banks and lending institutions. It is easy to see why bank directors, coming mainly from the business community, would shy away from promoting potentially strong price competition.

But it is in the national interest to support consumer cooperatives, and enacting this legislation will give them a place to go for needed capital.

When we speak of competition, we are not talking about unfair competition. The National Consumer Cooperative Bank is going to make loans at market interest rates and on the same prudent economic criteria other banks use. The intention is for these loans to be fully repaid. In this way, after the startup funding, the Bank will become a self-sustaining institution.

Furthermore, the bill will set up the Office of Consumer Cooperatives. This agency will provide technical assistance and self-help development financing for newly formed cooperatives, low-income cooperatives, and those serving special needs.

The Self-Help Development Fund, from which this latter money will come, will be used to help get these cooperatives started. This is a very important function, especially in low-income areas. Communities will be strengthened by these cooperatives.

Communities will also be strengthened by the Cooperative Bank we are creating. As a precondition for the bank to make a loan, the community must be organized into a cooperative. Also, since the income of consumer cooperatives goes back to their members, the income is retained in the community providing capital for future development. This, of course, is not the case with chain stores.

The benefits of this measure to consumers and their communities are evident. I urge my colleagues to support it.

The CHAIRMAN. All time has expired.

Pursuant to the rule, the Clerk will read by titles the Committee amendment in the nature of a substitute recommended by the Committee on Banking, Finance, and Urban Affairs now printed in the bill as an original bill for the purpose of amendment.

The Clerk read as follows:

H.R. 2777

Be it enacted by the Senate and House of Represnetatives of the United States of America in Congress assembled, That this Act may be cited as the "National Consumer Cooperative Bank Act".

Mr. ST GERMAIN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. FOLEY) having assumed the chair, Mr. MAZZOLI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R.

2777) to provide for consumers a further means of minimizing the impact of inflation and economic depression by narrowing the price spread between costs to the producer and the consumer of needed goods, services, facilities, and commodities through the development and funding of specialized credit sources for, and technical assistance to, self-help, not-for-profit cooperatives, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill H.R. 2777.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

COMMUNICATION FROM THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER pro tempore laid before the House the following communication from the Committee on Public Works and Transportation, which, without objection, was referred to the Committee on Appropriations:

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, HOUSE OF REPRESENTATIVES,
Washington, D.C., July 11, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: On May 10, 1977, we submitted a copy of a resolution adopted by the Committee on Public Works and Transportation pursuant to the provisions of section 201 of Public Law 89-298 authorizing the Upper Baker Project, Skagit River Basin, Washington.

I am enclosing for your records a corrected copy of the resolution.

Sincerely,
HAROLD T. (BIZZ) JOHNSON,
Chairman.

GENERAL LEAVE

Mr. GRASSLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special orders today by the gentleman from Indiana, Mr. HILLIS, and the gentleman from California, Mr. GOLDWATER.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

ALEKSANDER AND GIORGI SOKIRIANSKI

(Mr. ADDABBO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. ADDABBO. Mr. Speaker, those of us who sometimes take the American concept of freedom for granted because we are so used to it, ought to remember that others in this are far less fortunate. The story of Aleksander and Giorgi Sokirianski, two Russian brothers who became dissidents, ought to refresh our memories about the value of human rights and the price so many people must pay for it.

Aleksander Sokirianski is 33 years of age. He is married and he has a young child. Because he sought to emigrate to Israel to be with his father and his brother, he is serving time in a Soviet prison, and must face another 3 years before he will regain his freedom. A desire to exercise his human rights was his only crime.

From what we can gather, he is incarcerated in one of the most austere Soviet camps in the Kriazpogost district of the Komi-Autonomous Republic. His health is very poor and his friends fear for his life.

Aleksander and Giorgi Sokirianski have spent their few years in conflict with the unbending Soviet authorities, and if the one brother has at last found peace in Israel, we much remember that as long as a single person is subjected to the treatment and shame that Aleksander Sokirianski is subjected to, today tomorrow and months and years to come, there can be no comfort for any of us in this land of peace and freedom.

I urge the Members of the House to think deeply about the plight of Aleksander and the many like him who now languish in Soviet work camps. To them the fight for human rights is more than a cause, it is a plea for life itself. I ask unanimous consent to include in the RECORD a short statement of background of this case.

ALEKSANDER AND GIORGI SOKIRIANSKI

A story that equals that of Dr. Zhivago for tragedy, pathos, and victory of the human spirit is that of the Sokirianski family. It was one of the millions of families torn apart by the Second World War, when the father, Abraham, left his wife and two small children in Leningrad to fight in the Red Army. His little girl died of hunger during the terrible blockade of Leningrad, but his wife and son, Giorgi, survived. Abraham was able to reach his home once in 1943 and fathered another son, Aleksander, whom he was never to see.

When the war ended, Abraham found himself stranded in Poland, and there became involved with those Jews struggling for the rebirth of Israel. With forged documents and hiding in the coal hold of a ship, he escaped to Sweden, and eventually managed to reach Israel. And so this man who fought for his country for eight years, repeatedly risking his life and carrying out his duties, was labeled a "traitor to his Motherland and a state criminal."

Giorgi stayed in the institution for four years, his younger brother Aleksander for 5½. When they were freed, they were no longer the same children. The Soviet authorities had developed in them a sense of inferiority, of shame in their father's escape, of estrangement from society.

In the years after their release, the brothers had a difficult time growing up and adjusting to their world. They alternated attempts at getting an education with brushes with the law. They spent years in and out of correctional institutions, and Giorgi suffered from tuberculosis and ulcers. Eventually, they both married and became fathers. Giorgi managed to enter Leningrad University to study psychology, learned to speak four languages and is now studying Hebrew. He has become an activist, seeking emigration to Israel to rejoin his father, and those who knew him wonder at his strength and self-control, his indomitable spirit.

Aleksander, meanwhile, was arrested during the Leningrad Trials of 1971, after the authorities learned of his intention to apply for a visa. Sentenced to five years, he was charged, while in prison, with "anti-Soviet propaganda among the prisoners." In June 1974, Aleksander was again brought to trial and sentenced to four years imprisonment under strict regime. He is now in one of the most horrible camps, in the Kriazpogost district of the Komi-Autonomous Republic, and his health is very poor. A friend, Yuri Weintraub writes, "I entreat you to do everything possible to save Aleksander Sokirianski who has been unjustly convicted and is suffering for his Zionist views."

And alone in Israel, Abraham waits for his sons, "I am an aged and sick man," he writes, grieving that his children have paid with their childhood and young manhood for his "crime."

"Would you kindly use your influence, and give me your full support to have my sons released from Russia and allow me the chance to see them by my side here in Israel, and take them into my arms at last before my death. I am an aged man, and I have no other desires in my life but to have my sons free and by my side. I am looking forward to a fulfillment of the dream of my life. Once more I plead with you to help me."

SENIOR CITIZEN INTERN PROGRAM

The SPEAKER pro tempore (Mr. FOLEY). Under a previous order of the House, the gentleman from Indiana (Mr. HILLIS) is recognized for 60 minutes.

Mr. HILLIS. Mr. Speaker, about 2 weeks ago I introduced legislation to make official the congressional senior citizen intern program which was begun here 5 years ago. At that time, I attempted to describe before this distinguished body something of what it has meant to me and to other colleagues who have similarly sponsored a senior citizen from their respective congressional districts.

Words, of course, are sometimes difficult to come by in trying to properly reflect upon a good experience, at least from my own perspective and, I am sure, from fellow Members who have shared this experience. Two weeks ago I tried to express what I regard not only as an experience, but an emotionally satisfying bond of friendship that is bound to result from the sponsorship of these senior citizens each year.

What I would like to do today is present to you the other side of those bonds of friendship, and in the words of the people for whom this program is all about—our senior citizens. I would like today to enter some of their comments into the RECORD, as well as acquaint you prospective sponsors with a typical schedule of events during the 2-week long intern program for our senior citizens in mid-May of each year.

Perhaps one of the more striking examples of a personal friendship I have enjoyed goes back to the very first senior interns in my office when this program began as a kind of experimental offshoot

of our young intern program. Those first interns were Paul and Marian Perdiue from Anderson, Ind. I guess because the Perdiue's were my first senior citizen interns, a very special relationship developed. There has been a regular flow of correspondence between myself and the Perdiue's. Often when my schedule took me to Anderson, I would stop by and see Paul and Marian. It was that kind of friendship for me and I know it was for them. I say "was" because Marian passed away last month.

Please forgive me if I appear somewhat sentimental in mentioning that only yesterday morning Paul called my office long distance. He was—and is—lonely. He wound up talking with my staff assistant, Donna Norton, who coordinates this program, for almost an hour. As he wrote to me recently, he said:

I am working hard to adjust to the thought of being a widower and single after 55 years, 6 months and 2 days being married to a very wonderful person like Marian.

Then he talked about how it felt to be my first senior intern. He said:

Next to my appointment as general manager of the Central Indiana Railway, this was the greatest thing that happened in our life.

Then he likes to mention things like a plane trip in rough weather back to Indiana in my private plane. I enjoyed it when he wrote just this week, remembering how, and I quote:

Our pilot said he was continuously in touch with the man in the tower. We felt sure that this is what gets us through many storms in life by keeping in touch with the man up there in the tower.

Those are Paul Perdiue's words. Yet such words are heartening to me to know that I am liked and regarded as a person, not just because I am a Member of Congress. Paul is that kind of person. And when he closes his letter, "give my love to all," he means it. It is a lasting personal friendship, not only with Paul Perdiue, but with every senior citizen who comes to Washington—if you will let it happen.

I wish also to read into the RECORD comments of other past senior interns in my office.

Fred Fraser of Rochester, Ind., had this to say about his 2-week stay in Washington:

We older Americans have problems and it is meetings and workshops like these that are effectively going to help us solve them. By utilizing information obtained at these meetings has helped me in the program planning on the county and area level of the Council on Aging of which I am a member.

Sometimes, we wonder if those who are giving us the answers know the problem. I appreciate what you are doing in this survival struggle for the elderly and sincerely thank you for all the personal kindness you have given me.

Chester and Verle Edwards, also of Anderson, Ind., wrote of their impressions of the 2-week schedule. This is what they said:

We carefully studied materials made available by your office and learned a great deal about resources available to the elderly. We learned through various hearings and briefings about legislative procedures, Older Americans Act, National Health Insurance, and Medicare, Urban Mass Transit, Social Security, SSI and Social Services, and the ACTION programs. We brought back much information and pictures. Our slide picture story about Senior-Citizen Interns has been presented many times to various senior citizen groups.

As you can see from these remarks, the Edwards have made good use of their internship for the benefit of their friends and contemporaries.

My senior intern this year, Lee Walters of Kokomo, Ind., is most active in his home community. He is a retired teacher and principal and has been named the outstanding senior citizen in his home county. I think you will appreciate his assessment of the congressional senior citizen intern program this year:

AN EVALUATION OF THE 1977 CONGRESSIONAL SENIOR CITIZEN INTERN PROGRAM

(By Lee Walters)

Throughout these two weeks I have been impressed with the sincerity and knowledgeability of the panelists who were so willing to answer questions and to explain procedures and characteristics of their departments and commissions. In addition to the briefings, publications, brochures, the contribution of the participating interns have provided for me a valuable source of information which will aid me to assist community leaders and agencies to maintain and improve present services for older people, as well as to assist in planning new services.

A line of communication has been opened which enables me to know the proper channels to follow in formulating senior citizen activities in our community.

As a participant in the Senior Citizen Intern Program, I have become better informed and qualified to give advice and guidance in procuring services for the elderly.

In addition, the intern program has provided me with an incentive to continue my volunteer service in the field of aging.

Representatives and senators who appointed the interns are to be commended for supporting the project. The program director, Donna Norton, who works for Congressman Hillis, and her staff of assistants from the Congressional offices are to be especially commended for organizing a smooth-running program and for caring for the well-being of the participants.

I also enter into the RECORD this year's schedule of events:

1977 CONGRESSIONAL SENIOR CITIZEN INTERN PROGRAM—MAY 16–26, 1977

Monday, May 16—

Orientation Briefing; Informal Get-Acquainted Reception.

Tuesday, May 17—

Assemble on House Steps for Photograph.

A Look at Congress and the Capitol: Visit to the House Floor; Greetings from Speaker Thomas P. O'Neill and Minority Leader John Rhodes; The Legislative Process; Tour of the Capitol.

An Overview of Legislation: Dave Rust, Senate Special Committee on Aging, Lyle McClain, House Select Committee on Aging, Jack Andrews, Subcommittee on Aging, Senate Human Resources Committee.

Wednesday, May 18—

The White House; 9:00 Tour of the White House.

Outlets for Activity—A Visit to ACTION: Jack Kenyon, Director of Program Operations, Older Americans Volunteer Programs, ACTION.

The Federal Approach: Erma Tetzloff, Office of State and Community Planning, Administration on Aging; Donald D. Smith, Director, National Clearinghouse on Aging; Alice Freer, Assistant to the Executive Director, Federal Council on the Aging; Clark Tibbits, Special Assistant to the Commissioner on Aging; Gail Jacoby, Program Analyst, National Institute on Aging.

Thursday, May 19—

Medicare/Medicaid/National Health Insurance: Jack Ebeler, Congressional Research Service, Library of Congress.

Housing and the Older Adult: Helen Holt, Assistant to the Secretary for the Elderly and Handicapped, Department of Housing and Urban Development; Robert Wilden, Direct Loan Division, Department of Housing and Urban Development; Marian Massen, Community Services Advisor, Department of Housing and Urban Development.

Friday, May 20—

Long Term Care: Nursing Homes and Home Health: Larry Lane, Director for Public Policy, American Association of Homes for the Aging; Arlene Blaha, Consultant, Home Health Services, National League of Nursing; Wayne Richey, Associate Director, Long Term Care, Department of Health, Education and Welfare.

Transportation and the Elderly: Larry Bruno, Office of Transportation Management Demonstrations, Urban Mass Transportation Administration, Department of Transportation; Kathy Koss, Office of Transit Planning, Urban Mass Transportation Administration, Department of Transportation; Stanley Feinsod, Director, Planning and Policy Analysis, American Public Transit Association.

Monday, May 23

You're As Young As You Feel: Dr. Matt Guidry, Director of Community and Special Projects, President's Council on Physical Fitness; Dr. Louise Light, Staff Specialist, Nutrition Education, Agricultural Research Service.

Consumer Problems and the Elderly: Betty Duskin, National Consumers League; Carl Eifert, Director of Congressional Relations, Consumer Product Safety Commission; Juanita Yates, Associate Director of Health, Consumer Affairs, Department of Health, Education and Welfare; J. Patrick Kelly, Assistant to the Director, Bureau of Consumer Protection.

Tuesday, May 24—

A look at the Social Security System: Field Trip to Social Security Administration in Baltimore, Maryland.

Wednesday, May 25—

Crime and the Elderly: Jose Garza, House Select Committee on Aging; Pat Lawrence, House Select Committee on Aging; Nick Pappas, Director, Special Program Division, Law Enforcement Assistance Administration; Harriette Fox, National Council of Senior Citizens, Legal Research and Services to the Elderly.

Luncheon: B–339 Rayburn House Office Building.

Speaker: Dr. Arthur Fleming, Commissioner, Administration on Aging.

Free afternoon.

Thursday, May 26—

Perspectives on the Older American: National Organizations: Dr. Tom Elwood, Legislative Representative, American Association of Retired Persons/National Retired Teachers Association; Rudolph Danstedt, Assistant to the President, National Council of Senior Citizens; Curt Clinkscales, Executive Director, National Alliance of Senior Citizens; Richard Shepherd, Executive Director, National Association of Mature People; Lillian Morrison, The Gray Panthers; Dorothy Bauer, Project Director, National Council on the Aging.

Mobilizing at the Local Level: Braxton Warner, Field Services Coordinator, National Council on the Aging; Dr. Inabelle Lindsay, retired professor, Howard University.

Mr. Speaker, and ladies and gentleman of this House, the congressional senior citizen intern program has, as you know, grown considerably from that bumpy plane trip back to Indiana with Paul and Marian Perdiue. Paul regarded our then fledging program with a kind of reverence.

He wrote:

I stood in the spot where the President stands. I also sat in the seat of the Speaker of the House, and in Congressman Hillis' seat. Just to stand there in silent prayer makes a person realize that there are many sincere, dedicated persons in our government. Just to stand and look at the structures and the grandeur of the pictures and art in the buildings and the White Dome gives one a sense of security.

Ladies and gentlemen, I think Paul Perdiut speaks for millions of senior citizens in this country, and for the spirit of what it means to have better community relations with Congress and our National Government.

I urge that we not let them down.

Mr. RHODES. Mr. Speaker, I am extremely pleased to have the opportunity to comment upon my experiences with the senior citizen intern program for 1977.

This was one of the most productive, informative, and useful exchanges between a constituent from my district and me that I have experienced in my 25 years in Congress.

Too often in the past many so-called intern programs have been characterized by lack of coordination and real substantive results. This was not the case with the senior citizen intern program.

My intern, Chet Williams, and his wife, Simona, thought this was a very worthwhile experience. They not only saw our Federal Government in action firsthand, but were able to participate in substantive talks given by individuals from the Department of Aging, Social Security Administration, Veterans' Administration and other organizations that are of special interest to our senior cititzens.

I plan to participate in the senior citizen intern program again in 1978, and urge every Member to explore the possibility of participating in this extremely worthwhile program.

Mr. SISK. Mr. Speaker, the sixth annual senior citizen intern program drew to a close on May 26, ending a fast-paced 2 weeks spent by some 90 men and women over age 60 from across the country in briefings and seminars learning about the legislative process and Federal programs which focus on the elderly.

I was privileged to participate as a sponsor for my third year and to have as my interns Muriel and Milton Mickelson of Modesto, Calif., both retired educators. The Mickelsons, like their fellow interns, have been and will continue to be active at the local level as community leaders. Their experience in Washington, they and other interns agreed, will serve them well as they return home, armed with a better understanding of the workings of Congress and the Federal agencies and armed also with a sense of the power they hold as members of the growing population of senior citizens to influence legislation and government to resolve the common problems we all share.

In the 6 years it has been in operation, the senior citizen intern program has grown dramatically, from a handful of participants to over 90 interns this year sponsored by 52 Representatives and Senators. The program is expected to be even larger next year.

Many Members expressed an interest in participating but did not do so due to the fact that they have full staffs and could not make the required adjustment in payroll budget. I recognize how vital this program is, and I am therefore proud to be a cosponsor of the resolution introduced by my colleague, BUD HILLIS of Indiana, who initiated the senior citizen intern program 6 years ago. The resolution would authorize each Member of Congress to hire one intern for the 2-week program each year, and would allow for the necessary budget adjustment in the Member's gross allowance. Passage of this resolution will establish the highly successful and meaningful senior citizen intern program officially, just as we have established the summer intern program for college students. I urge that all of you join us in supporting this resolution, and I urge you all to sponsor interns next year.

In closing, I would like to congratulate my colleague, BUD HILLIS, and his staff assistant, Donna Norton, for having scheduled and coordinated such an excellent program of seminars and panelists this year.

Mr. REGULA. Mr. Speaker, it has again been a great privilege for me to participate in the senior citizen intern program. I offer my thanks and congratulations to my colleague, BUD HILLIS, and to his staff for their leadership in coordinating this fine effort.

I was pleased to have Mr. and Mrs. Arthur Hively of Canton, Ohio, serve in my office. Both Hivelys have been active in senior citizen programs in my district. They came to Washington to learn about government and received a first hand impression of how it operates. I am confident that they will spread their new knowledge to others.

The 2-week program provided a well-rounded view of the Federal Government. At the many seminars, experts from the various agencies spoke on how their responsibilities impacted the lives of senior citizens. The Hivelys were able to listen and question the experts on their ereas of expertise. This provided an excellent opportunity for their personal concerns and problems encountered in the district to receive individual attention.

The senior citizen intern program lasts but 2 weeks. Yet, the experiences and knowledge gained by the participants lasts a great deal longer. More importantly, while only a few individuals actually participate, groups of senior citizens all over the country will benefit as these select few pass on their information.

I cannot speak strongly enough about the merits of this program. I only wish more of my colleagues would take advantage of this opportunity and participate next year.

Mr. QUIE. Mr. Speaker, I was happy to sponsor a senior citizen intern this year, Walter E. Bertram. His selection proved to be excellent as he is sharing the information he learned with many other senior citizens in the First Congressional District.

The qualifications and experience which led to his selection included: service as a missionary to India, Postal Service employee, outstanding insurance agent and sales manager for a St. Paul hospital. Since retiring, he does volunteer work with elderly groups, is a member of an advisory panel to the Dakota Area Referral and Transportation for Seniors—DARTS—and has made presentations around the State on Minnesota's colon cancer control study. He also is a member of the Twin Cities Metropolitan Senior Federation and his church's task force on senior citizens.

In his letter of application, Mr. Bertram wrote "with the experience I have had with senior citizens both before and after my retirement, I can be of some service." This is proving to be an understatement. Already he has presented a statement on my behalf at a senior citizen seminar in Austin, Minn. His continuing efforts will be beneficial to many other senior citizens, who I am sure will gain a better appreciation for the legislative process, just as Mr. Bertram did when he was here.

To give you some idea about the character of this man, I submit for the RECORD the closing prayer he gave at the senior citizen intern luncheon on May 25.

In God we trust. We beseech His mercies and praise His governance. Therefore, let us approach His throne today and render thanks to Him for the Senior Citizen Intern Program.

We, the interns, are grateful for the schooling we have received about the workings of our government and its legislative bodies. We have in this process lost whatever cynicism we brought to Washington. We have learned how very dedicated our sponsoring Members of Congress are in serving their country and their constituencies. And we behold in admiration the loyal and devoted services of their staffs and the guidance of the coordinators who have so expertly led us from briefing to briefing.

As our internship now draws to a close, we ask your blessings, O Lord, on our country's administration. We beseech you to shower our Members of Congress with your blessings. Give them grace and wisdom to do what best serves the interests of our nation.

And fire those of us who are interns with a never-waning enthusiasm to carry what we have learned here to our own communities at home. Imbue us with the thought that our nation, rich though it may be in natural resources, would in short order bankrupt itself if it were to try with mere dollars to meet all the needs of the deprived, the minorities, the handicapped and the elderly poor. Make us to understand that so very many of these needs can be met, not by tax dollars, but by the consecrated volunteer services of us, the elderly. Send us home, therefore, with a renewed zeal and spirit the better to serve you, our nation, our community, and our neighbor.

Hear us, Lord God, and grant this our fervent prayer. Amen.

Mr. RICHMOND. Mr. Speaker, it is a pleasure to join with Congressman HILLIS in sponsoring legislation to create

a permanent senior citizen intern program for the House of Representatives. As part of this program, each congressional office would be provided with $600 to hire one senior citizen intern for 2 weeks in Mav, which has been officially designated as Senior Citizen Month.

One of the most important aspects of the senior citizen intern program is that it involves concerned older Americans with Government representatives who can respond directly to their questions. Although, we in Congress have worked diligently to deal with the problems faced by older Americans, often we do not have the opportunity for the face-to-face discussions which are so necessary for finding the appropriate solutions.

This past May I had the pleasure of having Ms. Eleanor Scotto join my staff as our senior citizen intern. Ms. Scotto, a 63-year-old retired teacher, was an alert, active addition to my office. Her poignant questions and frank appraisals of Government were a most enlightening insight into the older American's perceptions on the workings of Federal programs for the elderly.

While 2 weeks was certainly a short period of time to absorb all the information available to her in a busy congressional office, Ms. Scotto was determined in her efforts to learn firsthand about the operation of our Government. She returned to our district able to relay information to other senior citizens about the manner in which programs for the elderly are created and to explain why some services may be slow in coming to them. This is one of the benefits of this program, to assist in closing the gap in communications between those agencies providing services and those receiving them.

Although the senior intern program is not the final solution to problems facing the elderly, I am convinced that it is a program in which all participants, including Members of Congress, can examine existing programs and set our goals for the future.

Mr. WYDLER. Mr. Speaker, the senior citizen intern program now qualifies as an honored tradition in my office, this being the 4th year that I have had the privilege of having senior representative of the Fifth Congressional District of New York come to Washington to participate in the program.

This year's participants, Mrs. Mary D' Angelo of Franklin Square, N.Y. and Mr. John T. Patterson, Sr., of Roosevelt, N.Y., are both very active and amiable people. Both are deeply involved with the problems of senior citizens in the Fifth Congressional District and were anxious during their stay in Washington to absorb the kind of knowledge that will be helpful to them and to their peers.

As in past years, names of potential candidates for the intern positions were submitted to a panel of judges by clubs and other organizations working with senior citizens. The ultimate selection was based on the level of involvement with senior citizens and commitment to their problems and needs.

Mrs. D'Angelo was nominated by the St. Catherine's Senior Adult Club, Franklin Square, and is a retired head of the paid order department at Doubleday Co. in Garden City. She has served as president of the St. Catherine's club, and is a member of the Bi-County Alliance of Senior Clubs, Nassau County Red Cross, and Franklin Square Senior Center, and serves as a bloodmobile volunteer. Among Mrs. D'Angelo's special interests was the problem of mandatory retirement.

Mr. Patterson, who is an active 80 years old, is a retired postal employee and delicatessen owner in Freeport. He was nominated by the Susie Bronson Senior Citizens Club of Roosevelt, where he has been president for 3 years. He is a life member of the National Association for the Advancement of Colored People—NAACP—director of education, Sunset Lodge, International Benevolent and Protective Order of Elks of the World—I.B.P.O.E. of W.—and president of the Georgia State College Club, New York City. Mr. Patterson is especially interested in the dietary needs of the elderly.

Serving as judges in the difficult task of choosing Mrs. D'Angelo and Mr. Patterson from among many well-qualified nominees were Adelaide Attard, commissioner of the Nassau County Department of Senior Citizen Affairs; Dr. Carol Lucas, director of the town of Hempstead office of services for the aging; Mary J. McGrath, senior adult consultant of Catholic charities; and Murrae A. Feingold, chairman, town of Hempstead older Americans volunteers committee.

Both senior citizen interns had the opportunity to gather a great deal of information concerning Federal programs and legislation affecting the elderly, which they will share with the members of their senior groups. They also compared notes with other senior citizens from around the country on local programs and facilities for older Americans, and acquainted various Federal officials with the needs of senior citizens.

I am honored to know these two fine people, and am confident that they will keep me informed of the problems of older Americans in the Fifth Congressional District.

I enter the following reports prepared by Mrs. D'Angelo and Mr. Tenner on their personal reactions to the 2 weeks they spent here in Washington:

REPORT OF MRS. MARY D'ANGELO
SENIOR CITIZEN INTERN

In writing this report I thought it would be interesting to give a day-by-day account of my visit and activities to Washintgon, D.C. When I was selected to attend the 1977 Senior Citizen Intern Program from Nassau County's Fabulous Fifth Congressional District I was pleasantly surprised.

Washington, D.C. was not new to me, but as an intern I saw the inside, and the work that goes on.

The first day, May 16th, Mr. John Patterson and I, as the two interns, flew to Washington, and there we met our Congressman, the Honorable John W. Wydler, and joined eighty-eight interns from other areas as far away as Seattle, Wash., and as close as Washington, D.C. at an informal get-acquainted reception.

Tuesday: All the interns assembled at the Capitol steps for picture-taking. We visited the House Floor and were greeted by Speaker of the House Thomas P. O'Neill, were taken on a tour of the beautiful Capitol, lunched and finally got to work later in the afternoon.

We met three panelists and were told we were to discuss in coming sessions: the concern for the aged, taxes on homes, a sliding scale for realty and school taxes, keeping the aged at home when possible, extending the work life, and getting across the needs of the aged. Votes we were told are powerful, as 26 percent of the votes are cast by the aged.

Wednesday: We assembled at the White House for a tour, including the beautiful Jacqueline Kennedy Gardens, and more picture-taking. President Carter was in the Rose Garden at the same time signing the anti-recession bill that Rep. Wydler had a hand in. Mr. Patterson and I were followed into the White House by a television camera crew and again later going into the Executive Office Building, where we were to be shown a film on activities that Seniors can become involved in. Film libraries carry film for showing to clubs and centers.

At 2:00 p.m. we met at the Rayburn House Office Building. Our subject this afternoon was "The Federal Approach" and areas covered included:

(1) Nutrition Programs where Seniors are given a hot lunch and a place to congregate and socialize. No one need go hungry or be lonely.

(2) Biochemical Study. Research is going on. It was interesting to learn that computers will help medical doctors in diagnosing and prescribing. A great many aged will live healthier and longer lives. Study is going on in behaviorial changes of the aging. The learning process is never at a standstill. Put the aged at ease and they do very well at tests. College, anyone? I'm ready.

Thursday: Mr. Patterson and I missed the session on the Medicare/Medicaid program; we were being interviewed by ABC–TV.

The afternoon session dealt with "Housing and the Older Adult". Housing for middle income people will be built as soon as it is approved. It will be partially subsidized, with a $12 thousand income limit. This still has to be ironed out.

Perhaps something can be worked out where a school bus can take us to church on Sundays, especially in parts of the country where there is no Sunday bus service available.

This ended our first week. We had the week-end to do what we pleased.

Monday (May 28) A.M. subject: "You're as young as you feel." Nutrition was discussed by two panelists. Vitamins , I learned, as a "security blanket" and are not needed. Energy is supplied by the food we eat. Moderation in salt intake should be followed. Processed foods contain high amounts of salt. Fresh fruits and vegetables should be eaten and eggs should be restricted to three a week. As for margerine, read labels; poly-unsaturated margerine is alright to use.

On physical fitness, walking and swimming are safe exercises. We interns participated in exercises that were shown. An A+ for Nassau County; we have physical fitness programs at our centers and clubs.

In late afternoon Mr. Patterson and I visited the Smithsonian Institution's Air and Space Museum. We had a private guided tour! Seeing the Spirit of St. Louis, and Kitty Hawk, and the Apollo Lunar Module and Surveyor was inspiring. We then saw a film on transportation and flights on a giant screen five stories high. This is a must for all who visit Washington, D.C.

Tuesday (May 24): Off we went this morning to Baltimore, Md., for a look at the Social Security system. For security reasons we were not shown the workings of the system. We were shown films on who gets Social Security. Later in the afternoon we had a question and answer session. A grim picture of the future years was frightening. Inflation and unemployment have taken a dip into Social Security money. By the year 2025 there will be two workers for every one on Social Security. Congress must and will come

up with a solution. The aged who want to continue working should be permitted to. Mandatory retirement must be done away with unless the Senior wishes to retire at 65. Seniors are constructive and productive.

Wednesday (May 25): This morning Mr. Patterson and I had breakfast with Mr. Wydler. Our Congressman is always on the go—constituents to meet, appointments to be kept. Still, he was able to sit with us for 40 minutes. We enjoyed his company immensely.

Mr. Patterson and I left for the Cannon House Office Building to attend the seminar on "Crime and the Elderly".

We know poverty and poor housing go hand-in-hand with crime. Our citizens must be educated on how to fight crime. The elderly suffer more when victimized. Films on crime and security of residences must be shown, a block-watch established. We don't want the elderly to stay indoors. President Carter said he would stop crime on the elderly.

The "golden years" are supposed to be the best, but are they? I ask, what has happened in the past thirty years that makes we aged fearful? I pray our children and grandchildren will have the fearless years of their great grandparents and truly enjoy their old age.

At noontime, we interns had luncheon with our Representatives and their staffs. We had the rest of the afternoon off.

Thursday (May 26): This morning we met the representatives of different organizations. We reviewed what we had seen and heard and were told to carry back home what we had learned.

That afternoon, after our farewells, we left Washington, D.C. with much more understanding and knowledge of the problems of the Aged and what is being done to solve these problems.

Mr. Wydler, as our Representative in Congress, is doing a fabulous job. I watched him work, always on the go, and working to better things not only for those in the Fifth Congressional District of New York but for everyone.

Thank you, Mr. Wydler, for your interest in the elderly and the handicapped in our Fabulous Fifth Congressional District. God bless you.

Sincerely,

MARY D'ANGELO.

IMPRESSIONS OF MY VISIT TO WASHINGTON

(By John T. Patterson, Sr.)

My first reaction when Mr. Art Beltone of Congressman Wydler's staff called me and said, "You have been chosen as one of the interns to go to Washington to participate in Congressman John W. Wydler's May 1977 Senior Citizen Intern Program," was to wonder, Can this be true? Although I had sent my application and had wanted so much to go, I could hardly believe it was going to happen.

On the morning of May 16th, Mr. Beltone picked me up, and as we headed for the airport, he talked about our trip to Washington, Congressman Wydler, and his Washington staff. Arriving at the airport in Washington, I found that what Mr. Beltone had said was true: we were met by Ms. Gloria Pershing, who took us to our hotel and then to the Rayburn Building where we met a great staff of friendly, helpful people who made our stay in Washington a pleasant and meaningful one.

On the second day there, we visited the Capitol, where we received greetings from Speaker Thomas P. O'Neil and Majority Leader John Rhodes, followed by a tour of the Capitol, starting at the Great Rotunda, then all through that magnificent old building with its marble walls, great paintings and sculpture. On Wednesday we visited the White House, with its beautiful rugs, draperies, paintings and spacious rooms with china that was used by our Presidents, and rooms that had welcomed many foreign dignitaries.

Each morning we went to the office—more to meet friends than to report; then we would go to a ten o'clock seminar where speakers and interns discussed problems related to senior citizens.

On Wednesday the 25th we had breakfast with our congressman, the Honorable John W. Wydler, and enjoyed a very warm chat. At ten o'clock we had a session in the Cannon House Office Building, on "Crime and the Elderly." Since the elderly are exposed to burglary, vandalism and robbery, we were told of ways to protect ourselves, such as not to go out alone at night, never to open the door to strangers, and never to keep large amounts of money in our homes. At twelve thirty all interns attended a luncheon with their congressmen and legislators, and heard a very fine speech by Dr. Arthur Fleming. Then we had the afternoon off for sightseeing.

I learned much while in Washington. Although Nassau County's Senior Citizen Program is far ahead of most similar programs around the country, we all have for our goal two special things: the relief of property taxes, both school and county, so that we can retain our homes, which are the accumulation of our life savings; and transportation that is safe and within our means. In addition, in order to live a happy life, we all agree that one must feel secure in his or her home, and feel productive.

My ten days in Washington were a personal highlight in my life, realizing an almost impossible dream, one that I shall never forget. Among the many things that I learned is that senior citizens, like all citizens, can do much to help solve their problems by keeping active and vocal, and by supporting those legislators who are working hard in their behalf.

Mr. WATKINS. Mr. Speaker, Oklahoma's Third Congressional District was especially fortunate to be represented by an outstanding couple in the congressional senior citizens intern program. Henry and Ruth Cooper of Atoka brought with them a sincere dedication to the social and economic betterment of our elderly. This is shown in their initiative as organizers of the National Association of Mature People.

This was one of our initial steps in developing a close contact with the elderly citizens. They took back with them knowledge about numerous Federal programs designed to enhance the life of senior citizens.

The information from this seminar, combined with the Coopers' expertise and concern for these people, should prove to be a priceless asset to the senior citizens in our district.

I was especially pleased to be part of a program which is helping to bring the senior citizen and those in government closer together. The seminars can also serve as a learning process for those of us who serve as elected officials. We need to review the needs of our elderly and make sure we are continuing to properly address their needs.

Mr. FISH. Mr. Speaker, let me begin by commending my colleague, Mr. HILLIS, and his staff for their leadership in putting together the 1977 senior citizen intern program. As ever, it was a pleasure for my office to participate in this unique program, and each year I am more and more impressed by the enthusiasm and keen insight these interns bring to our respective offices.

The obvious worth of this program is evidenced by its rapid growth on the House and Senate sides. From a small beginning of one Congressman sponsoring two interns, the program has grown to where, this year, we had 51 Members of the House and Senate sponsoring 96 interns—and in the space of only 5 years.

I am pleased to join today with Congressman HILLIS and other colleagues in reintroducing a bill to create a permanent, official senior citizen intern program within the House of Representatives. It would provide for a gross sum of $600 annually for the hiring of one senior citizen intern for a 2-week period during the month of May, which is Senior Citizen Month.

We, as elected officials, are in close touch with our Nation's older Americans and their particular concerns—either through legislative activity or casework. We have a pretty good understanding of the uniqueness of their problems and, for the most part, know where they can go for help. But many times we fail to realize that there is an information gap between Washington, D.C., and our constituencies. We take it for granted that, because we are so closely attuned to the rules and regulations, the "folks back home" are as up-to-date as we. In most cases they are not, and that is where it becomes our responsibility to keep them informed.

One of the objectives of the senior citizen intern program is to bring together involved older Americans—people who know the needs of their communities—with representatives of governmental and private groups who can answer their questions and listen to their ideas. While this is a large task to perform in the short space of 2 weeks, I feel the congressional senior citizen intern program contributes substantially to a lessening of that information "gap" and provides the interns with the facts and figures for them to become effective spokesmen back home.

This year it was my particular pleasure to have as my interns a delightful "young" couple from Poughkeepsie, N.Y.—Edward and Esther Bahret. They arrived with a spirit and a twinkle that added life to my office, and set about dedicating themselves seriously to the task of absorbing as much information as was humanly possible. They did not stop with just attending meetings, but pitched in at the office in whatever capacity that was asked of them. I will admit that their hard work and enthusiasm kept my regular staff on their toes, so as not to be outshined by our senior interns, and for that I most gratefully thank the Bahrets.

At this time, for the information of my colleagues, I would like to insert in the RECORD their comments on the 2-week senior citizen intern program:

LETTER FROM EDWARD AND ESTHER BAHRET

DEAR FRIEND: Two weeks have passed since we returned home after our learning experiences as Congressional Senior Interns, so we

have had time to digest and absorb the materials which we received. All of the written materials are excellent and we will be using them in various meetings.

Thanks again for the opportunity to be a part of the Senior Intern program, and especially for the interest and time you and your Staff gave us. Your interest and belief in the Senior Intern program was expressed unmistakenly by your effort on our behalf.

Monday afternoon, a Get-Acquainted Reception was held at which time we met each other, our Congressman—Hamilton Fish, Jr., and his Staff. Starting on Tuesday, we had morning and afternoon sessions, the first of which was a visit to the Capitol, an explanation of the legislative process given in the House Chamber, and a tour of the Capitol building itself. That afternoon we heard from representatives of Senior Citizen organizations, with which most of us were already familiar. Some of the more interesting information, we thought, was the concern of Congress for the long-range care of the aged unable to care for themselves.

We were taken to Baltimore, Maryland, in a bus, to visit the Social Security Administration and were shown some of the processes they follow to relay information. It is a vast system with an unbelievable number of employees just in Baltimore, not to mention all the branch offices.

Some of the topics discussed at the sessions on the following day were: transportation for the aging; consumer problems of Older Americans; housing for the elderly; services for those with special needs; the tax dollar and the elderly; and utilizing the skills and experience of Senior Citizens. Transportation service for the elderly is a matter of great concern and growing greater. The majority of Senior Citizens no longer drive their own cars and must have some low cost means to get to medical and shopping facilities and Senior Centers. These services are coming far too slowly. Congress must implement new methods of getting necessary transportation within reach of our aging population. We were especially interested in the programs on Nursing Homes and Home Health Care. These included Health-related Facilities, Health Centers and Meals on Wheels—all of which are tied in with the American Association of Homes for the Aging.

We were delighted to have been a participant in the Senior Intern Program—to hear how much is being done for the elderly, and how much action is being taken in our behalf on the many problems of the Older Americans. As an additional bonus, we had the opportunity of observing the House Judiciary Committee in action, and also attending one late afternoon session of the House debating and voting on important bills.

We trust these Senior Intern Programs will continue. We believe that the aging citizen in our country has lived to see both the good and the bad of many programs set up in Washington and that they can be of value in assessing these programs in years ahead.

With one or two exceptions, the speakers were informative and interesting. We appreciate the fact that one of our interns was included on the list of speakers. She was the last, but certainly not the least effective, speaker on the program—stressing the need for Senior Citizen participation in volunteer action in nursing homes, transportation and many other projects.

We have been active in these projects for years and feel that not only are we helping others, but our own lives are being blessed at the same time.

Our thanks again to Congressman Hamilton Fish, Jr. and Staff for the privilege and pleasure of participating in this program. And last, but not least, our thanks to Mrs. Louise Sullivan, Director of the Poughkeepsie R.S.V.P., for recommending us to serve in this program.

Mr. LEHMAN. Mr. Speaker, I am delighted to have this opportunity to discuss the senior intern program. Two of my constituents, Dr. Charles Kadison and his wife, Elizabeth, came to Washington in May to participate in this extraordinary 2-week program.

Each day we received glowing reports of the many conferences and tours which were scheduled to give the interns a better understanding of the Federal Government and how it affects the lives of our senior citizens. These active older Americans had the opportunity to come together and discuss their common problems and explore possible solutions. Among the many topics were social security, services to the needy elderly and volunteerism. It was especially appropriate that the group was able to visit the Social Security Administration in Baltimore, an agency upon which so many elderly are dependent for income assistance and payment for medical care.

As a result of their experience in Washington, the Kadisons are now planning to become volunteers in some of the elderly day care centers which are provided for in title XX of the Social Security Act. Recently, they wrote me that "Up until the time we attended this program in Washington, we had no knowledge of the many activities and benefits available to our elderly neighbors."

The growth of this program over the last few years has been phenomenal, and the time has come to formally establish the senior intern program in legislation. This will allow for even greater participation among Members and afford an increasing number of senior citizens to learn more about their Government.

Mr. CORNELL. Mr. Speaker, I was pleased to participate this year in the senior citizen intern program and to provide the opportunity for one of my constituents to see firsthand how the Government conducts its business.

Mrs. Olga Getts from Deerbrook, Wis., accepted my invitation to participate in the 2-week session. Since she had never traveled further east than Illinois, coming to Washington was quite an experience for Mrs. Getts. With the companionship of other senior citizens and the programs provided for them, it certainly took her little time to become acclimated, however, and to feel at home in our Nation's Capital.

Mrs. Getts' experiences indicate the value of this 2-week program. As a result of the meetings and seminars she attended, my constituent has a far better understanding of legislation that affects our senior citizens. She left Washington with many ideas that she felt could benefit Wisconsin's older Americans. As Mrs. Getts noted in a letter to me, "The knowledge the interns gained could be used not only in our own areas, but wherever we go."

I believe it is important for our constituents, whatever their age, to understand the workings of a congressional office and to observe firsthand how their Government functions. My own year-round congressional intern program provides such an opportunity for our younger citizens. I wondered how such a program would work for our older Americans and now, judging from the reaction of my first senior intern, I am pleased to have had the opportunity to participate in such a worthwhile project. Congressman HILLIS and his staff are indeed to be commended for the extensive work involved in coordinating such a program and I trust the success of this effort will justify continuance and enlargement of the program.

Mr. GARY A. MYERS. Mr. Speaker, my staff and I were very happy to once again have the opportunity to participate in the senior citizen intern program. This year Mr. and Mrs. Donald Kelly of Bruin, Pa., represented the senior citizens of Butler County. Mr. Kelly is a former mayor of Bruin and both Mr. and Mrs. Kelly are active in the affairs of the local community.

During the 2 weeks in May, the Kelly's spent part of every day in our office and participated in the office work. During this time, my staff and I had the opportunity to learn of Mr. and Mrs. Kelly's concerns and opinions about many issues, especially those concerning senior citizens.

Both Mr. and Mrs. Kelly especially appreciated the programs planned for the interns. As a result of their visits to many Government agencies and question and answer sessions with many representatives of those agencies, Mr. and Mrs. Kelly seemed especially impressed with the idea that there is much that senior citizens can do in their local communities with the cooperation of various Government agencies.

I would also like to commend those who planned the programs for the fine job they did in setting up interesting and informative sessions for the interns.

As secretary for one group of senior citizen interns, Mrs. Kelly helped to compose a letter which the senior interns wrote to Congressmen who participated in the program. I think it best expresses her opinions about the program, and I am pleased to share this letter with my colleagues:

WASHINGTON, D.C.,
May 25, 1977.

HONORABLE CONGRESSMEN OF SENIOR CITIZEN INTERNS, STAFF MEMBERS.

DEAR LADIES AND GENTLEMEN: In order to appropriately express our appreciation for the opportunity of participating in the 1977 Senior Citizens' Intern Program, we who are listed on pages one and three of the Intership Roster are composing this letter.

We wish to thank you Congressmen who have considered us worthy of being chosen for this educational opportunity. It makes us realize that we have not been doing nearly so much as we could be doing to benefit those around us. The informal exchange of ideas with others who have problems, sometimes similar and sometimes different, has been mentally stimulating. The experience has given each of us a realization of individual worth, rather than the feeling of being categorically considered anonymous members of America's aging society.

The girls who assumed responsibility for getting the group assembled and keeping the program running smoothly are to be highly commended. Their thoughtfulness in attending to details, such as getting us cold water to drink on stuffy afternoons, is very much appreciated.

The pertinent programs, arranged with experts who gave us much information, have provided many practical and inspiring thoughts as we go home.

The two-way communication exchange between the elected members of Congress and us has given us a greater understanding of the legislative process and of how our federal government is making an effort to deal with the problems of America's elderly ones. An awareness of our special problems has developed concretely among the staff members in our Congressional offices.

We write this in appreciation to all who have given us their time, energy, and love.

We will miss you all.

Where would this be done, but in America!

Even the Queen of Sheba, when she visited Solomon in all his glory, could hardly have been more pleasantly surprised, nor more royally received.

Most sincerely,

EDNA SHEPARD,
Chairman of Interns.
GERTRUDE KELLY,
Secretary.
OLGA GETTS,
Chairman of Interns.
MARY STONER,
Secretary.

Mr. RUPPE. Mr. Speaker, again this year Michigan's 11th Congressional District participated in the senior citizen intern program.

Because of the senior intern program the Federal Government became less remote, more real and more responsive. Designed to give the senior intern firsthand knowledge of the workings of the Federal Government, the program provided an opportunity for seniors from all over the country to learn about issues of special concern to older Americans and to exchange ideas with their representatives herein Washington.

Mrs. Marie Sauer of Gwinn, Mich., most ably represented northern Michigan. Frankly, I would be hard pressed to say who benefits the most from the senior intern program. Surely for the senior intern it is an enriching and exciting time; it is also of immense benefit to all of the home district seniors as the intern shares the experience with individual seniors and senior citizen groups. However, the real treasure is reaped here in Congress—as Members and staff get to know these senior representatives, learning from them, exchanging ideas and opening new channels for vital dialog between Washington and home district senior citizens.

I am endebted to my colleagues Congressman HILLIS and Congressman SISK for organizing the program and I am delighted to be a cosponsor of legislation to create an official congressional senior citizen intern program. I urge my colleagues who have not participated to do so next year.

Mrs. Sauer's report to northern Michigan senior citizens follows:

DEAR FRIENDS: To go to Washington as a Senior Intern was an exciting, educational and pleasurable experience.

Our first meeting was a reception so we could get acquainted with our fellow interns. There were 92 of us from 27 different states, sponsored by 41 Representatives and 9 Senators.

To begin my internship I spent time in Congressman Ruppe's office to get acquainted with the staff and to see how their work is carried on. Each member of the staff has special duties and takes care of the varied and many communications and business matters that come into their office.

We were taken on a tour of the Capitol. While in the House of Representatives we were given a briefing on how our laws are made. A short visit to the Senate gave us a chance to see it in action.

The meetings we attended each morning and afternoon gave us information on what is being done for Senior Citizens in practically all phases of their lives—housing, transportation, health, health care, recreation, consumer problems, crime, and volunteer programs. We also had an interesting trip to the offices of the Social Security Administration in Baltimore. Through these many and varied presentations it was most gratifying to hear that emphasis is being placed on the quality of life, not just the quantity.

During the question and answer periods there was a good exchange of ideas. This gave us a picture of what is being done by and for Senior Citizens in the other parts of the country and how serious the problems are in the big city areas. It became clear that we have a responsibility to help each other and that much of that help can and should start in our own community. Through it all we developed a spirit of "esprit de corps" that carried over into our non-working hours and many new friendships were formed.

We appreciated having an opportunity to visit Washington and to see the many historical sites and beautiful buildings. A tour of the White House, a visit to Mt. Vernon, watching the changing of the guard at Arlington cemetery, a visit to the Smithsonian, attending the ballet at the Kennedy Center, are some of the exciting things that we were able to do.

A city is made up of people and no city makes a very favorable impression if visitors feel unwelcome. This was not our experience during our stay in Washington. We found the people, office personnel, building attendants, bus drivers, and the "man on the street" to be very cooperative and patient with all our many questions and need for assistance in finding our way.

During our internship we were given information on what the national government is doing for Senior Citizens. Now it is necessary to see what can be done on the state and local level. If you have a problem or suggestion, don't hesitate to write to your Congressman. Your letters will be read and given prompt attention. Please be sure that your name and address are written clearly so a reply may be sent back to you if one is needed. Our letters are important.

It is difficult to express one's appreciation for the opportunity to go to Washington as a Senior Intern but I would like to say thank you to the Forsyth Merry Mixers for nominating me, to Congressman Ruppe for sponsoring me, to Mrs. Ruth Fortier, my Ruppe Staff Contact, who treated me like royalty, and to all the office staff who were so helpful and made me feel so at home and welcome.

I truly wish all of you could have joined me for these busy, stimulating, and profitable days as a Senior Intern.

Sincerely,

MARIE SAUER.

Mr. COLEMAN. Mr. Speaker, this was my first experience with the senior citizen intern program. I was deeply impressed by the quality of program preparation and content, and look forward to participating with senior interns in the years to come. Without question, the program, through our interns, provided renewed awareness of the potential, as well as the problems, of America's older citizens.

I was delighted that my first senior interns were Dave and Doreen Durlacher of Kansas City, Mo. Mr. and Mrs. Durlacher for many years have been active in civic and community affairs. They came to Washington with enthusiasm, as well as a keen awareness of the problems and concerns of our senior citizens. They were in my office daily to brief me, and the staff, on program activities. They were a delightful, albeit brief, addition to my team. I plan to rely heavily on them for advice and direction as I work with my older constituents. Already they have been sought after to appear before senior citizen groups and organizations related to services for the elderly. Through them, the senior intern program will reach thousands of people in the Sixth Congressional District.

With pleasure, I submit the senior intern report of Dave and Doreen Durlacher:

Hon. E. THOMAS COLEMAN,
1207 Longworth House Office Building, Washington, D.C.

DEAR TOM: The following is our overview of the 1977 Senior Intern program. To detail the total would require reams. We have become aware of the myriad areas of government that concern themselves with the myriad problems of the older American. Our exposure to the many people who are working in these Federal agencies and to the others working in private areas has been enlightening. As you know, our fellow interns were from many parts of the country. Their questions and comments in the meetings and in private conversation gave us a picture of the variances in the individual and local needs that Washington has tried to cover.

Congress has defined an older American as one who is 55 or older. The declaration of the ten objectives as outlined in "The Older Americans Act of 1965" should be read. (It follows at the end of this report.)

Those Americans who reach the magical age, on that particular birthday, have the same problems that they had the day before. As the aging process continues, their ability to cope with these problems begins to deteriorate in varying degrees. As one panelist so aptly put it, "There are the young-old, the old-old, and the old-young. Trying to put an umbrella over this group is an impossible task."

In other words, any American who reaches the age of 55 or older, has done so by the grace of God, good management, and above-average driving skills. For the past fifty years, anyone five years older than me was an older American. I believe this definition is shared by most of us. Another quote that comes to mind, made by an older American, was, "I've had quite a bit of experience taking care of myself, but that's not to say I don't need a helping hand now and then."

The problems in our society that seem to have the greatest impact on the aged are: 1. Inflation. 2. Medical costs. 3. Transportation. 4. Crime. 5. Housing. 6. Nutrition. and 7. Our Mobile society.

Two major areas that seemed to be of concern to the group were Social Security limits and mandatory retirement. (Doreen and I agree that lifting the latter is not good. Other areas: 1. Better communications and coordination. 2. Marshalling and use of resources both within the group and without. 3. How to foster more "in-home-care" professional, semi-professional and practical. 4. Getting around liability exposure for transportation and in-home help. (Department of Transportation is working on the legality of releases.)

When I was a Boy Scout, the picture of Scouting was traditionally helping an old

lady across the street. Nowadays that old lady has to watch out for the Boy Scout in a dragster. Times have changed. Perhaps smaller umbrellas for particular neighborhood problems can be supplied by nurturing and promoting small groups of older Americans to give them the opportunity to help, to receive help, and to find their place in the community for their own happiness.

Written by Dave Durlacher, Edited by Doreen Durlacher.

DECLARATION OF OBJECTIVES FOR OLDER AMERICANS

1. An adequate income in retirement in accordance with the American standard of living.
2. The best possible physical and mental health which science can make available and without regard to economic status.
3. Suitable housing, independently selected, designed and located with reference to special needs and available at costs which older citizens can afford.
4. Full restorative services for those who require institutional care.
5. Opportunity for employment with no discriminatory personnel practices because of age.
6. Retirement in health, honor, dignity—after years of contribution to the economy.
7. Pursuit of meaningful activity within the widest range of civic, cultural, and recreational opportunities.
8. Efficient community services which provide social assistance in a coordinated manner and which are readily available when needed.
9. Immediate benefit from proven research knowledge which can sustain and improve health and happiness.
10. Freedom, independence, and the free exercise of individual initiative in planning and managing their own lives.

Mrs. BURKE of California. Mr. Speaker, I think every Member of Congress has had young people working in his or her office participating in internship programs on Capitol Hill. I believe we like to think of the many bright minds this practice has helped toward a better understanding of our democratic system and how it works.

Today I would like to speak about a different type of internship, the senior citizen internship. This is an intensive legislative program oriented to the concerns of the elderly. Thanks to all the help and participation by many Members and their staffs this program has become a most meaningful, enlightening and educational experience for senior citizens. But it is not a one-way street; it is equally enlightening to those of us who have taken part in the program. I can tell you how we, as Members of Congress, have benefited in gaining insights into their particular problems, concerns, and needs.

To those of you who have not been able to participate in this program for reasons of office space, facilities, or expense, I could never adequately express what it means to participate in this program. I can say, however, that I have learned an invaluable lesson about what our senior citizens can contribute to our society.

This year I had the pleasure of having Mr. Thurman C. Fletcher as an intern in my office. His sincere interest has led to my better understanding of the concerns of senior citizens. Having returned home after his 2-week visit with us, Thurman is now sharing the knowledge he learned here with his friends and contemporaries. He is helping them know of all the laws and legislative programs affecting social security, consumer affairs, housing, public transportation, and related issues of special concern to the retired and elderly.

This program was started 5 years ago by our colleague, "BUD" HILLIS. This year 52 Senators and Congress-persons hosted over 90 senior citizen interns. I believe it is time to make the congressional senior citizen intern program an official one. Having participated in this program I see a real need, now, for Congress to provide the mechanism for all Members to participate in a broadened, comprehensive and coordinated program. I hope, therefore, that the Congress will adopt the legislation introduced by my distinguished colleague from Indiana.

Mr. PRESSLER. Mr. Speaker, since I have been in Congress, I have always had a commitment to our senior citizens, and to the concept of a congressional senior intern program. Two years ago I had a senior intern in my office, and this year I was pleased to have the opportunity to participate in the congressional senior intern program that was coordinated by my colleague, Mr. HILLIS, and his staff.

First of all, I would like to thank Mr. HILLIS, and all of the people who had an active part in making this year's senior intern program a truly rewarding and successful experience for the offices that participated in it, and for the senior interns themselves. Their hard work, dedication, and enthusiasm have been inspirational to all of us.

Second, I would like to encourage more of my colleageus here in the House of Representatives to take part in this excellent program in the future. I know that having a senior citizen adviser in my district field office, and bringing senior interns like Rose and John Ewert to my office here in Washington, has been most valuable to me. Our senior citizens are an important national resource that we dare not waste—we can all gain from their special insights and experiences, and the wisdom that age affords.

Finally, I would like to take this time to share with you some of the thoughts of my 1977 senior interns regarding their 2 weeks in our Nation's Capital:

PRESSLER SENIOR CONGRESSIONAL INTERNS REFLECT ON WASHINGTON EXPERIENCE

WASHINGTON, D.C.—After two weeks of seminars and tours through the nation's capital, Rose and John Ewert, Freeman, S.D., said they found the Congressional Senior Intern Program most informative and were grateful for the opportunity to participate.

Learning their way through the labyrinth of tunnels beneath the Capitol, they said, was almost as challenging as trying to decipher the often tenuous relationship between the Washington bureaucracy and senior citizens at home and throughout the nation.

Rose and John, both former teachers and now active in the Freeman Senior Center, were among some 90 interns from 27 states who participated in this year's program. Forty Representatives, including myself, and nine Senators also took part in the program which includes seminars on Social Security, housing, consumerism, nutrition, physical fitness, crime, health and other senior citizen issues.

Rose and John said the numerous seminars they attended during their stay in Washington taught them a lot about how the federal government can help senior citizens. But more importantly, they said, it taught them that senior citizens and people of all ages must first learn to help themselves. "You can't call the government every time the roof leaks," Rose remarked. "The more we rely on government, the bigger it gets and the less freedom we have. As one of our speakers pointed out, many of us want national health insurance, but not big government. Unfortunately, there is a trade-off, and you just can't have both."

The Ewerts said their experience in Washington led them to an understanding of the great need to reduce and simplify federal involvement in our lives. "Why, in the Social Security Administration it's even complicated to get lunch," Rose joked. "You've got to choose among seven lines just to get a sandwich!" John added that the program has given him a better understanding of the lengthly and complicated process of government in Washington. "At our age we don't want research, we want results. But we realize that research is needed if our laws are to meet the needs of our diverse country."

When they return to Freeman, the Ewerts will be passing on what they have learned in Washington to their friends and neighbors.

Social Security—Older Americans are not the only ones receiving benefits. About one-third of the nation's Social Security recipients are widows, children and disabled persons under 65.

Crime—South Dakotans are in much better shape here than their urban counterparts. But when crime strikes, senior citizens can often find help through local senior centers. Rose and John have information about such programs if none exists in your community.

Physical Fitness—As Rose put it, "Get off your rocking chair!" Five minutes of warm-up exercise, a vigorous 15-minute walk and five minutes of cool-off exercise is a good habit to develop.

Housing—If you have a problem, contact your local or state agencies. Dealing with the federal government is a long and complicated process and should be considered as a last resort.

Rose and John said they will be speaking throughout South Dakota on their Washington experiences. They said they thoroughly enjoyed the capital, visiting museums, the Kennedy Center, Batanic Gardens and even riding down the C & O Canal on on old-fashioned flat-bottomed boat. But they said they look forward to returning to South Dakota and have much to tell.

We need more interested senior citizens like the Ewerts to get involved in their community and in government. I deeply appreciate their participation in the intern program and their ideas, and I hope other senior South Dakotans will share their ideas with me as well. I need them to do a good job for you in Congress.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I fully support the senior citizen intern program sponsored by BUD HILLIS. This is a proposal that would bring benefits to Congress, to senior citizens, and to the general public.

Many congressional aides tend to be relatively young and inexperienced, with little hard knowledge of how Government action affects senior citizens. Even for the brief time that they will work in a Member's office, senior citizen interns could bring a certain degree of experience to bear on many policy issues.

Furthermore, it seems likely that most Members will choose senior citizen interns from their own districts. These interns would therefore act as "emissaries"

from the district to the Congressman and from the Congressman to the district. In particular, they would make local senior citizens groups aware of what Congress was doing for them, and would be able to make recommendations to the Congressman on the basis of the opinions of their own groups.

At the same time, senior citizens could become much more aware of the range of benefits and services available to them through this program. The casual information that one picks up in a congressional office, about social security, about supplemental security income, and about other public aid and public service programs, will filter back to the district by way of these "senior citizen emissaries." For a very modest expenditure, Congress could be setting up a highly effective information-transfer system concerning the rights and problems of senior citizens.

The productive capacity of senior citizens is often ignored and it is a serious oversight not to take advantage of it. People who come to Capitol Hill under the senior citizens intern program are likely to become more interested in the political process, and retain their interest and spread it to other senior citizens back in the district.

The general public would benefit from the experience and wisdom that senior citizens could bring to our lawmaking; Members of Congress could benefit by keeping closer contacts with senior citizens groups in their districts; senior citizens would benefit by an increased use of their productive capabilities and by an increased flow of information about services available to them and about what Congress is doing on their behalf. Consequently, I think that this proposal would be money well spent, and would gain a large measure of support from many different groups of people.

Mr. TAYLOR. Mr. Speaker, I am most grateful for having had the opportunity to participate in the senior citizen intern program. Not only did I have the good fortune to make two new friends but I also was able to gain new insights into the problems of the elderly while at the same time giving them a closeup view of how their Government functions. Needless to say, we both gained considerable knowledge about each other in the process.

I look forward to participating in the program again next year and to my colleagues who did not appoint senior citizen interns this year I would suggest that they investigate the program. I am certain they will find it most worthwhile.

Following is a report that I receive from Mr. and Mrs. Robert H. Davis, the senior citizen interns who participated from Missouri's Seventh Congressional District:

THE CONGRESSIONAL SENIOR CITIZENS INTERN PROGRAM 1977

On May 15th, my husband and I arrived in Washington, D.C. to a beginning of one of the greatest experiences of our lives. We had been appointed by our 7th District Congressman, the Honorable Gene Taylor, to serve as Interns in the 1977 Congressional Senior Citizens Intern Program. We were already working on programs for the elderly at the local level and we were so happy for the appointment. We knew that we could gain the much needed knowledge and information for the concern of those with which we were involved.

We joined the 98 others who came from all over the nation as appointees. Age seemed to be no problem to us as we were all so full of excitement and enthusiasm. We had two weeks ahead of us with each day a new beginning. We arose early, caught a bus and went to the Hill.

Before we arrived in Washington the staff workers of each sponsoring Congressman or Senator had been very busy laying the groundwork for all briefing sessions, where they were to be and selecting the panelists from the different agencies, who were gathered to help in various problems. The programs were just great. We were briefed on housing, health care, income maintenance, housing for the elderly, medicare-medicaid, nutrition, and everything or problem that confronts the elderly today.

We all came with problems each day for discussion and with the help of our panelists we were able to get a much better angle on our problems than we had had before. We found out, too, the younger adults were doing all they could to help us. They worked with us patiently and graciously. We also know they are working on our problems for the information we gathered is priceless. Wherever we went for our briefing, be it the Longworth, Dirksen, Rayburn, or Cannon Buildings, our people in Washington are busy. Our own Honorable Gene Taylor and his staff were as courteous to us as if we belonged in their office permanently. We have now a much greater insight into the problems of the elderly and what is being done to solve them since we have had this time on Capitol Hill. We are now sharing the 1977 Congressional Senior Citizen Intern Program with those in our community. It was a great program and thanks to Congressman Gene Taylor for asking us.

Mr. and Mrs. ROBERT H. DAVIS.

Mr. PRITCHARD. Mr. Speaker, it gives me great pleasure to take this opportunity to express my enthusiasm for the congressional senior citizen intern program, which my distinguished colleague, Congressman HILLIS, has so ably organized.

Ms. Thelma Smith of Seattle attended the program here in May as a senior intern through my office. She felt it was a productive learning experience which enhanced her understanding of the legislative process and how it affects issues of special interest to senior citizens.

I believe that the senior citizen intern program, which emphasizes dialog and promotes an exchange of ideas between congressional Representatives and their constituents, plays an important part in establishing mutual respect and trust in government. I give this program my wholehearted support and I hope to see it continued in the future.

Mr. MANN. Mr. Speaker, again this year I had the pleasure of hosting a participant in the successful senior intern program. Mrs. Jane Hoffman, a social worker at the Charles Lea Center in Spartanburg, S.C. and recently a graduate student at the University of South Carolina at Spartanburg, joined my staff for a period of 2 weeks and has written to me describing her impressions of a short, but productive look at our Government in relation to the needs of the elderly. She said:

Included in the dynamics for the success of this program would be two facts which were apparent to me as a result of the association with your office and with the representatives of the various Bureaus. The first is the enormity of the job making this gigantic structure we call our government work and the dedication and knowledgeable hard work displayed by personnel involved in this task. The second is the very apparent and very sincere desire on the part of the legislators and their staffs to encourage interchange of ideas and information with the constituents as well as the availability of assistance in or helping them with projects bearing on implementation of governmental activities back home.

The above statement is not rhetorical; it is based on personal observation of standard office procedures set up to routinely offer such services, not only in your office but in several other legislators offices as well. It is standard procedure and the people do not know it and you cannot tell them. But we can.

Therein lies my premise of a dynamic situation which can be created each year through the continuing observation of the government in action by ninety or one hundred Senior Citizens from all over the country to their benefit and the dissemination of this knowledge and personal experience back to the people at home who are perhaps as unaware as we were of the enormity of the operation and the apparent concern of the people involved in making it work, instead of only hearing of the instances when it doesn't work. The latter being considered newsworthy, the former mundane.

Please accept my sincere thanks for the opportunity of glimpsing the workings of the Washington Scene and my best wishes to you and your excellent staff.

I found the mutual exchange of ideas to be beneficial to me and my staff since it is always helpful to have contributions from sources close to the heart of an area of concern. Mrs. Hoffman is an excellent representative of the senior citizens in her community and her insight will do much to lift the awareness of the people of Spartanburg.

Mr. DERWINSKI. Mr. Speaker, this was my second year of participation in the senior intern program. My staff and I have enjoyed and profited from the rewarding experience of becoming better acquainted with two very active and dedicated community leaders from the Fourth Congressional District of Illinois, Mrs. Emelyn Ruesing from Crestwood and Mrs. Eleanor Kirwan from Midlothian.

Mrs. Ruesing and Mrs. Kirwan came to Washington to learn about Government programs, Federal agencies, and the legislative process. Their time as interns in my office was used constructively, and their enthusiasm in meeting the challenges of the senior intern program was refreshing.

I had an opportunity to have several discussions with Mrs. Ruesing and Mrs. Kirwan during their 2 weeks in my office and I have found that their questions were incisive and their comments perceptive and challenging.

Judging from their comments, I believe that they found it beneficial to learn firsthand how Congress and various Government agencies work. As a Representative, I too consider the program very beneficial. It gives me the opportunity to learn how the programs legislated by Congress really effect the people they were designed to benefit. The senior citizen intern program gives us

the necessary feedback to become more responsive to needs specific to seniors. We become aware of the shortcomings of our programs and can address them with further legislation.

Mrs. Ruesing and Mrs. Kirwan expressed to me, with pleasant surprise, the amount of concern shown by all of us here in Washington. On a personal level, they saw Washington was made up of people caring about other people. They seemed satisfied that their concerns were our concerns as well.

They left with a briefcase full of information, and with a range of new knowledge on the Government process. I believe that Mrs. Ruesing and Mrs. Kirwan gained a great deal of insight during their stay in Washington, and this they intend to share with various senior citizens groups and any willing and interested individuals in the Fourth District of Illinois.

Mr. ROBINSON. Mr. Speaker, it was my privilege again this year to sponsor a senior citizen intern from my Seventh Congressional District to participate in the 2-week internship program for older Americans here in Washington. I continue to regard this program as an excellent means by which to assist older citizens to develop a better understanding of the role and responsibilities of the Federal Government, with heavy emphasis on its programs for senior citizens.

At subsequent meetings and discussion sessions back in our respective home congressional districts, those who have served in an intern capacity are able to share their experiences with their peers and others, thereby enhancing and broadening community knowledge about Federal programs of interest to older Americans.

The outstanding individual who served as my senior citizen intern this spring—the Reverend Margaret D. Jefferson of Charlottesville, Va.—has already met with about 75 people in our district, for example. She has also participated in a conference on aging at James Madison University in Harrisonburg, Va., where she provided a special briefing.

The Reverend Miss Jefferson has kindly provided me with a copy of a 14-page report she has prepared incorporating much information gleaned over the course of the program. It covers in detailed fashion the broad range of subjects touched upon, including: Concerns of the 95th Congress involving the elderly; social security financing; medicare; medicaid; modes of health insurance; housing; transportation; nutrition and physical fitness; consumer problems; crime; national organizations for the older American; action programs, and community mobilization.

In reviewing a copy of her report, I was impressed with its thoroughness, its sensitivity to differing views and approaches in dealing with the problems of the elderly, and its fine touches of humor.

The Reverend Miss Jefferson tells me she is giving the substance of the report to groups of senior citizens with whom she meets, and it is taking her about two 45-minute sessions to provide "the real picture."

I might add that she is uniquely qualified for such helpful service. A recently ordained priest of the Episcopal Church, she is an ecumenical missioner with the elderly in cooperation with the Virginia Council of Churches in our congressional district.

The Reverend Miss Jefferson has offered a few suggestions that she believes would make this program even more valuable in future years. She suggests that interns be advised to read the booklet, "How Our Laws Are Made," prior to their arrival in Washington, and that a map be provided of the office buildings in which intern meetings are scheduled. She also suggests it would be helpful to be provided with a list of the names and addresses of senior citizen organizations based in Washington.

She believes more time should be reserved to attend congressional hearings of special interest. She suggests it would add to the program to arrange for one or more evening discussion sessions so that participants might divide into small groups led by a moderator in order to review and discuss the issues about which they have been learning.

I am sure consideration will be given to these suggestions in planning future intern programs.

Finally, I wish to compliment the gentleman from Indiana (Mr. HILLIS) and the gentleman from California (Mr. SISK), for planning and coordinating the program for us. I am sure I speak for all 51 Members of Congress who sponsored interns this year in thanking them for the splendid job they performed for us.

In summarizing her conclusions about the internship program, the Reverend Miss Jefferson wrote me recently that "The Federal Government is our friend and is working for us." In view of the extraordinarily large number of citizens today who write to express their disillusionment with the Federal Government, Miss Jefferson's comments were comforting. Her conclusion holds out hope that this program in future years can play an important role in helping to reestablish essential public trust and confidence in the integrity and good will of the Federal Government.

Mr. OTTINGER. Mr. Speaker, in May, we welcomed our second senior citizen intern to Washington. This year's participant, Mr. George Carl, is vice president of the Sound Shore Council of Senior Citizens and a member of the board of the Westchester Council of Senior Citizens. He is also a member of the Larchmont Senior Center, and of the Advisory Council of the Westchester County Office of the Aging.

In a recent letter, Mr. Carl summed up his experiences in the 2-week senior citizen internship program. I would like to share part of that letter with my colleagues:

My wife and I have had ample time since returning from our two weeks in Washington to ponder over our senior citizen internship. Lingering in our minds is the complexity of the legislative process and the large number of studious people who contribute to it. We continue to be impressed with the dogged efforts that are being made to understand and find the solution to the many diversified aging problems.

Besides the intimate insight we gained into our government, we learned a great deal from other seniors attending from all over the country. Their questions and testimony were very revealing. It provided an example of the kind of input that must be coming into all of our legislatures all of the time.

Our first opportunity to make extensive use of the knowledge gained in Washington will be several fall meetings planned by the Westchester Council of Senior Citizens, composed of nine regional councils and serving thousands of Westchester residents. We are planning several programs to discuss a variety of issues—the future of the Social Security system, nutrition and transportation for seniors, and the rising cost of health care.

During these meetings we will be sharing the wealth of information we obtained in Washington. We are trying to promote an understanding of costs and the difficulties of administering these programs. No longer is "the Fed" some remote source of funds for us. It is real people, compassionate people who are trying to do their best to help us with our problems. We are most grateful for this internship program.

In conclusion, we were delighted to have George Carl and his charming wife, Ruth, with us. My staff and I learned a lot from them and I believe this experience has given Mr. Carl new insights into how senior citizen issues are being addressed in the Congress—insights that he can pass on to other senior citizens in Westchester County. We certainly look forward to participating in this program again next year.

Mr. YOUNG of Florida. Mr. Speaker, I wish to thank my colleague. Congressman HILLIS of Indiana, for making possible this special order which allows those of us who participated to comment on the effective results of this year's senior citizen intern program.

The gentleman who represented my district, and served in my office from May 6 to May 26 of this year, was Mr. Benton S. Lowe, a retired chairman of the CIA's Contract Review Board and chairman of the CIA's Procurement Policy Committee. Mr. Lowe was awarded the Intelligence Medal for excellence when he retired from that organization in 1971. Since his retirement, he has lived in Belleair Beach, Fla., where he served as deputy mayor and is currently serving as the legislative chairman for the Belleair Beach City Council. Mr. Lowe is also active on the State of Florida's church task force on senior citizen legislation in the Florida State Legislature, and he participated actively in the "phase-out" program of St. Petersburg's Project In-Step, a $5 million Federal grant program covering pilot programs for senior citizens.

Following his participation in the senior citizen intern program here in Washington, Mr. Lowe wrote a two-part article for a local community publication called the "Belleair Bee," and the content of that article clearly demonstrates that Mr. Lowe greatly benefited from and contributed to that valuable program. I am pleased to include that

article today for the benefit of my colleagues who participated in the program, and for the information of others who may wish to participate in the senior citizen intern program in the future:

A RETIREE GOES TO CONGRESS

(By Benton S. Lowe)

PART I—THE ATMOSPHERE

The problems of the aging seem to have as many Federal, State, local and other groups trying to solve them as there are problems to solve. It is something like the situation following WW II when for every veteran there seemed to be a separate group trying to help him "adjust" when many times, he just wanted to be left alone and allowed to try to re-construct his life and go on with it in his own way.

Lest it be thought there is no concern for the considerable problems that confront every aging American—not so. To make things even more complex no one aging individual has the same kind or combination of problems.

In 1972, three U.S. Congressmen decided that something was missing from the overall Congressional internship program (a concentrated format of briefings and seminars providing the intern with a view of the government at work). Most internships were reserved for college students. The three Congressmen decided that senior citizens should have their own internship program emphasizing governmental services for the aging. That first class of interns in 1972 had the 3 Congressmen sponsoring 11 senior citizen interns. The 1977 program was sponsored by 42 Representatives and 9 Senators and 90 interns from 26 states. This essayist was sponsored by Rep. C. W. (Bill) Young of this Sixty Florida Congressional District. Of further interest is the fact that Rep. Elwood Hillis (Indiana) will introduce legislation this year which will allocate funds for the intern program and make a yearly internship available in every Congressional office.

This year's program, pleasantly enough, was directed, monitored and spurred onward by a no-nonsense, good-lookin' and vivacious Southern gal (Donna Norton, AB English, U. of North Carolina) and a member of Rep. Hillis' staff. (She kept the gentlemen alert via the increased flow of blood thru the veins and the ladies alert via their memories of how they were when they were Donna's age). But we digress—sigh!

The program ran from May 6th through May 26th and the daily agenda started at 9 and was supposed to end at 4 but many interns were charging down Pennsylvania Avenue long before 9, often breakfasting in the quietly genteel House dining room. After 4, a great majority went to their sponsoring Congressional offices to talk further and even do any chores needing done. This reporter (Myra sent me a now-prized letter to the hotel addressed to "Washington Corespondent—Belleair Bee") sometimes ducked a session to follow Bill Young around and sat with him in one Appropriations Subcommittee (Foreign Aid) work session and one full Appropriations Committee meeting. Doug Gregory, Young's administrative assistant, answered questions with extreme good grace despite the fact you could hardly see him over the ever-changing mountain of mail, notes, telephone reminders and the like. We lunched and breakfasted together when we could and during one meal it became extremely funny to realize he was trying to find out more about CIA (my "Alma Mater") than this intern was learning about Congressional matters.

The interns were housed in a hotel 2 short blocks from the White House (where a special visit and presidential staff briefings were had) thus making mobility extremely convenient. It should be said now that Washington in reality is a fabulous city and has phenomenally improved in many ways, rumor to the contrary. Although the school visitors from everywhere were on their annual May pilgrimages, no one minds their exhuberance because both younger and older American hearts always beat a little differently in the history-laden atmosphere of washington and all that it really stands for.

It is apparent that the problems (real or imagined) or people who are growing older are relatively new in society and the gerontology sciences (social, psychological, economic and medical) of working out these problems began a scant 35 years ago.

In 1900, for example, 2 out of 3 men past 65 worked for a living. Today, only 2 out of 4 does. The Federal government has now begun to turn a considerable attention to this suddenly fast-growing and extremely potentially politically-powerful group of citizens. These days, men over 65 with much remaining strength and mental capacity are put out to pasture. Men over 45 have extreme difficulty getting new jobs and there are an astounding 31 million Americans over 60—making them the single largest minority in the country. Columnist Carl Rowen thinks that despite all this importance, they are subjected to indignities as gross as those visited upon our most ill-treated minorities (crime victimization, consumer rip-offs, medical exploitation, etc.). The problems of aging will become more and more complex and difficult because by 1980 our overall population will have tripled since 1900 but the population of Americans over 65 will have become eight times as large. Thus, it is quite fitting that Congress (at least a centralized forum) has begun to actively involve senior citizens themselves in the exploration and planning of what is being done and is contemplated to be done about the overall problems of growing older.

It is felt that in many respects not much in depth (proportionate to the effort expended) has been really done yet about these dilemmas because the fundamentals and real questions are still being explored and developed. This must not be considered too much of a criticism because any new problem area with its lack of experience, guidelines, expertise and the like tends to always generate too many getting involved, too much duplication and an excess of overstudy about all of it. This should be kept in mind when it is considered that the internship included presentations by: 2 White House specialists on aging; 8 Congressional specialists on aging; 20 people from Federal agencies dealing with aging programs; 16 representatives of national aging organizations, leagues, councils and associations.

In the Congress itself, day after day, various and sundry subcommittees and full committees in the field of aging meet, delving into every conceivable aspect of the overall problem whose potential enormity and scope this writing has already indicated. (Rep. Pepper of Fla., for example, on May 26 held a House Committee on Aging hearing where Col. Sanders (fried chicken) Will Greer (The Waltons), Ruth Gordon (actress), Tommy "The Cork" Corcoran (New Deal and current Washington wheel) and others vehemently attacked mandatory retirement and the 65 maximum figure in age discrimination existing legislation.) (John Wayne, somewhat past 65, had to decline to appear because he was far too busy.)

The legislative recognitions and mechanisms are being formed and both practical needs and remedies are slowly becoming visible. In the next and concluding part of this review, it will hopefully be interesting to see what the now-recognized major problems are and what the Congress legislatively has in mind to do about them on behalf of those who are older (mostly only in age).

"A RETIREE GOES TO CONGRESS"

(By Benton S. Lowe)

PART II—THE SPECIFICS

(ED. NOTE.—This is the second and last part of Ben Lowe's comment regarding Congress and older Americans. His first part appeared in the June 9 Bee. He was a May 1977 Congressional intern on problems of the aging at the invitation of Rep. C. W. (Bill) Young of the Sixth Congressional District. The Bee wishes to thank Ben for his response to the Bee's request for the review just concluded.)

Part I of this Congressional intern review observed the atmosphere of current Washington in approaching the growing complexities of the nation's aging people.

The specifics are worthy of note although only the major ones can be here examined.

Proposals now before Congress cover the areas of health insurance, health care, housing and energy, income maintenance, mandatory retirement, social services and transportation.

Social Security.—There are numerous proposals before Congress which would modify the Social Security System but few are expected to be too seriously considered by Congressional Committees in the near future.

It should be said once and for all that the groundless rumors that Social Security is to be eliminated, reduced or declared "bankrupt" should be squelched. This is emphasized and re-emphasized by every Federal and private source with professional knowledge of the problem.

Dr. Arthur Fleming, Commissioner on Aging, said on May 25 when he talked to the interns, ". . . one of the most cruel of current hoaxes is that fear-instilling one which refers to the breakdown of Social Security. There is a white paper emerging on the subject, clarifying the issues and laying to rest most of the fears now surrounding it." He also revealed that in 1939 planning of the future financing of the System did, in fact, anticipate funding of the System through general revenues and not exclusively through payroll deductions and employer contributions. This forecast is now coming to pass and Pres. Carter is recognizing philosophy established nearly 40 years ago. (Other nations finance their counterpart social security pension systems via revenue sources).

It is astounding to note that 30% of Social Security checks go to those under 65—dependents, disabled, survivors and the like. It is a firm fact that the whole good faith and resources of the Federal Government do now and will in the future support the Social Security System and concept. Because the subject is of such interest to those who read this newspaper, dwindling space is taken here to include the Social Security issues the Congress may eventually consider or act upon (some may not be affordable).

1. Liberalizing the amount a recipient may earn and still retain his Social Security benefits. (This is a very controversial issue.)

2. Lowering the age at which benefits are payable to widows. (Full benefits are now paid at 65 and reduced ones at 60.)

3. Lowering the age at which full benefits or reduced ones are payable to retired workers. (Full benefits are now paid at age 65 and reduced ones at age 62).

4. Increasing the frequency of cost-of-living adjustments to benefits. (These occur each year now but adjustments each six months are contemplated.)

5. New financing methods.

Mandatory retirement age—Another major Congressional discussion now centers around the mandatory retirement age (now 65 as established by law). This is another highly controversial subject and it requires much study. Changing the figure poses monumental problems in actuarial, legal, economic and social areas (e.g. all Social Security calculations are based on age 65 and most public and private pension plans are

also so based). Current approaches would eliminate all references to prescribed upper age limits in the Age Discrimination Act of 1967 as amended. Now, only persons from 40 through 64 are protected from discrimination in employment. It is obvious that the removal or adjustment of the "65 figure" as discussed above would likewise have a profound influence on private and public stipulations that an employee must retire at 60 or 65 or 70, etc. What all of this would do to the side effects of retirements (opening opportunities for youth employment, for example) is but another example of the fact that solving one problem often generates new problems.

Health care—This review should comment on two selected health care bills.

One would amend the Medicare program to establish a long-term care program including home health services, homemaker services, nutrition (meal) services, day care facilities and the like. The reason this is of such importance is because most older people are far happier and healthier living in their own homes. This fact has been recognized and pondered by Congress and eventually (to some degree) it will establish mechanisms to make such in-home living possible for as many older people for as long as practical. This philosophy is further expanded by House Bill 453 which would broaden home health services and permit federally-assisted rent payments for elderly and handicapped individuals who would otherwise require nursing home care.

Legislation to aid aged—In brief form, here is a general synoposis of other pending and current Congressional legislative attitudes toward other needs of older Americans:

1. House-Energy: New low-income elderly tenant housing (multifamily) to be built by private developers with long-term leases to older people who qualify for rent supplements. Also, possible "energy stamps" to low-income elderly to help these households reduce utility costs.

2. A consumer price index for elderly to reflect retail prices of items purchased by persons 62 and older. This would be used in a variety of ways (cost-of-living adjustments, tax credits, etc.).

3. A national meals-on-wheels program for home-bound persons 60 and over (not necessarily low-income). It is a sign of the times that to meet scientifically-established elderly nutrition needs, a meal program has been designed by the National Aeronautics and Space Administration. (Can it be possible that a retiree golfer can arrive home, have an icy Martini and take 2 aspirin-size pills containing a steak, baked potato and tossed salad? Let us hope not!)

4. Transportation being a growing problem to many older Americans, a workable and reliable mass transportation system (especially in urban areas) is contemplated for the use of the elderly and the handicapped. This has a long way to go because thus far the idea has not been too successful and much research and study are still needed.

Congress conclusion—Congress has come to the conclusion that many problems like crime against the elderly, legal services, entertainment, home repair services, education, telephone reassurance and similar things are generally local-level and neighorhood matters. This is a sensible attitude and supports the theory the Congress should address itself to the proven, broad-range matters of general concern to all older Americans. (There are not many Americans of any age who do not wish something could be done about soaring medical, dental and hospital costs.)

There is much more to be written but this newspaper has been already more than generous with its space. All of the things observed and examined in the Washington-Congressional climate have re-established certain eternal truths. The individual problems of growing older do increase proportionately the older one becomes. "Ageism" is a real problem and sometimes even seems on a par with "Racism". Let us hope that the growing recognition of the cruelty of both terms will erase them from usage.

Older people, in legislation or in personal contact, deserve dignity, their most previous possession. They are now, as they were in their earlier years, a great source of strength in the spiritual, creative and supportive foundations of our nation. For the most part, by their sheer numbers and voting records, they are becoming one of America's great power bases. Yet, Congressional leaders say, they have thus far remained extremely modest in their demands. This is reflected in the sensible and practical Congressional legislation now carefully emerging.

When oldsters are called upon to testify before this or that exploratory Congressional committee on this or that proposed legislation, listeners cannot help but be impressed with the vigor and life-enthusiasm with which their remarkable and valuable comments are made. Sometimes it seems that life has passed by many older Americans but as long as they can be independent, as long as they can draw breaths of the free air of these United States to which they gave so much, they won't be older Americans at all . . . they will just be Americans.

"THE LIFE OF A CONGRESSMAN"

(By Benton S. Lowe)

Rumor to the contrary, the life of a good U.S. Congressman is not an easy one—and most of them try to do their best. Following our own Bill Young around Capitol Hill dispels any illusions that all he does is attend bountiful buffets or chase beautiful secretaries around elegant desks. The things he attends are meetings and more meetings and more and more summons to the House floor and the things he chases are elevators, Capitol subway cars (the House from the Rayburn Building where his office is) and airplanes to Florida whose departure times are always barely met because of some crisis always arising at the last minute.

Each morning the local offices transmit via a Watts line, information on what has transpired in the District—if anything of note occurs during holidays or week-ends, this is also made known to Bill, no matter where he may be.

Bill Young is the ranking minority member of the eleven-member House Appropriations Subcommittee on Foreign Aid (3 Republicans and 8 Democrats). He does his homework, attends all hearings (where the details are aired and the only place a Congressman can find out what is really in proposed appropriations) and all of this shows—some members not so dedicated come up with egg on their faces when the details are finally locked in. He rarely, if ever, misses a vote and strictly observes all calls to the House floor to participate in the business for which the ever-ringing computerized bells summon the members.

This sketch could fit a lot of sincere and hard-working Congressmen (and Senators) because it is true that the great majority of them do work long hours and make many personal sacrifices—and also endure a lot of abuse and ridicule not always deserved.

Along with others of his colleagues, our incumbent Congressman appears to have learned the always-existing truth that the real significance of Washington is not inherent in its elegance and power-structured atmosphere but lies in the people of the country to whom their elected representatives must return as often as possible to gain inspiration and reassurance and guidance on what is the will of the people.

The utter enormity and formidable complexity of the affairs and responsibilities of today's United States Government have created a juggernaut almost bordering on being incapable of control or management. Our hope for the continuance of the ever-spreading bureaucracy lies in the strength and character of those we send to Washington. Thus, the effective "Life of a Congressman" is basically, fundamentally and inescapably the responsibility of those who elect him.

Bill Young is in his mid-forties and doesn't drink or smoke; his hobbies are scuba diving and skiing but he seldom gets to do them; he lives with Mrs. Young and daughter Pam (the other two children are married and have their own homes) in a house he owns in suburban Virginia (he also has to own and maintain a home in his Florida Sixth District); he gets up at six every morning and reads the papers and news magazines and reviews his day's agenda; he eats a light breakfast and usually lunches at a snack stand right off the House cloakroom at the Capitol; he seldom leaves his office before seven in the evening and often at ten or eleven because the House often stays in session until then; he personally signs all his outgoing mail and would not think of using a signature machine (he gets from 200 to 300 pieces of mail daily in five deliveries); he makes about 35 round trips to Florida's Sixth District (us) yearly but gets reimbursed for only 26 of them and pays for his wife's travel and all of the lunches; etc. he takes his constituents to when they visit him; he gets $57,500 a year (which he legislated against) and pays taxes everywhere like all of us plus 8% off the top for his pension program; he has to keep fit, well-groomed and well-dressed all week and most week-ends and is never free from some aspect of his work.

Mr. MAZZOLI. Mr. Speaker, it was a real pleasure to have taken part in this year's senior citizen intern program. I want to thank my colleague, BUD HILLIS, his hardworking assistant, Donna Norton, and all the others who helped coordinate the fifth annual program. Their time, energy, and talent contributed to making this year's intern program a rich and rewarding experience for everyone involved.

We were proud to have had in our office from Louisville, Ky., Mr. Steward Pickett, as our senior intern. Steward has been actively engaged in helping older Americans since he retired as a Louisville Boy Scout official in 1968. Steward, in 2 short weeks, had much to offer us. We gained a great deal from the knowledge and firsthand experience he gained over the years working on "people programs" at the local and State levels. I hope Steward will be in a position to assist my staff in Washington in answering the needs of our older constituency.

While he was here in Washington, Steward discussed with me Federal programs he has found useful to the senior citizens in the Louisville area. Among these were the retired senior volunteer program (RSVP) and the foster grandparent and senior companion programs.

Steward advised me that there exists among the volunteers engaged in these programs, a feeling of alarm that a shift of these programs might be proposed in President Carter's reorganization plan from the ACTION Agency to the Labor Department.

I have been assured by administration officials that no final reorganization

plan has been effected for ACTION. But I intend to keep a close lookout on the situation because Steward believes RSVP and the foster grandparent and senior companion programs are worthy ones and should be allowed to remain within ACTION and not be removed to Labor Department control.

I am fortunate that Steward Pickett was willing to devote 2 weeks of his valuable time to service on my staff as my senior intern. Steward gained from his experiences in the Nation's Capital. But, my staff and I gained even more from having had Steward with us.

Mr. SHARP. Mr. Speaker, I am pleased to say a few words in support of the senior citizen intern program. My office has participated in this program for 3 years, and I have found this special contact with representatives of senior citizens groups in my district to be a learning experience for both the interns and myself.

So often those of us in Congress initiate or expand various senior citizen programs without as much contact as we would like with people for whose benefit the programs exist. This is particularly true for those of us heavily involved in legislative areas other than assistance to the elderly. This program offers Members an opportunity to focus on issues of importance to so many citizens and learn firsthand the effects of Federal programs in their districts.

This year my interns were Mrs. Eleanor Hoss of Greenfield, Ind., president of the Hancock County Council on Aging and current organizer of a countywide senior citizen program; and Mrs. Maggie Newton of Losantville, Ind., staff worker for the help for the homebound aged program in Randolph County. Both Mrs. Hoss and Mrs. Newton made specific legislative and administrative suggestions, and both have since told me that they intend to use what they have learned to initiate transportation and housing programs in their communities.

The program is therefore especially valuable because the experience benefits not only the individual interns but the many senior citizens with whom they come in contact after they return home. My interns have already begun discussing what they have learned with various senior citizens groups in the 10th district.

Perhaps the best words of support for this program are those the interns have written to me since they returned to Indiana.

Mrs. Hoss wrote:

> The overall picture I brought home with me was that our Federal government was interested in the elderly and has provided large sums of money for programs on their behalf. However, it seems that there is a lot of overlapping of programs. I think it would be wise to perfect programs with good results rather than develop new ones. I also believe that the most important thing for our legislators to keep in mind is that while most older citizens do not have their hands out, expecting something for nothing, neither do they think they should be deprived of a comfortable life in their later years. I hope that I will be able to 'light a fire' under my community and help to expand the senior citizen programs here.

Mrs. Newton wrote:

> Upon returning home from Washington, I have spoken to several senior citizen clubs throughout the county, stressing among other things the importance of writing to their Congressman about matters involving them.
>
> I have found that so many people need only minimal help to remain in their own homes. During the session on Home Health Care I had an opportunity to explain my program, Help for the Homebound Aged. Many people asked questions about how they might start a home care program not requiring nursing care, as our county seemed to be the only one involved in this type of program.
>
> This experience has been a valuable education for me, and I will always treasure it.

These comments describe the chance this program provides for senior citizens to learn more about how Congress works, how Federal programs are structured, and how other senior citizen groups across the country approach the special needs of the elderly. I intend to continue my participation in this program, and I would urge other Members of Congress to participate as well.

Mr. OBERSTAR. Mr. Speaker, in May of this year, I was very pleased to again sponsor a senior citizen intern in my office as part of the senior citizen internship program. The program is extremely worthwhile as a means of learning firsthand the concerns of senior citizens while providing senior citizens with an intensive introduction to the workings of their Congress and of the Federal Government's programs for senior citizens.

I urge my colleagues to support legislation to fund the senior citizen internship program as a permanent congressional program. The cost of this program, like those of the Lyndon Baines Johnson internship program, will be far outweigned by the benefits which accrue to the Member, his office, and to the intern.

In February, I wrote to 3,000 senior citizens groups and individual senior citizens, inviting them to apply for the internship in my office.

In the 6 weeks which followed, I received applications from over 100 extremely qualified, articulate seniors. From this pool of applicants, I selected Mrs. Edna Shepard of Bovey, Minn.

Edna was accompanied on this, her first trip to Washington, by her husband, Lawrence. The Shepards are quite a couple.

With the enthusiasm so characteristic of them, the Shepards plunged into the program and participated fully in the wide variety of seminars, briefings, and tours arranged so capably by my colleague from Indiana (Mr. HILLIS).

I commend the gentleman for his initiative in sponsoring legislation to fund a permanent program.

The Shepards learned a great deal about the workings of the legislative process, particularly with respect to legislation affecting the senior citizen. In addition, the Shepards were very effective spokespersons for their fellow seniors. I met with them several times during the course of their internship in order to discuss with them the very pressing concerns facing senior citizens not only in the Eighth Congressional District of Minnesota but throughout the Nation.

A particular concern Edna expressed was the fear shared by most elderly of high medical expenses and of the astronomical costs involved in prolonged illness and extended hospitalization.

Throughout the program, Edna was very conscious of how she could communicate the experience of her internship to other senior citizens when she returned to Minnesota.

In selecting her, I had noted her involvement in senior citizen organizations and in educational programs for seniors. During the internship, she took extensive notes and made tape recordings of our discussions, as well as of all the briefings and seminars in the program. In addition, she interviewed the members of my staff to learn what their functions were with particular emphasis on their responsibilities relating to senior citizens.

I would now like to insert in the RECORD a letter from Edna describing her internship and experiences in Washington and a copy of an article about Edna and the program by Ms. Lisa Adams which appeared in the New York Times on May 27, 1977:

> BOVEY, MINN.,
> *June 15, 1977.*
>
> Representative JAMES OBERSTAR,
> *Cannon House Office Building,*
> *Washington, D.C.*
>
> DEAR HON. JAMES OBERSTAR: First, may I again say "thank you" for the opportunity of being the 1977 8th District Congressional Intern for Senior Citizen Internship Program for this great Country.
>
> This privilege was the height of my life and speaking for my husband "Shep" (who accompanied me) it was his also, as we are trying to come down to earth and review our experiences, and being very busy since returning to Northern Minnesota. We wish to state, we are urging all Senior Citizens who are eligible to enter the contest, for if you are chosen, it will be a big thrill, and if you should not win, then go by the old saying, "try, try again". We hope that more of the Congressmen will sponsor this worthwhile program for their areas. We were pleased to learn that Senator Anderson had an Intern from Hutchinson, Minn., and Rep. Quie had one from Hastings, Minn.
>
> Washington, D.C., is a beautiful city, there is so much to see of interest and much knowledge to be obtained. We were impressed by the cleanliness of the city, also the courtesies that were extended us by the stores, restaurants and governmental buildings, by those in command.
>
> We were amazed by the number of larger governmental buildings, banks, the beauty of our Nation's Capitol and the White House, and also how thoroughly our Nation's property is guarded. Also the number of historical buildings that house treasures of interest to all people. Yes, we can say, "We are proud to be Americans".
>
> Now, if I may comment further, I would like to remark about all the good work our Rep. Oberstar does, the spirit of co-operation among the staff members and how efficiently each one handles his or her work. The friendship that was extended to us is unsurpassed. As we walked through the corridors of the buildings, and stopped by some of the offices to say "hello", our impression was that our Legislators are working diligently for our good, that there is never a dull moment, with meetings to attend, talks to have to give, phone calls, correspondence, and even many personal calls at the office.

We were impressed with the many worthwhile sessions that were held during the two-week period. The knowledge received by those heading the sessions, their patience in answering the questions of the Interns. Here might be a good time for me to comment that I was glad to hear "our social security funding is not in trouble." Congress is interested in the many problems of the Senior Citizens and of course others in this great land.

Another item that impressed me was the system that is used to notify the congressional members when there will be a session, the amount of time before voting is taken, and the efficient manner of tabulating the votes.

There are so many lasting impressions, that I am glad we have tapings of meetings and slides depicting the beauty of Washington, D.C.

Not "meaning to brag", but I was thankful and impressed by the number of good wishes extended to me in so many fine ways.

I could not send this letter without commenting on the fine group of Interns that took part in the 1977 Senior Citizen Internship program. They were a fine group, and many lasting friendships were made. There were many discussions held by groups while eating or while visiting in the lobby of the Park Hotel, where most of the Senior Citizens were housed. There was no friction, and no mention was made of the parties, be he or she Democrat or Republican. I do not want to forget that great praise should go to Donna Norton and her assistants for the fine manner they handled the two weeks program. I do not believe there was a flaw. I highly recommend the Get-Acquainted party, and want to state everyone who had his or her picture taken on the Capitol steps was thrilled. However, may I make a suggestion or a comment that might be of benefit for future programs. If there could be some time the Interns could sit in on hearings—. This was mentioned by other Interns of being valuable.

I hope you are interested in learning that we are definitely urging Senior Citizens to enter the Internship program. I thought you might also be interested in learning that we are giving reports at meeting coming up. Of course, we could not impart all the information at one time, when we spent two weeks.

On May 22nd—Iron Range Federation—Bovey City Hall, the meeting place.

July 5—Arrowhead Regional Development Commission Monthly Meeting—Duluth, Mn. (think a great deal of this group and of the Director Steve Krasner.)

July 6—West Range Sr. Citizens meeting—Bovey, Mn.

July 12—Arrowhead Council on Aging—(directors from 7 Counties) to be held at International Falls, Mn. Sr. Citizen Center.

July 21—Old Scenic Sr. Citizens—Balsam Township Hall.

I also learned that we will be asked to give reports at Marble, Calumet, this fall. Also for the folks of Two Harbors and Grand Marais. There no doubt will be others. So we hope to spread some good words. Even while attending the Good Sam Trailer Club outing this past week end, we were asked questions, and received good comments on articles in the Mpls. and Duluth papers. We played the Medicaid tape and Rep. Oberstar's fine report.

Trust I have not made this letter too lengthy, but there is so much to be said. My only regret is, that I cannot have this chance again.

With kindest regards and best wishes for future programing, and I feel that if Senior Citizens will continue to mobilize, great things can be accomplished, and no longer do they need to follow that old slogan "Too Soon Old—Too Late Smart."

With love and good luck wishes to all,
Your friend and Intern,

EDNA SHEPARD.

[From the New York Times, May 27, 1977]

ELDERLY INTERNS TAKE OVER ON CAPITOL HILL

WASHINGTON.—Their average age is 70, but they are running about Washington like a bunch of college kids. They are a group of 90 elderly people participating in a Congressional internship program that emphasizes governmental services for the aging.

In the past, Congressional internships—a concentrated program of briefings and seminars providing the interns with a view of the government at work—were largely reserved for college students, but for the last five years the Senior Citizen Internship Program has grown from the three Congressmen who initiated it, to include 42 Representatives and 9 Senators from 26 States.

A typical member of the group, Edna Shepard, was selected from over 100 applicants to intern in the office of Representative James L. Oberstar, Democrat of Minnesota. "The Representative sent out publications," she explained, "and I thought it would be an interesting challenge. I was real thrilled when I had the call."

"My friends kid me," said Mrs. Shepard, a 70 year old from Bovey, Minn. "They say, 'You're walking on cloud nine now; what cloud are you going to be on next?'" Her friends were so excited for her, she said, that they gave her a sendoff with more presents than at Christmas. "Of course, it was a big thrill because it was my first airplane ride."

SALARY COVERS EXPENSES

The interns, age 60 and over, consider their internship as work. It is. During their two-week stay in Washington, they are paid as members of the Representatives' staffs, receiving enough in salary to cover their expenses. Their schedule is packed with activities.

"I never thought we'd have so much to do," said Robert H. Davis who, with his wife, Helen, is an intern in the office of Representative Gene Taylor, Republican of Missouri. "We are on the Hill most of the day and taking care of our notes each night. None of us are too young, but we are all active."

Activities begin at 9 in the morning and end at 4 in the afternoon when the interns are expected to return to their Congressmen's office to help with general office work. "Housing and the Older Adult" and "Consumer Problems and the Elderly" are examples of the varied briefings on their schedule. Tours of the White House and the Capitol, a visit to the Social Security Administration in Baltimore, and receptions with their Congressmen are all part of the agenda.

Most of the interns are serious about their participation, and studious. Notepads are out, hands flag for recognition and all have their minds on the people back home.

Edna Sheperd brought her tape recorder and camera to each activity to gather material for an audio-visual presentation at home.

Lee Walters, an intern with Representative Elwood Hillis, Republican of Indiana, remarked that the internship "helps our community, and it will help me to be better equipped to know where the services are and how to get them."

CAUGHT IN THE MIDDLE

Many interns indicated that their experience as elderly people was frustrating. "The rich people have it good," said Isak Brenig, and intern in the office of Representative Theodore S. Weiss, Democrat of Manhattan, "and the poor, they have it also good. The middle income is a very difficult class."

Mr. Brenig said that he would like to see a medical plan that would protect the middle class.

Many of the briefing sessions became question-and-answer periods in which the interns expressed their discontent with aspects of the Social Security program, Medicaid, Medicare, housing and transportation. They also voiced questions about individual and community problems.

Most interns are staying at the Capitol Park hotel, two blocks from the White House and an easy ride to Capitol Hill. They found the hotel atmosphere convivial and, as one intern put it, "like a group tour." And they are impressed by Washington. Said Edna Shepard, "I didn't realize there's so many buildings. Every department has a big building, so close together and so heavily guarded."

She said that she was particularly impressed with the computerized light system that tallies the votes of the representatives on a wall of the House Chamber. She and other interns plan to spend the weekend sightseeing.

Representative Hillis, who was instrumental in starting the internship for the elderly, hopes to introduce legislation in June which will allocate funds for the program and make a yearly internship available in every Congressional office. Sponsors of the bill will include the 51 members who participated in the program this year.

Mr. SCHULZE. Mr. Speaker, it is indeed a pleasure to join in this special order to pay tribute to the men and women who participated in this year's senior citizen intern program. I was privileged to appoint—participation which I have done since being elected to Congress—two senior citizens from the Fifth Congressional District of Pennsylvania—Walter Macky of Media and Lemuel A. Geyer of Haverford. They were selected by their fellow senior citizens and past participants in the program.

The senior citizen intern program brings a unique dimension to our work as Representatives. By increasing the two-way street of communication, it gives us a very special insight into the problems of the retired and the elderly. But above all, the program showed how these interns might best utilize the talents and knowledge of a lifetime to make a continuing contribution to society and how we might also benefit.

I am grateful for their valued assistance during the 2-week period that they were in Washington. In addition to working with the staff, they attended briefings and work-study sessions on legislation and Federal programs for the elderly. Through their participation in seminars with executive and congressional experts and onsite visits to those Federal agencies dealing most extensively with the aged, Mr. Macky and Mr. Geyer have gained a new understanding of those needs and a greater appreciation for what they term the genuine needs of the elderly by Congress.

Their experience in Washington was only the tip of the iceberg. They planned to return to the District and meet with senior citizen groups and explain how our Government functions as well as writing columns for the local newspapers and senior citizen publications. It is communication of this kind between Congressman and constituent which can only serve to enhance the development and participation of our older Americans in

the democratic process. I wish to share with my colleagues the comments of Mr. Macky presenting an overview of the program and specific social security concerns outlined by Mr. Macky.

AGING (YET A LITTLE WHILE) IN WASHINGTON

(By Lemuel A. Geyer)

Serving as a Senior Citizen Intern for two weeks in the Washington, D.C. offices of Congressman Dick Schulze of the 5th Pennsylvania Congressional District has been a once-in-a-lifetime experience for which I am very grateful, and which I hope to share with others wherever interest is to be found.

I have gained some knowledge and an entirely new appreciation of the variety and complexity of the issues with which my Congressman (and 434 others on the House side) has to deal—a mountain of mail from constituents and others, all given careful attention and response; pending legislation to be researched and studied; committee and subcommittee hearings to attend; bills to be sponsored or cosponsored; appointments with constituents and others to keep; meetings "back home" to attend and address; and a host of other commitments which play their part in the legislative process.

With 89 other Senior Citizen Interns assembled from many States under the sponsorship of 41 Congressmen and nine Senators, I have participated in an intensive schedule of briefings on present law and regulation, as well as on legislation under consideration in Congress, which are of particular concern to older adults.

Generally, these briefings were conducted by members of the staffs of Congressional Committees on Aging and of Departments and Agencies of the Executive Branch of government, as well as by representatives of national organizations of senior citizens. Subject areas, as they affect the elderly, included housing, transportation, consumer problems, outlets for volunteerism, Social Security, Medicare/Medicaid and national health insurance, home health care and nursing homes, crime, and the mobilization of resources locally.

In "spare time" around these briefings and occasional attendance at committee hearings (e.g., House Ways and Means Committee hearings on the Administration's energy program), Walter Macky of Media, co-Senior Citizen Intern sponsored by Congressman Dick Schulze, and I assisted members of Schulze's staff in office functions.

It was stated in one of our briefings that as many as 25 or 30 Federal Departments, Agencies, Commissions and Councils have some functional identification with the concerns of the aging, and it is in trying to thread my way through this sprawling bureaucracy that at times I have lost my way. And while it is not clear to me just how the many approaches are coordinated at the Federal level for maximum efficiency and impact, there has been much emphasis in our briefings on the need to marshall and coordinate resources at the State and local levels. I like that emphasis, particularly at the local level, because I believe that "home" is where the real action needs to be.

Most rewarding has been the opportunity to chat with our Congressman, "close up and personal," and to exchange experiences in the interest of the aging with fellow Interns (47 women, 43 men) from all parts of the United States, in the business of learning something of value from each other, which, hopefully, we can put to work to good purpose. To that end I expect that the Senior Citizen Intern program will continue to grow.

SOCIAL SECURITY

(By Mr. Walter Macky)

The solvency and competent management of the Social Security fund is of great concern.

(a) Benefits paid from the Social Security Fund should be paid only to those who have contributed and their dependents.

(b) There is concern that the Social Security Funding of benefits will eventually become another Welfare System if the Government starts using General Revenues. Senior Citizens who have earned Social Security benefits will object to being "on welfare."

(c) Benefits paid to a surviving spouse should not be reduced. The basic cost of maintaining a home, property taxes, etc., are not reduced and in many cases a depleted benefit imposes a severe penalty to low income Senior Citizens.

(d) Property Taxes. In my opinion this is a local and State problem. However, the property tax is a severe burden on some elderly and the subject has been mentioned several times in seminars I have attended here in Washington. It appears that several Federal Departments . . . HEW for example . . . and Senate and House Committees are beginning to feel a responsibility and are "thinking about" investigations. Minnesota froze property taxes for the elderly at the 1973 level and low income families are relieved of all property tax. As you know, the Delaware County Council has been striving for a property tax relief based on gross income. For example, a person with a gross income of $6,000 might get a 90% rebate and then rebates would be graduated for a maximum rebate level of $12,000. This issue may be one for you on the local level, and may become a Federal problem.

(e) Age for retired persons unlimited earnings should be at an earlier year . . . 65 or 68 . . . or the ceiling for earnings should be raised above $3,000. Increased opportunities earnings mean the accompanying increase tax and Social Security revenues.

HUMAN RIGHTS OF HUNGARIANS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. OAKAR) is recognized for 5 minutes.

Ms. OAKAR. Mr. Speaker, in the coming months, the attention of the world will be focused upon Belgrade, where the next chapter in the book of human rights for all the people of the world will be written. In preparation for the Belgrade conference, the American Hungarian Federation has prepared a statement regarding the Helsinki Accords, and for the information of my colleagues, I would now like to insert it into the CONGRESSIONAL RECORD:

MEMORANDUM

The American Hungarian Federation, the national organization of American Hungarian churches, fraternal associations and societies for the past 70 years, followed with great interest and concern the Conference on Cooperation and Security in Europe and its 1975 Final Act.

We were particularly interested in Part I and III of the Act defining in concrete terms the individual human rights which the signatory powers obligated themselves to observe. References to fundamental human rights in Article VII of Part enumerating them, the procedural steps listed in Part III to implement the free flow of information, ideas and persons were all hopeful signs. We welcomed that the standards against which fundamental human rights are to be measured were listed as those of the International Covenants of Civic and Political Rights and on Economic, Social and Cultural Rights which deal with the procedural steps on implementing individual and group human rights

As American Hungarians we focused on the provisions relating to discrimination on the grounds of national origin and religion, as there are close to four million Hungarians living in the Danubian states outside of the People's Republic of Hungary. We are aware that their human and cultural rights are violated to varying degrees by the existing governments of the region. Discriminatory measures extend to religious minorities, as in the region religion often denotes nationality as well.

Almost two years after the signing of the Final Act of Helsinki we must conclude that no real improvements in the human rights have occurred, especially not in regard to the group rights of the national and religious minorities. In order to recount individual instances of discrimination, human rights violations and other abuses, we are attaching to this document our Memorandum to the United States Commission on Cooperation and Security in Europe. This enumerates most of the violations and discriminatory measures. Here we restrict ourselves to recommendations which we feel would further a more effective and comprehensive implementation of the human rights provisions of the Final Act and thereby promote better understanding and cooperation between the states of Europe and North America.

PROPOSAL I. DEFINITION OF THE HUMAN RIGHTS OF THE NATIONAL AND RELIGIOUS MINORITIES

In this respect we would like to refer to the pertinent provisions of the International Covenant on Social, Economic and Cultural Rights which reads as follows:

Each State Party to the present Covenant undertakes to respect and to ensure to all individuals within its territory and subject to its jurisdiction the rights recognized in the present Covenant, without distinction of any kind, such as race, sex, language, religion political or other opinion, national or social origin, property, birth or other status.

It is with this objective in mind that we propose the following addition to Part I relating to the obligation not to discriminate on the grounds of national origin, religion, sex, and race.

This provision refers to individuals, national and religious groups alike, and includes the rights of such groups to cultural autonomy and educational system in their own mother tongue.

PROPOSAL II. ADDITIONAL TREATY TO IMPLEMENT HUMAN RIGHTS

The Final Act refers to the expansion of the cooperative measures on bilateral and multilateral basis as a main objective of the Act. This view is shared by all signatory powers. May we suggest that the United States delegation propose a new, comprehensive treaty on individual and group human rights in the form of a separate Covenant between the signatory powers? The model for such Covenant, even if all of its provision may not be acceptable, should be the European Convention on Human Rights of 1950 between the states of Western and Northern Europe. We would be glad to provide more detailed proposals in this regard.

Such Covenant would break through the resistance of several signatory powers of the Socialist camp against any international law regulation of their enforcement of the human rights provisions of the Final Act of 1975.

For the European Convention on Human Rights has recognized the right of the individual citizens to sue their own states and reaffirmed the same rights to religious and national groups. Acceptance of this principle by all European signatories would, to a certain extent, award the citizens of Europe the status of a limited subject under international law and render possible the enforcement of the human rights promises made by the various signatory powers.

PROPOSAL III. ESTABLISHMENT OF A EUROPEAN HIGH COMMISSION OF HUMAN RIGHTS

A Covenant would be nonsensical unless an executive agency would be created to implement its provisions. We propose the establishment of a European High Commissioner on Human Rights modeled after the analogy of the United Nations High Commissioner for Refugees and the Western European Human Rights agency. The High Commissioner must have not only adequate staff but also reviewing and surveying powers. If asked, we could give you a detailed proposal.

PROPOSAL IV. ESTABLISHMENT OF A EUROPEAN HIGH COURT ON HUMAN RIGHTS

A tribunal equivalent to the one now existing in Western Europe under its Covenant should also be proposed by the United States delegation. Jurisdiction of the Court should be similar, though more limited, than that of the Luxembourg Court and we would be glad to provide further details.

PROPOSAL V. CREATION OF AN IMMEDIATE STAFF TO CATALOGUE VIOLATIONS OF HUMAN RIGHTS

In the attached Memorandum we have outlined the most important violations by the signatory powers toward their citizens. We made particular reference to Hungary and Hungarians living in the Czechoslovak Socialist Republic, the Romanian Socialist Republic, the Yugoslav Federated Republic and the Ukrainian Soviet Socialist Republic of the U.S.S.R.

There are several organizations, both nongovernmental and quasi-governmental both in the United States and Europe concerning themselves with human rights violations in Europe and their research and findings will undoubtedly be transmitted to the signatory powers at the Belgrade Conference. We know, however, of no organ which is to catalogue these violations and organize the complaints received. We believe that the Secretariat of the conference should assemble such catalogue and transmit it to the signatory governments, particularly to those mentioned in the complaints. We also suggest that the American delegation propose an organ (Committee, Commission, etc.) to determine the validity of the complaints even before any treaty creating a European Human Rights Commission.

CONCLUSIONS

As representatives of the American Hungarian community, we are appalled by the constant violations of individual and group human rights which Hungarians experience in Hungary and a fortiori in Romania and Czechoslovakia and to a lesser extent in the Ukraine and Yugoslavia.

The question raises itself: would not the application of the peaceful change of borders provisions of Part I eliminate most of the nationality problems in the Danubian Basin? Would it not represent in the long run a better and more permanent situation promoting lasting peace and cooperation rather than the eternal struggling with human rights demands of dissatisfied minorities who are clearly discriminated against? We would like the United States delegation to ponder this question before the Belgrade Conference.

HUMAN RIGHTS OF HUNGARIANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. LE FANTE) is recognized for 5 minutes.

Mr. LE FANTE. Mr. Speaker, our distinguished colleague from Ohio, Congresswoman MARY ROSE OAKAR, has eloquently related the importance of our commitment to the millions of people in Eastern and Central Europe who have suffered the loss of their basic freedoms, the freedoms of speech, assembly, religion, and the press.

Congressman OAKAR has addressed herself in particular to the Hungarians, who as the world well knows, gallantly revolted against their Communist regime in 1956 and sought instead to establish a government more in keeping with their long and honorable tradition of liberty and political freedom.

Today, there are over 4 million Hungarians residing in Romania and the neighboring Danubian states who, like their counterparts in Hungary, suffer the oppression common to citizens of Communist states everywhere. In fact, in statements to the U.S. Commission on Cooperation and Security in Europe and before the Senate Finance Committee in regard to the Hungarian minority in Romania the American Hungarian Federation incisively analyzed the plight and the grievances, as well as the hopes of the Hungarian population in Europe. Furthermore, I am confident that these statements provided by the American Hungarian Federation will strike a sympathetic chord with the administration as a result of the President's deep commitment to the cause of human rights.

I, for one, deplore the lack of sensitivity on the part of the Communist governments in East Central Europe and the indifferent attitudes which they have taken toward the expressed will of their own people who have sought to realize the principles expounded at Helsinki. Yet, I am heartened that it has been the peoples of these very nations themselves who have—in the face of oppression—courageously insisted, by their words as well as by their deeds, on the just implementation of Basket Three, the humanitarian articles of the Helsinki Accords.

Mr. Speaker, the Congress and President Carter are keenly aware of the importance of human rights in all parts of the world, and both have taken steps to rectify the intolerable conditions under which so many must suffer. Accordingly, I urge my colleagues and the American people to continue their efforts in this direction until all citizens, everywhere, have been guaranteed the freedom and basic human rights to which all people, in all lands, are entitled.

RECOMMENDATIONS OF THE PRIVACY PROTECTION STUDY COMMISSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 60 minutes.

Mr. GOLDWATER. Mr. Speaker, today is a historic day in the legislative effort to arrest the invasion of personal privacy in our society. As you are well aware, for the last several years Congressman ED KOCH and I have been intimately involved in the legislative quest to protect the individual privacy of American citizens. In 1974, Congressman KOCH and I were privileged to coauthor the Privacy Act of 1974—a piece of legislation designed to mitigate the abuses of privacy inflicted by the recordkeeping practices utilized by agencies of the Federal Government. In order to examine the feasibility of extending the requirements and limitations of the Privacy Act to private sector organizations, our act mandated the existence of the Privacy Protection Study Commission. Congressman KOCH and I were deeply honored when the Speaker of the House appointed us members of this critically important Commission. After 2 years of exhaustive study and analysis, the Commission is submitting its final report, complete with legislative recommendations, to the Congress. It is incumbent upon Congressman KOCH and I to give legislative expression to these recommendations.

On June 10, 1975, the Privacy Protection Study Commission came into existence. The Commission was comprised of seven conscientious and pragmatic men: Chairman David F. Linowes, Vice Chairman Willis H. Ware, Mr. William O. Bailey, Mr. William B. Dickinson, State Senator Robert J. Tennessen, Congressman KOCH, and myself.

Over the last 2 years, the Commission conducted an in-depth inquiry into the nature and magnitude of recordkeeping practices in both the private and public sectors. We investigated alleged abuses of personal privacy purportedly inflicted by hospitals, banks, insurance companies, educational institutions, welfare agencies, consumer reporting agencies, credit card issuing companies, and numerous other entities. It has been a long and arduous task.

The Commission staff—notably General Counsel Ronald L. Plesser and Executive Director Carole W. Parsons—deserve a great deal of credit for the exceptional quality of its final report. The Commission's legislative recommendations are not only incisive, but well-balanced and practicable.

Congressman KOCH and I today have introduced 10 separate bills directly derived from the recommendations of the Privacy Commission. Along with several other pieces of legislation predicated on the Commission's proposals, these bills will ultimately be incorporated into the Omnibus Privacy Act of 1977.

What follows is a brief summary of each of the individual bills we are introducing today.

This legislation is neither immutable nor immune from criticism. We believe, however, that it constitutes an excellent starting point for the Congress to begin its examination of privacy legislation.

The summary follows:

SUMMARY OF INDIVIDUAL BILLS

PUBLIC ASSISTANCE AND SOCIAL SERVICE—H.R. 8286

Federal and Public Assistance and Social Services Programs must provide for the confidentiality and privacy of records they use in administering programs by one or more fair information statutes.

An agency must inform clients of information they maintain on him and the purpose it will be used for.

A client must be permitted to inspect, copy or request changes in information provided on him.

A client must be permitted to say what sources of information he does not want contacted; yet he must provide alternative sources for this information.

In receiving information on a prospective client, the agency must not reveal the nature of assistance sought by a client to this outside agency.

If an outside agency gives information on a prospective client to another agency, the outside agency can request the information to remain confidential.

If a change in the information is made, all persons to whom this information is disclosed must be notified.

An agency cannot disclose information to an identifiable agency without authorization from the client except in cases of health, safety and locating a parent for child support obligations.

An agency cannot disclose information in cases of drug abuse or alchoholism.

Underlying philosophy of these particular recommendations:

States receiving federal public assistance subsidies should enact fair information statutes implementing the Commission's proposals—otherwise, no money. Thus, the Commission is advocating a limited federalism, or "federalist-oriented" approach.

SOCIAL SECURITY NUMBER—H.R. 8284

Section 7 of the Privacy Act of 1974 (restricting compelled disclosure of the SSN by government agencies) should be retained.

The Federal government should not take any action that would foster the development of a standard, universal label, or a central population register.

CONSUMER CREDIT—H.R. 8282

If victimized by an adverse decision, an individual must be permitted to personally inspect the information in his file.

An individual must be permitted to photostat all or part of the information in his file (at reasonable cost).

An individual must be permitted to correct and/or amend the information in his file.

If denied the opportunity to correct and/or amend the information in his file, an individual must be permitted to file a 'grievance' statement which will be permanently attached to his file.

This "grievance" statement must be disseminated to all subsequent recipients of his credit information.

INTERNAL REVENUE SERVICE RECORDS—H.R. 8287

Tax returns or return information can be inspected or disclosed to a state agency who needs to administer tax laws only if:

a. It needs to locate a person to give a refund.

b. To carry out responsibility of tax administration.

c. To locate an individual to establish or enforce child support obligations.

During a non-tax investigation, information on the returns may be disclosed to officers of a federal agency if they are personally engaged in preparing for judicial or administrative proceedings pertaining to a specific federal statute to which that agency or the U.S. is party.

The employer of an individual must be contacted when return information is not available from any other source.

One can only inspect or request information from a return by the written request of the head of an agency or commission or someone designated by the agency to inspect it.

After December 31, 1978, if a state does not adopt laws to restrict access and give confidentiality to files, a return may not be disclosed.

COMMERCIAL CREDIT—H.R. 8285

A credit grantor must inform the firm of what types of information may be collected and/or disseminated about it.

A credit grantor must apprise the firm of types of institutional sources likely to be recipients of credit.

A Credit grantor must permit the firm to inspect and copy, at reasonable cost, the information in its file.

If victimized by an adverse decision, a credit grantor must, in plain language, explain why and identify the relevant credit reporting agency.

GOVERNMENT ACCESS—H.R. 8280

Record-keeping organizations which are compelled to compile personal information for the government must make certain that this is expressly authorized by statute; unless absolutely necessary, information should *not* be reported in individually identifiable form.

At minimum, administrative summonses must be utilized by government agencies seeking to inspect individually identifiable information maintained by private record-keepers.

BANKING—DEPOSITORY INSTITUTIONS—H.R. 8281

Banks must notify an individual of the types of information that are expected to be collected about him from third-party sources.

Banks must notify an individual of the types of institutional sources receiving personal information about him.

If victimized by an adverse decision, an individual has the right to personally inspect and copy, at reasonable cost, all or part of his records.

If it renders an adverse determination against an individual, a bank must: provide the individual with the specific reasons, in writing, for the adverse determination; must identify, in intelligible language, the specific items of information that precipitated the adverse decision; must provide the names and addresses of the recipient institutional sources; and apprise the individual of his rights under the Fair Credit Reporting Act.

INSURANCE—H.R. 8288

All insurance companies and support organizations must notify an individual of the existence of a file containing personal information about him.

All insurance institutions must permit an individual to see and copy, at reasonable cost, the information in his file.

Insurance institutions must clearly note any portion of an individual's record which is disputed in all subsequent disclosures of that information.

An individual has the right to correct and/or amend the information in his file.

An individual also has the concomitant right to file a concise statement if refused the right to correct and/or amend.

No insurance institution will be allowed to disclose medical-related information about an individual unless such information was derived directly from the individual or a medical care provider.

No insurance institution will be permitted to make an inquiry as to: previous adverse *underwriting* decision; whether individual has obtained insurance through residual market (substandard).

No insurance institution will be permitted to base an adverse decision on: a previous adverse decision; or the mere fact that an individual obtained insurance through a residual or substandard market.

If an insurance institution renders an adverse decision against an individual, it must go through essentially the same procedure enumerated in the consumer/commercial credit field.

MEDICAL RECORDS—H.R. 8283

An individual must be permitted access to his medical file.

An individual must be permitted to see and copy his file (at reasonable cost).

To accommodate special situations, a "responsible" intermediary must be designated to inspect an individual's medical files for him

All medical-care providers must implement special procedures whereby an individual could correct and/or amend an inaccurate or outdated file.

If refused the opportunity to correct and/or amend, an individual must be apprised of reasons for the refusal.

An individual must be permitted to file a concise "grievance" statement which will be permanently attached to his file.

Medical care providers must furnish all subsequent recipients both reasons for the refusal and the actual statement from the individual.

All medical care providers must adopt procedures notifying an individual that his personal authorization is required to disseminate information to certain recipients.

An individual must be apprised of the uses and disclosures of information that may be made within his express authorization.

Mr. KOCH. Mr. Speaker, yesterday morning the Privacy Protection Study Commission delivered its final report to the President, the Congress and the American people. The presentation of the report marks the completion of an exhaustive and penetrating examination of personal privacy in modern America. More significantly, yesterday marked the beginning of national and congressional consideration of the means to protect some of the most basic rights and privileges of citizens in a highly industrialized and technological society.

Today Congressman BARRY GOLDWATER, Jr. and I are introducing 10 pieces of legislation which represent a large portion of the Commission's recommendations in legislative form. Neither Congressman GOLDWATER nor I believe the precise language we have used to be sacrosanct. Rather, we hope that our efforts in drafting this new proposed legislation can help facilitate congressional action.

We hope that Members of Congress and the public will begin reviewing both the Commission's report and our proposed legislation. These 10 bills along with several other pieces of legislation to be introduced in the coming weeks will be incorporated into the Omnibus Privacy Act of 1977. We intend to solicit both Senate and House sponsors of the omnibus bill before it is formally introduced and we look forward to working with the leadership of both Houses of the Congress in arriving at a final draft of the proposed legislation.

I had the pleasure of joining the Commission yesterday morning when our chairman presented our recommendations to a joint hearing of the Senate Committee on Governmental Affairs and the House Government Operations Subcommittee on Government Information and Individual Rights. For the benefit of my colleagues I am attaching my prepared remarks as they describe the Commission report and our proposed legislation in more detail. The testimony follows:

TESTIMONY OF EDWARD I. KOCH

Mr. Chairman: It is indeed a pleasure to be here this morning before my Senate and House Colleagues and with my colleagues on the Privacy Protection Study Commission. Today represents a milestone in our national effort to insure personal privacy to all Americans. The presentation of the final report of the Privacy Protection Study Commission to the President, the Congress and the American people marks the completion of an exhaustive and penetrating examination of personal privacy in modern America. More significantly, today marks the beginning of National and Congressional consideration of the means to protect some of the most basic rights and privileges of citizens in a highly industrialized and technological society. As one who has been intimately involved in the issue of privacy protection for many years,

I not only welcome the forthcoming national debate but view it as critical to the preservation of individual rights.

As all of us know, the debate over privacy issues is not new. I take great pride in having initially proposed The Privacy Act in February of 1969. Subsequently, Congressman Barry Goldwater, Jr. and I joined forces in our efforts to secure privacy protection. In 1974, the Koch-Goldwater Bill was the subject of extensive review and amendment by the very committees receiving our testimony today.

The Privacy Act of 1974 served two basic purposes. First, thousands of government files, previously locked away from the concerned public are now available to the individuals whose lives are affected by those very files. Individuals may now check the relevancy and accuracy of information contained in his or her file. If the information proves to be inaccurate or dated, a mechanism is available whereby corrections can be made. Additionally, strict controls are placed on the dissemination of information to third parties.

The creation of the Privacy Protection Study Commission was the second important purpose of the 1974 Act. I have served on the Commission since its inception. The primary task of the Commission was to make recommendations to the President and the Congress concerning the extent to which privacy safeguards should be applied to the information practices of state and local governments and organizations in the private sector.

Under the able leadership of the Commission Chairman, David F. Linowes, and with the support of a dedicated and talented staff, led by Executive Director Carole Parsons and Chief Counsel Ron Plesser, the Commission has now substantially fulfilled its mandate.

I also want to make mention of the other members of the Commission, all of whom have made a major contribution to this report. Dr. Willis Ware, Co-chairman, William O. Bailey, William B. Dickinson, Representative Barry M. Goldwater, Jr. and State Senator Robert I. Tennessen of Minnesota. And I should add that in the course of our meetings all of us, without exception, have become close friends. I want to say that I am proud to have served on this Commission and am proud of the work it has done.

The report we bring to you this morning outlines findings and recommendations in a wide variety of important areas. The breadth of this report and its precise recommendations in each instance are evidence that this Commission has not looked for easy answers to a complicated problem. Rather, the Commission has attempted to address its solutions to the specific dynamics of each kind of information relationship. The recommendations for consumer credit, an area substantially based on recorded information, differ from those recommendations concerning the insurance area based on information obtained in substantial portion from third parties. In each information area—employment records, medical records, school records and so forth—the societal needs for information and the individual's need for protection vary. Therefore, the Commission's recommendations in each such area had to be tailored to suit the specific relationship. The remarks of Chairman Linowes and the Commission report emphasize that in every instance the Commission has attempted to minimize intrusiveness, maximize fairness and create legitimate, enforceable expectations of confidentiality.

Each of the policy recommendations submitted by the Commission is accompanied by an implementation recommendation. In some instances the Commission recommends voluntary compliance, an example is certain aspects of employment records. In other areas the necessity of specific legislation is described. For example, in the area of consumer credit, statutes regulating credit grantors and amendments to the Federal Fair Credit Reporting Act have been specifically proposed.

It has been my experience in the Congress that serious discussion is held on an issue most often where there is legislation pending that addresses that issue. Therefore, Congressman Barry Goldwater, Jr. and I have spent the past several months drafting Commission proposals into legislative form. Neither Congressman Goldwater nor I believe the precise language we have used to be sacrosanct. Rather, it is our hope that our efforts in drafting this new proposed legislation can help to focus the debate and will help facilitate Congressional action.

Today following these hearings Congressman Goldwater and I will introduce ten bills in the House of Representatives that will reflect some of the Commission's recommendations. They are:

(1) to amend the Fair Credit Reporting Act dealing with consumer credit and privacy

(2) to amend Title XI of the Social Security Act to provide for the confidentiality of personal medical information created or maintained by medical-care institutions providing services under the medicare or medicaid programs, and for other purposes

(3) to restrict the use of Social Security Act account numbers as governmental or universal identifiers

(4) to amend the Fair Credit Reporting Act dealing with commercial credit and privacy

(5) to amend the Fair Credit Reporting Act dealing with depository institutions and privacy

(6) to amend the Fair Credit Reporting Act dealing with insurance institutions and privacy

(7) to amend the Internal Revenue Code of 1954 dealing with privacy

(8) to provide for the privacy of certain public assistance and social service records used or maintained by state and private agencies receiving Federal financial assistance

(9) to restrict access by the Federal Government to consumer reports, and to financial, credit and insurance records, which are maintained by third parties

(10) legislation amending The Privacy Act of 1974

We hope that Members of Congress and the public will begin reviewing both the Commission's report and our proposed legislation. These ten bills along with several other pieces of legislation to be introduced in the coming weeks will be incorporated into The Omnibus Privacy Act of 1977. We intend to solicit both Senate and House sponsors of the Omnibus bill before it is formally introduced and we look forward to working with the leadership of both Houses of the Congress in arriving at a final draft of the proposed legislation.

I stated at the outset that today is a milestone in the development of privacy legislation. Those who worked with and for the Commission in the development of its report should be very proud of their accomplishment. At the same time, our work on privacy protection as a nation is just beginning. The mandate of the Privacy Act of 1974 will not be fulfilled until the recommendations of this Commission are enacted into law and fairly and effectively enforced. I urge my fellow citizens and my colleagues in the Congress to join us in our important endeavor. Thank you.

FURTHER STUDY NEEDED ON SECTION 504 OF REHABILITATION ACT CLASSIFYING ALCOHOLICS AND DRUG ADDICTS AS HANDICAPPED INDIVIDUALS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. HYDE) is recognized for 5 minutes.

Mr. HYDE. Mr. Speaker, on April 12, 1977, Attorney General Bell issued a formal opinion that, under the Rehabilitation Act, "alcoholics and drug addicts are 'handicapped individuals' for purposes of section 504." No such language exists in the statutory definitions.

Secretary Califano, on April 28, 1977, issued sweeping regulations implementing this law, and in his accompanying statement correctly asserted "the 504 regulation will work fundamental changes in many facets of American life." The Secretary stated that—

> Employers may not require pre-employment physical examinations and may not make pre-employment inquiry about whether a person is handicapped, or the nature or severity of a handicap, *although employers may make a pre-employment inquiry into an applicant's ability to perform job-related functions.*" (Emphasis supplied.)

How a prospective employer can observe the former mandate and perform the latter inquiry escapes me.

While the April 28, 1977 regulations apply only to programs funded by HEW, Secretary Califano states that this regulation will be the basis for "other similar regulations that will be issued by other Federal departments and agencies and that it will affect all recipients of Federal funds."

Of particular interest is Secretary Califano's statement that this regulation not only forbids discrimination by exclusion, "but it also requires positive steps to give handicapped citizens meaningful equality of opportunity in employment." This clearly means affirmative action to bring alcoholics and drug addicts into employment within all departments and agencies of the Federal Government, and on all federally funded projects.

To add to the confusion, the Secretary closes his statement by reiterating that the 504 regulation is "the law of the land" and that it is illegal to discriminate against persons "simply because they suffer from the disease of addiction or alcoholism, but the regulation clearly contemplates that recipients of Federal funds can make decisions on the basis of an individual's behavior caused by such diseases."

Attorney General Bell's opinion of April 12 is no more helpful when he says that section 504 "does not require the impossible." I suggest that it does require the impossible. The Attorney General states that recipients of Federal contracts and grants are not unrealistically required "to ignore all the behavioral or other problems that may accompany a person's alcoholism or drug addiction if they interfere with the performance of his job." How does an employer explore this area if he cannot ask questions?

The Washington Star of July 6, 1977 states that the Labor Department has directed employers with Federal contracts to take affirmative action to hire alcoholics and drug abusers, provided they are able to perform their work.

Donald Elisburg, Assistant Secretary of Labor for Employment Standards, is-

sued a statement on July 5, 1977, asserting that—

> Employers who fail to consider qualified alcoholics and drug abusers for employment because of their handicap, are clearly violating the law.
>
> Employers are expected to find and hire drug abusers and alcoholics just as they are expected to hire blacks, Hispanics and other minorities.

A spokesman for Assistant Secretary Elisburg stated that the drug abusers and alcoholics did not have to be rehabilitated in order to qualify for protection under the law.

The Washington Star article points out that under the 1973 law, all Federal contractors or subcontractors doing business of $2,500 or more with the Government are prohibited from discriminating against handicapped workers. Those found in violation can have their contracts terminated or can be taken to court.

About 250,000 companies are covered by the law, all but the very smallest Government contractors. The spokesman, Robert Cuccia, added that they must take positive steps to find and promote alcoholics and drug abusers or be in violation of the law.

The Labor Department was unable to supply figures on the number of alcoholics and drug abusers protected by the law. Cuccia referred the question to the President's Commission on the Handicapped. But a spokesman for the Commission could not provide any data because "the commission doesn't deal with alcoholics and drug abusers."

To compound the confusion, the Star article reported that, at the National Institute on Drug Abuse, an official said that it was not possible to give a number for drug abusers because there was no agreed-on meaning of the term.

"About 36 million Americans have illegally used marihuana—is that a drug abuse?" she asked. She added that there are about 535,000 untreated heroin addicts in the country as well as 150,000 addicts currently under treatment.

To be fair, Congress must bear a large share of the blame for the confusion certain to result from efforts to comply with these regulations. Section 504 was adopted without legislative hearings and virtually no floor debate. This is a serious lapse on the part of Congress, and is a glaring example of well-meaning intentions reduced to statutory language producing unworkable, and I am sure, unintended consequences.

What will OSHA inspectors say about the safety of a plant where unrehabilitated drug abusers or alcoholics are working?

How does an employer determine whether an applicant can really function adequately and for a sustained period of time?

If an employer may not inquire of a prospective employee about his or her handicap, alcoholism or drug abuse, nor even require a physical examination, how can an effective determination be made as to the applicant's ability to perform job-related functions?

Perhaps an astrologer or clairvoyant could perform the job interview, but short of this, the employer is left with a minimum of information to make a determination that could well affect the safety and morale of other workers.

Such "blind" interviews and hiring practices will be of great interest to insurance companies, both liability and workmen's compensation carriers. One can predict a quantum leap in insurance premiums to be reflected in added costs being passed on to consumers.

Is the public safety to be sacrificed to attaining goals and quotas of unrehabilitated alcoholics and drug abusers?

Are schools which received Federal funds now mandated to seek such persons out for employment?

Will the Federal Reserve System, Federal Deposit Insurance Corporation and the Treasury Department have its quotas of such employees?

Will mass transit systems be required to accept such applicants as bus drivers and motormen?

Is an applicant's use of marihuana or hard drugs of no concern to a bus company?

The far-fetching consequences of this well-meaning "leap in the dark" are too serious for the Federal Government to implement without extensive congressional hearings. Surely we want to—and we must—give effective aid to America's handicapped citizens. Great numbers of handicapped persons have endured cruel and often needless discrimination. The elimination of such discrimination is a desirable goal which I fully and enthusiastically support.

But commonsense ought to tell us that this interpretation of section 504 can be seriously counterproductive to industry, Government, education, and the handicapped themselves.

I therefore hope my colleagues will join me in calling upon President Carter to direct HEW Secretary Califano, Labor Secretary Marshall and all other regulatory bodies to suspend implementation of section 504 insofar as it includes alcoholics and drug abusers, pending hearings by the House Education and Labor Committee, on the ramifications of such regulatory interpretation.

I also urge the chairman of that committee, the distinguished gentleman from Kentucky (Mr. PERKINS) to schedule such hearings in the near future so that thoughtful and wide-ranging consideration can be given to the needs of such handicapped persons, balanced against the realities of economics, public safety and commonsense.

We need to help alcoholics and drug abusers. We propose to spend $262,072,000 for drug abuse, and $164,655,000 for alcoholism in the 1978 HEW appropriation bill. Perhaps we should do more. Perhaps tax incentives for hiring alcoholics and drug abusers would be appropriate, but the costs and effectiveness of any such program requires study.

The problems are varied and complex. They need sensitive and prompt study before the heavy hand of Government starts mandating solutions that may well be worse than the problem.

Too many Americans believe the Federal Government is out of touch with the real world. Policies such as this prove their point.

I urge the President to suspend implementation of section 504 insofar as it includes alcoholics and drug abusers, pending congressional hearings, lest good intentions triumph once more over commonsense.

BURKE CRITICIZES CARTER'S CUBAN POLICY AS "MINDLESS MORALIZING"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. BURKE) is recognized for 15 minutes.

Mr. BURKE of Florida. Mr. Speaker, negotiating with Cuba is no longer inevitable, it has begun. And yet, even though it is now 5 months since Secretary of State Cyrus Vance made this announcement, it is still not clear what President Carter wants from Cuba or how he plans to get it. No carefully defined goals nor any clear strategy has emerged. Instead, the Carter administration has unveiled a cloud of ambiguity and verbal doubletalk. Contrary to promises of openness, increased secrecy has led to public uncertainty and apprehension.

Mr. Speaker, President Carter has made it clear that a respect for human rights is the foundation of his administration's foreign policy. No one can doubt that is a noble principle and one to which all Americans and free men around the world will subscribe. But, a foreign policy cannot be conducted on the basis of mindless moralizing about human rights. Nothing can be gained from such an approach. Feelings are not enough. Eventually the hard decisions about concrete matters and results will have to be faced. And it is only then that the worth of the policy will be made manifest.

Mr. Speaker, it is my opinion that the United States if it deals with Cuba at all, should do so only because it serves our national interest. That is a sound principle of policy. Furthermore, if normalization of relations with Cuba honestly affect a positive influence on Cuba's violations of human rights presently, then the national interest would be served. It is true that American institutions thrive best in an accommodating and a harmonious international environment, and to the extent that Cuban institutions can be brought in line with those in America, the United States would be more secure in a most fundamental sense.

The Cuban Government has indicated that one of the issues it is willing to discuss, on the precondition that we left the trade embargo, the question of human rights. Specifically, Cuba has indicated it will discuss, and I stress the word discuss, with the United States, the release of American prisoners held in Cuban jails and human rights generally. This has generated a great deal of excitement in certain circles, but, it is my belief that we must take a closer look at what Cuba intends before we get too excited. I believe that we must ask positively what con-

crete benefits the United States can hope to realize from such a discussion.

The issue of Americans incarcerated in Cuban jails naturally strikes a sympathetic chord in the United States, yet, it has always been the policy of the United States that Americans are subject to the jurisdiction of the country wherein they are traveling. If they violate the laws of that country, they as foreigners in our country are subject to the laws and penalties thereof.

The Carter administration has expressed an interest in the question of Cuban political prisoners and the general observance of human rights in Cuba.

The U.S. Department of State and the International Rescue Committee estimate there are 20,000 political prisoners in Cuba. This is the same figure Fidel Castro gave to American journalists. The National Council of Churches, however, states the figure 10,000 and the "Amnesty International Report for 1975–76" estimates "approximately 4,000 to 5,000 current political prisoners in Cuba. The precise number is difficult to obtain as Cuba does not permit investigations by delegations of neutral or hostile newsmen, attorneys, or the like. However, why should the United States not get the release of these prisoners if Cuba wants to be honest. But does it? The Castro government has made it clear that it would consider any attempt by the United States to secure the release of these prisoners as an unwarranted intrusion into internal Cuban affairs. Castro insists that the release of Cuban prisoners is not negotiable with any foreign nation and has stated that the question of political prisoners will not be placed on the agenda as one of the negotiable items. Even more ridiculous, Cuba denies that it has political prisoners. Cuban officials have stated repeatedly that no one in Cuba has ever been arrested for "expressing their own views," but does admit that many individuals have been arrested and charged with a category of crime known to be equivalent to crimes against the security of the state. How phony is this double talk?

The Castro government insists that those arrested have committed some overt action against Cuba's security or have been charged with counterrevolutionary activity. They defend their government's treatment of these so-called counterrevolutionaries on the basis of national security. I say "rubbish." However these reasons, it seems unlikely that the Cuban Government will bow to U.S. demands to release these prisoners whose human rights are being violated.

Mr. Speaker, the Cuban government has served notice to the United States that it will discuss the question of American political prisoners, and the general observance of human rights in Cuba, if the United States will first lift the trade embargo as a precondition. Why should Cuba have this right? The fact is that the United States will not be able to effect any concrete changes in the treatment of those being denied human rights in Cuba. Instead of conciliation for mutual benefit, Cuba will be afforded the chance to gain what it wants without giving anything in return. The trade embargo will be limited, but why? Why do we need Cuba to establish our economic security. Cuba on the other hand will gain recognition and the world additional credence to the growing view that the colossal giant, namely the United States, is in a state of decline. Mr. Speaker, I feel sad but I honestly feel this will be made possible because the Carter administration, it appears, is more concerned with the rhetoric of its human rights policy than it is with a solid policy that will eventually determine its success rather than failure.

Mr. Speaker, the United States does not have to enter into any negotiations with Cuba. All we need to do is to call the attention of the world to what is presently going on in this Caribbean "Gulag Archipelago." The Castro government and its violations should be stripped bare before the world. The U.N. should be called to task for hiding Castro's sins under the U.N. rug and failure to recognize injustice.

Mr. Speaker, we in the United States do not have to capitulate to a few money interested individuals and to expose ourselves as weak and naive. In fact, we can push a human rights policy with Cuba without talking about the normalization process for a few large industrialists.

Mr. Speaker, we should never forget what Cuba is; what she stands for, and the threat she poses to our national interests in the Western Hemisphere, not to mention Africa. Castro's Cuba is clearly engaged in fomenting rebellion and revolution in countries around the world. The presence of Cuban troops in Angola, Somalia, Mozambique, Congo, Guinea, Guinea-Bissau, and Equatorial Guinea are clear indications of these activities. So also is the greatly increased Cuban agitation in Puerto Rico, the growing relationship with General Torrijos of Panama, and the transmission of propaganda by radio against Nicaragua. Yet we find all of this activity around the world by Cuba, a country only slightly larger than some of our own American States.

I believe that the violation by Cuba of the human rights of human beings must be protested. I do not believe that any possible discussion of these matters should be used as a phony subterfuge in order to get the United States to lift our trade embargo. If there are to be any preconditions in the negotiation of renewed relations with Cuba, I believe we should make the preconditions, not Castro. We should insist that Castro bring all troops from Africa; that he stop the doubletalk and indicate he wants to be a friend.

Mr. Speaker, I am in favor of human rights. All Americans are in favor of human rights and all Americans have been long before President Carter and the Carter administration came on the scene. No one has any monopoly over these sacred principles. But I am beginning to wonder, Mr. Carter, how much is sincere and how much is rhetoric. Mr. Carter, it is my belief that if we are to deal with Cuba we should act in accordance with the national interest. To give Cuba renewed trade status and recognition in the international community while she continues her attack against the United States and our citizens' interests around the world, while a stooge of Soviet foreign policy, is the height of folly. In international politics we must also be concerned with honest and practical consequences. Mr. Chairman, I feel it is in this area that the Carter administration is most lacking. I challenge it and President Carter to tell the American people the truth as to why Cuba—an enemy and not an ally.

A TRIBUTE TO HENRY FELTON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania, (Mr. McDADE) is recognized for 5 minutes.

Mr. McDADE. Mr. Speaker, July 10, 1977, was a very significant day in the life of the community of Montrose, Pa., because it is a very special day in the life of one of its leading citizens. On that day, Mr. Henry Felton celebrated his 60th year as a journalist and as publisher of the Montrose Independent. To help make that celebration more meaningful, I wish to call my colleagues' attention to the tremendous career of this fine man.

Henry Felton has been writing news articles since 1915. Two years later he moved from the small town of Jackson in his native Susquehanna County to Montrose where he learned the fine points of the printer's trade. Henry served until 1959 as associate editor of the Independent. In 1959, upon the retirement of his mentor, Mr. W. W. Aitken, Henry became its editor.

Skilled in all facets of journalism, Henry Felton has writen a most entertaining book, "The Dashing Years of the Horse and Buggy; The End of an Era," describing the history of Susquehanna County and the Harford Fair, a 120-year-old annual country fair that lures people from all across the State. He is also author of a weekly radio program on station WPEL in Montrose.

Henry Felton has been and continues to be a main man in his community. The Red Cross, Humane Society, Tuberculosis Society, Montrose Rotary, Nutrition Council, and the Fire Company of Montrose are just a few of the organizations to have benefited from his talents.

His career in journalism has been filled with awards, all of which reflect the great esteem in which he is held. He has been honored by the Boy Scouts, the VFW, the ASCS, the Volunteer Firemens' Association, the U.S. Marines, the Department of Health, Education, and Welfare, the Social Security Administration, and the Future Farmers of America.

Mr. Speaker, 60 years is a long time in any occupation. It is a long time for living and Henry Felton has made the most of his time. If his community needed a conscience, Henry was it. If they needed straight, honest news reporting that comes with 60 years in the trade, then Henry Felton gave them the news. He has given so much time and talent to his home area that he has emerged as one of northeastern Pennsylvania's first citizens.

I know the Members of this Congress will join with me in giving an enthusiastic salute to one of the finest men in our community, Mr. Henry Felton. I trust that the coming years will be filled with good health, good fortune, and good news for the entire Felton family.

THE RE-EMPLOYMENT SERVICES ACT: TOWARD A NATIONAL POLICY OF REVITALIZED JOB PLACEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 20 minutes.

Mr. DRINAN. Mr. Speaker, it is about time that the Federal Government rolled up its sleeves and got serious about effective job placement. Toward this end, I have introduced the Re-Employment Services Act (H.R. 4067) which will combine tough management planning with innovative placement services in the operation of public employment offices throughout the country.

The following 23 Members of Congress have cosponsored this legislation to date:

COSPONSORS

Herman Badillo, Berkley Bedell, Shirley Chisholm, Cardiss Collins, E (Kika) de la Garza, Thomas J. Downey, Don Edwards, Joshua Eilberg.

Augustus F. Hawkins, Margaret M. Heckler, John W. Jenrette, Jr., Robert L. Leggett, Romano L. Mazzoli, Parren J. Mitchell, Michael O. Myers, Melvin Price.

Edward R. Roybal, Leo J. Ryan, James H. Scheuer, John F. Seiberling, Paul Simon, Stephen J. Solarz, Louis Stokes.

Since I introduced the original version of this bill last August, my office has received several helpful suggestions which were incorporated into the legislation, and which I believe strengthen the revised version and make it more comprehensive.

H.R. 6876, as revised, is designed to provide for more effective public job placement services through management planning, increased flow of information, more efficient use of personnel, renewed emphasis on job-ready applicants and the promotion of State innovation. The need for stricter Federal oversight of the disorganized system of employment service offices has been balanced against the legitimate State concern that innovation not be stifled.

The primary goal of the bill is to maximize the labor exchange function of the national employment service system. In the more than 40 years since the employment service system was established, the offices have been increasingly saddled with many different responsibilities under other Federal programs. The once-clear mandate of the public employment service to act as a labor exchange has become muddled in recent years and as a result the coordination of available workers with available jobs has been neglected. The time has come, Mr. Speaker, for Congress to clarify the role of the employment service, and to improve its image as an efficient Government agency. The service must be willing and able to work jointly with business, while providing the best possible services for those who desire to work,

As my colleagues well know, the Wagner-Peyser Act of 1933 which established the intergovernmental offices also contained a statute which created an ongoing authority to "develop a national system of public employment offices." Unfortunately, the law has remained virtually unchanged for over 40 years, despite drastic changes in the Nation's economy and the characteristics of employment opportunities. Many other types of placement sources have developed over the years, and the types of openings in the job market are considerably different than when the Wagner-Peyser bill was enacted. Clearly, the employment service system no longer responds adequately to the need of today's society.

The statistics, Mr. Speaker, are not encouraging: Two-thirds of those looking for employment in 1975 did not even contact their employment service office. As shocking as it may seem, of 18.5 million applicants to the employment service in fiscal year 1975, only 3.1 million or 17 percent were actually placed in a job; 10.8 million of these applicants or 58 percent of the total did not receive job referral, counseling, testing, or employment services of any kind.

The Congress must act swiftly for a revitalization of the Federal-State system of employment service offices. A recent General Accounting Office—GAO—study issued on February 22, 1977, emphasized the need for more effective and efficient service to jobseekers and employers. Moreover, the House Committee on Government Operations, at the end of the last session, recommended similar changes in the employment service system.

At a time when the Nation's unemployment rate is above 7 percent, we can no longer tolerate an inefficient and disorganized system of employment service offices. Affirmative congressional action is long overdue.

CONFLICTING PRIORITIES AND THE NEED TO REDEFINE THE ROLE OF THE EMPLOYMENT SERVICE

Mr. Speaker, after four decades of operations the role of the employment service still remains unclear. There are so many conflicting and changing priorities that there are really no priorities at all. The House Committee on Government Operations, in a recent report, stressed this lack of a clear understanding of the employment service's role when it said:

> As a result of this and other shifts in priorities over the past years, the Service lost credibility with employers whose cooperation was essential to the effective operation of the Service. The shifting of priorities also created a situation where state employment security administrators contend that they do not have a clear working condition of the role of the Employment Service.

The employment and training report of the President, which was recently received by the Congress, also recognized this deficiency.

Several State administrators of the Employment Service have come before the House of Representatives and gone on record saying that due to conflicting priorities they do not have a clear working definition of the role of the Employment Service.

The Administrator of the Oregon Employment Division, who is currently the president of the Interstate Conference of Employment Security Agencies, ICESA, stated that there are "so many priorities you cannot possibly meet them all." The Wisconsin Job Service Administrator, who is a former president of ICESA, commented that Federal policies were unclear, vaguely worded, and overlap and duplicate other programs. Further, an official of the Washington State Employment Service noted that various "clarifications" of the role of the United States Employment Service, USES, are received by his office on an average of every 10 days. With such confusion, it is hardly surprising that a Labor Department study found the morale of Employment Service employees to be at a low ebb.

The Employment Service has lost track of its original mission. It is now identified as a service for unskilled workers, providing low paying, short-term jobs. The concept of a public labor exchange system, as originally conceived, is not being realized today. Not until the local officials have a stable definition of the role that their offices are expected to play will they be able to efficiently tackle the placement problems in today's job market. Without a clear working definition of the Employment Service's role, the local officials cannot seek the type of jobs which will best meet Employment Service goals. To be sure, Federal oversight of the Employment Service is necessary, but the haphazard imposition of constantly changing expectations must be stopped.

THE WORK TEST AND THE NEED FOR MORE EFFICIENT USE OF PERSONNEL

Mr. Speaker, in nearly every State today unemployment insurance, UI, claimants are required to register with the Employment Service in order to receive UI benefits. The purpose of this requirement is to meet the so-called work test. It is not, however, specifically required by Federal law. The pertinent Federal guideline in this area requires State claims personnel to "assure that each claimant is doing what a reasonable individual in his circumstances would do to obtain suitable work."

Today, the costs of mandatory registration of unemployment insurance claimants outweigh the benefits. In some offices so much time is used to register claimants that personnel have little or no time for placement activities. Last year, in hearings before the House Education and Labor Subcommittee on Manpower, Compensation, and Health and Safety, the Commissioner of the Employment Service in New Jersey testified that some offices in that State "could perform few meaningful services," when the claims load was high. He added that job placement services were the hardest hit by the lack of time.

In fiscal year 1975, less than 1 percent of all unemployment insurance claimants lost their UI benefits by failing to meet the work test requirement. The savings to the unemployment insurance system were small indeed when compared to the loss of placement services

which are so necessary to many unemployed workers.

The GAO report concerning the Employment Service, stressed that there is "little to be gained by requiring registration from persons for whom the Service does not offer employment potential or who do not need assistance." Only 8.5 percent of the total claimants registered in 1975 were placed in jobs through the Employment Service. This compares unfavorably with the placement figure for nonclaimants of 22 percent. There is little chance for the Employment Service to place many claimants. In a report issued at the end of last session, the Committee on Government Operations concluded that it is "wasteful and inefficient to require full registration from individuals ES has no reasonable chance to place."

There are several segments of the work force that clearly do not benefit from ES assistance. Workers in these groups, due to a continuing job attachment or a different customary method of rejoining the work force, are not properly served by the work test as it currently exists. Even where it is not practical to end mandatory registration for all UI claimants, those falling into these categories should be exempted.

The need for efficient use of placement personnel is so great, however, that unless it is clearly impractical to do so in a particular area, the States should be encouraged to abolish mandatory registration for all claimants. Those claimants who need assistance and other unemployed workers as well will greatly benefit.

The State of New Jersey has led the way in relaxing the stringent registration requirement to allow more efficient use of personnel. Registration is no longer required in that State and the change has been a successful one. The New Jersey Administrator of ES emphasized that "voluntary registration is the single most important development to reinstate ES as an effective deliverer of manpower services." Since this change in registration, placement has risen significantly even though both the number of registrations and jobs listed declined.

Under the provisions of H.R. 6876, the Employment Service will continue to offer its complete services to all claimants who desire to use them. Ending mandatory registration will not mean that voluntary registration will be discouraged. Indeed, it is my hope that by encouraging those who need or desire placement assistance to avail themselves of the services and by not requiring those who have no need of services to register, the USES will be more capable of assisting those who genuinely need help. The GAO reports that claimants who voluntarily register are more likely to be placed than involuntary registrants. Congress must take action to insure that the resources of the Employment Service are used more efficiently, and this is a most appropriate step in that process.

YOUTH UNEMPLOYMENT AND COORDINATION WITH SECONDARY SCHOOLS

Mr. Speaker, we are all aware of the difficult situation faced by young people who seek employment. President Carter has targeted this working group as a key population segment deserving special assistance. In no other segment of the work force is the prospect of employment so bleak. Nearly one in five teenagers who seek employment cannot find it, and that figure increases to one in three for minority teenagers. Clearly, positive steps must be taken to combat unemployment in this area where the problem is so severe.

The bill makes no unrealistic promise that jobs will be waiting for all high school graduates, but rather encourages the States to coordinate their Employment Service activities with the guidance activities of secondary schools. While not promising the impossible, this step will help ease the difficult situation. I have received several reports of a very encouraging program initiated in the State of Maine, which attempts to ease the youth employment crisis in a similar manner. The program was very successful and an extension on a statewide basis is now being considered.

The problem of youth unemployment has disgraced our Nation longer than we should care to admit. Indeed for 14 years, at least 20 percent of unemployed people have been between the ages of 16 and 19. It is time now for the U.S. Employment Service system to face this problem directly. Any program designed to place unemployed people cannot ignore the segment of the population which has the greatest difficulty entering the job market—and in many ways, the greatest resource for society.

H.R. 6867: THE NEED FOR A SENSE OF PRIORITY

Mr. Speaker, it is my firm belief that H.R. 6876 can and will serve as the basis for comprehensive Federal legislation aimed at revitalizing and upgrading our existing employment service system. First, the bill allows the States to innovate by establishing new placement programs which they would not otherwise be able to establish under the usual funding formula. Financial assistance for pilot programs which qualify is not to be tied to placement performance. While the bill recognizes the necessity of including proven programs in State employment service plans, it is also realized that the Federal Government must not use its financial assistance to stifle innovation among the States.

One of the major concerns of the States and the business community has been the growing Federal oversight of the State employment service agencies. The inclusion of the employment opportunities pilot program in H.R. 6876 allows necessary Federal oversight but in a manner which does not undercut the State's freedom to innovate.

The bill is also designed to help the States by supplying technical and management assistance through an outreach program. In addition to assisting the States in fulfilling their statutory responsibilities, the outreach program would help the States implement innovative or targeted placement programs. Moreover the outreach program will assist States in evaluating cost effectiveness of placement programs, thereby allowing States to improve placement performance and quality for increased financial assistance under the balanced placement formula.

H.R. 6876 also recognizes the need to establish minimum national requirements of programs in areas where action is drastically needed. In order to qualify for funding the States will be required to submit "management plans," in which each State will identify placement opportunities and provide for placement difficulties for eight segments of the work force. Mr. Speaker, I believe that this will prove to be useful to the States in evaluating and improving their placement performance.

The management plans must also include an outline for a program designed to encourage employer participation in public employment systems. The National Employers Committee for the Improvement of the Employment Service, a voluntary advisory committee, composed of business representatives, has found that the lack of personalized service from the Employment Service was a major reason why employers decline to list job openings. Although the effectiveness of employer relations programs has been well proven in many States, other State offices have shockingly little contact with local employers. The participation of employers is vital if the image of the U.S. Employment Service is to be upgraded.

In addition, the States will outline in their management plans a program designed to coordinate the Employment Service with secondary schools. The attack on the problem of youth unemployment, which may be undertaken in many different ways, must meet minimal Federal standards if funding is to be obtained. Although the States must have the ability to innovate, there remain certain areas in which action must be taken. Specifically, the crisis brought about by youth unemployment is of such magnitude that the Federal Government must require that the States take appropriate and affirmative action.

Finally, Mr. Speaker, H.R. 6876 takes a major step toward a more efficient use of Employment Service personnel by requiring that, wherever practical, the mandatory registration of unemployment insurance claimants for the work test be abolished. The enormous amounts of time which must be spent registering UI claimants makes the current program a very inefficient method of administering the work test. The benefits which will be achieved by the diversion of personnel back to placement activities will be felt by many unemployed workers. They outweigh the costs of ending the program. The concept of voluntary registration has been tried in one State and found to be very successful. H.R. 6876 will advance this idea and make it a viable option on a nationwide basis.

In summary, the Reemployment Services Act seeks to generally upgrade the operation of the Employment Service—by making it an attractive agency for employers to turn to when in need of additional personnel, and by making it a meaningful resource for unemployed workers. The new Employment Service—

as improved by this legislation—will be able to attack the problem of frictional unemployment in an efficient and businesslike manner, yet one which is responsive to social needs.

For the convenience of my colleagues, I will now include the text of the Reemployment Services Act of 1977, H.R. 6876:

H.R. 6876

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Reemployment Services Act of 1977."

STATEMENT OF FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds and declares—

(1) that the goals of national prosperity and equal economic opportunity may be substantially achieved by maximizing the level of employment in the private sector;

(2) that more effective and adaptable methods of job placement may substantially contribute to the aggregate level of employment;

(3) that the Federal Government should play a greater role in developing and implementing more effective job-placement services;

(4) that continuing policy review and program management planning within public employment offices will substantially contribute to the overall effectiveness of job-placement programs; and

(5) that both private employers and skilled job applicants have often been reluctant to utilize existing public employment services, in large part due to a lack of efficiency resulting from inadequate attention to the special needs of identifiable employer and applicant groups; and

(6) that the encouragement, development, and evaluation of innovative approaches to job-placement services will result in both increased performance and more useful standards of efficiency for public employment offices.

(b) It is, therefore, the purpose of this Act—

(1) to provide structural improvements in the existing public employment service system to facilitate and coordinate the flow of useful information, provide for more effective management practices, insure attention to the needs of special categories of job applicants, and provide for the more effective allocation of human and fiscal resources within the system;

(2) to provide for careful studies, reports and legislative recommendations on the separate merits of (A) implementing an automated national job bank system and (B) providing a transition to Federal administration of public employment services; and

(3) to establish a program to encourage the demonstration of innovative or alternative job placement services and techniques, including evaluation on the basis of performance and cost-effectiveness, coordination of related information, and the translation of program results into more useful standards of efficiency for the public employment service system.

FEDERAL EMPLOYMENT SERVICES

SEC. 3. Section 3 of the Wagner-Peyser Act is amended by adding at the end thereof the following new subsections:

"(c)(1) The Secretary of Labor shall establish an outreach program which shall provide, through the bureau, technical and management assistance to public employment offices in the several States for the development and implementation of annual management plans required under section 8(b) for such offices, the implementation of modified and improved employment services to be provided by such offices, the implementation of pilot programs assisted by the Bureau, including pilot programs assisted under section 14, and the evaluation of the cost-effectiveness and potential improvements in performance associated with changes in priorities, programs, and objectives.

"(2) The Secretary of Labor shall establish within the United States Employment Service a national clearinghouse for employment service information, which shall include—

"(A) information on pilot programs assisted by the bureau, including pilot programs assisted under section 14, and on other job placement practices,

"(B) current information in State employment laws and related administrative practices, and

"(C) information on manpower programs and other long-term job training programs administered by the Secretary of Labor.

"(3) The Secretary of Labor shall determine the role which the public employment offices in the several States receiving assistance under this Act play in the job market and shall establish goals for such offices which will encourage such offices to seek the types of jobs which meet the needs of applicants to such offices.

"(d) The public employment offices in the several States receiving assistance under this Act shall develop a program for achieving, within a reasonable period of time after the date of enactment of this subsection, taking into account any necessary changes in State law, the physical separation of the job placement and counseling services provided by such offices from the services provided by such offices in connection with claims under programs of unemployment insurance.".

FEDERAL-STATE MANAGEMENT PLANNING

SEC. 4. Section 8 of the Wagner-Peyser Act is amended by inserting "(a)" immediately before the first sentence, by striking out the second sentence, and by adding at the end thereof the following new subsections:

"(b)(1) Plans submitted under subsection (a) shall include annual management plans, and the Secretary shall not provide financial assistance under this Act to any agency designated to cooperate with the United States Employment Service for any fiscal year unless such a management plan has been submitted by such agency for such year, and unless such management plan, as determined by the Secretary of Labor, includes the program described in paragraph (2) and provisions for the identification of employment opportunities for, and for job placement and counseling for—

"(A) professional, technical, and managerial workers;

"(B) clerical workers;

"(C) service workers;

"(D) craft workers;

"(E) sales workers;

"(F) agricultural workers;

"(G) laborers and operatives; and

"(H) veterans;

and includes provisions for the promotion and development of employment opportunities for handicapped persons, and specialized services for other categories of applicants which may be determined to be appropriate or which may be required by the Secretary of Labor. Such plan shall include, with respect to each of the categories of job applicants specified under the preceding sentence, an assessment of the number of such persons currently seeking employment, an evaluation of the number and characteristics of appropriate employment opportunities, and the status of efforts to anticipate employer labor requirements and encourage voluntary participation in the public employment office system.

"(2) Each annual management plan under paragraph (1) shall include a program to encourage the active participation of employers in the public employment office system, including efforts to adapt State job placement programs to the needs and performance requirements of public and private employers, and efforts to insure the participation of employer representatives in the development of priorities and objectives for employment services at the State level. Each such plan shall also include a program for investigating the potential value and feasibility of operating a project for the coordination of the services provided by the agency with public and private vocational schools and secondary schools in the locality in order to place graduates of such schools in jobs, and for operating such a project, if the agency determines such a project to be appropriate.

(c) Annual management plans required under subsection (b) shall conform to accepted program budgeting principles, including particular attention to—

"(1) a logical breakdown of employment office priorities into measurable short- and long-term objectives, and the translation of such objectives into employment service programs at the State level;

"(2) continuing evaluation of the effectiveness of each such program in light of established objectives; and

"(3) an assessment of the fiscal and personnel utilization priorities necessary to effect the maximum realization of program objectives at minimum cost.

"(d)(1) The Secretary of Labor shall provide for a periodic audit of the compliance by the agencies designated to cooperate with the United States Employment Service and by the public employment offices in the several States with the provisions of this Act and the rules and regulations established under section 12 which are applicable to such agencies and offices.

"(2) The Secretary of Labor shall, upon a determination that such a State agency has not made a good faith effort to conform its administrative practices to the objectives specified in its annual management plan required under subsection (2), give notice in writing to the agency stating specifically wherein that agency has failed to comply with such plan. If, after ninety days after the issuance of such notice and an opportunity for a public hearing, the Secretary of Labor determines on the record that such agency has not taken sufficient steps toward such conformity, the Secretary of Labor may revoke any existing certifications or withhold any further certification provided for in section 5.

"(3) Pursuant to paragraph (2), the Secretary of Labor shall develop plans for ongoing evaluation of State agency compliance with both relevant statutes and regulations thereunder, and with the annual management plans submitted under subsection (b). Such plans shall be available for inspection by Congress and the general public, and shall be revised and improved periodically.".

EMPLOYMENT OPPORTUNITIES PILOT PROGRAM; REGISTRATION OF UNEMPLOYMENT INSURANCE CLAIMANTS

SEC. 5. (a) The Wagner-Peyser Act is amended by adding at the end thereof the following new sections:

"EMPLOYMENT OPPORTUNITIES PILOT PROGRAM

"SEC. 14. (a) The Secretary of Labor, through the United States Employment Service, shall carry out a program of financial assistance for projects, which would not be carried out without the assistance available under this section, for job placement under the direction of public employment offices in the several States. Projects assisted under this section shall represent a variety of approaches to job placement, and shall be reviewed and evaluated by the Secretary of Labor, and the results of such review and evaluation shall be disseminated to appropriate individuals and agencies.

"(b) In awarding financial assistance for

projects under subsection (a), the Secretary of Labor shall give priority to projects which are designed to assist the classes of workers described in section 8(b) and which are located in areas having rates of unemployment which are higher than the national average rate of unemployment (as determined by the Secretary of Labor).

"REGISTRATION OF UNEMPLOYMENT INSURANCE CLAIMANTS

"SEC. 15. (a) The Secretary of Labor shall by regulation require that—

"(1) where practical, the public employment offices in the several States receiving assistance under this Act shall abolish any requirement that claimants under any program of unemployment insurance must register with the appropriate public employment office, and

"(2) in cases where the abolition of such requirements is not practical, the following categories of claimants under such a program shall not be subject to any such requirement: any claimant who has a reasonable assurance of being reemployed (within ninety days after becoming unemployed) at the same job which the claimant held before becoming unemployed, any claimant in any occupation in which jobs are exclusively available through a labor organization in which the claimant is a member in good standing and any claimant in any occupation for which placement in jobs customarily occurs through an organization (other than the public employment office) which does not charge a fee for placement services.".

NATIONAL JOB BANK AND STUDY OF FEDERALIZATION OF EMPLOYMENT SERVICES

SEC. 6. (a) Section 3(a) of the Wagner-Peyser Act is amended by adding at the end thereof the following: "The Secretary of Labor shall carry out a comprehensive examination of the merits and cost-effectiveness of establishing a nationwide job bank system, and shall report to the Congress within one year after the date of enactment of the Reemployment Services Act on the results of such examination, including any recommendations for legislation, and on any progress which may have been made in establishing such job bank systems, as a pilot project, or on any other basis. Such examination shall include specific inquiry into—

"(1) the effectiveness with which job referrals may be screened according to both applicant qualifications and employer requirements, especially the degree to which such a system makes possible the redirection of employment office personnel to the delivery of other essential employment services;

"(2) the degree of interstate employment mobility, if any, which may be engendered or encouraged by the existence of such a system;

"(3) the degree to which job information services, such as job search libraries and viewers which show available jobs, may be effective in providing job placement and may serve as a substitute for a complete job bank system, especially the degree to which such services are consistent with paragraph (1);

"(4) the extent to which the job bank system is effective in the placement of specific target groups of the unemployed, including low-income persons, minority groups, persons with highly specialized job skills, the handicapped, displaced older workers, and other groups which may be found appropriate by the Secretary of Labor;

"(5) the cost economies and qualitative differences in the effectiveness of service between job bank systems on different scales within the public employment offices, including systems at the local, regional, State, and Federal levels; and

"(6) the extent to which job bank services may be effectively and economically applied to specific geographical areas, and to specific categories of employers and of job applicant groups.

For the purposes of this subsection, the term 'job bank system' means an automated system for the collection, classification, and selective dissemination of information relating to employment opportunities and job applicant qualifications within a given geographic area.".

(b) The Secretary of Labor shall carry out a study of the feasibility and effectiveness of establishing a system of Federal public employment offices in lieu of the system established and assisted under the Wagner-Peyser Act. Such study shall include the cost effectiveness of such a system, and the potential for innovation at the local level and adaptation to local needs which would occur under such a system. The Secretary of Labor shall report the results of such study, including any recommendations for legislation, to the Congress within two years after the date of the enactment of this Act.

TECHNICAL AMENDMENT

SEC. 7. Section 9 of the Wagner-Peyser Act is amended by striking out "section 7" and inserting in lieu thereof "section 5".

DEFINITION

SEC. 8. For purposes of this Act, the term "Wagner-Peyser Act" means the Act entitled "An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes", enacted June 6, 1933 (48 Stat. 113; 29 U.S.C. 49 et seq.).

PANAMA CANAL: DEPARTMENT OF THE ARMY REPORTS ON PANAMANIAN ANTI-U.S. DEMONSTRATIONS IN CANAL ZONE, JUNE 6, 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, in various addresses in the Congress over a period of years, I have often described the Isthmus of Panama as a land of endemic revolution and endless political intrigue. This was based upon its long record of lawlessness and disorder.

Further evidence of the validity of such description was the surprise invasion on June 6, 1977, at both ends of the U.S. Canal Zone, by Panamanian student mobs who engaged in highly provocative conduct. Though the incidents were important enough to warrant substantial coverage in the U.S. news media, published information so far as known was minimal, with only 6 lines in the Wall Street Journal and 13 lines in the Washington Post, both on June 7. In contrast, news stories in Panama papers were far more extensive.

In an address to this House of the Congress in the CONGRESSIONAL RECORD of June 15, 1977, page 19115, I quoted the available published information and announced that I had requested a report on the incidents from the Secretary of the Army as he is the official of the United States charged with responsibility for supervision of the Panama Canal enterprise.

In its report, the Department of the Army emphasized the failure of the Panama National Guard to take timely and effective action to prevent incursions into the Canal Zone. This failure, Mr. Speaker, is in line with the oft-repeated threats of the Panama Chief of Government, Omar Torrijos, that he would not interfere in the event of such invasions and raises further questions as to why there should be any negotiations at all for a new Panama Canal treaty.

The indicated report of the Department of the Army follows as part of my remarks:

DEPARTMENT OF THE ARMY,
OFFICE OF THE ASSISTANT SECRETARY,
Washington, D.C., June 24, 1977.

Hon. DANIEL FLOOD,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN FLOOD: This is in response to your letter of June 15, 1977 to the Secretary of the Army, which requested a summary of the facts surrounding the demonstrations occurring in Panama on June 6, 1977. Attached for your information is a paper setting forth the essential facts surrounding the events of June 6.

I hope this information is helpful to you.

Sincerely,

CHARLES R. FORD,
Acting Assistant Secretary of the Army,
(Civil Works).

INFORMATION PAPER

JUNE 23, 1977.

Subject: Anti-US Demonstrations by Panamanian Students on June 6, 1977

Facts: On Monday, June 6, 1977, simultaneous anti-U.S., and anti-Canal Zone demonstrations were held along the Canal Zone borders in Panama City and Colon, Republic of Panama, ostensibly in commemoration of the 1966 death of Juan Novas, a leftist student.

In Panama City, student demonstrations gathered early on Monday morning and marched into Shaler Triangle in the C.Z. where by long-standing custom the U.S. and Panamanian flags have been flown together. The students made anti-U.S. speeches, painted anti-U.S. slogans on walls in the area, and pulled down the U.S. flag raising a Panamanian flag in its place. The U.S. flag, in severely torn and damaged condition, was later returned to Canal Zone authorities by officials of the Panamanian Guardio Nacional.

In Colon the demonstrators crossed the borders into the Cristobol area of the C.Z. and gathered near the railroad station where they delayed the departure of the train by lying across the tracks, and defaced the engine and several cars inside and out with spray paint.

No personal injuries were reported as a result of the demonstrations and by noon the student groups had dispersed.

At the request of C.Z. Governor Parfitt, the U.S. Ambassador to the Republic of Panama, William Jordan, sent a diplomatic note of protest to Panama's Foreign Minister on June 13, 1977. The Ambassador's note protested the lack of timely and effective action by Panamanian National Guardsmen to prevent incursions into the Canal Zone and disrespectful treatment of the U.S. flag by the demonstrators, and expressed serious concern over the possibility that such conduct, when not properly controlled by Panamaniam authorities, might lead to further excesses which could only be detrimental to the interests of both countries.

CONSISTENCY NO BAR TO ANTI-CONSUMER LOBBY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ECKHARDT) is recognized for 5 minutes.

Mr. ECKHARDT. Mr. Speaker, yesterday in a special order I spoke about the lobbying effort that is being undertaken by the Washington lobbyists for big business to kill H.R. 3816, the FTC Amendments of 1977. The provision in H.R. 3816 that has so raised the ire of big business authorizes consumers, either individually or as a class, to sue to get their money back from a company that has engaged in an unfair or deceptive market practice in violation of an FTC rule or order.

In my special order, I mentioned that these lobbyists are taking inconsistent stands on consumer issues in order to kill them. I would like to give a specific example. On April 6 the National Association of Manufacturers sent a letter to Members of Congress opposing creation of a consumer protection agency. In that letter they characterized the Federal bureaucracy as both "too big" and "too inefficient," and they urged Members to reject the legislation.

However, now that the Interstate and Foreign Commerce Committee has reported a bill which gives the consumer some authority to act to protect himself, I find that NAM suddenly prefers to let the bureaucracy do it. Under H.R. 3816 the consumer is authorized to act for himself. He would no longer have to depend upon the FTC to act to get his money back when he has been cheated by an unfair market practice. The FTC itself has indicated that it simply does not have the resources to act on behalf of consumers in the vast majority of cases, and I agree with them.

But, the NAM urges Members, in a June 9 letter, to oppose the consumer action provision in H.R. 3816 because the FTC already has the power to bring actions for consumer redress. This same bureaucracy that NAM was characterizing only 2 months earlier as inefficient and wasteful, suddenly was adequate to recover the losses of the thousands of consumers who are cheated of millions of dollars each year by deceptive and fraudulent practices in the marketplace.

Thus, NAM would tell Mary Smith "Even though you have been cheated by an unscrupulous merchant who has sold you a worthless floor sweeper, and even though this violates a specific rule of the Federal Trade Commission, you cannot bring your own suit at your own expense based on the theory that an FTC rule has been violated. You must get a Federal agent to bring it for you or you must let the unscrupulous merchant keep your money."

This inconsistent position suggests to me that NAM is not so much anti-big bureaucracy, but simply is anticonsumer.

HELSINKI'S UNFULFILLED PROMISE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. OTTINGER) is recognized for 5 minutes.

Mr. OTTINGER. Mr. Speaker, I would like to take a few moments today to draw attention to "Helsinki's Unfulfilled Promise."

In August of 1975, the Soviet Union signed the Helsinki Final Act, and in doing so pledged to honor certain basic human rights principles, including the reunification of families.

Today, I am honored to speak in behalf of a brave man who has been imprisoned in the Soviet Union since 1971 because of his desire to join his wife in Israel.

Mikhail Korenblit's long ordeal started in September of 1969, when he filed an application for an exit visa with Leningrad emigration authorities. Two months later his request was denied on the grounds that he was "too educated." Mikhail Korenblit is a graduate from the dental faculty of the First Medical Institute, Leningrad.

In May of 1971, Korenblit was called to participate in the second Leningrad Trial, at which time friends and relatives described him as a completely changed man. He had become thinner, paler, and weaker as a result of his 7-month imprisonment prior to the trial.

During the trial itself, the three main codefendants—Dymshitz, Kuznetsov, and Mendelevich—testified that Korenblit "had not been involved in, and was quite unaware of any hijacking plan." Their statements were of no help to Korenblit, who was eventually sentenced to 7 years strict regime by a Soviet judge on May 20, 1971.

The last word on the condition of Mikhail Korenblit was received in the West in November of 1976, when it was reported that he was threatened under the penalty of death to hand over his personal possessions to two criminals in the Odessa Prison.

Reports of the suffering of Russian Jews, like Mikhail Korenblit are constant reminders of the Soviet Union's broken promises. These atrocities cannot be tolerated by those of us who cherish and respect human dignity and individual freedom. I will continue to speak out in protest of flagrant violations of human rights, and believe that it is terribly important that Congress—and all of the free world—continue to raise its voice in condemnation.

CUSTOMS REFORM LEGISLATION INTRODUCED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma, (Mr. JONES) is recognized for 5 minutes.

Mr. JONES of Oklahoma. Mr. Speaker, H.R. 8149, the Customs Procedural Reform Act of 1977 which I introduced in the House June 30 with Congressmen FRENZEL, VANIK, and JENKINS as cosponsors will create the first substantial reforms in the Nation's Customs Service since the early 1950's. Since that time the value of U.S. imports, the amount of duties collected, and the number of passengers passing through customs have increased over 500 percent; yet customary procedures for handling this workload have remained unchanged. The need for long-overdue reform is recognized by the Treasury Department, the importing community, and anyone who has waited in long lines at airports as customs officials laboriously apply antiquated rules and requirements.

Hearings on H.R. 8149 have been scheduled before the Trade Subcommittee of the Ways and Means Committee for July 19–22. Markup is planned for July 27.

This bill represents the product of more than a year's joint work between Treasury, interested industry groups including the U.S. Chamber of Commerce and the American Importers Association, and the Customs Task Force of the Trade Subcommittee of Ways and Means. Last August hearings were held on H.R. 9220, the Ford administration's Customs Modernization Act of 1976. At those hearings it was evident that there was a tremendous amount of interest in customs reform from a wide variety of groups. This January Trade Subcommittee Chairman VANIK appointed a customs task force, headed by myself and Congressman FRENZEL, to investigate existing problems and potential solutions.

Over the past 6 months the task force has held informal meetings with Customs officials and members of the importing community in New York, Houston, Los Angeles, San Francisco, Savannah, and Chicago. H.R. 8149, which is cosponsored by all of the subcommittee members who participated on the task force, includes many of the ideas and suggestions we have obtained in these meetings. The bill also includes proposals suggested by Congressman FRANK HORTON and Congressman TOM STEED and the Commission on Federal Paperwork.

The bill is designed to build flexibility into the customs laws while modernizing and simplifying current procedures. We expect it will result in:

First. Better productivity of the Customs work force.

Second. Improved response to importers through institution of computerized methods for merchandise processing and financial transactions.

Third. Effective protection of the revenue with modern audit techniques and more equitable application of the Customs laws.

Fourth. Significantly less delay in the processing of international travelers and low-value importations.

The principal provisions of the legislation are as follows:

First, the bill allows for the separation of entry reporting procedures from duty collection on imported merchandise. Under current law every importation must be represented by a separate entry document and accompanied by payment of estimated duty. Each entry is processed individually; if a refund or additional duties are required later, the system must generate a separate refund check or bill for each entry.

The proposed legislation will enable customs to issue a periodic statement of account to each importer which can apply to both customs transactions and collections. The resulting system—similar to that now used by the IRS—would substantially reduce the number of financial transactions which customs

must process and lends itself to computer applications. Indeed this legislation will enable full-scale implementation of the Automated Merchandise Processing System—AMPS—which has been introduced on an experimental basis in Philadelphia, Baltimore, Chicago, and Los Angeles.

Institution of a periodic accounting system will be accompanied by the modernization of customs' verification procedures. Although the customs service currently enforces over 400 provisions of law for 40 different agencies, it has no effective authority to require either the making, keeping, or rendering of records for examination and inspection. H.R. 8149 establishes a recordkeeping requirement—again similar to that of the IRS—and gives customs the right to audit such records for possible violations of the customs laws. Where a violation is suspected, customs is granted the authority to summons the appropriate parties to produce records and/or give testimony. Jurisdiction would be vested in the U.S. district courts which through contempt powers could compel enforcement of such an administrative summons.

These procedures will help customs to better insure compliance with laws which have often been circumvented in the past. On the other hand, a third major reform proposed in this bill will insure a more equitable application of these laws.

For several years the entire importing community has justifiably criticized the penalty and fraud provisions of section 592 of the Tariff Act of 1930. There are two fundamental defects with this section. First, the law provides the same penalty assessment—forfeiture of the imported goods or their value—for violations due to simple clerical errors as it does for efforts to defraud the Government. Despite the usual mitigation of forfeiture penalties—commonly requiring several years—the intial claim requires disclosure by publicly held companies which has caused stock price declines, difficulties with banks and suppliers, and so forth. Some small businesses have been severely damaged and even bankrupted by such claims.

Second, the current law fails to provide effective judicial review of the penalty decisions. If an importer does not accept the mitigated administrative penalty—usually 2 to 8 times the revenue loss, he faces suit by the Government. If a suit is filed, the Government's claim is for the full forfeiture value—not the mitigated penalty, even a simple clerical error is considered a violation, the burden of proof is on the defendant, and the judge can only decide whether a violation has occurred. No discretion is granted over the penalty amount. As a result in the typical case involving a large forfeiture and small underpayment of duties, the risks of litigation exceed any possible gain.

H.R. 8149 is designed to correct these defects without damaging customs ability to encourage compliance and punish violators. The bill provides for different penalties and burdens of proof for varying degrees of culpability with maximum penalties equal to those usually imposed by customs after mitigation. Forfeiture value is eliminated except as a maximum ceiling on cases involving fraud. Effective judicial review is insured by providing de novo review of protested decisions in the U.S. district courts.

Title I of the bill includes all of the above-mentioned reforms. Title II is devoted to numerous amendments which will simplify and update the Tariff Act of 1930 and create cost-saving efficiencies in the Customs Service. Most will have little or no effect on the revenues; some will result in a small loss. Yet overall these reforms will permit a more efficient use of customs resources and thereby create a significant revenue increase.

Most important of the proposed changes is an increase in the personal exemption accorded returning residents from $100 to $300—from $200 to $400 in the case of persons arriving directly or indirectly from American Samoa, Guam, or the Virgin Islands. The current exemption has been in effect since 1961 when a balance of payment problem caused Congress to reduce it to $100. The proposed increase reflects the effects of inflation over the past 16 years.

Two other changes, both recommended by the Commission on Federal Paperwork, will not only reduce the paperwork but also many of the time consuming procedures associated with low-value importations. Existing law provides that commercial importations under $250 can be processed through customs using informal entry procedures. Such procedures are considerably simpler than those for formal entries as neither bonding nor use of a broker, nor formal appraisement by customs is required. H.R. 8149 proposes that the maximum value of goods which may be entered informally be raised from $250 to $600. A proviso is also included which would insure that adequate trade statistics are collected on such entries.

The current $250 value was set in the Customs Simplification Act of 1953. The proposal to increase this value to $600 again reflects the effect of inflation on the value of the dollar since that time. This change is expected to reduce the number of formal entries by roughly 230.000 per year.

Another proposal would establish a flat 10 percent rate of duty on articles accompanying a returning resident, intended for personal use, and valued under $600. Currently the application of complex tariff classifications on such low-value merchandise requires an inordinate amount of processing time compared to the amount of revenue collected and creates an aggravating bottleneck in the processing of persons entering the country. This proposal will go a long way toward eliminating this bottleneck without adverse effects on revenue collection.

Title III of H.R. 8149 establishes biennial Customs Service appropriations authorization. Although the fifth act of the very first Congress in 1789 established "districts, ports, and officers" to collect tariff duties, there has never been legislation authorizing specific sums to the Customs Service. Title III provides just this and will thereby enable Congress to better perform its oversight function for this important government agency.

Taken together these changes form the first step in what should be a major effort to modernize all aspects of customs operations. Comprehensive reform will include basic reorganization of customs personnel, simplification of current valuation procedures, and overall harmonization of tariff schedules with those of our trading partners. In the coming year I look forward to Congress working closely with the Carter administration to achieve these goals.

In the meantime let us begin with passage of H.R. 8149. Many of today's customs laws still reflect foreign commerce as it existed in the 19th century. In fact some existing requirements can be traced back to that 1789 act of Congress. If those first Congressmen can be forgiven for not producing customs laws applicable to this day and age, we certainly cannot. I urge the House and Senate to act on this long-overdue legislation this year.

EXPORT-IMPORT BANK FINANCING NOTIFICATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 10 minutes.

Mr. NEAL. Mr. Speaker, I call to the attention of my colleagues two communications from the Export-Import Bank which have been referred to me as chairman of the Banking Subcommittee on International Trade Investment and Monetary Policy. The communications notify the Congress of two proposed Eximbank transactions to assist, first, in the purchase and construction of a U.S. nuclear powerplant by Spain, and second, in the purchase of equipment and services for use in the construction of three thermal powerplants by the Republic of China—Taiwan. Section 2(b)(3) of the act requires the Bank to notify the Congress of any proposed loan, guarantee, or combination thereof in an amount of $60 million or more at least 25 days of continuous session of the Congress prior to the date of final approval. Upon expiration of this period, the Bank may give final approval to the transaction unless the Congress dictates otherwise.

In the Spanish transaction, the Bank proposes to extend a loan of $85,250,000 and a guarantee of loans by private lenders of $54,250,000 to three Spanish electric utility companies to assist in the construction and initial operation of a 930-megawatt nuclear powerplant in Spain. Eximbank's participation will cover 90 percent of the total cost of U.S. goods and services for the project. The loan will bear interest at 8 percent per annum, and the loan and the guaranteed private loans will be repayable over 12 years beginning April 1, 1984.

In the Taiwanese transaction, the Bank proposes to extend a loan of $116,796,900

to a Taiwanese power company to assist in the purchase of three boilers and related equipment and services for use in the construction of three 500-megawatt thermal powerplants in Taiwan. Eximbank's participation will cover 55 percent of the total cost of U.S. goods and services for the project. The loan will bear interest at 8 percent per annum, and the loan will be repayable over 11 years beginning December 15, 1980.

I am inserting the letters from the Eximbank pertaining to these transactions together with the accompanying materials at this point in the RECORD and I welcome any comments any of my colleagues may wish to offer concerning these proposed loans:

WASHINGTON, D.C.,
July 7, 1977.

DEAR MR. SPEAKER: Pursuant to Section 2(b)(3) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the House of Representatives with respect to the following transaction involving U.S. exports to the Republic of China.

A. DESCRIPTION OF TRANSACTION

1. Purpose

Eximbank is prepared to extend a direct credit of $116,796,900 to Taiwan Power Company (Taipower) to assist Taipower in the purchase from United States suppliers of three boilers and related equipment and services for use in the construction of a 500 MW thermal power plant located at Hsiehho, Taiwan and two 500 MW thermal power plants located at Anping, Taiwan. All three plants will use fossil fuel. Repayment of the Eximbank credit will be unconditionally guaranteed by the Republic of China.

Babcock & Wilcox Company will supply the boiler for the Hsiehho plant, Foster-Wheeler Energy Corporation will supply the two boilers for the Anping plant and Gibbs & Hill Engineering Corporation will provide engineering services for all three plants.

The total project cost of the three plants is $680,300,000 of which the total cost of the U.S. goods and services is $212,358,000. Financing for procurement from Europe and Japan for this project will be covered by guarantees from the official export credit agencies of those countries. Taipower will obtain local loans for the local cost of the project, and will also provide its own funds for the project.

2. Identity of the parties

Taipower, organized in 1946, is a corporation 95% owned by the Republic of China and its political subdivisions. It has the sole responsibility for the supply of electricity throughout the island of Taiwan. Taipower is one of the largest users of Eximbank's programs for its U.S. purchases and has maintained an excellent credit relationship with Eximbank.

The Ministry of Finance of the Republic of China will issue to Eximbank an unconditional, full faith and credit guarantee for repayment of the Eximbank direct credit.

2. Nature and use of goods and services

The goods to be exported from the United States are three boilers, transformers, auxiliary electric equipment, substation equipment, miscellaneous equipment and space parts. The U.S. originated services are engineering services and ocean freight on U.S. flag vessels. To date only the boilers from Foster-Wheeler and Babcock & Wilcox and the engineering services from Gibbs and Hill have been ordered, with the remaining U.S. goods and services to be ordered in the next few months.

The U.S. goods and services will be used in three 500 MW themal power plants, one located on the northern tip of Taiwan which can be fueled by either oil or natural gas, and two located on the southwest coast of Taiwan which can be fueled by either coal, oil or natural gas. The three plants will provide approximately 15% of Taiwan's electricity needs. Oil will be supplied under a long-term contract with the government-owned Chinese Petroleum Company; coal will be imported from Australia; and natural gas may be supplied from offshore wells in the Formosa Strait located between Taiwan and the mainland.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

The Eximbank direct credit of $116,796,900 will facilitate the export of $212,358,000 of United States goods and services.

Eximbank perceives no adverse impact on the United States economy from the export of these goods and services. This transaction will have a favorable impact on employment for substantial numbers of United States workers, as well as on the United States balance of trade. None of the goods to be exported are in short supply in the United States.

The domestic market for conventional power equipment has been well below the United States productive capacity. Foreign orders, therefore, have become a vital portion of United States thermal power equipment manufacturers' business which enables those manufacturers to retain specialized engineering and technical staffs and production work forces. Foster-Wheeler states that the two boilers, auxiliary equipment and electrostatic precipitators it will be supplying will require 1,200 man years of work at its facilities, principally in Danville, New York where unemployment is near 10%, and also in Mountaintop, Pennsylvania, Panama City, Florida and Dallas, Texas. Babcock & Wilcox states that the equipment it will supply will require 500 man years of work at its facilities in Akron, Ohio, Beaver Falls, Pennsylvania and Paris, Texas. Gibbs and Hill reports that it will take 130 man years of U.S. personnel to perform the engineering services. Since these contracts represent only 40% of the value of the U.S. goods and services, Eximbank estimates that once the procurement is completed nearly every major industrial region in the United States will benefit from this transaction.

Power plants are classic examples of the economic necessity for Eximbank support. Private U.S. export financing sources without an Eximbank guarantee are normally limited to five-year maturities. In this transaction, however, there is a total term of fourteen years consisting of a four-year construction period and a ten-year repayment period. Thus, private financing is inadequate to meet the financial requirements of this project and the Eximbank direct credit is necessary in order to generate sufficient financing for the U.S. sales. Private financing without Eximbank guarantee is available only for the construction period and the earlier years of the repayment period.

The United States suppliers have had a long beneficial relationship with Taipower as a result of their dependable performance and superior technology. However, today manufacturers in nearly all of the industrial countries are fully capable of supplying all or nearly all of the goods and services for the three power plants, and in most instances at prices substantially below the cost of the U.S. goods and services. Eximbank has received information that suppliers in Japan, Switzerland, United Kingdom and West Germany, with the strong support of the official export credit agencies in each of these countries, submitted bids for the procurement of major equipment categories for the three plants. All were lower in price than the comparable U.S. costs. Nonetheless, the U.S. suppliers won the bid for the boilers and related equipment.

In view of the magnitude of the transaction, the necessary repayment term, and the existence of foreign competition, Eximbank's credit is necessary to secure this sale for United States suppliers.

2. The financing plan

The total cost of United States goods and services to be purchased by Taipower is $212,358,000, which will be financed as follows:

	Amount	*Percent of U.S. Costs*
Cash	$42,471,600	20.0
Eximbank credit	116,796,000	55.0
Private loans not guaranteed by Eximbank	53,089,500	25.0
Total	212,358,000	100.0

(a) Eximbank Charges

The Eximbank credit will bear interest at the rate of 8% per annum, payable semi-annually. A commitment fee of 0.5% per annum will also be charged on the undisbursed portion of the Eximbank credit.

(b) Repayment Terms

The Eximbank credit and private loans, which total $169,886,400, will be repaid by the Borrowers in 20 semiannual installments (i) beginning December 15, 1980 on the financing for the U.S. goods and services for the Hsiehho power plant; and (ii) beginning December 15, 1981 on the financing for the U.S. goods and services for the Anping power plant. Under each of these repayment schedules, the first 6 installments and a portion of the 7th installment will be applied to repayment of the private loans and a portion of the 7th and all of the last 13 installments will be applied to repayment of the Eximbank direct credit.

Sincerely,

DELIO E. GIANTURCO,
First Vice President and Vice Chairman.

WASHINGTON, D.C.,
July 29, 1977.

DEAR MR. SPEAKER: Pursuant to Section 2(b)(3) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States House of Representatives with respect to the following transaction involving U.S. exports to Spain.

A. DESCRIPTION OF TRANSACTION

1. Purpose

Eximbank is prepared to extend a direct credit of $85,250,000 to three Spanish electric utilities—Empresa Nacional de Electricidad, S.A. (ENDESA), Empresa Nacional Hidroelectrica del Ribagorzana, S.A. (ENHER), and Electricas Reunidas de Zaragoza, S.A. (ERZ) (Borrowers) and to guarantee loans by private financial institutions to the Borrowers in the amount of $54,250,000 for purchase of a U.S. nuclear power plant and initial fuel core. Repayment of the Eximbank credit and the loans guaranteed by Eximbank will be unconditionally guaranteed by Instituto Nacional de Industria, Banco Espanol de Credito, Banco Hispano Americano, Banco March, Banco de Bilbao, Banco Central, Caja de Ahorros y Monte de Piedad de Zaragoza and Banco de Vizcaya (Guarantors). The participation of each Borrower and Guarantor will be as follows:

Percent of financing, 72.5%; borrower, ENDESA; guarantor, Instituto Nacional de Industria.

Percent of financing, 15.0%; borrower, ENHER; guarantor, Instituto Nacional de Industria.

Percent of financing, 12.5%; borrower, ERZ; guarantor, Banco Espanol de Credito, Banco Hispano Americano, Banco March, Banco de Bilbao, Banco Central, Caja de Ahorros y Monte de Piedad de Zaragoza and Banco de Vizcaya (jointly and severally).

The purpose of the Eximbank financing is to facilitate the purchase from the United States of goods and services required for the construction and initial fuel core of one 930 MW nuclear power plant to be located in the Province of Zaragoza and designated as the Escatron 1 project. The power plant, when completed, will be directly tied into the Spanish national power grid.

The principal portion of the U.S. equipment and material which is to be financed by Eximbank will be manufactured in the United States by Westinghouse Electric Corporation. The related services will be performed by Westinghouse and other United States firms. The estimated total project construction cost is $950,700,000 of which $155,000,000 represents purchases of United States goods and services, including the initial fuel fabrication costs estimated to be approximately $18,000,000.

Exports of the equipment and fuel will be made within the framework of a bilateral Agreement for Cooperation Between the Government of the United States of America and the Government of Spain Concerning Civil Use of Atomic Energy, which entered into force on June 28, 1974. Safeguard provisions required by the bilateral Agreement for Cooperation were implemented by a trilateral Agreement to Amend the Agreement of 9 December 1966 Between the International Atomic Energy Agency, the Government of Spain and the Government of the United States of America for the Application of Safeguards, which also entered into force on June 28, 1974. Recently, the Spanish Government has agreed upon mutual consultation and agreement prior to the reprocessing of non-U.S. origin fuel irridated in U.S.-supplied reactors. In order to avoid changing the terms of the 1974 bilateral Agreement for Cooperation to reflect such reprocessing assurances in advance of negotiations for over-all revision of that Agreement, the State Department has agreed to commence such negotiations no later than November 1, 1977. These negotiations will seek to incorporate as provisions in the amended Agreement the assurances on reprocessing of non-U.S. origin fuel.

The Spanish Government has also agreed that no U.S.-supplied material can be used for any nuclear explosive device.

Under Spanish procedures, the electric utility companies receive commitments from ENUSA, the Spanish nuclear fuel agency, for the supply of enriched uranium for fuel when needed for specific nuclear plants. ENUSA draws on various global sources for enrichment services, including the U.S. Energy Research and Development Administration. At present, ENUSA has an open commitment from ERDA to supply fuel enrichment services for two additional Spanish nuclear power plants, but a required "Appendix" to that contract which would make the commitment apply specifically to fuel for Escatron 1 has not yet been negotiated. If chronological order prevails, it is likely that the ERDA commitment will be used for the Sayago and Vandellos 2 nuclear projects and, in that event, fuel enrichment services for Escatron 1 would have to come from the Soviet Union or, when completed, from the French-led Eurodif facility. Thus, the Eximbank financing support for the initial fuel applies only to fabrication costs and not to enrichment services.

The Executive Branch has approved Eximbank's financing for this project. Export licenses must be obtained from the Nuclear Regulatory Commission before export of the equipment and fabricated fuel for the Escatron 1 project. Application for such export licenses for Escatron 1 is now pending before the NRC.

2. Identity of the parties

ENDESA, incorporated in 1944, is a corporation owned 90.75% by Instituto Nacional de Industria (INI). ENDESA is the 8th largest electric utility enterprise in Spain and has, in addition to its role as producer of electricity, the function of expanding the usage of Spain's indigenous coal reserves.

ENHER, incorporated in 1946, is a "national enterprise" corporation controlled by Instituto Nacional de Industria (INI) and is the 6th largest electric utility enterprise in Spain.

ERZ, a small integrated private company, is the 13th largest electric utility in Spain.

Instituto Nacional de Industria (INI) is an autonomous agency of the Spanish State established in 1941 to promote the establishment and reorganization of industrial enterprises important to the economic development of Spain.

Banco Espanol de Credito is a commercial bank located in Madrid and founded in 1902, with total assets of $9,926.7 million, capital and surplus of $665.0 million.

Banco Hispano Americano is a commercial bank located in Madrid and founded in 1901, with total assets of $11,648.0 million, capital and surplus of $481.6 million.

Banco March is a commercial bank located in Palma de Mallorca and founded in 1946, with total assets of $916.7 million, capital and surplus of $80.3 million.

Banco de Bilbao is a commercial bank located in Bilbao and founded in 1857, with total assets of $8,093.1 million, capital and surplus of $532.9 million.

Banco Central is a commercial bank located in Madrid and founded in 1919, with total assets of $12,718.4 million, capital and surplus of $551.0 million.

Caja de Ahorros y Monte de Piedad de Zaragoza is a savings bank located in Zaragoza, with total assets of $1,552.3 million, capital and surplus of $55.5 million.

Banco de Vizcaya is a commercial bank located in Bilbao and founded in 1901, with total assets of $14,058.3 million, capital and surplus of $665.0 million.

3. Nature and use of goods and services

The principal goods to be exported from the United States for use in the construction and initial fuel core of the project will consist of a nuclear steam supply system, a main turbine-generator set and components. In addition, Westinghouse and other United States firms will perform various related technical services in connection with the design, installation, fuel fabrication and start-up operations of the nuclear power plant.

Projected generation costs, calculated by commonly accepted utility standards, for the Escatron 1 nuclear power plant are approximately 34 mills/kWh as compared to 44 mills/kWh for an alternative oil-fired power plant operating under the Spanish conditions. Operation of an oil-fired plant comparable to the Escatron 1 nuclear plant would require an increase in Spanish oil imports of approximately 8 million barrels/year at a cost of approximately $115 million/year.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

The proposed extension of credit by Eximbank in the amount of $85,250,000 and the guarantee of $54,250,000 of private financing will result in the export of $155,000,000 of United States goods and services.

Eximbank perceives no adverse impact on the United States economy from the export of these goods and services. This transaction will have a favorable impact on employment for substantial numbers of United States workers, as well as on the United States balance of trade. The domestic market for nuclear power equipment has been well below our productive capacity and, therefore, foreign orders have become a vital portion of United States nuclear power equipment manufacturers' business which enables those manufacturers to retain specialized engineering and technical staffs and production work forces. Westinghouse estimates that, for itself and other suppliers (expected to include, among others, Bechtel Corporation, Combustion Engineering, Cameron Iron Works, Speedway Machine and Tool, Lukens Steel, Allis-Chalmers and Esco Corporation), the Escatron 1 project will generate 7,500 direct man/years of work in more than 30 cities in at least 18 states.

Power plants in general, and particularly nuclear power plants, are classic examples of the economic necessity for Eximbank support. Private U.S. export financing sources are normally limited to 5 to 7 year maturities. In this project, however, the construction period is over six years, with another twelve years repayment period, making a total term of more than 18 years. Thus, private financing is inadequate to meet the financial requirements of this project. Eximbank has had to extend both a credit and a guarantee in order to generate sufficient funding to enable this project to go forward.

Competitive prices and dependable performance by U.S. suppliers, together with the availability of Eximbank financial assistance, have resulted in repeat orders of nuclear plants from the United States. However, today manufacturers in Germany, France, Japan, Canada and Sweden are fully capable of supplying complete nuclear steam supply systems. These countries, together with Switzerland, the United Kingdom, Italy and others, are capable of supplying all or part of the equipment for the Escatron 1 project at competitive prices and delivery schedules. In fact, in July, 1975, a Spanish nuclear power plant in which ERZ is a participant was awarded to German suppliers.

In the case of Escatron 1, there was intense French competition with highly favorable financing terms supported through the French government-supported export credit insurance agency, COFACE. Suppliers from France and the other countries mentioned above are continuing their intense marketing efforts for nuclear plant sales in Spain, and the national export credit agencies of these countries will continue to aggressively support their manufacturers.

In view of the magnitude of the transaction, the necessary repayment term and the existence of foreign competition, Eximbank's credit and guarantee are necessary to secure this sale for United States manufacturers.

2. The financing plan

The total cost of United States goods and services to be purchased by the Borrowers is $155,000,000, which will be financed as follows:

	Plant costs	Fuel costs	Total	Percent of U.S. costs
Cash payment	$13,700,000	$1,800,000	$15,500,000	10
Eximbank credit	75,350,000	9,900,000	85,250,000	55
Private guaranteed loans	47,950,000	6,300,000	54,250,000	35
Total	137,000,000	18,000,000	155,000,000	100

(a) Eximbank Charges

The Eximbank credit will bear interest at the rate of 8 percent per annum, payable semiannually. A commitment fee of 0.5 percent per annum will also be charged on the undisbursed portion of the Eximbank credit. In addition, Eximbank will charge a guarantee fee of 1 percent per annum on disbursed amounts of the guaranteed loans and a commitment fee of 0.125 percent on undisbursed amounts of the guaranteed loans.

(b) Repayment Terms

The Eximbank credit and private guaranteed loans for the nuclear plant costs, which total $123,300,000, will be repaid by the Borrowers in 24 semiannual installments beginning April 1, 1984. The first 9 and a portion of the 10th installment will be applied to repayment of the private guaranteed loans and a portion of the 10th and all of the last 14 installments will be applied to repayment of the Eximbank direct credit.

The Eximbank credit and private guaranteed loans for the fuel fabrication costs, which total $16,200,000, will be repaid by the Borrowers in 10 equal semiannual installments beginning April 1, 1984. The first 3 and a portion of the 4th installment will be applied to repayment of the private guaranteed loans and a portion of the 4th and all of the last 6 installments will be applied to repayment of the Eximbank credit.

Sincerely,

JOHN L. MOORE, Jr.

THE NIXON PAPERS DECISION: AN INDUCEMENT FOR CONGRESSIONAL ACTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. PREYER) is recognized for 5 minutes.

Mr. PREYER. Mr. Speaker, a few days before the Fourth of July recess, the Supreme Court announced its decision in Nixon against Administrator of General Services, upholding the constitutionality of the Presidential Recordings and Materials Preservation Act, passed by the Congress in 1974. As my colleagues will recall, this measure provided that custody of the papers and recordings of the Nixon Presidency would be given to GSA, which would be responsible for screening them under certain guidelines, and which would have the additional responsibility of issuing regulations governing eventual public access to these materials.

The court decision is an historic one, not merely because it allows for the preservation and release of the Nixon papers, but because it establishes clearly the right of Congress to regulate and mandate the disclosure of documents and materials in the possession of the executive branch.

Justice Brennan, writing for the 7–2 majority, states that—

[Congressional] regulation of material generated in the Executive Branch has never been considered invalid as an invasion of its autonomy.

And, with respect to the 1974 act, he writes that Congress has the constitutional power to enact a law to preserve and mandate the release of Presidential papers for "legitimate historical and governmental purposes":

An incumbent President should not be dependent on happenstance or the whim of a prior President when he seeks access to records of past decisions that define or channel current governmental obligations. Nor should the American people's ability to reconstruct and come to terms with their history be truncated by an analysis of Presidential privilege that focuses only on the needs of the present. Congress can legitimately act to rectify the hit-or-miss approach that has characterized past attempts to protect these substantial interests by entrusting the materials to expert handling by trusted and disinterested professionals.

Justice Brennan, in stating that Congress could act to rectify the hit-or-miss approach of the past, had reference, of course, to the 1974 act which applied to the papers of only one President. His reasoning, however, would seemingly justify regulation by Congress of the preservation and disclosure of Presidential papers in general. It is time, I believe, to consider such action.

The Nixon matter illustrates vividly the undesirability of our present posture. Presidential papers have traditionally been treated as the personal property of the President. When Congress enacted the Presidential Libraries Act in 1955, it apparently acted upon this premise. The act did not require that Presidents deposit their papers with the Presidential libraries, but only encouraged them to do so. Moreover, it allowed Presidents to specify the terms under which access to any papers deposited with such libraries would be permitted. All of the Presidents since the passage of the 1955 act have deposited their papers in such libraries, and all have specified certain rights and conditions of access in the deeds of such papers to the particular repositories. Until 1969, Presidents were allowed deductions from their taxes for these gifts.

Given this traditional practice, Congress is placed in a very awkward position, when, as in the Nixon case, it does not feel that the restrictions upon access prescribed by a former President are in the public interest. Congress is forced, as in the Nixon case, to enact a statute in effect abrogating an agreement which it had impliedly authorized in the Presidential Libraries Act.

The Supreme Court, of course, has now ruled that this is within Congress' power. But it is, in my opinion, not a desirable means of treating the problem. I say this for several reasons. First, it places Congress in the position of having to undo what, by implication, it has already authorized; that is, allowing a President to place restrictions on access to his papers. Second, despite the legitimate governmental and public needs for such information, cited by the Court, such needs can be satisfied under present conditions only by resort to the legislative process. Given the arduous and uncertain route such a bill must travel, I daresay that only in extreme cases—where information in Presidential papers may be evidence of a crime, for example—will Congress be willing to travel this legislative route. Third, such legislation invites the sort of litigation which Mr. Nixon brought. It necessarily has the appearance, if not the substance, of a bill of attainder, since it applies to a lone individual. Further, it necessarily raises separation-of-powers and personal privacy issues, which, even in the Nixon court's decision, turned upon the specific guidelines Congress had set for access and disclosure in the 1974 act. Finally, as the dissenting justices in Nixon point out, under the current situation, the President himself has no assurance that his personal papers will not be demanded by Congress on the date that he steps down from the inauguration stand of his successor. This uncertainty could quite conceivably have an inhibiting effect on the manner in which Presidential deliberations are carried out.

It would be far better, in my opinion, for Congress to establish a general access policy which applied to the papers of all Presidents. Not only would it provide the President with assurance with respect to the manner in which his papers would be treated, but it would provide successive administrations, the Congress, and the public with an effective means of obtaining documents which have continued relevance to the administration of Government and an understanding of history.

At this point, Mr. Speaker, I call to the attention of my colleagues the report of the National Study Commission on Records and Documents of Federal Officials, the study group that was created under title II of the 1974 act. This report was released in March, and contains recommendations regarding access not only to Presidential papers, but to official papers generated in each of the three branches of Government.

The recommendations of the Commission with respect to Presidential papers are especially pertinent here and I will summarize them briefly:

That the papers generated by the Executive Office of the President be divided into three categories: First, Federal records, which shall consist of the records of units within the Executive Office of the President which do not exist to advise and assist the President with his official functions; Second, Presidential public papers, which shall consist of papers prepared or received by the President and his immediate staff, or by units within the Executive Office of the President whose function is to advise or assist the President, in connection with the President's constitutional or statuory duties; and Third, personal papers of the President, which shall consist of papers of a private and nonofficial capacity, including those which relate to the President's participation in party politics.

That Federal records and Presidential public papers be considered as the public property of the United States, while the personal papers of the President shall be his private property.

That, notwithstanding the fact that Presidential public papers are deemed the property of the United States, the President be entitled to place restrictions upon access to such papers for up to 15 years after the conclusion of his term in office, except that any new administration would be entitled to access to such papers to the extent that such access is required for the conduct of the current official business of the President.

That at the end of such 15-year period, such papers would be made available to the public except to the extent that further restriction is necessary in the interests of national security or to protect

against a clearly unwarranted invasion of privacy.

That each President, at the end of his term, be required to transfer to the Archivist of the United States the Presidential public papers of his term.

To accomplish these recommendations, the Commission recommends that Congress amend the Presidential Libraries Act of 1955 (44 U.S.C. 2101), which I have alluded to above.

Mr. Speaker, while I am not prepared at this time to voice my support for all of the Commission's recommendations, I feel that they are a good place for us to start. I intend in the near future to introduce legislation which provides the Congress and the public with an orderly and uniform means of access to Presidential papers, which is consistent both with the President's need for privacy and confidentiality, and the need of the public and successive administrations for access to such materials. The Government Operations Subcommittee on Government Information and Individual Rights, which I now chair, has had a longstanding interest in the subject of access to information held by the executive branch. The subcommittee furthermore has oversight responsibility for the National Archives and Records Service. The particular problem posed by access to Presidential papers is, therefore, well within the subcommittee's ambit and expertise. I am hopeful we will be able to respond constructively to what I view as the implicit challenge of the Nixon papers decision.

FUNDING OF THE JOINT COMMITTEE ON DEFENSE PRODUCTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. MITCHELL) is recognized for 5 minutes.

Mr. MITCHELL of Maryland. Mr. Speaker, in the debate last month on the legislative appropriations bill, a number of allegations were made about the Joint Committee on Defense Production. Many of these allegations were half-truths or misrepresentations which placed the joint committee in a false light and led to the regrettable decision to deny this committee its appropriation for fiscal year 1978.

As vice chairman of the joint committee, I cannot let these false impressions go unchallenged. In order to set the record straight about the Joint Committee on Defense Production, I am quoting from the debate on H.R. 7932 on June 29, 1977, and providing the true information. I hope my colleagues will give the facts the attention that they merit.

In the debate it was said:

> Since the Korean War, Mr. Chairman, the joint committee has lapsed into a sort of somolent state because our Nation has maintained a very high standard of military preparedness.

This remark shows a fundamental misunderstanding of legislative oversight. Precisely because of the resources that are devoted to defense, even in peacetime, it is more important than ever that there be rigorous congressional oversight of defense production, procurement and preparedness programs. The Joint Committee on Defense Production was not set up to conduct oversight only in wartime; it was established to insure that the Nation was adequately prepared militarily without jeopardy to the basic health of the domestic economy.

The original declaration of policy preceding the Defense Production Act of 1950 contained these words:

> It is the intention of the Congress that the President shall use the powers conferred by this Act to promote the national defense, by meeting, promptly and effectively, the requirements of military programs in support of our national security and foreign policy objectives, and by preventing undue strains and dislocations upon wages, prices, and production or distribution of materials for civilian use, within the framework, as far as practicable, of the American system of competitive enterprise.

The mission of the joint committee, therefore, is to insure that the proper balance between defense needs and a strong economy is being maintained. The need for this kind of oversight has not lessened since 1950. Indeed, it has grown with the absolute increase in our defense budgets over the years. No other committee of the Congress has or exercises this oversight jurisdiction. Therefore, it is inexplicable to me why the Congress would deny funding to a committee which has this vital assignment and which has effectively carried it out.

During the debate, it was also stated that:

> During the period in which I have been observing the joint committee, I might add, in 1972 the joint committee held 3 days of hearings and prepared its 21st annual report . . . in 1974 it held no days of hearings and prepared its 23rd annual report.

This observation is historically accurate but it is irrelevant to the present situation. Since the beginning of the 94th Congress in 1975, the joint committee has been completely transformed. It has a new chairman, a new vice chairman, a new ranking minority member, six new committee members, and an entirely new staff.

It was said during the debate that:

> In 1975 it held 2 days of hearings and prepared its 24th annual report.

In fact, during 1975, the joint committee, besides reorganizing and laying out an agenda for the 94th Congress, held 4 days of its own hearings, arranged 2 days of hearings for the Senate and House Banking Committees, prepared and obtained enactment of a major revision of antitrust laws relating to the International Energy Agreement, reviewed the state of the DPA materials inventory and programs, reviewed the administration of the defense priorities system, reviewed compliance with the Cost Accounting Standards Board's directives, analyzed the security of the opium stockpile, and initiated a comprehensive investigation of enforcement of standards of ethical conduct for defense officials. Its annual report was a summary analysis of these activities.

Again, during the debate on H.R. 7932, it was alleged that:

> In the ensuing year after that passed (1976), there was indeed a great deal of activity on behalf of the joint committee. It held 22 days of hearings and prepared its 25th annual report.

Once again, Mr. Speaker, these allegations ignore the facts in an effort to minimize the activities of the joint committee. In 1976, the committee continued to follow the agenda laid out early in 1975. It continued its review of standards of conduct compliance, it initiated a comprehensive review of the state of the Nation's emergency preparedness organizations and programs, it undertook the Congress' first review of the issue of economic stockpiling, it began an ongoing review of defense contract audit techniques, it performed a comprehensive review of the new Department of Defense profit policy entitled "Profit '76," it advised the Cost Accounting Standards Board on its new standards and on exemptions thereto, it completed a lengthy review of the enforcement authorities in the Defense Production Act, it conducted an intensive inquiry into allegations of conflict of interest in connection with the Navy's CONDOR air-to-surface missile program, it began a view of the state of the defense industrial base, it examined Soviet civil defense programs, and it inspected the new methodology and program for the stockpiles of critical and strategic materials proposed by the Ford administration. In addition, it sponsored a review of Federal materials policy recommendations by the Congressional Research Service.

In all, the joint committee held 18 days of hearings and prepared a series of special reports, in addition to its annual report, which is mandated by law. The allegations made in the debate on H.R. 7932 ignore these special reports and the other activities of the joint committee. Again, these activities are summarized in the joint committee's annual report for 1976. It also includes functional statements on the preparedness activities of all Federal departments and agencies. These functional statements provided the committee with the data it required to develop its bill to consolidate the Federal preparedness agencies.

But more serious than these misrepresentations is the misunderstanding of legislative oversight which they reflect.

There seems to be an implication that effective oversight is measured merely by the number of hearings held. This is not so. Effective oversight is measured by the breadth and depth of oversight inquiries, by the quality of analysis and information, by the cogency of the resulting recommendations and by the impact which they have on Federal programs, regulations, and statutes.

Measured by these standards, the oversight activities of the joint committee have been effective indeed. They have led to numerous program changes, to wideranging regulatory changes, and to three pieces of remedial legislation, two of which are now pending in the Congress. At the end of these remarks I am appending a list of the specific accomplishments of the joint committee. I hope they will clear up the mistaken impressions of the joint committee's work that were fostered in the debate on the committee's appropriation.

In the recent debate, it was further alleged that:

> The basic functions of the joint committee is still to send out a questionnaire to the var-

ious departments and agencies on their preparedness programs and to publish the results of that questionnaire.

This is simply untrue. The basic function of the joint committee is, as I have noted, to review emergency preparedness and mobilization programs to insure that they are adequate for defense without imposing "undue strains" on the peacetime economy. That is what the joint committee has been doing, and doing well. To state otherwise is to ignore the committee's wide-ranging hearings, its special reports and the summary analysis contained in its mandated annual reports, as well as its extensive but less visible activity in terms of staff inquiries and committee correspondence.

Still another misrepresentation in the debate was the statement that:

As to the usefulness of the report, the current chairman of the committee said that they were difficult to digest and were the consequence of compiling records from the various agencies involved, and not of any attempt to analytically distill the information.

The fact is that these remarks were made by the current chairman of the committee in 1974, before he assumed a leadership position and before he instituted the changes I have mentioned. This shows either a failure to study or a failure to understand the committee's annual reports for 1975 and 1976, which do contain a summary analysis of information requested from the departments and agencies. It also reveals a similar failure in regard to the joint committee's use and evaluation of this information in its hearings, in the report it prepared on its civil preparedness review entitled "Emergency Preparedness and Industrial Mobilization," and in the drafting of its bill to reform the preparedness agencies and programs, H.R. 7649.

Again, we heard in the debate that:

It has been alleged that this committee is a watchdog, but I believe it is important to recognize that is specifically not one of the functions of that committee. . .

This assertion is so contrary to fact and shows such a lack of understanding of legislative oversight that it is difficult to know how it can be made. The dictionary defines watchdog as "one that guards against loss, waste, theft, or undesirable practices." The Defense Production Act quite specifically states:

It shall be the function of the (joint) committee to make a continuous study of the programs and of the fairness to consumers of the prices authorized by this Act and to review the progress achieved in the execution and administration thereof.

Quite clearly, it was the intent of the Congress when it passed the Defense Production Act to make the joint committee a watchdog which would conduct program review and analysis for the Congress of defense production and procurement activities.

The debate also contained the assertion that:

There are seven other groups in this Congress, such as the General Accounting Office, the Government Operations Committees, of both the House and Senate, the Armed Services Committees of both the House and Senate on the authorizing side, and the Defense Subcommittees of both the House and Senate on the appropriating side who have that kind of oversight jurisdiction.

Aside from the fact that only the Joint Committee on Defense Production has the explicit statutory mandate to review industrial and economic preparedness, it is also the only committee of the Congress which has examined industrial preparedness, cost accounting standards, defense profit policy, the erosion of the defense industrial base, the defense priorities system, the availability of materials for defense production, and conflict of interest in defense procurement, among other issues.

The General Accounting Office is a tool of Congress, not a substitute for legislative oversight. It has performed a number of studies at the request of the joint committee and this is its proper role.

The Armed Services and Appropriations Committees of the Congress conduct very little oversight except in the context of considering authorizing or appropriations bills. This does not touch many programs, special authorities, or a large body of regulatory activity.

Moreover, the joint committee is the only unit in the Congress with the expert knowledge necessary to conduct effective oversight of the programs and issues under its purview.

While I am sure we could all dream up different ways of carrying out the oversight tasks of the joint committee, the simple fact remains that none of the alternative organizations mentioned in the debate have ever done this important oversight or shown the slightest interest in assuming these functions. Nor does the House action in denying the joint committee an appropriation provide for any of these alternatives. It simply halts the oversight work of a duly authorized committee.

Another statement in the debate on H.R. 7932 is worth notice:

The amendment (to deny funds to the Joint Committee) was defeated in the subcommittee by a tie vote and was passed by the full Committee on Appropriations without any really strong opposition or any real vote on it. So that I do believe that it is time that we looked at some of the functions that we have, and I guess part of that is the question of whether we have the gumption not to fund something that is sort of a vestigial body . . .

I believe that my remarks demonstrate beyond any shadow of doubt that the joint committee is not a vestigial body, either in terms of the need for oversight or programs that harmonize our interests in national defense and a sound economy or in terms of its record of activity.

Beyond that, this remark acknowledges that the Appropriations Committee did not examine in detail the role and the performance of the joint committee. Had it done so, I do not believe it would have denied the funds earmarked for the joint committee by the legislative subcommittee.

Finally, this remark ignores the fact that the proper body for deciding the question of the joint committee's oversight function is the authorizing committee, the Committee on Banking, Finance and Urban Affairs. That committee examined the issue in May and found that the joint committee continues to be the most efficient and economical instrument for carrying out this important and specialized oversight.

It was further alleged in the debate that:

The committee had more activities since we last voted to cut off the funding.

First of all, this is a deceptive statement because the Congress has never before voted to cut off the funding of the joint committee. Second, it contends that the joint committee's oversight activity is responsive merely to threats to terminate its funding or existence. This ignores the well-documented fact that the committee's oversight program was laid out, embarked on, and, in several respects, completed before any action was taken to disestablish the joint committee. For confirmation of this fact, I refer my colleagues not only to the joint committee's oversight record in 1975 but also and more importantly to the joint committee's statements to the Legislative Appropriations Subcommittee on March 10, 1975. At that time, its agenda had been established, months in advance of any effort to terminate the joint committee. That agenda, with modifications, drove the joint committee's oversight program, not the persistent, uninformed and unwarranted attacks that began in November 1975.

Finally, Mr. Speaker, the debate on H.R. 7932 included one last mischaracterization. It was stated:

The Senate, in its reorganization report, S. 4, I believe it is, apparently wishes the joint committee to consolidate its functions where they should be in the Committee on Armed Services and the Committee on Banking, Finance and Urban Affairs, so that is something that is being carried out, that is the function that it performs, some of which are good and could well be performed elsewhere.

While I am relieved that the value of the joint committee's oversight function was finally recognized and appreciated, this statement omits several important facts. First, the recommendation of the Senate Rules Committee on Senate Resolution 4 was that the Joint Committee on Defense Production be consolidated with the Joint Economic Committee, so as to preserve the efficiency of the joint oversight operations. Second, this question was settled in the proper forum, when the Committee on Banking, Finance and Urban Affairs reauthorized the Joint Committee on Defense Production for the customary 2 years. This action was unanimously agreed to by the Senate and is now public law. So that issue has already been disposed of.

Third, denial of funds to the joint committee will not achieve the stated objective of transferring its statutory functions elsewhere. The allegations made by the sole individual who spoke against the joint committee in committee and on the floor are thus inconsistent. The value of oversight of defense production, procurement, and preparedness programs is acknowledged in the same breath which calls for action to terminate this oversight without providing an alternative.

The record shows that the oversight program of the joint committee is significant and has had a great impact. It is especially impressive when you consider the few resources which the joint committee deploys. Yet if the House truly believes that this oversight has not been adequately performed, then it has a responsibility to point to specific areas where improvement is needed or to provide the additional resources for this purpose. Withholding funding from a duly authorized committee solves none of the problems alleged to exist in the debate; it creates a new and more serious problem by depriving the Congress of one of its few dedicated oversight units, whose work is done by no other committee.

Mr. Speaker, every argument made against the joint committee has been shown to be without foundation in fact or substance. The true record of the joint committee is available for confirmation of the facts I have set forth. In the absence of a single compelling or documented reason for withholding funds from this committee, there can be no justification for the actions taken last month. Instead, funds were denied on the basis of calculated misinformation and not on the basis of reasoned argument or a full knowledge of the facts. The Members of this body have an obligation to check the factual record against the allegations that have been made against the joint committee and to make a decision in an informed and responsible manner. Had this been done before the vote on my amendent to restore the committee's funding in H.R. 7932, I feel certain that the House would have made the more intelligent decision.

JOINT COMMITTEE ON DEFENSE PRODUCTION—ACCOMPLISHMENTS AND IMPACT—94TH CONGRESS

COST ACCOUNTING STANDARDS BOARD

1. Committee comments to CASB (early '76) played key role in persuading Board not to promulgate CAS #413, which might have unnecessarily added hundreds of millions of dollars to the cost of government contracts.

2. Strong committee opposition (summer '75) stopped CASB from granting arbitrary exemptions from CAS requirements; subsequent meetings with requestors persuaded companies that they could live with CAS.

3. Comments endorsing exemptions for small business led to CASB proposal to issue such a policy.

4. Initiated comprehensive review of costs and benefits of Cost Accounting Standards: hearings planned 8/77.

STANDARDS OF CONDUCT

1. Committee investigation showed systematic and widespread violation of standards of ethical conduct by many top-level federal officials, and consistent failure of agencies to enforce their own rules.

2. Committee investigation led to removal of loopholes and issuance of more comprehensive regulation on standards of conduct by DOD.

3. Comments by committee led to stricter enforcement of existing regulation by DOD and NASA.

4. Conflict of interest review disclosed loophole in DOD regulation on organizational conflicts of interest which allowed companies with an interest in a program to contract with DOD to evaluate the program.

5. Developed information showing numerous instances wherein contractors paid former employees while they were employed by the DOD.

6. Reported 9 misdemeanor cases of failure to file a required report on defense related employment to the Department of Justice for investigation.

7. Reported possible violations of 37 USC 801(c), developed pursuant to committee investigation, to General Accounting Office. Law prohibits "selling" by retired military officers to the armed services.

8. Developed legislation, introduced by 9 Senators and 59 Members of the House, to close the revolving door in federal procurement.

9. Conducted an in-depth investigation of allegations of conflict of interest in procurement decisions on the Navy's CONDOR air-to-surface missile program.

ADEQUACY OF DEFENSE CONTRACT AUDIT TECHNIQUES

1. Initiated comprehensive review of the adequacy of defense contract auditing and associated techniques for identifying nonpermissible costs and settling cost disputes.

2. Reported weaknesses in CWAS (Contractor Weighted Average Share in Cost Risk) program to reduce audits of contractors, which has added millions of dollars in unjustified costs to defense contracts, and recommended that Secretary of Defense Brown abolish the program.

3. Recommendations by JCDP led to initiation of audit, for the first time ever, of contractor Washintgon office. Audits led to the discovery of millions of dollars in unreasonable cost claims.

4. Reported individual cases of improper cost claims to the Defense Contract Audit Agency for disposition: eg., reimbursement by Northrop of employee travel expenses for recreational activities, costs incurred by Rockwell International for promotion of the B–1 bomber; JCDP action led to questioning by DCAA of nearly a million dollars in inflated cost claims.

5. Recommended to Secretary of Defense Brown, after extensive review, that contractor lobbying expenses not be reimbursed by the government, a potential savings of millions of dollars each year.

FEDERAL EMERGENCY PREPAREDNESS

1. Conducted first comprehensive review of federal emergency preparedness programs and organizations in ten years, including preparations for defense of industry and population against nuclear attack and preparations for natural or other non-nuclear catastrophes.

2. Examined the scope and effectiveness of Soviet civil defense programs and proposals for analogous U.S. programs and issued a report evaluating both.

3. Drafted legislation to consolidate and improve federal preparedness efforts, now assigned to three major agencies and 35 supporting departments and agencies, into a single disaster reflief and preparedness organization.

DOD PROFIT POLICY

1. Conducted a lengthy and thorough inquiry into the development of the Defense Department's profit policy. Committee recommended to DoD Profit '76 Special Advisory Group that profit policy be offset to recognize impact of the Cost Accounting Standards making the cost of capital for capital improvements an allowable cost. Advisory Group adopted this recommendation and it was implemented.

FEDERAL MATERIALS POLICY

1. Conducted a comprehensive review of the need for and possible organization of economic stockpiles.

2. Carried out an in-depth review of the new policy and methodology for developing goals for the Strategic and Critical Materials Stockpiles. As a result of committee criticism of these goals, the new stockpile plan was subsequently withdrawn.

DEFENSE INDUSTRIAL BASE

1. Began an inquiry into the question of erosion of the defense industrial base, reviewing DoD proposals for dealing with this problem. Made recommendations for improving contracting techniques to help prevent undue erosion in the defense sector.

ENERGY

1. Amended Defense Production Act to establish an Energy Priorities System to facilitate the manufacture of energy production equipment analogous to the Defense Priorities System for production of military goods.

2. Amended the Defense Production Act to provide tighter regulations governing grants of anti-trust immunity to oil companies participating in the International Energy Program established pursuant to the International Energy Agreement of November 1974.

ILLEGAL MEXICAN MIGRATION TO THE UNITED STATES: RECENT RESEARCH FINDINGS

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Ms. HOLTZMAN. Mr. Speaker, Prof. Wayne A. Cornelius of the Massachusetts Institute of Technology has recently completed a most important study on the causes and consequences of illegal immigration from Mexico to the United States. The study is particularly valuable because of its reliance on empirical data, rather than on conjecture, to analyze the illegal alien problem.

Professor Cornelius provides strong factual evidence to dispute many commonly held views about the most controversial illegal immigration issues. His study indicates, for example, that many, if not the majority, of those Mexicans who migrate illegally to the United States are temporary, rather than permanent, immigrants who return to Mexico.

Importantly, Professor Cornelius also contends that the vast majority of illegal Mexican workers do not take jobs away from Americans. To bolster this contention, Cornelius cites not only his own research but also two other studies conducted in Los Angeles and San Diego in 1975–76. In both instances, efforts were made to fill jobs vacated by illegal aliens with unemployed Americans. These efforts failed.

I would note that although Professor Cornelius provides no research on job displacement in the Northeast, he is right in saying that the impact of illegals on the job market can be accurately assessed only by studying occupational patterns, job applicants and hiring practices by region, industry, and enterprise size.

Professor Cornelius notes additionally that Mexican illegals contribute far more to social security and tax revenues than they cost in social service benefits. Not only must illegals pay State and local sales taxes, but at least two-thirds of them also have social security and Federal income taxes deducted from their wages, as well as payroll taxes for unemployment and disability insurance. Conversely, less than 5 percent of the Mexican illegals studied ever collected either unemployment or welfare benefits.

Finally, Professor Cornelius also points out the critical dependence of many sec-

tors of the Mexican economy on income from the illegal migrants.

Among the thought-provoking recommendations for U.S. policy options which Professor Cornelius suggests are a moratorium on unilateral efforts to restrict illegal immigration from Mexico, an increase in the quota for legal immigration from Mexico, institution of a new system of temporary workers migration visas, and assisting the Mexican Government in reorienting its rural development policy toward small scale, labor-incentive rural industrialization.

A lack of authoritative research material has been a major factor hindering the formulation of effective solutions to the illegal alien problem. In view of the extreme complexity of the issue and the lack of factual information which has often marred the debate on the subject, this paper merits careful consideration.

The text follows:

ILLEGAL MEXICAN MIGRATION TO THE UNITED STATES: RECENT RESEARCH FINDINGS AND POLICY IMPLICATIONS

(By Wayne A. Cornelius)

INTRODUCTION

Both in terms of the sheer number of people involved, and of the social, economic and political consequences of the phenomenon for both the sending and receiving nations, illegal Mexican migration to the U.S. should be regarded as the most critical issue currently affecting relations between the U.S. and Mexico. It is of considerably greater importance than illicit drug traffic, prisoner exchange, Colorado River salinity, and other issues which have dominated discussions between the two countries for more than a decade. Rapidly increasing pressure on both the U.S. Congress and the President from special interest groups within the U.S. to take drastic unilateral action to stem the flow of illegal workers during a period of high unemployment makes it even more imperative that the issue be accorded appropriate attention in forthcoming discussions with the Mexican government. The basic argument advanced in this paper is that a truly effective, long-term solution to this problem can be achieved only through concerted, bilateral efforts, with primary emphasis on action by the Mexican government. The argument will be supported by a review of the best available scientific evidence on the causes and consequences of illegal migration from Mexico, drawn from my own three-year study based on the migrants' communities of origin in Mexico and from other empirical studies undertaken since 1970.

What is the magnitude of illegal Mexican migration to the United States?

Estimates of the total number of illegal aliens of all nationalities present in the U.S. at this time range from 4 to 12 million. The most widely publicized estimate, provided to the Immigration and Naturalization Service (INS) by Lesko Associates, is 8.2 million illegals (in 1975), of whom 5.2 million are estimated to be Mexicans. The Lesko estimates are regarded by most experts as excessively high, by several millions, and the assumptions and methodology employed in these calculations are scientifically indefensible. Due to the clandestine nature of the population and its great geographic dispersion through the United States, it is impossible to estimate the size of the total illegal population with any degree of precision, using any extant source of data.

The number of illegal Mexican aliens detected in this country increased from 48,948 in 1965 to about 773,000 in 1976. Most experts believe that the INS apprehends only 1 out of 3, or 1 out of 4 illegal aliens who enter the country. While the concentration of INS enforcement activities in those portions of the country where Mexican illegals are clustered makes it impossible to estimate the true proportion of Mexicans among the country's illegal alien population from apprehension statistics (most experts believe the actual figure to be about 60 percent), it is clear that Mexico is by far the most important source country for illegal aliens. Among the rural Mexican males aged 17 and over interviewed in my study, over one-half had attempted to work in the United States on at least one occasion. Of these, 77% had gone there more than once; and half had made 4 or more trips to the U.S. in search of employment. Fifty-seven percent of those with work experience in the U.S. had entered illegally on at least one occasion.

While hundreds of thousands of Mexicans do enter the U.S. each year in search of work, the vast majority return to Mexico during the same year (usually after 4–6 months of employment). The temporary character of most Mexican wage-labor migration to the U.S. (see page 7) is usually overlooked by critics of the phenomenon, who view each year's "crop" of illegal migrants as an increment to the permanent-resident population of illegal aliens.[1]

Who are the illegal migrants?

The evidence on personal characteristics of illegal migrants from Mexico from all major studies is quite consistent. They are predominantly young (average age, slightly over 27 years),[2] male, poorly educated (five or fewer years of schooling), occupationally unskilled, and from impoverished rural communities. Most have worked only in agriculture prior to migration to the U.S., but many are new entrants to the wage-labor force, having only helped their fathers on the family plot prior to migration. The vast majority (about 70 percent in my study) are single when they migrate to the U.S. for the first time, but even after marriage they rarely attempt to take their wives and children with them on return trips, primarily because dependents increase the risk of detection by U.S authorities and because of the high cost of maintaining them in the U.S.

Movement to the U.S. from those regions of Mexico which have traditionally supplied the largest share of illegal migrants is by now a highly institutionalized phenomenon—indeed, a family and local community tradition in many cases. In my study I found that half of those who had migrated to the U.S. illegally also had fathers who had worked in the U.S., many of them during the period of the "bracero" program of contract labor (1942–1964). Three-quarters of the illegals also had brothers or sisters who had worked in the United States. Moreover, 43 percent of the married men who had worked in the U.S. also had one or more children who had gone to the U.S. Landless agricultural workers and sharecroppers are by far the most migration-prone groups, although some small private landowners and ejidatarios (recipients of small plots of land under Mexico's agrarian reform program) also find it necessary to supplement their income through employment in the U.S.

There is also some evidence from my study indicating that illegal migrants to the U.S. differ from Mexicans who have never gone to the U.S., in terms of certain psychological and attitudinal traits. For example, the illegals have a somewhat higher propensity to take risks; they are more sensitive to inequalities in the distribution of wealth within their home community; and they have weaker attachments to the Catholic Church and Catholic religious symbols.

Why do they go?

All studies stress the strongly economic motivation of Mexican illegals. More than 84 percent of the migrants interviewed in North's (1976) study, Villalpando's (1977) study, and my own said they had gone to the U.S. to find a job or to increase their family income. It is clear, however, that the huge wage differentials (often three to four times, for comparable work) between the U.S. and Mexico are more important than outright unemployment in Mexico in promoting migration to the U.S. Of the "illegals" interviewed in my study 77 percent cited the need to increase their earnings as their principal reason for migrating to the U.S.; only 9 percent mentioned lack of work in their community of origin. And when asked why they had gone to the U.S. rather than to some city in Mexico, most migrants (47 percent) gave higher wages in the U.S. as their reason.[3] The attraction of higher wage scales in the U.S. is even more powerful among Mexican rural dwellers who have not yet had a work experience in the United States. Among my interviewees who had not yet migrated to the U.S., nearly half expressed a desire to do so at some point in the future, 92 percent of these citing better wages in the U.S. as their principal reason. Other research has also demonstrated that the size of the "gap" between Mexican and U.S. wages is the single best predictor of the volume of illegal Mexican migration over time (Jenkins, 1976).

The importance of unemployment and underemployment in Mexico—currently running at 30 percent or more in the rural sector—should not be underestimated; however, the findings indicate that it is not just the lack of jobs, but of reasonably well-paid jobs, which fuels migration to the U.S. Enforcement of official minimum wage levels is extremely lax in Mexico, and since 1971 the real incomes of poor Mexican families have been seriously eroded by a sharply increased rate of inflation. Another inflationary spiral has resulted from the nearly 100 percent currency devaluation in Mexico during 1976. Wholesale prices rose by 45 percent from January, 1976 to January, 1977, and the inflation rate may exceed 30 percent during 1977. With U.S. dollars now yielding twice as much in Mexico, the devaluation can be expected to produce a substantial increase in illegal migration to the U.S. This increase should be noticeable during the first half of 1977. Since most illegal workers return to the U.S. each year during the February–April period.[4]

Historically, severe drought, floodings, or other climatic conditions which affect agriculture have resulted in sharp increases in the rate of migration to the U.S. Another major problem in recent years has been the high cost of unavailability of chemical fertilizers in Mexico, needed even by subsistence farmers to grow crops in their depleted soils. The general point to be made is that the flow of illegal migrants from Mexico seems to respond far more to economic conditions within Mexico than to conditions in the U.S., including the U.S. level of unemployment and the level of apprehension effort by

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[1] Typical of this view is the recent statement which claimed that "8 to 10 million illegals are already here, and we are getting *an additional 500,000 to 600,000 each year*" ("Meet the Press," NBC Television broadcast; emphasis added).

[2] Among those included in my study, the average age upon *initial* migration to the U.S. was 23 years.

[3] Another study of 919 apprehended Mexican illegals found that one-third of the illegals originating in the seven Mexican states which provide the majority of migrants to the U.S. *had* jobs in their nome community at the time of their departure for the U.S. (see Bustamante, 1976).

[4] For example, the El Centro, Calif., border patrol station reported 2,250 apprehensions during the month of February, 1977, as compared with 1,582 in February, 1976—a 42 percent increase. (New York Times, Feb. 25, 1977, p. A10)

the INS. The massive upsurge in illegal migration to the U.S. in recent years has coincided with Mexico's most serious economic crisis since the late 1930's.

Mexico's poor are aware of the increasing difficulty of finding employment in the U.S. given the current state of the economy and the saturation of some labor markets by illegal aliens. Among those rural dwellers interviewed in my study who had had no work experience in the U.S., 56 percent believed that it would be difficult for them to find the kind of job they would like to have in the U.S. They are also aware of the considerable expense involved in making the trip and the danger of apprehension by the INS. Even under such circumstances, however, a decision to go to the U.S. is often eminently rational. The peasant usually estimates that the risk of not finding a job, or of being caught and expelled by the INS, is substantially lower than the risk of being unemployed or having an adequate income if he remains is his home community. Among the illegal migrants interviewed in my study, 62 percent had found a job in 10 days or less after crossing the border, during their first trip to the U.S. During their most recent trip, 63 percent found work within 10 days, and an additional 9 percent had jobs assured even before they left Mexico (they simply returned to the same employer who had employed them during previous sojourns in the U.S.). The illegals' relative lack of difficulty in finding jobs in the U.S. is clearly reflected in their perceptions of employment opportunities in Mexico and the U.S.: when asked to rate nine possible destinations—including Mexico City, Guadalajara, four additional Mexican localities, California, Chicago, and Texas—in terms of the rapidity with which a migrant to each place could obtain work, 58 percent of the illegals in my study specified one of the U.S. destinations as the place where a job might be obtained most rapidly. (Their responses do not simply reflect unfamiliarity with Mexican destinations—one-third of the illegals had also had one or more work experiences in Mexico outside their home community.)

An excess of population—relative to the amount of cultivable land and the number of non-agricultural employment opportunities—is one of the most basic factors promoting migration to the United States, as well as to urban areas within Mexico. Mortality rates have fallen sharply in Mexico since 1940, due to improved health care, sanitation, and nutrition; fertility rates remain quite high (the completed family in rural communities often has 8 or more surviving children). The Mexican government claims to have reduced the country's rate of natural population increase from 3.6 percent (one of the highest rates in the world) to 3.2 percent in recent years, but these statistics undoubtedly overstate the actual reduction due to data collection problems in rural areas.

In fact, birth control information and services remain conspicuously unavailable in most rural communities, since the Mexican government's family planning program has been heavily concentrated in urban centers. It must be emphasized, however, that even if population growth were somehow to be brought into equilibrium with employment opportunities, illegal migration to the U.S. would undoubtedly continue, as long as the wage differential for unskilled or low-skilled jobs between the U.S. and rural Mexico remains as large as it is today. Most rural dwellers can earn and save more in 1–3 months of work in the U.S. than they could in an entire year of labor in their home community.

How do they gain entrance?

The vast majority of Mexicans migrating illegally to the U.S. in recent years have entered "without inspection," swimming the Rio Grande along the Texas-Mexico border (59 percent in my study), vaulting the wire fences in California (27 percent), or crossing on foot through the deserts of New Mexico and Arizona (7 percent). Less than 5 percent have been "visa abusers," i.e., those who secure tourist visas and overstay them in order to work in the U.S. On their first trip to the U.S. 36 percent of the illegal migrants interviewed in my study made use of "coyotes"—professional smugglers of alien workers—to effect entry; 41 percent found it necessary to use coyotes during the most recent trip, most of them paying between $150–$225 (U.S.) for their services. The dependence of so many Mexican migrants on commercial smuggling operations for assistance in entering the U.S. is one of the most unfortunate consequences of the current U.S. immigration policy.

It is noteworthy that a substantial proportion of older illegal migrants (27 percent in my study) made their initial trip to the U.S. as "braceros" during the 1942–1964 period. When the "bracero" agreement with Mexico was terminated unilaterally by the U.S. Congress (under heavy pressure from organized labor), these migrants continued to go to the U.S., illegally. In this sense, the "bracero" program never really ended; it simply went underground.

About 30 percent of my respondents who had entered the U.S. illegally on at least one occasion had never been apprehended by the INS (despite the fact that 70 percent of them had made multiple entries over the years); and another 30 percent had been caught only once. Of those who had been apprehended on any occasion, 47 percent had been caught only during their first or second trip. The data show that the probability of apprehension decreases substantially with each successive illegal entry, presumably because the migrants learn successful evasion techniques. The interviews make it clear that the INS is not a very formidable adversary, nor an effective deterrent to illegal migration. Even among those illegals who are caught and "voluntarily" returned to Mexico, a substantial proportion (36 percent in my study) attempt re-entry within a few days, and more often than not they are successful.

Where do they go?

All studies show that the most favored destinations for illegal Mexican migrants to the U.S. are in California (especially the southern part of the state), the Chicago area, and the state of Texas, in that order. For those migrating without enough resources to support themselves during a prolonged period of job-seeking, California offers the best possibilities, because agricultural jobs are plentiful there, and are less time-consuming to obtain. Texas is least favored because of the low wage scales prevailing there. The Chicago area, offering higher-paid jobs in both industrial and agricultural enterprises, is preferred by those having sufficient time, money, and personal contracts to facilitate job-seeking. The poorest migrants often prefer jobs located in small towns or rural areas, because of the lower living costs there. Illegals from just one of the rural communities included in my study were working in at least 110 different U.S. localities dispersed through 19 states in 1975; most of these localities were outside major cities. The long-term trend, however, is toward greater migration to large urban centers.

Are the illegals temporary or permanent immigrants?

The answer to this question is crucial, since many of the social and economic costs to U.S. society usually attributed to illegal migration are likely to develop only if the migration is of a permanent rather than temporary character. Most discussions of the illeagal alien problem, including the recently released report of the Domestic Council Committee on Illegal Aliens (1976), employ a "stage" model derived mainly from U.S. experience with European immigrants. According to this model, the initial wave of migrants are young and single, and return to the home country after relatively short periods of employment in the U.S.; however, the next wave brings wives from the home country or marries in the U.S. Children of immigrants in this second wave are born in the U.S., and a "second generation" of exploited, disenfranchised and alienated workers emerges. While this pattern may be followed by illegals from other sending countries, there is little evidence indicating that it applies to Mexican illegals.

One major study found that 55 percent of apprehended Mexican illegals had been in the U.S. less than one year, and the average duration for Mexicans was shorter than that of illegals of other nationalities (North, 1976). Among the illegals in my study 71 percent had remained in the U.S. for 4 months or less during their initial trip. Fifty-four percent had stayed for 4 months or less during their most recent work experience in the U.S.; only 11 percent had worked in the U.S. for more than 1 year before returning to Mexico. Historical research shows that Mexicans who migrated to the U.S. during the pre-1930 period were more likely to spend long periods of time (several consecutive years) working there than present-day migrants.

Many, if not the majority, of those Mexicans who migrate illegally to the U.S. have never seriously considered the possibility of moving there permanently. Most simply return to Mexico when their seasonal jobs are ended (30 percent in my study), or when their separation from relatives in Mexico becomes intolerable (32 percent of my respondents). When illegals interviewed in my study were asked, "If you could get [legal entry] papers, would you like to live permanently in the U.S., or would you prefer to continue living here and working there from time to time?," 74 percent reported that they preferred the latter arrangement. When asked for how long they would prefer to work in the U.S. more than 70 percent said 6 months or less per year. Among the illegals interviewed in Villalpando's (1977) study, only 39 percent stated that they would prefer to live in the U.S. if given a choice.

Of course, substantial numbers of Mexican illegals do manage to take up more-or-less permanent residence in the U.S., either by concealing themselves in heavily Mexican-Chicano neighborhoods or by eventually legalizing their status. But they are outnumbered—probably by a margin of at least 10 to 1—by illegals who prefer to maintain a pattern of seasonal or "shuttle" migration. Nearly three-quarters of the illegals in my study resumed their normal occupation in their home community upon returning from their most recent trip to the U.S.

Do Mexican illegals take jobs away from native Americans?

All experts agree that the principal impact of Mexican and other illegal aliens within the U.S. is experienced in the labor market. There is considerable disagreement, however, about the nature of this impact. Most of the concern about the influx of illegal workers from Mexico among the U.S. labor union leaders stems from the fact that illegals tend to be concentrated in the low-wage, low-skill sector of the labor market—where they presumably "compete directly with" or "displace" disadvantaged native Americans, especially blacks and Chicanos. They reason that since illegal aliens are present in the U.S. in large numbers, and since unemployment rates in the U.S. (especially among the young and minorities) are high, there must be a causal relationship between the two.

There is, however, no direct evidence of displacement of native Americans by illegal Mexican workers, at least in those sectors of the job market where the Mexicans typically seek employment. The principal impact of

illegal migration may be to depress wage scales—or maintain the status quo—for certain types of unskilled jobs, rather than to displace native Americans from them. Workers cannot be displaced if they are not there, and there is no evidence that disadvantaged native Americans have ever held, at least in recent decades, a significant proportion of the kinds of jobs for which illegals are usually hired, especially in the agricultural sector. (The major exception would be the employment of poor blacks on plantations in the Deep South—a region in which relatively few Mexican illegals have been employed in recent years.)

Most of the jobs in question are the least desirable in the U.S. labor market: they involve dirty, physically punishing tasks, low wages, long hours, generally poor working conditions, low job security (often due to the temporary or seasonal character of the work), and little chance for advancement. Such jobs were held by impoverished European immigrants in the late 19th and early 20th centuries. The Europeans were replaced by black migrants from the U.S. South in the 1920's and 1930's. Since the 1940's or early 1950's, Mexican workers have been the principal labor supply for these jobs. The experience of West European countries—particularly France and Germany—in recent years demonstrates that they too, have found it necessary to import millions of unskilled immigrants from underdeveloped nations to fill the low-status jobs in their societies which are increasingly shunned by upwardly mobile natives.

Concerned labor leaders point to the fact that Mexican illegals are increasingly employed not only in agricultural stoop labor but in more "desirable" industrial, construction, and service jobs. The available data do indicate a trend in this direction, but it is gradual. In the North (1976) study, 58 percent of Mexican illegals were employed in unskilled agricultural work or menial service occupations; 16 percent skilled blue-collar jobs. Among the illegals interviewed in my study, 69 percent had worked as unskilled agricultural laborers during their first trip to the U.S.; 43 percent had been so employed during their most recent trip. Of the remainder, only 7 percent had held skilled jobs in industry, construction, or services during their most recent stay in the United States. Among recent illegal migrants, the most frequently held jobs were (in order of importance) agricultural field laborer, dishwasher or waiter in a restaurant, and unskilled construction worker. Another recent study (Villalpando, 1977) of 217 illegals apprehended on the West Coast in July 1976 found that 57 percent of the employed aliens were working in agriculture at the time of apprehension; 18 percent in industry; 17 percent in services; 3 percent in construction; and 5 percent in other sectors (the study provides no data on skill levels).

Even in the urban sector, there is as yet no hard evidence to support the thesis of massive job displacement. One intensive study of Mexican illegals' participation in the labor market of the San Antonio metropolitan area found that "Mexican illegal aliens in no way compete with or displace workers in the primary [skilled] labor market. In the secondary labor market, where they work alongside blacks and Chicanos, illegals usually represent an additional supply of labor . . . Blacks and Mexican-Americans worked in similar industries but in basically different jobs. . . . For example, in a typical small construction firm, the Mexican illegal aliens worked as laborers while the Mexican-Americans and blacks had jobs as craftsmen. In a manufacturing industry such as meatpacking, the illegals worked in occupations that Mexican-American and blacks shunned because of dirty working conditions" (Cárdenas, 1976).

The "job displacement" hypothesis is called into question particularly by the failure of two different programs carried out in Los Angeles and San Diego during the 1975–1976 period, programs explicitly designed to fill jobs vacated by apprehended illegal aliens with U.S. citizens. As described in the Villalpando study (1977), the Los Angeles program consisted of an attempt by the State Human Resources Development Agency to fill some 2,154 jobs vacated by the apprehension of illegal aliens. The Agency's efforts to recruit citizen residents of the Los Angeles area to fill these jobs reportedly failed because (1) most of the employers paid less than the minimum wage rate; (2) the low-status job categories did not appeal to local residents; and (3) applicants were discouraged by the difficulty of some jobs and the long hours demanded by the employers.

The "Employer Cooperation Program" conducted by the I.N.S. in San Diego from November, 1975 to April, 1976, had a similar outcome. As described by Villalpando, the purpose of this program was "to assist employers to identify illegal aliens on the job, remove them from the payroll, and fill the job slots with local unemployed residents." A total of 340 illegal aliens were identified and removed from their jobs during the six-month program, most of whom had been working in hotel maintenance, food handling and processing, and laundry services, earning wages ranging from $1.75 to $7.05 per hour. The 340 jobs were eventually filled, but not by unemployed citizens of San Diego. "Instead, 90 percent of the positions were occupied by [legally entering] 'commuter workers' from Baja California, Mexico" (Villalpando, 1977: 62).

Such results are extremely important; they indicate that an accurate assessment of the impact of Mexican illegals on the U.S. job market can only be made through intensive studies of occupational patterns, job applicants and hiring practices within specific regions, industries, and sizes of enterprises. This last category seems especially important, since numerous researchers have noted that Mexican illegals working in urban areas are typically employed in small, marginal firms (e.g., plants manufacturing clothes or shoes, firms processing agricultural products, restaurants and hotels, etc.) which have long been dependent upon Mexican illegals for their supply of unskilled labor and whose very survival might be jeopardized by a sharp reduction or elimination of the supply of illegal workers.[5] The jobs themselves might be eliminated through mechanization if labor costs were to rise sharply, and the U.S. consumer prices of products currently produced with alien labor would almost certainly rise, particularly food products.

Findings like those cited above also call attention to the fact that some types of jobs—by the very nature of the work they involve—probably could not be "upgraded" (either by raising wages or improving working conditions) to the extent necessary to attract native American workers. This applies particularly to stoop labor in the agricultural sector, but also to many types of unskilled jobs in services and industry. Welfare and unemployment compensation are undoubtedly attractive alternatives to taking such jobs, for many disadvantaged native Americans.[6] In short, the frequently repeated claim of INS Commissioner Chapman that with more enforcement resources he could "liberate" more than a million alien-held jobs which would promptly be taken by native Americans is based more on wishful thinking than on scientific evidence. The case for a more restrictive immigration policy cannot be made on the unqualified grounds that "illegals take jobs away from native Americans," at least on the basis of information currently available.

The current upsurge of illegal migration from Mexico, largely in response to devaluation and high inflation within Mexico, will not translate automatically into higher unemployment among disadvantaged native Americans. Its most probable effect will be to increase the competition among illegal Mexican migrants—and between illegals and Mexican nationals who enter the U.S. with legal entry papers—for the same pool of jobs which traditionally have been filled by migrant labor.

Do Mexican illegals take more from the U.S. in social services than they contribute in taxes?

There is uniform agreement among researchers that Mexican illegals make amazingly little use of social welfare services while present in the U.S., and that the cost of the services they do use is far outweighed by their contributions to Social Security and tax revenues. Illegal aliens must, of course, pay state and local sales taxes. Moreover, at least two-thirds of them also have Social Security and federal income taxes deducted from their wages, as well as payroll taxes for unemployment and disability insurance (North, 1976; Villalpando, 1977; Cornelius, 1977). At the same time, only about 4 percent of the Mexican illegals interviewed in the North, Bustamante, and Cornelius studies had ever collected unemployment benefits; fewer than 4 percent had ever received welfare benefits; only 3 percent or fewer had ever had children in U.S. public schools; and only 8–10 percent had ever received free medical assistance in a U.S. hospital or clinic. Villalpando (1977) found that there were only 193 illegal aliens on welfare aid in San Diego County in May, 1976, and that the number had decreased to 23 by January, 1977 (.0002 percent of a total estimated illegal alien population of 92,138).

The Villalpando study provides the first comprehensive analysis of the burden placed by illegal aliens on tax-supported social services in a specific area of the U.S. It estimates that the social services (education, health care, aid to families with dependent children, general relief, food stamps, children's services, burial services, etc.) consumed by illegal aliens cost approximately $2 million per year; however, the study also calculates that illegal aliens contribute about $48.8 million in taxes on wages earned locally each year. It should be noted that the San Diego case provides an "acid test" of the hypothesis that Mexican illegals place a heavy burden on public services which is not offset by

[5] Of the illegals interviewed in my study, 54 percent had been employed in firms employing fewer than 25 persons, according to the respondents. 53 percent of the illegals also reported that nearly all of their coworkers in these establishments had been Mexicans.

[6] For example, Villalpando's (1977) study of illegal aliens in San Diego County found that the majority of them were working for "far below poverty-level wages." Villalpando and his associates estimate that the average annual income of the illegal alien who is employed for a full twelve months (not the typical situation) is $4,368. By contrast, a welfare recipient for a family of five would receive approximately $4,800 per year. The study concludes: "It is unlikely that persons eligible for welfare benefits would work for the wages that the majority of illegal aliens receive, when the applicant can receive as much or more [in] annual welfare payments, . . . particularly since welfare payments are not considered taxable income."

their contributions to tax revenues: the county receives a massive flow of illegal aliens from Mexico; in 1975 it accounted for 43 percent of the total apprehensions of illegal aliens along the southern U.S. border and 25 percent of all apprehensions throughout the nation.

Nevertheless, the INS, several members of the U.S. Congress, and the mass media continue to publicize an estimate made by the Inner City Fund, a Washington-based consulting firm, that consumption of social services by illegal aliens costs the U.S. taxpayer more than $13 billion per year (which is, presumably, not offset by aliens' tax contributions). This estimate is not based on any original field research, and was apparently arrived at by applying highly questionable assumptions about rates of service utilization to the already discredited Lesko Associates estimate of the number of illegal aliens present in the country.

Do Mexican illegals differ from illegals of other nationalities?

The principal study including illegal aliens from all major source countries (North, 1976) demonstrates that the illegal population is far from monolithic, and that striking differences exist between Mexican illegals and those from other Western and Eastern hemisphere nations. By comparison with the latter groups, Mexican illegals are:

far less likely to speak any English;

have less formal education;

bring fewer occupational skills from the home country;

earn substantially lower wages from U.S. employers;

are more likely to be employed in unskilled jobs in agriculture and services;

make less use of social services;

remain in the U.S. for shorter periods of time.

Studies of illegal aliens from other Western hemisphere countries (Cruz, 1976; Chaney, 1976; Domínguez, 1975) also suggest that these groups are far more likely than Mexicans to become permanent residents of the U.S.

The findings of these studies indicate that Mexican illegals are severely disadvantaged in competition with both native Americans and immigrants from other countries for higher-status jobs requiring English language competence, formal education, and specialized job skills. The data also show that the presence of Mexican illegals in this country places less of a burden on social services in the short run and poses less danger of long-term social and economic costs resulting from permanent settlement than the presence of illegals from other principal source countries. All this indicates the need for a U.S. immigration policy which is sensitive to the particular characteristics and consequences of illegal migration from Mexico.

Are Mexican illegals exploited in the U.S.?

Mexican illegals are usually paid low wages, by U.S. standards. In the North (1976) study, the average wage received by Mexican illegals was $2.33 per hour; in the Villalpando (1977) study, the average wage was $2.36 per hour. Those interviewed in my study had earned an average of $2.42 per hour during their most recent trip to the U.S. A significant minority of the illegals in all three studies had been "exploited" by U.S. employers, in the sense that they were paid less than the legal minimum wage (though usually not less than similarly employed legal workers). It is doubtful, however, that even these underpaid illegals considered themselves to have been exploited while working in the U.S.; in the rural Mexican communities included in my study, the wages typically paid to landless workers averaged between 25 and 30 pesos per day (U.S. $2.00–$2.40, at the former exchange rate). While Mexican officials have been quite vocal in criticizing the exploitation of Mexican workers in the U.S. as a source of cheap labor, they usually fail to note that by going to the U.S. the landless peasant is escaping considerably more severe exploitation at the hands of wealthy landowners in his home community, who pay starvation wages for even longer hours of labor, under even poorer conditions, than most low-status jobs to be had in the U.S.

What is the impact of illegal Mexican migration to the U.S. on the Mexican Economy?

Mexican illegals typically remit a substantial portion of their U.S. earnings to relatives in Mexico (30 percent of monthly U.S. earnings in the North, 1976, study; 37 percent in the Villalpando, 1977, study; 42 percent in my study). Among the illegals in my study, 81 percent reported that they sent money regularly (usually by money order or check) during their most recent work experience in the U.S. They remitted an average of $162 (U.S.) per month (in the North study, the average monthly remittance was $129; in the Villalpando study, $138 per month). For nearly three-quarters of the migrants' families represented in my study, these remittances were their sole source of income while the family head was working in the U.S. The illegals in my study were supporting an average of 4.1 dependents in Mexico during their most recent stay in the U.S.

Apart from the money which is remitted periodically by migrants while they are working in the U.S., most (64 percent in my study) are able to save and bring money back with them: the average was $458 among my interviewees, brought back after their most recent trip to the U.S. The total amount involved, in periodic remittances as well as savings returned to Mexico, is quite large—probably in excess of $3 billion per year. It is a crucial (if generally unacknowledged) factor in the Mexican balance of payments, considerably more important than income from tourism. While migrant remittances clearly represent a negative factor in the U.S. balance of payments, it must also be recognized that 60–70 percent of the illegals' earnings typically remain in the U.S., contributing both to tax revenues and to retail sales. The study of the economic impact of illegal aliens (99 percent of them Mexicans) in the county of San Diego conducted by Villalpando (1977) estimates that 44 percent of the illegals' wages, or more than $115 million dollars per year, are spent locally by the illegals for goods and services.

At the level of the local community in Mexico, the impact of migrants' earnings is difficult to overestimate. Income from U.S. employment is crucial to the maintenance of the migrants' families; virtually all of the money remitted to relatives while the migrant is away is used for family maintenance. Among the illegals interviewed in my study, 43 percent also used the lump sums brought back from the U.S. for family maintenance; another 13 percent used the money mainly to pay previously accumulated debts; and 8 percent invested most of their earnings in capital goods (land, livestock, small businesses). Only 18 percent of the migrants spent most of the money brought back from the U.S. on non-essential consumer goods or recreation. In all of the sending communities studied in Mexico, local commerce has benefited substantially from migrant remittances.

What would be the consequences of a sharp reduction of illegal migration for Mexico?

Given the heavy dependence of thousands of rural Mexican communities upon income from the U.S. over a period of several decades, the economic consequences of a severe reduction or cut-off of the flow of remittances from the U.S. would be catastrophic for many of these communities. In some regions, the short-term effect of such a cut-off or reduction would probably be a sharp increase in the incidence of land invasions by peasants; and throughout rural Mexico a step-level increase in permanent out-migration to large Mexican cities could be expected. Such out-migration has been heavy since the 1940's, but the rate is substantially lower than it would have been, in the absence of temporary migration to the United States. Most internal migrants have settled in Mexico City, which is now (with about 13 million inhabitants) the third largest metropolitan area in the world, after Shanghai and Tokyo. A very large and steadily increasing share of Mexican government revenues is being devoted to providing urban services and infrastructure for the inhabitants of Mexico City and two other large metropolitan centers, and the already exorbitant societal costs of these urban agglomerations would be raised substantially by a new influx of migrants from the countryside. To the extent that these costs reduce the share of resources which can be allocated to rural development, they will only contribute to further rural-to-urban migration and persistent attempts to migrate illegally to the U.S. The social and political tensions which would be generated within Mexico by a sharp reduction in migration to the U.S. are difficult to estimate, but the fact that such migration has served as an important stabilizing force in the past cannot be ignored.

What is the Mexican Government's position on illegal aliens?

In dealing with this issue, the Mexican Government must balance a number of important and conflicting interests. Illegal migration to the U.S. clearly functions as a political and economic safety valve for Mexico, as President López Portillo himself recently admitted (interview in the New York Times, February 1, 1977). Migrant remittances—which López Portillo did not mention—are also a very important offset to unfavorable trade balances with the U.S. At the same time, the large volume of illegal migrants crossing the border calls attention to the failure of Mexico's development policies to create sufficient employment opportunities and to raise income levels among a very large sector of the rural population. In this sense the illegal migration is an acutely embarrassing phenomenon for the Mexican Government. The issue also has strong nationalistic overtones within Mexico, exacerbated by isolated but widely publicized cases of physical mistreatment of Mexican illegals by U.S. authorities and others, and by the general awareness that historically the U.S. has chosen to recruit Mexican labor in times of national emergency (World War II, the Korean War) while officially shunning it in times of normalcy.

Most recent Mexican administrations have been content to ignore the issue as much as possible, limiting their diplomatic initiatives to calls for greater protection of the rights of illegal aliens while they are in the U.S. and to periodic efforts to secure a new contract-labor agreement (along the lines of the earlier "bracero" pact) between the two countries. Former President Luis Echeverría often complained loudly about mistreatment of illegal (or as the Mexican government prefers to call them, "undocumented") workers, blaming the migration on widening inequalities between rich and poor nations in the international economic system, and using it as a further justification of his plan for a "new international economic order." In 1974 he rejected the idea of a new "bracero" agreement, on the grounds that it would only increase the exploitation of Mexican workers in the U.S.

President López Portillo is likely to take a more pragmatic, non-ideological approach to this and other related issues in discussions with United States officials. His initial message, however, will be virtually identical to that of his predecesor: "We want to export commodities, not people." He has already announced that new trade concessions (i.e., lowering U.S. tariffs on Mexican-made shoes

and agricultural products) are at the top of his negotiating agenda with the U.S. Government, arguing that the best means of reducing the flow of illegal migrants is for the United States to "take steps to assist the Mexican economy (through trade measures, for example). . . and thereby reduce the pressure on poverty-striken Mexicans to immigrate" (New York Times, February 1, 1977). He has also announced, significantly, that his top domestic policy priority is to increase food and energy production.

RECOMMENDATIONS FOR U.S. POLICY

(1) Moratorium on New Unilateral Efforts to Restrict Illegal Immigration. On several occasions in the past (e.g., the 1929–30 "Repatriation" campaign; "Operation Wetback" in 1953–54), the U.S. Government has demonstrated its capacity to effect mass deportation of illegal Mexican aliens through military-style operations. (It should be noted, however, that both of the above-mentioned operations created a major crisis in our foreign relations with Mexico, and violated the civil and legal rights of hundreds if not thousands of Mexican-American citizens and Mexican nationals legally residing in this country.) And while the technological feasibility of "sealing" our 1800-mile border with Mexico is questionable, there is little doubt that significant increasing the resources available to the INS for apprehension activities would at least shorten the job tenure of many illegals who enter the country.

Similarly, federal legislation (along the lines of laws passed recently by the states of Massachusetts, California, Connecticut, Kansas and New Hampshire) to impose criminal penalties and fines of up to $500 on U.S. employers who knowingly hire illegal aliens might deter some illegal immigration, by reducing the primary incentive for coming to the U.S.—relatively well-paid (by Mexican standards) jobs. However, my interviews—both formal and informal—with hundreds of Mexicans who have worked illegally in the U.S. suggest that the deterrent effect of any law to criminalize the hiring process on the behavior of the migrants themselves is likely to be minimal. This applies particularly to those "experienced" Mexicans who already succeeded in illegally entering the U.S. and finding employment on one or more occasions. A truly massive, ubiguitous, and extremely costly enforcement mechanism would have to be provided to successfully implement any such law; in the absence of such a mechanism, enforcement is likely to be quite uneven, and the impoverished Mexican peasant will assume that the risk of his being denied employment in the U.S. will still be considerably less than the risk of being unemployed or of having an inadequate income in his home community. The operation of this "lottery effect" also ensures that the deterrent effect of technological innovations such as more (or better) electronic sensing devices along the border and a universal system of "counterfeit-proof" identification cards for legal residents of the U.S. will be minimal.

In the long run, all such unilateral police actions or restrictive measures are doomed to failure, since they treat only the symptoms of the "disease" and not the disease itself. It is impossible to legislate away the tremendous migratory pressures at the U.S.-Mexican border, which result from the huge wage differentials between the U.S. and Mexico, rapid population growth, high unemployment and maldistribution of wealth within Mexico, and the perception of the United States by large sectors of the Mexican poor as a land of relatively accessible economic opportunities. The pressures are so intense, and likely to remain so in the foreseeable future, that most Mexican illegals are not likely to be deterred, even by the most draconian restrictive measures. The essence of the problem, and the futility of dealing with it merely through police actions, was conveyed most succinctly and eloquently by one of my subjects, who had been apprehended by the INS for the third time. Confronted by an INS agent, he was asked: "What can we do to prevent you from doing this again?" The illegal responded: "Shoot me!"

(2) Increase the quote for legal immigration from Mexico. The "Immigration and Nationality Act Amendments of 1976" (H.R. 14535), passed in the final minutes of the last Congress and subsequently signed by President Ford, had the effect of reducing legal immigration from Mexico from about 62,000 to 40,000 per year. It will increase the waiting period for Mexican applicants for immigrant status (already about two one-half years), while shortening the wait for people from elsewhere in the Western hemisphere. This and any similar measure will be counter-productive in reducing illegal migration from Mexico, since all historical evidence shows clearly that greater obstacles to legal immigration simply shift the movement toward illegal channels. As noted above, the restriction of legal entry opportunities brought about by termination of the "bracero" program in 1964 led to a sharp increase in illegal migration from Mexico. The quota for legal Mexican immigration should be raised at least to its pre-October, 1976, level.

(3) Institute a New System of Temporary Worker Migration Visas. Such a system would involve issuing, through U.S. Consulates in Mexico, a predetermined number of temporary worker visas permitting up to 6 months (not necessarily consecutive) of employment in the U.S. each year. To maintain a valid visa, the worker would be required to leave the U.S. for at least six months a year. The date of each return to Mexico would be stamped on the visa by U.S. immigration authorities at the border. Mexican workers acquiring a temporary worker visa would be told at the time the visa was issued that if they ever violate the time restrictions on employment in the U.S., they will never be able to obtain another visa. Those who do overstay their visas would be placed on a list of visa abusers to be maintained at all U.S. consular offices in Mexico.

Visas would be issued by U.S. Consulates on a first-come, first-served basis, up to the predetermined monthly quota. No pre-arranged contract between the Mexican worker and a U.S. employer would be required to obtain a visa. No geographical constraint would be imposed on the movements of the visa holder within the U.S.; nor would there be any restrictions on the type of enterprise in which he can seek employment. The number of visas issued should be adjusted on a monthly and yearly basis, to reflect fluctuations in the U.S. demand for alien labor and the rate of unemployment and underemployment within Mexico. The Department of Labor could monitor employer needs for alien labor on a monthly basis through a national sampling of employers who typically hire alien workers (especially in agriculture, hotels and motels, restaurants, and construction firms). The ceiling on visas to be issued in any given year would have to be set high enough to provide legal temporary immigration opportunities for a significant proportion of the workers who now migrate illegally to the U.S.; otherwise illegal immigration would continue at an undiminished pace.

It should be emphasized that the proposed program would not imply a major expansion of the supply of alien labor in this country. Most of the temporary visa holders should not be viewed as new entrants to the U.S. labor force; the vast majority will already have had one or more work experiences in the U.S., and would have gone again as undocumented aliens, had they not received temporary worker visas.

At least initially, the temporary worker visa program would be limited to Mexican workers. The desirability of restricting the program to Mexico stems from the following considerations:

(a) The overwhelming predominance of Mexicans in the flow of undocumented aliens (at least 60 percent are Mexicans, according to most estimates),

(b) The desirable characteristics of most Mexican migrants, by comparison with migrants from other sending countries (studies show that Mexicans remain in the U.S. for shorter periods of time, make less use of tax-supported social services, and because of their lack of education, specialized job skills and English language competence are less likely to compete successfully with native American workers for higher-paying jobs). In particular, Mexicans are more likely than migrants of other nationalities to abide by the time limitation on employment in the U.S., because of their well-established seasonal or "shuttle" pattern of migration to the U.S.,

(c) Our historic, "special" relationship with Mexico,

(d) The severity of the current economic crisis in Mexico, and hence the need for a temporary worker program to ameliorate the hardship and economic dislocations which would result from an effective law prohibiting U.S. employers from hiring undocumented aliens.

The main benefits of the proposed system of temporary worker vsias could be summarized as follows:

(1) By regulating the entry of Mexican labor it will serve to bring within the law a large proportion of alien participation in the U.S. labor market, thus increasing public confidence in our legal system and enabling alien workers to seek legal redress of grievances against U.S. employers.

(2) It will significantly reduce the volume of illegal immigration from Mexico. Those who currently enter the U.S. illegally will have strong incentives to seek temporary worker visas: Such visas will eliminate the need to pay "coyotes"—professional smugglers of alien workers—for assistance in illegal border crossings.

The proposed system would also eliminate the physical risks involved in unassisted border crossings in sparsely populated areas. Finally, it would reduce the risk of economic exploitation and other abusive practices by U.S. employers (e.g., reporting undocumented alien employees to the INS to avoid paying them at the end of a job).

(3) It will reduce the incentive for U.S. employers to hire undocumented aliens, particularly if an employer sanction law with severe financial penalties is enacted. If such sanctions are imposed, U.S. employers will have a strong incentive to hire legal temporary workers rather than undocumented aliens, even if the cost of legal alien labor is somewhat higher.

(4) A key feature of the proposed system is its avoidance of pre-arranged contracts between U.S. employers and alien workers. This differentiates it from the former "bracero" program of contract labor, as well as the current system of "H–2" visas, both of which have had the effect of tying the alien worker to a particular U.S. employer who solicited his admission to the U.S. as a temporary worker. There is a great danger of exploitation under this type of temporary worker program.

By eliminating pre-arranged contracts, the proposed system would foster free-market competition among U.S. employers for alien labor. The absence of contracts may tempt some employers to commit certain abuses, and an appropriate mechansm would have to be established to monitor exploitative employer practices; but all experts agree that a program of worker-initiated visas would pose

far less danger of exploitation than an employer-initiated system.

(5) The proposed issuance of visas through U.S. Consulates in Mexico will also reduce exploitation by eliminating "middlemen" on the Mexican side. One of the worst abuses committed under the earlier "bracero" program was the extraction of bribes by Mexican authorities and others at the local and state levels who were involved in recruiting labor for the program.

(6) The proposed system will benefit U.S. workers as well as aliens, since the use of legal alien labor has a less depressing effect on wage scales and working conditions than the use of undocumented alien labor.

(7) It would enable U.S. employers to meet legitimate work force needs, particularly for seasonal labor.

(8) It would keep open a critically important "safety valve" for Mexico, and cushion the impact of an effective U.S. employer sanction law on the Mexican economy.

(9) It would have the effect of encouraging the existing, temporary character of most Mexican migration to the U.S. while discouraging permanent settlement here.

It is clear that the proposed system will not bring illegal immigration to a halt, unless the quota of visas is set extremely high and awareness of the temporary visa system is pervasive among the Mexican population. Many economically desperate Mexican peasants who cannot obtain a temporary worker visa will continue to seek employment in the U.S. as undocumented aliens; but the prospect of obtaining a visa at some point in the near future may deter substantial numbers of Mexican workers whose economic needs are less acute from emigrating illegally. Those who do succeed in obtaining visas will, of course, drop out of the flow of undocumented aliens.

(4) Declare an amnesty for illegal aliens who entered the U.S. before 1972. Such aliens would not be required to return to Mexico and apply for a visa in order to legalize their status (as they are required to do under present law). Most experts agree that U.S. efforts at controlling illegal migration should be concentrated on preventing future migration rather than apprehending and deporting those who have lived illegally in this country for long periods. Legalizing the status of such persons will make them less vulnerable to exploitation by employers and generally equip them to play a more constructive role in American society.

(5) Encourage and assist the Mexican government in reorienting its rural development policy toward small-scale, labor-intensive rural industrialization. This is the most important policy recommendation, since it is the only approach which addresses the root causes of the problem, within Mexico. None of the previously suggested measures, nor any of the more restrictive immigration policies advocated by labor leaders and others, will have any significant long-term effect upon the flow of illegal migrants from Mexico in the absence of a new strategy of rural development in Mexico. The present strategy, as practiced with little modification since the 1940's, involves concentrating government resources on huge physical infrastructure investments to assist large-scale agricultural producers situated in high-productivity, irrigated zones. The objectives of this investment strategy have been to (1) increase agricultural production, and thus eliminate importation of basic food commodities; and (2) reduce rural unemployment indirectly, by increasing the demand for labor by large-scale producers. The results of this strategy have not been encouraging; increases in agricultural production have lagged far behind production increases in other sectors of the economy, and the importation of basic food commodities increased sharply in the 1970–75 period. Moreover, the capacity of the rural sector to absorb surplus labor has not increased appreciably—during a time of explosive natural population increase—due to the capital-intensive production techniques employed by the principal beneficiaries of government investments. Huge investments by the World Bank during the past five years have also been biased toward large-scale, commercial agriculture in high-productivity zones.

From 1971 to 1975 the proportion of Mexican federal government revenues invested in the rural sector rose from 12 to 20 percent, and, as just noted, there was also a major increase in international assistance for Mexican rural development projects. Rural unemployment has been alleviated somewhat since 1971 by short-term public works projects (e.g., labor-intensive construction of feeder roads in rural areas), but the employment impact of such projects is usually limited to a few months. Only a small share of the government's resources for rural development, and none of the international assistance, has been devoted to small-scale rural industrialization projects. A rural industries program was launched in 1972, but it is limited to ejidos (rural communities formed as a result of land reform), and the number of commnuities benefited by the program thus far is under 400.

Much greater attention should be devoted to programs for the direct creation of reasonably well-paid, non-agricultural employment opportunities for rural dwellers. My research strongly indicates that this is likely to be the single most effective policy instrument for reducing rural out-migration, both to the United States and to urban centers within Mexico. Of the rural communities studied intensively in my project, the only one which has experienced a sharp decline in out-migration in recent years is a community in which many small-scale, family-owned textile factories have been established during the same time period. While in this case the factories were set up through private initiative, there is a strong desire for government action to create rural industires in all of the communities studied. When asked, "Suppose that the government wants to help your community in some way, and that you could choose the [public] work or improvement that the government is going to provide . . . which work or improvement would you prefer that the government make here?", more of my respondents (37 percent) mentioned "industries" or "factories" than any other type of government project. Another 9 percent wanted the government to do something to create new sources of employment, without specifying the type of employment. In the communities included in my study, other types of government investments (e.g., in roads, land reform, education, health care, electricity, potable water system) have had little effect on out-migration, and some government investments seem to have stimulated out-migration. These findings suggest that merely increasing the allocation of public funds for "rural development" (in the conventional sense of the term) probably will not achieve the objective of significantly reducing the flows of migrants to the U.S. and to cities within Mexico.

Rural industries could include food processing, textile production, shoe and furniture manufacturing, and many other types of enterprises. Efforts to stimulate the creation of such industries should be concentrated initially in the five Mexican states which have provided more than half of the total apprehended illegals from Mexico since 1969—Guanajuato, Chihuahua, Michoacán, Zacatecas, and Jalisco. The owners of such industries should be compelled to use labor-intensive technologies, and minimum wage laws affecting their employees should be strictly enforced.

The United States should use its leverage in international financial institutions (particularly the World Bank, the Inter-American Development Bank, and the International Monetary Fund) to encourage a much greater effort by the Mexican government in the area of rural industrialization. Channeling our capital resources through international institutions is far preferable to direct U.S. aid to Mexico, which would not be acceptable to the Mexicans for domestic political reasons.

This approach to the problem would require a substantial increase in U.S. capital commitments to the World Bank and the Inter-American Development bank. In 1975 these institutions provided funds for an "integrated rural development program" (PIDER) in Mexico. The second phase of this program, to commence later this year, will reportedly include financing for labor-intensive rural industries as well as labor-intensive rural public works projects (e.g., road-building and soil conservation). However, the probable level of funding is far too low to have a significant impact on migration to the United States. Estimates indicate that the integrated rural development program in Mexico is capable of absorbing productively at least three times the proposed amount of funds. Financing for this program could be increased through a special appropriation to the IDB's Special Trust Fund, and through U.S. appropriations for general replenishment of World Bank capital. U.S. representatives on the World Bank and IDB boards could emphasize that increased U.S. contributions to both institutions are intended specifically to support employment-generating projects in Mexico.

A tripling of international development bank efforts in this area is both feasible and highly desirable from the standpoint of reducing illegal immigration. All available evidence suggests that resources spent to reduce the "push" factors in Mexico and other sending countries will have far greater impact on the flow of illegal aliens to the U.S. in the medium-to-long run than resources spent to implement new unilateral restrictive measures. This is, in short, the most "cost-effective" approach to the problem.

(6) The U.S. should encourage the Mexican Government to decentralize its existing family planning program, and provide financial assistance through international lending institutions to permit the expansion of the program. As noted above, the Mexican program of family planning seems to have made some gains among the urban population, but its impact on rural areas—where 40% of the national population still lives—has been extremely limited. This limited impact is directly attributable to the fact that government investments in the family planning program have been concentrated largely in urban areas rather than the countryside, where the problems of low income, low education, and strong Catholic Church influence which impede the adoption of family planning practices are most severe. The continuing political sensitivity of the population control issue within Mexico precludes any direct U.S. financial assistance to the government's program; but the World Bank has already granted Mexico a loan for this purpose, and additional aid through international lending agencies would be welcomed.

SOURCES OF DATA

The preceding paper draws extensively upon preliminary findings from a three-year (and continuing) study of the causes and consequences of Mexican migration to the U.S. and to cities within Mexico, conducted in nine carefully selected rural communities in the state of Jalisco. Some of the findings included here were initially reported in Wayne A. Cornelius, "Outmigration from Rural Mexican Communities," pp. 1–40 in Interdisciplinary Communications Program, Smithsonian Institution, *The Dy-*

namics of Migration: International Migration (Washington, D.C., 1976; ICP Occasional Monograph Series, No. 5, Vol. 2); and in W. A. Cornelius, "Mexican Migration to the United States: The View from Rural Sending Communities," *Monographs on Migration and Development* (Cambridge, Mass.: Center for International Studies, M.I.T., 1976; No. C/76–12).

Other findings are drawn from a 25 percent sample of 1,000 two to 2½-hour survey interviews conducted in Mexico in July–August, 1976; these preliminary findings are reported here for the first time. The interviewees, all of whom were interviewed in their own homes, include men who have migrated illegally to the U.S., men who have worked there legally, and men who have been apprehended at least once by the INS, and those who escaped detection. This research is currently supported by a grant from the Center for Population Research, National Institute of Child Health and Human Development, National Institutes of Health. Previous sources of financial support include the International Program for Population Analysis (Interdisciplinary Communications Program, Smithsonian Institution) and the Social Science Research Council.

Other studies consulted in preparing this paper include:

Bustamante, Jorge A., "Espaldas mojadas: materia prima para la expansión del capital norteamericano," *Cuadernos del Centro de Estudios Sociológicos* (El Colegio de México), No. 9 (1975).

———"The Impact of the Undocumented Immigration from Mexico on the U.S.-Mexican Economies: Preliminary Findings and Suggestions for Bilateral Cooperation," paper presented at the 46th Annual Meeting of the Southern Economic Association, Atlanta, Ga., November, 1976.

Cárdenas, Gilbert, "Illegal Aliens in the Southwest: A case Study," pp. 66–69 in National Council on Employment Policy, *Illegal Aliens: An Assessment of the Issues* (Washington, D.C., 1976). [a brief research report based on the author's Ph.D. dissertation, "Manpower Impact and Problems of Mexican Illegal Aliens in an Urban Labor Market," Center for Advanced Computation, University of Illinois at Champaign-Urbana, 1977.]

Chaney, Elsa M., "Colombian Migration to the United States: Part II," pp. 87–141 in Interdisciplinary Communication Program, Smithsonian Institution, *The Dynamics of Migration: International Migration* (Washington, D.C., 1976; ICP Occasional Monograph Series, No. 5, Vol. 2).

Comisión Intersecretarial para el Estudio del Problema de la Emigración Subrepticia de Trabajadores Mexicanos a los Estados Unidos de América, "Resultados de la encuesta realizada por la Comisión Intersecretarial" (unpublished research report, Secretaría de Relaciones Exteriores, México, D. F., 1972).

Cruz, Carmen Inés, and Juanita Castaño, "Colombian Migration to the United States: Part I.," pp. 41–86 in Interdisciplinary Communications Program, Smithsonian Institution, *The Dynamics of Migration: International Migration* (Washington, D.C., 1976; ICP Occasional Monograph Series, Vol. 5, Vol 2).

Domestic Council Committee on Illegal Aliens, *Preliminary Report of the Domestic Council*. Washington, D.C.: U.S. Dept. of Justice, December, 1976.

Domínguez, Virginia R, *From Neighbor to Stranger: The Dilemma of Caribbean Peoples in the U.S.* New Haven, Conn.: Antilles Research Program, Yale University, 1975 (Occasional Papers, No. 5).

Frisbie, Parker, "Illegal Migration from Mexico to the United States: A Longitudinal Analysis," *International Migration Review*, Vol. 9 (Spring, 1975), 3–13.

Jenkins, J. Craig, "The Demand for Alien Labor: Labor Scarcity or Social Control?", paper presented at the Annual Meeting of the American Sociological Association, New York, August, 1976.

———"Push/Pull in Recent Mexican Migration to the U.S." Unpublished paper, Dept. of Sociology, University of Missouri-Columbia, December, 1976.

North, David S., and Marion F. Houstoun, *The Characteristics and Role of Illegal Aliens in the U.S. Labor Market: An Exploratory Study*. Washington, D.C.: Linton & Co., March, 1976 (report prepared for the U.S. Dept. of Labor, Contract No. 20–11–74–21).

Piore, Michael J., "Illegal Immigration in the United States: Some Observations and Policy Suggestions," pp. 25–35 in National Council on Employment Policy, *Illegal Aliens: An Assessment of the Issues* (Washington, D.C., October, 1976).

Portes, Alejandro, "Why Illegal Migration?—A Functional Perspective." Unpublished paper, Dept. of Sociology, Duke University, May, 1976.

Samora, Julian, *Los Mojados: The Wetback Story*. Notre Dame, Ind.: University of Notre Dame Press, 1971.

Villalpando, M. Vic, et al., *A Study of the Socioeconomic Impact of Illegal Aliens on the County of San Diego*. San Diego, Calif.: Human Resources Agency, County of San Diego, January, 1977.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. RAILSBACK (at the request of Mr. RHODES), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GRASSLEY) to revise and extend their remarks and include extraneous material:)

Mr. GOLDWATER, for 1 hour, today.
Mr. HYDE, for 5 minutes, today.
Mr. BURKE of Florida, for 15 minutes, today.
Mr. MCDADE, for 5 minutes, today.

(The following Members (at the request of Mr. LAFALCE) to revise and extend their remarks and include extraneous material:)

Mr. DRINAN, for 20 minutes, today.
Mr. BINGHAM, for 10 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. FLOOD, for 5 minutes, today.
Mr. ECKHARDT, for 5 minutes, today.
Mr. OTTINGER, for 5 minutes, today.
Mr. JONES of Oklahoma, for 5 minutes, today.
Mr. LAFALCE, for 10 minutes, today.
Mr. NEAL, for 10 minutes, today.
Mr. PREYER, for 5 minutes, today.
Mr. MITCHELL of Maryland, for 5 minutes, today.
Mr. SEIBERLING, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

MS. HOLTZMAN, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $2,173.50.

Mr. ROUSSELOT, to revise and extend his remarks on H.R. 2777.

(The following Members (at the request of Mr. GRASSLEY) and to include extraneous matter:)

Mr. STEIGER in two instances.
Mr. DERWINSKI in three instances.
Mr. WALKER.
Mr. PURSELL.
Mr. DEVINE in four instances.
Mr. LAGOMARSINO in three instances.
Mr. QUAYLE.
Mr. SHUSTER.
Mr. ASHBROOK in three instances.
Mr. BURKE of Florida in two instances.
Mr. RUDD.
Mr. CRANE.
Mr. COLLINS of Texas in three instances.
Mr. KASTEN.
Mr. GILMAN.
Mr. ABDNOR.
Mr. HANSEN in four instances.
Mr. RUPPE.
Mr. LENT.
Mr. DORNAN.

(The following Members (at the request of Mr. LAFALCE) and to include extraneous material:)

Mr. EILBERG in two instances.
Mr. VOLKMER.
Mr. ROSE.
Mr. VANIK.
Mr. SKELTON in two instances.
Mr. MCHUGH.
Mr. HAMILTON.
Mr. LONG of Maryland.
Mr. JACOBS.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. DE LA GARZA in 10 instances.
Mr. ALEXANDER.
Mr. MAZZOLI.
Mr. OTTINGER in two instances.
Mr. MCDONALD in four instances.
Mr. COTTER.
Mr. LEDERER.
Mr. GAYDOS.
Mr. MURTHA.
Mr. FAUNTROY.
Mr. FASCELL.
Mr. WHITE.
Mr. ECKHARDT.
Mr. PICKLE in 10 instances.
Mr. WAXMAN.
Mr. FLORIO.
Mr. KOCH in four instances.
Mrs. KEYS.
Mr. ROE.
Mrs. BOGGS.
Mr. KOSTMAYER.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 409. An act to designate the Meat Animal Research Center located near Clay Center, Nebraska, as the "Roman L. Hruska Meat Animal Research Center"; to the Committee on Agriculture;

S. 854. An act to authorize the Secretary of Commerce to sell two obsolete vessels to Mid-Pacific Sea Harvesters, Incorporated, and for other purposes; to the Committee on Merchant Marine and Fisheries; and

S. 1608. An act to abolish the Joint Committee on Congressional Operations, and for other purposes; to the Committee on Rules.

ADJOURNMENT

Mr. LAFALCE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 24 minutes p.m.), the House adjourned until Thursday, July 14, 1977, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1896. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report of activities carried out under the Rehabilitation Act of 1973, as amended, for fiscal year 1976, pursuant to section 404 of the act (Public Law 93–112); to the Committee on Education and Labor.

1897. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of a proposed new systems of records for the Department, pursuant to 5 U.S.C. 552(a)(o); to the Committee on Government Operations.

1898. A letter from the Assistant Secretary for Management and Budget Department of Health, Education, and Welfare, transmitting notice of a proposed new system of records for the Department, pursuant to 5 U.S.C. 552(a)(o); to the Committee on Government Operations.

1899. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense articles and services to the Government of the Republic of China, pursuant to section 36(b) of the Foreign Military Sales Act, as amended (Transmittal No. 77–45); to the Committee on International Relations.

1900. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended (79 Stat. 915); to the Committee on the Judiciary.

1901. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act (66 Stat. 182); to the Committee on the Judiciary.

1902. A letter from the Assistant Administrator, Office of Planning and Management, Law Enforcement Assistance Administration, Department of Justice, transmitting the third annual report of the National Institute of Law Enforcement and Criminal Justice, pursuant to section 402(c) of Public Law 90–351 (90 Stat. 2417); to the Committee on the Judiciary.

1903. A letter from the Commissioner, Securities and Exchange Commission, transmitting the Commission's response to the Comptroller General's report on the administration of the Public Utility Holding Company Act of 1935; to the Committees on Government Operations, and Interstate and Foreign Commerce.

1904. A letter from the Comptroller General of the United States, transmitting a report on the impact of assistance to an Asian country (Pakistan) to deal with population growth problems; to the Committee on Government Operations, and International Relations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MEEDS: Committee of conference. Conference report on H.R. 4746 (Rept. No. 95–497). Ordered to be printed.

Mr. BOLLING: Committee on Rules. House Resolution 658. Resolution to amend the Rules of the House of Representatives and establish a Permanent Select Committee on Intelligence; with amendment (Rept. No. 95–498). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 682. Resolution providing for the consideration of H.R. 4287. A bill to promote safety and health in the mining industry, to prevent recurring disasters in the mining industry, and for other purposes (Rept. No. 95–499). Referred to the House Calendar.

SUBSEQUENT ACTION ON BILLS INITIALLY REFERRED UNDER TIME LIMITATIONS

Under clause 5 of rule X, the following actions were taken by the Speaker:

The Committee on Banking, Finance and Urban Affairs discharged from consideration of referred portions of the bill (H.R. 6831) to establish a comprehensive national energy policy, and referred to the ad hoc Committee on Energy.

The Committee on Interstate and Foreign Commerce consideration of referred portions of the bill (H.R. 6831) to establish a comprehensive national energy policy extended for a period ending not later than July 18, 1977.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. JOHNSON of California: Committee on Public Works and Transportation. H.R. 6831, A bill to establish a comprehensive national energy policy; with amendment (Rept. No. 95–496, pt. I). Referred portions reported from the Committee on Public Works and Transportation; with amendment. Referred to the ad hoc Committee on Energy.

Mr. BROOKS: Committee on Government Operations. H.R. 6831. A bill to establish a comprehensive energy policy; with amendment (Rept. 95–496, pt. II). Referred portions reported from the Committee on Government Operations; with amendments. Referred to the ad hoc Committee on Energy.

Mr. ULLMAN: Committee on Ways and Means. H.R. 6831. A bill to establish a comprehensive national energy policy; with amendment (Rept. No. 95–496, pt. III). Referred portions reported from the Committee on Ways and Means; with amendment. Referred to the ad hoc Committee on Energy.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BADHAM:

H.R. 8256. A bill to amend the Wagner-Peyser Act to provide more effective job placement services, improved administration and management planning, review of policy alternatives, innovative employment services, and for other purposes; to the Committee on Education and Labor.

By Mr. BADILLO (for himself, Mr. BIAGGI, Mr. RANGEL, Mr. FISH, and Mr. NOWAK):

H.R. 8257. A bill to amend the Clean Air Act to permit the revision of certain transportation control plans, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHN L. BURTON:

H.R. 8258. A bill to amend chapter 55 of title 10 of the United States Code to qualify certain former spouses of members of the uniformed services for medical and dental benefits, and for other purposes; to the Committee on Armed Services.

By Mr. DANIELSON:

H.R. 8259. A bill to provide that no relocation payments made under the Uniform Relocation Assistance Act shall be paid to persons who are unlawfully present in the United States; to the Committee on Government Operations.

By Mr. DEVINE:

H.R. 8260. A bill to authorize the payment of attorney's fees in tax cases; to the Committee on the Judiciary.

By Mr. DRINAN:

H.R. 8261. A bill to amend the copyright law to secure the rights of authors of pictorial, graphic, or sculptural works to prevent the distortion, mutilation, or other alteration of such works, and for other purposes; to the Committee on the Judiciary.

H.R. 8262. A bill to provide additional assistance to small business concern in acquiring procurement information and contracts from the United States; to the Committee on Small Business.

By Mr. DRINAN (for himself, Mr. BEDELL, Mr. CAPUTO, Mr. CEDERBERG, Mr. CLEVELAND, Mr. COHEN, Mr. EDGAR, Mr. EDWARDS of California, Mr. ERTEL, Mr. HAWKINS, Mrs. HECKLER, and Mr. PURSELL):

H.R. 8263. A bill to amend section 541 of title 28 of the United States Code to change the term of office and the manner of appointment and removal of U.S. attorneys and to repeal section 546 (relating to temporary appointments to vacancies by courts) of such title; to the Committee on the Judiciary.

By Mr. FISH:

H.R. 8264. A bill to establish an energy stamp program to provide energy stamps to low- and moderate-income households to help meet the costs of rising fuel bills; to the Committee on Interstate and Foreign Commerce.

By Mr. GRASSLEY (for himself and Mr. BAUMAN):

H.R. 8265. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. HYDE (for himself and Mr. MURPHY of New York):

H.R. 8266. A bill to amend title 18, United States Code, relating to the production of false documents or papers of the United States, and the use of false information in obtaining official documents and papers of the United States, involving an element of identification; to the Committee on the Judiciary.

By Mr. JENRETTE:

H.R. 8267. A bill to amend the Social Security Act to increase to $6,000 the amount of outside income which (subject to further increases under the automatic adjustment provisions) is permitted each year without deductions from social security benefits, to provide that income of all types (other than certain payments based on retirement or on illness or injury), shall be included in determining whether an individual's benefits are subject to such deductions, to eliminate the 5-month waiting period which is presently required in order for an individual to be eligible for disability benefits, and to eliminate the requirement that an individual must have been entitled to disability benefits for at least 24 consecutive months in order to qualify for medicare on the basis of disability; to the Committee on Ways and Means.

By Mr. KOCH (for himself, Mr. AUCOIN, Mr. BADILLO, Mr. BINGHAM, Mr. BROWN of California, Mr. DIGGS, Mr. FAUNTROY, Mr. MARKEY, Mr. MIKVA, Mr. MINETA, Mr. MOFFETT, Mr. NIX, Mr. OTTINGER, Mrs. SCHROEDER, and Mr. WEISS):

H.R. 8268. A bill to prohibit discrimination on the basis of affectional or sexual preference, and for other purposes; jointly, to the Committees on Education and Labor, and the Judiciary.

By Mr. KOCH (for himself, Mrs. BURKE of California, Mr. JOHN L. BURTON, Mrs. CHISHOLM, Mr. CLAY, Mr. CONYERS, Mr. DELLUMS, Mr. FRASER, Mr. HARRINGTON, Ms. HOLTZMAN, Mr. MCCLOSKEY, Mr. MCKINNEY, Mr. MITCHELL of Maryland, Mr. RANGEL, Mr. RICHMOND, Mr. ROSENTHAL, Mr. SOLARZ, Mr. STUDDS, and Mr. WAXMAN):

H.R. 8269. A bill to prohibit discrimination on the basis of affectional or sexual preference, and for other purposes; jointly, to the Committees on Education and Labor, and the Judiciary.

By Mr. KOCH (for himself, Mr. PEPPER, Mr. BEDELL, Mr. BRECKINRIDGE, Mr. BROWN of California, Mr. CORNELL, Mr. CORRADA, Mr. ERTEL, Mr. FAUNTROY, Mr. FRASER, Mr. HANNAFORD, Mr. HOLLENBECK, Mr. JEFFORDS, Mr. KASTENMEIER, Mr. KREBS, Mr. LUNDINE, Mr. MARKEY, Mr. MITCHELL of Maryland, Mr. MURPHY of New York, Mr. MURPHY of Illinois, Ms. OAKAR, Mr. PANETTA, Mr. SEIBERLING, Mr. TRAXLER, and Mr. CHARLES WILSON of Texas):

H.R. 8270. A bill to amend part B of title XVIII of the Social Security Act to broaden the coverage of home health services under the supplementary medical insurance program and remove the 100-visit limitation presently applicable thereto, and to eliminate the requirement that an individual need skilled nursing care in order to qualify for such services, to amend part A of such title to liberalize the coverage of post-hospital home health services thereunder, to amend title XIX of such act to require the inclusion of home health services in a State's medicaid program and to permit payments of housing costs under such a program for elderly persons who would otherwise require nursing home care, to provide expanded Federal funding for congregate housing for the displaced and the elderly, and for other purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mrs. MEYNER (for herself, Mr. PHILIP BURTON, Mr. LEHMAN, Ms. HOLTZMAN, Mr. MITCHELL of Maryland, Mr. PEPPER, Mr. CHARLES WILSON of Texas, Ms. BURKE of California, Mr. DERRICK, Mr. HUGHES, Mr. DUNCAN of Oregon, Mr. VENTO, Mr. OTTINGER, Mr. SIMON, Mr. MURPHY of Pennsylvania, Mr. ROE, Mr. JEFFORDS, Mr. BEDELL, Mr. HOWARD, Mr. PATTEN, Mr. MCCORMACK, Mr. RICHMOND, Mr. BLOUIN, Mr. JENRETTE, and Mr. STARK):

H.R. 8271. A bill to amend the Social Security Act to provide medicare benefits for individuals who require total parenteral nutrition (TPN) as a result of intestinal surgery; to the Committee on Ways and Means.

By Mrs. MEYNER (for herself, Mr. GOODLING, Ms. HECKLER, Mr. MURPHY of New York, and Mr. GEPHARDT):

H.R. 8272. A bill to amend the Social Security Act to provide medicare benefits for individuals who require total parenteral nutrition (TPN) as a result of intestinal surgery; to the Committee on Ways and Means.

By Mr. RICHMOND:

H.R. 8273. A bill to amend the Commodity Exchange Act to allow Congress to have access to information concerning activities of the Commodity Futures Trading Commission; to the Committee on Agriculture.

By Mr. RISENHOOVER:

H.R. 8274. A bill to amend section 1117 of the Federal Aviation Act of 1958, as added by section 5 of the International Air Transportation Fair Competitive Practices Act of 1974, so as to require the Secretary of Defense to utilize certificated air carriers for certain air transportation of persons and property; jointly, to the Committee on Public Works and Transportation, and Armed Services.

By Mr. SCHULZE (for himself, Mr. HYDE, Mr. ERTEL, Mr. MOAKLEY, Mr. HANNAFORD, Mr. MOFFETT, Mr. WALGREN, Mr. LOTT, Mr. SKELTON, Mr. BEDELL, Mr. BROWN of Michigan, Mr. EILBERG, Mr. HOLLENBECK, Mr. MURPHY of Pennsylvania, Mr. FORD of Tennessee, Mrs. SPELLMAN, Mr. BAUCUS, Mr. GEPHARDT, Mr. GILMAN, Mr. WAXMAN and Mr. KOSTMAYER):

H.R. 8275. A bill to provide Federal financial assistance to employers, labor organizations, or consortiums thereof, or other groups or individuals, to establish and operate occupational alcoholism programs for the diagnosis and treatment of alcohol abuse and alcoholism in employed persons, including managerial personnel, and their dependents, and for other purposes; to the Committee on Education and Labor.

By Mr. STARK (for himself, Mr. AKAKA, and Mr. HEFTEL):

H.R. 8276. A bill to extend the age limitation before which certain passenger vessels can qualify for operating-differential subsidies from 25 to 30 years; to the Committee on Merchant Marine and Fisheries.

By Mr. THONE:

H.R. 8277. A bill to amend the Internal Revenue Code of 1954 to provide, in the case of certain highway motor vehicles which are destroyed, a credit or refund of, and a relief from liability for, tax imposed by section 4481 with respect to such vehicle; to the Committee on Ways and Means.

By Mr. WHITTEN:

H.R. 8278. A bill to amend the Department of Transportation Act and the Regional Rail Reorganization Act of 1973 to extend the eligibility for financial assistance under the rail service assistance programs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GOLDWATER (for himself and Mr. KOCH):

H.R. 8279. A bill to amend the Privacy Act of 1974; to the Committee on Government Operations.

By Mr. KOCH (for himself and Mr. GOLDWATER):

H.R. 8280. A bill to restrict access by the Federal Government to consumer reports, and to financial, credit, and insurance records, which are maintained by third parties; to the Committee on Banking, Finance and Urban Affairs.

By Mr. GOLDWATER (for himself and Mr. KOCH):

H.R. 8281. A bill to amend the Fair Credit Reporting Act dealing with depository institutions and privacy, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 8282. A bill to amend the Fair Credit Reporting Act dealing with consumer credit and privacy; to the Committee on Banking, Finance and Urban Affairs.

By Mr. KOCH (for himself and Mr. GOLDWATER):

H.R. 8283. A bill to amend title XI of the Social Security Act to provide for the confidentiality of personal medical information created or maintained by medical-care institutions providing services under the medicare or medicaid programs, and for other purposes; jointly, to the Committee on Interstate and Foreign Commerce, and Ways and Means.

By Mr. GOLDWATER (for himself and Mr. KOCH):

H.R. 8284. A bill to restrict the use of Social Security Act account numbers as governmental or universal personal identifiers; to the Committee on Ways and Means.

By Mr. KOCH (for himself and Mr. GOLDWATER):

H.R. 8285. A bill to amend the Fair Credit Reporting Act dealing with commercial credit and privacy; to the Committee on Banking, Finance and Urban Affairs.

H.R. 8286. A bill to provide for the privacy of certain public assistance and social service records used or maintained by State and private agencies under programs receiving Federal financial assistance; jointly, to the Committee on Agriculture, Interstate and Foreign Commerce, and Ways and Means.

By Mr. GOLDWATER (for himself and Mr. KOCH):

H.R. 8287. A bill to amend the Internal Revenue Code of 1954 dealing with privacy; to the Committee on Ways and Means.

By Mr. KOCH (for himself and Mr. GOLDWATER):

H.R. 8288. A bill to amend the Fair Credit Reporting Act dealing with insurance institutions and privacy; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ASHBROOK (for himself and Mr. ERLENBORN):

H.R. 8289. A bill to amend the National Labor Relations Act to protect the rights of employees, to strengthen the remedies under such act, and for other purposes; to the Committee on Education and Labor.

By Mrs. BOGGS:

H.R. 8290. A bill to provide for the establishment of the Jean Lafitte National Historical Park in the State of Louisiana, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BRODHEAD (for himself, Mr. KILDEE, Mr. BLANCHARD, Mr. CEDERBERG, Mr. BONIOR, Mr. CONYERS, Mr. VANDER JAGT, Mr. RUPPE, Mr. TRAXLER, Mr. DINGELL, Mr. FORD of Michigan, Mr. DIGGS, Mr. CARR, Mr. NEDZI, Mr. BROWN of Michigan, Mr. SAWYER, Mr. BROOMFIELD, Mr. STOCKMAN, Mr. PURSELL, Mr. RODINO, Mr. FLORIO, Mr. HOWARD, Mr. FORSYTHE, Mr. MAGUIRE, and Mr. HOLLENBECK):

H.R. 8291. A bill to provide for reimbursement to States experiencing high rates of insured unemployment; to the Committee on Ways and Means.

By Mr. BRODHEAD (for himself, Mr. MINISH, Ms. MEYNER, Mr. PATTEN, Mrs. FENWICK, Mr. RINALDO, Mr. THOMPSON, and Mr. LE FANTE):

H.R. 8292. A bill to provide for reimbursement to States experiencing high rates of insured unemployment; to the Committee on Ways and Means.

By Mr. BURKE of Florida:

H.R. 8293. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to grant additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DUNCAN of Tennessee:

H.R. 8294. A bill to amend the Internal Revenue Code of 1954 with respect to the payment of unemployment compensation to nonprofessional school employees during periods between academic years or terms; to the Committee on Ways and Means.

By Mr. DUNCAN of Tennessee (by request):

H.R. 8295. A bill to restrain increases in the cost of health care delivery, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. EDGAR (for himself and Mr. BEDELL):

H.R. 8296. A bill to require the Secretary of Transportation to establish a schedule of user charges to be paid by the owner or operator of any shallow-draft cargo vessel using any inland waterway of the United States, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. FINDLEY (for himself, Mr. PRESSLER, and Mr. CEDERBERG):

H.R. 8297. A bill to terminate age discrimination in employment; to the Committee on Education and Labor.

By Mr. FLOWERS:

H.R. 8298. A bill to amend the Internal Revenue Code of 1954 to provide an additional income tax exemption for a taxpayer, his spouse, or his dependent, who is disabled, and for other purposes; to the Committee on Ways and Means.

By Mr. HAMMERSCHMIDT (for himself, Mr. GUYER, Mr. KINDNESS, Mr. ROE, Mr. EILBERG, Mr. ERTEL, Mr. HAGEDORN, Mr. PATTERSON of California, Mr. EVANS of Georgia, Mr. CUNNINGHAM, Mr. MURPHY of New York, Mr. COCHRAN of Mississippi, Mr. ABDNOR, Mr. STANGELAND, Mr. SNYDER, Mr. MILFORD, Mr. LEVITAS, Mr. RISENHOOVER, Mr. HOLLAND, Mr. TAYLOR, Mr. FARY, Mr. HILLIS, Mr. CARTER, Mr. MATHIS, and Mr. BREAUX):

H.R. 8299. A bill to amend the Airport and Airway Development Act of 1970 to require the establishment of a system of automated flight service stations; to the Committee on Public Works and Transportation.

By Mrs. HECKLER (for herself, Mr. BEDELL, Mr. CONTE, Mr. CLEVELAND, Mr. CORRADA, Mr. ERTEL, Mr. FISH, Mr. FORD of Michigan, Mr. FOUNTAIN, Mr. GUYER, Mr. HANNAFORD, Ms. HOLTZMAN, Mr. LEHMAN, Mr. MOAKLEY, Mr. NOLAN, Mr. OBERSTAR, Mr. OTTINGER, Mr. PRITCHARD, Mr. PURSELL, Mr. STARK, Mr. STUDDS, Mr. RISENHOOVER, Mr. WALSH, Mr. WEAVER, and Mr. PRESSLER):

H.R. 8300. A bill to amend title 38 of the United States Code in order to make certain improvements in the administration of educational assistance programs, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. KASTEN (for himself, Mr. ANDERSON of California, Mr. BADILLO, Mr. BAUCUS, Mr. CEDERBERG, Mr. DUNCAN of Tennessee, Mr. EDGAR, Mr. EILBERG, Mr. ERTEL, Mr. EVANS of Delaware, Mr. FAUNTROY, Mr. GUYER, Mr. HOWARD, Miss JORDAN, Mr. LAFALCE, Mrs. LLOYD of Tennessee, Mr. MITCHELL of Maryland, Mr. MURPHY of Pennsylvania, Mr. PATTERSON of California, Mr. PRITCHARD, Mr. RUDD, Mrs. SPELLMAN, Mr. STOKES, Mr. TRAXLER, and Mr. WALKER):

H.R. 8301. A bill to amend the National Housing Act to provide for the insurance of graduated payment mortgages, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LEACH:

H.R. 8302. A bill to amend the Internal Revenue Code of 1954 to impose a tax on any liquid used as a fuel in certain vessels using any inland waterway of the United States, and to establish a lockage fee for use by such vessels of locks along any such waterway; to the Committee on Ways and Means, and Public Works and Transportation.

By Mr. MARLENEE:

H.R. 8303. A bill to amend part B of title XI of the Social Security Act to assure appropriate participation by optometrists in the peer review and related activities authorized under such part; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. ROE:

H.R. 8304. A bill to establish a grant program for safety projects at certain general aviation airports, and for other purposes; to the Committee on Public Workers and Transportation.

By Mrs. SPELLMAN:

H.R. 8305. A bill to require the payment of interest by Federal agencies on overdue contract payments, to amend the Office of Federal Procurement Policy Act, and for other purposes; to the Committee on Government Operations.

By Mr. STOCKMAN:

H.R. 8306. A bill to amend title 39, United States Code, to alter the organizational structure of the U.S. Postal Service, to revise the procedure for adjusting postal rates and services, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DORNAN:

H. Con. Res. 278. Concurrent resolution expressing the sense of the House with respect to the Baltic States; to the Committee on International Relations.

By Mr. ERTEL (for himself, Mr. GUYER, Mr. BRODHEAD, Mr. BURKE of Florida, Mr. BADILLO, Mr. KEMP, Mr. MARKS, Mr. LENT, Mr. BAFALIS, Mr. LEHMAN, Mr. DRINAN, Mr. AMBRO, Mr. WAXMAN, Mr. EILBERG, Mr. TSONGAS, Mr. DOWNEY, Mrs. FENWICK, Mr. FRASER, Mrs. SPELLMAN, Mr. OTTINGER, Mr. BAUCUS, Mr. FISH, Mr. RICHMOND, Mr. MURPHY of Pennsylvania, and Mr. MOAKLEY):

H. Con. Res. 279. Concurrent resolution to express the sense of the Congress that the President of the United States delegation to the 1977 Belgrade Review Conference should urge the Government of the Union of Soviet Socialist Republics to grant exit visas to each member of the Smeliansky family; to the Committee on International Relations.

By Mr. PATTERSON of California:

H. Con. Res. 280. Concurrent resolution expressing the sense of the Congress that the Federal Home Loan Bank Board should authorize the use of a wide variety of mortgage instruments; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ROUSSELOT:

H. Con. Res. 281. Concurrent resolution expressing the sense of Congress with respect to the Baltic States; to the Committee on International Relations.

By Mr. FINDLEY (for himself, Mr. ANDERSON of Illinois, Mr. MCCLORY, and Mr. MOTTL):

H. Res. 683. Resolution relative to determining a telecommunications regulatory policy; to the Committee on Interstate and Foreign Commerce.

By Mr. GOODLING:

H. Res. 684. Resolution expressing the sense of the House of Representatives that the Attorney General of the United States should appoint a special prosecutor to serve in the Department of Justice to investigate, and prepare prosecutions with respect to, acts by agents of foreign governments or by other individuals to obtain by means contrary to the laws of the United States influence from officials of the United States; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII,

218. The SPEAKER presented a memorial of the Legislature of the State of California, relative to enforcement of the Federal Clean Air Act; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRODHEAD:

H.R. 8307. A bill for the relief of Adat Shalom Synagogue; to the Committee on the Judiciary.

By Mr. McHUGH:

H.R. 8308. A bill for the relief of Jae Keun Christianson; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 4287

By Mr. ANDREWS of North Carolina:

Page 8, after line 12, insert the following:

STATE PLANS AND LAWS

SEC. 202. Title I of the Federal Coal Mine Health and Safety Act of 1969 is amended by adding at the end thereof the following new section:

"STATE PLANS AND LAWS RELATING TO METAL AND NONMETALLIC MINES

"SEC. 112. (a) In order to promote sound and effective coordination in Federal and State activities relating to mines (other than coal mines as defined in section 3(h)(2)) subject to the provisions of this Act, the Secretary shall cooperate with the official mine inspection or safety agencies of the several States.

"(b) Any State which, at any time, desires to develop and enforce health and safety standards in mines (other than coal mines as defined in section 3(h)(2)) located in the State which are subject to this Act shall submit, through a State mine inspection or safety agency, a State plan for the development of such standards and their enforcement.

"(c) The Secretary shall approve the plan submitted by a State under subsection (b), or any modification thereof, whenever the State gives evidence satisfactory to the Secretary that under such plan—

"(1) the State agency submitting such plan is the sole agency responsible for administering the plan throughout the State and contains satisfactory evidence that such agency will have the authority to carry out the plan: *Provided*, That the Secretary may, upon request of the Governor or other appropriate executive or legislative authority of the State responsible for determining or revising the organizational structure of State government, waive the single State agency provision hereof and approve another State administrative structure or arrangement if the Secretary determines that the objectives of this Act will not be endangered by the use of such other State structure or arrangement,

"(2) such agency has adequate legal authority to enforce existing health and safety standards for the purpose of the protection of life, the promotion of health and safety, and the prevention of accidents in mines (other than coal mines as defined in section 3(h)(2)) in the State that are subject to this Act, which are, in his judgment, substantially as effective for such purposes as the mandatory standards under section 101 and which provide for inspection at least annually of all such mines, other than coal mines, as defined in section 3(h)(2), quarries, and sand and gravel pits.

"(3) the agency has adequate qualified

personnel necessary for the enforcement of the plan.

"(4) the State will devote adequate funds to the administration and enforcement of such standards.

"(5) reasonable safeguards exist against loss of life or property arising from mines (other than coal mines as defined in section 3(h)(2)) which are closed or abandoned after the effective date of this Act, and

"(6) the agency shall make such reports to the Secretary, in such form and containing such information, as the Secretary shall from time to time require.

"(d) The Secretary shall, on the basis of reports submitted by the State agency and his own inspection of mines (other than coal mines as defined in section 3(h)(2)), make a continuing evaluation of the manner in which each State having a plan approved under this section is carrying out such plan. Whenever the Secretary finds, after affording due notice and opportunity for a hearing, that in the administration of the State plan there is a failure to comply substantially with any provision of the State plan (or any assurance contained therein). he shall notify the State agency of his withdrawal of approval of such plan and upon receipt of such notice such plan shall cease to be in effect.

"(e) The provisions of sections 104(c), (h), and (i) of this Act shall not be applicable in any State in which there is in effect a State plan approved under subsection (c) of this section.

"(f) No State or territorial law which relates to mines (other than coal mines as defined in section 3(h)(2)) subject to this Act and which is in effect upon the effective date of this section or which may become effective thereafter, shall be superseded by any provision of this Act, except insofar as such State or territorial law is in conflict with this Act, or with orders issued pursuant to this Act.

"(g) Provisions in any State or territorial law which relates to mines (other than coal mines as defined in section 3(h)(2)) subject to this Act and which is in effect upon the effective date of this section, or which may become effective thereafter, which provide for greater safety of persons in a mine (other than a coal mine as defined in section 3(h)(2)) subject to this Act, than do provisions of this Act, which relate to the same phase of operations, shall not be construed or held to be in conflict with this Act. Provisions in any State or territorial law which relates to mines (other than coal mines as defined in section 3(h)(2)) subject to this Act and which is in effect upon the effective date of this section, or which may become effective thereafter, which provide for the safety of persons in a mine (other than a coal mine as defined in section 3(h)(2)) subject to this Act concerning which no provision is contained in this Act, shall not be construed or held to be superseded by this Act.

"(h) To the extent that provisions of this Act apply to mines other than coal mines as defined in section 3(h)(2), nothing in such provisions as applicable to such mines shall be construed or held to supersede or in any manner affect the workmen's compensation laws of any State or territory, or to enlarge or diminish or affect in any other manner the common law or statutory rights, duties, or liabilities of employers and employees under State or territorial laws in respect of injuries, occupational or other diseases, or death of employees arising out of, or in the course of, employment."

By Mr. EDWARDS of Oklahoma:

Page 81, insert the following new section between lines 12 and 13:

SEC. 202. Title I of the Federal Coal Mine Health and Safety Act of 1969 is amended by inserting a new section 112 as follows:

"STATE PLANS

"SEC. 112. (a) In order to promote sound and effective coordination in Federal and State activities within the field covered by this Act, the Secretary shall cooperate with the official mine inspection or safety agencies of the several States.

"(b) Any State which, at any time, desires to develop and enforce health and safety standards in mines located in the State which are subject to this Act shall submit,, through a State mine inspection or safety agency, a State plan for the development of such standards and their enforcement.

"(c) The Secretary shall approve the plan submitted by a State under subsection (b), or any modification thereof, whenever the State gives evidence satisfactory to the Secretary that under such paln—

"(1) the State agency submitting such plan is the sole agency responsible for administering the plan throughout the State and contains satisfactory evidence that such agency will have the authority to carry out the plan: *Provided*, That the Secretary may, upon request of the Governor or other appropriate executive or legislative authority of the State responsible for determing or revising the organizational structure of State government, waive the single State agency provision hereof and approve another State administrative structure or arrangement if the Secretary determines that the objectives off this Act will not be endangered by the use of such other State structure or arrangement,

"(2) such agency has adequate legal authority to enforce existing health and safety standards for the purpose of the protection of life, the promotion of health and safety, and the prevention of accidents in mines in the State that are subject to this Act, which are, in his judgment, substantially as effective for such purposes as the mandatory standards designated under section 101, and section 301(b) of the Federal Mine Safety and Health Act of 1977, and which provide for inspection at least four times annually of all underground mines,

"(3) the agency has adequate qualified personnel necessary for the enforcement of the plan,

"(4) the State will devote adequate funds to the administration and enforcement of such standards,

"(5) reasonable safeguards exist against loss of life or property arising from mines which are closed or abandoned after the effective date of this Act, and

"(6) the agency shall make such reports to the Secretary, in such form and containing such information, as the Secretary shall from time to time require.

"(d) The Secretary shall, on the basis of reports submitted by the State agency and his own inspection of mines, make a continuing evaluation of the manner in which each State having a plan approved under this section is carrying out such plan. Whenever the Secretary finds, after affording due notice and opportunity for a hearing, that in the administration of the State plan there is a failure to comply substantially with any provision of the State plan (or any assurance contained therein), he shall notify the State agency of his withdrawal of approval of such plan and upon receipt of such notice such plan shall cease to be in effect.

"(e) The provisions of section 104(b) and 105(a) as it pertains to section 104(b) withdrawal orders of this Act shall not be applicable in any State in which there is in effect a State plan approved under subsection (c)."

Page 81, insert the following new section between lines 12 and 13:

SEC. 202. Title I of the Federal Coal Mine Health and Safety Act of 1969 is amended by adding a new section 113, as follows:

"GRANTS TO THE STATES

"SEC. 113. (a) The Secretary is authorized, during the fiscal year ending September 30, 1977, and the two succeeding fiscal years, to make grants to the States which have designated a State agency under section 112 to assist them—

"(1) in identifying their needs and responsibilities in the area of occupational safety and health,

"(2) in developing State plans under section 112, or

"(3) in developing plans for—

"(A) establishing systems for the collection of information concerning the nature and frequency of occupational injuries and diseases;

"(B) increasing the expertise and enforcement capabilities of their personnel engaged in occupational safety and health programs; or

"(C) otherwise improving the administration and enforcement of State occupational safety and health laws, including standards thereunder, consistent with the objectives of this Act.

"(b) The Secretary is authorized, during the fiscal year ending September 30, 1977, and the two succeeding fiscal years, to make grants to the States for experimental and demonstration projects consistent with the objectives set forth in subsection (a) of this section.

"(c) The Governor of the State shall designate the appropriate State agency for receipt of any grant made by the Secretary under this section.

"(d) Any State agency designated by the Governor of the State desiring a grant under this section shall submit an application therefor to the Secretary.

"(e) The Secretary shall review the application, and shall, after consultation with the Secretary of Health, Education, and Welfare, approve or reject such application.

"(f) The Federal share for each State grant under subsection (a) or (b) of this section may not exceed 90 per centum of the total cost of the application. In the event the Federal share for all States under either such subsection is not the same, the differences among the State shall be established on the basis of objective criteria.

"(g) The Secretary is authorized to make grants to the States to assist them in administering and enforcing programs for occupational safety and health contained in State plans approved by the Secretary pursuant to section 112 of this Act. The Federal share for each State grant under this subsection may not exceed 50 per centum of the total cost to the State of such a program. The last sentence of subsection (f) shall be applicable in determining the Federal share under this subsection.

"(h) Prior to September 30, 1979, the Secretary shall, after consultation with the Secretary of Health, Education, and Welfare, transmit a report to the President and to the Congress, describing the experience under the grant programs authorized by this section and making any recommendations he may deem appropriate."

H.R. 5400

By Mr. PATTISON of New York:

Page 37, line 9, strike out "(1)".

Page 37, strike out line 11 and all that follows down through line 17.

Page 37, line 18, strike out "(B)" and insert in lieu thereof "(1)".

Page 37, line 24, strike out "(C)" and insert in lieu thereof "(2)".

Page 38, strike out line 5 and all that follows down through line 9.

H.R. 7171

By Mr. DE LA GARZA:

Page 77, line 8, delete the word "and" at the end of the line.

Page 77, line 11, delete the period and insert in lieu thereof "; and".

Page 77, immediately following line 11, insert the following:

"(13) provide for investigation and analysis of the practicability, desirability, and feasibility of using organic waste materials to improve soil tilth and fertility.".

Page 80, line 20, immediately following the comma insert "the use of organic waste materials to improve soil tilth and fertility,".

Page 124, line 12, delete the word "and" at the end of the line.

Page 124, line 14, delete the period and insert in lieu thereof "; and".

Page 124, immediately following line 14, insert the following:

"(f) the use of organic waste materials to improve soil tilth and fertility.".

Page 132, immediately following line 17, insert the following new section 1329 and renumber succeeding sections accordingly:

"ORGANIC FARMING STUDY

"SEC. 1329. The Secretary shall conduct, and, within twelve months of the date of enactment of this Act, submit to the President and the Congress a report containing the results of his recommendations concerning, and investigation and analysis of the practicability, desirability, and feasibility of collecting organic waste materials, including manure, crop and food wastes, industrial organic waste, municipal sewage sludge, logging and wood-manufacturing residues, and any other organic refuse, composting, or similarly treating such materials, transporting and placing such materials onto the land to improve soil tilth and fertility. The analysis shall include the projected cost of such collection, transportation, and placement in accordance with sound locally approved soil and water conservation practices.".

By Mr. KELLY:

Page 21, immediately after line 17, insert a new subsection (d)(4) as follows:

"(4) Notwithstanding any other provision of law, a household shall not participate in the food stamp program at any time that any member of such household, not exempt from the work registration requirements of the preceding subsection 1, is on strike as defined in section 501(2) of the Labor Management Relations Act, 1947, because of a labor dispute (other than a lockout) as defined in section 2(9) of the National Labor Relations Act: *Provided,* That a household shall not lose its eligibility to participate in the food stamp program as a result of one of its members going on strike if the household was eligible for food stamps immediately prior to such strike, but in no case shall the household receive increased benefits under this Act as a result thereof: *Provided further,* That such ineligibility shall not apply to any household that does not contain a member on strike, if any of its members refuses to accept employment at a plant or site because of a strike or lockout."

By Mr. PRESSLER:

Page 50, line 8 is amended to read: "for a period not to exceed ten years at an interest rate of 5".

SENATE—*Wednesday, July 13, 1977*

(Legislative day of Wednesday, May 18, 1977)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. ROBERT C. BYRD, a Senator from the State of West Virginia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

He that hath ears to hear, let him hear. Matthew 11: 15.

Let us pray.

O God, our Father we approach Thee not in our merit but in our deep need. Hear the spoken prayers of our lips and the deeper unspoken prayers of our hearts. Grant us the discipline of hearing with respect, discrimination and understanding.

Help us to hear the words of colleagues informing, and shaping our judgments.

Help us to hear the voice of conscience monitoring our inner being.

Help us to hear "the still small voice" of Thy presence in our hearts.

And hearing may we heed Thy voice and obey Thy guidance.

We pray in Thy Holy name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 13, 1977.

To the Senate:

Under the provisions of rule I, section 3, of the standing rules of the Senate, I hereby appoint the Honorable ROBERT C. BYRD, a Senator from the State of West Virginia, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. ROBERT C. BYRD thereupon assumed the chair as Acting President pro tempore.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Chair will recognize the distinguished minority leader.

Mr. BAKER. I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of yesterday, July 12, 1977, be approved.

The PRESIDING OFFICER (Mr. CHURCH). Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate proceed now to executive session.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. BAKER. Mr. President, I advise the distinguished majority leader that according to the notations on my Executive Calendar on my desk this morning, there are no objections to proceeding with the confirmation of the nominations for the Department of Justice and the Department of State appearing on pages 1 and 2 of the Executive Calendar. If he is agreeable, I propose that we proceed with their consideration.

Mr. ROBERT C. BYRD. I suggest that the minority leader proceed.

Mr. BAKER. Mr. President, I ask that the clerk report the first nomination.

The PRESIDING OFFICER. The nominations will be stated.

DEPARTMENT OF JUSTICE

The second assistant legislative clerk read the nomination of James R. Burgess, Jr., of Illinois, to be U.S. attorney for the eastern district of Illinois.

Mr. STEVENSON. Mr. President, James R. Burgess is an exemplary choice as U.S. attorney for the eastern district of Illinois. He is a tough but fair prosecutor of unquestioned integrity and compassion. His reputation within the legal profession and the community at large is outstanding.

Mr. Burgess has been one of the most highly regarded prosecutors in the State of Illinois for the past 12 years and will bring to the role of U.S. attorney invaluable experience in the administration and management of the office.

Following a distinguished 20-year military career, he was appointed assistant State's attorney for Cook County in 1966 and Champaign County in 1969, and then appointed first assistant State's attorney for Champaign County. In 1972, he was elected State's attorney for Champaign County where he recruited and led a topflight staff, instituted a weekly grand jury, developed a procedure to speed up felony trials, and created an adult diversion program for criminal offenders.

Mr. Burgess has served as the chairman of the program committee and member of the legislative committee and managing board of the Illinois State's Attorneys Association; as a member of the East Central Illinois Criminal Justice Commission; as one of the eight States' attorneys on the Illinois Prosecutor's Advisory Council; and is a member of the American, Illinois, Chicago, and Champaign County Bar Associations. He is, in addition, an active and respected participant in the civic affairs of his community.

James R. Burgess' acknowledged legal skills, administrative ability, and commitment to justice qualify him as an outstanding nominee for this office. I urge his confirmation as U.S. attorney for the eastern district of Illinois.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of James P. Buchele, of Kansas, to be U.S. attorney for the district of Kansas.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Ronald S. Reed,

Jr., of Missouri, to be U.S. attorney for the western district of Missouri.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Albert S. Hinds, of Illinois, to be U.S. marshal for the eastern district of Illinois.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Frank J. Anderson, of Indiana, to be U.S. marshal for the southern district of Indiana.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF STATE

The second assistant legislative clerk read the nomination of William E. Schaufele, Jr., of Ohio, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Greece.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Gerard C. Smith, of the District of Columbia, to be Ambassador at Large and U.S. Special Representative for Non-Proliferation Matters, and to be also the Representative of the United States of America to the International Atomic Energy Agency.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Frank V. Ortiz, Jr., of New Mexico, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Barbados.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Frank V. Ortiz, Jr., of New Mexico, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Grenada.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of W. Howard Wriggins, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Sri Lanka.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Louis A. Lerner, of Illinois, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Norway.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The second assistant legislative clerk read the nomination of Lawrence A. Pezzullo to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Uruguay.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMERCIAL OUTDOOR RECREATION FACILITIES

Mr. BAKER. Mr. President, I note on the calendar of business for today that on the Unanimous Consent Calendar there is one item, Order No. 303, which has been cleared for passage and was previously, of course, transferred to the Unanimous Consent Calendar.

Mr. President, I ask unanimous consent that the Senate proceed to consider Calendar Order No. 303, S. 1338.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1338) to provide for issuance and administration of permits for commercial outdoor recreation facilities and services on public domain national forest lands, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Energy and Natural Resources with amendments.

Mr. BAKER. Mr. President, I ask that the committee amendments be agreed to en bloc.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments, en bloc.

The committee amendments were agreed to, en bloc.

Mr. BAKER. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–324), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

I. PURPOSE

S. 1338, as ordered reported, would establish uniform and objective policies and procedures to be employed by the Forest Service in issuing and administering permits for ski area and other commercial outdoor recreation facilities and services on lands of the national forests created from the public domain. The purpose of the legislation is to provide a modern permit authority to the Forest Service to supplement and, in some cases, replace the increasingly inadequate, dated statutory base upon which the agency is presently dependent for permitting purposes.

II. BACKGROUND AND NEED

The Forest Service, U.S. Department of Agriculture, is responsible for the development and administration of public recreation facilities within the national forest system. Although the agency maintains approximately 8,500 recreation sites and has issued approximately 50 permits to State and local governments for the operation of picnic areas and organizational campsites, the escalating demand for increasingly costly recreation facilities and services on national forest lands has outstripped the ability to provide a sufficient supply through public funding. The Forest Service has found, however, that concessioners have been willing to assume the capital investment requirements necessary to meet these recreation demands.

The Forest Service has in force approximately 2,000 concessioner permits for the construction and operation of recreation facilities and provision of recreation services. Of this number, almost 200 relate to ski area facilities and services. In addition to ski areas, concession facilities and services include hotels, motels, trailer sites, restaurants, stores, gasoline stations, wayside stands, and instruction and guide services. Permittees' operations accommodated almost 12 million of the 200 million visitor days of recreation use in the national forest system in 1976. These operations yielded an estimated $9 million of profit from $154 million of gross sales. Permittees' investment in improvements totaled over $275 million and receipts to the Treasury from fees were about $2.8 million. The Forest Service estimates that permittees could invest an additional $200 million in the next 10 years to meet anticipated demand for recreation use of national forest lands. Unfortunately, these investments, and the corresponding increase in quality and quantity of recreation opportunities for the public which they could provide are threatened by an inadequate statutory base.

The Secretary of Agriculture issues and administers permits for ski area and other commercial outdoor recreation facilities and services under two principal statutes: The act of June 4, 1897 (30 Stat. 34, as amended), authorizes the Secretary to regulate occupancy and use of the national forests. The Forest Service interprets this statute as authorizing the issuance of a permit for "any proper and lawful use" (see letter of November 14, 1975, under "Executive Communications" in Senate Report No. 94–1019). These permits are revocable at the Secretary's discretion. The act of March 4, 1915 (38 Stat. 1101, as amended), authorizes the Secretary to issue permits for the use and occupancy of suitable areas of land for the purpose of constructing hotels, resorts, or other recreation facilities. Permits issued under this statute are limited to a period of not more than 30 years. Both these early laws have been amended; however, the most recent amendment was made 20 years ago (act of July 28, 1956; 70 Stat. 708). This amendment raised the acreage limitation for 1915 act recreation permits to 80 acres.

The committee believes that these statutes, enacted well before the recent heavy demand for outdoor recreation opportunities on national forest lands, are deficient in a number of respects—a judgment supported by every interest group which testified on S. 1338. The most serious problem concerns the acreage limitation in the 1956 act's amendment to the 1915 act. Virtually every modern ski area on national forest land occupies more than 80 acres. Accordingly, the Forest Service has engaged in the practice of employing both statutes to authorize a single ski area. The agency issues a recreation permit under the 1915 act which applies to all the major facilities which are situated within an area of 80 acres or less and an additional permit under the 1897 act which covers the remaining national forest lands and the dispersed facilities.

In litigation over the proposed issuance of permits for a ski area in Mineral King Valley, Sequoia National Forest (standing question addressed in *Sierra Club* v. *Morton*, 405 U.S. 727, 1971), the validity of this permitting practice is under challenge on the basis that the agency lacks authority to permit the construction and

operation of recreation facilities on an area larger than 80 acres. This suit is presently dormant while the litigants await a decision of the prospective developers whether to further pursue the ski area proposal in Mineral King Valley and the fate of legislation to add the valley to Sequoia National Park (S. 88). Should, however, the suit be revived or another Mineral King-like suit be filed and should the reasoning of the Court of Appeals in the Alaska pipeline suit (*Alaska Wilderness Society et al.* v. *Morton*, 497 F. 2d 842, 1973; cert. denied, 417 U.S. 917, 1973) be followed, the plaintiffs in such ski area litigation might prevail. In the pipeline suit, a similar attempt by the Secretary of the Interior to avoid statutory restrictions on the size of the area to which a permit may apply (limitations on widths of rights-of-way authorized by permits under the Mineral Leasing Act of 1920) by issuing permits under separate authorities (a permit under the 1920 act for the core area of the right-of-way and additional special use permits to establish the wider corridor) was disallowed. The result of the pipeline litigation was the enactment of legislation to specifically remove the statutory impediment (act of November 16, 1973, 87 Stat. 576, amending the Mineral Leasing Act of 1920 to, among other things, remove the rights-of-way width limitations for oil and gas pipelines). Unlike the pipeline case, however, the effect of a similar decision on permits for ski area facilities and services would not be primarily prospective. If the court's reasoning in the pipeline case were to be followed in a Mineral King-like suit and S. 1338, as ordered reported, were not enacted, not only would the flow of capital needed to establish future ski areas cease, but the validity of permits already issued for virtually all existing ski areas on national forest lands and the security of the investments therein would be called into question. In fact, testimony at the hearings on S. 2125, S. 1338's predecessor bill last Congress (see section III, "Legislative History"), suggested that the possibility of such an outcome may *already* serve as a constraint on the availability of financing to meet capital requirements of permittees and prospective permit applicants.

The committee recognizes that permittees holding 1897 act and 1915 act permits for commercial outdoor recreation facilities and services, particularly ski area operators, no longer limit their development activities to the construction of facilities strictly for recreation purposes on national forest lands. Many such permittees become hotel and lodge operators and real estate developers on privately owned land adjacent to the national forest land. These developments by the permittees, in turn, stimulate similar development by others. These facilities and services and the population growth and secondary development they induce have significant adverse impacts upon the environment of national forest lands and private lands alike and create heavy demands for public services in largely rural areas. The communities in these areas are ill-equipped in planning and financing capabilities to meet the public service demands and mitigate the environmental impacts. These impacts and demands are a direct result of the Federal permitting activity, yet the existing statutory base for that Forest Service function fails to require the agency to adequately address them and to properly involve affected citizens and State and local governments in the permit issuing and administering processes.

Witnesses at the hearings on S. 1338 found the 1897 and 1915 acts to be deficient by failing to remedy a lack of proper notice to and participation of State and local governments in permit issuing procedures; not providing effective forums and procedures for citizen participation in reviewing permittees' performances; requiring too small a percentage of, and placing serious use limitations on, permit fee moneys distributed to the States and local governments; not establishing uniform and objective methods for reviewing requests by permittees to increase their charges to the public; not allowing permittees to provide discount rates to certain groups of citizens in the affected areas; permitting only minimum public disclosure of information concerning permit issuing and administering decisions; and not prompting adequate consideration of the antitrust implications of awarding more than one permit to a single party in the same geographical area.

To correct these deficiencies, S. 1338, as reported, would supplement and, in the case of ski area facilities and services, supplant the 1897 and 1915 acts. Among other things, the bill removes the 80-acre limitation; directs the Secretary of Agriculture to develop objective criteria for decisionmaking on both applications for permits and proposals of permittees to raise rates charged the public; requires a more rigorous consideration of permit applications, including the secondary growth, environmental impact, public service, and antitrust implications of the proposed facilities and services; sets out procedures to involve State and local governments and the public more fully in the permit issuing and review process; allows renewal of the 30-year permits prior to their termination when the permittees make substantial capital investments; increases the non-Federal share of permit fee monies from 25 percent to 50 percent, pays that share directly to affected local governments rather than the States, and widens its permissible use from construction of roads and schools only to construction of any public facility and provision of any public service; provides for disclosure of historical financial data supplied by permit applicants and permittees in support of permit applications, requests for permit renewals, and proposals for increases in charges to the public; and requires verification by the Forest Service of information supplied by permittees or permit applicants upon which the agency expects to base permit issuing or administering decisions.

The deficiencies in the 1897 and 1915 acts and the manner in which they are remedied by S. 1338, as ordered reported, are discussed in greater detail in section IV, "Section-by-Section Analysis".

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1338

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Congress hereby finds that appropriate facilities and services within the forest reserves created from the public domain may be desirable to meet the projected increasing demand for public recreation; and the enhancement of these opportunities for recreation and the protection of environmental quality require prudent development and substantial capital investment. It is the policy of the Congress that, where such facilities and services are determined to be advisable by the Secretary of Agriculture through long-range multiple-use planning conducted by the Forest Service, and upon consideration of the views of the relevant State and local governments and the public, private development and management of such facilities and services, on a competitive basis where appropriate, may be authorized through issuance of permits. As the facilities and services authorized by any such permit, which has as its purpose the provision of needed services to the public on public lands, are affected with a public interest, such permit shall provide, consistent with the policy and provisions of this Act and subject to conditions which protect the soil, air, and water and the other uses of the forest reserves, for payment of reasonable fees which reflect a primary objective of maintaining a high quality of outdoor recreation facilities and services at reasonable prices for the use and enjoyment of the public.

(b) For the purpose of this Act—

(1) "National Forest System" means the National Forest System as defined in subsection (a) of section 11 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476, 480; as amended);

(2) "forest reserves" or "forest reserve lands" means lands of those national forests in the National Forest System which have been created from the public domain;

(3) "Secretary" means the Secretary of Agriculture;

(4) "person" means any individual, partnership, association, corporation, trust, estate, or other legal or commercial entity;

(5) "permittee" means the holder of a permit issued pursuant to this Act;

(6) "other recreation permit" means a permit or special use permit for commercial outdoor recreation facilities and services on forest reserve lands issued before or after enactment of this Act in whole or in part under the Act of March 4, 1915 (38 Stat. 1101, as amended; 16 U.S.C. 497), the Act of June 4, 1897 (30 Stat. 35, as amended; 16 U.S.C. 551), the Act of April 24, 1950 (64 Stat. 84, 16 U.S.C. 580(d)), or any other Act authorizing special use permits;

(7) "prior permit" means a permit or special use permit for commercial ski area facilities and services on forest reserve lands issued prior to the enactment of this Act under the Acts set forth in clause (6) of this subsection;

(8) "local government" or "unit of local government" means a county, parish, township, municipality, borough, or other unit of general government as determined by the Secretary of the Treasury (on the basis of the same principles as are used by the Bureau of the Census for general statistical purposes); and

(9) "commercial ski area facilities and services" means ski facilities situated, and any and all resort facilities or services which are located therewith, on land to which a permit issued pursuant to this Act, a prior permit, or other recreation permit applies.

PERMIT AUTHORITY

SEC. 2. Subject to such terms and conditions as he deems desirable or as required by this Act or other applicable law, the Secretary is authorized to permit any person to use and occupy areas within the forest reserves to provide commerciaal outdoor recreation facilities and services for the use and enjoyment of the general public.

AREA COVERED BY PERMITS

SEC. 3. The areas of land to which permits issued pursuant to this Act may apply shall in each case be determined by the Secretary, taking into consideration present and future public needs for all the multiple uses of the forest reserves: *Provided*, That—

(1) any permit issued pursuant to this Act for commercial outdoor recreation facilities and services other than commercial ski area facilities and services shall not apply to more than eighty acres of forest reserve lands;

(2)(A) any permit to be issued pursuant to this Act for commercial ski area facilities and services which will apply to more than three thousand acres of forest reserve lands may be approved sixty days after the Secretary has submitted to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives the draft environmental impact statement prepared pursuant to section 102(2)(C) of the National Environmental Policy Act (83 Stat. 852, 853, as amended; 42 USC 4321, 4332) and section 5(a)(2)(E) of this Act on the issuance of such proposed permit, together with the terms and conditions he expects to impose upon the permit applicant, if neither House has adopted a resolution disap-

proving the issuance of such permit. If either of the two committees has not reported a resolution of disapproval at the end of thirty days after the submission of the permit to it, it shall be in order to discharge the committee from further consideration of such resolution. A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported such a resolution), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to. When the committee has reported, or has been discharged from further consideration of, a resolution, it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to;

(B) whenever either House adopts a resolution of disapproval for the issuance of such proposed permit within said sixty-day period from the date of the submission of the draft environmental impact statement, the Secretary, should he continue to deem the facilities and services to be provided by the permit applicant to be advisable, the applicant to have met all requirements for the issuance of the proposed permit. and the proposed permit to contain all necessary and appropriate terms and conditions, shall submit to the Congress proposed legislation, together with a report thereon, authorizing the issuance of said permit;

(C) not more than one permit may be issued pursuant to this Act for commercial ski area facilities and services within an area of less than six thousand acres unless each such permit, irrespective of the acreage involved, is issued in accordance with procedures provided in this paragraph (2); and

(D) the total area to be used by the applicant for a permit for commercial ski area facilities and services and to which such permit shall apply shall include all land within the outer boundaries of the land to be used by the proposed facilities and services, including uncleared or unimproved land between areas to be cleared or improved for ski runs, lifts, or other such ski area facilities and services.

PERMIT PERIOD; PERMIT TERMINATION AND SUSPENSION

SEC. 4. Subject to the provisions of this Act and other applicable law, the Secretary may—

(1) issue permits pursuant to this Act for such periods as he deems appropriate, but not to exceed thirty years;

(2) issue, at the expiration of the period of any such permit, a new permit pursuant to this Act to either a new permit applicant or the holder of the expired permit if such holder is determined by the Secretary to have fully complied with the terms of the expired permit: *Provided*, That the Secretary may issue a new permit pursuant to this Act to a permittee prior to the expiration of an existing permit issued pursuant to this Act if he approves a proposal by the permittee to make, prior to the expiration of the existing permit, a substantial capital investment to construct additional facilities, replace or remove existing facilities, or provide additional services consonant with the purpose for which the existing permit was issued and if he provides notice of his consideration of the issuance of a new permit, in the Federal Register and in a newspaper of general circulation in the area in which the facilities and services to which the permit applies are situated and provided, six months prior to the determination whether to issue the new permit; and

(3) suspend or terminate any permit issued pursuant to this Act for breach of the terms of said permit after giving the permittee due notice and a reasonable opportunity to conform with such terms, or if, in the judgment of the Secretary, the lands to which the permit applies are needed for another use: *Provided*, That the Secretary may order an immediate temporary suspension of any such permit prior to providing such notice and opportunity to conform with permit terms if he determines that such a suspension is necessary to protect public health or safety or the environment.

CONDITIONS FOR, AND TERMS OF, PERMITS

SEC. 5. (a)(1) Within six months from the date of enactment of this Act, the Secretary shall publish in the Federal Register and submit to the Congress proposed regulations containing objective criteria and procedures which must be applied and followed by him prior to issuance of a permit pursuant to this Act which applies to an area of more than 60 acres. Such criteria and procedures shall be applied and followed by the Secretary in determining whether such a permit shall be issued to a particular permit applicant or for a particular area. Such regulations shall not be promulgated prior to sixty days from the date of submission thereof to the Congress.

(2) Such regulations shall, among other things, require the Secretary, in making the determinations required in paragraph (3) of this subsection, to follow the procedures set forth in this paragraph (2). The Secretary shall—

(A) notify the relevant State and local governments within fifteen days of the allocation of an area in a land management plan prepared pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476, 477; as amended) for a form of recreation which would require a permit issued pursuant to this Act which would apply to an area of more than 60 acres, the designation of an area as a winter sports site, the filing of an application for any such permit, or the taking of any action by a Forest Service employee which will likely result in the issuance of any such permit;

(B) consult with the relevant State and local governments within thirty days of any action set forth in clause (A) of this paragraph, and continue such consultation thereafter at each significant step in the permit issuance process;

(C) submit the permit application to the Attorney General of the United States and the Attorney General of the State involved to permit them, a their discretion, to review such application under the Federal and State antitrust laws and submit their views to the Secretary within sixty days of receipt of the application: *Provided*, That, if the Secretary fails to receive such views within such sixty-day period he may make the determinations required in paragraph (3) of this subsection in the absence of such views;

(D) consider, for both forest reserve lands and private land in the proximity thereof, all facilities to be constructed by the permit applicant, all residential, recreation, commercial, and transportation development which will likely occur as a result of the construction and operation of the applicant's facilities, all public services necessary for such facilities and development, and other direct and indirect financial impacts on State and local government;

(E) prepare an environmental impact statement pursuant to section 102(2)(C) of the National Environmental Policy Act (38 Stat. 852, 853, as amended; 42 U.S C. 4321, 4332): *Provided, however*, That the preparation of an environmental impact statement shall not be necessary for the issuance or amendment of any permit pursuant to this Act to (i) the holder of an expiring prior permit or a prior permit which the holder has requested to be canceled pursuant to section (13)(a) of this Act, or (ii) a holder of a permit previously issued pursuant to this Act, for facilities and services to which such prior permit or permit previously issued pursuant to this Act applies unless such issuance or amendment is deemed a major Federal action significantly affecting the quality of the human environment pursuant to said section 102(2)(C); and

(F) require the permit applicant to comply with any conceptual land use plan adopted by the relevant State and local governments, including any plan which anticipates the direct and indirect impacts of the facilities and services and the development which will likely occur as a result of such facilities and services and which sets forth the policies and procedures to be employed in managing such impacts.

(3) Such regulations shall, among other things, establish objective criteria to be applied by the Secretary in making the determinations sets forth in this paragraph (3). Such criteria shall insure that any such permit shall not be issued unless the Secretary, following the procedures set forth in paragraph (2) of this subsection, and making use of any conceptual land use plan identified pursuant to clause (F) of said paragraph (2) and the environmental impact statement developed pursuant to clause (E) of said paragraph (2), determines that—

(A) a land management plan for the unit of the National Forest System in which the forest reserve lands involved are situated has been prepared pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 and that the use of such lands for commercial outdoor recreation facilities and services accords with such plan or that such plan has been amended as provided in subsection (e)(4) of said section 6 to insure the accordance of such plan and such use;

(B) sufficient demand exists for the commercial outdoor recreation facilities and services;

(C) such facilities and services would not preempt more suitable uses of the forest reserve lands involved;

(D) the public would not be better served by permitting or siting such facilities and services in a location other than that specified in the permit application;

(E) where any unit of the national park, wildlife refuge, wilderness preservation, and wild and scenic rivers systems is adjacent to or in the vicinity of the lands to which such permit would apply, such facilities and services would not adversely affect the purpose for which that unit is withdrawn, designated, or established;

(F) any conceptual land use plan identified pursuant to paragraph (2)(F) of this subsection is accurate and consistent with the policies and provisions of this Act and other relevant laws;

(G) all applicable State and local government laws, regulations, plans, and permitting and licensing requirements are or will be met by the permit applicant and are compatible with any conceptual land use plan identified pursuant to paragraph (2)(F) of this subsection; and

(H) the State and local governments have sufficient authority and capability to meet all significant public service demands generated by, and to mitigate all significant adverse environmental impacts of, such facilities and services and all residential, recreation, commercial, and transportation development which will likely occur as a result of such facilities and services.

(b) Development, management, and operation of the facilities and services to which any permit issued pursuant to this Act applies shall be the responsibility of the permittee, subject to such terms and con-

ditions as the Secretary may prescribe, consistent with the policies and provisions of this Act and other applicable laws.

(c) The Secretary shall, within three months of the date of enactment of this Act, publish in the Federal Register proposed regulations, and, within five months of the date of enactment of this Act, promulgate regulations, for the issuance of permits within any area to which a permit issued pursuant to this Act applies to persons other than the permittee for other uses, such as cross-country skiing, independent ski instruction, and professional guide services, not incompatible with the facilities and services to which the permit applies. Such regulations shall contain proof of ability, liability and indemnity insurance, and such other requirements for any such use as the Secretary deems necessary to protect the public and the permittee. The Secretary shall issue a permit for any such use to any applicant who meets the requirements of the regulations promulgated pursuant to this subsection if he determines that the issuance of such permit would be in the public interest.

(d) Any information, data, or documents submitted by a holder of a permit issued pursuant to this Act, a prior permit, or any other recreation permit, by an applicant for a permit to be issued pursuant to this Act or any other recreation permit, or by any other party, which is required or used by the Secretary or any employee of the Department of Agriculture in reaching any decision concerning or leading to the issuance, transfer, or amendment of any such permit, including the preparation of a land management plan for any unit of the forest reserves or designation of any area as a winter sports site, shall be verified as to the accuracy and completeness thereof by the Secretary prior to such decisionmaking.

PERMIT FEE

SEC. 6. (a) The permittee shall pay to the United States an annual fee for the use and occupancy of forest reserve lands to which the permit issued pursuant to this Act applies. In all cases, fees and charges shall be in accord with the principles set worth in title V of the Independent Offices Appropriation Act of 1925 (65 Stat. 290, 31 U.S.C. 483a).

(b) Fifty per centum of all moneys received by the United States during any fiscal year from any permit issued pursuant to this Act, any prior permit, or any other recreation permit, shall be paid to the unit or units of local government within the boundaries of which the forest reserve lands to which the permit applies are situated, and such payments may be used by such unit or units for (i) planning; (ii) construction, operation, and maintenance of public facilities; and (iii) provision of public services: *Provided*, That where all or part of one unit of local government is located within the boundaries of another unit and forest reserve lands subject to this subsection are within the boundaries of both such units, the payments shall be distributed between such units on the basis of population within the jurisdiction of each such unit: *Provided further*, That the Secretary of the Treasury shall promulgate regulations which provide that a share or shares of any such payments which otherwise would be paid in full under this subsection to the unit or units of local government within the boundaries of which the forest reserve lands to which the permit applies are situated shall be distributed to the unit or units of local government (i) the boundaries of which do not encompass any forest reserve lands to which the permit applies, and (ii) which experience more significant economic, social, or environmental impacts from the commercial outdoor recreation facilities and services and the development which accompanies such facilities and services than do the unit or units of local government which would otherwise receive the full payments. When any such payments are shared, the shares shall be divided equitably based on the impacts experienced by each eligible unit: *Provided further*, That the Acts of May 23, 1908, and March 1, 1911 (34 Stat. 260 and 36 Stat. 963, as amended; 16 U.S.C. 500) shall not apply to permits issued pursuant to this Act, prior permits, or other recreation permits.

PERMITTEES' CHARGES TO THE PUBLIC

SEC. 7. (a) Within six months of the date of enactment of this Act, the Secretary shall publish in the Federal Register and submit to the Congress proposed regulations which set forth in detail the criteria the Secretary shall apply in exercising his authority under this Act and other laws to determine whether to allow, reject, or modify any request by a holder of any permit issued pursuant to this Act, any prior permit, or any other recreation permit to increase any charge to the public for use of the principal facilities and services of such holder. Such regulations shall not be promulgated prior to sixty days from the date of submission thereof to the Congress.

(b) Such regulations shall, among other things—

(1) require that the decision to allow, reject, or modify any such proposed increase in a charge to the public shall not be delegated below the level of regional forester;

(2) require that any such proposed increase shall not be unreasonable, and shall not unduly restrict access to the facility or service for which the charge is to be made for any customer class, including families which, and individuals who, reside in the same State in which are located the forest reserve lands to which the permit applies;

(3) set forth conditions under which a holder of any such permit may offer special season rates or other special rates to, among other individuals, those who reside in the same general area in which are located the forest reserve lands to which the permit applies; and

(4) insure that any such proposed increase under a permit issued pursuant to this Act for commercial ski area facilities and services or a prior permit, and the criteria to be used in the determination of whether to allow, reject, or modify such proposed increase, shall relate only to the operation of facilities and provision of services directly related to the activity of skiing.

PUBLIC DISCLOSURE

SEC. 8. (a) Notwithstanding any other provision of law, the Secretary shall make available for public inspection any and all memoranda, financial statements, or other materials, or portions thereof, providing historical financial data or information, or any other information, concerning the operation of commercial outdoor recreation facilities and services, furnished to him or any official of the Department of Agriculture in support of charges to the public for use of the facilities or services of the holder of any permit issued pursuant to this Act, or any other recreation permit, which applies to an area of more than 60 acres, or any prior permit, or in connection with the administration of any prior permit and the issuance and administration of any permit issued pursuant to this Act, or any other recreation permit, which applies to an area of more than 60 acres. The Secretary shall consider only public information or information available to the public pursuant to this subsection or other Federal law in rendering any decision to amend or transfer any prior permit which applies to an area of more than 60 acres; to issue, amend, or transfer any permit issued pursuant to this Act, or any other recreation permit, which applies to an area of more than 60 acres; or to allow, modify, or reject a request to increase any charge to the public for use of the principal facilities and services of a holder of any permit issued pursuant to this Act, prior permit, or other recreation permit, which applies to an area of more than 60 acres.

(b) A detailed statement providing the basis upon which a decision by the responsible officer of the Forest Service to issue, transfer, or amend a permit issued pursuant to this Act or any other recreation permit, amend or transfer a prior permit, or allow, reject, or modify a request to increase any charge to the public for use of the principal facilities or services of a holder of any permit issued pursuant to this Act, any prior permit, or any other recreation permit shall be made available for public inspection promptly after such decision is made.

PERMIT REVIEW; STUDIES

SEC. 9. (a) Three years after the issuance of a permit pursuant to this Act or other recreation permit after the enactment of this Act, or three years after the enactment of this Act for any prior permit or other recreation permit issued prior to enactment of this Act, and at five-year intervals thereafter, the Secretary, when such permit applies to an area of more than 60 acres, shall provide an opportunity for a public hearing, with adequate public notice, in a location in the proximity of the area to which the permit applies to determine whether the holder of such permit has complied and is complying with the provisions of this Act and other applicable law and with the terms and conditions of the permit. The Secretary shall set forth his findings, based on the hearing, in writing and make them available to the public. Nothing in this section shall be construed as relieving the Secretary from his responsibility to review independently the performance of the holder of any such permit as periodically as necessary during such five-year periods to insure such compliance.

(b) The Secretary shall conduct a study of the existence of, the potential for, and the acceptability by the public of the development, installation, and use of low-cost commercial ski facilities and services by the holders of and applicants for permits issued pursuant to this Act for commercial ski facilities and services. Such study, together with the Secretary's findings, recommendations, and plans for the provision of such facilities, where appropriate, shall be submitted to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives no later than one year after the date of enactment of this Act.

(c) To assist the review of applications for permits pursuant to this Act and amendments to such permits and the preparation of land management plans for units of the national forests in the National Forest System, the Secretary shall periodically conduct and make public studies to determine: (i) the kinds and types of outdoor recreation facilities and services desired by, acceptable to, and used by the public on land of the National Forest System measured against an inventory of services and facilities provided by the private sector on public and private lands; (ii) trends in the supply of and demand for outdoor recreation facilities and services on public and private lands in national, regional, and local market sectors; (iii) the nature and scope of competition for ski and other outdoor recreation facilities and services on public and private lands in and among national, regional, and local market segments; and (iv) if marketing, promotional, and pricing practices employed by operators of outdoor recreation facilities and services on public and private lands assure equitable treatment to the various types and segments of user groups.

(d) The national advisory board established pursuant to section 14 of the Forest

and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476), as amended by the National Forest Management Act of 1976 (90 Stat. 2949, 2958), shall periodically conduct studies of—

(1) the differences, in each national forest region and each State, in economic and physical characteristics of commercial outdoor recreation facilities and services to which permits issued pursuant to this Act, prior permits, and other recreation permits apply, and of the holders of such permits, such characteristics to include, but not be limited to, the sizes and types of such facilities and services, the forms of ownership of such facilities and services, the investments in such facilities and services, and the ownership of the land upon which the facilities are situated and services provided; and

(2) the necessity, if any, to develop policies or regulations, or enact statutory provisions, concerning the issuance or administration of permits pursuant to this Act which differentiate between national forest regions or States to accommodate differences in characteristics determined pursuant to clause (1) of this subsection.

The board shall report the results of such studies to the Secretary and to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives.

TITLE TO IMPROVEMENTS; COMPENSATION

SEC. 10. Any structure, fixture, or improvement which is not owned by the United States and to which a permit issued pursuant to this Act applies shall not be deemed to be the property of the United States. The permittee shall be deemed to be the owner thereof, and may remove the property and assign, transfer, encumber, or relinquish the title thereto. Said title shall not be extinguished by expiration or other termination of the permit and shall not be taken for public use without just compensation: *Provided*, That the use or enjoyment of any structure, fixture, or improvement shall be permissible only so long as the owner thereof holds a permit which applies to the area on which such structure, fixture, or improvement is located: *Provided further*, That, within six months following the expiration or other termination of such permit, the Secretary may order the removal of such structure, fixture, or improvement and the restoration of the site, and, upon failure of the owner to comply with such order, the Secretary may bring an action for ejection and recovery of costs incurred by the United States in such removal and restoration: *Provided further*, That, in the event the Secretary does not order the removal of such structure, fixture, or improvement and permits the continued use thereof either by the United States or by a person other than the permittee, then the Secreary shall, before allowing such use to become effective, take such action as may be necessary to assure the permittee of just compensation therefor, unless the Secretary and the permittee mutually agree to other arrangements for the disposition of such structure, fixture, or improvement: *And provided further*, That, if any permit is terminated by the Secretary for another use, the United States shall be obligated to pay an equitable consideration for the removal of such structure, fixture, or improvement and damage thereto resulting from the removal.

UTILITY SERVICES FOR CONCESSIONERS; REIMBURSEMENT

SEC. 11. The Secretary may furnish, on a reimbursement of appropriation basis, all types of utility services within the forest reserves to concessioners, contractors, permittees, or other users of such services: *Provided*, That reimbursement for costs of such services may be credited to the appropriation from which the expenditure was made.

RECORDKEEPING; AUDIT AND EXAMINATION; ACCESS TO BOOKS AND RECORDS

SEC. 12. Except where otherwise provided by law, each permittee shall keep for a period of six years such records as the Secretary may prescribe in the permit to enable the Secretary to determine that all the terms of the permit have been and are being faithfully performed. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall, for the purpose of audit and examination, have access for such six-year period to said records and to other books, documents, and papers of the permittee pertinent to the permit and all the terms and conditions thereof.

EFFECT ON OTHER LAWS; APPLICABILITY

SEC. 13. (a) This Act shall be construed as supplemental to, and not in derogation of, the provisions of the Act of March 4, 1915 (38 Stat. 1101, as amended; 16 U.S.C. 497); the Act of June 4, 1897 (30 Stat. 35, as amended; 16 U.S.C. 551); the Act of April 24, 1950 (64 Stat. 84, 16 U.S.C. 580(d)), or any other Act authorizing special use permits, except that this Act and the Act of April 24, 1950, shall be construed as the sole authorities for issuance of permits for commercial ski area facilities and services on forest reserve lands. Prior permits shall be subject to the provisions of sections 6(b), 7, (8), 9, and 11 of this Act and the applicable provisions of the other Acts cnumerated in this subsection until the expiration of the periods of such permits remaining as of the date of enactment of this Act: *Provided*, That when one person holds more than one such prior permit applicable to a single, integrated commercial ski area facilities and services operation and such permits have different expiration dates, the provisions of this Act, other than the provisions of sections 6(b), 7, 8, 9, and 11 hereof, shall not bo applicable to such facilities and services and the holder of such permits until the expiration of the prior permit with the lengthiest remaining period, and those prior permits with shorter remaining periods may be amended or renewed under the authority of such Acts to remain valid until such expiration: *Provided further*, That the holder of any such prior permit may apply to the Secretary for cancellation thereof and issuance of a permit pursuant to this Act: *Provided further*, That the holder of such prior permit who applies for a permit to be issued pursuant to this Act shall be required to conform facilities operating under the prior permit to the provisions of sections 3 and 5(a) only to the extent practicable, as determined by the Secretary: *And provided further*, That the provisions of this Act shall be fully applicable to any amendment to a prior permit which would add an area of more than 60 acres to the land to which the prior permit applies.

(b) The provisions of this Act shall not be applicable to any existing or future application for a permit for commercial outdoor recreation facilities and services on forest reserve lands in Mineral King Valley, Sequoia National Forest, and shall not affect in any manner any litigation pertaining thereto.

(c) Nothing contained in this Act shall be construed as impairing, amending, broadening, or modifynig any of the antitrust laws or limiting or preventing the application of any such law to any person under the provisions of this Act.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS, 1978—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I am going to await the arrival of my good friend and very distinguished counterpart on the Senate Appropriations Subcommittee on the Interior to get into the discussion of the conference report of the Interior bill, but for now I do submit the report of the committee on conference on H.R. 7636 and I ask for its immediate consideration.

The PRESIDING OFFICER (Mr. NUNN). The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7636) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1978, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of June 23, 1977.)

Mr. ROBERT C. BYRD. Mr. President, the bill making appropriations for the Department of the Interior and related agencies contained $9,545,741,000 in new budget authority. The Senate-passed bill carried $10,238,903,000. The conference agreement before us today totals $10,026,349,000 in new budget authority, which is $480,608,000 over the House allowance and $212,554,000 under the Senate total. The conference amount, based strictly on new budget authority, is a $42,079,000 increase in the budget estimates.

There is a relatively small difference between the House and Senate calculations on the comparison with the budget estimates that I should clarify before going farther. The House calculated a $47,500,000 rescission of permanent contract authority as a budget reduction. Because the rescission did not involve new budget authority, we felt it should be left out of the budget comparison. The House comparisons carried in the back of the conference report and in the House comparative table, therefore, show a $5,421,000 reduction in the budget. The Senate comparison, in strict terms of new budget authority, shows the change in the budget request as an increase of $42,079,000.

Mr. President, I ask unanimous consent that a comparative summary of the fiscal year 1978 appropriations as calculated by the Senate be printed in the RECORD at this point. The full comparative table has already been printed in the House proceedings on pages 22490 through 22494 for July 12, 1977.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF INTERIOR AND RELATED AGENCIES—H.R. 7636: COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—SUMMARY BY TITLE

	New budget authority					Conference compared with—			
	Enacted fiscal year 1977	Estimates fiscal year 1978	House fiscal year 1978	Senate fiscal year 1978	Conference fiscal year 1978	Fiscal year 1977 enacted	Fiscal year 1978 estimate	House bill	Senate bill
Total, title I, new budget (obligational) authority, Department of the Interior	3,252,138,000	3,666,031,000	3,815,980,000	3,781,732,000	3,803,635,000	+551,497,000	+137,604,000	−12,345,000	+21,903,000
Consisting of—									
Appropriations	3,385,033,000	3,666,031,000	3,815,980,000	3,781,732,000	3,803,635,000	+418,602,000	+137,604,000	−12,345,000	+21,903,000
Definite appropriations	2,758,914,000	2,963,631,000	3,113,580,000	3,079,332,000	3,101,235,000	+342,321,000	+137,604,000	−12,345,000	+21,903,000
Indefinite appropriations	626,119,000	702,400,000	702,400,000	702,400,000	702,400,000	+76,281,000			
Rescission of contract authority	−132,895,000					+132,895,000			
Memorandums:									
Appropriations to liquidate contract authority	(63,595,000)	(55,034,271)	(55,034,271)	(55,034,271)	(55,034,271)	(−8,560,729)			
Permanent contract authority		(47,500,000)					(−47,500,000)		
Title I, new budget (obligational) authority and appropriations to liquidate contract authority	3,315,733,000	3,721,065,271	3,871,014,271	3,836,766,271	3,858,669,271	+542,936,271	+137,604,000	−12,345,000	+21,903,000
Total, title II, new budget (obligational) authority, related agencies	3,517,586,057	6,318,239,000	5,729,761,000	6,457,171,000	6,222,714,000	+2,705,127,943	−95,525,000	+492,953,000	−234,457,000
Consisting of—									
Appropriations	3,532,414,000	6,310,739,000	5,722,261,000	6,449,671,000	6,215,214,000	+2,682,800,000	−95,525,000	+492,953,000	−234,457,000
Definite appropriations	3,496,502,000	6,250,290,000	5,661,812,000	6,392,222,000	6,155,265,000	+2,658,763,000	−95,025,000	+493,453,000	−236,957,000
Indefinite appropriations	35,912,000	60,449,000	60,449,000	57,449,000	59,949,000	+24,037,000	−500,000	−500,000	+2,500,000
Borrowing authority	25,000,000	7,500,000	7,500,000	7,500,000	7,500,000	−17,500,000			
Rescission of contract authority	−39,827,943					+39,827,943			
Memoranda—									
Appropriations to liquidate contract authority	(208,104,000)	(78,781,000)	(78,781,000)	(78,781,000)	(78,781,000)	(−129,323,000)			
Title II, new budget (obligational) authority and appropriations to liquidate contract authority	3,725,690,057	6,397,020,000	5,808,542,000	6,535,952,000	6,301,495,000	+2,575,804,943	−95,525,000	+492,953,000	−234,457,000
RECAPITULATION									
Total, new budget (obligational) authority, all titles	6,769,724,057	9,984,270,000	9,545,741,000	10,238,903,000	10,026,349,000	+3,256,624,943	+42,079,000	+480,608,000	−212,554,000
Consisting of—									
Appropriations	6,917,447,000	9,976,770,000	9,538,241,000	10,231,403,000	10,018,849,000	+3,101,402,000	+42,079,000	+480,608,000	−212,554,000
Definite appropriations	6,255,416,000	9,213,921,000	8,775,392,000	9,471,554,000	9,256,500,000	+3,001,084,000	+42,579,000	+481,108,000	−215,054,000
Indefinite appropriations	662,031,000	762,849,000	762,849,000	759,849,000	762,349,000	+100,318,000	−500,000	−500,000	+2,500,000
Borrowing authority	25,000,000	7,500,000	7,500,000	7,500,000	7,500,000	−17,500,000			
Rescission of contract authority	−172,722,943					+172,722,943			
Memoranda:									
Appropriations to liquidate contract authority	(217,699,000)	(133,815,271)	(133,815,271)	(133,815,271)	(133,815,271)	(−137,883,729)			
Permanent contract authority		(47,500,000)					(−47,500,000)		
Grand total, new budget (obligational) authority and appropriations to liquidate contract authority	7,041,423,057	10,165,585,271	9,679,556,271	10,372,718,271	10,160,164,271	+3,118,741,214	−5,421,000	+480,608,000	−212,554,000

Mr. ROBERT C. BYRD. Mr. President, the conference negotiations this year were particularly complex. The bill funds not only the principal activities of the Interior Department, but the major nonnuclear energy programs, the Forest Service, Indian health and education, and the bulk of Federal cultural activities and resources. Committees in both Houses were confronted with wide and varied demands for program funding over and above the budget estimates. Each committee responded as much as it could to these individual priorities, and it became extremely difficult to work out the hundreds of differences and conflicts. On top of that, there were several basic disagreements in fiscal policy that had to be resolved. It was an exacting, lengthy process, and it involved more than the usual give and take needed to achieve a satisfactory agreement. But I believe a good agreement—a sound fiscal agreement—has been achieved. I feel confident that it was the best possible agreement under the circumstances.

All the conferees deserve commendation for their work on this difficult bill, and I would like to pay special tribute to the chairman of the House conferees, Representative SIDNEY YATES of Illinois. He is a tough and tireless negotiator, yet he is also fair-minded and dedicated to delivering a final product that is in the best interests of the Nation as a whole.

The major single difference in conference, Mr. President, was the appropriation to accelerate the strategic petroleum reserve. Working with a budget request that exceeded $3 billion, the House imposed a $710 million reduction based on its very real concern over the Federal Energy Administration's ability to obligate that kind of funding effectively. The Senate, on the other hand, felt it was important to give full support to the reserve concept. I can tell you the President personally felt that full funding was important as a demonstration of the Nation's determination to provide a major reserve of energy. The conference agreement of nearly $2.8 billion is some $220 million below the Senate, but nearly $490 million above the House. I believe this settlement not only enabled us to keep reasonably close to the budget request, but was sufficient to make clear that our determination in this sensitive area remains unwavering.

Another area where the two Houses were far apart was historic preservation grants. The Senate approved $80 million—$40 million over the budget—in an effort to bring funding closer to the authorized goal. There was a spirited dis-

cussion of the issue, with the House conferees arguing quite effectively that certain problems in the grant standards needed to be resolved before funding should be accelerated. The agreement was for $45 million, a budget increase of $10 million. There are many Senators, I know, who believe the final number should have been higher, but I believe the funding level—which more than doubles the 1977 appropriation—is the best that could be achieved.

There was also a wide, $92.8 million difference in appropriations for the Energy Research and Development Administration. The bulk of the Senate increases in the House allowance reflected Senate action on the pending authorization bill. The conference agreement on $839 million for ERDA was $55.6 million under the Senate and $37.2 over the House. While this is below the full budget request, it funds a significant, $255 million increase over 1977.

Otherwise, in the bill this year, the Senate and House conferees found themselves in a reversal of their normal postures. Usually the Senate is defending increases in House allowances. This year, in an effort to balance full support for the strategic reserve against spending constraints embodied in the budget resolution, the Senate had to make selected reductions in the House amounts. Because of serious program deficiencies, the Senate also denied any new starts in construction of school and hospital facilities for Indians, which involved sharp decreases in House allowances.

In most cases the Senate reductions were worked out somewhere reasonably between the two allowances. In the case of the construction cutbacks, the House agreed with the Senate position.

There was a printing error in the conference report, Mr. President, that should be brought to the Senate's attention. Amendment No. 19 should have been included in those amendments that were reported in disagreement.

The bill is too detailed even to highlight the other major agreements. I stand ready to answer any questions, however, and I know the ranking minority member of the Interior subcommittee, the distinguished Senator from Alaska (Mr. STEVENS), is also ready to help provide any needed details.

I wish to commend Mr. STEVENS and to thank him for the close support and valuable help he again has provided on this bill.

Mr. President, I ask unanimous consent that Mr. STEVENS be permitted to place into the RECORD such statements in support of the conference report and explanation thereof as he may desire, as though he were present.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I must say that I have taken advantage of this moment to get the conference report adopted, and I am afraid that proper notification to Senator STEVENS was not made. That is my fault. I apologize for it. He is a very capable, able, helpful and useful member of the Subcommittee on Appropriations.

I lean on him for his support during the hearings and markup of the bill, handling of the bill in conference and on the floor. I have never leaned on anyone as much as I have leaned on him in carrying out the appropriations bill during my years on the committee, so I do apologize to the Senator. He at the moment is fulfilling another engagement near the floor, but he could not come to the floor, and he has asked me to proceed, however, with the adoption, of securing the adoption, of the conference report.

Mr. STEVENS. Mr. President, the distinguished majority leader and chairman of our subcommittee, Mr. BYRD, has provided a summary of the action of the House and Senate conferees on the fiscal 1978 appropriations bill for the Department of the Interior and related agencies along with a table to be included in the RECORD summarizing final agreements on the bill.

We have come very close to the budget estimates originally submitted to the Congress while meeting most of the priorities established through our hearings and through consultation with Members of the Senate.

The Budget Impoundment and Control Act set a definite timetable for final action on all of the 13 regular appropriations bills. This schedule, while it imposes some difficulties for all members of the Committee on Appropriations, is necessary to insure the smooth operation of Federal programs from one fiscal year to the next. I would point out that despite the most hectic schedule of the chairman of our subcommittee, Senator BYRD, this is the first of the regular appropriations bills for the coming fiscal year to be forwarded to the White House for signature. Speaking for all members of the subcommittee, I would like to express our appreciation for the time and effort put forward by the majority leader in guiding the Interior appropriations bill through the months of hearings and days of markup to bring about this final action of consideration of the conference report.

The bill now before us represents our best efforts to balance the wide variety of programs covered by this subcommittee—from management of natural resources and federally owned lands through health, education, and cultural enrichment programs. I urge its adoption by the Senate.

Mr. ROBERT C. BYRD. Mr. President, I yield now to Mr. MELCHER.

Mr. MELCHER. Mr. President, the Senate acted affirmatively and positively on the authorization of MHD—magnetohydrodynamics—when it adopted an amendment setting the authorization figure for the coming fiscal year at $88.7 million. The conferees on the appropriation for MHD, representing the Senate's viewpoint, exerted every influence they could on the House conferees and came up with a figure of $70.5 million for the coming fiscal year. This was in excess of what the President's budget had requested. The budget requested $50 million. It was slightly in excess of the House authorization, which is $69.4 million.

The need to move as quickly and as prudently as we can with MHD research and engineering is paramount in the use of coal to generate electricity. This sum of money will be used by various engineering and university groups throughout the country. More than a dozen States are involved, and probably 20 to 24 institutions are involved.

Since the figure of $70.5 million for the coming fiscal year is below the Senate authorizattion, it is my purpose now to discuss with the Senate majority leader and the Senate minority leader whether, in the coming supplemental appropriation bill, we can move strongly in further appropriations for this fiscal year. I ask the majority leader, Mr. BYRD, if he concurs in that.

Mr. ROBERT C. BYRD. Mr. President, I commend the Senator from Montana (Mr. MELCHER) for his continuing interest in accelerating research and development of the magnetohydrodynamics technology. While he was a Member of the other body, he evinced his very strong interest in appropriations for this type of research. As chairman of the Interior Appropriations Subcommittee, I supported increased funding, as the Senator knows, and so did the subcommittee and the full Committee on Appropriations. As a result, the Senate-passed appropriation bill carried a total of $88.7 million for MHD, the full amount in the Senate-passed authorization bill for the Energy Research and Development Administration.

The House-passed bill, as we know, appropriated the amount requested in the President's budget for MHD—$50.5 million. The House conferees, I might add, were quite adamant in their position that the $50.5 million was adequate since it was some $10.5 million over 1977 funding. Further, the House conferees were concerned that the Senate-passed appropriation exceeded the amount carried in the House-passed authorization bill. As we know, congressional action is still not complete on the authorization bill.

That was the situation as we went to conference with the House; but despite these difficult circumstances, we were able to negotiate an agreement on an MHD appropriation of $70.5 million, which is $20 million more than the House allowance and $18.8 million below the Senate amount. It took some tough bargaining to achieve that agreement; and I must say that the distinguished Senator from Montana certainly helped the Senate conferees in this regard, because he insisted, he stood firm, and he backed up the Senate conferees. I think the Senate really came out ahead, in the final analysis, as a result.

The $70.5 million in the conference report for MHD represents an increase of $30.5 million over current 1977 funding—a 76-percent increase, if my mathematics are accurate.

I believe the argument of the Senator from Montana (Mr. MELCHER) in support of even more acceleration of MHD does have merit. I can assure him that I will certainly extend every consideration to any future proposal or recommendation by himself or by ERDA to expand the MHD funding, either by a

reprograming proposal or by a later supplemental appropriation request. The extent of any further increase for the 1978 fiscal year, of course, will depend on the final authorization ceiling that is enacted. And the House must also approve any additional funding.

I appreciate the remarks of the Senator from Montana. I congratulate him on his continuing strong, active, effective, diligent interest and effort in behalf of this project. I assure him again of my continuing interest in the MHD program.

Mr. STEVENS, the ranking member, is not on the floor at the moment, but I hope that my statement will be helpful to the distinguished Senator from Montana.

Mr. MELCHER. Mr. President, I thank the majority leader for his very gracious remarks. I particularly thank the majority leader and other conferees representing the Senate for the tough bargaining that I know took place in the conference to secure the greatest amount possible for MHD research and engineering for the coming fiscal year.

I am particularly impressed that the majority leader has mentioned the possibility of reprograming of funds for the coming fiscal year, because that is another opportunity to make sure that we advance as quickly as possible in this technology.

It is an opportunity that will be available if ERDA recommends it and if the appropriate committees of both the House and the Senate approve it.

So I again thank the majority leader, and I thank the other distinguished members of the subcommittee.

Mr. ROBERT C. BYRD. I thank the Senator. Again, I assure him of my continuing interest in this project, which has a very important bearing upon our energy program. I will continue to be interested in his viewpoint, and we will continue to work together as we look down the road to further funding of this project.

Mr. JOHNSTON. Mr. President, I should like to elaborate briefly on certain language in the conference report on Department of Interior appropriations for fiscal year 1978 regarding the National Endowment for the Arts relationship with the American Film Institute.

In 1975, the conferees on this bill established a ceiling of $1.1 million on NEA's grants to the institute. That required the NEA to reverse a decision of its Council to provide $1.4 million to AFI. It required AFI to cut back on several programs which it was prepared to carry out for the Endowment. It was a most unusual step, because the committee had seldom if ever sought to guide the funding decisions of the National Endowment.

The conferees acted in 1975 because, in the preceding year or two, AFI had attracted what the conferees regarded as insufficient private contributions. The limitation imposed on the NEA grant was intended as an inducement to AFI to raise additional funds from the private sector.

Since that time, the private fundraising efforts of AFI have produced increasingly large results. AFI more than matches what it receives from NEA. In addition, NEA has established an excellent panel of review to oversee the institute's work.

As a consequence, the conferees this year acted to lift the ceiling and to permit NEA to treat AFI as it does other grantees. In other words, NEA will determine to what extent the American Film Institute can help it carry out its programs in the field of film and proceed to fund those programs as it sees fit. It should be noted that the AFI is the only organization founded and established by the NEA.

The conferees do not expect that the AFI grant will be suddenly doubled, and they certainly do not wish other grantees to be hurt by a substantial shifting of funding from them to AFI. However, since the NEA budget has grown so dramatically over the years, and since the AFI grant has remained rather constant, in relative terms, it is certainly possible for NEA to make appropriate increases in its grant to AFI without injury to others.

I should point out, Mr. President, that film is by far the most popular art form in America today.

It is appropriate that the work of an institution such as the American Film Institute be supported in order that great films of the past may be preserved and the cultural and educational values embodied in film may be enjoyed and studied by the largest number of Americans. Other countries, among them Britain, Canada, and Sweden, maintain national film institutes. Here, in the cradle of the motion picture industry, we should do no less.

I commend the AFI for increasing the amount of its private contributions. Because of the clear and vigorous public interest in the study of film, I am glad to see the Endowment freed to support the AFI as it deems appropriate.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will report the amendments in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 4 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert: $25,307,000, of which $7,975,000 shall remain available until September 30, 1979

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 5 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $11,574,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 7 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $65,060,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 9 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $161,442,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 16 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $677,181,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 19 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

Provided further, That the Secretary shall engage the General Services Administration to supervise the planning, design, construction, and maintenance of school facilities; and that within 90 days following enactment of this bill, the Secretary of the Interior shall submit to the Congress a plan for expenditure of planning and construction funds available to the Bureau of Indian Affairs and shall advise during the year on achievement of plans and construction

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 22 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert:

$110,444,000, including $900,000 for a human development project in the Marshall Islands, to become available for obligation only in such amounts as may be equal to funds provided by the Marshalls District Legislature and the District Administrator, Marshalls, in amounts not to exceed $450,000 each and none of these funds may be used to pay the salaries and travel expenses of volunteers engaged in the project.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 37 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $289,123,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 41 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $71,257,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 46 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment, and insert: passenger

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 48 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment, and insert:

: *Provided further,* That not to exceed $110,000 may be used to make grant awards to employees of the Smithsonian Institution:

Provided further, That none of these funds shall be available to the Smithsonian Research Foundation

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 50 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert: : *Provided further,* That none of these funds shall be available to the Smithsonian Research Foundation

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 63 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

SEC. 304. No part of any appropriation contained in this act shall be available for any activity or the publication or distribution of literature that in any way tends to promote public support or opposition to any legislative proposal on which congressional action is not complete, in accordance with the Act of June 25, 1948 (18 U.S.C. 1913).

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate concur en bloc in the amendments of the House to the amendments of the Senate Nos. 4, 5, 7, 9, 16, 19, 22, 37, 41, 46, 48, 50, and 63.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the Senate concurred en bloc to the amendments of the House to the amendments of the Senate.

The PRESIDING OFFICER. Is there a motion to table?

Mr. ROBERT C. BYRD. Yes.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER HOLDING H.R. 7658 AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I was asked on yesterday by Mr. CRANSTON to secure unanimous consent for H.R. 7658 to be held at the desk pending further consideration upon its receipt in this body and I failed to do that before the Senate went out. So I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I move the Senate stand in recess awaiting the call of the Chair.

The motion was agreed to, and at 10:24 a.m. the Senate recessed, subject to the call of the Chair.

The Senate reassembled at 11:39 a.m. when called to order by the Acting President pro tempore (Mr. ROBERT C. BYRD).

The ACTING PRESIDENT pro tempore. What are the wishes of the Senate?

Mr. HATFIELD addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SPARKMAN). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:20 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 7345. An act to amend title 38 of the United States Code to increase the rates of disability and death pension and to increase the rates of dependency and indemnity compensation for parents, and for other purposes;

H.R. 7658. An act to amend title 38 of the United States Code to assist veterans with a permanent and total service-connected disability due to the loss or loss of use of one upper and one lower extremity to acquire specially adapted housing;

H.R. 7678. An act relating to the assignment of retired military personnel to the American Battle Monuments Commission; and

H.R. 7738. An act with respect to the powers of the President in time of war or national emergency.

At 2:08 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its clerks, announced that—

The House has passed the bill (S. 1377) to extend the time for commencing actions on behalf of an Indian tribe, band, or group, with an amendment in which it requests the concurrence of the Senate.

The House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5970) to authorize appropriations during the fiscal year 1978, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selective Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loans, and for other purposes.

The House disagrees to the amendments of the Senate to the bill (H.R. 7555) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1978, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Flood, Mr. Natcher, Mr. Smith of Iowa, Mr. Patten, Mr. Obey, Mr. Roybal, Mr. Stokes, Mr. Early, Mr. Mahon, Mr. Michel, Mr. Conte, Mr. O'Brien, and Mr. Cederberg were appointed managers of the conference on the part of the House.

The House disagrees to the amendments of the Senate to the bill (H.R. 7558) making appropriations for Agriculture and Related Agencies programs for the fiscal year ending September 30, 1978, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Whitten, Mr. Evans of Colorado, Mr. Burlison of Missouri, Mr. Baucus, Mr. Traxler, Mr. Alexander, Mr. Sikes, Mr. Natcher, Mr. Mahon, Mr. Andrews of North Dakota, Mr. Robinson, Mr. Myers of Indiana, and Mr. Cederberg were appointed managers of the conference on the part of the House.

At 4:10 p.m., a message from the House of Representatives delivered by Mr. Berry announced that—

The House has passed the bill (S. 1528) to amend section 2 of the Safe Drinking Water Act (Public Law 93-523) to extend and increase authorizations provided for public water systems, with an amendment in which it requests the concurrence of the Senate.

The House has passed the following bill in which it requests the concurrence of the Senate:

H.R. 186. An act to implement the Convention on the International Regulations for Preventing Collisions at Sea, 1972;

H.R. 7462. An act to amend the Federal-Aid Highway Act of 1976 to provide an obligation limitation for fiscal year 1978;

H.R. 7792. An act to amend title 39, United States Code, to establish certain limitations on the use of the frank, and for other purposes.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC-1652. A letter from the Deputy Assistant Secretary of Defense, Installations and Housing, transmitting, pursuant to law, notice of 21 construction projects to be undertaken by the Army National Guard (with accompanying papers); to the Committee on Armed Services.

EC-1653. A letter from the Secretary of the Army transmitting, pursuant to law, a report of the Chief of Engineers on Civil Works Activities for the fiscal year ended 30 June 1975 (with an accompanying report); to the Committee on Environment and Public Works.

EC-1654. A letter from the Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to amend title II of the Social Security Act and for other purposes (with accompanying papers); to the Committee on Finance.

EC-1655. A letter from the Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to amend the Social Security Act and the Internal Revenue Code of 1954 to strengthen the financing of the social security system, to reduce the

effect of wage and price fluctuation on the system's benefit structure, and to eliminate gender-based distinctions from the social security provisions of the Act (with accompanying papers); to the Committee on Finance.

EC–1656. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Improved Management of Computer Resources Needed to Enhance Marine Corps' Efficiency and Effectiveness" (LCD–76–124) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1657. A letter from the Chairman of the U.S. Civil Service Commission transmitting a draft of proposed legislation establishing a system of temporary grade retention to be followed by indefinite pay retention for Federal employees who are downgraded through no fault of their own (with accompanying papers); to the Committee on Governmental Affairs.

EC–1658. A letter from the Chairman of the Privacy Protection Study Commission transmitting, pursuant to law, the Final Report of the Privacy Protection Study Commission (with an accompanying report); to the Committee on Governmental Affairs.

EC–1659. A letter from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, a copy of Council Act 2–39, an act to regulate the installation, maintenance and repair of electrical wiring and electrical equipment in the District of Columbia (with accompanying papers); to the Committee on Governmental Affairs.

EC–1660. A letter from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, a copy of Council Act 2–40, an act to regulate the construction of buildings in the District of Columbia (with accompanying papers); to the Committee on Governmental Affairs.

EC–1661. A letter from the Assistant Administrator, Office of Planning and Management, Law Enforcement Assistance Administration, Department of Justice, transmitting, pursuant to law, the third annual report of the National Institute of Law Enforcement and Criminal Justice for fiscal year 1976 (with an accompanying report); to the Committee on the Judiciary.

EC–1662. A letter from the Commissioner of the Immigration and Naturalization Service, Department of Justice transmitting, pursuant to law, copies of orders entered in 750 cases in which the authority contained section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens (with accompanying papers); to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HUDDLESTON, from the Committee on Appropriations:

With amendments:

H.R. 7932. An act making appropriations for the legislative branch for the fiscal year ending September 30, 1978, and for other purposes (Rept. No. 95–338).

By Mr. EASTLAND, from the Committee on the Judiciary:

Without amendment:

S. 1502. A bill to amend title 18, United States Code, to make a crime the willful destruction of any interstate pipeline system (Rept. No. 95–339).

With an amendment:

S. 1496. A bill to amend title 18, United States Code, to make a crime the willful destruction or interference with the trans-Alaska pipeline system (title amendment) (Rept. No. 95–340).

By Mr. MUSKIE, from the Committee on the Budget:

Without amendment:

S. Res. 206. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 926 (Rept. No. 95–341).

By Mr. PACKWOOD, from the Committee on Finance:

With an amendment:

H.R. 3340. An act to amend the Internal Revenue Code of 1954 to allow a deduction for expenses allocable to the use of any portion of a dwelling unit in the trade or business of providing day care services whether or not such portion is exclusively used in such trade or business (title amendment) (Rept. No. 342).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. ROBERT C. BYRD, from the Committee on the Judiciary:

Robert B. King, of West Virginia, to be U.S. attorney for the southern district of West Virginia.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. EASTLAND, from the Committee on the Judiciary:

Billie Lykins, of Kentucky, to be U.S. marshal for the eastern district of Kentucky.

Kenneth J. Mighell, of Texas, to be U.S. attorney for the northern district of Texas.

Harold M. Edwards, of North Carolina, to be U.S. attorney for the western district of North Carolina.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. MAGNUSON, from the Committee on Commerce, Science, and Transportation.

Richard Asher Frank, of the District of Columbia, to be Administrator of the National Oceanic and Atmospheric Administration.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. MAGNUSON. Mr. President, as in executive session, I report favorably from the Committee on Commerce, Science, and Transportation sundry nominations in the Coast Guard which have previously appeared in the CONGRESSIONAL RECORD and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of June 29, 1977, at the end of the Senate proceedings.)

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 7345. An act to amend title 38 of the United States Code to increase the rates of disability and death pension and to increase the rates of dependency and indemnity compensation for parents, and for other purposes; to the Committee of Veterans' Affairs.

H.R. 7738. An act with respect to the powers of the President in time of war or national emergency; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 7462. An act to amend the Federal-Aid Highway Act of 1976 to provide an obligation limitation for fiscal year 1978; to the Committee on Environment and Public Works.

H.R. 7792. An act to amend title 39, United States Code, to establish certain limitations on the use of the frank, and for other purposes; to the Committee on Governmental Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent the second time, and referred as indicated:

By Mr. PROXMIRE (by request):

S. 1846. A bill to amend the Truth in Lending Act to simplify credit cost disclosures, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. METCALF (for himself, Mr. HATFIELD, and Mr. LEAHY):

S. 1847. A bill to improve the operation and extend the scope of the Federal Advisory Committee Act; to the Committee on Governmental Affairs.

By Mr. GRIFFIN:

S. 1848. A bill to amend title 10 of the United States Code; to the Committee on Armed Services.

By Mr. WILLIAMS:

S. 1849. A bill to amend the Internal Revenue Code of 1954 to exclude from the gross income of employees contributions by employers to certain insurance plans; to the Committee on Finance.

S. 1850. A bill to amend section 302(c) of the Labor-Management Relations Act of 1947; to the Committee on Human Resources.

By Mr. CHILES:

S. 1851 A bill to amend chapter 21 of the Internal Revenue Code of 1954 to clarify certain provisions relating to the payment of social security taxes by a nonprofit organization failing to file a certificate providing social security coverage for its employees; to the Committee on Finance.

By Mr. EAGLETON:

S. 1852. A bill for the relief of Miss Meema Muser; to the Committee on the Judiciary.

By Mr. JAVITS (for himself, Mr. WILLIAMS, Mr. RIEGLE, Mr. CASE, Mr. RIBICOFF, Mr. BROOKE, Mr. KENNEDY, and Mr. WEICKER):

S. 1853. A bill to provide for equalizing the costs of unemployment compensation, revising the extended benefits program, and for other purposes; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

(Statements in connection with the above introduced bills and joint resolutions are printed at the conclusion of Senate proceedings today.)

ADDITIONAL COSPONSORS

S. 1315

At the request of Mr. DECONCINI, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 1315, relating to bilingual proceedings in district courts.

S. 1735

At the request of Mr. WALLOP, the Senator from California (Mr. CRANSTON), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Alaska (Mr. STEVENS), the Senator from South Carolina (Mr. THURMOND), and the Senator from North Dakota (Mr. YOUNG) were added as cosponsors of S. 1735, to amend title II of the Social Security Act.

S. 1829

Mr. JOHNSTON. Mr. President, yesterday when I introduced S. 1829, a bill to establish the Jean Lafitte National Historical Park, the distinguished Senator from South Dakota (Mr. ABOUREZK) was not shown to be a cosponsor. This was an inadvertence, and I ask unanimous consent that Senator ABOUREZK be added as a cosponsor at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE CONCURRENT RESOLUTION 26

At the request of Mr. CRANSTON, the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Minnesota (Mr. ANDERSON) were added as cosponsors of Senate Concurrent Resolution 26, to combat amyotrophic lateral sclerosis.

SENATE RESOLUTION 219—SUBMISSION OF A RESOLUTION TO ESTABLISH IN THE SENATE A SENIOR CITIZEN INTERNSHIP PROGRAM

(Referred to the Committee on Rules and Administration.)

Mr. ROTH (for himself, Mr. ANDERSON, Mr. BENTSEN, Mr. BROOKE, Mr. CLARK, Mr. CHILES, Mr. DURKIN, Mr. HART, Mr. HASKELL, Mr. HEINZ, Mr. KENNEDY, Mr. MATHIAS, Mr. RIEGLE, Mr. SPARKMAN, Mr. STONE, Mr. TOWER, and Mr. WILLIAMS) submitted the following resolution:

S. RES. 219

Resolved, That (a) each Senator is authorized to employ for 14 days each year during the month of May a senior citizen intern to serve in his office in Washington, D.C.

(b) To be eligible to serve as a senior citizen intern an individual shall certify to the Secretary of the Senate that he has attained the age of 60 years and is a resident of the State of his employing Senator.

(c) Each senior citizen intern shall receive compensation at an annual rate of $15,531 and shall be reimbursed for the actual cost of transportation in traveling from and to his home and Washington, D.C., and for per diem expenses while so traveling in the same amount as is payable to employees of the Senate while traveling on official business. Such compensation and reimbursements shall be paid from the contingent fund of the Senate upon vouchers signed by the employing Senator.

SEC. 2. The Committee on Rules and Administration is authorized to prescribe such rules and regulations as it determines necessary to carry out this resolution.

Mr. ROTH. Mr. President, today Senators ANDERSON, BENTSEN, BROOKE, CLARK, CHILES, DURKIN, HART, HASKELL, HATFIELD, HEINZ, KENNEDY, MATHIAS, RIEGLE, SPARKMAN, STONE, TOWER, and WILLIAMS, join me in sponsoring a resolution to establish a senior citizen intern program in the Senate. For the past 5 years I have sponsored a congressional senior citizen intern program with Members of the House of Representatives. This program was originated in 1973 by Congressman "Ed" Biester—retired, Congressman "BUD" HILLIS, and myself as a Member of the Senate. We sponsored a total of 11 interns for a 2-week period in May. Each year the program has been more successful, and participation has increased substantially. This year 52 Members of Congress, including Senators ANDERSON, BENTSEN, DOLE, HASKELL, MATHIAS, STONE, THURMOND, TOWER, and myself sponsored 89 senior citizen interns. The costs of this program have been absorbed by each Member's staff allowance.

I have been particularly encouraged by the interest shown by Members of the Senate this year. Many Members have expressed their desire to sponsor a senior intern, but unfortunately, because of budget limitations, have been unable to do so. In those offices where participation has been possible, the intern program has been an unqualified success. Accordingly, I would like to give all Members of the Senate and senior citizens from all over the country the opportunity to participate.

This resolution would authorize each Senator to employ one senior citizen intern to serve in his Washington office for 2 weeks each year during the month of May. The intern would be paid approximately $300 per week for the 2-week period, and would be reimbursed for the actual cost of transportation in traveling to and from his home and Washington, D.C. The money needed to finance this program would come from the contingent fund of the Senate.

The purpose of the senior citizen intern program is to provide senior citizens with the opportunity to develop a better understanding of congressional operations, legislative activities, and senior citizen programs, and to communicate this information to other citizens in the State. When there is time between briefings, the interns participate in appropriate office activities, as well as discuss the concern of senior citizens with the Member and his staff.

The 1977 congressional senior citizen intern program included briefings on the legislative process, pending legislation related to the elderly, ACTION, the Administration on Aging, medicare, medicaid, national health insurance, transportation, housing, nursing homes and home health care, physical fitness, consumer problems, crime and the elderly, mobilizing at the local level, and visits to the White House and the Social Security Administration in Baltimore.

In order to qualify to be a senior intern a person must be 60 years of age or over, and must live in the State which the sponsoring Senator represents.

This resolution provides that the Committee on Rules and Administration is authorized to prescribe rules and regulations that it deems necessary for this program. While I am proposing a senior citizen intern program in the Senate, I hope that it will remain feasible to work closely with Members of the House of Representatives as we have in the past. Congressman HILLIS has introduced a similar resolution in the House, and it is actually our intent to continue with a joint congressional senior intern program. The most practical and effective way to do this should be discussed in hearings.

I am very pleased that Members of the Senate have shown so much support for this program. This I believe is an example of the increasing awareness on the part of the Congress of the tremendous capabilities of the older American.

This year I was very fortunate to have Mrs. Irene Roles of Wilmington, Del., Mr. Chester Turley of Frederica, Del., and Mrs. Eliza Foreman of Greenwood, Del., as my senior interns. All three are very active in their communities and are anxious to relate their experiences in Washington to others in Delaware, as well as continue being an information source for me in determining the effects of Federal programs on the older American.

Mr. HASKELL. Mr. President, I am honored to join with the distinguished Senator from Dalaware (Mr. ROTH) in cosponsoring and strongly supporting a resolution establishing a senior citizen internship program in the Senate.

The senior citizen intern program has developed on an informal basis over the past several years in the House of Representatives.

Participating offices bring one or more senior citizens to Washington for a 2-week period in May, which has been proclaimed nationally as "Senior Citizens Month." The participating seniors have an opportunity to become familiar with the operation of a congressional office and various components of the Federal Government involved in the field of aging. As a result they are better prepared to work effectively on behalf of the elderly population of their area. Congressional staffs have an opportunity to become more intimately acquainted with the special problems faced by our Nation's elderly.

During this past May, I was privileged to sponsor the participation of two Colorado senior citizens in the present senior intern program, Mrs. Thelma Farr of Grand Junction and Mr. John Detmer of Applewood Mesa near Golden, Colo. Both are extremely active on behalf of senior citizens in Colorado and have demonstrated long-standing social concern in their vigorous and productive lives.

The unanimous opinion of my staff was that our two Colorado interns were a tremendous addition to our office during their stay here. Mrs. Farr and Mr. Detmer availed themselves of an opportunity to become familiar with the operation of the Congress, and to meet people from around the country involved in advancing the concerns of our senior citizen population. My staff had an opportunity to become more familiar with the whole range of socio-economic problems which beset the elderly population of Colorado and the Nation. I urge my colleagues to give serious attention to this worthwhile and beneficial program. On the basis of my experience, I heartily recommend it.

An article by Ann Schmidt of the Washington Bureau of the Denver Post

provides an excellent glimpse of our experience with the program this year. I ask unanimous consent that it appear in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Denver Post, May 29, 1977]

SENIOR INTERNS AID HASKELL'S STAFF

(By Ann Schmidt)

WASHINGTON.—The youngest staff members in the office of Sen. Floyd Haskell, D-Colo.—if you don't count years—are Thelma Farr and John Detmer.

Mrs. Farr and Detmer aren't permanent staff. They are here participating in a program started four years ago in Congress for "senior interns."

The concept is similar to the popular college intern program. Congressional offices "hire" a certain number of temporary employes as interns for a limited period of time—in this case, two weeks.

The interns are given a special course and at the same time meet with the legislative aides in congressional offices.

The result is a group of people who go home knowing a lot more about how the government works (and how to get things done), and staff members who receive a fresh point of view about the specialized problems of senior citizens.

Not many Members of Congress have availed themselves of the senior program.

Haskell is the first member of the Colorado delegation to do so. The team of Farr and Detmer has been so popular in his office, however, he plans to repeat participation next year and hopes to persuade his Colorado colleagues to join him.

Mrs. Farr is from Grand Junction and admits only to being "over 65." Her late husband, Ray Farr, was a member of the Colorado Legislature.

The list of boards she serves on and organizations in which she is active is considerable. It was her service on the board of the Colorado Congress of Senior Organizations (CCSO) that led to her coming to Washington.

Political involvement also comes naturally to Detmer, who lives in Applewood Mesa near Golden. The Washington trip was a "coming home" for him since he was born here. He also declines to give his age, but suggested he is a bit younger than his fellow senior intern, Mrs. Farr.

Before his retirement, Detmer was regional attorney for the Department of Health, Education and Welfare.

He feels passionately about what he considers shabby treatment by society of older people.

"They are the most cruelly treated of any group of people—especially the elderly who are impoverished," he said describing his involvement in CCSO.

"We should learn from the British experience. They've found out if you give older people something useful to do and keep them home when they're sick you end up with some very productive citizens."

It is hard to tell who is the most enthusiastic about the intern program—Mrs. Farr and Detmer, or Haskell staff members who have been their principal contacts.

"They've really brought new life to the office," Sue Hennessey said. "Everybody has just loved them. They're so enthusiastic and so knowledgeable."

Everett Engstrom echoed her assessment and added that Mrs. Farr and Detmer's contribution has been invaluable.

"We've really learned a lot about all kinds of problems that beset older citizens. They've given us more than we've given them," he said.

The two weeks "salary" both received as staff members covered their expenses while they were here. Both paid their own transportation costs, though Mrs. Farr received some help from the Colorado Congress organization.

The program, both believe, is a valuable one and they hope it will be expanded beyond the 43 House members and nine senators who participated this year in bringing 33 senior citizens to Washington.

"We've met people from all over the country," Mrs. Farr said. "We've found out we all have a lot of the same problems."

Mr. MATHIAS. Mr. President, I have long believed that older Americans are harmed more by governmental insensitivity to their needs and views than by any positive Federal policy. I have introduced bills this session raising the amounts those collecting social security benefits may earn without forfeiting benefits and providing for more sensitive social security treatment of widows and widowers who remarry.

My proposed amendments to the Social Security Act would allow retired citizens more freedom to hold income producing jobs and end disincentives to remarriage for widows and widowers on social security. In some ways, the social security laws diminish people's dignity, treating the retired as figures on an accountant's books rather than as people with aspirations and principles.

My amendments are designed to recognize the self-respect of older Americans by building sensitivity and simple human values into our laws.

Congress, I believe, must develop new ways to bring the views of older Americans into the legislative process. One avenue is the senior citizen intern program, a concept originated by former Congressman Edward Biester of Pennsylvania. Six years ago, he invited a senior citizen couple to spend 2 weeks as observers in his Capitol Hill office to observe its operation and to become familiar with legislation affecting older Americans. Now the practice has become an annual tradition in many House and Senate offices.

I have learned a great deal from the senior intern who participated in this year's program for my office. Mr. Joseph Price of Silver Spring, director of the Montgomery County Maryland Commission on Aging, greatly enriched my office with his thoughtful and timely advice on issues of importance to older Americans. He advised us of the position senior citizens have on social issues of direct importance to them, but he also identified other areas, like crime control and education, where senior citizens take a strong interest in how their tax dollars are spent.

The experience was a rewarding one for me and Mr. Price tells me he now has a better idea of the likelihood of success of particular proposals, that he has gained respect for the complexity of the legislative process, and that he appreciates the need to balance valid competing interests in making public policy. The program is clearly of great benefit all around.

For that reason, I am today joining Senator ROTH in introducing legislation that will preserve the senior intern program as an annual tradition in the Senate and will provide the minimal funds necessary to make it accessible to older Americans living far from Washington. The funds involved are modest and would go toward defraying travel expenses and covering 2 weeks of living expenses in Washington. But they would pay tremendous dividends.

This intern program has an enormous potential for helping us frame an imaginative national policy toward older Americans. Our older citizens are not heard as clearly as are some of the more vociferous lobbies, possibly because they simply do not make as much noise. But they deserve our respect and attention: Their quiet presentation of their views must be heard. I offer this legislation as a means to that end.

I have asked Mr. Price to write me with his views on the experience he had with the program. I ask that his report be printed in the RECORD at the conclusion of my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

MONTGOMERY COUNTY, MD.,
Rockville, Md., June 28, 1977.

Hon. CHARLES MCC. MATHIAS, JR.
Russell Office Building,
Washington, D.C.

DEAR SENATOR MATHIAS: I would like to take this opportunity to express my sincere thanks to you for the privilege of serving as the pioneer Senior Intern from the State of Maryland. It was a rewarding experience and one I will forever cherish.

It is difficult to translate into words the good a program of this nature accomplishes. However, in attending the various sessions it was readily apparent that the program reaffirms the senior citizens' faith in their own abilities and worth. It renews their vigor to continue their involvement in programs and services to fellow seniors back in their own communities, provides a unique opportunity for exposure to people and ideas and gives them a close-up view of their government at work.

The representatives of the various agencies who handle programs that provide services for the benefit of the elderly conducted the orientation sessions in an efficient and informative manner. The speakers were well prepared, knowledgeable in their areas of expertise, and handled the question and answer periods in a professional manner. They provided material and imparted a great deal of information that will enable the Interns to be more effective in serving the needs of the elders in their own communities.

I feel certain that there is much to be gained and many benefits to be derived from a continuation of the Senior Intern program and wholeheartedly recommend that legislation be enacted to make it permanent.

During the two-week period there were many occasions when I had the opportunity to exchange ideas and views with Interns from different sections of the Country and feel I gained much insight from those contacts. It was apparent that the areas represented are in the forefront in the provision of services to the elderly. My wish is that the program will be greatly enlarged to include more Senate participation and that elders from sections of the Country not now represented will be afforded the opportunity to take part in this enlightening experience.

I am extremely gratified to have been a participant in the Senior Intern program. It

is exciting and refreshing to realize how much is being done by all branches of Government in behalf of the fastest growing segment of the population, our senior citizens.

Sincerely,

JOSEPH A. PRICE,
Executive Secretary,
Montgomery County Commission on Aging.

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1978—H.R. 7933

AMENDMENT NO. 503

(Ordered to be printed and to lie on the table.)

Mr. ALLEN (for himself, Mr. SPARKMAN, and Mr. STEVENS) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 7933) making appropriations for the Department of Defense for the fiscal year ending September 30, 1978, and for other purposes.

OUTER CONTINENTAL SHELF LANDS ACT—S. 9

AMENDMENTS NOS. 504 AND 505

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY submitted two amendments intended to be proposed by him to the bill (S. 9) to establish a policy for the management of oil and natural gas in the Outer Continental Shelf, to protect the marine and coastal environment; to amend the Outer Continental Shelf Lands Act; and for other purposes.

AMENDMENT NO. 506

(Ordered to be printed and to lie on the table.)

Mr. METZENBAUM. Mr. President, today, Senators WEICKER, JACKSON, HOLLINGS, KENNEDY, DECONCINI, and I are offering an amendment to S. 9, the Outer Continental Shelf Lands Act of 1977 to require the Secretary of the Interior to use methods other than cost bonus bidding in at least 50 percent of future OCS lease sales. The 50-percent provision passed the Senate in the 94th Congress, but was reduced to 33⅓ percent in conference. S. 9 as reported retains the 33⅓-percent figure.

Most of our undiscovered domestic oil and gas reserves are beneath federally owned lands on the Outer Continental Shelf. I believe that we must take strong steps to insure that these reserves are developed expeditiously and with maximum competition between potential explorers, developers, and producers.

However, the present system we use—cash bonus bidding—has just the opposite effect—it discourages competition. Under this system, a firm wishing to develop a given offshore tract must pay a large, up-front cash bonus to the Federal Government in order to acquire a lease. As a result, smaller independent companies which lack large cash reserves cannot compete effectively with the major oil companies in the most promising offshore areas. Numerous studies have concluded that cash bonus bidding has a strong anticompetitive effect.

An analysis of recent OSC lease sales by the staff of the Senate Committee on Energy and Natural Resources, for example, bears out the contention that the major oil companies dominate lease sales with cash bonus bidding. In lease sale No. 40, the 1976 sale of mid-Atlantic tracts, majors took all 20 of the 20 highest bid tracts—those most promising for exploration. By contrast, in October 1974, smaller independent firms won all the tracts in lease sale No. 36, the only sale ever held in which royalty bidding was used in place of the cash bonus method.

A 1976 Congressional Research Service study of OCS leasing policies provides additional evidence that exclusive reliance on cash bonus bidding is anticompetitive. This study found that 9 of the top 10 U.S. oil producers are among the 10 top owners of OCS leases. These 10 firms hold 62 percent of the OCS acreage leased. Six of them—Shell, Texaco, Gulf, Exxon, Chevron, and Continental—account for 70 percent of current offshore oil and gas production.

Finally, a recent FEA study concluded that independent producers are far more likely than the major companies to take financial risks. The study found that between 1970 and 1974, majors utilized internal funds to cover between 44 percent and 78 percent of their exploration and development costs. In 1973–74, the large independents had investment rates of between 155 percent and 167 percent. And in 1972, the 18 majors studied had an average return on net exploration and development investment of 25.4 percent. The 26 independents covered in this survey earned an average of 9.2 percent.

Their relatively low rate of investment has permitted the majors to build up substantial excess internal funds. According to the FEA analysis, these funds grew from $2.4 billion in 1970 to $4.9 billion in 1974. Clearly, access to such enormous cash reserves gives the majors an important advantage in cash bonus bidding.

Mr. President, S. 9 provides the Secretary of the Interior with a range of alternatives to cash bonus bidding. I believe that these alternatives should be tried in order to find the best methods to insure that OCS reserves will be developed aggressively and in a competitive context. The amendment we are proposing is an important first step in that direction.

Mr. President, I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 506

On page 156, line 19, strike out "66⅔" and insert in lieu thereof "50".

NOTICES OF HEARINGS

COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, July 20, 1977, at 10 a.m., in room 2228 Dirksen Senate Office Building, on the following nomination:

T. F. Gilroy Daly of Connecticut to be U.S. District Judge for the District of Connecticut vice Robert C. Zampano, retired.

Any persons desiring to offer testimony in regard to this nomination shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

AGE DISCRIMINATION IN EMPLOYMENT

Mr. WILLIAMS. Mr. President, I wish to announce that the Labor Subcommittee of the Committee on Human Resources will hold hearings on S. 481, S. 1583, S. 1768, S. 1773, and S. 1784, bills to amend the Age Discrimination in Employment Act of 1967 to protect the employment rights of older workers, and for other purposes. These hearings are scheduled for Tuesday, July 26, and Wednesday July 27, 1977, at 9 a.m. and will be held in room 4232 of the Dirksen Senate Office Building. Any person wishing to testify or submit a statement for the record should contact Darryl Anderson or Michael Forscey of the Labor Subcommittee staff at G–237, Dirksen Senate Office Building, Washington, D.C. 20510, telephone number (202) 224–3674.

SUBCOMMITTEE ON SEPARATION OF POWERS

Mr. ALLEN. Mr. President, I wish to announce that on Friday, July 29, 1977, the Subcommittee on Separation of Powers of the Committee on the Judiciary will continue its hearings on constitutional issues associated with negotiations for the disposition of the Panama Canal Zone and of U.S. facilities located therein. The hearings will commence at 8 a.m., in room 2228, Dirksen Building.

SUBCOMMITTEE ON INTELLIGENCE AND THE RIGHTS OF AMERICANS

Mr. BAYH. Mr. President, on Tuesday, July 19, 1977, the Subcommittee on Intelligence and the Rights of Americans of the Senate Select Committee on Intelligence will begin hearings on S. 1566, the Foreign Intelligence Surveillance Act of 1977, which would regulate the use of electronic surveillance for foreign intelligence purposes.

Hearings will be held on July 19, 1977, and July 21, 1977, commencing each day at 10 a.m. in room 6226 of the Dirksen Senate Office Building. The full membership of the Select Committee on Intelligence will be invited to attend. The subcommittee will hear testimony from the administration and from selected private witnesses. Questions concerning these hearings should be directed to John T. Elliff at 224–1700.

ADDITIONAL STATEMENTS

(Additional statements are printed at the conclusion of Senate proceedings today.)

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business?

If not, morning business is closed.

PUBLIC WORKS APPROPRIATIONS, 1978

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 7553, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 7553) making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1978, and for other purposes.

The Senate resumed the consideration of the bill.

Mr. HATFIELD. Mr. President, I ask the Chair, what is the parliamentary situation?

The PRESIDING OFFICER (Mr. SASSER). Under the previous agreement, no further amndments are in order on the bill except those dealing with enhanced radiation weapons.

Mr. HATFIELD. And what is the pending question?

The PRESIDING OFFICER. The pending amendments are Nos. 492 and 491.

Mr. HATFIELD. Mr. President, I request the right to withdraw the amendments.

The PRESIDING OFFICER. The Senator has that right.

Mr. HATFIELD. I withdraw my amendment.

The PRESIDING OFFICER. Amendment No. 491 is withdrawn, which carries with it also amendment No. 492.

UP AMENDMENT 653

Mr. HATFIELD. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oregon (Mr. HATFIELD) proposes an unprinted amendment No. 653:

On page 3, line 16, strike the period and insert the following: ": *Provided further*, That none of the funds appropriated in this Act shall be used for production of enhanced radiation weapons.".

Mr. STENNIS. Mr. President, will the Senator yield to me for a moment, to be sure we understand what the parliamentary situation is?

Mr. HATFIELD. I am happy to yield.

Mr. STENNIS. Mr. President, I understand that now the Senator from Oregon has withdrawn his amendments Nos. 491 and 492, which have been previously considered; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. STENNIS. And now we have pending his just-offered unprinted amendment No. 653?

The PRESIDING OFFICER. The Senator is correct.

Mr. STENNIS. I hope the Senator will now be heard on the new amendment he has offered.

Mr. HATFIELD. I thank the Senator.

Mr. President, the issue at hand is really one which has been debated now on this floor, in both closed session and open session, for a number of hours; yet there are almost hourly or at least daily developments that tend to create an element and an environment of surprise, and what we might even call a knowledge vacuum. This is why I feel very strongly that to move at this point to commit this Nation to the production of the enhanced radiation warhead is ill timed and ill advised.

Since our last debate on the neutron bomb issue, we have stumbled on a few more bits of information about it. Before analyzing these new developments, it should be noted that these most recent developments are a perfect example of the almost accidental nature of our consideration of these weapons. Neither the President nor Congress has deliberated the full implications of introducing this new family of weapons into battlefield conditions. It is only from reading the newspapers that we have begun to realize the impact of these weapons. Yet we are asked to provide for full funding for the weapon in case the President of the United States wants to deploy them.

The President's most recent request that funds be provided in case he decides he wants them, really is no different from his earlier request. The President still is asking for maximum flexibility. The President still is asking for something that I think is inappropriate. If the logic of the President's approach were applied to the rest of this bill, we would appropriate full funding for all of the items under consideration and let the President decide later whether he really wants to spend the money to implement the projects or to impound the money.

The President is asking that he be accorded time to study this concept of such consequence and magnitude before committing the country to it, and yet he suggests that the Congress of the United States need not take the same precaution of fully informing itself before making a similar decision.

The President is asking for us to approve funds for this weapon without evaluating the arms control impact statement that he will submit in response to the request of the Committee on Foreign Relations.

What I am asking in this amendment is simply that we delay our decision on this issue until the President's justification and arms control impact statement have been received and evaluated.

Let there be no mistake; my personal view is that this bomb should never enter our arsenal. But that is not the issue. My personal view may not be shared by my colleagues in any significant numbers, but that really is not the issue. The issue is that we not make a final determination on the production of this bomb and warhead until we have the opportunity to make a careful and complete consideration and review of information that is not now in hand.

If we approve of production funds now, Mr. President, we obviate congressional scrutiny of the adequacy of the arms control impact statement. The administration will be able to produce the warhead even if Congress finds the impact statement at a later date to be inadequate.

It should be noted here that an arms control impact statement on the production of a significant new nuclear weapon was recently found by the Senate Foreign Relations Committee to be inadequate. It may be that the impact statement on the new Lance warhead similarly will satisfy the administration, but not Congress. If we have already provided funds for the weapon, Congress will have no recourse.

The matter of the arms control impact statement is a good illustration of the knowledge vacuum to which I referred.

Let me illustrate. When I talk about a knowledge vacuum, first we were informed during our previous debate that an arms control impact statement on the Lance warhead was prepared last fall, but that it had gotten lost.

Next we were informed by a local newspaper that the Arms Control and Disarmament Agency had just completed a preliminary draft of an arms control impact statement, and that the draft says that the introduction of the Lance warhead would have an adverse impact on arms control negotiations.

Then last Thursday, July 7, we were informed by a White House press secretary that it was "flatly incorrect" that production of the new Lance warhead would affect America's bargaining position in strategic arms limitation or nuclear test ban negotiations.

Then yesterday's Washington Post said White House sources indicated the still secret draft report by ACDA finds that production of neutron weapons would have adverse effects on current arms negotiations, but that the effects would not be major.

What are the facts? Should we be deciding this issue on the basis of contradictory news leaks and press secretary statements, or should we wait until we know what the facts are by the receipt of the impact statement itself? The answer should be obvious.

Mr. President, another new concern which has come to light since our last debate is something we remember from the closed session, although unclassified, and repeated frequently in the open session. I refer to the claim that we were dealing with a clean weapon, as opposed to the current warhead, which is defined as a dirty weapon.

I challenge today the so-called cleanliness argument of the neutron warhead, for I believe it only has surface validity. I would like to know more about it. frankly. We are in an area of very sophisticated technology. I certainly am no such technician, nor is it easy for me to comprehend fully the technician's nomenclature. I think it is important, though, for us to satisfy ourselves with questions which are legitimately raised when such technical information becomes available.

The information I have uncovered, which is not necessarily totally conclusive, makes it appear that there is at least a possibility that the intense neutron radiation generated by these weapons will result in a high rate of conversion of what is referred to as carbon 13 and carbon 14. Carbon is one of the most common elements in living tissue. I think we learn this is Chemistry 101. It is ingested and expelled daily in the life of human beings through the air we breathe and the food we eat. When bombarded by

neutrons every day, carbon 13 can absorb a neutron and become carbon 14, as this sequence has been explained. Carbon 14, we understand, is a radioactive isotope with half-life of 5,720 years, nearly 6,000 years. Because of its long half-life, such radioactive carbon has been extremely useful in determining the age of archeological artifacts.

The trace amounts of carbon 14 normally present in the atmosphere due to interactions of the sun's rays pose no threat to living things. But the effects of a concentration of carbon 14 would be the same as the effects of the radioactive byproducts of an ordinary nuclear blast. I am told by a distinguished scientist with years of nuclear weapons experience from heading up one of the distinguished laboratories of this Nation, that the intense flux of neutrons from a neutron bomb could cause just such a lethal concentration of carbon 14. Winds could carry gaseous carbon 14 across the nearby countryside, exposing the population to the possibility of inhaling the potentially lethal gas. Eventually, most of this radioactive material with a half-life of 6,000 years, would be carried into the upper atmosphere.

I frankly do not know how likely this scenario is, but the information I have been able to gather indicates it is at least a possibility, and no information I have come across refutes it. If this scenario can indeed occur, then it may be that the alleged precision of this weapon is only a dangerous illusion.

The point here is that we simply do not know enough about this weapon to make a well-informed decision. This is further illustration of the knowledge vacuum in which we are operating. The President does not feel sufficiently well-informed to make his decision now. Why should we?

It is even possible to develop the scenario that the wind currents could carry these gases, following a concentrated use of such nuclear warheads, back over our own people, not only the civilian population but our own military personnel.

I understand that we have all sorts of technology of wind currents predictability, and that we would only use it under limited and precise conditions.

Mr. President, I am not fully convinced that under such circumstances we have conceived of an outbreak of hostilities in Europe that we would have either the time or the concentrated decisionmaking to control all of these particular potentials.

Mr. President, I think it is very important to recognize another bit of information which has surfaced since our last debate. Another of those things we have stumbled across is the fact that ERDA and the Pentagon have been conducting underground tests of these battlefield neutron weapons.

I would like to inject at this point, Mr. President, this very interesting argument by the proponents of the bomb that somehow this is not a new weapon: that this is not new; that we have been involved in research and development over a period of years using some of the same technology in other weapons systems.

Certainly, we have been researching and developing this weapon for some 15 years, but this is the first point at which we move to production under the wording of this bill. It has to be classified as a new weapon. Therefore, it also must be considered by this body as a significant step we are taking by providing production money, and one which we cannot take lightly.

These underground tests by and of themselves perhaps may not surprise or even alarm people. Research and development usually implies testing. But what concerns me is that we are asked to make a decision about these weapons without knowing the results of these tests.

We have legitimate questions which can be raised, such as: Does this weapon perform as predicted? Does it do so consistently? Are its effects as controllable as intended and programed? Has the carbon 14 issue been addressed in these tests?

Perhaps there are some Senators who are familiar with the results of these tests, but I would guess that the number of our body who might be is very small.

I believe these are questions which must be answered. There probably are many others which can be raised that relate to the question of testing this weapon.

Now, Mr. President, there also has been a fundamental issue raised by these enhanced radiation weapons as to whether the concept of limited nuclear warfare is valid.

I believe we all naturally have a great interest in peace. I believe the interest of everyone in this Chamber is basically for peace. But I also believe that that great goal of peace is ill served by making nuclear exchanges more likely.

I think we also tend to lose sight in this debate of one of the most significant priorities of this Nation today. That is the goal of striking a deal with the great powers, particularly the Soviet Union, and I shall restrict my comment only to the Soviet Union at this point, but eventually, we hope to bring all the great powers into some arms limitation agreement.

(Mr. ANDERSON assumed the chair.)

Mr. HATFIELD. Secretary of Defense Brown and the ACDA Director Warnke have stated that they know of no way of keeping a nuclear conflict limited. As recently as yesterday's new conference, President Carter said:

> My guess is that the first use of atomic weapons might very well lead to a rapid and uncontrolled escalation in the use of even more powerful weapons, with possibly a worldwide holocaust resulting.

Just how President Carter squares that statement with his letter to Senator STENNIS about the potential for discreet use of enhanced radiation weapons is difficult to fathom. I quote from the letter to Senator STENNIS, dated July 11. The President of the United States said to Senator STENNIS—the same President who spoke to this issue at yesterday's press conference—that:

> It must be recognized that NATO is a defensive alliance which might have to fight on its own territory. For these purposes, the capability for discreet application of force—

Let me report for emphasis the phrase referring to the capability for discreet application of force—

which the ER—

Enhanced radiation—

> weapons may provide present an attractive option.

I repeat:

> For these purposes, the capability for discreet application of force which the ER weapons may provide present an attractive option.

I cannot reconcile those two statements, made by the same President barely a day apart.

Mr. President, there was an interesting editorial on July 8 in the Washington Star, which I think certainly put a proper light on this issue. I read into the RECORD a portion of that Washington Star editorial:

> If the neutron warhead is thought to be a genuinely tactical or battlefield scaled nuclear weapon, it will be the first such weapon to qualify unambiguously. No strategist that we know of, from Dr. Kissinger on, has convincingly shown that a reliable distinction is to be drawn between tactical and strategic nuclear warfare. Any weapon that promotes the illusion, short of absolute certainty, is to be viewed with the utmost suspicion, even if it does promise to spare civilians and their life support systems the side effects of the big bombs.

One further quote, I think, is worthy of attention today, as we again discuss this matter. In a column in yesterday's New York Times, Herbert Scoville, former technical director of the Defense Department's special weapons project, and former deputy director of the CIA, said:

> Our security depends on strengthening, not breaking, the barrier between nuclear and conventional conflict. The neutron bomb should be put back on the shelf and we should, instead, concentrate on developing ways of deterring aggression by conventional means.

Mr. President, I want to prohibit the use of fiscal 1978 funds for the production of enhanced radiation weapons. I am not seeking to delete funding for research and development, only for production. I am not even asking Congress to make a firm determination on the merits of these weapons at this time.

What I am asking for is a delay of a decision on the production of enhanced radiation weapons until the President makes up his mind about them and presents his justifications to Congress, along with his views on potential impact on arms limitation negotiations. I am asking for the Congress thereby to have an opportunity to have the same information, to have the same facts, to have all the other factors relating to strategic as well as the technical aspects of this bomb.

Mr. President, I should like to launch into a long dissertation on the moral issue involved in this whole development and production, because I think there is an ethical dimension of what this Nation

is about ready to do. I resist that temptation, again recognizing the political realities that I face in offering this amendment. There is a great deal of discussion in the corridors of the Congress that, somehow, we must be forced into this decision at this time under the old, old conundrum that we have heard so many times: that the Russians are coming.

Mr. President, I have far greater faith in this Nation, and its power, its integrity, and its ability to set our foreign policy and to make our defense policy coincide with our foreign policy in such a way as to be on the initiative and on the offense, and not to abandon our good judgment, nor to abandon our principles and ideals on the basis of what the Russians are doing.

We live in a world where we have to be aware of the Russians, and I am fully aware of them. We live in a world where we have to be fully aware of the Peoples Republic of China, and I am fully aware of them. I suppose I am one of the few, at least on this floor, who has faced the present Chinese regime in battle. I do not know what qualification or further ability or criterion it gives to me to observe this political situation of the day, but I want to assure some of my colleagues, who may feel that, perhaps, I have moved from the practical to the ideal, from the practical to the impractical. I only note that I have faced those battlefields and I have been on them at a time when we were engaged in basically conventional warfare.

Mr. President, I also happen to have been one of the first into Hiroshima after the bomb had been dropped, and I saw the devastation of that bomb. I know very well that that bomb probably saved my life because, at the time that bomb was dropped, we were preparing to make the invasion of Japan in the form used by the service where I served, called amphibious landing craft.

I am fully aware of the kind of world in which we live and the kind of forces that work in this world.

One who walked into that city and found bodies yet unburied and found the devastation that I saw and the survivors who were able to survive that bomb at Hiroshima and smelled the stench of the dead cannot escape reality. What I am saying here today is simply that, even though we could discuss the moral dimension and the ethical dimension of embarking further on this mad dash to extinction which nuclear warfare can only lead to, let us disabuse our minds of any myth that, somehow, we can use an instrument of war of this kind in such a precise target manner that we can restrict nuclear war, that we can have all the advantages of nuclear weaponry and use them on such a limited base. That is a myth. To me, those who propagate that myth in our minds are far more guilty of impracticality and lack of reality than those of us who are trying to limit this Nation in its headlong pursuit of nuclear destruction.

I am also aware of the arguments that if someone else is doing it, we have to be doing it. I happen to have been raised in an ethic and perhaps a culture that is a little different than today's. That is, it was often said to me that if everybody else in the crowd were doing it, that was no reason for you to do it if you knew it was wrong.

You should stand up for what you knew to be right and what you felt your principle to be.

Yet in an international game of politics that is no longer a game, but, rather, a life and death matter, we somehow fall into that kind of old trap that if someone else is doing it, we have to be doing it also.

Where is that great resilience in the Republic that has been so well demonstrated in times past, including the wrenching experience of a civil war, where we stood on the base of principle and willing to stand the consequences of that principle?

To me, the real strength of this Nation is not exclusively in its military hardware, but found, more importantly, in the principles, ideals, and purposes for which this Nation exists and is determined to defend itself.

We have been led into so many wars for the cause of justice and the cause of equity, and we have always created some ideological concept out of these wars. Yet in hindsight, tell me, where was the ideological division even in World War I, World War II, Korea, or Vietnam?

We have kidded ourselves. We have talked ourselves into war frequently by false and unfounded theories and philosophies.

So I suggest the Senate today make very carefully a decision that could lead us into a great holocaust strictly on the myth that somehow we can use this—and it invites use because of its precision, or, in the words of the President, that it presents an attractive—an attractive—option.

I cannot accept that. I cannot accept that belief.

Mr. President, there is considerable time left before the beginning of the fiscal year. October 1 is when these funds would be available. Any funds that we were to appropriate now would not be apportioned until well into November, in any case. So, if after hearing from the President and deliberating this matter we were to decide to fund these weapons, we could act in a supplemental bill, even though one is not planned at this time. We can plan one. We can initiate one without having imposed any undue limitation on ERDA's weapons program.

The only undue limitation we risk imposing here is that of limited congressional consideration being made on a potentially momentous question in a knowledge vacuum.

It could help determine the future course of this world.

Mr. President, we have no time limitation on this amendment. I have no plans to embark upon any extended debate, commonly referred to as a filibuster.

I believe we have heard a great deal about this issue. I want to commend the news media for extending the knowledge—what little we have of it—to the citizens of this country in a relatively short time.

I am sure it was with many hours of homework done by the journalists in order to be able to translate into the news coverage of the day the issue we are discussing here relating to the neutron warhead.

I am sure that there will be much more discussion today. It will probably revolve, in part, around how can we do something today that will not embarrass the President, not alarm our allies in NATO, and not do anything that would endanger in any way the national defense of this Nation.

I submit those are varied objectives to which I fully subscribe.

By submitting my amendment, I do not in any way seek to embarrass the President, because the White House, in so many words, has said that the President was unaware of this neutron bomb. Anything we do here I do not think would be embarrassing. Nor do I seek to alarm our allies in NATO.

I thought the President's comments in yesterday's press conference relating to NATO, that he felt they had conventional ground forces sufficient to withstand a movement by the Warsaw Pact ground forces in conventional war, was a very interesting observation. I think it might even be used as an argument against moving at this point on production of the neutron warhead. But it only introduces again one of those factors that we are all concerned about, and that is our relationship to NATO.

Mr. President, I would do nothing at all in my conscience or deliberately in any way to undermine or to in any way minimize the needs of our national defense.

But I would only try to lift our view a little bit higher than the clanging of hardware to the true national defense of this Nation. I do not suggest this as an either-or situation, but rather, let us give a little more attention to the human factor in the dimension of national defense.

For too long, we have subscribed to the Maginot Line mentality where we put our hopes, trust, and faith in all of the hardware we can develop, and its quantity and quality, and so forth.

I call it the Maginot Line mentality because that is what the French tried to do in their great sophisticated military line of defense after World War I. Then, as the French and British historians both, in reflection on the events surrounding that period of history, have been able to see now which they were not able to see then, the line did not save the French from internal decay and problems that had gone unaddressed or inadequately handled, such as economic problems, social problems, and political problems.

The strength of the people is the ultimate source of national defense, in whatever nation, free or otherwise.

I suggest we look at the total defense picture and not get out here on a monolithic argument that somehow all of our

national defense is found in the megatons of the firepower of our hardware.

We have the equivalent of about 655,000 Hiroshima bombs in our arsenal. How much more firepower do we need?

I also would suggest today that as we discuss this we not try to seek for ourselves a copout position where everybody can say that everyone won on this issue because we decided it on a procedural vote.

I think, at times, there is nothing more conclusive to loss of public esteem and public ridicule than for a deliberative body to enter upon debate on a great issue and then decide that debate with some procedural vote as really determining the substance of the issue.

Mr. HART. Will the Senator yield for a question?

Mr. HATFIELD. Yes, I yield.

Mr. HART. On the question of procedure, leaving aside the merits and demerits of this weapon, I want to try to clarify in my own mind the impact of the President's letter to the distinguished committee chairman and its effect on the Senate in its decision today.

If I correctly understand the situation in which we find ourselves as a result of the President's decision, it is as follows:

The President has not made a final determination for himself and for the administration, and therefore for our national security managers, as to the status of this weapon—that is to say, whether it will actually be deployed in the field; but, pending that decision in his own mind, he is asking the Senate, as an institution, to make a decision that we should go forward not only with production but deployment as well.

That is to say that the U.S. Senate, by approving that Presidential recommendation, is leaving the final decision about deployment in the hands of the President of the United States and, for all practical purposes, abdicating our responsibility as to whether this weapons system should be deployed.

Is that correct or not?

Mr. HATFIELD. The Senator from Colorado has well stated my interpretation of both the letter to Senator STENNIS on July 11 and other statements attributed to the President or to his immediate staff. They are simply that the President initially—let us put it this way—was unaware of the bomb being in the budget for production purposes, or at least was not fully briefed on it.

Second, the President, when made aware of this production money, asked for a memorandum for briefing purposes. He then said to the Senate, in response initially to a letter I had submitted, that he was not ready to make his determination and his decision because, as he repeated to Senator STENNIS in the letter dated July 11, the impact statement had not yet been made available for careful study; that a weapons system review of all weapons was due for submission to him in August; and therefore he wanted us to go ahead and appropriate the money and let him make the determination later as to production of this neutron warhead.

This, then, would exclude totally Congress from, No. 1, having the same amount of information and collection of data when we make our decision. Second, when he finalized his decision, we would have no further role, because production could be moving along by the money we already had appropriated.

Mr. HART. Just to try to put this into perspective, as to what the nature of this vote is, I do not know whether or not this is a good weapon. I have not made up my mind on the merits of the weapon. The arguments raised by the proponents may well have foundation. It may be an increased deterrent. It may be a humane weapon. It may have all the attributes that the proponents attribute to it. I do not know.

Parenthetically, I might say that, as a member for more than 2 years of the Armed Services Committee and Intelligence Committee, I have never been briefed on this weapon. If that briefing took place when I was not in attendance at one of those two committees, that is my fault, and I have no one to complain to. In any of the sessions of either of those two committees which I have attended, I did not receive any briefing. Therefore, I do not know whether it is a good weapon or a poor one.

As to those who find themselves in that position and who therefore opt to vote for the funds to produce and presumably deploy this weapons system, what they are in fact doing is deferring judgment and giving their right to make that judgment to the President of the United States, ultimately. They are just saying to their constituents, "I don't know whether it is good or bad, but I voted for the funds, and I'll leave the decision up to the President of the United States."

Is that an accurate summary of the situation?

Mr. HATFIELD. The Senator has stated it most accurately.

I say further to the Senator that this is a reversal of what should be considered normal procedure, where we have authorizing committees and appropriating committees set up in a structure within the Senate to receive requests from the executive branch of Government, requests based upon evidence and materials of justification. We carefully review those in hearings of these committees, and we either authorize or modify their requests or we do not authorize. If we authorize, then we go through the procedure in the Appropriations Committee and its various subcommittees.

So we are asked to abandon totally that traditional procedure, which I think has proved to be very workable. We would say, in effect, let us just appropriate the money, without the justification material fully in hand; that the President will then eventually make a decision, but he will already have the money appropriated.

That, to me, is a total reversal of the kind of system we have set up to provide checks and balances and to provide some kind of coequal branch of Government. This totally denigrates the status of the Senate. If we have no other issue, we should recognize what we are doing to ourselves.

Mr. HART. That is one of the fundamental issues. It is not whether one likes the neutron weapon. It is the role of the Senate and its appropriate committees in making fundamental national security policy decisions. That is what is at stake here.

A number of questions were raised in our previous debate, both in closed and open sessions, about the nature of this weapon, its use in the battlefield, and so forth; and allegations and representations were made on both sides with regard to those issues.

Many arguments have been made on the floor of the Senate against certain actions being taken because no hearings have been held. If that argument ever held water, it seems to me that it holds water here. I do not know of any hearings that have been held on this.

Statements have been made by the President and others that this has been around 15 or 20 years and there is nothing new about it. I have only been here 2 years, and perhaps that is not enough time to be here in order to pick up what it is all about. I gather that I was not the only one who did not know what this was all about until about 2 weeks ago, and we gathered most of our information from certain newspapers and then from briefings that we picked up afterward by representatives of the Defense Department and other places about what the nature of this weapon is. If there is any merit to holding hearings, even executive session hearings, this weapons system cries out for having those hearings.

I have not received any of the answers to the questions I asked. I have seen statements by General Haig that the NATO allies love this weapon and want it deployed. I would like it to be a little more formal than that. I would like it in writing. I would like that kind of representation made to the appropriate committees of Congress, in the normal course of affairs, in the way we are supposed to do business around here.

I would like hearings to be held and questions to be asked. I would like everyone, in his own mind, to be sure exactly what he is buying when we write a blank check and give it to the President of the United States and say, "It is up to you. If you want to buy this weapons system, here is the money. If you want to deploy it without our knowledge or participation, it is up to you. We are just signing off any responsibility for this weapons system, except to say that if you want it, you can have it."

Mr. HATFIELD. The Senator certainly has put his finger on the crux of the issue.

As I indicated earlier in my remarks, I am not going to go into the rightness or wrongness of the bomb itself. My major thrust was to draw the attention of the Senate to a procedural question.

I agree with the Senator that when we hear it bandied about that this has been around 12 or 14 years. I think it is interesting that there has been so much vagueness emanating from the White House. If it has been around and is such

a commonly known weapon, I would think that all the people at the White House would have been fully informed or at least would have more knowledge than has been found thus far.

I say to the Senator that I am the ranking minority member of the subcommittee. To make the record complete, we have had what technically would be called some hearings. But I can say to the Senator, whether this is a confession or not, that some of that technical jargon could have passed by me without my fully comprehending what they were talking about. I think there is an ethical responsibility on any agency, when we are moving from a research and development effort to a production point; at that time then the matter should be fully developed and explained to the committee.

Mr. STENNIS. Mr. President, will the Senator yield to me for a question, a question only, on that very point being made?

Mr. HATFIELD. Yes.

Mr. STENNIS. Is the Senator familiar, talking about not knowing what has been going on about this item and there being lack of hearings or information—has the Senator seen or had his attention called to the Armed Services Committee report of May 16, 1977? This is an open, unclassified report.

Mr. HATFIELD. Yes.

Mr. STENNIS. The Senate Armed Services Committee report to the Senate on S. 1339 identifies the funds authorized for production of nine new weapons, including the Lance enhanced radiation warhead and the 8-inch artillery projectile. That appears at page 13.

So there is a long history here of many steps that have been taken on this matter, some in closed session, some in open session.

But when the report has been here since May 16 of this year on this very subject, identifies it by name and it is printed, it seems like it is a little farfetched to go to talking here seriously—and the Senator is a serious-minded man—to be lacking in information or identity about these matters. Certainly there is no disposition to hide anything when it is brought out, earmarked like this particular item.

Mr. HATFIELD. I thank the Senator for bringing up this point, because I think it underscores and validates the point I have been discussing. That is simply that this report to which the Senator refers has absolutely nothing in it describing the full impact and implications, or the effects of this type of a weapons system.

You can use titles and we can use labels to identify it. When we begin to get down to this matter that we heard briefly discussed in executive session, though, it is tougher. We went into an executive session of the committee and then we went into an executive session of the full Senate, because of its top classification, and the only time we found out the full impact of what this kind of weapons system would do is when we read the newspapers and then when we began to dig it out ourselves and to find out what concentrated neutron radiation does or does not do, and all of those factors short of the classified information.

Frankly, as I review back those hearings as such, the classified information we got did not tell us much more about it either.

So I would say there is an ethical responsibility that any agency has to give us the benefit of their knowledge of the impact, implications, and consequences of such a new weapons system. That did not appear in the Armed Services Committee report, and it was not discussed in our Subcommittee on Appropriations, as I recall.

Mr. STENNIS. May I pursue this for just a moment?

Mr. HATFIELD. Yes.

Mr. STENNIS. I put this in the form of a question. Would not the Senator agree though when a matter is identified as I have outlined here in this report that certainly puts a Senator on notice or a staff member on notice to make inquiry of a staff member or a fellow Senator or somebody, and is that not about as far as you can go with matters that are really classified?

The Senator is an experienced man and very diligent, and I know his interest in and his attention to these matters. It is true we really have hundreds of them and thousands of them that he and I have passed on here in the last few years in this Appropriations Subcommittee. We have more than that over in the Armed Services Committee.

So even though it is difficult and you cannot cover everything fully, is it not farfetched to go talking about the ethical situation as falling short, and so forth, when there have been these hearings and this notice given and these reports filed, open reports, and we went just about as far as we could go toward bringing these things to the attention of the Senators?

Mr. HATFIELD. I agree with the Senator we have this responsibility. I have it, every other person in the Senate has this responsibility.

I also feel very strongly that when we are not on a particular committee we are, of course, limited to all the reports we can read and digest from other committees.

Mr. STENNIS. Yes.

Mr. HATFIELD. But, by the same token, not to in any way divest myself of my personal responsibility, I think when we are moving to a new battlefield weapon that has a consequence of this kind, there is an ethical responsibility on that agency to flag that item and to give us a full understanding of the decision we are about ready to make or we are called upon to make. There is that responsibility on the executive department level, the agency level, that is making this request, particularly when we go into executive sessions and listen to the sophisticated technical talk of such experts.

They have a responsibility, as Dr. Vannevar Bush once observed, to be able to translate that technology into the world of reality, of the social, economic, and political world in which they are introducing that particular technology or that new weapon. I submit that the agency failed in that particular responsibility.

Mr. HART. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. HART. In connection with the distinguished floor manager of the Armed Services Committee, this is the first year under the new alinement of jurisdiction in the Armed Services Committee where the Military Applications Subcommittee heard from the ERDA budget in which this item appeared.

I do not recall the length of those hearings, although the principal one I am familiar with only occupied part of 1 day. I cannot, as a member of that subcommittee, absolutely swear there was no lengthy discussion of this because I cannot even swear that I attended the entire hearing, but I was in attendance for most of it, and even though line items appear in a committee's report that does not necessarily guarantee that that committee held a full and lengthy and necessary hearing on that matter so that all members had an opportunity to be fully aware of its implications.

I do not think for myself there is any allegation here of anyone trying to pull a fast one on the Congress of the United States or even the President. That is not my concern or contention. My concern is whether all Members of the Senate or at least a reasonable majority of the Members of the Senate understand what this weapons system is all about and its implications, and have had an opportunity to be fully informed either in the normal committee procedures or in some other individual manner.

Just because an item appeared as a line item in a committee report I do not think necessarily guarantees that that kind of information is available.

I would only point out, in response to the question raised by the distinguished floor manager, that the President of the United States was not even aware of this, and so stated in his press conference yesterday. He was not aware of it.

Now, maybe we are all on notice by line item, but this is a weapons system that the President of the United States was not even aware of until the press reports occurred, and that is, I think, the fundamental basis of the argument. It is not that anyone was pulling any fast ones. It is a question of whether we are to make a decision like this before all the questions are answered.

Mr. HATFIELD. I would like to underscore what the Senator said, and then I would be happy to yield. I want to say I have been asked frequently by press and others if I thought there was some kind of an effort here to camouflage this whole move so that we would not know about it. This at least raises the possibility of some acts of "conspiracy" to get a new weapons system. I have rejected that every time publicly and otherwise that there is any kind, of conspiracy or some conspiratorial acts in the process by which this appeared in the budget.

What I am saying is maybe this procedure will do something for us whereby we can tighten up a system so we can

know, and executive agencies appearing before our committee show us, exactly what language we are speaking and what frequency we are on. We need some red flag system. I do not think we should stumble onto this, as that has been our procedure up to this point for the majority of us. Maybe a few of us had a full understanding of what this was all about. But bear in mind this was not a line item in the budget. Because of its secret classification, it could not be a line item. So here we are in the budgetary process dealing with a matter that we had to almost take a microscope to find within this highly complex budget we were dealing with, a budget of over $4 billion.

I yield to the Senator.

Mr. NUNN. Mr. President, will the Senator yield on that point?

Mr. HATFIELD. I yield.

Mr. NUNN. Will the Senator agree with me that some of these problems are just inherent in the fact that we handle such a tremendous volume of matters in the Department of Defense or ERDA budgets.

Mr. HATFIELD. The whole system.

Mr. NUNN. The whole system. I do not know that this debate is going to avoid the situation in the future. I think there are literally hundreds of items that at least theoretically should receive the same degree of congressional scrutiny as this particular item does. I do not happen to agree that it is any kind of massive new breakthrough in nuclear weapon systems. But whether you agree with that or not I think there are all sorts of things in the R. & D. budget that serve tremendous and close congressional scrutiny.

So really my question is how does a department carry out its ethical responsibility the Senator from Oregon has outlined to alert the Congress? Should the Defense Department have written in the report here that this particular weapon contained radiation, and that radiation kills people, and that it is, therefore, lethal and dangerous? How does the Department of Defense ethically let Congress know that nuclear weapons are dangerous?

Mr. HATFIELD. Let me suggest it is not only a matter of ethical—and I will describe it—but also a legal question. That agency has the responsibility of having that impact study, at least knowing that that information could be made a part of our deliberative process. So the legal part of this whole issue we are debating today was not even complied with.

Mr. NUNN. I certainly agree with that point. The impact statement should have been here.

Mr. HATFIELD. That is right.

Mr. NUNN. The impact statement should be here now.

Mr. HATFIELD. That is right.

And I think the ethical part of this whole matter is when they are embarking upon a production of a weapons system, often spending 15 years in testing, moving now from R. & D. to production, that they should flag that in some way that we will then be able to probe and find out the consequences, the impact and the implications of a new weapons system.

I cannot accept the argument that somehow because certain parts of this technology have been utilized in other weapons this is not a new weapons system. It is a new weapons system in the sense we have moved from R. & D., after all the millions and millions of dollars, we have spent in R. & D. to a point of production. That creates, then, a new step on a new weapons system that is now argued. Why were not these arguments or these aspects brought out in our committee?

Mr. NUNN. I submit to the Senator from Oregon that this point about what a department should do must be a perplexing question for those who are handling the kinds of problems confronting the Department of Defense or other departments, because I specifically proposed an amendment 3 years ago that became the law of the land which required a full review of our tactical nuclear posture in NATO. Under the provision of that amendment there was a report submitted to Congress back in 1975. We are not talking about something that occurred a month ago. That report was issued in a classified version and also an unclassified version. The enhanced radiation warhead was really described, with its effects, and so forth. It was not done in an alarmist fashion. But it has been on the record for at least a couple of years.

So I suppose those handling these kinds of matters in the Department of Defense have a legitimate question they could pose to the Senate. "Really what does it take to alert you fellows down there?" "What do we have to do beside put it on the public record and tell you that we were working on it?" I do not know what it takes.

Mr. HATFIELD. Let me say to the Senator from Georgia that we can go back to 1960 as far as matters of describing a potential weapon of this kind as being discussed in some quarters. But if it is a matter of what it takes to alert Congress I would say the same thing that it takes to alert the White House. I would like to know how the White House was alerted.

Mr. NUNN. I would like to say there are a lot of people in the White House, I am sure, in this or the preceding administration who were aware of this. We had a transition, and it is perfectly understandable that President Carter may not have examined each and every item in the budget. I would venture to say to the Senator from Oregon there are probably some other weapons and military equipment in the budget that are going in production this year, after research and development, that neither Congress nor the President has focused on. I am not questioning whether the focus should have been made by both Congress and the President. I am asking how does the executive branch get our attention? It is pretty tough when we have the kind of load we have up here. I think what we are really saying is that Congress is overwhelmed with technical information on matters and that unless it appears on the front pages of the newspaper it does not get the attention of Congress.

That is an unfortunate state of affairs. But perhaps that is something that the executive branch has a right to say, and I think that not being here in the Chamber someone should perhaps submit that for them.

Mr. HATFIELD. I only say that maybe the agency should hire some journalists, then, so they can come up here and speak the language that does get our attention as the newspaper does.

I feel there again, as I said a while ago, we may be at a different level of nomenclature. We could have had this passed by us and still not have the full understanding of it. Maybe it takes someone beside General Starbird, who is a very able man, and I have great respect for him. It may take a person at his elbow to translate into the secret hearings we have exactly what he is saying.

Mr. NUNN. I submit to the Senator from Oregon that, based on the news coverage and the debate that has taken place so far, I think an awful lot of people do not understand what radiation is and a lot of other people do not understand that radiation is in every nuclear weapon we have in the inventory.

I happened to have heard the Senator from Oregon's very persuasive description of the effects of the Hiroshima bomb.

I submit that argument should have been made before we developed the first atomic weapon and before Hiroshima occurred, because the Senator made a very persuasive case against all nuclear weapons that now exist. But the Senator has not made a case against this advanced type neutron warhead.

Mr. HATFIELD. Certainly the Senator from Georgia is not implying he is abandoning the belief in repentence.

Mr. NUNN. The Senator from Georgia is certainly not implying that. I am just saying when the Senator describes, as has been described in the past few days, the horrible effects of radiation, about the horrible effects of fallout, about the fact that nuclear weapons kill people and that they are lethal, dangerous, and dirty, that this is the argument that perhaps should have been made before the first one was exploded in World War II. I say that it is irrelevant to this particular discussion except as we distinguish between the existing inventory and this particular weapon. That is what the argument should be about.

Unfortunately, that is not what it is about. I have read lengthy articles in the last few days about the effect of radiation as if this new weapon is the only weapon that has radiation. We have something in the neighborhood of 7,000 tactical neutron weapons in NATO. Each one of them generates radiation. Each one of them kills people. Each one of them has a blast effect and thermal effect of probably about 10 times that of the neutron warhead.

The American people are confused about this argument, and they have every right to be confused because we have in this Chamber and in the news media in the last few days suddenly discovered radiation, and we have suddenly discovered lethal nuclear weapons. So I submit: Let us focus this debate on the difference between this proposed weapon and what we already have, not on the self-evident proposition that nu-

clear weapons kill people and are dangerous to mankind. I would certainly stipulate nuclear weapons are dangerous; they kill people; they are lethal; and we hope and pray that we will never have to use them.

Mr. HATFIELD. I appreciate the Senator's question.

I only say that I would have to reject the implication of the philosophy that is included in the Senator's comments that somehow we are on a machine or we were on a wheel where we have no capacity to redirect, to restrict or to stop. The idea that we should have made this decision before Hiroshima is irrelevant, too, in the sense that the question is.

Mr. NUNN. I am not saying that.

Mr. HATFIELD. We can still make decisions and determinations. I think we have some control over our destiny.

Mr. NUNN. We certainly do. We have control whether we produce this weapon. That is a perfectly legitimate question.

What I hate to see is a dialog on the issue of nuclear weapons in general and rather than one which addresses itself to the difference between this nuclear weapon and the approximately 7,000 that we already have sitting over there in NATO. This is unfortunate because the misperceptions regarding this particular weapon are more widespread than those surrounding any other weapon I have seen since I have been in the Senate.

Mr. HATFIELD. I appreciate the Senator's comments, and I would agree in part. I would also like to say that the Senator in recent debate indicated certain characteristics of the bomb. The very able and well-informed Senator from Georgia said on many occasions about weapons systems, about the residual impact, and I would only say since that last debate we now have the questions raised about carbon-14 which would totally reverse the argument used by the Senator from Georgia before that somehow this was so precise and controllable we did not have the residual impact. I am saying there are these questions.

Mr. NUNN. I wish to have the Senator from Oregon point out where the Senator from Georgia said this bomb did not have residual radiological effects. The Senator from Oregon does not realize there are such residual effects with any nuclear weapon. We call it fallout. It is a function related to how far that weapon explodes above the ground. That is the case of every weapon in the inventory today.

I have never described this as being a clean weapon. I have never said there was no fallout. What I have said is that it reduces the collateral damage by minimizing the thermal blast, and fallout effects.

Every weapon that produces nuclear radiation produces fallout. The amount of fallout is dependent on how far it is above the ground when it is exploded. This weapon is just like those we have in inventory in Europe. It can cause fallout and it will cause fallout if it is exploded on or near the ground; it picks up particles, the particles go in the air, and there is where you get your fallout. But that is no different from weapons in the existing inventory. What the Senator has described for the last 2 or 3 days by the term "fallout" applies to every single weapon we have today.

Mr. HATFIELD. Mr. President, I do not believe we need to go back into this. I would just like the Senator to reread the RECORD.

The fact still stands that every single argument the proponents have made, including the Senator from Georgia, is as to the precision of this weapon, minimizing collateral damage. I am saying that the carbon-14 question has been raised since the last debate, which calls into question the validity of the argument as to the so-called cleanliness of the weapon.

Mr. NUNN. The cleanliness of the weapon has been described——

Mr. HATFIELD. Mr. President, I would like the Senator to yield the floor, so that I may yield to another Senator.

Mr. NUNN. The question of the clean weapon has appeared mainly in the news media. I would like the Senator to go back and find where I have ever said this is a clean weapon, with no fallout. I have not made that argument. I have seen it in the news media. The news media yesterday also claimed that this weapon was as cheap as a conventional weapon, which of course is not true.

Mr. HATFIELD. Is the Senator aware of the statement about the tenfiold increase in radiation over the existing warhead?

Mr. NUNN. That is not true. That statement is the result of misinformation.

Mr. HATFIELD. Mr. President, I thank the Senator from Georgia for giving such support to my argument here today, because of the fact that he denies the truth of this. It is a statement by the former direcor of the Los Alamos Research Laboratory, one of the greatest nuclear scientists in this country today, which supports the statement I have been trying to make that we are operating in a knowledge vacuum.

We need to confirm or deny the various questions that are being raised. Why we should rush into production now I do not know, and I do not know where the Senator's information comes from, but I can tell you about Dr. Mark—the Senator from Georgia knows who he is—and what his testimony is about the tenfold radiation from this warhead.

That is why I think this matter ought to go back to the committee where it belongs, and have a proper hearing.

I yield to the Senator from Rhode Island.

Mr. PELL. I thank the Senator.

Mr. STENNIS. Mr. President, will the Senator from Rhode Island yield to me, just to make a passing observation? I would not think of taking the distinguished Senator off the floor, of course.

Mr. HATFIELD. I am willing to yield the floor.

Mr. STENNIS. No, you cannot yield; it is just for a question, or an observation.

Sometime soon I would like to get a chance to make a brief statement about the situation as a whole, as manager of the bill. I just submit that to the Senator.

Mr. HATFIELD. Fine.

PRIVILEGE OF THE FLOOR

The following Senators requested and, by unanimous consent, the privilege of the floor was granted in behalf of the following staff members: Mr. PELL, George Ashworth and Geryld Christianson; Mr. HATFIELD: Jack Roberts; Mr. KENNEDY: Jan Kalicky.

Mr. PELL. Mr. President, referring to the point the Senator from Oregon made earlier concerning the arms control impact statement, he may recall the discussion we had this morning, where we concluded that the issue is really twofold. We have the procedural or legal matter, as to whether the President is complying with the law when he asks for these funds prior to submitting the arms control impact statement; and we have also the substantive matter, as to whether or not this is a weapons system on which we would be well advised to embark.

I think those two matters can and should be separated. I am glad to say to the Senate that Senator HUMPHREY has lost no time in following up that suggestion, and that the arms control impact statement, as a result of Senator HUMPHREY's phone calls to the President, Secretary of Defense Brown, will be coming up about now, and we will have it before us before we vote.

I realize that will not give us time for proper hearings, but at least if we have the statement, we will not have been scoffed at in Congress, and the President cannot be said to be violating the law. I would think we could, then, separate the issue of the arms control statement from the substantive question on the merits of the weapon.

In other words, some of us may feel we ought not to go ahead, while others may think we should go ahead. I think obviously this is a weapon that could be called radiation enhancing, but equally could be called blast and heat reducing.

It is argued that that also makes it more tempting for us to use it during hostilities and thus a deterrent to aggressors. The Senator from Georgia, on the other hand, referred to it as a self-deterrent, and that may well be correct. But nevertheless, on balance, deterrence of the use of nuclear weapons, no matter whether it is self-deterrence or anyone else's deterrence, is not a bad policy. I think the whole argument is like that about this glass of water: Is it half full or half empty? The question is whether, by having a smaller weapon, we would be more tempted to use it, or on the other hand would the Soviets be more deterred from advancing.

In this situation, I would also like to ask the Senator what he thinks is the viewpoint of our NATO allies. I am concerned here, because, as so often happens when Uncle Sam is made Uncle Sucker, the NATO governments are saying one thing to us privately—"Go ahead, fellows, we would like to move ahead with the new bomb"—but then when you talk about public opinion in Europe and ask foreign friends how they feel about this weapon, they seem to be opposed.

I have talked with some foreign correspondents, and they seem to be startled when we say, "Your government supports this weapon."

I think the NATO governments should be saying in public what they are saying in private, that they would like the United States to go ahead with it, and I would like to see that message carried to the various chancelleries in Europe.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, it seemed in the earlier part of this discussion that there was at least some effort to suggest that really the decision the Senate was going to make in terms of production and perhaps even of deployment of this weapons system was not going to have important implications in terms of the military posture of the United States, and primarily in terms of Western Europe or in terms of foreign policy implications. I think that suggestion has been made. There have been those who say, "Sure, the Department of Defense should have complied with the impact statement requirement, but this is really not such a different kettle of fish, because we have radiation in the other nuclear weapons, and this one, sure, it has radiation, but we should just not find that particular issue on this weapons system."

I notice that the President, in his letter, calls very special attention to that issue in the fifth paragraph of his letter, in the last sentence. I am sure the letter has been put into the RECORD. He says:

> Whether or not the weapons have significant destablizing aspects requires and will receive study in the Arms Control Impact Statement.

Obviously the President is extremely sensitive to the broader kinds of implications that have been stressed by the Senator from Oregon during the course of the debate. I think, as we are all looking for the fundamental issues which ought to be decided during this discussion, we ought to recognize that this is a rather unique and special kind of weapons systems, as the Senator from Oregon has pointed out.

I am sure the Senator from Oregon feels a sense of assurance about the second to the last paragraph of the President's letter where he states:

> A decision to cross the nuclear threshold would be the most agonizing decision to be made by any President. I can assure you that these weapons would not make that decision easier.

Well, that is fine in terms of this President, but in terms of this judgment, we are making it in terms of future Presidents as well, in terms of our responsibilities. I believe it is important to have President Carter's reassurances in those areas. But we are making a judgment with regard to an important weapons system and its implications over the period of the future.

My first question to the Senator from Oregon would be the following: The Senator from Oregon is also a member of the Appropriations Committee. We have heard, during the course of this discussion, that this weapons system has been in the process of development anywhere from 12 to 15 years. In any event, I suppose we could agree somewhere more than 10 years. We feel that sense of urgency for action here this afternoon, in the next day or two, to move ahead in this system. I am just wondering whether it is not part of the position of the Senator from Oregon that still to be made are decisions in terms of the effectiveness of that weapons system and how it fits into our arsenal, the foreign policy implications, in terms of our NATO allies; and I would hope the question would be raised in terms of the relationship of this weapons system to any progress, if any, in the MBFR talks, in terms of the European force and structure.

We are not really compromising the effectiveness of this weapons system, or obviously our foreign implications, by voting for the Hatfield amendment if we make a decision that the Appropriations Committee in a supplemental could come before this body and make a recommendation in the next couple of months, 2 to 3 months, certainly prior to the time that the Congress was to adjourn, or perhaps even at the latest next year, which in any way would sacrifice our military posture in Western Europe or our foreign policy in that area.

(Mr. DECONCINI assumed the Chair.)

Mr. HATFIELD. I would respond to the Senator from Massachusetts by saying simply that this budget does not become operative until October 1, which means it would probably be in November before we actually received the allocation to undertake this particular project in production. In the meantime, we can provide a supplemental bill, even though one is not planned, according to the information I have now. We can develop a supplemental appropriations bill. We could make a decision on the production of this bomb after the impact statement has been made.

The Foreign Relations Committee had a very intensive session late yesterday afternoon, I understand, called within a matter of minutes, with the full membership of that committee meeting in executive session. They had great concern because the chairman of the Subcommittee on Arms Control had made a request within the provision of the law for this report.

Mr. PELL. Will the Senator yield?

Mr. HATFIELD. Yes.

Mr. PELL. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of my letter dated June 23, 1977, several weeks ago, asking for the arms control impact statement.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C., June 23, 1977.

Hon. PAUL C. WARNKE,
Director, Arms Control and Disarmament Agency, Washington, D.C.

DEAR MR. WARNKE: As you know, the Congress is now considering an executive branch request to purchase and deploy Lance missiles with a new warhead featuring an enhanced radiation effect. With enhanced radiation, the effective kill radius of the warhead at specified yields would be considerably increased. I understand that enhanced radiation is a design concept which may be incorporated in other warheads.

I believe that this proposal raises a number of critically important arms control questions. For instance, would deployment of Lance missiles with the enhanced radiation feature lower the nuclear threshold, which it has been our past policy to keep at a high level? If, as suggested, enhanced radiation makes use of tactical nuclear weapons more credible, would it not follow that use of nuclear weapons could become more likely? If new warheads are to be developed and tested, would the testing programs frustrate the Administration's policy of seeking a comprehensive test ban? Finally, what would be the likely reaction of the Warsaw Pact to modernization of United States tactical nuclear forces in Europe?

These and other questions could properly be addressed in an arms control impact statement on the new warhead. I note that the executive branch has not submitted such a statement in regard to this proposed program. I would like to draw your attention to the requirement of Section 36(a)(1) of the Arms Control and Disarmament Act that such statements must be submitted for "any program of research, development, testing, engineering, construction, deployment, or modernization with respect to nuclear armaments, nuclear implements of war, military facilities or military vehicles designed or intended primarily for the delivery of nuclear weapons."

I realize that you had not assumed office when the arms control impact statements were submitted earlier this year and, thus were not responsible for the failure to comply with the law. I do believe that an arms control impact statement on the Lance missile warhead would be of value in Senate consideration of the propsal. Accordingly, I would appreciate your taking the necessary steps to coordinate the preparation of such a statement on an urgent basis.

Ever sincerely,

CLAIBORNE PELL,
Chairman, Subcommittee on Arms Control, Oceans and International Environment.

Mr. HATFIELD. I would say that the President at that time would have his decision made. All of the information would be in hand and then we would be a party to that decision on the production, on the same basis that the President seeks in his hand before he makes a decision.

My rhetorical question is: Why should we be pushed into making a decision with a minimum of information when the President wants the maximum? I think we should demand the same maximum.

Mr. KENNEDY. I believe the Senator, from my point, has really underlined the basic question that will be decided here. We have heard, in the course of even a brief debate, statements and countercharges, newspapers, coming to the Senate floor. I believe all of us have witnessed the times in recent history where this was the order of doing business up here in the Senate, in terms of justifying either weapons systems or justifying military budgets. The latest report, the print of which was hardly dry, attempted to move the Senate in a particular direction. I am very hopeful, and I believe it to be the case, that we have moved away from the policy of crisis in terms of either weapons systems or matters of this kind of importance and dimension in terms of our defense.

I do believe, as the Senator from Oregon and the Senator from Colorado have stressed, that the question of this particular weapons system and its relationship to our whole posture of deterrence is still very much an open question; that the foreign policy implications are still to be resolved. I understand that to be the basis for the reservations which have been expressed by the Senator from Oregon and others, and the principal reasons why the Senator has put forward the amendment to defer action. It seems to me to be the better part of wisdom. I look forward to supporting the amendment.

Mr. HATFIELD. I thank the Senator.

Mr. HART. Will the Senator yield?

Mr. HATFIELD. I yield.

Mr. HART. To underscore a point I tried to make before, it seems to me that what we have reached here is not a debate over the characteristics of this weapons system, although it was important to get discussion between the Senator from Georgia and the Senator from Oregon as to what the effect of this weapon is. That discussion has underscored the fact that many people here still do not have the basic information which I think the Senator from Georgia possesses. That is probably their fault for not using the time in the interim to do that.

But that is still not the point here. We are not debating the characteristics of this weapon. It is clear to me the majority of the Senators still do not know what the weapon will do and what its effect will be. I do not think it is a question of the extent of the briefings which the respective committees have received. We can debate that, as to which department should have carried the message, and so forth. I do not think it is a question of who had the responsibility to find out, and whether they should have told us or we should have asked them. Again, those are interesting historical questions.

What it gets down to is whether we are willing, by a vote today, to give the President blanket authority and a blank check to make a decision and completely abdicate our responsibility and our role in it without the kind of knowledge which I think it is clear we do not possess.

It would be interesting to know, and I am sure the Senator from Georgia can tell us, whether the Senator received the information he possesses after the newspaper stories or before. I think it is clear that most of us here do not have that kind of information, and we probably did not possess it before the news stories occurred.

The President, in the second paragraph of his letter, said he would not be prepared to make a decision on the production or deployment of this weapon before mid-August. That is a month away. What reason can be given for the Senate to make a decision before the President makes up his mind?

As the Senator from Oregon has already indicated, that is a complete reversal of the normal procedure. I have not heard a justification yet for a precipitous decision for the Senate to proceed when the President has not made up his mind.

Mr. NUNN. Will the Senator yield?

Mr. HART. Not yet. I have heard no explanation of what will occur in the next 30 days which argues for a decision today in the Senate to fund a weapon on which the President is not decided

Mr. NUNN. I think the Senator has made a good point. I think the law is being complied with. I think the Senator from Rhode Island and others, including myself and the Senator from Oregon and the Senator from Tennessee, have initiated the request that that impact statement be made available. I think it should be made available, whatever it's conclusions. I assume it will be the same information, basically, which is in the impact statement already filed on the 8-inch artillery warhead.

Technically, the Senator is correct. The information, assuming the same people are writing it, is bound to be close to the same. We are not talking about substance there.

I would ask the Senator from Colorado, based on his statement that we should not make a decision until the President made up his mind, what would be wrong with the position that the Senator from Georgia and the Senator from Mississippi basically proposed about a week and a half ago, that we approve production in this bill, subject to the impact statement being filed, giving Congress, by concurrent resolution, x number of days, whether it is 30, 60, or 90, to change its mind and veto the decision?

If there is new information in this impact statement that I do not know about, I reserve the right to change my mind. I think that is basically what the President said: He is for it but he reserves the right to change his mind. I am for it; but I reserve the right to change my mind. Why should the Senate deny itself that option? That is what I understand is the position of the Senator from Oregon. It is not the people who are for production of this weapon who are precluding the Senate from having that option; it is the people who are opposed to it. I do not understand why we cannot get together on this.

Mr. HART. If the proposal were properly worded and it did, in fact, protect all of Congress prerogatives, I would support that, as I would have before the break in our session. I think that is one of the proposals we were debating at that time. Unfortunately, we did not get that nailed down. I have no problem with that.

I do not think the President has, in fact, made up his mind. He is not only requiring a report on the technical aspects, he is also asking in his letter that the DOD provide him with a study. I want to know what that study is going to say. Before I vote, I want to know what capability the weapon is going to have.

Mr. NUNN. Let me say, unless they change the Secretary of Defense or change the people in the ranks of the Pentagon who have been promoting this for a long time, the August 15 report is going to be the same thing we have had up here in Congress for quite a while, even though I concede that all of us have not known the details of it. I think the President is familiarizing himself with this issue completely. That is his responsibility. I think that is exactly what he should do.

I say that the people who have been dealing with this, even on a classified basis, for a long time, already have that information basically, unless we put some new people over there and have a change of personnel.

Mr. HART. If they have it, it should take 45 days to get it to the President.

Even though the conclusions may be the same, that this is a necessary and important new weapons system, I do not think it is "just details" as to what the justifications are. I think those are important points which that study should contain, and it should be made available to us. I think, as the Senator indicates, the same leadership is going to make the same recommendations, but it is going to have some justifications there that I, as a member of the Senate Armed Services Committee, have not heard.

Mr. NUNN. I think on this weapons system, as on any other, any Senator who wants any information on it before he votes is entitled to it. I do not believe in, in any way, denying the information, whether classified or not classified. I agree with the Senator on that.

I submit that the way we handle this is very simple: Let the production money be contingent on an impact statement being filed and then give Congress a reasonable amount of time to change its mind and come in and, by concurrent resolution, reject that. That would solve the problem.

It is not the people who are for the production money who are in any way impeding the Senate from voting on that option.

Mr. HATFIELD. Mr. President, I yield the floor, because the Senator from Mississippi would like the floor. I have held it long enough.

I just want to say, let us not be led down the primrose path by easy-sounding solutions to this problem, by merely legislating on appropriations. I have made a careful research of this and I feel that if we go anything beyond my present wording of this amendment, we are inviting a point of order and, if not in the Senate, we then have to face a conference with the House.

As a conferee, as I expect to be, with the House of Representatives, I do not want to see the Senate play a shell game or play with mirrors and give impressions or illusions of something that really is not of substance.

I fear that any approach we might come up with in language putting contingencies on my amendment merely will end up as a game of mirrors. We then can be subject to a point of order within this body and we can end this whole debate, not on the substantive question of an up or down vote; we could end it on a procedural vote. I think that is a cop-out way of handling it and I would resist that effort.

Mr. President, I yield the floor.

Mr. STENNIS. Mr. President, I shall not detain the Senate but a short while. I

should like to say to those who have been arguing the point here that there has not been enough disclosure with reference to this matter—I am sorry they left the floor, because the plain facts are that the printed word of public documents bear out the fact that this information has been specifically before the body for many weeks, at least. Instead of an effort to conceal or mislead, there was an effort to disclose and inform. So far as the instruments we have available, the most effective ones are the written word and the printed report. I do not blame anyone for being disturbed because of something they had not seen, because I have had those things happen to me all along.

As a matter of fact, Mr. President, this is an illustration of the fact that the volume of work that the Senators have to do in the course of a year's time has reached such proportions that it is absolutely physically impossible for 100 Members to cover, in anything like completeness, the great multitude of matters that are submitted to us for decision year after year. How much more true is that of the President of the United States.

Unless someone had just heard what had been said here in the last 60 or 80 minutes with reference to whether or not there was a disclosure, for fear that that is all they heard, I am going to read into the RECORD briefly, for those who do read the RECORD, excerpts from the report filed by the Senate Committee on Armed Services, the authorizing committee, for fiscal year 1978, page 13. There is this reference, which I shall read, word for word:

> $336,700,000 will support the production of nine new weapons for the war reserve.

Further identifying this, I am reading from Calendar No. 186, Report No. 95-212, Energy Research and Development Administration Authorization—Military Applications, Fiscal Years 1977 and 1978, ordered to be printed, May 16, 1977.

Those new weapons were the B-61-3, B-61-4, B-61-5 tactical bombs, and the Lance enhanced radiation warhead. There is the full and complete identification, identifying the Lance missile, being already in the Lance system in Western Europe, and this relating particularly to the enhanced radiation warhead.

Down further in that same paragraph of this report, it says:

> The recommended changes merely adjust funding levels of six weapons production programs to make them consistent with Department of Defense changes in program schedule or design.

These six are:

> One, Lance enhanced radiation warhead.

It gives the change there in the numbers, the change from the recommendations. Then it goes on and describes other of these weapons, but that one is spelled out.

There is no question about those things. The notices went out in the usual way, and I insist on the notices of a meeting that the notice of the meeting itself spell out to some degree identification of what is going to be considered at that meeting. This was the research and development authorization military applications for ERDA, at one time handled, of course, by our joint committee.

Now, it comes to this bill, it is taken up in the usual way, again by the Subcommittee on Appropriations for Public Works, ERDA and, as an incidental item, though, we have been assigned this weaponry from ERDA.

We had handled the weaponry before from the other sources. Now it is here in this bill.

By the way, there is a long history here of Congress being informed of enhanced radiation warheads in general and Lance enhanced radiation warheads in particular, going back 14 years to fiscal 1965.

No one will get anywhere now trying to make out a case on the fact that there has been anything hidden, neglected, or failed to report, or failed to disclose in every way, by innuendo and by imagination and by blaming someone else. We can be led to believe this is a coverup of some kind, but it is just not so, and these documents here are available for anyone that might wish to see them, but I will not clutter up the RECORD with them now.

Mr. President, last week, on July 6, I wrote a letter to the President with reference to this pending matter in which I set out that I felt we ought to have some kind of a further statement from the President of the United States, or someone speaking directly for him, as to what the situation was as to this item.

I do not blame anyone for challenging the item and speaking about it, or offering amendments, or anything else. That is part of the business here. But I just told them I felt these matters ought to be brought up to date with requests of the President of the United States being given directly to the Congress for their consideration when we got back to this debate.

I did not have any indication from anyone in advance what kind of answer we would get, or anything about how my request would be received or responded to. There was no kind of preliminary contact or understanding. I was acting in my official capacity as a member of the committee and as chairman of this subcommittee.

On the 12th of July, yesterday, I received this letter from the President of the United States. It says:

> In reply to your July 6, 1977 letter, let me bring you up to date on my thinking with regard to the enhanced radiation (ER) weapons.
>
> I have requested that the Department of Defense provide me a study of such weaponry by August 15, 1977; it will be accompanied by an Arms Control Impact Statement (ACIS). I intend to make a final production decision shortly after receiving these two documents.

Could anything be simpler, or more logical, or more positive, and more natural than the statement there that he intended to make a final production decision shortly after receiving these two documents?

> If the production decision is an affirmative one, I will send the Congress the ACIS at the time my decision is announced.

My goodness alive, Mr. President, as long it takes to get items of this kind into production, there is plenty of time—plenty of time—for the Congress, even in extended debate, to take such action as it might see fit with reference to the President's decision.

Continuing with the letter:

> In the interim, the Department of Defense has prepared for me an initial assessment of these weapons. It is my present view that the enhanced radiation weapon contained in the ERDA budget is in this Nation's security interest. I therefore urge Congress to approve the current funding request.

There is nothing more positive nor more certain than this, Mr. President. It is possible, of course, that is an erroneous decision, but I do not think it is erroneous. I think it is real and anything not acted on in this field now, looked at and acted on by whomever is President, would be a mistake. But that is beside the point.

The point is that the President is coming right down on these things, answering the question that the Congress asked him and giving his reasons therefor.

Continuing:

> We are not talking about some new kind of weapon, but of the modernization of nuclear weapons.

So true. So true. This is nothing new. This is nothing that has come out or leaked out or certainly conceived of and going to destroy the world.

This is just a part of the family of weapons that we have been making all these years, praying at the same time we never have to use them, making them first for their deterrent effect—and we need not doubt, Mr. President, that is their main purpose.

As I have said before, man has not outlawed war, but weaponry itself has virtually outlawed and stopped wars on a large scale because of the terrible consequences of an all-out battle of this kind. But a deterrent is what we have in mind, primarily.

Now, continuing:

> In the absence of satisfactory agreements to reduce nuclear weapons we must retain and modernize our theater nuclear capabilities, especially in support of NATO's deterrent strategy of flexible response. Tactical nuclear weapons, including those for battlefield use, have strongly contributed to the deterrence of conflict in Europe.

How could anything be more true and how could any deterrent be more effective than these nuclear weapons that he is talking about? And he said he does not want to see them run down or lacking in proper supply.

I emphasize that sentence again and read again from his own words:

> . . . have strongly contributed to deterrence of conflict in Europe.

I think it is highly probable that if we had not had them, Western Europe already would have been overrun. Everyone knows that the Soviets have an out-

standing superiority in that field, in that area of the world. The U.S. troops never can be there in such volume as to destroy that preponderance of weight in favor of the Soviets and their allies.

So I think the President is correct, without any doubt, that these weapons have contributed strongly to deterrence of conflict in Europe.

Continuing with his words:

I believe we must retain the option they provide, and modernize it.

That is exactly what virtually every Member of this body has run on for more than 30 years, a determination not to go to sleep at the switch but to have the weaponry and keep it modernized. Various Members have emphasized different phases of that in the campaign, but the substance of it is about the same.

Almost every candidate for President of the United States since the end of World War II—some might not have emphasized it, and that is the reason why they were defeated—emphasized that we were not going to sleep, we are going to have the weapons, and we are going to keep them modernized. At the same time, they expressed the prayer to the American people that that deterrent would not have to be used.

There has been talk about another appropriation bill rather than this one. That is almost child's talk, compared to the things that he is hitting so hard. He thinks the money is needed now. He wants it supplied. Unless he changes his mind, he is going to pursue this course to modernize these weapons. That is what it adds up to.

The next sentence:

These weapons are not strategic and have no relationship to SALT.

As I understand, he means they are not involved in any prospective agreement in the so-called SALT talks.

Continuing with his letter:

It must be recognized that NATO is a defensive alliance which might have to fight on its own territory.

We all know that. The charge is made against us that this is all put together and we are looking for a chance to go on the offensive, that we want to obliterate someone, that we want somebody else's territory. We know that is not true, and we maintain that position.

However, we went into this defensive alliance for the very purpose of holding off the aggressor, should one develop.

Continuing with the letter:

An aggressor should be faced with uncertainty as to whether NATO would use nuclear weapons against its forward echelons. For these purposes, the capability for discreet application of force—which the ER weapons may provide—present (at least in this sense) an attractive option. Whether or not the weapons have significant destabilizing aspects requires and will receive study in the ACIS.

That is the arms control impact statement.

The ER weapons, then, would be designed to enhance deterrence . . .

There is the emphasis again—deterrence.

. . . but if deterrence fails to satisfy dual criteria;

First, to enhance NATO's capability to inflict significant military damage on the aggressor.

Second, to minimize damage and casualties to individuals not in the immediate target area, including friendly troops and civilians.

The decision to use nuclear weapons of any kind, including ER weapons, would remain in my hands, not in the hands of local theater commanders.

There never has been any authority in the hands of any local theater commander. It "would remain in my hands"—in the hands of the President of the United States.

I continue reading from the letter:

A decision to cross the nuclear threshold would be the most agonizing decision to be made by any President. I can assure you that these weapons would not make that decision any easier. But by enhancing deterrence, they could make it less likely that I would have to face such a decision.

Mr. President, whether the name is Carter, Ford, or whatever—any President—is there anything that goes to his innermost soul more than having to live with this decision process that may land in his lap at any moment, day or night, all the time, 24 hours in every day and every day of every year, as to what he would do if faced with this decision? This man is pouring out, as an individual and as an official, the innermost part of his mind, heart, and soul, and I commend him for the very fine way he has answered these questions and put them out here for all to see and to judge—his innermost sentiments and purposes.

He concludes:

I hope the above information will prove useful to you in your upcoming debates on these weapons.

Sincerely, Jimmy Carter.

I distributed yesterday afternoon, for the information of the membership, a copy of that letter with a brief covering sheet, as to how I happen to have it and that I was sending it and for what purpose. A copy of the letter was put on the desk of each Senator this morning.

I respectfully call it to the attention of all Senators, for their personal consideration. I am not faulting anyone who might not agree with every point in it. But, as a whole, I submit that one could not find a better, franker, firmer statement than just what the President thought his duty was and what he proposes to do about it.

After all, this is a request for a fairly modest sum of money, just to get ready to produce these weapons—and for some limited production of these warheads, as we call them. Otherwise, as he sees it, we are not taking the steps that are necessary to continue to be modern; and if we do not keep our weapons modern, that means someone else is getting ahead.

We are appropriating billions of dollars every year to modernize and keep modernized the weapons we already have. Thankfully, they are the best in the world.

The Senator from New Hampshire was here a few minutes ago, talking about these matters being known by everyone. Every year, he and his fellow members and valuable staff members of the subcommittee of the Armed Services Committee have a research and development bill with more than 7,000 line items—that is, line items spelled out in the bill itself.

That is just an illustration of the great particularity and the intense in-depth hearings and inquiry that are made here by some of the membership, and with excellent staff to go in and have the facts and some kind of a recommendation.

But back to the serious part of this debate here on this particular weapon, although it brings into view and to thought the horrors of nuclear weapons, but that has been true all the time, and it will continue to be true. Would anybody suggest that we just abolish them unilaterally? I do not believe a Member of this body, not a single one, would suggest that we abolish them.

Well, does anyone seriously object to modernizing? That is the key word here. We can argue about whether it will be 60 days or 90 days or whether in this bill or in the next bill, you can argue those things ad infinitum. But the question is: Are they needed.

Then I would be surprised if any Member of this body would seriously argue that they were unneeded or that it was useless to be considering supplying them. I doubt that there is one who would stand up and want to be counted for a policy of that kind.

So, those things being true, let us not cut off anyone who wants to speak further, but let us hold our heads and hold our commonsense and hold our responsibilities on an individual basis in focus and then make the very best commonsense judgment we can. I have no doubt we can do that and I have no doubt what the outcome will be.

But I want to mention three things: This matter has all come up in this bill. Someone said well, it should have been in another bill that passed. It is in this one now. The issue is raised and the President has spoken.

I do not want us just because of these little things to do anything that would hamper the present President or any President. This was my position with Ford, with Nixon, and with Johnson, those who went before, not to handicap or hamper in any way the SALT talks. That is the serious part, do not forget that. I would not want anything to happen here to tend to hamper him or tie his hands or being an expression of softness or lack of firm purpose on our part with reference to our NATO allies.

It is easy to say our NATO allies are not carrying their part of the load. They are carrying a big load, I can tell you that. But, furthermore, especially in all foreign affairs I never have subscribed to the idea that we will tie down the Chief Executive chosen by the people to represent us, that we will tie him down in foreign affairs, foreign relations, dealing with foreign nations, friend or foe, that

we will tie down and restrict him more than we would a little child.

So I think the choice has been made; positions have been taken; assurances have been given; and I think it is up to us now, after we have had everybody to have his say, to vote to provide this money, let him make a judgment, the next step judgment.

The President has already told us that unless he changes his mind it will be to produce the weapons. But after he has made it, if we want to we will have plenty of time then to stay his hand so far as this money is concerned and otherwise.

So I believe that covers the four corners of this matter and I believe we will finally swing around to that basic foundation of facts and decide this thing on that basis.

Mr. President, for the time being, I yield the floor.

Mr. HEINZ. Mr. President, we have debated the neutron bomb now for many hours. But we are talking not just about a weapons system, not just about our need for a strong national security, not just about the need for a good defense with and for our NATO allies. We need all of those, and I have always been a strong and consistent supporter of a national defense second to none. The fact is, though, we are also talking about the very way we are making our decision. I want to make it clear at the outset that I do not at this time oppose in principle the neutron bomb. I want to make that very clear. What I do oppose is a rush to judgment, and what I seek is much more careful consideration of an enormously important issue.

Mr. President, statements the President made at his news conference yesterday have only reinforced my opposition to funding the neutron bomb program at this time.

Frankly, it does not make complete sense to me that the President says he favors production but not necessarily deployment. I ask the distinguished Senator from Mississippi: Does he mean there is a possibility that we will go ahead and build these weapons and then just store them in a warehouse? I think our citizens deserve a better long-term idea of what we are doing.

In fact, the President has even qualified his support of production, let alone deployment. He has said it is a tentative decision, subject to review after he gets some fuller arms control impact statements—on the 8-inch and 155-millimeter artillery shells, only inadequate ones were prepared; and on the Lance warhead, it is not even clear what has been prepared, although it is clear that nothing has yet been submitted to Congress. For that matter, in the President's recent letter to Senator STENNIS, which is generally purported to be a defense of the neutron bomb, in fact a major reservation is expressed: "Whether or not the weapons have significant destabilizing aspects requires and will receive study in the 'ACIS'—arms control impact statement."

Now, I think it is a good principle for the President to keep his options open on this. But by the same token, it is a pretty good principle for the Congress to keep its options open, too. It seems to me obvious that we should put off this decision until a lot more information is in. There is simply no urgency to the matter. Before we give the go ahead to what could ultimately cost the taxpayers billions of dollars, the President has an obligation to make a solid case, and we have the obligation to debate it thoroughly. Congress just does not know enough to be plunging into this new weapons technology. Even Mr. Carter, who prides himself in having been a nuclear engineer, is still studying the matter. Yet most Congressmen had never even heard of a neutron bomb a few weeks ago. This is no way to run a government.

The House Armed Services Committee reported the ERDA weapons authorization on May 9, and the Senante Armed Services reported it on May 16; the House Appropriations Committee reported the ERDA weapons appropriation on June 2, and the Senate Appropriations Committee reported it on June 29. Only on the last occasion does there seem to have been any serious discussion of the program. And significantly, it was on that occasion that the committee split 10 to 10 on the issue of funding the neutron bomb.

Mr. President, I want to make it as clear as I can that I am not in principle opposing the neutron bomb. I simply want careful consideration. I am willing to concede that it has its attractive military aspects, and some of my colleagues, such as Senator NUNN, have made powerful arguments in its behalf. But the fact is, at this stage I am still unable to tell my taxpaying constituents that to my satisfaction the case has been resolved beyond any reasonable doubt. In fact, I would have to say that numerous troubling questions remain, not only as to the weapon itself and changes in strategic posture it may imply, but also as to the budget and constitutional principle of giving the President money before he has actually decided how or whether for certain to use it.

Mr. President, I tried to raise some of these questions in our first debate on the subject, July 1. I have further elaborated my concerns in two recent statements, which I ask permission to include in the RECORD at the end of my comments here on the floor.

Now, I support the latest amendment of the Senator from Oregon which will bar the use of any money in this bill for the production of enhanced radiation weapons. I hope it is clear we are not talking primarily about research and development any more, though it is not barred by this amendment. What we are talking about now is production.

I think that we should not be so naive as to expect that having produced something, having laid it out there on the loading dock, that someone is not going to come along and pick it up and figure out a way to use it.

It is not as if our decision on this weapons system is an inexpensive or casual one. It has been reported in the press—with what degree of accuracy I cannot attest—that an individual 8-inch shell costs $650,000. It is also reported that there are an estimated 7,000 tactical nuclear weapons in Western Europe under NATO command.

Simple multiplication means that replacement of those nuclear weapons with the neutron bomb type of warhead is a $5 billion decision and yet that is a path down which we will stumble today if we go ahead and reject the Hatfield amendment.

To me, it is not sufficient to receive a 1½-page letter from the President where the policies are couched in ambiguities or to get a cajoled and belated and possibly inadequate impact statement, if one, as is rumored, arrives today.

Mr. President, in one of my accompanying statements, I note that it is bad enough that this weapon seems akin to chemical warfare, not only because it targets people rather than property, but because it will subject them in many instances to excruciating death by radiation.

But even on the level of hardheaded strategic argument, the neutron bomb remains a big question mark. Consider the following, which I elaborate in my attached text: First, the effectiveness of the weapon in certain circumstances is unclear; second, the biological effects are speculative; third, the Russians may be able to devise countermeasures; fourth, the immediate impact of the neutron radiation may actually be counterproductive; fifth, in some cases, policymakers may not in fact be likelier to use the weapons as proponents of the bomb claim; sixth, even neutron weapons will be capable of wreaking enormous havoc, especially if the fireball hits the ground—something that can be effected by human variables—or if the Soviets retaliate with old-fashioned weapons; seventh, there is still a question of the bomb's long-term radioactivity—both in the soil, and, as Senator HATFIELD argued earlier, in the air via carbon 13 and carbon 14; eighth, the bomb might siphon off money that could be spent on a better conventional defense of Europe which would accomplish the same objective; and ninth, that the attitude of our allies to the use of these neutron bombs on their territory is not clear.

Mr. President, I think it is significant that Senator HART, as he said a few moments ago, has never been briefed on any neutron weapon in his 2 years as a member of the Armed Services Committee and as a member of the Intelligence Committee. I think it is significant that most of the relevant committees, the authorizing committees, and the appropriations committees, have not had any serious hearings on this matter.

Mr. President, I for one, am not willing to commit what could be a $5 million expenditure without one very, very thorough investigation of the effectiveness of this weapon, our policies as to its deployment, the implications for deterrence, and a very clear idea of what the Pentagon ultimately intends.

Mr. President, I ask unanimous consent to print at this point in the RECORD two recent statements that I have made regarding the neutron bomb.

There being no objection, the state-

ments were ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. H. JOHN HEINZ III

George Will has recently criticized some Senators for injecting humanitarian "rhetoric" into the current neutron-bomb debate, rather than confining themselves to hard-headed strategic calculations. While I am proud to say that this charge contains much truth—to some of us the bomb does seem akin to chemical warfare, not only because it targets people rather than property, but because it subjects them to excruciating death by radiation—nonetheless it represents quite a simplification of our position.

As the public record of Senate debate should make clear, I myself have urged withholding funds for the neutron bomb also on the grounds that it is a poor budget principle to approve them before the President has actually endorsed their use; that such spending may short-change NATO's more compelling conventional needs (such as beefing up ground forces and closing the "tank gap"); that the issue has surfaced too suddenly for informed debate and that in any case there is no urgency in making a decision; but that in particular not enough attention has been paid precisely to what concerns Mr. Will: the implications a neutron bomb force would have on the concept of deterrence, the cornerstone of our strategic posture.

I will grant his argument that not having the flexibility of "smaller" and "cleaner" weapons may be an act of "self-deterrence." But it is not obvious to me why that is so bad. Without the clearest firebreak between conventional and nuclear war, the temptation will be great in the heat of conventional battle for some future President to make the disastrous calculation that a nuclear war can be waged and won. Moreover, in developing appropriate force structures for the defense of Western Europe, we have an obligation to keep in mind the sensitivity of our Allies to nuclear war occurring on their territory.

As to deterring an adversary from a nuclear first-strike—because it thinks us likelier to respond in kind—this assumes that the neutron bomb and our willingness to use it are really credible. I am not so sure they are.

In the first place, the effectiveness of the weapon (or, in sobering jargon, the "kill reliability") is unclear. Hilly terrain and wet weather, for example, are neutron-absorbers which might counteract the bomb's radiation. Furthermore, as I understand it, the weapon's biological effects remain quite speculative, since experiments have so far been performed only with unseparated gamma and neutron radiation. Though the neutron bomb has been on the drawing board now some 20 years, it still has its mysteries. Even if it finally flies, the Russians can be counted on to devise counter-measures. Ironically, this could not only neutralize our new weapon, but simply end up provoking the superpower arms competition to a more expensive—and a more dangerous—level. True, this may cause the Soviet military budget added strain, but it might be a case where the defense wins.

Secondly, the effects of the neutron radiation, in many instances, will be delayed and in their immediate impact may even be counter-productive. It is my understanding that contingency studies conducted by the Pentagon have indicated that if victims of incapacitating agents become so sick that they retain little faith in living but still linger on for days, they may fight all the more tenaciously, preferring to die heroically by the bullet.

Third, although academic distinctions can be drawn between strategic nuclear war and tactical nuclear war, and between "clean" weapons and "dirty" weapons, such subtle distinctions may escape the particular policy-makers in power and render the use of neutron bombs just as unlikely as traditional nuclear bombs. After all, whether a neutron bomb is "damage-limiting" or not, the prospect of its use will be plenty intimidating—not to mention the prospect of Soviet retaliation, especially if our neutron weapon technology is not reciprocated. Even if radiation is stressed, the blast and heat impact will remain substantial; and at low explosive yields, in fact, this could have as much lethal impact as any old-fashioned nuclear weapon. As a related consideration, physicists have told me that even chemical elements found in the soil which are not normally radioactive can become so if exposed to very high levels of neutron radiation. Thus, the claim that the neutron bomb avoids long-term radioactivity deserves much more examination.

Moreover, should the fireball hit the ground, a neutron bomb will be as dirty as any fission weapon. One of the sources of fallout—in addition to the irradiated material of the bomb itself—is the debris sucked up from the ground into the mushroom cloud, then scattered back to earth. Although the bomb is intended to be detonated at a sufficient altitude to avoid this, it cannot be guaranteed. A number of technical variables come into play, but perhaps the most important variable is the human one. As an example, it should not be surprising if a 24-year old artillery commander, imagining he's all that stands between an advancing Russian force and the English channel, chose not to follow his instruction manual to a tee. If his order is to "get those tanks," it could well be human nature to opt for the most tangible, historically proven way: command that the bombs be ground-bursted.

Finally, I want to address the argument that having the neutron bomb to fall back on gives us some breathing space if we find the Russians invading Europe. The argument is that if we didn't have a weapon suited to use in friendly territory (because it limits "collateral damage") we would be under pressure from our Allies to use our current, more destructive, nuclear weapons sooner, to arrest a Soviet advance before it crosses the German border. It is hard to see how the Germans would be any more enthusiastic about our using neutron bombs on their territory, however, "damage-limiting" they are purported to be. They are still nuclear weapons capable of wreaking enormous havoc. Moreover, they may easily provoke a Soviet nuclear response, not of the neutron variety. But even if the neutron bomb could buy time, it has to be asked at what price? It promises to be a massively expensive program, siphoning off money that might be spent on a better conventional defense which could accomplish the same objective.

These considerations should provide more of the context in which the neutron bomb is debated. Nevertheless, while I have tried to raise questions about the bomb, I am in fact not opposing it in principle until the Pentagon has had more of a chance to present its case and the public and Congress to examine and debate it. But until there are many more informed contributions to public discussion like Mr. Will's, I think any decision is premature.

STATEMENT OF HON. H. JOHN HEINZ III (R. PA.) PREPARED FOR PUBLICATION, JULY 13, 1977 IN THE PHILADELPHIA INQUIRER

Congress is deciding on appropriating money for the production and deployment of an extremely expensive new weapons system. The problem is that nobody seems to have any facts. Consider the following: (1) Only cursory Congressional hearings have been held; (2) Defense Secretary Harold Brown did not know the money was in his Department's budget; (3) President Carter is undecided about the weapon; (4) No arms control impact statement has been filed (though required by law); and (5) most Congressman first learned of the weapon by reading about it in the newspapers—after they had voted for the appropriation. I think the responsible approach to spending the taxpayers' dollars is to know what you are buying before you hand over the money. It is for this reason that I have urged the Senate's witholding funds for the neutron bomb.

The public debate to date has been disappointing. Until late last week, many members of the press thought the money was for research and development. That is wrong. The bomb has been under development for over a decade, it has been well tested, and it works. The money is for production. The generals want it mass-produced; unfortunately, they haven't yet said why. Perhaps a case can be made for the neutron bomb. But Congress should insist that someone from the Administration come forward and make the case. So far this simply hasn't happened.

It is in the interest of the United States to pursue, through a strong national defense, an effective policy of deterrence not just to war in general but also against the use of nuclear weapons. In this context, the neutron warhead raises unexplored questions. For example, since the neutron warhead is "clean," "accurate" and apparently is designed for knocking out clusters of Soviet tanks, will American field commanders with NATO be more likely to use it? Will that have the effect of lowering the threshold for nuclear war and end up facilitating the nuclear exchange we hope to deter? Perhaps stronger conventional forces would be a more reliable deterrent. If so, will heavy spending for neutron weapons short-change NATO of more urgent conventional needs, such as beefing up ground forces and closing the "tank gap"? The people with the greatest interest in avoiding war in Europe are the Europeans themselves who don't want their lands turned once again into battlegrounds. What then is the attitude of our allies, particularly the West Germans, about the deployment of this new generation of weapons technology on their soil? It has been reported in the press that 8-inch neutron-type artillery shells will cost $650,000 each. Replacing our arsenal of an estimated 17,000 tactical and strategic nuclear warheads would cost billions of dollars. How great a replacement does the Pentagon ultimately intend, how much will it cost, and what alternative military deterrents will we be giving up instead?

As a nation, we also have a vital interest in curbing the conventional and nuclear arms race throughout the world. Here, too, the neutron bomb raises questions: Will the United States be able to dissuade the many developing nations that want to join the nuclear club from "first generation" technology when this country is well on its way to overseas deployment of "second generation" neutron-type weapons? And how will the deployment of the neutron bombs affect the chances of mutual-balanced-force-reductions (MBFR) with Warsaw Pact nations?

It is against this backdrop of unanswered questions that it seems to me very wrong indeed to commit ourselves to neutron weapons.

The withholding of funds that I urge can and should be done without prejudice. There is no good reason why Congress can't take the few necessary months for careful study that neutron weapons are essential to our national security, it will be a simpler matter to include the necessary funds in one of Congress' frequent supplemental appropriations. After all our experience with the Gulf of Tonkin Resolution and the Vietnam war it sanctioned, it is difficult to understand why there are still those who refuse to look before they leap. To me it seems only a matter of prudence and responsibility to take the time to get the facts and answer the questions about the neutron bomb.

Mr. HEINZ. Thank you, Mr. President.

In closing, I certainly hope that my colleagues will support Senator HATFIELD's amendment No. 498, and I yield the floor.

The PRESIDING OFFICER (Mr. BENTSEN). The question is on agreeing to the amendment.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. In the absence of the——

The PRESIDING OFFICER. May we have order? The Chair recognizes the Senator from Arizona.

Mr. GOLDWATER. In the absence of the Senator from Mississippi, is there controlled time?

The PRESIDING OFFICER. There is no controlled time.

Mr. GOLDWATER. I ask recognition on my own.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. GOLDWATER. Mr. President, I would like to talk just a bit about this neutron business that we have been engaged in now for far, far too long.

Parenthetically, I was rather interested in what the Senator from Oregon had to say about this not being a filibuster. Well, if the Senator from Mississippi and I were engaged in this debate, we would admit it would be called a filibuster. For all decency, we will not call it that. But when we get talking about microseconds and all the nuances of the nuclear sciences, which falls upon deaf and unknowing ears, I suggest that we are engaged in a filibuster.

That is beside the point. I want to comment on this so-called weapon.

First of all, we are not talking about a neutron bomb. We have been talking about this weapons system, I guess, for 5 or 6 years, or longer, in the Armed Services Committee. It is a mobile cannon, in one essence, Its counterpart would be a fixed cannon with the Navy. The argument has been, frankly, whether it would be an 8-inch mortar shell or a 155-millimeter shell for Navy purposes. We have been trying to get the two services together so that we might more economically make a weapons system that would be extremely accurate. That is why we were so interested in this particular weapon. We had developed a new-type guidance head that would enable pinpoint accuracy for military purposes.

Mr. President, what are we talking about? We are talking about a weapon which, if it goes 8-inch, might be a 5-mile weapon. If it is 155-millimeter, according to the charge, it might be a little more, might be a little less. We are not talking about a bomb that we drop. The purpose of this weapon is to enable a field commander to issue a command to a subordinate, "I want that particular point taken." That point might consist of, let us say, something as large as 10 or 12 tanks and a company, ground and support forces. To take that with a frontal assault would require probably, quite a few hundred men of our own, quite a few hundred weapons. There would be people killed on both sides.

Nobody likes to talk about killing. Killing is immoral. I agree with the Senator from Oregon that morality does enter into this, but so does the whole discussion of war. If we want to get really moral about it, I should say that we could give up the whole subject of national defense. If we could get the Russians to be moral for once in their lives, maybe we could do something like that. But I do not think that is about to come.

What happened all of a sudden—not all of a sudden, because we have known for sometime that nuclear heads could be put on any weapon we have built. We could put a nuclear warhead on a 50-caliber bullet if we wanted to do it. We could build a nuclear warhead for anything. We did not develop this weapon as a nuclear weapon. It came about.

Here is a pretty accurate piece of equipment that will destroy people and not destroy equipment. We are not talking about using this weapon against cities or villages or towns unless the cities or villages or towns are used as military emplacements. Then we shall attack them anyway. What we are talking about is destroying weapons that will destroy our troops in the field without the danger of our being destroyed, with the further advantage of our being able to capture whatever equipment is left, because this type of weapon—not bomb—will not destroy tanks. It will not destroy guns. It will not necessarily destroy aircraft, unless the explosion is relatively near.

Let us take another look at this. We think it is new. We think it is immoral. In every war game I have participated in for years, we concede that the Russians have tactical nuclear weapons. We also have to quit being naive and we must assume that they will use these tactical weapons in the first attack. They are not going to have to call the Kremlin to ask somebody to ask somebody else to have a committee meeting so they can turn a key if they can find somebody to turn the key. They can say, "We are going to attack this airfield," and that airfield will be attacked, probably with small nuclear weapons in the nature of a 4- or 5-inch rocket with a nuclear head. Mr. President, if we allow that to happen without our being able to retaliate, we have maybe 2 days, 3 at the most, and the war is over.

I heard my friend from Oregon talk about a discreet application of force. I do not know of any system in the world that has a more discreet application of force than our atomic weapons. I know. I went through this as a Presidential candidate. Many older people will remember the fellow with the finger over the button, that was supposed to be me, and I was going to punch it. That is not going to happen in this country. Somebody has to give a command. There really has to be a conference and the command will be given, but it has to go through channels and that has to go to the President. Then the button will be pushed.

We talk about a discreet application of force. I know some people in that office who probably would never be discreet; they just would never use it. I think we make a big mistake in taking most of the prerogative away from the battlefield commanders in time of war.

The Senator from Oregon talked about Hiroshima and the fact that he was there and saw it. I have all the feeling of sadness that was in his heart. But let me tell you and let me tell the American people this: We killed more Japanese with fire bombing, with conventional weapons, than we ever killed at Hiroshima or by the use of any other atomic weapon. Conventional weapons are deadly. Conventional weapons are not little things that you shoot off at a shooting gallery to take your wife a kewpie doll or something like that. Conventional weapons are made in tons. A kiloton is 10 tons. We are talking about something that sounds small. It is 10 tons of dynamite.

Mr. President, let me conclude. I want to make certain that we understand that we are not talking about a neutron bomb. We are not talking about anything new in the nuclear field. Neutrons are an important part of the subject of "nuclear." It is a subject that is learned in any course in science in high school, grammar school, or college. We have had the ability to produce almost any offshoot of nuclear fission or fusion that man cares to make as long as we have had the nuclear ability.

I close by saying this: In a study of wars that I have done throughout my life, I have found, without deep work, 1,800 wars—major wars, including world wars—that were started by accident. Nobody plans to go to war. Some of our Presidents have made mistakes. Woodrow Wilson did not think we would go to war. Franklin Roosevelt, with all of his knowledge of war and deep and intimate knowledge of foreign policy, would not level with the American people as to what we were headed into. But people stood behind him. President Truman, I think, was right in going into Korea, but he was wrong by not allowing the troops to go across the Yalu.

I hate to say this, but I think our President made a very bad mistake the other day in putting off the B–1, because the only thing we have left to bargain with now is the only weapons system that we have that the Russians fear, and that is the cruise missile.

So, Mr. President, I do not want to see the country stumble into war. If the world is allowed to hear this debate going on, day after day, hour after hour, when we really do not know what we are talking about, then I am afraid we may be offering a little obstacle that we can inadvertently stumble over as we try to keep peace.

I do not accuse any man in this Chamber of wanting war. We do not like war, particularly those people who have been

in it. But we are not going to keep peace in this world unless we are strong. If we have a weapon like what we are talking about today, a field weapon—not a bomb; a weapon that can be used against ships from another ship or used against ground weapons from other ground weapons—ther. it is a piece of equipment that we should have in our inventory. I hope, Mr. President, that we can get through with all of this scattered discussion and get on with the vote.

I yield the floor.

Mr. THURMOND. Mr. President, I rise in opposition to the pending amendment which would delete funds for the enhanced radiation warhead for the Lance missile, or so-called neutron bomb.

The development of this weapon has been underway since 1965 when it was first considered by the Joint Committee on Atomic Energy.

We have now reached the point where production is desirable, and in fact necessary given the overwhelming buildup by the Soviets in the Warsaw Pact territory.

For no apparent reason, the Soviets have significantly increased their troop deployments in the Warsaw Pact and introduced large numbers of new and effective weapons.

The NATO nations are thus faced with new military problems, since these forces were never structured, except for defensive purposes.

Mr. President, presently we have in NATO the Lance nuclear missiles. In the event of an attack by the Warsaw Pact, these missiles would only be used on order of the President. They are very destructive and would cause horrible damage in large areas.

The proposed neutron, or enhanced radiation warhead merely complements our nuclear missiles already in place. If our troops are forced to retreat, then it would be necessary to retake land once held by friendly nations. In the event of a nuclear attack by the Soviets the neutron warhead would enable us to accomplish this task with minimum damage to life and property.

While the radiation effects of the neutron warhead and the current Lance nuclear weapons are similar, the blast and thermal effects are greatly reduced. We have already developed "clean" nuclear warheads for other weapons, why deny their development for tactical weapons?

Mr. President, I do not believe the neutron warhead lowers the nuclear threshold. Just because it is a cleaner weapon will not make us more likely to use it.

The only time this country would use nuclear weapons in Europe would be if the enemy had already done so. If the world ever reaches that horrible moment, this weapon would enable us to fight back in the least devastating manner.

I hope the Senate will defeat this amendment.

Mr. President, the President of the United States has written the chairman of the Senate Armed Services Committee a letter on this subject dated July 11, 1977. I want to read a few excerpts from this letter by President Carter as I feel it is important that the Senate gain the advantage of the information he has provided in his letter.

In this letter, President Carter stated:

It is my present view that the enhanced radiation weapon contained in the ERDA budget is in this Nation's security interest.

Now, who is that speaking, Mr. President? That is the President of the United States, President Carter, and he says that in his view this enhanced radiation weapon is in this Nation's security interest.

The President is in a better position than anyone else to know the jeopardy which this country might face. He is the Commander in Chief as well as the President of the United States, and when the President says that a weapon is in the Nation's security interest, how can we turn him down?

He goes on to say:

I therefore urge Congress to approve the current funding request.

Another excerpt from his letter on this subject:

We are not talking about some new kind of weapon, but of the modernization of nuclear weapons. In the absence of satisfactory agreements to reduce nuclear weapons—

Now, this is the President talking, here is what he says:

—we must retain and modernize our theater nuclear capabilities, especially in support of NATO's deterrent strategy of flexible response. Tactical nuclear weapons, including those for battlefield use, have strongly contributed to deterrence of conflict in Europe. I believe we must retain the option they provide, and modernize it. These weapons are not strategic and have no relationship to SALT.

Mr. President, those are President Carter's words on this subject. He goes on further in the letter and makes another statement that is very significant, and says:

It must be recognized that NATO is a defense alliance which might have a fight on its own territory. An aggressor should be faced with uncertainty as to whether NATO would use nuclear weapons against its forward echelons. For these purposes, the capability for discreet application of force—which the ER weapons may provide—present an attractive option.

Mr. President, the President of the United States is simply saying this: We better have this weapon on hand, it will help to deter war, it will not bring on a war, it will help deter war.

Then, if it answers that purpose, the main purpose in having a defense force has been accomplished, as we would rather deter war than have to fight a war.

This just puts another element in the nuclear arsenal which the enemy knows must be faced if he starts aggression in NATO.

Mr. President, the President of the United States also said that the ER weapons would be designed to strengthen deterrence, but if deterrence fails to satisfy dual criteria it would—

First, to enhance NATO's capability to inflict significant military damage on the aggressor.

That is, if this weapon and others fail to deter the enemy, then this weapon will help our forces, help our NATO forces to combat the enemy and inflict significant military damages on the enemy. That is the effect of what he is saying. He also says:

Second, to minimize damage and casualties to individuals not in the immediate target area, including friendly troops and civilians.

The President goes on to say:

The decision to use nuclear weapons of any kind, including ER weapons, would remain in my hands, not in the hands of local theater commanders. A decision to cross the nuclear threshold would be the most agonizing decision to be made by any President. I can assure you that these weapons would not make that decision any easier. But by enhancing deterrence, they could make it less likely that I would have to face such a decision.

In other words, the President is saying that if we have such weapons as this, it will make it less likely we will ever have to use such weapons because it will help to deter aggression and help to deter war, and that is what we want to do.

Mr. President, I simply say that those statements by the President of the United States, I think, are very strong statements. I do not know of any better argument that anyone can make on the subject.

I also state that the Defense Secretary supports this position. The Secretary of Defense of this Nation supports this position.

I also say that the President has already twice sent Congress budget requests for production of this weapon.

The President has approved the underground tests of the neutron warhead held last month, June 29.

Mr. President, all weapons kill people. That is the purpose in building weapons. Somebody said, "Well, this weapon will kill people and will not damage property."

The purpose in weapons is to destroy the enemy. Primarily, I would envision these weapons would only be used in friendly territory because we will not use nuclear weapons unless we were attacked first, and then the President of the United States would have to give the order. The President of the United States would have to say when they could be used, if they are to be used at all.

I think a better descriptive term for this weapon would be "diminished destruction weapon," because the present Lance warhead is not as clean as the neutron warhead. The current nuclear Lance warhead has more blast; it has more thermal effects. This weapon has less blast and less thermal effects. It has more radiation, yes, and that is the purpose of it—to provide more radiation, but at the same time to save all the property possible in friendly territory.

The neutron bomb would bring about casualties primarily through radiation rather than blast and heat, as with nuclear shells already in place on the Lance missile in NATO.

Mr. President, deterrence against the use of a neutron weapon is a moral im-

perative, with long-time policy of the U.S. Government opposed to its use except in crisis, under order of the President. The weapon is needed for NATO to avoid destruction if a NATO war escalates to nuclear tactical weapons and we must retake friendly territory.

Mr. President, something has been said about Mr. Paul Warnke's position, I believe. Mr. Paul Warnke has disavowed news reports that the Arms Control and Disarmament Agency opposes this warhead. He has termed the report "inaccurate and misleading." So any statement along that line is inaccurate.

Mr. President, a sensible position on the neutron warhead has been taken by one of America's greatest scientists and patriots, Dr. Edward Teller, of the Hoover Institution at Stanford University. If I had any doubt about which position to take in this matter, I do not know of anyone in this Nation we could go to in order to consult for sounder scientific advice than Dr. Teller. Dr. Teller is known as the father of the H-bomb. He is one of the most astute scientists in this Nation today.

In essence, Dr. Teller proposes a public policy that the neutron bomb would be used only in defense of invaded territory. He says the enemy, so advised, would weigh more carefully any attack and the dangers of escalation would be reduced. That is Dr. Teller's position. He thinks that it will help to deter war.

Unfortunately, Mr. President, all weapons in our defense arsenal are designed to kill people and destroy property. That is the terrifying and shameful consequence of war.

My position has always been that by being prepared to fight with the most advanced weapons, we are much less likely to ever face the decision of having to use any of them.

Mr. President, I ask unanimous consent that this article, which appeared in the July 12, 1977 issue of The New York Times, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. Mr. President, the greatest thing Congress can do for the American people is to keep a strong defense establishment. The finest step we can take is to preserve this Nation, this form of government. It has given its people more opportunities, more freedom, more material benefits, and more justice among its people than any government has ever given any people in the history of the world. If we are going to preserve this form of government in this day, when we have totalitarianism, when we have dictators controlling certain governments of the world, and when the goal of some of these dictators is to spread aggression throughout the world, to dominate the world and take it over, and if we are going to keep this country free, the way to do it is to keep it strong. We have to keep it so strong militarily that no other nation will dare attack the United States. If we can have a neutron warhead added to our arsenal of weapons, it will help to do that. It will help to prevent an attack upon us, because if we have an attack, we will have to respond. If we have weapons like the neutron warhead, the probability is that we will not have an attack.

It is my belief that, for the best interests of the people of this Nation, for the best interests of preserving peace in the world, for the best interests of preserving freedom in this country and the free world, we need the neutron warhead added to our arsenal of weapons.

I hope the amendment by the distinguished Senator from Oregon, my good friend, will be defeated.

EXHIBIT 1

[From the New York Times, July 12, 1977]

STATEMENT BY EDWARD TELLER

STANFORD, CALIF.—American military preparation has the paramount purpose of preventing war. Military conflict from Genghis Khan to the Second World War always had terrible potentialities, limited not by the means of destruction but only by the intentions of the people who wielded those means. Nuclear weapons are different, primarily because they can become effective in a time so short that rational thought has little chance to compete with wartime urgencies. Therefore, insurance of peace during the time of peace is more necessary than ever before.

The neutron bomb debate has rightly focused on the question whether this military equipment will make war and in particular all-out nuclear war, more or less likely.

In general, nuclear explosives cause damage by blast, heat effects, prompt radiation of various kinds and radioactive fallout which continues to be dangerous for longer periods. By contrast, the neutron bomb is so designed as to minimize all but one of these effects. The prompt, nonlingering neutronic radiation is the only one emphasized. This means that in the case of a neutron bomb we have an explosive which is relatively small and the territory affected is also small.

Tanks, troop carriers, troop concentrations or airplanes of invading forces can be disabled by detonating a sufficient number of neutron bombs in the air. People at a distance as short as one mile from an explosion will be safe, and, with improved explosives of this type, this distance can be further decreased. A simple action like going into a house basement when warning is given can further reduce civilian casualties when advanced models of neutron bombs are used. Yet, the effect of such weapons is sufficiently powerful that, coupled with appropriate guidance, it can be used as a potent defense.

There remains the old objection: once a nuclear instrument of any kind is used, is it not a practical certainty that the conflict will escalate into an all-out nuclear conflict, wiping out all traditions of tolerance and leaving behind it deep scars of hatred and conflict? A proper plan to use the neutron bomb could make sure that such escalation, as well as war itself, becomes less likely.

I propose that we announce a policy according to which we shall rigorously refrain from a first-use of nuclear weapons of any kind, including the neutron bomb, except within territory invaded by enemy forces. On the other hand, we should be prepared for the immediate use of the appropriate measures to repel massive enemy forces from the invaded territory by the use of such military means which cause the least suffering and damage to the people of the invaded territory. The optimal weapon to implement this purpose may well be an advanced version of the neutron bomb. The unintentional, "collateral" damage which leaves the battlefield in shambles and which hits foe and friend alike, is minimized by use of such weapons.

The policy I propose would stipulate that use of nuclear weapons of any kind by the aggressor on invaded territory should indeed remove all further restraint on our part on the application of military methods. The limitations would then be not on the size or the kind of weapons, but rather on the question of where the weapon is used, which of course is related to the purpose of its use. There will be no ambiguity about its use on invaded territory.

The result would be that invading forces, launched for instance against Western Europe, would have to face a difficult choice; either they refrain from the use of nuclear weapons, since they know that NATO defenders are prepared to use these very effective weapons and will in fact use them; or they may plan to use nuclear weapons, in which case they expose their homeland to nuclear retaliation of unrestricted nature. Indeed, once nuclear weapons are used in a manner different from a strictly defensive operation against aggressors, it is difficult to impose any further effective limitation, and one has to face the likelihood of escalation to all-out conflict. Due to fear of widespread destructive effects of nuclear explosions, reliance on tactical nuclear weapons used to be most disquieting to our allies. But since the neutron bomb can reduce the destructive nature of the explosion so that it becomes not only small compared to the usual effects of nuclear explosives, but even less than the damage caused by conventional defense, an agreement on an effective defense of NATO could now be in sight. A firm and public determination that the use of Russian nuclear explosives in Western Europe would be answered with nuclear retaliation against Russia is in all probability the only basic condition on which the ultimate coherence of the Western Alliance can be grounded.

The final result of the contemplated limited use of the neutron bomb would be a more effective way to deter war.

Mr. CLARK. Mr. President, in the introduction of remarks that I made on the so-called enhanced radiation nuclear warhead during last week's debate, I made a point of emphasizing that my opposition to providing production funds in this budget at this time was taken without prejudice to how I might ultimately decide on the merits of the issue. This caveat was very important to me, because I hope that I come to this debate in a nonprejudicial way, without preconceptions about whether or not we should go ahead.

Putting it quite frankly, Mr. President, I simply do not know whether the United States should proceed with production of this weapon. But my point is that I do not think the Members of the Senate can possibly know, either.

In a word, the administration has not, until just this hour, complied with the requirement, in statute, that Congress be given, along with the request for funds, an evaluation of the impact of this weapon on our efforts to achieve an arms control agreement. In the absence of a chance to study and hold hearings on this analysis, I find no compelling justification for going ahead with the funding.

Now we were told yesterday that the President continues to insist on funds for production of the neutron weapon—funds in the bill before us. He has not yet, however, made up his mind on actually proceeding with production and deployment.

I was interested in the last speaker, who discussed at some length the fact that the President has already made up his mind. I think we should read for

the record the President's letter dated July 11 in which he says:

I have requested that the Department of Defense provide me a study of such weaponry by August 15, 1977; it will be accompanied by an Arms Control Impact Statement (ACIS). I intend to make a final production decision shortly after receiving these two documents. If the production decision is an affirmative one, I will send the Congress the ACIS at the time my decision is announced.

So the decision has not been made. No final decision has been made by the President.

I am simply saying that if the President cannot make up his mind on the basis of information available to him, how can the Members of this body make up their minds on the basis of even less information?

After all, we are a separate branch of Government. We have to make an independent decision based on the facts as we know them. I think it is quite clear, in listening to the debate here and other discussions, that the majority of the Members of the United States Senate do not know the full implications and nature of the weapons system we are talking about. We do not have the information, just as the President does not, to make that kind of final decision.

Let me just go back for one moment and point out there is an Arms Control and Disarmament Act provision in law which requires that Congress be given an arms impact statement along with—I repeat, along with—requests for appropriations and authorizations for nuclear weapons. Congress is supposed to have this in hand during consideration of the funding, not the day of the vote. It is relatively of little use to look at it 2 hours before we have to vote.

Let me quote the pertinent passages of that law—section 36(A)(1): Request for authorization or appropriation for "any program of research, development, testing, engineering, construction, deployment, or modernization with respect to nuclear armaments, nuclear implements of war—shall include a complete statement analyzing the impact of such program on arms control and disarmament policy and negotiations."

I repeat: Any request to the Congress for authorization or appropriations for any program "* * * with respect to nuclear armaments * * *" shall include a complete statement analyzing the impact of such program on arms control and disarmament policy and negotiations

Now, that had not occurred. It was not available to Congress either for the authorization or appropriation of funds for this weapon—until an hour ago.

If we are to succumb to the idea that at this late stage this report fulfills the real requirement, what we are saying, in effect, is we do not choose to abide by the law which we ourselves passed.

Mr. President, we were told the report was mislaid. We were told it would not be ready until August 15. Suddenly it shows up today. On what basis then should we now appropriate these funds? On the basis of an impact statement that I suspect not more than five Members of this Senate have even seen? I think that is not a very solid basis for proceeding with a new weapons system in the nuclear area. Let us rather first see what this weapons system is all about, and then let us decide whether it should be funded. At first glance, the impact statement, to me at any rate, raises a number of questions that we ought to be able to have an opportunity to ask of those people who prepared it. I do not think it is asking too much to say we might have 1 day of hearings on a subject of this importance before we rush ahead and make a decision based on inadequate information.

Frankly, I do not feel that appropriating the money before we have time to study and hold hearings to determine what this weapon will do to arms control efforts is a wise move. What is the rush? Let us have a measured and thorough analysis and debate of the issue, and if we need funds, we can do it with a supplementary appropriation.

I think the basic thrust of the objection that many of us have to what the Senate is being asked to do focuses on just this issue; the proper procedure is not the issue of building the neutron bomb but whether or not we are going about it in a way which is really defensible, understandable and justifiable.

The President is asking the Senate to act without benefit of time to study and hold hearings on this issue. In fact, the President is asking the Senate to approve this funding before he, as he has publicly confirmed, has decided on the production and deployment of this weapon. Therefore, my question: Why then must the Senate decide at this juncture? What sense does it make to approve funding for production of a weapon, before the President has decided on its deployment?

The case for going slowly was, in my judgment, given further support yesterday by the findings of the distinguished Senator from Oregon. According to his report, a prominent scientist, J. Carson Mark, for 30 years head of the theoretical division at the Los Alamos research center, has now challenged claims that this warhead is all that "clean."

"Clean" is a very relative term, and for those persons—and buildings—within the immediate range of the weapon, it is just as "dirty" as a normal nuclear weapon. For that matter, though it may be "clean" for those victims "lucky" enough to get a lethal dose of 8,000 to 10,000 rads and die almost immediately, many other persons at varying distances would get a progressively lesser dose, leaving many to die a slow and, I suggest, "dirty" death.

But now we are told, by Professor Mark, that there is serious concern about the impact of the neutron radiation on the surrounding area. The neutron radiation apparently reacts with the carbon and cobalt in the soil in ways about which we know very little. It is claimed, for example, that the radiation creates a radioactive carbon isotope with a half-life of 5,720 years.

I would not pretend to have the technical competence to judge whether this is accurate. But I do find it significant that a leading figure in the nuclear weapons business raises the question. And, in my judgment, it is the unanswered questions such as this which should cause us to hold off funding a weapons program on which we are not sufficiently informed to judge the impact. Why can we not afford to at least find out what it is all about?

Perhaps the most vital point which it seems to me deserves to be clarified is the impact of this weapon on the likelihood of nuclear war. Some of the supporters of this weapon inside this administration are on the record stating flatly that they doubt that "clean" nuclear weapons or "mini" nukes can be used without provoking a strategic nuclear exchange.

Let me quote Paul C. Warnke, now the head of the Arms Control and Disarmament Agency, and our principal SALT negotiator, back in 1974: "to the extent that mini-nukes blur the distinction between conventional weapons and nuclear weapons they lower the nuclear threshold."

I see no way that sentence can be interpreted other than to assume that the neutron bomb could lower the nuclear threshold.

(Mr. HATHAWAY assumed the chair.)

Mr. CLARK. Such weapons, Mr. Warnke continued, would "make the consequences of use of tactical nuclear weapons less dire in the minds of the potential attacker and, as a consequence, would not constitute to the same extent the degree of deterrent that a weapon which is clearly different in kind now promises. What would this mean?" Mr. Warnke concludes: "and once the nuclear threshold is crossed the process of escalation could become irreversible."

Secretary of Defense Harold Brown had this to say on this point in his confirmation hearings:

I do not think it at all likely that a limited strategic nuclear exchange would remain limited. I would be very cautious about structuring the force and expending a great deal of effort on making the force able to engage at length in a limited strategic nuclear war.

I could not agree more. I think it is relevant to the question before us. I think one of the greatest deterrents to a nuclear exchange is the awareness that "going nuclear" is an enormous new order of magnitude—that it is a step toward the possible destruction of the world as we know it. I think it is extraordinarily dangerous to have policy planners think that they can go halfway, and have a nice, clean, tactical limited nuclear exchange.

That is why we must retain, as much as possible, a high nuclear threshold, a clear demarcation line between conventional and nuclear weapons.

Now, I realize that the Senator from Georgia, and others, has argued that the bomb has to be clean in order for it to be credible that we would use it, and therefore it can serve as a credible deterrent. I appreciate this argument. This is the fundamental argument made in favor of this weapon. "Make nuclear weapons just clean enough," it is argued, "to insure that they will be used."

I think our security depends upon convincing the Soviet Union that to "go nuclear" means to provoke a strategic exchange. The illusion that we could—as some Pentagon planners are apparently proposing—use some clean warheads and some standard warheads, not fired alone, but in a package of 30 to 50 nuclear shells and warheads, and not provoke a general nuclear exchange, is a faulty argument to the extreme.

In this regard, Herbert Scoville, Jr., among the most respected and experienced men in the arms control field, points out that "the Russians have shown little interest in low-yield battlefield nuclear weapons. Their doctrine has called for massive responses in the event that we initiate the use of nuclear weapons at any level. Therefore, our attempt to save European cities by relying on low-yield neutron bombs is most unlikely to succeed."

I find that very persuasive, Mr. President, and I see a lot of merit, as Scoville argues, in strengthening, not breaking, the barrier between nuclear and conventional conflicts.

But the point of my whole argument, Mr. President, is not that it matters how I happen to feel about certain strategic questions. All I am arguing here is that the Senate has no justification, in my judgment, indeed, no compulsion, to hand the President a blank check on an issue of this significance.

We are, after all, a separate branch of government. We must make the decision on the basis of our own judgment. My position is simply that the necessary preconditions have not been fulfilled—that there is no compelling reason for bypassing prescribed procedures—and that therefore, approval for funding this weapon is premature, unwise, and, in fact, unnecessary.

Just in conclusion, let me add one comment on the broader significance of this debate. The Senate would not even be discussing this issue today had it not been for the fortuitous declassification of the fact that these funds were even in this bill.

Up until now we did not even know about enhanced radiation weapons, or at least the overwhelming majority of us did not. We did not even know they existed and indeed did not even know they passed in the authorization measure. We had no idea what some of the funds we were appropriating were even to be used for. It may will be that a small group of Senators did know about this weapons system and knew a considerable amount about it. The vast majority of us did not. It makes one wonder what else is in these appropriations bills. It prompts me to wonder what sort of activities and what kind of projects are routinely approved without our really knowing what is involved.

Mr. NUNN. Mr. President, there has been a great deal of discussion in the last couple of days about the relative dangers of this particular weapon as compared to the weapons we already have in our inventory. At least that is the context in which the discussion should have taken place. It unfortunately has not.

In terms of trying to clarify some of the misunderstandings I have a letter, dated July 13, 1977, that I have just received at my request from Dr. F. C. Gilbert, Deputy Director of Military Applications of Engineering Research and Development Administration. I ask unanimous consent that it be printed in the RECORD at this point. I also ask that a page give a copy of it to the Senator from Oregon.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION,
Washington, D.C., July 13, 1977.

Hon. SAM NUNN,
110 Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR NUNN: In response to your question concerning the relative effects of the Enhanced Radiation Lance Warhead and the Standard Nuclear Lance Warhead, the table below gives a comparison of radiation (neutron) output, C^{14} production, fallout potential, thermal (heat) output, and blast output.

As you can see from the table, in terms of neutron output, lethal radiation radius, and Carbon^{14} output, the differences between the current and proposed enhanced radiation Lance Warheads are negligible. Most significant, however, is the fact that the neutron warhead produces less than 1/10 of the fallout, heat, and blast which the present Lance Warhead generates.

I trust this answers your questions. If you need further information, please do not hesitate to ask.

Sincerely,

Dr. F. C. GILBERT,
Deputy Director of
Military Application ERDA.

Mr. NUNN. I think the Senate would be interested in the information in this because this letter is in response to my request to clarify some of the technical details. This represents a comparison of the current nuclear Lance warhead with the enhanced radiation warhead that we are now discussing, and I quote this letter:

In response to your question concerning the relative effects of the Enhanced Radiation Lance Warhead and the Standard Nuclear Lance Warhead, the table below gives a comparison of radiation (neutron) output, C^{14} production, fallout potential, thermal (heat) output, and blast output.

As you can see from the table, in terms of neutron output, lethal radiation radius, and Carbon ^{14} output, the differences between the current and proposed enhanced radiation Lance Warheads are negligible. Most significant, however, . . .

And I would ask my colleague from Oregon to listen to this particular part:

Most significant, however, is the fact that the neutron warhead produces less than 1/10 of the fallout, heat, and blast which the present Lance Warhead generates.

(Approximately relative values)

	Standard warhead	*Enhanced radiation warhead*
Prompt radiation output (neutrons)	1	1
Lethal radiation area (radius)	1	1
Amount of C^{14} produced (carbon-14)	1	1
Fission products (fallout potential)	1	Less than 1/10
Thermal (heat) output	1	Less than 1/10
Blast	1	Less than 1/10

The table then details what has already been outlined here. The table shows the current warhead compared to the enhanced radiation warhead with approximate relative values. Under the label "Prompt Radiation Output" in terms of neutrons, the standard warhead has 1; the enhanced radiation 1 on a comparative basis. The lethal radiation area is 1 to 1. The amount of C^{14} produced, which is carbon-14—the Senator from Oregon has made reference to this on a good many occasions—is 1 to 1. As to the fission products, which is also known in layman's language as the fallout potential, the standard warhead has 1; the enhanced radiation warhead has one-tenth. As to the thermal heat output, the standard warhead has a 1 and the enhanced radiation warhead has less than one-tenth. In terms of blast effect, the standard warhead has 1, the enhanced radiation warhead less than one-tenth.

This letter is signed by Dr. F. C. Gilbert, Deputy Director of Military Applications of ERDA.

I believe, Mr. President, that this should in very simple fashion allow the Members of the Senate and for that matter the public to begin to put in perspective what has not been put into perspective, and that is the comparison between our existing warheads and the proposed nuclear warhead. This may not change anyone's mind about deterrence. Deterrence is a separate argument, but I think at least this should clarify the scare stories that have been going on around about carbon-14 fallout potential. potential.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. NUNN. I think it should also be added that what we are really comparing here is the standard nuclear Lance warhead as compared to the enhanced radiation Lance warhead, and in fairness we are talking about doing the same job in the enhanced radiation warhead with fewer kilotons than in the standard warhead.

Mr. HATFIELD. Will the Senator yield?

Mr. NUNN. So you have to put this in the right perspective. What we are talking about is the practical substitute effect that this warhead would have as compared to what is in the existing inventory.

Mr. HATFIELD. Will the Senator yield?

Mr. NUNN. I am glad to yield to the Senator from Oregon for a question.

Mr. HATFIELD. I appreciate the Senator's pointing out this last point because I think it should be clearly established that we are really talking about apples and oranges unless we move to a kiloton base, and then we have to recognize we are talking about a 10 kiloton as an example. We are talking about a 10 kiloton warhead of present type, and we are talking about a 10 kiloton warhead of a neutron type. As to the statement that was made earlier that we could be at a ten-fold increase in neutron radiation, I think that is a fact.

The Senator speaks about the second paragraph of this letter which states that the neutron warhead produces less than one-tenth of the fallout, so forth and so on, which indicates a lesser kiloton warhead with the neutron would be used than under the current warhead.

Mr. NUNN. And I say to the Senator from Oregon that is the key point.

Mr. HATFIELD. This is the key point.

Mr. NUNN. What the neutron warhead allows is less kilotonnage. That is exactly the point.

Mr. HATFIELD. Let me say I have never disputed anything the Senator has stated on that basis. That has been one of the bases of my argument. It simply invites greater potential use because of that so-called smaller target, more precise target.

But let me say to the Senator that we also have heard from the Pentagon as to manner of use, and they talk about clusters of neutron warheads. Clusters. So I think we have to round out the whole picture, and say that it is not necessarily going to be a 10 kiloton versus a 1 kiloton weapons system, but in the cluster approach we could equal 10 kilotons in the cluster warhead in some kinds of attack.

So when we talk about a tenfold increase in neutron radiation, I think Dr. Mark's statement remains incontrovertible.

Mr. NUNN. I do not agree with the Senator in terms of what I have read. I do not know what Dr. Mark has said; I have not seen a letter from him or anything formal from him.

I have seen some of the media reports, and I must say I am sure this clarification is needed. I do not think any misinformation was intended, but that has been the result nevertheless, because it has been misinterpreted rather broadly.

Using a cluster is not unique to this weapon. The cluster concept already exists.

Mr. HATFIELD. I am not suggesting the cluster concept is unique to this weapon. I am merely saying that if you are going to compare neutron radiation as between two different warheads, as we have been doing individually and together all day, the comparison has to be apples with apples and oranges with oranges.

Mr. NUNN. That is exactly what——

Mr. HATFIELD. This letter talks about the standard warhead and the enhanced radiation warhead.

Mr. NUNN. That is apples and——

Mr. HATFIELD. So again we are talking about the possibility of a 10 kiloton versus a 1 kiloton warhead.

Mr. NUNN. But no one has suggested anywhere we would use tonnage in the neutron warhead similar to that we use now. So this letter compares apples to apples; it compares the warhead we are now using in the Lance to the warhead we will be using in the Lance.

To call this apples and oranges is incorrect because it is not going to be the same calculation in a neutron warhead as in the existing warheads, for the reason that they really want to neutralize the blast effects and the thermal effects.

If the Senator will permit me to go a step further, I think what we need to do, and are beginning to do, is to separate the fallout argument, on which certainly all reasonable men should be able to agree once the facts are known, from the deterrence argument. I believe they should be separate and apart.

I believe the Senator is arguing that once you have a smaller warhead, you are more likely to use that warhead, therefore the threshold is lower. That argument has been used here earlier. I do not agree with it.

But on this question of how much fallout you are going to have, I think the Senator should agree that there has been a gross misinterpretation of what I am sure the Senator has portrayed accurately in terms of fallout. This letter very vividly shows that for the same warhead, you are going to get one-tenth of the fallout. If the Senator has other information or any kind of written position from Dr. Mark on this subject, I think the Senate would welcome that information. I have not seen it.

Mr. HATFIELD. I would like to assure the Senator that I have no dispute with the Senator's analysis of this letter. The only point I have raised is that carbon-14, and the neutron radiation surrounding that factor, and the general neutron radiation as emitted by the neutron bomb that we are debating here, can be tenfold greater if you apply about the same kilotonnage to two different warheads such as this warhead here because we have to consider, 1-to-1, the kilotonnage and the amount of neutron radiation per kiloton. I do not think this letter disputes that.

Mr. NUNN. The Senator from Georgia disagrees with that statement, because the Senator from Oregon put all that in one bag again. He puts fallout in the same bag as carbon-14. They are two different things.

There are many agents of fallout, including carbon-14. What we are talking about in terms of overall fallout, however, is one-tenth as much with the two different warheads. The carbon-14 is only part of the question; that is a 1-to-1 ratio. What the Senator is doing is imposing a similar kilotonnage to get his carbon-14 analysis. He is assuming that the kilotonnage is going to be equal, which is not true. No one proposes that we have the same kilotonnage. That is not the case.

So I would again say to the Senator from Oregon that I believe there is tremendous confusion on this issue, and I would hope we could separate these technical points. If I am in error in any respect, I would like to be corrected, but I would hope we can separate these technical points from the very legitimate argument many people have about deterrence. That is a separate question. We should be able to come to some conclusions about that.

I have a whole series of letters here that I think vividly clarify the question on carbon-14. If you have the same amount of yield or kilotonnage, the enhanced warhead and the fission warhead, the carbon-14 is not 10 times as much; it is three times as much.

But no one is going to use the same megatonnage.

The cluster bomb argument would apply to the existing situation today. The whole point of the enhanced radiation warhead is that it permits a reduction of yield. It permits a reduction of yield; so when the Senator is arguing this point on carbon-14, the Senator's figures, in my opinion, based on all the information I have, which is the best information available today, are wrong on the 10-to-1 ratio. The carbon-14, on the same yield, is a 3-to-1 ratio, but on the fallout, if you do not use the same yield, if you compare weapon to weapon, it is one-tenth as much.

I think the point that continues to escape in this debate is that the purpose of the enhanced radiation warhead is to permit a reduction of yield. That is the purpose of the warhead.

I would like to make a point to the Senator from Oregon on deterrence, and I think that is a totally separate argument from these technical figures we have been citing.

On the deterrence question, it is fine, at least theoretically to say, as did the lead editorial of a very fine newspaper, the Washington Post, this morning, that if you keep these weapons so destructive that you make the weapon credible, because you cannot use them. That is the self-deterrence argument.

If you buy that argument, then go ahead and deploy them. If the argument is for NATO to deter itself from using nuclear warheads if there is an invasion, go right ahead with your argument. That argument was used 10 or 15 years ago. It was used when the Senator recorded Paul Warnke talking on the subject.

I would not have gone along with the argument 10 years ago, but if I ever was persuaded by the argument I would certainly not be now, because what we have today is the situation that we have weapons with very short ranges.

We have tactical delivery systems with very short ranges, which means that if there was an invasion by the Warsaw Pact with little warning time, then it would mean that our military commanders in NATO would feel a strong compulsion to ask for the quick release of authority to use tactical nuclear weapon authority because, in the position we are now in, there would be a rapid fallback from the border.

The further we get back from the border the more likely it is that our weapons will be used on NATO territory. This is the posture we are in now. We were not

in that posture 7, 8, or 10 years ago. I think we were in it back when Mr. Warnke made his statement, but most people did not realize it.

What we are talking about now is, that instead of having a high nuclear threshold, at least as far as the military is concerned—and, of course, the decision would not be military—we have an incentive system based on the horrible destructive weapons which are there now, which would obliterate the territory we have sworn to defend. We have a system which lends itself to an early request for an early release of tactical nuclear authority. If that authority is not given early, then the weapons will fall on almost exclusively West German territory.

That is the situation we are in now.

I want to repeat that there is nothing about this weapon which cures NATO's problems. Whether we have the weapon or not, NATO has a lot of problems which have to be addressed.

Of the many tactical nuclear problems, the first problem is the range of their delivery systems. We must do something to increase the range for the very reasons I have outlined We also need to do something about the survivability of these weapons Many of them are extremely vulnerable to preemptive strikes. We also need to enhance our conventional defense

Mr. HATFIELD. Will the Senator yield?

Mr. NUNN. I will yield in just a moment.

One of the things which amazed me was to read just recently that the administration and the Pentagon were advocating this weapon because it was cheaper than conventional weapons to knock out tanks. I contend that is erroneous. I contend the Department of Defense does not have that position. Anyone who has that position, and I do not believe the White House does, does not realize that NATO's firm policy is not to use nuclear weapons as a substitute for conventional weapons, but to use them only as a last resort.

If the argument was really made by the Department of Defense that we should produce this weapon because it is cheaper than conventional weapons, the Senator from Georgia would be opposed to this weapon. We need to build a conventional defense in Europe which creates parity with the Warsaw Pact. We do not have that kind of parity now in conventional arms, and we have lost the nuclear advantages we once enjoyed.

I believe these matters have to be put into context before we talk about the whole concept of deterrence. The situation has changed in NATO. We no longer have nuclear advantages there, either strategically or tactically, in the opinion of the Senator from Georgia. If we do not give more credibility to our present tactical nuclear deterrence in NATO, then we increase, as days go by, the likelihood that we will have aggression in some form.

I am not predicting war in Europe. I am not suggesting any kind of Soviet intent to invade Europe. But I am saying these are the hard, cold, military realities. I think that is what we have to deal with, the realities which exit today.

I am glad to yield to the Senator from Oregon for a question.

Mr. HATFIELD. Again, I would just say I respect the Senator's analysis of the situation as he sees it in Europe and in NATO. If it is as clearcut as the presentation of the Senator makes it, then why the reticence, why the reservation on the part of the President? Can the Senator give us some enlightenment? If this is all so clearcut, why is the President hesitant about making a determination on this question at this point?

Mr. NUNN. Let me say on that point I think the President has, and also in the press conference yesterday, made it abundantly clear that he is in favor of going forward with the development and production of this weapon subject to changing his mind if new information is presented. That is exactly my position. If someone shows me new information tomorrow morning that I do not know now I would be glad to open the whole question in my own mind. I do not ever want to be locked into a position in a field as sensitive as this, and say I would not change my mind to new information. I think the President is very responsible. He has stated that he is for this system, and he has urged that the Senate approve it. But if there is new information that comes in, he reserves his right to change his mind, as all of us do.

Mr. HATFIELD. It is not a question of him changing his mind. I interpret his remarks to be that he has not made up his mind. I would say again it would appear to be an unnecessary call for action to make a determination today on production of a weapons system upon which the President has yet to make a determination.

Mr. NUNN. I say to the Senator——

Mr. HATFIELD. We are asked to give the President a blank check, so to speak, and then let him determine later whether he wants to embark upon production and deployment.

Mr. NUNN. I say to the Senator from Oregon, that I do not interpret that to be the President's position. If that is the position of the Senator from Oregon, I would ask the Senator to join me, as we almost agreed to do about 10 days ago, in making the production decision contingent on the President's final decision, with a period of time elapsing, say 30 or 45 days, during which time the Congress would have the right to overturn the production decision on the basis of a concurrent resolution. This gives us the right to change our mind. I am for that position. I was for it the other day and I am still for it.

I think the impact statement needed to be filed. I regret that it was not filed. I think the Congress has the right to have every bit of information on this subject as the President.

I ask the Senator from Oregon to join me in that kind of reservation so that we would all be able to review any new information which came in, with the right to change our minds, as the President has reserved the right to change his.

Mr. HATFIELD. I thank the Senator. I would only say to the Senator I think my amendment does precisely that, only in a much cleaner way.

Mr. NUNN. With only a 1-year delay.

Mr. HATFIELD. Not with 1-year delay. The Senator knows we can march a bill through this Congress in a matter of days. We have done it frequently, if we are under a requirement to do so.

This money would not become available until October 1 anyway. We are not talking about a 1-year delay. The Senator knows we can have a supplemental meeting the President's deadline of August 15 for his weapons studies, upon which he wants to base part of his decision. The President then would offer justification to the Congress upon which we can make some determination. We still can be within a time frame, because this money would not be cut loose before November anyway, under normal budgetary procedures.

I would only say that the Senator is also aware that the very day before the recess when we were discussing this approach he has proposed again today we had people standing on the sidelines indicating an eagerness to raise a point of order. The Senator is aware that it raises the immediate question of a point of order when we are legislating on an appropriation. If that is the route we can go by unanimous-consent agreement, we can almost abolish the Republic by unanimous consent in this Chamber.

I think we have to face the reality of voting up or down on a clean amendment which gives us the chance to vote the issue rather than a procedural vote on germaneness or a procedural vote on a point of order.

Mr. NUNN. I say to the Senator from Oregon, if that was a question, and I assume it was since it was on my time——

Mr. HATFIELD. I thank the Senator from Georgia.

Mr. NUNN. I say the Senator from Oregon wants it both ways on this point. The Senator wants to have the up or down vote on the merits. I think the Senator is very right in this regard. If I were in his position, I would do the same thing. He wants an up or down vote on production or no production. But he also wants all of those who have procedural reservations to vote for his position because it is pretty obvious that there are more procedural reservations in this body now than there are substantive reservations.

I do not know how many votes that picks up, but there are a good many people who, on a strictly up or down vote, will vote with the Senator from Oregon because they have certain procedural reservations. They would like to see the final report of the President. They would like to see his final decision. But they have not the same kind of reservations as to the substance. The Senator is doing something very wise from his point of view.

He is picking up extra votes because he does not give us the option of voting on the very simple proposition of approving the production subject to the right of

Congress to change its mind by concurrent resolution.

Mr. HATFIELD. Will the Senator yield?

Mr. NUNN. I will be glad to yield for a question.

Mr. HATFIELD. Does the Senator feel that the amendment I have proposed does not give the opportunity for someone to vote his convictions or his concerns on the question of institutional procedure? Has the Senator heard my formal presentation on three different occasions where I have noted my position is clear. I would hope the bomb never entered our arsenal, but I recognize that is not the issue. The issue is procedure. I have tried to stress that as the point, being very open about my personal convictions but not putting them into the issue. The procedure is the issue which we are asked to follow here concerns giving the President a blank check for him to determine at a later time whether he wants to spend it for production or not. Has the Senator heard those comments from this Senator?

Mr. NUNN. I thought I had heard it more than three times.

Mr. HATFIELD. True. I think probably the Senator has heard it more than three times if the Senator has been on the floor for that length of time.

Mr. NUNN. I believe I have heard that.

I think the Senator is very wise in maintaining that position, because it does get him some additional votes. I am not saying that the Senator has not been particularly well informed in his position. I think he has. But I think we ought to vote here on something that makes sense from everybody's point of view. That is on the question of going ahead with production so we will not delay it for a year. That is what we are really talking about. We are talking about delaying production for a year.

Any Senator can stop something that has this weapon in it by starting a filibuster, particularly if it comes toward the end of a session when we are all trying to get out. We are not talking about what a majority might feel in late September. We are talking about what one Senator might do who has a very strong, sincere, dedicated opinion on this subject.

We are talking about delaving production for 1 year. I do not think we have 1 year to delay in terms of this particular weapon. I think we need to demonstrate, both to our allies and our potential adversaries, that we are serious about the defense of the Western World. I do not believe this alone is going to do that.

Mr. HATFIELD. Will the Senator yield at that point?

Mr. NUNN. I again want to say that I do not believe this weapon is going to cure the dangers of NATO. There are two dangers in this debate: one is that we can be misinterpreted as to what we are going to do, or as to the United States not being willing to update a credible deterrent. That is one danger.

There is another danger here. That is that this situation will get so blown out of proportion that, instead of people around the world realizing that this is simply an enhancement of our tactical nuclear deterrent, they will think we have come up with some kind of dream weapon that really and truly excuses NATO from doing the things it ought to do to improve its own conventional defenses.

That is a danger that the Senator from Georgia worries about. That is the reason that, in the very first debate I took part in on the floor, I made it clear, starting out, by saying what I think this weapon will not do. I named about seven or eight things it will not do.

This is not going to cure the problems of NATO. It is not a substitute for conventional defense. If it is taken that way, it will be detrimental to NATO. So there are dangers here relating to the kinds of vibrations that are going to go out, regardless of the outcome on the debate.

The problem with the Senator's position is that, if we are to adopt the Hatfield amendment, which may very well happen—I do not know what the vote will be when it comes—even though a good many people will be voting on procedural grounds, it will not be taken as a procedural issue by the news media, sitting up there, or by the people of this country or the people of Western Europe, or by the Soviet Union.

We have finally developed some momentum in NATO. I have been working on it for about 5 years now. Many people here, the chairman and Senator JACKSON and many others, have been working on it much longer than I have. We have finally developed some momentum in NATO to begin to move away from reliance on the nuclear crutch. We are finally beginning to get people to realize that we must have parity with the Warsaw Pact countries in conventional capability. This has been due to a lot of things. But President Carter has taken a lead in this regard, the Secretary of Defense has taken a position in this regard. Former Secretary Schlesinger spent an awful lot of time in this regard and really set the ball rolling.

If we are to get to a point where either of these extreme interpretations comes out of this vote, we are going to erode and unravel what has been built up over 3 to 5 years.

I do not think that that is the position that the Senator from Oregon wants. I know it is not the position that the Senator from Georgia wants.

(Mr. MELCHER assumed the chair.)

Mr. HATFIELD. Will the Senator yield at that point?

Mr. NUNN. Yes.

Mr. HATFIELD. Does the Senator not believe that he has just painted the President of the United States into a corner? If all these things outlined by the Senator in the last 10 minutes are to be taken as gospel truth, I say the Senator from Georgia has foreclosed any option the President of the United States might have or want to keep, the option of not going into production. The Senator from Georgia has, in my opinion——

Mr. NUNN. I think the Senator has misinterpreted completely what I said, because I made it abundantly clear that there are two dangers: One is that this would be interpreted as meaning that the United States is not willing to enhance the credibility of its own tactical nuclear deterrent. The other side of the coin is the danger that this weapon will be taken as a panacea for NATO, excusing our allies and ourselves from doing what we need to do in conventional weapons. The President of the United States is perfectly aware of that. He made it perfectly clear, in his press conference yesterday, that this weapon is no substitute for taking the steps we need to take conventionally. I think he is well aware of the situation. I think he has given it a great deal of study and time.

Mr. HATFIELD. Is the Senator saying that if the press should report that, by some miracle, the President of the United States should decide today to defer production money, that would set into motion all of these reactions across Europe and the Soviet Union?

Mr. NUNN. I make no such prediction. I said that is a danger.

Mr. HATFIELD. What is this extreme reporting that I heard the Senator mention by the people in the gallery.

Mr. NUNN. I am saying very frankly that this picture has been totally distorted over the days we have been debating this.

Mr. HATFIELD. So the President has no option but to go ahead with production.

Mr. NUNN. This carbon-14 argument we have heard in the last 2 days has come across as the most distorted. This fallout argument we have heard in the last few days is totally distorted, as far as the public perception is concerned.

Yes, there are dangers in this debate. I was one of those who wanted to debate it openly, because the closed session resulted in more misinformation than if we had debated it openly to start with.

Mr. HATFIELD. Then the Senator is saying that the President has to move with production, because anything less would start some kind of chain reaction in NATO and across Europe that would cause grave problems?

Mr. NUNN. Absolutely not.

Mr. HATFIELD. Why should the President have that option himself and deny that option to the Senate? The Senator is saying we should not defer, because that would set in motion some chain reaction, but if the President decides not to go into production, that is all right.

Mr. NUNN. I am not saying that. In fact, I just said to the Senator from Oregon, let us reserve the right to change our minds. Let us have an amendment that would say we are going to have 45 days after the President makes his decision to look at any new information and reject this weapon if we want to.

The Senator is totally misinterpreting what I have said. It is very frustrating to try to be so erudite, so articulate, on this subject and have the Senator from Oregon unable to fathom anything I have said.

Mr. HATFIELD. I certainly do not mean to misinterpret anything that the Senator has said. But the Senator has said, with gestures to the gallery, that, somehow, this will be reported across the world, and somehow, some chain reac-

tion is going to be triggered that is going to set on its ear the NATO Alliance and set in motion something in the Soviet Union. I just ask the Senator to clarify what he means by that kind of report. What kind of report?

Mr. NUNN. I say to the Senator from Oregon that I can state it for him. I have stated it for him several times. But I cannot comprehend it for him.

The problem is twofold: No. 1, that we do not—I do not—want the message to go out that the United States is unwilling to do something about a tactical nuclear posture that is outmoded.

Mr. HATFIELD. And deferring production would do that?

Mr. NUNN. It depends on how it is interpreted. I do not know whether it would do that or not. I do not think that is the only improvement we need to make.

Mr. HATFIELD. Are there any guarantees to insure kinds of interpretation?

Mr. NUNN. If I had my priorities, I would much prefer to see development of longer range weapons and of greater survivability. That is much more important than the development of the neutron weapon. That weapon is not the saving grace of NATO. I am saying that we need for our allies to be confident that we are not going to continue with an outmoded tactical nuclear posture in NATO.

This is not the top priority, as far as the Senator from Georgia is concerned, in modernizing a tactical nuclear deterrent. I would feel much better if we were moving strongly to increase the range of the tactical nuclear weapons. I would feel much better about it if we were moving strongly to increase the survivability of those weapons. Those are much more important, in terms of deterrence, than the neutron warhead.

So one danger is that this can be misinterpreted, not through the intention of the Senator from Oregon, not through the intention of the news media, but simply because this subject is very emotional.

Mr. HATFIELD. Is there anything that we deal with on the floor that is emotional that cannot be subject to misinterpretation?

Mr. NUNN. As a matter of fact, often it is. I do not think as much. I think the Senator from Oregon would agree, I do not think there is as much importance as the discussion of the possibility of nuclear war.

I think when we are in this realm, we are talking about something far different from a timing issue. I know the Senator would agree with that.

So it is important we not overstate the case in either direction.

The other danger I pointed out to the Senator of misinterpretation, I am afraid some of this could possibly occur. It has nothing to do with the Senator's argument, but it has everything to do with perception, that is, many people would think this is the cure-all for NATO, that this weapon is going to eliminate the asymmetries that exist between the Warsaw Pact and the NATO Alliance. This is simply not true.

Mr. HATFIELD. The Senator would agree that certainly could not be ascribed to my side of the issue?

Mr. NUNN. Absolutely not.

Mr. HATFIELD. We are trying to say, in effect, this invites use and, therefore, it endangers the possibility of nuclear warfare.

Mr. NUNN. The Senator is correct.

Mr. HATFIELD. I would say the proponents are much more prone——

Mr. NUNN. I agree, and I stated on the first day of the debate that we should not inflate the capabilities of this weapon. I listed seven or eight things it would not do.

So, there are twin dangers here. I am not overdramatizing, or saying the Senator from Oregon or anyone else is misleading. But I am saying we are debating an emotional subject and that we should be careful and prudent about it.

I certainly do not in any way say the Senator from Oregon has not followed that course of action. But I do believe the Senate itself would be wise, and I think our foreign policy and defense position would be enhanced, if we were to take the approach that the Senate is entitled to all the information the President has, when he has it, and that we would reserve the right to change our minds on this subject should there be new information.

We can do that very simply by proposing that within 45 days after the President makes his position known, after all the examination of the information by him, and after the information has been conveyed to the Senate, that within that time frame, or 60 days, that we would have the right by concurrent resolution to cease production of this weapon.

That is a reasonable position.

But, frankly speaking, if we vote on nothing but the Hatfield amendment, simply vote up or down on the Hatfield amendment, I do not believe there is anything the Senator from Oregon can do, I do not believe there is anything the Senator from Georgia can do, or the Senator from Mississippi, the Senator from New York, or anyone else, to see that is properly interpreted by the public in this country and by the alliance. I do not think that is possible.

So I am suggesting that simply voting up or down on the Hatfield amendment is not satisfactory. It is not an expiration of all the options the Senate has, and I do not believe it would send out the right signals, no matter whether it is defeated or approved.

I think either way, it can be misinterpreted. I believe until we have a more responsible alternative to vote on, the Senate will probably be wise to continue this debate.

Mr. President, I yield the floor.

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. ROBERT C. BYRD. Vote!

Mr. HATFIELD. Vote!

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERNATIONAL NAVIGATIONAL RULES ACT OF 1977

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 186.

The PRESIDING OFFICER laid before the Senate H.R. 186, an act to implement the Convention on the International Regulations for Preventing Collisions at Sea, 1972, which was read twice by its title.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The bill was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DESIGNATION OF NATIONAL LUPUS WEEK

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on House Joint Resolution 24.

The Presiding Officer laid before the Senate House Joint Resolution 24, to provide for the designation of a week as National Lupus Week, which was read twice by title.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The House joint resolution was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the House joint resolution was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session for 1 minute to consider two nominations that have been cleared on both sides of the aisle.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

The assistant legislative clerk read the nomination of Richard Asher Frank, of the District of Columbia, to be Administrator of the National Oceanic and Atmospheric Administration.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

THE JUDICIARY

The legislative clerk read the nomination of Robert B. King, of West Virginia, to be U.S. attorney for the southern district of West Virginia.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

PUBLIC WORKS APPROPRIATIONS, 1978

The Senate continued with the consideration of H.R. 7553.

Mr. CHURCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CHURCH. Mr. President, I understand that the distinguished Senator from Minnesota (Mr. HUMPHREY) would like to make a statement at this time and, without losing my right to the floor, I yield to him for that purpose.

Mr. HUMPHREY. Mr. President, first, may I express my thanks to the Senator from Idaho.

Mr. President, as Members of this body know and as the media know, there has been considerable discussion these last 24 hours over the whole subject of the so-called Lance enhanced radiation warhead known as W70.

One of the arguments and the concerns expressed in the Senate in the previous debate was over the fact that the so-called impact statement to be prepared by the Arms Control and Disarmament Agency on any new weapon, particularly of a nuclear capacity, had not been filed or made available to the Congress and, as a matter of fact, apparently had not even been made available to the President. Let me take just a moment on that.

The State Department authorization some 2 years ago included an amendment to the Arms Control and Disarmament Agency Act that required that where there was any new nuclear weapon, any change in engineering construction or design of major significance—and we spelled that out in terms of both dollar amounts for a whole weapons system as well as individual weapons—the Arms Control and Disarmament Agency would be required to file, prepare and file, with the National Security Council and, at the request of certain committees of Congress listed in the law, a statement as to the effect of such a weapon upon arms control and disarmament negotiations. That is a matter of law.

Now, part of the law known as the Arms Control and Disarmament Act was not fulfilled insofar as the so-called neutron bomb authorization or appropriation, which is now before us. The previous administration did not get an impact statement nor did this administration. When the President was informed of this matter, he asked, of course, that the impact statement be prepared, and it was accomplished or it was undertaken by the Arms Control Agency.

We were informed—and when I say "we," the members of the Committee on Foreign Relations and the Committee on Armed Services, Senator HATFIELD and others were informed—that there was such an impact statement.

I took the liberty, at the suggestion of our esteemed colleague, Senator CLAIBORNE PELL, to call the Secretary of Defense, Mr. Brown, and suggest to him that the impact statement should be forwarded at once to the committees that had requested it, and the Senate Armed Services Committee had made the request, through the chairman, Senator STENNIS; the Senate Foreign Relations Committee had made the request through Senator SPARKMAN.

That request of mine was made this morning at around 11 o'clock. I was informed that the Secretary of Defense would discuss this with the President, which he did, and the order was given to present to these committees at once the impact statement, and that means that this statement is before us even before the National Security Council has had full time to analyze all of its significance.

The impact statement was delivered to the respective committee chairmen about 3 hours ago. In the meantime, the Senate Foreign Relations Committee, at the order of our chairman, met. We, as individual members of that committee, have had an opportunity to discuss in concert with our colleagues this arms control impact statement.

I am taking the liberty, Mr. President, since the National Security Council has indicated that this statement is unclassified, to ask unanimous consent that the entire text of the statement be placed at this point in the RECORD, and I so ask unanimous consent.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ARMS CONTROL IMPACT ANALYSIS

PROGRAM TITLE: W–70 MOD 3 (LANCE) WARHEAD

I. Program synopsis:

A. Descriptions:

The W–70 Mod 3 is being developed to satisfy an Army requirement for a low-yield enhanced radiation (ER) warhead for the Lance missile system.

Enhanced radiation is achieved by fusion reactions that produce high energy neutrons. When these neutrons are produced in connection with relatively low-yield fission reactions, the range of effect of the neutrons is greater than the range at which blast or thermal effects are lethal. At higher yields, blast and thermal effects predominate over both neutron and gamma radiation effects of any type. By employing ER as the target damage mechanism, a reduction in collateral damage is achieved since lower yields are required when personnel are the targets rather than equipment. For example, a 1KT ER warhead gives the same approximate damage expectancy of tank crew incapacitation through radiation effects as a 10KT fission warhead does through radiation effects.

The Lance is a highly mobile surface-to-surface, ballistic missile system which can provide tactical nuclear artillery support to the battlefield through attacks on either fixed targets or non-fixed targets (e.g., tank battalions in staging areas). The nuclear Lance missile has a maximum range of 130 km with a CEP (Circular Error Probable) of 400m–450m. Lance has replaced the Honest John and Sergeant missile systems in the US forces in Europe and is replacing the Honest John and Sergeant in most NATO countries (UK, FRG, Belgium, Netherlands, Italy) in both cases on a less than one-for-one basis, thus reducing the number of forward-deployed nuclear systems and weapons. (A total of 92 Lance launchers are now programmed for Europe.) Additionally, two Lance Battalions will be based in the US with one presently earmarked for deployment in the Pacific should the need arise. The Lance system is more survivable and more responsive than the systems it replaces, and it has a selectable yield capability. Its longer range allows it to remain further behind the forward edge of the battle area (FEBA) and thus contributes to its survivability. The longer range also facilitates targeting across Corps boundaries.

B. Rationale:

An ER warhead provides increased kill capability principally against personnel and reduce collateral effects (blast and thermal). It has less effect on standard military equipment than a fission weapon of the same yield. With this weapon armored vehicles, which are relatively unaffected by blast effects except at close range, can be temporarily neutralized by radiation casualties of crew personnel. Requisite effects can still be achieved at much greater ranges, with less collateral damage, than could be expected from blast predominant weapons.

C. Funding.

ERDA's total projected direct costs are $32.1 million for FY–77 through FY–80.[1]

II. Analysis:

The ER warhead will kill tank crews by nuclear radiation. In covering the same intended target area with a non-ER fission weapon, casualties to civilians and damage to property from blast and thermal effects in a congested region would be greater.

It can be argued that the improved warhead may make initial use of nuclear weapons in battle seem more credible which might enhance deterrence. However, by the same token, it can be argued that it increases the likelihood that nuclear weapons would actually be used in combat. In any event, the escalating potential is the same for this weapon as for any other nuclear weapon.

The political effects of deploying enhanced radiation warheads relate to characteristics which may be imputed to the entire class of enhanced radiation weapons rather than to the Lance warhead alone. Potential effects on the nuclear threshold lie more in the gray area of perception—U.S. public, Allied, Soviet, and third world—than in judgments based on hard analytical criteria or weapons characteristics. This class of weapons is more dependent on radiation than on blast or thermal yields, but not entirely so. It is de-

[1] Cost data provided by Energy Research Development Administration. The ERDA Budget Estimate (as amended for FY–78) supplied to Congress cites a figure of $43.3 million for FY–78, of which $14.4 million are direct costs.

signed primarily against personnel and less against material and sheltering structures. Some will see this class of weapons as more plausible for battlefield use than other kinds of nuclear weapons and might infer a greater U.S. willingness to engage in nuclear war.

Soviet perceptions are difficult to analyze. There is no evidence that the development of this system would have any effect on Soviet doctrine for the initiation of nuclear war or that the Soviets would be less likely to escalate a nuclear exchange if ER weapons were used by the U.S. rather than standard fission weapons. They would presumably follow their own doctrines whether or not this weapon is introduced. The fact that the W–70 Mod 3 warhead may cause less collateral damage to civilians and property in NATO territory cannot be expected to moderate Soviet response. Its use would be no less likely than the present warhead to evoke Soviet retaliatory use of tactical nuclear weapons. Unless the Soviet forces are supplied with a comparable warhead, their response would create the kind of devastation that this warhead is designed to prevent.

Thus, the President would be faced with a decision of the same nature whether or not this class of weapons or other tactical nuclear weapons are used.

If ER weapons are deployed, the Soviets will continue to accuse the U.S. of contributing to the arms race in Europe. There is little doubt that the Soviets would seize on publicized materials alleging that U.S. development of ER weapons make nuclear war more likely by lowering the threshold.

In the U.S. case, the prospect of escalation would remain a central component of a U.S. decision to use nuclear weapons regardless of the performance characteristics of this or other classes of nuclear weapons. Thus, any U.S. decision to use nuclear weapons is in all likelihood insensitive to whether or not ER weapons were deployed.

There is no evidence that NATO governments would be particularly concerned about Lance deployment with this warhead. Nevertheless, public discussion of the sort now taking place here could affect NATO attitudes.

The W–70 Mod 3 development and deployment would not be affected by the TTBT since the underground testing of warheads under 150 KT is not prohibited.

A CTB would pose limitations on the further development of this class of weapons since over the long term further testing would be required. Conclusion of a test ban treaty with no PNE exception during the next few years would limit the development and refinement of such weapons by both sides.

With regard to MBFR, the Western proposal does not affect Lance launchers. Neither does the Western warhead proposal select specific types of warheads for removal. Development and deployment of the W–70 Mod 3 could, however, be cited by the Soviets as evidence that the U.S. proposal would involve elimination of obsolete weapons while actual capability is being upgraded.

Some governments might couple a decision to deploy ER weapons with perceptions that U.S. doctrine has changed so as to make the use of nuclear weapons more likely in a tactical situation; such a coupling could have an adverse effect on US efforts to prevent further nuclear proliferation.

In conclusion, this weapon system has no arms control advantages.

To the extent it has any impact on ongoing arms control negotiations, the impact would be marginally negative.

A decision to cross the nuclear threshold would be the most agonizing decision to be made by any President. These weapons would not make that decision any easier. But by enhancing deterrence, they could make it less likely that the President would have to face such a decision.

Mr. HUMPHREY. Mr. President, I think it should be noted that the statement is one that really fits the description of "on the one hand," and "on the other hand." It has statements that individual Senators can select that would, in a sense, buttress their respective positions.

The first part of the statement gives the description of the weapon. I think it should be noted that the weapon, while it is alleged to be a new weapon is, in a sense, a technological development and improvement of the existing weapon that is used in the Lance missile. The current weapon is a fission weapon, the weapon we are talking about here becomes a fusion weapon.

I am sure that some of my colleagues who have served in this body for some years can remember back in the 1950's when we used to talk about the so-called dirty bomb, the fission bomb, and then what we called the clean bomb, the fusion bomb.

The real truth is that bombs are destructive, whether they are dirty or clean, however one wishes to label them.

This weapon is a destructive vehicle. It is nuclear. The fact is that while it may be an advanced technology, it is still a nuclear weapon that has all of the nuclear capabilities. The difference is that the so-called neutron bomb has less radioactivity and less fire blast than the current weapon used in the Lance missile.

We had yesterday a meeting with the technicians and specialists of ERDA in the field of nuclear weaponry. As Senators know, under the current organization of the Energy Research and Development Administration, the Atomic Energy Commission was folded into that body, and there is what we call the military applications section. We had representatives of the military applications section come before Members who wished to attend a meeting to discuss all of the technical and engineering aspects of the weapon under discussion in this appropriation. This is described in the impact statement which I have now printed in the RECORD.

The first section of this impact statement indicates the advances that have taken place or the changes that have taken place in the deployment of certain types of tactical nuclear weapons in the NATO area, and it gives an indication in this analysis of the impact, the explosive power of the current weaponry and of the proposed new weaponry.

Speaking of this new particular weapon, it says the Lance system—now when we speak of the Lance system we mean the neutron Lance system—is more survivable and more responsive than the systems it replaces, and it has a selectable yield capability. Its longer range allows it to remain further behind the forward edge of the battle area and thus contributes to its survivability. The longer range also facilitates targeting across corps boundaries.

The next section is on the rationale for this particular weapon, and it points out that the enhanced radiation warhead provides increased kill capability principally against personnel and reduces collateral effects, blast and thermal. It has less effect on standard military equipment than a fission weapon of the same yield. With this weapon armored vehicles, which are relatively unaffected by blast effects except at close range, can be temporarily neutralized. Requisite effects can still be achieved at greater ranges, et cetera.

Then the analysis is made, and here I think is the important part of the impact statement, and I wish to just note the following:

The ER warhead, that is the enhanced radiation warhead, will kill tank crews by nuclear radiation. In covering the same intended target area with a non-ER fission weapon, casualties to civilians and damage to property from blasts and thermal effects in a congested region would be greater. In other words, the current weapon has much more damaging effect on contiguous areas, both of civilian population and of property.

It then says: It can be argued that the improved warhead, and I make note of the fact that the ACDA says it can be argued that the improved warhead may make initial use of nuclear weapons in battle seem more credible which might enhance deterrence.

I call to my colleagues' attention that the ACDA is not very positive on anything here. What they are really pointing out is what the Senator from Georgia (Mr. NUNN) has pointed out before, that we have in a very real sense, to use the metaphor, blown this weapon out of all proportions, that it is not a major weapon as such. It is an advanced technology of an existing weapon, and it is not a weapon that just kills people and does not damage buildings. It is a weapon that will kill people, damage buildings, destroy tanks and armies, just as any other weapon will.

The difference is that, based on the fact that NATO is a defensive alliance, this weapon could be used in a more selective way without having the danger of radioactive fallout upon friendly forces and upon villages and civilian population in a friendly territory. From that point of view, if you wish to extrapolate and in a sense really exaggerate, you could say in a sense it is a more humane weapon. I do not think any weapon is humane. I do not know where one would ever find one that is called humane. What I am getting at is looking back over the days when I first served in this Senate, when we came to what we called the hydrogen bomb, the fusion bomb, we had a great deal of talk about it was a cleaner weapon than the old fission bomb. I remind my colleagues that clean or dirty it kills, destroys, blasts, burns.

The argument you will find that will be made, and I think with considerable justification, is that this weapon could possibly encourage the use of nuclear

weapons more readily than the current weaponry. That is one argument.

Second, as one of our esteemed colleagues has pointed out, the present system of deterrence in NATO works quite well. Why modify it? Why change it?

The third possibility is the argument that can be made that the Soviets will undoubtedly launch a propaganda offensive saying this is a buildup in the arms race, that it represents escalation of the arms race on our part.

I think that the truth would be that what it really is is a replacement weapon for one that is currently deployed, that is, it is essentially the same size, has practically the same capacity for destructive power, but, as I pointed out from the analysis that we have here and that we heard yesterday, it has the features of being less destructive to collateral areas.

But I repeat again it is a powerful weapon.

The conclusion is one that does not give much of a conclusion, I regret to tell my colleagues, and it says as follows:

In conclusion, this weapon system has no arms control advantages. To the extent it has any impact on ongoing arms control negotiations, the impact would be marginally negative. A decision to cross the nuclear threshold would be the most agonizing decision to be made by any President. These weapons would not make that decision any easier.

And then it come down on the other side and says:

But by enhancing deterrence, they—meaning these weapons—could make it less likely that the President would have to face such a decision.

Namely, the decision of using nuclear weapons.

Mr. WEICKER. Mr. President, will the Senator from Minnesota yield for a question?

Mr. HUMPHREY. The logic of that statement is that there is some additional deterrent effect with this weapon which is debatable, but the argument is made that there is such a deterrent effect, but I think you have to balance it off by saying that the Arms Control and Disarmament Agency also said it could have a marginally negative effect upon arms control negotiations.

Mr. WEICKER. Mr. President, will the distinguished Senator from Minnesota yield for a question?

Mr. HUMPHREY. I yield.

Mr. WEICKER. The distinguished Senator from Minnesota has quoted from page 6 of this arms control impact analysis. As he read it, it seemed that the words were strangely familiar:

In conclusion, this weapon system has no arms control advantages. To the extent it has any impact on ongoing arms control negotiations, the impact would be marginally negative.

Now let me just pick up the next two sentences:

A decision to cross the nuclear threshold would be the most agonizing decision to be made by any President. These weapons would not make that decision any easier. But by enhancing deterrence, they could make it less likely that the President would have to face such a decision.

Now I have in front of me the letter from President Carter to Chairman STENNIS, and interestingly enough, the following stands out at the end of the letter:

A decision to cross the nuclear threshold would be the most agonizing decision to be made by any President. I can assure you that these weapons would not make that decision any easier. But by enhancing deterrence, they could make it less likely that I would have to face such a decision.

Mr. HUMPHREY. Right.

Mr. WEICKER. Would it be reasonable to surmise that whoever wrote the letter for the President, possibly the President himself, also wrote the arms control impact statement?

Mr. HUMPHREY. I think it would be easier to deduce that when the President wrote the letter—and undoubtedly he has assistants available—the impact statement was at that time in the hands of the President, as I know it was, and that the President quoted directly from the impact statement, which I think gives greater credibility to the President himself, because the ACDA has that responsibility.

I think there is nothing peculiar about the fact that there seems to be similar language. There is no question of the fact that the President did have the arms control impact statement prior to the discussion in this body that took place prior to the Fourth of July nonlegislative period.

Mr. WEICKER. These are not two individual approaches to the problem; they are one and the same.

Mr. HUMPHREY. I think that is correct.

Mr. WEICKER. The only thing I would say to the distinguished Senator from Minnesota, he very correctly, I think, describes the impact statement as being "on the one hand and then on the other hand." Perhaps we could also apply the same thing to the President of the United States, that he is an "on the one hand and then on the other hand" President.

Mr. HUMPHREY. I think what this arms impact statement letter says is that this particular weapon is not quite the mechanism and vehicle or destructive instrument that has been described to the American people as being something that is brand new, that is an entirely new weapons system development. I think what we have had since I have been here is, for example—what was the description I heard on television? I heard it described as "a weapon to kill people, but not to destroy buildings."

Of course that is sheer poppycock, because the weapon will destroy buildings, it will destroy people, it will destroy tanks. The difference from the current weapon is, if this gives anyone any surcease from worry and concern, that the blast effect and the radiation effect for peripheral areas are limited. But if this weapon hits, say, 100 tanks coming across, it will destroy them. The same thing is true of the current weapon.

I am not taking at this point any position. I am just saying we have got to put this weapon in some perspective. But my concern is, above all, that the President must be absolved on this particular situation of the impact statement getting to Congress.

I do believe that if the President wants to have time to decide as to whether this weapon will be produced or deployed, and I gather that is what he has indicated that he wants, to have time to decide whether it will be produced or deployed, then it seems to me that the proposal made here by the distinguished Senator from Georgia (Mr. NUNN), along with others, including the Senator from Oregon, namely, that the Congress should have some right of review at a later date, likewise makes sense.

Several Senator addressed the Chair.

Mr. HUMPHREY. I yield to the Senator from Oregon.

Mr. HATFIELD. Mr. President, I would like to ask the Senator a technical question.

On my copy of the letter from the National Security Council addressed to the Senator from Minnesota, I understand they want to amend that title to call it a statement, rather than an analysis.

Mr. HUMPHREY. I do not know.

Mr. HATFIELD. Because the word "statement" is what appears in the law the Senator referred to, and in order to show that this is the document that actually represents the compliance, the fulfillment of the law, I had understood they wanted to amend this title.

Mr. HUMPHREY. That I am not sure of. The Senator may be correct.

Mr. HATFIELD. But does the Senator from Minnesota present this as fulfilling of that legal requirement?

Mr. HUMPHREY. Yes, I do.

Mr. HATFIELD. I think the RECORD should be checked to make sure that the word "statement" becomes a part of it, rather than the word "analysis," because a question may arise later.

Mr. HUMPHREY. I thank the Senator. Mr. President, I yield now to the Senator from Illinois.

Mr. PERCY. Mr. President, could the Senator from Minnesota advise the Senator from Illinois—before I entered the Chamber, the Senator from Minnesota had discussed, on page 6, the paragraph in the impact statement relating to nuclear proliferation.

I wonder whether this subject is not one that caused the President to want to wait for a while, to fully take into account not only the report he will be getting from the Defense Department, but also wanted to take into account the effect that this matter has on nuclear proliferation, because that paragraph is to me one of the most powerful paragraphs to cause us to stop, look, and listen in this entire statement. It says:

Some governments might couple a decision to deploy ER weapons with perceptions that US doctrine has changed so as to make the use of nuclear weapons more likely in a tactical situation; such a coupling could have an adverse effect on US efforts to prevent further nuclear proliferation.

Mr. HUMPHREY. I think that is a very legitimate and thoughtful observation. I know this is the matter the Senator from Illinois was concerned about in the Committee on Foreign Relations. I do believe that is a very important paragraph in this statement, no doubt about it.

Mr. PERCY. The Senate and Congress have given a tremendous amount of consideration to nonproliferation. We consider that one of the most dangerous aspects of our technology today. It is much like telling a secret; you can tell it to one person, but you had better not tell it to three or four.

In this case, we felt that by containing the nuclear weapons club to a few nations, we would lessen the danger, but what we have been concerned about for so many years is spreading the retention of those weapons into many, many other countries.

Other countries have seen the peaceful nuclear explosion in the subcontinent of India, and there have been countries that have asked for and actively sought to get a full cycle of nuclear capability, which would enable them to obtain plutonium, potentially to make bombs.

Mr. HUMPHREY. I do not happen to agree that this would contribute to nuclear proliferation, because it relates to our NATO commitments. But I think the point is a valuable one to be raised. It also points out some other perceptions that other governments might have, such as the Soviet Union.

When you get down to it, I believe the statement is correct when it says:

> Soviet perceptions are difficult to analyze. There is no evidence that the development of this system would have any effect on Soviet doctrine for the initiation of nuclear war or that the Soviets would be less likely to escalate a nuclear exchange if ER weapons were used by the US rather than standard fission weapons. They would presumably follow their own doctrines whether or not this weapon is introduced.

It does not say, "These horrible things are going to happen to you," but it does say, "This is what you ought to take into consideration."

Frankly, I think it is more a diplomatic document than a technical document.

Mr. PERCY. If I may, let me conclude by saying this to the Senator from Oregon and the Senator from Mississippi as well: For us to go ahead and make this horrendous decision today, when we have just been given today, an hour ago, a statement which says "such a coupling could have an adverse effect on U.S. efforts to prevent further nuclear proliferation," we would be sending signals out to the world that would cause the countries, by the impact statement's words, to perceive a change in attitude on the part of the United States in a policy which we have maintained for several decades; and for us to precipitately move ahead at this stage, I think, would be very dangerous.

It is little wonder the President wants until August 15 to make a final decision. Certainly, from the standpoint of the Senator from Illinois, it would not be wise to rush ahead just on the basis of the skimpy information we have, and an impact statement very limited in scope but in that limitation it comes down hard on one of the most dangerous aspects of our modern technology today and warns us clearly that we would be moving toward encouraging proliferation rather than a steady policy, through many administrations, of discouraging it.

For that reason, I think we better stop, look, and listen and see if we can figure out some way to have us be in a position to have more information and knowledge, just as the President has said he clearly will not make a final decision until August 15. He has available to him far more resources than the Congress. I would feel we ought to make our decision when we have his final decision and the body of information available which has been made available to him, so that we could then follow through on that decision. No one has to come out for or against this bomb in that scenario, but certainly I think it is the course of prudence. I see no emergency which would cause us to move ahead at this time.

Mr. HUMPHREY. May I say to the Senator, exactly for the reasons he has cited plus others, I felt whatever the adequacy of the statement might be, it was imperative that we have something before us. A I have said, there is fuel in this statement for either side of the argument. But the fact is at least the one part of the law has been complied with. I do not think the compliance is as adequate as the Senator from Minnesota would like, because I think the statement could be a bit more thorough. Nevertheless, the impact statement has been delivered. It was not here 2 weeks ago, it was not here a week ago, and it was not here yesterday. Now we have the impact statement.

As the Senator from Illinois pointed out there is one feature which bothers him greatly. There are one or two other features which bother others. It is said from a point of view of arms control it is marginally negative. I think this is what the Senate should know. I thank the Senator from Idaho.

Mr. BIDEN. Will the Senator yield for a parliamentary inquiry?

Mr. CHURCH. I yield.

Mr. BIDEN. I do not plan on moving, but I would like to know whether it would be appropriate to move to recommit this entire measure with instructions to delete the portion containing the funds for enhanced radiation. I will not do that now, but I would like to know if that would be in order.

The PRESIDING OFFICER. Such a motion would be in order at this time. The Chair points out that there are other Senators who would like to speak before such a motion is made, including the occupant of the chair.

Mr. BIDEN. I will not make such a motion at this point, but I want to know when would I be precluded from making such a motion, at what point?

The PRESIDING OFFICER. The motion to recommit is in order at any time up to disposition of the pending measure.

Mr. STENNIS. Point of order, Mr. President, on that point.

The PRESIDING OFFICER. The Chair would like to finish, if the Senator will withhold.

As to the instructions that the Senator inquired about, they would be in order at this time but might not be in order at a later time.

Mr. STENNIS. Point of order, Mr. President.

The PRESIDING OFFICER. The Senator will state the point of order.

Mr. STENNIS. Is it not true that the Senate has unanimously agreed that this bill has been fully and finally disposed of and passed on by the Senate, except for this very item here, the so-called neutron warhead question? I make a point of order that by that unanimous-consent agreement we could not send the whole bill back to the committee now.

The PRESIDING OFFICER. The point of order will not lie at this time because the motion to recommit has not been made. If the Senator desires to make an inquiry of the Chair, the Chair will respond.

Mr. STENNIS. I thank the Chair and I hope we can proceed, those of us who have worked on this matter.

Mr. HATFIELD. A parliamentary inquiry, Mr. President. I would like to pose the question to the Chair as to what would happen if the motion to rerefer back to committee were made as to a question of a point of order?

The PRESIDING OFFICER. It is the opinion of the Chair that there is nothing in any of the prior agreements on this bill which would preclude such a motion.

Mr. HATFIELD. I thank the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CHURCH. Mr. President, I think the previous discussion of the impact statement, which we received only an hour or two ago underscores the need for the Senate to give——

Mr. HATFIELD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Idaho.

Mr. CHURCH. To give a lengthier consideration to the neutron bomb, I invite Senators to examine this statement. It is almost perfectly balanced between the arguments in favor of the bomb and those against it. It may be the ideal product of a highly professional bureaucracy, but it is not very enlightening to the Senate in terms of advancing this debate.

Mr. STENNIS. Mr. President, may we have order? Maybe we can have order on the right, in the well, and everywhere. This is an important point the Senator is making.

Mr. CHURCH. For this reason, Mr. President, it heightens my misgivings and further encourages me to conclude that it would be premature for us to hastily pass judgment on such a momentous question.

I must say, at the outset, that I disagree with the distinguished Senator from Minnesota when he characterizes

this weapon as nothing new, as simply an improvement upon earlier nuclear weapons.

It is indeed new because it is more usable. For this very reason, it has been developed. And being more usuable, it lowers the threshold of introducing nuclear weapons into battle, a threshold that has thus far avoided a nuclear war.

So it is quite wrong, I think, not to recognize that this is indeed a new weapon. The Senate is being asked to decide very hurriedly whether this new weapon should be manufactured and deployed without, I suggest, an adequate opportunity to consider all of its possible ramifications.

Mr. President, it has been said that it is unfair to characterize this bomb as one designed to destroy people but not property. Well, of course, that is an exaggeration; we have been assured that the bomb will destroy some property as well. Nevertheless, it is essentially the truth, and let us not deceive ourselves that our decision to manufacture and deploy this bomb will not place in the hands of the Russians a propaganda prize. There is no question in my mind about what the Russians will say. They will trumpet to the world that we have, at last, devised the ultimate capitalist weapon—one that destroys people but not property. And they will point to our own descriptions of that weapon as proof.

Let me read directly from the impact statement we have just received. I read first from page 4 of that statement. With reference to the neutron bomb, the statement reads:

> It is designed primarily against personnel and less against material and sheltering structures. Some will see this class of weapons as more plausible for battlefield use than other kinds of nuclear weapons and might infer a greater United States willingness to engage in nuclear war.

Yes, indeed, I can imagine the use to which that statement will be put by the Soviet Government in its propaganda efforts throughout the world.

If that is not a sufficient confirmation that this weapon is designed primarily to destroy people and not property, then I call the Senate's attention to a reaffirmation of that fact on page 5 of the impact statement. It reads:

> If ER weapons are deployed, the Soviets will continue to accuse the United States of contributing to the arms race in Europe. There is little doubt that the Soviets would seize on publicized materials alleging that United States development of ER weapons make nuclear war more likely by lowering the threshold.

I cannot agree more fully with these assertions contained in the impact statement. They will doubtless be used as further proof that this is a weapon primarily designed to destroy people, not property.

Having said that, I do not mean to overstress my concern about what the Russians will say. I simply think we ought to be forewarned.

Actually, any argument concerning the merits or demerits of this bomb ought not to be unduly influenced by such propaganda benefits as the Soviet Union might derive from our decision to produce and deploy it. I think, rather, that we should turn to the more substantive questions posed by the introduction of this weapon into our arsenal.

Its proponents argue that the new bomb is needed better to cope with the Russian threat to Western Europe. Before considering just how the bomb is supposed to improve the credibility of our deterrent—a term, I must say, that has become the most fashionable in our whole military vocabulary—we might ask ourselves about the nature of this Russian threat. So far in this debate, that subject has not been discussed. At the risk of injecting an element of heresy in this Chamber, which is a citadel of conventional wisdom—but is, nevertheless, a Chamber in which occasional heresy is tolerated though seldom, if ever, found persuasive—let me begin on a heretical note.

You know, Mr. President, it is impossible—just possible—that the Russians have not invaded Western Europe because they do not want to. We might depart from one-dimensional thinking just long enough to consider that possibility. If I were looking out upon the world from the windows of the Kremlin, the last thing I would want would be a war in Europe. I would dread the prospect of engaging the Red Army on the western front with the restive Poles, the resistant Czechs, the brooding Romanians, and the defiant Yugoslavs in the rear.

I should not want to risk an all-out war in the West under such conditions, especially while sharing, in Siberia, a 4,000-mile common boundary with a hostile China. Mr. President, it is just possible that the Russians take into account these factors when they contemplate the possibility of war in Europe. They just may have come to realize that peace in Europe serves their interest better than war.

After all, the Soviet Union is having trouble enough controlling the governments and peoples in Eastern Europe, even with the Red Army in occupation of the territory. Surely, they must know by now that the price of conquest is an onerous one, that their tenancy in neighboring lands is, at best, uncertain. Surely, they have read their history and, in the light of their recent experience in Eastern Europe, they must be cognizant that history has often demonstrated that any hegemony which rests on a bed of pointed bayonets will be resisted relentlessly and, in the end, undone.

No, if I were peering out of the Kremlin window, a war in Western Europe would be the last thing I would wish. It would not be an objective to be desired from any point of view.

Even if it could be waged with conventional weapons; even if it could be won by virtue of an overwhelming application of conventional forces, what, indeed, would be the prize? The problems that the Russians confront today in controlling Eastern Europe would only be compounded if they extended their domain to the Atlantic coast and attempted to dominate the whole continent.

Who, for example, would want to govern the French? The Nazis were never able to subdue them. Even the French are hard pressed to govern the French. And what of the Italians? What government with a modicum of good sense would wish upon itself the task of governing Italy?

I do not mean to make light of this matter, but it does serve to underscore some of the reasons why the Russians should not want war in Europe. It is just possible that these combined reasons constitute the real basis on which peace has been preserved.

However, I would not press my argument on that heretical ground. It lacks, some would say, credibility.

I know that most Senators would not accept it. Nearly everyone in this Chamber long ago concluded, perhaps rightly, that peace in Europe has been preserved by the presence of American forces and by the nuclear shield we furnish NATO.

So, let us set aside the possibility that there may be other reasons which, in truth, have kept the peace, and let us concede, for purposes of this debate, that it has, in fact, been the presence of American troops and the American nuclear umbrella which has stayed the Russians and preserved the peace.

I accept that as the premise for this debate.

This orthodox viewpoint, which gives full credit to our deterrent power, must necessarily lead us to the conclusion that the mix of weapons we have maintained in Western Europe since we created NATO has not been so bad. For if those weapons are to be credited with preserving the peace, they have kept it for 30 years. Why, then, the rush to change the mix? What is the compelling reason for introducing a new weapon? Why should we disturb this balance, this impasse, this standoff, which has worked so successfully so long?

Mr. President, what is the matter with us? Cannot we stand success?

Despite one success, it is said that we must make our deterrent force more credible and that the neutron bomb will do it.

First of all, I fail to see any evidence that the existing mix of weapons has not proved to be adequately credible.

I might say, no evidence has been brought to this Chamber, no compelling reason has been given to us, why such a new weapon should be so hastily approved.

It is puzzling, Mr. President, and I think we ought to look to those who want the new weapon to carry the burden of proof. It should be up to them, not up to us who have misgivings, to demonstrate how our military position will be improved, or the likelihood of war lessened, by beginning to produce and deploy a nuclear warhead that can be more readily used.

I suppose, if the burden of proof lies with the proponents, and it usually does, that we should look to the documents which have been supplied by the executive branch.

I refer to the letter signed by the President, sent to the distinguished manager of the bill, Mr. STENNIS, and read the paragraph which undertakes to justify this new neutron bomb. The paragraph reads as follows:

It must be recognized that NATO is a defensive alliance which might have to fight on its own territory. An aggressor should be faced with uncertainty as to whether NATO would use nuclear weapons against its forward echelons. For these purposes, the capability for discreet application of force—which the ER weapons may provide—present (at least in this sense) an attractive option.

Listen to the argument once more:

The capability for discrete application of force—which the ER weapons may provide—presents an attractive option.

Of course, there is only one way this sentence can be read and understood. The President is saying it would be nice to have a weapon which can be more readily employed, should an attack ever occur in Western Europe. But even as he makes that argument, he recognizes the counterargument. So his next sentence is:

Whether or not the weapons have significant destabilizing aspects requires and will receive study in the ACIS.

Mr. President, I have the ACIS in my other hand. It has just been furnished. I would like to call the Senate's attention to the analysis which the President said would be contained in this impact statement on the question of whether or not neutron weapons might have a significant destabilizing effect.

I will read the paragraph:

It can be argued that the improved warhead may make initial use of nuclear weapons in battle seem more credible, which might enhance deterrence. However, by the same token, it can be argued that it increases the likelihood that nuclear weapons would actually be used in combat.

(Mr. HART assumed the chair.)

Mr. CHURCH. We are given nothing, no meat at all, nothing has been added by the impact statement except a restatement of the two possible arguments, one favorable to the weapon and the other against it.

The impact statement concludes:

In any event, the escalating potential is the same for this weapon as for any other nuclear weapon.

What does that mean? It means, if you do use the weapon, that its escalating potential to convert the war into a general nuclear exchange, or even a global holocaust, is the same for this weapon as for any other nuclear weapon.

I must say that is the least convincing argument imaginable for the party bearing the burden of proof as to why we should start to manufacture and deploy the neutron warhead.

There is little else in the impact statement, except certain concessions which cause me to pause.

For example, on page 6 of the paper, I read:

Some governments might couple the decision to deploy ER weapons with perceptions that U.S. doctrine has changed so as to make the use of nuclear weapons more likely in a tactical situation. Such a coupling could have an adverse effect on U.S. efforts to prevent further nuclear proliferation.

In conclusion, this weapons system has no arms control advantages. To the extent that it has any impact on ongoing arms control negotiations, the impact would be marginally negative.

So we are presented with a statement from the executive branch which balances almost perfectly the arguments for and against this weapon, but suggests that it might have some possible negative impact upon our efforts to control proliferation and make progress in the ongoing SALT talks.

There is no case here—certainly none that you would ever submit to a jury. If this were a case that had to be decided on the rules of evidence, any judge would return a directed verdict against the administration.

Yet, we are asked, all at once, without really having any opportunity to reflect upon it, to jump to judgment. The President is not going to jump to judgment. He has reserved for himself the right to wait until the middle of August to make up his mind. Is it not reasonable, then that Congress should also reserve to itself a few more weeks before we make up our minds? [Applause.]

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. JAVITS. I thank the Senator.

I am pleased that the Senator has made this point, particularly because it is one in which he and I, in our own discussions, have seen eye to eye.

Quite apart from the evaluation of the weapon, whether it will or will not replace tactical nukes or whether it is an enlargement of the tactical nuclear arsenal, there is the political judgment which is involved as to the effect it will have upon the effort to limit nuclear armament which threatens the whole world with destruction. It is upon that issue that, in my judgment, the President should give himself more time; and it is upon that issue that we should give ourselves more time.

The forecast for the thing is very unpromising because of the happenstance of this provision being in an appropriation bill. Because we cannot have legislation on an appropriation bill and because we had an authorization which admits of this appropration, we strip ourselves of an authority which we always had in the appropriations process—that is, like the President, to review a new weapons system. Yet, so stubborn has been this problem that every effort to put us back in that position, which I think would be reassuring even to those who oppose the neutron bomb on other grounds—humanity, or whatever the grounds may be—has so far frustrated us.

I feel deeply—and I join the Senator very strongly in this—that this is something the Senate must insist upon and fight for; that every Member of the Senate, like the Senator from Idaho and myself, has to stand up for this proposition, which is valid not just for this weapon but also for every other weapon that comes down the pike with the same portentous importance to the future of this country and all mankind.

I thank my colleague.

Mr. CHURCH. I thank the distinguished Senator from New York very much. I could not agree with him more. I appreciate the emphasis he places upon the right of Congress to participate in a decision of this kind and to do so after having given the matter proper thought, and after having taken at least as much time as the President wishes to take before reaching a decision.

Mr. President, it has been argued that the reason this weapon is so helpful to our deterrent posture in Europe is that the Russians will perceive that we are more likely to use it, since its effects upon property are not so devastating; since the fireball created is not so large; and since its blast effects are not so widespread, that we will be more inclined to put the weapon to use, in the event of a massive conventional attack against our forces.

Mr. LEAHY. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. LEAHY. Mr. President, I think the Senator has made some excellent points here this afternoon. The Senator knows that I agree with him.

However, I wish more and more emphasis could be given with respect to page 3 of the statement, where it says:

It can be argued that the improved warhead may make initial use of nuclear weapons in battle seem more credible which might enhance deterrence. However, by the same token, it can be argued that it increases the likelihood that nuclear weapons would actually be used in combat. In any event, the escalating potential is the same for this weapon as for any other nuclear weapon.

In some way, we might say that it is more. Right now, probably the greatest deterrent in the world is the fact that the thought of nuclear war, the thought of using nuclear weapons, is so mind-boggling, is so terrifying to all of us on both sides. But I question, as to this weapon, whether the same degree of terror is there.

We can talk about the fact that we can limit the use of nuclear weapons to a particular area without the terrible devastation that we would see even with what is considered now a small nuclear weapon, a nuclear weapon with the yield of a Hiroshima or Nagasaki weapon.

I wonder, Senator, if we are not talking about a situation——

Mr. STENNIS. Mr. President, may we have order for the Senator to be heard. I think it is something we owe to him if we do not owe it to ourselves.

Mr. LEAHY. I thank the distinguished chairman of the Committee on Armed Services.

I wonder if we are not in a situation where it is easier to make that first step? We all know what would be the result of a nuclear war, all-out nuclear war. I recall sitting with a delegation from the Senate, a number of my distinguished colleagues, some of whom are here in the Chamber today, one the Presiding Officer, when we were sitting in Leonid Brezhnev's office in the Kremlin. At one point he turned to us and said something about the fact:

Do the Americans want war? We are not afraid of war.

He said:

I can go in this room, I can pick up a phone, I can give an order, and our weapons, our rockets, will destroy the United States. But, at the same time, your rockets would destroy us. And who wins?

We have had in debate here, just before the recess, a statement made by the Secretary of Defense, Dr. Brown, in which he said that in his estimation if we went to the use of tactical nuclear weapons, the next very logical progression would be to strategic nuclear weapons, worldwide nuclear weapons. I remember his answer very well, because he gave it in answer to a question I asked him at his confirmation hearings.

Mr. President, I have talked many, many times, and it sometimes has become almost a litany with me, the fact that my wife and I have three young children. Those three children will, in the normal course of events, live most of their lives in the next century—not in this century—and that can be said of many of us, our children and our grandchildren.

But as we make it easier and easier to get to a point of nuclear war we make it more and more possible that those children and those grandchildren will not enjoy that next century.

So, quite frankly, Mr. President, the decision we make here today is not a decision for today; it is not a decision based on what has been done by ERDA or by anybody else for the past several years, but the decision we make today is a decision for the next century for us, for all of us here, for the 100 Members of the Senate, for all of the people in this country, but really for all of the people in the world.

I really cannot sense in myself any urgency to go forward with this weapon at this time, not with the horrendous potential within this one item of our arsenal.

Mr. President, I yield back to my distinguished colleague from Idaho.

Mr. CHURCH. Mr. President, I so much appreciate the remarks of the distinguished Senator from Vermont. He seized upon the very argument I was about to develop.

Of course, it might be that adding neutron weapons to our arsenal in Western Europe will give the Russians greater pause, because of their perception that we might be more likely to use them. But why gamble when the present mix of weapons has deterred the Russians for 30 years and kept the peace of Europe? It is just as plausible that introducing the neutron bomb would have the opposite effect. It could lead the Russians, in turn, to develop such a bomb. They have the capability. They have managed to build every kind of weapon we have developed, and I have no doubt they can design and deploy a neutron bomb, too.

Then what would we have? Well, we would have a situation in which both sides might resort to that weapon, thinking it will take care of a particular mission, and that it would not necessarily lead to a further escalation. The danger of developing and deploying a weapon of this kind is that it might indeed have the opposite effect than that intended.

I have great respect for the distinguished junior Senator from Georgia, who sits on the Armed Services Committee. I heard him go through an elaborate scenario which led him to conclude that we would improve the credibility of our deterrent in Europe if we manufactured and deployed the neutron warhead. That scenario consisted of a series of assumptions and counterassumptions. It was a refined and altogether admirable exercise in a set of logical possibilities. It was the sort of blueprint that comes from think tanks, the product of gamesmanship by those who conjure up a series of events which could lead us to the point where such a weapon might have utility.

But I agree with the Senator from Vermont. I doubt very much whether these highly refined, logical scenarios have much to do with reality. They are art forms of the war professionals. It is much easier for me to believe that the reason neither side has provoked the other into war in Europe is because both recoil with horror, knowing that such a war will result in a devastation in Western Europe so extreme, a wasteland so horrifying, an atmosphere so toxic, that it would be a pox upon its possessor. The horror is the deterrence.

Once you begin to tamper with it and start perfecting nuclear weapons that might be usable, then you are toying, I think, with fate.

Mr. NUNN. Mr. President, will the Senator yield? Does the Senator then make the case that our weapons should not be usable?

Mr. CHURCH. No.

Mr. NUNN. Is that the case the Senator is making?

Mr. CHURCH. No, of course it is not.

Mr. NUNN. Well then, the Senator's position is that our weapons should be usable; is that correct?

Mr. CHURCH. The Senator's position is that both sides have accumulated an assortment of nuclear weapons of both strategic and tactical types that could be employed in the event of a war in middle Europe, and that both sides, knowing of the terrible risk entailed and of the horrible devastation that would result, have recoiled from war.

I am simply saying that this mix of weapons, if indeed, deterrence accounts for the peace of Europe, has kept the peace for 30 years. Therefore, I question the wisdom of tampering with it now.

Mr. NUNN. Does the Senator recognize that the NATO alliance had nuclear superiority over the Warwas Pact for many years, in fact up until recent years, and that that our traditional strategic advantage has now by all accounts evaporated, and that many people are now of the view that the tactical nuclear advantages that were in NATO for a long time are also now at parity?

Does the Senator further realize that the Warsaw Pact has at least certain conventional advantages and, if so, is the Senator making the argument that everything now remains the same as it was when NATO had nuclear advantages?

Mr. CHURCH. No, I would say to the Senator, first of all, being of conservative persuasion in matters of this kind——

Mr. NUNN. That does not hurt me back home and I will accept that.

Mr. CHURCH. I was describing myself, not the Senator from Georgia. [Laughter.]

Mr. NUNN. I thought you were describing me.

Mr. CHURCH. I think we ought not——

Mr. NUNN. I did read in the paper that the Senator had become very conservative this week.

Mr. CHURCH. Witness, then, the extent of my conversion.

Mr. NUNN. The Senator is balancing that conservatism now.

Mr. CHURCH. I am going to answer the Senator's questions. A good conservative, I suggest to the Senator, would look at 30 years of success and say, "Let us not knock it, let us insist on very compelling evidence before we begin to tamper with a weapons mix that has kept the peace for all those years." That is all I am asking.

(Mr. Stone assumed the chair.)

Mr. NUNN. I would submit to the Senator that if the Soviet Union and the Warsaw Pact had done that we would not be having this debate here today. But this is not a one-sided scenario over there. It is two-sided.

Mr. CHURCH. That is right.

Mr. NUNN. And the Soviet Union has not accepted that status quo. They have made giant strides in their conventional capabilities in the last 7 or 8 years. They have increased the manpower. They have increased the mobility. They have dramatically increased the firepower. They have turned what was 7 or 8 years ago a tactical air force that was defensive-minded now into an offensive air armada. They have done all of these things and greatly built up their tactical nuclear capabilities.

So the Senator is recommending basically status quo on a unilateral basis. I simply cannot accept that.

Mr. CHURCH. Mr. President, the Senator asked me questions, and I am glad to accept his questions, but I insist upon my right to supply the answers, not accept his.

Mr. NUNN. I simply ask the Senator the question: Is the Senator then recommending status quo on a unilateral basis?

Mr. CHURCH. No, of course I am not. I am fully aware of the conventional buildup of Russian forces both with respect to the tank forces and the artillery power, and I think our answer to that, the safest and sanest answer, is to begin to build up our own conventional capabilities to deal with that particular threat.

Mr. NUNN. I do not disagree with that.

Mr. CHURCH. All right.

I think that is a much better approach than to begin to tinker with nuclear weapons. Furthermore, when we talk about nuclear weapons and conventional weapons, we are discussing two different

things. Conventional weapons are built to be used. If war comes, we know that our first resort will be to conventional weapons. We have engaged in two wars since we dropped nuclear bombs on Hiroshima and Nagasaki. In neither of those wars, neither in Korea nor Vietnam, did we ever employ a nuclear device. We built conventional weapons to use in the event of war, but we built nuclear weapons for deterrence, and if deterrence works, those weapons are never going to be used. On the other hand, if those weapons are used, then deterrence has failed.

So, I say to the Senator, he should have expected—and I know he did—for I certainly expected the Russians to build up their nuclear arms to the point where they could claim parity or rough equivalence with the United States. That was bound to happen since we had the jump on them and the Russians were determined that we should not preserve that advantage.

Mr. NUNN. That certainly is bound to happen if one side insists on continuing its status quo with nuclear weapons while the other catches up.

Mr. CHURCH. In the first place, we have not maintained the status quo.

Mr. NUNN. I thought that is what the Senator was recommending.

Mr. CHURCH. We have continued to build up our arsenal. The Senator insists on misconceiving the argument.

Mr. NUNN. I heard the Senator say whatever we have done in the last 30 years worked; therefore, let us continue to keep it that way.

Mr. CHURCH. I was talking about a weapons mix. That mix has not always remained constant. It has not stayed the same size. We responded in kind to the Russian's buildup. But this is a discussion of an entirely different order. This is a discusion of whether or not we should introduce a new weapon, a different weapon, and one which might lower the threshold for nuclear war.

Mr. NUNN. It might also raise the threshold. That is, I think, the subject of the debate.

I would ask the Senator if he has looked at our tactical nuclear posture over there now and does he realize that with the reduced warning time that we now have in NATO the chances are that there would be a greater urge on the part of our NATO military people to request early release of tactical nuclear weapons for the very reason that the further back we are pushed the more likely it is that the weapons we fire will be on our territory, that is, the allied territory? That is what I call lowering the nuclear threshold.

Mr. CHURCH. Such an argument can be made. Before the Senator came in, I referred to him in complimentary terms by saying that he had made a very logical case for the neutron bomb, a case which led him to conclude that it would improve our deterrence.

Mr. NUNN. I did not hear that. If I had, I might not have come into the Chamber.

Mr. CHURCH. Had the Senator come in earlier, we would have gotten to the essence of this argument much more quickly. The fact is I was impressed with the Senator's analysis, and it is a possibility that the neutron bomb might make the Russians less inclined to start a war in Europe, because they would feel we had a nuclear weapon which we might employ more readily. That is a possibility. But there is a reverse possibility that is just as plausible, which is that the neutron weapon, because it is more usable than other types of nuclear warheads, will make a nuclear exchange at that level more likely. For there is no assurance that the Russians will not develop such a bomb, also. I know the Senator thinks they will not, but there is no assurance that they will not.

Mr. NUNN. On that point I would just say, and I am not going to interrupt the Senator but just a moment, the Soviets do not have the same incentive as we do to develop that kind of weapon. In fact, in one sense we would be better off if they did develop that kind of weapon, because the territory that is going to be hit with these tactical weapons is mainly NATO territory. That is the unfortunate position we are in because of our range limitations.

Mr. CHURCH. Yes.

Mr. NUNN. I would feel better if the Soviets did have an incentive to develop a neutron bomb. They do not, because the war is not going to be fought on Warsaw Pact territory.

Mr. CHURCH. Then let us suppose they do not develop the neutron bomb. I would refer the Senator to the last sentence on page 4 and the top of page 5 of the impact statement the President has supplied which reads, with reference to the neutron bomb:

> Its use would be no less likely than the present warhead to evoke Soviet retaliatory use of tactical nuclear weapons. Unless the Soviet forces are supplied with a comparable warhead, their response would create the kind of devastation that this warhead is designed to prevent.

Mr. NUNN. That is right.

Mr. CHURCH. That is right.

Mr. NUNN. I agree.

Mr. CHURCH. That is why I think that the case for introducing the weapon is extremely weak.

Mr. NUNN. But, of course, the order of deterrence is, first of all, we hope to prevent a conventional invasion. That is the first order. If the conventional invasion takes place, deterrence has already failed.

Mr. CHURCH. No, I cannot quite concur with the Senator there because, at least at that point, we have not elected to go nuclear.

Mr. NUNN. But deterrence——

Mr. CHURCH. Deterrence has to do with nuclear war. It is a special military theory that was developed in direct response to the unique attributes of nuclear weapons.

Mr. NUNN. If the Senator's position is, as I understand it, that conventional invasion by the Warsaw Pact would not mean that deterrence had failed, then what the Senator's basic position is what President de Gaulle feared the U.S. position had become when he pulled out of NATO in the military sense a decade ago; and that is, the Senator has just decoupled nuclear weapons from the conventional defense. The NATO strategy and doctrine is just opposite of what the Senator has just stated his position is because strategic weapons, tactical weapons, and conventional weapons together combine to produce what is known in NATO as a continuum of deterrence. Decoupling is what some of the Europeans, beginning with President de Gaulle, have feared for a long time. As far as the Europeans are concerned, if they are invaded conventionally by the Warsaw Pact, then deterrence has failed, because they are fighting what will be much worse than World War II on their soil.

So as to the deterrence theory the Senator would have a different theory, of course, than NATO and the Senator from Georgia.

Mr. CHURCH. Mr. President, the Senator from Georgia may be decoupling, but the Senator from Idaho is not. All that I have said is that, if a conventional war were to break out in Europe, this in itself does not mean that the war would inevitably go nuclear.

I have previously said that, in order to counter the Russian conventional strength, I think we should build up the conventional strength of NATO.

Mr. NUNN. We agree on that.

Mr. CHURCH. However, this does not mean that the commencement of a conventional war would not be a hair trigger which could easily ignite the introduction of nuclear weapons and that, in turn, could escalate into a global holocaust. That is my position. I am not decoupling anything.

Mr. NUNN. Well, we agree on that point, then. I think that is a clarification, and I accept it. I do not want to strain the argument when there is not one.

Mr. CHURCH. The Senator is again on the path, but he keeps going off into the thickets.

Mr. NUNN. We may be on the same path, but may not wind up at the same destination.

But the point I want to make, and I think it is important, is that deterrence for NATO is composed of a triad of conventional weapons, tactical nuclear weapons, and strategic weapons. That is the NATO posture and, of course, the posture is to use conventional weapons first and not to ever escalate to the first nuclear weapon. I would hope we would never have to escalate to a nuclear weapon. But I think their deployment is important, because to my mind, at least, the Warsaw Pact has considerable advantages at present.

Mr. CHURCH. I thank the Senator for his contribution.

Mr. President, I wish to have printed in the RECORD some very thoughtful articles that have recently appeared in the press relating to the subject of the neutron bomb. The first is an article written by Herbert Scoville, Jr., published in the New York Times on Tuesday, July 12, entitled "A New Weapon To Think (And Worry) About."

I shall read just 2 paragraphs from that article:

The nuclear weaponeers have unfolded a new brainchild, the neutron bomb, which will kill people while preserving buildings, tanks and artillery. They believe such weapons would be a better deterrent against aggression because their first-use would be more credible than standard atomic bombs.

But in order to convince the Russians that our nuclear weapons are more likely to be used to repel an attack, we must inevitably increase the likelihood that they will be used. However, the employment of nuclear weapons could result in a catastrophe for ourselves and for our friends in Western Europe.

Mr. Scoville goes on to analyze the possible dangers connected with the introduction of this new weapon in this very perceptive article, and I ask unanivous consent that it be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Tuesday, July 12, 1977]

A NEW WEAPON TO THINK (AND WORRY) ABOUT

TACONIC, CONN.—The nuclear weaponeers have unfolded a new brainchild, the neutron bomb, which will kill people while preserving buildings, tanks and artillery. They believe such weapons would be a bettter deterrent against aggression because their first-use would be more credible than standard atomic bombs.

But in order to convince the Russians that our nuclear weapons are more likely to be used to repel an attack, we must inevitably increase the likelihood that they will be used. However, the employment of nuclear weapons could result in a catastrophe for ourselves and for our friends in Western Europe.

First, we should understand a few basic facts about these weapons and what they do. All nuclear weapons—atomic bombs, hydrogen bombs and neutron bombs—regardless of design, will kill and destroy by blast, heat or radioactive fallout if their explosive force or yield is high—megatons or even tens of kilotons. However, as the yield is lowered to the kiloton or subkiloton level, the instantaneous nuclear radiation, first gamma rays, then neutrons, becomes predominant and the blast thermal effects become less and less important. By exploding the bomb five hundred feet, or more, above the ground the blast can be made insignificant even at ground zero or directly under the burst while neutrons can still kill at distances of one-quarter to one-half a mile.

The secret of the neutron bomb is low yield. Special designs to allow more and higher energy neutrons to escape from the bomb material will enhance the neutron effects but even if ten times as many neutrons are released, the lethal range will only be increased by about one-third.

Thus, anyone can build a neutron bomb by making its yield small. Ironically it can also be done by a partial failure in design. If Idi Amin were to develop an atomic bomb, it might be designed to yield 10 kilotons but be a partial dud, producing only 1 or 1/10 kiloton, and thus be in practice a neutron bomb.

The Russians have shown litttle interest in low-yield battlefield nuclear weapons, Their doctrine has called for massive responses in the event that we initiate the use of nuclear weapons at any level. Therefore our attempts to save European cities by relying on low-yield neutron bombs is most unlikely to succeed.

Furthermore it is hard to see how the neutron bombs will be either attractive to our allies or particualrly effective on the battlefield. Neutrons, except in massive, superlethal exposures, do not kill or incapacitate rapidly. Those receiving even ten times a lethal dose, about 5,000 rads, could still continue to fight effectively for about half an hour and only die a day or so later. However, those receiving just a lethal dose of about 500 rads could continue to function for several hours or longer and would not die for weeks or a month.

This is scarcely ideal for the batttlefield where one would like to be sure that a soldier is out of action. Many years ago the Army withdrew from Europe the old Davy Crokettt bazooka-like nuclear weapon which had a yield of a few hundredths of a kiloton and would have killed primarily through neutrons; they seem now to have forgotten that experience.

Even worse, these effects are not likely to appeal to our friends in Europe. Civilians in the vicinity of the conflict will become lingering casualties with homes intact but bodily functions in ruins. Many on the periphery of the battle area or protected by shelters will suffer prolonged radiation sickness or delayed eye damage from cataracts. Neutron bombs have been proclaimed the "supercapitalist weapon"—preserving property while killing and sickening people. Hardly the best way to win the hearts and minds of the populace.

Since these weapons have less military effectiveness than the standard atomic bombs now deployed in Europe and will not spare civilian bystanders, their defenders have fallen back on the argument that they improve deterrence by making a decision to unleash them more credible. But this is just the opposite of our real interests which are not served by making nuclear war more likely. Both President Carter and Secretary of Defense Harold Brown have stated that they know no way of keeping a nuclear conflict limited. Our security depends on strengthening, not breaking, the barrier between nuclear, and conventional conflicts. The neutron bomb should be put back on the shelf and we should instead concentrate on developing ways of deterring aggression by conventional means.

Mr. GOLDWATER. Mr. President, will the Senator yield for one point?

Mr. CHURCH. I yield.

Mr. GOLDWATER. I would make the point that we are not talking about a bomb; we are talking about a weapons system about which we have been arguing in the Armed Services Committee for years.

We are talking about a 55-millimeter howitzer for the ground forces versus a 4.10-inch caliber weapon for the Navy. The reason it has not been deployed is that the Armed Services cannot agree upon a caliber.

This weapon can be made into an atom bomb; I am not denying that. But the primary use is for a 4- to 5-mile range to attack units on the ground. We do not want to destroy the equipment, or the ships on the sea; we merely want to get rid of the crews.

We are not talking about a bomb, and I wish we would get that straight for the moment, although we can build it into a bomb. We are not now talking about a bomb, we are talking about a weapon that would be capable of endangering the lives of a company or maybe a regiment of our own men, but make the other side lose more, which unfortunately and maybe immorally war does.

I merely wanted to correct the observation of the New York Times article which otherwise I join in, however, that this is a nuclear bomb.

Mr. CHURCH. I thank the Senator for making that observation. It is correct that the weapon has been primarily designed for use as a warhead, for use on the Lance missile, and possibly as artillery projectiles. So it is much more accurate to speak of warheads rather than bombs.

Nevertheless, by introducing this weapon into our nuclear arsenal, we do change the character of the present standoff, the present nuclear balance. I think we ought not to do that without very carefully considering the possible adverse implications, and without giving ourselves sufficient time to know what we are doing when the decision is finally made.

I thought that the Washington Post carried a very cogent editorial on the 26th of June, captioned "No Neutron Warheads." There are portions of that editorial that are highly pertinent to this debate, and I wish to read several paragraphs into the RECORD.

The editorial reads:

So now it turns out that the Pentagon wants to put the new neutron warheads on not only the 56-mile-range Lance nuclear missiles in Europe but on the projectiles fired by hundreds of front-line nuclear artillery pieces as well. What the military friends of the neutron warhead admire so ardently about it is its primary effect of killing people—and killing them in a "clean" way by radiation rather than blast and heat—while inflicting relatively little physical damage on the neighborhood. Thus, the reasoning goes, neutron warheads will be that much more likely to be fired in a crisis and, therefore, that much more effective as a deterrent. Production money for these items in the Energy Research and Development Agency portion of the public-works bill going through Congress now.

The editorial continues:

But wait a minute. President Ford, it seems, was at best minimally briefed before he let money for neutron-warhead production slip into the budget stream. No "arms-control impact statement" assessing the effect of the weapon on arms-control efforts has yet been sent to the Hill.

Now, of course, we have obtained the impact statement this afternoon, and it says that if this weapon has any effect upon arms control, it will be a negative one.

The editorial continues:

By making a tactical nuclear response more feasible, it would sap the European allies' incentive to plug the NATO deficit in conventional forces; it would set NATO's nuclear force on more of a hair trigger, when sound strategic doctrine demands a reliable safety catch; and it would commit NATO more deeply to the dangerous premise that a small nuclear exchange can be conducted without serious risk of expanding into a general nuclear war.

Mr. President, a few minutes ago in dialog with the distinguished junior Senator from Georgia, we both spoke of the need to increase the conventional capability of NATO's forces.

To do that, we have to call upon our allies to contribute a larger share than

they have before. The full burden obviously should not be borne by the taxpayers of the United States. But if we introduce a neutron bomb which our allies think we are more likely to employ if a war should break out in Europe, what incentive do we give them to make a harder effort to supply additional conventional arms?

How do we advance the very purpose that both the Senator from Georgia and I agreed upon, and which nearly everyone else agrees upon, that the conventional arms level in the NATO Alliance should be increased? It seems to me the effect would be just the opposite.

So with one hand we add a highly questionable weapon to our nuclear arsenal, which could have disastrous consequences, and we do so in a way that diminishes the incentive of our NATO allies to increase their conventional capacity.

Well, Mr. President, I think this editorial sums up the arguments against the neutron warhead. For that reason, it is a good place for me to conclude my remarks, with a unanimous consent request that the entire text of the editorial appear at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NO NEUTRON WARHEADS

So now it turns out that the Pentagon wants to put the new neutron warheads on not only the 56-mile-range Lance nuclear missiles in Europe but on the projectiles fired by hundreds of front-line nuclear artillery pieces as well. What the military friends of the neutron warhead admire so ardently about it is its primary effect of killing people—and killing them in a "clean" way by radiation rather than blast and heat—while inflicting relatively little physical damage on the neighborhood. Thus, the reasoning goes, neturon warheads will be that much more likely to be fired in a crisis and, therefore, that much more effective as a deterrent. Production money for these items is in the Energy Research and Development Agency portion of the public-works bill going through Congress now.

But wait a minute. President Ford, it seems, was at least minimally briefed before he let money for neutron-warhead production slip into the budget stream. No "arms-control impact statement" assessing the effect of the weapon on arms-control efforts has yet been sent to the Hill. Only by a fluke at ERDA, one is told, did that agency reveal it was seeking Lance warhead money; news of the companion request for artillery warhead funds was leaked. Once the word was out, neutron partisans insisted that such quick hearings as could be held take place behind closed doors. Afterwards, the warhead was approved only by a 10 to 10 committee vote. Says the Pentagon: "no comment." The whole thing has the look of a black-bag job.

The more we hear about the neutron warhead, the less we like it. By making a tactical nuclear response more feasible, it would sap the European allies' incentive to plug the NATO deficit in conventional forces; it would set NATO's nuclear force on more of a hair trigger, when sound strategic doctrine demands a reliable safety catch; and it would commit NATO more deeply to the dangerous premise that a small nuclear exchange can be conducted without serious risk of expanding into a general nuclear war.

From an arms-control perspective, production and deployment of this weapon would fly in the face of the administration's broad effort to persuade other nations to forego nuclear weapons, especially tactical ones. And because of the particular way that "enhanced radiation" warheads kill people, their production and deployment would open the United States to the charge that it was preparing to wage something very much like chemical warfare, a form of warfare that it has formally abandoned.

Mr. Carter, new to the question, promises to make his own decision on it by the fall. But meanwhile, he's allowed the budget request to stand, while he considers whether to withdraw it. Congress could do him—and the country—a favor by knocking the neutron warhead money out of the budget. That would then put the burden of proof of the need for this new weapon where it belongs—on the proponents of the idea—and thereby ease some of the fierce Pentagon pressure on the President. And it would oblige the President, for his part, to make the case to Congress for *restoring* money for the neutron bomb.

Mr. CHURCH. Mr. President, I appreciate very much the effort being made by the distinguished Senator from Oregon (Mr. HATFIELD) to cause the Senate to pause, to give us a further opportunity to reflect upon the possible pros and cons of this new weapon. What he asks of us is that we defer judgment. If we were to support his amendment, we would not be deciding for all time to come whether or not the United States should manufacture and deploy a neutron warhead. We would simply be giving ourselves more time to think about it. The President wants more time. We should at least give ourselves a few more weeks within which to analyze and weigh the various arguments which have been made on both sides.

I hope the Senate will support the amendment offered by Senator HATFIELD. It makes good sense. No one who proposes this bomb has shown us any need to manufacture it right now. There is no need to rush. It is not a matter that will make all that much difference if we defer the decision.

On the other hand, if we jump a judgment, we may see the day when we will regret it for ourselves and our children after us.

The PRESIDING OFFICER. The Senator from Montana.

Mr. Melcher was recognized.

Mr. ROBERT C. BYRD. Will the distinguished Senator yield?

Mr. MELCHER. I yield.

PROCEDURAL DISCUSSION

Mr. ROBERT C. BYRD. I would like to find out at this time, if I possibly can, what are the inclinations of Members with respect to a vote on the amendment by Mr. HATFIELD.

I hope that, based on the conversations which were held earlier today and yesterday, there is no inclination to filibuster this matter. By saying that, I am not implying that there appears to be such an inclination at this point. I would like to get some indication, if I can, as to when we might expect to vote on the amendment. Today is Wednesday. This is the 5th day we have been on this bill. It is not the 5th day we have been on the subject, of course. I know how strong the feelings are, pro and con, among Members on both sides of the aisle on this particular issue. But if it is going to be a matter of just talking on into the evening without any decision on this amendment, I should like to know it, and if it is going to be an inclination to talk through tomorrow on it, I should like to know it, because the leadership would be compelled to attempt to bring the matter to some kind of decision at some reasonable point.

There is no desire on my part at this time to cut anybody off or to cut short the debate. I merely want to find out from those who are interested pro and con as to how soon we might be able to get a vote on the amendment by Mr. HATFIELD. I am ready to vote now on the amendment. I know not everyone is. Is anyone able to tell the joint leadership as to what we might expect?

Mr. HATFIELD. If the Senator will yield, I would only like to reiterate what I indicated earlier as the proponent of this amendment, that I had no strategy whatever which included a filibuster. I made that amply clear when we began this debate this morning. I still have no plans for a filibuster or any expectation of such plans. I would only say that I believe the record will show that the time today has been fairly evenly divided between the proponents and the opponents of the amendment.

So I do not think there is really any evidence, as I have noted, of any intent to filibuster on either side. I am ready to vote on my amendment at any time Senators have fulfilled their need to address this subject. I should not want to move to cut off any Senator who has not been fully heard.

Since we are not under any time agreement, I do not have a complete list of Senators who are interested in speaking on this issue as far as the advocate side of this amendment is concerned. I think there are about two other Senators who have indicated to me that they expect to make some comments.

I also say to the leader that it is difficult for me to make any further projection, because I was present on the floor not too long ago—about an hour and a half ago—when a Senator rose to put the Senate on notice that he might offer a motion to recommit the entire bill to the committee. If that motion is made—and the Parliamentarian has already ruled that that would be in order—then, of course, we have a different ball game, so to speak.

As far as my amendment is concerned, I think we have debated it. I may reserve the right to amend my amendment at some point in the discussion, but I certainly want to assure the leadership that I am not, in any way, attempting to filibuster.

Mr. BAKER. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. The Senator from Montana has the floor.

Mr. ROBERT C. BYRD. Will the Senator from Montana continue to indulge this colloquy?

Mr. MELCHER. I yield to the distinguished minority leader.

Mr. BAKER. Mr. President, I thank the distinguished Senator from Montana.

I only want to say that it had been my hope that we could reach a time agreement on this matter. We have had a number of conferences on that subject, and at one time or another, I had thought we were close to an agreement. It appears now that we are not, at least for the moment.

Mr. President, as far as I am concerned, I personally would not favor a motion to recommit, either to the Committee on Appropriations or the Committee on Foreign Relations, or to someplace else. I am a member of the Foreign Relations Committee, and I have participated in two meetings, so far, to discuss certain aspects of this matter. This is such a broad bill, encompassing the controversial water projects and the breeder reactor program, as well as the neutron bomb and other things, that I would be loath to see the Senate return to square 1 on this entire range of considerations. So I hope there is not a motion to recommit.

If there is such a motion, I must say to my colleagues that I should be inclined to oppose it. I should be inclined to consider the possibility of moving to table that motion.

Mr. President, one further thing, if I may. I also do not want to cut off my Senator, but I have had certain representations made on this side of the aisle that, if this matter is going to continue much longer, there is the possibility, at least, of filing a cloture motion. I should not be averse to that. While I also have no desire to cut off anyone, as the distinguished Senator from Oregon has indicated, I do feel that we have to get on with the business of the Senate. I should be favorably disposed to do that, if that is the wish of a significant part of this body.

I thank the Senator for yielding.

Mr. MELCHER. Mr. President, I yield to the Senator from Mississippi, the manager of the bill.

Mr. STENNIS. I thank the Senator. I yield to the Senator from Washington.

Mr. MAGNUSON. I think what some of us wanted to know is whether or not, in the estimation of the Senator from Oregon, at least—it is now 6 o'clock—this will go on so there will not be any vote for a couple of hours, at least, at a minimum.

Mr. HATFIELD. I think that I could respond to the Senator in the affirmative. I do not expect there will be any vote, as far as I am concerned. I do not have any way to measure the length of time other Senators wish to speak, but I should think at least 2 more hours, possibly 3 hours.

Mr. MAGNUSON. I understand that. Then the leadership can make up their minds if we are going to go on until 9:30 or 10 o'clock. If we are, many of us would like to know that.

Mr. STENNIS. I thank the Senator from Montana for yielding to me.

Let me say this: I appreciate very much what has been said in opposition to the suggestion—it was not a proposal—that there might be a motion here to recommit the bill. Certainly, with all deference, that would get us no place. That would solve nothing. That would answer nothing. We are down to the real issue here, now.

I am for the bill. I have reason to believe that perhaps a majority of the Senate is for the bill and against the amendment. I want everyone to have his say, fully, of course. We really just do not know where we shall be.

The Senator from Oregon said something about the possibility of an amendment to his amendment. I do not recall exactly what he said, but the possibility is there, and there is a possibility of other amendments. I do not know what the situation would be—whether it would be a vote on the amendment as it is now, or go on and get a little more on it. I know we just cannot have everything.

It seems to me that we have made a lot of progress today. We have had a good debate, moving toward disposition of this matter. Of course, I hope that we can vote this thing without tying strings on the man who is going to represent us in these affairs, weapons, and other things. It is a matter for the Senate to decide.

But I believe we are moving toward a vote, whether there is any agreement or not on a certain kind of amendment. I believe it will just move in that direction. I certainly shall work to that end. I do not feel that it will move that far tonight, frankly.

Mr. ROBERT C. BYRD. Will the Senator yield? If the Senator will allow me?

Mr. MELCHER. I yield to the majority leader.

Mr. ROBERT C. BYRD. The Senator from Mississippi may be right that it will not move to that end tonight, but I am not sure of that. That is my purpose in taking the floor. If we can get some indication from Senators as to whether or not they intend to speak on this amendment before we vote on it, I understand that the author of the amendment is ready to vote at any time when Senators have completed their speeches on it. I do not want, at this point, to indicate that there will not be any vote tonight. I should like to have an opportunity to ascertain, over the hotline, if any Senators want to speak on this amendment before it is voted on before I would say that we shall not have a vote tonight.

We have been on this bill 5 days. Tomorrow, it had been the hope of the leadership that we could take up the Outer Continental Shelf bill. We are obligated, under the agreement entered, to take up portions of 2 days on that bill if Senators want to use that much time. If that were true, we would be into Friday, then, before we finish that bill.

It was hoped that we could dispose of the legislative appropriations bill this week, also. We had earlier hoped that we could do the Defense appropriation bill this week. Obviously, that is out of the question now, so that is pushed over into next week.

I do not think there are going to be any minds changed on this matter in the Senate now. I think every Senator knows, right now, how he is going to vote on this. I am not attempting to persuade Senators either way. I just want the Senate to work its will. If it votes down the amendment, that is the way I shall vote. If it votes the amendment up, I shall accept the judgment of the Senate.

I suggest to the distinguished minority leader that the two of us attempt, if we can, to find out on our respective sides how many Senators feel compelled to speak on this amendment before it is voted on, up or down.

Mr. BAKER. Will the Senator yield to me?

Mr. MELCHER. I yield to the distinguished minority leader, but I might make the observation that I have been present all afternoon. It is my impression that there are only about three or four Senators who wish to speak to the amendment.

I yield to the distinguished minority leader.

Mr. ROBERT C. BYRD. I expect the Senator is right. He has had an opportunity to listen and observe.

Mr. BAKER. I notice it is 6:10 now, and I think there is barely time to catch offices before they close and make that inquiry I think it is a good inquiry to make, and I think it will help us develop a schedule for this evening and tomorrow.

I am in full agreement with the majority leader. If he is agreeable to that, I shall go ahead and make that inquiry of Members on this side.

Mr. ROBERT C. BYRD. I thank the minority leader, and I shall do the same.

Mr. GOLDWATER. Will the Senator from Montana yield?

Mr. MELCHER. I yield to the distinguished Senator from Arizona.

Mr. GOLDWATER. I direct my remarks to the majority and minority leaders.

We have been told, time and time again, that this not a filibuster. I recall cloture motions being filed before a word was spoken on this floor. If this is not a filibuster, it is a doggone good imitation of it. I have been sitting here all afternoon, and I have heard nothing but the same record going round and round. I am ready to vote.

I suggest to the leadership that, if we have not reached a vote by 8 or 9 o'clock tonight, a cloture motion be filed and, for the second time in 25 years, I shall be very happy to put my name on it. In fact, I should like to lead the list.

(Mr. METZENBAUM assumed the chair.)

Mr. ROBERT C. BYRD. Mr. President, if the Senator will yield to me. I would hope we do not have to go the cloture route on this matter. I respectfully say this to the Senator, I have been privy to some conversations today among those Senators who have been speaking which have led me to understand that there is no filibuster in the offing here. There would have been one, I think, before the

recess, but not now, and I do not want to offer a cloture motion.

I do not want to press Senators into being under that kind of gun if we can avoid it. That is my position.

Several Senators addressed the Chair.

Mr. STENNIS. If the Senator will yield——

Mr. MELCHER. I yield to the minority leader.

Mr. STENNIS. I do not think there will be any filibuster going on. I think there is an earnest desire.

Mr. BAKER. Will the Senator yield?

Mr. MELCHER. Yes.

Mr. BAKER. I only want to say that I admire the position taken by the distinguished Senator from Arizona. I know that is a point of view and an offer of support for cloture that would not come easily to him in view of the position that he is suggesting.

I, too, hope we do not have to get to cloture. But I simply would say for the record, I think this is a matter of such importance, and it is so important that the Senate determine the matter promptly, that if it is necessary and if we cannot soon arrive at either an agreement or a vote, I would join the Senator from Arizona in signing such a motion.

Mr. ROBERT C. BYRD. I would do that in the context of the way the distinguished minority leader has stated it.

Mr. MELCHER. I yield to the Senator from Oregon.

Mr. HATFIELD. Mr. President, I appreciate what the leadership has indicated and also the Senator from Mississippi, as to their comments on a filibuster—potential or what might be an apparent filibuster.

To the Senator from Arizona, I only say respectfully that it would be the first time in the history of the Senate a filibuster occurred with both sides cooperating.

If the Senator from Arizona had been on the floor all day, as I have, he would know both sides have been speaking on this amendment today.

I think, again, he would find, if he wants to weigh the pages in the RECORD tomorrow, it is about equally divided.

Consequently I cannot see how a filibuster could be even thought of.

I ask the majority leader, in the inquiry made concerning the number of Senators who may wish to speak on this bill, I would like to know about the potential probability of a vote, or of a motion to recommit the bill. I would like to be able to get the air cleared on that issue, as well, if it is possible to do.

Mr. ROBERT C. BYRD. To recommit the bill? To commit it?

Mr. HATFIELD. Or a motion will be made to recommit the bill to the committee, as had been indicated earlier that such a motion might be offered. I would like the air cleared on that procedure before we reach any kind of agreement on the time of the vote on the amendment.

Mr. ROBERT C. BYRD. The last I heard was that a Senator intended to make that motion, but he could not make that while the Senator's amendment is pending. Am I incorrect?

Mr. HATFIELD. I believe the Chair already ruled that on a motion to recommit, a point of order against such a motion would not lie.

Mr. ROBERT C. BYRD. Right.

Mr. HATFIELD. Consequently, I assume a motion to recommit the bill would be in order.

Mr. ROBERT C. BYRD. At any time.

Mr. HATFIELD. At any time prior to a vote—well, any time.

Mr. ROBERT C. BYRD. Yes. But my recollection had slipped a little as to a motion to recommit being in order while the Senator's amendment was in order.

The PRESIDING OFFICER. A motion to recommit takes precedence over an amendment.

Mr. ROBERT C. BYRD. That is correct.

Mr. HATFIELD. I would like to restate my request, if the leadership could ascertain whether such a motion will be made or if such a motion is intended to be made.

Mr. ROBERT C. BYRD. Will the Senator from Montana yield?

Mr. MELCHER. I yield to the distinguished majority leader.

Mr. ROBERT C. BYRD. May I ask the Senator, if we find that a motion to recommit will be made prior to the disposition of the amendment, will that affect the Senator's position in any way, or does he want a vote on his amendment first?

Mr. HATFIELD. It would only affect my position in that that I may want to amend my amendment.

Mr. ROBERT C. BYRD. I see.

I thank the Senator, and I thank the Senator from Montana.

Mr. MELCHER. Mr. President, it is a custom to precede a sermon with a passage of Scripture. Mr. President, I am going to precede my remarks from three related passages taken from a document received today, from the arms control impact statement for the W–70, an enhanced radiation warhead. The passages are as follows:

It can be argued that the improved warhead may make initial use of nuclear weapons in battle seem more credible which might enhance deterrence. However, by the same token, it can be argued that it increases the likelihood that nuclear weapons would actually be used in combat. In any event, the escalating potential is the same for this weapon as for any other nuclear weapon.

A further passage:

Some will see this class of weapons as more plausible for battlefields use than other kinds of nuclear weapons and might infer a greater U.S. willingness to engage in nuclear warfare.

And still I quote a third pasage:

Some governments might couple a decision to deploy ER weapons with perceptions that U.S. doctrines have changed so as to make the use of nuclear weapons more likely in a tactical situation. Such a coupling could have an adverse effect on U.S. efforts to prevent further nuclear proliferation.

The PRESIDING OFFICER. The Senate will be in order. The Senator from Montana has the floor.

Mr. MELCHER. Mr. President, facts are presented, data is considered, expert testimony is cited and examined as we consider what should be the public policy and the national defense capability on a comparatively small nuclear tactical weapon. It is a comparatively small nuclear weapon because it has limited capability for destruction of enemy armaments, buildings or people.

One of the strangest, the military advises, is that radiation, the weapon's power to kill, is limited. It is described as a tactical because it can be used on the battlefield in a tactical defensive or attack condition. It is the type of weapon that, if used, would be deployed to field units of our army and the armies of our allies at division and regimental levels.

Yet its consideration now is not just limited to what part this addition to the U.S. nuclear arsenal would mean, nor to just what part it would play in our national defense. It is the current decision that the United States, as the leader in nuclear technology, must deliberate in anguish, anguish because the effects of nuclear warfare are serious; nuclear accident and other technology would affect us and all the world.

Mr. President, as to the fact that the weapons systems are considered as a small nuclear tactical weapon, I can assure the Senator from Arizona that I will bring up points that have not been brought up yet this afternoon.

Gone are the days of Hiroshima when the United States, as the sole possessor of nuclear capability, without fear of retaliation unloaded the atomic bomb to end the war with Japan. Now nuclear capability is possessed by several countries of the world, and more will acquire that capability.

It is not my purpose to project the horrible suffering, permanent destruction and obliteration that nuclear warfare would cause for mankind, animal and plant life on this universe.

It is my purpose to state my firm belief that use of a tactical nuclear weapon such as the neutron shell or warhead will unquestionably result in nuclear retaliation with whatever nuclear capability the enemy has now or can secure in the future.

Nuclear retaliation—not necessarily in kind—is a certainty because it is a basic of the battlefield to use the weapon that is needed in a tactical situation.

I reach this conviction of this battlefield premise partially from my limited battlefield experience.

As one of several million Americans who served in the armed services during World War II, I say with humbleness that my part was small and my service typical of a young man at that time. It was my lot to be a noncommissioned infantryman. We were trained in infantry tactics, part of which was survival in case of the use of poisonous gas. That broad and diverse weapon—poisonous gas—just prior to and during World War II parallels present-day nuclear weapons.

Although the German Army used poisonous gas in World War I, and al-

though the technology of poison gas was greatly advanced in the interim between World War I and World War II, and although the capabilities of both sides to use poison gas were available, neither side in World War II used any of the various poison gas weapons. Its use would have resulted in horrible loss and suffering to people, whether military or civilian, and to animal and plant life. It could have been used on the battlefield, but not limited to there, but also in the cities and countryside of opposing nations.

I know of no formal assurance that neither side would use the array of poison gases available, but I do know that as our regiment left for France and moved to the front lines, all of us—soldiers in the ranks, noncommissioned officers and officers of the regiment—threw away our gas masks. They were, we knew from our training, only limited protection, but the gas mask was the only protection we had against the horribly fatal gases.

Military and government officials had determined unilaterally that the use of poison gas either tactically on the battlefield or generally behind the lines involved too great suffering for mankind, animals and plant life. Its use in a tactical situation on the battlefield would have brought retaliation.

That is the parallel. The decision now involves a tactical nuclear weapon that is one of the array of nuclear weapons available to man. The use of it in 155-millimeter howitzers or in an 8-inch artillery piece places it on the battlefield—near the front line in the 155-millimeter howitzers and a few miles back in the case of the 8-inch artillery pieces.

Its deployment and use would greatly spread the capability of nuclear weapons for tactical purposes. It is folly—tragic folly—to debate this neutron weapon on the context of a limitation on nuclear warfare. Its use would be nuclear war. Like the decision not to use poisonous gas in World War II, the decision not to use nuclear weapons is the only rational decision for mankind to make.

To advance into a new nuclear weapon system is argued to be a deterrent to nuclear war. That is a false hope not related to the basic self-protection of either individuals or nations. The deterrent to nuclear warfare is the fear of self-destruction. Nations involved in war, when the enemy uses a nuclear weapon, retaliate with whatever nuclear weapons they have. That is the sure and ultimate result from the use of the neutron nuclear weapon. If they—the enemy—do or do not have the weapon, its use by us means nuclear retaliation. If they—the enemy—use the neutron nuclear weapon against us, it is a certainty that we retaliate with nuclear weapons at our disposal.

The result is holocaust

During the argument on the merits of this nuclear weapon, I have become convinced that adding this tactical nuclear weapon to our arsenal spreads the risk of nuclear war. I have become convinced that any deployment of it to field levels of our Army and the armies of our allies is a dangerous risk. I have become convinced that while its use on the battlefield in 155-millimeter howitzers or 8-inch artillery pieces results in limited nuclear radiation for each warhead, that using it in tactical battlefield operations either defensively or offensively means a great number of individual nuclear shells causing widespread, dispersed radiation. I have become convinced that use of it results in nuclear war of immeasurable devastation.

The price in terms of dollars is not the issue. Rather the price is tied directly to the threat to all life that its tactical use would bring down upon us.

For my part I resist it in this bill. I resist it as a Senator, but in a broader sense I resist it as a member of the human race given, I believe by the will of God, along with the rest of mankind, temporary and humble stewardship over this Earth on which we live.

Mr. President, I hope the amendment is agreed to.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. MELCHER. I yield to the Senator from Idaho.

Mr. CHURCH. Mr. President, I commend the Senator for a very eloquent statement of his position. It happens that I share that position, and I have reached the same conclusions he has reached. But I believe that he has presented one of the finest and most cohesive, well-reasoned, and thoughtful statements in the debate that has occurred today. I commend him for it.

Mr. MELCHER. I thank the Senator.

Mr. PELL. Mr. President, I, too, congratulate the Senator from Montana on his eloquent and moving statement. It is not a bad idea to invoke the stewardship of God on occasion. We forget issues and problems that are larger than ourselves all too often here.

Mr. MELCHER. I thank the distinguished Senator.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. MELCHER. I yield.

Mr. STENNIS. Mr. President, although I am on the other side, I am impressed with the great sincerity of the Senator from Montana. I appreciate his yielding to us in this matter. I congratulate him.

Mr. MELCHER. I thank the distinguished Senator, the manager of the bill.

Mr. PELL. Mr. President, I believe that our President is to be congratulated for supplying the arms control impact statement that is required by the law. It would have been nice if we had had it a few days earlier, a few weeks earlier, or even at the time the appropriation was asked, as the law specifies. In any case, I am glad we have received it.

This spirit of cooperation with the Senate on the part of the President is very much appreciated. The request for it to be sent up to us immediately was only made this morning, and, bingo, it was with us by 1 o'clock.

However, the contents of the impact statement make it clear that very important and very complex issues are involved in deciding whether or not to go ahead with the neutron warhead. Although the impact statement is not a very decisive one, it is a good general statement. On balance, it is slightly negative. The statement does point the way to many areas of study and analysis which should be conducted before an intelligent decision can be made in this matter.

In this regard, the President has stated that it should be studied carefully. As he said in his press conference yesterday, he did not know the enhanced, radiation warhead was in the bill. Now he will study it carefully in the detailed and conscientious manner he brings to all activities of his office. The President will be considering the matter carefully and consulting with his advisors on the various points raised in the impact statement and in a Department of Defense study now in process prior to making his own decision, as he properly should do. He may make this decision some time in August. The Senate should use this time, also, to decide whether it believes deployment of such weapons is wise.

In my view, the Senate should act just as deliberately as the President. It often has been alleged that the Senate is the world's greatest deliberative body. We pride ourselves in being more deliberative in many cases than is the Executive. The American public will find it hard to believe that within a few hours after receiving the impact statement, the Senate could really make a sound, judicious decision on a very complicated matter. If we had had the statement when the previous President's request was originally made for this weapon, we would doubtless be prepared to act today, or at least be more prepared. That is not the case. We have the kind of information with which to begin the process of rational consideration and debate in this matter. But let us not deceive ourselves that we have all the answers necessary to give the go-ahead for this weapon.

Accordingly, I continue to believe that funds for this purpose should be deleted from this particular public works appropriation bill and should be voted on again in 6 weeks or 2 months, when we have had a chance for proper study and analysis.

With respect to this weapon, we must recognize that it is not all bad. There can be radiation enhancement, but there is also heat and blast reduction, and there are many arguments on both sides of the issue. But I think they should be examined more deliberately and with greater detail than is now the case.

I should like to raise a question with one of the proponents of the bill concerning the attitude of the Europeans, because my understanding is that European public opinion, while not focusing on this problem, has been quite critical of it, in general. At the same time, the various governments have led us to believe that they very much like the idea of deployment of this weapon. I must say that, if I were a German, I could see why this weapon would have more ap-

peal than would the present, more destructive, more wide-ranging weapons.

But the problem that concerns me is the fact that the European governments, the NATO governments, are, I think, not saying publicly that they support our position, though some may be saying privately that they support these weapons, to us privately. In the meantime, public questioning of these weapons continues. I think we should be careful if we go ahead with this weapon—and I intend to vote against it at this time—to make certain that the various allies and others in the world know that this is not just American military saber-rattling or a determination to forge ahead, but that such a step is done with the full approval of the NATO governments. They should also bear some of the responsibility for the deployment of these weapons, because, if they were opposed, in fact, we know these weapons would not be deployed.

So let not the bar of public opinion in the world only criticize the United States if we do deploy these weapons. This onus should be shared equally by the European governments. I would hope public opinion would recognize that fact.

I yield the floor.

Mr. JAVITS. Mr. President, I have not yet spoken upon this matter in any formal way, though I have expressed my view in a colloquy with Senator CHURCH, and I would like to take a brief opportunity just to state that position.

I shall support the Hatfield amendment, but my reason for its support, Mr. President, is not that I wish at this time to be for or against the neutron weapon but I do wish to have for the Senate the same option which the President has reserved for himself in respect of August 15 as the time when, having at hand all of the information from the Department of Defense and from the Arms Control and Disarmament Agency, and the impact statement which he has sent to us today, he will decide whether on balance the thing to do is to go forward with this weapon.

My reason for saying that, Mr. President, is because I consider a new weapon a joint political and military decision, and the political part of the decision in this case is twofold: One, the effect upon the future ability to negotiate nonproliferation agreements, nuclear test bans or complete test bans, and certainly nuclear arms limitation agreements or even arms limitation agreements generally, like the Mutual Balanced Force Reduction on European or potential European fronts with the Soviet Union.

Second, Mr. President, to ascertain in the clearest detail the situation of our NATO allies, and whether, notwithstanding the fact this may be a more efficient killer weapon, they fear more from retaliation which would be involved in dirty tactical nuclear weapons so far as the Soviet Union is concerned than they do from the advantage which may be gained in the deployment of this particular neutron weapon.

Mr. President, one further point is of great importance, and it has not been adequately debated here. The President says in his letter of July 11, 1977, which is unclassified, and which we all have, the following:

> We are not talking about some new kind of weapon but of the modernization of nuclear weapons.

Now, Mr. President, had the President of the United States put this matter up to us on the ground that the tactical nuclear weapons in Europe are now obsolete and that they need to be replaced with a more modern version, I do not think we would be here or we would have been here all of these hours. I think that is an issue which is usual, normal, in the course of the operations of a military arsenal or a military preparation. There are always improvements and changes, and this would, in my judgment, have been speedily perceived and properly modulated in connection with whatever appropriation or authorization we gave.

Mr. PELL. Mr. President, will the Senator yield?

Mr. JAVITS. Yes, of course.

Mr. PELL. I want to be sure I understood the Senator correctly. Did he say, as I think he did, that the deployment of these weapons is being done with the full approval and support of our NATO allies?

Mr. JAVITS. I did not say that. What I was saying was that at a time when the President is giving himself, gives himself, an opportunity, we should have the same opportunity, to ascertain the situation of our NATO allies, whether they regard the advantage of these weapons to exceed the disadvantage of the retaliation with what I call dirty nuclear weapons, tactical weapons, or whether they considered the advantage to be so great that these particular weapons ought to be substituted for such a nuclear, tactical nuclear, arsenal as exists in Europe now. The President is going to find that out in detail, and we should have exactly the same opportunity.

Mr. PELL. Would the Senator agree, though, that these weapons should not, and would not, be deployed in European nations without the approval of the European nations?

Mr. JAVITS. Without any question. That is the essence of the whole NATO setup.

Mr. PELL. Exactly.

Then would the Senator go to the next step and say if they agree and we do deploy them, then it is very important that everyone realize the responsibility for this deployment rests equally upon the NATO allies as a burden as well as upon us the manufacturers of them?

Mr. JAVITS. That is exactly right. I called attention to the sentence in the President's letter which indicates, although this matter is not presented that way and did not start that way, and if it had we would not be here, and that is a normal modernization for weaponry which is on hand and where you replace what are obsolescent weapons with a newer type. But this was not put up to us in any way in that manner. It was put up to us really as a totally new weapon and as a new appoach and something between a nuclear weapon and a chemical weapon.

Mr. PELL. If there is an outcry by the Third World, by the Soviet Union or other nations around the world, that outcry should be directed just as much at our NATO allies as at us if these weapons are deployed by their preference.

Mr. JAVITS. I thoroughly agree with the Senator, except I would not wish to adopt the word "outcry" for this reason, and I am not being factitious about semantics, but the outcry in a matter of this kind cannot stop us or move us, either way. This is a question of the security of the NATO countries and of the world.

Mr. PELL, Agreed. But, as an American, I would like to see any onus be shared by others who properly would deserve that same onus.

Mr. JAVITS. Exactly, a shared responsibility. Again I do not consider it an onus. I consider it a shared responsibility which is what NATO is all about and, therefore, we should have an opportunity to see that there is a shared responsibility in so portentous a decision as this amounts to.

Mr. PELL. In other words, the world should know this simple point—that this action is being taken with the approval of our NATO allies.

Mr. JAVITS. It is shared by the NATO allies.

Mr. PELL. It is shared by them.

Mr. JAVITS. They are going to take these weapons.

The thing that is left so fuzzy which, I think again, only time can help us to ascertain, is whether or not these weapons will really be substituted or are meant to be a substitute and a replacement for the tactical nuclear weapons which have there without changing doctrine or anything else or whether there is a new element in our nuclear arsenal. We are left in doubt about that. The resolution of that question is just too important to be left up in the air.

Mr. President, I try not to speak here on the floor without a point, and I think the basic point here is this: that those, like myself, who are not voting yea or nay on the neutron weapon have a right, however, to vote for the Hatfield amendment as the only opportunity offered to us to equate our responsibility with that of the President. That is the only way under the parliamentary situation that we can say, "Mr. President, when you have made up your mind, then come to us and we will make up our mind," just as we do normally, and the sheer happenstance of the fact—and I am not assigning blame—that this got into an appropriation bill, et cetera, which deprives us of that process is easily disposed of by adopting the Hatfield amendment.

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MATHIAS. I think the Senator is not only making a point but making an extremely important point because what the Senator says is that the Constitution has certain precepts that we

need to follow. This is not a question of a simple, everyday procurement. This is a matter of high national policy.

This involves our strategy. It involves national policy at the highest national and international levels. And in a matter of this sort, as I read the Constitution, it requires that national policy be made by the coordinate branches of government. That means the executive branch plays its role, and it means that the legislative branch plays its role. The only way that the framework of the Constitution can be observed is, as the Senator suggests, by voting for this amendment. This does not prejudge what the Senator from New York or the Senator from Maryland may do when the issue is properly before us.

Mr. JAVITS. When the issue is before us.

Mr. MATHIAS. That is right.

Mr. JAVITS. Which it should not be now. This issue should not be before us.

Mr. MATHIAS. It is not properly before us today.

Mr. JAVITS. Exactly. That is exactly the situation.

Mr. MATHIAS. What we are really talking about is making the Constitution work.

Mr. JAVITS. Right.

Mr. MATHIAS. If we do not stand up and point out that this is the only way to make the Constitution work we will fall back into habits that I think were regressive in which shortcuts were taken and the constitutional process was not insisted upon. When we do not play by the rules then we get into trouble. This is the simple point which I believe the Senator from New York has made very effectively, forcefully, and importantly.

Mr. JAVITS. I thank my colleague very much.

I would say that this neutron weapon right now deserves the Scotch verdict not proven. Proven perhaps on military grounds, and that is what the proponents have been arguing, and I think quite successfully, but not proven on political grounds, and in this world we do not want to destroy ourselves to demonstrate a point.

The Hatfield amendment, according to those like myself who do not have the military objections which others may have—and I can understand it—but the political evaluation as to whether this is a worthwhile thing to do now, have the right to have at our disposal before we decide the very same considerations, the very same time lag, and the same evidence the President has when he decides, and that is not unfair because normally that is what we are entitled to. He recommends the weapon system to us after he has decided, and in this case he gets a blank check before he has decided and before we have decided.

Mr. President, I wish to ask the people who are going to vote against Senator HATFIELD how they are going to feel, and I am very serious about this, if the President by August 15 decides that he is not going to do this. We will have given him the money. We will have voted it, and they will all have a lot of egg on their faces.

I think Members should think about that very seriously. It may be something like the $50 rebate.

Mr. President, we do not legislate around here with any worries about the people, the fact that people do not understand that when you face political exigencies you have to meet them genuinely.

Mr. President, I honor the President because of what he did in respect of that rebate. Let us remember that I was the principal proponent of the income tax amendment which sought to counter the rebate, and I never crowed over that for 1 minute. I honor the President for recognizing a situation and the interests of the country and taking the position that this is no longer valid or advisable in the interest of our country and so without any false pride at all the President says "Let us withdraw it."

I hope very much in the same way here that, if the President cannot see his way clear to do it, we do it ourselves, as we can on this legislation, and give ourselves the same opportunity to review the situation which the President of the United States is giving himself. I say that with the utmost respect and regard for the office and for Jimmy Carter, the man who occupies it. I think I have demonstrated that already in many, many ways in foreign and domestic policy.

So in conclusion, Mr. President, may I say this: This is a way in which to give us time. It is not a rejection of the neutron weapon. This we better utter loud and clear for all our allies to hear because it may have very unfortunate repercussions if our European allies misunderstand. I have had a lot of experience in NATO and believe in it very deeply and have worked for it for almost 30 years that I have been in the House of Representatives and Senate. They should understand loud and clear that this is not a rejection of the weapon but this simply gives us the time in which to make a judgment, exactly equivalent to the time under normal circumstances given to the President.

Mr. President, for those reasons I feel that I must support the Hatfield amendment.

Mr. BAKER. Mr. President, if I could have the attention of my colleague, the majority leader, I would say in response to the question he put previously about the hotline message to inquire if there were other speakers on the Hatfield amendment, or related amendments, that more than 30 minutes have gone by now and we have had no positive reply to that hotline, and I do know by personal conversation that there are one or two other motions or amendments that may be offered, but I know of no other requests for time to speak. So I will report that to the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished minority leader.

There have been no responses to the inquiry that went out from the Democratic cloakroom. This means that the Senate is ready to vote on the amendment by Mr. HATFIELD pending a decision by one or two Senators as to whether or not they wish to move to recommit prior to that vote.

Shortly we should know what that decision is.

So, I am confident if the minority leader wishes to put in a quorum call at this moment to determine what their decision is.

Mr. BAKER. Mr. President, I think that could be useful at this time. If we could make that inquiry during the quorum call we may be able to move on and vote.

Mr. ROBERT C. BYRD. Go ahead and suggest it.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may I have the attention of the distinguished minority leader? I ask unanimous consent that a vote occur on the amendment by Mr. HATFIELD, up or down, at 7 o'clock p.m. today.

The PRESIDING OFFICER. Is there objection?

Mr. STENNIS. Mr. President, reserving the right to object, we will have those intervening 6 minutes to discuss the matter?

Mr. ROBERT C. BYRD. Yes; and in the meantime the hotline could go out informing Senators of the vote.

The PRESIDING OFFICER Is there objection?

Mr. JAVITS. Mr. President, I reserve the right to object to give the Senator from New Jersey (Mr. CASE) an opportunity to consult with the majority leader.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote at 7 p.m. without intervening motions occur on the amendment by Mr. HATFIELD or amendments to that amendment.

The PRESIDING OFFICER Is there objection?

Mr. BAKER. Mr. President, reserving the right to object just for a moment, I wonder if the majority leader would modify his request to make it 7:10 p.m. I have a few Senators I have to notify.

Mr. ROBERT C. BYRD. Yes; I make that modification.

Mr. NUNN. Mr. President, reserving the right to object, will the majority leader give me just a moment to confer with the chairman and be brought up to date on the situation? It may be that I will then withdraw my reservation.

Mr. ROBERT C. BYRD. I wonder if the Senator would let us get the agreement subject to his objection, because

otherwise I am afraid we will have another half-dozen reservations.

Mr. NUNN. Yes; that is agreeable.

The PRESIDING OFFICER Is there objection? Without objection, it is so ordered.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Will the distinguished Senator from Georgia allow us to put out the word that there will be a vote at 10 minutes after 7?

Mr. NUNN. I would certainly allow that. I withdraw any objections.

The PRESIDING OFFICER. The vote will occur at 10 minutes after 7.

Who seeks recognition?

Mr. HATFIELD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Mr. President, let me say this to the membership: This is quite a serious matter. I think the only man under our Government who can make the final decision with reference to all of our great weaponry is the President, whomever he may be. There is an overwhelming sentiment here—not unanimous but certainly overwhelming sentiment—that we unfortunately need weapons of this type in Western Europe. We have the Lance there, and everything else. There is an overwhelming need for something in this line. That is what we have believed for many years. No one proposes to remove them.

If that is correct, certainly we need to keep them up to date. They are dangerous weapons, of course, but we must go for the best, the most modern. That must be known to all possible adversaries.

Under our Constitution making the President the Commander in Chief and President, and under thc laws we have passed, he has to make these decisions.

This is not a perfect set of facts. Seldom is there a set of facts which could be perfect. They could be better; they could be different. But we have a decision here which no one can make at this stage except us.

If we really favor doing this forward step to this weaponry, now is the time to vote for it because time has already almost run out on this fiscal year. By the time the bill is signed, this fiscal year will have almost ended. The President has come clean, has come clear, and is emphatic and to the point. The only thing was that he did have a little more time and he wanted to reserve that final decision based on how the facts were at that final moment, which in the practical affairs of life is a pretty good rule to follow, a mighty good rule.

Now because there is a little difference of opinion among us here as to some phases of what could be a better procedure, those who believe in this step, that it needs to be taken and should be taken, let us vote against this amendment rather than encumber this constitutional officer, the only one under our system who has this power by law. Let us not fetter, encumber and tie him with any kind of strings for the sake of making him ineffective, for the sake of holding him back, or for any other reason. When he represents the United States of America he should stand in that position supreme and unfettered.

That is what this bill will do.

I suggest by comparison there should not be limitations. I hope the Senate, in its deliberate, firm, and solid judgment, will see fit to vote down this amendment. If there are other questions raised, we will come to them then.

Mr. HATFIELD. Mr. President, I believe I have the remaining 5 minutes of the 10 minutes which were left to close.

The PRESIDING OFFICER (Mr. HUDDLESTON). There is no such order, but the Senator is recognized.

Mr. HATFIELD. Does the Senator yield?

Mr. STENNIS. I yield.

Mr. HATFIELD. I believe the Senator from Mississippi has taken 5 minutes. I yield 1 minute of my time to the Senator from Delaware.

Mr. BIDEN. Mr. President, prior to the unanimous-consent agreement, I was about to introduce a motion to recommit with specific instructions to report back all funding but for the neutron bomb. I withheld that, because of the debate which took place just prior to that, indicating that to vote for the Hatfield amendment does not mean one has decided that the neutron bomb should not be produced. What it does mean, and the reason why I am supporting the amendment, is that we should not be making the decision now, giving the President a blank check to make that determination. It makes much more sense for us to make that decision after the President decides what he is going to do on August 15. For that reason I withheld the motion and I am going to support the Hatfield amendment.

Mr. HATFIELD. I thank the Senator from Delaware for his statement.

Mr. President, we have heard a great deal today and again tonight that somehow we are trying to encumber the President, that somehow we are violating a constitutional right of the President. Let us disabuse our minds from any kind of sentiment which indicates that somehow we are shackling the President.

What we are doing is trying to sustain the integrity of the Senate. The Constitution of the United States created three equal branches of Government, and in that creation of three equal branches there were certain responsibilities and powers assigned each branch. The Congress has the power of the purse string. The Congress has the power of appropriations. Whatever the Congress determines is in the national interest in terms of exercising its appropriation power is in no way encumbering the President from some constitutional right. We are exercising our constitutional right.

Let me simply point out that in all of this debate there have been discussions, disputes, contradictions, misinterpretations and interpretations of data without intent by any person, but certainly it has happened out of the debate and discussion which has prevailed.

I think that is indicative and hard evidence that there is a great deal of misunderstanding, a lack of understanding, confusion, because this particular weapon has not been thoroughly gone into by the committees of the Senate. This weapon has not been thoroughly understood by the proponents or the opponents.

I, therefore, would say that we are only asking to postpone the final decision. It is purely a procedural matter. It is not going to impinge upon the procedure of the President or upon his time schedule, for the President of the United States has not yet made his determination. If he does not feel he has enough information or enough data which will come into his office by August 15 as he completes a 6 months study on all weapons systems, why should the United States then be stampeded into a precipitous action which is really uncalled for.

This budget will not be available, as far as money is concerned, until October 1. The money cannot conceivably be cranked up until the middle of November. By that time we could mount a supplemental appropriation measure, if we determine the President needed the money for production.

The point is simply we do not know enough about this weapon to make a well-informed decision. The President does not feel sufficiently well informed to make his decision now so why should we? I urge support for the amendment.

ADDITIONAL STATEMENTS SUBMITTED

Mr. BARTLETT. Mr. President, I urge the Senate to approve full funding of the enhanced radiation warhead for the Lance missile—commonly referred to as the neutron bomb. This weapon represents a significant improvement in America's tactical nuclear capability. It is particularly vital to our defense strategy for Western Europe.

I believe it is important to point out that we are not debating the merits of a new military strategy involving the use of tactical nuclear weapons. The use of these weapons is already, and has been for some time, an integral part of our strategy for defending Western Europe. While the strategy of "flexible response" may be unfamiliar to the American public, perhaps even to some Members of Congress, it is commonly understood and accepted by our NATO allies. If our conventional defenses do not deter a conventional Soviet attack, we will defend Europe with tactical nuclear weapons.

In our study last fall of NATO facilities in Western Europe, Senator NUNN

and I substantiated the very real threat which exists to the security of our NATO allies and ourselves. The viability of NATO's current strategy of flexible response in the use of conventional nonnuclear, tactical nuclear, and strategic nuclear forces is now open to serious question because the Warsaw Pact has achieved parity in nuclear weapons and has increased further its advantage in conventional forces. Though Soviet forces in Eastern Europe can initiate a conflict from a standing start, NATO forces continue to rely upon warning time of a duration sufficient to permit the alliance to mobilize and deploy to the center of conflict its ultimately greater but typically less ready and poorly deployed forces. As the Warsaw Pact capability to attack from a standing start grows relative to NATO's defensive capacity, so does the likelihood that the Warsaw Pact would already be on the Rhine when the NATO decision is made to use tactical nuclear weapons.

If the West must rely upon its tactical nuclear weapons to deter attack, then it should build the best weapon for that purpose. And if NATO must face the possibility of using its nuclear weapons in Western Europe, then it should build a weapon that will not leave the homeland of our allies in shambles and poisoned with long term residual radiation.

Contrary to some of the criticism we have heard, the neutron warhead will not increase the chances of nuclear war in Europe. The fact that the neutron bomb is safer for the United States to use does not mean that the United States will start a war. It means that the Soviet Union will be less likely to start a war. In fact, because the neutron warhead will cause less "collateral damage" to the European population and countryside, it means that the United States can wait longer before deploying nuclear weapons to stop a Soviet attack.

I reject the argument that we should apply the money intended for the neutron warhead to the funding of more conventional forces. I welcome those who support this suggestion to state their commitment to future proposals for improving our conventional defense capability. However, I suspect that many of those who are opposed to building the enhanced radiation warhead are also those who have consistently opposed building up our conventional forces in Europe. In any case, the neutron bomb is inexpensive and the money meant for production of the enhanced radiation warhead will not buy much conventional hardware nor pay for many troops.

Mr. President, the security of NATO urgently demands that its conventional forces be upgraded. Yet there is no certainty at all when Congress will approve the conventional forces necessary to match the massive Soviet buildup in Eastern Europe. We have, in the meantime, the opportunity to improve for NATO's security by significantly enhancing the credibility of our deterrent.

The neutron warhead is here now. Its funding should be approved now without delay.

Mr. HAYAKAWA. Mr. President, as we all know, modernized nuclear technology, more often referred to as the neutron warhead or bomb, has been a major issue of concern in the past several weeks. Because of its sensitive nature and the controversy surrounding it, it has in large measure been misrepresented.

The United States holds the position that all of our powerful weapons serve as a deterrent to war. The more military might we have, the more enhanced our position is when bargaining with the Soviets. God forbid that we should ever have to use this might, but a deterrent is credible only to the extent that it is usable. Deterrence is a word that directly relates to our enemies. We are trying to deter them from acts of aggression against us—we are not trying to deter ourselves against reacting to their aggression.

Now let me try to clear up some of the misconceptions about the weapon in question. First of all, the neutron warhead is being used to replace our more primitive tactical nuclear warheads, not to add to the overall nuclear weapon stockpile. The short-range Lance missile, which is currently deployed in our NATO forces over in Europe, already contains a tactical nuclear warhead. It is simply a more crude weapon than the one under discussion at this time.

As with all nuclear explosions, the Lance missile produces four lethal effects: heat, blast, radiation, and fallout. The neutron weapon, however, produces a much reduced amount of blast, heat, and fallout than is produced by the existing nuclear weapons. While radiation is more intense from neutron weapons, it is more confined and is of short duration. Consequently, the neutron warhead, by its refinement, is designed to destroy those actually engaged in hostilities by confining the radiation effects to the immediate military target. It would dramatically reduce that damage to civilian population centers due to blast and thermal radiation—referred to in the press articles as the buildings. Since we would fight a defensive war, at least initially, on the territories of our allies, it would be in our best interest to use the neutron weapon. Existing nuclear weapons can be used on allied territory only at the cost of civilian lives and devastation of allied cities. The neutron weapon can be zeroed in on enemy troop concentrations. As I see it, the public outcry against the neutron weapon is based on a misdirected sense of morality that has been perpetuated by the press.

I could go on but I think George Will aptly summed up the crux of the controversy in his editorial which appeared in the Washington Post on July 7 when he said that:

> The principal objection to neutron weapons is not that they destroy people. Rather, the objection, made in the name of moral sensitivity, is that they do not destroy people and property as indiscriminately as the less precise tactical nuclear weapons that neutron weapons would replace.

I ask unanimous consent that Mr. Will's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 7, 1977]

THOSE BLASTS AGAINST NEUTRON WEAPONS

(By George F. Will)

Sen. John Heinz (R-Pa.) says a neutron warhead for battlefield missiles or artillery is "dehumanizing" because it "single out people for destruction, choosing to preserve buildings instead." Newspaper reports have said that neutron weapons destroy people "rather than" property, or "while sparing" property.

In fact, neutron weapons do not "preserve" or "spare" property. But this kind of rhetoric has stimulated intemperate and uninformed outcries against such weapons. So before the debate boils to an irrational climax, this should be noted:

The principal objection to neutron weapons is not that they destroy people. Rather, the objection, made in the name of moral sensitivity, is that they do not destroy people and property as indiscriminately as the less precise tactical nuclear weapons that neutron weapons would replace.

All nuclear explosions produce four lethal effects: blast, heat, radiation and fallout. Neutron weapons produce only about one-tenth of the blast, heat and fallout produced by regular nuclear weapons.

Radiation from neutron weapons is more intense, but more confined; it can be confined to a radius of 300 yards. And it is short-lived; an area hit by a neutron weapon can be occupied the next day.

One newspaper reports that neutron weapons are "more detrimental to humans than to buildings," a description that also applies to bullets. Sen. Mark Hatfield (R-Ore.) says neutron weapons are "in the realm of such devastation that it is difficult to comprehend."

Not really. Nuclear weapons that neutron weapons would replace would destroy civilians and homes far beyond the battlefield area to which the effects of neutron weapons would be confined.

Since industrial organization became the basis of military power, and especially since the development of air power, the theory and practice of war has blurred the distinction between combatants and noncombatants. Neutron battlefield weapons are a step back from the indiscriminateness of modern war technologies. They make possible reduced collateral damage to civilians.

And that is why they are opposed.

Paul Warnke, President Carter's arms-control adviser, once said, with characteristic excess, that new tactical nuclear weapons capable of more controlled devastation would be "an absolute disaster." Weapons "with lower yield and greater accuracy and presumably few collateral consequences" would undermine the self-deterrence of nations that possess them.

In other words, a weapon must be so indiscriminately destructive in blast and fire effects that we will be deterred from using it. Similarly, Hatfield objects to neutron weapons because, being precise, they "invite" use.

Sen. Sam Nunn (D-Ga.) rightly notes that opponents of neutron weapons fear that the United States might not be sufficiently reluctant to use them. But as Nunn argues, a deterrent is credible only to the extent that it is usable:

"Those who oppose the warhead apparently believe in self-deterrence . . . that we should keep the weapons so destructive we would never use them or if we did use them, it would only be under the most desperate of conditions. . . . By deterring ourselves

from using tactical nuclear weapons, except weapons which would destroy the territory we are pledged in NATO to protect, the advantages which the Soviets now maintain in conventional arms are greatly magnified. . . . I remind my colleagues that the purpose of deterrence in Europe is to deter Soviet aggression, not to deter ourselves from responding to that aggression."

Rejection of clean, precise neutron weapons would be destabilizing in two senses. On the one hand, the Soviets would be given reason for doubting that the United States would use existing tactical nuclear weapons, with their devastating collateral effects, while fighting on allies' soil. On the other hand, while NATO forces are equipped only with such imprecise weapons, NATO will be under pressure to use them early against attack, before superior Soviet conventional forces move the battlefield from the border into the heart of Western Europe.

The basic objection to neutron weapons constitutes an objection to tactical nuclear weapons in general. Neutron weapons do not involve a departure from established principles for defending Europe with tactical weapons.

Opponents should calculate the cost—in money and, in the event of war, in allied and civilian lives—of alternative means of coping with the Soviet advantage in conventional forces. They should, but they won't.

Mr. CULVER. Mr. President, I support the Hatfield amendment because I do not believe that the Senate should approve funds for such a new type of weapon in the absence of full consideration and justification by the executive branch. Since President Carter is tentative enough in his own decision to require further study of this issue, I think the Congress should deny the funds until we have all of the facts ourselves. We need to fully consider the tactical, strategic and diplomatic aspects of neutron warheads before we can properly decide on funding.

Mr. JACKSON. Mr. President, the issue before the Senate is straightforward and clear: Will the Senate act to prevent the United States and its NATO allies from enhancing the deterrent effectiveness of our tactical nuclear weapons while sharply reducing the destructiveness of those weapons with respect to innocent civilians?

There has been an extraordinary amount of misinformation about the characteristics of the so-called neutron weapons, much of which has come to be repeated on the floor of the Senate. What we will be voting on is the wisdom of replacing part of our tactical weapons force with new warheads whose lethal nuclear effects can be contained to a small radius around a military target. That is the principal difference between our present weapons and those the President has requested the authority to have produced. The issue is the size of the area that would be destroyed if a tactical nuclear weapon were to be used: With our current weapons the area is large; and because it is large it would likely include innocent civilians, their homes and factories. The neutron weapon destroys a vastly smaller area—less than one-tenth the size—with the result that our tactical forces would be in a better position to strike military targets, like a tank battalion, without killing many hapless bystanders.

In view of the confusion that surrounds this issue and this weapon, it would perhaps be well to say a few words about its technical characteristics. First, it is not a startling new technology. It is, in fact, as these things go, a rather aging technology going back at least 14 years and perhaps longer. Second, the radiation emitted by the neutron weapon is about the same as the radiation emitted by the existing weapons they would replace—sometimes it is actually less, sometimes very slightly more. Third, the neutron weapon does not kill people while leaving buildings standing. The image that has emerged in the press of cities untouched by weapons whose populations have been destroyed is utterly false.

The technical principle involved is a simple one. Nuclear weapons produce a number of lethal mechanisms: Blast overpressures, thermal effects, and radiation effects as well as fallout. The radiation effects of a small weapon are confined to a small area—a few hundred yards in the case we are discussing. But in addition to the destructive power of the prompt radiation confined to a small area, a nuclear weapon causes great damage from blast and fire over a much greater area. If that greater area contains innocent civilians or American or allied troops or vital structures such as bridges they too would be destroyed as an unintended result of an attack on a limited military target. The so-called neutron weapons differ from ordinary nuclear weapons in that the blast and thermal effects are dramatically reduced—down, in fact, to a small fraction of what they would otherwise be. The actual lethal radiation, in the form of neutron emissions, would be about the same. It is not so much that the radiation is enhanced but, rather, that blast and thermal effects are reduced.

The result is a weapon of much greater discrimination. In practice the use of such a weapon, should such a tragedy ever occur, would enable the United States and its NATO allies to confine the lethal effects to the immediate military objectives sparing the innocent and protecting our own soldiers.

Opponents of the shift to weapons with limited destructive effects are concerned, rightly in my view, that we not deploy weapons the effect of which would be to lower the nuclear threshold. But by the logic they have chosen to adopt they are driven to favor weapons of greater rather than less destructiveness—weapons that kill more rather than fewer people. Their conclusion is bizarre because the logic is faulty.

No one is suggesting that the replacement of our current high yield weapons with the proposed low yield ones will alter the decision structure for the use of tactical nuclear weapons. Responsibilities will not be shifted as a result of the deployment of so-called neutron weapons. It will continue to rest with the President, as it should, and on this point the President has been clear: the decision to employ nuclear weapons would not be affected by the availability of, say, a new warhead for the Lance missile. The President recognizes that the danger of escalation is the principal factor in the decision to use nuclear weapons of any type—and that danger is quite independent of the specific warhead type. In reality the nuclear threshold lies quite elsewhere: only if we and our NATO allies are unable to contain a Soviet-initiated war in Europe—only if we are driven as a last resort—would we turn to tactical nuclear weapons to defend ourselves. That is the nuclear threshold.

Mr. BAYH. Mr. President, the amendment before us today that will eliminate funds for the production of the so-called neutron bomb is an important one in terms of our defense posture in Europe, our commitment to arms control and our hope that Congress will continue to play a major role in the formulation of national security police. This issue is not as simple as some opponents and proponents of the weapon might have us believe. However, upon careful consideration of what approval at this time would and, as importantly, what it would not do, I am convinced that passage of Senator HATFIELD's amendment will satisfy our interests in the above mentioned areas.

Mr. President, I want to emphasize that because I do not view the deployment of an enhanced radiation weapon at this time to be in our best interest does not mean that equipping our forces in Europe with this unique weapon will never be in our national security interests. What the amendment does is preserve our flexibility to make certain that should this step ever be taken it will be done after a careful evaluation of the benefits and costs involved.

The W70 Mod 3 enhanced radiation warhead will undoubtedly provide our forces in Europe with an improved "war fighting capability." This is so because unlike the so-called "theater nuclear systems," which now deter an attack, it will most likely be used on friendly soil. The Hiroshima size explosive power of many of our tactical nuclear weapons presents the battlefield commander with the prospect of destroying much of the territory he would be trying to defend in the event of a war in Europe.

However, even without the development of W70 Mod 3 warhead for the Lance short-range tactical missile and its modification for nuclear capable artillery our technological efforts in "collateral damage reduction" has been characterized by the Department of the Army as "successful." The problem that is addressed by the deployment of a "killer warhead" is how best to eliminate the possibility that an aggressor might believe a massive conventional attack could be executed so successfully that our tactical nuclear weapons could not or would not be employed.

This point is raised by what would be perceived as the reluctance of the NATO forces to destroy part of their homeland in order to save it. There is no denying the fact that the neutron warhead will

make the executive of a theater nuclear counter-strike on enemy forces more "thinkable." There is, however, no assurance that employment of these weapons is any less likely to escalate into a general nuclear war than the use of our present tactical nuclear weapons. To this extent, there is at best only a marginal increase in the enhancement of our deterrence.

Mr. President, it appears to me that the rush to equip our forces with this warhead seeks to provide a "quick fix" for the present conventional imbalance between NATO and Warsaw Pact forces in terms of a war fighting capability. Unfortunately, this appears to be a step away from our commitment to a doctrine of deterrence. It also leaves unconsidered other crucial issues associated with our defense posture in Europe.

Few would deny that the present order of battle in Europe is cause for considerable concern. But in assessing this problem, we should be as concerned with the survivability of theatre nuclear forces. The complex problems involved here were addressed earlier in the year in a "Budget Issue Paper" published by the Congressional Budget Office on the subject of "Planning U.S. General Purpose Forces: The Theatre Nuclear Forces." The conclusion of this paper stated that:

> Current programs to modernize the theatre nuclear forces appear to focus on improving NATO capabilities and doctrine for a discriminate first use of theater nuclear forces. Such emphasis on the use of theater nuclear forces to supplement conventional defenses may be of dubious value in view of the ambiguities associated with their employment and the possibility of Soviet nuclear retaliation. This emphasis might be also unproductive and risky. It could lead to greater reliance on theater nuclear weapons and increased resistance to the provision of more adequate conventional forces for a short, intense European conflict.

At the time of the report, the euphemism of "tailored nuclear effects" was used to describe the then classified enhanced radiation warhead.

The point here as it applies to the enhanced radiation warhead is that while this might be a technically desirable thing to do, it is not an adequate substitute for adequate NATO conventional forces. Such a course of action is contrary to President Carter's policy of encouraging steps that will produce greater cohesion in NATO. Importantly, deployment of the neutron warhead at this time will be a step away from our national commitment to seek a reduction of dependence on nuclear weapons.

BASKET I OF THE HELSINKI ACCORD

Mr. President, "Basket I" of the Helsinki Final Act should also be considered as a very real political factor that argues against proceeding with the neutron warhead. The document on confidence-building measures and certain aspects of security and disarmament" addresses the need to contribute to reducing the dangers of armed conflict and of misunderstanding or miscalculation of military activities which could give rise to apprehension, particularly in a situation where the participating States lack clear and timely information about the nature of such activities.

Mr. President, our own Arms Control and Disarmament Agency has not had the opportunity to submit an arms control impact statement on the neutron bomb. This statement is required by law and I am sure it will consider the ramifications that deployment of this new family of weapons will have on our arms control efforts. Until we in Congress who enacted such a requirement can have a chance to review the impact this weapon will have in this important area, we should not approve funding. Agreeing to fund this warhead will put us in possible violation of the spirit of the Helsinki Final Act and will rob our efforts toward implementation of the human rights provisions of some efficacy. This is another price we pay for going ahead in such an ill-advised manner.

Mr. President, by appropriating funds before President Carter decides he believes the deployment of the neutron bomb is in our national interest and requests such funds would be a serious denigration of the role of Congress as a full partner in the formulation of national security policy. We will be saying to ourselves and the American people that we do not want the responsibility we so earnestly sought during the Vietnam nightmare.

Sound judgment requires that we reject funding now. We will, however, carefully consider a request for funding if the President deems the deployment of this weapon is vital to the credibility of our deterrence in Europe. If we proceed with funding, opportunity to exercise restraint will be lost. We will therefore be placed in a difficult position to expect similar acts of restraint by the Warsaw Pact. The opportunity for this exercise is an important one. Its importance derives from the need to establish good faith between nations of radically different social systems. It will demonstrate once again that we seek no unilateral military advantage in Europe or anywhere. What we do seek is peace and security where freedom may flourish.

Mr. President, the above reasons for my opposition to funding would be incomplete without expressing the view that the greatest horror of war is not the product of collapsed buildings or burned out dwellings. It comes from the loss of loved ones and the disfigured and maimed bodies of young men whose futures are forever altered by shot and shell. The enhanced radiation warhead seems to bring together what is bad about all weapons, nuclear or nonnuclear. The fact is all of them kill. Fuel air explosives, napalm and antipersonnel weapons all do horrible things to the human body. The sickness that necessarily accompanies the penetrating radiation of the blast of a neutron warhead is one of the effects of a conventional nuclear warhead as well. Our goal must be to reduce the chance that any of these weapons will be used. That is why it is so important that we must remember that our decision here today is clearly associated with the larger issues which make a clear case against the neutron bomb.

Mr. PERCY. Mr. President, I intend to vote aye on the Hatfield amendment, not to prejudice the neutron bomb, but simply to enable myself to make a final decision only after all the facts are in, a position the President has justifiably taken.

Mr. HATCH. Mr. President, the defense strategy which the United States has pursued most recently is based on the credibility of our nuclear deterrent. In the European theater with our NATO commitments, we must be prepared to respond, in the event of a Soviet attack, by the use of tactical nuclear weapons against the Soviet's massed forces.

Unfortunately, pursuit of this course sometimes poses a credibility problem because the Russians know that our NATO allies do not favor our using or deploying nuclear weapons in their countries because of the blast effect which present nuclear weapons might have.

Approximately 2 years ago, the NATO nuclear planning group recommended that the neutron bomb or a similar weapon should be developed in order to restore the credibility of our tactical nuclear deterrent. This type of weapon would provide sufficient offensive power for use against the Soviets by use of the radiation element of the bomb without exposing the lands of our allies to the explosion force.

Continuation of the development and manufacture of the bomb will be persuasive and make it clear to our NATO allies that the United States is serious about having a tactical nuclear deterrent to help protect them from conventional attack by superior Russian forces. To kill the bomb would leave NATO as a shell, while our allies strike the best deal they can with the Russians or else fight the uphill political battle of massively beefing up their own conventional forces to withstand the Soviets. We must maintain our deterrent capability and continue to support our NATO allies. The neutron bomb is one way to accomplish that end.

The PRESIDING OFFICER. The hour of 7:10 having arrived, the question is on going to the amendment of the Senator from Oregon.

Mr. STENNIS. Mr. President, will the Chair state the amendment? Many have come in.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

> The Senator from Oregon (Mr. HATFIELD) proposes an amendment:
>
> On page 3, line 16, strike the period and insert the following: ": *Provided further*, That none of the funds appropriated in this or any other Act shall be used for production of enhanced radiation weapons.".

Mr. ROBERT C. BYRD. Mr. President, this is not the last vote tonight.

The PRESIDING OFFICER. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

(The VICE PRESIDENT assumed the chair.)

Mr. CRANSTON. I announce that the Senator from Louisiana (Mr. LONG), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from Montana (Mr. METCALF) are necessarily absent.

The result was announced—yeas 38, nays 58, as follows:

[Rollcall Vote No. 280 Leg.]

YEAS—38

Abourezk	DeConcini	Melcher
Anderson	Gravel	Metzenbaum
Bayh	Hart	Muskie
Biden	Haskell	Nelson
Brooke	Hatfield	Pell
Bumpers	Hathaway	Percy
Case	Heinz	Proxmire
Chafee	Javits	Randolph
Church	Kennedy	Riegle
Clark	Leahy	Sarbanes
Cranston	Mathias	Weicker
Culver	Matsunaga	Williams
Danforth	McGovern	

NAYS—58

Allen	Goldwater	Pearson
Baker	Griffin	Ribicoff
Bartlett	Hansen	Roth
Bellmon	Hatch	Sasser
Bentsen	Hayakawa	Schmitt
Burdick	Helms	Schweiker
Byrd, Harry F., Jr.	Hollings	Scott
Byrd, Robert C.	Huddleston	Sparkman
Cannon	Humphrey	Stafford
Chiles	Inouye	Stennis
Curtis	Jackson	Stevens
Dole	Johnston	Stevenson
Domenici	Laxalt	Stone
Durkin	Lugar	Talmadge
Eagleton	Magnuson	Thurmond
Eastland	McClure	Tower
Ford	Morgan	Wallop
Garn	Moynihan	Young
Glenn	Nunn	Zorinsky
	Packwood	

NOT VOTING—4

Long	McIntyre	Metcalf
McClellan		

So Mr. HATFIELD's amendment was rejected.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 654

Mr. KENNEDY. Mr. President, I send to the desk an amendment and ask for its consideration.

The VICE PRESIDENT. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes an unprinted amendment numbered 654.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. ROBERT C. BYRD. Mr. President, would the Senator let the amendment be read? It is short.

Mr. STENNIS. Mr. President, may we have quiet? This is a very important matter, of course.

The VICE PRESIDENT. The Senate will be in order.

The amendment will be stated.

The assistant legislative clerk read as follows:

On page 3, line 6, strike the period and insert the following: ": *Provided further*, That none of the funds appropriated in this Act shall be used for production of enhanced radiation weapons until the President formally approves production. *Provided further, however*, That the funds may not be used for production of enhanced radiation weapons if within sixty days either House of Congress agrees to a resolution disapproving such use. *Provided further*, That such resolution be in the form of a simple resolution which shall be referred to the appropriate committee, and if the committee has not reported the resolution at the end of ten calendar days after its introduction, it is in order to move to discharge the committee from further consideration, which motion shall not be debatable. A motion to proceed to the resolution shall be privileged and shall not be debatable. Debate on the resolution is limited to not more than six hours, equally divided between those favoring and those opposing the resolution.

Mr. KENNEDY. Mr. President, this procedure is well understood by the Members of this body.

It effectively provides for the Senate of the United States to exercise what I consider to be its constitutional duties, as well as its duties and responsibilities on this particular issue with the neutron bomb.

I ask unanimous consent for the full text of my statement on the merits of our acting on this issue at this time to be entered into the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR EDWARD M. KENNEDY AGAINST FUNDS FOR THE NEUTRON BOMB

I have been increasingly concerned about the direction of our debate, both before and after the recess, on enhanced radiation or neutron weapons.

Strong arguments have been made both for and against production of these weapons. I believe that the weight of argument is against such production.

But this is not the key issue before us at this time. The key issue is whether the Congress should give the administration what is, in effect, a blank check for producing the "neutron bomb."

The President yesterday told us in his press conference that he has not made a final decision on the neutron bomb. Until yesterday, the administration had not submitted the arms control impact statement required by law. Even if it submits this statement to us today, the Congress will have had no time to make its own careful judgment.

We are, therefore, asked to suspend the judgment which we have been elected to exercise. We are asked to tell the President, in advance of his sharing—let alone reaching—a full assessment with us, that any judgment his administration reaches is fine by us.

Not the smallest consideration, Mr. President, is that there is no possibility in this legislation for either House of Congress to over-ride the administration's judgment. There is no protection in this legislation of the Congress' power to review and if necessary reverse an unwise administration decision.

Surely all this argues most strongly for us simply to defer the matter until the administration completes and shares with us the results of its neutron bomb review. This is the fairest outcome from the standpoint of both the supporters and the opponents of this new weapon. And this is the effect of the amendment of my distinguished colleague from Oregon, Mr. Hatfield, which I support.

I am also most concerned about the implications of enhanced radiation weapons. One of the main arguments in favor of these weapons is that they are more usable than conventional nuclear devices. But this is precisely the problem. The neutron bomb may be used in a conventional conflict and become a bridge between conventional and nuclear war.

I have supported efforts by us and our NATO allies to balance effectively the powerful military forces arrayed against us in Europe. We need to put higher priority on the multilateral negotiations for mutual and balanced force reductions (MBFR) in Europe, which will enable us to achieve lower and safer force levels on that continent. And we should strengthen our own conventional forces as needed pending mutually agreed levels in MBFR.

Shrouded in doubt, however, is the likely Soviet response if we choose to deploy neutron bombs for use against their conventional forces. Will they develop a neutron bomb arsenal of their own to use against our forces? In the absence of such an arsenal, will they prepare to retaliate with their existing nuclear weapons, of which they have an ample supply? Would this then lead us to retaliate with more destructive nuclear weapons of our own?

At his press conference yesterday, President Carter expressed his personal view that once nuclear weapons are used, it will be hard to avoid escalation to all-out nuclear war. Yet the neutron bomb may prove to be the first trigger in this process of nuclear escalation. We need not bridges to nuclear catastrophe, but barriers against it.

Mr. President, I keep an open mind about the possibility that the neutron bomb will have more of a stabilizing than a destabilizing effect, will strengthen rather than undermine deterrence. But this administration has not reached this judgment and has not presented it to Congress.

We should pause at even the slightest risk that our actions may increase the likelihood of nuclear war. We would shirk our constitutional responsibilities if we were to leave a judgment of this importance to the executive branch. Let them first make the case; then let us evaluate it on its merits.

Mr. KENNEDY. Effectively, the Senate on its previous vote has decided to permit not only the research, but also the production of the bomb, despite many of the concerns which I have shared with the distinguished Senator from Oregon (Mr. HATFIELD).

During these next 6 weeks, the President of the United States will have the chance to evaluate the arms control impact statement, which has only been made available to the Members of the Senate over the past few hours. Many of the statements in this particular impact statement raise many questions that are going to be subject to, I believe, additional interpretations and additional comment.

The President himself, in a letter to the chairman of the Armed Services Committee, has indicated he wants not only to examine the impact statement, but also to obtain an evaluation from the Department of Defense on this particular weapons system.

This particular procedure will give the Senate access to the same assessments that will be available to the President of the United States, in making its judgment. It will permit the Senate as well as

the House of Representatives to make this judgment.

It seems to me that we should retain, therefore, an important responsibility which appropriately should be ours, for a continued role for us in the important decisionmaking process on this weapons system.

It seems to me that the issue is well understood. It is vastly superior to the process of permitting the two-House veto. This will permit the membership of one House of Congress to exercise independent judgment. I believe that a matter of this importance and consequence deserves that consideration.

I offer this amendment on behalf of myself, the Senator from Oregon (Mr. HATFIELD), and the Senator from Idaho (Mr. CHURCH).

Mr. STENNIS. Mr. President, I will be brief in this matter.

As the Senator from Massachusetts has said, I think it is well understood, and I believe the Senate wants to vote soon. I certainly do not want to cut off anybody else who wants to speak, including the Senator from Massachusetts.

I say to the Senate that we have now, after a very fine debate, by a decisive vote, 38 for the amendment and 58 against, declined to put this limitation on the money—that is, declined to vote this weapon out of the bill.

It will be a fairly short time until the President will make a decision, will have to make a decision. I submit that he went as far as a person could go in the statement he made at the request of those involved in the debate.

Ordinarily, I am strongly for the institution and the institution expressing itself. But on a highly important matter, an international affairs matter, from several viewpoints—NATO, the SALT talks, general relations with the other nations around the world, day in and day out, I respectfully submit, especially in view of this decisive vote, that we should not now put these crippling strings on this, these words that tend to limit the President and do not permit him to be the real spokesman for this Nation, as the Chief Executive.

I do not believe we should come in now and belittle and demean him and his position. I do not plead for the man. I plead for the position, as I always have, whoever was President. It does not make good sense, it does not make sound logic, and I do not believe it is sound Government, especially when we come in and try to have a veto of his actions, something we have already passed on once, by a vote of one House—not Congress, but just one House—giving a negative vote to kill the whole thing, kill this vote we have just taken, kill the judgment he might make in the affirmative.

As a matter of principle and commonsense and sound government, we should let the voice we have already spoken continue to be the voice of this body, certainly for this weapon, so far as this bill is concerned, and thereafter things will be an open book on other weapons and other times. Let us stick to the judgment we have already made.

Mr. KENNEDY. Mr. President, I, too, should like to make the argument about the institutions of Government.

It seems to me that in the previous vote, we authorized and effectively appropriated the money to permit the President to make a considered judgment after the chance to examine the impact statement and the information that would be provided him by the Department of Defense. There were Members of this body who would deny him that authority and that responsibility independent of the Congress.

I am arguing for a shared responsibility. We have given the President the resources he desired, by the vote here earlier this evening. However, what I am arguing is that this is going to be a shared responsibility, for him to make that decision sometime in August and permit this institution, the Senate of the United States, to examine the same information that he examines in terms of the recommendations made by the Department of Defense and the Arms Control and Disarmament Agency. This should be a shared responsibility between us and the executive branch.

The Senate is now quite clearly on record that it would refuse to deny the President an opportunity to approve this system, even though there were other options in terms of supplemental appropriations or other procedures. We have given him and the executive branch the ability to move ahead, but we intend to protect at least the institutional prerogatives of this body to examine the material and to make the independent judgment in terms of our Nation's interests.

So, for the reasons of preserving institutions and preserving the orderly process of government, this amendment was offered.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield to the Senator from Idaho.

Mr. CHURCH. Mr. President, I am very happy to join in the cosponsorship of this amendment.

Earlier in the day, I spoke at length about the possible implications of a neutron warhead. It is a new weapon. It could have serious destabilizing effect.

There are good arguments both for and against this weapon. I do not propose to repeat my own arguments now. I only ask the Senate not to jump to judgment on such a momentous issue. The President has said that he will not jump to judgment. He has reserved for himself several more weeks before he finally makes up his mind. Why cannot Congress do the same?

What the distinguished Senator from Massachusetts proposes is an opportunity for Congress to give further consideration to this matter; and when the President has acted, has made his own determination, Congress will have a final opportunity to pass judgment on it. That is in the best traditions of our constitutional system.

I hope the Senate will support the amendment.

Mr. CASE. Mr. President, as one Member of this body, I am affronted by the demand that we approve the production of a weapon about which the President says he will make up his mind later. It is turning things on their heads. It makes us look like fools or sheep or some completely unnecessary, vestigial, part of the public parade.

It will do no good to try to bull this thing through tonight. It is wrong. This particular proposal raises very deep and delicate questions which should be considered by both the Executive and Congress and a joint decision should be made by them at the time the decision is ready to be made.

If the President is not in a position, as he frankly says, to make that decision now, how can he ask us to make it now?

And why should he do this? If we stand for anything, we in Congress should stand for our right to make an independent judgment upon a matter of this consequence.

When all of the facts are in, and when the President has the information necessary to make a determination, then we should have that same information, and at the same time.

I know of no reason why a matter should be gone about in this backward way except that when a person gets into a position of pushing something and smells blood, then he wants to push it so strongly that he will ride over all opposition. We will disgrace this body if we permit this to be done, Mr. President.

There is no need whatever for us to act upon this at this time. It has been pointed out again and again and again.

There may have been good reason on the part of some people—and I believe there was reluctance on the part of some to vote for the amendment offered by the Senator from Oregon because of its impact, perhaps, upon what they regard as the reputation or standing of the President——

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. CASE. Surely.

Mr. BARTLETT. I would ask the Senator from New Jersey if he is saying, in effect, that this body should not act until and unless the President has made up his mind and made a firm decision and then requested us to act? It seems to me that this matter should be decided upon its merits as this body sees them whether or not the President agrees or whether or not the President has made up his mind. As far as future information is concerned that he might have available, we would have that available at that time also, and what this body does it can undo.

Mr. CASE. What this body does, it can undo if the President says it can undo it. The effect of this particular proposal is just the same as if we put this thing off to make the decision at the same time. That is the point, that is the whole point. We cannot undo this under the bill as it now stands without amendment unless this amendment or something similar is adopted. We cannot undo this without the President's approval.

So it is not correct to say that we will be making up our minds at that time. We will not. We will be making up

our minds if the President lets us make up our minds.

Are Senators in a position where they want to give the President that kind of veto of our decision—when we come to make it at the same time he makes it—and on the basis of the information that will be available to him at that time and is not apparently available to him now or he would have made his decision? He says he will not be able to do it until the 15th of August. Why then should we take this step now?

It seems to me we are stultifying ourselves completely, that we are turning our backs on our responsibility to make up our own minds as a legislative body unless this amendment or something very close to it is adopted. I strongly believe this body wants to do that and is being rushed a little bit too fast at this time into action on the grounds of either some party loyalty or loyalty to a man or to an institution. Loyalty first comes to the Senate of the United States and, in that way, to the people of this country. This is not a matter of prestige at all. It is a matter of arriving with the greatest possible wisdom at decisions which may affect future generations more than anything else that has happened in civilized life in this world up to now.

To make this decision at the last minute, late in the evening, under the pressure of "let us get the job behind us and go home," is not the way to answer this responsibility.

If there are those who now know enough to make this decision I would have no quarrel with them for their desire to make it, except this: that they should not force those of us who are not yet in a position to make this decision at this time; and no such argument as "Let us give the President the right to make this decision," should prevail upon any Member of the Senate of the United States. It is ours to make and ours alone, and we cannot avoid that responsibility by saying "The President will know all, he is the fellow who really ought to be allowed to run the show. He is the Commander-in-Chief."

True, he is, but it is up to us to vote for or against the money for this purpose, and we should not do it until we have as much information as the President feels he needs to make his own decision in the matter.

Several Senators addressed the Chair.

Mr. PERCY. Mr. President, will the Senator from New Jersey yield for a question?

Mr. CASE. Surely.

Mr. PERCY. I would like to ask the Senator from New Jersey about this. There is one paragraph in this impact statement and I ask whether it bothered him as much as it bothered the Senator from Illinois. This Congress and this Senate have been working for several years now to help arrest proliferation. This is an effort that the Senate has worked on for years, and we have through many administrations worked on this as a matter of national policy.

I really do not fear a nuclear exchange between the Soviet Union and the United States is imminent at all. I have never talked to world leaders who are more terrified of the implications of this than those who possess the bomb.

What I am worried about is those who do not, who are not as sophisticated, and who might go into terrorist tactics and might sometime blackmail the whole world.

This statement, a very short sentence but a powerful one, in the impact statement we received this afternoon is cause for me to stop, look, and listen, and not want to rush ahead and vote authorization and appropriations here for something that is as subject to question as this statement makes it. This comes right from the impact statement we received today:

> Some governments might couple a decision to deploy ER weapons with perceptions that U.S. doctrine has changed so as to make the use of nuclear weapons more likely in a tactical situation; such a coupling could have an adverse effect on U.S. efforts to prevent further nuclear proliferation.

Having sat and listened to 50 witnesses, including Dr. Lilienthal, who said, "I am glad I am as old as I am"—here is the first chairman of the Atomic Energy Commission—"I would not want to be the age of my children or my grandchildren. The world is too dangerous," when we have an impact statement putting us on notice that this action may change perceptibly the world impression of our attitude toward the use of nuclear weapons, and also might prevent further nuclear proliferation, a major effort made by the President of the United States as a candidate for office, and in major policy speeches, then I think at least we can take the time to further study the implications of that. I see no reason to rush ahead and vote on this matter. For this reason I will support the pending Kennedy amendment.

Mr. HART. Mr. President, will the Senator yield?

Mr. CASE. I think I still have the floor.

The VICE PRESIDENT. The Senator from New Jersey still has the floor.

Mr. CASE. I shall not detain my colleagues really appreciably longer. But the Senator from Illinois is absolutely right. Our colleague, Senator NUNN, has a pretty good sense of these things. One of the things he worries about is that this is going to be blown out of all proportion as a great weapon that is going to revolutionize the position of Western forces in Europe. He worries about it because it may, well he thinks, denigrate further their own interest, the interest of the Western powers in Europe in protecting themselves and making the necessary effort.

This is a serious matter. It is most important that we not go into it in such a way that it is going to arouse illusory hopes or, on the other side, as the Senator has said, the idea that we had changed in some way our basic nuclear policy so as to rely upon technical weapons of this sort. These are big questions. They are not questions to be brushed aside in a rush to adjourn on a warm July evening when people want to get home.

It would be wrong for us to vote tonight, and I believe that we shall not take any final action tonight. I certainly hope we should not, and certainly we should not approve this production before the President has determined that it is a necessary and right thing for us to do.

Several Senators addressed the Chair.

Mr. HART. Mr. President, 2 weeks ago the President of the United States did not even know this weapon existed. Two weeks ago I would dare say 95 Senators of the United States did not know this weapon existed, and it was not until the last few days that any of us knew anything about it.

Now we can talk at great length about whose fault this is, but that is not the issue here tonight. The issue tonight is whether the Senate of the United States wants to give the President of the United States a blank check to decide later on whether to make a major tactical decision about the deployment of nuclear weapons on the battlefield. That is the issue. It is not the characteristics of these weapons or whose fault it was that we did not know. The issue is whether the Senate wants to abdicate its responsibilities for making a major decision of this sort and, for that reason, I think the Kennedy amendment makes eminently good sense.

It is not whether you favor the weapon or not. It is not whether it is a good weapon or not. It is not whether we were told in time. The question is, what is the Senate's constitutional responsibility in a decision of this sort?

I think the Constitution, as I read it, is very clear. Therefore, I ask the Senator from Massachusetts to add me as a cosponsor of the amendment.

Several Senators addressed the Chair.

The VICE PRESIDENT. The Senator from South Carolina.

Mr. HART. Mr. President, I yield to Senator——

Mr. LEAHY. Mr. President, I believe the Senator yielded to me.

The VICE PRESIDENT. The Chair is of the opinion that the floor was yielded by the Senator from Colorado and the Chair recognized the Senator from South Carolina.

Mr. THURMOND. Mr. President, I make a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. THURMOND. Mr. President, the Kennedy amendment is legislation on an appropriations bill. I request a ruling by the Parliamentarian.

Mr. KENNEDY. Mr. President, I submit that this is germane and I ask that the decision be made by the Members.

The VICE PRESIDENT. The Chair under Senate rule XVI now submits to the Senate the question raised by the Senator from Massachusetts (Mr. KENNEDY); namely, is the amendment germane or relevant to the subject matter of the House-passed bill? The question is not debatable.

Mr. KENNEDY. I ask for the yeas and nays.

The VICE PRESIDENT. Is there sufficient second?

There is a sufficient second.

The yeas and nays are ordered.

The clerk will call the roll.

Mr. STENNIS. Mr. President, will the

Chair state the question? All I ask is ment germane? Is the question?

The VICE PRESIDENT. Is the amendment germane? Is the question.

Mr. KENNEDY. An affirmative vote would indicate that it is germane; is that correct?

The VICE PRESIDENT. The Senator is correct.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, may we have order?

The VICE PRESIDENT. The Senate will be in order.

The clerk will proceed.

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. HATFIELD. Regular order, Mr. President.

Mr. KENNEDY. Regular order.

Mr. CRANSTON. I announce that the Senator from Louisiana (Mr. LONG), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Montana (Mr. METCALF), and the Senator from Wisconsin (Mr. NELSON) are necessarily absent.

The yeas and nays resulted—yeas 48, nays 47, as follows:

[Rollcall Vote No. 281 Leg.]

YEAS—48

Abourezk	Durkin	Metzenbaum
Anderson	Eagleton	Moynihan
Bayh	Gravel	Muskie
Bellmon	Hart	Pearson
Biden	Haskell	Pell
Brooke	Hatfield	Percy
Bumpers	Hathaway	Proxmire
Case	Heinz	Randolph
Chafee	Huddleston	Riegle
Church	Javits	Sarbanes
Clark	Kennedy	Sasser
Cranston	Leahy	Sparkman
Culver	Mathias	Stevenson
Danforth	Matsunaga	Weicker
DeConcini	McGovern	Williams
Dole	Melcher	Zorinsky

NAYS—47

Allen	Goldwater	Nunn
Baker	Griffin	Packwood
Bartlett	Hansen	Ribicoff
Bentsen	Hatch	Roth
Burdick	Hayakawa	Schmitt
Byrd, Harry F., Jr.	Helms	Schweiker
	Hollings	Scott
Byrd, Robert C.	Humphrey	Stafford
Cannon	Inouye	Stennis
Chiles	Jackson	Stevens
Curtis	Johnston	Stone
Domenici	Laxalt	Talmadge
Eastland	Lugar	Thurmond
Ford	Magnuson	Tower
Garn	McClure	Wallop
Glenn	Morgan	Young

NOT VOTING—5

Long	McIntyre	Nelson
McClellan	Metcalf	

The VICE PRESIDENT. On this vote there are 48 yeas and 47 nays. The amendment is held germane.

The question is on agreeing to the amendment.

Several Senators addressed the Chair.

The VICE PRESIDENT. The Senator from Alabama.

Mr. ALLEN. Mr. President, I believe that the Senate voted by a one vote margin to hold that this amendment is germane knowing that it is really not germane, because it is not merely legislation on an appropriation, but provides for a complicated procedure providing for a one House veto of the President's action.

Much has been said about the power in the hands of the President under this bill. Actually, the President is not given any authority under the bill that he does not already have. They said, "Well, why should the Senate act before the President acts?"

If the President had the veto power over the congressional action, Congress would be acting. Congress would be making up its mind. If this amendment should be defeated and the bill is left intact, without any amendment, the Senate would be acting, would be stating its position, would be making a decision on the issue, and the President would merely have the power that he already has—that of authorizing or not authorizing the development and production of what may or may not be a new weapon.

I have been told that down at Huntsville, Ala., several years ago, in connection with the Safeguard system there they had some 70 of these bombs there at one time. So it is not a new weapon.

I feel that the majority of the Senate is opposed to this amendment. The Senate has acted by a 20-vote margin against the Hatfield amendment, and to take the bill as is.

In order that there will be a vote more nearly on the issue than deciding it merely on a procedural ground, I move to table the Kennedy amendment, and I ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Alabama. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Louisiana (Mr. LONG), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Montana (Mr. METCALF), and the Senator from Wisconsin (Mr. NELSON), are necessarily absent.

The result was announced—yeas 51, nays 44, as follows:

[Rollcall Vote No. 282 Leg.]

YEAS—51

Allen	Goldwater	Packwood
Baker	Griffin	Ribicoff
Bartlett	Hansen	Roth
Bellmon	Hatch	Schmitt
Bentsen	Hayakawa	Schweiker
Burdick	Helms	Scott
Byrd, Harry F., Jr.	Hollings	Stafford
	Huddleston	Stennis
Byrd, Robert C.	Humphrey	Stevens
Cannon	Inouye	Stone
Chiles	Jackson	Talmadge
Curtis	Johnston	Thurmond
Dole	Laxalt	Tower
Domenici	Lugar	Wallop
Eastland	Magnuson	Young
Ford	McClure	Zorinsky
Garn	Morgan	
Glenn	Nunn	

NAYS—44

Abourezk	Case	Danforth
Anderson	Chafee	DeConcini
Bayh	Church	Durkin
Biden	Clark	Eagleton
Brooke	Cranston	Gravel
Bumpers	Culver	Hart
Haskell	McGovern	Randolph
Hatfield	Melcher	Riegle
Hathaway	Metzenbaum	Sarbanes
Heinz	Moynihan	Sasser
Javits	Muskie	Sparkman
Kennedy	Pearson	Stevenson
Leahy	Pell	Weicker
Mathias	Percy	Williams
Matsunaga	Proxmire	

NOT VOTING—5

Long	McIntyre	Nelson
McClellan	Metcalf	

So the motion to lay on the table was agreed to.

The VICE PRESIDENT. The bill is open to further amendment.

(Mr. MATSUNAGA assumed the chair.)

Mr. ROBERT C. BYRD. Mr. President, I have been reliably informed that there are some other amendments. As it was told to me, there are possibly three or four other amendments, depending on the outcome of the votes, I suppose, which deal with the institutional role of Congress. Let me say just a few words before I offer an amendment so that the record will be clear as to what the issue is.

My position is, No. 1, that I am for the neutron warhead—no ifs, ands, or buts. I support the production and deployment of the weapon.

No. 2, I believe that Congress should retain an institutional role in the matter to a degree. I am convinced that there is enough sentiment in this body supportive of an institutional role for Congress to keep this matter before the Senate for a while if this amendment is not adopted. I am also concerned that, unless there is an institutional role for Congress written into this bill, I am not sure that the votes are here to pass this bill.

On the question of germaneness, I voted no. I do not quarrel with anyone else's vote. In my judgment, the amendment of the able Senator from Massachusetts obviously was not germane, but the Senate voted otherwise.

The same question could be raised against the amendment I shall offer, but the Senate has already spoken as to the germaneness of the subject.

Finally, I do not prefer a one-House veto. I favor a two-House role in this very important question. That is the position that has been advocated by Mr. NUNN of Georgia for some days, now, that there ought to be an institutional role, but he advocates the two-House veto idea. I offer this amendment with apologies to the chairman of the committee. He has stood on this floor and fought for the bill. I think that, before bringing the bill to the floor, he did everything within his power to make that bill acceptable, in a reasonable way, to both the Congress and the President. We do not act wisely if we send to the President a bill that he will veto, if we obviously cannot override the veto, and based on the vote some time ago in the House, the Congress cannot override a veto of this bill.

It would mean we would just have to do our work over and that does not do anybody any good.

Now, with the support of Mr. NUNN, Mr. HUMPHREY, and others, in drawing

up this amendment, I am prepared to offer this amendment on behalf of myself and the minority leader. The language, for the most part, was drawn by Mr. NUNN.

I feel that if an amendment on this matter is going to be adopted, which includes a role by the Congress, that amendment should be offered by Senators who clearly are for the neutron warhead, then no doubts can go abroad as to the intent and motive behind the amendment.

I think I have good reason to say that if the Senate adopts this amendment sponsored by the majority and minority leaders, both of whom are for the neutron warhead, then there can be no misunderstanding abroad as to the purpose of the amendment. It will not be interpreted as a crippling amendment or as a roadblock to prevent the President from making an affirmative decision to go forward with the neutron warhead. It is authored by Senators who have already made clear as to where they stand on the subject of the neutron warhead. I am sure the Soviets as well as our allies know enough about this country and about our form of government to understand what we mean by an institutional role.

I do not think there would be the misunderstanding of an amendment sponsored by supporters of the neutron warhead that might otherwise be the case if such an amendment did not have such sponsorship. I have already stated that Senator NUNN, a strong supporter of the neutron warhead, is the principal author of the language.

Mr. BAKER. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, there are not many cases when a minority leader can speak with more authority than the majority. However, in this matter in making it entirely clear that this amendment is intended to preserve the institutional rights and options of Congress, it is my rare opportunity to state with some authority that the minority has no intention of either diminishing the authority of the President or withholding any support from him in the formulation of policy as Commander in Chief.

The distinguished majority leader has presented a point of view with which I concur. As he knows, and as most of my colleagues know, my original position was not only in support of the nutron bomb, but was in opposition to any limitation on the President's authority pursuant to the appropriation.

It is my judgment now after the rather extensive debate on this issue, that the best interests of the Senate, the Congress, the President, and the country, are well served by putting this matter to rest.

I think this amendment is fair and equitable and I am pleased to cosponsor it with the distinguished majority leader.

I might say that I have conferred with each member of the Republican leadership in the Senate and expressed to them my views in this respect. I believe I have their consent to my cosponsorship of this measure with the distinguished majority leader so that the message that is sent by the Senate in adopting this amendment—if it is adopted—will be clear that we are not diminishing the authority of the President, we are simply regularizing the matter of the participation of the Congress.

Mr. ALLEN. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes

Mr. ALLEN. Do I understand the Senator to say that this, in effect, is practically the same amendment that was pending before the Senate when we recessed some 2 weeks ago?

Mr. ROBERT C. BYRD. It, in essence, is that.

Mr. ALLEN. I thank the Senator

UP AMENDMENT NO. 655

Mr. ROBERT C. BYRD. Now, Mr. President, I offer the amendment and I ask that the clerk read it and sit while he is reading it so that his voice can be heard clearly by all Senators.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD), and the Senator from Tennessee (Mr. BAKER), propose an unprinted amendment numbered 655:

On page 3, line 16, strike the period and insert the following:

"Provided further, That none of the funds appropriated in this Act shall be used for production of enhanced radiation weapons until the President certifies to Congress that production of these weapons is in the national interest; provided further, however, that after such certification is received, production may proceed, unless within 45 days Congress by concurrent resolution disapproves such production: *Provided further*, That such disapproval resolution be referred to the appropriate committee, and if the committee has not reported the resolution at the end of ten calendar days after its introduction, it is in order to move to discharge the committee from further consideration, which motion shall be privileged and shall not be debatable. A motion to proceed to the resolution shall be privileged and not be debatable. Debate on the resolution shall be limited to not more than ten hours which shall be equally divided between, and controlled by, the Majority Leader and the Minority Leader or their designees. Amendments to the resolution shall not be in order and debate on any debatable motion or point of order submitted by the Chair shall be limited to not more than thirty minutes to be equally divided between, and controlled by, the mover and the Majority Leader or his designee. Motions to recommit the resolution or to reconsider the vote by which the resolution was disposed of shall not be received.

Mr. KENNEDY. Mr. President, I will not delay the Senate for any more than just one or two moments. I do feel that I owe the Senate an explanation for my proposal for a one-House veto, in comparison with the proposal that has been put forward to the Senate by the majority and minority leaders.

It seemed to me, Mr. President, that on a matter of as great importance and consequence as this weapons system, it was appropriate before we were to move into the production and deployment of this weapons system, that it have the active support of the Members of the House of Representatives and the Senate of the United States. And if either one of those constitutionally framed bodies were to have serious reservations on the basis of their hearings and the basis of their debates and discussions, that that ought to be, in and of itself, sufficient to prevent at that particular time the deployment of this particular weapons system.

It seemed to me that, particularly on this issue, this body, the U.S. Senate has a very special responsibility, because having listened to the debate today and previously, the foreign policy implications of this particular weapons system can be crucial.

After we heard about the implications of this particular weapons system for our NATO allies, in terms of Western Europe, the foreign policy considerations became extremely clear in terms of the debate. This particular weapons system has important foreign policy implications which would have required the Senate to make an important judgment on this particular question.

I think that further supported the reasons and justifications for a one-House veto.

But as one who believes very deeply in the continuing institutional role of the Congress, it does seem to me that this particular proposal does deserve support for preserving some limited role—although I fear it will be extremely limited—for Congress to exercise a judgment on this particular weapons system.

We will have an opportunity to debate it, to consider the best judgment of the President of the United States, the Arms Control and Disarmament Agency, the National Security Council. We will be able to act again, and in that sense we will be able to express our Nation's interest here in the U.S. Senate, as will our colleagues in the House of Representatives. I think we do a service, therefore, to the institution of the Senate as well as to the House of Representatives by accepting this amendment, and I will support it.

Mr. JAVITS. Mr. President, I shall be extremely brief, too.

The minority leader spoke about not denigrating the powers of the President. We must not denigrate, either, if we are to have security and liberty, the powers of Congress.

I believe the majority leader and minority leader have acted with great responsibility in this matter. This should be very gratifying to the country. It is to me. I will support this amendment.

SEVERAL SENATORS. Vote! Vote!

Mr. STENNIS. Mr. President, I will be brief in this matter. This has been a very difficult subject. It is a sticky matter. It was not understood; it had not been in the news.

I have never been prouder of the Senate than I have been as I saw the membership gradually grasp the facts that are involved here. With many of them, it went right on down the line and became a very hard vote for them to make. But it sunk in very deeply that this was important with many of them, and more of them saw there was a deep responsibility, to take a chance of being misunderstood, and they would have to stand up and be counted.

I am grateful for all the help. I did not do all this work, not by any means. The Senator from Oregon has been mighty fine, as he always is. I have had help from the minority leader, the majority leader, and the Senators on the Armed Services Committee. We gathered around a table many times and did not know

what to do and how to move. We called the White House. I never promised the White House anything and never had anything from them except the letter.

It was a very difficult matter. But I based my position on the ground of the importance of the matter and the closeness of time.

We are almost to the point where the President will make the final decision. He sent a mighty good letter, I thought, and put himself on the spot even more than the law does.

I made my plea this afternoon to defeat the amendment which was offered in good faith. As I sensed it—and many of those helping me did not see it this way—even though there were things about it that some did not like, their sense of duty would swing them around and make them vote against the amendment, and that is exactly what happened.

As I say, I have no grievance against those who want to offer this amendment. I think it is a mistake, especially after the one that has been defeated. But it is offered in good faith, and I have no grievance with anyone about it. I thank Senators for helping on a difficult bill.

I have heard the idea expressed that there will not be enough votes to pass this bill. There is $10.3 billion in this bill. It has the money for ERDA and the money for controversial water projects. It has the breeder reactor money, and now it has this neutron warhead money. The bill will pass when we get to a final vote.

However, I cannot support this amendment. I believe that we are not standing up to our institution any time we give ourselves a veto power. This is one case where I think it is error. Come what will, I think we have to have strong Presidents, men who will make a judgment and take a chance and stand with it and ride with it. That is more and more true every day, every year.

With all deference, the idea of giving one House a veto power is unthinkable to me, as a practical matter, and is outside the Constitution. I think this is not a case in which we should have any kind of veto power. I will oppose it, giving the finest kind of motives to all those who see it the other way.

I think this has stirred things up a lot. I do not think anyone at the White House or the Ford White House was guilty of any neglect. But I think these statements will be coming through more regularly now and more promptly. [Laughter.] And good will come from that. In that way, the Senator from Oregon was the battleship in the fight.

I would hate to see us tie strings on in this case. I am afraid it will hurt.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. ALLEN. I thank the Senator for yielding, and I will take only a moment.

I have no quarrel at all with this amendment. As a matter of fact, I was one of the cosponsors of the amendment that was pending before the Senate at the time of the recess of the Senate.

I feel that it is not amiss to give Congress—both Houses, not one House—the veto power over the President's decision. However, the distinguished Senator from Mississippi, the chairman of the committee and the floor manager of the bill, whom I regard as one of the great patriots in our country and in the history of our country, feels so strongly about leaving the bill intact—he feels that the President's hands should not be tied—that I am going to follow his recommendation in this matter, even though I know the amendment is going to be agreed to overwhelmingly, as does the distinguished Senator from Mississippi. I shall vote against the amendment, even though I have no quarrel with the amendment.

Mr. STENNIS. I thank the Senator from Alabama.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. SCOTT. Mr. President, I concur with the remarks that have been made by the distinguished Senator from Alabama. I believe we are fortunate, when we are considering an appropriation bill that deals with public works and with energy and research, that we have a distinguished chairman of the Armed Services Committee as the floor manager of the bill.

Our distinguished chairman—and I am privileged to serve with him on that committee—is as much concerned about the defense of this country and is as knowledgeable about defense matters as is any other Member of the Senate. So we are fortunate, when we have a bill such as this, something that relates to defense, to be handled by the distinguished Senator from Mississippi.

I think it is a close question as to whether or not this amendment should be adopted, so I am not going to follow the leadership on either side of the aisle, but am going to vote with the chairman of the Armed Services Committee and vote against the amendment.

I appreciate the Senator yielding.

Mr. STENNIS. I thank the Senator very much.

Mr. President, I will not take any further time of the Senate. Much has been said about this being a hidden item, something that had not been told, that Senators had not had a chance to learn about it. I ask unanimous consent to have printed in the RECORD a portion of page 13 of the committee report this year, the report of the Armed Services Committee laying out the fact, spelling it out, giving the Lance and the enhanced radiation warhead as special needs, and figures and everything else, which is typical of our record all the way through.

Anyone who had time to look for it could have found it. They are certainly not to be blamed if they did not know it. There are plenty of them that I have not known.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

$336,700,000 will support the production of nine new weapons for the war reserve: the B–61–3, B–61–4 and B–61–5 tactical bombs; the Lance enhanced radiation warhead; the warhead for the Trident I missile; the full fuzing option strategic bomb; the Mark 12–A warhead; the 8-inch artillery projectile; and the common warhead for the land attack cruise missiles and the short range attack missile.

The recommended amount for the production of these nine weapons reflect a $19,600,000 net reduction from the budget request. The committee fully supports the production of these weapons, because they are necessary elements of our future deterrent. The recommended changes merely adjust funding levels of six weapons production programs to make them consistent with Department of Defense changes in program schedule or design. They are:

Weapon	*Change (In thousands)*
LANCE enhanced radiation warhead	−3,200
Trident I missile warhead	−5,500
Mark 12–A warhead	−8,700
8-inch artillery projectile	−3,100
Common warhead for the land attack cruise missile and the short range attack missile	+2,700
The standard missile warhead	−1,800

The committee would consider a request for reallocation of authority for funds for the standard missile warhead if a requirement develops.

Mr. STENNIS. I yield the floor.

Mr. HUMPHREY. Mr. President, I just wanted to make these comments. I was an original supporter of the Hatfield amendment. I have been in the Senate a long time, and this was one occasion were I found the debate was helpful, enlightening, and convincing. Also, may I add, a great deal of effort has gone into finding a reasonable solution to a very difficult problem.

I was the author of the impact amendment to the Arms Control and Disarmament Agency Act. I was very disturbed over the fact that the thrust of that law was not fulfilled in the filing of and making available the impact statement.

Today we received that statement and it was not all what I would have liked. It has not been easy for me to vote as I have, but I have done so because I have faith in this President. He has talked to us; he met with the leadership. His representative, the Secretary of Defense, has been with us.

I am convinced that the President of the United States will make the proper decision in reference to the production and deployment of this weapon. I am also convinced that this amendment that is before us does preserve our prerogatives. It is, indeed, a matter of foreign policy, but it is on an appropriation bill, and the two Houses of Congress have control over appropriations.

This weapon is not nearly as great a deviation from normal nuclear weaponry as the MIRV, and we never had this much commotion over the MIRV.

This weapon is a brutal weapon, as all nuclear weapons are. Our President prays for the day when we will be able to do away with nuclear weapons. No President of the United States in my memory has addressed this Nation as he has to say that it is his goal to see the end of nuclear weaponry.

This President has presented to the Soviet Union arms control proposals that were far-reaching. This President is a man of peace, but he is also a man of firmness and of principle.

I am going to give him the benefit of the doubt. I agree with the Senator from Mississippi we need not only a strong President but we need one of idealism, conviction, and character. I think we

have such a man and, therefore, I have cast my votes today contrary to what many people might have thought this Senator would do, because I believe it was in the national interest.

I believe that had anything, any message, gone from this body today that would have indicated to our friends in Western Europe or our allies or to those who are our adversaries that we were uncertain, that there was an uncertain trumpet here, there was uncertain leadership here, that it would do us great damage.

Thank goodness the Senate finally will resolve this problem and I think we are doing it the right way in this Byrd-Baker amendment.

SEVERAL SENATORS. Vote! Vote!

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. May I just take but 1 minute. I have the deepest respect for the chairman, the manager of this bill, and for the ranking member. I do not feel there are any greater patriots or statesmen or finer Senators than these two men.

As the majority leader, I like to back up a chairman. But in this instance I felt that I had to do what I have done. It pains me and I do it with regret, but I think that, in the interest of moving on, in the interest of maintaining a reasonable role for the legislative branch, and in the interest of adopting an amendment which, I think, in some form would be adopted whether or not the leadership joined in it, as I see it from my feeble lights, it is my duty to take the action I have taken. So I apologize to the chairman.

Mr. STENNIS. I thank the Senator. He does not have to apologize. The Senator realizes that I have no grievance.

Mr. HATFIELD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I realize there is no debate on a rollcall vote, but I have a feeling that the bill will pass immediately after this vote, so if Senators would stay, we could vote quickly on final passage, and the manager of the bill says there should be a rollcall.

The PRESIDING OFFICER. The question is on agreeing to the Byrd-Baker amendment. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Louisiana (Mr. LONG), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Montana (Mr. METCALF) and the Senator from Wisconsin (Mr. NELSON) are necessarily absent.

Mr. STENNIS. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

The result was announced—yeas 74, nays 19, as follows:

[Rollcall Vote No. 283 Leg.]

YEAS—74

Abourezk	Durkin	Melcher
Anderson	Eagleton	Metzenbaum
Baker	Ford	Moynihan
Bayh	Glenn	Muskie
Bellmon	Gravel	Nunn
Bentsen	Griffin	Pearson
Biden	Hart	Pell
Brooke	Haskell	Percy
Bumpers	Hatfield	Proxmire
Burdick	Hathaway	Randolph
Byrd, Harry F., Jr.	Hayakawa	Ribicoff
	Heinz	Riegle
Byrd, Robert C.	Hollings	Roth
Cannon	Huddleston	Sarbanes
Case	Humphrey	Sasser
Chafee	Inouye	Schweiker
Chiles	Jackson	Sparkman
Church	Javits	Stafford
Clark	Johnston	Stevens
Cranston	Kennedy	Stevenson
Culver	Leahy	Stone
Curtis	Magnuson	Talmadge
Danforth	Mathias	Weicker
DeConcini	Matsunaga	Williams
Dole	McGovern	Zorinsky

NAYS—19

Allen	Helms	Scott
Bartlett	Laxalt	Stennis
Domenici	Lugar	Thurmond
Eastland	McClure	Tower
Garn	Morgan	Young
Hansen	Packwood	
Hatch	Schmitt	

NOT VOTING—7

Goldwater	McIntyre	Wallop
Long	Metcalf	
McClellan	Nelson	

So the amendment was agreed to.

Mr. THURMOND. Mr. President, I rise in support of H.R. 7553, the Public Works for Water and Power Development and Energy Research Appropriations Act, 1978.

Funds for two projects, with which I am very familiar, are included in this piece of legislation. The projects to which I am referring are the Richard B. Russell hydroelectric project, located between South Carolina and Georgia, and the Barnwell reprocessing facility, located near Barnwell, S.C. I am pleased that the Senate has acknowledged the value of these projects to South Carolina and the Nation by continuing funds for them.

It is well-known that energy consumption, and thus energy production, is directly tied to the standard of living enjoyed by a society. This measure provides for the continued development of energy sources and needed energy research which will assure that we maintain the highest standard of living in the world.

I urge my colleagues to join me in support of this measure.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 7553) was read the third time.

Mr. STENNIS. Mr. President, I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER (Mr. BURDICK). The Senate will be in order. The clerk will suspend until order is restored.

The clerk may proceed.

The rollcall was resumed and concluded.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Louisiana (Mr. LONG), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Montana (Mr. METCALF), the Senator from Maine (Mr. MUSKIE), and the Senator from Wisconsin (Mr. NELSON) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. PACKWOOD), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee (Mr. BAKER) would vote "yea."

The result was announced——yea 86, nays 3, as follows:

[Rollcall Vote No. 284 Leg.]

YEAS—86

Allen	Ford	Melcher
Anderson	Garn	Metzenbaum
Bartlett	Glenn	Morgan
Bayh	Gravel	Moynihan
Bellmon	Griffin	Nunn
Bentsen	Hansen	Pearson
Biden	Hart	Pell
Brooke	Haskell	Percy
Bumpers	Hatch	Randolph
Burdick	Hatfield	Ribicoff
Byrd, Harry F., Jr.	Hathaway	Riegle
	Hayakawa	Sarbanes
Byrd, Robert C.	Heinz	Sasser
Cannon	Helms	Schmitt
Case	Hollings	Schweiker
Chafee	Huddleston	Scott
Chiles	Humphrey	Sparkman
Church	Inouye	Stafford
Clark	Jackson	Stennis
Cranston	Javits	Stevens
Culver	Johnston	Stevenson
Curtis	Kennedy	Stone
Danforth	Laxalt	Talmadge
DeConcini	Leahy	Thurmond
Dole	Lugar	Tower
Domenici	Magnuson	Weicker
Durkin	Mathias	Williams
Eagleton	Matsunaga	Young
Eastland	McClure	Zorinsky

NAYS—3

McGovern	Proxmire	Roth

NOT VOTING—11

Abourezk	McClellan	Nelson
Baker	McIntyre	Packwood
Goldwater	Metcalf	Wallop
Long	Muskie	

So the bill (H.R. 7553, as amended) was passed.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 7553.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I move that the Senate insist on its amendments, request a conference with the House on the disagreeing votes, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. STENNIS, Mr. MAGNUSON, Mr. ROBERT C. BYRD, Mr. HOLLINGS, Mr. JOHNSTON, Mr. HUDDLESTON, Mr. BURDICK, Mr. SASSER, Mr. MCCLELLAN, Mr. HATFIELD, Mr. YOUNG, Mr. CASE, Mr. SCHWEIKER, and Mr. BELLMON conferees on the part of the Senate.

Mr. STENNIS. I thank the Chair.

Mr. ROBERT C. BYRD. Mr. President, I take the floor at this time to compliment the distinguished chairman on his handling of this very important and controversial bill. In my judgment, this is probably the most controversial and bitterly fought measure the Senate has had before it this year. It had the controversial water projects. It had the Barnwell, S.C., issue. It involved the Clinch River project. It contained the neutron warhead funding. All of these are issues which were controversial. Members had deep feelings with respect to the issues on both sides of the aisle and on both sides of the question. It was discussed at length prior to the Independence Day holiday.

The manager of the bill, as I have watched him for 19 years in the Senate, has always stood on his feet, stood his ground, maintained his position, stood by his convictions and his principles, fought for what he thought was right, and, in his own inimitable form, fashion and way has once again managed a most difficult bill.

I do not remember, really, seeing the Senator manage an easy bill during my time here. I have seen him stand on the Senate floor for weeks on a military procurement bill, day after day, long hours into the evenings. The leadership has always had his cooperation to the fullest. I admire him. I respect him and his ability, his competence, his dedication, his high sense of purpose, his courtliness. In my estimation, this is a Senator who is the epitome of a gentleman, as well as the epitome of what, in my judgment, a Senator should be.

I congratulate him. I thank him on behalf of the Senate and on behalf of the leadership.

Of course, he knows my friendship for him and he knows that I offered the amendment late today in what I thought was the best interests of the Senate under the circumstances. But I know that all of the Senate recognizes his dedication and the fine job and the hard work that he always gives to every matter that comes within the jurisdiction of his committee.

Mr. STEVENS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. STEVENS. I join the majority leader and tell the distinguished floor manager that, the longer we are around here, the more we realize the great workload that you have taken on for the Senate and for the country.

We admire you and admire your steadfastness to the principles you have fought for for so long.

I particularly want to thank you in behalf of the minority for your fairness, your candor, and your gentlemanliness in dealing with us all on an equal basis.

It has been a hard-fought bill. For a minute there, I thought it was another military bill, but I had to go back and realize that we are really dealing with public works.

Mr. STENNIS. Let me say to the Senator from West Virginia and the Senator from Alaska that I deeply appreciate their sentiment and their very generous and fine words. I am most grateful and most humble, too, about it.

What little I did was just a small part of all the work put together by a great number of the membership here, who were very active in helping work out matters. They certainly helped me a great deal.

Furthermore, the staff of our Appropriations Subcommittee, including our three special assistants here, though only two are present—Mr. Proctor Jones, Mr. David Gwaltney, and Mr. David Lohman assisted by Mrs. Gloria Butland—do a monumental job. Only those of us who see them do it every day realize how much they do.

This bill, gentlemen, by the way, was handled by three staff members only. They doubtless got some help from a few other staff members, from time to time, but it is an amazing thing.

Well, I thank you again, very much, and I thank everyone connected with the bill. Just stay with us through conference. I do not know what we shall get back with, but there are problems, as you know. We shall do the best we can.

Mr. ROBERT C. BYRD. I thank the Senator.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, at the request of Mr. MORGAN, I ask unanimous consent that the Senate go into executive session to consider a nomination reported earlier today that is at the desk, which has been cleared on both sides.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

DEPARTMENT OF JUSTICE

The assistant legislative clerk read the nomination of Harold M. Edwards, of North Carolina, to be U.S. attorney for the western district of North Carolina.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. MORGAN. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 1 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in recess until the hour of 1 p.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, at this stage of the session, it is a little unusual for the Senate to come in at 1 p.m. I believe I owe the Senate an explanation.

THE OUTER CONTINENTAL SHELF BILL

The bill that is due to come before the Senate tomorrow is the Outer Continental Shelf bill. The manager on this side of the aisle is Mr. JACKSON. Mr. JACKSON cannot be on the floor before 1 o'clock tomorrow because he is conducting a markup of an energy bill in his committee. He has already set the time for 10 o'clock tomorrow for his committee to meet and proceed with that markup.

So out of deference to his situation, realizing that he cannot be in both places at the same time, the leadership has no alternative but to wait until 1 o'clock tomorrow so as to allow Mr. Jackson to proceed with the work of his committee as scheduled.

The same thing is true of the members of the minority on his committee who would also be involved in the floor action on the OCS bill.

So it is for that reason that the leadership is coming in tomorrow at 1 o'clock p.m.

ACTIONS ON BEHALF OF INDIAN TRIBES

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1377.

The PRESIDING OFFICER (Mr. BURDICK) laid before the Senate the amendments of the House of Representatives to the bill (S. 1377) to extend the time for commencing actions on behalf of an Indian tribe, band, or group, as follows:

Strike out all after the enacting clause, and insert: That (a) the third proviso in section 2415(a) of title 28, United States Code, is amended by deleting the words "after August 18, 1977" therein, and substi-

tuting the words "after July 18, 1979" in their place.

(b) The proviso in section 2415(b) to title 28, United States Code, is amended by deleting the words "on or before August 18, 1977" therein, and substituting the words "on or before July 19, 1979" in their place.

Amend the title so as to read: "An Act to amend the statute of limitations provisions in section 2415 of title 28, United States Code, relating to claims by the United States on behalf of Indians.".

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate disagree with the House amendments and request a conference with the House of Representatives and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. BURDICK) appointed Mr. ABOUREZK, Mr. METZENBAUM, Mr. MELCHER, Mr. HATFIELD, and Mr. BARTLETT conferees on the part of the Senate.

ORDER FOR BILL TO BE HELD AT DESK

Mr. CRANSTON. Mr. President, I ask unanimous consent that H.R. 7678, relating to the assignment of retired military personnel to the American Battle Monuments Commission, be held at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PACKWOOD AND FOR CONSIDERATION OF THE OUTER CONTINENTAL SHELF MEASURE ON TOMORROW

Mr. CRANSTON. Mr. President, I ask unanimous consent that after the two leaders have been recognized on tomorrow, Senator PACKWOOD be recognized for 15 minutes, and that thereafter the Senate proceed to the consideration of the Outer Continental Shelf bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I would point out, if the Senator will yield, that the time agreement we are operating on means we will vote no later than 6 p.m. on the second day of consideration of the Outer Continential Shelf bill. That still is the agreement, is it not?

Mr. CRANSTON. Yes.

Mr. STEVENS. I thank the Senator.

RECESS UNTIL 1 P.M. TOMORROW

Mr. CRANSTON. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 1 p.m. tomorrow.

The motion was agreed to, and at 9:39 p.m., the Senate recessed until tomorrow, Thursday, July 14, 1977, at 1 p.m.

NOMINATIONS

Executive nominations received by the Senate July 13, 1977:

DEPARTMENT OF THE INTERIOR

Forrest J. Gerard, of Maryland, to be an Assistant Secretary of the Interior, vice Albert C. Zapanta, resigned.

RAILROAD RETIREMENT BOARD

Earl Oliver, of Illinois, to be a member of the Railroad Retirement Board for the remainder of the term expiring August 28, 1978, vice Wythe D. Quarles, Jr., resigned.

NUCLEAR REGULATORY COMMISSION

Peter Amory Bradford, of Maine, to be a member of the Nuclear Regulatory Commission for a term expiring June 30, 1982, vice Marcus A. Rowden, term expired.

ACTION AGENCY

John Robert Lewis, of Georgia, to be an Associate Director of the ACTION Agency, vice Ronald E. Gerevas, resigned.

Mary Frances Cahill Leyland, of New York, to be an Assistant Director of the ACTION Agency, vice Willard H. Meinecke.

Irene Tinker, of Maryland, to be an Assistant Director of the ACTION Agency, vice Harry J. Hogan, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 13, 1977:

DEPARTMENT OF JUSTICE

James R. Burgess, Jr., of Illinois, to be U.S. attorney for the eastern district of Illinois for the term of 4 years.

James P. Buchele, of Kansas, to be U.S. attorney for the district of Kansas for the term of 4 years.

Ronald S. Reed, Jr., of Missouri, to be U.S. attorney for the western district of Missouri for the term of 4 years.

Albert S. Hinds, of Illinois, to be U.S. marshal for the eastern district of Illinois for the term of 4 years.

Frank J. Anderson, of Indiana, to be U.S. marshal for the southern district of Indiana for the term of 4 years.

DEPARTMENT OF STATE

William E. Schaufele, Jr., of Ohio, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Greece.

Gerard C. Smith, of the District of Columbia, to be Ambassador at Large and United States Special Representative for Non-Proliferation Matters, and to be also the Representative of the United States of America to the International Atomic Energy Agency.

Frank V. Ortiz, Jr., of New Mexico, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Barbados.

Frank V. Oritz, Jr., of New Mexico, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Grenada.

W. Howard Wriggins, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Sri Lanka.

Louis A. Lerner, of Illinois, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Norway.

Lawrence A. Pezzulo, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Uruguay.

DEPARTMENT OF JUSTICE

Robert B. King, of West Virginia, to be U.S. attorney for the southern district of West Virginia for the term of 4 years.

Harold M. Edwards, of North Carolina, to be U.S. attorney for the western district of North Carolina for the term of 4 years.

DEPARTMENT OF COMMERCE

Richard Asher Frank, of the District of Columbia, to be Administrator of the National Oceanic and Atmospheric Administration

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

(Statements in connection with bills and joint resolutions introduced today are as follows:)

By Mr. PROXMIRE (by request):

S. 1846. A bill to amend the Truth in Lending Act to simplify credit cost disclosures, and for other purposes; to the Committee on Banking, Housing and Urban Affairs.

Mr. PROXMIRE. Mr. President, I am today introducing by request legislation drafted by the Federal Reserve Board to simplify the Truth in Lending Act.

This draft is now being considered in hearings before the Committee on Banking, Housing, and Urban Affairs, and its introduction will assure the widest possible distribution of this proposal.

By Mr. METCALF (for himself, Mr. HATFIELD, and Mr. LEAHY):

S. 1847. A bill to improve the operation and extend the scope of the Federal Advisory Committee Act; to the Committee on Governmental Affairs.

FEDERAL ADVISORY COMMITTEE ACT AMENDMENT OF 1977

Mr. METCALF. Mr. President, today I introduce the Federal Advisory Committee Act Amendments of 1977, on behalf of the Senior Senator from Oregon, Mr. HATFIELD, the junior Senator from Vermont, Mr. LEAHY, and myself.

These amendments would extend the act's coverage to additional units of Government, open the advisory committee membership selection process to public scrutiny, delete exemption 9(B) of the Government in the Sunshine Act as grounds for closing an advisory committee meeting, and provide for administrative review and court challenge of a determination to hold a closed advisory committee meeting.

The Federal Advisory Committee Act, Public Law 92–463, set standards and prescribed uniform procedures to govern the establishment, operation, administration and duration of the committees, boards, commissions, councils, task forces, and other citizen panels which advise the President or agencies or officers of the Federal Government. It also stipulated that each advisory committee meeting be open to the public unless it is "concerned with matters" which the Freedom of Information Act exempts from mandatory public disclosure.

One change has been made in the Federal Advisory Committee Act since it went into effect on January 5, 1973. Subsection 10(d) was amended by the Government in the Sunshine Act, Public Law 94–409, to substitute the 10 Sunshine Act exemptions for the 9 FOIA exemptions as grounds for closing an advisory committee meeting. The principal difference is that the new set of exemptions contains nothing comparable to FOIA exemption 5, which shields certain in-

teragency and intraagency documents and had been converted into an all-purpose alibi for barring the public from advisory committee meetings.

LAST YEAR'S AMENDMENT

In the 94th Congress, the Federal Advisory Committee Act Amendments of 1976, S. 2947, were introduced on 6 February, 1976, by Senator HATFIELD and me. The Subcommittee on Reports, Accounting and Management held three days of hearings—on 8, 9, and 10 March, 1976—on S. 2947 and on S. 3013, introduced by Senator PERCY.

Based on agency comment and the testimony of witnesses on those measures, and in view of passage of the Sunshine Act, several provisions of last year's amendments have been dropped. For example, it is no longer necessary to propose deletion of FOIA exemption 5 as grounds for closing a meeting.

Another provision of S. 2947 has been dropped not because the problem it addressed has vanished, but because it was widely and wrongly taken to propose inclusion of other kinds of committees within the term "advisory committee." The provision was intended to establish a formal procedure and responsibility for determining when a committee was "operational" rather than advisory and therefore fell outside the domain of the act. There is still a need to know when such distinctions are made and who makes them, but no such provision has been included in the amendments I introduce today.

A third provision of S. 2947 that has been dropped would have required at least one-third of the members of a committee to be drawn from citizens in private life "who shall represent the interests of the public with respect to the subject matter before the advisory committee." Instead, the 1977 amendments propose that agency heads issue a "fair balance statement" at the same time they announce the names of advisory committee appointees—an approach suggested by a witness at our hearings last year, Professor Henry J. Steck of the State University of New York, College at Cortland.

Also dropped from last year's amendments are provisions for a comprehensive review of all advisory committees having a lifetime of less than a year, and for an annual report by the President listing the names and affiliations of all persons employed as consultants or experts under section 3109 of title 5, United States Code. The subcommittee is pursuing this matter through a study which will be followed by oversight hearings.

NEED TO IMPROVE THE FACA

Mr. President, the subcommittee has overseen administration of the Federal Advisory Committee Act now for 4½ years. It is vastly improved over what it was, yet problems persist. Consider the dimensions of the Federal Government's far-flung network of advisory committees:

Advisory committees held 4,694 meetings in 1976, counting a meeting held on two or more consecutive days as one meeting, which is 515 more meetings than they held in 1975. Reported Federal costs to operate and support advisory committees for the year totaled $59.7 million. At year's end there were 1,159 advisory committees, a decrease—albeit partly illusory—of 108 from the total a year earlier.

If the scope of advisory committee operations can be reduced, so should the problems associated with them, except for the lack of openness. Only 59 percent of the meetings held in 1976 were fully open to the public. To improve that performance will require eliminating as many committees as possible among those favoring closed meetings and emphasizing openness among the survivors.

President Carter in February ordered a Governmentwide, zero-base review of the advisory committees not mandated by statute—about 80 percent of the total. Agency heads responded by recommending 304 committees for merger or termination. Saying he believes that more can be done, the President then ordered a second go-around, much like the repechage, or second chance to qualify, in Olympic rowing. The results may reduce the advisory committee census to 800, or even less.

Such a reduction would certainly cut out deadwood committees, although I believe that what matters more than the actual number of committees at any given moment is whether committees are necessary, fairly balanced, active and open, and are undergoing rigorous annual review by the agencies, the Office of Management and Budget and congressional committees. To stress numbers apart from evaluation could inspire expedient mergers and invite the use of "informal" or "unofficial" panels that do everything chartered advisory committees do but are neither counted nor accountable as such.

It also might encourage resort to oversize catchall committees with endless subcommittes. The visible committee tip would not hint at the invisible mass below.

At last year's hearings, OMB witnesses suggested that the FACA could be improved without amendment through a revision of OMB Circular No. A–63 implementing it. I agree that some problems could be solved by a rewrite of the OMB guidelines, but I do not believe that all of them could. Also, OMB has seemed uncertain at times past whether the "administrative guidelines" it issues pursuant to the act have the same force and effect as "regulations" would. Amending the act would be the most direct course.

As I noted last year, in drafting amendments I have tried to avoid the pitfall of codifying an administrative remedy for all of the problems encountered in 4½ years of close oversight of the act. That could easily compound the problems instead of solving them.

EXTENDING THE ACT'S COVERAGE

The amendments I introduce today would extend the act's coverage to the Federal Reserve System, which at present is expressly exempted, to the advisory committees of the National Railroad Passenger Corporation and the U.S. Postal Service, and to the Smithsonian Institution, which obtained an opinion from the Justice Department on February 19, 1976, that it is not subject to the FOIA, the FACA, or the Privacy Act.

It would also extend coverage to advisory committees of various units of the legislative branch, apart from the Congress itself, including the General Accounting Office, Library of Congress, Congressional Budget Office, Office of Technology Assessment, Government Printing Office, and the Architect of the Capitol.

Mr. President, I plan to include with my statement an outline of these amendments, which will speak for itself. However, I would like to explain the proposed deletion of sunshine exemption 9(B) as grounds for closing an advisory committee meeting. Exemption 9(B) permits closing of a meeting if it is likely to disclose information the premature disclosure of which would in the case of any agency, be likely to significantly frustrate implementation of a proposed agency action.

While the potential utility of this exemption seems clear for a decisionmaking sunshine agency, it is not at all clear for an advisory committee, which is neither an agency nor a decisionmaker. All that an advisory committee can do is offer nonbinding advice or recommendations.

Last November, OMB issued a revision of Circular No. A–10, dealing with preparation of the President's budget, which proposed that a meeting to discuss the agency's budget proposal prior to transmittal by the President to the Congress of the budget of which it becomes a part, would be eligible for closure under 9(B). The circular closed with the veiled threat that "agencies will be held responsible for the propriety of determinations that would lead to the disclosure of this budgetary information."

I have written OMB Director Bert Lance stating my concern about the tenor and timing of the revision, its tenuous legal footing and its possible effect on the operation of advisory committees. Among other things, the revision could jeopardize the decision Dr. Donald H. Fredrickson, Director of the National Institutes of Health, made last year, with the concurrence of OMB, to open NIH advisory committee meetings on budget development.

So far, not many advisory committees are using exemption 9(B). The High Energy Physics Panel of the Energy Research and Development Administration has just done so to close discussion of "possible construction and shutdown of some facilities to be included in the fiscal year 1979 budget." The National Endowment for the Arts cites it regularly in conjunction with other exemptions to close meetings of its peer review panels. The Food and Drug Administration claims the right to invoke 9(B), but I am not certain that it has actually done so yet.

Noting that the exemption is not yet in widespread use, disagreeing with OMB's recommended application of it

to discussions of budgetary information, and seeing in it the potential for misuse akin to that afforded by FOIA exemption 5, I propose to delete the exemption.

Mr. President, Chairman RICHARDSON PREYER of the Government Information and Individual Rights Subcommittee of the House Government Operations Committee plans to introduce similar amendments in the near future and to hold hearings on them in the fall. The Subcommittee on Reports, Accounting, and Management will hold hearings on FACA amendments in late summer or early fall.

I ask unanimous consent that an outline and the text of the amendments be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1847

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Federal Advisory Committee Act Amendments of 1977.

SEC. 2. Section 3 of the Federal Advisory Committee Act (P.L. 92-463) is amended—

(1) by inserting the following new subparagraph in paragraph (2):

(D) established or utilized by the Smithsonian Institution, including all subsidiary organizations thereof, the General Accounting Office, including the Comptroller General, the Library of Congress, including the Librarian of Congress, the Government Printing Office, including the Public Printer, the Congressional Budget Office, the Office of Technology Assessment, and the Architect of the Capitol.

(2) by striking out ", the Commission on Government Procurement, and (iii)" and inserting in lieu thereof "and (ii)".

(3) by striking paragraph (3) and inserting in lieu thereof the following:

"(c) the term 'agency' has the same meaning as in section 551(1) of Title 5 of the United States Code, and includes any executive department, military department, Government corporation, Government controlled corporation, or other establishment in the executive branch of the Government (including the Executive Office of the President or any independent regulatory agency)."

SEC. 3. Section 4(b) of the Federal Advisory Committee Act is amended by inserting before the word "the" in paragraph (2), the words "the Open Market Committee of".

SEC. 4. Section 7 of the Federal Advisory Committee Act is amended by adding at the end thereof the following new subsection:

"(f) The President shall maintain in the Office of Management and Budget a comprehensive, complete, and current list of all advisory committee members, including the name, address, principal business, labor, academic or agency affiliation, and such other information as may be relevant of each such member, in such form and manner as will permit the inspection of such list by name of the individual member, affiliation, and such other indices as may be relevant, each in alphabetical order. An alphabetized index of Federal advisory committees, their members, and businesses, universities, unions and agencies and other entities represented on advisory committees, as of the end of each calendar year, shall be published no later than June 30 of the following year.

SEC. 5. Section 8 of the Federal Advisory Committee Act is amended by adding at the end thereof the following new subsection:

"(c) In addition to the other responsibilities set forth in this section the head of each agency which has an advisory committee shall—

"(1) publicly solicit nominations for advisory committee members;

"(2) require that the names, addresses and principal business, labor, academic or agency affiliations of advisory committee members be publicly announced at the time each such member is appointed; and

"(3) issue a statement at the same time that the names of new members of advisory committees are announced explaining why such appointees constitute a fairly balanced committee within the meaning of this Act, and a full and complete statement as to the affiliations and backgrounds of each such appointee.".

SEC. 6. Section 9(c) of the Federal Advisory Committee Act is amended—

(1) by striking out "and with the standing committees of the Senate and the House of Representatives having legislative jurisdiction of such agency." and inserting in lieu thereof the following: "and with the United States Congress by transmitting to the President pro tempore of the Senate and the Speaker of the House of Representatives one copy of such charter for referral to the appropriate standing committees of their respective bodies."; and

(2) by striking out "and" in paragraph (I);

(3) by striking out the period in paragraph (J) and inserting in lieu thereof a semicolon and "and"; and

(4) by adding at the end thereof the following new paragraphs:

"(K) the number of committee members to be appointed, the method of selection and and appointment of any such members, and the qualifications to be sought for each such member;

(L) the conditions of tenure with respect to how an individual serving upon such committee who does not contribute to the activities of the committee on which he serves may be removed from such committee; and

(M) the means by which a vacancy on the committee is to be filled.".

SEC. 7. Section 9 of the Federal Advisory Committee Act is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "which shall catalog and make readily available to the public the committee charters and annual reports required to be filed by this section."

SEC. 8. Section 10 of the Federal Advisory Committee Act is amended by adding at the end thereof the following new subsection:

"(g)(1) Notice of a closed advisory committee meeting shall be published in the Federal Register at least 30 days before the proposed date of any such meeting.

"(2) If any person reasonably believes that it is in the public interest that any such closed advisory committee meeting shall be open such person may by means of a written letter directed to the head of the agency to which the advisory committee reports request that such meeting be held open. The agency head shall respond to such letter, with a conclusive determination that such meeting shall be open or shall be closed, not later than 5 days after the date of the receipt of any such letter, provided that such letter is received 5 days before the commencement of any such meeting. If the determination made by the agency head is that such closed meeting shall remain closed, any person who believes he has been aggrieved by such determination may appeal the matter as a matter of right to any United States District Court to enjoin the closing of any such meeting.

"(3) A verbatim transcript or an electronic recording shall be made of each meeting or any portion of a meeting closed to the public.

"(4) An advisory committee which has a meeting which is closed shall maintain a public list of the names and affiliations of all persons who attended such closed meeting of any advisory committee and the subject of such meeting."

SEC. 9. Section 10(d) of the Federal Advisory Committee Act is amended—

(1) by inserting "(1)" immediately after "10(d)";

(2) by inserting immediately after "Code" the following: "except subsection (c)(9)(B) of that section";

(3) by striking out "issue" in the last sentence thereof and all that follows through the end of such sentence and inserting in lieu thereof the following: "issue a report in each quarter in which an advisory committee closes all or part of a meeting in any such quarter which shall set forth a summary of its activities with respect to any such meeting as would be informative to the public."

"(2) The Attorney General of the United States shall submit an annual report to the Congress on or before March 1 of each calendar year, stating the number of cases arising under challenges to closed meetings as set forth in this subsection, the matters involved in each case, the disposition of each case, and the position of the Department of Justice if adverse to that of the advisory committee.".

SEC. 10. Section 12 of the Federal Advisory Committee Act is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following new subsection:

"(b) Records required to be kept by subsection (a) shall clearly, completely, and conspicuously disclose the receipt and disposition of any nonappropriated funds or any thing of value received for the support, operation, or maintenance of any advisory committee and the source and amount of any such nonappropriated funds or any thing of value received.".

SEC. 11. At the end of the Act, add the following new section:

ENFORCEMENT AND PENALTIES

"SEC. 16(a) On complaint, the district court of the United States in the district in which the complainant resides, or has his principal place of business, or in which the advisory committee is situated, or in the District of Columbia, shall have jurisdiction to hear and determine whether any agency, agency employee or member of any advisory committee is in violation of any of the provisions of this Act and to issue such injunctions or orders as may be necessary to ensure compliance with the requirements of this Act. The court shall determine the matter de novo and may examine agency employees, advisory committee members, and the records thereof in camera, or otherwise, in making such determination; and the burden shall be on the agency, agency employee or advisory committee member to sustain its action or conduct as lawful.

(b) The district court may assess against the United States reasonable attorneys' fees and other litigation costs reasonably incurred in any case under this section in which the plaintiff has substantially prevailed.

(c) In the event of noncompliance with any order of the court, the district court may punish for contempt the responsible agency employee or advisory committee member.

(d) Whenever the district court additionally finds that the circumstances surrounding the violations of any provisions of this Act raise questions whether agency personnel or any advisory committee member acted arbitrarily or capriciously in carrying out their actions, the Civil Service Commission shall promptly undertake a proceeding to determine whether disciplinary action is warranted against the agency employee, or whether the membership of the advisory committee member should be terminated. The Commission, after investigation and

consideration of the evidence submitted, shall submit its findings and recommendations to the administrative authority of the agency concerned, or to the President, as the case may be, and shall send copies of the findings and recommendations to the agency employee or advisory committee member involved. The administrative authority shall, and the President may, in circumstances involving advisory committees for the President, take the corrective action that the Commission recommends.

(e) There shall be assessed against any individual held to have wilfully violated any of the provisions of this Act, a civil penalty in the sum of not more $100 for each day such individual is in violation of any provision of this Act, which in aggregate shall not exceed $50,000, to be collected by the Attorney General of the United States in a civil action in any of the several district courts of the United States."

(b) Section 12 of the Federal Advisory Committee Act is amended by adding at the end thereof the following new subsection:

"(d) Advisory committee members shall be subject to the conflict of interest provisions of Public Law 87-849 (18 U.S.C. 202 (a)) and the substantive provisions of Executive Order 11222 (promulgated May 8, 1965), except that the designation as a special government employee for conflict of interest purposes neither confers nor implies a right of any agency or agency head to withhold from the public information such agency or agency head makes available to advisory committee members on the grounds that such members have been characterized as special government employees.".

OUTLINE OF FEDERAL ADVISORY COMMITTEE ACT AMENDMENTS OF 1977

COVERAGE

Extend coverage to the United States Postal Service and the National Railroad Passenger Corporation (by adopting the broader definition of *agency* incorporated in the Freedom of Information Act of 1974).

Extend coverage to the General Accounting Office, the Library of Congress, Government Printing Office, Congressional Budget Office, Office of Technology Assessment and the Architect of the Capitol.

Remove the Federal Reserve System's exemption from coverage, so the act will apply to its advisory committees (but retain the exemption for the Federal Reserve's Open Market Committee).

MEMBERSHIP

Require agencies to publicly solicit nominations for advisory committee membership.

Require that the names and principal affiliations of advisory committee members—business, labor, academic or agency—be publicly announced at the time they are appointed.

Require the agency head to issue a "fair balance statement" at the same time these names are announced which explains why this group of appointees constitutes a fairly balanced committee within the meaning of the FACA.

ANNUAL REPORT

Require the President to maintain in the Office of Management and Budget a comprehensive and current list of all advisory committee members, alphabetized by affiliation, and so on (that is, a complete membership index), which shall be published in his annual report.

Provide that the Attorney General shall submit an annual report to the Congress on litigation under the FACA, such as he does now on litigation under the Freedom of Information Act.

ADVISORY COMMITTEE MEETINGS

Require that notice of a closed advisory committee meeting be published in the Federal Register at least 30 days before the proposed date of such meeting.

Provide for administrative review prior to a closed meeting of any person's challenge of the agency's determination to close that meeting.

Create a statutory right of any person to ask a United States District Court to enjoin the closing of any such meeting if the agency head determined on administrative review that the meeting would remain closed.

Require that a verbatim transcript or electronic recording be made of each meeting or portion of a meeting that is closed to the public.

Require that an advisory committee keep a public list of the names and affiliations of all persons who attend a closed meeting.

Delete exemption 9(B) of the Government in the Sunshine Act as grounds for closing an advisory committee meeting ("disclosure information the premature disclosure of which would in the case of any agency, be likely to significantly frustrate implementation of a proposed agency action").

Require an advisory committee that closes all or part of a meeting to file an informative, quarterly report summarizing its activities.

ADVISORY COMMITTEE CHARTERS

Require that such charters specify the number of committee members to be appointed, the method of selection and appointment of any such members, and the qualifications to be sought.

Provide that such charters state conditions of tenure, explaining how a person who does not contribute to the activities of the committee on which (s)he serves could be removed, and how a vacancy on the committee would be filled.

SANCTIONS

Add an enforcement and penalty section which provides that on complaint a United States District Court would have jurisdiction to issue injunctions or orders to assure compliance with the provisions of the FACA. The court would be authorized to assess reasonable attorneys' fees where the complaint prevailed. Where the court additionally finds that circumstances surrounding any violations of the act raise questions as to arbitrary and capricious action on the part of an agency employee or advisory committee member, the Civil Service Commission must initiate a proceeding to determine whether disciplinary action should be taken by the agency against the employee or whether the advisory committee membership should be terminated. (These enforcement steps are generally similar to those found in the Freedom of Information Act.) Also, the new section provides for penalties to be assessed against individuals who wilfully violate the act. Such penalties are to be collected by the Attorney General in a civil action.

NONAPPROPRIATED FUNDS

Requires that advisory committee records clearly, completely and conspicuously disclose the receipt and disposition of any nonappropriated funds or any thing of value received for the support, operation or maintenance of the advisory committee, and the source and amount of any such nonappropriated funds or any thing of value.

CONFLICT OF INTEREST

Stipulate that advisory committee members are subject to the conflict of interest provisions of Public Law 87-849 (18 U.S.C. 202(a)) and Executive Order 11222 (May 8, 1965), but note that deeming them "special government employees" for conflict of interest purposes neither confers nor implies a right of an agency to withhold from the public the information it makes available to advisory committee members.

By Mr. WILLIAMS:

S. 1849. A bill to amend the Internal Revenue Code of 1954 to exclude from the gross income of employees contributions by employers to certain insurance plans; to the Committee on Finance.

S. 1850. A bill to amend section 302(c) of the Labor Management Relations Act of 1947; to the Committee on Human Resources.

Mr. WILLIAMS. Mr. President, today I am introducing legislation which would make it possible for employers to offer group automobile insurance coverage for their employees as part of a negotiated fringe benefit package. The changes which my bills make in amending section 302(c) of the Labor Management Relations Act and the Internal Revenue Code would result in significant economic advantages for the working men and women of America.

We all know that group rates for insurance offer substantial cost savings for participating purchasers. One of the most common methods of establishing a group plan—a method particularly attractive to working people—is to have employers make contributions to a life or health insurance plan as part of their negotiated fringe benefit package. However, present law does not permit coverage of automobile property and casualty insurance on such an employer-supported group basis.

The bills which I have introduced today would eliminate this exclusion by permitting employers and employees to make contributions to trust funds established to provide auto insurance coverage for their employees and give workers tax relief for making such contributions.

Section 302 of the Taft-Hartley Act (29 U.S.C. § 186) was designed to preserve the integrity of the labor-management relationship and the collective bargaining process by prohibiting payments by employers to employee representatives. However, this broad prohibition was modified through the enactment of a series of exceptions which authorize employer payments to certain employees benefit trust funds, including those providing life, health, and accident insurance, where certain administrative safeguards are established. Over the years, most collective bargaining agreements have provided for such plans and the system has gained wide acceptance.

In 1973, Congress amended section 302 of the act to permit employer-employee contributions to a jointly administered trust fund established to provide prepaid group legal services. The legislation also permitted unions to negotiate a payroll checkoff for the workers' payment of that porton of the premium not paid by the employer. These bills would extend the same rules to auto insurance.

This proposal would benefit employees in several ways. First, the high selling costs factored into individual insurance policy premiums—about 15 percent of the total cost—would be avoided, reducing overall policy costs.

Second, automobile insurance is a

form of insurance which most individuals are required to purchase. Therefore, group insurance offered as a negotiated benefit by employers would not only provide a benefit for employees but would also result in direct savings, in some cases amounting to several hundred dollars a year. Finally, my proposal to amend the Internal Revenue Code so that employer contributions to trust funds would not be included in the calculation of an employee's gross income would insure broad acceptance of this concept by employees.

I welcome the support of labor and business leaders alike for this important extension of present law, and I now ask unanimous consent that the full text of both bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1849

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 124 as section 125 and by inserting after section 123 the following new section:

"SEC. 124. EMPLOYER CONTRIBUTIONS TO PLANS PROVIDING PROPERTY AND LIABILITY INSURANCE COVERAGE FOR EMPLOYEES.

"Gross income of an employee does not include amounts contributed by an employer to or under any insurance plan which provides property and liability insurance coverage for his employees.".

(b) The table of sections for such part III is amended by striking out the item relating to section 124 and inserting in lieu thereof the following new items:

"Sec. 124. Employer contributions to plans providing property and liability insurance coverage for employees.

"Sec. 125. Cross references to other Acts.".

SEC. 2. The amendments made by the first section of this Act shall apply to taxable years ending after the date of the enactment of this Act.

S. 1850

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 302(c) of the Labor Management Relations Act of 1947 (29 U.S.C. 186(c)) is amended by inserting immediately after clause 8 the following: "or (9) with respect to money or other thing of value paid by an employer to a pooled or individual trust fund established by such representative for the purpose of providing or defraying the costs of motor vehicle, homeowners multiple peril, fire, or other insurance benefits for employees, their families and dependents: *Provided,* That the requirements of clause (B) of the proviso to clause (5) of this subsection shall apply to such trust funds.".

SEC. 2. The amendment made by section 1 shall become effective on the date of enactment of this Act.

By Mr. CHILES:

S. 1851. A bill to amend chapter 21 of the Internal Revenue Code of 1954 to clarify certain provisions relating to the payment of social security taxes by a nonprofit organization failing to file a certificate providing social security coverage for its employees; to the Committee on Finance.

Mr. CHILES. Mr. President, I am today introducing legislation which will clarify certain provisions of current tax law which at the present time place unreasonable social security tax burdens on some charitable, religious, and educational organizations.

Nonprofit organizations have for some time not been required to pay social security taxes unless they elected to do so. If such a decision was made, the organization was required to file with IRS a certificate waiving the social security tax exemption. A problem became evident, however, when many nonprofit organizations were continuing to collect and pay FICA taxes without having filed for a waiver. In order to protect those employees on whose behalf the taxes had been paid, Congress addressed this problem during the last session and enacted legislation which became Public Law 94–563. This legislation insured continuing coverage for the employees by providing that, in cases where a nonprofit organization elected to continue to collect and pay social security taxes, a waiver of exemption would be deemed to have been filed.

While this legislation was necessary in order to validate the social security credits of employees of affected nonprofit organizations, I believe when Congress acted on this matter last fall there was inadequate understanding of the legislation's full impact with respect to the creation of retroactive tax liabilities for some charitable institutions. For this reason, I feel we need to clarify the statute's intent with respect to organizations which as a result of the new law are now faced with the prospect of repaying large amounts of FICA taxes.

A number of nonprofit organizations have collected and paid social security taxes not knowing an exemption existed. Upon learning of the exemption many of these organizations stopped collecting FICA taxes and applied for and received a refund for the taxes they erroneously paid. Under the provisions of Public Law 94–563 those organizations that had received a refund are given the option of repaying the refund, and thus reinstating coverage for all employees, or of covering only those employees who desire coverage by paying back the refunded taxes only with respect to those employees. In these cases the refund could be repaid in installments worked out with the Treasury.

Other nonprofit organizations stopped collecting FICA taxes upon learning of the exemption but never received a refund for the taxes already paid. Instead of treating these organizations like those who had in fact received a refund for previously paid taxes, the current law treats these organizations as if their coverage had continued uninterrupted. They are treated by the law the same way as those organizations which have elected to continue paying social security taxes but have never filed a waiver. Consequently, these organizations are required to pay the unpaid taxes since the time they stopped making such payments and are not given the option of claiming future exemption or reinstating coverage for those employees who desire it.

The retroactive tax liability has placed a serious financial burden on organizations which now must repay large amounts of social security taxes. One organization in my State, a nonprofit drug rehabilitation organization, is expected to repay approximately $35,000 for the period for which social security taxes were not collected. Another organization engaged in the rehabilitation of delinquent children has a tax liability of approximately $55,000. Additionally, these organizations must continue to collect and pay FICA contributions for their employees, putting in jeopardy the programs they have since adopted for their employees in lieu of social security.

I am sure many other religious, charitable, and educational organizations throughout the country have been similarly affected by this law. The critical situation is worsened by the fact that these organizations must pay the amount in a lump sum by July 30 of this year. Clearly, legislation is the only relief available for those organizations which elected to stop collecting and paying social security taxes but never received a refund for past taxes collected. This legislation would effectively address this problem and I hope it receives the prompt and positive action it deserves in order to make sure those organizations which unknowingly collected and paid taxes before becoming aware of their exemption, would not be unnecessarily taxed.

By Mr. JAVITS (for himself, Mr. WILLIAMS, Mr. RIEGLE, Mr. CASE, Mr. RIBICOFF, Mr. BROOKE, Mr. KENNEDY, and Mr. WEICKER):

S. 1853. A bill to provide for equalizing the costs of unemployment compensation, revising the extended benefits program, and for other purposes; to the Committee on Finance.

Mr. JAVITS. Mr. President, I am introducing today the Unemployment Compensation Act of 1977, in which I am joined by Senators WILLIAMS, RIEGLE, CASE, BROOKE, KENNEDY, WEICKER, and RIBICOFF. This legislation is urgently needed in order to revitalize and strengthen the Federal-State unemployment insurance, UI, system which is now facing the greatest crisis in its more than 40-year history.

Ever since it was conceived in the depths of the Depression, the UI system has been the mainstay both of workers who have lost their jobs through no fault of their own, and of the national economy by automatically helping to stabilize the economy and to moderate steep economic fluctuations. But today it is threatened with financial collapse in the wake of the longest and deepest economic decline we have experienced since the 1930's.

The recession of the past 3 years has created strains on the UI system which it cannot continue to bear. We must focus our attention immediately on two aspects of the system:

First, its financial stability is severely jeopardized by its inability, without mas-

sive Federal loans to the States, to meet the overwhelming volume of benefit claims since 1974;

And, second, it has been unable to meet even minimum income security needs of long-term unemployed workers without a series of ad hoc emergency legislation extending the duration of benefits.

The Unemployment Compensation Reform Act of 1977, in my judgment, resolves these two pressing issues on a permanent basis, and at the same time provides much needed relief for the immediate crisis.

I find it remarkable that so little attention has been given to these structural problems. How can we ignore the threat to this system that is supposed to protect virtually all workers in America against the devastating economic effects of losing their jobs. The Federal Government has said to those workers that they are entitled, as a matter of right, to partial compensation for lost income due to layoffs under a system of insurance paid for on the basis of their own earnings. It bears emphasizing that this is not welfare; it is fundamentally an insurance system which preserves the dignity of each individual worker. I believe these workers are now entitled to know how the Federal Government, as the principal partner in this Federal-State system, is going to restore financial stability to the UI system and enable it to meet future recessions when they occur.

The unemployment insurance system today stands in debt to the Treasury of the United States in amounts exceeding $13 billion. With the latest report that 7 million workers are seeking work and unable to find jobs, the prospect is for even deeper indebtedness for years to come unless action on relief and reform is instituted quickly.

Without this proposed legislation, the only recourse will be for States and the Federal Government to continue to penalize employers and workers alike through more and more payroll taxes. In fact, this has already occurred to an alarming degree. The Unemployment Compensation Amendments enacted last year have already increased the Federal unemployment insurance tax rate from 0.5 to 0.7 percent of covered wages, and beginning next year will increase the taxable wage base by nearly 50 percent. The States themselves have already increased UI taxes during the recession so that the ratio of State UI tax receipts to taxable wages increased 32 percent from 1974 to 1976. Even worse, projections by the Office of Management and Budget are that from 1970 to 1980 there will have been nearly a fourfold increase in employer contributions to the UI system.

What we have done is to pervert the very economic stabilizing effect the unemployment insurance system is intended to have. Just when economic conditions demanded maximum fiscal stimulus to accelerate economic recovery, we are raising payroll taxes which do nothing but drag it down. Employers faced with higher taxes are less able to expand output and hire new workers and to keep the price of their products down. While our economy shows only halting steps toward recovery, with persistent high unemployment rates, we must find ways at least to moderate the negative effects on production and employment brought about by ever-increasing payroll taxes imposed to keep the UI system afloat.

The Unemployment Compensation Reform Act will do just that. It establishes, in title I, a cost equalization reinsurance grant program, financed through general revenues, premised on the recognition that the crisis of the UI system has been created by a national economic recession which can be remedied only by responsible action by the Federal Government. Especially severe economic recessions are not brought about by individual States, and it is both unreasonable and unrealistic to expect them to suffer excessive unemployment compensation claims alone.

The proposed cost equalization program retains the fundamental Federal-State partnership in the UI system and establishes the Federal Government's share on an equitable basis. Cost equalization grants will be allocated to the States to the extent that the unemployment rates of each State are abnormally high compared to their own past experience. The bill establishes a formula by which grants are provided to pay a portion of the States' extraordinary UI costs.

States will be eligible for grants in years when the insured unemployment rate, IUR, is 6 percent or more. By comparison, the rate of insured unemployment, which is the rate among workers covered by the UI system, typically runs about 2 percent below the rate of total civilian unemployment as reported monthly by the Bureau of Labor Statistics. If the rate of unemployment is higher than that experienced in that State during the preceding 5 years, it will receive cost-equalization grants equal to a portion of the difference. When the State IUR is 6 percent and less than 7 percent, the State will receive a grant in the amount of 50 percent of its excess unemployment compensation costs. A grant equal to two-thirds of the excess cost will be made if the IUR is between 7 and 8 percent, and a 75-percent grant is provided when the rate is 8 percent or more. Thus, the degree of financial relief will depend on the severity of the effect of the recession on a State-by-State basis.

Because the severest part of the current recession has been experienced since the beginning of 1975, the cost-equalization program is made retroactive to that time. This is also the period when the States incurred most of their indebtedness to the Federal trust fund which has been continually replenished by repayable advances from general funds of the U.S. Treasury. These State loans, as of June 15, 1977, aggregated $4.6 billion.

At my request, the New York State Department of Labor has prepared a table showing the cost-equalization reimbursements for the years of 1975 and 1976 which would result from the retroactive application of this program to January 1975.

Mr. President, I ask unanimous consent that this table, together with the text of the bill, be printed in the RECORD at the conclusion of the remarks by sponsors of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. The present outstandings debts of the States in the amount of $4.6 billion compares with the combined cost-equalization grants for 1975 and 1976 in the amount of $6.9 billion. Under the bill the grants must be used to repay outstanding loans, and any remainder will be credited to the State's unemployment insurance fund. In addition, the bill would carry out the recommendation of a majority of the States, and which is already partially recognized in Federal law, that the Federal supplemental benefits program, FSB, be financed entirely from general revenues. The debt for FSB, the temporary Federal program providing unemployment compensation benefits for long-term unemployed workers, is approximately $5 billion. In the Emergency Unemployment Compensation Extension Act of 1977 enacted earlier this year, the Congress adopted general revenue financing on a prospective basis. The bill we are introducing today will establish general revenue financing retroactively as well, thereby enabling the new .02 percent Federal payroll tax increase enacted last year to be eliminated within 2 to 3 years. That tax increase was enacted to pay off the $5.3 billion FSB debt and the $3.5 billion debt due to the Federal share of the extended benefits program.

Mr. President, the proposed Unemployment Compensation Reform Act of 1977 also reforms the permanent law governing the unemployment insurance system with respect to the duration of benefits during recessionary periods. The extended benefits program was enacted in 1970 to provide up to 13 additional weeks of benefits for long-term unemployed workers. Early in the current recession, in December 1974, the Congress recognized that this program was inadequate to provide minimal income security for the unemployed during prolonged periods of unemployment.

The Federal supplemental benefits program was created then to provide up to 13 more weeks of benefits, for a maximum potential duration of 52 weeks on a temporary basis. This ad hoc emergency legislation had to be revised and extended four times since then, each time troubling UI administrators and beneficiaries alike by changing eligibility standards and other key provisions.

This bill will eliminate the need for such ad hoc legislation in the future by creating a permanent, two-stage, standby program of extended benefits to be activated and terminated on the basis of national or State rates of unemployment. It is intended to enable the UI system to respond to future needs of workers suffering the effects of severe recessions, and to provide automatically the economic stimulus needed during such periods of economic decline.

Under title II of the bill, extended benefits, EB, of up to 13 weeks of benefits would be provided in addition to

regular State benefits. Regular benefits are generally provided for a maximum potential duration of 26 weeks. This EB program would trigger on nationally when the insured unemployment rate—IUR—is at least 4.5 percent for 3 consecutive months. It would also trigger on in individual States when they experience an insured unemployment rate of 4 percent or more. Thirteen weeks of further benefits, for a maximum of up to 52 weeks of benefits, would be provided through a program of supplemental extended benefits, SEB, when the national rate of insured unemployment is 5.5 percent or more, or on a State basis when the IUR is at least 5 percent. Each of these programs would trigger off when the IUR drops below the designated trigger rate.

The financing principle of title II is consistent with that for the financing of cost equalization grants under title I. The extended benefits program, when a State trigger is on, would be financed on the basis of 50 percent from State unemployment funds and 50 percent from Federal general revenues. When the national trigger is on, the program would be fully financed through Federal general revenue reimbursements. In the case of the supplemental extended benefits program, the State unemployment fund would provide one-third of SEB costs, with two-thirds provided from Federal general revenues. And, as with the extended benefits program, when the SEB national trigger is on, costs would be fully reimbursed from Federal general revenues.

Since the beginning of 1975, millions of workers exhausted their regular State benefits without being able to find new jobs. It was only through the prompt action of the Congress in revising the extended benefits program and creating the Federal supplemental benefits program that they were enabled to continue for a time to provide for themselves and their families. During 1975 and 1976 alone more than 5.5 million workers filed initial claims for Federal supplemental benefits, and as has been shown by studies conducted by the Department of Labor, a very substantial portion of these workers were kept from falling below poverty income levels only by virtue of this program By the end of this year, many more who have suffered the effects of this deep recession will have similarly benefited from FSB. In my judgment, the success of this program clearly demonstrates the need to put this type of program on a sound and permanent basis in our unemployment insurance laws. The bill we have proposed will accomplish that and eliminate the need for ad hoc legislation in the future.

Mr. President, this bill, in title III, also provides for a significant change in financing the UI system when States are required to borrow from the Federal trust fund.

Under present law, States are permitted to borrow funds to pay benefits on an interest free basis from the Federal trust fund. Because that fund has been depleted, it has required loans from general revenues of the Treasury. Although these loans to the States carry no interest, States which are delinquent in repayment face an extremely harsh escalating tax imposed on employers in such States. In the first year in which the State is delinquent, the additional Federal tax is 0.3 percent and escalates by that amount for each year the State is still in delinquent status.

In lieu of this punitive approach, the bill we propose would permit a State that is taking sufficient steps to assure the fiscal soundness of its unemployment fund to extend the payback period for 5 years from the year of the original loan. with a minimum payment required of 20 percent in any 1 year. Moreover, for any year in which the insured unemployment rate in the State is more than 4.5 percent, the payback requirement would be suspended. In addition, with respect to loan amounts outstanding on the date of enactment of this bill, interest at a 6-percent annual rate would be charged on any amounts in default whenever a State fails to make a required repayment. Six percent interest would also be charged on all new loans made after the date of enactment. The interest would be credited to the cost equalization account.

This reform of the financing arrangements with respect to State loans at once eliminates the overly harsh features of an escalating penalty tax on employers and, by eliminating interest free advances, removes any temptation on the part of States to borrow instead of taking prompt steps to strengthen their benefit financing systems.

Mr. President, I am aware that the Congress last year in the Unemployment Compensation Amendments created a new National Commission on Unemployment Compensation charged with studying and making recommendations with respect to a wide range of significant issues facing the Federal-State unemployment insurance system. Accordingly, I have not included in this bill a number of important reform issues which have been before the Congress for a number of years. This bill deals only with those issues that cannot await several more years for the new Commission to make its findings and recommendations and for the Congress to act on them. It should be noted that the Commission has not even yet been formed. In my judgment, the reforms proposed here, which are completely consistent with the fundamental aspects of the present system, simply cannot wait any longer to receive serious attention by the Congress.

Mr. WILLIAMS. The Unemployment Compensation Reform Act, which I introduce today with Senator JAVITS and other Senators, is legislation that becomes more urgently needed with every passing day.

It is needed to rescue the Nation's unemployment insurance system from potential collapse if the economic recovery teeters and slides back into recession at any time in the next several years.

For 40 years, the unemployment insurance system has guaranteed tens of millions of American workers a measure of protection against financial ruin when they lost their jobs or were laid off for a period of time.

These jobless benefits are an earned right, not a gift of charity. The benefits are derived from many months on a job that is insured under the program and are based upon wages earned during a base period.

But that right is in serious jeopardy and will be meaningless to unemployed breadwinners if the severely weakened financial condition of the Federal-State system is further undermined by another recession.

And the prospect of another recession, although unthinkable, is more than just plausible. It is being actively discussed by the Nation's leading economists.

In the Washington Post of Sunday, writer Hobart Rowan reported on the uncertainty of the present situation. He wrote—

> Something of significance seems to be going on, revealed by the fact that manufacturers' stocks climbed $2.1 billion in May, the fifth monthly increase in a row and the largest in two years. When factory inventories start to accumulate, it's a tell-tale sign that businesses are producing more than their customers are buying.

Rowan's observations were underpinned by cautious but clearly worried comments by a number of economists, the most pessimistic of whom was Michael K. Evans of Chase Econometric Associates, Inc. Evans says—

> The U.S. economy is beginning its slide toward a growth recession in 1978.

As Rowan points out, a growth recession is one in which the economy continues to expand, but not enough to provide jobs for an expanding labor force. As a result, Evans predicted, unemployment will not decline over the balance of this year, but can be expected to rise to about 7.5 percent by the end of this year.

Mr. President, if Mr. Evans is correct in his prediction of 7.5 percent unemployment in December of this year—just as we enter the winter doldrums—it will pose an utter crisis for the unemployment insurance system of this Nation.

During the period 1974–76, the extra cost of benefits for recession-caused joblessness was more than $14.5 billion higher, in the aggregate for the 3 years, than UI benefits costs in more normal times. By the end of this year, this extra cost will have risen to more than $20 billion.

These figures are based upon a study report entitled "Economic Recovery and the Financing of Social Insurance," prepared by staff members of the Senate Budget Committee and published as a committee print on May 19, 1977.

The data demonstrate dramatically the enormous drain on the trust funds of the UI system resulting from the recession and causing severe depletion of reserves in all of the States.

The feeble financial condition is further demonstrated by the fact that, over the past 2 years, the number of States whose UI fund was completely exhausted rose to 23. In all but one of these States, New York, the trust fund ran dry prior to this year and in the midst of severe unemployment and high benefit claims. As a result, the 23 States were forced to borrow from the Federal trust fund, and as of June 15 of this year, outstanding

loans to these States totaled $4,569.6 million.

Moreover, the Federal UI trust fund itself is in debt to the Treasury for an additional $8.8 billion that was borrowed to pay Federal extended and emergency jobless benefits during the ongoing recession.

These loans must be repaid, and fund reserves must be restored to good health, or the entire system is in danger of collapse if another period of rising unemployment settles upon us.

Under current law, Mr. President, funds for UI benefits are derived from payroll taxes levied by both State and Federal Governments or from borrowed Federal funds that must be repaid from the proceeds of a payroll tax.

State tax rates average about 2.6 percent at the present time, but range upward to more than 6 percent on some employers.

The Federal tax rate is currently 0.7 percent of the payroll base of all employers in the Nation. The base this year is the first $4,200 of wages paid to each employee in an insured job, but that will increase to $6,000 next year.

In addition, what is referred to as a Federal penalty tax is imposed on employers of a State which has an outstanding loan from the Federal trust fund and is required, under conditions spelled out in Federal law, to begin repayment of the loan. This penalty tax is 0.3 percent in the first year, increasing by that amount each year until the loan is repaid. States such as Michigan, whose outstanding loan is $624 million, expect this penalty tax to rise to as much as 1.5 percent before their loans could be repaid under the harsh requirements of present law.

Similar additional tax rates are expected to be levied by some States in the near future in order to restore the reserves in their depleted trust funds.

Without financial reform of the system, therefore, the total tax on an employer with a high layoff experience might conceivably rise to 10 percent of his total taxable payroll and remain there for several years.

Bankruptcy will be the result in some cases. In other cases, retrenchment will be necessary, ending any hope of company expansion, so direly needed in these times if the Nation is to provide the millions of new jobs that our growing national work force requires.

The Senate Budget Committee staff report I cited earlier included the following authoritative statement on the adverse effects of the current situation:

By far the worst problems created by payroll taxes stem not from their magnitude, but from the fact that they have been increasing very rapidly during a period of slack in the economy. This trend is interfering with recovery and may also be a partial explanation for the continuation of unacceptable rates of inflation.

". . . the tax rates that would be needed to catch up with and overcome the cumulative deficits would be so burdensome that they could act as a serious impediment to recovery and price stability *in the next decade*" (emphasis added).

Clearly, Mr. President, our fragile economic recovery can ill afford to be burdened at this crucial time with the sharp increase in payroll taxes that would be required to restore promptly the financial soundness of the UI system.

This, I believe, is the principal inference that must be drawn from the Senate Budget Committee staff's study. The principal policy option suggested by the study is the use of Federal general revenues, applied in countercyclical fashion, to bolster the Federal and State UI trust funds, overcoming at least partially the exceptional losses incurred during the recession.

The impact of such a policy on the Federal budget was also aptly stated in the study report as follows—

Transfers of credits from the general fund to the various social insurance trust fund accounts are bookkeeping entries that represent a shift from one Treasury equity (liability) account to other equity accounts. In and of themselves, these transfers have no effect on the budget deficit. The impact on the budget deficit will come when the program has its intended effect of preventing increases in payroll taxes. Then, to be sure, less revenue will flow into the Treasury and this will widen the deficit. On the other hand, the transfer program should strengthen the economy, and this will reduce UI benefits and cause receipts from nearly all taxes to increase.

The bill we introduce today, Mr. President, is based upon this line of reasoning. It provides for Federal general revenues to be used to "reinsure" the unemployment insurance system of the States, and it establishes this principle as a permanent feature of Federal law.

In times of national recession, the States should not be expected to bear alone the excess benefit costs of joblessness. Neither should they bear the lonely burden when Federal economic policies permit regional economic setbacks to remain uncorrected.

The States are now expected to go it alone under existing law, with only postponement of the day of reckoning provided thus far by the Congress and the executive branch of the Federal Government.

The reform legislation we introduce today is designed to bring the Federal Government into responsible partnership with the States in meeting the needs of involuntarily unemployed American workers. It is designed to fix in the Federal Government an equitable share of the responsibility for any economic decisions that impact on working Americans in the form of a pink slip.

In brief, Mr. President, the underlying purposes of this bill are to insure that unemployment benefits will be available for workers who have lost their jobs through no fault of their own and that the benefits will be of sufficient duration in times of rampant joblessness to permit an unemployed worker to find a new job when so many others are competing for the few available opportunities.

Mr. President, the Unemployment Compensation Reform Act of 1977 has its provisions divided among three titles.

COST EQUALIZATION PROGRAM

Title I of the bill would establish a program of Federal reinsurance grants to the States to pay a portion of the cost of regular UI benefits during prolonged periods of excessive unemployment.

The funds would be distributed on the basis of an equitable formula that is based upon severity of unemployment. To qualify for an annual grant, a State's rate of insured unemployment must be 6 percent—comparable to 8 percent total unemployment—or greater. The State must also demonstrate that benefits costs in the grant year were excessive as compared with an annual base amount. For this purpose, the base amount consists of the annual average benefit cost of the lowest 3 years of the most recent 5, or if all 5 years have a rate of insured unemployment (IUR) above 6 percent, the base amount would be the lowest amount in any year of the most recent 5 years.

The excess costs of an eligible State would be shared by a Federal cost equalization account, from which a grant would be given the State. The Federal share of excess costs would increase as the severity of insured unemployment in the State increased. A State with an IUR between 6 and 7 percent in the grant year would receive a reinsurance grant equal to 50 percent of its excess benefit costs. In the range of 7 to 8 percent, the grant would equal 66⅔ percent of the excess costs. And if the IUR exceeded 8 percent, the grant would be for 75 percent of the excess costs.

Financing of the program would be from general funds of the Treasury, appropriated annually to the new cost equalization account to cover the cost of the reinsurance grants to which the States would be entitled under this legislation each year. The bill would authorize the appropriation of such sums as may be necessary for this purpose.

The cost equalization program would be made effective as of January 1, 1975, so as to encompass the worst part of the recession and help the States restore the UI reserves that have been lost during this period.

The bill requires that, if a State has an outstanding loan, the grants must be used first to reduce the balance, with the remainder of a State's entitlement to be credited to its unemployment insurance fund. States with no outstanding loan would have the entire entitlement transferred to their unemployment insurance funds.

Cost estimates prepared for us indicate that the gross cost of the equalization grants for the calendar years 1975 and 1976 would be approximately $6,870 million dollars. However, nearly two-thirds of this amount has already been provided to 23 States in the form of loans, with such funds derived from general revenues of the Treasury. This outstanding balance of loans, which now totals approximately $4,570 million, would be deducted from the gross cost, leaving a net cost for the two most recent calendar years of approximately $2,300 million.

It is estimated that the grants would be of sufficient amounts to pay off the outstanding debts of 11 of the 23 States that now have loans. The remaining 12 would have to continue to make arrangements to repay their loans, either from the proceeds of cost equalization grants in future years or from the proceeds of increased payroll taxes levied voluntarily

by the State or under penalty tax provisions of Federal law.

PERMANENT STANDBY EXTENDED BENEFITS PROGRAM

Title II of the bill would establish a new program of extended and supplemental benefits for payment during prolonged periods of high unemployment.

This program would be established as a permanent feature of the law, providing a two-stage, standby benefit structure to be activated and terminated as State or national insured unemployment increases and then declines.

The first stage of extended benefits (EB) would provide up to 13 weeks of benefits, in addition to the maximum of 26 weeks available under the regular State program. The program would trigger on in a State when its insured unemployment rate (IUR) reached 4 percent. It would trigger on in all States if the national IUR reached 4.5 percent. The program would terminate nationally when the IUR dropped below 4.5 percent and in a State when its IUR receded below 4 percent.

The second stage of supplemental extended benefits (SEB) would provide a further increment of benefits up to 13 additional weeks, for a total maximum of 52 weeks when insured unemployment is more severe. The SEB program would trigger on in a State when its IUR reached 5 percent or in all States when the national IUR reached 5.5 percent. The program would terminate when national or State IUR dropped below these trigger levels.

Mr. President, I would emphasize that the trigger levels provided in title II are, with one exception, identical with the triggers provided in present law for the existing extended benefit (EB) and Federal supplemental benefit (FSB) program. The one departure in our bill is provision for a national 5.5 percent trigger in the second stage of benefits. Under current law, there is no national trigger for FSB; the program activates and terminates only State-by-State on the basis of State triggers only.

I would also point out that title II contains provisions for revising the calculation of the insured unemployment rate for purposes of the triggers. Under present law, the IUR reflects the number of persons receiving benefits as a percentage of the total number of persons working in insured employment. This calculation ignores a significant number of workers who have exhausted all benefits, but remain unemployed. To take these workers into account, we propose that 25 percent of those who exhaust their benefits to be included in the calculation.

Financing of the new EB and SEB programs, as proposed in the bill, would establish a new rule based upon a sound principle. That is, we propose that, when the national trigger is on and all States are thereby required to pay extended benefits under the program, the entire cost of the benefits should be borne by Federal funds.

Under the bill, the first-stage EB program would be financed 50 percent by State trust funds, derived from payroll taxes, and 50 percent by Federal general revenues when the State trigger alone is on. If the national trigger is on, the program would be financed entirely with Federal general revenues.

The second-stage SEB program would be financed entirely from Federal general revenues, as the present FSB program is, regardless of whether the State or national trigger is responsible for activating the program.

Mr. President, the need for this kind of permanent, stand-by unemployment benefits program has been recognized by the Congress for several years. The existing EB program was enacted in 1970 to provide up to 13 additional weeks of benefits, for a maximum of 39 weeks, in periods of high unemployment.

When the recession settled in in late 1974, the Congress enacted an additional emergency benefits program, providing up to 52 weeks of benefits. In April of 1975, we increased that maximum to 65 weeks. In July of 1975, we extended the 65-week program until March 31, 1977. In April of this year, we extended the program until January 30, 1978, but reduced the maximum duration of benefits to 52 weeks.

Five separate enactments were required by the Congress to meet the responsibility we felt for providing unemployed workers with a minimum of income security during periods of high unemployment.

In addition, the Congress acted on six other occasions between October 27, 1972, and April of this year to revise the trigger provisions of the extended benefits program, correcting problems that had arisen. In all, eleven separate enactments were involved in our efforts to meet the benefits crisis for workers trapped by the recession in joblessness.

Such ad hoc legislating would not be necessary if a permanent, stand-by program such as we propose were put in place. With a permanent program, State administrators could make plans well in advance of an impending recession to implement the program promptly, eliminating much of the confusion that results from deadline legislation that changes eligibility standards and other key provisions of a vital national program.

For working Americans, these extended and supplemental benefit programs can be fully justified in light of the high numbers who exhausted other benefits during the recession.

In 1973, approximately 1.5 million recipients of regular UI benefits exhausted their entitlements before they could find work. Only 135,000 received up to 13 additional weeks of benefits without finding work in that year.

In 1974, exhaustees of regular benefits rose to 1,926,000 as the recession intruded late in the year. Exhaustees of EB totaled 467,000 in that year.

By 1975, exhaustees of regular benefits were nearly 4.2 million, and 2,386,000 exhausted their entitlement of up to 39 weeks of benefits without finding a job. Of this number, approximately 1,320,000 availed themselves of the new emergency FSB benefits that were implemented in January of 1975, and approximately two-thirds of these workers exhausted up to 65 weeks of benefits without finding work.

In 1976, 3,261,000 exhausted regular benefits. Nearly 2,330,000 exhausted their extended benefits and applied for Federal supplemental benefits. Of this number, 1,648,000 received their maximum entitlement of up to 65 weeks of benefits without finding a job.

These data demonstrate dramatically the need for providing jobless workers additional benefits and additional time to locate new employment in times of fierce competition for available jobs. Our recommended standby program of extended benefits is designed to meet this need without requiring urgent congressional action with each successive economic setback.

STATE LOAN PAYBACK PROVISIONS

Mr. President, title III of the bill addresses the virtually impossible situation faced by those States that have experienced the highest rates of unemployment for the longest period of time and, as a result, have been forced most deeply into debt in order to pay the unemployment benefits to which residents of those States were entitled.

This title is based upon proposals which I developed last year and which were endorsed in principle by the Northeast Coalition of Governors in their Saratoga Springs conference last December. A number of basic principles are involved.

First, those States in deepest debt should be given more time to repay their loans before the harsh penalties of current law are applied.

Second, no installment payment should be required if the State remains in severe economic trouble, with continued high unemployment, in any years.

Third, the harsh penalty tax on employers in States that have outstanding loans should be modified to avoid stunting expansion and job development plans needed to overcome a recession.

Fourth, States should be required to pay interest on funds borrowed from the Federal Government, which now, in effect, pays the interest for them.

Fifth, States in debt should be required to make a showing that they are taking what steps they can on their own to restore the fiscal soundness of their unemployment trust funds.

On the basis of these principles, the bill provides that the Secretary of Labor may extend the payback period for a State that has an outstanding balance of loans. He may authorize the State to make a payment of 20 percent of the outstanding balance, if he determines that the State is taking sufficient steps, as now required by law, to restore the fiscal soundness of its trust fund.

No payment would be required, however, in any year in which the State is suffering from continuing recessionary problems. For this purpose, the bill uses the traditional measure of recession, an insured unemployment rate of 4.5 percent, as the point beyond which no payment would be required.

In any year in which a State fails to make a required payment, a 0.3-percent penalty tax would be levied on all insured employers in the State, with the proceeds of the tax credited against the outstanding balance of the loan. In addi-

tion, 6.0 percent annual interest would be imposed on any payment that is in default.

For purposes of comparison, present law provides that the entire loan balance of a State comes due all at once, and if it is not entirely repaid on the due date, the 0.3 percent penalty tax applies to all employers in the State. If the proceeds of that tax are not sufficient to erase the debt, the penalty tax the following year rises to 0.6 percent and increases by 0.3 percent each year until the entire loan is repaid.

Our bill provides that the penalty tax, if applicable, would be no more than 0.3 percent in any year.

The bill also provides for States to pay interest at the rate of 6.0 percent per year on new loans made after the enactment of this proposal. For existing loans, the 6.0 percent interest applies only to amounts in default when a State fails to make a 20-percent payment as required.

Finally, Mr. President, I ask unanimous consent that there be included in the RECORD the article from the Washington Post of January 1, 1977, and three tables of data pertinent to the condition of the UI system and this legislation.

There being no objections, the materials were ordered printed in the RECORD as follows:

[From the Washington Post, July 10, 1977]

EXPERTS SPLIT GAUGING PAUSE

(By Hobart Rowen)

Is the economy in a pause? If so, does it mean an economic slump? Or is it merely a "mini-pause," and therefore a good sign? The answer from economists, you will not be too surprised to read, is yes—and then again, no.

But something of significance seems to be going on, revealed by the fact that manufacturers' stocks climbed $2.1 billion in May, the fifth monthly increase in a row, and the largest in two years.

When factory inventories start to accumulate, it's a tell-tale sign that businesses are producing more than their customers are buying.

"Not particularly encouraging," was the verdict rendered by Commerce Department economist Courtenay Slater. "Things look pretty flat. You like to see things going up in a growing economy."

Commerce Secretary Juanita Kreps reminded this reporter that the economy later this year and in 1978 may get a lift from the jobs and public works part of the Carter stimulus package. But right now, she says, "I don't see any source for a pickup" in the crucial area of business investment, except a psychological lift if tax reform proposals seem to be making headway.

Carter administration officials have assumed right along that 1977's second-half pace of activity would be slower than the first. The unanswered question that seems to be developing is whether the current "flat" period cited by both Kreps and Slater will turn into a decline.

Economic Council Chairman Charles L. Schultze doesn't think that's going to happen. "The statistics in June do make you reflect," he said in a telephone interview, "but I wouldn't call it a 'pause,' if by 'pause' you mean a growth rate sharply flattening to a very low number in the second half of the year."

If the pause turns into something worrisome, a stubborn inflationary trend will be assigned much of the blame. Gary Wenglowski of Goldman Sachs notes that, with a 6 per cent inflation rate, federal tax laws automatically reduce real consumer income by about $7 billion a year, at present income levels.

The divergence in viewpoint among the experts is seen, as well, at the Federal Reserve system. At the May 17 meeting of the policy-making Federal Open Market Committee, there was a clear split. Bearish members worried openly that the economy is repeating its 1976 pattern, when inventories piled up, forcing a curtailment in production and a rise in unemployment.

More hopeful FOMC members predicted that expansion "in the quarters immediately ahead" would be stronger than expected.

On the optimistic side, Citibank's "Economic Week" letter acknowledges a decline in May's leading indicator index, but says that is "not enough to suggest the economy is headed for trouble."

Other measures show that "the economy is still healthy," Citibank's letter says. "Price increases have slowed, retail sales have held up and industrial production has soared."

The most pessimistic private forecaster appears to be Michael K. Evans of Chase Econometric Associates, Inc. He says that "the U.S. economy is beginning its slide toward a growth recession in 1978."

A growth recession is one in which the gross national product doesn't increase enough to provide jobs for an expanding labor force. Evans put real GNP growth at no more than 2 per cent in 1978 (compared to the Carter expectation of 5 per cent).

He predicts that unemployment—which edged up from 6.9 per cent in May to 7.1 per cent last month—will rise to 7.5 per cent by the end of this year, while the administration is sticking to its forecast that the jobless rate will be 6.5 per cent or less at the end of the year.

A man in the middle is Otto Eckstein of Data Resources, Inc., who says flatly that "the economy has entered a pause." But Eckstein can't decide whether it is a "momentary hesitation" or something "more dramatic." Give it another four weeks, and one can tell better, Eckstein suggests.

The basic negative signs that Eckstein lays out are the inventory pileup, the fact that the real volume of retail sales hit a peak in March and is "edging sideways since," no gain in the shipments of non-defense capital goods; and "surprising ease" in financial markets.

On the other hand, his analysis also shows many plus signs, including rising federal spending, and prospects that the potentially frightening U.S. trade deficit will shrink, aided by a sharp revaluation of the Japanese yen.

"In summary, the available evidence leaves no doubt that at the very least there is a mini-pause," Eckstein says, trying to balance it all out. "That is sufficient to mark down the risks of a boom-bust development. . . . Little pauses are to be expected in a recovery that is meant to be sustainable over quite a few years."

UNEMPLOYMENT COMPENSATION PAYMENTS, FISCAL YEARS 1974-78

[In billions of dollars]

	Fiscal year—					
	1974 (actual)	1975 (actual)	1976 (preliminary)	Transition quarter (estimate)	1977 (estimate)	1978 (estimate)
Benefit payments:						
Regular UI	4.9	9.9	10.3	2.1	9.3	8.6
Extended	.3	1.2	2.8	.8	2.1	1.9
Emergency		.7	3.2	.5	1.1	

Source: Department of Labor.

UNEMPLOYMENT COMPENSATION—REVENUES AND EXPENDITURES, FISCAL YEARS 1977-81

[In billions of dollars]

	1977	1978	1979	1980	1981
Revenues	10.6	13.7	14.5	14.3	14.5
State taxes	8.7	11.0	11.6	11.3	11.3
Federal taxes	1.9	2.7	2.9	3.0	3.2
Expenditures	14.0	12.0	9.9	7.9	7.8
Regular benefits	9.3	8.6	7.8	6.1	6.0
Extended/emergency benefits	3.2	1.9	.6	.4	.4
Administrative costs	1.5	1.5	1.5	1.4	1.4

Source: Department of Labor projections.

AMOUNT OWED TO GENERAL FUND OF THE TREASURY BY THE UNEMPLOYMENT TRUST FUND

[In billions of dollars]

	Amount owed as of Sept. 30				
	1977	1978	1979	1980	1981
Total	13.4	12.9	11.5	9.6	7.5
Attributable to State loans	4.6	4.6	4.6	4.3	4.0
Attributable to Federal responsibilities	8.8	8.3	6.9	5.3	3.5

Mr. RIEGLE. Mr. President, today Senator JAVITS is introducing the Unemployment Compensation Reform Act along with Senator WILLIAMS, myself, and several other Senators. This legislation will strengthen our unemployment insurance system that is so vital to hundreds of thousands of American workers.

The Unemployment Compensation Reform Act would create a new program of cost equalization and reinsurance to more equitably share the burden of unemployment insurance costs during periods of high unemployment. Under the legislation, a State may qualify for a reinsurance grant to pay a portion of its unemployment insurance benefits during prolonged periods of excessively high unemployment. The program will be applied retroactively to 1975 and be funded from general revenues.

These changes in the unemployment compensation system are essential. Without a comprehensive cost equalization/reinsurance system many of the 24 States that have already borrowed a total of $4.6 billion from the Federal loan fund will be forced to go further in debt and raise their FUTA taxes on employers higher and higher. This bill would provide reinsurance grants to those States who experienced excessively high insured unemployment rates compared to the base years. In addition to the States in debt, the bill would directly affect 15 other States that have suffered excessively high unemployment.

My own State of Michigan is in debt $624 million to the Federal unemployment loan account because of the severe, long-term unemployment we have suffered over the last several years. We hope the unemployment situation in Michigan—currently 6.6 percent—will improve as the Carter administration program takes hold. However, increased employment will not solve the State's unemployment compensation problem without comprehensive changes in the total system. States like Michigan will continue to

feel the effects of the national recession for years to come as the FUTA tax is raised higher and higher to pay off the debt. The increased taxes are bound to influence employers to leave a State burdened with this debt or to expand elsewhere. The additional taxes on the wages of new workers who are hired will be a disincentive to employers to hire new workers.

It is in no State's interest to have this kind of economic decline in other areas of the country. We should all share the risks of recession and unemployment. The Unemployment Compensation Reform Act will strengthen the unemployment insurance system and make it sound in case of a new recession in the years to come. This legislation will insure that no State will be forced under by a system that penalizes those States most in need of assistance. Although the economy is on the road to recovery, 7.1 percent of the national labor force is still unemployed—this translates into approximately 7 million Americans who want to work; are able to work; but can not find jobs. These workers are out of a job through no fault of their own. It was national economic policies that took away their livelihood.

The patchwork extensions of the Federal supplemental benefits program we have had in the past several years have caused tension and anxiety to unemployed workers who need to provide food and shelter for their families. This legislation will replace the current extended benefits and Federal supplemental benefits program with a new permanent Extended Benefits program. This two-stage program will be triggered on by excessively high State or national insured unemployment levels. A permanent program of this type is an important step in the creation of a sound, equitable unemployment compensation system.

I commend Senators JAVITS and WILLIAMS for their dedication and hard work on this legislation. I hope my colleagues will join with me in supporting the Unemployment Compensation Reform Act.

COMPARISON OF ESTIMATED COST EQUALIZATION REIMBURSEMENTS FOR 1975 AND 1976 WITH ADVANCES FROM FEDERAL LOAN FUND AS OF JUNE 15, 1977

[In millions of dollars]

State	Cost equalization	Loan fund advances	Cost equalization less advances
United States	6,873.6	4,569.6	2,304.0
Alabama	82.8	56.7	26.1
Alaska	44.9		44.9
Arizona	70.1		70.1
Arkansas	58.5	30.0	28.5
California	839.9		839.9
Colorado			
Connecticut	235.4	438.1	−202.7
Delaware	21.0	36.6	−15.6
District of Columbia		52.4	−52.4
Florida	154.6	32.0	122.6
Georgia	109.6		109.6
Hawaii	18.9	22.5	−3.6
Idaho	8.2		8.2
Illinois	558.2	751.6	−193.4
Indiana	107.9		107.9
Iowa			
Kansas			
Kentucky	55.4		55.4
Louisiana			
Maine	42.9	22.9	20.0
Maryland	67.4	62.6	4.8
Massachusetts	285.9	265.0	20.9
Michigan	761.9	624.0	137.9
Minnesota		172.0	−172.0
Mississippi	25.7		25.7
Missouri	88.6		88.6
Montana	8.4	9.3	−.9
Nebraska			
Nevada	36.5	7.6	28.9
New Hampshire	19.0		19.0
New Jersey	556.7	638.9	−82.2
New Mexico	8.3		8.3
New York	841.1	155.8	685.3
North Carolina	192.0		192.0
North Dakota			
Ohio			
Oklahoma			
Oregon	109.1	18.5	90.6
Pennsylvania	842.8	847.2	−4.4
Puerto Rico	104.1	67.0	37.1
Rhode Island	72.8	74.8	−2.0
South Carolina	111.8		111.8
South Dakota			
Tennessee	84.1		84.1
Texas			
Utah			
Vermont	21.7	46.5	−24.8
Virginia			
Washington	110.8	137.6	−26.8
West Virginia	22.3		22.3
Wisconsin	94.3		94.3
Wyoming			

S. 1853

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Unemployment Compensation Reform Act of 1977"

TITLE I—UNEMPLOYMENT COMPENSATION COST EQUALIZATION PROGRAM

"SHORT TITLE

SEC. 101. This title may be cited as the "Unemployment Compensation Cost Equalization Act of 1977."

"COST EQUALIZATION ACCOUNT

SEC. 102. Title IX of the Social Security Act is amended by redesignating sections 906, 907, and 908, respectively, as sections 907, 908, and 909 and by inserting, after section 905, the following new section:

"COST EQUALIZATION ACCOUNT

"Establishment of Account

"SEC. 906. (a) There is hereby established in the Unemployment Trust Fund a cost equalization account, effective January 1, 1975. For the purposes provided for in section 904(e) such account shall be maintained as a separate book account.

"Transfers to Account

"(b) The Secretary of the Treasury shall transfer to the cost equalization account, from the general funds of the treasury, the sums appropriated to the account pursuant to subsection (f) of this section.

"Transfers to Credit of States

"(c)(1) For the calendar years 1975 and 1976, and for each subsequent calendar year no later than March 31 of the succeeding year, the Secretary of Labor shall certify to the Secretary of the Treasury an amount which shall be paid to the credit of each State which is an eligible State for reimbursement from the cost equalization account. The amount certified with respect to an eligible State shall be the amount determined by the Secretary of Labor as follows:

"(A) 50 percent of the excess amount if the State's average weekly rate of insured unemployment for all weeks which began in such calendar year was at least 6.0 percent but less than 7.0 percent;

"(B) 66⅔ percent of the excess amount if the State's average weekly rate of insured unemployment for all weeks which began in such calendar year was at least 7.0 percent but less than 8.0 percent; and

"(C) 75 percent of the excess amount if the State's average weekly rate of insured unemployment for all weeks which began in such calendar year was 8.0 percent or more. The amount certified with respect to an eligible State or all eligible States for any year may be redetermined by the Secretary of Labor at any time within two years after the original certification was made, and adjustment shall be recertified in the credit to the State or States in accordance with the Secretary's redetermination.

"(2) Upon the receipt of a certification or recertification under this subsection with respect to a State, the Secretary of the Treasury, in consultation with the Secretary of Labor, shall determine the distribution of the amount certified or recertified as required by the following schedule—

"(A) The amount so certified or recertified shall be applied first to the repayment of any outstanding balance of advances to the State made pursuant to title XII of the Social Security Act or title III of Public Law 94–45, by transferring such amount to the Federal unemployment account, or so much thereof as is required to repay the entire balance of such outstanding advances, and the amount so transferred shall be credited against and shall operate to reduce the outstanding balance of such advances as of the date the transfer is made under this subparagraph;

"(B) any portion of the amount so certified or recertified as is not required to be distributed in accordance with subparagraph (A) shall be transferred—(1) to the account of the State in the Unemployment Trust Fund, if the State is certified under section 3304(c) of the Internal Revenue Code of 1954 with respect to all 12 months of the calendar year; or (2) to the general funds of the Treasury in lieu of transfer to the account of the State in the Unemployment Trust Fund in the proportion that the amount to be transferred bears to the number of months out of the 12 months in the calendar year that the State is not certified under section 3304(c) of the Internal Revenue Code of 1954.

"Definitions

"(d) For purposes of this section—

"(1) 'Eligible State,' with respect to any given calendar year beginning with 1975, means a State—(A) which is certified under section 3304(c) of the Internal Revenue Code of 1954 on October 31 of such year for the 12-month period ending on such October 31; (B) whose average weekly rate of insured unemployment for all weeks that began in the year equaled at least 6 percent; and (C) whose total dollar amount of payments during that year, for regular, additional, extended, and supplemental extended compensation, exceeded its base amount.

"(2) 'Rate of insured unemployment,' with respect to a State, has the meaning given to such term in section 203(f)(1) of the Federal-State Extended Unemployment Compensation Act of 1970, with respect to all periods when that Act is given effect in that State, and has the meaning given to that term in section 203(h)(1) of the Federal-State Extended Unemployment Compensation Act of 1977 beginning on the date that Act is made effective in that State.

"(3) 'Compensation' means cash benefits payable to individuals with respect to their unemployment, including allowances for dependents, except as provided in paragraph (4) of this subsection.

"(4) 'Regular compensation,' 'additional compensation,' 'extended compensation,' and 'supplemental extended compensation' have the meanings given to such terms in section 205 (2), (3), (4) and (5) of the Federal-State Extended Unemployment Compensation Act of 1977: *Provided,* That, for the purpose of computing the base amount and excess amount (as defined in paragraphs (5) and (6) of this subsection) and determining the

amount to be certified or recertified with respect to any State under subsection (c) of this section, such terms shall not include any compensation payment which is reimbursed to the State unemployment fund pursuant to the State law, any compensation payment which is payable or reimbursable pursuant to 5 U.S.C. chapter 85 or any other Federal law (unless so provided in such other Federal law), or any other compensation payment which is reimbursable from any source to the State unemployment funds.

"(5) 'Base amount' means, for any eligible State with respect to any given calendar year, the total dollar amount of compensation payments which is the average of the total of such payments for the three calendar years during which such total payments were lowest in the most recent five consecutive calendar years immediately preceding the given calendar year; or if the insured unemployment rate in the State for each of such five calendar years (as determined in accordance with subsection (c) of this section) was 6.0 percent or more, 'base amount' means, for that State with respect to the given calendar year, the total dollar amount of compensation payments during the calendar year in which such payments were lowest among the most recent five consecutive calendar years immediately preceding the given calendar year.

"(6) 'Excess amount' means the dollar amount by which an eligible State's total dollar amount of compensation payments during a given calendar year, exceeded its base amount with respect to such given calendar year.

"Authorization of Appropriations

"(f) There are hereby authorized to be appropriated, without fiscal year limitation, to the cost equalization account, such sums as may be necessary to carry out the purposes of this section.

TITLE II—FEDERAL-STATE EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 1977

"SHORT TITLE

SEC. 201. This title may be cited as the "Federal-State Extended Unemployment Compensation Act of 1977."

PAYMENT OF EXTENDED COMPENSATION

SEC. 202. (a)(1) For purposes of section 3304(a)(11) of the Internal Revenue Code of 1954, a State law shall provide that payment of extended compensation shall be made for any week of unemployment which begins in the individual's eligibility period, to individuals who have exhausted all rights to regular compensation under a State law and who have no rights to regular compensation with respect to such week under such law or any other State unemployment compensation law, or to compensation under any Federal unemployment compensation law, and are not receiving compensation with respect to such week under the unemployment compensation law of the Virgin Islands (with respect to weeks of unemployment that begin prior to the date on which the Virgin Islands becomes a "State" as defined in section 205(9) of this Act) or Canada. For purposes of the preceding sentence, an individual shall have exhausted all rights to regular compensation under a State law (A) when no payments of regular compensation can be made under such law because such individual has received all regular compensation available on the basis of employment or wages during the individual's base period, or (B) when all rights to regular compensation have terminated by reason of the expiration of the benefit year with respect to which such rights existed.

(2) For purposes of section 3304(a)(11) of the Internal Revenue Code of 1954, a State law shall provide that payment of supplemental extended compensation shall be made, for any week of unemployment which begins in the individual's supplemental eligibility period, to individuals who have exhausted all rights to regular compensation and extended compensation under the State law and who have no rights to regular compensation or extended compensation with respect to such week under such law or any other State unemployment compensation law, or to compensation under any Federal unemployment compensation law, and are not receiving compensation with respect to such week under the unemployment compensation law of the Virgin Islands (with respect to weeks of unemployment that begin prior to the date on which the Virgin Islands becomes a "State" as defined in section 205 (9) of this Act) or Canada. For purposes of the preceding sentence, an individual shall have exhausted all rights to regular compensation under a State law if all such rights have been exhausted so as to entitle the individual to extended compensation, if otherwise eligible, and all rights to extended compensation shall be deemed to have been exhausted only when the individual has actually received all of the extended compensation payable under the State law.

(3) Except where inconsistent with the provisions of this title, the terms and conditions of the State law which apply to claims for regular compensation and to eligibility therefor shall apply to claims for extended compensation and supplemental extended compensation and to eligibility therefor.

(b)(1) The State law shall provide that the State will establish:

(A) an extended compensation account with respect to the individual's benefit year, for each individual determined to be eligible for extended compensation;

(B) a supplemental extended compensation account, for each individual determined to be eligible for supplemental extended compensation;

(2) The amount established in each such account for any individual shall be not less than whichever of the following is the least:

(A) 50 per centum of the total amount of regular compensation (including allowances for dependents) payable to the individual during such benefit year under such law,

(B) thirteen times the individual's average weekly benefit amount, or

(C) thirty-nine times the individual's average weekly benefit amount, reduced by the regular compensation paid (or deemed paid) to the individual during such benefit year under such law;

except that the amount so determined shall (if the State law so provides) be reduced, in the case of extended compensation, by the aggregate amount of additional compensation paid (or deemed paid) to the individual under such law for prior weeks of unemployment in such benefit year which did not begin in an extended benefit period.

(3) For purposes of paragraph (2), an individual's weekly benefit amount for a week is the amount of regular compensation (including allowances for dependents) under the State law payable to such individual for such week for total unemployment.

EXTENDED BENEFIT PERIOD; SUPPLEMENTAL EXTENDED BENEFIT PERIOD

Beginning and Ending

SEC. 203. (a) For purposes of this Act, in the case of any State—

(1) an extended benefit period—

(A) shall begin with the third week after whichever of the following weeks first occurs:

(i) a week for which there is a State "on" indicator, or

(ii) a week for which there is a National "on" trigger; and

(B) shall end with the third week after the first week for which there is both a National "off" indicator and a State "off" indicator;

(2) a supplemental extended benefit period—

(A)(i) shall begin with the third week after a week for which there is a National "supplemental on" indicator, and

(ii) may begin, if the State law so provides, with the third week after a week for which there is a State "supplemental on" indicator; or

(B) shall end with the third week after the first week for which there is a National "supplemental off" indicator and, if the State law provides for State supplemental "on" and "off" indicators, a State "supplemental off" indicator;

Special Rules

(b) In the case of any State—

(1) No extended benefit period or supplemental extended benefit period shall last for a period of less than 13 consecutive weeks: and

(2)(A) When a determination has been made that an extended benefit period or a supplemental extended benefit period is beginning or ending by reason of a National indicator, the Secretary shall cause notice of such determination to be published in the Federal Register.

(B) When a determination has been made that an extended benefit period or supplemental extended benefit period is beginning or ending by reason of a State or National indicator, the State shall cause notice of such determination to be publicized throughout the State and to individuals potentially entitled to extended benefits or supplemental extended benefits as prescribed by regulations of the Secretary.

Eligibility Periods

(c)(1) For purposes of this Act, an individual's eligibility period under the State law, with respect to extended benefits, shall consist of the weeks in the individual's benefit year which begin in an extended benefit period and, if the individual's benefit year ends within such extended benefit period, any weeks thereafter which begin in such extended benefit period.

(2) For purposes of this Act, an individual's supplemental eligibility period under the State law, with respect to supplemental extended compensation, shall consist of the weeks which begin in a supplemental extended benefit period, except that no payment of supplemental extended compensation shall be made to any individual for any week of unemployment which begins more than two years after the end of the benefit year with respect to which the individual became an exhaustee of all rights to regular compensation as provided in section 202(a)(1) of this Act.

National "on" and "off" Indicators for Extended Benefit Periods

(d) For purposes of this section—

(1) There is a National "on" indicator for a week, for an extended benefit period, if, for the period consisting of such week and the immediately preceding twelve weeks, the rate of insured unemployment (seasonally adjusted) for all States equalled or exceeded 4.5 per centum; and

(2) There is a National "off" indicator for a week if, for the period consisting of such week and the immediately preceding twelve weeks, the rate of insured unemployment (seasonally adjusted) for all States was less than 4.5 per centum.

State "on" and "off" Indicator for Extended Benefit Periods

(e) For purposes of this section—

(1) There is a State "on" indicator for a week, for an extended benefit period, if, for the period consisting of such week and the immediately preceding twelve weeks, the

rate of insured unemployment (seasonally adjusted) under the State law equalled or exceeded 4.0 per centum; and

(2) There is a State "off" indicator for a week if, for the period consisting of such week and the immediately preceding twelve weeks, the rate of insured unemployment (seasonally adjusted), under the State law was less than 4.0 per centum.

National "on" and "off" Indicators for Supplemental Extended Benefit Periods

(f) For purposes of this section—

(1) There is a National "supplemental on" indicator for a week, for a supplemental extended benefit period, if, for the period consisting of such week and the immediately preceding twelve weeks, the rate of insured unemployment (seasonally adjusted) for all States equalled or exceeded 5.5 per centum; and

(2) There is a National "supplemental off" indicator for a week if, for the period consisting of such week and the immediately preceding twelve weeks, the rate of insured unemployment (seasonally adjusted) for all States was less than 5.5 per centum.

State "on" and "off" Indicators for Supplemental Extended Benefit Periods

(g) For purposes of this section—

(1) A State law shall provide that there is a State "Supplemental on" indicator for a week, for a supplemental extended benefit period, if, for the period consisting of such week and the immediately preceding twelve weeks, the rate of insured unemployment (seasonally adjusted) under the State law equalled or exceeded 5.0 per centum; and

(2) There is a State "supplemental off" indicator for a week if, for the period consisting of such week and the immediately preceding twelve weeks, the rate of insured unemployment under the State law was less than 5.0 per centum.

Rate of Insured Unemployment; Determinations

(h)(1) For the purposes of subsections (d), (e), (f), and (g)—

(A) the term "rate of insured unemployment" means the percentage arrived at by dividing—

(i) the average weekly number of individuals filing claims for regular, additional, extended, and supplemental extended compensation under the State law, or under all State laws in the case of subsections (d) and (f), with respect to the specific period, as determined on the basis of the reports made by the State agency (or by all State agencies in the case of subsections (d) and (f)) to the Secretary, and one-fourth of the number of individuals who have received their final payments of compensation under the State law, or under all State laws, as appropriate, for the specified 13-week period, by

(ii) the average monthly covered employment for the specified 13-week period.

(B) The rate of insured unemployment for any 13-week period shall be determined by reference to the average monthly covered employment under the State law, or under all State laws in the case of subsections (d) and (f) for the first four of the most recent six calendar quarters ending before the close of such period.

(2) Determinations under subsections (d) and (f) shall be made by the Secretary in accordance with regulations prescribed by the Secretary.

PAYMENTS TO STATES

Amount Payable

SEC. 204. (a)(1) There shall be paid to each State whose law is administered in all respects in conformance to this Act an amount equal to the following amounts paid by the State to eligible individuals under the State law—

(A)(i) the full sum of the sharable extended compensation and the sharable regular compensation so paid, with respect to any week that an extended benefit period is in effect in the State by reason of a National "on" indicator, and (ii) one-half of the sum of the sharable extended compensation and the sharable regular compensation so paid, with respect to any week that an extended benefit period is in effect in the State solely by reason of a State "on" indicator in that State;

(B)(i) the full sum of the sharable supplemental extended compensation so paid, with respect to any week that a supplemental extended benefit period is in effect in the State by reason of a State or National "supplemental on" indicator.

(2) The amount which, but for this paragraph, would be payable under this subsection to any State, in respect of any compensation paid to an individual whose base period wages include wages for services to which section 3306(c)(7) of the Internal Revenue Code of 1954 applies, shall be reduced, with respect to any such compensation paid for weeks of unemployment that begin on and after January 1, 1979, by an amount which bears the same ratio to the amount which, but for this paragraph, would be payable under this subsection to such State in respect of such compensation, as the amount of the base period wages attributable to such services bears to the total amount of the base period wages of the individual.

Sharable Extended Compensation

(b) For purposes of subsection (a)(1)(A), extended compensation (excluding additional compensation) paid to an individual for weeks of unemployment in such individual's eligibility period is sharable extended compensation to the extent that the aggregate extended compensation (excluding additional compensation) paid to such individual with respect to any benefit year does not exceed the smallest of the amounts referred to in section 202(b)(2).

Sharable Regular Compensation

(c) For purposes of subsection (a)(1)(A), regular compensation paid to an individual for a week of unemployment is sharable regular compensation—

(1) if such week is in such individual's eligibility period, and

(2) to the extent that the sum of such compensation, plus the regular compensation paid (or deemed paid) to the individual with respect to prior weeks of unemployment in the benefit year, exceeds twenty-six times (and does not exceed thirty-nine times) the average weekly benefit amount (including allowances for dependents) for weeks of total unemployment payable to such individual under the State law in such benefit year.

Sharable Supplemental Extended Compensation

(d) For purposes of subsection (a)(1)(B), supplemental extended compensation paid to an individual for weeks of unemployment in such individual's supplemental eligibility period is sharable supplemental extended compensation to the extent that the aggregate supplemental extended compensation paid to such individual with respect to any benefit year does not exceed the smallest of the amounts referred to in section 202(b)(2).

Payment on Calendar Month Basis

(e) There shall be paid to each State either in advance or by way of reimbursement, as may be determined by the Secretary, such sum as the Secretary estimates the State will be entitled to receive under this Act for each calendar month, reduced or increased, as the case may be, by any sum by which the Secretary finds that his estimate for any prior calendar month was greater or less than the amount which should have been paid to the State. An estimate for any month shall be made upon the basis of such statistical, sampling, or other method as the Secretary directs.

Certification

(f) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this section. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payments to the State in accordance with such certifications by transfers from the extended unemployment compensation account to the account of such State in the Unemployment Trust Fund.

Definitions

SEC. 205. For purposes of this title—

(1) The term "compensation" means cash benefits payable under a State law to individuals with respect to their unemployment, including allowances for dependents.

(2) The term "regular compensation" means any compensation payable under a State law, other than extended compensation, supplemental extended compensation, and additional compensation as defined in this section.

(3) The term "extended compensation" means compensation payable under a State law for weeks of unemployment beginning in an extended benefit period, under those provisions of the State law which satisfy the requirements of this Act with respect to the payment of extended compensation.

(4) The term "supplemental extended compensation" means compensation payable under a State law for weeks of unemployment beginning in a supplemental extended benefit period, under those provisions of the State law which satisfy the requirements of this Act with respect to the payment of supplemental extended compensation.

(5) The term "additional compensation" means compensation totally financed by a State and payable under the State law by reason of conditions of high unemployment or by reason of other special factors.

(6) The term "benefit year" means the benefit year as defined in the applicable State law.

(7) The term "base period" means the base period as determined under the applicable State law for the benefit year.

(8) The term "Secretary" means the Secretary of Labor of the United States.

(9) The term "State" includes the States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, and shall also include the Virgin Islands beginning with the day after the day the unemployment compensation law of the Virgin Islands is approved under section 3304(a) of the Internal Revenue Code of 1954.

(10) The term "State agency" means the agency of the State which administers the State law.

(11) The term "State law" means the unemployment compensation law of the State which is approved by the Secretary under section 3304 of the Internal Revenue Code of 1954.

(12) The term "week" means a week as defined in the appdicable State law. except that for purposes of subsection (a), (b), (d), (e), (f), and (g) of section 203 "week" means a calendar week.

APPROVAL OF STATE LAWS

SEC. 206. (a) Paragraph (11) of section 3304(a) of the Internal Revenue Code of 1954 is amended to read as follows:

"(11) extended compensation and supplemental extended compensation shall be payable as provided by the Federal-State Extended Unemployment Compensation Act of 1977;".

(b) The amendment made by subsection (a) of this section shall apply with respect to certifications of States on October 31, 1979, and, on October 31 of each subsequent

year, and with respect to weeks of unemployment which begin after December 31, 1978.

(2) In the case of any State, the legislature of which does not meet during the calendar year 1978, the amendment made by subsection (a) of this section shall apply with respect to the certification of the State on October 31, 1980, and on October 31 of each subsequent year, and with respect to weeks of unemployment which begin after December 31, 1979.

EARLY EFFECTIVE DATES

SEC. 207. (a)(1) In the case of a State law approved under section 3304(a)(11) of the Internal Revenue Code of 1954, as amended by section 206(a) of this Act, such State law may also provide that extended compensation shall be payable with respect to weeks of unemployment beginning prior to January 1 of the year to which section 206(b) applies, and for this purpose the State law shall also specify the first date on which an extended benefit period may begin which shall be subject to the special rules in section 203(b) and shall not be earlier than 60 days after the date of enactment of this Act. The State law shall also provide, with respect to any early extended benefit period authorized by this paragraph, that such early extended benefit period shall be determined in accordance with section 203(a)(1) solely by reference to the State "on" indicator and the State "off" indicator for exended benefit periods.

(2) Section 204 shall apply to extended compensation paid with respect to weeks of unemployment that begin prior to January 1 of the year to which section 206(b) applies, in respect of such compensation paid in accordance with paragraph (1) of this subsection.

(b)(1) In the case of any State law approved under section 3304(a)(11) of the Internal Revenue Code of 1954, as amended by section 206 of this Act, such State law may also provide that supplemental extended compensation shall be payable with respect to weeks of unemployment beginning prior to January 1 of the year to which section 206(b) applies, and for this purpose the State law shall also specify the first date on which a supplemental extended benefit period may begin, which shall be subject to the special rules in section 203(b) and shall not be earlier than 60 days after the date of enactment of this Act. The State law shall also provide, with respect to any early supplemental extended benefit period authorized by this paragraph, that such early supplemental benefit shall be determined in accordance with section 203(a)(2) solely by reference to the State "supplemental on" indicator and the State's "supplemental off" indicator for supplemental extended benefit periods.

(2) Section 204 shall apply to supplemental extended compensation paid with respect to weeks of unemployment that begin prior to January 1 of the year to which section 206(b) applies, in respect of such compensation paid in accordance with paragraph (1) of this subsection.

REPEAL OF 1970 ACT

SEC. 208. The Federal-State Extended Unemployment Compensation Act of 1970 is repealed as to each State on the date that the law of the State approved under section 3304(a)(11) of the Internal Revenue Code of 1954 (as amended by this Act) takes effect in the State.

TITLE III—FINANCING AMENDMENTS FOR UNEMPLOYMENT COMPENSATION PROGRAMS

EXTENDED UNEMPLOYMENT COMPENSATION ACCOUNT

SEC. 301. (a) Subparagraphs (B) and (C) of section 901(f)(3) of the Social Security Act, and subsection (b) of section 905 of the Social Security Act, are repealed effective after March of the first calendar year to which paragraph (2) of section 3301 of the Federal Unemployment Tax Act applies.

(b) Section 902 of the Social Security Act is amended by striking from subsection (c) the clause "and the extended unemployment compensation account will reach the limit provided for such account in section 905(b)(2),".

(c) Section 905 of the Social Security Act is amended—

(1) by inserting before the period at the end of subsection (c) the clause "and in section 204(f) of the Federal-State Extended Unemployment Compensation Act of 1977", and

(2) by redesignating subsection (d) as (d)(1) and by adding thereto the following new paragraph (2):

"(2) There are hereby authorized to be appropriated, without fiscal year limitation, to the extended unemployment compensation account, such sums as may be necessary to carry out the purposes of the Federal-State Extended Unemployment Compensation Act of 1977.".

(d)(1) Subparagraph (A) of section 901(f)(3) of the Social Security Act is amended by striking the subparagraph designation "(A)".

(2) Section 903(a)(1) and section 902(c) of the Social Security Act are amended by striking "901(f)(3)(A)" and inserting in lieu thereof "901(f)(3)".

(3) Section 905 of the Social Security Act (as amended by this Act) is amended—

(A) by relettering subsection (c) as (b), and

(B) by relettering subsection (d)(1) as (c)(1).

(4) The amendments made by this subsection shall take effect after March of the first calendar year to which paragraph (2) of section 3301 of the Federal Unemployment Tax Act applies.

(e) The amendments made by subsections (b) and (c) of this section shall take effect on the enactment of this Act.

REPAYMENT OF ADVANCES

SEC. 302. (a) Paragraph (2) of section 3302(c) of the Internal Revenue Code of 1954 is amended to read as follows:

"(2)(A) If an advance (or advances) has been made to the account of a State under title XII of the Social Security Act, then the total credits otherwise allowable under this section (after applying subsections (a) and (b) and paragraph (1) of this subsection), in the case of a taxable year beginning with the second or subsequent consecutive January 1 as of the beginning of which there is a balance of such advance (or advances) and after the taxable year 1979, to a taxpayer subject to the unemployment compensation law of such State, shall be reduced in accordance with subparagraph (B) of this paragraph unless—

"(i) the Secretary of Labor finds as of November 10 of such taxable year that (I) with respect to that taxable year and the three succeeding taxable years, the State has taken appropriate action with respect to the financing of its unemployment compensation law which is estimated by the Secretary of Labor to result in such State's unemployment fund being actuarially sound for such four taxable years, and (II) in that taxable year will permit the repayment required by subparagraph (A)(ii) (if such repayment is required) without, in the estimate of the Secretary of Labor, endangering the actuarial soundness of the State's unemployment fund for that taxable year or for the three succeeding taxable years; and

"(ii) prior to November 10 of such taxable year, the State pays to the Treasury, for credit to the Federal unemployment account in the Unemployment Trust Fund and reduction in the balance of such advance (or advances) to such State, an amount determined by the Secretary of Labor and certified to the Secretary of the Treasury equal to not less than 20 percent of the balance of advance (or advances) as of the January 1 on which such balance was the highest among the preceding consecutive taxable years in which there was as of January 1 a balance of advance (or advances), but not more than the amount of the balance on January 1 of such taxable year; except that repayment as provided in this subparagraph shall not be required if the average weekly insured unemployment rate (as defined in section 203(h) of the Federal-State Extended Unemployment Compensation Act of 1977) in the State for all weeks which began in the fiscal year ending in such taxable year equalled or exceeded 4.5 percent.

"(B) For any taxable year that the Secretary of Labor finds and certifies to the Secretary of the Treasury that a State has not satisfied the requirements of subparagraphs (A)(i) and (A)(ii), the total credits otherwise allowable to a taxpayer subject to the unemployment compensation law of such State shall be reduced by the sum of—

"(i) 10 percent of the tax imposed by section 3301 with respect to the wages paid by such taxpayer during such taxable year which are attributable to such State; and

"(ii) the percentage determined by the Secretary of Labor to the nearest tenth of a percent and certified to the Secretary of the Treasury which is calculated to reduce the credits otherwise allowable to all taxpayers subject to the unemployment compensation law of such State in an aggregate additional amount equal to 6.0 percent of the repayment required by subparagraph (A)(ii), if such repayment is required with respect to such taxable year.

"(C) The Secretary of Labor shall prescribe regulations setting forth the criteria according to which he will determine the requirements of subparagraphs (A)(i), (A)(ii), and (B)."

(b) Subsection (d) of section 3302 of such Code is amended by—

(1) Changing the heading of such subsection to read "Special Rules Relating to Subsection (c)",

(2) Deleting "Paragraph (2) or (3)" in paragraph (3) of subsection (d) and inserting in lieu thereof "Paragraph (2)", and

(3) Deleting paragraphs (4), (5), (6), and (7).

(c) Section 901(d)(1) of the Social Security Act is amended by deleting "section 3302(c)(3)" and inserting in lieu thereof "section 3302(c)(2)".

(d) Section 1201(a)(1) of the Social Security Act is amended by deleting "and 1201" and inserting in lieu thereof "906(c)(2), and 1202, and title III of the Emergency Compensation and Special Unemployment Assistance Extension Act of 1975".

(e) The amendments made by subsections (a), (b)(1), and (b)(3) of this section shall take effect with the taxable year that begins on January 1, 1980. The amendments made by subsections (b)(2), (c), and (d) of this section shall take effect on the date of enactment of this Act.

(f) For the taxable year 1977, 1978, or 1979, the reduction in total credits under section 3302(c)(2) of the Internal Revenue Code of 1954, with respect to taxpayers subject to the unemployment compensation law of a State, upon application of the Governor of the State to the Secretary of Labor and certification of approval by the Secretary of Labor to the Secretary of the Treasury, shall be 10 percent of the tax imposed by section 3301 of the Internal Revenue Code of 1954 with respect to the wages paid by such taxpayers during such taxable year which are attributable to such State under the provisions of section 3302(c), notwithstanding any greater reduc-

tion in total credits that otherwise would be imposed under the provisions of section 3302 (c) for such taxable year. If an application is approved under this subsection with respect to a State for any of the taxable years 1977, 1978, or 1979, the balance of advance (or advances) to that State as of January 1 of that taxable year shall bear interest at the rate of 0.5 percent per month on the balance of the advance (or advances) as of the beginning of such January 1 and each month thereafter. For the purpose of this subsection and this Act, title IX of the Social Security Act, and the Federal Unemployment Tax Act, the accumulated interest shall become a part of such balance of advances, except for the purpose of calculating the interest required under this subsection.

INTEREST ON ADVANCES

SEC. 303. Subsection (a) of section 1201 of the Social Security Act is amended by adding thereto a new paragraph (4) to read as follows:

"(4) An advance made under this section for any month which begins after the date of enactment of the Unemployment Compensation Reform Act of 1977 shall, notwithstanding paragraph (1) of this subsection, bear interest at the rate of 0.5 percent per month on the balance of the advance as of the beginning of each month. For the purposes of this title, title IX, and the Federal Unemployment Tax Act, the accumulated interest shall become a part of the balance of the advance, except for the purpose of calculating the interest required under this paragraph. Any such advance shall be repayable, with such interest, in the manner provided in sections 901(d)(1), 903(b)(2), 906(c)(2), and 1202, and title III of the Emergency Compensation and Special Unemployment Assistance Extension Act of 1975."

FINANCING EMERGENCY UNEMPLOYMENT COMPENSATION

SEC. 304(a). Section 104 of the Emergency Unemployment Compensation Act of 1974 is amended to read as follows:

"SEC. 104(a). The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this Act. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payments to the State in accordance with such certifications, by transfers from the general fund of the Treasury to the account of such State in the Unemployment Trust Fund.

"(b) There are authorized to be appropriated from the general fund of the Treasury, without fiscal year limitation, such sums as may be necessary to carry out the purposes of this Act."

(b) Repayment shall not be required of any advances to the extended unemployment compensation account that have been made by the Treasury prior to the date of enactment of this Act for use in making payments to States having agreements entered into under the Emergency Unemployment Compensation Act of 1974.

ADDITIONAL COSPONSORS

S. 1675

At the request of Mr. HATHAWAY, the Senator from Connecticut (Mr. RIBICOFF) and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of S. 1675, the Social Security Act Amendments of 1977.

S. 1835 AND S. 1836

At the request of Mr. HUDDLESTON, the Senator from Minnesota (Mr. ANDERSON), the Senator from Nebraska (Mr. CURTIS), and the Senator from Minnesota (Mr. HUMPHREY) were added as cosponsors of S. 1835 and S. 1836, relating to railroad abandonment and the adequacy of transportation in rural areas.

AMENDMENT NO. 504

At his own request, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of amendment No. 504, intended to be proposed to S. 9, the Outer Continental Shelf Land Management Act.

AMENDMENT SUBMITTED FOR PRINTING

OUTER CONTINENTAL SHELF LANDS MANAGEMENT ACT—S. 9

AMENDMENT NO. 507

(Ordered to be printed and to lie on the table.)

Mr. DURKIN (for himself, Mr. ABOUREZK, Mr. METZENBAUM, Mr. MCINTYRE, Mr. HATHAWAY, and Mr. RIEGLE) submitted an amendment intended to be proposed by them jointly to the bill (S. 9) to establish a policy for the management of oil and natural gas in the Outer Continental Shelf; to protect the marine and coastal environment; to amend the Outer Continental Shelf Lands Act; and for other purposes.

NOTICE OF HEARING

Mr. HUDDLESTON. Mr. President, I wish to announce that the hearing scheduled by the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices announced for 10 a.m., Friday will begin at 9 a.m. This is the second day of hearings about the problems that exist in the agriculture transportation system and the extent to which such problems impede the movement of agricultural and other products to markets.

The Friday, July 15, hearing will be held at 9 a.m. in room 322, Russell Senate Office Building.

ADDITIONAL STATEMENTS

TAIWAN AS A PAWN

Mr. GOLDWATER. Mr. President, what a relief it was to read in the Washington Star of Monday, July 11, the first fair approach on a suggestion relative to our recognition of Red China and our no longer recognizing Taiwan. The entire editorial is really summed up in this sentence:

All that's required by honor and self-respect is use our bargaining strengths in the current negotiations to assert Taiwan's right to exist outside Peking's control, or at least to make its own terms for reunification.

How any responsible writer, editorialist, or political commentator can see any possible advantage to the United States in the formal recognition of Red China is beyond me to comprehend.

I said many years ago when I was a much younger man that it was wrong for us to recognize the Soviet Union, but we did and, in my humble opinion, we have lived to regret it. What did that recognition accomplish for us? Nothing. However, it gave respect and stature to the struggling Soviet Union at a time when, had they been required to show a strong approach to proper government and a strong approach to allowing people more freedom, they could have earned that respect, but they have done nothing to merit that recognition since obtaining the go-ahead and a gold star from the United States.

I must repeat what my feelings were at that time—and they are the same at this time—that if we recognize the Communist Nation of Red China, we do nothing but taint it with a little honor and it does not deserve one little speck of that kind of help. The words of the Red Communist pilot who defected from the People's Republic of China should be read by every American so that they can better understand the dilemma of these 800 million people who yearn for freedom, who have the ability to grow to unprecedented heights under freedom, but who are denied every freedom known to man. In spite of this, we find our President, backed up by his Secretary of State, still intent on achieving formal recognition of Red China, hopefully, they say, by the end of this year.

I think it is time in the history of this country that we recall with great pride that in the execution of foreign policy, ours generally has been an honest operation; but, to even think of forsaking old friends like the millions of Chinese who live on Taiwan and the millions of other Chinese who live elsewhere than on Red China is unthinkable.

I commend the Washington Star for starting, at least in a very small but honorable way, another look at what the Carter administration is trying to do in giving recognition to people who have no respect for human rights and disregarding those people who have demonstrated what their concern for human rights can do.

I ask unanimous consent that the editorial referred to be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TAIWAN AS A PAWN

Everything President Carter and the State Department say about relations with the People's Republic of China, as well as everything they don't say, sounds more and more like the United States abandoning Taiwan. And, true to the rule every country but ours seems to follow, the more accommodating we become, the sterner the People's Republic grows on the subject.

That ominous word "liberation" is in the air.

The 16 million people of Taiwan, of course, have other words for that: "aggression," "invasion," betrayal" to begin with.

It is a situation full of ironies. The leaders of the People's Republic of China have obvious reasons for wanting to do just what they say they want to do, which is to incorporate Taiwan into the Communist Chinese state. Taiwan's industrial capability, widely recognized as a wonder of development comparable only to the post-World War II Japanese achievement, would be a distinct benefit to the faltering economy of the mainland. But material gain is perhaps less important than the prestige value of taking over Taiwan.

The leadership of Hua Kuo-feng is still

imperfectly consolidated after the purge of the radical element identified with Chairman Mao's widow, Chiang Ching, which seems to have involved a gang of considerably more than four. Diversion of public attention to an external enemy always helps to solidify control at home. So does a conspicuous triumph.

Whether it happened by force or not, taking over Taiwan would be a show of strength to impress the world. It would be seen as a humbling of the United States, which had made so many promises to Taiwan, as well as a vindication of communism in general and Communist Chinese power in particular.

This is where more of the ironies set in. Among those who would not be pleased to see such a flaunting of Chinese might would be the Soviet Union. It is even possible that, with the United States standing aside, the Soviets might divert some of the arms their interests no longer call for in Indochina to the Taiwan defenses, simply as a means of forestalling their great rival's advancement.

Such a possibility could make the Hua government reluctant to invade Taiwan. And, even if Taiwan had neither American nor Soviet equipment and other aids, its own defenses and spirit are in good repair. An invasion by liberators from the mainland could fail. As the Bay of Pigs so eloquently testified, it can happen.

At best, a successful invasion of Taiwan would involve Peking in a sticky situation. The USSR's embarrassments over Hungary and Czechoslovakia have lingered; furthermore, it's likely that it would take considerably more bloodshed to overturn the entrenched government in Taipeh than to put down a few disorganized Hungarian Freedom Fighters.

As for the possibility of a negotiated reunification of the two Chinas, it's remote. The only carrot Peking could dangle would be autonomy and a chance to keep the fruits of its superior energy and skill. Not much chance there, ideological passion being what it is. The only stick would be cutting off Taiwanese trade. Peking has already done much of what can be done on that one, strongarming, for example, Japanese firms to forego doing business with Taiwan as the price of doing business with mainland China. It would just about have to be invasion.

And, with all the hazards weighed, the main inducement for invasion may be that American readiness to give in to anything Peking asks in order to arrive at full diplomatic relations has maneuvered the People's Republic Chinese into a posture of such belligerence. Even that's not the final irony, though. The final irony is that it's so hard to think of anything we will gain by abandoning Taiwan that we couldn't have without disavowing a long friendship and a lot of high-sounding pledges.

Trade? The Chinese are as eager for it as the American companies. Good will in the Third World? Looking weak next to a large Marxist nation won't win us points with a small one. And abandoning allies under pressure never looks good to anybody.

Nobody proposes that we send troops to Taiwan or so involve ourselves in its defense that we risk another Vietnam. All that's required by honor and self-interest is use our bargaining strengths in the current negotiations to assert Taiwan's right to exist outside Peking's control, or at least to make its own terms for reunification. There's still time.

NATIONAL ENERGY POLICY

Mr. BIDEN. Mr. President, on April 20 President Carter released the details of his energy plan to the Nation asking us to work together "to deal with the greatest domestic challenge that our Nation will face in our lifetime." As the President pointed out, his plan will demand "a new direction in American life," a direction which may be difficult to pursue; at least it will be inconvenient.

From the very first days of this Nation's founding, our people have borne hardship and sacrifice as investments in a better future for their children. Today, we are summoned to meet another challenge—not one of war or economic depression, but a real one nevertheless. Left unmet this challenge could be of greater consequence than any previous one this young Nation has faced.

We all know how seriously the severity of this past winter affected the lives of most Americans. Families struggled with spiralling heating and utility bills, companies had difficulties securing needed oil and natural gas supplies, and economic problems generally were exacerbated. Now we are asking the American people to respond again to this "invisible crisis."

The Congress has its work cut out for it over the next few months in dealing with solutions to the energy problems which beset us. Yet one thing is clear, the American people support us in the development of a comprehensive energy policy this year.

I recently asked the people of my State, the State of Delaware, to give me their views on various aspects of the energy problem and some of the solutions proposed to meet it. The overwhelming number of responses I received to my statewide survey is evidence of the determination of the people of my State to help us develop such a policy. Mr. President, time and again the people of this country have outpaced the Government in their perception of national problems and prescriptions for their solution. I believe the Members of this body might find the opinions of the people of the State of Delaware instructive as we begin work on formulating a national energy policy. I ask unanimous consent that these survey results be printed in the RECORD.

There being no objection, the results were ordered to be printed in the RECORD, as follows:

DELAWAREANS SPEAK OUT—THE ENERGY SURVEY

AN ENERGY SHORTAGE

Six out of every ten Delaware respondents said they felt "there is a shortage of energy in the United States." Another 17% were simply not sure if there was a genuine domestic energy shortage.

U.S. energy supply is affected by numerous factors: the level and success ratio of domestic oil and gas drilling activity both on and offshore, the price of energy, our domestic consumption rates, our level of foreign oil imports, etc. The domestic sources of energy which have largely satisfied growing U.S. demand since World War II are declining. U.S. oil production has been falling since 1970. U.S. natural gas production has been declining since 1973. While domestic energy production has been declining, our consumption of energy has increased.

GROWING OIL IMPORTS

This "gap" between domestic energy production and consumption has been made up by huge increases in our importation of higher-priced foreign oil.

In 1965, our country depended on foreign oil for 21% of our oil consumption. By 1974 imports rose to 37% of our needs, and in 1976 we imported 7.3 million barrels of foreign oil daily, or 42% of our consumption. Figures for the first few cold months of 1977 show even steeper import increases, leading to deepening dependence on the world oil market and growing vulnerability to a supply interruption. No doubt, these are some of the reasons 78% of the people of our state responding to the survey said they saw "significant problems if the United States rapidly increases the amount of crude oil that it imports."

LIFE-STYLES TO CHANGE

But what are the alternatives to importing more expensive foreign oil if U.S. energy production declines and demand increases? One way to bridge this supply-demand gap is to cut wasteful uses of energy needs. Nearly three out of four Delawareans surveyed obviously believed we will be faced with a strong need to conserve because they stated "that solutions to our energy problems will require significant changes in our life styles." The President has stated that if vigorous conservation measures are not undertaken and present trends continue, "energy demand is projected to increase by more than 30% between now and 1985." He added, "Americans can eliminate energy waste through effective conservation and improved energy efficiency in transportation, buildings, and industry."

CONSERVATION INCENTIVES

How do Delawareans react to some of the energy conservation proposals? Two of every three respondents favored "a system of tax penalties and incentives in order to urge automotive manufactures to improve the gas mileage of their cars"; 26% opposed such a scheme. A greater majority of those polled, 73% favored "special tax treatment for homeowners who install solar energy units for heating and air conditioning, storm windows, insulation, and other energy saving home improvements." However, when it comes to proposing an increased tax on gasoline as a way to conserve fuel, 66% of Delawareans surveyed were opposed, with 24% in favor of such a plan.

ALTERNATE ENERGY SOURCES

The President's goal to moderate the use of energy sources in short supply by expanding the use of energy resources in plentiful supply generally seems to be supported by the responses you gave to one of my survey questions. When asked, "Would you favor a government subsidy to an electric power company for the cost of conversion to burning coal if it could be done in an environmentally sound way," 59% said yes, whereas 28% disagreed.

Although coal comprises 90% of U.S. total fossil fuel reserves, the United States meets only 18% of its energy needs from coal. 75% of energy needs are met by oil and natural gas although they account for less than 8% of U.S. reserves. Hence, the President has proposed correcting this imbalance between reserves and consumption "by shifting industrial and utility consumption from oil and gas to coal and other abundant energy resources."

The use of another, potentially abundant alternative energy source is nuclear power. 64% of my survey respondents stated that "nuclear power should be considered as a major alternative energy source for the future," 22% opposed such an option, and 14% were not sure of their position on this issue.

OFFSHORE DRILLING

There is some disagreement over how abundant oil and natural gas reserves are. Drilling for these important fuel supplies off our own state coastline and along the East coast is one way proposed to try to increase our domestic oil and gas supplies. Some 61% of those people of our state who

responded to the survey favored "the drilling for oil and gas along the Delaware coastline," 26% opposed such a program and 13% were not sure. Further, new domestic sources of crude oil produced in Alaska should not, in the opinion of 68% of those polled, be sold to Japan.

Suspicions about the practices of energy companies persist. Six of every ten Delawareans said they thought that "natural gas supplies were deliberately withheld during last winter's shortages in order to drive up the price"; 20% disagreed, and 20% of those surveyed were not sure.

NEEDED: A COMPREHENSIVE ENERGY POLICY

The largest majority response recorded in the whole survey was the 86% of Delawareans who felt "that the President and Congress should develop a comprehensive energy policy this year." The President has presented a number of initiatives to meet this crisis which will be examined during the next few months. The time and effort the many Delawareans took to share their views on issues which the President regards as "the greatest challenge of our lifetime," will be of great help to me in representing you and all the people of Delaware.

ENERGY SURVEY RESULTS AT A GLANCE

[In percent]

	Yes	No	Not sure
1. Do you feel there is a shortage of energy supplies in the United States?	60	23	17
2. Do you feel that solutions to our energy problems will require significant changes in our lifestyles?	74	17	9
3. Do you see significant problems if the United States rapidly increases the amount of crude oil that it imports?	78	11	11
4. Do you feel that the President and Congress should develop a comprehensive energy policy this year?	86	8	6
5. Do you think that natural gas supplies were deliberately withheld during last winter's shortages in order to drive up the prices?	60	20	20
6. Do you favor the drilling for oil and gas along the Delaware coastline?	61	26	13
7. Do you believe that the United States should sell to Japan crude oil produced in Alaska?	15	68	17
8. Do you believe that the use of nuclear power should be considered as a major alternative energy source for the future?	64	22	14
9. Do you favor a system of tax penalties and incentives in order to urge automobile manufacturers to improve the gas mileage of their cars?	67	26	7
10. Do you think that increasing the tax on gasoline is a desirable way to conserve fuel?	24	66	10
11. Do you favor special tax treatment for homeowners who install solar energy units for heating and air conditioning, storm windows, insulation, and other energy saving home improvements?	73	21	6
12. Would you favor a government subsidy to an electric power company for the cost of conversion to burning coal if it could be done in an environmentally sound way?	59	28	13

THE SOFT PATH, THE YELLOW BRICK ROAD, AND PIE-IN-THE-SKY

Mr. GARN. Mr. President, one of the most common criticisms of energy use in this country is that it was wasteful. In support of that charge, critics often point out that other countries use far less energy per capita than the United States. As Peter Brennan, former Secretary of Labor, points out in a criticism of Amory Lovins "Energy Strategy: The Road Not Taken?" such criticisms ignore the fact that the United States also produces an enormous percentage of the food and other goods consumed by the world's people. If Americans were to reduce their energy consumption by 40 percent, to each the level of consumption in Sweden, the world would immediately be beset by shortages of food and other necessaries. As Mr. Brennan puts it, "simple-minded comparisons of countries whose cultures, economies, and sizes are tremendously different make for dramatic but useless conclusions."

I ask unanimous consent that the essay by Mr. Brennan be printed in the RECORD.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

THE SOFT PATH, THE YELLOW BRICK ROAD, AND PIE-IN-THE-SKY

(By Peter Brennan)

Anyone concerned with jobs and a healthy economy, and the energy needed to assure both for this nation, should find the Lovins approach an elaborate blueprint for disaster. He would substitute pie-in-the-sky energy schemes of modest potential for proven, reliable, bread-and-butter energy technologies. And while his "unconventional" energy sources may hold promise, they cannot and will not be able to shoulder the massive burden of our energy needs, no matter how much we conserve, no matter how much money is showered upon them, no matter how many glowing and assertive articles are written about them.

Lovins cites studies which show that, if America were as efficient as Sweden we could save at least a third of our energy. If America were more like Sweden, however, we wouldn't export as much, or continue to feed so much of the world. Sweden uses on the order of 40% less energy per person than Americans do, which apparently makes us energy gluttons in Lovins' eyes. His line of reasoning fails to take note of the simple fact that a large portion of the U.S. economy is geared for export, while Sweden's is not. Thus, with 5.3% of the world's population, the U.S. produces 17% of the world's grains and cereals, 23.6% of the world's manufactured goods, and 26.6% of the gross world product. This accounts in large part for the discrepancy between Swedish and American per capita energy use. Indeed, in the area of agriculture alone, which accounts for nearly one-fifth of U.S. energy consumption, we have more land under production than the entire area occupied by Sweden! Also, Sweden is neither a large nor suburban-oriented nation. A big chunk of per capita energy consumption by Americans is for gasoline. That is not the case in Sweden.

While there is certainly energy waste in this country that can and should be eliminated, simple-minded comparisons of countries whose cultures, economies and sizes are tremendously different make for dramatic but useless conclusions.

Lovins also says that our entire technology of proven, reliable central station electric power has got to go. Get rid of it. Who needs it? It's a sty in the eye of the no-growth beholder. He overestimates and overemphasizes all the drawbacks of this and other big technologies while painting a trouble-free picture of the soft technology world to come, leaving out anything which might give readers second thoughts.

Furthermore, Lovins' energy schemes just can't make it on their own merits against the competition, even with the rising costs of traditional energy sources. But, by repeating over and over, "Big is Bad," Lovins and others hope that it will be believed and clear the way for "Small is Beautiful."

By analogy, Lovins could assert: The Titanic was typical of big ships built to carry a big passenger load. The Titanic was traditional technology with big risks. The Titanic sank. Therefore, we should eliminate all big ships and in their place only make small, one-family, efficient, safe boats for everyone who wants to cross the ocean.

We can stubstitute small airplanes, small buildings, small anything, and the arguments would still sound the same and come out just as ridiculous. One need not challenge or find fault with large-scale technology in order to justify smaller technologies. Both have their very valid place. Both must be mutually inclusive; in simple point of fact, each depends upon the other.

If one is fascinated with the engaging character of the Wizard of Oz, it's uncharitable to gripe too much about him when the curtain is pulled aside to reveal his hand on the terrifying amplification system blaring his presence. But, Mr. Lovins is no MGM movie character and the sham behind his stupendous arguments warrants exposure.

CONSERVATION AND EIS'S

Mr. Lovins rightly cites the well-known fact that America consumes enormous amounts of energy, and, in doing so, we waste a lot. Therefore, conservation will increasingly dominate our transition to an energy conscious nation. But conservation will not work unless a balance is achieved between such factors as education, pricing, regulations and acceptance.

Lovins is especially critical of the conversion efficiencies involved in producing and distributing electric power. That there are losses in our electric energy use is obvious and, to some degree, a result of the laws of nature, which seem to abhor efficiency. But there are also gains in economy, reliability and environmental protection.

Let us not forget, too, that soft path enthusiasts generally do everything they can to delay, kill or drive the costs up for hard path options, while regulatory delay and bureaucratic bungling add immeasurably to costs.

I presume that Mr. Lovins would also have each and every homeowner prepare, submit and defend Environmental Impact Statements (EISs) for each self-sufficient soft path energy source intended for use (e.g., for fluidized-bed combustion units). We will have to have routine and ongoing inspections to determine that the units are being operated in conformity with license provisions and standards. And, I presume, hard path proponents will be welcome and even funded as intervenors in soft path licensing procedures.

We will have to make sure that, in addition to the swollen Federal bureaucracy, we now create an entirely new local bureaucracy to administer the "equitable" phasing-in of the soft path era. According to Mr. Lovins, local bureaucrats are more lovable and efficient than Federal ones. The line of reasoning which Mr. Lovins presents us with in support of his utopian soft path is im-

possible to swallow, no matter how much you chew upon it:

"In an electrical world, your lifeline comes not from an understandable neighborhood technology run by people you know who are at your own social level, but rather from an alien, remote, and perhaps humiliatingly uncontrollable technology run by a faraway, bureaucratic, technical elite who have probably never heard of you."

Lovins' benign "Brave New World" is just as scary to me as the other extreme. And after all is said and done, one gets the impression that Mr. Lovins' soft path is quite like the Yellow Brick Road. Both lead to "never-never land."

TRIBUTE TO JAMES G. NOUCAS

Mr. McINTYRE. Mr. President, today I would like to pay tribute to James G. Noucas, Sr., a man who, in the words of one of his colleagues, has become a legend in his field.

After four decades of service to New Hampshire in the field of education, Jim Noucas, assistant superintendent for the Manchester school system, had tendered his resignation. He will be sorely missed.

As a teacher, coach, and administrator, James G. Noucas has enriched the education of thousands of young people who have crossed his path during his many years in New Hampshire schools. He has offered his friendship to students, teachers, and administrators alike, and they have responded with deep respect and admiration.

Just the other day, I had a chat with some teachers from Manchester and my own city of Laconia who told me that although teaching is no easy task these days, it is administrators like Jim Noucas who have made teaching more enjoyable.

I believe this is because Jim Noucas has never forgotten the importance of a personal touch in education. He always looks for the best in people. Jim appreciates the difficulties that teachers face in today's classrooms where there exists a different standard of discipline than he knew 40 years ago; yet he always insists, "Youngsters are just as good as they've ever been."

It is his ability to recognize the strengths in other people, and his willingness to share with others his own strengths and wisdom that has earned Jim Noucas the respect he so richly deserves.

Mr. President, as a personal friend and admirer of Jim Noucas, I would like to thank him for his dedicated service to our State, and to wish him the best in his retirement.

I ask unanimous consent that an article on Jim Noucas be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NOUCAS TO END LONG SCHOOL SERVICE

(By Greg Andruskevich)

When James G. Noucas makes up his mind to do something he sticks to it.

And after 40 years in the educational field he finally has decided he's had enough.

And for that reason James G. Noucas, assistant superintendent for the Manchester School System for the past eight years has decided to tender his resignation.

Noucas, 63, submitted his resignation to the Manchester School Board this week. The Board is scheduled to act on the resignation at its regular meeting Monday night.

Though submitted on July 6, Noucas' resignation will not become official until Nov. 1, for he wants to help in insuring a smooth opening of schools in September.

Born in Greece but raised in Manchester, Noucas listed personal reasons as keying his decision to leave the educational field after spending four decades in it.

"I'm not mad at anybody, I'm not sick, I just feel I've had enough," said Noucas of his decision. "I really feel I've put in my 40 years. I've enjoyed it all the way through and have enjoyed all the people I've been associated with," he said.

Noucas, an outstanding athlete in his heyday, especially basketball, said he gave a lot of thought in making his decision to retire and finally figured he needed some time to enjoy life, "whatever time I have left," he said. "And now, with all of the kids grown up, that too makes a difference in deciding when one should retire," said Noucas.

Noucas and his wife, the former Evangeline Clainos, both grew up in Manchester, but traversed the state in the educational field. Presently Mrs. Noucas is a teacher at the Underhill School in Hooksett.

Noucas attended the Lincoln Elementary School and graduated from Central High in 1932. His collegiate career took him to Keene State College, Fitchburg, Mass., State College where he earned his bachelor's degree and Plymouth State College where he was awarded his master's degree. He also attended Boston University, Springfield College and the University of New Hampshire for special training.

Noucas embarked upon his teaching career in Epping where he spent one year before moving on to Troy High School where he jumped into the coaching profession also. That was in 1938, and two years later Noucas took the Troy basketball team into its first state tournament.

"I believe I have a pretty good coaching record," said Noucas of his experiences on the bench. From Troy he moved on to Milford where he took on the task of coaching both the girl and boy basketball teams. "It was hard work, but you did it," said Noucas. "There was no union to run to in those days" he said.

Noucas was the coach of the Milford team which won the Townsend, Mass., Tournament but finished second in the Monadnock League, "Peterborough was the big noise in that league then," said Noucas. "It was a pretty rugged league."

The Milford girls team twice captured the Monadnock title under the tutelage of Noucas. From 1943 to 1945 Noucas served with the U.S. Air Force and in 1945 returned to New Hampshire, Laconia.

While a teacher-coach at Laconia Noucas worked his way up the ladder as coach, director of physical education and athletics, assistant principal of Laconia High School and principal of Memorial Jr. High School.

During his seven years as mentor of the Basketball Sachems, Noucas took the team into the Class A tournament four times, winning a consolation round in 1952.

In 1967 Noucas returned to the Queen City where he took the position as principal of Hillside Jr. High School. Two years later he was nominated by the Manchester School Board to become an assistant superintendent of schools, replacing Henry McLaughlin who is now the superintendent of the Manchester system.

During the 40 years Noucas has spent in education he has seen and experienced many changes. Of those which stick out in his memory is the discipline in youngsters of today. "Youngsters of today are not as well disciplined. Parents have let down considerably in that area," said Noucas. "But, the youngsters are just as good as they've ever been, just that the discipline in general has broken down," he said.

Another area Noucas sees a drastic change in is the mandated programs issued by both the federal and state governments. "The changes come down and many of them don't help," he said.

Noucas explained of a recent program concerning education for the handicapped. In his view he doesn't see the program helping the handicapped but creating a terrific problem for the community. "They mandated a program but didn't fund it," said Noucas.

Education plays a big role in the Noucas family. The Noucas family includes George Noucas of 5 Irwin Dr., Manchester, who is a teacher at Nashua High School and the Jaycee football and basketball coach; Nick Noucas of Manchester who is employed by ASCAP, a society for composers and publishers which handles music licensing; Mary Noucas of Keene, a teacher at Keene High School; and James Noucas Jr., a graduate of Dartmouth College who is attending Boston College Law School.

"Mary is also the coach of the Keene girls softball team," said Noucas proudly. "Her team lost in the finals of the state tournament to Milford of all teams," he said.

Besides being active academically, Noucas also was active in many civic and social activities. Among organizations he is associated with are: N.H. Performing Arts Center, Easter Seal Advisory Board, 4 H Clubs; Laconia and Manchester YMCAs, Board of Directors of St. George Greek Church and many others.

He and his wife reside at 273 Blodget St., in the Queen City.

THE DECLINE OF THE UNITED STATES AS A WORLD POWER

Mr. GOLDWATER. Mr. President, recently Mr. James E. Dornan, Jr., who is associate professor and chairman of the Department of Politics at the Catholic University of America and senior political scientist at the Strategic Studies Center, Stanford Research Institute, delivered a paper, "The Decline of the United States as a World Power." Now I imagine that some of my colleagues are beginning to feel that I have become overly pessimistic about the position of my country in this world, and maybe they have some reason for that because being a conservative I believe very strongly that history constantly repeats itself and we are in that process right now.

I have recently called attention to the fact that four times during my life this country has gone to war, not because it had to go to war, or even wanted to go to war, but because we stumbled into the war by the wrong decisions of our Presidents. I am not going to dwell on that at this particular point because I will have more to say on it in the future, but I have found Mr. Dornan's paper so interesting, so convincing and so frightening that I think my colleagues should read it, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE DECLINE OF THE UNITED STATES AS A WORLD POWER

(By James E. Dornan, Jr.)

During America's bicentennial year most of us became reacquainted with much of the lofty and often inspiring rhetoric asso-

ciated with this nation's political past. A re-reading of the rhetoric reveals that it contains many themes and messages, but clearly among the most important of these is the assertion that the United States is a nation with a special mission to perform in human history.

Thus it was with John Winthrop's 1630 assertion that the new colony of Massachusetts Bay would be "as a city upon a hill, the eyes of all people are upon us." In a similar vein, John Adams told a friend in 1765: "I always consider the settlement of America with reverence and wonder, as the opening of a grand scene and design in Providence for the illumination of the ignorant and the emancipation of the slavish part of mankind all over the earth."

Such convictions as these have been expressed frequently throughout the nation's history: statesmen with political outlooks as divergent as those of Alexander Hamilton and Woodrow Wilson have been seized by the belief that the American system would become the political model for the entire world, and that American power might be a key factor in the establishment of new and just political orders in every corner of the globe. In modern times perhaps the two most characteristic formulations of these convictions are F.D.R.'s call to the American people to join in an undertaking to "afford assurance that all men in all the lands may live out their lives in freedom from fear and want," and the stirring hyperbole of John F. Kennedy's first inaugural address, "let every nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and the success of liberty." Since the birth of the American nation, our statesmen and our people alike have viewed the United States as fashioning both a democratic political system which others could and should copy to their benefit, and a great nation capable of wielding the power requisite to assist in advancing the cause of freedom around the world.

It was no accident that I concluded the litany of statements proclaiming America's global mission with a quotation from John Kennedy. In many ways the early 1960s represent the high-water mark of the American spirit of mission, both with respect to the proclaiming rhetoric and the power which we were capable of wielding in support of that rhetoric. Concern over a "missile gap" favoring the Soviet Union which had so alarmed Americans in the late 1950s was quickly succeeded, after Kennedy's inauguration, by a growing awareness both here and abroad that the United States possessed overwhelming strategic superiority over our principal adversary. It was that superiority which enabled us to turn back the Soviet challenge to Berlin in 1961 and to face down the U.S.S.R. in the Cuban missile crisis of 1962, the latter in most respects a humiliating defeat for the Soviets.

But the early 1960s have become an almost forgotten memory. It is my thesis that the United States no longer possesses the power to face down the Soviet Union, should a crisis of the Berlin or Cuba type arise in the future. It is my further contention that if trends now extant long continue, the United States will lose its ability to protect even its vital interests in Europe and in Northeast Asia, and perhaps ultimately lose its ability to protect the nation's security itself. The United States, in short, is in decline as a world power, and that decline is more advanced than we would like to believe.

THE MILITARY BALANCE

Evidence concerning the decline of the United States as a world power is not difficult to discover. Let us first investigate the military balance between the United States and its principal adversary, the U.S.S.R., a topic which in recent years has received considerable media attention. It is worth remembering that the state of the military balance is not merely a matter of abstract calculations of interest only to the Pentagon, but rather, as we shall see, is of concern to us all, because it is directly related to the ability of the United States to protect its interests and fulfill its commitments abroad, and ultimately to protect its own security.

First, let us examine strategic forces. The American public repeatedly has been reminded during the past five years that under the force levels established by the SALT I Accords, the U.S.S.R. is guaranteed a substantial advantage over the United States in strategic missiles of both the land-based and the sea-launched variety. At present, the U.S.S.R. deploys more than 1500 ICBMs to 1,054 for the United States, and 845 SLBMs in 78 submarines to 656 in 41 submarines for the United States. This should be compared with the situation which existed as recently as 1966, when the U.S. led 904 to 292 in ICBMs and 592 to 107 in SLBMs. While the United States possesses a substantial but diminishing lead in long-range strategic bombers—452 to approximately 210 for the U.S.S.R.—the Soviet Union has gained an even more substantial advantage over the United States in numbers of deployed sea-launched cruise missiles of all types, 600 to only a handful for the U.S. The Russian missiles are mostly short-range and were originally designed as anti-ship weapons; although they do not constitute a major part of the Soviet strategic arsenal, they can strike an area containing 60 percent of the U.S. population and a large portion of American industry, and we presently have no effective defense against them.

Moreover, it is often argued that significant U.S. advantages—numbers of MIRVed missiles, greater accuracy and reliability of the U.S. SLBMs, and greater numbers of manned bombers—compensate for the largest size of the Soviet strategic missile force. But these American advantages appear to be rapidly declining in significance. The Soviets have been testing and deploying their own MIRVed missiles since 1973. Due to the larger size of the new generation of Soviet missiles and their huge payload, the Soviets will be able to deploy a substantially larger number of MIRVed warheads on land-based missiles than the U.S. Moreover, these warheads will be larger than their American counterparts, thus compensating in considerable measure for the superior accuracy of American re-entry vehicles. The SS–18 alone can carry up to ten two-megaton warheads. The American *Minuteman*, by way of contrast, deploys only three warheads of 170 kilotons apiece. Furthermore, the Soviets are increasing the rate of production of their new swing-wing *Backfire* bomber, which, depending on the flight plan followed and the payload carried, can reach most strategic targets in the United States from bases in the Soviet Union. At current production rates, the Soviets will for the first time have more strategic bombers than the United States as early as 1982, whatever decision the Carter administration and Congress ultimately make about procurement of the B–1 bomber. Soviet air defense capabilities raise questions about the effectiveness of existing U.S. strategic bombers. The Soviets have more than 12,000 surface-to-air missiles in their inventory (the U.S. has none) and more than 2,600 interceptor aircraft as well.

The Soviets recently began testing of a new sea-launched strategic missile, the SS–N–18, which deploys MIRVed warheads substantially larger than their counterparts deployed on U.S. *Polaris* and *Poseidon* missiles. In this area as well, therefore, U.S. advantages are rapidly evanescing. Finally, while the Carter administration debates the future of the U.S. Navy's long-range *Tomahawk* cruise missile, the U.S.S.R. continues to test, and is apparently about ready to begin deployment of, its own-range cruise missile, the SS–N–12; its range may extend to 2,000 nautical miles or more, although the Soviets claim that it should be exempted from the proposed SALT ban on cruise missiles.

Neither is it plausible to argue that any SALT agreement which will prove acceptable to the U.S.S.R. will improve the position of the U.S. in the strategic equation. The principal effect of the SALT I agreement of 1972 was to limit deployment of the highly-promising U.S. ABM system and freeze the Soviet numerical advantage in numbers of strategic missiles, especially large missiles, while at the same time permitting the U.S.S.R. to proceed with its massive strategic force modernization program. The Vladivostok Accord, should it become the basis for a permanent follow-on agreement, would not at all limit this Soviet modernization process, which, when completed, will provide the U.S.S.R. with a dangerously high-confidence first-strike capability against the U.S. land-based missile force. While the Carter proposals for a comprehensive arms pact appear to include significant limits on the Soviet right to deploy new large missiles, these proposals have been explicitly rejected by the U.S.S.R. for exactly that reason. There is little likelihood that SALT II as finally concluded, therefore, will rescue the U.S. from the catastrophically deficient SALT I.

In any case, and perhaps most ominously of all, there are now solid indications, based not on textual analyses of Soviet military writings but on actual Soviet behavior, that the U.S.S.R. has definitively rejected the view commonly held by American defense intellectuals that no nation could survive a nuclear war. In recent years the Soviet Union has undertaken a civil defense program of highly significant proportions. Not only have the Soviets hardened their strategic communications centers, their nuclear weapons depots, and their military facilities in general, but underground bunkers are being provided for most industrial facilities in the U.S.S.R. as well. Of course it is possible to argue that this effort constitutes an exercise in futility—there is no doubt that if a nuclear war were to occur in the near future, every Soviet city could be burned to the ground, with population losses in the tens of millions—but the Soviet CD program nonetheless clearly demonstrates that the U.S.S.R. adheres to a philosophy of war and a strategy for the nuclear age which is startlingly different from our own. In sharp contrast to American strategists and statesmen, the Soviet leadership clearly believes that nuclear war might occur, and is preparing to fight such a war and win it should that happen.

This conviction doubtless explains the steady growth in the rate of expenditure for defense purposes in the U.S.S.R. over the past several decades. The increase in that rate of expenditure over a twenty-year period has amounted to three to five percent annually, regardless of external or internal conditions. In periods of "detente" and in periods of high international tension, during periods in which the Soviet domestic economy is functioning smoothly and during periods in which the Soviets have encountered severe economic difficulties, the rate of increase has remained the same. The poor Soviet harvests of the early 1960s and of the early 1970s, for example, coincided with massive deployments of new missile systems, and consequent increases in defense expenditures. Kissinger's 1973 prediction that "soon the economies of the two superpowers will be so intertwined that detente will become irreversible" was followed almost immediately by the onset of a Soviet missile deployment program which former Secretary of Defense Schlesinger

characterized as "staggering in its extent and scope." Since 1964, Soviet defense spending has increased over 40 percent in real terms, while that of the United States has declined 18 percent in real terms.

The conventional military balance appears even more unfavorable for the United States than does the strategic balance. That should surprise no one, since the conventional balance has favored the Soviet Union overwhelmingly since the end of World War II.

One important measure of military strength is total men under arms. The United States currently has just over two million, while the Soviet Union has nearly four and one half million in uniform. To be sure, military personnel in the U.S.S.R. perform a variety of tasks which in the U.S. are handled by civilians; nevertheless, the gap is startling. A more specific indicator of the conventional balance is the number of combat divisions in the armed forces of each superpower. The U.S. now has nineteen divisions, including the Marines, while the Soviet Union has 170—two more than a year ago. While it is true that Soviet divisions are somewhat smaller than their U.S. counterparts, the disparity is nonetheless a useful indicator of comparative conventional strength. During the past decade, the Soviets have added about one million men to their force structure—130,000 of which directly face U.S. and NATO forces across the central front on the Continent. They have, moreover, increased the size of their divisions by nearly 3,000 men, the density of tanks deployed in each division by nearly 40 percent, and the conventional artillery deployed with each division by at least 50 percent and in some cases even 100 percent. As a result, twenty Soviet divisions today are the equivalent of twenty-five to twenty-seven divisions of ten years ago. It is worth noting that the United States has a total of 11,600 tanks in active service, while the Soviet Union has at least 45,500. New assault and attack-type helicopters, improved infantry combat vehicles, self-propelled artillery, mobile rocket launchers, precision-guided anti-tank weapons, and T–72 main battle tanks are all presently being deployed by the U.S.S.R. in large numbers, especially in Europe.

A singular situation exists in the area of tactical air power. Not counting approximately 3,000 trainer aircraft and the 2,600 fighters previously mentioned, which are assigned to the air defense forces, the tactical air inventory of the Soviet Union—including fighters, attack aircraft, intermediate range bombers, and reconnaissance aircraft—now numbers more than 5,000 planes. A substantial proportion of these are assigned to the NATO theatre. Finally, Soviet tactical air power in Europe is backstopped by an intermediate-range missile force of 600 launchers, now being significantly upgraded through the deployment of the mobile and MIRVed SS–20 IRBM. As a consequence of these and similar deployments of new technology weapons the often-cited U.S.-NATO advantage in tactical nuclear systems is clearly declining.

There can be no doubt, therefore, that the overall conventional military balance between the superpowers has worsened appreciably during the past several years, especially in Europe. The situation does not markedly improve if Allied forces are added to U.S. theatre capabilities. And most serious commentators agree that should the U.S.S.R. launch an attack across the Central Front with a reasonable degree of tactical surprise, they would overwhelm NATO defenses and reach the English Channel within a startlingly short time. In the past, the West could rely upon its strategic superiority over the U.S.S.R. to deter such an attack. That superiority no longer exists.

In the area of naval strength, I note that ten years ago the Soviets had no missile-carrying cruisers; today they have 22. Ten years ago they had 12-missile-carrying destroyers and destroyer-like vessels; today they have more than 40. Ten years ago the Soviet Union had 45 nuclear-powered submarines; today they have more than 130. Finally, after a decade of determined shipbuilding effort, the Soviets have deployed their first true aircraft carrier and have under construction at least three more. The capability of the Soviet Navy has become so significant that the recently retired Chief of Naval Operations, Admiral Elmo Zumwalt, doubts whether the U.S. Mediterranean fleet could successfully deal with its Soviet counterpart in the event of war in Europe today. In an especially alarmist appraisal, General George Keegan, recently retired chief of Air Force Intelligence, asserts that in the event of war 75 percent of the free world's surface fleets would be destroyed by Soviet forces, naval and air, within a matter of hours.

In any case there is no longer any question concerning the Soviet ability to contest the American presence in any part of the world beyond our shores. The Soviet defense efforts that I have described have radically altered the nature of the U.S.S.R.'s military strength, transforming what was once essentially a continental force into one of global capabilities, capable of supporting Soviet foreign policy all over the world and directly intervening anywhere from Central Africa to the Caribbean. The observation of President Carter that "we're still by far stronger than they are in most means of measuring military strength" has nothing whatever to do with reality.

To be sure, it is possible to argue that I have presented in these remarks an overly alarmist view. There is no doubt that the United States still retains a mighty strategic force, which in fact has been improved in several important ways over the force we deployed as recently as five years ago. Neither can there be any doubt that under present circumstances a pre-emptive Soviet strategic strike upon the United States would be an act of folly.

Nevertheless, the analysis of extant trends in the strategic balance set forth above suggests that in the not distant future the U.S.S.R. may well possess the capability to destroy the bulk of the U. S. ICBM and bomber force in a first strike utilizing only a portion of its MIRVed heavy missile force. Most of its land- and sea-based missiles could be held in reserve to deter an American retaliatory strike in the unlikely event that it should be threatened. That possibility carries profound consequences for the stability of the international system and for American security. At the very least the likelihood of direct Soviet challenges to and threats against U. S. interests abroad will increase substantially.

It is worth recalling, as the German strategic thinker von Clausewitz reminded us 175 years ago, that power is not only the capacity to destroy, it is also the capability to influence, and that weapons have uses that far transcend the making of war. Not only is war a continuation of politics by other means, Clausewit instructed us, but the acquisition and deployment of military forces in peacetime are—or should be—primarily governed by political considerations. From the time of Lenin down to the present day the leadership of the Soviet Union has closely studied Clausewitz. And from the time of Lenin down to the present day the exercise of influence in peacetime has been one of the primary purposes governing Soviet force deployments.

In recent years Soviet leaders have quite openly called attention to the political purposes which inspire the U.S.S.R.'s military buildup, informing us that the world correlation of forces has shifted irrevocably in the direction of the socialist world: the United States retreat from Vietnam, the abortive U.S. response to the Cuban invasion of Angola, and the American acceptance of Soviet numerical superiority in the SALT I Accords, all proved quite conclusively, they have asserted, that the United States is in the process of accommodating itself to the emergent international order in which the Soviet Union is the preeminent power.

American leaders from Kissinger to Carter, of course, have argued that the Soviet leaders are wrong, and that the United States, in the words of former President Ford, is still second to none in the primary indices of international power. In reaching your own conclusions as to who has the better of this debate, I ask you to reflect upon the attitudes and behavior of American decision-makers during two of the most important international crises of the postwar period, the Hungarian revolution and its aftermath in 1956 and the Cuban missile affair of 1962. If you investigate these events you will discover that, despite the overwhelming strategic superiority that the United States enjoyed over the Soviet Union on both occasions, U. S. decision-makers proceeded with considerable circumspection and even trepidation, fearful that vigorous U. S. action might set off World War III—a war which, under the prevailing circumstances, the United States could not possibly have lost. Reflect, therefore, upon the likely behavior of the United States during a future crisis after the strategic advantage has passed to the Soviet Union.

To be sure, some commentators have suggested that the Soviet Union is likely to behave as circumspectly as did the United States when it possessed the strategic advantage, and for the same reasons: the leaders of the U.S.S.R. are no more anxious than those of the U.S. to set off a nuclear holocaust. Moreover, it is argued, the Soviets have proceeded cautiously in the past in their efforts to translate military power into political advantage, and can be expected to behave similarly in the future.

These arguments appear to me to be singularly unpersuasive. As I have suggested above, there is no reason to believe that the Soviet leaders think about nuclear war or about the relationship between military force and foreign policy in the manner of most American defense intellectuals. Even more significant is the fact that until recently the Soviet Union has been distinctly inferior to the West in strategic power. The world has no experience with a Soviet Union which possesses substantial military advantages over the United States, and it would be dangerous in the extreme to assume that her growing military power will have little or no impact on Soviet behavior in international politics.

AMERICAN POLITICAL INFLUENCE DIMINISHES

I have laid such great stress on the state of the contemporary military balance between the United States and the Soviet Union because military strength is the most obvious indicator of national power. Ample portents of the decline of the United States as a global power, however, can be found in the political realm as well.

It is worth examining the view increasingly held abroad of the United States power and influence. Since the defeat of the United States in Vietnam and our abortive response to the Angolan crisis, there has appeared in the European press, especially in France and the Federal Republic of Germany, an outpouring of concern about the willingness and ability of the United States to sustain a coherent foreign policy. European foreign correspondents now regularly speak of "the eclipse of American power," "the withdrawal of the U.S. from world politics," "the paralysis of American foreign pol-

icy," "the rise of neo-isolationism in America." Stern, West Germany's largest magazine, stated flatly in its special supplement honoring the American Bicentennial that "the American era is past."

According to a recent study by the United States Information Agency, doubts about the ability of the NATO alliance to protect Western Europe in the face of the growing Soviet threat have tripled in Italy over the past five years, nearly doubled in West Germany and France during a similar period, and drastically increased elsewhere in Europe as well. Even Western European officials, who customarily take an upbeat view of prospects for the West in public pronouncements, are now having second thoughts, and are openly voicing their concern about the future of NATO and the prospects for a meaningful East-West detente. The growing malaise in Western Europe doubtless has had an impact upon the startling growth in the political strength of the left-wing parties in Italy and more recently in France, and the prospects for an accession to power of a government of the left have increased substantially in both countries during the past eighteen months.

Even in the Eastern Mediterranean, where Greece and Turkey were formerly bastions of NATO strength with a long history of suspicion of Soviet motives and resistance to Russian imperialism, the situation in the past eighteen months has alarmingly deteriorated. Against the strongly-stated desires of its NATO allies, Turkey recently allowed the new Soviet aircraft carrier *Kiev* to pass through the Black Sea straits, in direct violation of the Montreux Convention—the latest in a series of Turkish attempts in recent months to build a more friendly relationship with its colossus to the north. In part, of course, recent Turkish policy is a result of dismay over U. S. policy towards Cyprus, but in part Turkey is simply accommodating itself to the prevailing winds in international politics, perceiving that as the power of the U. S. and NATO decline relative to that of the U.S.S.R., Turkey can hardly afford poor relations with the Soviet Union.

All over Europe the prospects for "Finlandization," as recently as two years ago widely considered to be a fantasy of American pessimists, are now being widely discussed. The term "Finlandization" refers to the prospect that the states of Europe, incapable of defending themselves in the face of overwhelming Soviet military superiority, will gradually modify their political behavior and even their internal political systems to suit the convenience and the desires of the Soviet Union, as has the nation of Finland throughout the postwar period. The facts concerning Finland's relationship with the U.S.S.R. bear recalling. When the term of Finnish President Urho Kekkonen legally ended in 1974, Soviet Secretary General Brezhnev publicly demanded that he remain in office lest the regularly-scheduled general elections result in the selection of a president of Finland less likely to submit to Soviet desires on significant domestic and international issues. As a result of Brezhnev's demand, the nationwide presidential elections were cancelled and Kekkonen's term was extended four more years by an act of Parliament. Reacting to both internal and external criticism, Kekkonen recently declared that elections will be held in 1978, but it has become apparent that this is a triumph of form over substance; already all major parties, including the Conservatives, have announced that Kekkonen will be their candidate. All this has occurred not because of the strength of the Finnish Communist party, which has never received more than 25 percent of the popular vote in any Finnish election, but because of direct external pressure by the Soviet Union. Once again, I ask you to reflect upon future possibilities.

How would a Communist-governed Italy behave in the face of similar Soviet pressure, or for that matter a Socialist-Communist coalition government in France? And should the dominoes begin to fall in the rest of Europe, how would the Netherlands behave? There a political party leader proposed that the Dutch army should be reduced to one man, Russian-speaking, whose sole task would be to telephone to Moscow the announcement of the Netherlands' surrender in the event of a Soviet invasion of Western Europe. He received nearly 20 percent of the vote in a recent parliamentary election.

The situation is only slightly more promising in the Far East. In Japan, for example, there is widespread confusion and alarm over continued evidence of U. S. determination to continue its military withdrawal from Asia. Discussion has begun on the alternatives open to Japan, including accommodation to Soviet and Chinese power and the acquisition of nuclear arms.

In the Third World, American influence is probably at an all time postwar low. Events at the meeting of "non-aligned nations" in Sri Lanka in the summer of 1976 offer an instructive illustration. Attendees at the conference included such well-known "neutral" nations as Cuba, North Korea, North Vietnam, Laos, Cambodia and Angola. The Philippines were accorded only guest status, and South Korea was not permitted to attend at all. The final statement of the conference called for withdrawal of all U.S. forces from South Korea and complete Panamanian control of the isthmus canal. U.S. military bases in Latin America were condemned as "a threat to the peace and security of the region"; there was of course no mention of Soviet bases in the Middle East or along the edge of the Indian Ocean littoral. The member states called for an end to Puerto Rico's "colonial status," while of course not mentioning the colonial domination of the Baltic states by the Soviet Union, of Tibet by Communist China, and the like.

In the United Nations as well the developing world appears to be rapidly moving toward positions on world issues favored by the Soviet Union. On the twenty-six votes identified by the State Department as key issues during the past seven years, only thirteen nations voted consistently with the United States. More than 100 nations, about two-thirds of the total, voted with the Soviet Union and against the United States more than 50 percent of the time.

I could go on at length, but I believe the picture is clear. The era of American preeminence, in which the United States actively employed its military and economic strength to protect nations around the world against aggression and revolution, has passed. The United States is now hard pressed to defend its own vital interest beyond its borders. Should the military trends described above continue to develop as they have during the past five years, even that may be beyond us in the not-distant future.

THE REASONS FOR AMERICA'S DECLINE

What then explains the decline of the United States from a position of global preeminence to its present status? Needless to say, it is not possible to identify the reasons in detail or with precision within the space allotted to me here. Several factors, however, deserve mention. First, it is worth observing that to a certain extent the changes which have occurred in the global power balance have been beyond the capacity of the United States to alter. The breakup of the European colonial empires in the 1950s and 60s, the relative decline of Europe itself as a center of global power and influence, and the subsequent emergence of new power centers—particularly those of the emerging nations able to exploit for their own advantage rich natural resource bases or fortuitous geographic positions—have all combined to change the structure of world politics in ways which have both reduced the relative power of the United States and complicated our security problem.

Moreover, the Soviet drive for world preeminence, and especially the attempt of the U.S.S.R. to acquire superpower military capability, would have occurred even if the United States had pursued the wisest of policies throughout the postwar period. Short of preemptive war, there was little that the U.S. could have done to prevent the Soviet Union from becoming a military superpower capable of offering serious challenges to United States interests.

In the final third of the twentieth century, however, it has become obvious that the American democratic system itself is in some respects an impediment to the development of a coherent and intelligent international policy. Commentators from Thucydides and de Tocqueville to Henry Kissinger have remarked upon the difficulties which democratic societies encounter in the foreign policy arena. Some of the problems stem from the dynamics of two-party competition, which appear to require that the out-party reject the policies of the party in office, whatever their merits; the abrupt shifts of personnel in top decision-making positions which occur as a result of the electoral process in democratic societies; the opportunities afforded interest groups to influence the policy process; and finally, the desire of the populations in democratic states to exploit the political process to improve the material conditions under which they live. The advent of welfare democracy and its increasing drain on the financial resources of democratic governments has complicated matters by creating pressures to reduce defense expenditures during periods of relative peace.

These are problems, however, which all the democratic states of the West face in common. The American nation, as a consequence of its own special origins and political history, bears additional burdens. These burdens stem from the American political character itself, and from our traditional assumptions about the nature of world politics and the American role in the international political system. Not only has the United States assumed, as the rhetoric which I quoted at the outset clearly indicates, that as a new kind of society we are uniquely qualified and destined to help remake the world in the American democratic image, but we have tended to assume that utimately force can be banished from history and that the United States can avoid continuing participation in what we have always disparagingly referred to as "international power politics."

These ideas and assumptions have been reinforced by the impact of modern liberalism on the American political outlook. The belief in the perfectability of man and in the possibility for the radical amelioration of the human condition which lies at the core of the liberal outlook makes it difficult, if not impossible, for liberal statesmen to accept the permanence of conflict in world politics. Thus, when in power, liberals are reluctant to ascribe evil or aggressive intentions to the Soviet Union, and find it difficult to understand the continuing role of power, especially military power, in international politics.

CONCLUSION: CAN AMERICA BE "BORN AGAIN"?

The rather gloomy analysis set forth above should not necessarily lead to the conclusion that the United States is doomed, destined to follow Greece, Rome, and the British Empire into the dustbin of history. The long-term trends, nevertheless, are not encouraging. Neither is there any sign at the moment that the new administration possesses the

grasp of international realities necessary to set the United States on a new path, although of course it is too early yet to draw any firm conclusions. Whatever the nobility of Mr. Carter's pronouncements on human rights, moral rhetoric is no substitute for policy, and it remains to be seen if the Carter human rights policy is more than rhetoric and if so, what its implications are. Although he has spoken out with a vigor which the world has not recently heard from an American president on the continued violations of the Helsinki agreement, the United Nations charter, and the elemental laws of human decency generally by the U.S.S.R., he has thus far said nothing about similar violations of human rights in such communist states as Cuba, Vietnam, and North Korea. In fact, he has proposed that the United States pursue a policy of détente with all three nations. Neither can we be certain that the relatively well-designed American arms control proposals presented to the Soviets in Moscow recently represent the administration's final position on strategic policy. Finally, Mr. Carter's stubborn determination to withdraw U.S. ground forces from Korea, in the face of clear evidence that his policy might seriously upset the strategic stability of Northeast Asia, is the most discouraging evidence to date that ideology rather than a realistic grasp of the imperatives of world politics will be the primary animus of this administration's foreign policy.

More than a decade ago, in one of his most illustrious books, a well-known professor of international politics wrote cogently of the relationship between power, principle, and world order. "Whenever 'peace' conceived as the avoidance of war," he wrote, "has been the primary objective of a group of powers, the international system has been at the mercy of the most ruthless member of the international community. Whenever the international order has acknowledged that certain principles could not be compromised even for the sake of peace, stability based on an equilibrium of forces was at least conceivable." That professor was a man whom I am not accustomed to praising, named Henry A. Kissinger. The hour is now late, but there is still time for the U.S. to base its foreign policy on that insight, and to substitute for a policy of détente at almost any price the difficult decisions and sacrifices necessary if the American republic, and the civilization of the West of which it remains the acknowledged leader, is to survive and flourish.

WIDESPREAD SUPPORT FOR OCS REFORM

Mr. JACKSON. Mr. President, tomorrow the Senate will be considering S. 9, the Outer Continental Shelf Lands Act Amendments of 1977. This will be the third time this legislation has been before us since 1974. Support for it continues to grow.

Unlike previous administrations, the Carter administration strongly endorses the bill. In addition, as the national significance of OCS development becomes better known, groups which have not previously taken a stand on this issue are strongly supporting the bill.

I ask unanimous consent that the letters which I have received from the National Rural Electric Cooperative Association and Secretary of Interior Andrus supporting S. 9, be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NATIONAL RURAL
ELECTRIC COOPERATIVE ASSOCIATION,
Washington, D.C., July 13, 1977.

Hon. HENRY M. JACKSON,
Chairman, Senate Committee on Energy and Natural Resources, Dirksen Office Building, Washington, D.C.

DEAR SENATOR JACKSON: On behalf of the National Rural Electric Cooperative Association, I am writing to you about S. 9, the Outer Continental Shelf Lands Act Amendments of 1977. NRECA is a national service organization representing more than 1,000 rural electric cooperatives which serve 25 million consumers in 46 states.

The Outer Continental Shelf lands contain some of our most significant energy reserves. Since these vast energy resources are owned by the Nation, NRECA believes that it is particularly important that these resources be developed in a manner which will benefit the American people, both economically and socially. We applaud your efforts to revise the current OCS leasing program and offer our support in two particular areas of special concern.

First, we believe that the Department of the Interior should be directed in this legislation to undertake a drilling and exploration program on the Outer Continental Shelf. For too long, the Federal government has depended on large energy companies to provide data about energy resources. Before the Secretary of the Interior undertakes to lease any portion of the Outer Continental Shelf, he should know, from sources independent of potential leasees, the extent of the energy resources he is proposing to lease. It is only when he has such knowledge that the public trust which has been invested in him can be exercised properly. Therefore, NRECA supports your amendment which would provide for a program of Federal drilling and exploration on the Outer Continental Shelf.

Our second concern is that the system of leasing Outer Continental Shelf resources be one that encourages competition. The present system of cash bonus bidding tends to allow only large companies able to raise huge amounts of capital to participate in the bidding. Since the Federal resources on the Outer Continental Shelf make up such a significant portion of our energy reserves, NRECA believes they should be leased in a manner which will reduce the economic concentration in the energy industry. For this reason, we support any amendments which will encourage the use of alternative bidding systems designed to encourage participation of new entities in the OCS leasing program.

Sincerely,

ROBERT D. PARTRIDGE,
Executive Vice President and General Manager.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 8, 1977.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Very shortly the Senate will consider S. 9, the OCS Lands Act Amendments of 1977. The Administration strongly supports S. 9 and appreciates the Committee's adoption of many of our proposed amendments. We believe S. 9 will help us to proceed expeditiously with development of our OCS oil and gas resources in an economically and environmentally sound matter. The bill provides a framework for close cooperation with coastal States and communities. This will allow us to respond to their concerns and help assure that sales are held in a timely manner. In addition to urging your support for the bill, there are three amendments for which we ask your further consideration. Briefly they are:

Ability to use bidding systems. Authority to use superior new bidding systems or improvements in those systems specified in S. 9, as reported, should not be prohibited just because they cannot be foreseen at time of enactment. Some uncertainty necessarily exists as to which systems are superior (see page 47 of the Committee Report). This uncertainty can only be resolved by testing various systems, evaluating their performance and making improvements. When such improvements are identified the Secretary should be able to implement them.

Option to use dual leasing. Under the present OCS Lands Act, leases include the right to explore, develop and produce oil and gas. There are circumstances, however, when it could be in the public's interest to separate the exploration right from the full right to develop and produce petroleum—that is, to use a "dual leasing system" under which exploration leases would be granted with only a right to participate in returns from full development and production of petroleum. The primary advantage would be that such systems could provide a way of acquiring exploratory data without an extensive government managed exploratory drilling program. In this respect, it could achieve a more efficient exploration program at lower cost to the government. Such systems would be awarded by competitive bidding under regulations promulgated in advance as required in section 8(a) of S. 9; and, under the terms of the Administration's proposal, use of this authority would require an appropriation, giving the Congress an opportunity to judge the merits of any such system.

Authority for multiple bidding. This authority which appeared in the Committee Print, would permit the Secretary to require bidders to submit bids for a single lease under more than one bidding system. Such a provision would substantially reduce the costs of acquiring sufficient data to judge the performance of various bidding systems, and could limit potentially sizable losses of revenue and resources from overuse of systems ultimately found to be deficient. The provision should be reinstated to allow the Department the best chance of identifying superior systems at the earliest time.

We also have serious concerns about several provisions contained in S. 9; and about two amendments which are proposed to be added. These are:

Proposed amendments to prevent, except in certain extreme circumstances, the application of new regulations to existing leases. Present law permits the Department to improve safety and environmental protection measures of OCS operations as economical new technologies are developed and as we become aware of previously undetected risks. This flexibility is one of the strengths of our OCS program and it should not be impaired.

Fisherman's Gear Compensation Fund. There has been little opportunity for the Administration or the Congress to assess the possible scope of the problem in this area. More work needs to be done before establishing a conclusive presumption that unidentified damage done to fishermen's gear on the OCS is a result of OCS oil and gas development, and before authorizing compensation from public funds. We suggest that early hearings be held to examine the issues raised by this amendment.

We again recommend that title III dealing with oil spill liability and compensation be separately considered and that the Administration's proposal sent to the Congress on March 17, 1977, and introduced as S. 1187 amended pursuant to the Administration's comments be enacted.

In closing, I wish to reaffirm the Administration's strong support for S. 9, and urge that you consider our views favorably. At-

tached you will find fact sheets explaining all of these points in greater detail.

Sincerely,

CECIL D. ANDRUS,
Secretary.

GUN CONTROL

Mr. GARN. Mr. President, this morning I was invited to a press conference sponsored by the American Conservative Union—ACU—to discuss the issue of gun control. Earlier commitments prevented me from attending the press conference, but I extend my gratitude to Members of the House and Senate who participated in the meeting and contributed to the continuing debate on gun control and the Federal role, if any, in that issue.

Since I was unable to attend the press conference, I ask unanimous consent that my remarks prepared for that occasion be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JAKE GARN

I have consistently opposed federal gun control and, on the basis of the evidence, must continue to do so. There are four major areas in which a federal firearms control policy is suspect, and each area probably provides sufficient reason by itself to oppose federal gun control.

The first area of significant concern is the constitutionality of gun control laws. The meaning of the Second Amendment is subject to different analyses among reasonable men, and the Supreme Court has never ruled directly on many of the issues raised by gun control laws. It is clear, however, that the Second Amendment was intended to protect the rights of an armed citizenry. The Second Amendment reads: "A well regulated militia, being necessary to the security of a free State, the right of the people to keep and bear Arms, shall not be infringed." The Founding Fathers understood "militia" to mean the people armed with their own weapons. The existence of a militia depended on the people's individual right to keep and bear arms.

Thirty-eight states have similar "right to bear arms" provisions in their own constitutions and this fact, coupled with the Second Amendment, must be given extraordinary weight in any discussion regarding the right of the American people to bear arms.

The second issue that must be squarely faced by those who seek to control firearms is the issue of self defense. How many confiscated guns will justify the death of even one person who would have defended himself with a gun if the federal government had not prohibited that option? No one believes that gun control will prevent the criminally-minded from obtaining guns, only the law-abiding will comply with the law restricting gun ownership. The criminal element will continue to ignore all laws regulating the ownership and use of weapons. We may certainly expect any federal firearm law to increase the ratio of firearms in the hands of criminals to those in the hands of the law-abiding. We may then expect criminals to prey even more viciously on society.

It is impossible to tell the number of criminal activities that are deterred because the criminal knows the possibility of confronting an armed victim. We can recognize, however, that there is some deterrent effect and that the proponents of gun control must recognize that enactment of such laws will deprive some citizens of the means of self defense, which they otherwise would have available to them.

Thirdly, I oppose gun control because it is a poorly designed attempt at crime control which will only serve to delay any real solution to the crime problem. Gun control deflects our thinking from the real need of this society, and that is "criminal control." What America needs to do is identify, prosecute and convict, and incarcerate for adequate lengths of time, those persons who murder, rape, steal, and otherwise terrorize the law-abiding. Mandatory prison terms for those using a firearm in the commission of a felony is a good beginning at criminal control.

The extent to which the gun control mentality can deflect us from our primary goal of crime eradication may be seen by the recent Massachusetts experiment. Massachusetts recently passed a law mandating a minimum one-year jail sentence for possession of an unlicensed weapon. Of course, Massachusetts provides no mandatory sentence at all for other crimes; there is no mandatory sentence for burglary, armed robbery, rape, or even murder. This interesting set of values, in which there are no mandatory penalties for real crimes but a one-year mandatory sentence for the victimless crime of unlicensed firearm possession, is being encouraged by the gun control mentality. Isn't it about time we got some tough laws for people who abuse firearms rather than those who simply own them?

Finally, any federal gun control law would require a large, expensive, and extraordinarily intrusive federal bureaucracy to administer it. There are an estimated 140 million privately-owned firearms in this country and any federal agency established to register and confiscate that number of weapons would have computer information systems comparable to those used by the IRS and warrantless search and seizure procedures more illegitimate than OSHA's. The odds of any gun being used criminally are about one in four hundred and, unless criminals change their habits, that one gun would be the most difficult to seize. Therefore, any gun control agency would have to seize 399 "noncriminal" firearms before obtaining that one weapon which has been or would be used in crime.

The implications of such a program are ominous and totally unacceptable in light of our tradition of liberty and the realities of contemporary American life as, for example, set out just yesterday by the Privacy Protection Commission.

Federal gun control is unnecessary. The concept has significant constitutional and policy problems and ought to be abandoned. It continues to prevent us from focusing on the real issue, which is the protection of persons and property through effective crime control.

GENOCIDE CONVENTION SHOULD BE RATIFIED THIS SESSION

Mr. PROXMIRE. Mr. President, the International Convention on the Prevention and Punishment of the Crime of Genocide is about to be considered by the Foreign Relations Committee. This is not the first time, however, that the committee is to take up this matter. Three times they have held hearings on this treaty and four times they have recommended that it be ratified by the entire Senate. Each time, the Senate nevertheless failed to give its advise and consent to the treaty.

The convention, which declares genocide to be a crime under international law, was approved unanimously by the General Assembly of the United Nations some 28 years ago. The American delegation in fact took a leading role in its formulation and adoption. Yet while more than 80 nations have endorsed the convention, this country has consistently failed to do so.

Despite the strong recommendations of the Foreign Relations Committee, the support of six Presidents, as well as numerous organizations across the country, the Senate has refused to act. This year, however, I believe there is cause for optimism. The growing concern that this body has shown for human rights indicates to me that it will be far more willing to support the treaty. After all, there certainly can be no more fundamental human right than the right of a people to exist.

There remains only 3 weeks before recess. I strongly urge the committee to act promptly, and to once again recommend ratification. We must not let another session end without the Senate going on record in strong opposition to the heinous crime of genocide.

THE ROLE OF U.S. BUSINESS IN SOCIAL POLICY

Mr. JAVITS. Mr. President, I rise at this time to call the attention of my colleagues to the establishment in my State of the Institute for Socioeconomic Studies.

In my years in Congress, including 21 years in this body, I have devoted much of my energy to encouraging enlightened business and industry in the United States to take a more active part in the public interest in the formulation, development, and implementation of economic and social policies.

Last October, in a speech before the Chicago Executives Club, I called upon the American business community:

To become a full and equal partner with government: a partner in the achievement of full employment; a partner in the preservation of free enterprise; and a partner in the extension of economic democracy to all Americans.

Mr. President, I believe that business and Government in the United States ought to be collaborating, not competing; indeed, Government should join with business to marshal the physical and human resources of our economic system for the benefit of all Americans.

Leonard M. Greene, the president of the newly established institute, pointed out in a recent newspaper article, that—

Business *should* look after its own interest, and the nation's social ills *are* its proper concerns.

Mr. Greene went on to say that—

If the business community, and each of us individually, don't contribute to solving the problems of society, we will have no complaint when the climate in which we operate is worsened by poorly thought out government policies.

Mr. President, I ask unanimous consent to have printed in the RECORD the article from the Westchester, N.Y., Business Journal, entitled, "The Business Community's Role in Social Welfare Policy," which describes Leonard Greene's vision for the institute and for enlightened businessmen everywhere.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE BUSINESS COMMUNITY'S ROLE IN SOCIAL WELFARE POLICY

(By Leonard M. Greene)

"Mind your own business!" Unfortunately, this folk wisdom has sometimes been interpreted too strictly by the business community. Businessmen have indeed "minded their own business," particularly in areas of social policy. With the exception of a few large corporations, most businessmen limit their social involvement to contributions to the local United Way, or community cultural programs.

As a businessman, I cannot accept this view. Bluntly stated, it is both shortsighted and counterproductive. Every day, we are confronted with problems affecting poverty, urban decline, and other aspects of the quality of life. The media bombard us with stories about welfare, unemployment, and the recurrent fiscal crises of the cities. These problems directly affect us as businessmen, through the taxes we pay, and the cost of the services we need.

These direct costs, however, represent only part of the problem. Outside of the security of our own offices, there is a genuinely chaotic world. Clearly, our economic system is in danger. The threat is not so much the few dogma-spouting radicals, as the well-intentioned efforts of several generations of misguided social planners. A majority of those who imperil the future of business do not have its destruction as their goal; they simply have no awareness of economic reality. Nonetheless, it is they who are designing the social policies for the nation.

Each of us knows that, in theory, if we don't approve of the policies proposed by our Congressmen, we can always try to "vote the rascals out". The problem, however, is that we often don't really understand the long-range implications of policies proposed.

We must understand the magnitude and implications of the social changes which have already taken place and are accelerating. The business community should have a voice in determining whether these changes should indeed be made, or how they will work, if they really prove desirable. To do so, it must become more active in social involvement at the national level, as well as in our local area.

Each of us will follow a different course. Mine has led me to the creation of The Institute for Socioeconomic Studies and I offer my background as an example of one such approach.

The Institute was formally set up early in 1974, but it is for me the culmination of a series of personal experiences, and many years of individual research. My awareness began with a rude direct contact with the social welfare system. As an employer, I was confronted head-on with the inconsistencies and absurdities of "welfare." My training as a mathematician and an economist might have prepared me abstractly for the waste and loss of needed capital poured into this complex of overlapping bureaucracies. But nothing could have prepared me for the human tragedies I encountered.

I believe in the much-maligned "work ethic." In my company each employee is given the greatest opportunity possible for success and promotion. No one is held back by age, physical or mental handicaps or lack of formal education; no productive worker must retire involuntarily.

I was therefore stunned by the following incident: A seemingly ambitious and energetic young man being trained for a promising career abruptly quit without warning. Before he left, I talked at length with him and tried to convince him to stay. His problem was this: his family was receiving welfare benefits and were eligible for a place in a subsidized housing project. His earnings would put the total income over the amount allowed and his continued income threatened them with further benefit losses. His ambitions could cost them a sizable loss in net income. As an individual, he felt a responsibility to his family. He was not a stereotyped "lazy welfare cheat." The welfare system forced him to become one!

His story was an eye-opener. It was only the beginning. From that time on, I spent more time listening and learning.

As an individual, I was appalled by the ways in which our traditional values were being undermined. The waste in terms of human life and productivity were almost beyond imagination. As a human, I could feel compassion for the victims; they were going in the direction government wanted them to go. As a businessman, I could see beyond as well, to the losses to the nation and the impending destruction of the free enterprise system. So I was, therefore, "minding my business," when I began to speak out, initially as an individual, testifying before Congressional committees, and publishing alternative proposals to the welfare system, which would restore the basic principle of personal incentive to every American.

The eventual result was The Institute, a non-profit foundation exploring comprehensive welfare reform and the way in which government subsidies influence every American.

During these formative years, The Institute's efforts have been diversified, and aimed at a variety of audiences. It has collaborated actively with the Institute for Sub/Urban Governance on a study of the administration of the Food Stamp program here in Westchester County, and is working on a long-term joint research effort with Pace University's Graduate Center on an inventory of all Federal, state and local income transfers.

The Institute publishes The Socioeconomic Newsletter, a monthly, as well as The Journal/The Institute for Socioeconomic Studies. The latter goes to opinion leaders across the country. Major articles have come from such authorities as former HEW Secretary Caspar W. Weinberger advocating welfare reform; former Congresswoman Martha W. Griffiths on the need to federalize all public assistance benefits; Senator Jacob K. Javits on reorganizing HEW; former Defense Secretary Donald H. Rumsfeld on what he holds to be the socioeconomic benefits of the all volunteer military, and many others.

In the field of public education, The Institute and the Ford Foundation underwrote the Public Broadcast System's 1975 and 1976 presentations of Frederick Wiseman's film, Welfare. The film was a powerful, biting indictment of the degragation which faces both the person receiving welfare and those who administer it.

The Institute's annual conferences, and Washington symposia, have brought a number of varying views of welfare problems to audiences of influential leaders; speakers have included Hon. Margaret Thatcher (quite possibly Britain's next Prime Minister) and former Secretary of Commerce Richardson.

No single problem in the field of welfare is more important than Medicaid. With hospital costs rising at a rate of over 15 percent per year, this program to give health care to the poor has forced many communities to the financial brink. The Institute's Medicaid Savings Plan, recently proposed after careful consideration, will help to correct the waste created by billing errors, by rewarding the individual who reports such errors with a percentage of the savings. We should encourage the individual to review his bills in his own interest, whether his expenses are paid by public or private insurance. And we should reward him.

Only a few of The Institute's programs have been sketched here. Its work represents only one approach to business involvement in pressing social problems. I am not suggesting that it is the only model for substantive business commitment to social problems. Within the framework of existing business organizations, there is much which needs to be done. For example, as an individual, I have worked with the U.S. Chamber of Commerce, as a member of its council on Trends and Perspective and on its Welfare Policy Committee on development of new approaches to basic social welfare reform.

All of us are faced with too many demands on our time and our resources. We must determine our own priorities for involvement. There is no question that social policies involving poverty and government will be controversial, and that it will be tempting to avoid them. Not everyone has personally collided full-force with the destructiveness of our welfare system as I have. All of us, however, must pay the price of these policies, in ever-increasing taxes, inflation, and the financial drain on our cities. New York City's plight is Westchester's as well, whether we like to admit it or not.

No businessman can expect to become more popular by speaking out on social policy, and expending resources to answer existing government-academic dogma. I submit, however, that we cannot let fear of controversy and criticism stop the business community from accepting its responsibilities. The policies of government have an impact on all business.

The term "enlightened self-interest" was used for many years in discussing business involvement and activism in a number of urban problems; I believe it is an accurate description and should be used boldly by the corporate community. Business should look after its own interest, and the nation's social ills are its proper concerns. When companies moved from the central cities, they did not leave urban problems behind, as Westchester has sadly discovered.

As a businessman, every hour I devote to The Institute's work or to social problems in general, is one taken from the internal operations of my company. I regard these hours as business operating time, however, because if the business community, and each of us individually, don't contribute to solving the problems of society, we will have no complaint when the climate in which we operate is worsened by poorly thought out government policies.

Businessmen must broaden the horizons of their involvement in the community and on the national scene. Whether large or small, they must either act—accepting controversial roles when necessary—or risk the consequences of inaction. That is what I mean when I say we must "mind our own business."

JUSTICE AND ANTITRUST

Mr. JAVITS. Mr. President, I would like to call attention to a speech made by our colleague, Senator MATHIAS of Maryland, at the annual meeting of the Bar Association of the District of Columbia. This is an excellent speech, and it deserves recognition for its timeliness. Senator MATHIAS has cosponsored a bill which I introduced to establish a commission for the purpose of reviewing our antitrust laws. As the Senator has pointed out, this is an area of the law which desperately needs review, and I commend him for his insightful remarks. I ask unanimous consent that the text of his remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

JUSTICE AND ANTITRUST—THE NEED FOR A REASSESSMENT OF THE LAW

Let me begin by saying I am delighted to be here with you tonight. Misery loves company. Judging by the public opinion polls, Washington lawyers and politicians are in a neck-and-neck race for last place in the hearts of their countrymen.

It is a pleasure to be with you tonight as you honor three fine Washington lawyers—whom we all know as men of high intelligence and character, and leaders on the bench and at the bar.

Chief Judge Jones is in the best tradition of those who have served their country by dedicating their lives to the first purpose of our Constitution—"to establish justice". He richly deserves the award you are presenting him tonight. There is no judge with a keener sense of fair play and of the enduring value of the law to our democracy.

It is fitting that a man, who learned the combat that was football under Knute Rockne at Notre Dame, should have presided over the adversary process in this city. At Notre Dame, Judge Jones also learned how to deflate pretentious people—a useful talent in any man.

I'm told that while a law student at Notre Dame, the judge encountered a young sophomore who boasted loudly of his speed. The judge offered to clock this sophomore at four or five running events. Eagerly accepting, the young man ran 100, 200, 440, and 880 under the judge's stop watch—which the judge stopped 2 or 3 seconds before the boaster hit the finish line. Well, by the end of the afternoon, the judge had the sophomore believing he had shattered several world records and a national college mark—all to the delighted amusement of the entire student body which was soon in on the judge's secret.

So if the judge offers to time any of you who are joggers, beware.

Your presidents—Chuck Work and Lou Oberdorfer—are also Washington lawyers who are worthy of the country's gratitude. I owe a special debt to Chuck Work. His creation of a major violators unit in the U.S. attorney's office was a truly innovative step in law enforcement and inspired my "Repeat Offenders Prosecution Act," a major bill now pending in the 95th Congress.

Building on Chuck's original idea, my bill would provide Federal grants to local governments to aid in the prosecution of those with a record of serious, violent crime. These grants would go not only to the prosecution but to the public defender as well, thus helping the criminal justice system to give the attention to repeat offenders that society and the Constitution demand.

You have chosen wisely in selecting Lou Oberdorfer to guide your affairs for the coming year. Whether as a clerk to one of the giants of our democracy, Justice Hugo Black, or as one of the United States Government's point men bringing the promise of constitutional justice to his native South, or as the organizer and driving spirit of the legal services corporation, Lou Oberdorfer has faithfully served his country and the constitution.

Some of you know that Lou carries the distinction of having tried and won the only horse rustling case before a Virginia jury in recent memory. As one who knows both parties to that case, I'll refrain from commenting on the merits. But the closing argument of Defense Counsel Oberdorfer is relevant to the concept of a citizen's duty. Addressing the jury he said:

"A verdict against my client will have a most serious effect on the way people act in this country—where people are afraid to get involved—if you allow them to go out from this courthouse believing that Ethel Kennedy was not acting within her legal citizen's responsibility to help a starving horse."

Lou Oberdorfer has never been afraid to get involved. His willingness to be your president is eloquent witness to that fact.

These three—Chief Judge Jones, Chuck Work, and Lou Oberdorfer—and the many members of the bar here tonight who have labored to extend the blessings of liberty and justice in this city are the kind of lawyers referred to by Justice Black in *in re anastaplo* when he wrote:

"It is such men as these who have most greatly honored the profession of the law—men like Malsherbes, who at the cost of his own life and the lives of his family, sprang unafraid to the defense of Louis XVI against the fanatical leaders of the revolutionary government of France—men like Charles Evans Hughes, Sr., later Mr. Chief Justice Hughes, who stood up for the constitutional rights of socialists and public officials despite the threats and clamorous protests of self-proclaimed super patriots—men like Charles Evans Hughes, Jr., and John W. Davis, who while against everything for which the Communists stood, strongly advised the Congress in 1948 that it would be unconstitutional to pass the law then proposed to outlaw the Communist Party—men like Lord Erskine, James Otis, Clarence Darrow, and the multitudes of others who have dared to speak in defense of causes and clients without regard to personal danger to themselves. The legal profession will lose much of its nobility and its glory if it is not constantly replenished with lawyers like these, to force the Bar to become a group of thoroughly orthodox, time-serving, government-fearing individuals is to humiliate and degrade it."

I share another view that sounds through many of Justice Black's opinions. Tonight I would like to speak to you about the state of our antitrust laws. Justice Black, like all great interpreters of our constitution, was convinced that undue concentration of power—political or economic—is the greatest single threat to individual liberty. Our antitrust laws—like the Bill of Rights and the principle of checks and balances and separation of powers—are intended to prevent excessive concentration of power.

Another great man—the late Senator Philip Hart of Michigan—applied that principle to the complex area of antitrust law. As the chairman of the Antitrust Subcommittee, he related the problems of excessive economic power to the problems faced by citizens in their daily lives: The cost of car repairs and gasoline, the expense of drugs, problems of obtaining medical, and yes, even legal service, at competitive rates.

Phil Hart's voice and conscience are gone from the Senate now. But last month, we on the Antitrust Subcommittee renewed his effort to examine the antitrust laws and their enforcement.

We held 5 days of hearings. We heard more than 30 witnesses. We compiled nearly a thousand pages of transcript testimony.

But we found utter confusion.

Assistant Attorney General Baker recently observed that in 1932 the Department of Justice had antitrust suits pending against ATT and IBM and had just signed consent decrees with General Electric and Westinghouse.

In 1952 Justice had monopolization suits pending against ATT and IBM and had just signed consent decrees against GE and Westinghouse.

And in 1977 Justice has monopolization lawsuits pending against ATT and IBM and has filed proposed modifications to consent decrees against GE and Westinghouse.

Is this any way to run an economy? Our distinguished chairman, Senator Kennedy, observed that the maxim "the more things change, the more they remain the same" seems less apropos than the piano teacher's admonition to keep playing it over and over till you get it right.

But, as we approach the centennial of the Sherman Act, who can say what is right? There was little agreement among the witnesses we heard. There was sharp disagreement on sentencing of antitrust violators, on the point at which concentration becomes anticompetitive, the effect of mergers, the role of Government regulation, and virtually every other aspect of antitrust law.

We heard horror stories of years of litigation, discovery contests that occupied whole firms of lawyers, and complexities in the law that defy common understanding.

The resulting problem was pinpointed by Justice Jackson. When he was serving as assistant attorney general for antitrust in 1938, he wrote:

"In view of the extreme uncertainty which prevails as a result of these vague and conflicting adjudications, it is impossible for a lawyer to determine what business conduct will be pronounced lawful or unlawful by the courts. This situation is embarrassing to businessmen wishing to obey the law and to government officials attempting to enforce it."

Lawyers practicing on the frontier under the old strict rules of pleading faced similar pitfalls. Lincoln told of one judge who applied the rules with evenhanded stringency: "He would hang a man for blowing his nose in the street, but he would quash the indictment if it failed to specify what hand he blew it with."

There is much talk these days about the need for an "energy policy". I believe there is an equally pressing need for a "competition policy".

I think the time has come for a thorough, systematic, unemotional reexamination of our antitrust laws. Our basic antitrust law, adopted by Congress more than 85 years ago, has absorbed a complex patchwork of additions and amendments in 1914, 1936, 1950 and 1976. Some of these amendments may have destroyed as much competition as they promoted.

In response to varying theories of industry concentration, many of the Government's enforcement resources have been committed to what some see as the breakup of successful competitors principally because, in the judgment of others, not enough competitors have survived the competitive race.

Consider the state of the antitrust laws and their administration when, after an exhaustive trial in an alleged monopolization case, (Telex Corporation v. IBM Corporation), a U.S. district judge concludes that the plaintiff is entitled to $250 million dollars from defendant: After thorough consideration a U.S. court of appeals decides that defendant owes plaintiff nothing but plaintiff owes defendant $18 million dollars and the parties settle the matter out of court rather than risk review by the United States Supreme Court. In that case, the market was far from free of doubt.

Although it is frequently asserted that our basic national policy favors free markets, consider the fact that our rules of competition are substantially different (to choose only three examples which come to mind) for:

1. Peanuts—with a confusing system of Federal allotments;

2. Natural gas—over which the Federal Government allows virtually no free market as to price; and

3. Television sets—about which the President's special representative is reported to have negotiated with foreign manufacturers to eliminate 40 percent of the competition in the United States.

Can it really be said that we have *any* coherent competition policy?

With a new administration in the White House and new faces at the Department of Justice, the Federal Trade Commission, and the Senate Antitrust Committee, it seems to me that the time is right for a new assessment of our antitrust and other laws relating to competition. I have joined with Senator Javits in introducing a bill which would call for a bipartisan commission to perform such a study.

In essence, there are three reasons why such a commission is needed:

First, our economy has changed radically since 1890. Perhaps the most important of these changes is the movement from an essentially *Laissez-Faire* economy into a mixed business-government one. Laws that met the needs of a 19th century economy cannot be expected to guide the economic policies of the last quarter of the 20th century.

Second, the growth of multinational corporations and the development of new international economic institutions have created a world of international trade unknown in 1890. As the deficits in our trade and payments balance worsen with increasing oil imports, we need to assess whether our trade and investment abroad are not hampered by the uncertainty that prevails in the extraterritorial enforcement of the antitrust laws.

Third, there is, as Justice Jackson pointed out, too much uncertainty in the law. The general language of the statutes and a less than clear legislative history have produced unpredictability where there should be certainty.

Let me cite as an example a case decided by the Supreme Court just last week, *Illinois Brick Company* v. *State of Illinois*. As many of you know, the Court ruled that under section 4 of the Clayton Act consumers can sue price-fixing producers for treble damages only if they bought goods directly from them. In their dissent, Justices Brennan, Blackburn, and Marshall pointed out that, in the 1976 Antitrust Improvements Act, Congress "acted on the premise that the Clayton Act gave a cause of action to indirect as well as direct purchasers. In the 1976 act, Congress expressly authorized State attorneys general to sue as *parens patriae* on behalf of State citizens whether or not they purchased directly from the antitrust violator. As Congressman Rodino, a sponsor of the act, stated:

"Recoveries are authorized . . . whether or not the consumers purchased directly from the price fixer, or indirectly, from the intermediaries, retailers, or middlemen. The technical and procedural argument the consumers have no 'standing' whenever they are not 'in privity' with the price fixer, and have not purchased directly from him, is rejected by the compromise bill".

Despite this language, a majority of the Court found that consumers could not sue for treble damages if they bought goods through a middleman, rather than direct from the manufacturer. As a supporter of the act, I question whether the Court was right in its interpretation. For if indirect consumers cannot sue, then State attorneys general cannot sue on their behalf. The result of *Illinois Brick*, therefore, is an apparent nullification of the 1976 *parens patriae* provisions.

I predict we will see the Congress accept the Court's invitation that "should Congress disagree with this result, it may, of course, amend the section to change it". In any event, this case illustrates the need to step back, determine what we want to accomplish by our antitrust laws, and then write the laws with unmistakable clarity.

The bipartisan commission I propose would be composed of four persons from the executive branch, four each from the Senate and the House, and six from private life, such as consumers, labor, business and recognized authorities in the field.

The commission would have two years to report on the effect of the antitrust laws on (1) price levels and product quality, (2) employment, investment, productivity, and profit, (3) concentration of economic power, (4) foreign trade and (5) economic growth.

I am convinced that such a commission would command both the interest and participation of a wide range of groups and individuals in our society. The American Bar Association is on record calling for a study of the type I am proposing. The participation of Members of Congress and the administration would insure the involvement of those who would be in a position to implement any recommendations, and the six public members would insure representation of those affected by the antitrust laws.

As some of you know, the President and I originally did not exactly see eye-to-eye on his nominee for Attorney General. But I must report to you tonight that Judge Bell is one of the brighter spots in the murk that obscures the antitrust area.

He has advanced a number of important new ideas for the management of the Department's antitrust work, the greater use and training of U.S. attorneys in antitrust cases, and increased cooperation with State attorneys general. He has moved vigorously in the price-fixing area, pledging, as he put it so well to "make it clear that price-fixing is not just some business misstep, but is instead a serious crime that robs the American consumer of millions of dollars each year".

If we can link the Congress, the executive, and the public in a major effort to reassess our antitrust laws, I believe we can truly strike a blow for justice in our society. I hope we can count on your support.

PRELIMINARY NOTIFICATION OF PROPOSED ARMS SALES

Mr. HUMPHREY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordnace with previous practice.

I wish to inform Members of the Senate that such a notification was received on July 11, 1977.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S–116 in the Capitol.

IN MEMORY OF DR. LOREN EISELEY

Mr. CURTIS. Mr. President, it was with a great deal of sadness that I learned yesterday of the death of a distinguished person, Dr. Loren C. Eiseley. The Washington Post on Tuesday carried a glowing account of the life of the distinguished anthropologist, poet, and author who died last Saturday in Philadelphia at the age of 69.

I share in the sadness of his family at the loss of this outstanding individual. His loss is more than the loss of a loved one to relatives and those who knew and met him—it is the loss to the Nation and mankind of a distinguished historian and artist.

Loren Eiseley was a native Nebraskan. He was born, reared, and educated in his native Nebraska, and his later accomplishments and achievements were characterized by his early experiences and lore of midwestern life.

Although he held many high academic positions in his field of anthropology, Loren Eiseley is best known and remembered around the world for his writing. He was an author and poet, and even in his discourses on anthropology he wrote with a poetic prose of the wonders of the past. He wrote numerous articles and has 11 books to his credit, the most notable of which, "The Immense Journey," has sold more than a half million copies.

He has held many honorary positions, and has received many awards and professional recognitions. One which I think was very important to him was his selection in 1974 by the Nebraska Society of Washington, D.C., as the outstanding Nebraskan of that year. It was a tribute by Nebraskans who were proud to recognize his achievements and the contribution his native Nebraskan background played in his development and later life.

I first met Dr. Eiseley on that occasion in September 1974. The testimonials from professional colleagues on that occasion were witness to the high esteem with which he was held among his peers. But, to the lay person who may have made just a casual acquaintance, Loren Eiseley seemed no less the great individual that he was—in his personal charisma, wit, and propensity for the artistic view of history and time.

I would like to share with my colleagues the biographical article on Dr. Loren Eiseley and the reprint from his book "The Immense Journey," which were carried by the Washington Post on July 12.

Mr. President, I ask unanimous consent that the articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 12, 1977]

LOREN C. EISELEY, AUTHOR, ANTHROPOLOGIST, DIES

(By Tom Zito)

Dr. Loren C. Eiseley, an anthropologist who used the bones of the past as a telescope to the beyond, died of cancer Saturday in Philadelphia after an illness of several years. He was 69.

Internationally known as an expert on Darwinian theory, Dr. Eiseley had been associated with the University of Pennsylvania for more than 30 years both as professor and provost.

Yet it was less for his scientific acumen than for his deeply reflective sense of the poetic in man that Dr. Eiseley was known to readers around the world. From the first of his 11 books—"The Immense Journey," with

500,000 copies sold—through his most recent—the autobiographical "All The Strange Hours," subtitled "The Excavation of a Life"—Dr. Eiseley used his anthropological disciplines to reflect on the vortex of finitude and infinity that he saw in every living being.

He graduated from the University of Nebraska in 1933 with a degree in anthropology. He took a master's in 1935 and a Ph. D. in 1937 from University of Pennsylvania and immediately received an assistant professorship at the University of Kansas, where he worked until leaving for a three-year stay at Oberlin College in Ohio in 1944. In 1947 he returned as a professor to Penn and remained there until his death Saturday.

He held various visiting professor positions at Harvard, Columbia, University of Kansas and University of Southern California, and received 34 honorary degrees from American universities. In addition to his compus work, he organized and led scores of expeditions throughout the country.

"I was born in the first decade of this century," he wrote in "The Night Country," "conceived in and part of the rolling yellow cloud that occasionally raises up a rainy silver eye to look upon itself before subsiding into dust again.

"That cloud has been blowing in my part of the Middle West since the Ice Age. Only a few months ago, flying across the continent, I knew we were passing over it in its customary place. It was still there and its taste was still upon my tongue."

He was born in 1907 in Lincoln, Neb. The incidents that cut most deeply into his childhood consciousness jut out from his writing; solitary moments playing with dice in an abandoned house; planting crosses in a Lilliputian cemetery created in his back yard; stocking an aquarium. He entered the University of Nebraska to study zoology, but dropped out to hop freight trains around the country.

Forty years later, on a Metroliner bound from New York to Washington, Dr. Eiseley told a reporter seated next to him:

"Here's part of my secret. I did not graduate with my class. Those were the Depression years and my father died in 1928. I took courses when I could back in Lincoln. I was the world's original drop-out, staying one step ahead of the truant officer. So I would work part time on some digs in Nebraska. I guess you could say I fell into anthropology. But my first published writing was some poetry I did."

Like any poet, words did not come easy to him. On the Metroliner he would stare off into the space outside the moving car, transfixed as if he were watching the evolution of civilization. Occasionally he would offer some terse analysis of what he saw. But more often than not there was the silence—to his companion, a burning silence of frustration, of wondering what it was that this man could see so clearly.

"You're not a fish, nor a fowl; you're a writer, and so God help you my friend," a colleague once told him.

Indeed, he took it to heart. "Have I made sufficiently clear all the burdens that a writer carries," he asks in "All The Strange Hours." The opening pages of the book paint the awkwardly subjective fears that race through his head as he stands in an auditorium, about to begin a lecture: the words of his talk exit smoothly from his mouth, while his past races before him.

He does not see the students in their chairs or the words he is speaking; he is in a boxcar, and another hobo is trying to force him to jump. This was the method of the man's mind: the crazy leap, the desperate search, the cosmic inference drawn from the banal occurrance.

"The trick lies in making our environment conform to the imagination, not confound it," he wrote in these pages 18 months ago when reviewing five books on the theory of evolution. "Modern science, one might say, projects fairy stories upon nature, but they are stories to which nature seems to conform."

This did not, of course, hamper the well-grounded scientific sensibility that Dr. Eiseley brought to his professional work. He could call a skull a skull, and found many in his time. In 1949, he made an important discovery of bones and artifacts that helped date the existence of the nomadic Yumas in Wyoming.

Still, he was a man who brought a personal mythology to objective phenomena. The skull he found in Wyoming was scientific evidence toward creating a theory about past existence. Yet it was also a charm, an icon, a religious object that sat in his study and offered a take-off point when he would try to set pen to paper. He knew the limitations of his craft as a writer and of his work as a scientist:

"The evolution of the entire universe—stars, elements, life, man—is a process of drawing something out of nothing," he wrote in "The Night Country." "The reality we know in our limited lifetimes is dwarfed by the unseen potential of the abyss where science stops."

It is perhaps a measure of the man that he realized before his death that his own end was in fact the ultimate paradox of his scientific vision. He ponders this in the closing chapter of "'All the Strange Hours," spinning out a dialogue between himself and "the other player." The distinction between win and loss is insubstantial; it is the playing that counts.

He apparently realized this early on. In "The Invisible Pyramid," Dr. Eiseley recalls watching Halley's Comet blaze across Nebraska skies with his father.

"'If you live to be an old man,' my father said carefully, fixing my eye on the midnight spectacle, 'You will see it again. It will come back in 75 years. Remember,' he whispered in my ear, 'I will be gone but you will see it. All that time it will be traveling in the dark, but somewhere, far out there'—he swept a hand toward the blue horizon of the plains—'it will turn back. It is running glittering through millions of miles.'"

"WHAT WAS IT I WAS NEVER GOING TO SEE?
(Reprinted from "The Immense Journey")

Some lands are flat and grass-covered, and smile so evenly up at the sun that they seem forever youthful, untouched by man or time. Some are torn, ravaged and convulsed like the features of profane old age. Rocks are wrenched up and exposed to view; black pits receive the sun but give back no light.

It was to such a land I rode, but I rode to it across a sunit, timeless prairie over which nothing passed but antelope or a wandering bird. On the verge where that prairie halted before a great wall of naked sandstone and clay, I came upon the Slit. A narrow crack worn by some descending torrent had begun secretly, far back in the prairie grass, and worked itself deeper and deeper into the fine sandstone that led by devious channels into the broken waste beyond. I rode back along the crack to a spot where I could descend into it, dismounted, and left my horse to graze.

The crack was only about body-width and, as I worked my way downward, the light turned dark and green from the overhanging grass. Above me the sky became a narrow slit of distant blue, and the sandstone was cool to my hands on either side. The Slit was a little sinister—like an open grave, assuming the dead were enabled to take one last look—for over me the sky seemed already as far off as some future country I would never see.

I ignored the sky, then, and began to concentrate on the sandstone walls that had led me into this place. It was tight and tricky work, but that cut was a perfect cross section through perhaps ten million years of time. I hoped to find at least a bone, but I was not quite prepared for the sight I finally came upon. Staring straight at me, as I slid farther and deeper into the green twilight, was a skull embedded in the solid sandstone. I had come at just the proper moment when it was fully to be seen, the white bone gleaming there in a kind of ashen splendor, water worn, and about to be ground away in the next long torrent.

It was not, of course, human. I was deep, deep below the time of man in a remote age near the beginning of the reign of mammals. I squatted on my heels in the narrow ravine, and we stared a little blankly at each other, the skull and I. There were marks of generalized primitiveness in that low, pinched brain case and grinning jaw that marked it as lying far back along those converging roads where, as I shall have occasion to establish elsewhere, cat and man and weasel must leap into a single shape.

It was the face of a creature who had spent his days following his nose, who was led by instinct rather than memory, and whose power of choice was very small. Though he was not a man, nor a direct human ancestor, there was yet about him, even in the bone, some trace of that low, snuffling world out of which our forebears had so recently emerged. The skull lay tilted in such a manner that it stared, sightless, up at me as though I, too, were already caught a few feet above him in the strata and, in my turn, were staring upward at that strip of sky which the ages were carrying farther away from me beneath the tumbling debris of falling mountains. The creature had never lived to see a man, and I, what was it I was never going to see?

MILITARY MANPOWER

Mr. THURMOND. Mr. President, I continue to be concerned about the manpower shortage in our military forces. The danger in our present position is well described in an editorial that appeared last week in The State newspaper of Columbia, S.C.

The editorialist points out that the Regular Army and the Reserve Components are both under strength at this time. What is more, the trend is negative, so that our position is likely to get even worse. This country has paid a terrible price for military unpreparedness in the past—and not the distant past, either. Can we have forgotten the lessons of World War II and Korea so soon?

To help us recall these lessons and to focus attention on the manpower problem, I ask unanimous consent that the editorial to which I have referred be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Columbia (S.C.) State, July 8, 1977]

U.S. MILITARY MANPOWER HAS ALARMING SHORTAGES

A review of the current status of America's active and reserve military forces reveals an alarming manpower shortage and raises serious questions about this nation's ability to meet its commitments to peace in the world.

For decades, it has been the existence of America's military power which has helped to maintain a general global peace. Yet, while the Soviet Union's military might is growing, the United States' is slowly slip-

ping to a dangerously inadequate capability to respond to even a "short war" challenge.

Despite the claims by Defense Secretary Harold Brown that the all-volunteer Army is working well, the active Army is facing a shortfall in its ranks. Among the several reasons for this are a decline in the number of young men entering the 15-year-old age group and an improving economy which tends to absorb potential Army recruits.

More important at the moment is the alarming status of the nation's reserve forces. The reserves are part of the Total Force Concept. In an emergency, the reserve units would be called up and meshed into the regular forces. The maintenance of a trained and well-manned reserve has supposedly allowed for a smaller active duty force.

But the reserves are in trouble. The U.S. Army Reserve and the National Guard are now 102,000 men below their peacetime requirements. Since the Selective Service System (draft) was shelved in 1973, there are few alumni moving from the regular Army into the reserves and guard—and no draft-induced incentives to join the reserves and the guard.

The status of the Individual Ready Reserve—reservists not assigned to an organized unit—is even more alarming since it is the category from which immediate replacements would be drawn for battle casualties. Since 1974, the number of enlisted ready reservists has shrunk by 84 per cent, now standing at only 155,000. Most officers in this category will be gone in 1980—three years from now.

Unless something drastic is done, by 1982, the Army will be 360,000 men short of mobilization requirements for fillers and combat replacements to sustain regular units.

The nation cannot now rely on the draft. As we said before, the Selective Service System has been emasculated. If it were called upon today to provide inductees, the first trained draftees could not be shipped as replacements for combat losses until next February—seven months.

This nation has some vivid historical reasons for not allowing such conditions to exist in its military service. President Carter has suggested that Americans be called upon to sacrifice in helping to solve the energy crisis. We suggest that in our military forces there is a crisis of at least equal danger to this nation, and it should command his most serious attention.

MASS TRANSIT SAVES ENERGY

Mr. METZENBAUM. Mr. President, as a member of the Senate Energy and Natural Resources Committee, I am keenly aware of the need to reduce fuel consumption. It occurred to me, as I examined the "Urban Mass Transportation Assistance Act of 1977," that this bill provides a dramatic means of saving energy. Furthermore, I noticed that the President's energy plan does not contain any mention of mass transit. Clearly, this is an area which needs our attention and support. Most important, mass transit is a proven means of fuel consumption reduction providing a natural energy conservation vehicle.

Today, more than ever, necessity dictates that the Federal Government foster a public transportation system which invites mass ridership. This is not to suggest that the automobile, the central commodity of America's lifestyle, will ever be replaced—nor that it should. It is, rather, to recognize that one established pattern—that of commuting to and from work—can survive alteration, and yield dramatic savings in energy.

In very real terms this means that the American public must want to use a transportation system which transports it daily to work and home again in a convenient, clean, low-cost, and comfortable mode. The major purpose for which the automobile is used now—commuting to and from work—strains our limited supply of energy dangerously. There are both compelling and inviting arguments for change.

The Senate Transportation Subcommittee put it well, attesting to the timeliness of an expanded mass transportation system provided by the "National Mass Transportation Assistance Act of 1977."

The energy crisis has added a new dimension to the need for this legislation. If public transportation (mass transit) is to gear up as the viable alternative to commuter use of the automobile, there could not be a worse time to thwart its efforts. If we are to reduce gasoline consumption and if the American people are to turn to public transportation to meet their commuting needs, this legislation is required to provide the necessary resources and facilities to accommodate new riders. Nationwide statistics show that 53 percent of commuters drive to work alone in an automobile, another 21 percent are automobile passengers. A mere 8 percent commute on public transportation. Clearly, it is in the national interest—now more than ever—to continue and extend the on-going mass transit program.

Such statistics invite examination: First, why change? And, second, what has initial change accomplished?

To question the advisability of an alternative to the automobile in any use-sector requires a look at what the automobile signifies in our lives today. Automotive transportation ranks fourth in personal consumption expenditures, behind food and housing, but exceeding medical care. Of the nearly $1 trillion spent by persons in the United States in 1975, $130 billion went for user operated automotive transportation. We spent $45 billion to purchase news cars—the average purchase price for a new car exceeded $5,000. We spent another $45 billion for gas and oil, and $40 billion more for parts and maintenance, plus an additional $13 billion in taxes and $17 billion for insurance.

High expenditures not only reflect dollars; air pollution is a classic example of an external cost. And the highest concentration of pollution centers on high-density areas—areas where most of us work. Getting to work by car is costly in more ways than one. But as much as we are aware now of environmental costs, we are even more aware of energy costs.

When we gage the price the Nation as a whole pays in terms of increased dependence on unreliable sources of energy and the threat of future severe shortages—in conjunction with actual moneys spent and probable increasing expenditures almost daily—then a valid reason for change emerges. Passenger cars, taxis, and motorcycles consumed about 5.2 million barrels of gasoline per day in 1975, while the United States produced 9.3 million barrels per day of crude oil that same year, importing 4.1 million barrels of crude oil and 1.6 million barrels of petroleum products per day. Thus, the consumption by automobiles was nearly equal to our petroleum imports.

What is most important to ask here—for why we should alter an established life style—is how significant a portion of this consumption was, and can be, attributable to daily commuter transportation alone.

Statistics from the Nationwide Personal Transportation Study of the Federal Highway Administration furnish relevant material on the subject of transportation facts related to "home to work and related business" for the year 1972, and extrapolated figures for 1975 and 1976. They are worth our attention.

For example, in 1972, passanger cars used for "home to work and related business" consume in excess of 34 billion gallons of fuel, while all passenger cars that same year consumed 73 billion gallons of fuel. This means that more than 46 percent—almost half—of the fuel consumed that year was consumed by commuter cars. The figures projected for 1975 move the total consumption to 76 billion gallons, with 36 billion—or 47 percent—used by commuters alone, and for 1976, 80 billion gallons, with 38 billion gallons—or 48 percent—consumed by commuters. The consumption of fuel by commuters—or "home to work and related business" users—moves rapidly toward the halfway mark. Unquestionably, the time for change exists.

Where modern transportation systems have been installed, results are dramatic. My distinguished colleague, the junior Senator from New Jersey, who more than any other Member of Congress, is responsible for guiding the progress of mass transportation from the 1964 act to the present, knows that the transportation habits of Americans do change if, as he points out, they "have a good, alternative system in operation. Given the opportunity, people will always opt for it."

In his remarks made on the occasion of the introduction of the Urban Mass Transportation Assistance Act of 1977, he said that:

The decision to subsidize mass transit services has had a dramatic impact on public transportation ridership which has risen nationally during the past four years. In many areas, ridership increases can be closely tied to public policy decisions on subsidy and fare levels and to the amount of operating expenses devoted to service innovation, expansion, and promotion.

My own State of Ohio, where ridership increased during the years 1971 to 1975, 26 percent in Cleveland and 27 percent in Cincinnati, demonstrates Senator WILLIAMS' assertion. But even more dramatic is the impact on my own county of the Regional Transit Authority. Cleveland has a mixed public transportation system, consisting of both rapid rail and buses. As evidence of the people's wish to have a modern public transportation system, the citizens of Cuyahoga County passed in September 1975—after seeing the results of 4 years of Federal aid in both capital grants and operating assistance to public transportation—a 1-percent sales tax by a vote of 70 to 30. The result was the inception of the Regional Transit Authority in October 1975. From

that time to May 1977, ridership in Cuyahoga County has increased a whopping 63.5 percent.

Furthermore, as additional evidence of public response, Ohio passed, just a few weeks ago, a transit bill which contained an appropriation of $20 million, in contrast with the prior appropriation of $10 million. Transportation was the only budget area to double.

Worthy of particular mention is the community responsive transit program which provides, for the elderly and handicapped, door to door, free of charge, service and, on all public transportation facilities, 20 hours a day free, and half fare during rush hours.

Strains on energy, environment, and pocketbooks can be reduced significantly if we remove from only one part of one sector of our lives the emphasis we have placed on it. In other words, daily commuter travel patterns, if altered, can save precious resources. Interestingly, a track record has been established in the last 4 years, the same 4 years which follow the energy crisis.

I am proud of the public transportation system already initiated in my own State, and I look forward to expanded systems, both in Ohio and nationwide, which the National Mass Transportation Assistance Act of 1977 will produce.

STATE OF NORTH CAROLINA RESOLUTION URGES MAINTAINING DIPLOMATIC RELATIONS AND DEFENSE TREATY WITH FREE CHINA

Mr. HELMS. Mr. President, the Secretary of State has announced that he is going to Peking in August for discussions with the Communist government of the People's Republic of China. The usual leaks and speculation which precedes such trips has already indicated that the central issue in our relationship with the People's Republic is the resolution of the so-called Taiwan question—that is whether the Republic of China, the government of the free Chinese people, will continue to exist and to be supported by the United States.

The Communist Chinese purportedly want the "Taiwan Question" settled according to the terms of the Shanghai Communique—a document which is neither a treaty, nor an executive agreement, nor a ratified convention of any kind. It is in fact a press release by two international leaders, neither of whom is in power today. If we accept the terms of the Shanghai Communique, we would leave the "Taiwan Question" to be settled by the Chinese peoples themselves, that is, by the 200 million people of the mainland under Communist domination against the 16 million people on Taiwan. Of course, we would also withdraw our military support.

According to the press speculation, the administration is searching for some kind of a formula, under which the Communist Chinese would promise to allow a 2- or 3-year grace period before exercising their hegemony over Taiwan. However, the Chinese Communists will not even promise that, making it difficult, from a public relations standpoint, to hand over 16 million people, currently free, into Communist domination.

And yet, Mr. President, this Senator doubts that the Communist Chinese themselves would be overjoyed by the United States taking such an action. While doubtless they do want to have Taiwan, it seems to me that they would place very little value upon an "ally" that would so cavalierly deal with its friends. They would probably seize Taiwan, but they would then run into the arms of the Soviets and attempt to make some accommodation here.

Mr. President, the General Assembly of North Carolina has recently passed a resolution urging the Government of the United States to maintain its diplomatic relations and the mutual defense treaty with the Republic of China. Pointing out that President Jimmy Carter has repeatedly stated that he will pursue an open and just foreign policy, based on morality, and that the President has also stated that he will not compromise the freedom and security of the people of the Republic of China, the resolution strongly urges both the Government and the Congress to maintain relations and defense arrangements.

Mr. President, I ask unanimous consent that the copy of resolution 72 of the General Assembly, and the certification by North Carolina Secretary of State Thad Eure be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATE OF NORTH CAROLINA: DEPARTMENT OF THE SECRETARY OF STATE

I, Thad Eure, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached three (3) sheets to be a true copy of resolution 72, 1977 Sessions Laws entitled A joint resolution urging the Government of the United States to maintain its diplomatic relations and the mutual defense treaty with the Republic of China; and for other purposes.

Ratified on the 24th day of June 1977, by the General Assembly of North Carolina the original of which is now on file and a matter of record in this office.

In witness whereof, I have hereunto set my hand and affixed my official seal.

Done in office at Raleigh, this the 27th day of June, 1977.

THAD EURE,
Secretary of State.

SENATE JOINT RESOLUTION 599

Whereas, the Republic of China was a founding member of the United Nations and has always been a law abiding member of the community of nations; and

Whereas, the people of the Republic of China have built a successful, prosperous, free economy out of the ashes of a half century of revolution, invasion and civil war and now serve as an important trading partner of the American people; and

Whereas, the Republic of China is of great strategic importance in the defense of East Asia and the Pacific and has always utilized its military power in the interests of the free world; and

Whereas, the people of the Republic of China have been among the most trusted friends and allies of the people of the United States since the founding of the Chinese Republic in 1912; and

Whereas, President Jimmy Carter has repeatedly stated that he will pursue an open and just foreign policy, based on morality; and

Whereas, President Jimmy Carter has also repeatedly stated that he will not compromise the freedom and security of the people of the Republic of China and will stand by the United States' commitments to that country:

Now, therefore, be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. That this body strongly endorses the positions of President Jimmy Carter as stated above.

SEC. 2. That the Government of the United States and the Congress are hereby strongly urged to maintain their diplomatic relations and the Mutual Defense Treaty with the Republic of China.

SEC. 3. That the Secretary of State is hereby authorized and directed to transmit an appropriate copy of this resolution to the President and the Secretary of State of the United States of America, the members of Congress from the State of North Carolina and the Ambassador of the Republic of China to the United States.

SEC. 4. This resolution shall become effective upon ratification.

In the General Assembly read three times and ratified, this the 24th day of June, 1977.

THE JOHN KEARNEY CASE

Mr. CANNON. Mr. President, much controversy has arisen over the current celebrated case of a former FBI special agent, John Kearney, who is being prosecuted for alleged illegal actions committed at the instruction of his superiors.

I do not intend to prejudge the merits of this particular case but its long-term meaning for the success of the FBI in its critical missions is evident.

I, therefore, feel that the Senate should have the opportunity to read a most interesting series on this subject which appeared recently in the Las Vegas Sun and I ask unanimous consent that the first three articles of the series be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUN DEFENDS FBI

PROLOGUE

The preservation of cherished American institutions must be the object of all responsible American newspapers.

The preservation of our country as we know it must rest with institutions charged with protecting and defending our national security and integrity.

The Federal Bureau of Investigation (FBI) is the investigative arm of the United States Department of Justice. It is charged with the enforcement of most federal criminal statutes and domestic intelligence. It has responsibilities in matters of espionage, sabotage and subversive activities.

The bureau has indulged in counteraction against intelligence operation of foreign powers, embracing Fascism, Nazism, Communism and all the hateful "isms" that are inimical to the democratic way of life.

Its work during wars and post wars have earned it the overwhelming support of the vast majority of the American people who look to it for their security, both domestic and foreign.

In days ahead, the freedom and security of this nation will depend on events and actions of the Justice Department.

The present attorney general, Griffin Bell, has made the decision to prosecute former and present members of the FBI for alleged criminal practices which were not only condoned but ordered by the Justice Department.

Former Special Agent John J. Kearney has been indicted for employing investigating techniques which were justified at the time of use and were in some instances not illegal, but always with the authority of his superiors in the agency, up to and including former attorneys general, who never saw fit to prosecute even though the alleged illegal acts were brought to their attention.

In fact, the Department of Justice in similar situations publicly declared that indictments of this nature were not only unwarranted but improper.

In bringing criminal action against one man, the present attorney general is prosecuting the world's finest law enforcement agency and is, in effect, undermining the security upon which our nation depends.

It will be a sad day for this country if the agents who are charged with protecting citizens from criminal incursions upon their security refuse to carry out an order unless they first clear it with their own legal counsel to determine the legality of the order.

To do otherwise would be to expose the agents to all sorts of legal harassments and criminal penalties if an action which was legal at the time would, in retrospect, be found to be questionable or illegal.

An organization such as the FBI cannot function in an environment of indecision and doubt. Punishing an agent today for an action which, when it occurred, was not a crime, is against all principles of fair play and is little reward for the dangers that these men faced in the performance of their duty.

When the time comes that a member of the FBI must consult a law book or confer with private counsel before carrying out an order, on that very day the FBI dies.

Since the prosecution of Agent Kearney was initiated by Atty. Gen. Bell, the morale of the FBI has been progressively deteriorating.

The great sense of pride which every member of the Bureau has been imbued with since the founding of the organization, has been sullied.

The confidence of the agents that they are engaged in vital work and could proceed in full faith in carrying out orders of their superiors has been shaken and undermined.

There is absolutely no justifiable reason for the American public, whom the attorney general represents, to seek vengeance against a lone agent who performed his duties with the utmost responsibility and dedication.

If this prosecution should go forward, no agent, past, present or future could ever again feel secure in his job.

It could spell the end of what we believe to be the greatest law enforcement agency on the face of the earth.

The Las Vegas SUN will therefore publish a seven part series protesting the decision of the attorney general and detailing the harmful effect on the FBI which is our first line of defense against enemies both foreign and domestic—H. M. Greenspun, Publisher.

SUN DEFENDS FBI—PART I: HIGH STAKES

(By Bryn Armstrong and Brian Greenspun)

The "way of the warrior" or Bushido Code of Japan, provides that those who have displeased the emperor or bring shame upon themselves are permitted to commit seppuku—suicide.

Americans became very familiar with this strange custom during World War II as they witnessed Japanese Samurai commit self destructive acts much to their horror and shock.

Yet we are now witnessing this very same spectacle in this country as agents of the Federal Bureau of Investigation (FBI) are being forced to commit fiscal and reputational suicide because of acts committed in the highest service to their country.

A principle cause celebre is that of former FBI agent John J. Kearney who has been indicted by a federal grand jury in New York on charges of conspiracy to intercept mail, conspiracy to intercept wire communications, two counts of obstruction of correspondence and one count of unlawful wiretapping. The offenses are alleged to have occurred between August, 1970 and June, 1972.

Kearney faces penalties of up to 25 years in prison and fines totaling $34,000.

The Justice Department is proceeding with plans to prosecute Kearney while admitting that he "had substantial basis for thinking his actions were lawful."

The Justice Department's own records belie its attempt to prosecute justly the former special agent. Former Atty. Gen. Edward H. Levi issued a statement Jan. 14, 1977 that placed the blame where it properly belongs. He said that prosecution by the government of agents charged with mail opening and electronic surveillance would be hypocritical in light of the failure of officials at the highest level of government—who were aware of these acts—to establish proper guidelines.

Rather than abolish these practices, for which Kearney now stands indicted, Justice Department leaders were content, according to Levi, to "leave the individuals operating in the field to proceed according to their own best estimates of legal constraints in a vague and yet vitally important area."

Hypocrisy indeed! After declaring that the Department of Justice itself "stands indicted" for its failure to provide adequate guidelines to its agents, the department proceeds along a course of prosecution which subjects this man to total ruination. All this in light of the department's further pronouncements that Kearney had a "substantial basis for thinking" his actions were lawful, that it would be "unfair" to prosecute under the circumstances, and that the acts alleged were in large part "the fault of the government."

In view of this, the decision to seek the indictment and proceed criminally against the former agent for acts committed prior to 1972 and with the department's blessing, stands as a piece of monstrous hypocrisy.

And, as damaging as such an action is to the individual agent, both financially and socially, the decision to proceed criminally could undermine the entire apparatus by which the United States seeks information about its enemies and protects itself from destruction by these same people.

It is absolutely clear that to pursue this insane course mapped out by the Justice Department will do more harm to our country and this great institution than would a decision which declines prosecution.

The current attorney general, Griffin Bell, recognizes this imbalance and is indeed, reluctant to prosecute. There are pressures upon the department to proceed, however, arising out of the need for the Carter administration to appear consistent.

While demanding human rights for citizens of foreign nations at every opportunity, President Carter could hardly be expected to overlook possible encroachments upon privacy and privileges of our own U.S. citizens.

What began as a public relations ploy by the President's team is now playing with the very lifeblood of one of our greatest institutions, the FBI. It is too important to the safety and security of our country to use it as a pawn in a public relations campaign.

Every citizen has a stake in the continued existence of the FBI, as a strong, viable, healthy safeguard against espionage, counter-espionage, sabotage and terrorism.

SUN DEFENDS FBI—PART II: PRECEDENT IGNORED

(By Bryn Armstrong and Brian Greenspun)

The indictment of former FBI Special Agent John J. Kearney and threats of similar actions against others in the nation's security and intelligence community constitutes a denial of established criteria and ignores historical assignments to both the Federal Bureau of Investigation and the Central Intelligence Agency.

In view of the fact that Kearney, in attempting to track down the underground Weathermen bombers, utilized techniques in common usage with the approval of presidents, attorneys general and FBI directors, one must question why a conscious effort is being made to apply criminal sanctions retroactively. The record shows the hour is extremely late.

Never rescinded was the 1939 assignment by President Franklin Delano Roosevelt to the FBI of responsibility to handle all espionage, counter-espionage and sabotage matters within the United States. In 1940, President Roosevelt further authorized the FBI to utilize wiretapping in "matters involving the defense of the nation." Every President since then has authorized such techniques.

The Justice Department has continually relied upon such authorization in its intelligence gathering and relied heavily on its belief that such direction from the President of the United States to utilize warrantless surveillance in national security was the law. This authority made no distinction between foreign and domestic security risks.

That distinction was first drawn by the U.S. Supreme Court in June, 1972, when it denied presidential authority to order warrantless electronic surveillance over "wholly domestic" groups, that is, groups not substantially financed or controlled by foreign governments or their agents.

All of Kearney's activities preceded this decision.

Prior to 1972, however, agent Kearney had been involved along with many other agents, in the tracking down of members of the militant Weathermen underground, some of whom had been very active in the indiscriminate bombing of many buildings in this country. Some are still at large today.

The Supreme Court's pronouncements in 1972 cannot "create an offense" out of an action which was not a crime when committed, just as the Congress cannot create an offense to be applied retroactively. All principles of fair play, due process and elementary justice cry out against retroactive application of judicially created crimes.

More important, however, is the fact that Kearney pursued the Weathermen during 1970–1972. It was not the least bit clear at that time whether the bombers were wholly domestic criminals or whether they were financed by foreign governments with interests inimical to the welfare of the United States.

Intelligence gathered by the FBI indicated that the Weathermen had established direct contact with the Communists in Cuba. Given this information, coupled with the increasing terror caused by Weathermen bombs, could one really expect the agents to draw distinctions as to whether there were "wholly domestic" or foreign threats to national security?

The realities of the situation were such that the thought of agent Kearney or others trying to draw distinctions like those delineated by the courts at a later date, and now being the basis for criminal indictments for their failure to do so, is callous and unconscionable.

And, an America sick and tired of violence at every turn and continually threatened by unrestrained terrorist groups, will not draw a fine line, either.

To the average American, a group which offered an obvious and deadly threat to domestic tranquility, indeed to life itself, which worshipped Chairman Mao and Che Guevera, is an enemy pure and simple. Americans will support those agents and institu-

tions which have dedicated themselves to eliminating the threat to life, property and the national security.

SUN DEFENDS FBI—PART III: PUBLIC RELATIONS GAME

(By Bryn Armstrong and Brian Greenspun)

The overwhelming desire of the Carter administration to appear in the public eye as a strong defender of human rights has forced the nation's top legal officer to make extra-legal, unlawyer-like statements.

While deploring the "necessity" of prosecuting former FBI agent John Kearney, Atty. Gen. Griffin Bell has asserted that he has no choice in the matter because the indictments were mandated by the "rule of law."

Kearney is accused in a five-count indictment of conspiracy to intercept mail, conspiracy to intercept wire communications, two counts of obstruction of correspondence, and unlawful wiretapping in 1970–72.

The pronouncements of the attorney general are extra-legal and unlawyer-like because there is ample law which invests the top law enforcement official in the United States with the power to decide whether a statute has been violated and whether prosecution should be initiated.

Nowhere is it mandated that he prosecute when the circumstances militate against such a course.

As a matter of fact, the Justice Department earlier decided not to prosecute CIA agents involved in a mail-opening campaign on the grounds that the department believed that the agents involved thought that what they were doing was lawful under the circumstances.

The present Kearney case presents the very same facts, and yet the mandated conclusion of the attorney general directs him to an opposite action.

Prosecution also was declined against former CIA Director Richard Helms involving a surreptitious entry in Fairfax, Va., allegedly to protect intelligence sources and methods. Again the reason was that he thought he was acting under proper authority.

Further, former FBI Director L. Patrick Gray authorized a surreptitious entry in the case of a person believed to be in league with Arab terrorists. No action followed.

According to Department of Justice press releases, that organization learned of mail openings in the 1960s. Not only was no prosecution considered, but the department failed to instruct the CIA or FBI to cease such activities when they came to light over a long period of years.

The "rule of law" therefore, is abundantly clear. Rather than require prosecution of agent Kearney, the discretion allowed the attorney general dictates that such prosecutions be denied or terminated against agents who likewise thought they were acting under proper legal authority.

Any other decision would mean that the rule of law was being applied in an uneven manner and the guide post of our judicial system "equal justice under law" will have lost all meaning.

Not only should prosecution of Kearney be halted but the Justice Department should undertake the responsibility of establishing proper guidelines for agents in the field. Such guidelines will help prevent needless prosecutions in the future of agents who happen to find themselves in the wrong web of time and circumstances.

For the government to hold Kearney criminally responsible for investigative techniques developed and sanctioned by that very same government is to vent reprisal "upon the sons for the sins of the fathers."

The obvious inequity inherent in a prosecution of Kearney and other agents like him can easily be remedied by the appropriate application of prosecutorial discretion.

It is clear from the Supreme Court itself that the role of the prosecutor, including the attorney general, includes the choice not to prosecute. Such a choice must be based upon "good sense . . . conscience and circumspection" to avoid the sometimes harsh inequities that can exist.

The Carter Administration's warning to the Soviet Union and other nations that human rights must be respected in order to have a friendly relationship with the United States applies equally to our own country. And rightfully so.

The post-Watergate morality insists that our government agencies be free of any appearance of surreptitious surveillance of our citizens.

This background provides the solid groundwork for the preparation of rules and regulations for investigative techniques to be used by agents in the field.

But, nowhere in this new era of ethics and morality will that end be served by the needless, unwarranted prosecutions of loyal agents who operated with techniques which they believed they were authorized to follow.

There is no justice in bringing about the financial ruin, to say nothing of the criminal stigma attached, of agents whose activity was in the highest tradition of intelligence operations, free of political considerations or other less noble reasons. They acted solely to prevent the needless and wanton destruction of life and property by a terrorist underground organization bent on thwarting such attempts and determined to disturb the domestic tranquility with increasingly violent acts.

GEORGE J. KEEGAN, JR., ON THE B–1

Mr. HELMS. Mr. President, George J. Keegan, Jr., is the former chief of Air Force Intelligence. Until he retired 6 months ago, he had earned a reputation as being one of the most indefatigable intelligence analysts, always in hot pursuit of the truth even when the truth strays over boundaries recognized by official policy. Since his retirement, General Keegan has begun a new career as vice president of the U.S. Strategic Institute. Now on the outside of the policy-making community, he has continued to raise his voice against shortsighted decisions that threaten to undermine our national security. Indeed, he has probably done more to create a public understanding of the dangers facing us today than any other public figure.

Last Wednesday, the New York Times carried an article written by General Keegan in which he analyzed both the practical effect of the abandonment of the B–1 bomber and the psychological effect the decision will have upon Soviet leaders. He points out, for example, that the cruise missile and the B–1 were intended to be a team:

Unless the cruise missile is mated to a manned bomber which itself can penetrate the most sophisticated of defenses, its utility shall be restricted to preprogramed retaliatory routes and targets—thus contributing little to a far more likely range of real world conflict operations.

He also points out that the B–1 should not be thought of as a vehicle for nuclear weapons only; it also could be an effective weapon with conventional weapons. He says:

Practically, the B–1 has the potential of being the most effective anti-naval weapon in history. Some forty to fifty B–1's, armed with suitable conventional warheads and guided weapons, could probably sink the entire Russian and East European fleets of major surface war ships within twenty-four to thirty-six hours, day or night and in any kind of weather—a feat which today could not be accomplished by all of the free world's naval forces operating over a period of years.

However, his strongest warning comes in relation to the psychological effect of U.S. unilateral disarmament on the Soviet leaders. He asks:

Upon what hopes and by what advisories has our President been induced to believe that the now clearly hegemonic ambitions of the Soviet Union are likely to be assuaged by the elimination of the single most useful general purpose weapon system yet produced by the United States?

Mr. President, it is unfortunate that General Keegan's article appeared when many of our colleagues were back home in their States and would not see it upon publication; I, therefore, ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW TO KEEP THE RUSSIANS AWAY

(By George J. Keegan, Jr.)

WASHINGTON.—By its decision to cancel production of the B–1 bomber, the Carter Administration has resolved all doubt about its perception of the Russian threat, and the character of its approach to peace and security.

The decision leaves little room for confidence and casts a pall over the future. Unfortunately, we are observing a repetition of the ignoble military unpreparedness of the 1930's.

Despite the Soviet Union's commitment to superior war-waging capability, defense spending more than double that of the United States, and an imperial expansiveness of unprecedented scope—it appears that factors of domestic politics, budget and illusory hopefulness shall prevail over legitimate needs of national security.

It seems not to have occurred to our leaders that the B–1 might also have to be used in a nonnuclear capacity to help secure the world's sea lanes and as a crisis response weapon of remarkable responsiveness, precision and survivability. Instead, we are told that an untested cruise missile requiring elaborate preprograming against known targets is to be mated to the aging B–52 as the flying leg of a triad which may soon be rendered obsolete by breakthroughs in Russian defense technology.

What then has the Carter Administration revealed of itself by the B–1 decision?

It has signaled clearly that our persistent underestimation of the threat will continue; that our pursuit of peace and security will continue to be premised on the strange notion that if we can but assuage Russian fear of the United States by self-imposed restraint, we may some day induce like behavior on the part of the Russians; and, that the defense of the free world will not be premised on the oldest lesson of history—namely, that to prevail in peace, one must have the means to prevail in war.

And finally, the one nation upon which the peace and security of the free world must depend has apparently opted for a continuing commitment to unilateral disarmament. Are the Russians now to judge that they are free to pursue their hegemonic interests against the cause of human rights and freedom with less fear of United States intervention?

Strategically, the United States is eliminating the most survivable element of the strategic triad—and the only one which has utility for nonnuclear warfare. Unless the cruise missile is mated to a manned bomber

which itself can penetrate the most sophisticated of defenses, its utility shall be restricted to preprogramed retaliatory routes and targets—thus contributing little to a far more likely range of real world conflict operations.

A remarkable body of evidence, which this Administration has chosen to ignore, makes it clear that the Russians, with their high-energy beam research, hope to neutralize the intercontinental ballistic missile before the end of the next decade.

Similarly, the Russians have every expectation of soon rendering the oceans transparent and neutralizing the large submarine through remarkable advances in antisubmarine technology. Yet we are proceeding willy-nilly to put all of our deterrent eggs in fewer and fewer large underwater baskets.

Despite credible evidence that Russian war survival, military hardening and civil defense measures have proceeded far beyond what our politicized estimates concede, the Carter Administration has refused to face the reality. Our strategic missile forces lack the accuracies and yields necessary to overcome the marked survivability advantages which the Russians must now perceive they enjoy. Again, the B–1 and the stationary version of the MX missile alone are competent to deny the Russians such advantage and to redress the shocking 40-to-1 fatality exchange ratios which I believe the Russians would now enjoy in a nuclear war.

Yet we seem unconcerned that the Russians are planning soon to test more than a dozen new strategic missiles and to double the production capacity for their own version of the B–1 bomber of which more than 200 are now operational.

Practically, the B–1 has the potential of being the most effective anti-naval weapon in history. Some 40 to 50 B–1's, armed with suitable conventional warheads and guided weapons, could probably sink the entire Russian and East European fleets of major surface war ships within 24 to 36 hours, day or night and in any kind of weather—a feat which today could not be accomplished by all of the free world's naval forces operating over a period of years.

Meanwhile, the United States Navy has been cut in half and the Russians allowed to seek virtually uncontested domination over the free world's ocean access to fuel and raw materials, and the ability to reinforce threatened overseas theaters. The B–1, but for a pittance, might allow us to redress decisively the naval balance which has long been the key to this nation's ability to export, import and reinforce by sea—thus easing the Navy's complex burden of coping with the submarine threat.

One wonders about the intelligence advisories which counsel more restraint as a suitable response to the Russian threat. Also, one must ask who has counseled the President against concern for Russian developments in antisubmarine warfare, particle-beam research and civil defense—all trends which clearly portend the demise of United States ballistic missile forces.

Upon what hopes and by what advisories has our President been induced to believe that the now clearly hegemonic ambitions of the Soviet Union are likely to be assuaged by the elimination of the single most useful general purpose weapon system yet produced by the United States? Are we once again to tempt fate through a return to the evangelical didacticism of the Wilsonian era or the isolationism of the 1930's?

Jimmy Carter is the last President of the United States who has time remaining to assure that his successor Presidents will not have had all of their options for peace mortgaged by the failures of one man to make the capital investments necessary to assure adequate safeguards against the ever-escalating propensities of dictatorships to make war.

By the B–1 decision alone, the United States leadership has elected to turn its back on history and succumb once again—as have so many recent Administrations—to dealing with the cosmetics rather than the realities of international power politics.

BERTHA ADKINS OF MARYLAND

Mr. MATHIAS. Mr. President, I would like to take a moment to pay tribute to a remarkable public servant, a good friend and an outstanding woman—Bertha Adkins. Not long ago Bertha Adkins retired as Chairman of the Federal Council on Aging. Her departure from Federal office is regretted by all who have had the pleasure of knowing and working with her during her more than 30 years of leadership in educational, political, and governmental service.

Miss Adkins carved out a distinguished career at a time when it was not easy or common for women to rise to the top professionally. Equal opportunity had little reality until quite recently, when Miss Adkins at Under Secretary in the exceptional woman achieved national recognition in any field. The measure of Bertha Adkins can be gaged by the fact that she won national and international recognition in, not one, but several fields.

In 1958, President Eisenhower named Miss Adkins as Under Secretary in the new Department of Health, Education, and Welfare, following her service as dean of women at Western Maryland College and at Bradford Junior College, and as executive director of the women's division of the Republican National Committee. The following year Miss Adkins was a delegate to the U.N. Conference on Participation of Women in Public Life and was also sent to Poland by the Secretary of State for the international education exchange program.

From 1961 to 1967 Miss Adkins was headmistress of Foxcroft School. She served from 1971 through 1973 as secretary of HEW's Committee on Aging, and from 1973 until May of 1977 she was Chairman of the Federal Council on Aging.

After three decades of active public service, Bertha Adkins has returned to her native Eastern Shore of Maryland. But, while Miss Adkins is nominally retired in Oxford, Md., she is far from inactive. She continues to lavish her talent and energy on private philanthropies and on the committee on the merger of Salisbury State College and the University of Maryland Eastern Shore.

Maryland is proud of Bertha Adkins and of her many contributions to the welfare of our Nation. I am proud to count her my friend. I am confident my colleagues join me in congratulating Bertha Adkins on her achievements and in wishing her many creative and productive years ahead.

THE TEXAS ASSOCIATION OF MEXICAN-AMERICAN CHAMBERS OF COMMERCE

Mr. TOWER. Mr. President, I am very pleased to take this time to salute the Texas Association of Mexican-American Chambers of Commerce—TAMACC—on this eve of its second annual State convention.

TAMACC is a statewide association of Mexican-American businessmen who have combined their energies and talents for the expressed purpose of improving the economic conditions of the Mexican-American community in Texas. Individual Chicano chambers of commerce have been formed in various cities throughout the State. TAMACC has been the vehicle for coordinating the economic focus of those individual chambers; and in the process, TAMACC has insured that each chamber has benefited to the maximum extent possible from full participation in the economic free marketplace.

TAMACC presently numbers 15 chambers, following 2 short years of organizing efforts. The 10 new chambers already are being formed, and it is expected that they too will soon become participating members. The work of organizing these chambers in Texas has been accomplished mainly by SER minority business and trade association developers in Dallas. This organization's outstanding efforts have been made possible by funding provided for these purposes by the Office of Minority Business Enterprise—OMBE.

I am confident that this second annual State convention will certainly recognize and approve the many accomplishments of TAMACC's outgoing officers. Those officers at present include Mr. Rene Gutierrez, president; Mr. Bidal Aguero, vice president; Mr. Tony Reyes, secretary; and Mr. Rudy Fernandez, treasurer. In addition to the installation of the new officers, the convention will proudly recognize Mr. Ignacio Claneros, whom TAMACC has selected and named "Outstanding Businessman of the Year."

Mr. President, the minority business community has played a significant and vital role in the development of human resources within the Mexican-American community in Texas. Countless numbers of businesses from the Spanish-speaking community already were competing successfully in the vital economic processes of the free marketplace. I take special pride in noting, however, that TAMACC through the assistance it has received from OMBE is now providing exciting new opportunities and hope for so many more of my fellow Texans who also are members of our State's Mexican-American community.

I feel it is most important to note that new opportunities, particularly the hope that the future will be brighter for each individual as well as for his or her family, are of immeasurable value not only to Texans of Mexican ancestry but also tc all citizens of our States. New opportunities for full participation in our economic system benefit all Texans because it means jobs for those who are most adversely affected by unemployment and inflation. In turn, this means that our citizens are productive and contributing members of our society; and this ultimately leads to the well-being of all Texans and to a strong and healthy economy for our Nation.

Mr. President, I am a cosponsor of S. 607, a bill introduced earlier this year

by my colleague from the State of Louisiana, Senator BENNETT JOHNSTON. This bill would establish a Minority Business Development Administration in the Department of Commerce under the jurisdiction and authority of an Assistant Secretary. It would then carry out under law the functions of OMBE which are presently authorized by Executive Order 11625. In addition, this Minority Business Development Administration would provide for a careful study and review of all Federal activities relating to minority business enterprises, with subsequent reports and recommendations to the President and Congress on the steps necessary to carry out the legislative intent of the act's mandate to consolidate and refocus all Federal minority business enterprise efforts.

TAMACC is but one of the many success stories in my State which can be attributed directly to the assistance provided by OMBE in region VI. In my judgment, the benefits and gains made by the Spanish-speaking community in my State under OMBE provide evidence of the need to establish under legislation minority business programs which can be carefully coordinated and actively pursued at the highest levels within the Department of Commerce. I, therefore, urge my colleagues to support once again this important and timely legislation.

CITIZENS SPEAK OUT ON ENERGY PROPOSALS

Mr. MATHIAS. Mr. President, on July 6 and July 7 I held hearings to measure citizen reaction to President Carter's energy program and to determine its impact on both the national economy and the average household budget. These hearings were held in Maryland, at Baltimore and Cumberland respectively. I called these hearings in order to learn the views of my constituents in preparation for Senate consideration of President Carter's energy proposals. I would like to report to my colleagues briefly on the major concerns expressed at these hearings.

One dominant theme emerged: "The only thing worse than high-priced fuel is no fuel at all." It was voiced by Ralph Strock of the Maryland Cooperative Milk Producers and echoed in one form or another by many of the 33 speakers at the two meetings.

The speakers were broadly representative leaders of divergent interest groups. They included persons from business, conservation and consumers' groups, labor, industry, utilities, farmers, home and apartment builders, insulation contractors, coal producers, oil distributors, local governments, and others. A list of participants is given at the end of the report.

I held these hearings to learn firsthand how energy consumers, producers, distributors, and opinion leaders view our current energy situation. What do they think of the President's plan? What should be the Congress response? But more than that, I wanted to hear how energy affects Marylanders at home and at work. On both counts, we were successful.

The concerns expressed were real and concrete. They translated energy into terms of its relationship to milk, bread and hospital beds. All talked from experience with past shortages, with specific knowledge of our current problems and a realistic expectation of our prospects.

No summary of the comments made can do justice to the variety of ideas expressed. Furthermore, no group with such diverse interests could be expected to agree on all or very many of the issues. But this is part of the nature of the energy crisis we must face. Diverse points of view need to be heard. We need somehow to develop a national energy policy that all major segments of our society can accept and support. Without such a consensus no policy will succeed.

THE ENERGY CRISIS IS REAL

I was concerned and unhappy that the civic leaders who testified all agreed that the general public, if not actually oblivious to the crisis, is certainly not alert to its serious implications. Quite obviously one of the most urgent tasks ahead is to heighten public awareness of the significance of our dependence on foreign energy sources. The witnesses themselves were alive to the dangers, as their presence confirmed, but they agreed with national polls on general apathy and lack of knowledge.

No witnesses personally questioned that the Nation's energy problems are serious although they deplored widespread questioning that persists. If this group of leaders is representative of persons in similar positions across the country, then at least there is a level of awareness, among those directly concerned, to enable us to form a national policy. We may also be able to count on such leaders to help get the message to the rank and file who, witnesses agreed, are not yet convinced of the reality of our energy problems.

A sampling of experience illustrates why this group perceives the problem. Kenton Farrell, manager, Stroehmann Brothers Bakery, Cumberland, Md., testified he was forced to close down, on 1 hour's notice, last winter because of the natural gas shortage. The result: 300 workers were idled for a week and enough money was lost in that week to pay higher gas prices for a year. Mr. Farrell knows that can happen again.

David McMaster, mill manager, Westvaco Corp., cannot receive assurances that he will be able to buy enough electricity to meet future needs. Clement Gardiner, director of public affairs, the Potomac Edison Co., is concerned that he cannot provide those assurances. Each knows the crisis is real.

Tom Holder, of the Tri-County Council for Western Maryland, faces the problems of a chronic 11-percent unemployment rate. His development group is stymied in finding new jobs by the lack of natural gas and electricity for new industry. He knows the problems are getting worse.

Stanley Zorick, president, Western Maryland Central Labor Council, sees the crisis in terms of jobs. We are in a period as critical as World War II, he feels. We have to buy time until more sophisticated forms of energy are available.

Edgar Lawrence, Maryland Hospital Association, estimates that roughly 8 to 10 percent of hospital costs are related, directly or indirectly, to energy and he is concerned about future supply as well as cost.

Ralph Strock, a veteran milk cooperative executive, traced the intimate relation between milk production and energy. His organization faced the prospect last winter of milk spoiling in a processing plant for lack of natural gas. Not only would the milk have been lost, but all the energy that had gone into supplying feed, heating barns, powering milking machines and transporting the product would have been wasted.

Roland Ewell, a cabdriver and president, Baltimore County Permit Holders Association, has coped with the shortage of fuel on which his livelihood depends and now faces severely escalating prices for that fuel.

NATURE OF THE CRISIS

"The greatest threat to the economic and social stability of the United States is our dependence on foreign sources for energy," observed Mrs. Ernie Honig, representing the Maryland Chamber of Commerce. Many speakers saw this dependence as an immediate, continuing and growing problem. They have not been lulled into a sense of false security by the current stories about a "glut" of oil in the next few years. Witnesses were aware that the United States imports half its petroleum now at a cost of $50 billion annually; and that the east coast and Maryland are almost totally dependent on overseas oil. This dependence and drain on our financial resources represents an immediate challenge. They understand that it makes little difference what the long range supplies of fossil fuels are if we cannot afford or obtain supplies we need in the immediate future.

Scott Buzby, president of the Kelly-Springfield Tire Co., Cumberland, contended,

> We are not in an energy crisis. We're in an economic and political crisis.

He added that if we are going to have to pay the world price of petroleum, we should keep our money in our economy. This assessment was seconded by S. James Campbell, Maryland Industrial Group, who stated,

> The shortage is not one of energy but of capital.

F. Grove Miller, president, Maryland Frm Bureau, noted the day-to-day dependence of modern agriculture on oil and natural gas. He saw the consequences of interrupted supplies as disastrous for agricultural production. Ralph Strock linked agricultural production to oil imports, pointing out that we must export food to pay for oil.

But severe as the supply problem is, increasing demand for energy raises equal concern. Perhaps the most sobering news was presented by Gordon Mears of the Choptank Electric Cooperative. Mr. Mears reported that his utility had seen a 15 percent increase in use in 1976 with only a 4 percent increase in customers

served. Mr. Gardiner of Potomac Edison said their figures showed the same trend. William Zorzi, director of public relations, American Automobile Association, felt that the average driver had no idea that half of every tank of gas used in the United States comes from overseas. Samuel Bertolet, executive secretary, Oil Heat Association of Maryland, reported there is much customer lethargy toward conservation measures. Despite vigorous industry attempts to have oil burners inspected and adjusted and to persuade customers to reduce water heater temperatures, he said little has actually been accomplished.

This testimony clearly revealed that we have yet to turn the corner in translating knowledge and concern of leaders and experts into action by the general public.

NEED FOR ENERGY POLICY AND PROGRAM

"A national energy policy is long overdue," stated Richard Mappin, executive director of the Allegany County Economic Development Co. Merilyn Reeves, League of Women Voters, urged Congress to act soon to remove uncertainty. Walter Shipe, insulation contractor, expressed fears that the public will lose confidence in national leadership if an energy bill is not passed.

The urgent need for a consistent, fair and workable energy policy was widely voiced. Karen Giblin, League of Women Voters, said that:

The public is presented with either inadequate or conflicting views. If we are going to survive this crisis as a nation, we are going to have to make some hard decisions about our life style. The longer we wait the more difficult it will become.

Mr. Gardiner was another witness who urged consistent and dependable policy statements so that we know where we stand.

The problems of arriving at a consensus were recognized. Mr. Buzby observed that politicians must listen to their constitutents, but that what constituents want is not always what they need. Mrs. Giblin suggested that our leaders seem hesitant to impose changes that might be unpopular with the voters. One reason cited for confusion on policy is that traditional energy sources have their lobbies. Mrs. Reeves, in identifying this problem, added that alternative sources of energy such as conservation and solar do not have strong natural constituencies, and that the public can be deluded with false hopes and vague promises regarding those alternatives.

Finally, Ajax Eastman, president, Maryland Conservation Council, acknowledged the need for a Federal policy. But, Mrs. Eastman also felt that State governments must share responsibility and take actions available to them without waiting for the Federal Government to act.

On these broad issues, there was consensus. All agreed that there is an immediate as well as long range energy crisis, and that the need for a national energy policy is urgent. But what that policy should be drew little consensus. Doubts were expressed about the President's plan; to some aspects, there was firm opposition.

CONSERVATION

Conservation, as a general principle, received wide support. But on specific proposals and directions—how far, how fast, how feasible can conservation be, how much can we depend on it to solve the crisis—there was little agreement.

Mrs. Reeves stated that the League of Women Voters sees conservation as a top priority means of dealing with the crisis. She also noted the difficulty of achieving conservation goals. As a nation we are good at the technology of producing but not very good at saving and efficiency. She pointed out that consumers have not even taken the easy steps, such as retrofitting. Mrs. Giblin, also representing the League, urged:

That energy conservation be the keystone of government policies on the national, state and local levels. The government has not been pushing conservation aggressively enough.

Mrs. Eastman, speaking for the Conservation Council, saw the need for a conservation ethic as a way of life. Just how difficult this might be was illustrated when Mrs. Eastman asked how many at the meeting had arrived in public transit. Only one person had. She also noted that we were meeting in a lighted room with the blinds closed.

Walter Shipe, insulation contractor, presented detailed knowledge of the benefits and problems of insulation in energy conservation. He estimated that it will take 9 to 10 years to insulate existing buildings. The 10-percent tax credit for business may be an inadequate incentive, he thought. Shoddy or ineffective work with rapid growth in numbers of itinerant insulators or do-it-yourself projects he also saw as a potential problem. Finally, he warned that the tax credit, though needed to provide credibility to the administration's program, may also induce shortages, since industry does not currently have the capacity to produce all the insulation materials required.

Martin Poretsky, president, Suburban Maryland Home Builders, stressed the need for insulation by reputable and reliable contractors. While the construction industry is looking for new techniques, and heat pumps are now standard in his homes, Mr. Poretsky stated that solar heating is still too expensive for a standard home. Michael Kalis, president, Apartment Builders and Owners Council, emphasized the need to make conservation economically attractive.

Mr. Kalis, Joseph Giardina, director of transportation of the Public Service Commission, and several other witnesses urged more attention to mass transit. Lee Klavans, president, Baltimore City Cab Association, estimated that staggered work hours would double the use of public transit including taxis. Rural Garrett County is experimenting with a public bus system for commuters and the elderly as reported by Don Bender, chairman, Garrett County Board of Commissioners. He indicated a need for Federal assistance in the experiment.

The standby gas tax was seen as ineffective in reducing gasoline consumption. It was labeled as unfair and a hardship by several witnesses, as was the "gas-guzzler" tax. Mandatory fuel standards were considered more effective than either tax in conserving gasoline. Tax penalties in general were rejected as energy conservation measures. Favored were tax incentives, mandatory standards and public education.

The business community universally endorsed higher prices in the marketplace, rather than taxes, as a means of inducing conservation. James Schmid, plant manager, PPG Industries, observed that deregulation would produce all the incentives needed to conserve. This option was backed by farmers and government officials. All recognized that the cost of energy will be higher, but they did not want it made higher by taxation. These groups urged that higher prices be used for production, some endorsing windfall profits taxes to assure that use.

Thus, while conservation goals were universally endorsed, considerable skepticism was expressed about how effective a program can be mounted.

INCREASED PRODUCTION

The President's program was widely criticized for its failure to emphasize increased domestic production of oil and gas and the search for new supplies. Deregulation and price decontrol of new natural gas were advocated by a parade of witnesses including F. Grove Miller, Ernie Honig, Kenton Farrell, Ralph Strock, James Schmid, David McMaster, S. James Campbell, Clement Gardiner, and Scott Buzby, Natural gas supplies are critical to jobs and production in the farms, factories, and businesses for which they are responsible. These witnesses hold Government regulation and price control responsible for shortages they have experienced. While recognizing that prices will inevitably be higher, they voiced confidence in the free market to handle the greater threat of interrupted supplies. As Scott Buzby observed,

No one likes to pay more, but you get to the point where you have no choice.

The wellhead tax on petroleum was less severely criticized. But witnesses generally endorsed using the funds generated by such a tax for increased exploration and production. This point of view was succinctly put by Mrs. Honig:

Without a vigorous exploration program, financed with reinvested returns, and encouraged by price expectations restrained only by the free market, the U.S. may soon suffer a precipitous decline in domestic production.

John Coyle, president, Allegany County Commissioners, also emphasized development of alternative sources. His statement said,

While we support the development of coal as an energy source, we realize that our long-range energy challenge is too involved to allow dependence on any single source.

He went on to press for research and development on solar energy, geothermal energy, and generation of energy from solid waste.

Howard Zachmann, Associated Enterprises of Ellicott City, proposed long range dependence on hydrogen as a fuel, produced by solar generated electricity.

COAL

Increased reliance on the use of coal is of particular interest to Maryland, be-

cause of large coal deposits in Western Maryland.

Mr. Coyle's report emphasized the importance of coal. He pointed out that:

Coal is a proven and readily available energy source which represents 90 percent of the conventional energy reserves of the United States. However, because of economic and environmental constraints, it accounts for less than 20 percent of our energy consumption.

State Senator Ed Mason urged all levels of government to work toward better use our coal reserves. At present, a number of legal and economic barriers restrict the use of coal. Tom Holder called for nationwide standards on strip mining so that Maryland does not continue to be disadvantaged by its strict standards. Senator Mason noted that air quality standards are much more stringent in Maryland than in neighboring States. This disadvantage cannot be corrected without approval of the Environmental Protection Agency—EPA. EPA came in for a good deal of criticism in these hearings. Stanley Zorick noted that it took 2 years for Kelly-Springfield to convert to coal because of EPA redtape.

Industry representatives said they respected and understood the need for environmental protection. Westvaco, Kelly-Springfield, and PPG have all converted to coal and meet environmental standards. David McMaster of Westvaco said,

We fully subscribe to the importance of good air and water as part of the quality of life every individual has a right to expect.

But industry objects to arbitrary and discriminatory standards and to the time delays in getting approval for facilities that do meet standards.

Doug Kerin of Delta Mining sees the need for more Government incentives to industry to convert to coal. The coal industry still has to work very had to sell its coal.

Increased research and development is needed to enable us to mine and burn coal economically and safely. Liquefaction, gasification, precipitators, and scrubbers are all currently in use, but they can be improved by research.

Costs vary in converting to coal and complying with air quality standards. Scott Buzby reported that Kelly-Springfield will recoup its conversion expenses in about 1.5 years. The costs of operating precipitators is minimal. Clement Gardiner of Potomac Edison reported, however, that one-third of all costs on a new coal-fired generating plant are for cleaning emissions. Furthermore, 10 percent of the power output of the station is consumed by the scrubbers alone.

Commissioner Bender called attention to the social impact of expanded mining facilities. In rural areas such as Garrett County relatively modest employment increases can quickly overload housing, schools, sewage and water systems and assistance would be required.

Western Maryland is a leader in converting to coal. It was encouraging to hear of the progress being made. But, reports of arbitrary and unnecessary interference by the Government in achieving its own goals were disturbing. The knowledge and experience accumulated in western Maryland should be used by the Nation as it moves toward greater reliance on coal.

Cogeneration of electricity was cited as very important by Ben Sowers of Amcelle-Celanese and David McMaster of Westvaco. Both said application of this valuable energy saving technique is hampered by utility company restrictions. Conflicting interests such as these illustrate that there is no easy path to energy self-sufficiency.

INFLATIONARY IMPACT

Higher energy prices affect our entire economy and each of us individually. But the impact is greatest on those with low and fixed incomes. Earl Jackson, city of Baltimore weatherization program, reported that there are 19,000 homeowners in Baltimore with incomes of less than $7,500. At least 25 percent of their income is spent on housing. The weatherization grant program has a goal of weatherizing 1,000 homes in Baltimore by this winter.

In addition, education programs are teaching energy saving techniques in this group. The plight of the elderly on fixed incomes was singled out for attention by Jane Rees, of the Allegany County Human Resources Development Commission, Merilyn Reeves, and Karen Giblin. Commissioner Bender noted that a gas tax would hit hardest the working poor in rural areas who have to commute long distances and have no public transportation available.

It was reassuring to find this awareness of the problems of those least able to cope with rapidly rising fuel bills. It reflects my own concern. In February of this year, I introduced a bill (S. 609) to amend the Food Stamp Act to establish a home-heating fuel stamp program to provide assistance to low-income and fixed-income households in meeting the cost of rising fuel bills, and I take the opportunity in 100° Washington weather to urge its timely consideration.

CONCLUSION

These hearings were invaluable to me as a representative of the people of Maryland and I am grateful to all who participated. I am sharing this abbreviated report with my colleagues in the thought that many of the concerns expressed by my constituents are concerns common to all Americans.

I believe we can distill from this testimony the elements that are essential for a realistic and effective national energy policy. I believe we can measure the energy proposals before us against the commonsense that characterized these hearings and devise energy solutions that will be both workable and broadly acceptable.

We, all of us, have access to exhaustive reports on every aspect of the energy question from the extent of our reserves of fossil fuels to the most exotic futuristic technologies. I am glad we have these reports. We need all the help we can get on this urgent question. But we must never forget that when we consider a national energy policy and a national energy program, we are dealing with the basic issues that affect people's lives. The people who testified at these energy hearings in Baltimore and Cumberland remind us of that central fact. I am proud to be able to share their views with my colleagues. I believe they will illuminate the difficult path before us.

Mr. President, I ask unanimous consent that the list of witnesses at these hearings be printed in the RECORD, together with the opening remarks I made at these hearings.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WITNESSES

1. Mrs. Ernie Honig, Maryland Chamber of Commerce.
2. Mr. Roland Ewell, President, Baltimore County Permit Holders Association.
3. Mrs. Merilyn Reeves, League of Women Voters.
4. Mr. Martin Poretsky, President, Suburban Maryland Home Builders.
5. Mr. William Zorzi, Director of Public Relations, American Automobile Association.
6. Mr. Earl Jackson, Weatherization Program, Urban Services Agency of the City of Baltimore.
7. Mr. Walter Shipe, Insulation Contractor.
8. Mr. Gordon Mears, Choptank Electric Cooperative.
9. Mr. Samuel L. Bertolet, Executive Secretary, Oil Heat Association of Maryland, Inc.
10. Mr. Joseph Giardina, Director of Transportation, Public Service Commission.
11. Mrs. Ajax Eastman, President, Maryland Conservation Council.
12. Mr. Lee Klavans, President, Baltimore City Cab Association.
13. Mr. Michael Kalis, President, Apartment Builders and Owners Council, Homebuilders Association of Maryland.
14. Mr. F. Grove Miller, President, Maryland Farm Bureau.
15. Mr. Ralph Strock, Maryland Cooperative Milk Producers.
16. Mr. S. James Campbell, Maryland Industrial Group.
17. Mr. Howard Zachmann, AE Associated Enterprises.
18. Mr. Edgar Lawrence, Maryland Hospital Association.

OBSERVERS REPRESENTING GROUPS

1. Baltimore Gas and Electric, Mr. Gary Furman.
2. Maryland and D.C. AFL–CIO, Mrs. Patty Sleeth, Director, Women's Activities Division.
3. Maryland Motor Truck Association, Mr. William Nolte, Mr. Robert Luther.
4. Office of the Governor of Maryland, Mrs. Jill Porter.
5. Southern Maryland Electric Cooperative, Mr. Robert Mithcell, Mr. Wayne Swann, Mr. Al Gough.

WITNESSES

1. Mr. Richard Mappin, Executive Director, Allegany County Development Co.
2. Mrs. Karen Giblin, League of Women Voters, Allegany County.
3. Mr. Tom Holder, Tri-County Council for Western Maryland.
4. Ms. Jane Rees, Allegany County Human Resources Development Commission.
5. Mr. Stanley Zorick, President, Western Maryland Central Labor Council.
6. Mr. Scott Buzby, President, Kelly-Springfield Tire Company.
7. Mr. James Schmid, Plant Manager, PPG Industries.
8. Mr. Ben Sowers, Engineering Superintendent, Amcelle-Celanese Corporation.
9. The Honorable Don Bender, Chairman, Garrett County Board of Commissioners.
10. Mr. David McMaster, Mill Manager, Westvaco Corporation.
11. Mr. Kenton Farrell, Manager, Stroehmann Brothers Bakery.
12. Mr. Clement Gardiner, Director of Public Affairs, The Potomac Edison Company.

13. The Honorable John J. Coyle, President, Allegany County Board of Commissioners.

14. Mr. Doug Kerin, Secretary-Treasurer, Delta Mining.

15. The Honorable Ed Mason, Maryland State Senator.

OBSERVERS REPRESENTING GROUPS

Tri-County Council for Western Maryland, Mr. Jim Rowe.

REMARKS OF SENATOR MATHIAS

In mid-April President Carter delivered a stark warning of impending national disaster. Two days later he proposed a comprehensive plan to manage our energy future and avert that disaster. In the ensuing two and one-half months, as the Congress has considered the President's proposals, they have been praised and criticized from all sides. There is general agreement on one issue only—the nation needs a comprehensive energy policy and program. Without it we will not control our own destiny.

Our nation, once energy independent, now imports half its petroleum needs at a cost of 50 billion dollars. In 1965 we imported only one-fifth of the petroleum we consume. As recently as 1973, the year of the OPEC embargo, we imported only one-third of consumption. Our dependence on petroleum imports parallels all other energy problems. We cannot long sustain a healthy economy if we continue a 40 to 50 billion dollar drain to pay for a consumable commodity. Even the matchless productivity of our factories, mines and farms cannot indefinitely balance this trade deficit. We may not need gasoline to commute because there may be no jobs to commute to. Much of the discussion over the President's program has centered on how soon the earth's reservoir of oil and natural gas will be exhausted. These discussions seem almost irrelevant given the drain on our economy caused by imports.

While I support the general purpose and direction of the President's program, it may not be tough enough. Even complete fulfillment of the President's goals would leave us heavily reliant on imported oil. An independent analysis of the President's program questions its ability to meet even its modest goals. Reports by the Congressional Budget Office, Library of Congress and the General Accounting Office all assess the goals as optimistic. Finally, much of the program will have little impact for five or six years. In the meantime we will continue to have to deal with ever mounting trade deficits. Our dependence on oil imports will continue apace. We need a long range plan, but we also need to consider what we can and must do now, this year and next, and not only by 1985, 1995 or 2010.

Criticism has been directed at President Carter's program for its failure to provide incentives sufficient to increase production. This criticism seems misplaced. Since 1973 there has been a three-fold increase in the price of new oil. This increase has stimulated exploration but not production. More new wells were drilled in 1976 than in any year since 1965, yet production continued to drop. To be successful any approach to the energy problem must emphasize equally and urgently conservation and development of alternate sources of energy. We can not shrink from considering mandatory measures.

I need not tell you how important adequate supplies of energy are to our way of life. Each of you is in a position to know how energy affects our economy. You deal with energy problems on a day to day basis, not through econometric models. You know that it will be a cold day in Maryland if the tankers fail to arrive.

But I wonder if the general public has gotten the message. Recent opinion polls show some increase in recognizing the oil shortage as a real crisis. The President was effective in changing public opinion. But we have a long way to go. Only 40 percent of the public believes that the oil shortage is real and worsening. A like proportion still feel that the shortage was contrived or has ended. Only half of U.S. adults know that we must import oil to satisfy our energy demands. And only one in six has an accurate idea of how much we import. This is scarcely an adequate level of understanding on which to base effective action. I pledge myself to continue the educational effort needed to generate greater public awareness. And I ask your help in this essential task.

VOTING IS A VITAL PART OF CITIZENSHIP

Mr. MATHIAS. Mr. President, the lead editorial in the July 11 New York Times, entitled "Trust Democracy by Enlarging It," supports the universal voter registration bill. It concludes that:

What is most appealing about registration reform is precisely that it trusts the public. The bill seeks to enlarge democracy, not contain it.

It is hard to disagree with this position.

In the wake of the Civil War the nature of American citizenship was broadly defined in a series of amendments to the Constitution. One of those, the 15th amendment, was the brief statement of a simple principle. Every eligible American should have the right to vote.

That historic statement is fundamental to our form of government. It is my hope that our elected leaders will always battle to encourage Americans to bear their responsibilities in a republic governed by their votes. Voting is a duty and every citizen should fulfill it. To the extent that the universal voter registration bill embodies this concept, I support it.

The machinery by which the ideal is to be realized is, of course, subject to scrutiny and discussion. It must be proof against fraud; it must be effective and not subject to challenges that produce uncertainty, and it must not be extravagantly expensive.

In each of such questions, I reserve the right to examine the proposal and to amend or reject it. If I am not satisfied I would not be able to support the bill, but I am hopeful that a generally satisfactory bill can be perfected.

As the Times editorial notes, some safeguards already have been incorporated into the bill; others may follow. I endorse the suggestion: "Let Congress pay most careful attention to the problems of fraud and chaos along the way; but let it finally enact this law" and I ask unanimous consent that this thoughtful editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 11, 1977]

TRUST DEMOCRACY BY ENLARGING IT

Lance Tarrance, a Republican student of political statistics, has discovered the political party which truly won the last election: It was the Non-Voters, by a landslide. Looking at the total voting-age population in 1976, he finds that Democrats won support from 27 percent and Republicans from 26 percent. What he calls the "Non-Voter Party" won 47 percent. What is more, the Non-Voters have since 1928 outdistanced both Democrats and Republicans in every Presidential election except 1964, when they finished in a dead heat with Lyndon Johnson.

Why, for so many years, have so many citizens failed to vote? There are many causes which are difficult to counteract, including indifference and even hostility to government. But there is one cause which can be remedied: the widespread requirement that only those who register well before an election are eligible to vote. Such advance registration is the target of a reform bill, proposed by the Carter Administration, now pending Congress. After a rocky journey, the proposal appears to be gathering momentum. It deserves the support of all who trust democracy enough to enlarge it.

The proposal is simple: permit citizens to register on Election Day. That, Administration spokesmen argue, would enable many more people to vote. In Milwaukee, for example, registration in 1974 was at the comparatively high level of 65 percent. After Wisconsin adopted Election-Day registration in 1976, registration in Milwaukee jumped to 86 percent. That is an extreme example. Under similar circumstances, registration in Minneapolis increased only by about five percentage points. In places with a less exemplary political climate, the impact of such a change might be even more modest. But even modest progress in advancing so central a right as the vote ought to be welcome in principle. Why, then, has the registration proposal stirred such controversy?

One reason has nothing to do with principle. It is commonly assumed that most of those who would be brought to the polls by the proposal would be Democrats. Hence, Republican objections are often dismissed as mere partisan pretexts. But some objections are more than pretext—notably the fear that the registration reform would facilitate vote fraud. Election officials have expressed alarm, for example, at the prospect of losing the opportunity to check the validity of registrations prior to an election. But such checking (beyond sending a letter to the registrant's stated address) is, in fact, unusual. Those determined to cheat don't need a new law; they can do so easily enough under present practice. Critics say the reform proposal creates a potential for fraud by big-city political machines. Why then do most such machines resolutely oppose the idea? In any event, the Administration has now modified its bill to offer greater protection against fraud. An Election-Day registrant would not only have to sign a Federal affidavit but would also have to document his or her identity and address.

The bill's supporters also have responded to another practical objection—that voting officials and machines could be overwhelmed if the number of votes per precinct became unpredictable. The proposel remedy is to permit Election-Day registration only in certain designated polling places which have reserve capacity.

There is yet another line of objection to the proposed reform, advanced even by some generally liberal observers. It appears to be their view that the vote is not simply a right to be exercised but one that must be earned anew with each election. To be worthy of the franchise, citizens must somehow demonstrate that they have informed themselves and otherwise taken trouble to vote. In this view, advance registration serves as a useful filter—those who don't know enough or care enough to sign up early ought not to vote. This is not an absolutist view; its adherents would shrink from a property qualification to vote or a poll tax—but it remains an elitist view and we sharply disagree with it. For one thing, voting requires the exertion, at least, of showing up at the polling place. What is so decisive about a citizen's willingness or capacity to show up at a precinct office twice instead of once (particularly in

light of many citizens' problems with health, transportation and time off from work)?

What is most appealing about registration reform is precisely that it trusts the public. This bill seeks to enlarge democracy, not contain it. Let Congress pay the most careful attention to the problems of fraud and chaos along the way; but let it, finally enact this law.

TVA'S NEW ROLE

Mr. SASSER. Mr. President, things are changing in the Tennessee Valley.

The first steps are being taken to continue the Tennessee Valley Authority as "the great experiment" it was meant to be.

Soon after taking office, President Carter said that he would give high priority to revitalizing the TVA and making it a leader in the development of a comprehensive energy policy.

The President has said that the Authority will play a major role in future research and development efforts in the energy area.

I agree with the President that the TVA should be a "valuable demonstration project for progress and innovation."

It is my understanding that TVA has sent a report to the President outlining the role it could play in the demonstration of home insulation programs. I look forward to following the other recommendations TVA will be making concerning its own future.

There is no doubt but what TVA will continue to offer much to the Nation. Traditionally the TVA has been at the forefront of public power.

TVA can and should be at the forefront of national energy conservation efforts.

TVA can and should be at the forefront of development of alternative sources of energy.

TVA can and should be at the forefront of demonstrating that this Nation can have responsible growth without environmental degradation.

I am enthusiastic about the prospects of TVA's becoming a national "testing ground" in this regard.

I ask unanimous consent that an article from the Nashville Tennessean be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Tennessean, May 5, 1977]

WAGNER SEES TVA AS ENERGY TEST GROUNDS

(By Nat Caldwell and Keel Hunt)

Chairman Aubrey Wagner has told President Carter the TVA can best aid in the national energy effort as a "testing ground" for solutions to utility problems and by demonstrating "public participation" in conservation.

Wagner, in his first response to Carter's request for ideas from the TVA, said his agency could help by "developing, financing and promoting" new uses of solar energy in residential heating and cooling.

Carter said April 20 the TVA—a federal agency and the biggest electric utility in the nation—could become a "model" for demonstrating large-scale schemes of energy conservation. Presumably, successful experiments in the TVA system could be applied by other U.S. electric companies.

Carter, in a letter prepared by the White House energy policy staff, asked Wagner to suggest what role the TVA could play in the administration's new energy program. That letter outlined a number of problem areas, including electric rate reform and energy conservation.

Top staff officials at TVA are still working on a detailed reply to the White House. And Wagner deferred commenting on two topics raised by the administration—rate reform and the extent of reserve generating capacity—for the second letter. But in his initial response to Carter, Wagner said:

"We believe we can be most useful in using the TVA power system as a testing ground for any problem that faces the electric generating industry or that can be solved through the use of the electric generating industry."

The TVA chairman summarized a number of current TVA programs, including its plan to offer interest-free loans beginning this summer to help residential customers pay for attic insulation.

Wagner suggested TVA could make the results of that and other innovations known to the rest of the utility industry through established channels such as the Edison Electric Institute, the American Public Power Association and other trade organizations.

But Wagner also cited solar energy as a new realm of demonstration for TVA and said the agency is "now considering a broad solar program" to demonstrate a number of "options in solar heating and cooling technology."

TVA's power research staff is studying possible uses of solar-assisted heat pumps to trim power consumption for home heating. One TVA official said yesterday some demonstration programs may require new federal appropriations since they are too costly to be borne by the agency's rate-paying customers.

Wagner suggested, however, that TVA could find new ways to help homeowners finance such systems and also mount a major effort at promoting their use.

The White House also had asked TVA for ideas on how to ease the burden of high power bills on low-income users. Wagner suggested a broad program of "energy stamps" and increased use of levelized monthly billing.

Wagner and other TVA officials have suggested the creation of energy stamps before, usually in response to request that TVA adjust its own power rates to assist the poor. They have also noted that energy stamps might contribute to energy waste if the insulation in those homes were not improved.

Wagner said the administration could consider an energy stamp program—similar to food stamps issued by welfare agencies—and possibly use the established welfare certification procedures to implement it. He also said such a program might be coupled with an intensive effort to up-grade insulation and other weather-proofing in low-income homes.

THE IMPERIAL CITY

Mr. THURMOND. Mr. President, I have had the opportunity to read an editorial in the July 12, 1977, Wall Street Journal entitled "The Imperial City."

This excellent editorial appropriately makes the point that Washington is different from rank and file America. It needs little explanatory comment, Mr. President, as it is written in a cogent and concise manner. The telling point is that we often legislate in a city far removed in life style, conveniences, costs, and other situations from our constituencies back home.

Mr. President, I feel that my colleagues will profit from reading this editorial, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE IMPERIAL CITY

The New Republic magazine has given us an only slightly belated Independence Day present with a special issue describing life in the nation's capital as it nears its own third century. And the description makes it quite clear that Washington is doing very well, thank you.

It's doing well first of all by almost any gross measure of income. No other city can boast Washington's dense concentration of high-income suburban communities. The Washington area's 1976 median family income ranked first among the country's 10 biggest metropolitan areas. In 1975 Washington's per capita income was highest of any in those same 10 metropolitan areas and third in the nation as a whole, outstripped only by that of Anchorage and New York's Connecticut suburbs.

The prosperity has its predictable effects on the city's housing market. The average price of a "used" house in Washington now stands somewhere around $66,000, more than $25,000 above the national average. There are 113,000 folks in the area living in houses that cost more than $100,000. And all that money can be seen in the rest of the city's spending patterns as well. A local restaurant guide now finds it possible to define an 'inexpensive' meal as one costing $25 to $35 for two, and in a four-block stretch of one popular restaurant area you can find five places where the tab is more like $70.

But what specially sets the city apart from boom towns in the private sector is that all this affluence has become almost as permanent as death and taxes. It's not just that the federal government takes care of its own even when the rest of the country is ailing, though that was certainly the main reason why during the recession of 1974 Washington's unemployment rate was 30% below the national average. It's also that government activity has created a private sector network of lawyers, consultants and publicists to provide a reliable cushion of support even outside government itself.

What's to be made of all this? New Republic's editors put it about as well as anyone could: "Washingtonians live outside the world of supply and demand, in a culture where there almost never is an objective measure of the value of one's work." The concerns of the country they want to govern are not their own concerns: Once they join the Washington life "they will never have to think again—except in the abstract—about the problems they will deal with in their professional capacities.'" Which goes a long way in explaining the quality of the decisions that the well-cushioned Washingtonians keep making about the lives and livelihoods of the rest of us.

THE HAWAIIAN SUGAR INDUSTRY

Mr. INOUYE. Mr. President, on Wednesday, June 29, the Senate voted by a 54 to 44 margin to adopt the Dole amendment limiting payments to sugar producers to not more than $50,000. At that time, I raised with my colleagues the disastrous effect that such a payments limitation would have on the sugar industry and the workers employed by that industry in my State should that payments limitation survive the conference.

My concern is one which is broadly shared by everyone knowledgeable of the industry in Hawaii. The possible loss of $39,000,000 in revenue to the 15 corporate employers and their 9,400 full-time workers is difficult to comprehend and not subject to overstatement. The his-

toric structure of our industry around large production units is not one which can be reversed by the mere adoption of a payments limitation. Indeed, the 500 small independents in Hawaii are dependent upon the major corporate producers for their milling and shipping infrastructure to make cane growing a profitable enterprise.

I believe that if my colleagues had fully understood the situation in Hawaii, its history and its uniqueness they would not have adopted such a payments limitation. This issue is not dead as yet and I fear that even if we are successful in removing the payments limitation in conference on the Agricultural Appropriations bill other efforts will be made to impose such a limitation. Moreover, it is clear from the proponents of these limitations that their concern is not limited to a disapproval of large Government subsidy payments to major corporate producers of agricultural commodities. For some it is directed to trying to bring down the President's direct payments program and to spreading disunity in the ranks of sugar producers in this country. While no one looks upon the current direct payments program as a permanent one, it does appear to be the only program which can be implemented for the 1977 crop year. It was instituted to provide some assistance to the domestic sugar producers while the administration pursued an International Sugar Agreement. It is my fervent hope that it will be permited to serve that interim function.

That my colleagues may become further knowledgeable on the impact of the Dole amendment on the sugar producers in my State, who produce some 20 percent of U.S. domestic production, I wish to share two editorials from our major Honolulu papers. Mr. President, I therefore ask unanimous consent that the editorial from the Honolulu Star-Bulletin of June 30, 1977, entitled "Subsidy Ceiling Must Be Eliminated" and the editorial from the Honolulu Advertiser of July 1, 1977, entitled "Sugar Subsidy in Peril" be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

SUGAR'S SUBSIDY IN PERIL

It's going to take considerable skill and effort by Hawaii's delegation and others to convince Congress not to accept a U.S. Senate amendment limiting sugar subsidy support pyaments to $50,000 per grower.

If the Senate version prevails in a Senate-House conference committee, the result would be a severe economic blow in Hawaii. The vast bulk of the sugar is grown on 15 large plantations which now qualify for much larger subsidies on a perpound basis. Estimates are the newly proposed limit would cost the industry here some $39 million.

The Senate amendment to the Agriculture Department's appropriation bill has some egalitarian political appeal, and is in accord with payment limitations for other subsidized crops.

But there are counter arguments that relate to Hawaii's special situation and the current status of sugar. They include:

The subsidy in question—President Carter's authorization of up to two cents a pound for sugar under certain conditions—is not a windfall for a sugar industry struggling in the face of low world market prices. It is essentially a stopgap survival measure.

The basic need is to keep the U.S. sugar industry—all of it, including Hawaii—intact until a better system is devised. The Carter Administration is hopeful or working out an international buffer stock agreement in Geneva this year. That could guarantee price stability, and remove the need for any subsidy.

Arguments about subsidizing big producers or "agribiz" are not properly part of this situation now.

In Hawaii, the big industrial producers concentrate on one crop (sugar or pineapple mostly). On the Mainland many industrial producers grow several crops, and would get less than $50,000 for sugar subsidy. So they would not be penalized under the Senate amendment.

One can also argue that the basic issue now is jobs for people, and on that level it makes little difference whether the person is self-employed or works for a plantation.

In addition, in Hawaii the long-range health of the independent producers on the Big Island is tied to the viability of the neighboring plantations and common mill facilities.

It is not written in stone that the sugar industry in Hawaii or the U.S. generally will continue forever in its present form, or that it will continue forever period.

But the Senate amendment is an ill-considered and damaging "reform" offered for narrow political reasons at a time when it could only hurt the U.S. sugar industry in a difficult time of transition.

SUBSIDY CEILING MUST BE ELIMINATED

In Congress, where members are supposed to be knowledgeable on more subjects than any human being can possibly comprehend, it is hard to get people to focus deeply on issues of little or no concern to their constituents.

That's what makes it so tough for Hawaii when a senator like Bob Dole of Kansas stands up and asks why not make sugar subject to the same $50,000-per-grower limit on subsidies that applies for other crops.

Sounds plausible. Sounds fair. And it's in tune with the conventional political wisdom that it's best to help the little guys and sock the rich, big guys. Amendment passed. Score one for Bob Dole.

Yet, to impose the $50,000-per-grower limit on Hawaii would effectively deny Hawaii most of the benefits of the two-cent-a-pound price support decreed by President Carter to help lift sugar back up to a 13.5 cents a pound return to producers, who find that their average cost. It would cut our aid from a little over $40 million to about $3 million.

How can we get through the message that sugar in Hawaii is quite a different thing from other crops on the Mainland? There, few farmers qualify for a $50,000 subsidy on any particular crop because they diversify and work with smaller farms. Thus few are affected.

But Hawaii has no crops to diversify to and the heavy investment necessary to build and maintain an efficient sugar milling operation to compete with areas that have lower labor costs mandates that plantations must be big to survive. This is what makes it possible for the Hawaiian industry to pay the "little guys" of Hawaiian agriculture—the workers—some of the highest agricultural wages in the world.

The Dole amendment could mean the death of rural communities that depend on sugar and have no substitute crop. It could mean the loss of green fields that keep Hawaii attractive for resident and visitor alike. It could mean the loss of thousands of jobs that are provided either directly or indirectly by sugar.

But how do you get this through to a Congress member whose mind is focused elsewhere, on his own district?

Hawaii's four members of Congress have their work cut out for them in finding the answer and getting the Dole amendment killed before the agriculture appropriations bill goes to the White House.

NONDETERIORATION AND FOREST FIRES

Mr. GARN. Mr. President, during the debate on the Clean Air Act amendments, I introduced an amendment which eliminated from the nondeterioration section of the bill the short-terms nondeterioration maximums. My amendment would have left in place the ambient air quality standards established to protect health and welfare, but would have permitted short-term exceedance of the nondeterioration levels. So long as air quality did not deteriorate on an annual basis, I argued, it could not be said to "deteriorate" at all.

In my argument, I used the analogy of a forest fire, which certainly does degrade air quality over the short run. But the fire goes out, and air quality remains unchanged. It has not "deteriorated."

Well interestingly enough, Mr. President, in the very area of Utah which was used as the classic example during debate on the bill, there has been a forest fire. The fire was set by the Forest Service, and was supposed to be a controlled burn. But it got out of control, and burned for several days. During the time it burned, this forest fire poured more smoke and pollution into Capitol Reef National Park than the Intermountain Power project would in its entire lifetime. And yet, air quality has not deteriorated. The fire is out, and all has returned to normal, just as it would after the minor exceedances of nondeterioration standards by the Intermountain Power project.

Mr. President, this forest fire has given us a concrete example of the undeniable fact that short-term violations have nothing to do with pristine air quality. I hope the conferees on the Clean Air Act will take this incident to heart, and accept the Breaux amendment adopted by the House of Representatives. It represents a realistic approach to the need for local flexibility.

AWACS SALE TO IRAN

Mr. EAGLETON. Mr. President, today's New York Times contains an interesting article on the proposed sale of the AWACS to Iran. The ill wisdom of this proposed sale is well articulated in the editorial and I want to share it with my colleagues.

Therefore, I ask unanimous consent that the above-mentioned editorial be printed in the RECORD.

There being no objection the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 13, 1977]

THE BOEING SHUFFLE AND THE SHAH

The Carter Administration proposes to sell Iran seven enormously expensive radar

aircraft, running great risks for just one reason: to enable the United States Air Force to buy some too. The risks are that Soviet spies could gain easier access to some of the most secret and sophisticated American technology and that American personnel could become hostages to the service of those craft in Iran. The only immediate benefit is that if Iran buys three aircraft a year, Boeing will keep open its production line and deliver three others to the Air Force as well.

We are talking about the so-called Airborne Warning and Control System (AWACS), whose purpose is to monitor and control air warfare. Each of these modified Boeing 707 airliners and its accompanying electronic gear and spare parts will cost $170 million. The Air Force would like 31 of them, but can afford only three a year. Boeing says it cannot afford to produce so few, even at that price. But an additional three for Iran would buy time for the Administration to iron out the difficulties which thus far have blocked a hoped-for sale of 27 more to NATO governments.

AWACS has had an odd history on its way to the Shah's stable of costly hardware. It was conceived more than a decade ago as part of a program to modernize America's continental air defenses. Then the Nixon Administration decided that expensive air defense was not worth buying; SALT I had banned antiballistic missiles and thus made both the United States and the Soviet Union vulnerable to each other's missiles. So the Air Force changed AWACS' mission to one of controlling tactical air battles. Some military analysts doubt that AWACS is worth the cost and argue that most of its misisons could be adequately performed by the smaller Grumman E-2C, which costs only $30 million.

As is so often the case, however, the Air Force wants the finest, and in the Shah it knows it has a kindred spirit. Like Senator Jackson, wso spares no effort to promote the fortunes of Boeing, the largest employer in his state of Washington, the Shah is not an easy man for the Administration to turn down. But a clutch of Senators, led by John Culver of Iowa, an influential first-term member of the Armed Services Committee, has sponsored a resolution to block the proposed sale.

The Senators advance three main arguments. First, although the Iranians contend that they want AWACS for air defense against the Soviet Union, the Senators suspect that a more likely role for the system would be for military operations in the Persian Gulf—offensive as well as defensive. Second, they fear that Iran would not be able to safeguard AWACS from a major Soviet espionage effort. Finally, the Senators fear that the Iranians would not be able to operate AWACS without very substantial help from American military personnel, some of whom would likely be needed even to man equipment aboard the aircraft. A Senate report warned last year that by 1980 perhaps 50,000 Americans, including dependents, might be resident in Iran to supply trained manpower for the sophisticated weapons the Shah has been buying. In the case of AWACS, Americans might actually find themselves in combat operations, raising even further the risk of American involvement in an Iranian war.

These arguments amount to a strong case. The only countervailing argument—aside from the habitual desire not to offend the Shah—is the need to give Boeing sufficient business to keep its production line open. There is, of course, another way to accomplish that: the Air Force could increase its own purchases from three to six per year. But that would mean diverting funds from purposes more dear to both the Air Force and the Department of Defense, and AWACS might not survive such competition.

Arms sales usually confront principle with expediency. The Administration has made much of its desire to curb expedient sales and to let principle rule. No AWACS for Iran would be a good place to start.

AMENDMENT TO RULES OF THE COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JACKSON. Mr. President, in accordance with the provisions of section 133B of the Legislative Reorganization Act of 1946, as amended, I submit for publication in the RECORD an amendment to the rules of the Committee on Energy and Natural Resources approved by the committee on July 13:

AMENDMENT TO RULE 7—VOTING

Add the following new subsection:

"(d) The Committee vote to report a measure to the Senate shall also authorize the staff of the Committee to make necessary technical and clerical corrections in the measure."

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Joseph F. Dolan, of Colorado to be U.S. attorney for the district of Colorado for the term of 4 years, vice James L. Treece, resigned.

Charles E. Graves, of Wyoming, to be U.S. attorney for the district of Wyoming for the term of 4 years, vice James P. Castberg, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee in writing, on or before Wednesday, July 20, 1977, any representations or objections they may wish to present concerning the above nominations with a further statement whether it is their intention to appear at any hearing which may be scheduled.

GRASSROOTS ENERGY CONSERVATION PROPOSALS

Mr. PERCY. Mr. President, I wish to bring to the attention of my colleagues, particularly those affiliated with the Alliance To Save Energy, that on June 11, 1977, an overflow crowd of 3,000 people took part in a conference on energy conservation at the University of Illinois Chicago Circle campus. The meeting produced a lively exchange of views and information among local, State, and National leaders.

I hope there will be more meetings like this one in other States and regions across the Nation, so that people at the grassroots level can air their views and take part in helping to create our first national energy program.

Cosponsors of the June conference were: the Energy Resources Center of the University of Illinois at Chicago Circle; Gov. James R. Thompson; Senator ADLAI STEVENSON and myself—as well as the Alliance To Save Energy, a nonpartisan, nonprofit national organization designed to promote energy conservation in every sector of this society.

Speakers at the two general sessions of the Chicago conference included Governor Thompson; Dr. Henry Kissinger, who discussed foreign policy implications of our energy problem; Harvey Morris, president of Fuel and Energy Consultants; Fred Dubin, president of Dubin-Bloome Associates; and Richard McGraw, executive director of the Alliance To Save Energy.

Leaders of the 11 workshops—each of which ran twice to accommodate as many participants as possible—were:

(1) Growth vs. No Growth: Roy Wehrle, Professor of Economics and Public Policy, Sanagamon State University; and James Johnston, Senior Economist, Standard Oil Company, Indiana.

(2) Free Market vs. Regulations: Robert Podlasek, Administrative Assistant for Energy, Illinois Commerce Commission; and Charles Teclaw, Research Economist, Energy Resources Center.

(3) Energy Policy and Social Welfare: Clark Bullard, Center for Advanced Computation, University of Illinois at Champaign-Urbana; and Stanley Hallett, Center for Urban Affairs, Northwestern University.

(4) Energy Conservation for Home Owners: Paul Galen, John Porterfield, P.V. Sudhindra, Energy Resources Center, University of Illinois.

(5) Energy Conservation and Community Planning: Robert Teska, President, Robert Teska Associates; and Sydney Wright, Vice President of Hawkweed Company, Ltd.

(6) Energy Conservation and Environmental Protection: Joanna Hoelscher, Natural Resources Chairman, League of Women Voters of Illinois; and James Patterson, Department of Environmental Engineering, Illinois Institute of Technology.

(7) Energy Conservation in Transportation Planning: Daphne Christensen, Manager of Policy, Regional Transportation Authority; H. Paul Root, Director of Economic Studies, Corporate Headquarters, General Motors Corporation; and Edward Shack, Assistant Director, Office of Proceedings, Interstate Commerce Commission.

(8) Energy Conservation for Teachers and Educators: William Fillman, Research Engineer, Energy Management, Engineering Mechanics Division, IIT Research Institute; and Steven Tuma, Assistant Manager for Conservation Programs, Divisions of Energy, Department of Business and Economic Development, State of Illinois.

(9) Energy Conservation in Industry: Joseph Asbury, Director of Special Projects Group, Energy and Environmental Systems Division, Argonne National Laboratory; and Harold Richardson, Assistant Manager of Power, U.S. Steel, Southworks.

(10) Energy Conservation Through Infrared: Carl Reinke, Jr., President, Thermography of Illinois, Inc.

(11) Energy Conservation in Commercial and Retail Buildings: L. Robert Smeltzer, Vice-President, Urban Investment and Development Company.

A series of policy recommendations were drawn from the workshops and general sessions of the conference by the conference advisory committee. This group of dedicated individuals, from a wide range of public and private institutions, was largely responsible for the success of the conference. Their names are as follows:

James Hartnett, Director, Energy Resources Center, University of Illinois.

Les Barrett, Building Managers Association of Chicago.

Frank Beal, Illinois Institute of Environmental Quality.

Jerry Campbell, Home Builders Association of Illinois.

John Castle, Department of Local Government Affairs.

James Compton, Chicago Urban League.
Joseph Cronin, Superintendent, Illinois Office of Education.
J. Ernest Dunwoody, Manager, Energy Conservation & Alternative Energy Section, Division of Energy, Illinois Department of Business & Economic Development.
Wayne Andersen, Burditt & Calkins Law Firm.
John Eilering, Vice President, Commonwealth Edison.
Paul S. Galen, Research Engineer, Energy Resources Center, University of Illinois.
Dr. Al Golden, DeKalb Agricultural Research.
David L. Gumman, Professional Engineer, Enercon, LTD.
Kimbell Hill, National Home Builders Association.
Joanna Hoelscher, League of Women Voters of Illinois.
Ken Johnson, Federal Energy Administration, Region V.
Ken R. Johnson, Assistant to the Vice President, Commonwealth Edison Company.
Senator John Knuppel, Illinois Energy Resources Commission.
Paul Gilson, Technical Support Division, Chicago Operation Office, ERDA, Argonne National Laboratory.
Marvin Lieberman, Chairman, Illinois Commerce Commission.
Janet Malon, Executive Director, TRUST (to Reshape Urban Systems Together).
Keith W. McHenry, Vice President, Research and Development, Amoco Oil Company.
Thomas Nayder, President, Chicago Building and Trades Council.
Senator John Nimrod, Illinois State Senate.
Richard Robbins, Executive Director, Lake Michigan Federation.
Matthew L. Rockwell, Executive Director, Northeastern Illinois Planning Commission.
Steve Sargent, Illinois Municipal League.
Orval Harmening, Director, Peoples Gas, Light & Coke Co.
David Yaseen, Illinois Department of Transportation.
Gregg Coeliss, Director of Consumers Planning and Services, Northern Illinois Gas Co.
Harvey Sheldon, 1 North La Salle Street.
Loran Crowell, Manager, Chicago Branch, Owen-Corning Fiberglas Corporation.
Edward M. Bohn, Director, Energy Conservation, Argonne National Laboratory.
Malcolm Chester, Illinois Manufacturers Association.
Bernard Gordon, Dun-Donnelley Publishing Corp.
Ken Alderson, Illinois Municipal League.

The following policy recommendations were reported by the advisory committee:

(1) The federal and state governments should develop an organized public information and promotional program that gives accurate, simplified information on energy conservation. There was a general feeling among participants that current information on energy conservation is limited, scattered and too often confusing.

(2) Building codes should be revised to stress energy efficiency, and minimum approved standards should be made mandatory for industrial, commercial and residential buildings. Efficiency standards should also be developed for appliances. A clear labeling —using layman's terms—of the energy efficiency of appliances should be mandatory.

(3) Economic incentives should be provided by the government to encourage energy conservation, such as tax rebates for insulating homes.

(4) There is a vital need for consumer protection as more and more businesses and consultants have a "product" to sell to enhance energy conservation. Licensing and accreditation are issues to be considered.

(5) Environmental concerns should be given a greater emphasis in energy planning and in the development of new energy sources. Of special interest in Illinois is the problem of strip-mining since prime agricultural land is in short supply.

(6) The current national standard of living should be maintained. Although the general public seems to be willing to make tradeoffs, the goal should be to eliminate waste and increase efficency without changing life styles.

(7) Coordinated leadership is needed at all levels—governmental, industrial, commercial, citizens' organizations—to get a strong energy conservation program under way in this country.

(8) Market pricing of energy—as opposed to regulated prices—can make an important contribution to conservation.

(9) Information should be provided on energy conservation costs and benefits. A method of forecasting different fuel prices as far into the future as possible is highly desirable in order to provide a basis to make decisions on equipment investment and energy conservation.

(10) Energy policy makers should investigate the impact which the fear of crime has on people's living habits. For example, fear of crime may have produced the flight to the suburbs and thus the greater use of private automobiles. Likewise, Americans may be unwilling to switch to other modes of transportation, such as mass transportation, walking or bicycling, because of the fear of crime. The fear of crime also greatly affects building codes and standards for street lighting, etc.

(11) The use of mass transportation should be encouraged. Government funding is needed to improve mass transportation to make it a more attractive alternative.

(12) Research to develop new energy sources and the use of these alternative sources should be encouraged. There was general support of tax incentives to encourage individuals to install solar heating and cooling systems.

(13) In the long term, land use planning is a key element in energy conservation. There is an urgent need for the planning and development of total energy systems on the national as well as regional community level.

(14) Small businesses need assistance in implementing an energy conservation program. Energy audits, energy extension services, and workshops are all possible mechanisms for educating the small businessman about energy conservation methods.

(15) Special consideration should be given to the effect of the current energy situation on the elderly and disadvantaged.

A more detailed report of the Conference proceedings can be obtained from the Alliance to Save Energy, 1925 K Street, N.W., Washington, D.C. 20006. The Alliance staff would also be pleased to provide advice to any Members of Congress on setting up other statewide or regional conferences on energy conservation.

FTC MOVES TO STRIKE DOWN INFLATIONARY RESTRICTIONS ON PRICE ADVERTISING

Mr. PERCY. Mr. President, in the past, State governments have given organized groups of professionals, such as State bar and medical associations, wide latitude to regulate the activities of their members as they see fit.

In many cases, professional self-regulation has been a boon to consumers, protecting them from inferior products and unscrupulous practitioners. But all too often these self-imposed rules serve mostly to limit competition and to promote the financial interests of the groups enacting them, to the detriment of the general public.

With the rise of the consumer movement, professional self-regulation has come under increasing criticism by advocates of greater competition among those furnishing professional services. In the opinion of many of these critics, the type of regulation most antagonistic to the interests of the consumer is the restriction on advertising, particularly price advertising, by professionals. Associations representing optometrists, lawyers, and funeral directors, and other groups benefiting from limitations on the publication of prices, claim that these rules are necessary to guarantee quality service and to prevent unscrupulous practitioners from preying on unsophisticated bargain-hunters. In practice, however, the restrictions on advertising frequently serve to inflate consumer costs by discouraging price reductions, while doing little to improve the quality of the services rendered.

Of particular concern to me are the State laws of this sort which appear to be dramatically increasing prices in the prescription eyeglass industry. This problem was originally brought to my attention by a 1975 study which found that consumers in States with relatively strict controls on the advertising and sale of eyeglasses pay 25 to 40 percent more for this vital health device than consumers in State with more lax regulations.

After these revelations, in September 1975, the Federal Trade Commission, at my urging, began a formal inquiry into this problem. In January 1976, the Commission unanimously approved a proposed trade regulation rule which would preempt State laws and professional trade regulations which restricted price advertising of prescription eyeglasses and lenses. Since then, the FTC has been holding hearings and reviewing the comments of industry and the public on this subject, in preparation for the issuance of a final regulation.

Unfortunately, the FTC's effort is in danger of running into a legal snag. To prevent States from imposing unjustifiably burdensome requirements on sellers of low-cost prescription glasses, the agency wants to limit the amount of information which States can require that they include in their advertisements. Some feel that this provision would be in conflict with a Supreme Court decision in a parallel case where the Court ruled that, although States cannot bar advertising of prescription drugs, they can require the inclusion of any information deemed essential to accuracy. But I understand FTC lawyers are confident that the courts will uphold the FTC-mandated lid on this sort of advertising requirement, since many of these State laws—for example, Virginia's stipulation that sellers list the country of manufacture for each lens advertised—are onerous to retailers without being helpful to consumers.

Without a doubt, the FTC's final rule, once it is issued, will be subjected to a court challenge. For the sake of the millions of low income and elderly Ameri-

cans who currently have no alternative to paying inflated prices for optical wear, I hope the agency's rule withstands this test.

There appeared in the June 14, 1977, edition of the Wall Street Journal an article on this subject written by Burt Schorr, a reporter for the publication. This well-researched piece provides a summary of the FTC's efforts to sweep away unnecessary regulations governing the advertising of professional services.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STATE-LICENSED OCCUPATIONS GET MORE CRITICISM, BUT THE SYSTEM IS DEFENDED AS ENSURING QUALITY

(By Burt Schorr)

When the U.S. Supreme Court overturned Virginia's ban on prescription-drug advertising last year, the landmark ruling was good news for consumers—and for Dart Drug Corp.

The decision cheered Dart executives because of its potential impact on a parallel Virginia law that limits how the drug chain and other discounters can advertise cut-rate eyeglasses. At the urging of optometrists and opticians, who mostly sell at list prices, the state legislature had enacted restrictions that result in a ban on ads for across-the-board bargains—offers of a second pair of glasses for only one cent, for example.

Dart Drug welcomed the court's prescription-drug ruling as meaning that it could ignore Virginia's bothersome eyeglass requirements. "We thought the battle was over," says Herbert H. Haft, president of the Washington-based company.

But, acting for the State Board of Examiners in Optometry (whose five members all are optometrists who also sell eyeglasses), the Virginia attorney general's office this year advised local prosecutors around the state that Dart's eyeglass ads violated Virginia law. Now the chain faces a possible court challenge that it is planning to fight all the way to the Supreme Court, if necessary.

CONSUMER CRITICISM

Dart's experience is evidence of a frustrating paradox for consumers. There is growing criticism of optometrists, funeral directors, accountants and other state-licensed professionals for their anticompetitive rules and indifference to consumer complaints. Yet, in the name of assuring quality service, these same professional groups continue to regulate themselves, often to their own financial advantage—thanks to their political clout and their influence over state licensing boards.

The spectrum of callings overseen by state boards, ranging from dog trainer to physician, touches nearly everybody. Although no one has counted the total number of state licensing boards lately, it is estimated to exceed 1,500. Illinois alone has 32 boards that regulate close to 100 professions with approximately 500,000 practitioners.

Critics charge that restrictions adopted by such boards too often inflate consumer costs. They note, for example, that a 1975 study found consumers paid 25 percent to 40 percent more for eyeglasses in 13 states with relatively strict controls on optometrists and opticians than in 12 states and the District of Columbia that were relatively unrestrictive.

In Washington, concern is growing about the effects of state licensing. Last week Joe Sims, a deputy assistant attorney general, told a Senate Small Business subcommittee hearing that resulting restrictions "mean less competition, and less competition means poorer service at higher prices."

Last year the Federal Trade Commission proposed a "trade rule" on eyeglasses and ophthalmic services that would sweep away such state restraints, and the FTC staff recently recommended adoption of a final version along the same general lines. Significantly, though, Virginia's eyeglass-advertising law, along with other state regulatory changes, has caused unexpected problems for FTC lawyers.

The Virginia statute specifically requires that each advertised description of frames or lenses include six specific items of information. These include the country of manufacture, the type of lens and the manufacturer's identification number. To deal with this or similar state moves, the FTC staff wants the commission to impose a lid on the amount of information a state can require of eyeglass advertisers. Such a move could increase the commission's vulnerability to a Supreme Court challenge, FTC officials concede.

Thus far, California alone has broken sharply with the usual practice of self-regulation by the professions. Under legislation backed last year by Gov. Edmund Brown Jr., the 38 boards responsible for about one million licensees in the state are required to draw from one-third to a majority of their members from outside the professions they regulate.

LIBERALIZING REVIEW PROCEDURES

As a result, the California State Board of Dental Examiners now has three non-dentist members, all of them women: a professional consumer advocate, a law professor and a health-systems consultant. Joining with other Brown appointees, they have liberalized procedures for reviewing the cases of dental-license applicants who narrowly fail the board examination. In an initial reappraisal, the board recently passed 73 out of 137 such applicants, including 18 foreign-trained dentists who had been excluded from such a second chance. To expand service to patients, "there are going to be 73 more dentists setting up their shingles," says Jennifer Cross, the board member and consumer advocate.

Those bent on similar changes in other states thus far have little to show for their efforts. One state unit seeking change, New Jersey's Department of the Public Advocate, filed a state-court suit aimed at altering the composition of the New Jersey Real Estate Commission. With five of its six seats filled by real-estate brokers, the board inherently discriminates against consumers generally and minorities in particular, the suit contended. But the argument was rejected by a lower court, and the New Jersey supreme court declined to intervene.

In Wisconsin, the consumer-protection unit in the state attorney general's office became concerned about the lack of response by the Cosmetology Examining Board to consumer complaints against some of the nearly 25,000 individuals that the board licenses. In one case, a Madison housewife complained of "bleeding open burns" she suffered from a permanent given by a licensed hairdresser. The board wrote her to state that it "has no authority or jurisdiction" to deal with such complaints—a "form letter" that the board regularly sends to consumer complainants, says Judith Olsen, its field supervisor.

Seeking to change board policy, the attorney general's office petitioned for the suspension or revocation of the license held by a Milwaukee concern that advertised hair implants. According to complaining customers, the company actually was out to sell hairpieces.

The matter was resolved this year, but the settlement wasn't satisfactory to David Gilles, the assistant attorney general who handled the case. The firm agreed to refund a total of $3,000 to seven customers and to surrender its state license. However, the hairpiece business continues to operate at the same location—under the ownership of a former employe who purchased the original company's assets, Mr. Gilles says.

The dug-in positions occupied by state-licensed professionals particularly concern the Federal Trade Commission; they lie directly in the path of the FTC's drive to sweep aside regulations it deems unfair.

ESTABLISHING A PRECEDENT

FTC lawyers expect the eyeglass regulation to establish an important precedent for bypassing tedious case-by-case assaults on state and professional codes. Following the commission's original proposal, the staff wants the commission to abolish all private, state and local restraints on the "dissemination" of ophthalmic information, although the staff would allow states to require a limited amount of disclosure in eyeglass ads.

Still unclear, though, is whether the commission possesses such authority to preempt state law. The American Optometric Association for one, already is planning to challenge the FTC in federal court, and some lawyers familiar with the issue, including Alan B. Morrison, head of Ralph Nader's litigation group, worry that the commission could well come up the loser. Mr. Morrison contends that the FTC's preemptive rights are "doubtful" and that it blundered by not moving sooner for a court test.

Even if the agency prevails on the preemption issue, some FTC insiders are worrying that the contemplated lid on eyeglass-advertising disclosure to deal with Virginia's law may conflict with a provision of the Supreme Court's prescription-drug decision; its ruling said that although states can't bar drug advertising, they nevertheless may require any "information, warnings and disclaimers" needed to make an ad truthful.

"When we started out, we imagined a very simple rule," says one FTC lawyer helping to develop the eyeglass regulation. "But we've learned there are very complicated problems in dealing with optometrists who are trying to keep their turf."

Commission lawyers working on another rule, one that would govern the nation's 22,000 funeral directors, already have decided to back away from some of their original proposals.

The final rule, due later this year, is expected to include an FPC ban against any restraints on advertising funeral services; a prohibition against funeral directors' picking up or embalming of corpses without family permission; and a requirement that funeral homes can't refuse to make available inexpensive cremation containers.

There is nothing to be done however, about funeral directors who disparage "the quality, appearance or tastefulness" of certain coffins and other funeral items or who suggest that a customer's concern for price indicates "a lack of respect or affection for the deceased," the FTC's consumer-protection staff has decided. Originally, the commission proposed to bar such tactics, but now the staff believes the proposed restrictions would infringe the free-speech rights of funeral directors.

Nor does there appear to be any relief in the pending regulations for National Cremation Society Inc., a Southern Florida company that has been at odds with the Florida State Board of Funeral Directors and Embalmers.

National Cremation offers cremations at prices well below the charges of many conventional funeral operators. Originally, it ran into trouble with the state funeral board over its refusal to seek board licensing; the company argued that it doesn't do any embalming and so should be exempt. And this year the director of a funeral home set up to handle cremations for the company was accused of conducting cremations without a specific board permit.

As Charlie Jordan, founder of National Cremation, sees it, this charge is further evidence of the "establishment people challenging the nonestablishment people for poaching on their preserve." However, R. C. Blanton, the funeral board's exectuive secretary, asserts that the board found "sufficient cause" for its complaint.

NATIONAL SECURITY WITHOUT A B–1 BOMBER

Mr. BAYH. Mr. President, the decision by President Carter on June 30 to terminate production of the B–1 bomber has raised, once again, issues that are central to our national security. Perhaps no single consideration is as crucial to understanding and maintaining a sufficient deterrent posture than the strategic concept of the Triad and how the B–1 decision relates to it. As my colleagues know, our present ability to deter nuclear war resides in supporting three distinct strategic systems: first, 1,054 land-based intercontinental ballistic missiles; second, 656 submarine launched ballistic missiles, and third, 462 B–52 and FB–111 bombers.

THE NEED FOR A MANNED BOMBER

Because of the age of the B–52 Stratofortress that has long been the backbone of the Strategic Air Command and because of the increasing sophistication of the Soviet air defense system, it became necessary to review the necessity of developing an improved manned bomber to cope with improved enemy air defense in the 1980's and beyond. A study on an advanced manned strategic aircraft—AMSA—in 1969 recommended that a follow-on bomber to the B–52 have the capability to fly low to the ground in order to evade enemy radar defenses and strike a target with pinpoint precision. Without belaboring the performance slippages and cost increases which have accompanied the controversy surrounding the B–1 program, it is enough to note that between 1969 and 1976 the projected costs of a single B–1 increased from $35 million to $117 million. Estimated cost for procuring a fleet of 244 of these aircraft was put at over $24 billion just before the President decided against the program. The life cycle cost for the B–1 was put at near or over $100 billion.

Mr. President, had it been clearly demonstrated that such a cost was actually necessary to maintain the integrity of the Triad strategic concept, I would have supported this program. Paul Warnke who has never been known as a friend of the B–1 and is now the Director of the Arms Control and Disarmament Agency and our Ambassador in the Strategic Arms Negotiations said quite frankly that:

If the B–1 Bomber turns out to be the optimum bomber to replace the B–52 then that is the bomber we ought to buy.

What might have further obscured the issue for some was the fact that the B–1 for all its cost overruns and performance slippages is truly an impressive aircraft. It can carry more payload than the present B–52G and H series models and yet is only about two-thirds the size. It can achieve supersonic speed and is designed to penetrate at very low altitudes at near supersonic speeds. Its radar reflectivity is less than that of the B–52. In layman's terms, it is harder to see on a radar screen. If we could still only destroy a target by delivering gravity bombs, the B–1 would certainly be a superior aircraft in the performance of a deep penetration mission.

THE AIR LAUNCHED CRUISE MISSILE

Still; for all of the marvelous performance characteristics that the B–1 provides us for over $100 million an airplane, our technology has provided us with a weapon that will accomplish the same mission for $500,000 to $1 million per copy. I am referring, of course, to the air launched cruise missile. ALCM is the acronym for this weapon and, I understand there are currently two versions—ALCM–A and ALCM–B. The ALCM–B is a long range model with a range of about 1,500 miles.

The substantial range of these missiles will permit the B–52 force to either stand-off from Soviet interceptor and missile defense or require only shallow penetration missions in order to launch this truly remarkable weapon.

It is clear that the characteristics of the ALCM fit exactly into what the Air Force had hoped to accomplish with the B–1 bomber. Keeping in mind that the ideal strategic bomber would be one that the enemy could not detect with either radar or infrared techniques as it sped to the target, the cruise missile could be classified as such an ideal bomber. In a very real sense, the President's decision was in favor of the "unmanned" cruise missile since B–1 employment and penetration techniques appear to be very similar to those of ALCM's. The difference, of course, would be that a B–1 would carry a much larger payload and run a much greater risk of being detected and shot down with that payload. The ALCM's, on the other hand, would be virtually unstoppable. Consider that each B–52 would be able to carry some 20 ALCM's. The task of defense against what could be up to 8,000 of these missiles would appear virtually hopeless.

Aviation Week and Space Technology of February 16, 1976, quoted one defense official as saying that:

The cruise missile's low altitude profile will drive them (the Soviets) crazy and that's what they fear most because this big air defense system of theirs can't handle the cruise missile threat.

THE DETERRENCE MISSION

Mr. President, I think it is terribly important that we design our strategic systems so that deterrence is the principal mission. The cruise missile is such a deterrent system and, since it will be carried aboard manned bombers, cannot be viewed as a "first strike" weapon.

This is another reason why moving to the ALCM option is a prudent choice. From the standpoint of the strategic doctrine, it serves to demonstrate further to the Soviet Union that "defense" in the event of a nuclear war is simply not viable. This is a view widely shared by top defense experts. I think it was clearly articulated by Secretary of Defense Harold Brown when he said:

My view is that unless the U.S. and the Soviet Union can agree—at least tacitly—that . . . only deterrence is feasible for either with respect to the other, and that they will structure their forces so as not to undermine that objective, further progress in strategic arms limitation will be severely hampered, and perhaps impossible.

The modernization of the B–52 force with the deployment of the cruise missile is an example of sane force structuring. It also preserves an important option for any national decisionmaker in times of high international tension. Our continued capability to "launch on warning" one part of our strategic Triad is maintained by President Carter's decision to upgrade present SAC aircraft.

Mr. President, I supported deletion of funding for the B–1 program in the Senate Appropriations Committee. From the national security perspective, the administration's decision to pursue modernization of our manned bomber force without the B–1 is a sound one. As I have said many times before in the Senate, Indiana and in many other parts of the country the B–1 is not synonymous with national security. I remain firmly convinced that our security can be maintained and even enhanced without the B–1 bomber.

NUCLEAR DANGER

Mr. CRANSTON. Mr. President, today we are debating the characteristics of tactical nuclear warheads, especially the neutron warhead. Without question, the deployment of thousands of these weapons in Europe and elsewhere poses a real international safety and security problem.

But a far greater problem of safety, for Americans and for other nations, is the vast amounts of nuclear weapons material—plutonium and enriched uranium—that is lying around nuclear facilities. In this country these are both Government-owned and private facilities. Every day in this country nuclear materials are transported across the continent, often by common carrier.

Mr. President, we need an intelligence and policing center at the national level that keeps track of this dangerous material. Clearly, there is no adequate check at the present time. The truth is that—at any one time—we do not know where there are dangerous quantities of plutonium and enriched uranium subject to being captured for use in making nuclear weapons.

I ask unanimous consent to print in the RECORD a recent article in the New York Times describing a nuclear materials reprocessing plant in Pennsylvania that has often violated stringent safeguard and security regulations.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 4, 1977]

NUCLEAR PLANT GOT U.S. CONTRACTS DESPITE MANY SECURITY VIOLATIONS

(By David Burnham)

WASHINGTON, July 2.—A small nuclear materials processing plant in Pennsylvania has continued to receive Government contracts worth millions of dollars even though inspectors have repeatedly found the facility violating stringent safety and security regulations.

The most serious of the hundreds of violations cited over the last 20 years was a 1965 finding that the facility could not account for 381.6 pounds of highly enriched uranium,

enough to serve as the raw material for at least 10 nuclear bombs.

Government officials have contended that the material was lost in complicated manufacturing processes and was not stolen. But inspectors from the General Accounting Office, the one independent agency that investigated, concluded that the evidence was insufficient to determine what had occurred.

400 PERSONS QUESTIONED

A 90-page summary of the chronic enforcement problems at the Apollo, Pa., facility, prepared by the Nuclear Regulatory Commission in June 1975, reports that the loss of highly enriched uranium prompted the Atomic Energy Commission to question 400 persons and refer the case to the Federal Bureau of Investigation. For reasons that are not clear, the F.B.I. decided not to investigate.

The summary containing a detailed chronology of how the Government handled the health, safety and security failings of the privately owned plant was sent anonymously to several newsmen at a time when Congress and the Carter Administration are debating whether such nuclear processing operations should be enlarged because of the energy crisis or curtailed because of the dangers of nuclear proliferation. Nine facilities in the United States are licensed to handle strategic quantities of highly enriched uranium or plutonium.

Spokesmen for the Nuclear Regulatory Commission and Babcock & Wilcox, the energy company that now owns the Apollo facility, both argued in response to inquiries that the summary gave a misleading impression of ineptitude because the Government was continuously imposing tighter restrictions during the period involved.

However, officials of the Government agency and the nuclear processing facility disagreed about other aspects of the case. "This obviously was our worst performer," said James P. O'Reilly, the N.R.C. regional director with responsibility for enforcing the commission's rules at the facility.

"We operated within the rules and regulations," said Zalman A. Shapiro, the founder and first president of the company. "I have been told by responsible officials that our operations were pretty much in the ball park, in the range of other similar facilities," he said. Mr. Shapiro now works for the Westinghouse Electric Corporation.

"ATTEMPTING TO COOPERATE"

The present manager of the Pennsylvania facility, Joseph S. Dziewsz, who took over two years ago, said: "We are attempting, and attempting very sincerely, to cooperate with the requirements of the Government. But there have been times when we were having fits just trying to understand what the Government wanted."

The facility employs about 600 persons to process low-enriched uranium, highly enriched uranium and plutonium. The low-enriched uranium is used to fuel conventional nuclear reactors, the highly enriched uranium to fuel the Navy's nuclear fleet, and plutonium for an experimental Government reactor now under construction in Washington state.

Government contracts bring the Babcock & Wilcox division about $14 million a year. A spokesman for the Energy Research and Development Administration said the facility had received at least $75 million in Government contracts since it began operation in the late 1950's.

The Government has continued to award these contracts despite a record that includes the following examples:

In October 1969, the A.E.C. said the company had violated six separate health and safety regulations, adding that similar violations had been brought to the attention of the company on several previous occasions. "The pattern of repetitive violations demonstrates that the corrective measures taken were apparently ineffective and indicates inadequate management control over the company's radiation safety program as well as an apparent disregard of the commission's rules and regulations."

On July 8, 1974, the Government said that it had noted 333 violations of ventilation requirements and that the company had failed to correct earlier problems.

A 1960 inspection concluded that the company did not have adequate control over the nuclear materials in its possession. This was followed in 1964, according to the N.R.C. summary, by another finding that "internal control procedures were inadequate" and that the uranium reports being submitted "were not complete and factual."

On March 23, 1965, the Government informed the company that it would be billed $2.8 million for 657 pounds of uranium that could not be found. The bill was later reduced to $735,000.

NEGOTIATIONS OVER AMOUNT

After months of bickering, Government inspectors decided that the cumulative loss as of October 1965 was actually 381.6 pounds of highly enriched uranium, approximately half of which could be identified as having been lost through what the summary called "known mechanisms."

The Atomic Energy Commission and its successor agency, the N.R.C., have repeatedly asserted that there was no evidence that the highly enriched uranium had been obtained by any unauthorized person or nation. The General Accounting Office said it could not come to a definite conclusion about what happened to the uranium. The condition of the company records, the summary reported, "did not permit the G.A.O. auditors to make a conclusive determination as to the time or the manner in which the losses occurred."

An F.B.I. spokesman, in response to an inquiry, declined to comment on why the bureau had chosen not to investigate. Three separate Federal officials familiar with the case, however, reported that the F.B.I. did investigate whether a senior official of the Apollo facility was an agent for a foreign country. The investigation, one official said, found no evidence that he was.

The problem of keeping track of the highly enriched uranium was not resolved after the 1965 incident. Inventories in 1970, 1971, 1973 and 1974 found various important discrepancies, and inspectors continued to record inadequate key control systems, poor lighting, faulty alarm systems and inadequate search procedures.

MORE MATERIAL MISSING

On June 5, 1974, the company paid a fine of $12,170 because it was unable to account for approximately 100 pounds of highly enriched uranium. On June 7, the top officials of the N.R.C. were told that inspections a few months earlier "showed a failure of the licensee to fully implement the Fundamental Nuclear Materials Control Plan and to achieve adequate accounting control of highly enriched uranium."

Mr. Dziewisz, the present head of the facility, noted that the company was now spending approximately $750,000 to install the latest set of controls imposed by the N.R.C.

With all the continuing problems, why has the Apollo facility continued to receive Government awards? "There just aren't that many facilities around that can do that kind of work, and I don't think the A.E.C. had much choice in who they authorized to give the contract to," said R. G. Page, deputy director of the N.R.C.'s division of safeguards. "There were only a couple of people in the country who could do it."

INDIA: LINKING FAMILY PLANNING AND HEALTH CARE

Mr. KENNEDY. Mr. President, in recent years there have been few countries where the subject of family planning and population programs have been more controversial, yet so desperately needed, than in India. And nowhere are the lessons to be learned from both the successes and failures of past population programs clearer than in India.

The first and foremost lesson is that to be effective, family planning and population programs must be linked to basic health care. This linkage is crucial not only to promote family planning, but the health and well-being of families as well. And in the long run, this linkage is fundamental to successful development in the Third World.

The recent record in India, and the problems this important nation faces in this area, were thoughtfully reviewed in a brief essay published this week in the Baltimore Sun by Dr. V. Jagdish, a research associate at the Johns Hopkins University's School of Hygiene and Public Health.

Mr. President, I would like to share with the Senate the significant points reviewed in Dr. Jagdish's article, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun, July 11, 1977]

INDIA: LINKING BIRTH CONTROL TO HEALTH CARE

(By V. Jagdish)

The majority of India's 630 million people live in rural areas. Agriculture is the principal means of livelihood. Most of these people are extremely poor. They get the least of everything, including health care. Very sophisticated institutions and competent modern medical practitioners are abundant in India. However, they are based in urban areas and hence care only for those having access to them.

India's largest and most serious problem is its increasing population. At the present rate of growth, the population will have doubled within the next 33 years. People, particularly in rural areas, have been reluctant to accept birth control programs. The reasons are easy to understand. Many children die young, and villagers cope with that eventuality by having large families. Male children have traditionally been considered to be an asset both in terms of security and social status.

Sanjay Gandhi, former Prime Minister Indira Gandhi's younger son, attempted to attack the population problem using a scheme of incentives and disincentives. Disregarding the reasons for the failure of acceptance of family planning programs, Mr. Gandhi attempted to force not only birth control but even sterilization on the people.

Over seven million people were sterilized over a nine-month period. But Sanjay Gandhi's tactics generated an extraordinary level of resentment. Subsequently, the Congress Party lost much of its traditional support in Northern India and lost the national elections held in the spring. The second massive rejection by the electorate of the Congress Party in the state elections a few days ago is indicative of the damage caused by policies of coercion.

Clearly, Mr. Gandhi's methods have resulted in a severe backlash against family planning programs. The new government had made the high pressure birth control drive a major campaign issue. The president of India at a joint session of the new elected Parliament stated that compulsion had "caused a major setback to the program, which is vital for the welfare of the nation." He promised that the new government

would "pursue family planning vigorously as a wholly voluntary program."

But past experiences with voluntary family planning programs in India indicate the need to integrate family planning and health activities.

At present, health and family planning services in rural India are provided through a network of primary health centers and corresponding sub-centers. One primary health center and its eight sub-centers look after the health needs of nearly 100,000 people. Each primary health center has two physicians and about 30 auxiliary personnel who are distributed between the primary health centers and their sub-centers and are expected to provide a wide range of services.

These include medical care, control of communicable diseases, environmental sanitation measures (for example, sanitary disposal of human excreta) maternal and child health services, family planning services, school health services and health education.

In practice, however, few of these services are offered. Numerous problems have resulted in ineffective and unsatisfactory delivery of health services to rural areas. Thirty health auxiliaries are expected to care for nearly 100,000 people. Such a large population makes it very difficult to provide effective services.

The picture is complicated further by inaccessibility to the health centers. Lack of roads, transportation difficulties and long distances drastically reduce the number of villages that can be provided with health and family planning services. Hence, programs do not have any significant impact on the health conditions in rural areas.

Further, programs of health and family planning are generally independent of each other. Each program has its own auxiliaries, supervisors, administrative and technical staff. There is very little cooperation or coordination between the programs.

The physician in charge of the primary health center, because of the emphasis of his training on the technical sophistication of modern medicine, is unable to understand the importance of preventive medicine and so restricts his activities to the curative services that are provided at the primary health center.

Physicians also find it hard to relate to officials in charge of development activity in their areas. Consequently, they are not aware of such activities and as a result there is little coordination between health and other rural development programs.

Health center doctors on the other hand complain about the lack of professional and personal facilities available to them and this probably accounts for lack of enthusiasm in their work.

Since their training makes them considerably dependent upon reasonably specialized backup facilities, physicians find it difficult to function with little or no laboratory services.

Primary health centers are allocated an annual sum of about $900 each for the purchase of drugs. They are, therefore, constantly short of drugs and medical supplies.

It is not surprising, under these circumstances, that health conditions in rural areas are unsatisfactory

But in the south Indian state of Kerala these problems have been successfully tackled. An easily accessible health system, a high literacy rate and an acceptance of the important role of women in society, has resulted in the decline of death rates. There has been a significant drop in birth rates. This has been achieved despite the fact that Kerala's per capita expenditure on health is lower than in other states of India.

A study commissioned by the Indian government recently showed that villagers expressed dissatisfaction that so many health workers came to their homes. They preferred to have a single worker deliver all health and family planning programs. The government has taken a number of steps to improve rural health services as a result of the study.

Programs of health and family planning are being integrated. As a result, health workers of individual programs have become multi-purpose workers with a single cadre of supervisors. Steps have also been taken to make the training of health workers take into account local conditions and difficulties. It has also been proposed to increase the number of health workers for each primary health center and its subcenters. A governmental commission in 1975 recommended the increase of health workers to one male and one female health worker for a population of 8,000.

Excessive bureaucratization, centralization of decisions in state capitals and lack of community involvement in their health activities are major obstacles in delivering effective health services to rural areas. It is not realistic to expect India to vastly increase its expenditure on health. Hence, it is essential that decentralization of health activities occurs so that individual districts can plan their activities depending upon the local needs. With decentralization should come community involvement in health activities.

The training of minimally educated village workers under the supervision of a health auxiliary and supported by their own community can be the beginning of making health and family planning programs more acceptable to the rural millions.

EXTENSIONS OF REMARKS

YOU, ME, AND US

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1977

Mr. TEAGUE. Mr. Speaker, recently Secretary Califano introduced the regulations which implement section 504 of the Rehabilitation Act of 1973—Public Law 93–112—insuring the civil rights and full participation by handicapped individuals in programs funded by the Department of Health, Education, and Welfare.

Handicapped individuals have been excluded from full participation in so many areas, including programs in the Federal Government, because of a lack of knowledge and understanding of their problems. I do not believe anyone, as well as the handicapped themselves, has a full understanding and knowledge of the scope of the many unique problems which handicapped people face.

Since this discrimination, or lack of understanding, has existed for so many years, we can be sure that the situation will not be corrected overnight, or in 3 years even with the passage of Public Law 93–112 and the implementation of the regulations. But the important thing is that we have made a positive step in the right direction.

Insuring full accessibility and equal opportunity for the handicapped will be an educational process, a process whereby each one of us, whether we be legislators or other citizens, come to a knowledge, understanding, and awareness that handicapped people do have unique problems. However, we must further come to the full realization that they are real, ordinary people, as you and I, who deserve every consideration in our planning and policymaking decisions.

To keep pace with the present movement in society toward integration of handicapped individuals into the mainstream of the educational and recreational experiences in life, primary and elementary education must concern itself not only with the preparation of handicapped children for entry into the regular classroom; but, just as importantly, the preparation of the nondisabled children to comfortably and openly receive them.

Mr. Speaker, since integrating the handicapped into the mainstream of society is dependent upon basic educational processes, I am pleased to bring to your attention and that of my colleagues an exciting and unique program called You, Me, and Us.

The central purpose of the You, Me, and Us project is to provide a sensitive and sound educational curriculum that will insure that all students, by the completion of the primary and elementary grades, will have the opportunity to understand and accept handicapped children in their classrooms and in our society.

You, Me, and Us, Inc., is a nonprofit corporation, located in Atherton, Calif., staffed by paid and volunteer professional educators, therapists, researchers and media specialists. You, Me, and Us is supported by private and Federal funds, including a grant from the Bureau of Education of the Handicapped—BEH.

I would like to take a moment today, Mr. Speaker, to commend the Bureau of Education of the Handicapped for sponsoring You, Me, and Us and particularly single out Barbara L. Schneiderman, the executive director of You, Me, and Us, Inc. for founding such an innovative and worthwhile program. I am grateful to Kathleen Collard and Deborah Larson of the You, Me, and Us curriculums/materials design and implementation staff for their contributions in this effort and for bringing this tremendous project to my attention.

The curriculums and instructional materials, which they developed and are presently field testing, address four major disabilities: visual and hearing impairments, orthopedic disabilities and mental retardation, and include parent education and teacher training materials.

Before leaving you with some additional information on this program fur-

nished by You, Me, and Us, I would like to conclude my remarks today with a poem written by Chuck Beeby, a fifth-grader in the program at Menlo Park, Calif., which says it all:

HANDICAPPED PEOPLE ARE JUST LIKE ME

Handicapped people are really just like me.
They can see a bee like me.
They can run
Or have fun like me.
They can be a teacher
Or sit in the bleachers.
They can smile a smile
And some can run or walk a mile.
They could go to school
Or ride a mule.
They could write
Or go on a flight.
They can be tall or short.
They can swim
Or be named Tim.
They can make a mark
Or go to the park.
They can watch a boxing fight
Or go to bed at night.
They can ride in a wheelchair
Or have long or short hair.
They can have any name
Or they can play lots of games.

Additional information on the You, Me, and Us program follows:

WHAT IS THE GOAL OF THE YOU, ME, AND US PROGRAM?

The major goal of the You, Me, and Us Program is the development, implementation and evaluation of sensitive and sound educational curricula and instructional materials that will assist primary and elementary school children, teachers and parents to (1) explore their own feelings about the disabled, and (2) to develop knowledge, skills and attitudes that will enhance the acceptance of disabled children in the classroom, and in play and social experiences.

WHAT ARE THE MAJOR OBJECTIVES OF THE YOU, ME, AND US PROGRAM?

(1) Understanding of self and feelings about the disabled by children, teachers and parents.

(2) Acquisition of factual knowledge of major disabilities by children, teachers and parents.

(3) Orientation of children, teachers and parents to learning and play experiences that can be shared by both non-disabled and disabled children.

(4) Decreased resistance to the inclusion of disabled children on the part of non-disabled children, classroom teachers, school administrators and parents.

(5) Understanding and acceptance of the disabled population by the non-disabled population.

(6) Increased learning effectiveness in the non-disabled and disabled child in mainstreamed schools and classrooms.

(7) Increased teaching effectiveness for teachers in mainstreamed schools and classes.

(8) Increased capability for acceptance of and adjustment to a disabling condition should a non-disabled individual subsequently become the victim of a traumatic illness or injury.

KINDERGARTEN CURRICULUM

The current kindergarten curriculum, "Discover Us," presents a non-labeling introduction to visual impairments, hearing impairments, and ambulatory orthopedic disabilities. Each of the nine major units is introduced with an original color video, accompanied by five classroom instructional lessons. The primary emphasis is on shared play and social interaction between disabled and non-disabled children.

In addition to affective learning, the kindergarten curriculum is designed to increase the kindergarten child's pre-reading and pre-math skills through: shape identification, color identification, sequencing and recall. The children are encouraged to increase verbalization skills and expand problem solving skills within a group setting. Improvement of fine and gross motor skills are incorporated in each unit.

Four additional units will be added to the curriculum, 1977–1978, introducing non-ambulatory orthopedic disabilities and mental retardation. Each of the units will have an introductory video and five classroom instructional lessons.

FIRST GRADE CURRICULUM

The first grade curriculum focuses on Blindness and Visual Impairments. The children begin the curriculum exploring the Uniqueness of their own individuality through learning games, original childrens' songs and awareness work sheets. The children are led to an awareness of the opportunities for shared learning and play experiences with visually impaired peers through slide productions, stories, books and experimentation with braille writers, talking books and calculators, auditory balls, mobility canes and tactile learning materials.

Classroom work sheets and activities are designed to increase the children's awareness of tactile and auditory senses which carries over into increased receptive listening skills, verbalization and articulation in groups and an expanded awareness of their learning environment.

SECOND GRADE CURRICULUM

Learning games, slides and children's worksheets which explore needs shared by all people introduce second grade children to the Orthopedic Impairments Curriculum. Through the construction of a life size classroom friend, the children learn about the structure, function and interdependence of their body parts which reinforces the commonality of all individuals, and forms a basis for the discussion of the nature and causes of orthopedic impairments. As the children meet individuals who are orthopedically impaired through books, movies, video tapes and guest speakers, they begin to appreciate their own capabilities and the capabilities of others.

A wide variety of learning experiences guide the children in the exploration of mobility capabilities, independence, adaptive devices, and shared learning and play experiences. Awareness of architectural barriers is enhanced through simulated games, metric math lessons, environmental surveys and role playing. Career opportunities for orthopedically impaired individuals and daily living skills are also introduced through video tapes, songs and guest speakers.

THIRD GRADE CURRICULUM

The children in the third grade curriculum explore their abilities to communicate and interact verbally and non-verbally with deaf and hearing impaired individuals. Fingerspelling, sign language, speech, speech reading, written communication, gesture and body language are introduced through original songs, stories, learning games, films and role playing.

Auditory tapes and visual graphs simulating the degrees of hearing loss and an exploration of the hearing process assist the children in understanding the nature and causes of hearing impairments and speech differences.

Video tapes, slides, books, experiments, classroom worksheets and guest speakers are used (1) to increase the children's understanding of hearing aids and adaptive devices; (2) to develop social interaction skills at play and school; and (3) to increase awareness of educational, vocational and recreational opportunities available to hearing impaired and non-hearing impaired individuals.

PARENT EDUCATION

The Parent Education Workshops provide the parents of the elementary school children opportunities to explore their own feelings about disabled individuals, with information to assist them in answering their children's questions about disabilities, as well as an orientation to shared learning and play experiences for disabled and non-disabled children.

The Ability Book About Disabilities was written in 1976 by Kathleen Collard and Deborah Larson as a reference manual for parents.

LETTER TO PARENTS

DEAR PARENTS: "Why does . . .?" "How come . . .?" "When will . . .?" "What if . . .?" Children's questions . . . searching for information in an attempt to order their world . . . seeking to understand themselves and others . . . growing . . . learning . . . and to us, as parents, a ceaseless challenge.

Providing answers is not easy, especially when our children ask us questions that do not relate to our background or experience. The majority of us have had little contact with disabled individuals. Our lack of contact has not necessarily been one of choice, but rather opportunity.

When we were children, the disabled in our communities usually went to separate schools or lived in residential schools or institutions. Opportunities to play and learn and work together were almost non-existent.

Our children do have the opportunity to play and learn and grow with the disabled. In 1975, Congress pased the "Education for All Handicapped Act," which assures that all children disabled and non-disabled shall have not only the opportunity but also the right to learn and play and work together.

As our children begin to ask us questions such as "Why does Carol need to use crutches?" "How come Ted is blind?" "When will Lori be able to hear me?" and "What if I become blind, would you love me anyhow?" We will search not only to answer their questions correctly, but more importantly, for the right words. Words that will bring acceptance, not rejection. Words that will build understanding of themeselves, of ourselves, of the disabled, and of the beauty of individual differences.

Often it seems our children choose the most inopportune time to want to know why or how or when or what. This happens not out of forethought but out of need and an ever viable curiosity to understand what they see, feel and wonder about. Answering their questions at the time they are asked helps assure them that we neither fear the questions or the answers.

The You, Me, and Us Parent Education Workshops are designed to assist parents in answering their own questions and their children's questions about the disabled in their community; and to expand parent understanding of shared learning and play experiences for disabled and non-disabled children.

We look forward to sharing and learning with you and your children.

BARBARA SCHNEIDERMAN,
Founder and Director.

EVALUATION

The You, Me, and Us Curricula is presently (1976–77) being implemented and evaluated in three non-mainstreamed elementary schools in the Las Lomitas School District, Menlo Park, California. Three hundred and fifty-nine children, grades K through 3 are participating in the curricula. Formative and summative evaluations by You, Me, and Us Staff and the seventeen participating classroom teachers, and random sample pre/post testing of the curricula at each grade level provides data for curricula and supporting instructional materials development, evaluation and modification.

In 1977–78, the curricula will be field tested in low and middle SES schools, and non-mainstreamed and mainstreamed classes, grades K through 4. One thousand twenty-five (1,025) children and thirty-seven (37) classroom teachers from eight (8) schools

in Northern California will participate in the field testing. Pre/post test comparisons between "treatment" classrooms, those in which the curricula is implemented, and "control" classrooms, those in which the curricula is not implemented, will be made. Formative and summative evaluation of curricula and instructional materials will be done by the participating classroom teachers, school administrators, students, parents and You, Me, and Us Staff.

You, Me, and Us is developing curricula and supporting instructional materials for grades 4 and 5 which shall include Learning Differences and Associated Medical Disabilities.

A Teacher Training Program for the use of You, Me, and Us curricula and materials is also being developed and will be field tested 1977–78.

At the present time K–3 curricula and supporting instructional materials are available for use in the elementary schools participating in the field testing. The projected target date for national dissemination is Fall 1978.

You, Me, and Us welcomes on site visitations and would be pleased to correspond with interested individuals and agencies.

GLUT OF FOREIGN IMPORTS CREATES CRISIS FOR U.S. TEXTILE AND APPAREL WORKERS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. EILBERG. Mr. Speaker, I continue to be most apprehensive about the health of the American economy and the economic well-being of American workers and their families, in view of the continued flood of foreign imports.

In this regard, two American trade unions—the Amalgamated Clothing and Textile Workers Union, and the International Ladies' Garment Workers' Union—have joined together to place advertisements in a number of newspapers across the country, addressing themselves to this import situation.

The advertisements deal with the problem of textile and apparel exports to this country from Hong Kong. They speak eloquently as a plea for understanding the plight of 2.5 million textile and apparel workers in this country whose jobs are fast disappearing because of the heavy penetration of imports from many places around the world.

The advertisements seek to answer the so-called free traders who insist on branding American trade unions as "protectionists" when what the unions are seeking is equitable treatment for low-wage workers in the most concentrated industry in this country.

In view of the fact that renegotiations have already begun in Geneva on the multifiber agreement covering many other countries exporting textiles and apparel to the United States, I commend to my colleagues the message contained in these advertisements:

MADE IN HONG KONG

In a few days, official representatives of the United States and of Hong Kong will renegotiate agreements on the export of textiles and apparel to this country.

Because we understand the needs of Hong Kong, we will—as in the past—favor the continued trade between our two countries.

In the light of what has been happening in the United States in the last few years, however, it is important that the people of Hong Kong (and of the United States) understand the need to arrive at arrangements that will allow workers in America as well as in Hong Kong to face the future with a measure of hope.

We speak of the 2,300,000 men and women in America's textile and apparel industry, the largest factory employer in the nation.

We speak out now because in the last decade more than 144,000 jobs have been washed away in this industry by a flood of onrushing imports.

The largest exporter of such products to the United States is Hong Kong. In the last decade, Hong Kong's exports to this country have more than doubled. Last year alone, those exports rose by 40 percent.

The men and women who have lost their jobs in our country are not the affluent Americans. They are the "Third World" people of the United States: minorities, recent immigrants, the working poor. They see much of their despair as made in Hong Kong.

These people can not find other employment in the United States. Since the last agreement between the United States and Hong Kong the unemployment rate in America has risen drastically for the country as a whole.

Because we represent millions of workers of our own Third World we are not insensitive to the plight of workers in the Third World nations overseas. Hence, in the new negotiations:

1. We will urge continued trade between our two nations.

2. We will, however, also urge that the rate at which imports from Hong Kong are growing shall be slowed down.

3. In regard to those products where imports are at the point of literally wiping out the American sector of the industry, we are urging a cut back in import levels.

4. We will, of course, also insist that whatever agreement is concluded shall be enforced—with appropriate sanctions for violations.

In short, we wish to live and let live. We have shared our market in the past and will continue to do so in the future.

At present we need agreements through which Hong Kong may thrive while we survive.

ACTWU, 15 Union Square, N.Y.10003.
ILGWU, 1710 Broadway, N.Y. 10019.

HOUSE DISTRICT OF COLUMBIA COMMITTEE HIRING PRACTICES CLARIFIED

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. FAUNTROY. Mr. Speaker, last week, the Washington Star printed an article by one of its reporters regarding the employment practices of the House District of Columbia Committee and its chairman, CHARLES DIGGS.

The article was the latest by this same reporter in a series of articles on this subject. As a member of the House District Committee and because the article contained serious inaccuracies which were later retracted by the Star in an inconspicuous article, I consider it important to share with my colleagues two revealing letters on the matter. The first is a letter from the House District Committee staff director, Mr. Edward Sylvester, to the managing editor of the Star. The second is a letter, also from Mr. Sylvester, to the members of the House District Committee. The letters follow:

COMMITTEE ON THE
DISTRICT OF COLUMBIA,
Washington, D.C., July 7, 1977.

Mr. SIDNEY EPSTEIN,
Managing Editor, The Washington Star, Virginia Avenue, SE., Washington, D.C.

DEAR MR. EPSTEIN: I write to protest in the strongest possible terms the inexcusable and flagrant inaccuracies in Rebecca Leet's article re Diggs in the Thursday, July 7, 1977 Metro section of your paper. She writes that two people, Reynolds and Richmond, were on the payroll of the House District Committee in 1976 and were so listed in official House records.

These people have never ever been on the payroll of this Committee and have never ever been so listed.

There is also the matter of implication by innuendo in some as yet unspecified wrongdoing in her incomplete and misleading statement of my secondhand response to a question she put to our receptionist.

Surely this kind of sloppy research and non-professionalism and the resultant misinformation to the public and damage to individuals is not what The Star is about.

At the very minimum, I seek a prominent retraction on the front page of the next Metro section.

Sincerely,

EDWARD C. SYLVESTER, Jr.,
Staff Director.

COMMITTEE ON THE
DISTRICT OF COLUMBIA,
Washington, D.C., July 7, 1977.

DEAR COMMITTEE MEMBER: In an article in the Washington Star on Thursday, July 7, 1977, Rebecca Leet states that Maria A. Reynolds and Jeralee Richmond had been on the District Committee payroll in 1976, having been transferred there from the Chairman's congressional payroll in the last six months of 1976. She further states that "the two women . . . were listed on official House records as being on the House District Committee payroll".

The facts are that neither has ever been on the payroll of the House District Committee and neither has ever been so listed in any House record.

I cannot account for this gross inaccuracy.

Sincerely,

EDWARD C. SYLVESTER, Jr.,
Staff Director.

CONSUMER COMMUNICATIONS REFORM ACT OF 1977

HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. BURKE of Florida. Mr. Speaker, I am introducing a bill today to reaffirm the intent of the Congress with respect to the structure of the common carrier telecommunications industry entering interstate and foreign commerce. This is the same bill I introduced in the 94th Congress.

The reason for my sponsorship of this bill is that I am concerned that low-cost telephone service remain available to consumers with limited incomes.

I know that many people have termed this legislation A.T. & T.'s attempt to maintain its traditional monopoly in the fast growing telecommunications field

As a strong believer in free enterprise and small business I can see some of the arguments for permitting competitors to enter into new data communications systems and into furnishing telephone equipment to customers. Frankly, I have no love for monopolies, but A.T. & T. has had this monopoly in our country since the early part of the century and today we have the finest telephone system in the world and almost all of our citizens have easy, cheap, access to telecommunications. A.T. & T. warns that if competition in other areas is not stopped, its local phone rates will have to go up since the losses incurred in providing service to other areas are made up in profits by sales in new data communications systems and telephone equipment.

The FCC decisions last year allowing other electronics firms to manufacture telephone equipment and data communications equipment to interface with the Bell System seem on the surface to be the right way to go in this area. It has been my experience, however, that solutions create problems. A problem that may be created by the intrusion of electronics equipment manufacturers into territory heretofore the exclusive turf of A.T. & T. might be increased consumer costs.

In any event, I want to urge the appropriate committees in both the House and the Senate to look into this matter thoroughly and try to determine the probable impact. The Congress is not here to serve either A.T. & T. or IBM or any of the many other firms involved in this controversy. It is here to serve the public good and since this problem will not go away by itself I think Congress is a proper forum to hold hearings and investigations to find out who is being helped and who is being hurt by the FCC rulings.

DEVINE'S CONGRESSIONAL QUESTIONNAIRE

HON. SAMUEL L. DEVINE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. DEVINE. Mr. Speaker, the 12th Congressional District of Ohio is in the heart of the State and my constituents were recently polled on a number of current issues. We have just tabulated the results which reflect the views of those responding to the questionnaire and I am happy to share this information from middle-America with my colleagues:

DEVINE'S CONGRESSIONAL QUESTIONNAIRE

In the field of Energy, 76 percent favored modifying environmental standards to encourage use of coal. 63 percent opposed gasoline rationing as an alternative to a higher gasoline tax, while they were evenly divided on tax on "gas guzzlers". Decontrol of new natural gas was favored by 64 percent.

Under Government Operations, 54 percent opposed compensation for crime victims; 72 percent opposed eliminating cash cost for food stamps; 55 percent favored a tuition tax credit for parents of college students, and 63 percent opposed creation of Agency for Consumer Advocacy. Taxpayer funding for Congressional and Senatorial campaigns was opposed by 61 percent; Social Security funding partially from tax money was opposed by 64 percent, while there was an even split on elimination of Saturday postal deliveries.

87 percent opposed increasing the national debt limit, while only 21 percent favored a 5 year extension on the $2.3 billion loan to New York City. 68 percent opposed increasing minimum wage to $3.00, while 70 percent favored reducing minimum wage for persons under 18 to reduce youth unemployment.

In International Relations, 72 percent opposed diplomatic recognition of Vietnam and only 31 percent favored re-establishing diplomatic relations with Cuba. 77 percent said the United States should not attempt to mediate domestic conflicts in Rhodesia and South Africa.

Finally, 87 percent opposed reducing our national defense appropriations in order to fund more social welfare programs.

Complete results of the poll will be furnished on request.

THE NATIONAL HOME HEALTH CARE ACT OF 1977

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. KOCH. Mr. Speaker, the elderly of our Nation at present have little alternative to institutionalization for their health problems, yet this approach is an inhumane and often costly one. Believing as I do that too many of our older Americans are unnecessarily placed in nursing homes because the alternatives are so limited, I have developed, with my good friend and colleague Mr. CLAUDE PEPPER, of Florida, H.R. 453, the National Home Health Care Act of 1977.

The facts are these:

Of the 1 million elderly persons in long-term care institutions today, an HEW study estimates that between 144,000 to 260,000—14 percent to 25 percent—are there because there are no alternative methods of care available to them that provide adequate financial and medical security. Even though they may not need the full range of services provided by the skilled nursing facility they are in, because of the laws and regulations currently restricting the eligibility for home health services, they must choose between this degree of care or no care at all.

The Health and Long Term Care Subcommittee of the House Select Committee on Aging estimates that there are between 2 to 3 million noninstitutionalized aged persons in the United States who are bedfast, homebound, or have difficulty getting outdoors without help.

Yet these elderly individuals may not benefit from existing home health services either because they do not qualify for such services under current medicare or medicaid policy, or because they are simply unaware of the home health services that are available to them. Providing them with home health services would be an excellent preventive method for keeping them out of more expensive long-term care institutions as they get older.

The National Council for Senior Citizens estimates that one out of six older Americans who are not in institutions are in need of direct health care and social services if they are to remain in their own homes and communities. Yet, today, only 2.5 percent of that population—some 200,000 individuals—are receiving these services that they need.

Only 1 percent of medicaid expenditures for the elderly goes toward home health care. In contrast, 70 percent of medicaid's over $3 billion annual expenditure for elderly health care goes to nursing homes.

Our bill, H.R. 453, represents a consolidation and strengthening of measures for improving health care for our senior citizens that I have developed over the years. By expanding the coverage of home health care services under medicare and medicaid, older Americans could retrain all the benefits of living independently in their own communities while the tremendous financial outlay from these programs to nursing homes and chronic care institutions would be reduced.

With this reintroduction, the number of cosponsors supporting H.R. 453 is 93. The support for the bill is broad based geographically and bipartisan politically. This home health care legislation need not wait for comprehensive national health insurance; it is a program that stands on its own as an efficient, quality alternative to the over-institutionalization currently experienced by the Nation's elderly.

CLEAR PICTURE OF CASTRO

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following editorial, which appeared in the Oxnard Press Courier June 28. The editorial discusses the implications of U.S. efforts to normalize relations with Cuba:

CLEAR PICTURE OF CASTRO

Fidel Castro has become a familiar figure in American living rooms and dens lately because of a spate of television close-ups of the Cuban dictator. These dialogues have been more revealing than most snippets of Castro news film aired in the past, and they have come at an ideal time.

There is a distinct impression that Castro has been more than a little amused by the current wave of interest in his island domain—from the Carter administration's diplomatic overtures, to the dutiful visits to Cuba by American senators and congressmen, to the probing questions by Barbara Walters into his mysterious personal life. In fact, it appears Castro has been more amused than aggravated by the gyrations in American policy toward Cuba over the years, despite his professed fears of the CIA.

Viewers can see whatever they're looking for in the Castro image. Presumably, American opinion remains divided between those who regard their bearded Caribbean neighbor as a misunderstood Third World reformer, and those who see him as a ruthless revolutionary all the more dangerous because he can buffalo so many American visitors.

The recent interviews were valuable for what they add to the scales in weighing President Carter's effort to "improve relations" with the Castro government. The President has carried this initiative so far to the point of relaxing travel restrictions, encouraging American businessmen to consider the benefits of Cuban trade, and setting

up a permanent channel for U.S.-Cuban diplomacy via intermediary embassies.

But if Carter is waiting for a construction response, he apparently has a long wait ahead.

Castro himself is saying he doesn't think full diplomatic relations can be restored in Carter's current term and possibly not in a second one. We take this to mean he has no intention of doing anything that would make such an event acceptable in Washington.

He will use his troops in Africa as he pleases. He is not interested in a partial lifting of the trade embargo—it's all or nothing at all. As for political prisoners in his jails, so what? Indeed, Castro sees no relevance at all to Cuba in Carter's human rights policy. But what can one expect from a man who thinks the Soviet Union is the freest country in the world?

Since Castro slammed the door on a gradual resumption of trade relations, that issue appears to be closed, and the Senate voted June 16 to drop a propsed relaxation of the embargo. Americans who want to visit Cuba remain free to do so, and this relaxation of an old passport restriction can help convince the world that the United States supports freedom of travel.

President Carter senses that the U.S. policy trying to isolate Cuba has not accomplished much, and Castro must be reckoned with.

But Castro has now made clear that resuming diplomatic relations with the United States is well down the list of his ambitions. He remains dedicated to promoting Communist revolution in the Third World and is prepared to march to step with the Russians in Africa and elsewhere.

Given the picture that Castro has projected of himself, Carter's Cuban policy appears already to have gone as far as it can go.

TOO MUCH GOVERNMENT

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. COLLINS of Texas. Mr. Speaker, I was impressed with a message sent out by the president of our Texas Retail Federation. President Alan Griswood is a respected merchant and successful businessman.

Read the commonsense statement of Texan Alan Griswood:

Either Madison or Hamilton, writing under the name of "Publius" in the Federalist Papers, warned:

"It will be of little avail to the people that the laws are made by men of their own choice, if the laws be so voluminous that they cannot be read, or so incoherent that they cannot be understood . . ., or undergo such incessant changes that no man, who knows what the law is today, can guess what it will be tomorrow."

During our TRF Washington tour this May, a spell of despair fell over me as I reflected upon the gigantic Government grist mill grinding out new laws, volumes of regulations and executive orders. For some time now it has been quite obvious that Congress has by statutory edict delegated most of its authority to the powerful and autonomous Federal Agencies such as HEW, FTC, OSHA, CPSC, EPA and others. Beyond this, there has developed a huge network of Congressional Committee Staff Aides now numbering about 3500—the strength of a Roman legion.

The "Shadow Power" of these congressional committee employees impacts on almost every bill passed by Congress affecting farmers, businessmen, consumers—people throughout the entire nation. While most of them are professional people, they have lost contact with or are ignorant about the private sector. Senator James B. Allen (D) of Alabama reports ". . . unfortunately, to a large extent, Staffs orchestrate and call the tune for Senate committee members. We're being taken over by non-elected, mushrooming staffs."

In despair and discouragement one seeks for either an escape or a means by which to change the status quo. Although the process might be slow and tedious, I firmly believe that we in the private sector can mandate a change by electing to Congress those who are willing to stand against super-government and "Shadow Power." As most would agree, many Congressmen have come through the halls of the State legislatures.

We must assist in electing State legislators. Some of those elected will move on to Congress. Perhaps these Congressmen, influenced by your concern and interest, would begin the task of enjoining super-agencies and legions of Staff Aides wielding "Shadow Power."

CAPITOL HILL IS NOT A GAMBLING CASINO

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. TEAGUE. Mr. Speaker, most of the arguments presented against construction of the Clinch River breeder reactor have been based on heavy speculation. I do not believe it is either ethical or responsible to base a far reaching decision on shaky possibilities. I do not want to gamble with this Nation's future by canceling the Clinch River breeder reactor especially in light of the fact that we have the technology, the manpower, and the financial resources to eventually become energy independent with the Clinch River project as our next step toward that goal.

The new national energy plan presupposes that we do not need the breeder because we have 3.7 million tons of uranium oxide reserves to fuel present light water reactors. That is highly speculative. The National Academy of Sciences has recently assessed the accuracy of the 3.7 million ton estimate as 3 percent probable.

The new national energy plan is based on the premise that we will not need as much electrical power 20 years from now as we originally projected we would. There are too many facts that belie this supposition. The growth rate of U.S. electrical usage in the last two decades has averaged 6 to 7 percent. This growth rate has been attributed to increasing population, increasing use of electricity in individual homes and businesses, and conversion to electricity as the major energy source of power in both homes and industry. Although recent economic conditions led to a reduced electrical growth rate, most electric utilities believe that the growth rate of electricity over the next 10 years will remain in the 5 to 7 percent range. This is substantiated by the fact that today the national electrical growth rate is running at just above 6½ percent per year.

The growth rates for electrical usage will continue to increase in the future even though it is projected that the United States will be at zero population growth by 1985. This will occur because the children already born will increase the number of households by 34 percent, the labor force by 25 percent, and consumers between the ages of 25 to 34 by 61 percent. In addition, there is and will continue to be an increase in the number of industries and homes converting from direct burning of fossil fuels to electricity as their principal energy source.

The national energy policy places much emphasis on conservation. Every American believes in conservation. However, the presently proposed policy emphasizes conservation by sacrifice, whereas sacrifice is neither the only nor the best way to conserve. Rather than depend on a sacrificial policy, I favor a good sound business approach to conservation which would include incentives to cut back on waste, technical research, and development to improve inefficient machinery and the breeder to give us substantial power to run this Nation 20 years from now when oil, natural gas, and even uranium ore may well become collectors' items.

There is a lot of room for constructive conservation. Both the state of technical development of machinery and the application of energy resources is still startlingly inefficient. The efficiency of oil and gas heating is only 5 percent. Air-conditioning is 4½ percent efficient; refrigeration 4 percent; gas fired hot water heating 3 percent; electric resistance heating 2½ percent; electric water heating 1½ percent; steel production 23 percent; aluminum production 13 percent; cement making 10 percent; petroleum refining 9 percent and paper manufacturing 1 percent. Thus there is much work that can be done in conservation. However a critical question is how long will it take to improve these inefficiencies.

The new energy policy presumes that this Nation will increase its coal production 88 percent by 1985. Certainly we need coal and we need to increase coal production to produce gas and synthetic fuels, but the coal component of this new energy policy, like its other components, is alarmingly optimistic. According to the Office of Technology Assessment, the energy plan contains no direct stimulus for higher coal production—

It assumes that a complex set of related elements will converge to create a market for 1,265 million tons of coal in 1985.

The plan singularly ignores the fact that private industry cannot afford to throw reliable oil fired equipment away in 8 years without passing this additional expense on to their customers who cannot afford it either.

As a matter of fact, there are about a dozen manufacturers who make a total of 200 large industrial coal-fired boilers each year. Another group of manufacturers could expand to make another 200 coal fired boilers a year, but the new national energy proposal is based on designing, manufacturing and installing 2,500 new coal-fired boilers in 8 years. It may be possible if other manufacturers elected to expand their product lines and if there was a market for these 2,500 new boilers, which there is not now.

The coal proviso of the plan depends on wet scrubbers, with all their incumbent sludge problems, for preserving the environment as we increase our dependence on coal, but it does not allow sufficient time to introduce more promising technologies such as pretreatment, fluidized bed combustion, and low Btu gasification.

In summary, let us review the assumptions upon which this all important policy is based. There is speculation of more uranium ore than we actually know exists. There is the presumption that we may not need as much electricity in the future as originally estimated. There is immature optimism that the Arabs will continue to extend their good will indefinitely—although the administration is developing gas rationing. There is the suggestion that people will drive less. There is the hope that we will find more oil. There is the projection that we may have a breakthrough in some new technology. Mr. Speaker, this plan even speculates that all speculations will happen on schedule to the Nation's benefit.

Finally, this new energy proposal does not demonstrate that Americans will have power at a price they can afford when they need it. The basic law of economics—as demand increases or remains constant while supply drops, prices will rise—has been ignored. It does not adequately address our long-term product needs. For example, if we continue to burn oil and let this resource go up in smoke, how will we make synthetic rubber, plastics, fertilizers, drugs, dyes, resins, synthetic fabrics, paints, solvents, detergents, and pesticides in the future?

It does not include a role for an energy source that is equivalent to 1 trillion barrels of oil—the stockpiled uranium-238.

Mr. Speaker, I am in favor of taking the speculation out of the national energy plan. I am in favor of taking the only sensible path: constructing Clinch River now, in time, so that when and if we need commercial breeder reactors, the United States will stand ready and able to keep its economy strong with sufficient energy.

CLARIFICATION OF THE MEDICAID "FREEDOM OF CHOICE" PROVISION

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. KOCH. Mr. Speaker, one of the major obstacles to instituting responsible, comprehensive, cost-control practices in the medicaid program has been the "freedom of choice" provision of the medicaid law—that part of the law that permits a medicaid recipient to receive federally reimbursed health care at any time from his or her choice of provider. I first became concerned about the consequences of this provision when the city of New York was prevented from instituting a cost-effective and quality controlled program of consolidating ancillary lab services for medicaid recipients, because HEW ruled that the proposal violated the freedom of choice provision. This Congress, I introduced H.R. 6988, a bill to allow the Secretary of HEW to waive the freedom of choice requirement so as to allow innovative health care administration by State medicaid plans, because I believed that States should be allowed the flexibility to institute creative health programs of quality care at reduced costs.

Recently, in conducting research into the need for H.R. 6988, I have learned that the controversial freedom of choice provision is not as restrictive as had been assumed, and that, in fact, alternative programs of health care that would be cost-effective and of high quality can be instituted without violating this requirement.

One such alternative proposal, developed by Richard Nathan and James Posner, consultants to the New York City Comptroller, would require that medicaid patients select a licensed primary care physician in their borough of residence. The medicaid patient could change the name of the selected doctor at any time, but would remain enrolled with the selected doctor, whose name would appear on the medicaid card, and reimbursement for primary care would be made only to that doctor.

The designated physician would provide all primary care, and would be responsible for referring all patients to their secondary care as needed. Women could choose their gynocologist, and families with children could choose a pediatrician. Any emergency care would also be reimbursed regardless of the provider.

Implementing this system would result in an increase in the present quality of patient care by providing the medicaid recipient with regular medical services performed by the same doctor, thus encouraging a more stable patient/doctor relationship and establishing a continuous medical history for each patient.

In addition, the excessively wasteful practices of "doctor-shopping" and "ping-ponging", which both result in the reimbursement of successive and unnecessary patient visits, would be discouraged. In the city of New York these practices have helped contribute to a rate of medicaid visits per patient that is 50 percent above the national average. In addition, the reimbursement rate for amubulatory care visits to hospital based clinics and emergency rooms, which have a higher cost base and therefore a higher reimbursement rate than do private physicians, is 45 percent above the national average in New York City. Instituting the Nathan/Posner proposal would discourage this indiscriminate overutilization of these expensive facilities. It is estimated that the cost savings in instituting these controls would be $37 million annually for New York City alone.

Because of the tremendous potential for reducing costs and increasing quality of health care under medicaid through this program, I asked HEW officials for their opinion as to whether the program could be instituted without violating the freedom-of-choice requirement of the medicaid law. As the appended correspondence indicates, the freedom-of-choice policy does not preclude the institution of the program; in fact, the State of North Dakota's medicaid program operates under similar restrictions of primary care.

Mr. Speaker, the medicaid program is placing increasing financial and administrative burdens on local, State, and Federal governments that must soon be curbed. Last year, the financial outlay for medicaid increased by 13.1 percent. This investment into health care for the Nation's indigent has thus far been protected by increasing the Federal bureaucracy to monitor and audit the administration of the program, when what has been most needed is the institution of fundamental business practices.

The Nathan/Posner proposal is one such alternative method of delivery of health services that can be implemented immediately, and should be adopted by the city of New York promptly.

In conclusion, Mr. Speaker, while the need for my bill, H.R. 6988, has been largely addressed by HEW's explanation of their freedom-of-choice policy, other steps must soon follow. The guidelines governing the freedom-of-choice provision should be clarified and publicized so that States might exercise their options for implementing innovative health care programs. Now that the interpretation of the freedom-of-choice provision has been clarified, we should use this opportunity to initiate the responsible business practices the medicaid program so desperately needs.

My correspondence with HEW follows:

JUNE 16, 1977.

Mr. HENRY SPIEGELBLATT,
Director, Division of Policy and Standards, Department of Health, Education, and Welfare, Mary E. Switzer Building, Washington, D.C.

DEAR MR. SPIEGELBLATT: Thank you for attending the meeting yesterday afternoon with Congressman Scheuer, myself, and others, and I was pleased to hear you say that localities have the authority under existing law to institute the type of primary care plan for medicaid recipients I described to you. As I mentioned to you, I would greatly appreciate a memorandum or letter to that effect directed to my attention, and I am looking forward to its receipt.

I am enclosing a copy of a report submitted by the City of New York's Office of the Comptroller outlining specific recommendations for establishing "utilization controls" for primary care of medicaid recipients (see page 3 of the report). This proposal is essentially the one I described to you in our discussion yesterday. I would like to know, given your remarks at the meeting, if the City of New York or New York State is presently able to authorize the institution of this program.

Your prompt consideration of this request would be most appreciated. Thank you for your assistance in this matter.

Sincerely,

EDWARD I. KOCH.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, HEALTH CARE FINANCING ADMINISTRATION,
Washington, D.C., June 21, 1977.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: This is in response to the specific question that you discussed with Henry Spiegelblatt in regard to your bill (HR 6988): Can a State title XIX agency require recipients to select a primary physician and be locked in for a reasonable period of time?

Existing policies already allow the State that latitude.

A number of States are currently utilizing the primary provider concept for some recipients identified as probable over-utilizers. Several other States are in the process of instituting it and some that use it in one area, for example pharmacies, are planning to expand it to physicians. At least one State, North Dakota, uses it across the board for all recipients. The States that have the program find that it is an effective method of utilization control.

Guidelines pertaining to the designation of a primary physician were issued in June of 1972. The intent was to provide the States with a method of utilization control in cases of suspected over-use, doctor shopping, etc.; however, the policy allows for a State to exercise this option at any time. In addition, the State must provide opportunity for a change in primary physician designation either after a reasonable period of time or upon a recipient's demonstration of good cause for change may request a fair hearing.

With regard to the proposal for utilization controls discussed on page 3 of the report by the City of New York's Office of the Comptroller, the only portion which is not in agreement with our regulations is the statement referring to selection of a primary physician from a panel of primary care physicians. Medicaid policies provide that a recipient is to be allowed choice of a physician from among available providers of covered health care and services.

I hope this will be of assistance. If you have any further questions, please do not hesitate to call me.

Sincerely yours,

ROBERT A. DERZON,
Administrator.

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 24, 1977.

Mr. ROBERT A. DERZON,
Health Care Finance Administration, Department of Health, Education, and Welfare, Washington, D.C.

DEAR MR. DERZON: Thank you for so promptly responding to my request concerning the across the board designation of primary physicians by Medicaid recipients under existing Title XIX policy. I was very pleased to hear that current Medicaid policies allow such programs to be instituted by State agencies, and that in fact, North Dakota is currently operating under such a plan.

However, I am concerned that the 1972 regulations governing the designation of primary care physicians expressly indicate that the State agency may require the designation of a primary care physician *whose over-utilization of covered services is definitely confirmed, and when efforts to solicit voluntary cooperation of the recipient have failed* (emphasis added; see page 3 of enclosed regulations). To be sure, your letter adds that policy allows a State to implement the designation of primary care physicians by recipients across the board. Nonetheless, because of the conflict between the content of the cited guidelines and the policy as you describe it in your letter to me, I would appreciate further clarification of the policy, to wit:

Although New York City has neither confirmed that individuals have over-utilized covered services, nor has attempted to solicit the voluntary cooperation of recipients who have abused services, would the City still be able to institute a program of individual designation of primary physicians under current Medicaid policy?

If Department policy allows State agencies to designate primary care physicians of the individual's choice across the board, does the Department intend to clarify this policy by either revising existing regulations or by instituting new guidelines?

I would greatly appreciate receiving your response to these questions by Tuesday, June 28.

In addition, any information you might supply me regarding the institution of utilization controls by State programs in other areas, such as pharmacies, and in the area of primary physician care would also be appreciated.

Thank you for your consideration.

Sincerely,

EDWARD I. KOCH.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, HEALTH CARE FINANCING ADMINISTRATION,
Washington, D.C. June 28, 1977.

Hon. EDWARD I. KOCH,
House of Representatives, Washington, D.C.

DEAR MR. KOCH: Thank you for your letter of June 24. In response to your specific questions:

Yes. New York City is able to institute a program of individual designation of primary physicians. Current Medicaid policy allows States the latitude to do so, as per the example of North Dakota.

At the present time, there is no move toward revising the guidelines. As you know, Medicaid is a Federal/State program and our staffs are in close contact with the State agencies. If a question arises around interpretation of a policy or if there are any difficulties in the administration of policies, we are made aware of them almost immediately. Since this particular policy has raised no such question and many States have successfully implemented the use of primary physician designation, we have no reason to feel that it needs further clarification at this time. We are, of course, amenable to it should the need become evident.

I would like to take this opportunity to clarify the distinction between the terms "regulation" and "guidelines". The promulgation of regulations involves a process of preliminary publication of proposed regulations in the Federal Register and a period for the public to comment prior to the issuance of the final version of the regulation. Final regulations have the force and effect of law. Guidelines are published by the Department for the States' use as suggestions for determining ways to implement the regulations. Thus, the 1972 program regulation guides to which you refer in your letter represent a clarification of certain aspects of the freedom of choice policy. They do not represent a complete statement of the policy.

Let me know if I can be of any further assistance.

Sincerely yours,

ROBERT A. DERZON,
Administrator.

KENNEDY CENTER: OTHERS BEGIN TO SEE THE LIGHT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. ASHBROOK. Mr. Speaker, I have been critical of the millions of dollars that have been spent on the Kennedy Center in Washington, D.C. As I have pointed out on several occasions taxpayers throughout our country have some of their tax funds going to subsidize an arts center which is only used by a small elite.

The Center has seen cost overrun after cost overrun. It follows in the tradition of so many other Government projects whose original cost estimates turn out to be only a small percentage of the total cost. And who is enjoying the results of all these Federal largesse. Let me quote a recent observer:

In point of fact, the Kennedy Center is primarily a Washington institution, built and run for the entertainment of Washingtonians—and not even all of them, but mainly the prosperous, the chic and the powerful.

You might think these words appeared in a more conservative publication but they appeared in an article in the New Republic which was reprinted in the Washington Star. Since the New Republic appears to have made sense at least this once, I want to share with my colleagues the text of the article as it appeared in the Washington Star:

[From the Washington Star, July 10, 1977]

KENNEDY CENTER—THE CAPITOL'S MONUMENT TO STATUS, WEALTH, POWER

(By Stephen Chapman)

When Clive Barnes saw the Kennedy Center for the first time, he rejoiced that New York no longer had the nation's ugliest opera house. Ada Louise Huxtable, the *New York Times* architecture critic, described the whole complex as "Washington superscale, but just a little bit bigger . . . Albert Speer would have approved."

It squats on the east bank of the Potomac glaring malevolently across the river at northern Virginia, as if at its next meal. Since it opened in 1971, the Kennedy Center has become a focal point of Washington life; it's hard to imagine what life here was like before. In some ways, in fact, the Kennedy Center has become a metaphor for the special vulgarity of Washington: isolated, expensive, tastelessly grand, reflecting a love of power more than a lover of the arts.

Three million tourists visit the Kennedy Center each year. They rarely see a show. Rather, they are led through the building by guides who read off supposedly impressive statistics about various features of the place. The provincials are told, for example, that the Grand Foyer is 630 feet long, 40 feet wide, and 60 feet high—"one of the largest rooms in the world." (If may well be the world's largest design cliche, a panoramic vista of red carpet, white marble and crystal chandeliers: a computer's vision of "elegance.")

The marble for the building, donated by "the people of Italy," weighs 3,700 tons in all. The crystal chandeliers are not only dazzling but heavy—one ton each, to be exact. Not even the bust of John Kennedy that overlooks the Grand Foyer is allowed to stand on its artistic merits (like the rest of the place, it is big and ugly) but must be described as standing seven feet in height and weighing 3,000 pounds.

The tour guide neglects to mention that, while the marble is a gift from the people of Italy and the mirrors from the people of Belgium and the paintings outside the Eisenhower Theater from the people of Mexico, the center itself is what one might call a gift from the people of the United States.

It wasn't supposed to be that way. Back in 1958 when President Eisenhower signed a bill to establish a national cultural center in Washington, the government was only to donate a few acres of land. The bill's sponsors in Congress repeatedly promised that the center would not cost the taxpayers a red cent, then or ever.

The promise was quickly broken. After President Kennedy's assassination, Congress rushed to name the center after him and for good measure threw in a $15.5 million grant, plus a loan of $15.4 million.

That help wasn't enough, since the project suffered cost overruns rivaling the Pentagon's worst. Arthur Sampson, while public buildings commissioner for the General Services Administration, called the Kennedy Center "one of the most mismanaged contracts I've ever seen in my life." In 1969, Board Chairman Roger Stevens (who once owned the Empire State Building) went back to Capitol Hill to ask for more money so he wouldn't have to leave the center unfinished, and Congress obediently coughed up another $7.5 million and increased the federal loan by $5 million.

By the time it opened in 1971, several months behind schedule, the center had increased in cost by $20 million over its original $46.4 million price tag. Nor did the cost overruns end with completion of construction: in February of this year, the center requested and got another $4.7 million from Congress to repair 150 leaks in the roof—bringing the cost to the Kennedy Center to the taxpaying public to nearly $28 million, in addition to $25 million in federal loans that no one expects to be repaid. Passing over all this, the tour guide informs her listeners that one third of the building's construction costs were paid by private sources and foreign governments.

Every step of the way, the center's supporters have been careful to stress that it would be a cultural institution not only for Washington, but for the rest of the country too. Eisenhower declared that "the cultural center belongs to the entire country." President Johnson, conceding that "this center will brighten the life of Washington," hastened to add, "But it is not just . . . a Washington project. It is a national project and a national possession."

Clearly it is a case of protesting too much. In point of fact, the Kennedy Center is primarily a Washington institution, built and run for the entertainment of Washingtonians—and not even all of them, but mainly the prosperous, the chic and the powerful.

The Kennedy Center is one of those fashionable institutions with several different boards, committees and advisory groups attached to it, in order to make room for all the people who want to be connected with it. One of the most entertaining things about going to a show there is reading the long lists of names in the program. It is a marvelous roster of several political generations of Washington bright lights, a simultaneous reminder of the transitory nature of power and the relative immutability of status: Mrs. Edward Finch Cox (nee Tricia Nixon), Abe Fortas, Mrs. Stephen Smith, Arthur Schlesinger, J. Willard Marriott, Jack Valenti, and so on.

The Kennedy Center attracts a more homogeneous crowd than do the Broadway theaters in New York. Most New Yorkers go to the theater to see the shows. Some of them, of course, are rich and can afford it; others save up for it as a special treat. The Kennedy Center audience is different. A woman who works there says, "Washington doesn't have middle-class and lower-class people like those in New York, who save up for weeks to go to a play or a symphony." Tickets prices at the Kennedy Center are equivalent to those in New York, and exceed those anywhere else in the country, so it's no surprise that most of the customers are prosperous. And of course very few are from out of town: 90 per cent come from within a 50-mile radius of the Capitol.

One center employe says, "The audiences are like a Who's Who of Washington. They all come here to be seen." They are not the world's most sophisticated or sensitive audiences, often showing more interest in who's sitting in the President's box than in what's happening on stage. (Sitting in the President's box is a favorite perk of the White House staff, equivalent to playing tennis on the President's court.) When President Carter, an opera lover, does show up, he sometimes gets more applause than the diva of the day.

Except for the National Symphony, the Kennedy Center does not have a home company. It relies instead on imported attractions, with heavy emphasis on "stars."

No one has done any demographic studies of Kennedy Center audiences, but one employe of Stagebill, the Kennedy Center program magazine, says, "The studies in other cities show that the average theater-goer is 38 and has an income of $36,000 a year, and those figures are probably higher here." The programs give a pretty good idea what sort of people the Kennedy Center attracts; they contain lots of ads for Mercedes-Benz and Cadillac, several different Scotches, the British Airways Concorde ("Washington to London in 4 hours"), and various fashionable cothing stores. No doubt the advertisers know their markets.

But what about all those tourists? The Stagebill employe says, "Look, the tourists gets off a bus at eleven in the morning, take a tour, and split. They won't spend their money on tickets to the opera or the theater. You don't bring Joe Blow from the farm to see La Scala."

Like any government subsidy of the arts, therefore, the Kennedy Center operates as a benefit for the well-to-do, partially paid for by taxing the lower orders. But the Kennedy Center is worse: the government has taken money from the relatively poor sections of the country to provide entertainment for the most affluent residents of the nation's most affluent city. The lawyers and lobbyists and journalists benefit just as much as those actually on the government payroll.

In other words, the Kennedy Center is a conspicuous symbol of Washington's parasitic feeding off the rest of the country.

ICE CREAM

HON. CHARLES ROSE III

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. ROSE. Mr. Speaker, there is a battle raging in this town over the subject of ice cream. The Food and Drug Administration is proposing to change the standard of identity for ice cream which will allow casein and whey solids to be substituted for the current requirement that ice cream contain a percentage of nonfat milk solids. Nondairy creamers are basically casein. If casein in coffee must be called nondairy creamer, how can ice cream manufacturers be allowed to make casein ice cream and not call it "nondairy ice cream"?

I insert at this point in the RECORD a very good editorial on this subject which appeared in the Washington Star on July 12, 1977:

ICE CREAM: A MATTER OF TASTE

Ice cream loversa— category that surely includes most of us—beware.

The Food and Drug Administration is thinking about issuing an order that would eliminate a requirement that ice cream include 10 per cent nonfat milk solids and allow manufacturers to substitute casein, an imported milk derivative that is cheaper.

The proposal has led to a strenuous argument between the ice cream makers who want the change because it would lower the cost of production and milk producers who oppose it because it would mean the loss of a lucrative market for U.S. dairymen.

If FDA issues the order, it would cost taxpayers nearly $200 million the first year because the displaced nonfat dry milk would move into government hands under the milk price support program.

But that may not be the worst of it. According to Patrick Healy, secretary of the National Milk Producers Federation, the substitution would rob ice cream of its taste and texture.

Not being chemists or experts in the manufacture of ice cream, we don't know for sure what the proposed FDA order would do. But we do know that already ice cream and a lot of other products masquerade under the name "ice cream" but taste like a combination of air and glue. We certainly wouldn't want to see the product deteriorate further in taste and texture.

The FDA had planned to issue the order last month but held off to get more data from supporters and opponents in order to determine whether a public hearing should be held.

It seems to us that a public hearing definitely is in order—complete with samples. And put the ice cream manufacturers and the milk producers in the back row. The front row ought to be reserved for ice cream consumers, who don't stand to make or lose huge sums of money but who don't want to see this delightful goodie turned into another plasticized product.

MEAT IMPORTS HURTING

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. ABDNOR. Mr. Speaker, this week the International Trade Commission is concluding a series of hearings on the impact of meat imports on domestic livestock markets. These hearings began June 14 in Rapid City, S. Dak., and have subsequently been conducted in Kansas City, Mo., and Dallas, Tex., before moving to New York City.

My statement to the Rapid City hearings emphasized the urgency of confronting the effects of unwarranted imports on the domestic market as well as the gross inadequacies of the current Meat Import Act.

The hearings should be considered as the first of many steps needed to find a resolution to this grave problem. Hopefully, the Congress will also address itself to the 14 loopholes of the Import Act itself, which I outlined in my statement.

The statement follows:

THE HONORABLE JAMES ABDNOR, FOR THE U.S. INTERNATIONAL TRADE COMMISSION, WITH REGARD TO LIVESTOCK AND MEAT IMPORTS, RAPID CITY, S. DAK.

Mr. Chairman and members of the Commission, please accept my heartiest welcome to the "land of infinite variety," the great state of South Dakota, and to the largest city in my Congressional district, Rapid City. Accept also my heartfelt thanks for instituting this investigation and this hearing, the first of several, into a matter of vital importance to my constituents.

As you may know, South Dakota is the most agricultural state of all in terms of the percentage of our people who make their living at it; and the sale of livestock constitutes the major source of agricultural income in our state. Certainly, you could not have chosen a more appropriate location to begin to gather public input into the critical determinations you are called upon to make. Indeed, there are crucial decisions to be made with respect to meat and livestock imports, and it is high time they are made.

The efforts of the National Association of Meat Promoters in petitioning the Commission for relief, is courageous and has my strongest commendation and support. One can only wonder why no one has done so before. It appears the inadequate and largely ineffective Meat Import Act of 1964 has acted to distract the attentions, if not to pacify the crying needs of the livestock industry for relief from the economic buffeting of unwarranted and excessive imports.

Please note that I said unwarranted imports. I am not one who wishes to cut off my nose to spite my face. I know that America must import in order to export. I am fully aware of the great and special interest of agriculture to maintain open channels of trade when, for example, we must export on the order of two-thirds of our wheat or be faced with the prospect of taking farmland and farmers out of production.

The interests of literally no one are served by unduly protectionist trade restrictions which promote only inefficiency and economic stagnation. I believe farmers and ranchers not only realize the fact, but they relish it and dream of the day they might be permitted to unfetter their productive efficiencies in supplying their wholesome abundance to a world market which is truly open.

Your cause for action, then, is not to protect a weak or inefficient industry, for that is not the livestock industry. Your justification and your charge is, rather, to ensure an orderly and fair market place in which the true forces of supply, demand, and price are permitted to operate. Of course, the ideal will never be reached but certainly there are improvements to be made. I believe they can be made within the context of amendments to the Meat Import Act, and I urge you to forward recommendations to Congress in this regard, pursuant to your authorities under Section 332 of the Tariff Act of 1930.

I was not a Member of Congress when the 1964 Act was passed. We have studied its provisions, however, and in November of last year I identified fourteen factors which we feel serve to defeat the intent of the law. It has been my hope these inadequacies could be remedied legislatively, but it is apparent the need is not appreciated by the urban-oriented Congress or its leadership, who must move the necessary legislation.

Your recommendations, therefore, can serve the vital purpose of forcing Congress to attend to the serious problems of the livestock industry which rural members of Congress, individually and collectively, have tried in vain to explain. There is no doubt in my mind that these hearings and other aspects of your investigation will document full well the severe problems of the industry.

At a minimum, I believe your recommendations should deal with the following problems we have identified with respect to the Meat Import Act of 1964:

(1) The quota, by statutory formula, increases as domestic production increases. Thus, when there is overproduction and market prices are reduced, the quota is higher at the very time it should be lower. These provisions fly in the face of the well-known and established cyclical nature of domestic livestock production. If the framers of the law were aware of this problem, it certainly does not show in their work.

(2) The "trigger point" at which the President may invoke the quota is 10 percent higher than the quota itself. The quota has, as a result, been invoked only once in the law's nearly 13 year history—even though the quota has been routinely exceeded. President Ford, in October of last year, became the first and only President to invoke the quota.

(3) In lieu of invoking the quota, "voluntary restraints" have been negotiated with countries which export to us. The State Department, rather than the Agriculture Department, has been designated the lead agency in the negotiations, however, with the result the intent of the law to protect the interests of the industry has been subverted by the efforts of our own negotiators to serve the interests of international relations first and foremost.

Although we are assured the problem has been corrected this year, in the past Canada has not been included in voluntary restraints. Inevitably, nations who have been in danger of exceeding their own voluntary restraint levels have simply transshipped their meat exports through Canada, thereby making a mockery of the entire system.

(4) If voluntary restraints are not adhered to, with result the trigger point is exceeded, it is unlikely any President with less intestinal fortitude than President Ford could withstand consumer and international pressures and actually invoke a quota which is 10 percent less than the level of imports agreed upon with foreign nations in diplomatic negotiations. Consequently, the quota is a farce and a cruel hoax on the stockmen who are supposed to be secure in the knowledge their government is looking out for them. President Ford did invoke the quota but at a level higher than the statutory minimum provided by law. He should be commended for his courage in being the first President to do so, but it is instructive to note he is no longer our President. Certainly President Carter and his successors will think more than twice before they invoke the quota at a meaningful level.

(5) The law expressly states that international trade agreements may take precedence over the statutory quota. Thus, the law might more properly be called the "International Relations Meat Import Act."

(6) If the quota is invoked, the law expressly states the President may suspend it at any time—even simultaneously!

(7) The law provides no authority for the President to completely embargo meat imports, regardless of the international situation or domestic market prices.

(8) The President is not given authority under the 1964 Act to respond bilaterally against nations which interfere with the open commerce of meat in international trade. He is neither charged with the responsibility nor allowed to (a) close our borders to imports from nations which close theirs, (b) react to tariff or non-tariff restraints on meat exports, or (c) institute countervailing duties to offset various forms of subsidies paid by foreign governments on their exports.

These factors, it may be argued, are covered to an extent in other trade laws. It may also be argued, however, that the 1964 Act is the overriding statute as far as meat imports are concerned. Further, as I have pointed out, the industry has been led to believe the 1964 Act is their protector. As such, it is imperative these issues be addressed in a comprehensive and coordinated fashion. If the Meat Import Act is to be operative, it must cover these issues. If not, the industry must avail itself of other more general authorities. That, I guess, is the basic reason the Commission has been petitioned for relief. The Meat Import Act has not proven adequate to the task, but perhaps with your assistance it can be made so.

(9) If the Meat Import Act is to be effective, it must recognize the interrelationships of various meat products, as well as the livestock from which they are processed. Currently, the Act does not cover all meat imports or any livestock. Only fresh, chilled, and frozen meat of cattle, goats, and sheep (excluding lambs) are covered. In 1975 the result was that about 500 million pounds of imported red meat could not be counted against the quota along with the 1.7 billion pounds which were counted. Pork and processed meats of all types are excluded.

There is no mention of livestock in the law, despite the fact cattle imports in 1976, for example, totalled 983,844 head. That was 2½ times the 1975 total and represents an awful lot of beef, regardless of what the Meat Import Act does or doesn't say.

(10) Meats transshipped through "foreign trade zones", such as Mayaguez, Puerto Rico, and 17 other such areas, are not specifically covered by the law. Meats shipped to these ports and subjected to a degree of processing there have entered the U.S. legally without being counted under the Act. Supposedly, any such imports will, under the voluntary restraints negotiated this year, be counted against the allowance of the country of origination. It is my understanding, however, that court decisions which have been rendered show that it may be legally difficult to restrict imports through foreign trade zones unless the quota is invoked first. The quota has not been invoked. Can anyone provide firm assurances that such imports will be strictly controlled without changes in the law?

(11) Under the Act, USDA is only required to project import levels on a quarterly basis and there has been a certain amount of time lag in their estimates. In 1975 imports exceeded the trigger point in the fourth quarter despite USDA's prediction they would not. I understand efforts have been made to obtain more current data; but the law should clearly specify the responsibility of the Secretary to act immediately, rather than just quarterly, if it appears allowable import limits will be breached.

(12) There is no provision for counting imports in excess of the agreed upon level in any particular year against the level allowed to be imported from the offending country or countries in succeeding years. There is no real incentive to live up to their agreements. On the other hand, it is my understanding shortfalls in a country's exports relative to its allowance have been reallocated to others in danger of exceeding theirs.

(13) The quota, if it is invoked, may be set at any level above that established by the statutory formula, but not lower.

I am sure there are other examples which could be presented to demonstrate that the "quota" under the Meat Import Act of 1964 is little more than a sham, but I am equally sure you have the general idea I am trying to get across. Permit me one last specific criticism of the Act, however.

(14) Finally, the law does not suggest or require that producers be consulted in any way. As a matter of fact, it specifically states, "All determinations by the President and the Secretary of Agriculture . . . shall be final." Stockmen are, thereby, even denied the basic right to argue their case in court.

Frankly, the law is a disgrace. It is completely contrary to President Carter's avowed commitment to an open foreign policy in which citizens are allowed to participate. It purports to limit meat imports but does so only in a most superficial and irrational fashion. It allows domestic producers to be bludgeoned by the full force of international recession, compounded as other nations react to protect their own. It batters stockmen with the unexpected and adverse economic shocks of such factors beyond their control as the Mexican devaluation and expropriation of property. (These factors led to a flood of cattle exports to the U.S. Mexico has a quota on exports but we have none on imports from them.)

So. Mr. Chairman and members of the Commission, we petition you for a response which might lead to improvements in the Meat Import Act. We do so not on behalf of an industry which cannot take the heat of international competition. We believe it can. Given a fair chance it will. But it is not being given a fair chance and will not be as long as its competitors are allowed every

advantage an indefensible American policy affords.

Mr. Chairman, I make these comments not only as a concerned Congressman, but also as a livestock producer who has a very personal knowledge of the depressed state of the industry. My remarks have been largely directed to your deliberations under Section 332 of the Tariff Act of 1930. I appreciated your consideration in broadening the investigation to include Section 332, pursuant to my letter of May 24, 1977, signed by 19 of my colleagues in the House.

I do not mean to underplay the importance of the aspects of your deliberations under Section 201 of the Trade Act of 1974. Quite the contrary. I believe the case for action under Section 201 will be well established by the witnesses at this and subsequent hearings. I strongly urge your recommendations to the President that the tariffs be increased appropriately. Your favorable response in this respect should, in my view, be accomplished as quickly as possible and complement your suggestions to Congress for changes in the law, which can be expected to take somewhat longer.

Thank you very much for coming to South Dakota on this important mission. Your sincere consideration on the difficulties of livestock producers and the contribution of imports to our woes will be greatly appreciated. Your favorable recommendations to the President and to the Congress on needed remedies will be a service to the Nation.

Thank you again.

SECRETARY VANCE'S TRIP TO PEKING

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. DERWINSKI. Mr. Speaker, one of the most knowledgeable Americans in the field of foreign affairs is former Under Secretary of State Joseph Sisco, who is now president of the American University here in Washington, D.C.

Mr. Sisco was a career diplomat and always maintained the objectivity that his responsibilities required.

I believe his commentary on the forthcoming trip by Secretary of State Vance to Peking is especially pertinent, and I insert in the RECORD his article carried in the Friday, July 8, Wall Street Journal:

SECRETARY VANCE'S TRIP TO PEKING

(By Joseph J. Sisco)

When Secretary Vance goes to Peking in late August, he is likely to find a People's Republic of China that is primarily preoccupied with its own internal affairs, whose foreign policy remains essentially unchanged under Mao's successor, Chairman Hua Kuo-feng, and which has adopted a posture of watchful waiting with respect to the Carter administration.

My judgment is that the time is not ripe for a trip by a Secretary of State to achieve significant concrete results. But the planned exchange is nevertheless important and timely and can do much to set the tone, perception and pace of our relations with China over the next several years.

At a minimum, the new administration can dispel any impression which may exist in Peking that the China part of the superpower triangular equation has been downgraded.

These are the impressions garnered from a recent two-week stint which took me to Peking, Nanking, Wusei, Soochow and Shanghai, and which included talks with numerous officials, including China's foreign minister.

I am convinced from this trip, and one previously with President Ford in 1975, that our understanding of Communist China and its inner dynamics is limited at best. We know and understand little of the decision-making process. Moreover, any visitor can see only a very small part of this vast country, and only those parts which the hosts wish to show.

POLAR BEAR THREAT

Secretary Vance will find that Peking remains willing to proceed on the basis of the Shanghai Communique of 1972. There is no diminution in China's interest in the American connection. To put it in their words, it is the Polar Bear—the continuing Soviet plan to achieve world hegemony—that is the prime threat to mainland China.

The Chinese are not entirely reassured by what they have heard and seen of the Carter administration thus far. They have adopted a watchful waiting posture. I was told: "With regard to the policies of President Carter's administration, we will listen to his words and watch his actions. It will depend on this as to how things will go."

They welcome the steps taken by the Carter administration to strengthen our relations with our NATO allies and Japan. Knowing the international economic importance of the U.S., they are watching carefully how we cope with our problems of inflation and unemployment.

They viewed as significant the recent economic summit which brought President Carter to Europe for the first time. They showed keen interest in any specific programs that will unify Europe and the U.S. They want U.S.-Japanese relations to remain strong.

On the question of security, China wants us and our NATO allies to proceed vigorously in modernizing NATO forces and cooperating in arms procurement and manufacture. All this is based on the frequently expressed Chinese view that the Soviets are pursuing a strategy of "feinting to the East" while seeking to pick off Western European nations one by one.

Secretary Vance will find some uncertainty in Peking regarding U.S. policy in the trouble spots of the world, particularly in the Middle East and Africa. In the former, while damning both the U.S. and U.S.S.R., the Chinese damn the Soviets more. They characterize our policy as pro-Israeli and do not want the situation to evolve in a way which gives the Soviets opportunity to reemerge as a more effective power.

In Africa, China expresses fears that the U.S. has become a paper tiger by allowing the Soviets to use the Cuban surrogates in Angola. Peking is also concerned by what it considers a lack of U.S. resolve in Zaire.

The short of it, therefore, is that from China's viewpoint the dynamics of the triangular approach to foreign policy remain unchanged. The U.S. is still the main balance and deterrent to the U.S.S.R. for the foreseeable future, while China further develops its own nuclear capacity and moves slowly towards modernization of its armed forces.

THE TAIWAN ISSUE

Secretary Vance is also likely to find that China's attitude towards the U.S. and normalization of diplomatic relations remains as it has been. Taiwan, as both Mr. Vance and President Carter recently noted, remains the key issue. China's view is that the U.S. accepted a one-China approach in the Shanghai Communique, therefore it will not join the U.S. in a peaceful reconciliation of an issue that it considers an internal matter.

There has been much speculation in our press in recent months that China's patience on the Taiwan issue is running out. This is not my judgment. Peking is neitehr patient nor impatient. China has no interest in a U.S. exodus from Asia.

It cannot entirely disregard the fact that a resolution of the Taiwan issue, of the kind that would be broadly perceived in the world as weakening America's commitment to its allies, would only serve the interests of China's principal adversary, the Soviet Union. There is no substitute for American strength, and the fundamental differences between the U.S.S.R. and China remain.

Therefore, while normalization remains the goal, my assessment is that the Carter administration is not under compelling pressure to act immediately on the normalization issue. The current de facto situation with respect to Taiwan can remain for some time if the new administration should decide in view of the sensitivity of the issue to proceed at a deliberate pace.

Peking will not like it, but it is prepared to do is what is necessary. But it wants to be told clearly whether the Carter policy on Taiwan is to push ahead or temporize.

GOOD CONSERVATION POLICY MEASURE

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. PICKLE. Mr. Speaker, today the Ways and Means Committee reported out its energy tax bill and I would like to express to my colleagues several points about this legislation.

The bill that we are reporting is a good conservation policy measure. I believe that we have designed provisions that come very close to the President's original estimates for revenue and for energy savings and we have done so in a way that is more practical than the original plan and more in line with the concerns expressed by the Members of this House and their constituents.

However, I think it is very important for every Member to note that this is primarily a conservation measure; it is not a production measure.

I am very disappointed that this policy does not adequately address the problem of meeting our future energy needs. I would like to make several points about our future needs and our recent record of energy production that I hope my colleagues will keep in mind as this package of legislation moves toward consideration by the full House.

The President has set a goal of reducing our annual rate of increase in energy consumption to about 2 percent by 1985.

He has also set a goal of reducing energy imports to 3 percent below their 1976 level by 1985.

If we are to achieve these goals, our requirements in domestic production by 1985 will be about 34 percent greater than last year. That increase in production will match the maximum level of increase achieved in any other 9-year period of our history. This increase in domestic energy production must be achieved by reversing our present decline in domestic production. The increase in

production will fall on our conventional fuel sources—coal, oil, natural gas and nuclear.

There must be an increase in coal production by 1985 of 84 percent over 1976 domestic production.

There must be an increase in nuclear power generation by 1985 of 380 percent over our present capacity.

Compared to these figures, the production requirements for oil and natural gas as stated in the President's plan do not look particularly striking: A 9-percent increase in oil, a 7-percent decrease in natural gas and a slight increase of only 1 percent in total oil and gas production over 1976. But we must look at these figures in light of our recent and dramatic declines in the rate of production from our existing oil and gas fields.

Since 1972, production from existing fields has declined about 5 percent a year. Unless there is a radical change by 1985, the production of gas and oil will shrink from the current 19.2 mboed to less than 10 mboed. Therefore, to reach the President's production goal in 1985, new reserves must be discovered and developed to support a production capacity of about 10 mboed. That means we must discover over the next 9 years about 60 billion barrels of oil and gas equivalent. That is more than we have ever found domestically in any 9-year period of our history.

Again, I must emphasize that these immense increases are required even if we achieve the President's goals in conservation and they must be accomplished in the face of current and recent declines in domestic energy production.

This will require an all-out, rather desperate national production effort. It will require an effort that will call for billions of dollars of new investment capital for exploration, drilling, processing and transportation.

I am convinced that there is no way that private industry will be able to attract this amount of investment capital as long as we continue controls on the price of domestic oil and natural gas.

That is why I cannot understand a policy which raises domestic oil prices to the world price level by increasing taxes rather than by decontrol of prices.

Consumers will have to pay the world oil price for what they buy but the domestic producers of that oil will not receive any or much of that money to encourage them to invest in expanded production.

The stated purpose of taxing domestic oil to bring it to the world price level is to discourage waste of energy through higher prices. This same purpose could be achieved through decontrol of prices with the added benefit of increasing production.

At the same time, we could set a windfall profits tax on the oil companies to prevent enormous profits from decontrol.

During the debate that will follow on this energy legislation, I hope that my colleagues will consider this approach. I believe that this is the only way that we will meet the goals stated in the plan and add a production policy to this conservation policy.

TAXES, UNIONS, AND THE WELFARE STATE

HON. SAMUEL L. DEVINE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. DEVINE. Why, Mr. Speaker, must this Nation follow the perilous course of Great Britain, particularly in the field of socialization of the medical profession?

Quality medical care is among the first casualties of the general decline in England as is so dramatically pointed out in the enclosed article appearing in the July 1977 magazine Private Practice.

TAXES, UNIONS, AND THE WELFARE STATE

When a training post in general surgery was advertised by a hospital in Wolverhampton, in the north of England, twelve years ago, there were 26 applicants, 25 of whom had qualified in British medical schools. (The exception was from Melbourne, Australia.) The same post has just been advertised again. This time there were 21 applicants—from India, Pakistan, Afghanistan, Iraq, Egypt, the Sudan, and the Soviet Union. Not a single British doctor applied.

Recent advertisements for a senior post in ophthalmology, and for an ear, nose, and throat specialist, have produced similar results: a lot of applications from overseas, hardly any from Britain.

There is no mystery about the reason. A steady trickle now growing into a substantion flood, of ambitious young British doctors has been flowing abroad. They have emigrated to America, Canada, Europe, South Africa, Australia. Unambitious doctors have stayed at home, but see no point in working hard to secure specialist qualifications, because they cannot expect any commensurate reward in terms of either money or esteem.

At a recent British Medical Association conference to discuss this problem, Dr. Paddy Ross, a 40-year-old consultant surgeon at the Hampshire County Hospital in Winchester, put the point angrily and succinctly. "I have struggled my way through my junior career," he said, "looking for the light at the end of the tunnel, and when I got to the end of the tunnel, some bugger put the light out."

Accurate and up-to-date figures on the emigration and immigration of doctors out of, and into, Britain are very hard to find, partly because the Department of Health and Social Security has been reluctant to publish them. But the general tendency is not in doubt. British doctors have been leaving, and have been replaced—in as far as they were replaced—mainly by Indian and Pakistani doctors.

Despite repeated denials that there is any serious medical "brain drain," the Department of Health recently issued a circular containing a new offer. The department would pay the whole family's air fare back to Britain for any British trained doctor who had emigrated but would now agree to return and work in the National Health Service for at least three years. A spokesman for the Hospital Consultants and Specialists Association said that he hardly thought such an offer would attract doctors who were now earning three times as much abroad as they could hope to earn in Britain. "But this circular," he added, "is a tacit admission of just how unattractive conditions in the British hospital service have become."

Simultaneously and paradoxically, the Department of Health has issued another circular, asking hospitals to "release" medical staff to work overseas, principally in the Middle East, so that Britain can earn, in the Health Minister's phrase, "petro-dollars" from its medical expertise. An agreement has been negotiated by the British government under which, for every doctor or member of a back-up medical team who goes to work in one of the oil-producing nations, Britain will receive a cash payment in addition to the salary. Another effect, the government hopes, will be contracts for British pharmaceutical goods and medical equipment.

The Health Department conceded, in an explanatory statement, that doctors should be encouraged to go "only if there is no detriment to the National Health Service." But since British doctors are grossly overworked and there are long waiting-lists for beds in National Health Service hospitals, it is difficult to see how any significant number could be spared without doing further damage to the Health Service.

The explanation of this paradox—the right hand of the Department of Health apparently not knowing what the left hand has done—is again no mystery. When medical services become a branch of government, as they have in Britain, they are inevitably exposed to the conflicting political winds which buffet any government. Democratic politicians pursue short-term ends—the next election is usually their horizon—and are almost always willing to mortgage the future for a present gain. It is very difficult indeed, therefore, to maintain a coherent policy for a long period—or at all, since there are so many different pressures and demonds. Britain does need foreign currency and Britain does need doctors. It is politically necessary to do, and be seen to be doing, something about both demands. No one is going to worry very much if the two courses of action are not entirely reconciliable. Admittedly, this is not the best way to provide high-quality medical services, but it is virtually the only way to run a state-controlled health service.

The reasons which drive British doctors to emigrate are the same reasons which have been forcing out other professionals and middle-managers—not to mention pop singers, actors, and sportsmen. A succession of egalitarian "incomes policies" (cooked up between the government and union leaders for political reasons), combined with an inflation rate which is now approaching 20 percent again, and confiscatory taxation which rises, in a short step gradient, to 84 percent (and on investment income to an incredible 98 percent), is reducing everybody's standard of living and has made daily life an agony for the middle classes.

In 1914 a professor in a British university earned eight times the average industrial wage. By 1939 the ratio was down to four. Now it's down to two, and is still falling. And the tax rate, including compulsory social security contributions, reaches nearly 42 percent for a man earning well below the average industrial wage. Not surprisingly, people with transportable skills are tempted to go elsewhere, to some country in which knowledge, training, and experience can be properly rewarded. Those who cannot, or will not, go are simply opting out internally, refusing to accept any promotion, or extra responsibilities, which would mean harder work or moving house. The surprising thing is that so many people—and doctors are conspicuous among them—have continued to work as well and as cheerfully, and to show as much dedication, as they do. But the cheerfulness is wearing thin now; the fund of goodwill is nearly exhausted.

The trouble isn't just money. It is the atmosphere which has been created by this lethal combination of unfair taxes, union dominance, and a bureaucratic welfare state. Initiative is stifled, ambition deprecated, success penalized, effort rendered fruitless. Because the great majority of British doctors work entirely for the National Health Service, which means that the government

is their sole employer, and yet still retain some independent idea of what medical practice ought to be like, they are peculiarly aware of this poisoned atmosphere, and resentful of it because they feel it prevents them from doing their job properly.

Day after day, and from divergent points of view, the evidence now being given to the Royal Commission on the National Health Service illustrates the depth and width of the problem.

The National Union of Public Employees, which is the most militantly left-wing of the unions involved in the Health Service, devoted much of its evidence to a virulent attack on doctors and on the old concept of medical practice. Too many doctors, said the union, were recruited from a narrow social and educational background. Medical "elitism" and its divisive consequences should be eliminated and replaced by "health teams," including all levels of hospital and Health Service employees. Family doctors would no doubt resist the loss of their independent status, but they must be shown the advantages of defined hours of duty, superannuation rights, extra payments for "unsocial hours," and improved working conditions. (In other words, they must be "re-educated" like peasants in Red China, and turned, along with everybody else in Britain, into good trade unionists.)

All private medicine, the union went on, should be abolished. The complete separation of private practice from the National Health Service was a first step in this direction. It should be followed by legislation which would "positively inhibit" the development of private practice outside the Health Service, and then by measures to absorb into the Health Service whatever private practice remained.

The National and Local Government Officers' Association also demanded the abolition of all private medical practice in Britain, and urged that the pharmaceutical industry too should be brought under state control. The Association of Chief Administrators of Health Authorities thought that the National Health Service was being administered absolutely on the right lines now, although larger and more powerful health authorities might not come amiss.

All the unions condemned any idea of charging fees as "thoroughly reactionary." So did the Health Minister, David Ennals, who called it "taxing the sick."

Asking at least a "hotel charge" of perhaps $3.50 a day from patients in hospital is one of the proposals to which the British Medical Association has slowly and reluctantly come, as a way of bringing more money into the chronically under-capitalized and understaffed NHS. The Royal College of Physicians, in its evidence to the commission, wanted—in exact opposition to the Association of Chief Administrators—"to insulate the Health Service from direct governmental control."

The Royal College of Surgeons minced no words. There was a feeling, it said, that the needs and convenience of patients had become secondary to the "political bias of legislators, the cold calculations of planners, the officious inflexibility of administrators, and the thrusting self-interest of NHS staff of all kinds (including doctors).

"The service has lost its sense of purpose and its sense of unity, and the goodwill that used to exist between all groups working within it has been replaced by strife. . . . The medical profession feels itself to be drowning in a sea of paper and deafened by waves of verbiage, and it finds its own informed statements on how patients should be cared for largely unheard in a tumult of other voices."

This broadside was accompanied by specific complaints from a number of surgeons—about crumbling hospitals ("The complete lack of interest in maintenance is evident from flaking paint, leaking roofs, unmended loose tiles on staircases, clocks six hours slow or not working, and unhygienic toilets, to mention but a few") and increasing bureaucracy.

One surgeon, for example, explained the procedure he had been made to follow recently in order to get a coathook fixed on the door of the registrar's room. He had to fill in a registration form, which had to be countersigned by the hospital secretary. That was submitted to the district works department. The requisition was then returned, specifying the amount of work and time which should be allocated by the carpenter, who then actually placed the hook on the door, and filled in a sheet on which the amount of time and work was detailed.

In the old days, said the surgeon, a simple request would probably have got the work done within an hour. Instead, it took a month.

Stories of this kind appear constantly in the British press, but they attract little attention and provoke no outcry—because they surprise nobody. Everyone knows that such things happen in Britain today, indeed that they are characteristic of Britain today, and that the sickness of the Health Service is only a symptom of a more general ailment.

What chance is there of a cure? Under the present Labor government, probably none; it is too much in thrall to the unions, to its own left wing, and to an atavistic ideology which still includes most of the fallacies that triggered the ailment. Would the Conservatives do any better? The Conservative leader, Mrs. Margaret Thatcher, and some of those around her are determined to try. But many other senior Conservatives are frightened of the political implications and still not really convinced that anything more than a little tinkering is necessary. Which is why, sadly, energetic and ambitious young Englishmen are more inclined to emigrate than to hang on in the hope of a Conservative victory.

THE FUTURE OF THE MIDDLE EAST

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. GILMAN. Mr. Speaker, the precarious state of affairs in the Middle East is of primary concern to many of us who serve in this body. So, too, there are many of us concerned about recent expressions by the administration concerning our Middle East policy.

I would like, at this time, to share the thoughts of my neighbor and colleague, this distinguished gentleman from New York, HAMILTON FISH, JR., by inserting a letter he has written to President Carter, asking for restraint and understanding in our dealings with the new Israeli Government.

HOUSE OF REPRESENTATIVES,
Wasington, D.C., June 30, 1977.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The running debate between representatives of your Administration and officials of the new Israeli government over the course of future Middle East negotiations, has added a disturbing dimension to the already difficult task of obtaining peace for that area of the world.

Naturally, the United States and Israel share a common desire for a peaceful settlement of the Arab-Israeli dispute. However, it is obvious that there are great differences between the positions expressed by you and that of the new Israeli Prime Minister. I must point out that I cannot see any benefit to the parties concerned in airing these policy differences in the open. Using the world press as a mechanism to promote each other's position has only added confusion to this already complex matter.

It is common knowledge that the new Israeli government has just come to power. I believe that it is our responsibility as a trusted ally of Israel to afford the new leadership the same opportunities as the prior Israeli government had to work towards a settlement with the Arabs. U.S. policy today should be one of restraint and understanding, not pressuring and limiting Israeli options by calling for preconditions to negotiations.

With best wishes.

Sincerely,

HAMILTON FISH, JR.,
Member of Congress.

CARTER VIEW OF REDS IN EUROPE CRITICIZED

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. DERWINSKI. Mr. Speaker, it is increasingly obvious that the President has added to his own problems in the field of foreign affairs. In large part, it can be traced to his lack of experience as shown in the contradictions that are evident in his policy.

Mr. Carter's erroneous perceptions of developments as they relate to the Communist Parties in Europe must be especially noted. Allan C. Brownfeld, in an article appearing in the Phoenix Gazette of June 28, addresses this subject in a very appropriate manner. The article follows:

CARTER VIEW OF REDS IN EUROPE CRITICIZED

(By Allan C. Brownfeld)

In his much publicized speech at the University of Notre Dame, President Carter said that, in the future, U.S. foreign policy would not be based upon what he called an "inordinate fear of communism." Concerning the possibility of Communist participation in Western European governments, President Carter said in a recent interview that "It's not up to us to tell other people how to vote."

Fortunately, the critics of this policy are letting loose an avalanche of opposition which, hopefully, will set our foreign policy back on a more appropriate track. Somewhat surprisingly former Secretary of State Henry Kissinger seems to be leading the pack.

Discussing the conciliatory attitude being taken by the Carter administration toward French and Italian Communists, Kissinger declared that "The effect on alliance cohesion generally would be disastrous" if Communist parties gain "significant participation" in the governments of France, Italy or other alliance nations. "In this process" Kissinger said, "it is vital that the U.S. encourage an attitude of resolve and conviction." He cautioned that "ostentatious" association or consultation with Communist leaders" or "ambiguous declarations" of U.S. attitudes can create "the impression that we consider Communist success a foregone conclusion."

In a speech before a Conference on Italy and Eurocommunism, Kissinger sought to reopen a major foreign policy debate. As has been his custom since he left office, Kissinger avoided any direct attack on the Car-

ter administration. His theme, however, was: "We must not delude ourselves about what the accession of Communist leaders to executive power will mean to the most basic premises of American foreign policy. We must not confuse either our own people or those in allied countries who take our judgments seriously, about the gravity of the threat."

Kissinger also addressed one of the arguments turned against his former policy inside the U.S. government, that Americans sounding a Communist alarm to Western Europeans "would encourage Communist protest votes." He said, "I believe the opposite to be true. On balance, I consider it important that Europe know of America's interest and concern."

The U.S., Kissinger declared, has "a duty" to make clear the consequences "if Communist minorities gain decisive influence in European politics." Much has been made, he noted, of "gestures of independence" by Western European Communist leaders, such as their renunciation in 1976 of "the Soviet concept of dictatorship of the proletariat . . ." But "now," he said, "it turns out that the Soviet constitution, in preparation for years, drops the phrase as well."

The argument is raised, Kissinger said, that if the U.S. can deal with Communist governments in the Soviet Union, China, Cuba, Vietnam or elsewhere, why not with Communist parties in Western Europe? He declared that "There is a crucial difference betwen managing conflict with adversaries and maintaining an alliance among friends." The key issue, he declared, "is not how 'independent' the European Communists would be, but how 'Communist' they would be."

Although Kissinger's recognition of the Communist threat in Western Europe is late, and although his own policy of "detente" surely assisted its growth, it is welcome nevertheless. More important, it does not stand alone. Another prominent critic is the former U.S. ambassador to the U.N. and now senator from New York, Daniel Moynihan.

In a recent speech, Senator Moynihan attacked the Carter foreign policy approach for concentrating so much on other issues that it has diverted attention from an increasing ideological and military threat by the Soviet Union and its allies. He said that in calling for the Russians to join the U.S. "in common aid efforts" to help developing countries, Mr. Carter "leads where I for one would not wish to follow."

Senator Moynihan, himself a Democrat, said that, "It is . . . as if with no further consideration . . . we should divert our attention from the central political struggle of our time—that between liberal democracy and totalitarian communism—and focus instead on something else."

While expressing support for the administration's human rights policy, Moynihan said, "I wish to suggest that this must not be allowed to divert us from the reality of the ideological and military competition with the Soviet Union which continues and, if anything, escalates." He criticized the President for saying that the U.S. had fallen into "moral and intellectual poverty" by fighting the Vietnam War, and asked whether the U.S. "must . . . so readily embrace what is so very near to our adversaries' depiction of our purpose?"

Many in Washington believe that a great policy debate is now in the process of beginning. The Washington Post of June 12 editorially welcomed such debate, as should all Americans concerned with the future of U.S. foreign policy. The Post stated that "At base, the President's serious critics contend that he lacks a sense of history, a sense of the menace of the dark forces that have dominated the century's politics. It is a formidable criticism and, of course, an unanswerable one, but it is incumbent on the President to address it . . ."

PUBLIC INPUT NEEDED ON HATCH ACT REVERSAL

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. STEIGER. Mr. Speaker, when the House approved legislation last month which in effect repeals the Hatch Act, many of us expressed concern that the measure swing the pendulum too far in the direction of politicizing the Federal service.

Similar concern has been expressed very well in a recent editorial in the Portage, Wis., Daily Register. The Register made note of the compelling argument made by backers of the bill that public employees should have the same right to participate in the process as all other Americans have.

This argument deserves serious consideration, the Register said, but it stressed that there is another side of the coin which has been ignored by supporters of the Hatch Act repeal. The editorial pointed out the danger that public employees could fall victim to political pressure and influence or that they could have an unfair advantage in running for office because of their position.

"The only partisan Federal employees should be officeholders who the public can recall if they don't like the partisan actions of those officeholders," the Register said. "The public cannot recall employees in the Federal service."

I strongly endorse the editorial's suggestion that substantial discussion of these issues is needed before the Senate gives serious consideration to repeal of the Hatch Act. The editorial offers an excellent perspective into those issues and possible ramifications of repeal. I commend it to your attention:

PUBLIC INPUT NEEDED ON HATCH ACT REVERSAL

The House of Representatives has approved a measure to allow federal employees to participate in political campaigns and to run for political office. The bill reverses the Hatch Act which prohibited federal workers from raising funds for campaigns or for running for state, county, or federal office.

While we are not unalterably opposed to repeal of the Hatch Act, we hope the Senate goes very slowly and answers some questions which the House did not consider.

In the House, the major argument was that federal employees, some 2.8 million of them, are the only group who are shut out of the political process in America. Hence, backers of the bill argue they should have the same right to participate in the process as has every other American.

This is a compelling argument and one which we believe deserves serious consideration.

On the other side of the coin, the arguments against repeal of the Hatch Act also deserve to be thoroughly discussed.

These arguments include concerns over whether the federal employees might not become politicized—feeling that they have to raise funds for their political bosses. At present, federal employees are insulated from pressure from their bosses to raise funds for the bosses' campaigns.

Federal employees also might have an unfair advantage in running for office, particularly federal offices, because of their intimate knowledge of the federal system. Furthermore, potential candidates who are federal employees would arm-twist their colleagues to support them when, in fact, the colleagues might wish to withhold support, but feel that they have no choice but to "go along" with an employee who is a colleague or perhaps a supervisor.

Or to look at the whole matter another way, the federal service has been well served by the fact that federal employees are professional in their fields. Their interest is to serve the public. Since they are not subject to public influence at the ballot box, if has been reasoned that they should not be partisan. Rather, the only partisan federal employees should be officeholders who the public can recall if they don't like the partisan actions of those officeholders. The public cannot recall employees in the federal service.

Before serious consideration is given to Senate repeal of the Hatch Act, there needs to be substantial discussion of these issues. Moreover, that discussion should extend on such public a basis that the country really has a chance to understand the pros and cons and express its feelings on what role federal employees should or should not possess.

POSITION ON ABORTION

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. SKELTON. Mr. Speaker, in recent weeks I have received literally thousands of communications from my constituents expressing their opposition to abortion. I want to take this opportunity to restate my views on this subject.

Mr. Speaker, I am now, and have always been, personally opposed to abortion. It is my sincere belief that life begins at the moment of conception. I do not believe that government, Federal or State, should do anything to promote or encourage abortions, particularly elective or nontherapeutic abortions. In my view, indiscriminate abortion cheapens the value of each individual life and degrades society. My record in public life, first as a member of the Missouri State Senate and now as a Member of the U.S. Congress, reflects these views.

It is for these reasons, Mr. Speaker, that I joined the majority of my colleagues in support of Congressman HENRY HYDE's amendment to the fiscal year 1978 Labor/HEW appropriations bill, offered on June 17, 1977. This amendment would prohibit the use of Federal funds to pay for abortions or to promote or encourage abortions.

In addition to this vote in the House, I am encouraged by a recent Supreme Court decision which holds that States and cities do not have to spend public funds for abortions of an elective or nontherapeutic nature. In so deciding, the Court leaves the resolution of the important policy decision of public funding of abortions with the representatives of the people. I believe the Court is correct in this decision, and I am pleased that my colleagues in the House have elected to speak on the issue again this year.

In the future, I will continue to work for and support legislation which provides for the proper protection of the unborn.

WEST TEXAS SURVEY RESULTS

HON. RICHARD C. WHITE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. WHITE. Mr. Speaker, since it is imperative for the Members of Congress to understand the thinking and the mood of the country, I should like to share with my colleagues the results of a survey which I recently conducted among my west Texas constituency. My survey covered a number of topical matters which we may well be addressing during this Congress. The tabulated results were compiled into a news feature format and distributed to the media of my district. A copy of this news feature follows:

WASHINGTON.—The people of West Texas are firmly convinced that the Soviet Union is intent upon creating a military capability greater than that of the United States, and that should the Soviets gain a pronounced military edge they would use the advantage for purposes of intimidation or aggression.

This conclusion was clearly indicated by over 9,000 responses to a recent questionnaire sent by Congressman Richard C. White to the constituency of his 10-county West Texas district.

Tabulations showed that 97 percent of the respondents believe that Russia is intent on outstripping us militarily, and nearly as many, 94 percent, believe that the Russians would use such an advantage for intimidation and aggression.

Only seven percent of the people of the 16th District of Texas agree with President Carter's proposal to grant amnesty to illegal aliens residing in the country, with an overwhelming 93 percent opposed. The closest split occurred on the other international question, with 55 percent opposed to normalizing relations with Cuba and 45 percent favoring.

On two constitutional amendment questions, 80 percent of the respondents favored an amendment to abolish the electoral college and elect our President by popular ballot, and a whopping 89 percent would favor an amendment to ban forced busing of school children to achieve racial balance.

Another fairly close split occurred on minimum wage, with 44 percent favoring an increase from the present $2.30 per hour to $2.80 and 56 percent opposing.

West Texans would okay some relief for suffering parents paying today's high college tuition costs as they approved a proposal to provide tax credit for such costs by a margin of 65 to 35 percent; but 68 percent said no to federal financing of Congressional campaigns with only 32 percent approving.

It was three to one against continuing any form of Congressional investigation into the assassinations of President Kennedy and Martin Luther King, and 69 percent favored required Congressional review of any edicts by the Food and Drug Administration banning food products while 31 percent opposed this proposal.

Creating a cabinet level Department of Energy was favored by a three to one margin, and 70 percent indicated approval for creating a public employment system along the lines of the old Civilian Conservation Corps as opposed to public works legislation providing area project grants.

Legislation designating the major portion of Guadalupe Mountain National Park as a wilderness area without access roads was favored by a margin of 65 percent to 35 percent.

Finally, Congressman White asked his constituents to rank the priority they felt the federal government should assign to 10 areas of national interest. The results for first place ranking were:

National defense, 45 percent; energy, 19 percent; the economy, 14 percent; balanced budget, 10 percent; public health, 5 percent; education and debt retirement, 2 percent each; foreign relations, 1.5 percent; environment, 1 percent, and civil rights, .5 percent.

"The traditional moderate conservatism of West Texas has been reaffirmed once again by the results of this questionnaire," Congressman White said.

"I am particularly pleased to note that my constituents share the same concerns I do, by such overwhelming margins, over the growing military might of the Soviet Union, and that they place national defense as the highest priority concern of our country," he added.

AN ECONOMIST LOOKS AT ENERGY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. ANDERSON of California. Mr. Speaker, I recently received a most interesting clipping on energy from Mr. W. U. Jones of Long Beach, Calif. I think it is well worth the time it takes to read.

The article is from the July 4, 1977, issue of the Long Beach Independent Press-Telegram:

AN ECONOMIST LOOKS AT ENERGY AND POINTS OUT SOME FALLACIES

(By Robert H. Keesee)

(EDITOR'S NOTE.—The following is excerpted from an address to an energy conference in Portland, Ore., by an economist for the Georgia-Pacific Corp.)

Dr. Herman Kahn, Director of the Hudson Institute, once said that the authors of the Constitution had several things in common including the fact that they had all read Plutarch's Lives, The Bible and Adam Smith's Wealth of Nations. The latter, of course, is often referred to as the handbook of capitalism. Indeed it is.

Many people remember Smith as an economist who was trying to break the stranglehold of mercantilism, a system which resulted in close collusion between government and business and characterized by monopoly, constraints on market entry and protectionism. Certainly he was an economist, but what is often overlooked is that he was primarily a moralist who was attempting to determine what was right and wrong with society. As a moralist, he sought to design a system in which the power of government to disperse favors and the ability of business to curry them was minimized. He believed that such a system would automatically place in the hands of the consumer the economic, political and social freedoms that were so actively desired. Private property and private enterprise were key factors in assuring that the consumer was king and the prime determinant of production.

Under this new system, the role of government would be to insure that the health and safety of the public were not unnecessarily compromised and that markets were kept competitive. The role of business would be to provide the goods and services desired or needed by the consumer. In the process, resources would reach their optimal combination of usage. Such action would uplift mankind to new heights of economic, social and political freedom.

Obviously, the ideal was never reached and never will be. But the liberal concepts which Smith formulated so carefully and the relative abundance created by the application of those concepts in this nation should be kept in mind as we strive for solutions to the energy problem. Considering the very large role some suggest the government should play, it is both timely and important to explore some of the fallacies and misconceptions inherent in the arguments put forth to the public.

1. "The more we conserve, the better off we will be." This concept is generally accepted without challenge because everyone seems to believe in conservation. What bothers economists, however, is that few efforts have been taken to properly define the term. Prior to a campaign to achieve a long term goal, we must agree on a definition. "Improving the efficiency of energy use," one definition that is often used, will not suffice because it begs for a definition of "efficiency." "Eliminating waste" creates a similar problem.

Left unresolved, we will create social conflict as we each develop our own hazy definitions. Such definitions will lead to subjective valuations regarding other citizens' consumption patterns. When gasoline rationing was discussed during the recent embargo, did not most of us perceive that it was the "guy down the street" that would suffer; that we did not have enough because someone else used too much; that our needs were more important; and that through rationing we would get what we needed while avoiding lines?

To resolve this definitional problem, we should recall that society does not enhance its economic well-being by arbitrarily reducing consumption of a resource. Economic improvement is accomplished through efforts to optimize the long run usage of all resources: natural, physical, capital and innovative, while allowing the maximum individual freedom of choice. Conservation, then, can be defined as the usage of resources so as to maximize their present worth. Such usage is a marketplace determination which results in the greatest long run availability of goods and services to satisfy human needs.

2. "We are running out of resources." This fallacy is tied to the alleged finiteness of non-renewable resources. From this concern comes the notion that renewable resource usage and development is therefore preferable. Actually, except for the fossil fuels which have been burned and the metals which have been launched into outer space, almost every non-renewable resource that has ever been here is still here. Granted, the form may have been altered and the resources redistributed—but they are still here. It may not be currently economic to retrieve them but that does not mean that we cannot find a way to do so if economic necessity dictates such action.

3. "If we continue our use at this rate, in the year 2000 we will run out." The key to this fallacy is the assumption that usage patterns will continue on a predetermined or historical trend line. No resource usage has ever followed such a long term pattern. As the resource becomes more scarce and the price increases, a combination of substitutions for and reduced usage of the original resource occurs. The transition usually takes place long before physical shortages appear. In other words, a new combination of capital, natural and physical resources and innovation evolves.

Related to this point is the fallacy that the replacement source will always cost more than the existing one. Historically, however, the opposite has been generally true. Plastic cost less than glass. Oil and natural gas cost less than coal when substitution occurred in the late 1940's. Coal cost less than wood when the substitution occurred in the 19th century. Synthetic fibers cost less than natural fibers. And in every case the ultimate consumer was not only the beneficiary but the determiner of production through purchasing decisions.

Such examples do not assure that prices for future resources will not rise but they do serve to indicate that increases are not inevitable.

4. "There is no government energy policy." This is the biggest fallacy of all. Government regulates the wellhead price of interstate natural gas. Government sets the price of domestic oil. Government encourages or discourages consumption through allocations, priorities, usage prohibitions, entitlements, mandatory conversion orders, taxation systems, depletion allowances, land use regulations, air quality standards, offshore leasing policies and regulation of interstate carriers. The list of these "government energy policies" grows every year. What can be accurately stated is that government does not have a cohesive policy which allows the marketplace to reflect the relative value of energy.

5. "Americans are wasteful." The trouble with this fallacy is "waste" is such a relative term it is almost indefinable. Does one waste gasoline because he drives to town or does he waste time, a valuable economic resource, because he walks to town?

Since the word "waste" has moral overtones, an effort should be made to describe it. Therefore, waste may be described as the over-consumption of a resource caused by its sale in the marketplace at a price lower than its value. Regarding use of a resource which has been purchased by an individual, we should remember that so long as the public's legitimate concerns for health, safety and environment are not jeopardized, we should not interfere with what people do with what they purchase.

The key to future policy lies in recognizing the legitimate role of government to promote competition and oversee the activities of natural monopolies, such as natural gas distributors and electrical utility producers and distributors, while allowing maximum marketplace reaction to production, substitution, alternative development, conservation and innovation. With such policies we can move toward a dynamic solution while providing new opportunities for individuals.

Without such policies, we may eventually solve the energy problem—only to replace it with equally serious social and economic problems. Simultaneously, we will be establishing the groundwork for a philosophy that invites and endorses our dependence upon an even greater role for government in solving future problems.

MR. FRANK WILLS—NOT TO BE FORGOTTEN

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. JACOBS. Mr. Speaker, this is a letter from my constituent, Woodrow V. Cummins.

Since ordinary performance of ordinary duty is, in the final analysis, often the highest act of citizenship, I believe Mr. Wills should not be forgotten.

The letter follows:

INDIANAPOLIS, IND.,
June 21, 1977.

Hon. ANDREW JACOBS, Jr.,
House of Representatives,
Washington, D.C.

MY DEAR MR. JACOBS: Now that the fifth anniversary of Watergate has passed, and this sad saga of American history is about to pass, there is one problem that remains to be addressed by the American people and the Congress. That problem is the matter of giving the just and rightful recognition due to Frank Wills, the security guard who performed his duty well on June 17, 1972 and (albeit unwittingly) was the first person to expose the tragic crimes being perpetrated against the American people by the Nixon administration, now known collectively as Watergate.

I believe it would be fitting and proper for the Congress to vote a monetary award to Frank Wills in the amount of $400,000, tax free, in recognition of his contribution to the exposé of the criminals involved in this most tragic and disgraceful travesty of justice; this greatest Constitutional crisis since the Civil War. Especially is this fitting and proper in view of the fact that many of the convicted individuals involved have since become wealthy due to their books, interviews, and other publicity.

This award would extend the ultimate and final recognition of the American people for having been saved from continued abuse of their Constitutional rights committed by the highest officials in government.

Sincerely yours,

WOODROW V. CUMMINS.

WARM UP THE JENNIES

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following editorial, which appeared in the Santa Maria Times, July 1. The editorial criticizes the decicion to scrap the B–1 bomber both for reasons of our defense needs and also for our efforts to reach an arms limitation agreement with the Soviets.

The editorial follows:

[From the Santa Maria (Calif.) Times, July 1, 1977]

WARM UP THE JENNIES

President Carter in his decision to scuttle the B–1 Bomber has made two serious mistakes. The first concerns his role as Commander in Chief and the second as a negotiator in the upcoming SALT II talks.

As Commander in Chief the decision to scuttle the B–1 in our opinion leaves the United States in a deteriorating military posture before the rest of the world. The Commander in Chief has made a tactical error in the overall view of military weapons strategy.

The concept of keeping peace in the world today is a three-pronged effort of preparedness. We must be prepared to deter attack, fight a major conventional war, and respond to brush fires. Our apparent capability to do these three and win is the path to peace.

To accomplish this the TRIAD system has been developed and has proven to be a practical and effective system of doing what it was designed to do. To tamper with the concept is to run grave risk with the future of peace in the world.

The TRIAD is composed of Intercontinental Ballistic Missiles (ICBMs), their various strike modes and variety of launchers, the Submarine Launched Ballistic Missile with its varieties of mission capability and the manned weapons systems of fighters and bombers. ICBM's are deployed and launched in a variety of ways from land, below land and by air. They are sophisticated in their own way and designed as deterrents to their sophisticated counterpart in the weapons system of the Soviet Union.

The Cruise is the newest, with a range of 1,500 miles and to be possibly delivered by the B–1. We believe the president has made an additional error in that of concept of mission in confusing a missile with a delivery system.

The SLBM's have the advantage of being concealed in an untraceable base of operations and are a vital leg of the TRIAD, but these also have their vulnerability.

The third leg of TRIAD, the manned bomber, is the most important leg in today's missions. The mission most often called today is a show of muscle or force as deterrent. The manned bomber performs this nuance of diplomacy very well. On the other hand, it is totally unacceptable to send a Cruise missile across the Mediterranean to show our intentions in the oil delivery shipping lanes. When you outright mean to kill, you send a missile. When you mean to scare, you send a bomber.

Herein lies the rub. You don't send a Jenny to do the job. The bomber must have the eventual deadly capability to do the job and also carry the respect that it can do it.

Our current bomber is a graceful old lady, but as bombers go it is ancient. The B–52 first took off in prototype flight in 1952 and became operational in 1955. The bomber is now 17 years old and represents a very weak link in the TRIAD. The Russians have moved far ahead of us in the bomber field with Backfire. Rumor has it that a still more sophisticated piece of weaponry in bombers is off the design board and into the Russian sky. In summary, if one leg of the pyramid fails, the pyramid fails, the structure of defense collapses. We need the B–1.

Turning to the area of negotiations. The Interim Agreement on Strategic Offensive Arms and the ABM Treaty (arising from the Vladivostok Understanding) is due to expire October 3, 1977. This will give rise to SALT talks II.

When President Carter approaches the bargaining table he comes with this kind of weapons inventory versus the Russians. He comes to the table with four types of ICBM's compared with nine ICBM's for the Russians. The U.S. has three types of SLBM's versus five for the Soviets. In manned bombers we have the fight bomber FIII and the ancient B–52. The Russian inventory sports the Bear, Bison, Badger, Blinder, and Backfire plus the super manned weapons system rumored to be in the air.

In our opinion, the weakness of manned bomber inventory places us in an inferior bargaining position at the table and thus at a disadvantage. We should have this aircraft as fait accompli before going to SALT both for its strength in the inventory and as fait accompli in order not to have it fall into a limitation because of its possible role as a launcher.

In summary, in our opinion the words of General George S. Brown, chairman, Joint Chiefs of Staff (Commanders Digest Feb. 3 1977), sum up the argument for a strong military posture of which the B–1 is part:

"Strategic nuclear offensive forces are a critical element in the U.S. deterrent strategy. They must have and be perceived to have the selectivity and flexibility to respond immediately to any level of aggression. They must be flexible enough to ensure conflict termination at the lowest feasible level on terms acceptable to the United States, should deterrence fail. Inherent within this strategy is the need for sufficient weapons possessing required qualitative characteristics to maintain a stable strategic balance in the face of Soviet technological advances."

HERBITS ANALYSIS OF KING REPORT—PART II

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. STEIGER. Mr. Speaker, yesterday I placed into the RECORD the first part

of an analysis, prepared by former Special Assistant to the Secretary of Defense Stephen E. Herbits, of the report on the All-Volunteer Armed Force done for a Senate subcommittee by Dr. William King. Today, and for the next 5 days, I will be placing the balance of the Herbits analysis in the CONGRESSIONAL RECORD.

The concern of Steve Herbits, and of many other experts in military manpower policy, was that Dr. King's report was deliberately slanted to try to discredit the all volunteer force concept. Herbits presents facts which were obscured or misinterpreted in the King study.

The segment which follows is a response to the first part of King's chapter 4, "AVF Problem Areas: Current and Future Impacts." The balance of the review of chapter 4 will be inserted into the RECORD tomorrow.

In the segment below, Herbits deals with the issues of cost, military pay, recruiting requirements, the reserves, and attrition. It's a well-thought analysis, and I commend it to all who read the RECORD:

CHAPTER 4

In Chapter 4, "AVF Problem Areas: Current and Future Impacts", Dr. King continues to use language which is highly misleading. For instance, his statement that "significantly increased manpower costs may be in fact one of the few ways to sustain the AVF into the eighties" seriously misrepresents the cost issue and slants the alternatives to the least desirable. In addition, it would seem to contradict his statement on page 11 about future military pay increases. What King does not state clearly is that any future manpower costs will be the result of the cost-of-living boosts and of increasing retirement payments.

Even if the 1981 figure of $76 billion for manpower costs were to be borne out, only about $8 billion of that would be for personnel in their first two years of military service. Dr. Cooper has said that even if we resumed the draft and paid those in their first two years of service *nothing* (paying only for food and housing), we would at most save $6 billion out of the $7 billion total. As we all know, no such cut would be taken. (In contrast, national service could cost $50 billion, according to Defense.) However, there is just no way that a return to the draft would save much money in the way of manpower costs. Thus, King's attribution of the high cost of manpower to the volunteer force is naive and incorrect.

King omits here a very salient issue, however, and, by doing so, distorts the study to the detriment of the AVF. Why, arbitrarily, select human beings as the vehicle for restraining defense costs by using compulsion and thereby paying an inequitable wage or no wage at all? Why not, arbitrarily, compel a few oil companies to give the Defense Department free fuel to hold federal budget costs down? In other words, it is absurd and unfair to say that those serving on behalf of their country should have to bear the full brunt of any defense economies that are made. One can be strongly committed to cutting Defense Department costs, but not be prepared to do so at the expense of young men and women who have volunteered for military service, especially when an estimated 62,000 are currently eligible for food stamps and other public assistance at the existing wage.

Dr. King seems somewhat confused in his conclusions about increased manpower costs for increased force levels. He mentions that the AVF is essentially a peacetime concept. Defense Department officials themselves support a standby draft to be in place in event of conflict. The Ford Administration developed a solid standby draft package last year—one which could be implemented by the very Committee to which this report was delivered. Any massive troop buildup would almost certainly be in conjunction with utilization of a mobilization draft, so it is incidental, or useless, to even speculate on what it means in terms of the AVF. Dr. King is wrong in implying that Congress has no role in determining our defense options when he makes his italicized suggestion that "the AVF effectively reduces the range of options open to the nation to respond to the wide variety of contingencies which might demand increased forces". Experience in World Wars I & II, common sense and understanding of our constitutional process show that Congress has and can act to provide this nation with the defense required.

Any balanced discussion of increased force levels in the event of military contingencies will look at history. In December 1964, draft calls were running about 7,000 a month. Two years later, they were running over 40,000 a month, and the public was yet to be involved in the debate on the draft and its impact on what was going on in Vietnam. Some of the stimulus for going to a volunteer force and bringing the draft authority back into the hands of Congress, rather than at the whim of the executives, was for the very reason that the "Vietnam option" was such an undesirable executive power.

Until the volunteer force was implemented, this country was spending money sustaining a reserve system that was not integrated into the active forces, and that was of little usefulness to an emergency situation. With the adoption of the AVF, policy makers realized that the reserves would have to be the first line of defense after the active forces. Draftees or volunteers still take months to train and deploy. As the total force concept begins to be implemented, the nation's dollars spent on reserves have begun to be used more effectively. Equipment readiness is up significantly; units are being integrated into active units for planning and, in some instances, training purposes; and wasteful units are being weeded out. There is much to be done, to be sure, to make the reserves the kind of force they should be, but the Army, in particular, is just getting on with the task. One should not rush (as Dr. King does later in his report) to condemn the failing reserve enlistments as a product of the AVF concept.

Finally, on the cost issue, one must look back at the history of the 1971 pay raise to present anything resembling a fair and balanced picture of the costs of the AVF. At that time, Congress passed the catch-up pay raise for first-termers for three reasons. There were those who voted for the pay raise because the Gates Commission recommended it as a first step towards the volunteer force. But many members voted for the pay raise because of the widespread poverty among junior enlisted men and the reduction in readiness caused by servicemen who were moonlighting. Representative William Steiger presented a series of poignant pieces on this as the debate began in 1971. And, finally, many members voted for the pay raise, not because of the volunteer force, but in fact because of compulsion. The equity argument, as it was called, suggested to the serious legislator that it was patently unfair to draft a few men out of a vast manpower pool and to penalize those selected by assuring that their pay was less than that of their counterparts who remained at home. The "cheap labor" pay rates under the draft were a driving force for the pay raise which permitted the elimination of the draft.

On page 21, Dr. King cites Cortwright's concept of "economic conscription." He says military recruiting will suffer greatly with an upturn in the economy. The degree of effect is open to question. For instance, Dr. Rick Cooper of RAMD has pointed to statistical analyses from a variety of sources showing that at most, a 10% increase in unemployment results in at most a 23% increase in enlistments.

King's misrepresentation of the pay issue on page 21 cannot be ignored. If he did not know the deceptiveness of his presentation of this issue, he should have. He cites the 193% military recruit pay increase between 1964 and 1973 and suggests this is unduly lucrative in comparison with the civilian sector. Some facts are called for. For years, the draft was used to hold down recruit pay. Between 1946 and 1964, it rose from $75 to $78 a month. In 1964, the average civilian's gross weekly pay was $91.33. Many Americans were shocked by the pay and conditions of the nation's soldiers, and Congress enacted a modest pay increase in 1965. This was followed by a linking of military and civil service cost-of-living pay increases in 1967 and a comparability pay raise in 1971. Still, the purchasing power of servicemen and women has eroded 7% since 1972. Dr. King would have the reader believe the absence of future pay raises of this magnitude will hamper recruiting, when in fact today's situation bears no relevance to that of 1964.

Mr. King's analysis of overall enlisted recruiting forecasts makes two assumptions that would seem to have no basis in fact. One, he assumes that the same accession requirements and quality and availability standards will apply. This is not reflective of history and simply does not make sense. Two, he assumes basically non-prior service accessions for the reserves—a particularly false judgment for them. Actually, the reserves have relied largely on prior service accessions and will continue to do so

Dr. King's section on cost implications of recruiting requirements on page 12 reflects slanting by selection—a constant strain throughout the report. He claims, "The future cost implications of the '1 in 2' recruitment requirements are potentially enormous," and cites estimates that will cost between $5,500 and $12,000 per recruit. Accurate information refuting these claims was available to anyone studying the issue. The Army responds to Dr. King's "analysis" by saying, "The marginal cost implications for future recruiting are exaggerated." Since the Army has never shown an unwillingness to ask for sufficient funds to meet its recruiting requirements, it is doubtful it would understate the seriousness of its needs. Furthermore, the Army says, "The postulated '1 of 2' to man the Actives and Reserves of the 1990's appears greatly exaggerated. When the pool shrinks from 10.6 million to 8 million, the Army estimates the present DOD need for about 1 in 10 will increase to perhaps 1 in 7. . . ."

In his discussion of the reserve forces, he correctly mentions the need for a standby draft, but fails to note the substantial work done to develop a sound standby program. That program has been awaiting the new Administration's attention and that of the Committee to which he reported. Failure to mention this work, implies a much different picture to the public.

Because of the superficiality of his section on the reserves, a closer look at their status and future is desirable. The reserve problem is real, with the bulk of shortfalls in the Army Reserve and Army National Guard. The Individual Ready Reserve, as King mentions, has even bigger problems. Pentagon officials have acknowledged that until recently, they have not concentrated on reserve forces. Their emphasis was on the active forces, since there were still draft-induced volunteers, as well as draftees who had completed their active duty, who were fulfilling the balance of their six-year military obligation by participation in the reserves.

New management initiatives are needed immediately in this area. In its December 17, 1976 transition paper, the Pentagon said more resources and DOD management attention will be required. The Army has included in its FY78 budget both manpower and funding to place full-time recruiters and trainers in Selected Reserve units. Other management options are available. These include the following:

(1) Extending the reserve obligation, making it equal for men and women.

(2) Developing special programs with active units or with local officials for community improvement projects.

(3) Completing the integration of the reserves into the active forces. (There remains little incentive to join a reserve unit which has no mission.)

(4) Moderating the absurd hair requirements which stand in the way of many 18-19-year-olds who would otherwise enlist, but who see little reason for one weekend a month to stand out from their contemporaries the remaining 28 or 29 days.

(5) Making weekend drills a useful exercise. (The GAO estimates that only 30% of drill time is now useful, providing precious little incentive to those who wish to avoid sitting on their hands for two days each month.)

(6) Relocating units that don't make an effective effort of their own to recruit and placing them in other, more promising localities. (Experience with this approach in 1971 and 1972 was quite promising as it threatened the demise of careers for many reserve officers who suddenly found new ways to attract personnel.)

The list is endless. The point is that failure to show that there is still much to be done distorts the dismal picture of where the reserves are today. One cannot avoid the impression from the King study that the AVF concept is at fault—a distortion at best.

The Army, in responding to Dr. King's report, alluded to some of its own efforts to correct reserve strength problems. It rightly took exception to King's reference to "the seriousness of quality changes" in the reserve forces. "While quality fell after the draft ended, a recently implemented plan has reversed the trend and the Army National Guard and Reserve are meeting or exceeding the goals which are identical to the Congressionally mandated minimums applied to the active Army in the FY '74 Appropriations Bill," the Army said. "It should be noted that while the Mental Category IV rate for the Reserves has risen and the Category I rate fallen, the bulk of Categories II and III (average and above average) has remained relatively unchanged."

Professor King is correct in suggesting that the Army has to reduce its level of attrition. Unfortunately, his failure to mention certain aspects of the issue makes his presentation distorted to the detriment of the AVF. For one thing, he can't have it both ways. One of his recurring themes is that the services may not be able to meet their accession requirements. If attrition drops, however, so will the accession requirements. In other words, King uses both high accession requirements and high attrition as negative implications for the volunteer force. They are interrelated, not separate issues, and are basically one problem, not two.

The Army points out that the attrition increase underscores its efforts to raise quality, reducing first term attrition and ultimately accession requirements, thereby moving once again toward the "long range cost effective recruiting goal." This is a second aspect of what Dr. King's presentation omits. Another of his omissions is his conclusion that these "losses" become "anti-military salesmen." The Army counters that "most of those unsuited for military service return home without stigma and without the 'bad taste' of being forced for long periods of time into the military 'mold.' Their military recollections may be more positive than those of draft era contemporaries."

Another strong argument made by the Army is that "a force filled with 'forcibly retained misfits' will be conducive neither to attracting new quality nor to retaining present quality." When asked whether he wanted to go back to the draft, General William DePuy (Commander of the U.S. Army Training and Doctrine Command) said, "Hell no—during the draft, my jails were full; today they are empty." In other words, this is another example of how the costs of the draft were hidden. The services were forced to keep many marginal performers during the draft era, thus creating major costs in terms of morale and disciplinary problems. Now the services can get rid of their troublesome cases.

There is an important spin-off to readiness as well. By eliminating marginal performers early in their tour, units tend to be considerably more stable. The same men work and train together and become, thereby, a considerably more effective fighting unit. One former key Brigadier General used to compare the draft days with a football team where each week some of the players were new and the team could never learn to master its effort.

It should not go unnoted that Dr. King again used misrepresentation to cite the seriousness of the attrition problem. He emphasized with italics that "significantly more enlisted personnel terminated their Army service prior to the expiraton of their term of service than were routinely separated at the normal completion of their term (including retirees)." The number leaving early in FY '76 was 106,596. For those successfully completing terms, King considered only 83,000 ETS separations and 11,000 retirements, conveniently ignoring the fact that an additional 51,000 Army personnel reenlisted. With those additional individuals, a significantly larger number reached ETS satisfactorily than were separated early—a fact whose selective omission distorts the issue.

Nevertheless, the Army must improve its attrition record. It is simply too high. The advent of the volunteer force gave the privilege to the military of separating volunteers who change their mind and no longer want to be in the service. Yet, the privilege given the Army is being abused by field commanders, and management effort must be made to tighten standards and their application.

REX R. TURK

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. SKELTON. Mr. Speaker, it is with a deep sense of personal loss that I note the passing of one of my good friends, Rex R. Turk of Sheldon, Mo. Rex Turk was mayor of Sheldon from 1947 to 1977. During that time he guided the community through many changes with one thought uppermost in his mind—the welfare of the people of Sheldon. As the local newspaper noted at the time of his death, "almost single-handedly he fought the decay that had made ghost towns of most small, rural, farming towns. Under his quiet, mild-mannered but forceful leadership, Sheldon has remained a vigorous, lively, modern trading center."

Perhaps the highest compliment I can pay to Mayor Turk is to say that, despite his long career in politics, he didn't seem to have an enemy in the world. He was respected by all members of the community and loved by those who knew him best. His many accomplishments as mayor can be easily enumerated—establishing a city water system, construction of sewers and a sewer disposal plant, paved streets, street lights, a housing project for older citizens, and much more. But it is the intangible contributions that Rex Turk made to Sheldon that will preserve his memory for generations—the quiet dignity he brought to his job, the deep concern he felt for his neighbors. These are the things that made Rex Turk a remarkable man. He will be sorely missed.

GAG ON MILITARY TIGHTENED

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following editorial, which appeared in the June 25 issue of the Oxnard Press-Courier. The editorial describes the increased control on military officers' public statements:

GAG ON MILITARY TIGHTENED

The limit on what an American officer may say concerning military and foreign policy matters was carried to extremes in the recent summoning of Lt. Gen. Donn A. Starry to the Pentagon.

Before last month's incident involving Maj. Gen. John K. Singlaub, high-ranking military officers usually could explain publicly about defense policies if they did so discreetly before final decisions were reached.

The exceptional case was that of Gen. of the Army Douglas MacArthur, and it is instructive to recall that he disobeyed a direct order to clear policy statements. Neither Gen. Singlaub nor Gen. Starry disobeyed the President. Their errors, deemed such by the White House and the Pentagon, were if anything less grave.

Gen. Singlaub said war would result if U.S. forces were withdrawn from Korea. Gen. Starry told a Frankfort high school class, among other things, that there will be a war between the Soviet Union and China, and that it likely will involve the United States.

Prior to Jimmy Carter's elevation to the White House, it is unlikely that either episode would have provided presidential reaction.

According to Secretary of Defense Harold Brown, Gen. Singlaub erred in making statements inconsistent with U.S. foreign policy; hence, his removal from command in South Korea. This humiliation, it is well to note, occurred despite Gen. Singlaub's promise to obey the order to withdraw gradually the American forces from Korea.

By contrast, Gen. Starry made no statements contravening American foreign policy. His remarks were, at the one extreme, idle musings; at the other, they were dire prophecy.

When Gen. Singlaub was brought to Washington, dressed down and then reassigned, the officer corps effectively was told that it must not disagree publicly with official foreign policy. In the case of Gen. Starry, the gag has been pulled more tightly: the of-

ficer corps must not muse or prophesy or even, as may have been the case, sketch a realistic scenario.

What general is next, and even how far down the chain of command this will go, are important questions.

But most significant is whether military officers again can so much as say that someday there will be a war and the United States likely will be in it. This is hardly a military nation, but the nation necessarily needs military opinions.

DEAL WITH SOVIETS ON PURELY ECONOMIC TERMS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. DERWINSKI. Mr. Speaker, one of the most observant students of the international monetary scene is economist Eliot Janeway whose column is syndicated through the Chicago Tribune. In the column carried in that publication's July 12 edition, he discusses the political relations between the United States and the Soviet Union as affected by attitudes of this administration including personal feelings of the President. This is a most timely article which I respectfully direct to the attention of the Members:

CARTER IS ADVISED: DEAL WITH SOVIETS ON PURELY ECONOMIC TERMS

(By Eliot Janeway)

WASHINGTON.—"When your competitor speaks well of you, fire your sales manager." So goes the oldest gag in the annals of business.

One of Jimmy Carter's fondest boasts is that he is a businessman reared in an atmosphere of fierce competition. This asset, however, is outweighed by a liability which has haunted him ever since he took over the presidency: his compulsive desire to be liked by everyone. The word that Carter's opposite number in the Kremlin is voting "nyet" on his overtures is plainly ruffling the presidential feathers.

A Washington dispatch to the New York Times puts Carter's conception of his confrontation with Brezhnev in highly personal terms:

"The current state of United States-Soviet relations might be compared to a round in a boxing match between a rangy young fighter and an over-the-hill but still dangerous slugger. That is also the way President Carter, who is 52 years old, appears to see his relationship with Leonid L. Brezhnev, the 70-year-old Soviet leader, according to the observations of three of his White House associates."

Nothing like it has been seen since Hemingway was flexing his literary biceps and bragging of his intention "to knock Tolstoy out of the ring," the Times story said.

No matter whether this backgrounder for attribution is a confession or ploy, it does reveal an obsession with the interplay of personalities that is irrelevant to the bargaining between the White House and the Kremlin.

But the terms of trade between the Kremlin and the White House are economic. The United States has an economic advantage so it is to the Soviet Union's interest to divert the sparring into phony abstractions of a political or personal nature, with military threats always a handy fallback. The longer the Kremlin can maneuver to avoid trading blows with the U.S. economy, the more advantageously the Soviet Union can play for time.

Brezhnev is making lots of noise, but has no stick to brandish—certainly not against the United States.

Carter, by contrast, is in a position to deal with the Soviet Union by walking softly and carrying a big stick—the technique he used to outmaneuver and outgun his domestic political challegers.

He will not do well against the Kremlin, however, if he succumbs to the lure of a personality cult, or if he approaches a confrontation in purely political terms.

By the same token, the more quickly the United States exploits its advantages in the marketplace, the less pressure Carter will remain under to explain embarrassing miscalculations in the Christian spirit motivating Brezhnev and his brethren. Carter's assertion that he always had praised Brezhnev overlooks the fact that the Soviets play for power, not praise. Carter may be too thin-skinned to realize that the more flak he gets from the Kremlin the better he is doing in his preliminary dealings with it.

The list of U.S. trumps waiting to be played is formidable, once the name of the game is changed from personalities to commodities. Gold is the obvious place to begin.

The Soviet Union's ability to acquire any of the assets it is desperate to import hinges on hopes of turning gold production into dollar reserves. Soviet money managers have grossly misplayed the gold market.

They failed to anticipate the Swiss bank scandal, which closed the doors of one of that country's biggest and most respected banks. The squeeze has forced major Swiss banks to dump gold and trigger a rush of margin calls in the highly leveraged gold market.

The Soviet Union, meanwhile, was counting on the latest inflationary scare to increase the price of gold.

The more the Soviet Union can get for its gold, the less it will need to borrow, and the longer Brezhnev can afford to shadowbox with Carter. The less the Soviet Union gets for its gold, the more dependent it becomes on what it can negotiate from the United States.

While Soviet hopes of opening up a mass U.S. retail gold market to dump on were dashed a couple of years ago, the United States still could be helpful to the Soviet Union return for meeting Carter halfway on moral and political issues.

The New York capital markets, for example, are being flooded with excess liquidity pouring in from all over the world and making nonsense of Wall Street's fears of another credit crunch.

There's no way the monetary authorities could push interest rates uphill against the Niagara of foreign liquidity flooding New York. Nor, contrary to another false alarm, is there any way the dollar could weaken as the result of new records in the U.S. trade deficit.

FOOD STAMP REFORM

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. McHUGH. Mr. Speaker, last evening the Washington Star carried a column by Sylvia Porter which discusses the changes in the food stamp program that are being proposed by the House Agriculture Committee. This article provides a perceptive and thoughtful account of what the committee has done, and I believe that it deals with the major issues in a concise and reasonable manner. For the benefit of my colleagues who may not have seen this article, I am including it at this point in the RECORD:

YOUR MONEY'S WORTH—REFORM IS NEAR ON FOOD STAMPS

(By Sylvia Porter)

Real reform of our nation's major effort to feed the hungry—the Food Stamp Program—is finally on the way.

Within a matter of days, the House will vote on legislation written by its own Agriculture Committee, similar to a bill passed May 24 by the Senate, which recognizes that both critics and defenders of the program have justifiable arguments and will try to reconcile their positions into a workable new law.

Below are key aspects of the reforms.

1. The purchase requirement (ERP) would be eliminated, thereby enabling many poor people to find their way into the program.

Supported by the Carter White House, this reform would remove the greatest obstacle to the participation of people so poor that they could not muster enongh cash to buy their way into the program. (Households now must pay about 26 percent of their income for food stamps). About 3 million Americans—currently eligible but unable to buy their stamps—would then be able to enter the program. This is the major reform.

2. Eligibility simultaneously would be tied to the poverty line (now $5,850 a year for a family of four) and a gross income ceiling would be established to prevent non-needy households from qualifying.

While the charge that high-income people have been getting food stamps is not true, it has been possible for households with higher incomes and expenses to qualify. About 1.5 million at the higher income levels would be eliminated and the benefits of another 2.5 million would be reduced.

3. Many admitted "loopholes" would be closed. A requirement would be added that able-bodied people must search for, and accept, employment; people who voluntarily quit a job would be disqualified; the penalties for fraud would be stiffened and states would be provided with more federal administrative money to investigate and prosecute fraud, new provisions would make sure that only students who are working or have dependents could get stamps.

4. The application process would be streamlined, quickened, and made more responsible. The possibility for errors would be minimized. Identifiable problems of special groups—for instance, the working poor, elderly, poor on Indian reservations—would be resolved to a substantial degree.

In general, this legislation would improve the accessibility of the program for most needy people, narrow the eligibility requirements, carefully target the benefits, but then it also would help insure that those who are eligible would have a true opportunity to get the assistance they need so badly.

Of course, this largely compromise measure pleases neither the conservatives nor the liberals. Conservatives in Congress feel the reform doesn't clamp down sufficiently on the program, restrict eligibility enough, or save money. (The measure would cost about $200 million more than the current program when fully implemented.)

And not surprisingly, congressional liberals, plus advocates of the poor, bemoan the large number of people terminated from the program or facing reductions in benefits.

Lawmakers from urban areas and colder climates are especially disturbed by what they see as a built-in, anti-North, anti-urban distortion. And it does appear that northern and urban areas would get hurt more than others.

Thus, an amendment will be debated on the House floor introduced by Reps. Matt McHugh, D-N.Y., and Jim Jeffords, R-Vt., to soften the impact by providing a cost-of-living index to the measure's excess shelter deduction—a provision which accounts for the higher shelter and utility costs of colder and urban areas.

But other than this amendment, the reform is considered fairly safe, and a reasonable response to the uproars, pro and con, in recent years over the entire food stamp program.

It is an unusually sound compromise of the prolonged arguments—often so furious, vicious, and so misleading to the uninformed. It would be a welcome improvement of a basically decent approach to the deep, lasting problems of America's poor.

PHILADELPHIA-BASED COPERNICUS SOCIETY MAKES MEANINGFUL CONTRIBUTION TO CITY AND NATION

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. EILBERG. Mr. Speaker, I am proud of the fact that the Copernicus Society of America—which is dedicated to furthering the cultural and educational achievements of mankind—is headquartered in Philadelphia, Pa., which I have the honor and privilege to represent in the Congress of the United States.

Founded in 1972 by Edward J. Piszek, the society is engaged in promoting and encouraging artistic, scientific, and historical activities.

The earliest projects of the society included sponsorship of a pilgrimage to Poland in 1972 by four students who retraced the steps of Copernicus, the Polish scientist and astronomer. The students' report was subsequently published in the Smithsonian magazine.

The society arranged for the U.S. exhibition of original Copernican instruments in 1973, underwrote a major motion picture on the life of Copernicus, and sponsored other cultural events to celebrate the 500th anniversary of Copernicus.

Since then, the Copernicus Society has branched out into a variety of projects, several of them centered around Brig. Gen. Thaddeus Kosciuszko, the renowned freedom fighter. These include the donation of the Thaddeus Kosciuszko National Memorial in Philadelphia to the National Park Service; the creation of a musical drama on Kosciuszko's life; the sponsorship of a Reader's Digest-produced film on his crucial contributions to America; as well as an article on Kosciuszko in the Reader's Digest.

Other projects include the contribution of an ethnic library to the Philadelphia school district; underwriting three national poetry prizes for the Academy of American Poets; the sponsorship, along with Columnist Jack Anderson, of both "Slogans USA" and the "National Suggestion Box," a current project wherein citizens' solutions to national problems are channeled to the proper governmental authority for action. Other recent projects include the operation of Americana Jubilee, an extensive historical exhibit featuring priceless artifacts and live actors, located on Independence Mall in Philadelphia, and the Philadelphia International Press Club, for the use of local and visiting journalists.

In the society's continuing efforts to communicate its message it has made relevant information accessible directly to over 200,000 people across the United States. Additionally, many millions of Americans have been reached through the national poetry prizes and "Slogans USA" and the "National Suggestion Box" sponsored through Jack Anderson's nationally syndicated column.

In addition to the Philadelphia headquarters, the society also maintains a representatives office in Warsaw.

Mr. Speaker, the Copernicus Society of America looks forward to an active future filled with a wide variety of worthwhile projects, and I am proud to be able to place in the RECORD this synopsis of its activities.

MEXICO PUTS ITS CITIZENS FIRST—WHY NOT THE UNITED STATES?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. ASHBROOK. Mr. Speaker, there is at present an "amnesty" under consideration which would give permanent residence in this country to millions of previously illegal aliens, a substantial proportion of whom entered from Mexico. Those who consider this to be a moral idea must consider themselves to be the ethical superiors of the Republic of Mexico, for that country is committed to an opposite point of view. Policy south of the border is firmly, and I think correctly, dedicated to providing protection for the jobs and financial security of Mexicans first.

The Mexican Constitution states clearly that,

> . . . The Federal Executive shall have the exclusive power to *compel any foreigner, whose remaining in the national territory he deems inexpedient, to leave immediately without the necessity of previous legal action.* The italics are mine.

That Constitution goes on to make it clear how Mexico would treat demands, like those made by Cesar Chavez in the United States, that noncitizens be given the right to vote:

> Foreigners may not in any way participate in the political affairs of the country.

Note that this is not only a denial of the vote to non-Mexicans. It goes further, preventing foreigners from working in campaigns for example, backing candidates who support the boycott of grapes or contributing to candidates financially.

Many of our professional moralists would consider our taking the same position as that expressed above by Mexico to be horrifying. But the Mexican attitude is the same as that of countries around the world: that it is the first duty of a government to protect and provide for the people it governs. I put our workingmen and taxpayers first and that is why I vigorously oppose President Carter's amnesty proposal.

What would be the attitude of the Mexican Government if millions of illegal immigrants from a far poorer country such as India or Bangladesh were found to be inside the country in a time of substantial unemployment? Does anyone doubt that the Mexican executive branch would find these immigrants remaining in the country "inexpedient?" Of course not. Mr. Portillo would carry out his constitutional and his moral obligation to protect the citizens of his country from excessive immigration.

Does our American executive branch have less of a constitutional and moral obligation to protect the citizens who in 1976 entrusted their well-being to the present administrations? Does the U.S. Constitution, which commits our Government to "promote the general welfare," impose less of an obligation on Mr. Carter than his constitution does on Mr. Portillo? I think not. I think it is Mr. Carter's obligation to compel illegal aliens who are taking American jobs to leave immediately, and with no more legal action than that with which they got here in the first place.

INTERNATIONAL WOMEN'S YEAR CONFERENCE WAS POORLY PLANNED

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. HANNAFORD. Mr. Speaker, last week, during the July 4 congressional district work period, a group of concerned women who attended the recent International Women's Year Conference in Los Angeles brought to my attention a number of questionable activities and irregularities with regard to the conduct of some participants in the conference.

As a supporter of equal rights for all women, and as one who voted to appropriate Federal moneys for the International Women's Year program, I was deeply disturbed by the observations of these women who took considerable amounts of time from their schedules to express their concerns to me.

The stated purpose of the International Women's Year activities, as decreed by Congress in 1975, is "to recognize the contributions of women to the development of our country, to assess the progress that has been made toward ensuring equality for all women, to set goals for the elimination of all barriers to the full and equal participation of women in all aspects of American life, and to recognize the importance of the contribution of women to the development of friendly relations and cooperation among nations and to the strengthening of world peace."

Unfortunately, Mr. Speaker, it is apparent to me that the California Inter-

national Women's Year meeting was so poorly planned and managed that it subverted the intent of Congress as outlined in Public Law 94–167 above.

There is much evidence to suggest that the organizers of this year's California conference were using that vehicle to promote the adoption of the equal rights amendment by "packing the house" with unregistered participants who voted in favor of conference resolutions to that effect. Many attendees reported to me that conference registration techniques were haphazard, leading them to believe that the registrars were attempting in some way to assist only those women who could be easily identified as "feminists" or ERA supporters. In some cases, Mr. Speaker, copies of proposed resolutions were distributed only to those conferees who were most likely to favor such resolutions.

Furthermore, women and men representing homosexual rights groups invaded the Los Angeles conference at various times with the intention of using the meeting to foster their own political cause. Their participation in the conference and their tactics in promoting "gay rights" went completely beyond the legal scope of the International Women's Year program, and I would like you to be aware of my objections to their actions.

The cause of women's equality and the original plan of Congress for celebrating International Women's Year are both worthy endeavors, but there is no question in my mind that the recent California IWY conference ill-served the women's rights movement. Those persons who perpetrated this travesty should be made aware of the displeasure of Congress.

YOUNG FAMILIES HOUSING ACT

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. KASTEN. Mr. Speaker, in recent weeks I have been discussing the Young Families Housing Act, a bill I have introduced which would help the single person or family just starting out to afford to buy a home.

I recently noted an article in the Washington Post which illustrates the dilemma facing many young Americans who want to own their own home.

According to a recent national study, a majority of middle-class Americans will face being shut out of the housing ownership market. The Young Families Housing Act is an attempt to prevent that possibility from becoming a reality.

I would like to have the Post article, "The Costly American Dream," placed in the RECORD for the benefit of my colleagues:

THE COSTLY AMERICAN DREAM: YOUNG COUPLES BUY EXPENSIVE HOMES, FIND THEY CAN AFFORD LITTLE ELSE.

(By Athelia Knight)

Five weeks ago Laurie and Robert Hickerson realized the American dream, but it cost them so dearly that they now can't afford anything to put in it.

The spacious living room of their brand new $73,000 brick rambler is furnished with one solitary orange chair. The kitchen contains a table, two $3 chairs, and a microwave oven. The recreation room has a sofa, a chair, and a stereo. One bedroom is used to store boxes.

The Hickersons are among a growing number of Americans who are house poor.

Hickerson, 26, has started working six days a week, 10 to 12 hours a day in his job as a telephone repairman to meet his $566 monthly mortgage payments. Mrs. Hickerson, married five weeks, will hang on to her job as a secretary of the Department of Agriculture.

"It hurts to think you have to pay $73,000 for a house," said Hickerson, whose combined income with his wife last year was $32,000. "I probably shouldn't have. I'm plaguing myself with yard work and expenses.

"But I said to myself, what's it going to cost in a few years? I might not be able to afford it later."

"We could have lived high on the hog in the condominium" (that he invested in four years ago), he said. "But that's not the thing to do. It's the guy who sits back. Who doesn't take any risk . . . When he's 50 years old, he will still be in an apartment or a small house."

So the Hickersons bought their three-bedroom rambler in the Kings Park West subdivision of Fairfax County on May 23, five days before they were married.

Washington area real estate salesmen say the Hickersons are typical of the increasing number of young couples who buy expensive houses, saddle themselves with large monthly payments, and find themselves unable to afford much else.

For some of them this means forgoing not only furniture, but weekend trips, movie or theater tickets and even children. The phenomenon is known as being house poor.

Sale prices of new homes have increased twice as fast as family incomes, according to a recent national study. And the price for a modest house in the 1980s is expected to escalate beyond $78,000. A majority of middle-class Americans, the study says, will face being shut out of the housing ownership market.

Housing costs have increased phenomenally in the Washington area in recent years. In the 60s, an increase of 5 percent a year in value was typical. But in the past year or so housing values have appreciated on the average, from 10 to 15 percent each year in the more popular suburbs, according to real estate studies.

U.S. families are now paying 35 per cent or more of their monthly salary for housing costs, rather than the commonly accepted measure of 25 per cent according to a recently released national study.

The typical new home in the Washington area now sells for $58,000 and the average older home for $66,900.

Translated into the realities of monthly payments this means that to buy an average new home a family generally must have $5,800 in cash for a 10 per cent down payment, and make payments of $429.10 a month plus about $100 in taxes and insurance in most jurisdictions.

Ronald D. DeLisi, a real estate salesman in Montgomery Village, said that several years ago, when town houses there were selling for about $30,000, his customers were young couples with a new baby.

Today, he said, the babies have all but disappeared. "Those same town houses that used to cost $30,000 now sell well into the 50s and 60s, and most of our buyers are couples with two incomes and no children."

Hickerson said that four years ago, he saw the exact model of his $73,000 home "same builder and everything," he said, selling for $48,000.

He said this spring when he and Laurie looked at the house in a subdivision near Braddock Road, he was shocked at the price. "I decided we've better do it (buy) now." For $73,000 the Hickersons got a three-bedroom ranch-style home with a bay window in the kitchen—an attractive feature for the couple. "I like to be able to sit in the kitchen and still see what's going on out front," Hickerson said.

The basement has a wall-to-wall antique brick raised-hearth fireplace at one end of the recreation room with sliding glass doors that open onto a small patio.

The basement has enough space for a dark room, a Ping-Pong table and a pool table—these are some of Hickerson's interests that he can't afford right now.

Ann Delahanty of McLean, who sells homes throughout Northern Virginia, said her real estate agents have found that 80 per cent of the prospective home buyers they serve invest in more expensive homes than they thought they could afford when they began looking.

Some of these home buyers find that any undue financial burden, such as a child's injury that requires hospitalization, is almost unbearable.

They fear losing their jobs as in the case of Steve Vasquez of Springfield, who recently lost his job as a hotel manager.

"Between unemployment (checks) and a few savings, we're barely scratching (by)," said Vasquez, whose income was the sole support for his $56,000 house. Vasquez has been working odd jobs to meet his monthly mortgage payments.

But, regardless of the escalating costs of houses, people are still investing in homes. More new homes are under construction this year than last.

"The American dream of everybody owning their home is alive and well," said an area realtor.

As Hickerson said, "You feel free and loose . . . You're in your own little castle. It's cool. You can run around the basement saying this is mine."

REORGANIZING THE FEDERAL BUREAUCRACY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for July 13, 1977, into the CONGRESSIONAL RECORD:

REORGANIZING THE FEDERAL BUREAUCRACY

The federal government is a maze of incredible complexity. Nearly everyone complains about its size but few people really realize how big it is. A few statistics are revealing. The federal government:

Employs 5 million, or one in every 43, Americans;

Spends an amount equal to about ¼ of the country's total output of goods and services;

Owns ⅓ of the country's land;

Occupies 433 million square feet of office space;

Administers over 1,000 aid programs through 11 cabinet departments, 59 independent agencies and 1,240 advisory boards.

Of course, big is not necessarily bad. Defenders of the federal government often point out that the number of federal employees today is not substantially larger than it was ten years ago and that the federal budget is about the same percentage of gross

national product as it was ten years ago. The impact of the federal establishment, however, cannot be measured only by these statistics. The federal government touches almost every aspect of American life. It manages the economy, provides for the national defense, operates as a global power in an interdependent world, promotes science and responds to personal problems in thousands of ways by providing entitlements and services to people.

The agencies and programs of the federal bureaucracy did not just spring up. They were created in response to demands for services from politically mobilized groups within the country. But once established, each agency and program tends to develop a potent constituency of support, composed of key Congressmen who fight any effort to eliminate their pet projects, bureaucrats who fight to protect their jobs and individuals who fight to retain the benefits of a particular agency's programs.

Efforts to control the federal bureaucracy date back to the turn of the century. Every President since Theodore Roosevelt has created a commission to recommend changes to improve the administrative structure of government. Hundreds of recommendations have been made and many of them have been implemented, but many have also been defeated. Attemps to change the system have taken various forms. There have been executive orders, statutes, internal departmental directives and reorganization plans. Presidents have often succeeded in creating new agencies, but have generally failed to eliminate or consolidate existing agencies.

In light of these facts, the campaign promise of President Jimmy Carter to make government reorganization the top priority of his administration takes on special interest. President Carter has promised to reduce the number of federal agencies to 200. Massive consolidation of government agencies worked in Georgia and the President thinks that it will work in Washington. The history of reorganization, however, entitles anyone to be skeptical. The problem, of course, is that citizens complain about big government but demand more benefits and services while politicians talk bureaucratic reform but support new programs.

The President's reform proposals include:

A wholesale consolidation of agencies and programs;

Mandated periodic performance reviews which would require government agencies to justify their continued existence;

A reduction of government regulation, paperwork and interference in the lives of people;

A shifting of government responsibilities and functions to private enterprise or to State and local agencies; and

An increase in revenue sharing and block grant programs to give States and communities greater discretionary power.

The President believes that a principal reason for his election was his campaign pledge to reorganize the executive branch of government. Congress has now given him the general legislative authority he needs to go ahead. My own view is that he, like previous Presidents, will run into a political mine field when he tries to use that authority. The pressure against massive bureaucratic change will be great. But the President is proceeding. He has identified four major areas—law enforcement, local economic development, human services and administration—within which to begin to make government work better. A comprehensive agenda for reorganization is expected to come from the President soon. Under present law the President's reorganization proposals will go into effect 60 days after they are sent to Congress unless either House of Congress disapproves them.

My inclination is to support reorganization proposals. I cannot pledge to support each and every proposal, but I am persuaded that the greatest need of modern government is efficiency. A major overhaul is necessary to achieve a purposeful, manageable and competent Federal Government. My guess, however, is that the President will require all the support he can get.

BILL HUNGATE'S 1976 FINANCIAL STATEMENT

HON. HAROLD L. VOLKMER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. VOLKMER. Mr. Speaker, at the request of the Honorable William L. Hungate, my predecessor who gave 12 years of distinguished service in this body, I would like to submit for the RECORD his financial statement for 1976.

During his service in Congress, Bill Hungate annually filed in the CONGRESSIONAL RECORD a financial disclosure statement as reflected in his Federal income tax return.

To make his disclosure complete, I am inserting the financial statement he prepared for 1976—his last year in office. Bill Hungate's statement follows:

BILL HUNGATE'S 1976 FINANCIAL STATEMENT

In accordance with my regular practice since I first went to Congress, I again disclose my income as shown by my most recent income tax return for the year 1976, due and filed in the year 1977.

My joint personal income tax return, form 1040, line 9 shows my congressional salary of $44,600. Line 11 shows interest income of $983. Line 12 shows other income as $887 consisting of income from honoraria, musical compositions and recordings of $790, and an income from rental property of $97.

My total income, as noted on line 13, was $46,470, less line 14 of $4,075, which included a deduction for moving expenses of $2,322 and congressional travel expenses and office expenses of $1,753 paid from personal funds for which no reimbursement was received leaving an adjusted gross income of $42,395 as shown on lines 15a and 15c.

Form 1040, schedule A, shows total deductions of $6,857 on line 40, consisting of State and local taxes of $3,477, interest paid of $890.63, charitable contributions of $1,217 and allowable medical and dental deductions of $150. Miscellaneous deductions, line 33, totaled $1,122 consisting of Bar and Ascap membership fees, $317.50, safe deposit box, $3.50, newspaper and periodicals, $134, constituent entertainment, $293, dues, $252, and miscellaneous office unreimbursed expenses not otherwise listed, $122.

The total income tax, form 1040, line 16, is $9,516 less 2 percent per line 17b, $180, leaving a tax balance of $9,336 less credit of $50, balance $9,286, plus self-employment tax, $62, total per line 22, $9,348. The total Federal income tax withheld per line 23a was $11,632, estimated tax payments line 23b, $3,000 for a total tax payment of $14,632. The overpayment was $5,284 per line 26 and a refund was requested of $284 with a balance of $5,000 credited on the 1977 estimate. The Missouri State income tax paid was $1,285.

I do not own any stocks or bonds. I am not now nor have I ever been the creator or the beneficiary of a blind trust.

In accordance with the Federal Election Campaign Act, all receipts and expenditures of campaign funds were handled by the Hungate for Congress Committee, P.O. Box E, Troy, Mo., Identification No. 007820. Don Thompson, Treasurer. In 1976 that fund had no taxable income.

This concludes my public service as it began with disclosure of my income tax returns for each year in office.

FAWNING PRESS CORPS

HON. SAMUEL L. DEVINE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. DEVINE. Mr. Speaker, the President is enjoying a happy, hand-clapping, fawning group of journalists for his press conferences, and it certainly is in marked contrast to the performances during the past two or three administrations.

The respected chief of the Washington Bureau of the Columbus, Ohio, Dispatch, George Embrey, dramatically pointed up the problem in last Sunday's edition, and I am pleased to share his story with my colleagues:

WHITE HOUSE NEWSMEN UNCRITICAL—CARTER, PRESS START AFFAIR

(By George Embrey)

President Carter may not have enjoyed much of a "honeymoon" with Congress, but he seems to have some sort of love affair going with the White House "press corps."

Applause and approving laughter from the assembled newsmen at Carter's last formal and televised press conference are still causing a stir in Washington.

Perhaps that is because the new President has been engaged in a number of new ploys and has dusted off others from previous presidencies to manage the news coming out of the Carter White House.

All presidents since the advent of mass communications have tried with varying degrees of success to manage the news.

Timing announcements for maximum good publicity, playing down adverse information and "leaking hot tips" to friendly reporters are not crimes.

Objective newsmen usually play the game—attend the "background" and "off the record" briefings in their search for information—just as long as they feel they are not being used and their final product, which is what the public sees, is not distorted.

But political observers in Washington who watched the June 30 presidential news conference on television were taken aback, to say the least, at the tenor of the thing, particularly the obvious fawning in many of the questions and then the handclapping and laughter.

Could this be the same group of White House press room regulars who growled and snarled before the cameras at President Nixon and Ford for the past six or seven years?

Where were the "investigative reporters" so heralded in the media, books and movies?

Last week word came out that President Carter has been holding a series of private sessions with White House newsmen who were required to promise not to quote him directly and to submit to other restrictive "ground rules."

Page one banner headline stories appeared "as if by magic" in some eastern newspapers, including those in Washington Wednesday, telling what the President is "inclined to propose," as one put it, about major changes in personal income tax laws.

It seems Carter called in some selected reporters and tried out on them—and later their readers—ideas about his long-promised tax reforms without having to suffer the pain of explaining them in an open press conference.

Then some syndicated columnists had a private gabfest with Carter at the side of the White House swimming pool.

What is politically interesting about this is not that the new President is doing these things, but that to political observers it appears that the White House press corps has dropped its long public antagonism to the presidency—the much touted "adversary relationship"—and seems more than willing to serve the new President with obedient enthusiasm.

An experienced reporter in Washington sees things differently from a congressman, senator or other political observer in the capital.

With no major crises to bother the Carter presidency—no Vietnam War, no scandal, no recession—there is not a lot for the old White House pressroom hands to fight about.

The group of newsmen who do little else in Washington but hang around the White House are not particularly well-informed about such important but hard-to-handle stories as budget deficits, energy legislation, B–1 bombers and the like.

It still bothers veteran reporters to see all that excess of sweetness and light at a presidential news conference.

Memories of the last press corps love affair with a president, the late John F. Kennedy, in 1961–1962, are still sharp in Washington.

Developing the Camelot mystique, "image making" and creating "charisma," were the order of the day on the presidential staff, aided and abetted by Kennedy admirers in the press corps.

It does the press corps no good to be creating in 1977 a new image for itself of boosting one President, after taking credit for baiting two predecessors out of office.

And it raises the question of what might happen in the press corps when crises—sure to come, sooner or later—hit the Carter presidency.

BO CALLAWAY

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. COLLINS of Texas. Mr. Speaker, anyone that knows Bo Callaway of Georgia would tell you that Bo is one of the finest men they ever knew. He is a hard worker, keenly intelligent, scrupulously honest, and a dedicated patriot with a record as a progressive leader of our country.

But Bo Callaway has also served in political life. He was a Congressman from Georgia. He was considered the most outstanding Secretary of the Army in our Nation's history. He then became the general campaign manager in 1976 for the reelection of President Gerald Ford.

At that time, the Democrat politicians began a hatchet job on Callaway. It was an effective way to damage the reelection campaign of President Ford. Generalities confused the facts and misleading innuendoes were dropped daily to the press. It was a travesty of justice.

The other day I was reading the editorial page and noted James Kilpatrick had his column headlined "Vindication for Bo Callaway." He was saluting Jim Hougan on his excellent article on Callaway in the current July issue of Harper's magazine.

Kilpatrick gives credit to Hougan by saying:

Jim Hougan has done something almost unknown in the annals of Washington journalism. He has committed a kindness. In the matter of Bo Callaway, Hougan has undertaken to right a wrong.

I read this Callaway story by Jim Hougan. Harper's headlined the story, "The Persecution and Character Assassination of Howard Bo Callaway as Performed by Inmates of the U.S. Senate Under the Auspices of the Democratic Party."

Hougan then had 17 pages that carefully documented the political smear intrigue. It shows the nature of tough political campaigning. But the great strength of Hougan's story in Harper's is that it completely establishes the integrity and character of Bo Callaway.

I wish you all knew Bo. He never wanted to be campaign manager, as he enjoyed being Secretary of the Army. He left his Army post which he loved and described as the "best job I ever had." Politics is tough, but I join in thanking Hougan and Harper's for writing a fine presentation that lets the world know the man as he really is. Bo Callaway is one of America's finest.

MARIHUANA NOT HARMLESS

HON. SAMUEL L. DEVINE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. DEVINE. Mr. Speaker, particularly in high school audiences, we are questioned about legalizing or decriminalizing the use of marihuana.

In the July 1977 Private Practice magazine, Dr. Hardin Jones, professor of medical physics and physiology at the University of California, Berkeley, highlights 14 brain changes exhibited by the average marihuana smoker, as a guide for parents:

IS MARIHUANA REALLY HARMLESS?

A SHORT GUIDE FOR PARENTS

Many people in the government and the national media seem to be saying that marihuana—if used in moderation—is pretty much harmless. But is it? As more and more young people use it, the question becomes urgent.

One of the scientists who have studied the drug the longest—Dr. Hardin Jones, professor of medical physics and physiology at the University of California, Berkeley, and assistant director of the Donner Laboratory, says no. Writing in Private Practice Magazine, a medical journal, he highlights 14 brain changes exhibited by the average marihuana smoker. These are especially helpful for parents.

Says Dr. Jones:

1. He has shifted from a self-activating, interesting, and interested person to one who is withdrawn and given to disordered thinking.

2. Thought formation in the marihuana user tends to be less powerful: conclusions are relatively impetuous, and expressed ideas are often *non sequiturs*.

3. The marihuana user's attention span and ability to concentrate have been reduced.

4. Memory, especially short-term memory, is shortened.

5. The facial circulation reflexes are impaired; blushing is reduced. The skin tends to be pallid and relatively lacking in blood (except during the marihuana 'high').

6. The conditioned social responses, such as affection for parents and tolerance for their suggestions, are impaired. There is a loss of other conditioned responses; for example, an unkempt appearance is common and a loss of inhibition about urination in inappropriate places. Concern for consequences is reduced, and concern for the rights and well-being of others may be largely absent.

7. The marihuana user does not want to be 'hassled.' Mild criticism or merely requesting that housekeeping chores be done may be interpreted as hassling.

8. Marihuana is a hypnotic drug, and the hypnotic spell is long lasting. Thus, the user is likely to be talked into many situations that he would otherwise avoid.

9. The young marihuana user tends to remain thin and to be underdeveloped for his age. The trend is more pronounced with heavy use. The daily marihuana user of several years' duration is likely to appear emaciated.

10. The male is deficient in male hormone. He is likely to have a tendency toward paranoia or schizophrenia, or both.

11. He is likely to have an elevated number of broken chromosomes in cultures of his white blood cells.

12. His white blood cell immune response is lowered.

13. The daily cycle of sleep and waking is largely inverted. The marihuna user stays up at night.

14. Sexual functions are often stimulated early in marihuana use, but with regular use, the sexuality is suppressed.

In short, pot is anything but harmless. Parents whose children are smoking this dangerous weed should discuss this with their family doctor. It is a serious health problem.

STEP PROGRAM A HUGE SUCCESS IN SOUTH FLORIDA

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. FASCELL. Mr. Speaker, I call attention today to the commendable success of the summer teen employment program—STEP—in Dade and Monroe Counties, Fla. This program, provided for in title III of the Comprehensive Employment and Training Act—CETA— has been effectively operating for the last 4 years.

The program offers jobs to disadvantaged youths during the summer months. It gives them a chance to work closely and in collaboration with different aspects of county and community work. At the same time, it presents an incentive for friends and acquaintances of those working in the program to also find summer jobs within the community. I have also noticed that in Dade and Monroe Counties, crime overall, but specifically crime involving juveniles, has decreased 12 percent, as reported last week. For example, burglaries have gone down 7 percent; larcenies have gone down 10 percent; rapes and assaults have done down 40 percent. Although there is no proof that there is a relation between the program and the decrease in crime, there can be no question that the STEP program has played a helpful and constructive role in providing em-

ployment and productive activities for our young people who otherwise might be tempted to get into trouble for lack of anything to do.

As an example of the type of work being accomplished by the program, I call to the attention of our colleagues a press release written by Ana Veciana, herself a participant in STEP, commenting on the progress of the program. Ms. Veciana is working in the office of communications of the Metropolitan Dade County Manager.

The article follows:

The first week of operation for the Summer Teen Employment Program (STEP) went very smoothly and according to plan, said a STEP spokesman.

STEP is a federally funded program which employs 11,000 economically disadvantaged youths between the ages of 14 to 21 at more than 1,500 worksites throughout Dade and Monroe. Sponsored by the South Florida CETA Consortium and under the direction of Executive Director Gary Spencer, the teens work 25 hours a week for seven weeks at $2.30 an hour.

In many of the worksites, youths are employed at jobs that will help them toward their careers. At Edison-Little River's Project Pre-School, 16-year-old Edward Outler works as a day care aide, acquiring experience which will help him in the future.

"While working here, I'm getting a lot of experience with kids," Edward said as he helped feed some of the toddlers during breakfast. "I know that one day I'm going to have some kids of my own and I'll know how to react. I might go into teaching, too, so this is a real good job for me."

This is Edward's first year with STEP and he plans to return next summer. "I probably wouldn't have gotten a job this summer if I hadn't found out about STEP."

For another 16-year-old, Teresita Couso, STEP also provides a work experience that she might not have obtained otherwise.

"I know I wouldn't have a job if it weren't for STEP," said Teresita, who works as a clerk in the Office of Community Development. Teresita files, types, answers the phone and does other general office work. She sees her duties as a plus for future job references.

"This is definitely a great experience," she said. "I want to be a legal or executive secretary. This job gives me an idea of what it's like."

Like Edward, Teresita intends to return next summer—as have many other youths. Daniel Washington, for example, is a four-year veteran of the program. This year he works as a pressroom helper at Project P.E.T., helping out in the darkroom and in platemaking.

"This (STEP) is pretty good," Daniel, 18, said. "It gives me some money so I can help my mama and some to put away in the bank when I need it. I'm really getting the hang of making these plates now. I like it."

LIVING HIGH IN MOZAMBIQUE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. CRANE. Mr. Speaker, in this century, few nations have been permitted to determine their own destiny and political policies without interferences from external influences and pressures. This has certainly been the case for the newly independent states of sub-Saharan Africa in the post-World War II decolonization of the African continent by Western European nations.

As many are aware, yet reluctant to admit openly, Sino-Soviet penetration of these young African states has been rapidly increasing causing instability and depriving these states of necessary internal peace needed to form any stable political institutions and a sense of nationhood. Newly created African states have been fertile soil for external intervention by the Soviets and the Chinese Communists. Groups formed to gain independence from the European colonial powers have slowly been penetrated by external forces and their goal of independence transformed into an intermediate step for the Soviets and the Chinese in gaining strategic and economic control of the African continent.

I insert into the RECORD an article entitled "Cubans living high in Red Mozambique."

CUBANS LIVING HIGH IN RED MOZAMBIQUE

Recently, this writer had the opportunity to meet over dinner with a young man who was born and grew up in Mozambique and was an original member of Frelimo, the group founded by Mozambique blacks to gain independence from Portugal.

In 1975, after Mozambique gained its independence, Frelimo became the ruling party. It was during the transition period of the late 1960s and early 1970s that those such as the individual with whom I met saw the ruling apparatus of Frelimo become more and more dominated by, first, the Chinese Communists and, later, by Soviet directed Marxism. Now, of course, the Frelimo President, Samora Machel, openly proclaims Mozambique a "Marxist" state. This young man, because of these events, split with Frelimo in 1975 and was forced to flee for his life from Mozambique.

Because he is under a death sentence by Frelimo, his name cannot be used, for fear of placing his life as well as the lives of his relatives still in Mozambique in jeopardy. His observations, however, are revealing and should be carefully considered by those in the Western world who are developing policy with regard to southern Africa.

When he first joined the group, Frelimo was dedicated to (1) Independence and (2) Non alignment. It was not concerned with Marxism and was, in fact, fearful of Communism. The first Frelimo guerrilla fighters were trained in Algeria and Egypt. But little by little, he reported, the African countries decreased their aid and others—the Soviet Union and Communist China—came in. Then, guerrillas went to the Soviet Union and Communist China for training, which took six months.

Later, the Chinese trained Frelimo fighters in neighboring Tanzania.

Beginning in 1964, training camps were being run by the Soviet Union in the southern part of Mozambique.

RACE FOR INFLUENCE

"There was a conflict for influence at this time between the Russians and the Chinese," he reported. "The O.A.U. didn't help very much and so the Communists took over. The Chinese were then in the forefront. The guerrillas had to learn the Red Book of Mao which was being distributed in versions in English, Portugese, and Swahili. There was a period of assassinations. The early leaders of Frelimo, who wanted only independence from the Portugese, were slowly slaughtered by the Communists."

It was at this stage that this young man decided to leave Frelimo. "They were now more interested in Marxism than in independence," he said. "The situation today is different from what the original members of Frelimo had in mind. Samora Machel is now primarily influenced by the Soviet Union, not Communist China. The Communist Party of Portugal was an influential element in achieving the withdrawal of the Portugese. In addition, most of Frelimo's leaders were, when they were students in Lisbon, strongly influenced by the Portugese Communists."

Thus, as the Frelimo group launched a Marxist Leninist state in Mozambique it was the Soviet Union and not Communist China which dominated. Samora Machel, this young man reported, is so unsure of his position and is so unpopular in Mozambique that he has chosen a group of East Germans to serve as his body guards. "He seeks to divert the attention of the people of Mozambique to events in Rhodesia and South Africa so that they will not express their rage at events within Mozambique itself. Today, there is widespread hunger in Mozambique while Samora Machel lives in the palace of the old Portuguese Governor General."

EAST GERMANS, CUBANS

At the present time, the noted, "Mozambique needs South Africans to man its ports and conduct some of its business. But it is training replacements for them. Already, East Germans and Cubans are learning how to man the ports. There are reports of a sizeable group of Rumanians now in Mozambique. Mozambique is definitely preparing for war with South Africa. There is no doubt in my mind about that."

This former Frelimo member, who now lives in exile in Europe where he studies for an advanced degree, declares that, "The view of African liberation movements as the defenders of human rights is not true. Machel says that all of the prisons are full. He could not be more correct. More Mozambicans are in prison today than ever under the Portuguese. Those who have replaced the colonial government are more tyrannical toward their own people than the Portugese ever were. The Portugese were often harsh, but still when they arrested people there were trials and lawyers. Those found innocent were released. Today, there are no lawyers and no trials. There are no courts, only what they call 'People's Courts.'"

It is his hope that, "Africans will learn that the Soviets are as imperialistic as the imperialists of the past. I see the movements in Namibia and Rhodesia moving in the same tyrannical, pro-Communist direction. There is no doubt in my mind that if the guerrillas are successful, the moderates will be wiped out."

He also disputed U.S. Ambassador Andrew Young concerning the role of the Cubans in Africa: "The Cubans are here as imperialists. They are living in the best houses, eating in the best restaurants, filling up the best resorts—just as the Portugese did."

While many in the West are deluded about what is really taking place in Africa, this former Frelimo-member tells a far different story. The West would do well to take his message seriously and base its policy upon his understanding rather than their own illusions.

GEORGE MAHON

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. COLLINS of Texas. Mr. Speaker, GEORGE MAHON's decision to retire from the U.S. Congress came as a complete surprise to his friends in Texas. Our highly respected Dean of the Congress is admired by all the people throughout our State. He is not only re-

spected for his fairness and administrative drive as Chairman of the Appropriations Committee, but he is also warmly loved by the people of Texas. George has a deep and sincere warmth for all the people with whom he comes in contact.

There is no one in Texas that would have anticipated GEORGE MAHON was retiring. He is as sharp as a tack. He works as hard as any man on the Hill. Anytime you stay in Washington on Saturday, you will find GEORGE MAHON eating lunch in the Longworth Cafeteria because he works all day Saturday in his office.

About 6 weeks ago I was speaking to a big Republican meeting in Lubbock which is in the heart of GEORGE MAHON'S district. Everyone that I visited with had a good word to say about the chairman. They talked about how friendly and nice he was to them when they visited him in Washington. They spoke of his keen interest in their cotton, OSHA, oil and water problems. They said when they had anything on their mind they could write GEORGE and they got an immediate and constructive answer. When the Republicans admire you and your own Democrat brothers consider you a Saint, you must be a mighty strong person.

GEORGE MAHON is strong because he comes from the most independent minded and plain spoken area of America which is wide open West Texas. As the Dean, he has served more terms of Congress than any man up here. Today he is the most highly respected man in West Texas. It is a great tribute to work hard and be respected for your service in Congress:

GEORGE MAHON

George Mahon, the homespun West Texas gentleman of considerable integrity, has announced that he will serve out his present term and then retire as dean of the Congress of the United States.

It probably is good for the health and well-being of the 77-year-old chairman of the House Appropriations Committee.

It is bad for the country.

George Mahon is one of few public servants you want to go on interminably. You quickly exclude Mr. and Mrs. George Mahon of Colorado City when you murmur in heat that "they ought to clean out those bums in Washington."

The man, still in full vigor, has wisdom, foresight, appreciation of values, unchallenged honesty and a total understanding of government for the people. He has spent 42 years at his House job and he has become one of the most respected men in the United States because he has steered the all-powerful Appropriations Committee with a reasoned hand.

Not since the day he was elected as representative from the 19th District of Texas in 1934 has George Mahon ever been anything but the servant of the people. In fact, he is the only representative the district has ever had.

No political accident was George Mahon. He was a Godsend for the State of Texas and his nation. A member of the massive 55-member Appropriations Committee since 1939, he has been its chairman since 1964—longer than any other chairman of a congressional committee.

He has never violated the position. He has served under many Presidents of many hues and has had the full confidence of all because they knew a complete man when they saw one.

Sharp, healthy and dedicated, Mahon carries the appearance of a wind-seared West Texan of 60. The man from small-town Colorado City, with a total of 52 years of public service on his record, says he will remain active during the last 18 months of service.

And that is good. George Mahon can accomplish more in 18 months than a lot of his colleagues could record in 18 years. He has total equipment that has been profitably used for his nation.

TEXAS CONGRESSIONAL DELEGATION

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. PICKLE. Mr. Speaker, some weeks ago I had the privilege of attending the Texas Breakfast Club when it was addressed by the Deputy Secretary of Defense, Hon. Charles W. Duncan, Jr. Although I may be somewhat prejudiced in my Texas bias, I feel that my fellow Texan's remarks are worthy of repetition. He has in a few words captured the basic dilemma facing our defense establishment in these uncertain times—times when it becomes increasingly difficult to distinguish allies from enemies and essential defense spending from needless overkill. I believe we are fortunate to have a man of Deputy Secretary Duncan's ability and insight in such an important post.

Mr. Speaker, I now include Deputy Secretary Duncan's remarks in the RECORD:

REMARKS OF CHARLES W. DUNCAN, JR.

It makes me feel very much at home to be having breakfast with a group of Texans. Although I have lived in Europe a few years—and Atlanta a few more years—I have always considered myself as being domiciled in Texas, and still do. I have always taken a parochial interest in things Texan and don't make much attempt to disguise it.

Texas has contributed many great things to our country. One that has been contributed, and I think is appropriate to mention here in Washington, is the unusually distinguished Texas delegation to the Congress. The Texas delegation has had over the years and continues to have an unusually strong and constructive influence on the Government process. Members of the Texas delegation are among the most influential in the Congress. They've certainly been helpful to us in DOD.

I had always thought that people did things in a big way in Texas, but I confess I have been very impressed by the scale of things in Washington, not only in quantitative dollar terms but also in the diversity of events, expectations, and responsibilities. I suppose every moment in history has seemed important to those presently involved, but it seems to me that some of the issues we are confronting today are of unusual significance and long-term importance. The administration is taking new initiatives in the foreign policy area, is working hard to negotiate an acceptable strategic arms limitation agreement and is making very important decisions on new weapons systems and arms transfer policies. All of these have a direct impact on the Department of Defense.

This morning I thought I might mention several issues we in DOD are presently confronting which are of topical importance and which have been, and likely will be, in the press in the months ahead. It will only be possible to consider a few such issues; one of the interesting aspects of my job is that we confront so many. I thought I'd mention a couple, and then see if any of you have questions on any subject. That way I might concentrate more on subjects you're interested in.

Let me begin by mentioning national security. I am sure you agree that national security involves considerably more than military strength. The industrial base, the ability to grow food, a high technological capability and very importantly, national resolve, are all important components of that nebulous something called national security. Military strength alone will not create national security, but it cannot be achieved without a strong military capability that is perceived as such by the rest of the world.

We face a world in which danger and opportunity are intricately mixed.

It is true that Soviet military power has grown over the past ten years, but so has ours and we command the ability to deter them effectively. We've got to maintain that strength, yet at the same time search for opportunities that lessen the need for it.

For three decades now the security of western democracies has been preserved through the cooperative efforts of the United States and its allies. The largest and most important of our cooperative defense arrangements is, of course, the NATO treaty of 1949.

A strong and ready NATO remains vital to the United States national security. The President made this clear at the London summit in May and Secretary Brown reinforced it at the Brussels meetings of defense ministers the following week. We must present a credible conventional military capability. By conventional, I mean non-nuclear.

NATO's problems are not new. They were partially concealed in the past, however, by the overwhelming nuclear superiority of the United States, and the technological superiority of NATO conventional forces. We now have arrived at a point of nuclear parity with the Soviet Union. In order to continue to present a credible deterrent and an effective potential defense, NATO must develop a better coalition posture. And we must do this at an economic cost that is domestically sustainable.

That is not an easy task. But it is one well within the economic and technical capabilities of the alliance. Indeed, the increases in total defense resources required to achieve this are modest, given the existing defense efforts in both the United States and our NATO allies. Maintenance of a credible conventional deterrent does, however, require correction of some specific shortcomings—shortcomings which are increasingly worrisome in the face of continued improvements in Soviet and Warsaw Pact capabilities.

No NATO ally—the United States included—can afford any longer those elements of a go-it-alone approach which have been tolerable in the past. Such an approach is not consistent with our own security. More effective cooperative planning is essential.

A number of improvements are necessary now. Many of them are already underway and all of them under discussion.

The first of these is greater readiness. By readiness I mean the ability of a military unit to execute its war-like mission. This is receiving high priority attention now.

A second area requiring improvement is to provide a capability for the more rapid reinforcement of NATO forces.

Finally, we need to concentrate on rationalizing NATO's defense posture to achieve the best collective capability—at least cost—for coalition operations. We need to standardize

equipment wherever we can, while developing compatible doctrine, tactics, communications, and procedures.

Another fundamental is that we can no longer rely on our allies to hold the fort while we slowly mobilize—as in World War I or II. These days as General Nathan Bedford Forrest used to say, we need to "get thar fustest with the mostest" in order to deter or defend effectively. And it's not just a matter of moving men and equipment from point A to point B. We must get them there, perhaps thousands of miles from home, in full fighting condition. Meaning, their equipment is with them, or there waiting for them. Thus, worldwide mobility has become critically important to a credible U.S. defense posture.

We in DOD keep constantly in mind, when we address such mobility issues, the underlying principle that they can best be solved—at the least cost to the taxpayers—through full partnership between Government and industry. We are well aware of our ultimate reliance on civil sector transport capabilities—land, sea, and air—and have long planned on using them to supplement that limited airlift and sealift that we feel DOD must maintain.

So one of our primary DOD goals is to encourage a large viable commercial transport system capable not only of meeting civil needs, but those of any national emergency as well.

Strategic airlift plays a crucial role in reinforcing Europe. Our ability to deploy forces rapidly could do much to offset the Soviet Union's geographic advantage, particularly in the early weeks of a NATO confrontation. Sealift also plays a crucial role, and would eventually account for the bulk of materiel movements.

Readiness and reinforcement can get the U.S. share of cooperative defense to the front. But we have a vital role to play in our allies' share of that defense too. Through carefully selected sales and assistance, we help them to participate in and share the burdens of collective security. This is obviously a mainstay of U.S. policy in Europe. Similarly, our security arrangements with Japan and Korea are crucial to lowering the likelihood of hostilities in Northeast Asia. In addition, U.S. arms transfers enable us to help countries with which we have strong mutual ties, but no formal alliance, such as Israel.

Arms transfers in support of these major elements of foreign policy remains valid. But the overall situation in foreign military sales has been thoroughly reviewed. On May 19 President Carter announced a new U.S. policy on arms transfers, which will alter dramatically our own role—and hopefully lead other arms exporters and importers to consider changing their practices as well. The President's policy has a number of principal themes:

First, arms transfers to our NATO allies, Japan, Australia and New Zealand will continue, and these countries are exempt from the controls imposed by the new policy.

Second, the dollar volume of new U.S. commitments will be reduced, commencing in fiscal 1978.

Third, the United States will refrain from upsetting regional military balances, and we shall not be the first to introduce advanced weapons systems into parts of the world where they are not currently deployed.

Fourth, weapons must be deployed within U.S. forces before consideration of foreign sales will be undertaken. As a consequence, development of advanced weapons systems solely for an export market is prohibited.

Fifth, production of U.S.-designed systems in other nations (what is called "coproduction") is prohibited. Also, the U.S. will be reluctant to authorize so-called third country transfers, or re-transfers, of advanced weaponry which we have sold or licensed to another nation.

Sixth, positive policy-level control of foreign military sales will be exercised by the State Department.

The three issues I have discussed—NATO, readiness and reinforcement, and foreign military sales—share as a common theme, the need for better management. It is our job to supply that management. Yet the military mission requires more than management, for what the Nation's defense requires is not just programs and systems, but people. So I'd like to briefly touch on the concerns of the Defense Department and the military services on "people" issues, especially military compensation.

You may have read that more than 55 percent of our total DOD budget is in personnel accounts. The cost of military retirement benefits alone is projected at $9.1 billion in the fiscal year 1978 budget. There has been a continuing rise in manpower costs, a continuation of a trend over the past years: Not only have retirement costs gone up, but the pay and benefits proportion of the defense budget have risen steadily, even though manpower levels have declined. The overall rate of compensation has increased as comparability standards were introduced to match our military pay with civil service, and to match both with the private sector.

These economic pressures need to be contained; the level of defense spending is unlikely to rise significantly and we need to free resources to enhance our combat capabilities in the ways I've discussed earlier.

It is necessary to make some changes in our compensation program with particular emphasis on the retirement aspects of it. I think it is very important that we make these changes intelligently, giving full recognition to the position of those who have seniority and expect to receive retirement benefits under existing programs.

Military compensation has been studied by a number of groups recently.

These studies have arrived at widely differing conclusions. Secretary Brown has recommended and the President has decided to refer all of these studies to a presidential commission of distinguished citizens for resolution and independent advice. This is the so-called Presidential Blue Ribbon Commission on Military Compensation. Its membership has been selected, and the president will probably announce the individuals shortly. We hope that its work can begin soon.

What is that commission expected to do in more specific terms?

First, it will review the five major studies, those done by the Third Quadrennial Review of Military Compensation, the Defense Manpower Commission, the Comptroller General—who reports to Congress—the Dod Retirement Study Group, and the Interagency Committee on Uniformed Services Retirement and Survivor Benefits.

Second, the commission is to recommend the forms of military compensation for peace and war. To oversimplify, should we retain some form of the pay and allowances system or should we convert to a military salary system?

And finally, the commission will be asked to address a number of structural questions affecting the military compensation system.

The commission will be expected to report on these basic policy issues and to outline a consistent, long-term compensation policy for the United States by about March 1978.

These are the only specific issues I thought I would mention. Obviously, I have excluded many, such as some specifics on the SALT negotiations, changes in our procurement procedures, efforts to improve departmental efficiency in such ways as base realignments, better utilization of personnel, the elimination of advisory boards and consultants and various other measures.

SHUSTER DETAILS OPPOSITION TO AIR-BAG ORDER

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. SHUSTER. Mr. Speaker, since I first came to Congress 4½ years ago, I have been deeply committed to highway safety, not only because it is a national problem, but because the highway fatality rate in parts of my central Pennsylvania congressional district is three times higher than the national average. I not only have supported highway safety legislation, but am the author of portions of the present highway safety law.

If the evidence to date showed that air-bags would significantly improve highway safety, I would vigorously support the air-bag. Unfortunately, the decision of June 30 by the U.S. Secretary of Transportation to force the installation of air-bags or other so-called passive restraints in new cars beginning in September 1981, can only be justified by starting with the premise that Government has the right to control our lives by experimenting on us, with what it hopes will be good for us. If, instead, one starts with the premise that we are a free people who value our freedom of choice, then the further regulation of our lives can only be justified by a most compelling case.

The Department of Transportation—DOT, and the National Highway Traffic Safety Administration—NHTSA—have provided no such justification. Accordingly I have introduced a concurrent resolution to disapprove the air-bag order—Federal Motor Vehicle Safety Standard No. 208.

Congress should disapprove mandatory air-bags at this time for at least five reasons.

First, because air-bags are unproven. No hard evidence exists to show that air-bags will actually save lives. Tests on plastic dummies do show that the dummies are smashed in frontal crashes in cars without any type of restraint, but are not smashed in similar tests with air-bags. One report of real-world experience with approximately 11,000 air-bag equipped cars indicated a total of approximately 100 accidents thus far where air-bags were used, a number, according to statisticians which is far too small for evaluation. This same real-world experience recorded three accidental air-bag inflations while driving. When extrapolated to the entire U.S. car population, this means 30,000 accidental inflations. No one knows if these surprise inflations really would occur or how dangerous they might be. NHTSA admits that even if the air bag does work, it would be protective only in frontal collisions, and only 55 percent of all fatalities occur in such crashes. To achieve maximum effectiveness, air-bags must be used with lap belts, and it is pure conjecture as to how many people would use lap belts along with air-bags.

Economics and Science Planning, Inc., a Washington consulting and research firm conducted an air-bag study supported by NHTSA. They have advised me that comparison of data from a NHTSA report titled "Air Bag Accident Statistics" and a DOT analysis of a seat-belt effectiveness (HS–802–035) shows that safety belts, even though worn by only 44 percent of the people, save 30 percent more lives than would air-bags. They noted that the air-bag sample was too small to be highly reliable, but that really makes my point: No solid data exist to justify mandatory air-bags. This premature mandate can set back the cause of highway safety, just as the mandatory buzzer-interlock system did, which, incidentally, was ordered by the same agency. You will recall the uproar it caused, and that it took an act of Congress to repeal it. That fiasco cost the American people millions of dollars.

The air-bag order is doubly dismaying in view of the Coleman agreement negotiated last year requiring the auto companies to market over 400,000 cars with air-bags so real-world safety statistics could be gathered as a basis for a carefully thought-out air-bag decision.

The Federal order is also puzzling in that it mandates air-bags for small cars last, thereby delaying installation in the least safe vehicles and giving another price advantage to imports over full-size American cars.

Second, because the air bag order could turn into a $20 billion consumer ripoff. DOT admits that the air bag could cost $200 or more per vehicle and with over 100 million cars in America, that works out to a $20 billion cost just for starters. Once an air bag inflates, the car must be returned for a new air bag installation which costs more than the original factory installation. Since 1.2 million injurious accidents occur each year, the air bag may inflate in several hundred thousand cars annually. The cost of the air bag each time a person buys a new car, plus the accident replacement cost, add up to a new expense for the average car owner of over $2,000 during his driving life. The auto companies disagree with my cost estimate, which is based on NHTSA information, claiming it is too low.

Third, because there is a proven alternative to the air bag. Safety belts already are installed in 95 percent of our cars and the real world evidence proves that they work. A person wearing a safety belt in a serious accident triples his chance of survival. It is a national tragedy that only 44 percent of the people wear safety belts. It is downright foolish not to "buckle-up," but free people have a right to do foolish things. It is high time we place more emphasis on informing the American people instead of cramming regulations down their throats. As Congress returns I will introduce the Highway Safety Information Act, which will provide for the vigorous promotions of highway safety along with test programs to determine the most effective methods of encouraging driver safety. If we can reduce fatalities by only 2 percent, that amounts to a thousand lives saved each year.

Fourth, because the air-bag order is grossly unfair to the 40 million Americans who do use their safety belts. These good citizens will be forced to buy air bags which, even the proponents admit, provide no additional protection over safety belts. Once again, Government is penalizing conscientious citizens by attempting to protect the careless from themselves.

Fifth, because the air-bag order chips away needlessly at our individual freedoms. By itself, this Federal order is no monstrous calumny. It is simply an attempt by well-meaning people, in positions of power, to make driving safer. Their hearts are in the right place. But as so often happens, zealots of a particular cause are blinded to other values by their unifocal vision. As David Hume suggested:

> Freedom is seldom lost all at once, but rather in small degrees. This air bag edict is a very small piece of a dark and heavy blanket, gradually being lowered over a free people by their paternalistic government.

Let us, in a thousand different ways, speak up for individual liberty and personal responsibility, as against the power of Government. Let us happily submit to Government regulation only when the case is so compelling that no rational person could choose a different course.

Let us reject the air-bag edict as one small assertion of our freedom, until or unless a better case is made.

The material follows:

ATTACHMENT

(NOTE.—The following comparative analysis of the relative effectiveness of air-bags vs. harness restraints was prepared by Dr. Lawrence Goldmuntz of Economics and Science Planning, Inc., a Washington research-consulting firm, and contained in "Comparative Effectiveness of Occupant Restraint Systems", an ESP response to the passive restraint hearing of April 27, 1977, and supported by NHTSA.)

Fatalities per towaway accident (or death rate) when system is used (assuming 2.3% national towaway rate):

Air-bags [1]—.0071 (4 fatalities divided by 560 towaways).

Lap-shoulder belts [2]—.0023 (16 fat. divided by 6,576 towaways).

No restraint [2]—.0076 (70 fat. divided by 9,242 towaways).

Total fatality rate at 44% lap/shoulder belt usage (of crashes involving fatalities, as reported in [2] above):

44 percent at .0023
56 percent at .0076

Total	.00526
Air bags	.0071
Difference (percent)	30

Total fatality rate at 30 percent:

30 percent at .0023
70 percent at .0076

Total	.0061
Air bags	.0071
Difference (percent)	15

[1] Data taken from NHTSA document "Air-bag Accident Statistics" NHTSA reported only 178 towaways; ESP believes figure is low and used 560 towaways instead, based on 2.3% rate. Using NHTSA figures would show even greater difference.

[2] Data taken from DOT publication HS 802 035 "A Statistical Analysis of Seat Belt Effectiveness in 1973–1975 Model Cars Involved in Towaway Crashes."

FEDERAL MINE SAFETY AND HEALTH ACT OF 1977

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. GAYDOS. Mr. Speaker, there is a misconception as to what effect the passage of H.R. 4287, the Federal Mine Safety and Health Act of 1977, will have on the six existing State-administered metal and nonmetal mine safety plans. I am herewith submitting for the edification of my colleagues, my letter to Hon. John C. Brooks, commissioner of labor of the State of North Carolina, which will clarify any erroneous assumptions with regard to State-administered plans. H.R. 4287 not only allows the plans to continue, but also encourages further development by providing Federal funds to assist the States.

The text of the letter follows:

CONGRESS OF THE UNITED STATES,
Washington, D.C., July 13, 1977.

Hon. JOHN C. BROOKS,
Commissioner of Labor, North Carolina Department of Labor, Raleigh, N.C.

DEAR MR. BROOKS: I have received from your office responses to your letter of May 24 which you sent to various State labor department officials soliciting their support for your campaign to amend H.R. 4287 with regard to State plans.

Your letter contains some misstatements which I fear have caused undue misapprehensions with my bill. You indicate that H.R. 4287 "contains no provision . . . for state administrators of the federal mine safety program." The contrary is true. My bill adopts the formula of the 1969 Coal Act, Section 506, in which "no state law in effect on the date of enactment of this Act or which may become effective thereafter shall be superseded by any provision of this Act. . . ."

Twelve (12) States representing some 93 per cent of coal productions have such State programs in operation.

H.R. 4287, therefore, does grant the States the right to maintain jurisdiction over mine safety. While Section 16 of the Federal Metal and Nonmetallic Mine Safety Act allows the States to accomplish a major preemption of the Federal enforcement, Section 506 of the Coal Act does not require any preemption. Adoption of Section 16 of the Metal Act could, therefore, cause immediate disarrangement of the twelve States which have been operating State coal mine safety programs. Adoption of H.R. 4287, however, would not in any way disarrange the six (6) States which are operating State metal mine safety programs.

As a matter of fact, H.R. 4287 provides Federal grants to the States of up to 80 per cent, whereas under the OSHA Federal grant program, which you advocate, there is only a 50–50 match.

In your letter you recommend that either Section 16 or Section 19 of the Metal Act be adopted. Actually, Section 19 of the Metal Act *is* comparable to Section 506 of the Coal Act. Neither of these sections provides for preemption of either Federal or State law.

Your letter indicates your State's concern with the "OSHA-like provision for an initial-fines sanction system." However, the enforcement system of H.R. 4287 is not patterned after the 1970 OSHA Act, but rather follows the 1969 Coal Act, while the substitute bill (H.R. 7979) introduced by Congressman Sarasin is patterned after OSHA, which does not have an "initial-fines sanction system".

In conclusion, your main objective that State programs be continued is achieved in H.R. 4287. In addition, the bill authorizes Federal funding for all State safety and health mining programs. Therefore, there is no need for amendments to obtain these objectives.

Sincerely,

JOSEPH M. GAYDOS,
Chairman.

PENNSYLVANIA RESOLUTION

HON. RAYMOND F. LEDERER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. LEDERER. Mr. Speaker, the energy crisis is of paramount importance to the Members of this House. Our President has called upon all of us to make sacrifices and to enact legislation to provide an adequate supply of energy for all Americans.

My home State of Pennsylvania is particularly concerned that this Nation has adequate supplies of natural gas both for homes and for industry. In this context the General Assembly of the State of Pennsylvania has pending a resolution to call upon the Congress and the President to provide a means for transporting necessary supplies of natural gas from Alaska.

Mr. Speaker, I would like to share the language of this resolution with my colleagues in the House:

Whereas, The United States suffers economically and environmentally from a severe shortage of natural gas; and

Whereas, The Commonwealth of Pennsylvania and the Nation as a whole require and will benefit from increased secure supplies of energy; and

Whereas, It is in the national and regional interest that a transportation system be promptly approved and constructed to transport the huge supplies of natural gas from northern Alaska to markets across the Nation; and

Whereas, The transportation system for such purpose which appears to deliver such gas most directly to markets; to conserve, by operating efficiency, the most natural gas; to transport such gas at a very materially lower cost to all parts of the Nation; to best support the level of imports of natural gas from Canada by providing access for Canada to its supplies of gas in the Canadian Arctic; to operate in the most environmentally protective manner; and to be capable of being put into operation most promptly, is the all-land pipeline across Alaska, Canada and the contiguous United States proposed by the Arctic Gas Project; and

Whereas, The Federal Power Commission staff and more recently the Federal Power Commission Administrative Law Judge have strongly recommended this project over alternative systems; now, therefore, be it

Resolved (the Senate concurring), That the General Assembly hereby expresses its support for the Arctic Gas Project; and, be it further

Resolved, That the General Assembly hereby urges the President and Congress of the United States to take all feasible action to expedite the authorization of the construction of said Arctic Gas Project; and, be it further

Resolved, That duly attested copies of this resolution be transmitted to the President of the United States, to each member of the congressional delegation from this State, and to the chief officer of the Departments of Interior, State, Commerce, Agriculture, Defense, Health, Education and Welfare, the Federal Energy Administration, the Federal Power Commission, the Governor of Pennsylvania and the Pennsylvania Public Utility Commission.

TERRORISM AND SUBVERSION IN LATIN AMERICA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. McDONALD. Mr. Speaker, during this year since the commencement of the new administration there has been a radical change in U.S. foreign policy in relation to our friends and neighbors in Latin America and the Caribbean. Indeed, friendly Latin American countries are now being treated as foes, while at the same time we are wooing the Cuban Communist regime which has never ceased its export of subversion and terrorism not only throughout Latin America but also in our own Nation.

Communist revolutionaries, selected, trained, armed, and supported by Cuba continue revolutionary terrorism and receive support from the Marxist-Leninist subversives within the target country. Those who take necessary security measures to protect their citizens from revolutionary violence are shunned as pariahs by the social activists who have got policymaking positions in the new administration who are encouraging a reckless and ruthless abandonment of Latin America to unhampered Soviet aggression.

I have compiled a survey and analysis of the extent of subversion and terrorism in Latin America for the use of my colleagues which follows:

ARGENTINA

Area: 1,073,700 square miles; population: 25,890,000; capital: Buenos Aires (3 million, metropolitan area of 7.7 million); head of state, President Jorge Rafael Videla; per capita income: $1,510.

MARXIST-LENINIST PARTIES

Partido Comunista de Argentina (PCA) (Moscow), estimated 120,000 members and 200,000 sympathizers.

Partido Comunista Revolucionario (PCR) (Peking), formed in 1968 as a splinter from the PCA, supports "urban guerrilla warfare"—terrorism.

Vanguardia Comunista (VC) (Peking), formed in 1964 and active principally among students.

Partido Revolucionario de los Trabajadores (PRT) (Trotskyite), estimated 6,000 to 15,000 members and sympathizers including many Castroites; operates one of the major terrorist groups, the ERP.

Partido Socialista de los Trabajadores (PST) (Trotskyite), a splinter from the PRT which has gained members from the Argentinian Socialist Party.

TERRORIST GROUPS

Ejercito Revolucionario del Pueblo (ERP) "People Revolutionary Army"—established in 1970 by the ERP, has received extensive training and support from Cuba; had an estimated 2,000 to 3,000 guerrillas under arms in the Andes foothills and other remote rural areas early in 1976, but has since suffered extensive losses at the hands of the Argentinian Army; now has virtually merged with the Montoneros and remains active in urban terrorism.

Montoneros (Peronist, with elements of Marxism-Leninism)—estimated 6,000 members with 30,000 to 50,000 sympathizers among extreme left Peronists at the beginning of 1976, but since has been decimated in Army anti-subversive operations; has always specialized in urban terrorism.

"Argentina Anticommunist Alliance" (AAA)—a name used by a variety of groups such as criminal gangs when carrying out robberies, kidnappings, extortions and raids with rival gangs; by individuals and small groups carrying out acts of private vengeance; and by provocateurs attempting to discredit conservatives and demoralize the citizens.

In March 1976, conservative Argentinian military officers overthrew President Isabel Peron in a bloodless coup. Their action was taken in response to the national anarchy and de facto state of civil war which Mrs. Peron was not only incapable of ending, but was actually covertly supporting.

Upon their return to power in 1973, the Peronist government legalized the Communist Party (PCA) and other Communist sects, and had released hundreds of jailed terrorists. The terrorists were not only members of Peron's own Montoneros—"bushwhackers"—but the cadres of the Peoples' Revolutionary Army (ERP). Top members of both the Montoneros and the ERP had been trained in terror tactics, clandestine activity, and explosives by the Cubans. Peron had found the Montoneros useful in attacking the previous military government and U.S.-owned businesses and their executives; but back in power he found the Cuban-indoctrinated Montoneros difficult to control.

The ERP Trotskyites had no allegiance to Peron of any sort and immediately returned to all out terrorism. After Juan Peron died, the Montoneros returned to clandestine terrorism. The two chief terrorist groups made kidnapping their principal source of funds, obtaining $14.2 million (ERP) for the ransom of Exxon executive Victor Samuelson and $60 million for the ransom of the Born brothers, Argentinian grain exporters.

The national police and the army were not permitted to mount effective operations against either the revolutionary terrorists or the dozens of criminal gangs who copied their style. By early 1976, there was a kidnapping every 20 minutes in Argentina, and the victims were often chosen by criminal extortionists at random off the street on the grounds that everyone was worth something to someone.

Recent investigations in Argentina indicate that Mrs. Peron and her finance minister, Jose Gelbard, now living in Washington, D.C., and resisting extradition, were secretly in alliance with the

Montoneros who planned to wage a "popular war" against Argentinian conservatives and the military and install a Marxist government with Mrs. Peron as its figurehead. President Peron and Finance Minister Gelbard have been accused of embezzeling treasury funds and sending the money out of the country via a corrupt leftist group of financiers, the Graiver group, which also owned two banks in New York City. The Graivers were also running a "terrorist investment service" for the Montoneros, investing some $14 million from the Born ransom and paying the terrorists a monthly income from interest of $133,000.

Under the military government headed by President Videla, the terrorists have suffered immense losses. The ERP's uniformed rural guerrilla units have been exterminated, their leaders including the ERP founder, Marlo Roberto Santucho, were killed in urban shootouts. Montoneros leader Mario Firmenich is in exile in Rome and the organization's terrorist activities have been greatly reduced although assassinations of military leaders, and leaders of rival political groups—leftist, Peronist, and conservative—continue.

Inflation remains a problem, but was markedly reduced during the past year. The trade union organization, the General Confederation of Workers (CGT), the base of the Peronist movement and which includes some sectors supporting the Montoneros, is operating under restrictions and is developing support for a pressure campaign for ending the trade union regulations among union groups in the United States and other countries.

Under the Perons, Argentina had been made a haven for exiled revolutionaries of all factions from other Latin American countries, particularly Chileans, Uruguayans, Bolivians, and some Brazilians. The leftist "exiles" included many terrorists and their supporters from Moscow, Havana, and Peking-directed Communist parties. Many were living in Argentina illegally with false or forged papers. Quite a few have left Argentina for new havens in Venezuela, Mexico, Cuba, Eastern or Western Europe, and the United States. From these new refuges, their voices have been raised in condemnation of the Argentinian government. And they have a ready audience among the liberals and leftist activists in the streets, the academic community, in the new administration and on Capitol Hill who have managed by their misuse of the "human rights" issue to deny the propriety of America's aiding Free World countries fighting terrorists sponsored by foreign Communist governments.

BAHAMAS

Area: 5,380 square miles; population: 213,000; capital: Nassau; head of government: Prime Minister Lynden O. Pindling; per capita income: $2,300.

The Bahamas and the other English-speaking countries of the Caribbean have recently attracted the attention of the Cuban Communists who are busy courting local students, intellectuals, and leftists. Politically, the Bahamas is controlled by the Progressive Liberal Party (PLP), a socialist party of the Fabian variety. The minority opposition party is the Free National Movement. A new far-left group has appeared, the Vanguard Nationalist and Socialist Party (VNSP) of which little is known at present and which bears observation.

The Bahamas are less than 100 miles northeast of Cuba and numerous U.S. Navy and Air Force tracking and monitoring stations are located in the islands which monitor our space shots from Cape Kennedy and protect our southeast coast.

BARBADOS

Area: 166 square miles; population: 248,000; capital. Bridgetown; head of government: Prime Minister: J. M. G. "Tom" Adams; per capita income: $1,450.

As a "Third World" country and U.N. member, Barbados has sought friendly relations with Communist bloc, calls for an "end to colonial rule in Southern Africa," reestablished diplomatic relations with Communist Cuba in 1973, and severed relations with the Republic of China in January 1977, in preparation for eventual recognition of Red China. Barbados served as a refueling stop for the first Cuban troop flights to Angola in December 1975; by the time Barbados reluctantly closed its airport to the Cuban military, the Soviet Union had provided troop transports with sufficient range to reach Africa.

BELIZE

Area: 8,886 square miles; population: 145,000; capital: Belmopan; head of government: Prime Minister George Price; per capita income: $680.

Belize (formerly British Honduras) is a potential trouble spot in Central America. Guatemala has laid claim to the territory and has periodically threatened an invasion of the small, heavily forested, internally self-governing British colony whenever its ongoing talks with Great Britain stall.

Belize's local government run by the People's United Party (PUP), a typical "third world" centralist organization. PUP's December 1976 convention was entirely predictable with its central committee elected by acclamation, no opposing candidates, no opposing views.

Belize has consistently run a large deficit, with its small exports of sugar and lumber swallowed by imports of oil, vehicles, building supplies, and consumer goods. The Belize deficit has previously been made up by aid from Britain, the United Nations, and loans from the Caribbean Development Bank. Belize has asked for U.N. intervention to assure independence, not Guatemalan control.

BERMUDA

Area: 18.5 square miles; population: 57,000; capital: Hamilton; head of government: Premier J. H. Sharpe; per capita income: $5,114.

Local government in Bermuda, a British colony, is under the control of the United Bermuda Party (UBP), a liberal party which makes the expected promises of an expanding economy, increased social services, expanded educational facilities, et cetera. The UBP's far-left socialist rival is the Progressive Labour Party (PLP) which demands immediate independence from Great Britain and a totally state-controlled economy. The PLP has been increasing its strength and takes at least ideological support from Michael Manley's pro-Communist maneuverings; and the Socialists believe they have a real chance to win the next local parliamentary election which must be held before May 1981.

BOLIVIA

Area: 424,162 square miles; population: 5,624,000; capital: La Paz; head of state and government: President Gen. Hugo Banzer Suarez; per capita income: $410.

MARXIST-LENINIST PARTIES

Partido Comunista de Bolivia (PCB) (Moscow), estimated 1,500 members, additional supporters.

Partido Comunista de Bolivia, Marxista-Leninista (PCB–ML) (Peking), estimated 1,100 members.

Partido Obrero Revolucionario (POR) (Trotskyite, factionalized).

TERRORIST GROUPS

Ejercito de Liberacion Nacional (ELN), founded in 1966 by Ernesto "Che" Guevara, the ELN is now controlled by the Trotskyite POR and is a member of the Junta de Coordinacion Revolucionario (JCR), the terrorist international of Chilean, Bolivian, Uruguayan, and Argentinian terrorists of mixed Castroite and Trotskyite ideologies.

Following the 1971 overthrow of the leftist regime of General Torres by Gen. Hugo Banzer, the present chief of state, the Bolivian Communists were dealt a severe blow. Although electoral activity has been suspended, the Marxist-Leninists are still functioning. Sporadic urban terrorism from the ELN occurs, but the ELN is principally an exile movement in that its hard pressed cadres took refuge first in Chile under the Marxist-Leninist President Salvador Allende, then following his overthrow fled to Argentina which is now evicting its foreign subversives and revolutionaries.

U.S. relations with this important mineral-exporting country are generally good. However, Bolivia is a landlocked country which lost its outlet to the Pacific in a war with Chile almost 100 years ago. It is currently negotiating with Chile for an outlet in northern Chile. However, the presence of Peru, heavily armed, equipped, and advised by the Soviet Union is a complicating factor. Peru has been buying Soviet tanks capable of spearheading a drive south across the arid plains to capture for itself the area Bolivia is attempting to obtain title to by negotiation.

BRAZIL

Area: 3,286,470 square miles; population: 103,896,000; capital: Brasilia; per capita income: $700; head of state and government: President Ernesto Geisel.

MARXIST-LENINIST PARTIES

Partido Comunista do Brazil (PCB) (Moscow), estimated 6,000 members and 10,000 supporters.

Partido Comunista do Brazil (PCdoB) Peking), estimated 1,000 members and 3,00(sympathizers who split from the pro-Moscow group in 1962; has been involved in terrorism and shootouts with police.

Açâo Popular (AC) "Popular Action"—developed in the late 1950s under Cuban impetus among the Catholic left student

sector and later openly proclaimed its Marxist-Leninist ideology and support for violent revolution.

Partido Operario Comunista (POC) (Trotskyite)—officially advocates armed struggle and has denounced some of the Castroite groups who have ended terrorism because of pressure from Brazil's security forces.

TERRORIST GROUPS

Ação Libertadora Nacional (ALN)—Formed early in 1968 by PCB militants led by terrorist theoretician Carlos Marighella, killed in a shootout a year later. The ALN has been in alliance with other Castroite terrorist groups including the VPR, PCBR, MR–8, and MR–T.

Vanguardia Popular Revolucionaria (VPR)—appears to have been infiltrated and taken over by PCB agents who ended "premature" terrorism in favor of political organizing and subversion; is now allied with the VAR–P and the Partido Operario Comunista (POC), active in southern Brazil and which may also be actually controlled by the PCB.

Partido Comunista Brasileiro Revolucionario (PCBR)—formed by dissident PCB militants and active in northeastern Brazil, it too has been penetrated by PCB agents, but continues sporadic terrorist activity. Aligned with Marighella's old ALN and other Castroite terrorist groups, it is noted that CIA turncoat Philip Agee's "compañera" has publicly admitted membership in the PCBR.

Movimento Libertador Popular (MOLIPO)—formed by ex-ALN cadres, 80 percent of whom reportedly received terrorist training in Cuba; has specialized in armed robberies "revolutionary expropriations" and attacks on police.

The Marxist-Leninist parties of Brazil have been on a decline since the 1964 overthrow of the leftist government of President Joao Goulart in whose government the PCB and allied militants were gaining influence and strength. All Marxist-Leninist parties are illegal and forbidden to organize. However they continue to do so and successful prosecutions of PCB, PCdoB and other revolutionary party organizers have taken place in 1975 and 1976. PCB leader Luis Carlos Prestes has lived for the past six years in Moscow. Among the items confiscated in a raid on PCB cell was a powerful transmitter attuned to Moscow's frequencies.

Brazil has had up to 16 concurrent revolutionary terrorist organizations in simultaneous operation during the 1970's. Their greatest strength was estimated at 1,000 persons (with an unknown number of supporters). Most of the terrorist groups have been inactive due to the fact that their members have been killed, jailed or exiled. Terrorism remains an irritant to the body politic, however. It is noted that "Christian Socialist" elements in the Brazilian Catholic Church have allied themselves with the Marxist terrorists, and that members of several religious orders have been jailed as members of terrorist groups.

Two legal political parties exist in Brazil. These are the Conservative, pro-Government National Renovation Alliance (ARENA) and the Socialist Brazilian Democratic Movement (MDB) whose politics and goals were recently likened by its deputy chairman Saturnio Braga to Mario Soares' Portuguese Socialist Party the British Labour Party, and West Germany's Social Democratic Party. ARENA. controls approximately two thirds of the seats in the Brazilian Chamber of Deputies and Senate.

Brazilian revolutionaries have been conducting a propaganda campaign against the government of President Geisel based on allegations of institutionalized torture and violations of human rights. The slanders have been denied even by the leaders of the leftist opposition MDB, which has been a target for penetration by the PCB.

This country delivered a deep political insult to Brazil via Congressional demands for proof that "human rights" are not being violated before any U.S. military aid was voted. Brazil announced prior to Congressional action, as did Argentina and Uruguay, that she would not accept any U.S. military aid under insulting conditions.

An even greater controversy arose over the administration's strong opposition to an agreement between Brazil and West Germany that would provide Brazil with a complete nuclear industry, including spent fuel reprocessing facilities, by 1990. Under the agreement, West Germany is to sell Brazil eight nuclear reactors for powerplants designed to provide 10,000 kW of electricity. Brazil lacks its own oil, gas, and coal. The cost of importing oil from the OPEC cartel has been a major factor in the slowing of Brazil's economic growth rate.

The West German nuclear package also includes provision of a uranium enrichment plant, a fuel fabrication plant, and facilities for reprocessing nuclear wastes.

Although Brazil agreed to submit to International Atomic Energy Agency controls to insure that nuclear material was not diverted for military purposes, this was not sufficient for the U.S. administration which put pressure on West Germany to cancel the agreement. This heavyhanded move backfired resulting in Brazil and West Germany refusing to make any changes in their agreement.

After the controversies over U.S. human rights policy and Brazilian nuclear power, Brazil announced that it was giving the required 1 year notice to terminate the 1952 mutual defense agreement with the United States and that any future military assistance would be declined. No doubt the Cubans and Soviets are pleased with the situation that no longer would the United States go to the aid of Brazil in the event of an attack.

CHILE

Area: 292,258 square miles; population: 10,540,000; capital: Santiago; per capita income: $793; head of state and government: President Augusto Pinochet Ugarte.

MARXIST-LENINIST PARTIES

Partido Comunista de Chile (PCCh) (Moscow), was legal from 1958 to September 1973; estimated 200,000 members.

Partido Socialista de Chile (PSCh) (Moscow and Havana), estimated 250,000 members.

Partido Comunista Revolucionario de Chile (PCRCh) (Peking), established in 1966 by a small group of Maoist dissidents expelled from the PCCh.

Partido Obrero Revolucinario—Trotskista (POR-T) (Trotskyite), a small politically isolated sectlet.

Movimiento de Izquierda Revolucionarie (MIR) (Castroite), estimated 5,000 members.

TERRORIST GROUPS

MIR, acting with sympathetic members of the PCCh and PSCh in some instances, has been the principal terrorist organization in Chile. Prior to the overthrow of Allende, they served as his "goon squad." With the support of the Junta de Coordinacion Revolucionaria (JCR) some 800 MIR guerrillas attempted to invade Chile over the Andes from Argentina in 1975. Few are believed to have survived.

UNIDAD POPULAR (IN EXILE)—IN THE U.S. CALLED CHILE DEMOCRATICO

PCCh

PSCh

Partido Radical (PR)

Izquierda Christiano (IC) "Christian Left"—split from the left wing of the Christian Democratic Party.

Movimiento de Accion Political Unidos (MAPU) "United Political Action Movement".

Movimiento de Accion Political Unidos—Obreros e Campesinos (MAPU-OC) "United Political Action Movement—Workers and Peasants".

MIR

The Chilean Socialist and Communist parties have worked in close cooperation since the time of their legalization in 1958 under a Christian Democratic administration. Both the PCCh and the PSCh proclaim their Marxist-Leninist ideology. The tightly organized PCCh takes its orders straight from Moscow, while the Socialists get input from Havana as well as Moscow. In other words, the difference is one of style, not substance.

The PCCh-led electoral alliance with the PSCh was expanded in 1969 to include other far left parties and forming the Unidad Popular. The terrorist MIR, formed by Castroite and Trotskyite elements, served as Allende's shocktroops and as his ultra-revolutionary critical gadfly. MIR, on whose central committee Salvador Allende's nephew, Andres Pascal, served, eventually joined the UP Coalition. MIR is an active member of the JCR terrorist international.

In the 1969 elections, the Unidad Popular candidate Salvador Allende received 36.0 percent of the popular vote. This was a plurality, but not a majority. In accordance with the Chilean Constitution, the election went to the Congress, where the left-liberal elements of the allegedly "center" Christian Democratic Party threw the election to Allende's UP rather than to the conservative Nationalist Party. (The Christian Democratic Party and the Nationalist Party each had about 33 percent of the vote).

Once in power by lawful means, Allende's Moscow-backed UP began organizing to seize absolute power via an "autocoup." The autocoup, code name "Plan Z", was financed by embezzlement

of public funds, theft of government property, and the smuggling of automatic weapons from Cuba paid for by the smuggling of cocaine into the United States. Plan Z was several weeks from implementation when, acting according to provisions of the Chilean Constitution, the military removed the Allende government for repeated violations of Chilean law.

By the spring of 1977, virtually all of the leaders of the Marxist-Leninist parties and the UP have left or been expelled from Chile. They have been given havens in Moscow, East Berlin, Havana, Mexico City, Caracas, Rome, Paris, and Stockholm.

A reported 600 Chilean refugees from anti-communism have entered the United States thanks to the human rights activists who appear to feel that the rights of totalitarians to organize mayhem outweigh the rights of a nation to protect itself.

Among the Chilean revolutionaries who entered the United States was Orlando Letelier, a PSCh leader who became Allende's Ambassador in Washington. Since his murder last September, Letelier has been exposed as a KGB agent whose case officer was the Cuban DGI spy chief Julian Torres Rizo who operates under a diplomatic cover as First Secretary of the Cuban United Nations Mission in New York.

Letelier was responsible for organizing the widest possible anti-Chilean movement and was particularly active in recruiting respectables including congressional figures to this activity. His contacts ranged from Non-Intervention in Chile (NICH), a support group for the MIR terrorists, and the Castroite Communist Puerto Rican Socialist Party (PSP), the parent group of the FALN terrorists in this country, to the left-liberal academic, religious, and political circles of the east and west coasts. Just prior to his death, Letelier organized the U.S. branch of the Unidad Popular in exile called Chile Democratico, which has its offices in New York City.

In a speech on July 9, President Pinochet announced plans for a step-by-step return to civilian-elected government in Chile beginning with an appointed legislature whose seats would thereafter be filled by election.

COLOMBIA

Area: 440,000 square miles; population: 24,540,000; capital: Bogota; per capital income: $650; head of state and government: President Alfonso Lopez Michelsen.

MARXIST-LENINIST PARTIES

Partido Comunista de Colombia (PCC) (Moscow), estimated 12,000 members and 45,000 sympathizers.

Partido Comunista Marxista-Leninista (PCC–ML) (Peking), 1,000 members and 15,000 sympathizers.

Movimiento Obrero Independiente Revolucionairo (MOIR) (Peking). Espartico "Spartacus" (Trotskyite).

TETRORIST GROUPS

Ejercito de Liberacion Nacional (ELN) (Castroite).

Fuerzas Armadas Revolucionarias (FARC)—controlled by the PCC.

Ejercito Popular de Liberacion (EPL)—controlled by the PCC–ML.

M–19—clandestine group formed in 1974.

LEFT ELECTORAL ALLIANCE

Union de Oposicion Nacional (UNO) "National Opposition Union"—an alliance of the Colombia Communist Party (PCC), the pro-Peking Independent Revolutionary Workers Movement (MOIR) and the Broad Colombian Movement (MAC) which in the 1974 general elections won 2 seats in the 112-member Senate and 5 seats in the 199-member Lower Chamber; two of those UNO seats are held by PCC cadres. Additionally, the UNO coalition won 2 seats on the 20-member Bogota Municipal Council, one of which is held by a PCC member. It is noted that although the PCC operates its own rural terrorist force, the FARC, it is a legal party and participates in elections in the style of Chile's Unidad Popular alliance of several leftist parties.

The Colombian Communist Party operates principally through its trade union organization, the Confederacion Sindical de Trabajadores de Colombia (CSTC) which claims a membership of over 170,000. The CSTC was made legal in 1974, a step the PCC-front hailed as contributing to the effort to "unite the working class." The PCC and its CSTC oppose any steps taken by the non-communist trade union organizations, the Union de Trabajadores de Colombia (UTC)—"Colombian Workers' Union"—and the Confederaction de Trabajadores de Colombia (CTC) which have themselves denounced the PCC–CSTC effort to subvert the trade union movement. The PCC also operates within the Association Nacional de Usuarios Campesinos (ANUC)—"National Association of Peasant Landusers"—which was formed by the Colombian government but immediately taken over by several revolutionary factions.

The Colombian Communists would like to draw the Alianza Nacional Popular (ANAPO), the party of former dictator Rojas, into its UNO coalition. ANAPO calls for institution of "Colombian-styled socialism" and its far-left factions favor such an alliance. ANAPO's left factions are tied to the M–19 terrorist group which apparently has close iiaison with the ELN.

The Colombian Communist Party operates a rural terrorist organization, FARC, which in February 1977 kidnaped a U.S. Peace Corps volunteer, Richard Starr, and held him for over 2 months. Reportedly his family paid the communist terrorists a ransom for his release. Starr was seized during a raid on a small police station.

The Maoist PCC–ML was formed in 1965, but has never applied for "legal" electoral status. The PCC–ML operates a rural terrorist organization, the EPL or Popular Liberation Army, which continues sporadic activity. The PCC–ML is active within the Bloque Independiente, a trade union group of about 20,000 members.

The Castroite National Liberation Army (ELN), active since 1965, has suffered severe losses in recent years including the deaths in shootouts of many of its founders, Antonio and Manuel Vasquez Castano; Spanish priest Domingo Lain; and Jaime Andrade Sosa; and the capture of a number of ELN units. The ELN has liaison with the Communist Party's FARC terrorists. Both groups have been involved in kidnapings, hijackings, and assorted acts of revolutionary terror. The terrorist activities serve to undermine confidence in the government, currently controlled by the left-of-center-Liberal Party.

The M–19 terrorist organization made its debut in 1974 with propaganda actions such as the theft of Liberator Simon Bolivar's sword and spurs, Colombian national treasures.

M–19 has stated that it is the armed wing of ANAPO, a claim rejected by General Rojas' daughter who now heads the party. Nevertheless, it appears that M–19 is indeed tied to the left factions of ANAPO. In 1976, after repeated calls for ANAPO to join the "armed struggle," M–19 moved into terrorism with the kidnapping and execution of a popular anti-communist labor leader for "betraying the working classes." 1977 has been an upsurge of urban terrorism, with kidnapings in the style of the ERP and Tupamaros becoming frequent. Colombian security forces have implied that the M–19 may have been reinforced by exiles from Argentina and other Latin American countries.

In March 1977, M–19 released another communique. This one called for "all leftwing political and military organizations," presumably meaning the other terrorist groups such as the ELN and FARC, to form a "people's army" to "destroy the power of the oligarchies through revolutionary violence."

In classical Leninist terms, M–19 called for formation of a front "unifying all of the people's struggles" and combining "all forms of struggle—from the street rally to guerrilla action." The front is to coordinate and direct "all of the people's political activities—from the struggle for wages to the struggle for power." M–19's objective: "national liberation and socialism."

COSTA RICA

Area: 19,700 square miles; population: 2,000,000; capital: San Jose; per capita income: $860; head of State and government: Daniel Oduber Quiros.

MARXIST-LENINIST PARTIES

Partido Vanguardia Popular (PVP) (Moscow), estimated membership of 1,000 and 7,500 sympathizers.

Partido Socialista de Costa Rica (PSCR), the formation of this Marxist-Leninist group was announced by the U.S.S.R.'s Tass in February 1974.

Partido de Accion Socialista (PSAO), a coalition party in which the PVP and three smaller groups run candidates in the last elections.

TERRORIST GROUP

Movimiento Revolucionario Autentico (MRA) (Castroite), currently inactive.

"Mario Roberto Santucho Revolutionary Group"—bombed the Argentine Embassy in revenge for the death of the ERP terrorist leader in Buenos Aires.

Costa Rica's Moscow-dominated com-

munist party bears the name Popular Vanguard Party (PVP). It was legalized in mid-1974 after having operated with little constraint for several years. In the February 1974 presidential elections, the PVP ran its secretary-general, Manuel Mora, as the PASO presidential candidate. Mora received some 30,000 votes for 6.46 percent of the total. Mora and another PVP member retained their seats as PASO members in the Costa Rican Legislative Assembly.

The PVP also controls the 2,500 member Confederacion de Trabajadores Costarricenses (CGTC); operates the United Agricultural Workers' and Peasants' Federation (FUNTAC); and organizes among youth and students via the Vanguard Youth of Costa Rica (JVCR) and the Frente de Accion Universitaria (FAU).

Costa Rica has apparently been the target for sophisticated KGB-backed subversion. In 1975 and 1976, several groups of North Koreans, some entering as a "People's Friendship Committee" and others entering covertly, were intercepted and expelled from Costa Rica.

North Korea has served as a surogate on other occasions for the Soviet KGB in training Latin American terrorists. The notorious Revolutionary Action Movement (MAR) in Mexico was led by Mexican terrorists selected by the KGB and sent to North Korea for intensive training. The Costa Rican case is significant in that the North Koreans were sent to the target country to supply on site terrorist training. Costa Rica has a substantial ethnic Chinese population so presumably the North Koreans expected to remain unremarked.

An investigation revealed that the North Koreans were to link up with a university professor who headed a secret revolutionary student group. The KGB's use of North Korean surrogates serves to prevent a diplomatically embarrassing situation in case the operation is discovered. Costa Rica and North Korea do not exchange embassies, while the USSR has an Embassy in Costa Rica and Castro has been trying to court Central American and Caribbean countries.

Costa Rica provided a refuge for the Chilean terrorist Andres Pascal Allende, and his "companera" Marie Ann Beausire. When his lair in Santiago was discovered by Chilean security forces after a bank robbery, Pascal, the son of Salvador Allende's sister, Laura, took refuge in the Costa Rican Embassy. After several months, passage to Costa Rica for the terrorist leader was arranged. Chile's extradition request was denied.

Although President Oduber and his Foreign Minister expressed alarm over a possibility that the Angolan intervention may presage a future Cuban troop intervention in Latin America, little is being done to hinder the increasing communist militancy in Costa Rica. While President Oduber in June 1976 was calling for resistance to the "fascist current" in Latin America, the PVP was closing its 12th Party Congress in its 45-year history by proclaiming that, as the Cubans described it, "the struggle of the Costa Rican people will continue until their fatherland is transformed into Cuba's identical twin." Some 2,000 people including delegations from 17 foreign communist parties filled the meeting hall.

The anti-communist Free Costa Rican Movement a year ago criticized the government for again flirting with the communists and permitting his "new friends" to "stage strikes * * * publish subversive newspapers, throw rocks, and so forth." The group commented that both the old time communists and the young militants "are equally dangerous for the country and the government."

CUBA

Area: 44,200 square miles; population: 9,500,000; per capita income: $382; capital: Havana; head of state and government: President Fidel Castro.

MARXIST-LENINIST PARTY

Partido Comunista de Cuba (PCC) (Moscow), estimated membership of this ruling Communist Party is 150,000.

Cuba officially entered the Soviet camp on December 2, 1961, when Fidel Castro admitted publicly that he was a Marxist-Leninist: his covert communism had been obvious prior to his January 1959 takeover. Between 900,000 and 1 million Cubans have fled the Communist regime; an estimated 20,000 to 30,000 political prisoners—anti-Communists—are currently held in forced labor camps.

The Cuban economy, dependent on sugar, is bankrupt. Sugar production has fallen as money to buy fertilizer has been unavailable. Furthermore, Cuba's aged sugar refineries operating with pre-Castro U.S. equipment need total replacement. Cuba must either obtain compatible U.S. machinery or totally rebuild all its plants with expensive Soviet and Czech equipment. Cuba has already defaulted on loans from Sweden and other Western European trading partners. During the 1960's, Cuba received a subsidy from the Soviet Union of a million dollars a day; this has more than doubled since Cuban troops were sent as the Soviet proxies to conquer Angola for the MPLA. Cuban troops have been disbursed from Angola to Uganda and Ethiopia in accordance with Soviet imperialism in Africa.

In 1976 Cuban schoolchildren were required to work for 3 hours a day in pineapple plantations and in vegetable patches to pay for their "free" education. Extensive "voluntary," that is, unpaid work was required of all adults and enforced by the extensive network of spies called the Committee for the Defense of the Revolution (CDR) which at a ratio of 1 to every 1,000 Cubans oversees the political, social, and personal details of individuals lives. The Cuban coffee crop is for export with party intellectuals—"brain workers"—getting extra rations. Cubans are allowed three-fourths of a pound of meat every 9 days, 3 small cans of evaporated milk every 45 days, and 3 meters of cloth for clothing every 3 months.

The Angolan expedition, which has served to sidetrack some of the popular dissatisfaction with the bleakness of life after 18 years of the "revolution," came at a fortunate time for Castro.

Now the friends of Fidel in the United States are working quickly to engineer U.S. diplomatic recognition of the Cuban Communist regime. They make it clear that diplomatic recognition is to be followed by trade credits so that the United States can take up a large part of the Soviet burden in subsidizing the Cuban economy.

Fidel Castro has continuously reiterated that the warming trend with the United States in no way means he will neglect his duty as a Marxist-Leninist to "proletarian internationalism"—the export of revolution throughout the hemisphere.

In this connection, Castro has been courting the leftist governments bordering the Caribbean. These include the Spanish-speaking countries of Panama and Venezuela, as well as the English-speaking governments of Jamaica, Guyana and the small islands.

It has been reported that many of the Cuban troops rotated back to Havana after service in Angola expect that they will soon see duty in the Caribbean, and that they will not be "invaders," but called in at the request of an existing leftist government to put down anti-Communist revolts and establish the leftists in power permanently.

In the United States, the Cubans operate a broad range of "New Left" support organizations for Castro-backed terrorists in Latin American countries. The Castroite North American Congress on Latin America continues to compile and analyze economic data on U.S. defense industries, some of it obtained by covert methods, and on the U.S. Government, again some of it apparently obtained by covert NACLA contacts like Richard Feinberg, formerly with the Treasury Department and now working for Anthony Lake in the State Department's Policy Planning Staff.

Recent reports indicate that Cuba is training members of the Castroite Communist Puerto Rican Socialist Party (PSP) in terrorism and guerrilla warfare, which includes sending the Puerto Rican revolutionaries to Angola and the People's Democratic Republic of Yemen where they train with George Habash's Marxist Palestinian terrorists and their instructors may include Ilych Ramirez Sanchez—"Carlos the Jackel."

DOMINICAN REPUBLIC

Area: 18,712 square miles; population: 4,900,000; per capita income: $800; capital: Santo Domingo; head of state and government: President Joaquin Balaguer.

MARXIST-LENINIST PARTIES

Partido Comunista Dominicano (PCD) (Moscow and Havana), estimated membership of 500.

Movimiento Popular Dominicano (MPD) (Peking), estimated 400 members and 1,500 supporters.

Movimiento Revolucionario 14 de Junio (MR–1J4) (Havana and Peking), estimated 300 members.

Partido Socialista Popular (PSP (Moscow), a group of about 40 diehard Moscow loyalist who split from the PCD in 1967 when it made overtures to Havana.

Partido Comunista de la Republica Dominicana (PCRD or PACOREDO) (Peking), estimated membership of 150, formed as a splinter from the MPD.

TERRORIST GROUPS

Most of the above Marxist-Leninist groups have been involved in extreme violence and terrorism, particularly the MPD and PACOREDO. Other terrorist groups include:

January 12 Liberation Movement, an MPD splinter which kidnapped U.S. Information Service director for the Dominican Republic Barbara Hutchinson, stormed into the Venezuelan Embassy with their U.S. prisoner and held it for 2 weeks September 1974 before being allowed to fly to Cuba.

Ejercito Revolucionario del Pueblo (ERP), claimed responsibility for the assassination of two Dominican soldiers in 1976 in a communique in which it stated the ERP was the "armed branch" of the "revolutionary vanguard" and that "revolutionary violence * * * if properly organized * * * trains, teaches and materially decolonizes the labor class and the working masses".—a paraphrase of Lenin.

The Dominican Marxist - Leninist groups have been active among exiles in New York City, engaging in mutual murders and other internecine violence. The PCD is overtly active in Castroite endeavors, in New York and New England and was among the sponsors of Venceremos Brigade's July 26th celebration in 1976.

In June 1975, three U.S. citizens and members of the Cuban-controlled Marxist-Leninist Puerto Rican Socialist Party (PSP), including Angel Gandia, long a member of the PSP Central Committee, were arrested by Dominican authorities after having successfully landed three Cuban-trained Dominican terrorists. One of the Dominican revolutionaries was Claudio Caamano, a survivor of a 1973 terrorist invasion.

Three U.S. attorneys flew to Santo Domingo to represent the PSP militants. They were David Scribner, identified in sworn Congressional testimony as a member of the Communist Party, U.S.A.; Carlos Gallisa, a member of the PSP Central Committee; and Noel Colon Martinez, who heads the Puerto Rican section of the Soviet Union World Peace Council. The three PSP members were tried in the Dominican court and sentenced to long prison terms. However, in December 1975 President Balaguer directed they be released and deported to the United States. The Justice Department took no action against three citizens participating in a guerrilla invasion of a friendly country.

President Balaguer's government has been under pressure to develop a rapproachment with the left, despite continuing subversion again him. Since the United States is busy making friendly overtures to the Cubans while insulting its traditional friends in Latin America, there is little motivation for a pragmatic political leader of a small country to fight a trend by himself.

Balaguer's communist opponents remain disorganized and factionalized. The socialist opposition leader, Juan Bosch, now heads the Dominican Liberation Party which he formed in 1973. Bosch's old Dominican Revolutionary Party (PRD) officially joined the Socialist (Second) International in 1976, and has been developing an alliance with the PRD whose slogan remains "dictatorship with popular support," first popularized by Bosch.

The PRD/MPD alliance is yet another demonstration of the deadly "social democratic" tactic of "no enemies on the left" in which the real enemies for all Marxists are conservatives, not Leninist totalitarians who afterall are merely systematic Marxists.

DOMINICA

Area: 289 square miles; population: 78,000; capital: Roseau; head of state: Queen Elizabeth II; head of government: Premier Patrick John.

This self-governing British colony is scheduled for independence in November 1977. Dominica has been troubled by several extremist movements, including the Rastafarian movement, also called the "Dreads" who combine communalist drug-culture and a racist religious cult which worships the late Emperor Haile Selassie (original name Ras Tafari) with a life of violent crime. Rastafarians have spread from Jamaica to most of the English-speaking Caribbean islands, and there is a considerable colony of "Dreads" in New York City.

Dominica's principal exports are bananas, cocoa, coconuts and copra. Its Minister of Communications and Works, Michael Douglas, said in a recent interview that after independence the Dominica Government would adopt a socialist position, joining Guyana in the south and Jamaica in the north as the middle member of a Marxist triumvirate. All three states are members of the Caribbean Community (CARICOM). Premier John Compton of St. Lucia, another small CARICOM member, expressed fears that moves by Guyana and Jamaica to seek association with the Communist economic trading bloc, COMECON would cut off export-import agreements with the smaller CARICOM countries, collapsing their economies.

Roosevelt "Rosie" Douglas, for years one of Canada's leading racial agitators, returned to Dominica after a long resistance to deportation proceedings and reentered Dominican radical politics. In December 1976 the Cuban weekly magazine "Bohemia" quoted Douglas as saying Premier John had agreed to visit Cuba. John denied plans for the trip, and indeed, so far none have materialized.

ECUADOR

Area: 104,506 square miles; population: 7,100,000; per capital income: $640; capital: Quito; head of state: President (and vice admiral) Alfredo Poveda Burbano, leader of a three-man military Supreme Council of Government which rules by decree.

MARXIST-LENINIST PARTIES

Partido Comunista del Ecuador (PCE) (Moscow), estimated 1,500 members but over 60,000 sympathizers.

Partido Comunista Marxista-Leninista del Ecuador (PCMLE) (Peking), estimated 100 members in three factions.

Partido Socialista Revolucionario del Ecuador (PSRE) (Castroite), formed in a 1962 split from the Socialist Party, the founding party of the Ecuadorean Communist movement; estimated 1,000 members.

Partido Obrero Revolucionario, Trotskista (PORT) (Trotskyite).

(Feb 1972 to Jan 1976).

Under the military regime of Gen. Rodriguez Lora, Ecuador moved leftward into Third World politics. The leftward moves were in part due to the personal influence of Ecuadorean Communist Party secretary-general Pedro Saad Niyam, who served as Rodriguez' in-house-radical adviser. Not only did the PCE support the Rodriguez regime, but it has been of considerable influence in the trade union movement through the 60,000-member Confederacion de Trabajadores Ecuatorianos (CTE), until recently the largest trade union organization; in the student sector through the Federation of Ecuadorean University Students (FEUE); through the high school students federation (FESE); the Federacion de Trabajadores Agricolas del Litoral (FTAL)—Federation of Costal Farm Workers; and the Ecuadorean Indians' Federation (FEI).

The Ecuadorean military deposed Rodriguez in January 1976. The current military rulers have announced a return to civilian rule and elections in 1978. Two electoral blocs have recently emerged in Ecuador. They are the Concentration of Popular Forces (CFP), a "populist" left party headed by the former Mayor of Guayaquil, Assad Bucaram, who was the leading candidate for the 1972 elections prior to the coup; and the Liberal-Socialist Front, which includes the Liberal Party, Socialist Party, Christian Democratic Party, Popular Action Front, Social Democratic Party and the Multiparty Democratic Front. Members of the Liberal-Socialist Front who are delegates to the constitutional convention are trying to press for an amendment to require that the parents of any Ecuadorean presidential candidate be native born Ecuadoreans because Bucaram's parents were born in the Middle East. There has been little news of the Conservative Party and its allies.

Political violence in Ecuador has been relatively minor, The Maoist Frente de Lucha Estudiantil—"Student Struggle Front"—also called ATALA, shot a student to death in 1975 after the group was expelled from Guayaquil's university. In November 1976 a group of 31 persons was arrested on charges of having been organizing for 3 years a clandestine cell-network to prepare for revolutionary terrorism. Some of those arrested were closely linked with a meeting of leftist Catholic bishops that was to have been held in Ecuador last August, but was canceled after authorities denounced it as a subversive meeting. Those arrested were to be tried on charges of "acts against internal peace and established order" and "attempting to surrender the nation to foreign ideas."

The Castroite Revolutionary Socialist Party of Ecuador (PSRE) has increased its activities. Its leader believes that the new political situation promises that a "new day is dawning for the progressive and revolutionary forces."

EL SALVADOR

Area: 8,200 square miles; population: 4,200,000; capital: San Salvador; per capita income: $410; head of state and

government: President Arturo Armando Molina.

MARXIST-LENINIST PARTIES

Partido Comunista de El Salvador (PCES) (Moscow), estimated membership of 200 with up to 12,000 sympathizers; illegal.

TERRORIST GROUPS

Ejercito Revolucionario del Pueblo (ERP), formed in 1970 by the PCES with pro-Moscow, Castroite, and Maoist elements. The ERP has been engaged in escalating terrorism and, splitting several times, has given rise to six additional terrorist groups; now firmly Maoist.

Partido Comunista, Marxista-Leninista (PCML) (Maoist).

Organizacion Revolucionario de Trabajadores (ORT).

Fuerzas Armadas de Resistencia Nacional (FARN) (Moscow/Havana), the FARN split from the ERP resulted in the ERP murdering two of the dissidents, including PCES Central Committee member and "poet," Rocque Dalton Garcia. For these murders, Radio Havana denounced the now Maoist-run ERP as "anti-Cuban" and "anti-Soviet."

Frente Accion Revolucionaria del Pueblo (FARP).

Fuerzas Popular de Liberacion—Farabundo Marti (FPL), named after a Communist Party leader executed in 1928 for his part in a rebellion.

Although the Salvadorean government is staunchly anti-communist, drastic deterioration in the economic situation including inflation of over 60 percent and an unemployment rate over 20 percent resulting in mass evictions of rural tenant farmers in favor of beef cattle production has given the Marxist-Leninists the opportunity for escalating terrorism and thus increasing pressure on Salvadoran society.

The Communist Party is illegal, but operates through a front, the National Democratic Union Party which in turn joined with two other leftist parties, the Christian Democratic Party and the National Revolutionary Movement, in a united leftist electoral front, the Union Nacional de Oposicion (UNO). In the 1972 presidential elections, UNO candidate Duarte, a Christian Democrat, received 40.3 percent of the votes to Col. Molina's 41.5 percent. Duarte promptly but unsuccessfully attempted a coup.

Despite its illegality, the PCES controls the 12,000 member, 21 union Federacion Unido de Sindicalos Salvadorenos (FUSS) and would like to take over its rival leftist Frente de Accion Popular Unida (FAPU). The Communists remain influential in the university community through the Federation of Revolutionary University Students (FEUR) and the Vanguard of Salvadorean Youth (VJS).

The PCES has been building its left electoral alliance even as the increasing revolutionary terrorism—raids on gun shops, banks, police facilities and radio stations; assassinations of police and kidnappings—undermines public confidence in the government, already greatly strained by the faltering economy.

The most active terrorist group has been the FPL which kidnapped Salvadorean Foreign Minister Alfredo Borgonovo on April 19, 1977. FPL demanded the release of 37 prisoners, including FPL cadre, members of the PCES, FUSS, and two organizations associated with the Catholic Left, the Salvadorean Christian Peasants Federation (FECCAS) and the Farm Workers Union (UTC). The Government refused to negotiate and began a manhunt for the FPL; a number of raids took place and several foreign priests of Spanish and Panamanian nationality active with FECCAS were deported to neighboring Guatemala. Brogonovo's body was found on April 11; Radio Havana had announced his execution by the FPL 12 hours before the actual time of death—a serious slip on the part of the FPL and its masters.

The Maoist ERP took credit for a particularly brutal kidnapping of a businessman earlier in the year. The victim died of shock and heart failure during his captivity having suffered several bullet wounds.

FRENCH ANTILLES (GUADELOUPE AND MARTINIQUE) AND GUIANA

Guadeloupe: Area: 687 square miles; Population: 324,500; Capital: Basse-Terre; Per Capita Income: $828.

Martinique: Area: 425 square miles; Population: 325,000; Capital: Fort-de-France; Per Capita Income $957.

French Guiana: Area: 34,740 square miles; Population: 55,000; Capital: Cayenne; Per Capita Income: $800.

The three are administered by the French State Secretary for Overseas Departments and Territories and have locally elected General Councils with limited powers. Martinique and Guadeloupe each elect two members to the French Senate and three Deputies to the National Assembly. French Guiana elects one Senator and one Deputy.

In Guadeloupe the Communist Party generally receives 45 percent of all votes cast and sends one Communist Deputy to the National Assembly. The Guadeloupe Socialist Movement (MSG) and the Gaullists (UDR) divide the remaining votes, but have generally worked in alliance against the Communists. The Communist Party has over 3,000 members and received 12,800 votes in the 1973 elections.

In Martinique, the principal parties are the Communist Party with over 1,000 members and 12,600 votes in the 1973 elections; the Progressive Party of Martinique (PPM), founded in 1956 by dissident Communists disgusted by the USSR's bloody eradication of the Hungarian revolt and which with the Communists generally receives 40 percent of the votes in each election; and the Gaullist UDR.

Martinique also is the headquarters of the Groupe Revolutionnaire Socialiste (GRS), the Trotskyite Communist affiliate of the Fourth International which supports terrorism as a tactic for developing the revolution.

All the Communist parties call for independence for Martinique and Guadeloupe. No doubt as soon as France grows weary of making up the large deficits for the three territories, the Communist parties on Guadeloupe and Martinique, and the Socialist Party in Guiana will have their cherished "independence."

GUATEMALA

Area: 42,000 square miles; population: 6,100,000; capital: Guatemala City; per capita income: $30; head of state and government: President Kjell Laugerud Garcia.

MARXIST-LENINIST PARTIES

Partido Guatemalteco del Trabajo (PGT) (Moscow), estimated membership of 1,000; controls the Fuerzas Armadas Revolucionarias (FAR).

TERRORIST GROUPS

Fuerzas Armadas Rebeldes (FAR)—formed in 1962 by the PGT in cooperation with two existing terrorist groups, MR–13 headed by Yon Sosa, and the M–12. In 1965, Yon Sosa, a former Guatemalan Army officer trained in counterinsurgency by the United States who had led an attempted coup in 1960, took his MR–113 out of the FAR. FAR's second-in-command and later leader was Cesar Montes, a member of the PGT politburo. Montes eventually broke with the PGT's "cautious" politics; the PGT loyalist terrorists took the name Fuerzas Armadas Revolucionaries (FAR) (following Yon Sosa's death in a 1970 shootout with Mexican troops on the Mexico-Guatemala border, MR–13 disintegrated. Montes disappeared about that time and FAR activities during the 1970's were reduced to occasional urban terrorism due to effective government counterinsurgency measures.

Ejercito Guerrillos del Pobres (EGP)—active in urban and rural terrorism during 1976, the EGP leader was recently identified as Cesar Montes.

Guatemala's extensive economic problems were exacerbated by the 1975 earthquake. Roads are still blocked by the massive landslides, so that helicopters are used to transport produce to market and bring in supplies and medicines to the interior. The EGP terrorists shot down one of those helicopters in November 1976. The following month a band of 20 EGP guerrillas were captured in the dense El Peten jungles: their equipment was Cuban.

The illegal PGT's FAR terrorists claimed responsibility for six bombings and a machinegun attack in support of a yearend transportation strike. President Lagerud stated that "foreign and domestic financing" would be sought. The radical "human rights" activists are working to apply sufficient pressure so as to deny economically weak anti-Communist countries that repress terrorists loans from the Inter-American Development Bank (IADB) and similar institutions. Guatemala claims ownership of the British colony of Belize, and is holding talks with Great Britain over possession of that area.

GUYANA

Area: 83,000 square miles; population: 820,000; capital: Georgetown; per capita income: $582; head of state: President Arthur Ching; head of government: Prime Minister L. Forbes Burnham.

MARXIST-LENINIST PARTIES

People's National Congress (PNC) (Havana)—in power since 1964.

People's Progressive Party (PPP) (Moscow)—in power 1960–1964.

Guyana has been a member of the

Communist camp since it achieved independence from Great Britain in 1966. The People's Progressive Party and the People's National Congress differ basically only in their ethnic composition, with the PNC members being principally urban Negroes and the PPP members being principally East Indian sugar workers and rice farmers. A small non-Communist group, the United Force, which draws support from the Chinese, Portuguese and East Indian merchants, holds two assembly seats.

The PPP is the orthodox Communist Party, recognized by Moscow. Its leader, Cheddi Jagan, is an important coordinator of Moscow's ploys in the Caribbean. Following his attendance as an "observer" at the Soviet Communist Party Congress early in 1976, Jagan traveled back to the Caribbean by way of the United States. In Washington, D.C., Jagan provided a briefing for the staff of the Institute for Policy Studies on the need to raise charges of American CIA destabilization of the pro-Communist Caribbean regimes, particularly in Jamaica. In the summer, CIA defector Philip Agee, fresh from "research" in Moscow, arrived in Jamaica with a new list of secret CIA agents, mostly opponents of the Marxist Prime Minister, Michael Manley. Agree was followed by several IPS associates who wrote articles for the left and liberal media on CIA destabilization in Jamaica. With a number of his leading opponents in jail under a declaration of emergency, Manley won his election without problem.

Under Forbes Burnham, the PNC has extensively militarized Guyana during the past 2 years. Guyanese youths between the ages of 14 and 24 are taken into the national service where in remote jungle camps they receive paramilitary training combined with land clearing and light agricultural work. The army, small but professional, has had Red Chinese and Cuban advisers. A new militia to number 10,000 persons was formed at the end of 1976. The Popular Militia will "be responsible for fighting back the counter-revolutionaries and disappointing their plans and devices in field, office, and factory." Membership qualifications in the militia will be based on "political commitment"; the militia will be given special training in the tactics of "people's war." It is noted that Guyana has a border dispute with Venezuela.

Reports indicate that Guyana's jungles provide training camps for revolutionary guerrilla terrorists from a number of Latin American countries. The instructors are said to be Cuban.

In line with the PNC's style of Marxism-Leninism, Burnham is proceeding to further centralize power, and is emphasizing control by PNP organs rather than by the state. Burnham has taken a number of details from Maoist communism, such as requiring state employees to live for a time with peasant farmers. The government controls all the media with the exception of the Marxist-Leninist PPP newspaper which offers only "constructive" critcism of the PNP. At Cuban instigation, Guyana participated in the 1976 formation of the Caribbean News Agency (CANA), in fact a propaganda outlet for the area's Marxist "Third World" regimes.

Last year Guyana also nationalized all privately owned and church-run schools. Guyana and Jamaica are seeking entry into the Soviet COMECON economic and trading bloc.

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HAITI

Area: 10,714 square miles; population: 5,600,000; capital: Port-au-Prince; per capita income: $150; head of state and government: President (for life) Jean-Claude Duvalier.

MARXIST-LENINIST PARTIES

Parti Unifie des Communistes Hatiens (PUCH) (Moscow)—estimated membership of 500, mostly exiles in the U.S.S.R., Cuba, France and the United States.

Organization Revolutionnaire 18 Mai cooperates with U.S. Castroite groups.

The rule of Haiti is completely centralized in the hands of its "President-for-life" Jean-Claude Duvalier, son of the previous dictator, "Papa Doc" Duvalier. Since 1969, any form of Communist activity has been a crime against the State, punishable by execution and confiscation of all property.

In December 1976, Duvalier ordered the release of 84 political prisoners, including Communists of the pro-Moscow, Maoist and Trotskyite varieties. Some 300 political prisoners have been released by Duvalier since 1975; most of them were not Marxist-Leninists. Radio Moscow and Radio Havana have programs in Creole and French beamed to Haiti.

PUCH leader Paul Betraville has been touring Venezuela and other Latin American countries to try to develop a "human rights" campaign to cut off U.S. investment and aid to Haiti.

Another Haitian revolutionary group active in the United States is the 18th of May Revolutionary Organization, which publishes a newspaper, Democratie Nouvelle, from 1447 St. John's Place, Brooklyn, N.Y. 11213, claiming to be a "national resistance" organization.

A number of U.S. revolutionary organizations are working with Haitian radicals who have illegally entered the United States to prevent their deportation. The legal maneuvers are led by one of the Communist Party, U.S.A.'s oldest front groups, the American Committee for the Protection of the Foreign Born.

HONDURAS

Area: 42,300 square miles; population: 2,870,000; capital: Tegucigalpa; per capita income: $370; head of state and government: President Juan Alberto Melgar Castro.

MARXIST-LENINIST PARTIES

Partido Comunista de Honduras (PCH) (Moscow), estimated membership, 400.

Partido Comunista de Honduras, Marxista-Leninista (PCH–ML) (Peking), estimated membership of 100, split from the PCH in 1971.

Partido de los Trabajadores Hondurenos (PTH), estimated membership of 150, the result of a 1972 split in the PCH.

The PCH has continued to grow steadily and operate freely through its university based Frente Estudiantil Socialista (FES), which is active in peasant organizing. The large banana companies, which are the greatest factors in Honduras' economy, have laid off large numbers of workers. At a May Day rally in the capital attended by over 20,000 people, dozens of small leftist groups came together to denounce the conservative military government as "instruments of repression at the service of the oligarchy, imperialism, and the transnational Standard Fruit and Tela Railroad (United Brands). The non-Marxist trade union speakers were shouted down as "traitors to the popular movement."

The UNC peasant federation, in which a number of militant "Christian socialist organizers are active, threatened to organize "land invasions" in protest of slow government land redistribution programs. Armed clashes between peasants and landowners has been reported.

Nicaraguan FSLN terrorists have used remote border areas of Honduras to stage raids into Nicaragua. The Honduran press has given extensive coverage to FSLN leaders, and as part of a leftward drift in Honduras, the Christian Democratic Party is supporting legalization of the Communist Party "as a part of the ideological pluralism which should exist

in the country." One of President Melgar's advisers made a similar recommendation early in June.

JAMAICA

Area: 4,411 square miles; population: 2,060,000; capital: Kingston; per capita income: $1,254; head of government: Prime Minister Michael Manley.

MARXIST-LENINIST PARTIES

Communist Party of Jamaica (CPJ) (Moscow).

Workers' Liberation League (WLL) (Havana and Moscow).

Revolutionary Marxist League (RML) (Trotskyite).

TERRORIST GROUPS

Rastafarians ("Dreads")—basically a communalistic, racist, drug-oriented criminal cult which has provided recruits to the revolutionary Marxist elements in Jamaica, Dominica, and other English-speaking Caribbean islands. "Rasta" terrorism has basically been "controlled" by Prime Minister Manley by his making them the goon squads of his PNP.

From independence in 1962 through 1972, the Jamacian Labour Party (JLP), a liberal moderate party supported by many businessmen and farmers, led Jamaican political life. People's National Party (PNP) head Michael Manley is a radical Marxist politically aligned with Guyana's Forbes Burnham and Fidel Castro.

Manley has imported scores of Cuban "specialists" who now have "advisory" positions throughout Jamaica's cabinet ministries. Large groups of young Jamaicans are being sent to Cuba where they receive political indoctrination along with technical training.

In the December 1976 elections, Manley's PNP took 47 Parliament seats to the JLP's 13. The JLP charged widespread vote fraud, use of public money by the JNP for its election campaign and other abuses.

In January 1977, the Jamaican Government announced it was seeking membership in the COMECON Communist economic bloc whose members are the USSR and the Iron Curtain countries with Yugoslavia and Mongolia as associates. As the Marxist government controlled Caribbean News Agency (CANA) noted, "Jamaica already has strong economic and technical ties with one member, Cuba."

The JLP opposition party is in disarray, stunned by the magnitude of its loss. Recently it has reorganized somewhat and called for a campaign of "peaceful resistance" to Manley. The JNP Marxists have roundly attacked the JLP resistance call as a "destabilization" plot similar to the conservative movement which eventually toppled Salvador Allende in Chile.

The role of the Cuban Communists now in Jamaica cannot be over stressed. According to a Newsweek story in February of this year, Cuba now has the largest embassy staff in Kingston, two thirds of whom are believed to be operatives of the DGI, the Cuban secret police and spy agency taken over by the Russian KGB in 1968. The article reported incessant Air Cubana activity around the clock, with unmarked crates being off-loaded without question.

Manley declared a "state of emergency" in June 1976, under which he imprisoned eleven top leaders of the opposition JLP. The election being won, the eleven have been released and the "state of emergency" lifted.

Also during the 1976 preelection maneuvering, several of Manley's top cabinet aides and PNP strategists had the Human Rights Council invite CIA defector Philip Agee to Kingston. Agee, a self-styled "revolutionary Socialist," arrived fresh from a Moscow visit (for research?) and proceeded to denounce the Prime Minister's opponents as part of a "CIA destabilization plot."

The Manley government is desperate for money. Preparations have been commenced to take over the largest bank, Barclay's. CARICOM imports have been slashed, but Jamaican trade missions are on their way to Eastern Europe where this year diplomatic ties with East Germany and Bulgaria have already been established. One new law can require any Jamaican resident who owns foreign property to sell it at the command of the Jamaican Finance Minister who can also specify the manner and within what period the property must be sold. Last year all residents were required to list their foreign holdings with the government.

Bauxite production is the basis of Jamaica's economy. Agreements recently concluded with Kaiser and Reynolds give the Manley government controlling interest in the Jamaican subsidiaries. The 1977 estimate for bauxite royalties and levies is $44 million.

Predictably, the Jamaican Communist Party and the Workers Liberation League which have been holding merger discussions both offer "critical support" to Manley's PNP. The PNP, with constituency drawn from the National Workers Union (NWU), unemployed young people, and some of the "Rasta" elements, has generally avoided deep theoretical discussions of ideology or Marxish-Leninism. However, in April this year the PNP official publication, New Nation, published an article explaining to the rank and file that "democratic centralism" is necessary for the PNP's "democratic socialism" program.

"Democratic centralism" is Lenin's contribution to Marxism. There is nothing "democratic" about it. In practice it means the party rank and file must unquestioningly carry out the directives of the central committee, the politburo, and ultimately, the party chairman. It is a feature of all Communist parties.

MEXICO

Area: 764,000 square miles; population: 61,000,000; capital: Mexico City; per capita income: $1,300; head of state and government: President Jose Lopez Portillo.

MARXISTS-LENINISTS PARTIES

Partido Comunista Mexicano (PCM) (Moscow), estimated 5,000 members; participated in an electoral front, the Frente de Izquierda Revolucionaria (FIR)—"Revolutionary Left Front" in the 1976 presidential elections with the Movimiento de Organizacion Socialista (OCS) and the majority faction of the Trotskyite Liga Socialista (LS). The PCM is working to create a "Single Party of the Mexican Working Class" with the Partido Popular Socialista (PPS), the Partido Mexicano de los Trabajadores (PMT), the Partido Socialista de los Trabajadores (PST) and other Marxist-Leninist groups. The PCM says that such a coalition would have 30 percent of the votes in the next election—roughly 4.2 million.

Partido Popular Socialista (PPS) (Moscow), estimated 75,000 members, received almost 500,000 votes in the 1973 elections; very close to Moscow although the PCM is the "official" pro-Moscow Communist group.

Partido Revolucionario de los Trabajadores (PRT) (Peking).

Liga Socialista (LS) (Trotskyite), its majority faction participated in the PCM-led 1976 electoral coalition; attempting merger with the GCI.

Grupo Comunista Internacionalista (GCI) (Trotskyite), the Mexican Trotskyite movement, divided into a number of other factions, is believed to have about 1,000 members.

TERRORIST GROUPS

Partido de los Pobres (PP)—formed in 1967 by former PCM member Lucio Cabanes, it has become the successor to the Asociacion Civica Nacional Revolucionaria (ACNR), some of whose members admitted to having received training in Red China. In 1976 two arrested terrorists stated that Cabanes had contributed 7 million pesos to the PCM electoral campaign. Active in Guerrero State, the PP has engaged in successful ambushes of Mexican Army troops, kidnapings, robberies and murders.

Liga Comunista Veintitres de Septiembre (LC–23), appeared in 1973 and has greatly escalated activities since 1975. The 23d of September Communist League is believed to be an amalgam of several earlier terrorist groups; it takes its name from a 1967 planned national uprising and attack on a Chihuahua army post led by a Maoist splinter from the PCM. A Trotskyite group called the 23d of September Movement was active in 1968.

Mexican revolutionary terrorist groups have frequently exchanged members and adopted new names to cause additional problems for the intelligence agencies. Recently active groups, in addition to the PP and LC–23, include the Liga Bolchevique, an LC–23 splinter; the Red Execution Brigade; Fuerzas Armadas de Liberacion Nacional (FALN); Fuerzas Revolucionario Armado del Pueblo (FRAP); and the notorious Movimiento de Accion Revolucionario (MAR) which gained notoriety in 1971 when five Soviet Embassy officials were expelled from Mexico for their connections with MAR.

MAR's leader had been captured. In his confession he described how the MAR core was recruited by the KGB from among Mexican students at Patrice Lumumba Friendship University in Moscow after the KGB had lost its Mexican student revolutionaries in the mass arrests following the 1968 Olympic games rioting. A detailed account of the training provided by the North Koreans to the MAR may be found in John Barron's book, KGB: The Secret Work of Secret Agents.

The LC–23, estimated at 600 active cadre, had murdered over 100 Mexican police officers during the first 6 months of 1976, not including soldiers and civilians who fell victim. Typical LC–23 actions include the machinegunning of a coffee shop frequented by police officers; the machinegunning of 10 police officers standing at morning roll call outside a small Mexico City police post; bank robberies in which all tellers and customers were wounded or killed; and a December 1976 raid on a small electronics plant in the Juarez industrial park, a mile from the U.S. border and El Paso, in which a 23-year-old unarmed plant engineer was murdered as an "example." A woman terrorist in that raid used the revolutionary alias "Patti" in honor of the former recruit to the U.S. Symbionese Liberation Army.

Rampant terrorism has not dissuaded the leaders of the Institutional Revolutionary Party (PRI) which has controlled Mexico since 1929 from their markedly leftward course since 1970. The trend begun under President Luis Echeverria (1970–76) continues under Jose Lopez Portillo, despite his presenting a "media image" of relative moderation. Lopez Portillo was Echeverria's Finance Minister. He himself has appointed Echeverria's leftwing labor secretary as his education secretary, and relies heavily on advice from Jesus Reyes Heroles, a Marxist political science theoretician.

Mexico maintains warm relations with Communist Cuba, and has provided an important area of political refuge for exiled Marxist revolutionaries from Chile, Argentina, and other countries. Trade relations with the Soviet bloc are expanding. In the United Nations, Mexico votes as part of the Soviet-Third World alliance. Mexico supports the claims of the leftwing Panamanian dictator to the Panama Canal and Canal Zone.

Even as the LC–23 continues its violence with the murder of the teenage nephew of the Mexico City police chief and the kidnaping of a Spanish businessman, the Mexican Communist Party, with the direct encouragement of President Lopez Portillo, has moved to open the Mexican Government to PCM influence. He has moved to end the law establishing requirements for parties seeking to participate in the national elections. In a recent interview published in East Germany, the PCM secretary-general boasted that "we are maintaining a direct dialog with the President."

The new strength of the Mexican Marxist-Leninists was clearly demonstrated during the May 1977 congress of the PCM, the first, "open" party congress in its history. Over 2,000 persons attended the opening session, including 300 official PCM delegates from the party's cells and sections, and "fraternal observers" from the Communist Parties of the U.S.S.R., East Germany, Czechoslovakia, Bulgaria, Romania, France, Italy, Hungary, Cuba, Japan, Chile, Costa Rica, Bolivia, El Salvador, Uruguay, Panama, and the U.S.A. Representatives from at least five other Mexican revolutionary parties were present. The Chilean MAPU-Workers and Peasants was there as was the Chilean terrorist group, MIR.

Not only did the official pro-Moscow Communist Party, U.S.A. participate; but the Castroite Puerto Rican Socialist Party, the parent group of the terrorist FALN whose bombs have killed four and injured dozens of Americans; the Los Angeles-based Center for Autonomous Social Action (CASA), a Mexican American Marxist-Leninist organization; and the National Committee for Unionization of Mexicans Lacking Identification Documents in the United States also had "observers" at the Mexican Communist convention.

NICARAGUA

Area: 57,000 square miles; population: 2,200,000; capital: Managua; per capita income: $800; head of state and government: President Anastasio Somoza Debayle.

MARXIST-LENINIST PARTIES

Partido Socialista de Nicaragua (PSN) (Moscow), estimated 200 members; operates in the Independent General Confederation of Workers and in an electoral coalition, the Union for Democratic Liberation (UDEL) with the Social Christian Party and dissident factions from the two major parties.

Partido Comunista de Nicaragua (PCN), a 1967 split from the PSN.

TERRORIST GROUPS

Frente Sandinista de Liberacion Nacional (FSLN), formed in the early 1960's from earlier Castroites groups and militants from the PSN, by Moscow Friendship University alumnus Carlos Fonseca Amador, killed in a shootout with the Nicaraguan National Guard in November 1976.

The FSLN terrorists, led by Moscow-trained Carlos Fonseca Amador, were defeated by the Nicaraguan National Guard in 1963, 1965, 1967, 1969, and successive outbreaks. After each defeat, Fonseca and the surviving terrorists returned to Cuba for additional training and set about developing additional recruits. Following the serious earthquakes in December 1972 and 1973, the FSLN again moved into action to take advantage of the disruption.

In December 1974, an FSLN band invaded a pre-New Year's party attended by prominent businessmen and diplomats, killing three people. Three days later the terrorists, along with 14 comrades released from jail and one million dollars in ransom, were flown to Cuba.

An intensified FSLN campaign was planned for 1976. Castroite propaganda groups in the U.S. predicted "popular resistance" to the Nicaraguan government and its president, but the November death in a shootout of FSLN founder Fonseca, and the arrests and trials of over 110 FSLN leaders and members have disrupted its operations within Nicaragua.

The Nicaraguan revolutionaries receive considerable support from leftist clergy and laity of the Catholic Church in Nicaragua. The archbishop has expressed sympathy for the "social justice" goals of the FSLN terrorists. An anti-Nicaraguan "human rights" campaign has been given impetus by the tours of a radical priest, Fr. Ernesto Cardenal, who specializes in lurid tales of hundreds of U.S. Green Berets, Rangers and Nicaraguan National Guard troops engaging in wholesale slaughter of peasant villages. There are no U.S. Special Forces in Nicaragua.

When Father Cardenal, hailed by the leftist Panamanians as a "revolutionary," returned to Managua in April, Radio Havana called for a mass demonstration of workers and peasants to "save" him from assassination on the spot by the "repressive" government. Neither the demonstration nor the assassination took place.

Considerable numbers of FSLN supporters and members are reported to be living in Honduras, El Salvador and Costa Rica. Costa Rican authorities report approximately 500 FSLN sympathizers in their country. Some 35 FSLN members are said to be attending the Honduran University.

From December through February, a special court martial panel conducted public trials of over 110 FSLN members and supporters, 70 of them in absentia. The detailed confessions of several top FSLN leaders were not only part of the court proceedings, but were partially translated into English and distributed by the Nicaraguan Government to document its charges of total Cuban backing for the FSLN from its earliest stages. The Honduran newspaper El Cronista has been used extensively by FSLN spokesmen to denounce the Nicaraguan Government. The governments of Nicaragua and several other Centeral American countries, perceiving the hostility of the U.S. administration and some congressional figures toward traditionally friendly, anti-communist Latin American countries, have moved to independently coordinate anti-terrorist operations: Radio Havana has denounced such plans.

PANAMA

Area: 29,208 square miles; population: 1,700,000; capital: Panama City; per capita income: $1,000; head of government: Gen. Omar Torrijos Herrera.

MARXIST-LENINIST PARTIES

Partido del Pueblo de Panama (PDP), (Moscow), estimated membership of 500; operates also through its Frente Reformista Universitaria (FRU) of youth and students. The PDP trade union front has been dissolved into the government-controlled labor organization.

A large number of revolutionary Marxist groups are operating, mostly around the University of Panama. They range from the Castroite/Trotskyite Frente Estudiantil Revolucionaria (FER) and the Liga Socialista Revolucionaria (LSR) to the FRU, the Camillo Torres Circle (CCT), Guaykucho, and a 1976 FRU splinter, called the Frente Anti-Imperialista Universitario.

Predictably, since the Panamanian dictator has taken an increasingly leftist position internationally and in his domestic programs over the past 3 years, and as revolutionaries of the Havana and Moscow variety have become more and more influential among Torrijos' entourage, the Communist Panamanian People's Party has offered only "critical support" to their patron. As the PDP

executive secretary Miguel Antonio Porcell told a Czech newspaper last spring, "The Panamanian revolutionary process began with the coup d'etat carried out by the National Guard on October 11, 1968. It is a complicated process * * * but it is increasingly inclined toward the side of the people's revolutionary struggles and the anti-imperialist and national liberation movement in our country. * * * we support the process, we support the direction which is being taken * * *." The Communist leader specified their joint revolutionary goals as "Eliminating the U.S. colonial enclave in the Panama Canal; completing Panama's liberation; eliminating the existing structure of land ownership; developing the ideological fight * * *."

Bolstered by the presence of Cuban "advisers," the Panamanian strongman has threatened sabotage against the canal to blackmail the United States into quickly turning it over. This threat has impressed only the State Department and the administration. Responsibility for working out the arrangements for ending U.S. sovereignty in the Canal Zone has been given to Ambassador Sol M. Linowitz, in 1973 a registered foreign agent for the Marxist Allende government of Chile.

As head of the Ford and Rockefeller-funded Linowitz Commission, he is responsible for two reports outlining U.S. withdrawal as a hemispheric power and opponent of communism. Not surprisingly, his Commission staffers included an amalgam of Ntw Left academies and employees of the Council on Foreign Relations. Prominent staffers of the second Linowitz report were meeting during 1976 under the direction of Orlando Letelier at the Institute for Policy Studies in Washington. Letelier, director of IPS's Transnational Institute project, was exposed after his murder as a paid KGB agent.

U.S. Castroite revolutionaries have added a Panamanian Solidarity Committee to their duties in support of Communist "national liberation movements" in Chile, Brazil, El Salvador, Argentina, Bolivia, Nicaragua, Guatemala, and Uruguay.

PARAGUAY

Area: 157,047 square miles; population: 2,700,000; capital: Asuncion; per capita income: $590; head of state and government: President Alfredo Stroessner.

MARXIST-LENINIST PARTIES

Partido Comunista Paraguayo (PCP) (Moscow), estimated membership of 4,000, with all but 10 percent of the membership living in other Latin American countries as exiles.

Paraguay, headed by President Stroessner since 1958, enforces stringent antisubversive laws. Small Communist cells and caches of explosives have been uncovered regularly, disrupting and disorganizing potential terrorists. A number of Argentinian terrorist cells who have fled illegally to Paraguay have been apprehended and deported back to Argentina.

President Stroessner's fifth term expires this year. A constitutional amendment will be necessary for him to run again which he could easily arrange. In previous elections, two legal leftist parties, the Christian Democrats and the Febreristas, received about 3 percent of the vote. The remaining votes were polled by the three conservative parties. President Stroessner's Colorado Party holds two-thirds of the seats in both the Senate and Chamber of Deputies.

The "human rights" campaign has the backing of the liberal hierarchy of the Catholic Church in Paraguay. Last year arms and Marxist literature were found in a church-run school. Several foreign priests were expelled. Radio Havana aids the "human rights" campaign with allegations of "fascism," "repression," and calls for the release of PCP members.

PERU

Area: 496,222 square miles; population: 16,000,000; capital: Lima; per capita income: $800; head of state and government: President Francisco Morales Bermudez.

MARXIST-LENINIST PARTIES

Partido Comunista Peruano (PCP) (Moscow), estimated 2,000 members and controls the Confederacion General de Trabajadores del Peru (CGTP) and has been winning members away from its main rival CTP labor union grouping.

Movimiento de Izquierda Revolucionaria (MIR) (Castroite), has been involved in guerrilla violence against the leftist military government.

Partido Socialista de los Trabajadores (PST) (Trotskyite), formerly called the Front of the Revolutionary Left (FIR), its founder, Hugo Blanco Galdos, led a terrorist movement in the early 1960's and has admitted murdering three Peruvian police officers. Since 1975, the Socialist Workers Party (SWP), Blanco's U.S. political ally, has tried to get a visa for him to enter for a national lecture and fundraising tour. Blanco returned to Peru in 1976 and commenced to reorganize his movement, but was promptly expelled by the pro-Soviet government.

Partido Comunista Peruano, Marxista-Leninista (PCP–ML) (Peking), estimated membership of 1,000.

Controlled by a leftist military junta, Peru has become the single largest arms purchaser in Latin America and the only Latin American country outside Cuba to buy arms from the Soviet Union and Red China. By the end of 1974, Peru had purchased $84 million in arms from the USSR and $88 million from Red China, with the USSR's share of the Peruvian military budget surpassing Peking's recently.

Late in 1973, following the overthrow of the Marxist Allende government in neighboring Chile, Peru began buying Soviet T—55 tanks and now has an estimated 200 to 250 of them. The Peruvian Army also has 60 M–4 medium tanks; 100 AMX–13 light tanks, 300 armored personnel carriers and 50 M–3A1 scout cars. A $500 million military credit agreement with the Soviet Union was signed in January which will provide Peru with massive amounts of military equipment including reportedly 36 SU–22 fighter bombers, 30 helicopters, a number of YAK vertical take-off aircraft, an additional 200 T–55 tanks, SAM–2 and SAM–3 missiles, field and anti-aircraft artillery, radar equipment, heavy transport trucks, and so forth. New M–62 Soviet tanks and SAM–7 missiles may also be part of the arms package.

To prepare for such massive, sophisticated new arms, Cuban and Soviet military advisers are arriving in increasing numbers in Peru. In addition, the embassy staffs of the Cuban and Soviet Embassies are swollen with intelligence and military personnel. The ideological penetration of Peru's armed forces via Soviet and Cuban "technicians" and "advisers" may insure Peru not only remains in the Communist orbit but that it achieves satellite status with Cuba as the USSR's armed surrogates in Latin America.

The serious military imbalance which this Peruvian military build-up with Soviet equipment poses for neighboring Chile and Ecuador, who have no military benefactors, is particularly ominous in view of the tension of border conflicts. Chile is willing to give landlocked Bolivia a corridor to the sea; however by treaty, Peru must agree to any such measure and has offered a counter proposal for a "Trieste" style international city which is unacceptable to Chile.

A Peruvian war against Chile is distinctly possible.

URUGUAY

Area: 72,200 square miles; population: 2,800,000; capital: Montevideo; per capita income: $900; head of state and government: President Aparicio Mendez.

MARXIST-LENINIST PARTIES

Partido Communista del Uruguay (PCU) (Moscow), estimated membership of 30,000; in the 1971 elections, the CPU-led Frente Amplio (Broad Front) had some 272,000 votes, almost 19 percent of the total. The FA included the PCU, the Union Popular, Christian Democratic Party, Socialist Party and factions from the moderate Blanco and Colorado parties. The PCU was declared illegal for the first time in its history in December 1971.

Movimiento de Izquierda Revolucionaria (MIR) (Peking).

Partido Comunista Revolucionario (PCR) (Peking).

Partido Socialista de los Tabajadores (PST) (Trotskyite).

Partido Revolucionario de los Trabajadores (PRT) (Trotskyite).

TERRORIST GROUPS

Movimiento de Liberacion Nacional (MLN) (Castroite), better known as the Tupamaros. The MLN is a member of the Junta de Coordinacion Revolucionaria (JCR), the "terrorist international" to which the Argentinian ERP. Chilean MIR, and Bolivian ELN contribute cadre and resources.

Formed in the early 1960's, the Tupamaros movement combined "Robin Hood" style propaganda actions like the distribution of hijacked meat with brutal kidnapings and assassinations such as that of AID specialist Daniel Mitrione who was aiding the Montevideo police develop a modern traffic control pattern.

His memory is slandered in the movie "State of Seige", a puff-piece for the Tupamaros often shown at leftist fundraisers.

In 1972 Uruguay was in a state of de facto civil war, which it recognized with a declaration of "internal war" against the MLN. Over the next year over 2,500 persons were arrested as members or active supporters of the terrorists. Over 200 "safe houses," "people's jails," and hideouts were raided. Eventually Tupamaros founder Raul Sendic was recaptured.

By the end of 1973, the Tupamaros had become principally an exile movement. The Tupamaros terrorists in Chile worked with the MIR, while those in Argentina joined with the ERP. In 1974, with the support of the Argentina-based Revolutionary Coordinating Council (JCR), the Tupamaros attempted to recommence urban terrorism in Uruguay. They were unsuccessful. While the Tupamaros have exiles in Havana, Paris, and Lisbon, the Uruguayan Communist Party's offices are in East Berlin, along with the exiled Unidad Popular of Chile. In December 1974, the Raul Sendic Brigade murdered the Uruguayan military attaché in Paris.

The anti-Uruguayan "human rights" lobby has a very active spokesman whom we often see in the Halls of Congress, named Juan Ferreira. Mr. Ferreira runs the Uruguay information project from the offices of the Washington Office on Latin America at 110 Maryland Avenue, NE., Washington, D.C. 20002.

Mr. Ferreira's story is that he personally opposes the Tupamaros who threatened to kill his father. This is in sharp contradiction to the fact that he is cooperating with Castroite organizations in the United States that serve as the mouthpieces for the Tupamaros and other terrorist groups.

VENEZUELA

Area: 352,143 square miles; population: 13,300,000; capital: Caracas; per capita income: $2,168; head of state and government: President Carlos Andres Peres.

MARXIST-LENINIST PARTIES

Partido Comunista de Venezuela (PCV) (Moscow), estimated 4,000 members is also active in the Confederacion Unitaria de Trabajadores de Venezuela (CUTV), a trade union organization. In the 1960's, a number of leading officials of the PCV became leaders of Castroite terrorist organizations.

Movimiento al Socialismo (MAS) (Havana/Moscow), estimated membership of 5,000, received 216,473 votes in 1973 elections.

Vanguardia Comunista (VC), a mid-1974 split from the PCV.

Liga Socialista (LC) (Trotskyite).

Partido Socialista de los Trabajadores (PST) (Trotskyite).

Movimiento de Izquierda Revolucionaria (MIR), a 1960 split from the Accion Democratica of Betancourt; received 41,000 votes in 1973 elections. Participated in terrorist activities during the early 1960's.

TERRORIST GROUPS

Fuerzas Armadas de Liberacion Nacional (FALN) (Castroite), formed by the PCV in the early 1960's, under PCV Politburo member Douglas Bravo it broke away from PCV control in favor of Havana in 1966. Despite the death of Bravo in 1974, the FALN remains active.

Bandera Roja (Castroite), has been active in urban terrorism, kidnapings and assassinations since 1972. In May 1977, 20 Red Flag members were arrested in the Caracas area and charged with the machinegun murder of dentist/rancher Luis Munoz on May 19th. Munoz had paid over $25,000 in "protection" money to the group which stops vehicles in certain corridors leaving the capital and extorts "tolls." The Bandera Roja group is led by the brothers Carlos and Argenis Betancourt.

Comandos Revolucionarios (CR), took credit for the February 27, 1976 kidnaping of Owens-Illinois manager William Frank Niehous, said to be still alive after a year and a half captivity. In response to the terrorists' demands, Owens-Illinois published a terrorist communique in the New York Times and European newspapers. This breach of Venezuelan law was used as a pretext to nationalize the Venezuelan subsidiary.

Under the leftist President Perez, Venezuela has been taking an activist role in pro-Soviet "Third World" politics. A major oil producing country, Venezuela took the lead in formation of the OPEC cartel with the Middle Eastern oil producers. President Perez has just returned from a Middle East tour where he was warmly greeted by Iraq, a virtual Soviet fortress and KGB playground participating in a squeeze against Iran which lies between the two. Iraq praised Perez's nationalization of Venezuela's petroleum and iron industries.

At home, the far-left is increasingly militant. The Central University in Caracas where dozens of Marxist groups operate provides a ready source for instant demonstrations. During May there has been major rioting with pitched battles between stone-throwing, car-burning students and rubber bullet equipped police.

In the 1973 elections, the PCV received over 49,000 votes; the MIR had over 41,000; and the MAS received over 216,000 votes to win 9 chamber seats and 1 senate seat.

The two major political parties in Venezuela, Socialist Christian Party (COPEI) and the Accion Democratica (AD), the party of President Perez. Both are socialist. A dispute has broken out in the AD over cooperation with Cuba. A faction headed by former President Betancourt, which opposes close cooperation with Cuba because of long and continuing record of Cuban sponsored terrorism and subversion in Venezuela, made a public controversy over the subversion of the AD youth group by Cuban Embassy personnel.

AD Youth leaders charged that Cuban Embassy personnel have been attending AD Youth functions "en mass" and have been recruiting AD Youth members to attend the 11th World Youth Festival of the World Federation of Democratic Youth to be held in Havana in 1978. Betancourt truthfully described the WFDY festival as organized by "international communism" and "financed and sponsored by the USSR." As a result of the controversy, all AD members have been forbidden to aid or participate in any activities relating to the WFDY gathering.

Venezuela has provided a refuge for a wide variety of revolutionary "exiles" from Chile, Argentina, Uruguay and other areas. The conservative party, the National Civic Crusade, receives about 12 percent of the vote and is unlikely to be able to reverse Venezuela's leftist programs.

A TRUE APPRAISAL OF THE ENERGY CRISIS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. CRANE. Mr. Speaker, as the Ad Hoc Energy Committee begins to gear up to put the pieces of the energy puzzle back together and the White House is issuing ominous warnings about a new stand-by rationing authority, I have come across some incisive analysis of the energy crisis which I wish to place on everyone of my colleagues' required reading lists. In his June "Economically Speaking" letter, Allan P. Stults, Chairman of the Board of the American National Bank and Trust Company of Chicago, correctly assesses the President's energy proposal as nothing short of self-defeating. Pointing out that the United States has a glut of energy supplies which lie below the ground because Congress refuses to offer financial incentives for their recovery, Mr. Stults puts profits in their proper perspective: The only cure for growing U.S. reliance on foreign energy sources. Before we opt to exacerbate this situation by adopting the President's energy plan, I urge all of my colleagues to study Mr. Stults' comments with great care:

THERE IS NO ENERGY SHORTAGE IN AMERICA!

As a matter of fact, there's an overabundance of energy—an overabundance which lies dormant because the commercial incentives to explore and develop it are lacking!

The warnings and solutions currently emanating from our nation's Capitol would lead one to believe that not only is the U.S. energy short, but that we, the American consumer, created the problem. This is especially evident now as Congress reviews the President's proposed energy program which stresses conservation and the continuation of controls. How ironic when, in my opinion, this proposal, if successful, will turn out to be counterproductive to our economy and our self-sufficiency.

By stressing conservation, as against permitting oil and gas to rise to free market prices, we lessen the incentives for exploration in all energy-producing areas. Why conserve energy? We should use it and use it big. It would attract capital, provide jobs and have a positive influence on supply and the economy. But instead, our government fails to recognize the fact that controls have kept prices at bargain levels which actually promulgated the flagrant use of energy by the American consumer without producing the incentives for further exploration and development and, even more tragically, providing no incentive for the production of sub-

stitutes for petroleum. So, when you pull into that gas station, don't blame the Shah or the oil company for any shortage—blame Washington. They're responsible for these controls which put the ceiling on profits for that oil company. Profits and only profits are the means for further exploration and expansion and most importantly, invite the development of alternatives.

The U.S. has a mind-boggling influence on world energy. We now import almost one-half of our entire consumption of oil, and this year will use one-third of OPEC's output. Yet we have more untapped sources of energy domestically than can ever be used. Producers often leave as much, or often more, oil in the ground than they pump out because it costs more to bring the rest up than they receive at the controlled barrel price.

Furthermore, our country has the capability of reducing the reliance on petroleum and natural gas some 25–30% in the next dozen years or so as against its current 70% or thereabout. There are many sources of energy that can and would be utilized as a "substitute" to oil and gas provided they were commercially feasible. All you have to do is watch the tidal forces and dozens of other substantial water flows to realize what awesome energy we have in water. Coal, both as a basic source and in liquified and gasified forms, shale oil, wind energy, solar energy, nuclear energy, are all technologically feasible now. But unless the marketplace is such that its going to be rewarding to the capital necessary, these sources won't be explored and exploited. With continued legal and regulatory controls, plus the sometimes excessive demands of environmentalists, there's little incentive currently to develop the "substitutes."

The only shortage I believe we have is clear vision. The fact is that the government is prescribing the wrong medicine for our energy ill and their cure could lead to a chronic condition. What government should recognize—and recognize quickly—is that energy sources would be developed and at an accelerated pace, if the free enterprise system were permitted to function unhampered with the free marketplace determining price.

WHITE PLAINS CHILD DAY CARE ASSOCIATION

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. OTTINGER. Mr. Speaker, I am pleased to take this time to share with my colleagues a recent Westchester Rockland Newspaper article which highlights the programs and accomplishments of the White Plains Child Day Care Association.

Working with this organization is a pleasure—the cooperation among staff and parents is great and the progress made by the children involved is just fantastic.

The operations of this center are a model which others around the county might want to emulate.

"UMBRELLA" DAY CARE PLAN CALLED "UNIQUE"

(By Joann Undercoffler)

Small voices fill the room with questions, laughter, chatter. Suddenly the lights go off. Without batting an eye, little people recognize the signal and busy themselves on a cleanup detail, picking up toys, putting books on shelves, stacking blocks in their rightful places.

That finished, they move along to a large, downstairs room where each child has planned ahead whether he'll play with building blocks, paddle in a water table or climb on some apparatus.

The atmosphere is placid, broken only once in awhile when a youngster bumps a head or gets the worst of a disagreement with a friend. Adults speak in quiet tones and the visitor has trouble figuring out who's in charge.

A little boy wanders away from an energetic construction crew and indulges in a few peaceful moments by himself at the water table, filling bottles, emptying them, filling them again ... The teacher keeps an eye on him waiting for the moment when he'll be willing to return to the group.

In a small side room, a young woman works one-to-one with a little girl who has had trouble learning to talk. The speech therapist comes from New York University where she is a graduate student.

All this is taking place at St. Bartholomew's Church in White Plains where the White Plains Child Day Care Association has one of its five day care centers. One way or another, the scene has its counterparts at Rochambeau School, the Schuyler-DeKalb public housing project, the Lakeview public housing project and First Presbyterian Church.

This program is unique in Westchester, according to Inez Singletary, executive director of the Day Care Council of Westchester. "Its five different centers are under one umbrella administration," she explained. "Each center is in an area where there is a demonstrated need. Even though they're spread out among five different neighborhoods, it's less costly to have one central office."

Each center has its own focus. At First Presbyterian, infants and toddlers under 2 receive tender loving care from a group of warm women who love babies and know what they need; toddlers age 2 to 3 are in a special center at Lakeview which also cares for 3 and 4-year-olds. St. Bartholomew's, Rochambeau and Schuyler-DeKalb are neighborhood Head Start centers taking pre-schoolers from age 3. Kindergartners share their services during the afternoon.

Behind all this activity are a team and a philosophy dedicated to the service of children and their families. Lyn Yanuck, executive director of the White Plains Child Day Care Association describes them: "We believe in people—children, staff and parents. 'I can do it' is the whole program. The 3-year-olds who come to Head Start from the infant center have such a sense of themselves. They're big shots!"

Mrs. Yanuck said the program has become a primary agency for helping many families in the city because of its far-reaching services in health, psychological, dental and speech therapy areas. Instead of referring families to outside agencies, workers come in to the centers with their help. This way, she explained, families can receive assistance in a familiar setting among people they know. Educationally, children in the Head Start program are getting just what they need, the director pointed out. She fiercely defended the program against its critics.

Studies begun in the 1960s have shown that there is a "sleeper effect"—improved performance in school which doesn't become apparent until several years after a Head Start child enters public school, Mrs. Yanuck stated.

"They are proving wrong the 1969 Westinghouse study that claimed to show that Head Start gains disappeared after the child entered public school," she said. "A Florida study showed that by fifth grade, 30 per cent of disadvantaged children who hadn't had Head Start needed special education, while in a similar group who had been through Head Start, only one percent needed remedial help. It's about time it was said that this kind of day care should be considered effective and worthwhile."

The director hopes to see a day when the White Plains day care centers will evolve into neighborhood resource centers. They would include day care and would also serve as a source of service and support for single parents and for women who care for groups of children in their homes.

"These women feel very isolated in their situation," said Mrs. Yanuck. "The youngsters in home care situations have the same needs as those enrolled in our centers. We should be able to provide health and dental screenings to them and educational support and help to the women in charge of these children."

The day care director is enthusiastic about her staff and its professionalism. She is especially proud of the progress of some of her teachers who started as aides when their children were part of the Head Start program. Through on-the-job training and academic work, some are now head teachers. Several have been able to buy homes because of the additional steady income their work provides their families.

Money for White Plains Child Day Care is a "hand-to-mouth affair," Mrs. Yanuck admitted, although things come a little more easily than they used to. Funds come from the Department of Social Services, the United Way of Westchester, the City of White Plains, foundation grants and wherever else possible. The brand new yellow school bus, which will get heavy use, was purchased for the program by the regional Head Start office, Mrs. Yanuck explained.

"The problem is," she said, "everything is work-related. A child is funded here as long as his mother has a job. If she loses that job, his support is withdrawn. It's also withdrawn when a family is over income. How can we reward those who are working toward self-sufficient, independent lives, instead of penalizing their success by terminating day care services?

"We could fill our centers with children of middle class families," Mrs. Yanuck said, "but our mission is to serve those in need. The fact is that women are working and they need care for their children. There's a need to provide stability for them—a support system for mothers alone—in other words, neighborhood resource centers."

H.R. 5400 OPENS THE DOOR TO WIDESPREAD FRAUDULENT VOTING

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. RUDD. Mr. Speaker, today I appeared before the Committee on Rules of the U.S. House of Representatives to voice my strong objections against consideration by the full House of H.R. 5400, the so-called Universal Voter Registration Act of 1977.

I object to consideration of this bill on several grounds. Its defective instant election day voter registration provisions will provide an administrative nightmare for State and local election officials. This requirement for registering voters in Federal elections during the course of one election day at the polls will create a frenetic atmosphere and long waiting lines for voters that will actually discourage participation in the electoral process for many citizens.

Of most concern to me and many citizens in my district is that this bill threatens to undermine the integrity of the entire election process. It contains no real safeguards to prevent massive fraudulent voting by illegal aliens and other citizens ineligible to vote, or who vote more than once.

I hope that the majority of my colleagues will see the grave defects in this bill, and its great danger to the integrity of our entire election process. H.R. 5400 must not pass to become law of the land.

The statement that I made today before the House Rules Committee is included at this point in the RECORD:

STATEMENT OF HON. ELDON RUDD, A REPRESENTATIVE FROM ARIZONA, BEFORE THE HOUSE RULES COMMITTEE, WEDNESDAY, JULY 13, 1977

Mr. Chairman, Members of the Committee, I appreciate this opportunity to appear during your consideration of H.R. 5400, the Universal Voter Registration Act of 1977. I am here to urge the Committee not to approve a rule for this bill.

This proposed legislation contains far too many defects to warrant its consideration by the full House of Representatives.

I am putting aside my basic objection to the proposal itself—which is that this bill is an exhibition of Federal supremacy that was never intended by the writers of the U.S. Constitution. I do not believe that there is any way that the House can perfect this bill so that it will not be an administrative nightmare for state and local election officials—so that it will not provide a field day for political opportunists through widespread illegal voting.

I would ask you to carefully consider the serious and potentially destructive probability of such widespread fraudulent voting under this bill. Consider the estimated 12 million or more illegal aliens in this country today. Under this bill, it would be impossible to stop widespread illegal voting by non-citizens, who might be prompted to vote by vested interests favoring candidates offering greater government benefits to certain elements of the population. Political opportunists seeking votes for their candidates would be quick to cash in on the possible votes of illegal voters.

Millions of illegal aliens have jobs and permanent residences. They undoubtedly have drivers' licenses and could falsely register to vote with ease under this bill. In my own State of Arizona, for example, there are tens of thousands of illegal aliens, numbering about 2.5 percent of the State's population. Under current Arizona registration procedures, it is possible to check and verify registrations to stop illegal voting by non-citizens and others ineligible to vote. But this bill would wipe out these safeguards, through instant registration on election day, where no check or verification would be possible.

The provision for affidavits from already qualified voters is no safeguard. Even well-meaning citizens, known to be qualified voters in a precinct, could be duped or seduced into signing the qualification document for an individual who is intending to vote illegally. There has been widespread illegal voting even under present election laws and requirements for preregistration. But both Federal and state authorities have been reluctant to take corrective action.

H.R. 5400 contains no effective measures for policing the results. It is obvious that time will not permit adequate inspection of the qualifications of those who come to the polling place in the span of just one election day.

As the Minority Views in the report accompanying this bill correctly note:

"Under the proposed bill, it will be virtually impossible to locate the bogus registrant after the election. But even assuming the fraudulent voter is apprehended there is no way to retract his vote and undo the wrongs that have been done.

"Presidential elections are frequently decided by the electoral votes of a few states like California, New York, Illinois, Texas, Ohio, and Pennsylvania. Given the tremendous number of illegal aliens present in these states, coupled with the additional opportunity for fraud provided by this legislation, it is entirely possible that a future Presidential election could be decided by illegal aliens casting fraudulent votes."

Mr. Chairman, the sanctity of the ballot must be protected. It is not enough to conduct a random sampling of just 5 percent of registrants who obtained ballots only on the strength of a drivers license, the certification of a fellow citizen, and an affidavit that they are eligible to vote. We must have absolute safeguards against fraud.

Thousands of election officials across the nation have stated and testified that such safeguards against abuse and fraud in the election process are impossible under this instant election day registration bill. They state that its defective provisions will provide an administrative nightmare for state and local election officials.

Registering large numbers of voters during the course of one election day at the polls will create a frenetic atmosphere and long waiting lines for voters that will actually discourage participation in the electoral process for many citizens. It will also inevitably delay announcement of the outcome of election contests, which will further weaken the credibility of our election process.

Mr. Chairman, I repeat that this proposed legislation contains far too many defects to warrant its consideration by the full House of Representatives. I urge the Committee to deny a rule for this bill.

QUESTIONNAIRE RESULTS FOR 1977

HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. BURKE of Florida. In April 1977, I mailed approximately 250,000 questionnaires to residents of the 12th Congressional District of Florida which I represent in the 95th Congress. My district is composed of most of Broward County, the second largest county in the State of Florida. It also adjoins Dade County, the largest county in Florida.

My district cannot be classified as either conservative or liberal and I would like to state that it probably reflects the opinions of the average American on the issues which we as Congressmen will be called upon to vote. In fact, I would be willing to stake my reputation on this statement by saying that if these issues were put to a vote by the American people, the results disclosed by this survey of my constituents would prevail.

I do not think Members of Congress should blindly follow the conclusions of my constituents, because there are factors which obviously, we as Members of Congress, consider which are not available to the ordinary citizen such as witnesses at committee hearings, committee reports, and statements on the House floor by those expert in these fields. In fact, some of the conclusions reached by my constituents may also be altered by a more in-depth understanding of all the problems, but I feel that, in the main, the people are sometimes far more knowledgeable than even some of us who serve in the Congress. I say this even though some feel they have all the answers, but are sometimes frightened by outside pressures rather than voting for what the majority of Americans wish.

In any event, regardless, I feel that the views of my constituents as expressed in the answers to the questionnaire that I submitted to them bear review. The questions and answers are as follows:

	Percent Yes	Percent No
1. Do you favor universal voter registration legislation authorizing citizens to register on the day of a Federal election	24	76
2. Do you favor Federal financing of candidates in Congressional races	38	62
3. Proposals are pending for a new Department of Energy. Essentially a cabinet post would be created by consolidating the Energy Research & Development Administration (ERDA), the Federal Energy Administration, and the Federal Power Commission (FPC) and energy-related functions from six other agencies would be responsible for a new national energy policy. Are you in favor of this proposal	85	15
4. Do you favor repeal of Section 14(b) of the Taft-Hartley Act, which permits individual states to pass "right-to-work" laws prohibiting union shop contracts	31	69
5. Committee hearings are underway with regard to possible changes in the Fair Labor Standards Act to raise the minimum wage from the present $2.30 per hour to $3.00 per hour and to provide for the automatic adjustments of that level in the future as average wages rise. Do you favor this proposal	44	56
6. Some sort of agency for consumer protection has been a primary goal of consumer groups since their movement gathered strength in the late 1960s. Every Congress since 1970 has considered the subject, but to date the legislation has not been enacted. Do you favor a Consumer Protection Agency	56	44
7. There have been hearings by the Select Committee on Narcotics Abuse and Control on proposals to decriminalize possession of marijuana. Do you favor decriminalization of marijuana	38	62
8. Do you favor improved relations with Cuba	33	67
9. Recent criticism has developed concerning the all-volunteer army. Do you favor a return to the military draft	62	38
10. Do you favor legislation which would abolish the electoral college and provide for the direct election of the President	78	22

11. Zero based budgeting is a tool by which agencies of the government budget from scratch each year or two instead of funding increase/decrease. Do you favor zero base budgeting	73	27

HEW QUOTAS

HON. ROBERT S. WALKER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. WALKER. Mr. Speaker, my interest in the use of quotas as an instrument of social policy by the Department of Health, Education, and Welfare—HEW—has become well known. I recently offered an amendment to the Labor-HEW appropriations bill which would ban the use of funds to implement quotas and other numerical requirements in programs financed under title II of that act.

During the debate on my amendment, controversy arose over the word goals which HEW claims it uses to implement affirmative action programs and quotas which HEW officials, including Secretary Joseph Califano, say they oppose. This controversy was not new. The attempts to differentiate between goals and quotas has raged for quite some time. Personally, I fail to see any difference between quotas and goals, with accompanying timetables, which HEW states it can and does use.

Because Secretary Califano has claimed there is a difference between goals and quotas, I wrote to him on June 7, 1977, asking for a detailed explanation. He replied on July 1, 1977. The difference between goals and quotas remained unclear and the Secretary suggested a most interesting interpretation of the equal protection clause of the Constitution. According to Mr. Califano, the "equal protection clause requires that the Government seek to remedy the effects of past discrimination." I am unaware that this interpretation of the equal protection clause has ever been substantiated by the Supreme Court or advanced by other courts or constitutional scholars.

On July 11, 1977, I again wrote to Secretary Califano seeking to learn the difference between goals and quotas, as they are viewed by his department, and to learn the origins and/or reasoning behind his interpretation of the equal protection clause.

Because I feel this is an extremely important issue and to allow my colleagues to be aware of what has transpired, I am entering the entire correspondence between Secretary Califano and myself. At a later date, I will enter Secretary Califano's response to my July 11, 1977, letter.

JUNE 7, 1977.

Hon. JOSEPH A. CALIFANO, Jr.
Secretary of Health, Education, and Welfare,
330 Independence Avenue SW.
Washington, D.C.

DEAR SECRETARY CALIFANO: I was quite interested in your comments, as reported in the June 6th issue of The New York Times, regarding the Federal Government's use of quotas and goals.

According to the article, you envision the Federal Government using "numerical goals" and accompanying "timetables" rather than "rigid, arbitrary, long-term quotas."

Because the quota issue has concerned me for some time, I feel compelled to ask for some additional details regarding your comments. As a firm believer in civil rights and a defender of equal opportunity for all, I am disturbed by the use of quotas to prohibit access to jobs, education, housing or any other desirable accomplishment. Additionally, I am disturbed by the Federal Government's use of quotas (or goals or whatever euphemism is used) to advance social philosophy or social programs. The federal agency in the forefront of quota use for such purposes is HEW; therefore, your statements on the issue generate more than a passing interest.

Keeping in mind your comments from the article which appeared in the June 6th issue of The New York Times, I would like to know what difference it will make to an individual who is denied admission to a college because goals rather than quotas were used as a criteria? The end result for the potential student would appear to be the same—he or she is denied entry into a school although his or her qualifications may merit admission.

In essence, I am seeking to learn what new results you are seeking with "numerical goals" and "accompanying timetables." How will these concepts differ from present policy? To which groups will the goals be applied and which groups will be excluded? And, if groups are identified, is not the policy necessarily discriminatory?

The questions I have asked deal with very human questions. Thousands of individuals' lives will be touched by HEW policy on quotas. I look forward to your answers.

Sincerely,

ROBERT S. WALKER.

SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., July 1, 1977.

Hon. ROBERT S. WALKER,
House of Representatives,
Washington, D.C.

DEAR MR. WALKER: Thank you for your letter concerning the news report of my commencement address at the City College of New York.

The Department has no authority to require colleges and universities to impose student admission "quotas" on the basis of race or sex. Nor did I advocate such a requirement in my speech. It seems to me essential, however, that institutions of higher education adopt policies under which increasing numbers of minorities and women will be able to enroll in undergraduate and graduate programs.

In the past, discrimination has kept minorities, women, and handicapped persons from attending the schools and from obtaining the jobs on which to build the careers they desire. Without these credentials, even bright, capable individuals cannot compete equally for jobs later in life.

I believe that both employers and educational institutions must stress strong affirmative action to cast their net wider in order to make opportunities available to all. Recruitment efforts must be strengthened and redirected. Financial aid, compensatory training, and other assistance should be provided to bring opportunities within reach of those who could not otherwise take advantage of them.

In terms of constitutional guarantees, the equal protection clause requires that the government seeks to remedy the effects of past discrimination. Courts have held that affirmative action plans are an essential ingredient in any such remedial efforts. Affirmative action plans must also be available to the Department if it is to fulfill its statutory and constitutional responsibilities. I do not believe that affirmative action programs intended to assist women, minorities, and handicapped persons attain an appropriate share of educational and employment opportunities in any way detract from the rights of others. Indeed, recent studies show that the vast majority of the recent increase in places at professional schools went to nonminority students.

Finally, I should mention that Executive Order 11246, as amended, requires colleges and universities holding Federal contracts or subcontracts to eliminate employment discrimination on the basis of race, color, sex, national origin, and religion, and to take affirmative action to overcome the effects of past practices that have limited employment opportunities for women and minorities. This is a longstanding obligation.

Enclosed is a copy of my speech that I hope will prove helpful in clarifying my position on the subject. If I can be of further assistance, please let me know.

Sincerely,

JOSEPH A. CALIFANO, Jr.

JULY 11, 1977.

Hon. JOSEPH CALIFANO,
Secretary of Health, Education, and Welfare,
330 Independence Avenue SW., Washington, D.C.

DEAR SECRETARY CALIFANO: Thank you for your correspondence of July 1. I found much in your letter and speech with which I could agree, however some questions remain to be answered.

First, I cannot distinguish a difference between "numerical goals—with timetables for reaching those goals. . . ." and "abritrary quotas" which you claim will not be a part of HEW's enforcement program. I must ask again—what is the difference, in definition, and in application?

Second, I was most interested in your statement that, ". . . the equal protection clause requires that the government seek to remedy the effects of past discrimination." As a student of constitutional law and a biographer of Thaddeus Stevens, architect of the 14th Amendment, I found this to be a somewhat unique interpretation of the equal protection clause. You say that, "courts have held that affirmative action plans are an essential ingredient in any such remedial efforts," meaning efforts to "remedy the effects of past discrimination." May I suggest that some district courts have made such rulings while others have not recognized the need for remedial efforts. Furthermore, I believe the courts you discuss have ruled on statutory law, not on interpretations of our Constitution. This would seem to make your statement somewhat misleading.

I would deeply appreciate any information you can provide as to Supreme Court rulings substantiating your interpretation of the equal protection clause. While district court rulings carry some weight, there does not appear to be a definitive body of rulings to substantiate your contention.

In closing, I would like to point out several interesting quotations which have helped guide my thoughts on the whole goals versus quotas issue from a purely constitutional perspective. First,

"The Equal Protection Clause commands the elimination of racial barriers, not their creation, in order to satisfy our theory of how society ought to be organized. The purpose of the University of Washington cannot be to produce Black lawyers for Blacks, Polish lawyers for Poles, Jewish lawyers for Jews, Irish lawyers for the Irish. It should be to produce good lawyers for Americans and not place First Amendment barriers against anyone. . . . There is no constitutional right for any race to be preferred. A. DeFunis who is white is entitled to no advantage by reason of that fact; nor is he

subject to any disability, no matter his race or color. Whatever his race, he had a constitutional right to have his application considered on its merits in a racially neutral manner."

(Justice William O. Douglas, *DeFunis* v. *Odegaard*, Supreme Court of the United States, April 23, 1974.)

A second quote of interest is:

". . . Our Constitution is colorblind and neither knows nor tolerates classes among citizens."

(Justice Harlan, *Plessy* v. *Furguson*, Supreme Court of the United States, 1896.)

Finally, from *Sweatt* v. *Painter* in 1950,

"Equal protection of the laws is not achieved through imposition of inequalities."

I look forward to your reply. Thank you.

Cordially,

ROBERT S. WALKER.

INTRODUCTION OF LEGISLATION TO ESTABLISH THE JEAN LAFITTE NATIONAL PARK IN LOUISIANA

HON. LINDY BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mrs. BOGGS. Mr. Speaker, I rise to request the support of my colleagues for legislation I am introducing today to establish the Jean Lafitte National Park in Louisiana. This park much of which is located in Jefferson Parish would preserve for present and future generations a magnificent bayou and marsh area south of New Orleans.

As many of you probably know, my husband Hale introduced legislation some years ago "to authorize a study of the feasibility and desirability of establishing a unit of the National Park System to commemorate the unique values of the Barataria region of Louisiana, to be known as the Jean Lafitte National Park."

As a result of this legislation the Park Service undertook a study which considered the full range of possible conservation and recreational uses in the area. Under the legislation I am proposing, and which Senator J. BENNETT JOHNSTON has also introduced in the Senate, national park status would be granted to over 20,000 acres of bayou, marsh, and swamp in a region threaded by the Barataria waterway west of the Mississippi River and south of New Orleans, to Big Oak Island which is an important Indian site listed on the National Register east of New Orleans, and to an interpretive visitor center located in or near the French Quarter of the city of New Orleans. Other sites would be included in interpretation and administered through cooperative agreements rather than by direct ownership.

This unique blend of significant historical, cultural, and natural sites is linked by the colorful figure of Jean Lafitte, whose career as patriot, privateer, and hero of the Battle of New Orleans symbolizes the romance, adventure and rich diversity of this unique environment.

This legislation fully meets the criteria for national parks. The Mississippi Delta system has long been recognized by geologists, archeologists, biologists, and other scientists as an important site for studying sedimentation, fish and wildlife, Indian settlements, and various ecosystems. A 1973 study undertaken by the National Park Service pursuant to Hale's bill concluded that the Jean Lafitte Park concept, which has been studied for over 10 years, is both feasible and suitable for a national park. In addition to preserving this unique wetlands area, the Jean Lafitte Park would also provide unique educational, cultural and recreational opportunities to the citizens of the nearby towns and cities as well as to the hundreds of thousands of tourists who visit Louisiana yearly.

Last December the Senate Energy Subcommittee on Parks and Recreation held field hearings in Louisiana on this proposed park, which has been strongly endorsed by the local citizens as well as State and local officials. Substantial State resources have already been committed to the Jean Lafitte Park and State officials have already pledged full cooperation with the National Park Service in establishing a national park. I am hopeful that this measure will receive early consideration and favorable action by the House Interior Committee.

REWARDING FAILURE IN BILINGUAL EDUCATION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. ASHBROOK. Mr. Speaker, the interim results of the Office of Education's evaluation of the title VII bilingual education program (P.L. 90–247) tells us very clearly that the program is not working. Our response has been to pump geometrically increasing amounts of money into it. For appropriations spent to the tune of almost half a billion dollars through 1976, there is no provable beneficial result from the program except for a small increase in mathematics scores for students which a small amount of tutoring could have matched, and which is not provably a result of the program anyway. Each year of failure has been rewarded with a staggering increase in funding, so that the program has grown from $7.5 million in 1969 to $115 million last year and an almost certain $135 million this year.

In its central purpose of increasing the English-language competence of English-deficient Spanish-speaking children, title VII is an admitted failure. The Office of Education evaluation cited above says, "Both groups—title VII and non-title VII students—generally maintained their (English language) percentile ranks." In his response to my request for further information, Dr. David Shoemaker, educational program specialist for the branch of the Office of Education which did the study, was more frank: "With respect to the failure of title VII children to improve in English, we are forced to conclude that either English instruction took second place to instruction in the native language, or that the instruction given was largely ineffective—or both."

There were few, if any, gains from the program in 1969, when it expended $7.5 million. Our response was to appropriate $21.25 million in 1970. Having seen no improvement that year, we appropriated $25 million for 1971. A lack of success in 1971 led to our appropriating $35 million for the same effort. That year's failure assured $45 million the following year, that one $58.35 million for 1974, and the ensuing lack of results brought $85 million in 1975, $97.7 million in 1976 and $115 million for fiscal year 1977. Given the failure reported in the Office of Education evaluation for last year, it should be no surprise that the request for $135 million next year has met little or no real resistance.

When one rewards failure, one buys failure. An example of the sort of failure we are buying is the sloppy selection of students for the title VII program. Less than one in three of those in the program are those for whom it was intended: English-language-deficient students. When one realizes that the cost of providing title VII services to each student in the program averaged $376 in 1976, or over one-third the cost of the entire education of the average student, this failure to target properly is seen to be a very costly affair. But we have not required efficiency in these expenditures, so there is no reason for administrators to provide it.

Dr. Shoemaker's explanation of this targeting failure is 180 degrees away from the facts. He admits that "it can certainly be argued that it is neither necessary nor desirable to have two English-dominant children for every limited-English child, and that the projects we surveyed might have included a much larger proportion of Spanish-dominant children." But he says that the reason for the disproportion may be the fact that "it is not possible to restrict bilingual education to limited English-speaking children because of prohibitions on the segregation of children by ethnic group."

Here we have a program on which half a billion dollars have been spent, so that, as President Johnson said when he signed the Act, "Thousands of children of Latin descent, young Indians and others will get a better start—a better chance—in school." It is a program conceived to meet the needs of children who come from environments where the dominant language is other than English. Now we are informed that to provide such a special program on the basis of language competence may smack of segregation of students by race. This is, in fact, nonsense. Segregation by ethnic origins, rather than by language deficiency, has been the cornerstone of selection for title VII. While only 1 in 3 students is English-deficient, 75 percent have Spanish surnames. It is easier to bring in students on the basis of their names than to test whether they need the program or not, and this line of least resistance seems to be the one followed. But the question arises again: why should we get efficiency when we reward its opposite?

To get title VII to one student who needs it, we pay for three students receiv-

ing its services. These three students cost us $4,194 per year, compared to the $3,066 they would require for a non-title VII education. This represents an increased total cost of $1,128 for title VII to reach each of the students for whom it was intended. Since the entire cost of educating a non-title VII child in the study was $1,022, we find that, to reach a single English-deficient child with the program and its dubious benefits, we are paying more money than the entire education of a non-title VII student requires.

In return for this gross incompetence, we are not only keeping this program going, we are increasing it at a dizzying rate every year. When the people realize the full implications of what is going on here, it is unlikely that they will be pleased with the actions of those who were supposed to be guarding their interests in budgeting their tax money.

MEDIA COVERAGE OF TERRORIST ACTIVITIES

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. QUAYLE. Mr. Speaker, in these days when terrorist activity is so much a part of national and international news, it is my feeling that the media should make a concerted effort and an intellectually honest attempt to determine how to best cover the news aspect of such activities while maintaining a responsible posture. As a newspaper publisher, it is my strong desire to see that those members of the profession guaranteed maximum freedom by the Constitution of this Nation operate in a most responsible manner. In light of my concerns regarding such, I have obtained a speech delivered by Patricia M. Atthowe, president of Research West, Inc., at a seminar for the news media and business. I would like to direct the attention of both my congressional colleagues and my journalistic colleagues to this speech and urge that it might be used to provoke discussion on this topic:

ISSUES OF SUBSTANCE

In January of this year, the New World Liberation Front claimed credit for a PG&E sub-station bombing which left 1,000 customers without power. One of the victims was a dairy farmer who depends on electric milking for a herd of 300. Needless to say, what does one do with 300 ready-to-be-milked cows when the power goes off?

Somehow this type of inquiry, reflecting a personalized concern for one of the victims never surfaced in press reports of the bombing. Instead, the public was somberly advised that PG&E had again been bombed by the NWLF—an investigation was taking place—and power would be restored some time during the day.

Now in contrast, the six o'clock news coverage really stole the show when a sympathetic reporter interviewed the frustrated dairyman and asked if his cows were uncomfortable!

Now, I submit to you that neither simplistic statistics nor the relative comfort zone of this dairyman's herd were the real issues of substance in this terrorist bombing.

So herein lies the dilemma. I think we in the information business find ourselves in the unfortunate position of covering the fire and neglecting the issue of arson. We righteously catalog the bombings but fail to dissect the political fabric which allows the terrorist to incubate.

Terrorism is not a virus for which there are no antibodies. It is clearly organized crime with all the subtleties of conspiracy. However, this is probably the first time in our history that a criminal conspiracy ever sought public approval—on the alleged integrity of its political motivation. We've been had!

Terrorists know we genuflect at the altar of free speech. They know our genuine reluctance to curtail anyone's political opinion. They know our reverence for the first amendment. So they constructed a Trojan Horse from the finest values in our society and then seduced us into opening the gate.

The way back is not going to be comfortable. We will have to engage in a strategic analysis of our own value system. But for starters, let us begin calling terrorists what they really are—criminals—and their movement a criminal conspiracy.

Headlines should reflect this commitment. Let's consistently and effectively dramatize that it is the customers and the stockholders who are the real victims.

In the ongoing psy-war that will have to be played with the terrorists I have yet to see anyone challenge their alleged monopoly as representatives of the people. Who are the people? When the Emiliano Zapata Unit announced that the "peoples struggle has now reached the point where we must in some cases depart from our non-injury policy" and then indicated that they were "born of the people" and their "only purpose is to serve the people" you had to realistically ask who are the people?

When a Zapata bomb catapulted a steel door through a Safeway store in Oakland—nearly decapitating several employees—were these employees people? Was our dairyman in Olema people? When a power sub-station is sabotaged, is a youngster dependent upon an iron lung for life-support or an adult dependent upon a kidney dialysis machine people? Who are the people? In the business world we call such opportunism false representation.

What are the hidden costs of violence? The media would do the public a great service by itemizing the real costs of every terrorist act. To the obvious expense of shattered lives and lost assets, add the accrued liabilities of hardware, bomb protective devices, extra security personnel, increased insurance premiums. And if we were really going to make this balance sheet accurate we should take time to go back and interview the survivors of the Fraunces Tavern bombing in New York and the holocaust at La Guardia Airport. What is the cost of the grief that has been experienced by these suffering victims in the last two years. Has their financial stability been interrupted by loss of the wage-earner or impared function? Who paid the hospital bills? What is their prognosis for the future?

Perhaps it is time to realize—to fully realize—that what we are now facing is a criminal conspiracy which has literally declared war against the body politic. The targets—United States citizens—are the civilian casualties of this war. These criminals have already killed and maimed and now virtually hold a major California city, San Francisco, in a state of siege.

We cannot tolerate terrorism or its natural conclusion—government by extortion. Yet we continue to wallow in the futility of a totally defensive position. More protection, more guards, more hardware are not going to solve the problem. In fact, these forced expenditures actually serve the terrorist purpose through further erosion of the bottom line. For it is clear and unequivocal that terrorism as a political tactic is intended to make the American corporation and stockholder an endangered species.

Where do we go from here?

Who will bell the cat?

The pyramiding of domestic terrorist activity is directly related to the demise of law enforcement intelligence capability. Perhaps the need for this vital tool is best exemplified through a more thorough examination of the New York situation where the carnage of Fraunces Tavern and La Guardia—15 dead, 128 wounded or maimed—still stands as a monument to our impotence.

The Faln, a Puerto Rican terrorist group, took credit for the bombing of Fraunces Tavern. The New York Times, seeking a progress report on the investigation interviewed the New York Police Department. The police responded that the investigation had been seriously hampered. The threat of a civil liberatarian suit had forced them to destroy the entire file on Puerto Rican suspects two years before as well as remove their informants from militant organizations. When the bomb went off, the police started at the same point any average citizen would start—at point zero.

The issue of substance is whose civil liberties are we protecting? The bombers or the victims?

A further example of the inability to cope with this national terrorist operation is the incident in Chicago that led to the discovery of an Faln safe house. It was the Chicago PD Street Gang Detail that stumbled on this location when they caught burglars who had found the explosive stash. The Faln had again eluded the police, but their documents, communiques, and arsenal were uncovered. A stroke of luck. The Chicago PD-Intelligence Division had been emasculated by civil libertarians long before the Faln had started to bomb the city.

The collection of intelligence and the protection of civil liberties are not mutually exclusive. One is increasingly dependent upon the other. The victims at Fraunces Tavern obviously had a right to eat lunch in Manhattan—safely. The victims at La Guardia obviously had the constitutional expectation to travel—safely—through New York at Christmas time. They obviously had the right to expect their government to secure their safety. If the government fails to allow the police to operate an early warning system against the violent offenders in our society then the government itself is guilty of undermining civil liberties.

The issue of substance is purely and simply one of preventive maintenance and intelligence is the intrinsic component in the prosecution of criminal conspiracy. If we have criminals engaged in conspiracy then adequate iinformation must be developed to identify the players, identify the sources of support, isclate the contagion and anticipate the logistics of the game plan. Adequate information must be ultimately available to the prosecutor, otherwise a conviction can never be obtained.

We have spent millions of dollars attempting to locate the Weathermen. However because of a lack of intelligence we will be unable to convict them of conspiracy and the Weathermen who surface will not be subject to prosecution.

Perhaps we have been hoodwinked on the issue of civil liberties. Perhaps it is time to reevaluate the necessities of professional intelligence, surveillance, wire tapping, and infiltration as non-negotiable tools in the war against terrorism.

Law enforcement cannot function without the political approbation of the body politic. Thus resolution of terrorism is ultimately a political problem dependent upon the seasoned judgment of a responsible electorate. The issues of substance will only be dissemi-

nated to the public if we choose to accept the challenge.

Every society has to have a front line. Ours has been decimated. I think it is time to close ranks.

CARTER'S FOLLY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. DORNAN. Mr. Speaker, the first shock waves following the President's recommendation that the B–1 program be discontinued have subsided. The defense-minded people of the 27th district in California and their allies across the country reeled from the blow but they have regained their footing. And it is now that the somber effects of the administration's shortsightedness are beginning to be felt and are being reported.

Unless the Congress stands firm against Carter's misguided policy and goes ahead with the funding for production of the B–1, the ramifications will be felt in our defense network immediately and over the long run.

In the short run, 8,000 of the 13,000 Los Angeles area employees working on the B–1 have already been laid off. Thousands more in the aerospace industry could be affected. A total of 35,000 others across the country are working on the Air Force project for various subcontractors and suppliers. The frightening aspect of this economic fact does not lie just in the quantity of unemployed but in their quality as well. The vast bulk of these newly laid off workers is made up of highly skilled engineers and technicians. These are the men and women who have conceived, drafted, built, and tested the most efficient and advanced manned defense system the world has yet seen. It is frightening enough that this highly skilled team is being disbanded—but what about the future and our defense system over the long run? What effect does this layoff have on our long-term national defense?

Now, as a personal and regional tragedy, this massive cutback in employment is relatively short lived. As I have said, the people involved in B–1 production have been dealt a blow but they can recover. I feel sure that these highly trained people will, by and large, find employment elsewhere, in high-paying industrial jobs or other engineering projects.

But they will not be employed in conceiving, drafting, building, and testing our defense network.

What will happen if the administration changes its mind? If—heaven forbid—we need these people quickly to ward off our enemies, how can this team be reassembled? Where are our defense experts to come from?

And, even if this team is not needed in the foreseeable future, is there anyone here today who can state unequivocally that another, new team will not be needed farther down the line? Where will that new team come from? Is it not obvious that engineers and technicians whose predilections might lead them to lend their services to the defense of their Nation need only read the President's recommendation to conclude that there is no future in defense production?

The answers to these questions are too easily answered by any thinking American whose head is not buried in the sand and who is not totally blind to reality.

Carter's folly is not just an economic one. It is not just a defense one—though heaven knows this is bad enough. Carter's folly—if the Congress joins him in it—is also nearly irreversible. It is this fact that magnifies his shortsightedness and naivety into a decision of truly tragic dimensions.

I call my colleagues' attention to the commentary on this folly which was editorialized in the Los Angeles Herald Examiner.

CARTER'S FOLLY

President Carter's decision to scrap production of the B–1 bomber is a grave mistake that endangers the Free World.

He made his shocking announcement at a time when the Soviet Union has been building its strategic arsenal at a rate which puzzles the West. Arms limitations between the United States and Russia are at a standstill. The shape of any agreement is unpredictable.

The B–1 bomber is a swing-wing, four-jet aircraft designed to fly between continents at supersonic speeds at high altitudes, and then drop to low heights in order to penetrate air defense radar at high subsonic speeds.

The plane can be armed with air-to-ground missiles and arms.

The Soviets are going full-speed ahead with their own version, known as the Backfire. Both the B–1 and the Soviet Backfire are a tremendous advance over the lumbering B–52, whose capability we have relied on for a generation. While the B–52 now can be shot down like a clay pigeon, the B–1 is an exceedingly difficult target.

The B–1 is shockingly expensive, costing about $102 million per plane.

It may seem absurd to keep a bigger chip on your shoulder than your enemy. But the enemy—the Soviet Union, in this case—does not think so. All it respects is power in this world, which it is dedicated to take over at any cost and in whatever time is needed.

Soviet Russia already has a fleet of 30 Backfires, and is building more as fast as it can, while President Carter is worrying about the expense, and keeping a campaign promise. If a new tactical bomber is that important to Russia, it certainly should be to us.

Economically, Carter's cancellation of B–1 production is a tremendous blow to the Southland. Eight thousand of the 13,000 men and women working on the B–1 in the Los Angeles area will be affected. A total of 35,000 people across the nation are working on the Air Force project for various subcontractors. The U.S. government has invested nearly $3 billion in developing and testing the B–1.

Economics aside, the overwhelming danger is letting down our defenses.

Our forefathers sacrificed their lives to make this nation the hope of freedom-lovers everywhere. The least their descendants can do is to give up some luxury for the sake of their own self-protection—if nothing else.

We only can hope that Congress will stand firm against Carter and go ahead with the production of the vital B–1.

AN ABORTED DEMONSTRATION

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. BINGHAM. Mr. Speaker, Irene Manekofsky, the indefatigible and very effective president of the Washington Committee for Soviet Jewry, recently traveled to Belgrade, Yugoslavia, to protest the Soviet crackdown against Jews and other dissidents. She planned to remind delegates to the Belgrade conference that despite Soviet protestations to the contrary, the Soviet Union has been in constant violation of "Basket III" of the Helsinki Agreement practically from the moment the document was signed. But Mrs. Manekofsky and her group of 15 never made it to the demonstration. Instead, she and her group were arrested by Yugoslav authorities, held incommunicado for 7 hours, and finally hustled out of the country. She arrived in Washington having succeeded in reminding many people of the situation in many parts of Eastern Europe by the very fact of her arrest and expulsion.

I commend Mrs. Monekofsky's article in last week's Jewish Week to my colleagues and hope it will cause us all to rededicate our efforts to freedom for Anatoly Sharansky, Alexander Ginsburg, and the other brave dissidents being held in Soviet prisons today:

BELGRADE'S REAL MESSAGE: AN ABORTED DEMONSTRATION

(By Irene Manekofsky)

Belgrade was a hot and sunny ninety-five degrees. Hotel Jugoslavia—huge and typically east European—sits sprawling alongside the Sava River, its long veranda filled with people sipping drinks at small tables, watching others stroll along the river banks or dip into the river for a swim. At night, a singer croons schmaltzy Slavic music in the hotel restaurant.

It was the eve of the Belgrade Conference, where representatives of 35 nations were to meet the next day at the new glass conference center, built for the occasion, to evaluate what had happened during the past two years since the signing of the final act of the conference on security and cooperation in Europe (commonly called the Helsinki agreement).

Official delegations, the press corps and various functionaries were staying at the Hotel Jugoslavia. Our little group of 15 women and one man was hardly official—actually we were planning a demonstration in protest of the treatment of Soviet Jews and the arrest of Anatoly Sharansky. We came from 12 different countries: England, Canada, West Germany, Holland, Denmark, Sweden, Norway, Italy, France, Belgium, Switzerland and the United States. We sat on the veranda in groups of three and four carefully keeping our voices low, appearing to be tourists on a holiday, enjoying the view.

Women had protested in Geneva in 1975 during the CSCE planning talks, and again in Helsinki at the actual conference. Why not again here in Belgrade? But Belgrade is in a Communist country, and we all knew that there was a difference. We planned our action carefully. Jerszy Szajak, the young man from West Germany, had rented a car and drove us in small groups to see the actual place where it would all happen. We

discreetly spoke to journalists from our home countries and told them of our plans. They were most helpful and even suggested the best time for the demonstration, also letting us know what their schedule was so that our plans could best fit into theirs. Ours was an exciting story for them—they had little to report on at this conference since they were only allowed to cover the opening speeches, not the actual meetings.

MEETING ON THE RIVER BANK

All 16 of us arranged to meet late that night on the river bank, when it would be deserted by the swimmers and strollers, to share the latest information and complete the final arrangements. We quickly learned of trouble in our ranks. The women from France, Belgium, and Switzerland lost their courage and decided not to go along with the demonstration. The rest of us continued with our plans to demonstrate. We went to our rooms to work on the banners, type press releases and prepare for our big moment.

When I went downstairs for breakfast the next day, I learned from Dagna Kaplan of Sweden that we had problems. A journalist had told her to be careful, that we were being watched. We separated and went to our rooms to complete our work. I was typing press releases in one of the rooms with Linda Isaacs and Pat Allin of England, when suddenly it happened.

THE ENTRY

Five men burst into the room dressed in civilian clothes, and announced: "You must believe that we are who we say we are. We are the police." The leader, a young, good-looking man in a blue sports coat and tie, asked: "What are you doing here in Belgrade?" As he spoke he picked up and read one of my painfully-typed press releases announcing our demonstration that very job.

It was senseless to deny what we were doing at that point. "We cannot allow this to take place; how would it look to the world if Yugoslavia were to allow such a demonstration while we are hosts to an important international conference?" I seized upon the opportunity to have an ideological discussion and answered: "The world would admire you and think how wonderful it is that in a communist country like Yugoslavia, there is such freedom."

The line of thinking did not impress him, and we were told to pack up immediately and come along with them. We collected Annamae Silver of Canada and were led to a police van where we sat in sweltering heat and waited for the others to join us. Eventually we were joined by Rita Felbert of Denmark, Estelle Stern-Eilers of Germany, Sira Soettendorp of Holland, Elena Samaja of Italy, Annette London of Norway, Dagna Kaplan of Sweden and Doreen Gainsford of England, chairman of the Thirty-Five's Women's Campaign for Soviet jewry, who organized the entire expedition.

A suprise captive who joined us was Frank Osvald, a journalist from Radio Denmark, who for some unknown reason appeared to the Yugoslavs to be part of our group. Nothing he said could convince them that he was an accredited journalist and had nothing to do with us at all.

SEVEN HOURS IN THE LOCKUP

We were driven to the airport where we were held incommunicado for seven hours in a security lock-up guarded by uniformed police. No amount of pleading would convince them to allow us to contact our embassies. The very tough-looking crew-cutted top man kept insisting that we sign a statement written in the Serbo-Croatian language. Naturally we all refused to sign, and informed our unsmiling host that we would not say nor sign anything without our consular representatives present.

All the while, Frank Osvald insisted that he was an accredited journalist and that they had no right to deport him without a reason. He managed to record the conversation with Crew-Cut, who didn't notice the microphone, and provided material for Frank's next radio show.

Crew-Cut became very annoyed with us for not signing the papers and left us in the care of guards, who watched us carefully and kept us away from the windows in the littered, airless steam-bath of a room. Soon Jerzsy was brought in by the police and there was a moment of hilarity as he told his saga of sitting down in the hotel lobby and forcing the police to carry him off as he shouted "Freedom for Soviet Jews!"

We were finally told that we could leave on the next available planes. One-by-one our little group separated. Our flight to London was not until 5 p.m. Suddenly at 4:45 in rushed the British and German consular officials, who said that all day they had tried to locate us but received no cooperation from the Yugoslavs. The American Embassy official, I was told, was on his way, having just learned from the British that I was still in Yugoslavia. He had been told that I was deported seven hours earlier at ten a.m.!

The French, Swiss and Belgium women were not among us and were probably deported the next day. All the rest of us kissed and cried as we parted, our aborted mission over. But, as Frank Osvald said: "Don't worry, you had a better story being thrown out than if you just had been allowed to hold up your signs. This story was the most interesting thing that happened in Belgrade!"

THE BIG QUESTION

This question gnaws away at me: How did the police find cut about our plans? We were—we thought—so careful. We will never know the true answer. Perhaps a careless phone call on the hotel phone, a too-loud whisper, a careless reporter. Each of us had her own theories. But our ejection from the country was reported worldwide as part of the opening day of the Belgrade Conference, June 15, 1977, and every report mentioned that we were there for Soviet Jews.

In Moscow, Leningrad, Kiev and other cities, our refusenik friends must have rejoiced. They were not forgotten.

In the Kremlin they must have winced.

In my passport there is a stamp saying that I may not return to Yugoslavia for one year—a small price to pay for the privilege of being part of such a valiant group, who, in our captivity, were reminded of the daily ordeal of Soviet Jews. And the irony of it all did not escape any of us—that the very document the representatives of the 35 nations were there to evaluate was violated by our arrest and the ejection of a journalist!

But, as we were sent on our way to the free world—to London, Milan, Oslo, The Hague—Anatoly Sharansky still sits in Lefortovo prison—a grim reminder of Helsinki's unfulfilled promise.

TESTIMONY OF MR. WYDLER ON THE CONCORDE SST

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. LENT. Mr. Speaker, on June 28, the Kennedy International Airport Community Advisory Panel held an important hearing on the public acceptability of Concorde supersonic aircraft operations at Kennedy.

Testifying at this hearing were the elected officials and community representatives from the area surrounding Kennedy International Airport. The residents of these communities would have their lives directly affected if the environmental disaster, called the Concorde SST, were ever permitted to operate at Kennedy. Kennedy Airport is surrounded by dense, close-in communities and the effect the plane would have on the people living there is of basic importance in any decision concerning operations of the Concorde at Kennedy.

My colleague from the Fifth Congressional District of New York spoke in behalf of his constituents at this hearing. I believe that all of the Members could benefit by reading his statement:

STATEMENT BY CONGRESSMAN JOHN W. WYDLER

Mr. Chairman: Please thank Mr. Pattarini for me for his invitation to participate in this meeting of the Kennedy International Airport Community Advisory Panel. Before getting into consideration of the noise impact of the Concorde SST, I would like to make two points which I hope the Panel will convey to Mr. Pattarini and Dr. Ronan.

First, since I received the more recent data on Concorde operations only yesterday, I have hardly had time to review it. Second, it would be most helpful to me and to other representatives of the public, including the court and others, if the Port Authority would release the results of its many years of noise monitoring of subsonic aircraft. In addition, I understand the Port commissioned a study of JFK community reaction by the noted psychoacoustician, Dr. Karl Kryter of the Stanford Research Institute. I believe release of this information would go far towards establishment of the "reasonableness" of the Port's ban on Concorde operations.

Fortunately, like others who are giving statements here today, I have had prior opportunity to review the Concorde proponents' report, "Concorde Noise Performance at Kennedy Airport" dated March 1977. I find this document to be full of unsupported noise data which Air France and British Airways claim was acquired by measurements at Toulouse, Casablanca, Fairlord, England and other foreign airports during test flights, as opposed to commercial operations.

Just this April, the FAA issued a new draft environmental impact statement which reported that, based upon the first seven (7) months of noise monitoring at Dulles Airport, Concorde produced a cumulative average of 119.6 LPNdB on departure measured at the 3.5 nautical mile point. This point is just upwind of the JFK monitoring points. Further, rather than producing a noise impact area "comparable" to that of the 707, which is some 8 square miles, the Concorde 100 EPNdB footprint encloses some 47 square miles!

My greatest concern is the clear tendency of the U.S. Department of Transportation and now the Port Authority to rely on information produced by Concorde proponents. The DOT/FAA "Concorde Monitoring Monthly Report" for commercial operations at Dulles for the month of May, 1977, shows cumulative 11 month averages of 119.2 at departure and 118.2 on approach. Comparative data for the 707 is 111.3 and 117.3. I am attaching a copy of the relevant page from the May report.

Another attachment I am leaving with my statement is our assessment of the noise exposure due exclusively to Concorde operations. It describes the total noise impacted area in square miles based upon the number

of Concorde flights each day in units of Noise Exposure Forecast (NEF) and day/Night Level (LDN).

If Concorde operations alone are considered—excluding subsonic aircraft—its noise exposure levels will constitute a noise impact floor which would not be lowered regardless of noise control measures applied to the subsonic fleet. This analysis is a grim prognosis of the noise environment for the population around airports such as JFK if aircraft having the noise characteristics of the current Concorde are permitted to operate.

In January of 1975, 2½ years ago, the Environmental Protection Agency proposed a rule and submitted it to the FAA, which rule was to establish noise limits for supersonic transport. Essentially, this rule suggests that the FAR Part 36 limitations be applied to supersonic aircraft of the future. As to the first 16 production aircraft, it suggested these be permitted to operate without having to meet these high noise standards. Most importantly, however, the EPA pointed out that since such noise levels were far in excess of existing subsonics, early Concordes—the planes we are discussing now—should not be allowed to operate at airports with dense, close-in community development. JFK certainly qualifies as an airport with dense, close-in residential development and is, obviously, the nation's leading airport in this regard.

It seems to me that the Port Authority could well rely on this suggested rule to ban the Concorde from Kennedy Airport. In fact, in January of 1976, the Environmental Protection Agency issued a public statement saying that "approval of Concorde flights to Kennedy Airport would be clearly unacceptable . . ." and "introduction of Concorde service runs directly counter to the noise abatement and other environmental policies of the United States. . . ." The unsuitability of Kennedy Airport for the Concorde service was made clear during the May 20, 1977 hearing of the Committee on Government Operations, which I participated in and which was held in Queens County in a 50-year-old elementary school only one mile from touchdown from one of the major runways on Kennedy Airport.

In closing, one, I recommend that in assessing the potential noise impact of Concorde operations at JFK, the Port Authority rely on the year's accumulation of noise monitoring at Dulles of commercial operations, rather than the unverified test flights inadequately described in Concorde proponents' reports.

Two, I recommend that the Port Authority adopt the recommendations of the EPA contained in the two draft SST noise regulations submitted to FAA in 1975 and 1976. Unfortunately, FAA has failed to respond to either as required under the law.

Thank you.

The measured effective perceived noise levels in decibels for departures and arrivals have been averaged each month on an energy basis:

DEPARTURES

(Measured 3.5 n.m. from start of takeoff roll)

(Site N–1D)

Effective perceived noise level in decibels

Aircraft type	EIS value [3]	CUM thru April average	May average
BA Concorde	119.5	119.2	118.8
AF Concorde	119.5	119.5	121.2
All Concordes	119.5	119.3	119.7
B–727 [2]	-----	104.3	-----
B–707	113.0	111.3	-----
B–747	107.0	108.2	-----
DC–8	116.0	111.7	-----
DC–9 [2]	-----	101.3	-----

ARRIVALS

(Approximates FAR Part 36 measuring location)

(Sites S–6 and N–1A)

Effective perceived noise level in decibels

Aircraft type	EIS value	CUM thru April average	May average
BA Concorde	116.5	118.2	118.5
AF Concorde	116.5	114.6	110.4
All Concordes	116.5	116.6	115.7
B–727 [2]	-----	107.7	103.6
B–707	118.0	117.3	118.0
B–747	106.0	115.0	[1] 110.0
DC–8	117.0	116.6	-----
DC–9 [2]	-----	109.0	106.3
DC–10	118.0	104.5	[1] 101.0

[1] Fewer than 3 measurements.

[2] Not in EIS.

[3] EIS value is for a 3.0° glide slope. Dulles glide slopes are 2.75° and 3.0°. The lower glide slope results in higher noise levels.

THE CAMBODIAN BLOODBATH AND THE GREAT SILENCE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. McDONALD. Mr. Speaker, liberals and the news media generally discounted fears of a bloodbath in Southeast Asia when South Vietnam and Cambodia were taken over by the Communists. For a time many apologists even claimed that no such bloodbath was taking place. Now that the evidence of massive murders on an unprecedented scale has become conclusive, there is simply a great silence.

Two very highly regarded and experienced researchers, John Barron and Anthony Paul, have spent many months interviewing Cambodian refugees in Thailand and have written a book detailing events in Cambodia from April 17, 1975 to January 1, 1977. The book is titled "Murder of a Gentle Land". Its conclusion: by a very conservative estimate, at least 1.2 million Cambodians—about one in every six or seven—died as a direct result of Communist policies. In terms of relative population, this far exceeds the slaughter of Hitler's and Stalin's concentration camps.

Yet these atrocities are greeted by virtually total silence. Where is that contemptuous bastion of global hypocrisy, the United Nations? Where are the media voices of moral hypocrisy, usually so quick to denounce perceived violations of human rights? When the Spanish Government in 1975 executed five terrorists convicted of murdering policemen, an avalanche of condemnation poured forth. Where is the condemnation of the murder of over a million innocent people?

The great silence says a lot about the present state of the world, particularly the hypocrisy of the news media. Clearly no atrocity is so horrible that it cannot be justified if committed in the name of a social or political revolution to create an "ideal" collectivist state.

An excellent summary of the Cambodian bloodbath and the media's response was presented by Dr. Ernest W. Lefever in the April 30, 1977, TV Guide:

NEWS WATCH—THE CAMBODIAN BLOOD BATH AND THE GREAT SILENCE

(By Dr. Ernest W. Lefever)

(Dr. Lefever directs the Ethics and Public Policy Program at the Kennedy Institute of Georgetown University in Washington, D.C., and teaches international politics there.)

Let's suppose that Castro were abruptly overthrown and replaced in Cuba by a non-Communist regime determined to wipe out all vestiges of the old order—Castro's army and secret police, the Communist Party, political commissars and the entire Soviet apparatus, along with the revolution's vaunted social achievements: child-care centers, workers' schools, student cane-cutting battalions and the Marxist intellectual class.

Let's further suppose that Cuba's new rulers pursued their ends, not by legislation, trials or reeducation, but by a massive pro-

gram of "class" executions and forced migration from cities, a program that within 20 months would bring brutal death to one Cuban in every six or seven.

If such a blood bath took place, the world press would scream with condemnation and the United Nations would vote sanctions.

Unfortunately, this scenario is not make-believe. The blood bath has already happened, not in Cuba but in Cambodia. In the face of this massive atrocity, the President, the Congress and the United Nations have remained all but mute. American newspapers and TV, with rare exceptions, have neither reported the facts nor condemned what The Christian Science Monitor has called one of the most "brutal and concentrated onslaughts in history."

The Cambodian blood bath began on April 17, 1975, two hours after the first Communist squads started "liberating" Phnom Penh. Within days, there was enough-evidence from the lips of escaping Cambodians and foreigners to rivet mankind's conscience on Cambodia.

According to numerous eyewitness accounts verified by several independent and reliable sources, this is what happened. From the start, the Communist High Command decided to eliminate all "enemies of the people," a category that expanded as the grisly drama unfolded. First executed were the officers and men of the Lon Nol army and their wives and children. Then came higher civilian officials, followed by lesser ones—hamlet chiefs, doctors, nurses, teachers and even students. In most cases, the families were also killed in the frantic effort to obliterate every trace of the old regime by the first anniversary of the Communist takeover.

To "purify" the culture, historic buildings, shrines, schools and even cities were scheduled for oblivion. Two million citizens of Phnom Penh, considered a cesspool of corruption, were evacuated at gunpoint, as were a million more from smaller towns. The sick were driven from hospitals. Tens of thousands met death by beating, exhaustion or slow starvation. The lucky ones were shot.

According to two experienced researchers who sifted testimony from refugees in Thailand, France and the U.S. ("Murder of a Gentle Land," by John Barron and Anthony Paul, Reader's Digest Press) at least 1.2 million Cambodians died between April 17, 1975 and Jan. 1, 1977 as a direct result of Communist policies—over 100,000 from massacres and executions, over 20,000 during escape attempts, over 400,000 during the expulsion from the cities and 680,000 from disease and starvation. One Cambodian in six met a painful end. U.S. Government agencies and other authorities do not dispute these grim statistics.

On Sept. 5, 1975, Ieng Sary, a Cambodian official, on arriving in New York said: "The towns have been cleaned." When he appeared at the United Nations, he was warmly applauded. He neglected to say he represented a country "without universities, commerce, art, music, literature, science or hope," to quote Barron and Paul.

American newspapers and TV networks barely pierced what The New York Times called the "veil of silence."

In the 20 months following the "liberation" of Cambodia, the ABC, CBS and NBC evening news shows spent a total of four hours and 55 minutes covering Cambodia, but only 7 per cent on the blood bath. The three shows combined gave one minute of news a month to a purge that in terms of relative population exceeded the slaughter of Hitler's and Stalin's concentration camps. The attentive viewer—able to watch only one channel at a time—received only 20 seconds a month from the medium American citizens rely on most for their news.

Equally appalling was the skeptical and even apologetic tone of most of the early stories. The May 8, 1975 reporting was typical: ABC says blood-bath theory is widely believed by refugees; no confirmation. CBS says tales of executions are not confirmed; New York Times newsman Sydney Schanberg suggests Americans have stake in blood-bath theory. ABC and CBS report the Khmer Rouge troops are well-disciplined.

During the next 18 months the three networks combined carried 10 brief references to brutality and death, but there was not a single comprehensive report on the blood bath.

The near absence of Cambodian blood-bath news on TV was not attributable to a lack of evidence. Among the 50,000 Cambodians who escaped, there are thousands of eyewitnesses. And some enterprising newsmen did interview them.

The performance of America's serious newspapers was not as poor as that of TV news. Of the 63 stories examined, it appears that only one hit page one, on Feb. 2, 1976 in The Washington Post. As on TV, only a few press stories carried the blood-bath story without misgivings or apology.

It took two explicit atrocity reports by Secretary of State Kissinger to get the attention of the networks. His May 13, 1975 statement appeared in several papers. His June 24 report was noted briefly by TV and the papers, but it was not followed up by either.

The blood bath, the very essence of dramatic human-interest news—when carried at all—was treated more frequently in signed opinion and editorials than in the news columns. To their credit, The New York Times, The Christian Science Monitor and The Wall Street Journal reported and condemned the blood bath. On July 9, 1975, The Times compared it to the "Soviet extermination of the Kulaks [and] the Gulag Archipelago." In April 1976, The Journal said: "The enormity of this kind of atrocity . . . is mind-numbing" and asked why the "weak outcry from the usual wellsprings of moral outrage around the world."

Why, indeed? The press is frequently outraged by small or even alleged crimes. The media reported fully and sometimes joined in the condemnation of the Spanish government in 1975 for executing five terrorists convicted of murdering policemen. But where is the condemnation of the murder of a million innocent people?

The Wall Street Journal suggests a partial answer—the frequent partnership of moral outrage and revolutionary zeal. The "crimes of the Khmer Rouge, even though they dwarf some other state crimes of our time . . . have attracted less attention because they are inflicted in the name of revolution."

STATEMENT OF JAMES J. FLORIO FOR THE CONGRESSIONAL RECORD ON H.R. 6893

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. FLORIO. Mr. Speaker, on July 12, Congress approved a measure, H.R. 6893, which will exempt Members of Congress from paying taxes in the State in which they live—other than the State of legal residency—while they serve in Washington. I have urged the President to veto this measure.

For years, citizens organizations have raised substantial questions regarding the legality and equity of individuals being forced to pay taxes in jurisdictions in which they do not reside. Being compelled to pay taxes as nonresidents violates the fundamental concept of "no taxation without representation," for all citizens involved.

In the case of Members of Congress, it is a classic case of taxation without representation. A Congressman from New Jersey obviously votes in New Jersey, and cannot vote in Maryland, for example, if he resides there. Although he is not and cannot be a citizen of Maryland, and does not participate in its government, the State of Maryland wishes to tax him.

In the case of ordinary citizens, a similar issue is involved. Why should a resident of my State, New Jersey, or any other State, be subjected to nonresident taxation such as the Philadelphia Wage Tax merely on the basis of the employment locality? I very strongly believe that citizens should be asked only to pay income taxes as residents of their States or municipalities, and not other jurisdictions in which they may be employed. That is an unfair burden, in my view.

But, I must object to the passage of this particular bill, not on the basic remedy it attempts to apply, but instead on the manner in which it is applied and to whom the benefits of the remedy accrue. H.R. 6893 provides special treatment to Congressmen at the very time when we should be actively ridding ourselves of a "first among equals" image. We, as Members of Congress, should not, through our own legislative initiative, single ourselves out for special tax privileges, while other citizens must continue to bear the burden of unreasonable taxation. If we are going to remedy the inequity of nonresident taxation, it should apply to everyone—not just Members of the House and Senate.

SURVIVING THE ATOM

HON. BOB ECKHARDT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. ECKHARDT. Mr. Speaker, I would like to bring to the attention of my colleagues an editorial from one of my district's major newspapers on the subject of the administration's efforts to halt nuclear proliferation. As the Houston Post points out, meaningful control of the spread of nuclear weapons capability is likely to result from reasoned negotiations between nuclear suppliers and consumer nations rather than from unilateral arm-twisting by the United States. I share the Post's sense of encouragement over the President's efforts to organize an international conference on nuclear proliferation and the positive reception his efforts have received abroad:

[From the Houston Post, June 19, 1977]

SURVIVING THE ATOM

The Carter administration's efforts to organize an international conference to tighten control over the spread of nuclear weapons-making capability have met with a surpris-

ingly warm reception. Some 30 countries, including the Soviet Union and at least two of its satellites, have indicated interest in establishing a stronger policing system from the sale and use of atomic technology. Conferees would seek ways to insure continued availability of nuclear fuel for peaceful purposes while strengthening safeguards against its diversion for making weapons.

The projected conference, to be held this fall, would be significant as the first involving both nuclear supplier and consumer nations. The tentative list of participants includes such geographically, economically and politically diverse countries as Britain, France, West Germany, Japan, India, South Africa, Israel, Argentina, Brazil, Iran, Czechoslovakia, Poland, the Netherlands and Belgium. China is the only major nuclear nation not attending. The U.S. wants the conference agenda to include such items as the creation of an international nuclear fuel bank, global sharing of common nuclear processing facilities, and the development of a new nuclear reactor that will not use plutonium.

Impetus for the parley is the widening gap between our position on nuclear power and that of most of the rest of the world. Both the Ford and Carter administrations advanced programs to curb the spread of reprocessing technology—the extraction of plutonium from spent uranium power plant fuel. The recovered plutonium can be used as power plant fuel, but it can also be turned into nuclear bombs.

While other nations share our apprehension over the growing nuclear proliferation threat, they contend that the most sensible way to control it is not through rigid restriction of the sale of nuclear technology, but the vigorous policing of its use. These diametrically opposed positions have already strained our relations with West Germany and Brazil because of the West German sale of $4 billion in nuclear power plants, including reprocessing facilities, to Brazil. We have also been at odds with France over that country's plans to sell a reprocessing plant to Pakistan.

The interest other nations have expressed in the U.S. initiative to convene a world nuclear conference is heartening. It indicates that our friends and adversaries alike recognize the need to bridge the gap between our position and theirs through a compromise on the nuclear proliferation issue. A single conference, such as the one planned this fall, cannot reasonably be expected to resolve all the differences dividing the participants. But it could be a big step toward creating what President Carter has called "an alliance for survival."

INDIA AND NUCLEAR NONPROLIFERATION

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. BINGHAM. Mr. Speaker, on June 28 the U.S. Nuclear Regulatory Commission granted an export license for the shipment of low enriched fuel to power the light water reactor at the Tarapur Atomic Power Station located near Bombay, India. The issuance of this license bore particular significance because it posed the question: Should the United States continue nuclear cooperation with a nation which has diverted peaceful nuclear technology—supplied in this case by the United States and Canada—for use in nuclear explosive devices? More specifically, the Tarapur licensing decision required resolution of the question: What nonproliferation guarantees must the United States receive from India before we should continue our nuclear commerce with that nation?

I support the NRC's decision to grant the Tarapur license, but I do have some serious reservations regarding the terms under which the license was granted. These include the fact that India continues to maintain significant nuclear facilities without international safeguards, the fact that India has yet to explicitly rule out further detonation of nuclear devices, and the fact that India still retains large quantities of plutonium contained in spent fuel rods used in the Tarapur reactor.

Why did the United States agree to send the Tarapur fuel before these serious outstanding issues were resolved? Apparently it was a gesture of good will toward the new government of Prime Minister Morarji Desai, who has made strong statements regarding the folly of India pursuing a nuclear weapons capability. In return for a pledge from the Prime Minister to enter into far-reaching nonproliferation discussions, the State Department strongly recommended granting the license even before outstanding safeguards and nonproliferation concepts were resolved.

I am concerned that this decision not set a precedent for future licensing actions. The Carter administration and the Congress are currently concluding negotiations on comprehensive legislation designed to apply strict criteria to all U.S. nuclear exports. I am confident that the legislation which will emerge from these discussions will offer just the sort of strict and consistent export criteria which we must apply to future export license applications similar to the Tarapur case. Notice must be served upon the global nuclear community that the United States cannot, in good conscience, continue to support the nuclear energy program of any nation which rejects our antiproliferation efforts. In the case of India, this must mean that nuclear trade will soon have to be terminated unless and until the Indian Government accepts the criteria the United States will shortly apply to all future exports of nuclear material, including: an unambiguous requirement that recipients refrain from testing nuclear explosives of any kind; a requirement that international safeguards be applied to all nuclear activities within the recipient country; and a provision specifying that the United States will terminate exports if a recipient breaches IAEA safeguards.

Mr. Speaker, the Indian license was granted in large measure because we knew the Indians needed the fuel to keep the lights on in Bombay. We also wanted to offer our support to the new Desai Government. But in future applications for export licenses—from India and any other nations—strict export licensing criteria must be applied. Such criteria will be forthcoming in the comprehensive antiproliferation legislation my colleagues and I will be endeavoring to bring to the floor of both bodies in the weeks ahead.

Mr. Speaker, at this point in the RECORD, I wish to insert the concurring opinion of NRC Commissioner Victor Gilinsky in the Tarapur licensing case. As always, Commissioner Gilinsky's views serve to illuminate the nonproliferation discussion and offer the Commission direction for its future deliberations.

UNITED STATES OF AMERICA NUCLEAR REGULATORY COMMISSION

I. Background

Almost one year ago to the day, I dissented from a Commission decision to grant an export license covering low enriched uranium for the Tarapur Atomic Power Station. Today, however, I am joining in approving the issuance of a similar license, XSNM–845. I am doing so because the circumstances surrounding this action have altered markedly in the interim. Nevertheless I am obliged to say that severe infirmities remain to be cleared up if this trade is to continue on a normal basis.

The focus of my concern last year was the lack of assurance that effective safeguards would be applied to the exported fuel after its use on the Tarapur reactors. I was particularly concerned about the strong possibility that the U.S. intended to grant India permission to reprocess U.S.-supplied fuel in its new reprocessing plant, also located at Tarapur, and that as a consequence the Indian government would be in a position to stockpile plutonium—a nuclear explosive material—derived from U.S.-supplied fuel. As I have made abundantly clear on numerous occasions,* the inspection and monitoring safeguards of the International Atomic Energy Agency cannot, in themselves, provide an adequate deterrent against the misuse of this dangerous material. At the time the Commission considered XSNM–805, United States policy had not fully acknowledged this fact.

Indian stockpiling of plutonium was particularly disturbing in light of that country's detonation of a nuclear explosive device in 1974, her continuing assertion—rejected by the United States—that there is a difference between a so-called "peaceful" explosive device and a nuclear weapon, and the continuance of India's nuclear explosives program.

We have now been assured by the Department of State, however, that Indian reprocessing of U.S.-supplied fuel has been ruled out and that the Indian government understands that permission to extract plutonium from the Tarapur spent fuel will not be forthcoming. See Memorandum of Peter Tarnoff, Executive Secretary, Department of State, to Lee V. Gossick, Executive Director of Operations, Nuclear Regulatory Commission, June 8, 1977. It is further my understanding that the Department of State has informed the Indian government that it will recommend against further shipments of fuel should India explode another nuclear device. *Id.*

I am nevertheless obliged to observe that serious problems remain and there is little reason to be sanguine about this licensing action. Among the remaining difficulties are:

Our agreement with India does not explicitly rule out the use of U.S.-supplied material for nuclear explosives, and we do not have an explicit, unequivocal statement on this point from the government of India;

India continues in its claim there is a difference between a "peaceful" nuclear device and a nuclear weapon;

*See e.g., *Westinghouse Electric Corporation*, (Application for the Export of Pressurized Water Reactor to Asociacion Nuclear ASCO II, Barcelona, Spain) 3 NRC 739 (1976), Commissioner Gilinsky, dissenting.

Significant Indian nuclear facilities remain outside the supervision of the international inspection system of the IAEA;

India's explosives program is apparently continuing. Although our advice from the Department of State indicates that the United States will discontinue cooperation in the event of another nuclear explosion, it does not address explosives;

Insofar as we know India's explosives program continues to use heavy water supplied by the United States. Such use is in violation of the plain meaning of the March 1956 contract covering transfer of this material, as we made clear in our *aide-memoire* of 1970;

Large quantities of irradiated spent fuel are held in storage at Tarapur. Should our agreement with India threaten to break down for any reason, this fuel, and the plutonium it contains, must be considered a "hostage." Despite negotiations for the return of this spent fuel, a variety of practical difficulties have been encountered, and the likelihood that the United States will ultimately regain possession of this material appears to be receding.

My concurrence in the license approval today is influenced by the firm antiproliferation stand taken by President Carter and his commitment to renegotiate the present agreement for cooperation to include among other things: an unambiguous requirement that recipients refrain from testing nuclear explosives of any kind; a requirement that international safeguards be applied to all nuclear activities within the recipient country; and a provision specifying that the United States will terminate exports if a recipient violates or withdraws from IAEA safeguards.

In going forward with this fuel shipment, I am proceeding in the view that if this trade is to continue such conditions will be applied within a reasonable time, and will, of course, be acceptable to the government of India.

THE SOLAR ALTERNATIVE

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. OTTINGER. Mr. Speaker, an important part of next week's House vote on the fiscal year 1978 ERDA authorization will be consideration of an amendment to be offered by Representative GEORGE BROWN. The Brown amendment, which I strongly support, would delete $117 million from the Clinch River breeder reactor budget, leaving $33 million for project termination costs.

Proponents of the CRBR argue that nuclear power is the only viable energy alternative as fossil fuels begin to run out. But other energy alternatives such as solar, wind, and biomass are presently feasible and need to be explored. They are not only renewable but also efficient, decentralized and above all, safe.

To the end of learning more about such options, I would like to bring to the attention of my colleagues the following article by Denis Hayes from the June/July/August Sierra Club Bulletin, "Solar Energy: Dawn of an Era:"

SOLAR ENERGY: DAWN OF AN ERA

(By Denis Hayes)

About one-fifth of all energy used around the world now comes from solar resources: wind power, water power, biomass, and direct sunlight. By the year 2000, such renewable energy sources could provide forty percent of the global energy budget; by 2025, humanity could obtain seventy-five percent of its energy from solar resources. Such a transition would not be cheap or easy, but its benefits would far outweigh the costs and difficulties. The proposed timetable would require an unprecedented worldwide commitment of resources and talent, but the consequences of failure are similarly unprecedented. Every essential feature of the proposed solar transition has already proven technically viable; if the fifty-year timetable is not met, the roadblocks will have been political—not technical.[1]

Different solar sources will see their fullest development in different regions. Wind power potential is greatest in the temperate zones, while biomass flourishes in the tropics. Direct sunlight is most intense in the cloudless desert, while water power depends upon mountain rains. However, most countries have some potential to harness all these renewable resources, and many lands have begun to explore the feasibility of doing so.[2]

A major energy transition of some kind is inevitable. For rich lands and poor alike, the energy patterns of the past are not prologue to the future. The oil-based societies of the industrial world cannot be sustained and cannot be replicated; their spindly foundations, anchored in the shifting sands of the Middle East, have begun to erode. Until recently most poor countries eagerly looked forward to entry into the oil era with its airplanes, diesel tractors, and ubiquitous automobiles. However, the fivefold increase in oil prices since 1973 virtually guarantees that the Third World will never derive most of its energy from petroleum. Both worlds thus face an awesome discontinuity in the production and use of energy.

In the past, such energy transformations invariably produced far-reaching social change. The 18th-century substitution of coal for wood and wind in Europe, for example, accelerated and refashioned the Industrial Revolution. Later, the shift to petroleum altered the nature of travel, shrinking the planet and reshaping its cities. The coming energy transition can be counted upon to fundamentally alter tomorrow's world. Moreover, the quantity of energy available may, in the long run, prove much less important than where and how this energy is obtained.

Since many energy sources besides the sun could replace oil and gas, we need to know now what consequences the choices we make today will have in fifty years. While we can obviously possess no detailed information about the state of the world fifty years from now, even rough calculations may yield insights of importance for energy policy. If we optimistically assume that the world's population will level off after one more doubling and stabilize at eight billion by 2025, and if we conservatively assume that per-capita energy use will then amount to one-third the current United States level, we can broadly assess different ways of trying to meet this aggregate demand.[3]

If this energy were all provided by coal, an absolutely intractable problem would result. Coal combustion necessarily produces carbon dioxide, and adding CO_2 to the air raises the earth's temperature by retarding the radiation of heat into space (a phenomenon known as the greenhouse effect). Since CO_2 remains in the atmosphere for hundreds or perhaps thousands of years, the impact of CO_2 emissions is cumulative and irreversible on any relevant time scale. At our projected level of coal consumption, the atmospheric inventory of CO_2 would increase about four percent a year; such growth in atmospheric carbon dioxide would, virtually all meteorologists agree, soon alter the heat balance of the entire planet dramatically.

Footnotes at end of article.

If the postulated energy demand were met with nuclear fission, about 15,000 reactors as large as the biggest yet built would have to be constructed—one new reactor a day for fifty years. Sustaining these reactors would require the recycling of 20 million kilograms of plutonium annually. Every year, enough plutonium would be recycled around the world to fabricate four million Hiroshima-size bombs. Such a prospect cannot sanely be greeted with equanimity.

Nuclear fusion is a speculative technology. No one knows what it will cost, how it will work, or even whether it will work. The deuterium-tritium reaction—the "simplest" fusion reaction and the focus of almost all current research—will produce large amounts of radioactive waste and can be used to breed plutonium. Some advanced fusion cycles—most notably those that would fuse two deuterium nuclei or that would fuse a proton with a boron atom—could, theoretically, provide a nearly inexhaustible supply of relatively clean power. But such reactions will be vastly more difficult to achieve than the deuterium-tritium reaction. In short, there is no chance that most of the world's energy demand will be met by fusion in 2025.[4]

Thus we are left with the solar options: wind, falling water, biomass, and direct sunlight. Fortunately, they are rather attractive. Solar sources add no new heat to the global environment, and—when in equilibrium—they make no net contribution to atmospheric carbon dioxide. Solar technologies fit well into a political system that emphasizes decentralization, pluralism, and local control.

Sunlight is abundant, dependable, and free. With some minor fluctuations, the sun has been bestowing its bounty on the earth for more than four billion years, and it is expected to continue to do so for several billion more. The sun's inconstancy is regional and seasonal, not arbitrary or political and it can therefore be anticipated and planned for.[5]

Our ancestors captured the sun's energy indirectly by gathering wild vegetation. Their harvest became more reliable with the revolutionary shift to planned cultivation and the domestication of animals. As civilization developed, reliance upon the sun grew increasingly circuitous. Slaves and draft animals provided a roundabout means of harnessing large quantities of photosynthetic energy. Breezes and currents—both solar-powered phenomena—drove mills and invited overseas travel.

IGNORING THE SUN

In earlier eras, people were intensely aware of the sun as a force in their lives. They constructed buildings to take advantage of prevailing winds and of the angles at which the sun's rays hit the earth. They built industries near streams to make power-generation and transport easier. Their lives revolved around the agricultural seasons. In the 14th century, coal began to contribute an increasing fraction of Europe's energy budget—a trend that accelerated greatly in the 18th and 19th centuries. During the past seventy-five years, oil and natural gas became the principal energy sources in the industrialized world. In the fossil-fuel era, the sun has been largely ignored. No nation includes the sun in its official energy budget, even though all other energy sources would be reduced to comparative insignificance if it were. We think we heat our homes with fossil fuels, forgetting that without the sun those homes would be −240° C when we turned on our furnaces. We think we get our light from electricity, forgetting that without the sun the skies would be permanently black.[6]

About 1.5 quadrillion megawatthours of solar energy arrive at the earth's outer atmosphere each year. This amount is 28,000 times greater than all the commercial en-

ergy used by humankind. Roughly thirty-five percent of this energy is reflected back into space; another eighteen percent is absorbed by the atmosphere and drives the winds; and about forty-seven percent reaches the earth. No country uses as much energy as is contained in the sunlight that strikes just its buildings. Indeed, the sunshine that falls each year on United States roads alone contains twice as much energy as does the fossil fuel used annually by the entire world. The wind power available at prime sites could produce several times more electricity than is currently generated from all sources. Only a fraction of the world's hydropower capacity has been tapped. As much energy could be obtained from biomass each year as fossil fuels currently provide.

How easily and cheaply these vast energy sources can be harvested is disputed. Opinions naturally rest heavily upon the questions asked and the assumptions made. How much distance can separate an energy facility and its potential users? Will people and industries migrate to take advantage of new energy sources? Should only huge, utility-scale sites be considered or should individual and community-sized sites be counted as well? What limits will environmental, political, and aesthetic factors impose?

Past efforts to tap the solar flow have been thwarted by unreasonable economic biases. The environmental costs of conventional fuels, for example, have until recently been largely ignored. If reclamation were required of strip-mining companies, if power plants were required to stifle their noxious fumes, if oil tankers were prohibited from fouling the oceans with their toxic discharges, if nuclear advocates were forced to find a safe way to dispose of long-lived radioactive wastes, conventional power sources would cost more and solar equipment would be more economically competitive. As such costs have been increasingly internalized, conventional sources have grown more expensive and solar alternatives have consequently become more credible.[7]

Moreover, fuel prices long reflected only the costs of discovery, extraction, refining, and delivery; they failed to include the value of the fuel itself. Over the years, improvements in exploitation techniques drove fuel prices relentlessly downward, but these low prices were chimerical. Although, for example, United States oil prices (corrected for inflation) fell thirty-seven percent in the twenty-five years between 1948 and 1972, the nation was living off its energy capital during this period—not its interest. The world has only a limited stock of fuel, and it was only a matter of time before that fuel began to run out.[8]

Unlike finite fuels, sunlight is a flow and not a stock. Once a gallon of oil is burned, it is gone forever; but the sun will cast its rays earthward a billion years from now, whether sunshine is harnessed today for human needs or not. Technical improvements in the use of sunlight could lower prices permanently; similar technical improvements in the use of finite fuels could hasten their exhaustion.

SHAKING OFF CONSTRAINTS

The current world economy was built upon the assumption that its limited resources could be expanded indefinitely. No nation charged OPEC-style severance royalties when oil was removed from the earth; depletion allowances were granted to those who exploited it. No nation charged a reasonable "scarcity rent" for fuel; the needs of future generations were discounted to near zero. Now that the world's remaining supply of easily obtainable high-grade fuel is mostly in the hands of single-resource nations with legitimate worries about their long-range futures, prices have increased fivefold in five years. As a consequence, solar energy is rapidly shaking off the false economic constraints that previously hindered its commercial development. In 1976, the United States produced one million square feet of solar collectors; in 1977, the figure is expected to triple.[9]

Since sunlight is ubiquitous and can be used in decentralized facilities, many proposed solar options would dispense with the expensive transportation and distribution networks that encumber conventional energy systems.[10] The savings thus obtained can be substantial; transmission and distribution today account for about seventy percent of the cost of providing electricity to the average United States residence.[11] In addition, line losses during electrical transmission may amount to several percent of all the energy produced, and the unsightly transmission tendrils that link centralized energy sources to their users are vulnerable to both natural disasters and human sabotage.

Probably the most important element in a successful solar strategy is the thermodynamic matching of appropriate energy sources with compatible uses. The quality of energy sought from the sun and the costs of collecting, converting, and storing that energy usually correlate directly: the higher the desired quality, the higher the cost. Sources and uses must therefore be carefully matched, so that expensive, high-quality energy is not wasted on jobs that do not require it.[12]

THE HEIGHT OF FOOLISHNESS

No country has undertaken a comprehensive inventory of the quality of energy it uses throughout its economy. Moreover, the energy currently employed for various tasks is often of far higher quality than necessary. The use of nuclear reactors operating at a million degrees C to make electricity to run residential water heaters to provide bath water at 30° C is surely the height of thermodynamic foolishness.

Preliminary calculations suggest that roughly thirty-four percent of end-use energy in the United States is employed as heat at temperatures under 100° C; much of this energy heats buildings and provides hot water. Another twenty-four percent is for heat at temperatures of 100° C or higher, much of it for industrial processes. Thirty percent of end-use energy is employed to power the transportation system; eight percent is used as electricity and three percent as miscellaneous mechanical work. In Canada, a somewhat higher percentage is used for low-grade heat and somewhat less is used for transportation. Although both countries are highly industrialized, highly mobile, and have high energy use-GNP ratios, most of the energy budgets of both could easily and economically be met using existing solar technologies.[13]

Cheap, unsophisticated collectors can easily provide temperatures up to 100° C. Selective surfaces—thin, space-age coatings that absorb much sunlight but reradiate negligible heat—greatly increase the temperatures that collectors can attain. Because air conducts and convects heat, high-temperature collectors are often sealed vacuums. Focusing collectors, which use lenses or mirrors to focus sunlight into a small target area, can obtain still higher temperatures. The French solar furnace at Odeillo, for instance, can reach temperatures of about 3,000° C.

Solar thermal-electric plants appear economically sound, especially when operated only to meet daytime peak demands or when crossbred with existing plants that use other fuels for nighttime power production. Ocean thermal facilities may be a source of baseload electricity in some coastal areas. Decentralized photovoltaic cells will be the most attractive source of solar electricity if the cost reductions commonly projected materialize.

Wind power can be harnessed directly to generate electricity. But because electricity is difficult to store, some wind turbines might best be used to pump water into reservoirs or to compress air. The air and water can then be released as needed to generate electricity or to perform mechanical work. Energy from intermittent sources like wind machines can also be stored as high-temperature heat or in chemical fuels, flywheels, or electrical batteries.

Biological energy sources, which include both organic wastes and fuel crops, could by themselves yield much of the world's current energy needs. Such sources can provide liquid and gaseous fuels as well as direct heat and electricity. Particularly attractive in a solar economy would be the use of biomass for the cogeneration of electricity and industrial-process steam.

While no single solar technology can meet humankind's total demand for energy, a combination of solar sources can. The transition to a solar era can be begun today; it would be technically feasible, economically sound, and environmentally attractive. Moreover, the most intriguing aspect of a solar transition might lie in its social and political ramifications.[14]

Most policy analyses do not encompass these social consequences of energy choices. Most energy decisions are based instead on the naive assumption that competing sources are neutral and interchangeable. As defined by most energy experts, the task at hand is simply to obtain enough energy to meet the projected demands at as low a cost as possible. Choices generally swing on small differences in the marginal costs of competing potential sources.

But energy sources are *not* neutral and interchangeable. Some energy sources are necessarily centralized; others are necessarily dispersed. Some are exceedingly vulnerable; others are nearly impossible to disrupt. Some will produce many new jobs; others will reduce the number of people employed. Some will tend to diminish the gap between rich and poor; others will accentuate it. Some inherently dangerous sources can be permitted widespread growth only under authoritarian regimes; others can lead to nothing more dangerous than a leaky roof. Some sources can be comprehended only by the world's most elite technicians; others can be assembled in remote villages using local labor and indigenous materials. Over time, such considerations may prove weightier than the financial criteria that dominate and limit current energy thinking.

Appropriate energy sources are necessary, though not sufficient, for the realization of important social and political goals. Inappropriate energy sources could make attaining such goals impossible. Decisions made today about energy sources will, more than people imagine, determine how the world will look a few decades hence. While energy policy has been dominated by the thinking of economists and scientists, the crucial decisions will be political.

The kind of world that could develop around energy sources that are efficient, renewable, decentralized, simple, and safe cannot be fully visualized from our present vantage point. Indeed, one of the most attractive promises of such sources is a far greater flexibility in social design than is afforded by their alternatives. Although energy sources may not dictate the shape of society, they do limit its range of possibilities; and dispersed solar sources are more compatible than centralized technologies with social equity, freedom, and cultural pluralism. All in all, solar resources could power a rather attractive world.

FOOTNOTES

[1] By far the largest fraction of current commercial solar usage is of biomass. In many Third World countries, firewood, dung, and crop residues constitute 90 percent of all energy use. Calculations regarding the

Footnotes at end of article.

magnitude of this usage can be found in Arjun Makhijani and Alan Poole, *Energy and Agriculture in the Third World* (Cambridge, Mass.: Ballinger, 1975), and D. F. Earl, *Forest Energy and Economic Development* (Oxford: Clarendon Press, 1975). Hydropower ranks next, providing more than one-fifth of all electricity and about 3 percent of all end-use energy. See United Nations, *World Energy Supplies: 1950–1974* (New York: Department of Economic and Social Affairs, 1976).

[2] F. de Winter and J. W. de Winter, eds., *Description of the Solar Energy R&D Programs in Many Nations* (Santa Clara, California: Atlas Corporation, February 1976).

[3] I am indebted to Professor Theodore Taylor of Princeton University for suggesting this analysis. More information on the CO_2 problem can be obtained in Stephen H. Schneider, *The Genesis Strategy: Climate and Global Survival* (New York: Plenum Press, 1976); Bert Bolin, *Energy and Climate* (Stockholm: Secretariat for Future Studies, 1975); W. S. Broeker, "Climate Change: Are We On the Brink of a Pronounced Global Warming?" *Science*, August 8, 1975; P. E. Damon and S. M. Kunen, "Global Cooling?" *Science*, August 6, 1976. The problems associated with a plutonium economy are elaborated in Denis Hayes—*Nuclear Power: The Fifth Horseman* (Washington, D.C.: Worldwatch Institute, 1976).

[4] An overview of the major components of the U.S. fusion program can be obtained from the Energy Research and Development Administration, *Fusion Power by Magnetic Confinement Program Plan*, Volumes I, II, III, and IV (Washington, D.C.: July 1976). For an excellent survey of the technical problems faced by fusion written from an optimistic viewpoint, see David J. Rose and Michael Feirtag, "The Prospect for Fusion," *Technology Review*, December 1976. For a more skeptical appraisal, see the three-part series by William Metz, "Fusion Power: What is the Program Buying the Country?" *Science*, June 25, 1976; "Fusion Research: Detailed Reactor Studies Identify More Problems," *Science*, July 2, 1976; "Fusion Research: New Interest in Fusion-Assisted Breeders," *Science*, July 23, 1976.

[5] Comprehensive overviews of solar energy can be found in Farrington Daniels, *Direct Use of the Sun's Energy* (New York: Ballantine Books, 1974) and B. J. Brinkworth, *Solar Energy for Man* (New York: John Wiley and Sons, 1972). Two more recent articles in *Technology Review* provide excellent analyses of the solar potential: Walter E. Morrow, Jr., "Solar Energy: Its Time is Near," December 1973, and John B. Goodenough, "The Options for Using the Sun," October-November 1976. The most exhaustive survey of all renewable energy technologies remains Wilson Clark, *Energy for Survival* (Garden City, New York: Anchor Press/Doubleday, 1974). A recent survey of U.S. corporate interest in several of these technologies is Stewart W. Herman and James S. Cannon, *Energy Futures* (New York: Inform, Inc., 1976).

[6] Insight into the many vital but unnoticed functions performed for humankind by the sun can be gleaned from Frank Von Hippel and Robert H. Williams, "Solar Technologies," *Bulletin of the Atomic Scientists*, November 1975, and Steve Baer, "Clothesline Paradox," *The Elements*, November 1975. The temperature estimate for a sunless earth was provided in Vincent E. McKelvey, "Solar Energy in Earth Processes," *Technology Review*, April 1975.

[7] John V. Krutilla and R. Talbot Page, "Energy Policy from an Environmental Perspective," in Robert J. Kalter and William A. Vogely, eds., *Energy Supply and Government Policy* (Ithaca, N.Y.: Cornell University Press, 1976); John S. Reuyl, *et al., A Preliminary Social and Environmental Assessment of the ERDA Solar Energy Program 1975–2020*, Vols. I and II (Menlo Park, California: The Stanford Research Institute, 1976) found solar technologies to be environmentally attractive compared to the alternatives.

[8] Hans H. Landsberg, "Low-Cost Abundant Energy: Paradise Lost?" (Washington, D.C.: Resources for the Future Reprint Number 112, December 1973).

[9] The U.S. Federal Energy Administration publishes a semi-annual *Survey of Solar Collector Manufacturing Activity;* the 1977 estimate is by Ronald Peterson, Director of Grummon Energy Systems, one of the largest manufacturers of solar collectors.

[10] Largely because conventional fuels pose transportation and distribution problems, the largest immediate market for expensive photovoltaic cells may, strangely enough, be in the world's poorest countries. Charles Weiss and Simon Pak, "Developing Country Applications of Photovoltaic Cells," presented to the ERDA National Solar Photovoltaic Program Review Meeting, San Diego, California, January 20, 1976.

[11] M. L. Baughman and D. J. Bottaro, *Electric Power Transmission and Distribution Systems: Cost and Their Allocation* (Austin: University of Texas Center for Energy Studies, July 1975).

[12] An excellent exploration of the concept of thermodynamic matching is in "Efficient Use of Energy: A Physics Perspective," The American Physical Society, January 1975. (Reprinted in U.S. House of Representatives, Committee on Science and Technology, Part I, ERDA Authorization Hearings, February 18, 1975.) Simpler explanations can be found in Barry Commoner, *The Poverty of Power* (New York: Alfred A. Knopf, 1976), and Denis Hayes, *Energy: The Case for Conservation* (Washington, D.C.: Worldwatch Institute, January 1976).

[13] Amory B. Lovins, "Scale, Centralization, and Electrification in Energy Systems," presented to a Symposium on Future Strategies of Energy Development, Oak Ridge, Tennessee, October 20–21, 1976. The Canadian data are in "Exploring Energy-Efficient Futures for Canada," *Conserver Society Notes*, May–June 1976.

[14] These issues are thoughtfully explored in Reuyl, *Social and Environmental Assessment;* Amory B. Lovins, "Energy Strategy: The Road Not Taken?" *Foreign Affairs*, October 1976, and less directly by Rufus E. Miles, Jr., *Awakening from the American Dream: The Social and Political Limits to Growth* (New York: Universe Books, 1976); Bruce Hannon, "Energy, Land, and Equity," presented to the 41st North American Wildlife Conference, Washington, D.C., March 21–25, 1976; and William Ophuls, *Ecology and the Politics of Scarcity* (San Francisco: W. H. Freeman and Co., 1977).

REVOLUTION ON THE FARM: PART 1

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. ALEXANDER. Mr. Speaker, I would like to share with my colleagues today the first of a series of articles written by Tom Hamburger for the Arkansas Gazette that deal with farming trends emerging in my State of Arkansas. Hamburger appropriately titles the series "Revolution on the Farm." I commend this series which I shall insert in the coming days to my colleagues (Hamburger is now with the Minneapolis Tribune):

REVOLUTION ON THE FARM: 1—NEW TYPE OF OWNER MAY SPEED LAND BOOM, PUSH SOME OUT

(By Tom Hamburger)

There's a new breed of farm owner coming to Arkansas.

One of the new breed just concluded last week what is said to be one of the largest land sales in Jefferson County, buying 4,460 acres for an undisclosed price. The buyer is Lehndorff Farms, Ltd., a subsidiary of a Hamburg, Germany, investment corporation.

The current Jefferson County land sales record of $7.3 million was paid by Prudential Insurance Company last year. Prudential also owns large farms in Chicot, Mississippi and Prairie Counties.

Another foreign farm owner, Crown Prince Frans Josef II of Liechtenstein, operates a 9,000-acre farm near Texarkana.

The presence of these new owners may cause land prices, which have more than doubled in farming areas in recent years, to rise even higher and may continue to force small farmers from the land, according to investment counselors.

Although the number of foreign or out-of-state investors in Arkansas is small, the number soon will increase dramatically, according to Steve Weber, foreign investments chief for Oppenheimer Industries of Kansas City, the country's largest land investment company. The firm handles no account of less than $1 million.

Weber now is directing his foreign clients to Arkansas. He says the rise in farmland prices in the Arkansas Delta, where prime land now costs between $1,000 and $1,300 ar acre, an increase of $300 over last year, has only just begun. He believes Arkansas now provides a better buy for his clients than land in the cornbelt states, where a land boom has pushed the price of prime land up to $5,000 an acre "is getting out of hand."

The recent rise in Arkansas land prices is part of a national trend that already has hit the cornbelt states of Iowa, Kansas and Illinois, where prices jumped an average of 35 per cent last year, Weber said.

Land prices first went up sharply about nine years ago, according to Little Rock land appraiser Wesley Adams. Adams says the land has increased 129 per cent between 1967 and 1976, but the real boom has occurred within the last five years.

Adams recalled that in 1975, rich farmland in Poinsett County was selling for about $750 an acre. Late last year, he said, similar land sold for $1,304 an acre.

The current boom, market experts say, means more than just a new crop of big landowners, like corporations and foreign investors. The boom also accelerates the trend toward fewer and larger farms and makes it harder for young farmers to get started. Farmers who rent farmland (in 1969, 12.6 per cent of Arkansas' farmers were tenant farmers, down from 24.3 per cent in 1959) are finding that increased land values raise their rent.

"The high price of land makes it impossible for a young man to go into farming any more," Brinkley banker Albert Rusher said last month, "and it makes it hard for the old farmer with small acreage to stay in business." Rusher has watched land prices double in his area in the last five years.

The rise in land prices, Rusher noted, is expected to speed this trend by forcing less-profitable farmers to sell out. The price rise also makes it difficult for farmers who need to expand their farms to spread high equipment costs over more acres.

COST-PRICE GAP WIDENS

USDA statistics indicate that in 1952, 1,659 bushels of corn would pay for a 30-horsepower tractor, but in 1971 it took 3,291 bushels. As prices go up, more land is absorbed into existing farms.

The number of farms in the country has declined from 4 million in 1960 to 2.8 million last year, according to the Agriculture Department. A 1969 study showed that 5.5 per cent of the country's farmers controlled more than 54 per cent of the farmland, and 9 per cent of the land was owned by corporations.

There is general agreement that the land boom started with the international demand for American crops. In 1972, worldwide weather problems hurt crops, the American dollar was devalued, and the Soviet Union began buying grain. In 1974, more than 40 per cent of the domestic rice, wheat, cotton and soybean production was exported.

That doesn't explain why land prices increased sharply over the last two years while farm income was dropping from the peak of $33 billion in 1975 to last year's $22 billion.

One reason for the present surge is that big farmers have plenty of money and credit. The small farmer, whose capital is limited, is tempted to sell out as the larger farms grow bigger.

Weber, who owns a farm, said that because the large farmer's "present land has increased so much in value, they can easily borrow to buy more land, and they don't mind paying $100 or $50 more an acre than they think it is worth, because they know from experience that inflation will pay for that in a year or less."

Another reason for the current and predicted surge in Arkansas land values is the presence of foreign interests.

"Western Europeans are interested in investing in farmland," Weber said, "because they are concerned about security. Five years ago they were more secure. Now they are worried about increasing socialism, kidnapers, Communists and terrorists. There is a lot of old wealth in Europe, and they know from experience that after wars and conflicts are all over, it's the land that enabled them to retain their positions. They are looking to American farmland because they feel it is the last place in the world where land will be confiscated."

Weber said his company would begin bringing European investors to Arkansas in "the next two to six weeks" to look at property. Arab and Asian investors have shown little interest in American farmland, he said. There are not very many foreign investors, he continued, but they are "a strong psychological force on the market."

The presence of any number of foreign investors "helps prop up the price of the land," he said. Most of his clients "are investors, but some are speculators." Weber said it is relatively easy for foreigners to buy Arkansas land. Iowa, for example, restricts the number of acres nonresident aliens may own to 640. He anticipates a 15 to 30 percent jump in the price of Arkansas land next year.

ABSENTEE OWNERS

Lehndorff and Prudential employ local farmers to manage their farms, and the Northern Trust Company of Chicago operates a farm management firm at Memphis to oversee land purchased by the company. Northern Trust currently farms about 5,000 acres in Arkansas and plans to expand.

Shortly before he became Labor secretary, F. Ray Marshall studied small farmers in Arkansas and concluded that they "can be at least as efficient and often more efficient in some crops than their larger competitors."

Some experts are concerned about the effects of such absentee ownership.

In 1974, Eric Thor, a former administrator of USDA's Farmer Co-operative Service, said in an interview with The New York Times that "the real risk in a hired manager is that he can't make decisions very well. He knows that if he makes a bad decision, he might get fired, so he waits for someone higher up to approve it. Sometimes it's too late to save a crop."

Everett Tucker III, farm loan officer for the Commercial National Bank at Little Rock, is worried about out-of-state ownership for different reasons. He is hopeful that the land investment boom that has hit the cornbelt won't find its way to Arkansas.

"Farm ownership at the local level is advantageous," he says. "It hurts the local community when an outside owner comes in. It helps our economy to have the land stay under local ownership."

THREAT DOUBTED

Clay Moore of Little Rock, an economist with the Agriculture Extension Service, disagrees.

"It isn't necessarily bad for foreign investment to come in because local farmers will rent the land * * *," he said. "I don't know how much loose money there is running around, but these isolated cases, in my judgment, do not foretell a sizable moving in of foreign capital * * *. It takes more than a few swallows to make a sign of spring."

Vincent Foster Sr., a Hope realtor specializing in farm sales, says the number of swallows is increasing.

"We've had Spaniards, Italians looking at land through here and a lot of investors are coming down here because of the cornbelt prices and the California drouth."

Land in Southwest Arkansas is selling for $700 an acre, Foster said, "a 100 per cent increase in five years. We have the cheapest land in the United States in relation to productivity. If the bean market doesn't break, I think we'll see a reasonable increase in prices."

Foster also worries about the effect of a land boom:

"The prices continuing to inflate way out of proportion to the yield (of farm land) causes a hardship on the local farmer."

QUESTIONNAIRE SEEKS INFORMATION ON KOREAN INFLUENCE

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. LONG of Maryland. Mr. Speaker, I wish to submit for the record today my response to the questionnaire circulated by the Committee on Standards of Official Conduct pursuant to its Korean influence investigation.

My response follows:

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

RESPONSE TO REPRESENTATIVE CLARENCE D. LONG

Since January 1, 1970:

1. Have you or to your knowledge has a member of your official staff, visited the Republic of Korea while you were a Member of Congress—Yes.

2. Have you or any member of your immediate family (spouse, parent, sibling, or child), or to your knowledge has any member of your official staff or any person with whom you are a business partner or co-venturer been offered anything of value in excess of $100 by, or received anything of value in excess of $100 from:

(a) Any person known by you to have been a representative of the Government of the Republic of Korea at the time of the offer or receipt, or

(b) Any person now suspected by you to have been a representative of or affiliated with the Government of the Republic of Korea at that time—No.

3. Have you or any member of your immediate family, or to your knowledge has any member of your official staff or any person with whom you are a business partner or co-venturer

(a) been offered anything of value in excess of $100 by,

(b) received anything of value in excess of $100 from,

(c) attended a function (other than at an Embassy or official residence) given by, or

(d) had any commercial business dealings with (i) Tongsun Park, (ii) Kim Dong Jo, (iii) Suzi Park Thomson, (iv) Hancho Kim, or (v) Kim Sang Keun—No.

If your answer to any of these questions is yes, please furnish complete details.

June 28, 1977.

CLARENCE D. LONG.

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 28, 1977.

Mr. PHILIP A. LACOVARA,
Special Counsel, Committee on Standards of Official Conduct, U.S. House of Representatives, Washington, D.C.

DEAR MR. LACOVARA: This is in response to your letter of June 16 inquiring as to whether I or a member of my family or official staff has ever been to the Republic of Korea while I have been a member of Congress, and as to whether I or a member of my family or official staff has ever been offered, or received, anything in value in excess of $100 from the Government of the Republic of Korea.

The reply to all of the questions concerning gifts is "no". With regard to the first question, I personally visited Korea in August 1973, as part of a visit to Alaska, Japan, Korea, Thailand, Vietnam, Cambodia, Iran and the United Kingdom. Except for a dinner given by Vice Minister Lee, I received nothing in Korea which I did not pay for or which was not entertainment by U.S. military and other personnel.

My visit to Korea was for the purpose of inspecting military installations and reviewing military construction, military assistance, and economic assistance programs, as a member of the Subcommittees on Military Construction and Foreign Operations of the House Appropriations Committee.

The per diem allowance for my trip to Korea was at the rate of $40 a day. However, I returned that part of the per diem which I had not spent at the end of my 18-day trip. My total expenses during the time I spent in Korea would pro rate at approximately $22 a day. This is a rough estimate based on a total per diem of $400 spent during an 18-day trip; I did not keep a detailed country-by-country account.

Sincerely,

CLARENCE D. LONG.

ALASKAN NATURAL GAS: PART V—SOME DECISIONS AND REACTIONS

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. MURTHA. Mr. Speaker, the last couple weeks have seen some important developments on the decision concerning transmission of Alaskan natural gas to the lower 48 States.

In my effort to supply important information to the Members on the project, I would like to insert two items in the RECORD. The first is a news article from the Washington Post on July 5 which outlines the decision of the Canadian Energy Board, and also highlights some of the important problems and questions that remain in light of

that decision. The second item is a news release issued following that decision by the Council for Yukon Indians which shows the continuing problem of human rights for the individuals who could be affected by pipeline construction through Canada.

CANADIAN BOARD RECOMMENDS PIPELINE ROUTE FOR ALASKAN GAS

OTTAWA, CANADA.—The Canadian National Energy Board today recommended construction of a pipeline along the Alaska Highway to move natural gas from Alaska to U.S. markets.

The $8.5 billion pipeline would be utilized to carry the 22 trillion cubic feet of gas in proven Alaskan reserves from Prudhoe Bay to Canada and the lower 48 United States. Experts estimate that gas could move through the pipeline by the early 1980s.

One major condition set by the board in a report issued today, however, would require the successful applicant to file plans by July 1, 1979, for a connecting line feeding Canadian western Arctic gas into the main line. This gas would be destined for Canadian consumers.

The board's recommendations favor Foothills (Yukon) Ltd. of Calgary and appear to scuttle the rival project along the Mackenzie River proposed by Arctic Gas Pipeline Ltd., a 15-company American-Canadian consortium including both countries' largest petroleum and pipeline interests. Arctic Gas has sunk $140 million into its plan.

Foothills has combined with Northwest Pipeline Corp. of the United States to form Alcan Pipeline Co.

The Canadian board's decision narrows down the options to either Alcan or an "all American" route proposed by El Paso Natural Gas Co. of Texas.

Board recommendations must be approved by the federal Cabinet, but it would take a major reversal and subsequent legislative intervention to block the Foothills plan, which government energy officials say is unlikely.

The board termed "environmentally unacceptable" all three routes proposed by Arctic Gas to move Alaskan gas to connect with its proposed Mackenzie Valley line.

It said that more time was needed to resolve social and economic concerns before a Mackenzie Valley pipeline could be built.

The three-volume, 26,000-word report says social and economic impact of the Foothills line can be held "to tolerable levels" and environmental damage can be "overcome by avoidance or mitigative measures."

The proposed 4,700-mile Alcan pipeline follows the route of the Alyeska oil pipeline south through Alaska, jutting off at Fairbanks to cut through the southern Yukon, British Columbia, Alberta and Saskatchewan to the U.S. border. The Alyeska line, just opened, carries oil to tankers at the Alaskan port of Valdez.

The U.S. Congress has passed legislation providing for the Canadian and American governments to coordinate their decisions on construction of a pipeline. Under this legislation, President Carter is to make his decision by Sept. 1, but an extension until the end of the year is possible.

The U.S. Federal Power Commission recommended earlier this year an overland route through Canada to move Alaskan gas. The commissioners tied 2–2 on whether it should be an Alcan or Arctic Gas project.

The commission also recommended that if an overland Canadian route is not selected, the United States should approve the "all-American" line proposed by a consortium headed by El Paso Natural Gas Co. of Texas. El Paso proposed a pipeline to carry the gas to Valdez where it would be liquefied, then shipped to tankers to the U.S. West Coast.

In the report to Carter, the commission said the Alcan route would be less expensive than the El Paso one. It estimated the saving at 30 cents per thousand cubic feet.

A U.S. interagency environmental task force recommended Friday against construction of any of the three proposed pipelines. The report said, however, that the Alcan proposal was the most acceptable of the three.

The Canadian energy board recommended that the Alcan pipeline route be shifted to the east to pick up gas from Canada's Mackenzie River Delta.

REACTION TO THE NEB DECISION

In the recent Elders Council Workshop held for the Council for Yukon Indians in the last week of June 1977 at Champagne, Yukon Territory, the two prominent statements which were reiterated time and time again, were that, "this Yukon is still Indian land and that the Federal Government of Canada must settle with the Indian people of the Yukon" and "that the Indian people do not want a pipeline through the Yukon which will damage the land and the Indians chance of arriving at a fair, just and expeditious settlement of their land claims."

The NEB decision to certify two pipelines, a Dawson Diversion along the Top of the World Highway and a Dempster Highway Lateral for the dubious national interest of Canada was received with shock and disappointment by the Council for Yukon Indians.

The NEB recommendation is not the final decision in this matter and the Council for Yukon Indians does not intend to give up in this fight against this and any other pipeline which threatens the progress of the Indian people toward full self determination and self control of Indian destiny.

In its position to the Berger Inquiry and to the Lysk Inquiry and to the National Energy Board, the Council for Yukon Indians states that it will not stand by and watch the construction of pipelines while the question of the land claim settlement and its subsequent implementation are still pending and outstanding.

If there is any pipeline to be built in the Yukon across Yukon Indian lands, it will be built at a time in which the Indian people can claim to be equal participants in Yukon and Canadian society.

Another obstacle has just been placed between us and our just claims settlement. What must the Indian people of the Yukon do to impress upon the public and governments that major developments of the scale and caliber of this proposed natural gas pipeline will radically prejudice the final outcome of the Land Claims Settlement?

The NEB states that our land claim negotiations "appear to be advanced." In the face of the Council of Yukon Indians presentations to the NEB wherein we express our concerns for the future the NEB has blatantly ignored our concerns for a just land claims settlement by conditionally certifying this natural gas project which could so heavily prejudice our claims that the entire concept and work gone into settling the claims may need to be drastically changed beyond recognition.

The NEB also makes no recommendations specifically regarding the Indian people and their outstanding claim. There will be little wonder if acts which stem from bitterness, rage and frustration manifest themselves as a result of decisions which allow developments to run roughshod over a proud people.

The Council for Yukon Indians maintains that the ultimate term and condition that must be met is that the Yukon Indian Land Claim be settled and implemented before the pipeline can be constructed. In the community hearings everywhere in the Yukon, the Indian people have themselves stood up and have spoken against the pipeline. The Council for Yukon Indians will continue to stand firmly behind them.

The Council for Yukon Indians wonders at the reasoning of the NEB to certify by August 26, 1977 the Dawson Diversion (from Tok Junction to Dawson to Whitehorse) on the uncertainty of the Delta gas potential for supplying (in the Canadian national interest) Canadian gas to Canadians through two proposed energy corridors devoid of any social, economic or environmental studies. The NEB report also states that approximately one thousand more people will be impacted; yet it has made its decision without adequate studies. The NEB report states that the DENE of the N.W.T. are in fact passing through a major restructure of their society and quotes this as one of their reasons for not having chosen the Mackenzie Valley route. The Council for Yukon Indians insists that the Yukon Indians are experiencing a similar transition. For this reason, the Yukon Indian people state and continue to state that the land claims must be settled first.

Foothills must make certain corporate restructures by August 26, 1977 and it must file adequate social, economic and environmental studies by January 1, 1978 as a condition of the certification of convenience and necessity on the Dawson Diversion (Tok Junction, Alaska, to Dawson, Yukon, to Whitehorse, Yukon). This the NEB said they would do in the light of insufficient evidence along the proposed Dempster Lateral which is supposed to be in the national interest of Canada.

Foothills purports that it can accomplish these conditions in the same time frame. This waits to be seen in the light of insufficient studies and hearings. The Council for Yukon Indians will press for formal and informal hearings to review the social, economic and environmental evidence of Foothills with full cross examination opportunities.

The Council for Yukon Indians is dedicated to settling the rights of the Yukon Indian people through its struggle to settle a fair, just and expeditious land claim and will continue to fight in the face of such major obstacles as the proposed natural gas project through the Yukon until such time as the outstanding claims have been settled.

I APPEAL TO YOU

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. WAXMAN. Mr. Speaker, he has been denied the right to emigrate to Israel to join his children. He cannot attend a conference currently being held in Oxford in his honor. He is shunned by his colleagues. Even though he is one of the most brilliant scientists in his field, with his books appearing in many languages, his books are no longer permitted to be published in his native Soviet Union.

He has become the property of the state.

He is Viniamin G. Levich, and on July 11, despairing of any hope of being permitted to emigrate, he chose to speak out regarding his harassment and involuntary detention in the Soviet Union. Accusing the authorities of engaging in moral torture against him and his wife, Tanya, he has urged his colleagues outside the Soviet Union to "openly raise the question of Soviet scientist-refuseniks—again and again, persistence and persistence" with all Soviet scientists everywhere, so that none may claim ignorance of the horror of Dr. Levich's life and the thousands like him.

Dr. Levich fully expects further disgrace and perhaps even criminal charges. But the Soviet authorities will never be able to imprison his dignity and determination to be free.

I believe it critically important that my colleagues be fully informed on the circumstances surrounding Dr. Levich's courageous public statement, and am inserting into the RECORD The New York Times account of and excerpts from his statement:

SOVIET JEW DELIVERS CHALLENGE ON RIGHTS—LEVICH, BARRED FROM OXFORD PARLEY IN HIS HONOR, SEES BAD OMEN

(By Malcolm W. Browne)

Moscow.—Dr. Veniamin G. Levich, a Soviet Jewish scientist denied permission to emigrate, said today that it was a "bad sign for the future" that he had also been kept from attending an international conference now being held in his honor at Oxford University.

He told Western visitors today that he was prepared to suffer the consequences for having challenged the precept that a Soviet scientist is "the property of the state."

CHARGES "MORAL TORTURE"

He also made public an appeal he had addressed to the organizers of the Oxford conference, which began today, and to all Western intellectuals that they take up with Soviet representatives at every opportunity his case and the cases of all other "Soviet scientist-refuseniks"—those who have been denied permission to emigrate.

In the message, he accused Soviet authorities of having subjected him and his wife to "moral torture" by not allowing them to emigrate and join their two sons abroad. He also charged that the Soviet Union was guilty of a "direct and flagrant violation of several basic humanitarian points" in the 35-nation agreement for East-West cooperation, signed in Helsinki, Finland, in 1975.

Dr. Levich, a leading physical chemist, has been refused permission to emigrate since he first applied in 1972 and has since seen his professional life virtually halted. In 1975, his sons, Yevgeny, a physicist, and Alexander, an engineer, were allowed to leave. At the time, Dr. Levich was informed orally, he said, that he could expect to follow within six months.

On first applying for permission to emigrate, Dr. Levich was told that he could not be allowed to leave on the ground that he had been associated at one time with nuclear research and was therefore privy to state secrets. He was dismissed from his post as professor at Moscow University and as department head at the Institute of Hydrodynamics; his chair at the university was abolished.

He was denied access to his laboratory, forbidden to lecture or conduct classes, and cut off from association with former colleagues.

Dr. Levich is currently trying to write a new book on hydrodynamics, but the authorities have advised him it will not be published in the Soviet Union.

The scientist and his wife live on residual income from the Soviet Academy of Sciences, of which he is a correspondent member, despite his fallen position.

"Three times a week I go into my office to try to do some paperwork," he said.

KEEPS A PHOTOGRAPH OF LANDAU

"As I walk in, my former colleagues or students pretend they do not see me, stand up, and leave me completely alone," he says. "One of our Soviet colleagues visited Israel and saw my son, who gave him a picture of my granddaughter to bring me. But the photograph never reached me. I suppose my colleague was afraid that visiting me could jeopardize his own job."

The walls of Dr. Levich's study in his apartment here are lined from floor to ceiling with books, including several of his own in Russian, English, Chinese and other languages, and more than 300 scientific papers.

There are also three photographs he keeps prominently displayed.

One is of Lev D. Landau, the prominent physicist who was Dr. Levich's teacher and mentor in his early years. Another is of Albert Einstein, and the third is of J. Robert Oppenheimer, the American scientist in the project that led to the first atomic bomb.

"I met Oppenheimer during a visit I made to the United States in 1962," Dr. Levich said. "At the time, I could not talk politics with him because of my official position, but my heart went out to him for the political trials he had undergone."

Dr. Oppenheimer was deprived of a security clearance as the result of a political investigation instigated by Senator Joseph R. McCarthy. As a result, Dr. Oppenheimer was denied the chance to continue working as a nuclear physicist.

Dr. Levich said he had no idea why the Soviet authorities still refused to let him emigate, but said he believed it might simply be because of the chagrin at losing a scientist of his prestige.

"To let me and my wife leave to attend the Oxford conference would have been a graceful way of letting us emigrate," he said. "That they did not let us go must be taken as a very bad sign for the future."

EXCERPTS FROM STATEMENT

(Following are excerpts from Dr. Levich's appeal to the Oxford conference:)

I am addressing you on a most solemn and at the some time most grievous day of my life. A high honor is conferred on me which I appreciate very much—an international scientific conference held on the occasion of my 60th birthday.

As I see it, this is a high appraisal not only of a modest contribution I have made to science, but also of my struggle against the transformation of scientists into property of the state—the latter being a threatening precedent for scientists all over the world.

Meanwhile, as authorities of this country have willed it, the Oxford conference will pass in conditions approximately those of a memorial to me.

Twenty-seven years have passed since I altogether left my investigations in nuclear physics. Five and a half years have passed since I made up my mind to put moral principles above the well-being I had been provided as the result of my high standing in the scientific hierarchy of this country.

I felt I had fulfilled my duty in regard to the country of my birth. I had every right to choose another country to live and work in.

DEPRIVED OF ELEMENTARY RIGHTS

Since I applied to emigrate I have been deprived of elementary rights granted to scientists in any civilized society.

Since then I have been totally isolated and completely cut off from scientific life in this country. Under the circumstances, it would be most absurd to refer again to the alleged secrecy of my previous work, even as a plausible excuse for denying me my natural human rights.

During all these past years I have been offered appointments by 24 western universities as a visting professor, besides a number of invitations to international conferences. Each time I applied to the authorities of the Academy of Sciences, but never have I received any reply.

All this, and especially my absence from the Oxford conference, shows that scientific cooperation on one hand is dictated by the authorities. Meanwhile, some Soviet scientists, particularly those who frequently travel abroad, continue to misinform the world scientific community about the situation of scientist refuseniks, for the purpose of reducing the concern and activity of Western colleagues.

Article 5 of the Universal Declaration of Human Rights prohibits torture, brutal treatment, treatment which humiliates human dignity.

Is the deliberate transformation of a scientists who devoted 40 years of his life to science into a pariah cut off from his professional activity anything but severe humiliation of his human dignity—actually, a kind of moral torture?

Moreover, apart from the right of separated families to be reunited, the right to emigrate is the most modest of all universally accepted human freedoms. Nevertheless, my wife and I have been indefinitely separated from our children, despite assurances given us three years ago.

Is this anything but a form of moral torture? It is evident that after long, agonizing years, freedom for me to emigrate has come to be even more than that. It is now a question of life and death. In my case, one cannot but see a direct and flagrant violation of several basic humanitarian points in the Final Act of the Helsinki agreement.

I am aware of the fate evil forces have in store for us.

I would like to emphasize, however, no matter what happens, I do not resent the decision I have made.

I, as well as others like me are encouraged by your genuine concern, by your unstinting support.

I appeal to you. Do not lessen your noble efforts. While contacting Soviet representatives, you Western intellectuals can and ought to openly raise a question of Soviet scientist-refusers and their fate, to clearly show their profound concern with this humanitarian problem. Again and again with insistence and persistence.

SSI RECIPIENTS IN SHELTERED WORKSHOPS

HON. MARTHA KEYS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mrs. KEYS. Mr. Speaker, there are presently approximately 17,000 persons in sheltered workshops across the country receiving Supplemental Security Income to increase their meager wages and provide them with marginal income. Many of these persons participate in rehabilitation programs and receive minimum remuneration for the work they perform. Others are employed in long-term jobs at similarly meager wages.

Under current interpretation of the SSI law in HEW regulations and guidelines, income received by SSI recipients participating in sheltered workshop rehabilitation programs is treated as "unearned" income. As a result, all remuneration in excess of $20 a month reduces the individual's SSI benefit.

By contrast, the income of SSI recipients in sheltered workshops who are not in active rehabilitation programs is treated as "earned" income. Earned income has an initial disregard of $65 with a reduction of only 50 percent in benefits for income above this level. For individuals who are already living on limited resources, this distinction can make a dramatic difference.

The legislation I am today introducing would simply provide that income received by all SI beneficiaries in shel-

tered workshops and work activity centers shall be treated as earned income.

The Fair Labor Standards Act has for many years regulated wages of sheltered workshop employees. The FLSA does not distinguish between workers receiving active rehabilitation and those in long-term placement in the sheltered workshop in determining that an employer-employee relationship exists for purposes of setting minimum wage rates.

It is illogical, inconsistent with the Fair Labor Standards Act, and grossly inequitable to treat wages paid to workers in sheltered workshops as unearned income simply because the worker is enrolled in a rehabilitation program. More importantly, SSA's policy robs these workers of the work incentive available to other SSI recipients.

The imposition of this policy requires complex case-by-case determination by local SSI offices. Subjective determinations will have to be made by the SSI claims representative as to whether the individual SSI recipient is, in fact, participating in a program of rehabilitation.

Although SSA emphasizes that its current policy regarding the treatment of income in sheltered workshops is a long-standing one, it was never consistently or broadly enforced until May 1976. At that time SSA issued specific instructions to its local offices to treat such income as unearned. Thus, many sheltered workshop employees already receiving SSI benefits, upon redetermination of their eligibility, have found their benefits drastically reduced, even though their work and earnings status have not changed.

It is estimated that the number of affected persons is quite small, perhaps less than 5,000. Because most of these individuals have, until recently, received benefits under the "earned" income test, the impact upon present Federal expenditures would be minimal. For recipients, on the other hand, the imposition of this SSA policy will create a severe hardship.

This is an important question for those who are attempting to eke out a marginal living through their own efforts, and I deeply appreciate the support of my colleagues in assuring equitable treatment for these individuals.

THE STAR OF THE NORTHEAST

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. COTTER. Mr. Speaker, Edward B. Bates, chairman of the Connecticut Mutual Life Insurance Co., addressed the Greater Hartford Chamber of Commerce on May 25 on the subject of the Hartford region's economic potential.

I would like to share his remarks with my colleagues:

THE STAR OF THE NORTHEAST

(A Talk By Edward B. Bates, Chairman, Connecticut Mutual Life Insurance Co., 1977 Annual Business Meeting, Greater Hartford Chamber of Commerce, May 25, 1977)

A year ago when Art Lunsden extended this invitation, it was a compliment. Two months ago when I was beginning to fret about what I might say, it became a chore. Then came an unexpected opportunity to escort Dick Shinn, president of the Metropolitan Life, on a walk through downtown Hartford.

Dick knows a little about cities ... he has been involved in New York City's problems as chairman of the Mayor's Management Advisory Board, member of the Temporary Commission on City Finances, and a member of the Mayor's Council of Economic and Business Advisors.

We walked down Main Street alongside American Airlines, Sage Allen and G. Fox, then between Christ Cathedral and the new Stage Company, through the Civic Center and down quaint Lewis Street, and up Gold Street between the cemetery and Bushnell Towers, alongside Wadsworth Atheneum and the Travelers Plaza, and then the entire length of Constitution Plaza. After that brief tour Dick went into the industry meeting we were attending and told everyone they ought to go out and see this very alive city of Hartford.

Suddenly what had turned from compliment to chore became a challenge to tell you some of what Dick and I felt after that walk through a part of our city.

There is a certain urgency in what I want to tell you. An urgency seated on the paradox that at the very time the media and public speakers are accelerating their predictions of the decline of the Northeast, that piece of geography we call Greater Hartford is truly on the rise. Thus the title of my remarks, "The Star of the Northeast."

You may not have counted or noted the continuing stream of reports touting the problems of the Northeast, but they have been there.

They have been in the electronic media, in publications, and on the podium. They have been numerous and appearing at what seems to be an accelerating pace.

In addition, there are a number of individuals and public figures within our own midst who spread the gloomy word, sometimes overstating the problem in an effort to gain some concession on our Capitol Hill or in Washington.

While we acknowledge that there is a corrosive effect from so much bad news and gloomy predictions, the negative view cannot and should not be muffled. There is a greater danger that we would develop a false sense of complacency were we not reminded of the problems and challenges. Complacency of course is a more serious ill than unemployment, high taxes, abandoned property and the other ills of the Northeast and particularly the center cities.

It is an undeniable fact that the Northeast region has not had the same economic growth as some other regions in our country. It is also a fact that because of age and other conditions, the Northeast is at a disadvantage as compared with some other sections of our country in retaining and attracting certain kinds of business.

It is also an undeniable fact that Greater Hartford has an abundance of certain resources and that some very positive things are happening in Hartford that suggest we can lead the way in the rebirth of the Northeast.

I suggest also that a stronger Greater Hartford does not have to be at the expense of New York, Massachusetts or the other cities of the region. To the contrary, the positive, constructive developments in Greater Hartford can have both a leadership and synergistic impact on the other urban centers of the Northeast.

Before focusing on some of the important facts that confirm Greater Hartford is alive, well, and moving forward, let's address head-on two very fundamental issues.

The first is to acknowledge that Hartford—like many of America's cities—has problems and some of these are spreading into the adjacent suburbs. We do have a higher-than-acceptable level of unemployment—especially among minorities. We have housing deterioration and abandonment. We have a tax base in Hartford that is fragile and are concerned that the present school system is not delivering people that can be put to work. There are many other interrelated problems. All of these need attention and to pass them off with simplistic solutions would be irresponsible.

But at varying points during the past 10 years many people had virtually written off Hartford and were unconvinced that the downtown could be alive 16 or more hours a day, and that people who had moved to the suburbs could be convinced to move back to Hartford.

To predict that a center city will not survive is an unthinkable assumption for one very important pragmatic reason. To let a city fail would be catastrophic in terms of human dislocation, financial loss, and the surrender of values and traditions which go back more than three hundred years. The human suffering and loss which would result defies imagination or descriptive ability. What do you do with the people who live there if a city fails? How do you relocate the jobs of the people who work in a city without creating all kinds of problems for them as well as their employers?

What do you do with the important community and state institutions ... the schools, universities, museums, libraries, government buildings, parks, and on and on?

The financial loss would be catastrophic. The grand list of this city is more than $1 billion and appraisals are generally at 60 percent of market value and perhaps only 30 percent or 40 percent of replacement value. Further, that grand list does not include the tax-exempt properties, public and private, which could easily add another 40 percent to the value. Yes, we're talking conservatively of $2½ billion of property values in the City of Hartford. These values represent literally the life savings of many of Hartford's citizens and a meaningful portion of the net worth of some of the corporations and institutions.

Yes, there is so much to lose in human and financial terms that the failure of a city like Hartford is simply unacceptable.

The second basic fact which underlies the balance of my remarks is that when we talk about Hartford, we talk about the region. The family who moves to the suburbs under the assumption that they have moved away from the urban problem are mistaken. Social and economic problems know no geographic boundaries.

Even if the center city ills do not reach as far as Canton or Tolland, the economic and social impact will reach them. The loss of a business and jobs in a center city has a region-wide impact resulting in the additional loss of related business and jobs and the increase in taxes for everyone. Did you ever stop to think what would happen to the value of residential real estate if there were to be a 10 percent reduction in the employment base in the region?

So I restate the obvious. The problems of Hartford, the center city, are indeed the problems of the region. Or to state it positively, as Hartford grows—so grows the region.

So let's look at some of our resources; some things we can do better to insure Hartford is clearly the most viable, vital city in the Northeast.

The core city is alive with new construction, new activities, and new people. A considerable part of Hartford proper has been rebuilt in the past decade. Would you believe that new construction in Hartford proper, in schools, public and private office

buildings, manufacturing, retailing and other private business during the past decade has totalled $748 million?

The great Hartford Civic Center has to be cited first as the epicenter of the rebirth activity. The complex of shows and restaurants complement the wide-range of exciting events that have come to Hartford in the past two and a half years.

Additionally, other restaurants and clubs have begun to grow in number and popularity, bringing with them a certain excitement to Hartford after dark that has not been seen before.

In housing, Bushnell Towers was so successful that Bushnell Towers II is rising from the ground with 180 units and a waiting list of tenants. Adjacent is a 50,000 square foot office building which will become the new headquarters for the Metropolitan District Commission.

74 Union Place is the scene of an apartment rehabilitation effort with 47 of 48 proposed units already spoken for.

Just last month, American Airlines came to Hartford and with the organization came a revitalized downtown office building, 786 employees, and 440 new jobs— 325 of which were filled by Greater Hartford residents. 900 employees are expected there by September of this year.

In 1974, the 26-story One Financial Plaza was completed and is the largest rental office building in the state of Connecticut with a total area of 630,000 square feet. And in the past ten years, existing businesses such as Hartford National, Southern New England Telephone, and Travelers have made significant additions to their office facilities in downtown Hartford . . . and rimming downtown are major additions by Aetna Life and Casualty, Connecticut Mutual, Hartford Courant, and Hartford Insurance, to name but some.

In Bushnell Park, The Carousel has proven to be a successful venture, attracting more than 5,000 riders to opening-day ceremonies.

There is also: the renovation of the Old State House, the Hartford Sheraton Hotel, the new Hartford Stage Company, the Holiday Inn, the new YMCA and YWCA, Hartford Graduate Center, and the new home of the Morse School of Business.

And to that impressive display, there are more plans on the drawing boards that if completed would add:

the 90 units of luxury apartments in the Brown Thompson building;

the Arlen Realty proposal for the corner of Church and Trumbull that will become 224 new apartments, 20,000 square feet of commercial space, twin movie theaters (the first in downtown Hartford in decades), and a public ice-skating rink;

the construction of over 200 new apartment units on Congress St.;

and, in addition to the apartments at Union Place, plans call for nine new retail outlets on the first floor; all to be across the street from the proposed Transportation Center.

So as it is easy to see, the star of the Northeast continues to rise.

But this is the core city, and this is principally commercial. While the injection of capital into the city is vital, its people are the life-blood.

And in Hartford's growing sense of "neighborhoods," you find its people. From these areas you find the individuals who are the base of the NEW LEADERSHIP that is developing to lead this city in its ascent.

Too often people point to the business community as the leadership of the city, to provide its direction and its support. But Hartford's strength is in the diversity of leadership outside of this small circle.

The corporate sector can play a role in creating the right environment for leadership and good communications to develop. But the real leadership will come from those people in Hartford's neighborhoods who are active in Civil Associations, town government, and volunteer organizations.

In the South Arsenal area, SAND's housing project and the Everywhere School have become realities.

Upper Albany Avenue has plans for revitalization through the efforts of UACO and a proposed shopping center.

The Blue Hills Civic Association has been critical to that neighborhood's success.

In the Asylum Hill area, several community organizations have followed and fostered the back-to-the-city movement.

The West End has a pool of leadership talent that has made that neighborhood a success.

And the South End, with neighborhoods like Frog Hollow, Charter Oak Terrace and Barry Square, has an historic sense of community organization guiding its future.

Hartford's neighborhoods are providing the people-base from which the city and its future leaders can continue to grow.

But Hartford's future does not rest within its geographic boundaries. This leadership is also developing in East Hartford, South Windsor, West Hartford, Wethersfield, Glastonbury, Avon, Vernon and other towns.

As the new leadership in all the towns of the capital region develops, it recognizes the inter-dependence we all have. It is critical that this broad-based, suburban-urban strata of leadership continues to grow and continues to communicate with each other.

The several mini-town meetings which came out of the Preston Hill weekend were but another in fostering this communication. As an example, until the people of Farmington, Glastonbury, and West Hartford and other towns better understand the problems of Hartford and vice versa, we do not have the right climate for a total effort.

The new Greater Hartford Leadership Program, sponsored by the Chamber has opened my eyes to the considerable number of people throughout Greater Hartford, especially in the minority communities, who have leadership interest and potential . . . and need encouragement by others to take their rightful place in solving these problems.

Economic development in the broader sense of the term can continue to work in the Greater Hartford area as confirmed by some of the things that have happened in the past few years. For example, 104 new firms are doing business in the 33 towns in the Greater Hartford region.

They include chemical firms such as Warner Lambert in Avon, and Shell Oil in Bloomfield, and high technology manufacturers such as High Standard in East Hartford. The Bower Printing Company in East Windsor and the Mercury Electric Products Manufacturing Corporation in Vernon will also be bringing new jobs into the region. In order for us to continue the rise of the star of the Northeast, we must continue to focus both on retaining our present industry and have a clear identification of the kinds of businesses that can practically be attracted to the Hartford area.

With basic energy, transportation, and tax-base disadvantages, we should not be spending our time attempting to attract heavy industry. We have recognized the obvious. But the right kinds of climate can also cause current corporate residents to continue their expansion in this region.

In the last two years alone, 81 companies have expanded into four million square feet of new office and manufacturing space, creating an estimated 4,000 new jobs for the region. They include companies like Terry Turbine in Windsor, and Sound Reduction in Bloomfield, for example.

And the right kind of total atmosphere can attract distribution and other service industries that for obvious reasons need to be located in the Northeast J. C. Penney Co. decided to establish a distribution center in Manchester and Finast Foods is creating 1,200 jobs with its new distribution center in Windsor Locks . . . and they both could well be followed by a similar decision by General Motors.

In addition, United Technologies is planning to relocate the North American Operations Office of Otis Elevator in the Farm Springs Development in Farmington.

A second major point for us to consider is the overriding importance for all those who are involved in economic development, cooperating together. The Chamber's economic development is but one part of this effort with the state government exercising their role. And of course it even becomes more important that each town and city in the region cooperate with and understand the need for a total team effort.

Yes, there is a lot of positive excitement in Greater Hartford. I hope our brief focus on some of these happenings gives you a broader perspective of all that's going on and all that we have going for us.

Recognizing both the limits of time and the enormity of the subject, it was impossible to identify all that we have going for us or to touch on all of the important problem areas. Nor have any new solutions been offered.

My mission today had two parts:

First, to suggest a spirit of optimism, confidence and "can do" about Greater Hartford, "The Star of the Northeast"—and second, to remind this audience that for this community to be growing, viable and vital, it must be a community of all the people.

Every decade is critical, but I see the decade ahead as the most critical for Greater Hartford . . . just as it is critical for our nation.

Some of what will happen . . . or won't happen . . . in Hartford will depend on Washington, inflation, the energy problem . . . you know all the critical issues.

But a great deal of what happens will depend on us. Yes, much of what happens here in Greater Hartford will depend on our attitude, our spirit, and our actions. Are we going to be doers or second guessers? Are we going to take some risks or close up shop through inaction?

As you and I move around this country, there is a distinct difference in the attitude, spirit and vibrancy of the nation's cities. Some are alive and growing . . . others are drab and decadent. Those that are alive and growing are not all in the sun belt. Minneapolis/St. Paul, Kansas City, Pittsburgh, Baltimore, are some of the major population centers where things are happening. Proportionate to their population, none has a corporate community with the financial resources and leadership of Hartford.

It would seem that the larger the community, the more difficult it would be to develop the total community leadership spirit and cooperation. For size and resources available, Greater Hartford is ideally positioned to make dramatic strides that would be difficult for other cities to match.

So we do not have to be in the sun belt to be an even brighter star and we have the resources . . . our challenge is to make sure our "can do" spirit gains momentum and strength.

Next we must be ever conscious that this Chamber of Commerce is but a small part of the community and its leadership. As the principal organization of the business community, we can and must play a strong leadership role, but we are merely the visible tip of the iceberg of those in the region who must also play a continuing role in this total community effort.

The four important ingredients of the kind of growing, vibrant and vital Hartford I dream about are—

1. A business leadership which is willing to make investments of time and money and take some risks.

2. A public/private partnership that communicates and cooperates at all times to a common goal.

3. An attitude and atmosphere that recognizes and encourages the total community concept of leadership and involvement.

4. Momentum. That contagious, catalytic force which nourishes the "can do" spirit.

In my years in Hartford, I have never felt more positive or confident about the strength of our resources and relationships in these four essentials.

Let's lead with spirit. Let's broaden the leadership. Let's be a community in the fullest sense of the word. Let's become the brightest star in the Northeast.

CONGRESSIONAL COMMEMORATIVE SALUTE AND WELCOME TO AMERICA'S TOWNS AND TOWNSHIPS

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. ROE. Mr. Speaker, the board of directors of the National Association of Towns and Townships—NATAT—will be in Washington, D.C., during the week of July 17 to commemorate three and one-half centuries of township government and to participate in the grand opening of this most esteemed organization's new headquarters in our Nation's Capitol.

Mr. Speaker, I know that you and our colleagues here in the Congress will want to join with me in extending our warmest greetings and welcome to the distinguished members of this nationwide federation of State associations representing approximately 13,000 units of local government throughout our country. May I also commend to you the following officers and directors of NATAT who, in carrying on in the tradition of their Founding Fathers, are making a major contribution to our people by promoting and encouraging intergovernmental cooperation and efficient, economical, and effective local municipal government services:

1977 OFFICERS

President: Chester Hummell, Ohio State Association of Township Trustees and Clerks.

First Vice President: Robert Robinson, Michigan Townships Association.

Second Vice President: Daniel Holtz, Minnesota Association of Township Officers.

Secretary/Treasurer: B. Kenneth Greider, Pennsylvania State Association of Township Officers.

1977 BOARD OF DIRECTORS

James Ginther, Indiana Township Trustees Association; Leo Gray, North Dakota Township Officers Association; Troy Kost, Township Officials of Illinois; Edward Krueger, Wisconsin Towns Association; William Sanford, Association of Towns of the State of New York; Chester Steen, New Jersey State Association of Township Officials.

Executive director: Barton D. Russell.

Headquarters: 1800 M St., N.W., Suite 1030, Washington, D.C. 20036.

Mr. Speaker, as you and many of our colleagues are aware, I am a former township official and I know from experience that the character and structure of township government lends itself well to the task of increasing service to citizens on an efficient and economical basis. With your permission, I would like to insert at this point in our historical journal of Congress the following background information on this system of local government which encourages our citizens to participate directly in the affairs of their community and help shape the direction and policy of their government:

NATIONAL ASSOCIATION OF TOWNS AND TOWNSHIPS

TOWNSHIPS—A HERITAGE OF DEMOCRACY

The township system was the first form of local government to be adopted in America. Established initially in Massachusetts in 1620, townships moved west as the Country grew, and today this system of local government serves 45 million people living in approximately 17,000 communities.

Over the years, townships came to be known as the nation's rural form of local government, serving a defined area without regard to population concentrations. Today, however, this is no longer true, as a number of towns are developing into urban communities with characteristics similar to those of the bigger cities. Although many towns have not been given broad municipal authority to govern by their respective states, most have been granted the power, over time, to provide a wide variety of vital, general purpose, local government services.

In many respects, town governments still reflect the values and heritage of our founding fathers. The town meeting, which is often referred to as the cradle of democracy, is still held in most areas and continues to provide citizens with the opportunity to participate directly in the affairs of their community and shape its direction.

RECENT TRENDS INCREASE THE NEED FOR STRONG TOWNSHIP GOVERNMENT

With the advent of the New Federalism, townships, like cities, became an integral partner in the intergovernmental system. This effort by the Congress to decentralize government and to return a significant amount of control to the local level gave town officials new and important responsibilities to meet public needs. Occurring almost concurrently with this shift in federal philosophy was a shift of population from urban areas to smaller communities in nonmetropolitan areas. For the first time in this country's history, more Americans began moving away from metropolitan areas than moving to them.

This revival of population growth outside urban and even suburban areas represents a trend which is expected to continue indefinitely and which, when coupled with the increasing public management responsibilities faced by public officials at the local level, carries serious implications that must be considered. Are decision-makers in the towns of this country prepared to plan for and cope with the "tides" of progress? Will they be able to preserve the healthy quality of life and the positive environment which is predominant in the smaller communities of America? The challenge is great, but town leaders have a strong tradition of civic pride and initiative on which to draw, and, if history provides any indication, they will emerge from this era of rapid growth and technological change with a renewed sense of vision and an even better capacity to provide effective and economical public services.

A NATIONAL ORGANIZATION TO FOSTER TOWNSHIP GOALS

The National Association of Towns and Townships (NATAT) is a federation of state organizations comprised of approximately 13,000 units of local government. NATAT is the only national, municipal association in the Country which provides representation for and assistance to predominantly small (under 50,000 population) communities. In light of the fact that one-half of the Nation's people live in towns of this category, NATAT provides the forum for a vital, intergovernmental perspective.

Since it was founded in 1963, the National Association's objectives have been: to be the spokesman for the Nation's towns, to conduct research and develop training programs designed to foster improvements in local government, to encourage intergovernmental cooperation and to promote an understanding of the significance of town government, its heritage and its future role in the federal system.

NATAT receives numerous requests from the Congress and Executive agencies to provide the town perspective for the purpose of formulating legislation and developing regulations. It represents the town point of view on a broad range of intergovernmental matters ranging from the impact of arbitrary population cut-offs to the effect of the federal paperwork burden. In short, NATAT is the voice of America's towns in Washington.

The National Association staff provides technical assistance to township officials on a wide variety of municipal matters such as public works, transportation, water treatment, fire protection, and manpower. Many towns do not yet have professional administrators to turn to for management assistance, and they face serious difficulties in identifying and locating the usually scarce, discretionary federal funds for which they are eligible to compete. Consequently, local officials turn to NATAT for hard-to-find information about major grant-in-aid and technical support programs related to the needs of their communities.

NATAT's newsletter, the National Town Crier, is published monthly and provides townships with important news about recent federal developments in the Congress and the Executive agencies. It also serves as a national information clearinghouse and gives public officials an opportunity to share municipal management ideas with their colleagues in other parts of the country. It is, in a sense, a vehicle for promoting smaller-scale technology transfer, an invaluable service to those townships looking for solutions to problems which others have already solved.

The National Association works with other major public interest groups on matters of mutual, intergovernmental concern. It is only through such cooperation that the institution of local government can remain a vital and effective force in the American federal system.

Mr. Speaker, I know you will agree with me that townships are a responsive and viable form of government which continues to effectively provide outstanding public service and which works cooperatively on regional, State and national concerns.

In commemorating the three and one-half centuries of township government, it is indeed a pleasure for me to seek this national recognition and join with you and our colleagues in welcoming the National Association of Towns and Townships to our Nation's Capital and saluting town and township officials throughout America for all of their good works.

FINANCIAL DISCLOSURE STATEMENT FOR 1976

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. MAZZOLI. Mr. Speaker, as has been my practice each year since my election I am making a complete and full disclosure of my financial affairs.

While I have always done this on a voluntary basis, I am pleased to note that next year, and in all future years, my full disclosure will be made in accordance with the strict code of ethics which we adopted earlier this year under your strong leadership:

ROMANO L. AND HELEN D. MAZZOLI, RECAPITULATION OF INCOME AND EXPENSES FOR CALENDAR YEAR 1976

[All numbers rounded]

INCOME

Interest and dividends:	
Lincoln Federal Savings & Loan Association	$497.00
Liberty National Bank & Trust Co.	117.00
American United Life Insurance Co.	44.00
Government Services Savings & Loan Association	211.00
Northern Virginia Savings & Loan Association	210.00
Law practice: income	0
U.S. House of Representatives: salary	44,600.00
Gross income	45,679.00

EXPENSES, DEDUCTIONS, AND EXEMPTIONS

Congressional expenses in excess of reimbursements	1,159.00
Miscellaneous congressional deductions	4,242.00
Miscellaneous deductions	235.00
Itemized personal deductions	10,277.00
Personal exemptions	3,000.00
	18,913.00
Total taxable income	26,766.00
Cash on deposit:	
Lincoln Federal Savings & Loan Association, account No. 37339	9,912.15
Liberty National Bank & Trust Co., account No. 09-013390	3,021.84
Liberty National Bank & Trust Co., account No. 08-33-816-7	124.89
American United Life Insurance Co., policy No. 1116312	129.43
American United Life Insurance Co., policy No. 1011729	783.44
Northern Virginia Savings & Loan Association, Certificate of Deposit No. L50021	1,209.21
Northern Virginia Savings & Loan Association, Certificate of Deposit No. L80507	1,184.45
Northern Virginia Savings & Loan Association, account No. 6084	835.83
Government Services Savings & Loan Association, account No. 034231-9	3,675.28
Securities, stocks and bonds:	
U.S. Govenrment Bonds, Series E	972.18
Real property:	
Residential:	
939 Ardmore Dr., Louisville, Ky. Assessed value	25,240.00
Less: Mortgage, Portland Federal Savings & Loan	10,882.81
Total	14,357.19
1030 Anderson St., Alexandria, Va. Assessed value	60,200.00
Less: Mortgage, Cowger & Miller	51,955.73
Total	8,244.27
Commercial or investment	0
Household goods and miscellaneous personality (estimated)	6,000.00
Cash surrender value of life insurance policies:	
American United Life Insurance Co., policy No. 1011729	3,045.43
American United Life Insurance Co., policy No. 1116312	315.89
Federal Employees Retirement System: contribution to fund	20,293.77
Automobiles:	
1965 Rambler (fair market value)	150.00
1973 Chevrolet (fair market value)	2,475.00
Law books	545.00
Net assets	77,275.25

IN THE BEGINNING—THE END

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1977

Mr. HANSEN. Mr. Speaker, an overkill of safeguards, precautions, impact statements, regulations, permits, redtape bureaucratic delays and selfish special interests threaten to stagnate the progress of this great Nation.

Any ambitious citizen facing today's roadblocks to achievement and creativity must occasionally reflect on how such impediments would have affected events in the past.

Could America have been successfully colonized by enterprising foreigners?

Could we have won the West and bound the Nation together from sea to sea?

Or further into history, could Moses have successfully eluded Pharaoh and saved a nation by parting the water of the Red Sea without a permit or an impact statement?

The ultimate question is would the creation ever have occurred if God had been bound by the hindering laws man has subjected himself to?

For an interesting analysis of such an hypothesis, I submit an editorial from the Heppner, Oreg., Gazette-Times as reprinted this month in the Idaho Cattlemen's Association Newsletter:

"TO HELL WITH IT"

In the beginning God created the heaven and the earth.

He was then faced with a class action lawsuit for failing to file an environmental impact statement with the HEPA (Heavenly Environmental Protection Agency), an angelically staffed agency dedicated to keeping the universe pollution free. God was granted temporary permit for the heavenly portion of the project, but was issued a "cease and desist" order on the earthly part statement. God appeared before the HEPA

Upon completion of this construction permit application and environmental impact statement, God appeared before the HEPA Council to answer questions. When asked why He began these projects in the first place, He simply replied that He liked to be "creative." This was not considered adequate reasoning and He would be required to substantiate this further.

HEPA was unable to see any practical use for earth since "The earth was void and empty and darkness was upon the face of the deep." And God said, "Let there be light." He should never have brought up this point, since one member of the council was most active in the Sierrangel Club and immediately protested asking: "How is the light to be made?"

Would it be a coal-fired or a nuclear-fired generating plant? Would there be strip mining? What about thermal pollution? Air pollution?

God explained the light would come from a huge ball of fire. Nobody on the council understood this. But it was provisionally accepted assuming (1) there would be no smog or smoke resulting from the ball of fire; (2) a separate burning permit would be required; and (3) since continuous light would be a waste of energy, it should be dark at least one-half of the time.

And so God agreed to divide light from darkness and He would call the light "day" and the darkness "night." The council expressed no interest with in-house semantics.

When asked how the earth would be covered, God said, "Let there be firmament made amidst the waters, and let it divide the waters from the waters." One ecologically radical council member accused Him of double-talk, but the council tabled action since God would be required to obtain water permits from appropriate agencies involved.

The council asked if there would be only water and firmament, and God said, "Let the earth bring forth and green herb, and such as may seed, and the fruit tree yielding fruit after its kind, which may have been itself upon the earth." The council agreed to this as long as native seed would be used.

About future development, God also said, "Let the waters bring forth the creeping creatures having life and the fowl that may fly over the earth under the firmament of heaven." Here again the council took no formal action since that would require approval of the Fish and Game Commission, coordinated with the Heavenly Wildlife Federation and Audobonangelic Society.

It appeared everything was in order until God stated he wanted to complete the project in six days. At this He was advised by the Council that His timing was completely out of the question. HEPA would require a minimum of 180 days to review the application and environmental impact statement, then there would be the public hearings. It could feasibly take 10 to 12 months before a permit could be granted.

So God said, "To Hell with it!"

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, July 14, 1977, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 15

9:00 a.m.
Environment and Public Works
To continue to consider proposed amendments to the Water Pollution Control Act.
4200 Dirksen Building

9 30 a.m.
Energy and Natural Resources
To consider pending calendar business.
3110 Dirksen Building

Judiciary
Improvements in Judicial Machinery Subcommittee
To resume hearings on S. 1819, the proposed Federal Criminal Diversion Act.
2228 Dirksen Building

Veterans' Affairs
To consider pending calendar business.
412 Russell Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices Subcommittee
To resume hearings on transportation problems affecting agriculture, forestry, and rural development.
322 Russell Building

Banking, Housing, and Urban Affairs
To hold hearings on the nomination of Robert H. McKinney, of Indiana, to be a member of the Federal Home Loan Bank Board.
5302 Dirksen Building

Commerce, Science, and Transportation
To resume hearings on S. 1185, to regulate interstate commerce with respect to parimutuel wagering on horseracing.
5110 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To resume hearings on S. 1381, setting standards for State no-fault benefit plans to compensate motor vehicle accident victims.
6226 Dirksen Building

Finance
Social Security Subcommittee
To resume hearings on proposals for maintaining the financial soundness of the Social Security system.
2221 Dirksen Building

Foreign Relations
To review the operation and effectiveness of the War Powers Resolution of 1973.
4221 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To hold hearings on the present status of the Department of Labor Task Force investigation of the Teamsters Central States Pension Fund.
3302 Dirksen Building

10:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To resume hearings to examine whether the President's proposed financial reporting system by energy industries will permit an assessment of the state of competition within such industries.
4232 Dirksen Building

JULY 18

9:00 a.m.
Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To hold hearings on S. 1264, Federal Acquisition Act of 1977.
3302 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on the nomination of Robert H. McKinney, of Indiana, to be a member of the Federal Home Loan Bank Board.
5302 Dirksen Building

Commerce, Science, and Transportation
To continue hearings on S. 1381, setting standards for State no-fault benefit plans to compensate motor vehicle accident victims.
5110 Dirksen Building

Finance
Public Assistance Subcommittee
To resume hearings on H.R. 7200, dealing with the programs of supplemental security income, social services, child welfare services, aid to families with dependent children, and child support.
2221 Dirksen Building

Governmental Affairs
To hold hearings on S. 80, S. 980, and H.R. 10, Federal Employees' Political Activities Act of 1977.
3302 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on the present status of the Department of Labor Task Force investigation of the Teamsters Central States Pension Fund.
1114 Dirksen Building

Select Small Business
To resume hearings on administrative reporting and investment policies under the Employees Retirement Income Security Act; S. 285, diversification of investment of private pension fund assets; S. 901, to eliminate dual Treasury and Labor Department jurisdiction of ERISA; and S. 1745, to facilitate the establishment of employee retirement plans by small businesses.
424 Russell Building

3:00 p.m.
Joint Economic
Priorities and Economy in Government Subcommittee
To hold hearings on the status and function of women in the military.
5302 Dirksen Building

JULY 19

8:00 a.m.
Agriculture
Agricultural Research and General Legislation Subcommittee
To resume hearings on the Federal Government's role in food safety and quality.
322 Russell Building

9:00 a.m.
Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To continue hearings on S. 1264, Federal Acquisition Act of 1977.
3302 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To review a report from the National Commission on Supplies and Shortages on materials policy research and development.
5110 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To resume hearings on biomedical research programs.
Until 1 p.m. 4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 1542, to extend to September 30, 1979, the Council on Wage and Price Stability.
5302 Dirksen Building

Budget
To hold hearings on the Second Congressional Budget Resolution for fiscal year 1978.
357 Russell Building

Finance
Public Assistance Subcommittee
To continue hearings on H.R. 7200, dealing with the programs of supplemental security income, social services, child welfare services, aid to families with dependent children and child support.
2221 Dirksen Building

Foreign Relations
To hold hearings on the following five tax treaties: Convention with Israel (Exec. C, 94th Cong., 2nd sess.); Convention with Egypt (Exec. D, 94th Cong., 2nd sess.); Convention with the United Kingdom (Exec. K, 94th Cong., 2nd sess.); Convention with the Republic of Korea (Exec. P, 94th Cong., 2nd sess.); and Convention with the Republic of the Philippines (Exec. C, 95th Cong., 1st sess.).
4221 Dirksen Building

Government Affairs
To continue hearings on S. 80, S. 980, and H.R. 10, Federal Employees' Political Activities Act of 1977.
3302 Dirksen Building
Select Intelligence
Intelligence and the Rights of Americans Subcommittee
To hold hearings on proposal to establish procedures for electronic surveillance in the area of foreign intelligence (embodied in S. 1566).
6226 Dirksen Building

2:30 p.m.
Foreign Relations
To resume hearings on proposed Threshold Test Ban and Peaceful Nuclear Explosions Treaties with the U.S.S.R. (Exec. N, 94th Cong., 2nd sess.).
4221 Dirksen Building

JULY 30

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To continue hearings on biomedical research programs.
Until 1 p.m. 4232 Dirksen Building
Veterans' Affairs
To consider pending calendar business.
412 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 1542, to extend to September 30, 1979, the Council on Wage and Price Stability.
5302 Dirksen Building
Budget
To continue hearings on the Second Congressional Budget Resolution for fiscal year 1978.
357 Russell Building
Commerce, Science, and Transportation
To resume hearings on S. 1381, setting standards for State no-fault benefit plans to compensate motor traffic accident victims.
5110 Dirksen Building
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 1162, to repeal section 222 of the Communications Act of 1934, which governs the inter-relationship among communications common carriers providing international record services.
235 Russell Building
Foreign Relations
To hold hearings on the following five tax treaties: Convention with Israel (Exec. C. 94th Cong., 2nd sess.); Convention with Egypt (Exec. D. 94th Cong., 2nd sess.); Convention with the United Kingdom (Exec. K. 94th Cong., 2nd sess.); Convention with the Republic of Korea (Exec. P. 94th Cong., 2nd sess.); and Convention with the Republic of the Philippines (Exec. C. 95th Cong., 1st sess.).
4221 Dirksen Building
Judiciary
To hold hearings on the nominations of Edward L. Filippine, to be U.S. district judge for the eastern district of Missouri, and T. F. Gilroy Daly, to be U.S. district judge for the district of Connecticut.
2228 Dirksen Building
Select Indian Affairs
To resume oversight hearings on the current organization of the Bureau of Indian Affairs, Department of the Interior.
1318 Dirksen Building

1:00 p.m.
Conferees
On H.R. 692, authorizing funds for fiscal year 1978 for activities of the Small Business Administration.
S-146, Capitol

2:00 p.m.
Select Intelligence
To hold a closed business meeting.
6226 Dirksen Building

JULY 21

9:30 a.m.
Budget
To continue hearings on the Second Congressional Budget Resolution for fiscal year 1978.
357 Russell Building
Commerce, Science, and Transportation
To hold oversight hearings on the Railroad Revitalization Act of 1976 (P.L. 94-210) and amendments proposed thereto.
5110 Dirksen Building
Select on Small Business
Government Regulation and Small Business Advocacy Subcommittee
To resume hearings jointly with the Economic Growth and Stabilization Subcommittee of Joint Economic on S. 1726, to declare a national small business economic policy.
424 Russell Building
Judiciary
Antitrust and Monopoly Subcommittee
To hold hearings on proposed legislation to amend section 4 of the Clayton Act so as to allow recovery for damages by direct or indirect purchasers of goods.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up S. 1594 and H.R. 5959, to revise and extend the Renegotiation Act.
5302 Dirksen Building
Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 1162, to repeal section 222 of the Communications Act of 1934, which governs the interrelationship among communications common carriers providing international record services.
235 Russell Building
Foreign Relations
To continue hearings on proposed Threshold Test Ban and Peaceful Nuclear Explosions Treaties with the U.S.S.R. (Exec. N. 94th Cong., 2d sess.)
4221 Dirksen Building
Select Intelligence
Intelligence and the Rights of Americans Subcommittee
To continue hearings on proposal to establish procedures for electronic surveillance in the area of foreign intelligence (embodied in S. 1566).
6226 Dirksen Building

JULY 22

8:00 a.m.
Judiciary
Separation of Powers Subcommittee
To hold hearings on the disposition of U.S. holdings in the Panama Canal Zone.
6202 Dirksen Building

9:00 a.m.
Government Affairs
Federal Spending Practices and Open Government Subcommittee
To resume hearings on S. 1264, Federal Acquisition Act of 1977.
3302 Dirksen Building

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue hearings on proposed legislation to amend section 4 of the Clayton Act so as to allow recovery for damages by direct or indirect purchasers of goods.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider the nomination of Robert H. McKinney, of Indiana, to be a member of the Federal Home Loan Bank Board, and H.R. 5675, to authorize the Treasury Department to make short-term investments of any portion of its excess operating cash balance.
5302 Dirksen Building
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 1077, to assure that essential maritime transportation is provided to Alaska, Hawaii, and certain U.S. territories.
5110 Dirksen Building

JULY 25

9:00 a.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on estate and gift tax problems arising from the Tax Reform Act of 1976.
2221 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
To resume oversight hearings on the Railroad Revitalization Act of 1976 (P.L. 94-210) and amendment proposed thereto.
5110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 1724, to establish a Neighborhood Reinvestment Corporation.
5302 Dirksen Building
Joint Economic
To receive testimony on a midyear review of the economy.
1202 Dirksen Building

JULY 26

8:00 a.m.
Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold hearings on S. 1078 and S. 1622, providing improved authority for the administration of certain National Forest System lands in Oregon.
3110 Dirksen Building
Judiciary
Hearing Panel
To hold hearings on S. 1503, to provide for the payment of losses incurred as a result of the ban on the use of the chemical Tris in apparel and fabric.
2228 Dirksen Building

9:00 a.m.
Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To resume hearings on S. 1264, Federal Acquisition Act of 1977.
3302 Dirksen Building
Select on Nutrition and Human Needs
To receive testimony from representatives of the egg industry concerning a report on "Dietary Goals for the U.S.".
322 Russell Building

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To resume oversight hearings on the cost of drugs.
Until 12:30 p.m. 6202 Dirksen Building
Joint Economic
To hear OMB Director Bert Lance on a mid-year review of the economy.
318 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To resume mark up of H.R. 5294, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building

Foreign Relations
To hold hearings on protocol to the Convention on International Civil Aviation (Exec. A, 95th Cong., 1st sess.), and related protocols (Exec. B, 95th Congress, 1st sess.)
4221 Dirksen Building

JULY 27

8:00 a.m.
Energy and Natural Resources
Energy Conservation and Regulation Subcommittee
To hold hearings on part E (Electric Utility Rate Reform) of S. 1469, proposed National Energy Act.
3110 Dirksen Building

9:00 a.m.
Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To continue hearings on S. 1264, Federal Acquisition Act of 1977.
3302 Dirksen Building
Veterans' Affairs
Health and Readjustment Subcommittee
To hold oversight hearings on a study by the National Academy of Sciences on health care for American veterans.
6226 Dirksen Building

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To continue oversight hearings on the cost of drugs.
Until 12:30 1318 Dirksen Building
Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on the role of the halfway house in the rehabilitation of alcoholics.
Until noon 1202 Dirksen Building

JULY 28

8:00 a.m.
Energy and Natural Resources
Energy Conservation and Regulation Subcommittee
To continue hearings on part E (Electric Utility Rate Reform) of S. 1469, proposed National Energy Act.
3110 Dirksen Building

9:00 a.m.
Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To continue hearings on S. 1264, Federal Acquisition Act of 1977.
3302 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up S 695, to impose on former Federal procurment personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building
Foreign Relations
To hold hearings on proposed Threshold Test Ban and Peaceful Nuclear Explosions Treaties with the U.S.S.R. (Exec. N, 94th Cong., 2nd sess.)
4221 Dirksen Building

JULY 29

8:00 a.m.
Judiciary
Separation of Powers Subcommittee
To resume hearings on constitutional issues associated with negotiations for the disposition of the Panama Canal Zone and of U.S. facilities located therein.
2228 Dirksen Building

10:00 a.m.
Budget
To mark up Second Congressional Budget Resolution for fiscal year 1978.
357 Russell Building

AUGUST 1

10:00 a.m.
Budget
To continue mark up of Second Congressional Budget Resolution for fiscal year 1978.
357 Russell Building

AUGUST 2

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To resume oversight hearings on the effectiveness of antitrust laws enforcement.
2226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up S. 1664–1669, to amend in several regards the law as it pertains to Federal regulation of financial institutions.
5302 Dirksen Building
Budget
To continue mark up of Second Congressional Budget Resolution for fiscal year 1978.
357 Russell Building
Judiciary
Administrative Practice and Procedure Subcommittee
To hold hearings on S. 1792, to amend the Administrative Conference Act.
6202 Dirksen Building

AUGUST 3

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust laws enforcement.
2226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue mark up of S. 1664–1669, to amend in several regards the law as it pertains to Federal regulation of financial institutions.
5302 Dirksen Building

AUGUST 4

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust laws enforcement.
2226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up S. 1542, to extend to September 30, 1979, the Council on Wage and Price Stability, and S. 1724, to establish a Neighborhood Reinvestment Corporation.
5302 Dirksen Building

AUGUST 23

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on the dimension of national debts and payments deficits, and the outlook for the future.
5302 Dirksen Building

AUGUST 24

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To continue hearings on the dimension of national debts and payments deficits, and the outlook for the future.
5302 Dirksen Building

SEPTEMBER 8

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on automatic auto crash protection devices.
5110 Dirksen Building

SEPTEMBER 9

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on automatic auto crash protection devices.
5110 Dirksen Building

SEPTEMBER 21

9:30 a.m.
Veterans' Affairs
To hold hearings on S. 364, Veterans' Administration Administrative Procedure and Judicial Review Act.
Until 1 p.m. Room to be announced

SEPTEMBER 28

10:00 a.m.
Veterans' Affairs
To receive legislative recommendations from representatives of the American Legion.
412 Russell Building

HOUSE OF REPRESENTATIVES—*Thursday, July 14, 1977*

The House met at 10 o'clock a.m.

Rabbi Israel Goldstein, Rabbi Emeritus, Congregation B'nai Jeshurun, New York, N.Y., offered the following prayer:

Let us pray.

Lord of the Universe, we invoke Thy blessing upon all who call upon Thee in truth. We seek light and strength, the light of wisdom to enlighten the counsels of this legislative body, and the strength of will to fortify the executive arm of our Government.

On behalf of the beloved land of my birth which recently entered the portals of its third century, and the land of my ancestors, now revivified, which recently entered the portals of its third decade, this servant of both invokes Thy blessing upon both these kindred states. Divided by size and distance, may they ever continue to be united in spirit and purpose, to carry the torch of liberty and the menorah of enlightenment.

May beloved America and beloved Israel never cease to be strongholds of democracy for all men and nations. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill and joint resolution of the House of the following titles:

H.R. 186. An act to implement the Convention on the International Regulations for Preventing Collisions at Sea, 1972; and

H.J. Res. 24. Jont resolution to provide for the designation of a week as "National Lupus Week."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7636) entitled "An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1978, and for other purposes," and that the Senate agreed to the amendments of the House to the amendments of the Senate numbered 4, 5, 7, 9, 16, 19, 22, 37, 41, 46, 48, 50, and 63 to the foregoing bill.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested a bill of the House of the following title:

H.R. 7553. An act making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1978, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 7553) entitled "An act making appropriations for public works for water and power development and energy research for the fiscal year ending September 30, 1978, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STENNIS, Mr. MAGNUSON, Mr. ROBERT C. BYRD, Mr. HOLLINGS, Mr. JOHNSTON, Mr. HUDDLESTON, Mr. BURDICK, Mr. SASSER, Mr. MCCLELLAN, Mr. HATFIELD, Mr. YOUNG, Mr. CASE, Mr. SCHWEIKER, and Mr. BELLMON to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1377) entitled "An act to extend the time for commencing actions on behalf of an Indian tribe, band, or group", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ABOUREZK, Mr. METZENBAUM, Mr. MELCHER, Mr. HATFIELD, and Mr. BARTLETT to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1338. An act to provide for the issuance and administration of permits for commercial outdoor recreation facilities and services on public domain national forest lands, and for other purposes.

NATIONAL CONSUMER COOPERATIVE BANK ACT

Mr. ST GERMAIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2777) to provide for consumers a further means of minimizing the impact of inflation and economic depression by narrowing the price spread between costs to the producer and the consumer of needed goods, services, facilities, and commodities through the development and funding of specialized credit sources for, and technical assistance to, self-help, not-for-profit cooperatives, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Rhode Island (Mr. ST GERMAIN).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. LAFALCE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 349, nays 1, not voting 83, as follows:

[Roll No. 413]

YEAS—349

Abdnor	Clawson, Del	Fuqua
Addabbo	Clay	Gammage
Akaka	Cleveland	Gaydos
Alexander	Cochran	Giaimo
Allen	Cohen	Gilman
Ambro	Coleman	Ginn
Ammerman	Collins, Tex.	Glickman
Anderson, Calif.	Conte	Gonzalez
	Corcoran	Goodling
Andrews, N. Dak.	Corman	Gore
	Cornell	Gradison
Annunzio	Cornwell	Grassley
Applegate	Cotter	Gudger
Archer	Coughlin	Guyer
Armstrong	Cunningham	Hagedorn
Ashbrook	D'Amours	Hammer-schmidt
Ashley	Daniel, Dan	
Aspin	Daniel, R. W.	Hanley
AuCoin	Danielson	Hannaford
Badham	Davis	Hansen
Bafalis	de la Garza	Harkin
Baldus	Delaney	Harrington
Barnard	Derrick	Harris
Baucus	Derwinski	Hawkins
Bauman	Devine	Hefner
Beard, R.I.	Dickinson	Hightower
Bedell	Dicks	Hillis
Benjamin	Dingell	Holt
Bennett	Dornan	Holtzman
Bevill	Downey	Horton
Biaggi	Drinan	Howard
Bingham	Duncan, Oreg.	Hubbard
Blanchard	Duncan, Tenn.	Huckaby
Blouin	Eckhardt	Hughes
Boggs	Edgar	Hyde
Boland	Edwards, Ala.	Ireland
Bolling	Edwards, Calif.	Jacobs
Bonior	Edwards, Okla.	Jeffords
Bonker	Eilberg	Jenkins
Bowen	Emery	Jenrette
Breaux	English	Johnson, Calif.
Brinkley	Erlenborn	Jones, N.C.
Brodhead	Ertel	Jones, Okla.
Broomfield	Evans, Colo.	Jones, Tenn.
Brown, Mich.	Evans, Del.	Kasten
Brown, Ohio	Evans, Ga.	Kazen
Broyhill	Fary	Kelly
Buchanan	Fascell	Kemp
Burgener	Fenwick	Ketchum
Burke, Calif.	Findley	Keys
Burke, Fla.	Fish	Kildee
Burleson, Tex.	Fithian	Kindness
Burlison, Mo.	Flood	Kostmayer
Burton, Phillip	Florio	Krebs
Butler	Flowers	Krueger
Byron	Flynt	LaFalce
Caputo	Foley	Lagomarsino
Carney	Ford, Mich.	Latta
Carter	Forsythe	Le Fante
Clausen, Don H.	Fowler	Leach
	Frey	Leggett
Lehman	O'Brien	Skelton
Lent	Oakar	Skubitz
Levitas	Oberstar	Slack
Lloyd, Tenn.	Ottinger	Smith, Iowa
Long, La.	Panetta	Smith, Nebr.
Long, Md.	Patten	Snyder
Lott	Patterson	Solarz
Lujan	Pattison	Spellman
Luken	Pease	Spence
Lundine	Pepper	St Germain
McClory	Perkins	Staggers
McCloskey	Pettis	Stangeland
McCormack	Pickle	Stanton
McDade	Pike	Stark
McDonald	Poage	Steers
McEwen	Pressler	Steiger
McFall	Preyer	Stockman
McKay	Price	Stratton
Madigan	Pritchard	Studds
Maguire	Pursell	Stump
Mahon	Quayle	Symms
Markey	Quie	Thone
Marks	Quillen	Thornton
Marlenee	Rahall	Traxler
Marriott	Railsback	Treen
Martin	Rangel	Trible
Mathis	Regula	Tsongas
Mattox	Reuss	Tucker
Mazzoli	Rhodes	Udall
Meeds	Rinaldo	Van Deerlin
Meyner	Risenhoover	Vento
Michel	Roberts	Volkmer
Mikulski	Robinson	Waggonner
Milford	Rodino	Walgren
Miller, Calif.	Roe	Walker
Miller, Ohio	Rogers	Walsh
Mineta	Roncalio	Wampler
Minish	Rooney	Watkins
Mitchell, N.Y.	Rostenkowski	Waxman
Moakley	Rousselot	Weaver
Moffett	Roybal	Weiss
Mollohan	Rudd	Whalen
Montgomery	Runnels	White
Moore	Ruppe	Whitehurst
Moorhead, Calif.	Russo	Whitley
	Santini	Whitten
Moorhead, Pa.	Sarasin	Wiggins
Moss	Satterfield	Wilson, Tex.
Motti	Sawyer	Winn
Murphy, Pa.	Schroeder	Wirth
Murtha	Schulze	Wolff
Myers, Gary	Sebelius	Wydler
Myers, John	Sharp	Wylie
Natcher	Shuster	Yates
Neal	Sikes	Yatron
Nedzi	Simon	Young, Fla.
Nichols	Sisk	Zeferetti

NAYS—1

Wilson, Bob

NOT VOTING—83

Anderson, Ill.	Ford, Tenn.	Murphy, N.Y.
Andrews, N.C.	Fountain	Myers, Michael
Badillo	Fraser	Nix
Beard, Tenn.	Frenzel	Nolan
Beilenson	Gephardt	Nowak
Brademas	Gibbons	Obey
Breckinridge	Goldwater	Richmond
Brooks	Hall	Rose
Brown, Calif.	Hamilton	Rosenthal
Burke, Mass.	Harsha	Ryan
Burton, John	Heckler	Scheuer
Carr	Heftel	Seiberling
Cavanaugh	Holland	Shipley
Cederberg	Hollenbeck	Steed
Chappell	Ichord	Stokes
Chisholm	Johnson, Colo.	Taylor
Collins, Ill.	Jordan	Teague
Conable	Kastenmeier	Thompson
Conyers	Koch	Ullman
Crane	Lederer	Vander Jagt
Dellums	Lloyd, Calif.	Vanik
Dent	McHugh	Wilson, C. H.
Diggs	McKinney	Wright
Dodd	Mann	Young, Alaska
Early	Metcalfe	Young, Mo.
Evans, Ind.	Mikva	Young, Tex.
Fisher	Mitchell, Md.	Zablocki
Flippo	Murphy, Ill.	

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for further consideration of the bill H.R. 2777 with Mr. MAZZOLI in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, July 13, 1977, all time for general debate had expired and the bill had been read through line 8 on page 45.

Mr. ST GERMAIN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am sure that the opponents of H.R. 2777 are well-meaning and well-motivated, but we cannot escape the obvious—a great deal of the opposition is based on a simple and deep anti-cooperative bias.

Mr. Chairman, cooperatives of all types have often been attacked by a number of interest groups and the code words are well known.

To stir the emotions, the opponents always trot out questions about taxation, antitrust and make vague charges about unfair competition. These misconceptions about cooperatives are sprinkled throughout the minority report accompanying this bill and the code words are evident in the various versions of this so-called pilot project and study commission.

Whenever there is a co-op issue, several of the business fronts emerge like the National Tax Equality Association, an old hand at venomous attacks against cooperatives. And invariably the cooperatives' archenemy, Mortimer Caplin, is quoted just as he is in this minority report.

Mr. Chairman, there are a lot of cooperatives in this Nation and they have played a role in our economy ever since this Nation was formed. They provide some very important services and I know that in some districts, they are essential to the well-being of the farm and rural economies.

Mr. Chairman, I hope that the Members realize that H.R. 6750 and H.R. 6783 and other versions of this pilot project and study commission are aimed not only at consumer cooperatives but at the whole wide range of cooperatives.

Mr. Chairman, the hope of the anti-cooperative forces is that they can sneak in through the back door, launching a new attack on the cooperative movement and investigating farm cooperatives, rural electric cooperatives, and others who are serving an important and rightful place in our economy.

Mr. Chairman, the study commission is a dangerous weapon. I urge the Members who have cooperatives of any type in their districts to watch this carefully. The opponents of H.R. 2777 are trying to launch the greatest attack on cooperatives of this century.

This study commission may start out on a small scale but it is the kind of thing that will grow and those of us who believe in cooperatives had better put a stop to this right now.

Mr. Chairman, the opposition to H.R. 2777 is obviously having a difficult time trying to decide just what its pilot project and study commission is.

Two bills, H.R. 6750 and H.R. 6783, have been introduced, both of which call for a broad Federal Government-wide investigation of all types of cooperatives.

On July 1, one of the opponents of H.R. 2777 told us in the CONGRESSIONAL RECORD, "Congressmen LAFALCE, ASHLEY, and STANTON have joined me in introducing the administration bill, which is H.R. 6750. It is our intention to offer this bill as a bipartisan alternative to H.R. 2777 when the bill is considered on the floor."

On Monday of this week—10 days later—one of the sponsors of H.R. 6750 and H.R. 6783—the study commission bills—came up with still another version which he told us would be the substitute.

This too called for a study of all types of cooperatives—an investigation if you will.

Last night, apparently the opponents had still another change. And I understand that there is another version circulating within the administration.

Mr. Chairman, the opponents of H.R. 2777 are trying desperately to slip an investigation of cooperatives through the House and they are hoping that this shifting language will sufficiently confuse the Members.

Mr. Chairman, I urge my colleagues to vote down the pilot project. It is the safe and prudent way to avoid some type of back door attack and investigation of the cooperative movement.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am fascinated by the comments of my distinguished colleague, the chairman of the subcommittee, that he is confused by the fact that the gentleman from New York (Mr. LAFALCE) has a slight change in his version of the bill. How many versions of the bill has the gentleman from Rhode Island had?

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to the gentleman from Rhode Island. I cannot keep track of how many versions the gentleman has had.

Mr. ST GERMAIN. Is the gentleman from California yielding?

Mr. ROUSSELOT. Yes.

Mr. ST GERMAIN. There was the original version and one change to incorporate as many of the administration's recommendations as possible. It is essentially the same bill that was introduced 3 years ago.

Mr. ROUSSELOT. When did the gentleman add the ACTION Agency to administer the quarter-billion-dollar self-help development fund and provide technical assistance?

Mr. ST GERMAIN. That was in conjunction with and in answer to the objections of the Treasury about creating a new agency. We determined we should use an existing agency.

Mr. ROUSSELOT. But that was long after the bill left the subcommittee.

Mr. ST GERMAIN. The gentleman will recall the markup in full committee was put over from 1 day to 2 days to allow the Members to go over this bill a little more. That is No. 1. And No. 2 was to allow the minority to have their substitute that was defeated. Incidentally, let us get that vote straight. It was a vote of 24 to 15 and not a vote of 24 to 17.

Mr. LAFALCE. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I have the time but I will be glad to yield to the gentleman from New York.

Mr. LAFALCE. Mr. Chairman, I would like to have the gentleman from Rhode Island yield.

Mr. ROUSSELOT. Mr. Chairman, the only point I wish to make is that to the best of my knowledge, and it has been very difficult to keep track of this legislation because it keeps changing here, and I am not upset about that, it is just difficult in a responsible way to keep track of whether it is going to be the ACTION Agency or going to be in the Treasury or where the supervisory responsibility will rest, but I just want to point out to the Members that this bill we have before us—although it was voted out of the committee very quickly and there will be other Members who will address the issue of how rapidly it came out of that committee before we gave it full consideration—it is about the third version. It is not the same bill we considered about a year ago. It is substantially different.

I encourage my colleagues, as the gentleman from Rhode Island has done, to listen carefully to the debate because this is very much a different bill from the original version introduced by my distinguished colleague, the gentleman from Rhode Island, a year ago.

It is not the same bill that was voted out of the committee a year ago. It is substantially different, but then, of course, I understand that Mr. NADER had an additional input to the bill, since he has been the most vocal advocate of the Bank.

I think our colleagues should know this is not the bill on which we had arguments last year. It is not the bill that was voted out last year, and it is not the bill on which the committee held hearings. It is substantially different in many ways and we are trying to point that out.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. LA FALCE

Mr. LAFALCE. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. LAFALCE: Strike all that follows the enacting clause and insert in lieu thereof the following:

SECTION 1. FINDINGS.—Congress finds that cooperatives can contribute to an improved standard of living for their members and patrons, and that access to adequate credit is essential to the formation and growth of user-owned cooperatives. Therefore, Congress desires to provide for the establishment of an Inter-Agency Task Force on Cooperatives to determine whether there is a need for federal assistance for cooperatives, and if such need is demonstrated, the most effective and appropriate means for providing such assistance.

INTER-AGENCY TASK FORCE ON COOPERATIVES

SEC. 2. (a) TASK FORCE.—The President is authorized to establish an Inter-Agency Task Force on Cooperatives. The membership of the Task Force shall consist of such officials and employees of Executive Branch agencies as the President shall designate. The President shall select one member of the Task Force to serve as Chairman at the pleasure of the President.

(b) STUDY.—The Task Force is directed to make a comprehensive study of the relationship of cooperatives to the economy and to existing federal programs. As used in this title, the term "cooperative" shall mean a cooperative eligible for assistance under the Cooperative Assistance Loan Program authorized by Section 3 of this Act. No later than two years after the effective date of this Act, the Task Force shall submit to the President, for subsequent transmittal to Congress, a report of its findings and recommendations with respect to:

(1) The need of cooperatives for financial and technical assistance, including an analysis of the extent to which such needs differ by industry;

(2) The relationship between cooperatives and the federal government, including the effect on cooperatives of federal tax and anti-trust laws and the availability of existing government programs to help meet financing and technical needs of cooperatives;

(3) The extent to which needs of cooperatives are currently being met by conventional private credit sources and any factors that inhibit the ability of cooperatives to obtain conventional credit; and

(4) Specific recommendations with regard to federal programs that are necessary or appropriate to meet the needs of cooperatives, including the need for, and the feasibility and cost-effectiveness of, a government-owned or sponsored consumer cooperative bank. With respect to its recommendations concerning such bank, the report shall evaluate the experience under the Cooperative Assistance Loan Program authorized by Section 3 of this Act.

(c) TECHNICAL ASSISTANCE.—The Task Force shall render any necessary technical assistance required by the department or agency designated by the President to administer the loan program authorized by Section 3.

(d) EXPIRATION.—The Task Force will expire when the President accepts its report.

COOPERATIVE ASSISTANCE LOAN PROGRAM

SEC. 3. (a) LOAN PROGRAM.—A Cooperative Assistance Loan Program is hereby authorized. No loan shall be made after three years from the effective date of this Act: *Provided*, That if the report of the Task Force referred to in section 2(b) does not include a recommendation for the establishment of a permanent consumer cooperative bank, no loan shall be made after the later of (i) the delivery of such report or (ii) two years from such effective date.

(b)(1) ADMINISTRATION.—The President shall designate any department or agency of the United States (hereinafter referred to as the "administering agency") to administer the Cooperative Assistance Loan Program. In administering the loan program, the administering agency shall take into account the objective of acquiring information about the need for and effectiveness of a consumer cooperative bank or other federal or federally sponsored program in aid of cooperatives, and shall consult with and make periodic reports to the Task Force concerning operations of the program.

(2) ELIGIBLE COOPERATIVES.—The Task Force is empowered to formulate and adopt regulations concerning the eligibility of cooperatives for loans under the Cooperative Assistance Loan Program. Subject to any such regulations and to subsection (b)(3) of this section, in administering the Cooperative Assistance Loan Program, the administering agency is authorized to make loans to any organization chartered or operated on a cooperative, not-for-profit basis for producing or furnishing goods, services, facilities, primarily for the benefit of its members or voting stockholders who are ultimate consumers or a legally chartered entity entirely owned and controlled by such an organization or organizations, if it—

(A) makes such goods, services, or facilities directly or indirectly available to its members or voting stockholders on a not-for-profit basis;

(B) does not pay dividends on voting stock or membership capital in excess of such percentage per annum as may be approved by the administering agency;

(C) provides that its net savings shall be allocated or distributed to member patrons, or to all patrons, in proportion to their patronage; or shall be retained for the actual or potential expansions of its services or the reduction of its charges to the patrons, or for such other purposes as may be authorized by its membership not inconsistent with its not-for-profit charter;

(D) makes membership available on a voluntary basis, without any social, political, racial, or religious discrimination and without any discrimination on the basis of age, sex, or marital status, to all persons who can make use of its services and are willing to accept the responsibilities of membership, subject only to limitations under applicable federal or state laws or regulations; and

(E) restricts its voting control to members or voting stockholders on a one vote per person basis in the case of primary organizations.

No such organization shall be ineligible because it also produces, markets, or furnishes goods, services, or facilities for its members as primary producers.

(3) LIMITATIONS ON ELIGIBILITY.—No cooperative shall be eligible under this section if it is eligible for financial assistance from the Rural Electrification Administration, the National Rural Utilities Cooperative Finance Corporation, Rural Telephone Bank, the Banks for Cooperatives or other institutions of the Farm Credit System, or if it is a credit union, mutual savings bank or mutual savings and loan association. No loan shall be made to any housing cooperative if, after giving effect thereto, the aggregate principal amount of outstanding loans to all housing cooperatives exceeds 60 percent of the outstanding principal amount of all loans to cooperatives under this program.

(c) TERMS OF LOANS.—The Task Force is empowered to adopt regulations limiting or otherwise fixing the terms and conditions of loans made under the Cooperative Assistance Loan Program. Subject to such regulations, loans made under this section shall be on such terms and conditions as the administering agency shall approve, except that:

(1) No loan shall be made unless the administering agency determines that (a) credit is not otherwise available to the applicant on reasonable terms and conditions, (b) the applicant has a sound organizational and financial structure, and (c) there is a reasonable assurance that the loan will be fully repaid in accordance with its terms and conditions;

(2) Each loan made to finance the purchase of any physical asset shall provide for complete amortization within a period of not to exceed the useful life of such asset;

(3) No loan made to any one borrower shall exceed 90 percent of the cost of the activity or assets to be financed;

(4) Loans shall bear interest at a rate not less than the rates generally prevailing in the area from other sources for loans for similar purposes and maturities, but in no event less than (i) a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, plus (ii) an allowance adequate in the judgement of the administering agency to cover administrative costs and probable losses under the program; and

(5) The administering agency shall have the power to sell or otherwise dispose of loans under this section.

(d)(1) FUND.—There is hereby created within the Treasury a separate fund ("the Fund") which shall be available to the administering agency without fiscal year limitation as a revolving fund for the purpose of this Act. The total of any loans from the Fund in any fiscal year shall not exceed limitations specified in appropriation acts. A business-type budget for the Fund shall be prepared, transmitted to the Congress, considered, and enacted in the manner prescribed by law (Sections 102, 103, and 104 of the Government Corporation Act [31 U.S.C. 847.849]) for wholly-owned Government corporations.

(2) DISBURSEMENTS.—All loans, expenses, including reimbursements to other government accounts, and repayments pursuant to operations of the administering agency under this Act shall be paid from the Fund. From time to time, and at least at the close of each fiscal year, the administering agency shall pay from the Fund into Treasury as miscellaneous receipts interest on the cumulative amount of appropriations available as capital to the Fund less the average undisbursed cash balance in the Fund during the year. The rate of such interest shall be determined by the Secretary of the Treasury, and shall be not less than a rate determined by taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturity of loans made from the Fund. Interest payments may be deferred with the approval of the Secretary of the Treasury, but any interest payments so deferred shall themselves bear interest. If at any time the administering agency determines that moneys in the Fund exceed the present and any reasonable future requirements of the Fund, such excess may be transferred to the general fund of the Treasury.

AUTHORIZATION OF APPROPRIATION

SEC. 4.—There is hereby authorized to be appropriated to the administering agency for carrying out the purpose of this Act $20 million for fiscal year 1978, to remain available until the loan program is terminated. Any sum appropriated pursuant to the preceding sentence shall be available for (1) transfer to the Fund for the purpose of making loans pursuant to Section 3, including all attendant administrative expenses, and (2) for the costs, exclusive of salaries, of the study on cooperatives authorized by Section 2.

Mr. LaFALCE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LaFALCE. Mr. Chairman, there are a great many issues that I think we will be considering today, in addition to the National Consumer Cooperative Bank, issues that in my judgment even transcend the importance of this particular bill. Those issues have to deal with the nature of the legislative process. Those issues have to deal with the concept of fiscal restraint. Those issues have to deal with the nature of lobbying and how we vote. Those issues have to deal with the relationship of this Congress and this administration. I think it is important to discuss those issues as we address both this bill and this amendment.

Mr. Chairman, I have been a member of the Banking Committee now for approximately 2½-years, and I still am filled with pride as I look at some of the problems we have heard and discussed concerning our great society. I think of the study made by the chairman at the end of last year on the problems of our cities. I think of the magnificent study made by the chairman of the Financial Institutions Subcommittee, generally called the Fine Study, an exhaustive examination of a most important matter.

I think of the hearings held by the great chairman of the Economic Stabilization Subcommittee of the problems of New York City led by the gentleman from Ohio (Mr. ASHLEY). And I think of the hearings this year on the energy crisis within that subcommittee which were also magnificent.

I think of the hearings on the community block grant program, a job very well done.

I am filled with pride over those examples and many others. But then I think of the manner in which this particular bill has come to this floor and I am filled with something less than pride.

We are dealing right now with the concept of ramrodding legislation through. It is nothing more than that. Right now we are doing, for the first time, the work that should have been done by the caucus of the subcommittee and by the subcommittee itself. We are giving the first real consideration to an issue involving three-quarters of a billion dollars.

On a Monday there were hearings, and everybody was heard in favor of the national consumer cooperative bill. On Tuesday there were additional hearings in the morning. Obviously, some were going to be opposed. It was uncertain what the position of the administration was going be. The administration came out, after much consideration—contrary to what we have been led to believe—and said, "While we favor the concept of consumer cooperatives, we must oppose this bill at this time."

It was at that time, on a Tuesday morning, that it was announced that we would mark up the next morning. The administration wanted to have its compromise—a good faith compromise—considered.

Mr. Chairman, let us not confuse the issue about what the administration's proposal was.

It is $20 million for a pilot loan and technical assistance program, to help consumer cooperatives. Incidental to that, it authorizes a study to see whether our Federal programs could be improved upon, and to ascertain whether it was necessary to go to a new Federal agency. They were told at approximately noon on Tuesday that they better have that bill by 9 o'clock the next morning because that was when the mark-up session was going to be.

The subcommittee met the next morning. Prior to that, the chairman of the subcommittee said, "Well, this is so important we better report it out without consideration or discussion because we also have a time problem because of the May 15 deadline." So that is what happened.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent Mr. LAFALCE was allowed to proceed for 5 additional minutes.)

Mr. LAFALCE. There was acquiescence. The bill that was reported out, everyone should know, is not the bill that is before us today—not at all. That bill would have authorized approximately $1.2 billion for the creation of a National Consumer Cooperation Bank and a new bureaucratic entity to administer a massive "self-help development fund." The bank would have had regional branches throughout the country.

After that bill was reported out, approximately 1 week later, the full committee met. Now, at the full committee markup session we had hopes that there would be full discussion, full consideration, both of whatever bill would be offered at that time and of the administration's proposed substitute.

When the full committee met, the subcommittee chairman offered a substitute. That substitute is the bill that is before us today. That substitute would have created a National Consumer Cooperative Bank funded with seed capital of one-half billion dollars; along with a self-help development fund with one-quarter billion dollars to be administered by the ACTION agency. The concept of the ACTION agency administering technical assistance and actually giving loans to cooperatives had never been considered. There was not one word of testimony about this before the subcommittee or before the full committee, nor was the administration consulted concerning this, nor was the administration consulted concerning the substitute bill that was offered at that time and which is before us today. They certainly did not acquiesce in it.

At that time, I offered the administration's pilot loan and technical assistance program. After about 5 minutes or so discussion, a motion for the previous question was made and we came to a vote. It was defeated, primarily with proxy votes.

Then, there was a call to the floor of the House for a vote. Upon our return to committee, once again there was virtually an immediate vote on the substitute that had been offered by the subcommittee chairman, and it was passed. We are really discussing it for the first time today.

One of the issues that we are going to have to face in this body is whether we want to legislate in this manner. There is only one way to stop it, and the only way to stop it is to say no when it happens—not on the merits, but on the procedure involved.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. LAFALCE. I would be pleased to yield to the gentleman from Ohio.

Mr. WYLIE. Why did the gentleman not offer his substitute on Monday when the full Committee on Banking, Finance and Urban Affairs met?

Mr. LAFALCE. I did offer the substitute at the appropriate time. That had been worked out with the subcommittee chairman.

Mr. WYLIE. Worked out with the subcommittee chairman, but the full committee met on Wednesday. I was there, and the gentleman did not offer it. The gentleman said that we only met for 2 days.

Mr. LAFALCE. There were hearings for 2 days is what I said.

Mr. WYLIE. On Monday and Tuesday in subcommittee?

Mr. LAFALCE. Yes. The administration had not testified on Monday. The administration did not testify until Tuesday.

Mr. WYLIE. Mr. Altman testified before the subcommittee. I am talking about the full committee which met for 2 days to mark up the bill.

Mr. LAFALCE. The full committee did not meet for 2 days on this particular bill. I offered my amendment immediately after the gentleman from Rhode Island (Mr. ST GERMAIN) offered his substitute after prior consultation with the subcommittee chairman and with his concurrence as to procedure.

There is another issue, a second issue.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. LAFALCE. I am pleased to yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

I think the record should show that the full committee only met roughly from 30 to 45 minutes to mark up the full bill. The gentleman is correct.

Mr. WYLIE. If the gentleman will yield, I may stand corrected, but I think we had a 2-day markup session on the bill.

Mr. LAFALCE. The second issue is one of fiscal restraint and the approach we are going to take. This involves the working relationship we are going to have with this administration. The President has said that if at all possible he wants to achieve a balanced budget by the end of his term. He said that in order to do this it is going to require the cooperation of this Congress. That is one of the principal reasons that he is opposing this bill.

The CHAIRMAN. The time of the gentleman from New York (Mr. LAFALCE) has expired.

(On request of Mr. WYLIE and by unanimous consent, Mr. LAFALCE was allowed to proceed for one additional minute.)

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. LAFALCE. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, I think the record ought to be cleared on the markup session. I have the transcript of the markup session on H.R. 2777 before me. We did meet on Wednesday, May 4, in markup. We met on Thursday, May 5, in full committee. That is 2 days.

Mr. LAFALCE. The meetings were minimal. They were about one-half hour on the first day. Hardly anyone was present. Very little meaningful discussion took place. That is the reason we met the next day.

Mr. WYLIE. I was present.

Mr. LAFALCE. The gentleman may have been present, but no significant discussion took place, and that is why we adjourned until the next day. That,

unfortunately, is the type of argument which has been constantly used about this bill.

Mr. Chairman, it is difficult to oppose certain types of bills. This is one of them. Why? Because this bill has the word "consumer" in it. And how can we vote against a bill which has the word "consumer" in it? It is difficult to vote against a bill which has the word "reform" in it. How can we vote against a bill which has the word "reform" in it? That is why, I submit, we have passed some pretty atrocious legislation in the past.

The CHAIRMAN. The time of the gentleman from New York (Mr. LAFALCE) has again expired.

Mr. LAFALCE. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. ASHBROOK. Mr. Chairman, reserving the right to object, our time is going to be limited down the line. The gentleman has already had 16 minutes.

Will the chairman give me some assurance that those who want to speak will not be cut off?

Mr. ST GERMAIN. If the gentleman will yield, I have never cut Members off.

Mr. ASHBROOK. Mr. Chairman, the gentleman's statement is good enough for me, and I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LAFALCE. Mr. Chairman, we have to examine closely what the interests of the consumers are. There is a tremendous interest on the part of the consumer in having programs examined and studied so that we can really see their need before they are enacted into law. I think we saw in the era of the 1960's a great amount of social legislation which was passed that we have tremendous reservations about now.

I think that that was one of the reasons that the President of the United States was able to be successful in the Democratic primaries, because he was saying that it was time for the Democratic Party to face up to the fact that they had to become the party of fiscal responsibility. And this was accepted. This was accepted by the voters and the Democratic Party in most of the States throughout the United States. Then it was accepted also as part and parcel of the present President's platform when he was elected in November.

He has considered this bill and reconsidered this bill. He says we simply cannot afford three-quarters of a billion dollars at this time.

Yesterday I read off a portion of a letter from the head of the Office of Management and Budget, and I would like to read it again. The letter is dated June 29, 1977; it is with specific reference to this bill, and it says:

The administration has recently completed another review of this issue and continues to support the position presented by Assistant Secretary Altman in his testimony before the Financial Institutions Subcommittee of the House Banking, Finance, and Urban Affairs Committee.

So let there be no question about the position of the administration. They say there has been no compelling need, and when we have a scarcity of funds, when we want to enact a new governmental program, a compelling need must be shown. No compelling need, they say, has been shown, and this has been reaffirmed as of June 29, 1977, in this letter, and again as recently as today with reference to this administration.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. LAFALCE. I am always pleased to yield to the chairman of the subcommittee, the gentleman from Rhode Island.

Mr. ST GERMAIN. Mr. Chairman, the gentleman has, I am sure, seen the legislation that has been submitted by Treasury on behalf of the administration. It asks the Congress to approve the payment of interest on reserves held by the Federal Reserve Banks for commercial banks.

That is going to cost the taxpayers $600 million per year, and I find it difficult to justify.

I would ask the gentleman to resolve this for me: How we can see a need to pay out that kind of taxpayers' money per year and then say there is no need to help the consumer at the tune of $100 million, which is a loan to be repaid.

Mr. LAFALCE. Mr. Chairman, as the distinguished chairman of the subcommittee knows, that issue is a red herring. We could bring up a great many issues and a great many suggested proposals of different agencies and discuss them at great length.

The point is that this is three-quarters of a billion dollars bill, and they definitely opposed that figure in this particular bill at this time. We will address the bill to which the gentleman refers when it comes up, should it come up before the subcommittee, after what I hope will be exhaustive hearings. There may well be no merit to it, and on the other hand, it may well be necessary to preserve the banking system. We will examine it at that time. I assume we will examine the issue thoroughly.

Mr. ST GERMAIN. Yes, but the point is that this is the same administration and the same agency. Treasury opposed this, and yet Treasury advocated the payment in perpetuity of $500 million to $600 million of taxpayers' money to the commercial banks.

Mr. LAFALCE. Again, Mr. Chairman, that is a totally separate issue. What the administration has said is "Let us pay interest on reserves." Now, whether we should pay interest on reserves is a separate question, and it really is unrelated to this bill. I think the gentleman well knows it is unrelated, and I say again it is a red herring.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. LAFALCE. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I just want to reemphasize what the gentleman from New York (Mr. LAFALCE) has just stated.

We are all aware of this proposal as it has been considered in the Senate. It has nothing to do with this bill. If the gentleman is trying to show cost factors as they relate to drains on the Treasury, let me state that the gentleman has voted for and supported many bills coming out of this committee which involved much greater drains on the Treasury than the proposal put forth by the gentleman from New York (Mr. LAFALCE), or even this whole new banking system that would be set up in its most expensive form.

I really do not know how that relates to this issue that is before us today, because if the gentleman from Rhode Island (Mr. ST GERMAIN) is trying to make the point that cost should be a factor, then we clearly should vote for the proposition put forth by the gentleman from New York (Mr. LAFALCE), because it is far cheaper than the proposal made by the gentleman from Rhode Island (Mr. ST GERMAIN), either his original proposal which was for $1.25 billion or the $750 million proposal that is now before us. The proposal of the gentleman from New York (Mr. LAFALCE) is cheaper than both of those, and it would constitute far less of a drain on the Treasury.

So, Mr. Chairman, if we are talking about a less expensive bill—and the gentleman has made his point—obviously the gentleman from New York (Mr. LAFALCE) has the better bill.

Mr. LAFALCE. Mr. Chairman, what I am talking about—and I want to make this clear—is that the bill is for three-quarters of a billion dollars for the National Consumer Cooperative Bank, the Office of Consumer Cooperatives, and the ACTION agency, as opposed to a $20 million pilot loan and technical assistance program.

I should make a comment on that pilot loan and technical assistance program. This was proposed by the administration as a compromise and a good-faith effort to assist consumer cooperatives. This was not, as the gentleman from Rhode Island (Mr. ST GERMAIN) has said, a counterattack against consumer cooperatives.

Mr. WYLIE. Mr. Chairman, I rise in opposition to the amendment in the nature of a substitute offered by the gentleman from New York (Mr. LAFALCE).

Mr. Chairman, I ask unanimous consent that I may also be permitted to speak for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The gentleman from Ohio is recognized for a total of 10 minutes.

Mr. WYLIE. Mr. Chairman, I think while we are clearing up the record here I feel constrained to clarify an erroneous impression which was left in the RECORD from yesterday that occurred in a colloquy between my colleague, the gentleman from Iowa (Mr. GRASSLEY) and my colleague, the gentleman from California (Mr. ROUSSELOT), wherein the gentleman from Iowa (Mr. GRASSLEY) said that he had gone out to his district during the district work days, and had met

with a group of cooperatives. He said that there were probably between 150 and 200 people at this meeting and that this bill never came up for discussion during that meeting. He said:

If it had, though, I believe we would have found the answer that the gentleman would have expected: That the cooperatives in the rural areas are not having the problems that this bill would indicate they are.

I would respectfully suggest to the gentleman from Iowa (Mr. GRASSLEY) that he has not put his finger on the purpose of this bill. I say that with all due respect. The gentleman missed the point of the legislation. It is not to provide loans to farm cooperatives. They already have their banks. They have had them for 40 years. If it had not been for the Bank for Cooperatives the farm cooperatives would not have become the viable force they are today, and the good customers that they are to the commercial banks—at least they are in my community of Columbus, Ohio.

This bill is to provide for an even break or a similar break for the urban dwellers and for the elderly, the fixed income consumer wherever they are situated, whether they come from rural areas or not.

That was the point I was making.

The situation with the elderly is that health care costs have increased, and many of the elderly are on a fixed income. It is not much different from the situation that existed with the farmers back in the 1930's. This bill before us is modeled after the farm credit system, which has been so successful.

I have before me a letter from the Iowa Institute of Cooperation, signed by Gerald R. Pepper, which states:

It comes to my attention that you will soon be passing judgment upon the National Consumer Bank bill (H.R. 2777).

Allow me to suggest that the philosophy of a Consumer Credit System is a sound one. My observation of the successful development of the farm credit system after which H.R. 2777 is patterned, provides adequate evidence to its feasibility, acceptability and opportunity to enable American citizens to help themselves.

Based on the success of the Farm Credit System for producers, I strongly encourage your support of H.R. 2777 for America's consumers.

A copy was also sent to the gentleman from Iowa (Mr. GRASSLEY).

Mr. Chairman, I oppose the amendment in the nature of a substitute which has been offered. I would suggest that if you are against the bill then vote against it, but do not vote for this "Mickey Mouse" amendment. It is a red herring. The gentleman from New York (Mr. LAFALCE) has used the words "red herring" so I will use those words, too, it is a red herring.

The authors of this amendment are against the bill. They have been against the bill from the outset. They have not been able to stop it in committee over a period of about 3 years.

Mr. LAFALCE. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from New York.

Mr. LAFALCE. Mr. Chairman, as the author of the amendments, and as a cosponsor of the bill, I do not think that it is fair to say we were against it from the beginning. We were against this bill only after we studied it.

Mr. WYLIE. I will modify my remarks to say that the gentleman is against it now, based on what Mr. Roger Altman said, I guess, who was nominated as Deputy Secretary of the Treasury, but who had not been confirmed when he came before our committee and suggested that we needed the study. I want to be fair to him, but I think when he came up and testified on this bill, he was not all that acquainted with it. He did not know what was in it and he did not know the administration position, and in a moment of attempting to find an answer, he said maybe the problem ought to be studied. He was committed to that proposition. I think that became his position.

Mr. LAFALCE. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from New York.

Mr. LAFALCE. I thank the gentleman for yielding.

Is it not true that he came before us with a well-typed-out, prepared statement, and that statement analyzed the bill?

Mr. WYLIE. But it was only a few days before that—I will reclaim my time—that he had been nominated for Deputy Treasurer and he had not yet been confirmed. It was quite clear to me, at least, that he was not all that familiar with the bill. But he suggested a study, and that was seized on by the opponents as an out, a $20 million 2-year study. The proposal came up to us the next day.

We do not need another 2-year study. We have 165 years of experience with cooperatives. I mentioned yesterday that Ben Franklin started a co-op way back 165 years ago. Herbert Hoover suggested the farm credit system after the collapse of 1929, and that idea was seized on by Franklin Delano Roosevelt and put into effect as the farm credit system that we know today. So we have the experience with co-ops. We know what they are. We have co-ops all over the world. So if anyone is against the bill, do not vote for this substitute on the basis that we need a study. One thing we do not need is another study.

I might add this is not really a pilot program as has been advanced here. Who dispenses the money? The bankers at Treasury. Who gets the money, which would be in the form of a direct grant, I might add, from the Government again? That could be a real boondoggle.

Mr. LAFALCE. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from New York.

Mr. LAFALCE. I thank the gentleman for yielding.

This is not a direct grant; it is a pilot program. Let us not call it a grant program.

Mr. WYLIE. Is there any proposal to pay back the grant?

Mr. LAFALCE. They are going to pay it back the same way as under the gentleman's program.

Mr. WYLIE. Who is going to administer the program?

Mr. LAFALCE. The administration of the program will be decided on by the administration.

Mr. WYLIE. It will be decided on by the administration.

Mr. LAFALCE. That is correct.

Mr. WYLIE. How much of the $20 million is the administering agency going to use for administrative costs? How much will be required for the pilot program?

We know the need. We have had 3 years of hearings. The only question is whether co-ops can help with that need. As I said, the authors of the amendment are against the bill. The so-called pilot program is another rent supplement pilot program. We saw the big success of that pilot program. We threw $20 million at it; we threw $40 million at it; we threw $50 million at it. Finally the whole program collapsed. The La Falie proposal cannot be a self-help conversion to a cooperative bank ownership program as envisioned by this bill and as envisioned by me. The study could produce no more facts than are available now.

The authors of the substitute say they are against another Government agency. All right, I am against another Government agency. But proponents of this amendment want to create another Government agency by this bill, so they are being inconsistent in that regard also. H.R. 2777 would not create another Government agency. The substitute would, so Members who are supporting the President of the United States that we need no more new Government agencies ought to be against the amendment.

Beyond that—and I speak to my friends on this side of the aisle now—H.R. 2777 is in the tradition of the Republican Party helping people to help themselves. I envision H.R. 2777 as an alternative to more Government handouts through welfare programs.

Senator Robert Taft, Sr., from Ohio, once said, "Cooperatives are as American as apple pie." I think there is an area here where we can help people to help themselves. I was a little reluctant to get into this picture early on through this bill, but since introducing the bill I have heard testimony at the hearings on the bill. I think it is an idea whose time has arrived; and I support H.R. 2777 wholeheartedly. I say again here, if the Members are against H.R. 2777, do not use this "Mickey Mouse" approach of a 2-year, $20 million study as an out.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to my chairman, the gentleman from Wisconsin.

Mr. REUSS. I thank the gentleman for yielding.

Mr. Chairman, I would just refer to the record on a matter that has, unfortunately, come up here. It is said by the proponents of the Stanton-LaFalce substitute amendment that somehow or other they did not get a full and fair

hearing and a day in court before the Banking Committee in executive session. I think that they are quite well refuted by the record of the committee for Wednesday, May 4, 1977. After extensive debate on the Stanton-LaFalce amendment, with considerable give and take, and with the gentleman from Ohio saying then, as he does now—and I think he is right—that it was a Mickey-Mouse substitute, we heard a motion on the previous question, that is, to end further debate on the Stanton-LaFalce amendment. Guess who made that motion? The sponsor, Mr. STANTON. I read from the RECORD:

Mr. STANTON. I move the previous question.

The PRESIDING OFFICER. The previous question has been moved. All those in favor of the previous question signify by saying aye; opposed, nay. The ayes have it. The previous question is ordered.

The vote now occurs on the Stanton-LaFalce amendment, and the Clerk will call the roll.

After the role was called, the Stanton-LaFalce amendment was squarely and clearly defeated, so I suggest, Mr. Chairman, that it hardly lies in the mouths of the two genial morticians who are attempting to bury the cooperative bill to claim that they did not have their day in court. They argued well and ably and, if I may say, interminably, and then, bored by the sound of their own voices, they moved the previous question and got their vote.

Mr. WYLIE. I thank the gentleman for his contribution and for clearing up the record.

Mr. ASHLEY. Mr. Chairman, I rise in support of the amendment.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Ohio.

Mr. STANTON. Mr. Chairman, this legislation was referred to a while ago as a "Mickey Mouse" amendment. Mr. Chairman, as far as this amendment is concerned, I am a very proud sponsor, as the gentleman in the well is. Let us hope that the House can do with this "Mickey Mouse" legislation the same thing as Walt Disney did with the original Mickey Mouse.

Mr. ASHLEY. Mr. Chairman, I welcome this opportunity to make clear my opposition to H.R. 2777, the National Consumer Cooperative Bank Act, and my strong support for the administration position which is reflected in the substitute bill today offered by myself and the distinguished gentleman from New York. It is of utmost importance that the choices presented by these two versions be closely examined, and that we not be stampeded by a concept that is, in the abstract, most compelling.

Unquestionably consumer cooperatives can make a valuable contribution to our social and economic goals, and both Congress and the administration should be responsive to their needs. Cooperatives can provide alternative means of access to goods and services when existing providers are unsatisfactory, and in so doing can increase competition in the marketplace. Cooperatives can also serve as a focal point for the active involvement of citizens in their communities. But we have to ask how best we can assist these enterprises while avoiding duplication of Federal efforts and assuring that any new "bank" or loan program is both needed and efficiently run.

We owe it to cooperatives and to the taxpayer to be sure we are not simply adding to the long list of Federal agencies whose programs are not meeting their goals while still imposing additional costs on the taxpayers. The Consumer Cooperative Bank program proposed by H.R. 2777 would represent a new Federal undertaking with initial funding of three-quarters of a billion dollars.

It seems to me consistent with our attempts to control spending and the proliferation of Government programs that we ask some basic questions about this ambitious program and receive some basic data about what we can reasonably expect from this type of "bank" before we make the kind of commitment called for in H.R. 2777. The substitute proposal put forward today is reflective of that spirit, which is shared not only by the distinguished gentleman from New York and myself, but also by the administration. The President, quite correctly, wants to simplify our Federal structure and be sure that compelling evidence exists before we create new programs and new entities. Therefore, I endorse the administration's approach of: First, undertaking a study to find out where existing Federal programs to help cooperatives may have failed; and, second, undertaking a pilot loan project so that we can determine which financing needs of cooperatives are unmet and why.

Through this two-pronged approach, Congress can learn whether alternatives to a co-op bank—such as improving existing programs or opening them up for use by cooperatives where they were previously ineligible—would not be more effective for the same dollar spent. We must be sure that the program we propose will have the necessary safeguards against abuse, in order that those most worthy of help will receive the assistance. I think it is wise to consider carefully these questions now, so that we can assure our constituents that the program we enact is worth every penny of its cost.

The substitute proposal we offer today is a sensible and responsible one. By voting to carry out a serious study and experimental loan program, we are not saying "no" to a consumer cooperative bank. Rather, we are assuring that the necessary review of existing cooperative-related Government programs and the "test case" loans will be made so we can determine what form of financial and technical help is needed and will be the the most cost effective.

The arguments advanced by the distinguished gentleman from New York in support of this limited and reasoned approach to the question of consumer cooperative banks should be heeded; also the responsible position of the administration on this issue must be taken into account. I urge your support for the substitute version.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, the gentleman in the well referred to administration support. The gentleman from New York (Mr. LAFALCE) read a letter awhile ago in support from the administration. Was that letter signed by the President?

Mr. ASHLEY. Let me say that that question really is not proper.

Mr. WYLIE. I am just asking the question to find out who signed the letter.

Mr. ASHLEY. Mr. Chairman, the gentleman from Ohio and I know each other. The administration supports this. The letter comes from the Executive Office of the President, Office of Management and Budget. It represents the administration position.

Mr. WYLIE. There was, at least, one representative of the administration who testified in favor of H.R. 2777.

Mr. ASHLEY. I can assure the gentleman this is the administration position.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I would like like to reply to my colleague, so we can understand this letter is from Bert Lance. I am sure the gentleman understands he is with this administration.

Mr. WYLIE. The gentleman from Atlanta, Ga.

Mr. ROUSSELOT. He says:

Thank you for your recent letter—

To our colleagues.

Mr. WYLIE. He is the banker from Atlanta?

Mr. ROUSSELOT. He certainly is and he knows a lot more about banking than most of the Members of this House.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(At the request of Mr. ROUSSELOT, and by unanimous consent, Mr. ASHLEY was allowed to proceed for 1 additional minute.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield further?

Mr. ASHLEY. I yield.

Mr. ROUSSELOT. Mr. Chairman, this is dated June 29. He says:

Thank you for your recent letter concerning the establishment of a proposed National Consumer Cooperative Bank.

The administration—

The administration—

has recently completed another review of this issue and continues to support the position presented by Assistant Secretary Altman.

The gentleman remembers Mr. Altman; we discussed him yesterday.

Mr. WYLIE. Very well.

Mr. ROUSSELOT. So his testimony is resupported on the basis of careful review by this administration—this administration.

Mr. WYLIE. Mr. Chairman, if the gentleman will yield further. I appreciate the gentleman clearing up the record; but the question left in my mind is whether referring to administration sup-

port meant the President had spoken on this issue.

Mr. ASHLEY. Mr. Chairman, I am glad the gentleman clarified that.

Mr. STANTON. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, we have heard considerable discussion for the last half hour now on the procedures that brought this bill to the House floor. I hope in all our minds there is at least an element of doubt as to the proper procedure we followed. That is all I am going to say on that matter.

What I want to discuss with the many Members here this morning—and I appreciate the attendance of those outside the members of the committee, because perhaps in some minds there is some doubt on which way Members would like to cast their particular votes on the legislation pending—we have basically two important subject matters. One is the bill which came out of our committee, and the other is the pending substitute offered by four of us on the committee who have serious doubts about the legislation. First, let me discuss for a few minutes the legislation. In my personal experience, this is probably one of the most ill-conceived, ill-timed, and overkill pieces of legislation to try to solve a particular problem since I have been on the Banking and Currency Committee.

Regrettably, the gentleman from Texas, the distinguished majority leader, said last night in support of the legislation that what we have done for the SBA we should do for the cooperatives. Let us take a look at that basic premise. The SBA legislation goes to individuals. In this legislation, there is no single constituent in any Member's district who can receive it. If a group forms what they want to call a cooperative, and pay any particular salaries to themselves, they are a cooperative for the purposes of this legislation.

Secondly, the SBA passthrough money is near the cost of Treasury borrowing. This legislation applies itself, not to passthrough money, but it is conceded even by proponents of the bill that the majority of the money will probably not be repaid before 1990. What is paid by 1982 is approximately 1.1 percent of the Treasury borrowing money.

Take a look at cooperatives and the advantage that they get, the tax advantages that they have over small businesses. Members of the committee, with that background, I cannot conceive of any particular comparison, but let me direct the attention of the Members to this particular premise: A friend of mine from Wisconsin, who is in the back of the Hall, said yes, he is going to vote for the legislation because cooperatives are popular in his particular district.

Let me say to all of the Members that they are just as popular in my district. I want to support them where it is legally and advisedly possible to do it, and I certainly will in the future, but I think that without a doubt, before we go in for a deep swim, we ought to at least learn how to paddle.

That is all out in the open before us. What we do is offer to the committee and through this House into legislation a pilot loan program. It is a 2-year program, with advancement into the third year if we go ahead.

We delve into the particular problems of specific cooperatives. There is nothing in this particular bill that would limit a cooperative to an inner city, which would be of some merit to those of us who are concerned with the welfare of this country. There is nothing in this particular bill which even defines to the fullest degree what a cooperative is.

We have heard of small cooperatives, and we do know by our own knowledge that there are many cooperatives in the top 500 list of Fortune magazine. Topping the list is Sunkist Orange Juice, which is a cooperative. Nationwide Insurance—friends of our good friend from Ohio—is basically a cooperative-type of outfit. Presumably and hopefully, they will not be able to get any money out of this program.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. STANTON. I yield to my colleague from Ohio.

Mr. WYLIE. The Ohio Farm Bureau Federation, Inc., is separate from Nationwide.

Mr. STANTON. I am glad the gentleman brought that up. Who owns State Farm Bureau? Nationwide?

Mr. WYLIE. No; it is a separate corporation. I have a letter here from Dean W. Simeral. The gentleman knows him and has great respect for him, I assume.

Mr. STANTON. I cannot say in the well what I thought when I got the letter.

Mr. WYLIE. In his letter to me, he says:

DEAR CHALMERS: H.R. 2777 is scheduled for consideration by the House soon. The bill, identified as the Consumer Cooperative Bank Bill, is supported by the Ohio Farm Bureau Federation. We urge you to give serious consideration to the bill's merits. We hope you will oppose any crippling amendments and support its passage.

We see the following justification for this legislation because it will: (A) help consumers, particularly our senior citizens, form their own consumer cooperatives and thus help themselves, (B) help existing consumer cooperatives to get sound loans to help finance their operations, (C) create an office of technical assistance to help the consumer cooperative get established on a sound basis, and (D) enable consumer's cooperative become owners of their cooperative bank similar to the ownership, by farmers, of the farmer cooperative bank.

Although the initial capital would come from the purchase of the consumer cooperative bank stock, by the U.S. Treasury, the impact should be a very limited cost to the tax payer.

Sincerely,

DEAN W. SIMERAL,
Vice President, Public Affairs.

I think those are good reasons from a gentleman who has been in this business now for some time.

Mr. STANTON. I thank the gentleman. I will tell the gentleman what I will write back. I am not as interested in helping consumer cooperatives but I am extremely interested in helping consumers.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. STANTON) has expired.

(By unanimous consent, Mr. STANTON was allowed to proceed for 2 additional minutes.)

Mr. STANTON. And if you can show me in the history of Greenbelt and all of the other cooperatives where they have lowered in the marketplace for consumers any particular price, then I will be glad to change my mind and say we do not need this study.

But what we have here, for those who are truly interested in cooperatives, is an opportunity in an investment of $20 million in a pilot loan program to study, first of all, to give to those select cooperatives direct money, at the same time to study existing agencies that we have in the Federal bureaucracy today, without going into a boondoggle of an additional $750 million, immediately $250 million to an agency like ACTION, with the potential, according to the president of the Consumer League himself, of a need of from an $8 million to a $10 million program without studying what we have. And that is why I think we have a position of such an overkill throughout. We should look at it carefully, those who are truly interested in cooperatives, and let us have a pilot loan study program.

Mr. EVANS of Delaware. Mr. Chairman, will the gentleman yield?

Mr. STANTON. I yield to the gentleman from Delaware (Mr. EVANS).

Mr. EVANS of Delaware. I thank the gentleman for yielding.

Mr. Chairman, it has been a great pleasure to serve on the Committee on Banking, Finance and Urban Affairs with the gentleman. This debate is rather lively. As a matter of fact, it reminds me at times of a good old Baptist service. However, we are limited in time on the floor today and I am disappointed that the committee did not take adequate time to consider this important piece of legislation.

Mr. Chairman, I am a new member of the Committee on Banking, Finance and Urban Affairs. I think there are four others, five in total, on the minority side, and about five on the majority side, who have never had the advantage of having seen the one, two, three, or four versions of this particular bill, H.R. 2777.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. STANTON) has again expired.

(On request of Mr. ROUSSELOT and by unanimous consent, Mr. STANTON was allowed to proceed for 1 additional minute.)

Mr. EVANS of Delaware. If the gentleman will yield further, I would think it would be important for all members of the Committee on Banking, Finance and Urban Affairs to adequately consider in a reasonable way, in a fair way, a bill such as this, which does cost this much, and I would think that a pilot project, because we did not have that opportunity, is the right way to go.

The gentleman from New York (Mr. LAFALCE) spoke of his sorrow and his pride. I am just a little confused, because it is so inconsistent with the other issues which we have had before this committee and the very fine and reasonable manner in which the committee has operated.

Mr. STANTON. I appreciate the gentleman's comment.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. STANTON. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding.

Mr. Chairman, is my friend, the gentleman from Ohio (Mr. STANTON), the ranking Republican on the committee, familiar with the Puget Sound Health Cooperative?

Mr. STANTON. I am sorry, I am not. I have never heard of it.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. STANTON) has again expired.

(On request of Mr. WYLIE and by unanimous consent, Mr. STANTON was allowed to proceed for 2 additional minutes.)

Mr. WYLIE. If the gentleman will yield further, it is a cooperative which has 200,000 members, which was formed to provide health care for the elderly as a hedge against catastrophic health costs. Many people went together, some mortgaged their homes to put in their $1,000 for membership. Today they get health care at less cost than any place else in the community.

That is one example of what I am talking about in this bill.

Mr. STANTON. Right now, Mr. Chairman, as the gentleman has explained it to me, I certainly would encourage more cooperatives of this type than we have had in the past. But I point out they got there without federally assisted 1.1 percent money.

I am sure the gentleman knows the money in this bill is coming from the SBA. Does the gentleman know that 96 percent of all this money goes to help small business?

Mr. WYLIE. I think it could come from welfare money.

Mr. STANTON. Let us balance it out. Let me ask the gentleman, what was the name of that cooperative again?

Mr. WYLIE. The Puget Sound Group Health Cooperative. There is another one in Detroit, Cooperative Services, which produces $3 million optical care for its members each year.

Mr. STANTON. I am not quite sure I understand the point.

Mr. WYLIE. I think we all know that cooperatives in the health field have worked and that cooperatives in the food field have worked, and I think they need to be expanded. I think they can be expanded through this bank just as the farm credit system was expanded.

Mr. STANTON. The farmers in my area have a milk cooperative, and they do a good job buying milk; hopefully they bring milk to my constituents at a cheaper price than they would otherwise pay. I believe that is a good idea, yes.

Mr. WYLIE. Farm co-ops have been successful. And I feel prospective recipients as contemplated in this bill deserve the same break as was given beneficiaries of the farm credit system.

Mr. STANTON. But they operate with 1.1 percent money. I do not understand the point.

Mr. WYLIE. The farm credit system was started by a loan from the Federal Government, just as we envision in this bill. The Bank for Cooperatives was established by seed money from the Federal Government. It was a loan which was repaid in full.

Mr. STANTON. Then why cannot all the other farm groups start that? If they did such a good job, why cannot all the rest of them do the same thing?

Mr. WYLIE. Well, they do not all have the same financial support.

Ms. OAKAR. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment in the nature of a substitute.

Mr. Chairman, I will try not to speak for my full 5 minutes, but I do wish to point out as a new member of the Committee on Banking, Finance and Urban Affairs, I feel very strongly about this. I think we had adequate hearings on this, and I believe responsible Members have an obligation to read what came before the committee in previous years concerning the need for a Consumer Co-op Bank. There were certainly opportunities to read about the 3 years of studies, to read all the material from previous hearings that have been had on this particular issue.

I feel very strongly that the major argument that my good friends and colleagues who are for this amendment in the nature of a substitute is in reliance on a letter they have that came from Bert Lance.

One of the areas in which I feel a great responsibility is in the representation of my constituents in the 20th District of Ohio, as well as all the constituents of our Nation. One of the great things about our system is that we do indeed have a system of checks and balances.

Quite frankly, the administration is not always right. Bert Lance is not right in this instance. Much ado has been made about his experience in banking, and I note with great regret his recent experience. I am sorry to bring in personalities, but the Members who support the amendment in the nature of a substitute brought in personalities.

Therefore, Mr. Chairman, I would just simply say that this amendment is an absolute copout. The consumers have been studied to death. The last thing they would want is to have another study done on them. They want what they deserve, and that is a full-fledged piece of legislation.

If Members are not for a consumer cooperative bank, they should not, of course, vote for it. They should have the veracity to vote their consciences. But do not offer an amendment that is merely patronizing the consumer and virtually means nothing.

Mr. LAFALCE. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. No; I will not yield at this point. I want to finish my statement.

Mr. Chairman, if Members are not for the consumer cooperative bank, they should simply vote against it, they should cast their vote sincerely, but they should not offer an amendment that is a copout.

We all know what happens to pilot projects. Even if they do work—they usually do not get refunded. We usually do not see a full-fledged program, and so what will happen is the absolute exact opposite of what is intended here.

If we dangle a little piece of cheese, as it were, before the consumer, the only thing that will happen is that it will increase their utter frustration.

Mr. Chairman, I really hope that all my colleagues will do what is right and vote against this amendment and then judge the entire bill on its own merits.

Mr. LAFALCE. Mr. Chairman, will the gentlewoman yield now?

Ms. OAKAR. I yield to the gentleman from New York.

Mr. LAFALCE. Mr. Chairman, is the gentlewoman calling $20 million for a loan a "little bit of cheese"?

Ms. OAKAR. I certainly am, when we consider the fact that we have millions of Americans who need this particular opportunity.

The gentleman knows as well as I—and we may as well call it what it is—that many cooperatives in our country are red-lined. We are giving these individuals the opportunity to get a loan for something that is good and decent for their country and for themselves. I do not think that is too much to ask when we consider such things as the billions in military aid we give to other countries. Yet we cannot even give our own consumers, who are the moderate income in this country, what they deserve. It is just unthinkable in my opinion that the gentleman would offer this watered-down amendment.

Mr. ALLEN. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment in the nature of a substitute offered by the gentleman from New York (Mr. LAFALCE).

Mr. Chairman, I take off my hat to no Member of this body in my support of Jimmy Carter for President of the United States last year, nor do I take my hat off to any other Member of this body in support of most of the legislative proposals that he had submitted to us for our consideration. Nevertheless, exercising what I am required to do under the law—that is to exercise my own best judgment as to what is in the best interests of this country I rise in support of H.R. 2777 and to oppose the substitute amendment, because I am convinced that the welfare of our Nation depends on the skill with which we can encourage self-help among our citizens.

The Financial Institutions Subcommittee has ruled very extensive hearings on this bill. If there was one thing made clear, it was that traditional financial institutions have virtually ignored the kind of cooperative enterprises which this bill would help. Apparently because

they do not understand their method of operating as nonprofit organizations, or perhaps because of a fear of displeasing certain of their large depositors, most commercial banks simply refuse to extend credit or lend money to such co-ops.

If we now put in place a sound credit provider—and that is what this bill would do—it is estimated that the savings to consumers can grow to $329 million in 5 years, and to $5.7 billion in 20 years. And all of this would be without cost to the Federal Government.

Mr. Chairman, I call that a bargain.

The question is bound to arise: Do we really want to encourage consumer co-ops? We know the giant retail and chainstores are against this bill, but it will not be injurious to small businesses, which are the cornerstone of our society.

Under this bill, we are not considering a subsidy for co-ops. Only in minor exceptions, they would have to pay the co-op banks the market rate for every dollar they borrow, just the same as small businesses pay to commercial banks. Small business has the most to be concerned about trying to compete with the giant chains and with large business, not co-ops. We have all seen firsthand—and the hearings are replete with testimony—that small business and retail merchants have been driven out of many of the urban centers of our Nation by the giant chainstores. The co-ops did not drive them out. Rather, it was the inability of independent merchants and businesses to compete on an equal basis with the giant corporations.

Encouraging urban cooperatives as an alternative business would work in inner-city communities, and aid in urban redevelopment, just as farm co-ops have helped in the rural areas of this country. Co-ops can enable a community to obtain development capital to an extent greater than investor-owned firms can, which could be an invaluable tool in urban revitalization.

Mr. Chairman, I would further point out that small business for many years now has had access to loans through the Small Business Administration. Now we are proposing to set up a credit market for urban cooperatives. Since small business may obtain loans through SBA at lower, subsidized interest, while co-ops will be playing the local prevailing interest rates for their credit, surely this would give no competitive advantage to co-ops over any other small businesses which have access to credit through the SBA—only $10 million the first year, and $60 million during each of the next 4 years may be loaned at anything less than the prevailing rate—and then only in special and unusual circumstances.

Mr. Chairman, the esteemed chairman of the subcommittee, Mr. ST GERMAIN, has addressed the question of the effect on competition of the tax-exempt status of cooperatives, and I will only touch on it here briefly. I feel that the chairman is certainly much more knowledgeable than I in such matters. But it would seem to me that what all the bill really says is that cooperatives do not have to pay taxes on the money they rebate to their members. Small businesses, or any other commercial enterprise, can always reduce the amount of their income to avoid paying taxes on the amount of the reduction. For example, retailers do not pay taxes on the amounts they give their customers in the form of trading stamps. Or, if a retailer wishes to lower his price, he will not pay tax on the amount of the price reduction. So, Mr. Chairman, in all honesty, it seems to me that cooperatives and small businesses would complement each other, and they would remain competitive under this bill. I am for that.

It is interesting to me that this legislation is not modeled after the Small Business Act, with its direct Federal guaranty loan and interest subsidy programs administered by the Federal Government. Instead, this bill simply provides "seed money" to get started, and for a single chartered bank, and the money is to be repaid to the Treasury. Upon repayment, the bank becomes a private institution. We will not be adding to the Federal bureaucracy. We will not be costing the Treasury a cent at the end of the line. Instead we will have a new private business. There is no Government handout.

Mr. Chairman, again I call that a bargain.

Rather, the model for this bill is the farm credit system and it is similar to the rural electrification program, except it does not provide the same interest subsidy. These and other similar programs have been among the most successful in the history of the Nation. They are the envy of the entire world. They have met deep and real needs in our society, without saddling the taxpayers for a penny.

I hope we will not consider throwing away this opportunity with a substitute timid proposal which amounts to no more than another direct loan program—and an underfinanced one at that—with all the tax burden and the bureaucracy which that involves. The substitute bill is just a disguised way to kill the bill and ensnarl us in redtape and giveaways. The people do not want any more of that. We do not need any more of that.

Mr. Chairman, I have spent most of my life with a deep and abiding faith in the little man—a faith that if we provide sensible structure, he, too, can share in the bounty of this wonderful Nation. The consumers' interests have always been my interests. The consumers will be better off under this bill—and all of us will be better off, including the small businessman. So I urge my colleagues not to waste this opportunity—not to vote for a misguided substitute bill—but to seize the chance to write another great chapter in our economic history. I urge all my colleagues to vote for the bill and to oppose the substitute amendment.

Mr. GRASSLEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, there has been much rhetoric by those who oppose the LaFalce amendment that the only reason it's being offered is because its proponents are natural opponents of the philosophy and concept of the bill, and of cooperatives generally. I would have to say from what I know about the gentleman from New York (Mr. LAFALCE) having served with him on this committee, that he is a very progressive individual and that he cannot be put into that category of a person who is always an "againner". His motives should not be questioned in regard to this. I think he is speaking to the point that just big government and more expenditures do not necessarily equal progress.

We get down then to the basic question of why is this study needed.

I think this study is needed because we have to be careful in expanding so rapidly on the basic concepts of the cooperative movement to insure that the whole system of cooperatives does not get public sentiment turned against the movement, as has happened with so many other big government programs.

Look back over history and recall the good intentions of the people who started the food stamp program, remember the good intentions of the people who started the various welfare programs, and recall the good intentions of those people who started the various governmental subsidies toward business—and we discussed some of those subsidies yesterday. But somewhere down the line all these well-intentioned programs eventually got so big and so bureaucratic in their nature that the majority of people has turned against them.

Both the proponents and opponents of this amendment have spoken about their support of the cooperative movement generally. So what we want to do in expanding on the cooperative movement is to do it in a way so we know what we are doing and so it does not get so big and so expensive and so bureaucratic that down the road 10 or 15 years the majority of the American population turned against the cooperative movement.

That is why this study is needed. No real effort has been made to find out where and how the consumer cooperatives can best operate. No real effort has been made to find out what kind of financial assistance the cooperatives really need. No real effort has been made to find out what the capitalization of the proposed bank should be. Remember, overnight the requirements changed from $1 billion to $0.5 billion, but no evidence explained why the needs had dropped so suddenly. Nor has any effort been made to determine how much help is needed to get cooperatives set up or who can make that assistance which would be directed or what agency should administer the self-help program.

As in the capitalization of the bank, a number was picked from the air to decide how much money to provide and an agency was picked from the Government manual to decide how the program was to be administered.

Then, too, consider all the questions raised by the Carter administration on this bill and its opposition to it and remember the Democrat President does not have a reputation for being conservative.

With all these questions that have been raised as this bill has found its way down the congressional path to enactment, I think there have been enough questions raised to indicate that a study is needed,

but more importantly the study is needed because without that study there may be such a rapid expansion and such ill effects come from that expansion that the whole cooperative system will be in jeopardy, and that will be bad for business, and that will be bad for the consumer, and that will be bad for the producer, and that in the end will be bad for all America.

I ask the Members to adopt this amendment.

Mr. REUSS. Mr. Chairman, I rise in opposition to the substitute amendment.

Mr. Chairman, this has been a joyous debate, with many a thrust and parry. And if we have to come in early on a Thursday morning, why not let the adrenalin flow a little bit, as we are letting it flow a little bit this morning?

This is something of a watershed for HENRY REUSS, the man in the well, because I do not think there has been until this morning a more loyal supporter of the administration of the Honorable Jimmy Carter. My files are heavy, and my walls are paneled, with expressions of gratitude for my loyalty to the administration.

But I feel rather good about jumping ship, I feel rather good about leaving the ranks of the admirable students this morning, because I think the issue is one on which I would like to be recorded as in opposition to the administration.

The administration is now asking us to spend—and I helped them, may God have mercy on my soul—$5.2 billion for the international banks; $600 million a year for the biggest banks in the United States. But it is not willing to provide even chicken feed for the cooperatives.

Our cooperative bill, it seeems to me, is a bill in accord with the philosophy of the day. The American people—and if the Members have been home I am sure they know it—are sick unto death with big government, with big business, with big unions, and with big organizations.

They want to have a little feeling of participation. They want to have some control over their own destiny. And what better way of doing that is there than to let them form business organizations of their own, and make their own way?

Many a city neighborhood has seen its chain supermarket disappear. Why not help the neighbors form a food cooperative.

Many a country town has lost population, and desperately needs a health cooperative so that it is able to get decent medical care for the folks who remain. They ought to be helped to do that.

If there is one program the administration is flubbing in a most ignominious manner, it is the war on inflation. There is no program.

I cannot imagine anything better than to give the American people a few arrows, a few weapons in their arsenal to fight the good fight against inflation. Let us help them do something about the cost-of-living, about narrowing the spread between what they have to pay and the wherewithal with which they have to pay it.

Now, we are told that the administration has sent up a substitute, the $20 million task force. I commend the loyalty and faithfulness of the gentleman from New York (Mr. LAFALCE) for bringing this rather tawdry piece of paper here this afternoon. The administration wants to give $20 million over a 2-year period to fund a study, indeterminate in extent, ambiguous in membership, and rather hard to decipher in terms of what it is supposed to do. If any of the $20 million is left over after the task force's delicious lunches at the Smithsonian, after their restful weekend out at Airley House in Virginia, or whatever these anonymous gentleman or ladies will have on their minds after they are appointed—if anything is left over—this will go into a loan program, perhaps a heavily subsidized one for the cooperatives.

This kind of thing, I will use the excellent word of Walt Disney and the gentleman from Ohio (Mr. WYLIE), this Mickey Mouse of a program is precisely what got Congress a miserable reputation in the 1960's, when we turned out all kinds of underfunded, asinine programs. All these programs did to the American people was to convince them that Congress was kidding.

Let nobody here this afternoon think that he or she is going to curry favor with the cooperative movement by a $20 million substitute. I polled the leaders of the cooperatives in this country, and as one they have denounced the administration substitute as a farce, a fake and a fraud.

So nobody will profit by voting for the substitute. If we want to do the right thing and if we oppose cooperatives, do what the gentlewoman from Ohio (Ms. OAKAR) says, vote against the bill on final passage.

As the poet has said:

Yet each man kills the things he loves,
By each let this be heard,
Some do it with a bitter look,
Some with a flattering word.
The coward does it with a kiss,
The brave man with a sword!

If you are against the cooperative bill, vote against it bravely, with a sword. But do not try to curry favor with a kiss, even a $20 million kiss.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to address several questions to my colleague, the gentleman from California (Mr. ROUSSELOT).

First of all, I wanted to respond to my friend, the gentleman from Wisconsin. I think the gentleman is trying to paint the question in a black and white situation, where if you are for the cooperatives you go in one direction, and if you are against them you go in another direction. The facts are otherwise and reasonable minds can differ on the LaFalce amendment.

I happen to favor cooperatives. I will not allow myself to be painted into that corner; but before I make up my mind, I would like to have several questions answered, because I originally came to this floor with sympathy for the concept of a cooperative bank. I have listened to the entire debate, as is my custom on legislation.

I do have two questions. First of all, it is my understanding that the first time around the ACTION agency was not even involved. I am wondering how ACTION all of a sudden became so important to this bill. This issue is very critical to a person like myself, because there are very few of the 1,900 agencies in the Government to which I give any less credibility, any less respect, have any less support of the people administering it or their past record, than the ACTION agency.

Could my friend from California indicate how, all of a sudden, Mr. Brown and his claptrap down there have come up in the world to be involved in administration of this important program?

Mr. ROUSSELOT. If the gentleman will yield——

Mr. ASHBROOK. I sure will.

Mr. ROUSSELOT. The gentleman really probably should better direct the question to the gentleman from Rhode Island (Mr. ST GERMAIN), my distinguished chairman. It was put in about the second or third version of the bill.

Let me say first that the ACTION agency was not in the original bill which we considered last year. It was put into the bill that came before the full committee. Now, as to the reasons ACTION was selected I cannot answer, because they are having great difficulty in administering the funds they now have.

We learned from the Committee on Aging, which went into some of the programs that ACTION oversees involving older Americans, that the ACTION agency had conducted something over 200 audits of the 800-odd grantees—about 600 grantees were not even audited. The Committee on Aging's review of the ACTION audits reveal that there are funds for which ACTION cannot account in those programs for the senior citizens.

It seems rather strange to me that we would put an agency in charge of a portion of this program when it cannot even keep track of many of the funds it now has. It is highly imprudent, in my judgment, to give the ACTION agency an oversight responsibility when it cannot even keep track of many of the funds it now has.

Now, the gentleman from Ohio is a member of the Labor and Education Committee. Can he tell us how the ACTION agency has responded when this committee has requested audits on that subject?

Mr. ASHBROOK. Well, let me indicate that my friend from California continues his conservative reputation by inferring that ACTION is having great difficulty.

Mr. ROUSSELOT. I am conservative.

Mr. ASHBROOK. I would say that is a very conservative estimate of the plight that particular agency finds itself in.

Mr. ROUSSELOT. I want to make it clear that ACTION is only involved in the self-help development fund part of this bill. So, it does not have oversight over the cooperative bank itself, but one can imagine, if it has responsibilities for the self-help development fund, a quarter of a billion dollars, and if it handles that responsibility in the same way it has handled some of the other programs the gentleman has had oversight over,

one can imagine the scandals that could take place.

What really startles me is that, here is really an organization that is supposed to be set up to assist cooperative organizations with a banking function, and we are putting an agency in charge of one portion of this bill which has great difficulty in doing audits on its own programs. The General Accounting Office has stated that ACTION does not have an accounting system which meets the requirements of the Budget and Accounting Procedures Act of 1950.

Mr. ASHBROOK. Let me respond and say that at the very minimum, we should establish the fact that they have shown little if any expertise that would indicate that they deserve the added responsibility that would be given to them by this particular program or any program for that matter.

Mr. ROUSSELOT. I think one of the members of the gentleman's committee said that they have a minimum of high regard for the ACTION agency.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent Mr. ASHBROOK was allowed to proceed for 2 additional minutes).

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield.

Mr. ST GERMAIN. I thank the gentleman for yielding to me. I am glad the gentleman from California did clear up the fact that this is not the agency that would exercise oversight over the bank, but rather it would administer the self-help fund.

Mr. ASHBROOK. That agency would raid the bank, not administer it. Is that what the gentleman is saying?

Mr. ST GERMAIN. No. There are two separate functions under the legislation. The bank would have 13 directors, a majority to be appointed by the administration. Actually, in yesterday's RECORD, if the gentleman would check page H7024, I say:

> Mr. Chairman, the minority, in its report, raised questions about past administrative difficulties in ACTION. As you know, the problems cited by the minority were in a previous administration and occurred long before the present director and his staff took over at ACTION.
>
> While we on the Democratic side may appreciate this confession on the part of the minority party, this is hardly pertinent as it relates to the new ACTION Agency and the assignment of the self-help development fund.

Mr. ASHBROOK. Which will be worse.

I would like to point out to my colleague that I am very pleased to have the reference to the previous administration, because I did not particularly agree with them either. But anybody who thinks the agency as now constituted under the leadership of Sam Brown and the staff of radicals he is assembling is going to do a better job is to believe in the tooth fairy.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. I thank the gentleman for yielding.

Mr. Chairman, I would like to assure the gentleman that there is a new direction over at ACTION. The gentleman who is now in charge used to be the treasurer of our State. He did a very good job of overseeing payments and of helping some of the cooperatives in getting funds in our State.

Mr. ASHBROOK. I am aware of the gentleman. He is a part of what they call the new radical left on the inside rather than on the outside. I can recite Mr. Brown's pedigree further on the floor, if that is what is desirable.

Mrs. SCHROEDER. If the gentleman will yield, I think the gentleman should look at what he did in performing his duties and not to hold him accountable for what the prior administration did in ACTION.

Mr. ASHBROOK. What about holding him accountable for what he says, what he has done, his radical activism? Is there anything wrong with that?

Mr. ROSE. Mr. Chairman, I move to strike the requisite number of words.

I rise in opposition to this substitute for what may be a narrower reason than some of the Members have heard expressed here this morning. The second section of the substitute reads as follows:

> The Task Force is directed to make a comprehensive study of the relationship of cooperatives to the economy and to existing Federal programs.

I say to my colleagues who represent rural areas of this country that we better be careful. Do we want an interagency task force appointed by the executive branch of Government going around and looking into the agricultural cooperatives of this country?

Mr. LAFALCE. Mr. Chairman, will the gentleman yield?

Mr. ROSE. I yield to the gentleman from New York (Mr. LAFALCE).

Mr. LAFALCE. I thank the gentleman for yielding.

Mr. Chairman, yesterday the gentleman approached me and shared his concern with me on this question. I tried to assure him that that was not the intent of my amendment nor of the administration.

I consulted with the administration, and I received firm assurance of this fact and, to cooperate with the gentleman, changed section 2 so that in the section the gentleman is reading is contained the following:

> As used in this title the term "cooperative" shall mean a cooperative eligible for assistance under the Cooperative Assistance Loan Program authorized by Section 3 of this act.

Mr. ROSE. That is right.

Mr. LAFALCE. And in section 3 of this act we specifically exclude from eligibility and from study certain cooperatives, and it reads:

> No cooperative shall be eligible under this section if it is eligible for financial assistance from the Rural Electrification Administration, the National Rural Utilities Cooperative Finance Corporation, Rural Telephone Bank, the Banks for Cooperatives or other institutions of the Farm Credit System, or if it is a credit union, mutual savings bank or mutual savings and loan association.

Mr. ROSE. Mr. Chairman, I sincerely appreciate my colleague's statement, and I note his sincerity in pointing that out.

But the gentleman does not cover everybody. He does not cover marketing and farm purchasing cooperatives. I have a list here, if my colleagues from the South want such a list, of the marketing and purchasing co-ops in the Southern States that are going to be open to investigation, even though the gentleman has graciously let out the REA's and the telephone co-ops.

I think this is a can of worms that some of us who represent rural areas and who have rural co-ops in our districts just do not want to kick over. If we need to investigate co-ops, let us do it ourselves, but let us not turn it over to somebody on a board—and God knows who that might be—and give them a hunting license downtown.

Mr. LAFALCE. Mr. Chairman, if the gentleman will yield further, I fully understand the concern of the gentleman from North Carolina (Mr. ROSE), and I share his concern, but I think he should try to understand precisely what we are doing here.

This came about because of an attempt to create a new three-quarters of a billion dollar program. All that the administration has said—and I am advancing the administration's proposal—is that we want to help cooperatives, but let us look before we leap. Let us look to see what present programs are now available to help cooperatives, and let us look to see what additional benefits are needed and what improvements in existing programs should be made.

The Assistant Secretary of the Treasury has absolutely assured me that they only intend to determine how cooperatives can be given additional benefits within the existing framework, if they are needed or if they can be added, and then if that is not feasible, perhaps we can go to some new framework, such as the National Consumer Cooperative Bank.

That is the entire thrust of this amendment. I know that a strong effort has been made to paint this proposal of the administration's as a counterattack against cooperatives in general. Nothing could be further from the truth.

Mr. Chairman, I ask the gentleman not to succumb to some remote, theoretical possibility, not to succumb to the scare tactics advanced by the opponents of this amendment.

Mr. ROSE. Mr. Chairman, I thank the gentleman for his sincerity. I am sure he is sincere in what he said, but I know that there are many ghosts in the woodwork and many people hiding behind trees in all parts of our country and our Government waiting for an opportunity to do in the farm co-ops of this country.

I say to my farm friends that they should remember this: If we do not remember the consumers and the cooperatives who are asking for this legislation, they may very likely at some future time forget us.

The CHAIRMAN. The time of the gentleman from North Carolina (Mr. ROSE) has expired.

(On request of Mr. ROUSSELOT and by unanimous consent, Mr. ROSE was al-

lowed to proceed for 1 additional minute.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. ROSE. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, the gentleman certainly does not believe that President Carter, who himself has been involved in many farm cooperatives and has had an administrative position in cooperatives, would be out to "do in" cooperatives, does he? Does he really and sincerely believe that?

Mr. ROSE. No; I am sure that he would not.

Mr. ROUSSELOT. Then I am sure the gentleman would agree that the administration—from Treasury and from the Office of Management and Budget—are sincere in their effort to support the LaFalce proposal to study and to see what the areas of need might be, and that they are genuinely sincere in that search. They certainly were sincere in their testimony before our committee.

Mr. ROSE. Yes; I do not question their sincerity.

Mr. ROUSSELOT. That is why I supported their position.

Mr. ROSE. I listened to the testimony before the committee, and one of the things that was brought out was that they were going to look at the tax angles and the tax advantages. I do not think any of us want a hunting club from downtown going around the country doing this.

Mr. ROUSSELOT. That is absolutely correct, but it does not relate to the items the gentleman from New York (Mr. LAFACE) has listed. The study cannot expand beyond the class of eligible cooperatives.

Mr. McCLOSKEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the issue put forth in this amendment is a close question for me.

I was a cosponsor of this original bill for one reason, and that reason was that the housing cooperatives in my congressional district cannot get reasonable financing from their local banks for the resale of a housing cooperative unit.

I take it that it is a goal of this Congress and a goal of this Nation to try to allow as many of our people to own their own homes as is conceivably possible. That has been a goal of this country ever since I can remember.

I was interested the other day to read a quotation by Daniel Webster in 1820 when he addressed the Massachusetts Constitutional Convention. He said that if we wanted to have a society of law and order we should have a society where as many of our people own property as possible, because he who owns property has respect for that law which protects his property. Webster put it this way, and I quote:

> In the nature of things, those who have not property, and see their neighbors possess much more than they think them to need, cannot be favorable to laws made for the protection of property. When this class becomes numerous, it grows clamorous. It looks on property as its prey and plunder, and is naturally ready, at all times, for violence and revolution.
>
> It would seem, then, to be the part of political wisdom to found government on property, and to establish such distribution of property, by the law, which regulate its transmission and alienation, as to interest the great majority of society in the protection of the government. This is, I imagine, the true theory and the actual practice of our republican institutions.

If our goal is to have people own property, then the housing cooperative is a very important aspect of our national policy, because today an incredible number of young people cannot hope to own homes except through a cooperative means of operation.

What has happened in my congressional district is this—and I would like to, if I can, stimulate debate on this particular situation. First, I would like to read a letter from a constituent—and I have received a number of these letters:

> DEAR MR. MCCLOSKEY: The problem regarding selling co-op housing units is a long-standing and serious one to those of us who own these units. We can not now sell our units at a fair market value because banks will not now make second mortgages using the share of stock as collateral. We need help so that our homes do not continue to devaluate in an area of rising home values.
>
> Sincerely,
>
> ——— ———.

What has happened in my area, the southern San Francisco Peninsula area, is that homes that were purchased for $60,000 2 years ago are now costing as much as $95,000. If you had a cooperative unit purchased say 10 years ago which was purchased for $40,000, it may have appreciated in value to $80,000. The co-op mortgage may still be at a level, say, of $35,000, but no one can put a downpayment of $55,000 to buy that cooperative unit, so the cooperative unit has a market value well below that of comparable units nearby.

If a bank will not make this kind of loan, then this amendment, with its study proposal, is not going to help any of these people.

So I would ask the authors of the amendment: What will the study do over the next 2 years, when I have literally hundreds of people in my district who cannot sell their cooperative unit at the prevailing market price because it requires a second mortgage and no bank will make a loan on a second mortgage. If that is true, it seems to me the reason for this bill is paramount and the amendment defeats the purpose of this bill.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I will be glad to yield if the gentleman can tell me what remedy this amendment will have for my problem.

Mr. BROWN of Michigan. First of all, Mr. Chairman, that is not what the gentleman's problem was; the problem was that there was a cooperative unit.

Mr. McCLOSKEY. That is correct, and it cannot be resold, because no bank will finance it.

Mr. BROWN of Michigan. The gentleman said that there was a cooperative unit and the gentleman said the price has gone up and it cannot be sold. Let me state that we have a provision on housing and community development that is presently before a committee of the Congress that will permit a cooperative that is insured, as the gentleman is talking about, to spinoff that unit and qualify for a loan.

Mr. McCLOSKEY. By spinoff does the gentleman mean he has to give up his membership in the cooperative?

Mr. BROWN of Michigan. I thought the gentleman said he wanted to dispose of the unit.

Mr. McCLOSKEY. No, no; the person who buys the unit would then become a member of the cooperative. Then the gentleman said that under the new law it would require him not to be a member. How do you segregate 400 co-op units?

Mr. BROWN of Michigan. The gentleman is talking about someone buying into the cooperative?

Mr. McCLOSKEY. That is correct. The problem is that these apartments sit side by side; one is a cooperative unit and one is not.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. ROUSSELOT, and by unanimous consent, Mr. MCCLOSKEY was allowed to proceed for 3 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. Mr. Chairman, I will be glad to yield to the gentleman from California (Mr. ROUSSELOT). I believe this has been a classic debate. It makes me proud to be a Member of this Congress in listening to the debate that has gone on over the past several hours. There are a number of colleagues among those in Congress whom I most respect who are on both sides of the issue. It is a very close issue.

But, can the gentleman from California (Mr. ROUSSELOT) tell me what we can do for owners of cooperative units under his amendment?

Mr. ROUSSELOT. Yes. First of all, this proposed legislation is not directed to housing alone, either the LaFalce amendment in the nature of a substitute or the St Germain proposed bill, although the purpose of the St Germain bill and the LaFalce amendment in the nature of a substitute encourage a better understanding of financing for cooperative organizations.

Mr. McCLOSKEY. I would ordinarily share that view.

Mr. ROUSSELOT. Let me be specific. We pay, under certain sections of HUD, already for cooperative housing.

Mr. McCLOSKEY. But will it cure the problem I have?

Mr. ROUSSELOT. This is where refinancing and all basic loans can be made for housing cooperatives. I myself at one time for 2 years was with the Federal Housing Administration. They had a whole separate section relating to cooperative housing. Those programs are still in place, and although I do not know all the specifics of the example the gentleman has mentioned in his own district, I would be more than willing to go with him to HUD to see if some form of financing was in fact not available for the individual who wanted to enter in that cooperative housing agreement. I do not believe it is that difficult under the present laws that exist, but I can assure the

gentleman that his legislation, or the LaFalce substitute, really does not direct itself specifically to housing.

Mr. McCLOSKEY. Let me comment on that answer, if I may. I know of no single governmental program which permits Government assistance to a second mortgage on top of the existing loan that has been guaranteed for the cooperative; this is the problem I have with the amendment.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. I thank the gentleman for yielding.

I would like to say to the gentleman that I speak not from theory, supposition, or any such sort of thing, but from experience. I shared the dilemma that the gentleman's constituents share. I had a cooperative apartment right here in Washington. It took me 8 months to sell it when I finally found a buyer who could afford to pay the price that had to be paid for my share in the cooperative. I personally on behalf of some other potential buyers did in fact go to HUD, did in fact call financial institutions, and was told, no, they would not finance that share.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. ST GERMAIN, and by unanimous consent, Mr. McCLOSKEY was allowed to proceed for 3 additional minutes.)

Mr. ST GERMAIN. If the gentleman will yield further, may I further state I have no idea what this $20 million is going to be used for. I do not know how much of it is going to be used for superagents, supergrades, and what have you. But I know that under the bank in the bill reported by the full committee, the gentleman's constituents would be eligible to apply to this bank.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from Ohio.

Mr. STANTON. I thank the gentleman for yielding.

I basically have two questions for my friend in the well, the gentleman from California. First of all, I do not know how long he has had these letters or why they were not turned over to our minority staff on housing. Did the gentleman really check through on that?

Mr. McCLOSKEY. As I say, this is the sheaf of letters here, and I am sorry that I did not check with the committee staff before this debate because the debate came on fairly soon.

Mr. STANTON. The second question is in all honesty with the gentleman—and I think the gentleman makes an excellent point—I think under this substitute, which is a study of the problems of cooperatives, that I would do all that I could personally to assure the gentleman that this No. 1 subject, involved as the gentleman's constituents are in consumer cooperative housing in specific instances, would be at the very top of the list of the subjects which this special legislation refers to.

Mr. McCLOSKEY. Let me ask the gentleman a question. This cannot be unique to my district—this increase in property values that has occurred over the last 2 years, as construction costs have gone up with existing housing and existing cooperatives skyrocketing, and property taxes going up. What we have are these cooperative housing units sitting side by side with solely owned units at the same value, but at a much less marketable price, because nobody can come up with the necessary money for the downpayment, particularly young couples. If I thought this amendment would cure the problem, I would vote for it.

Mr. STANTON. I will be honest with the gentleman. I have said what I think the substitute can do. I do not know if really either legislation is going to help the gentleman's constituents particularly. Certainly it is nationwide, but however the gentleman votes on this legislation, I hope he will bring it to the attention of either the majority or minority on the Housing Subcommittee and do it soon. We are right at the heart of the conference on this specific matter.

Mr. LaFALCE. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from New York.

Mr. LaFALCE. Mr. Chairman, I want to point out to the gentleman that this is a $20 million pilot loan and technical assistance program. This money is available for loans. There would be the same capacity to make loans to alleviate those problems as the bank would have.

I would also point out that under the amendment loans can be given to the extent of 60 percent of the $20 million, up to that amount specifically for housing cooperatives. They do not have to go to 60 percent. It could be considerably lower, but that is the ceiling, and it could be up to 60 percent.

The CHAIRMAN. The time of the gentleman from California (Mr. McCLOSKEY) has expired.

(On request of Mr. ST GERMAIN, and by unanimous consent, Mr. McCLOSKEY was allowed to proceed for 1 additional minute.)

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. Mr. Chairman, there is a difference between the pilot project and the bank. Under the pilot project let us assume that it would be possible for a limited number of mortgages to be assisted for coop housing. That would end right there, they would have to retain those, whereas under the bank, the bank could then sell those mortgages to other financial institutions and thereby reinfuse new funds into the bank. There would be a real multiplicative factor which we do not have under the pilot program.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, first of all in neither bill, in neither the substitute bill nor the other bill, is there any specific language about second trusts. So I do not think anybody should be misled into thinking that by passage of either the LaFalce substitute or the St Germain bill that there is going to be a great easing of the problem of the second trusts as that relates to coops.

There are 17 programs now that deal with cooperatives and mortgages.

The CHAIRMAN. The time of the gentleman from California (Mr. McCLOSKEY) has expired.

(On request of Mr. LaFALCE, and by unanimous consent, Mr. McCLOSKEY was allowed to proceed for 1 additional minute.)

Mr. LaFALCE. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from New York.

Mr. LaFALCE. Mr. Chairman, I want to point out we have not had either in the Housing Committee or the Financial Institutions Committee any study of the problem of coops. It is a great problem. Certainly some of the 17 programs we do have must be reexamined so we can come to the assistance through those programs of housing coops throughout the United States. That is what this amendment would do.

Mr. CAVANAUGH. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the LaFalce substitute.

Mr. Chairman, it is with some concern that I rise in opposition to my distinguished chairman of the committee and my well-respected chairman of the Subcommittee on Financial Institutions. I would like to assure the distinguished and eloquent chairman of the committee that although I do rise in opposition to his support of this legislation, it is not with any desire to either kiss him or to stab him. It is rather out of my concern for the justification and validity of the foundations upon which this legislation has been developed.

Throughout the course of this legislation, as a new Member of Congress, I have been repeatedly assured that it is because I have not been here for the past 8 years to understand the history and development of this legislation that I do not appreciate its necessity and validity today. I suppose that I should apologize for not having been here for the past 8 years, but it is my understanding that the system we have devised is to create a new Congress every 2 years, and so the actions and conclusions and presuppositions of previous Congresses are not binding upon subsequent ones.

The fact is that the justification for this legislation has not been presented to this Congress. The motive and the aspirations of the chairman of the committee and the chairman of the subcommittee are legitimate and valid. The problems of the inner city deterioration are pervasive throughout the country and afflict cities such as Omaha as well as New York City and Detroit and Philadelphia. There are problems in desperate need of solution, but they are not problems in need of the same types of solutions we have attempted to propose and have found this Congress has failed with so many times in the past, and that is the creation of a new program to hope to address superficially a very substantial problem.

That is exactly what we are doing here. What we are doing here is saying that there is a lack of availability of capital in the inner cities but that there is an unwillingness on the part of the financial institutions to invest their capital in the inner cities.

There is an unwillingness upon existing financial institutions to invest in the capital of inner cities; but we have not asked why and we have not asked whether it is a legitimate withholding of funds by those existing institutions and we have not asked how will we address the fundamental problems that caused that withholding of funds. We have simply said we will provide an availability of funds. An availability of funds without addressing the fundamental problems that caused the withholding of those funds from existing financial institutions is a superficial and, I think, disastrous course to follow.

What the gentleman from New York offers and what the Administration offers is a recognition of that, of the very all-encompassing nature of the problems that confront our inner cities and not simply a lack of willingness or understanding by existing financial institutions.

The financial institutions in the State of Nebraska have for several decades, lived with the concept of cooperatives. They understand them. They have cooperated with them. They participate fully in them in the State of Nebraska. That may be a unique situation versus other States in relation to financial institutions and cooperatives; but we are no longer at the birth of cooperatives. They are well understood in commerce. I think there is reluctance mounting with regard to them in the inner cities, not because they are cooperatives but because they are investment vehicles for housing and commerce which are not justified in the absence of cooperatives, because they cannot financially survive. That is due to many other causes; social, economic, and physical decay, which the simple providing of the availability of money will not remedy or address. We have to address these problems of the city in some comprehensive manner. We have to integrate the availability of capital into that comprehensive address of the problems. This bill simply does not do that.

The gentleman from New York (Mr. LAFALCE) and the Administration at least provide us with some intelligent way to proceed, rather than simply some superficial solution to a very significant problem.

Mr. BROWN of Michigan. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, there is no way I could state the case for the LaFalce amendment better than the way in which the gentleman from Nebraska (Mr. CAVANAUGH) has stated it. It was very eloquent.

We have somehow gotten into a condition in the Congress where we believe if we almost willy-nilly get a big enough pile of money, throw it at the problem, that everything will be resolved. That just "ain't the case."

The need of financing, of capital for cooperatives, varies tremendously both in amount and in kind. Not every cooperative is the same, not every cooperative needs the same type of financing. The needs are not the same. That is why it is important that we pursue that which is contemplated by the LaFalce amendment and that is let us find out, let us look more specifically at what the problem is and what different problems we have, then address that need in a way that is direct, that is effective.

Now, for the chairman of the full committee to suggest that if we do not blindly support the bill as reported to the floor of the House in the way it was reported to the House, regardless of in whom we believe, or else, be considered as enemies of cooperatives, is pure, utter hogwash, and the gentleman knows it.

The farm credit system that has been established was not established in one piece of legislation. The PCA's, the Federal land banks, and so forth, these programs were not one piece of legislation. They resulted from studies to meet specific needs in the agricultural community; so to try to say that this legislation is good because we have a good farm credit system again is hogwash.

A personal experience I have had also, I think, brings this to the fore. I was reminded of it when I read the words of last year, I believe, of our friend from Texas (Mr. GONZALEZ). He said:

> The small businesses of this country—the independent grocers, the neighborhood garages, and the radio and TV repair shops would bear the brunt of the competition financed by this bank . . . There is some irony in this: with one hand, through the Small Business Administration, the Office of Minority Business Enterprise, and through other devices, Congress encourages the creation of small business. Now we propose to create a bank with a billion dollars worth of tax resources to set up operations to take over or compete directly with those very same businesses.

His words are especially pertinent since in the full committee the legislation was charged to designate action as the agency to oversee this operation. It reminded me of a problem a few years back, in the sixties, on the north side of Kalamazoo in my district, when the north side was deteriorating very badly—an inner city so far as Kalamazoo was concerned. Two members of the black community, brothers, decided, because they had had some experience in the retail trade, to set up a grocery store because it was difficult to get business to go into that area. They came to me and we went to the SBA, and we were able to get them an SBA loan. They started a very thriving business; they were doing well and were providing a real service to that area of the city.

Under the OEO program the predecessor to ACTION, along came the people from the Community Action Agency to set up a cooperative grocery store. All the salaries, all those things, were funded through the program. There was no way for these brothers to compete with an operation substantially subsidized by the same Federal Government that had made it possible for them to commence their business.

The record will not show, but I would state it so that it will show, that probably fewer than 25 or 30 Members are on the floor at this time, and so probably my remarks are of little use, because I do not think there is a single Member here who has not made up his or her mind.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(By unanimous consent Mr. BROWN of Michigan was allowed to proceed for 1 additional minute.)

Mr. BROWN of Michigan. I would just urge my colleagues who are present, if they wish to do the best thing for cooperatives, to support the LaFalce amendment so that we can truly determine the needs, find cost-effective ways to assist them, and make sure that the cooperative movement in this country is supported and not hampered, which I think would be the case should the original legislation, the basic legislation before us, pass.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Ohio.

Mr. STANTON. The gentleman has pointed out a good parallel between the proposed legislation and the work of the SBA, but I would like to reiterate that this money that comes in this bill, we take out of the SBA money that we have already appropriated, according to the congressional budget. We take it directly away.

Mr. BROWN of Michigan. I thank the gentleman.

Mrs. BURKE of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the substitute amendment.

Mr. Chairman, I am not going to make the accusation that those who support this substitute are anticooperative, but I think the gentleman from Michigan has very well stated the great fear that pervades the Chamber over this legislation. There seems to be some fear that by giving this opportunity for capital, we will place new cooperatives and existing cooperatives at some kind of an advantage over small businesses. Nothing could be further from the truth. The fact is that the reason the Osmon brothers moved into Kalamazoo in that small grocery store was because there was not enough profit for big business to desire to retain their business there. There are many areas where there just is not enough opportunity for profit to attract business. Small business often goes in, and one out of three, we know, does not make it. There is just not a sufficient margin of profit to attract business and to be able to allow that business to survive.

There are some things we also know that we do not have to pay $20 million for a study to find out. We know that there is not capital available to cooperatives. We know that banks are afraid to fund inner city cooperatives. One of the reasons I took the time of the House to make a statement is that sometimes we get so involved in talking about cooperatives in terms of farm cooperatives and rural America, that we overlook the one place where we need the cooperatives—and that is the place where there is no

profit, it is a place where there is a need for service, and that is in the inner city where you can go for miles and miles and miles and all you see are people but you see no services; you do not even see a grocery store.

They have been reluctant to make loans to cooperatives which are small and new. Commercial banks often see cooperatives as unconventional. Bank directors and loan committees come largely from the profitmaking sector solely. They are all too often, therefore, unfamiliar with cooperative enterprise funding.

In California we find there is a discriminatory lending pattern against cooperatives no matter how successful. I would like to cite the Berkeley cooperative, which was there when I graduated from high school and when I went to college. That cooperative has existed over the years. It has been successful. It has 80,000 family members, $4 million in equity, about $80 million in sales, and they were refused a $600,000 loan. This is evidence that there is a great fear by our lending institutions to provide the kind of capital that is needed, particularly in food markets and inner city services. The criteria for determination has nothing to do with whether or not it is a good loan or a bad loan. That is one of the reasons we have to have some alternative financing mechanism for the impetus to these highly successful co-ops.

The California Department of Consumer Affairs has compiled research which indicates there are some 300 cooperative food stores and buying clubs in California serving over one-half million citizens. Participants save up to 30 percent of their food bill from utilizing these cooperative food markets. But how do you start one up in an area where you need one? Unfortunately, it takes almost $200,000 to start up a neighborhood grocery store. But the most a cooperative can put together from members via individual loans and contributions is approximately $2,000 in a facility.

The need for capital is real. It is the name of the game, in terms of providing any service, no matter where it is, and it has not been met. We can study it and study it and study it, but we are not getting over what is the basic complaint, which is this tremendous fear that we are setting up a competitor to small business. I say that small business has had an ample opportunity, and there are some places where they cannot serve, there are aras in which they cannot exist and prosper. What we need to do now is stop talking, stop studying, and provide some assistance to people who need it, who will be able to pay the bill.

Some cooperatives have been established in areas where no one would believe that they could be a success. But they are so crowded that people cannot get into them.

The CHAIRMAN. The time of the gentlewoman from California (Mrs. BURKE) has expired.

(On request of Mr. ST GERMAIN and by unanimous consent, Mrs. BURKE of California was allowed to proceed for 2 additional minutes.)

Mr. ST GERMAIN. Mr. Chairman, will the gentlewoman yield?

Mrs. BURKE of California. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. I thank the gentlewoman for yielding.

Mr. Chairman, I want to sincerely commend the gentlewoman for expressing her feelings to the Members of the House. The gentlewoman has supported and has worked for this legislation. The gentlewoman has spoken very eloquently and she has spoken from fact and not from fiction.

Mr. Chairman, if the gentlewoman will yield further, I want to inform the House that as far as taking money from SBA is concerned, we did in fact check this out with the Committee on the Budget.

I have a letter dated July 11, 1977, that is addressed to me, and this is what it says:

This is in reply to your recent letter concerning proposed legislation to establish a National Consumer Cooperative Bank (H.R. 2777).

Action taken during the Budget Committee's mark-up of the First Budget Resolution represented the Committee's expectations as to probable Congressional and Presidential action to establish and fund the Bank during FY 1978. Although, for convenience, the SBA loan proposals and the National Consumer Cooperative Bank proposal were considered simultaneously—as measures aimed at mitigating perceived private capital-market deficiencies—there is no direct connection between them.

The governing amounts are the targets for budget authority and outlays established by Congress in the First Budget Resolution for FY 1978, function 400 (Commerce and Transportation)—$20 billion in budget authority and $19.4 billion in outlays. However, since H.R. 2777 provides solely for an authorization for subsequent appropriations, the question of the relationship of funds for the Bank to the overall budget targets will arise only in connection with subsequent appropriations action that may be considered by the House.

I hope these comments will be helpful. Please let me know if I can provide you with any further information.

Sincerely yours,

ROBERT N. GIAIMO,
Chairman.

So, Mr. Chairman, this should lay to rest that particular argument.

Mrs. BURKE of California. Mr. Chairman, let me also emphasize one other thing, and that is that our appropriation for small business loans, both direct and indirect, are twice as great as were even requested by the administration. So I would say to those Members who feel that is a good argument that even if we did pull money from the present appropriation, we would not be placing the small business community at a great disadvantage.

The CHAIRMAN. The time of the gentlewoman from California (Mrs. BURKE) has expired.

(On request of Mr. WYLIE and by unanimous consent, Mrs. BURKE of California was allowed to proceed for 30 additional seconds.)

Mr. WYLIE. Mr. Chairman, will the gentlewoman yield?

Mrs. BURKE of California. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, I want to compliment the gentlewoman from California (Mrs. BURKE) for her excellent statement, and I wish to say I associate myself with her remarks.

An area which I have in mind that could be helped is in Columbus, Ohio. The people there cannot buy their merchandise at what were once mom-and-pop stores or supermarkets. If they shop at supermarkets they have to drive to shopping centers. They either have to use precious gas to shop at a chain store or go to other stores, and most of those other stores are of the 24-hour-a-day, carryout type, and the merchandize is usually expensive.

Mr. Chairman, I compliment the gentlewoman for her statement and would say that we do not need any further study to see that what she says is true. I have seen the need with my own eyes because I have driven through those neighborhoods.

The CHAIRMAN. The time of the gentlewoman from California (Mrs. BURKE) has again expired.

(On request of Mr. LAFALCE and by unanimous consent, Mrs. BURKE of California was allowed to proceed for 30 additional seconds.)

Mr. LAFALCE. Mr. Chairman, will the gentlewoman yield?

Mrs. BURKE of California. I yield to the gentleman from New York.

Mr. LAFALCE. Mr. Chairman, although that letter was read rather quickly, it is my understanding that it merely said the issue would arise at the time of subsequent appropriations.

That is true of all the legislation we consider. We can authorize all we want, and, of course, the only real constraint from the budget resolution comes at the time of appropriations. It is also my understanding that the author of that letter, the gentleman from Connecticut (Mr. GIAIMO), will be supporting this amendment and opposing the bill.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from New York (Mr. LAFALCE).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WYLIE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 170, noes 228, answered "present" 2, not voting 33, as follows:

[Roll No. 414]

AYES—170

Abdnor	Bennett	Cochran
Alexander	Bevill	Coleman
Anderson, Calif.	Bowen	Collins, Tex.
	Breaux	Corcoran
Anderson, Ill.	Broomfield	Crane
Andrews, N.C.	Brown, Mich.	Daniel, Dan
Andrews, N. Dak.	Broyhill	Daniel, R. W.
	Buchanan	Delaney
Archer	Burgener	Derwinski
Armstrong	Burke, Fla.	Dickinson
Ashbrook	Burleson, Tex.	Dornan
Ashley	Burlison, Mo.	Downey
Badham	Carter	Duncan, Tenn.
Bafalis	Cavanaugh	Edwards, Ala.
Barnard	Chappell	Edwards, Okla.
Baucus	Clausen, Don H.	Erlenborn
Bauman		Evans, Colo.
Bedell	Clawson, Del	Evans, Del.

Evans, Ga.	Lott	Ruppe
Fish	Luken	Russo
Fithian	Lundine	Satterfield
Florio	McClory	Sawyer
Flowers	McDonald	Schulze
Flynt	McEwen	Sebelius
Fountain	McKay	Seiberling
Frey	Madigan	Sharp
Giaimo	Mahon	Shuster
Glickman	Marks	Sisk
Goldwater	Marlenee	Skelton
Gonzalez	Marriott	Skubitz
Goodling	Martin	Smith, Nebr.
Gradison	Mathis	Stangeland
Grassley	Mattox	Stanton
Gudger	Mazzoli	Steed
Hagedorn	Michel	Stockman
Hanley	Milford	Stratton
Hannaford	Miller, Ohio	Symms
Hansen	Mitchell, N.Y.	Taylor
Hightower	Mollohan	Thompson
Horton	Moore	Thone
Howard	Moorhead, Calif.	Thornton
Huckaby		Treen
Hughes	Myers, Gary	Trible
Hyde	Myers, John	Vander Jagt
Ichord	Neal	Volkmer
Ireland	Nowak	Waggonner
Jones, N.C.	Pease	Walker
Jones, Okla.	Pepper	Walsh
Kazen	Poage	Wampler
Kelly	Pressler	White
Kemp	Preyer	Whitehurst
Ketchum	Quayle	Wiggins
Keys	Rahall	Wilson, Bob
Krueger	Rhodes	Winn
LaFalce	Robinson	Yatron
Lagomarsino	Rousselot	Young, Alaska
Leach	Rudd	Young, Fla.
Long, La.	Runnels	Zeferetti

NOES—228

Addabbo	Edwards, Calif.	McCloskey
Akaka	Eilberg	McDade
Allen	Emery	McFall
Ambro	English	McHugh
Ammerman	Ertel	Maguire
Annunzio	Fary	Markey
Applegate	Fascell	Meeds
Aspin	Fenwick	Meyner
AuCoin	Findley	Mikulski
Badillo	Fisher	Miller, Calif.
Baldus	Flood	Mineta
Beard, R.I.	Foley	Minish
Beilenson	Ford, Mich.	Mitchell, Md.
Benjamin	Ford, Tenn.	Moakley
Biaggi	Forsythe	Moffett
Bingham	Fowler	Montgomery
Blanchard	Fuqua	Moorhead, Pa.
Blouin	Gammage	Moss
Boggs	Gaydos	Mottl
Boland	Gephardt	Murphy, Ill.
Bolling	Gilman	Murphy, Pa.
Bonior	Ginn	Murtha
Bonker	Gore	Myers, Michael
Breckinridge	Guyer	Natcher
Brinkley	Hall	Nedzi
Brodhead	Hammer-schmidt	Nichols
Brooks		Nix
Brown, Calif.	Harkin	Oakar
Brown, Ohio	Harrington	Oberstar
Burke, Calif.	Harris	Ottinger
Burton, John	Harsha	Panetta
Burton, Phillip	Hawkins	Patten
Butler	Heckler	Patterson
Byron	Hefner	Pattison
Caputo	Heftel	Perkins
Carney	Hillis	Pettis
Carr	Hollenbeck	Pickle
Chisholm	Holt	Pike
Clay	Holtzman	Price
Cleveland	Hubbard	Pritchard
Cohen	Jacobs	Pursell
Conte	Jeffords	Quie
Conyers	Jenkins	Railsback
Corman	Jenrette	Rangel
Cornell	Johnson, Calif.	Regula
Cornwell	Jones, Tenn.	Reuss
Cotter	Kasten	Richmond
Coughlin	Kastenmeier	Rinaldo
Cunningham	Kildee	Risenhoover
D'Amours	Kindness	Roberts
Danielson	Kostmayer	Rodino
Davis	Krebs	Roe
de la Garza	Latta	Rogers
Dellums	Le Fante	Roncalio
Derrick	Lederer	Rooney
Devine	Leggett	Rose
Dicks	Lehman	Rostenkowski
Diggs	Lent	Roybal
Dingell	Levitas	Santini
Drinan	Lloyd, Calif.	Sarasin
Duncan, Oreg.	Lloyd, Tenn.	Schroeder
Eckhardt	Long, Md.	Sikes
Edgar	Lujan	Simon
Slack	Traxler	Whitley
Smith, Iowa	Tsongas	Whitten
Snyder	Tucker	Wilson, C. H.
Solarz	Udall	Wilson, Tex.
Spellman	Ullman	Wirth
Spence	Van Deerlin	Wolff
St Germain	Vanik	Wright
Staggers	Vento	Wydler
Stark	Walgren	Wylie
Steers	Watkins	Yates
Steiger	Waxman	Young, Mo.
Stokes	Weaver	Zablocki
Studds	Weiss	
Stump	Whalen	

ANSWERED "PRESENT"—2

O'Brien	Quillen

NOT VOTING—33

Beard, Tenn.	Fraser	Metcalfe
Brademas	Frenzel	Mikva
Burke, Mass.	Gibbons	Murphy, N.Y.
Cederberg	Hamilton	Nolan
Collins, Ill.	Holland	Obey
Conable	Johnson, Colo.	Rosenthal
Dent	Jordan	Ryan
Dodd	Koch	Scheuer
Early	McCormack	Shipley
Evans, Ind.	McKinney	Teague
Flippo	Mann	Young, Tex.

The Clerk announced the following pairs:

On this vote:

Mr. Teague for, with Mr. Burke of Massachusetts against.

Mr. Cederberg for, with Mr. McKinney against.

Mr. Conable for, with Mr. Koch against.

Mr. Frenzel for, with Mrs. Collins of Illinois against.

Messrs. BEVILL and BENNETT changed their vote from "no" to "aye."

Mr. ROSTENKOWSKI changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

FINDINGS AND DECLARATION OF CONGRESS

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. The economic and financial structure of this country in combination with the Nation's natural resources and the productivity of the American people has produced one of the highest average standards of living in the world. However, declining competition in some sectors of the economy has been a factor in creating inflation and unemployment together with an increasing gap between producers' prices and consumers' purchasing power. This has resulted in a growing number of our citizens, especially the elderly, the poor, and the inner city resident, being unable to share in the fruits of our Nation's highly efficient economic system. Congress finds that user-owned cooperatives are a proven method for broadening ownership and control of the economic organizations, increasing competition, narrowing price spreads, raising the quality of goods and services, building bridges between producers and consumers, and their members and patrons. Congress also finds that consumer and other types of self-help cooperatives have been hampered in their formation and growth by lack of access to adequate cooperative credit facilities and lack of technical assistance. Therefore, Congress finds a need for the establishment of a National Consumer Cooperative Bank and Office of Consumer Cooperatives which will make available necessary financial and technical assistance to cooperative self-help endeavors as a means of strengthening the Nation's economy.

TITLE I—NATIONAL CONSUMER COOPERATIVE BANK

CREATION AND CHARTER OF BANK

SEC. 101. There is hereby created and chartered a body corporate, the National Consumer Cooperative Bank, hereinafter called the Bank, as an instrumentality of the United States, and until otherwise provided shall be a mixed ownership Government corporation. The Bank shall have perpetual existence unless and until its charter is revoked or modified by act of Congress. The right to revise, amend, or modify the charter of the Bank is specifically and exclusively reserved to the Congress. The principal office of the Bank shall be in Washington, District of Columbia, and, for the purpose of venue, shall be considered a resident thereof. It shall make loans and offer its services throughout the United States, its territories and possessions, and in the Commonwealth of Puerto Rico. The Bank shall—

(1) encourage the development of new and existing cooperatives eligible for its assistance by providing specialized credit and technical assistance;

(2) maintain broad-based control of the Bank by its voting stockholders;

(3) encourage broad-based ownership, control, and active participation by members in eligible cooperatives;

(4) assure that the net savings, as defined in section 107(c) of this Act, from its operations and the operations of borrowers from the Bank, are made available or accounted for to the stockholders or members of the cooperative organization; and

(5) assist in improving the quality and availability of goods and services to consumers.

GENERAL CORPORATE POWERS

SEC. 102. The Bank shall have the power to make and service loans, commitments for credit, guarantees, furnish financially related services, technical assistance and the results of research, issue its obligations within the limitations imposed by section 107 hereof in such amounts, at such times, and on such terms as the bank may determine, and to exercise the other powers and duties prescribed in this Act, and shall have the power to—

(1) operate under the direction of its Board of Directors;

(2) adopt, alter, and use a corporate seal, which shall be judicially noted;

(3) elect by its Board of Directors a president, one or more vice presidents, a secretary, a treasurer, and provide for such other officers, employees, and agents as may be necessary, and define their duties in accordance with regulations and standards adopted by the Board, and require surety bonds or make other provisions against losses occasioned by acts of employees;

(4) prescribe by its Board of Directors its bylaws not inconsistent with law, which shall establish the terms of office and the procedure for election of elective members; provide for the classes of its stock and the manner in which its stock shall be issued, transferred, and retired; and prescribe the manner in which its officers, employees, and agents are elected or selected, its property acquired, held and transferred, its loans, commitments, other financial assistance, guarantees and appraisals may be made, its general business conducted, and the privilege granted it by law exercised and enjoyed;

(5) enter into contracts and make advance, progress, or other payments with respect to such contracts, without regard to the provisions of section 3648 of the Revised Statutes;

(6) sue and be sued in its corporate name and complain and defend, in any court of competent jurisdiction, State or Federal;

(7) acquire, hold, lease, mortgage, or dispose of, at public or private sale, real and personal property and sell or exchange any securities or obligations, and otherwise exercise all the usual incidents of ownership of property necessary or convenient to its busi-

ness: *Provided*, That any such acquisition or ownership of real property shall not deprive a State or political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights of the inhabitants of such property under Federal, State, or local laws;

(8) obtain insurance against loss in connection with property and other assets;

(9) modify or consent to the modification with respect to the rate of interest, time of payment of any installment of principal or interest, security, or any other term of any contract or agreement to which it is a party or has an interest pursuant to this Act;

(10) utilize and act through any Federal, State, or local public agency or instrumentality, or private agency or organization, with the consent of the agency or organization concerned, and contract with such agency, instrumentality or organization for furnishing or receiving technical services and benefits of research, services, funds or facilities; and make advance, progress, or other payments with respect to such contracts without regard to section 3648 of the Revised Statutes;

(11) borrow money and issue notes, bonds and debentures or other obligations individually or in concert with other financial institutions, agencies or instrumentalities, of such character and such terms and conditions and at rates of interest as may be determined;

(12) issue certificates of indebtedness to its stockholders or members and pay interest on funds left with the Bank, and accept grants or interest free temporary use of funds made available to it;

(13) participate with one or more other financial institutions, agencies, instrumentalities, or foundations in loans or guarantees under this Act on terms as may be agreed upon, and accept guarantees from other agencies for which its loans may be eligible;

(14) appoint staff subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and such staff shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates;

(15) deposit its securities and its current funds with any member banks of the Federal Reserve System and pay fees therefor and receive interest thereon;

(16) buy and sell obligations of, or insured by, the United States or any agency or instrumentalities thereof, or securities backed by the full faith and credit of any such agency or instrumentality and make such other investments as may be authorized by the Board of Directors;

(17) the stock or other securities or instruments issued by the Bank shall, to the same extent as securities which are the direct obligations of the United States, be "exempt securities" within the meaning of the laws administered by the Securities and Exchange Commission; and

(18) shall have such other powers as may be necessary and incident to carry out its powers and duties under this Act.

BOARD OF DIRECTORS

SEC. 103. (a) The Bank shall be governed by a Board of Directors (hereinafter called the Board) which shall consist of thirteen members. All of the original members shall be appointed by the President with the advice and consent of the Senate. The President shall appoint seven members (no more than one from any agency) from among officers of the Department of Housing and Urban Development; the Department of Health, Education, and Welfare; the Department of Agriculture; the Department of the Treasury; the Department of Labor; the Department of Commerce; ACTION; the Farm Credit Administration; the Small Business Administration. The six other original members shall not be Federal employees but should have extensive experience in the cooperative field and for those appointments the President shall consider nominees submitted by national associations of cooperatives.

(b) The term of a member shall be for three years. No director shall be eligible to serve more than two consecutive full three-year terms. Replacements for unexpired terms of the initially appointed directors shall be for the balance of the term, with the same qualifications and appointed in the same manner as the initially appointed director.

(c) At the end of three years each of the non-Federal directors shall be elected by voting stockholders other than the Secretary of the Treasury in accordance with the applicable provisions of subsection (e) of this section and procedures established by the Bank.

(d) When 66⅔ per centum of the voting stock of the Bank is held by others than the Secretary of the Treasury, six of the remaining seven appointed directors shall be replaced by elected directors in accordance with the applicable procedures of subsection (e) of this section and procedures established by the Bank. The last remaining appointed member shall be appointed by the President with the advice and consent of the Senate and shall be an officer of one of the agencies or departments referred to in subsection (a) of this section.

(e) When elections are first held pursuant to subsections (c) and (d) of this section, the Bank shall classify its voting stockholders into the following classes: housing, consumer goods, services, those whose membership is predominantly composed of low-income persons, and all others. Each of these classes shall nominate one or more candidates who has had at least three years of experience as director or senior officer in that class of cooperatives. Each class of stockholders shall vote for and elect at least one director from nominees of that class. Under subsection (c) of this section, the terms of the first directors elected to a board shall be staggered, two for one year, two for two years, and two for three years, divided by lot among the classes of stockholders. The terms of directors first elected under subsection (d) of this section shall be arranged so that the terms of the two directors elected by each class of stockholders shall be for three years. No director shall be eligible to be elected for more than two consecutive full three-year terms. The Bank shall give adequate advance notice to all voting stockholders of the nominating procedure, the time for nominations, the qualifications of nominees, the voting strength, the time and manner of casting ballots by mail, if elections are not held at annual meetings. There shall be no proxy voting. Each voting stockholder shall make the information required in this paragraph to its members.

(f) The Board shall annually elect from among its members a chairman and vice chairman and select a secretary who need not be a member. The Board shall establish the policies of the Bank governing its funding, lending, and other financial and technical assistance, and shall direct, but not engage in the management of the Bank.

(g) The Board shall meet at least quarterly. Its meeting shall be open to members or representatives of all eligible cooperatives and other eligible organizations, as observers only, and to persons or representatives of groups who identify their interest in the Bank and who are invited to attend a meeting, subject to such rules as the Board may establish for the conduct of such meetings. Those rules shall include the manner of giving notice of meetings, the procedure for the conduct of meetings, the manner of submitting topics for the agenda, the allocation of time of presentations, and debate. The chairman, when sustained by the majority of the Board present, may adjourn the open meeting into an executive session on motion of the chairman, any Board member, or at the request of any applicant, borrower, officer, or employee when the matter under discussion involves an application, a loan, a personnel action, or other matter which might tend to impinge on the right of privacy of any person.

(h) While away from their homes or regular places of business in the performance of services for the Bank, members of the Bank shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

CAPITALIZATION

SEC. 104. (a) The capital of the Bank shall consist of capital subscribed by borrowers from the Bank, by cooperatives eligible to become borrowers, by organizations owned and controlled by such borrowers, by foundations, trust or charitable funds, by public bodies, and by the United States. Beginning with the fiscal year ending September 30, 1978, the United States shall purchase class A preferred stock and for that fiscal year there is authorized to be appropriated $100,000,000 for such purchases, and there is authorized to be appropriated for the next four succeeding fiscal years an amount not to exceed $400,000,000 in the aggregate. Any amounts so authorized but not appropriated or not utilized to purchase such stock of the Bank in any such fiscal year is authorized to be appropriated or reappropriated and so used in subsequent fiscal years.

(b) The capital stock of the Bank shall include class A, class B, and class C stock and such other classes with such rights, powers, privileges, and preferences of the separate classes as may be specified, not inconsistent with law, in the bylaws of the Bank. Class A preferred stock held by the United States shall have first preference with respect to assets and dividends over all other classes of stock issued by the Bank. So long as the United States holds any class A preferred stock, the Bank shall not pay any dividend on any other class of stock at a rate greater than the statutory dividend payable on the class A preferred stock. Class B and class C stock shall be voting stock and shall be issued only to eligible borrowers and organizations controlled by such borrowers or organizations eligible to borrow, and shall be transferable only on the books of the Bank and then only to another eligible borrower. No holder of voting stock of the Bank shall be entitled to more than one vote regardless of the number of shares of stock of other classes held, except as provided in subsection (g) of this section.

(c) Class A stock shall be issued by the Bank to the Secretary of the Treasury on behalf of the United States in exchange for capital furnished pursuant to subsection (a) of this section. Such stock shall be redeemed and retired by the Bank as soon as practicable consistent with the purposes of this Act: *Provided*, That beginning on June 30, 1990, the minimum amount of class A stock retired shall equal the amount of class B stock issued by the Bank during such year. Outstanding class A stock shall be entitled to a return, payable from income, at a rate equal to the lesser of (1) 25 per centum of gross revenue of the Bank for the year less necessary operating expenses including reserves for possible losses, or, (2) as determined by the Secretary of the Treasury, taking into account the average annual interest rate on all issues of debt obligations of the United States outstanding at the end of the previous fiscal year

and the objectives of the Act to attain full borrower ownership as soon as possible. Such return shall be cumulative and shall be payable annually into miscellaneous receipts of the Treasury.

(d) Class B stock shall be held only by recipients of loans under section 105 of this Act, and such borrowers shall be required to own class B stock in an amount not less than 1 per centum of the face amount of the loan at the time the loan is made. Such borrowers may be required by the Bank to own additional class B or class C stock at the time the loan is made, but not to exceed an amount equal to 10 per centum of the face amount of the loan, or from time to time, as the Bank may determine. Such additional stock ownership requirements may be on the basis of the face amount of the loan, the outstanding balances, or on a percentage of interest payable during any year or any quarter thereof, as the Bank may determine will provide adequate capital for the operation of the Bank and equitable ownership thereof among borrowers.

(e) Class C stock shall be available for purchase and shall be held only by borrowers or by organizations eligible to borrow under section 105 of this Act or by organizations controlled by such borrowers, and shall be entitled to dividends in the manner specified in the bylaws of the Bank. Such dividends shall be payable only from income, and, until all class A stock has been retired, shall not exceed the statutory dividend on class A stock.

(f) Nonvoting stock of other classifications and other priorities may be issued at the discretion of the Board, to other investors.

(g) (1) The bylaws of the Bank may provide for more than one vote on the basis of—

(A) the amount of class B stock, class C stock, or both classes held, with such limitations as will encourage investments in class C stock;

(B) the amount of patronage of the Bank, and

(C) number of members in the cooperative.

(2) Such bylaws shall avoid—

(A) voting control of the Bank from becoming concentrated with the larger affluent or smaller less affluent organizations;

(B) a disproportionately larger vote in one or more classes of eligible borrowers described in section 103(e) of this Act; and

(C) the concentration of more than 5 per centum of the total voting control in any one class B or class C stockholder.

(h) The Bank may accept nonreturnable capital contributions on which no interest, dividend, or patronage refund shall be payable from associations, foundations, or funds or public bodies or agencies at the discretion of the Board. For the purpose of accepting such contributions, the Bank will be a governmental unit within the meaning of section 170(b)(1)(A)(v) of the Internal Revenue Code of 1954.

(i) After payment of all operating expenses of the Bank, including interest on its obligations, and after setting aside appropriate funds for reserves for losses, returns on class A stock and dividends on class C stock, the Bank shall annually set aside the remaining earnings of the Bank for patronage refunds in the form of class B or C stock or allocated surplus in accordance with the bylaws of the Bank. After ten years from the date of issue of any such stock, or at such earlier time as all the Government-held stock is retired, patronage refunds may be made in cash, or partly in stock and partly in cash.

ELIGIBILITY

SEC. 105. (a) For the purpose of all titles of this Act, subject to the limitations of subsection (d) of this section, an eligible cooperative is an organization chartered or operated on a cooperative, not-for-profit basis for producing or furnishing goods, services or facilities, primarily for the benefit of its members or voting stockholders who are ultimate consumers, or a legally chartered entity entirely owned and controlled by such organization or organizations, if it—

(1) makes such goods, services, or facilities directly or indirectly available to its members or voting stockholders on a not-for-profit basis;

(2) does not pay dividends on voting stock or membership capital in excess of such percentage per annum as may be approved under the bylaws of the Bank;

(3) provides that its net savings shall be allocated or distributed to member patrons, or to all patrons, in proportion to their patronage; or shall be retained for the actual or potential expansion of its services or the reduction of its charges to the patrons, or for such other purposes as may be authorized by its membership not inconsistent with its not-for-profit character;

(4) makes membership available on a voluntary basis, without any social, political, racial, or religious discrimination and without any discrimination on the basis of age, sex, or marital status, to all persons who can make use of its services and are willing to accept the responsibilities of membership, subject only to limitations under applicable Federal or State laws or regulations;

(5) in the case of primary organizations restricts its voting control to members or voting stockholders on a one vote per person basis and takes positive steps to insure economic democracy and maximum participation by members of the cooperative including the holding of annual meetings and in the case of organizations owned by groups of cooperatives provides positive protections to insure economic democracy;

(6) and is not a credit union, mutual savings bank or mutual savings and loan.

No such organization shall be ineligible because it also produces, markets, or furnishes goods, services, or facilities for its members as primary producers, unless the dollar volume of loans made by the Bank to such organizations exceeds 10 per centum of the total lending capacity of the Bank.

(b) Net savings as used in this section is the remainder of gross receipts after payment of operating costs and other obligations, contributions to allowable reserves, payment of any dividends permitted under (a)(2) of this section, and after making provision for such separate funds as may be required or specifically permitted by statute or by the articles of incorporation or by the bylaws of the organization.

(c) An eligible cooperative which also have been determined to be eligible for financial assistance from the Rural Electrification Administration, the National Rural Utilities Cooperative Finance Corporation, Rural Telephone Bank, the Banks for Cooperatives or other institutions of the Farm Credit System, Farmers Home Administration, or the Department of Housing and Urban Development may receive the assistance authorized by this Act only if the Bank determines that requests for assistance from any such source or sources has been rejected or denied.

SEC. 106. The Bank shall hold an annual meeting of its stockholders which shall be open to the public and other eligible organizations. Adequate advance notice of the time and place of the annual meeting shall be given to all stockholders. Borrowers from the Bank shall also give notice of the meeting to their members, who shall be entitled to attend. At such meeting the Bank shall give a full report of its activities during the year, its financial condition and may present proposals for future action and other matters of general concern to borrowers and organizations eligible to borrow from the Bank. Members and representatives of borrowers may present motions or resolutions relating to matters within the scope of this Act and may participate in the discussion thereof and other matters on the agenda.

BORROWING AUTHORITY

SEC. 107. (a) The Bank is authorized to obtain funds through the public or private sale of its bonds, debentures, notes, and other evidences of indebtedness. Such obligations shall be issued at such times, bear interest at such rates, and contain such terms and conditions as the Board shall determine after consultation with the Secretary of the Treasury: *Provided, however,* That the amount of such obligations which may be outstanding at any one time pursuant to this section shall not exceed ten times the paid-in capital and surplus of the Bank. Obligations of the Bank or banks shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds.

(b) Any depository institution insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and any institution of the Farm Credit System may buy and sell obligations of the Bank or banks issued under the authority of this Act and any Federal Reserve bank may buy and sell any obligations to the same extent and subject to the same limitations placed upon the purchase and sale by said banks of State, county, district, and municipal bonds under section 14(b) of the Federal Reserve Act, and by the Federal Reserve Bank Open Market Committee.

(c) The Bank is also authorized, but not required, and only so long as any of its class A stock is held by the Secretary of the Treasury, to issue its obligations to the Secretary of the Treasury, in amounts not to exceed in the aggregate such amounts as are provided in appropriations Acts and the Secretary of the Treasury may in his discretion purchase any such obligations. Each purchase of obligations of the Bank under this subsection shall be upon such terms and conditions as to yield a rate of return not less than a rate determined by the Secretary of the Treasury, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturity. The Secretary of the Treasury may sell, upon such terms and conditions and at such price or prices as he shall determine any of the obligations of the Bank acquired by him under this subsection.

(d) The Bank may purchase its own obligations, and may provide for the sale of any such obligations through a fiscal agent or agents, by negotiation, offer, bid, syndicate sale, or otherwise, and may deliver such obligations by book entry, wire transfer, or such other means as may be appropriate.

(e) Obligations issued under this section except those issued to the Secretary of the Treasury shall not be guaranteed by the United States and shall not constitute a debt or obligation of the United States or any agency or instrumentality thereof other than the Bank.

LENDING POWERS

SEC. 108. (a) The Bank may make loans and commitments for loans under this subsection (a) to any organization determined by the Bank to be eligible under the provisions of section 105 of this Act, and may purchase or discount obligations of members of such organizations, if the Bank, to the exclusion of all other persons, entities, agencies, or jurisdictions, also determines that the applicant has or will have a sound organizational and financial structure, income in excess of its operating costs and assets in excess of its obligations, and a reasonable expectation of a continuing demand for its production, goods, commodities, or services, or the use of its facilities, so that the loan will be fully repayable in accordance with its terms and conditions. The criteria to be applied and the factors to be considered by the Bank in making loans, loan commitments, purchases, discounts, and guarantees shall include an assessment of

the impact of the loan on existing small businesses in the eligible organizations' business territory. The criteria and factors shall be stated in rules of the Bank which shall be published and made available to applicants and, upon request, to any other person or organization.

(b) Loans under this section shall be repayable in not more than forty years and, except for loans with final due date not longer than five years from the date of the loan, shall be amortized as to principal and interest. In setting the terms, rates, and charges, it shall be the objective of the Bank to provide the type of credit needed by eligible borrowers, at the lowest reasonable cost on a sound business basis, taking into account the cost of money to the Bank, necessary reserve and expenses of the Bank, and the technical and other assistance attributable to loans under this section made available by the Bank, but so long as the Bank makes loans from the proceeds of the sale of class A stock, the interest rate shall not be less than the rates generally prevailing in the area from other sources for loans for similar purposes and maturities, taking into consideration the cost to the borrower of required purchase of class B stock in the Bank. The loan terms may provide for interest rates to vary from time to time during the repayment period of the loan in accordance with the rates being charged by the Bank for new loans at such times. Loans under this subsection (b) may include funds for advance by the borrower to its members or stockholders under circumstances described in the bylaws or rules of the Bank.

(c) The Bank may provide for the guarantee of loans by any lending agency, up to the full amount thereof, which the Bank might otherwise make to an eligible applicant and charge fees at least sufficient to cover administrative costs. The interest rate on such loans shall be the amount agreed upon between the borrower and lender but not to exceed any maximum rate which the Board of the Bank may establish from time to time.

(d) As used in this title, a guaranteed loan is one which is made, held, and serviced by a State or federally chartered lending agency and which is guaranteed by the Bank. A guaranteed loan and the contract of guarantee thereof shall be assignable to the extent provided in the contract of guarantee as may be determined by the Bank. The guarantee shall be uncontestable, except for fraud or misrepresentation of which the holder had actual knowledge at the time he acquired the loan. The Bank in lieu of requiring such lender to service such guaranteed loan until final maturity or liquidation, may purchase the loan for the balance of the principal and accrued interest thereon without penalty, if it determines that (1) the liquidation loan would result in the insolvency of the borrower or deprive the borrower of assets essential to its continued operation and (2) that the loan will be repayable with revison of the loan rates, terms, or payment periods or other conditions not inconsistent with loans made by the Bank under subsection (a) of this section, which revisions the lender or other holder of such guaranteed loan is unwilling to make.

(e) When the proceeds of the sale of class A stock are no longer used to make or guarantee loans, the loans made or guaranteed under this section shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitations imposed by statute on expenditures and net lending (budget outlays) of the United States.

TAXATION

SEC. 109. Until the stock of the Bank held by the United States has been fully retired, but not thereafter, the Bank, including its franchise, capital, reserves, surplus, mortgages, or other security holdings and income shall be exempt from taxation now or hereafter imposed by any State, county, municipality, or local taxing authority, but any real property held by the Bank shall be subject to any State, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.

QUARTERS AND SPACE

SEC. 110. Until all of the stock of the Bank held by the United States has been fully retired, space for the principal office of the Bank shall be provided by the General Services Administration. Thereafter, the Bank may lease, construct, or own quarters and provide for the space requirements of its principal and other offices.

REPORTS TO CONGRESS

SEC. 111. The Board of the Bank shall report annually to the appropriate committees of the Congress on the Bank's capital, operations, and financial condition and make recommendations for legislation needed to improve its services.

AUTHORIZATION

SEC. 112. In addition to appropriations specifically authorized in this Act, beginning October 1, 1977, there are hereby authorized to be appropriated such sums as may be necessary to the Bank for carrying out the purposes of this Act.

APPEALS

SEC. 113. (a) If an application for assistance under this Act is denied in whole or in part, the applicant shall be informed promptly in writing of the reasons for the denial or restriction.

(b) Any applicant for assistance under this Act receiving notice of denial or restriction of the application may, within thirty days of receipt of such notice, request the Bank Board to review the application and notice of denial or restruction for a determination of whether the action of the Bank was correctly within the terms of the Act, the regulations, and the policy of the Board The Board shall consider the request for review at its next meeting and promptly inform the applicant of its determination and the reasons therefor.

CONFLICT OF INTEREST

SEC. 141. The Board established under this Act shall adopt and publish its own conflict of interest rules which shall be no less stringent in effect than the Federal Executive conflict of interest rules contained in Executive Order Numbered 11222 in prohibiting participation or action or the use of inside information for personal advantage on any matter involving a corporation, trust, partnership, or cooperative organization, in which a board member, officer, or employee holds a substantial financial interest or holds a position as board member or senior officer, the activities of which organization might be relevant to, be competitive with, or be inconsistent with the objectives of any bank created under this Act. These rules shall require—

(1) each nominee for elected membership on the Board established under this Act to make public and file with the election official before the date of election a statement of his financial interest and position, if any, in such organizations; and

(2) each senior executive officer and appointed member of the Board to file with the appointing officer, before entering that office a statement of his financial interest and position, if any, in such organizations, which shall be available for inspection upon request.

EXAMINATION AND UNIT

SEC. 115. Until the stock of the Bank held by the United States has been fully retired, the operations of the Bank shall be examined annually under the direction of an agency or instrumentality of the Federal Government designated by the President, and reports of such examination shall be forwarded to the Congress. The President shall, no later than the date that 66⅔ per centum of the class A stock is held by others than the Secretary of the Treasury, establish an Office of Supervision and Audit which shall be responsible for audits and examinations of the Bank, shall assure that the objectives of this title are carried out, and shall review and comment on the bylaws of the Bank and the general policies of the Bank and shall make an annual report to the Congress.

Mr. ST GERMAIN (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

AMENDMENT OFFERED BY MR. GRADISON

Mr. GRADISON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GRADISON: On page 52, line 24 delete the word "voting" and insert the word "all".

Mr. GRADISON. Mr. Chairman, this amendment is necessary to remove a serious flaw in the provisions of the bill relating to the transition from an initial federally appointed Board of Directors of the Bank to a board predominately elected by non-Federal stockholders.

Section 103(d) provides this will take place "When 66⅔ per centum of the voting stock of the Bank is held by others than the Secretary of the Treasury, * * *." However section 104(b) only gives voting power to class B and class C shares which are issued only to eligible borrowers from the Bank. The Treasury held class A preferred stock in not given voting power. Hence at the very outset when the first share of class B or class C stock is sold, more than 66⅔ of the voting stock of the Bank will be held by "others than the Secretary of the Treasury." Accordingly immediately upon beginning operations 12 of the 13 Presidentially appointed Directors of the Bank would be replaced by privately elected directors notwithstanding the fact that over 99 percent of the capitalization of the Bank was provided by Federal funds.

Changing the word "voting" to the word "all" as provided for in this amendment will correct this serious flaw in the bill.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. GRADISON. I yield.

Mr. ST GERMAIN. Mr. Chairman, I have reviewed the amendment offered by the gentleman. I think it is an excellent amendment, and this side will be very happy to accept it.

Mr. GRADISON. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. GRADISON).

The amendment was agreed to.

AMENDMENT OFFERED BY MS. OAKAR

Ms. OAKAR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. OAKAR: Page 47, immediately after line 16, insert the following:

REGIONAL BANKS

SEC. 102. (a) In the event it appears to the Board of Directors of the Bank, at the end of seven years after the bank begins operations, that the objectives of the Act and the discharge of the functions, obligations, powers, and duties of the Bank can best be accomplishd through the creation and operation of no less than four or more than twelve corporate regional banks, with power to perform all or part of its functions, to serve a specific geographical area, or to serve a particular specified class or group of eligible borrowers, the Bank shall approve the area of services or the class of cooperatives as defined by the Bank to be served and, notwithstanding anything to the contrary in the Government Corporations Control Act (31 U.S.C. 869), shall charter such regional Banks under charter provisions not inconsistent with this Act and the charter of the central Bank. The term "bank" used herein, unless the context indicates the contrary, shall include a regional bank to the extent authorized by its charter or delegated authority.

(b) Regional banks shall be governed by a Board of Directors of seven members. The original Board of each such regional bank shall be appointed by the Chairman of the Board of Directors of the Bank, taking into consideration a list of nominees submitted by eligible cooperatives in the area to be served by that bank who are residents of that area, no less than one each who has had experience in the last three years as Board member or senior officer, respectively, of a housing cooperative, a consumer goods cooperative, a service cooperative, a low-income cooperative, other eligible cooperatives, or have been engaged in financing cooperatives. The terms of the original board shall be for two years.

(c) Regional banks shall be capitalized to the extent determined by the central Bank, by the subscription to regional bank class A preferred stock by the central Bank and by the subscription to class B stock by borrowers or cooperatives and other organizations eligible to borrow from the Bank. Class C stock may be issued only subject to charter provisions, if any, relating thereto.

(d) A regional bank shall have the same powers, duties, functions as the central Bank except as restricted by its charter provisions except as follows:

(1) A regional bank shall serve only those eligible cooperatives whose headquarters and predominant operations are located in the geographical area served by the Bank. After a regional bank is ready for operations the central Bank shall no longer make loans to such cooperatives in the region except in participation with or at the request of the regional bank, unless the applicant has first applied for and been denied a loan by the regional bank.

(2) In lieu of marketing its notes, bonds, and obligations to obtain lending funds, a regional bank shall offer its loans, participations, and guarantees to the central Bank for discount until the central Bank determines that the paid in capital of the regional Bank is sufficient to support its sale of its own obligations at reasonable costs without disturbing the marketing of obligations of the central Bank.

(3) A regional bank may agree to service part or all of any loan, participation, or guarantee held by the central Bank or to process a loan for the central Bank. Any loan, participation, or guarantee held by the central Bank which the regional bank could have made may be purchased by the regional bank and borrower held stock in the central Bank in connection therewith shall be exchanged for stock in the regional bank.

(4) A regional bank may agree with any organization of eligible cooperatives whose members agree to obtain their financial assistance under this Act, to process and service loans, participations, and guarantees to be made by the bank originating within an area of the region which such organization will serve to redesignate the succeeding sections accordingly.

Ms. OAKAR (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Ms. OAKAR. Mr. Chairman, I commend the chairman of my subcommittee for his diligent efforts on this fine piece of legislation. He has worked long and hard to bring about the National Consumer Cooperative Bank and he knows that I have supported his efforts wholeheartedly.

The amendment that I offer today is intended to enhance the effectiveness of this bill. I propose to reincorporate the concept of regional banks into the legislation.

In the original legislation, provisions were made for the establishment of a regional bank network, if after 7 years of operations the central co-op bank's board of directors found this to be an advisable extension of services. There would be no less than 4 regional banks established or no more than 12. The regional outlets would be empowered to perform all or part of the functions of the central co-op bank. Moreover, the central bank would determine the area service for each regional bank as well as any other definition of regional bank activity.

The regionalization provisions were left out of the substitute amendment offered in committee markup. I believe that reincorporation of the regionalization section of this bill will provide the co-op bank with a better opportunity to serve the thousands of co-op organizations that it has been designed to aid.

Historically, co-ops have been grassroots organizations. They bring people together for the purpose of helping themselves. These are neighborhood people, farmers, impoverished people, and the elderly. These co-ops, rooted in our local communities, should have the opportunity to interface with the co-op at the regional level. To insist on a central bank in Washington without the proper channels of communications and adequate conduits for the delivery of services is to encumber the efforts of these Americans who strive to help themselves.

I ask you to consider this amendment from the perspective of those who will use the co-op bank and its adjacent functions. These are the people of our neighborhoods and towns. These are people unaccustomed to the huge institutional processes of Washington. Give these people the opportunity to seek assistance without yearly pilgramages to Washington.

Finally, I ask you to support this amendment and H.R. 2777 as measures that give Americans the opportunity to realize their capabilities and provide themselves with affordable products, services, and housing.

Mr. ST GERMAIN. Mr. Chairman, I rise in support of the amendment. I shall be very brief. The gentlewoman has explained the amendment fully.

This could not occur until after the first 7 years of the bank, and only then with the approval of the board of directors. I might state that this provision for regional banks was removed when the substitute was offered to the committee in an effort at compromise. It is obvious, however, that the compromise did not occur until this last vote.

As a result thereof, it is a section which I think is important. I support the amendment and I hope it will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Ohio (Ms. OAKAR).

The amendment was agreed to.

The CHAIRMAN. Are there any further amendments to title I?

AMENDMENT OFFERED BY MR. EVANS OF DELAWARE

Mr. EVANS of Delaware. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EVANS of Delaware: On page 60, line 19, strike "to member patrons, or".

Mr. EVANS of Delaware. Mr. Chairman, the amendment is a very simple one. The amendment is designed to assure that the savings in costs achieved through cooperatives are distributed broadly to all of those who patronize the cooperatives, rather than to just a narrow group of member patrons.

Under the language of the bill and the present tax laws it is possible to have a small number of patrons and yet to be selling to a cooperative of thousands of people. Thus, this small group reaps the benefits which would more equitably go to all of those who patronize th cooperative.

Congress under the present law, as well as this particular piece of legislation, has sought to give special benefits to cooperatives in order to encourage their establishment. However, the purpose of the cooperatives is not to enrich a few selected patrons. The purpose is to benefit all of those who patronize the services of a cooperative. If we allowed the language of the bill to stand as it is now, I believe we would in effect be granting a special status to those who wish to organize cooperatives for their own personal gain.

As one who strongly supports the free enterprise system, I want to encourage groups to form new businesses. But if they are going to form a new business solely for profit and not for the benefit of those who shop there, then they ought to come under the existing corporate laws of this country.

Should my amendment be adopted, I would anticipate its effect would be the lowering of prices in existing cooperatives. Thus, all who shop in cooperatives would receive the benefits in direct relation to their level of patronage.

Mr. Chairman, this is a pro-consumer amendment. It would make sure that the benefits of cooperatives are received by all who patronize them and not just a few who want to use the cooperative as a means of getting around laws which affect other profitmaking organizations.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

Mr. Chairman, We have discussed the amendment on this side, and we have no objection to it.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from Ohio.

Mr. STANTON. I thank the gentleman for yielding.

Mr. Chairman, it is my understanding that on page 60 of the legislation, line 19, the amendment strikes the words "to member patrons"; is that correct?

Mr. EVANS of Delaware. "To member patrons, or".

Mr. STANTON. So then it would read that any benefits accrued, and so forth, would be passed on to all patrons?

Mr. EVANS of Delaware. All patrons.

Mr. STANTON. All consumers would benefit?

Mr. EVANS of Delaware. That is absolutely correct.

Mr. ST GERMAIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have a problem with this amendment, and perhaps the gentleman from Delaware (Mr. EVANS) can help me.

Mr. EVANS of Delaware. I shall be glad to, Mr. Chairman, if the gentleman will yield?

Mr. ST GERMAIN. Mr. Chairman, let us take a credit union, which is essentially also of the same structure. It is a mutual organization where members get together and they deposit and they borrow. If someone merely borrows and does not deposit, then should that person have the same advantages as the depositors who are in fact members of the credit union?

Mr. EVANS of Delaware. Well, they have to be a member in order to borrow. What we are trying to do here is merely to pass along the savings to all consumers and not just a select few.

Mr. ST GERMAIN. Mr. Chairman, I am sincerely trying to understand this amendment in order to see if I can go along with it.

Let us take the example of a food co-op. In that example they really do not know until the end of the year how much they will have benefited and how much they could have saved. True, the initial savings is in the price of the goods offered. However, it takes a period of time before they can determine what if any profit there will be that will then be distributed.

How do they determine this distribution to people other than members? In other words, what about the casual customer who might come in, someone who is driving through town?

Mr. EVANS of Delaware. Mr. Chairman, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from Delaware.

Mr. EVANS of Delaware. Normally and generally a sales check would be kept.

Mr. ST GERMAIN. Well, that is certainly what the members would do. But let us take the casual customer who might well be a transient. There are many stores that I, as well as my wife, visit and shop in, and we may never go there another time for the rest of our lives. Even if it were a co-op where we dropped in to shop, we might not save every sales slip. What is bought is edible. The food is eaten, and we throw the slip away.

If it is a radio or an appliance, we might save the slip; in that case we would save the slip because there might be a guarantee.

I wonder if there might be problems with the actual implementation of this amendment.

Mr. EVANS of Delaware. Mr. Chairman, if the gentleman will yield further, I would think the way to insure that would be to present the sales check. Another way which would be very easy and workable to do, would be to lower prices for all consumers. This amendment would, I believe, lower prices in many cooperatives.

The thing that concerns me is that if we just benefit a few, we defeat the whole purpose of the legislation and the purpose of the tax law, which is to give an evenhanded break to everybody.

Mr. ST GERMAIN. It is, of course, to benefit all those in the area of consumption.

Mr. EVANS of Delaware. It is to benefit all consumers.

Mr. ST GERMAIN. I agree.

Mr. Chairman, in view of this discussion, I still have reservations. However, the other body will have to work its will, and I think it might be wise for the gentleman from Delaware (Mr. EVANS) and myself to get together before the time this would go to conference so that we can be certain that we know what the real implication is, what the mechanics are, and as to whether or not this would be workable. That is my only concern, that it would be workable with reference to all parties concerned.

Mr. Chairman, I agree with the gentleman from Delaware (Mr. EVANS) and share his concerns. I certainly agree with his philosophy that we should benefit as many consumers as possible.

Mr. EVANS of Delaware. Mr. Chairman, I thank the gentleman for understanding the purpose and the intent of my amendment.

Mr. ST GERMAIN. Mr. Chairman, in view of the colloquy we have had, I will accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Delaware (Mr. EVANS).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ABDNOR

Mr. ABDNOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ABDNOR: On page 65, line 23, delete the period after territory and insert the following. "; such assessment shall provide for the prior solicitation of views from small businesses located within the proposed organization's business territory and shall afford an opportunity for hearings upon request from affected small businesses."

Mr. ABDNOR. Mr. Chairman, I believe that this amendment is quite self-explanatory. The bill itself speaks of what criteria should be used, what the bank should pay attention to in providing for a loan, but I feel that it does not go far enough.

Earlier this year when the subcommittee held hearings on the bill, I sent a letter to Chairman ST GERMAIN urging that the committee adopt an amendment to protect small businesses from any adverse effect by newly financed co-ops. In my State, as in many of my colleagues' States with small rural towns, many towns simply cannot support two or more similar businesses. With the advantage of financing through this act, it could be possible for a co-op to cause an established business to fail even though it serves the needs of the majority of the community. Therefore, I was very happy to see that the committee did include the "gist" of my proposal in their markup of the bill.

However, the committee did not go far enough. I must admit that I still have grave reservations about the bill in any event. I share the administration's concern over the wisdom of establishing a "permanent" bank without the benefit of a more detailed study of the actual need for such a bank. I do support the co-op idea and think they have a definite place in our society and business world. But my major concern and first loyalty is the protection of our small businesses which have served us so well all across the country. Anything to jeopardize their operation should not be allowed.

Unfortunately, the language in the bill dealing with the protection of small businesses—section 108—does not go far enough beyond its intent to insure that a small business impact study is conducted. In the bill there is no declaration as to what would be done with the results of the study should they show that, indeed, existing businesses would be unfairly placed at a big disadvantage, perhaps by the co-ops' ability to cut prices for identical services.

I think that this is one of the many points in the bill which should be more thoroughly examined and which point to the fact that we should not be so hasty to rush into establishment of a permanent bank for the financing of so-called consumer co-ops.

Although I supported the LaFalce amendment and intend to vote against the bill, I realize it may pass; therefore, I offer this amendment to strengthen the small business impact assessment procedure mandated in the committee bill.

Mr. ST GERMAN. Mr. Chairman, I rise in opposition to the amendment of the gentleman from South Dakota. It simply is not necessary to protect small business.

The committee provided in section 108 that "the criteria to be applied and the factors to be considered by the Bank in making loans, loan commitments, pur-

chases, discounts, and guarantees shall include an assessment of the impact of the loan on existing small businesses in the eligible organizations' business territory."

Let me quote from page 11 of the committee report accompanying H.R. 2777:

The Committee recognizes the importance of competition to the vitality of the free enterprise system and specific safeguards against the possibility of unfair competition are included in the bill. In establishing criteria for loans to cooperatives, the Consumer Bank must include an assessment of the impact of the loan on existing small businesses in the applicant's business territory.

In addition, Mr. Chairman, let me again point out that the loans from the Bank are at market interest rates and not at subsidized rates of interest.

Mr. Chairman, a requirement that hearings be held on each loan would provide an unnecessary and unworkable burden on the bank. This is a burden that is not placed on the Small Business Administration in making loans and I see no reason why it should be a requirement of the National Consumer Cooperative Bank.

I think we must raise questions about the idea that public hearings should be conducted on loan applications. In addition to placing an impossible administrative burden on the bank, this would be a serious breach of privacy. Can you imagine commercial banks holding hearings on every loan application? I am sure we would all be up in arms about that.

Mr. Chairman, the criteria under which this Bank operates is specified in this legislation and it will be governed by a board of directors which will be designated by officials of the executive branch until two-thirds of the Government's stock is retired. It should also be noted that the Small Business Administration is one of the eligible agencies for representation on the board of directors which will govern the operations of the Bank. Mr. Chairman, I do not believe that the executive branch is going to set up procedures which would provide for unfair competition.

Mr. Chairman, the cooperatives which borrow from this Bank must have the ability to repay the loans at market interest rates. These cooperative enterprises are not going to locate where there is not a need—where there is not an adequate market. If they do, they would not be able to show an ability to repay and they thus would not be eligible for loans from the Bank.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

I think that the point that the gentleman from South Dakota has made is a very real one, and it came out in our hearings. That is with Government financing—and that is what this is, $750 million worth—we are setting up a whole new banking system that will go out and finance nonprofit organizatons, small businesses. The gentleman mentioned grocery stores earlier. There has been some discussion of health organizations. There is no compulsion in this bill that the institution come up with a finding that if it is unnecessarily going to compete with either small businesses that have been financed by the SBA or have been financed in the private sector that the Bank must turn down the loan. So the concern that the gentleman from South Dakota has is very real. The National Federation of Independent Business expressed the same concern in its testimony. I think it is unrealistic to pretend that this financing institution, this brand new financing institution, is not going to go out and finance small businesses—cooperative or nonprofit in nature—that will be set up side by side with investor-owned, taxpaying small businesses and compete with them.

As a matter of fact, the gentlewoman from California (Mrs. BURKE) said the Bank is needed in some areas. I hope that the gentlewoman will bear in mind that the Bank will finance small businesses, grocery stores, other organizations, health organizations, which in many cases might compete side by side with private organizations that are struggling to keep going. Therefore, I believe the gentleman's amendment is a reasonable one, and I would support it.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Ohio.

Mr. STANTON. I thank the gentleman for yielding.

I think the Members of the House before the vote unknowingly against this amendment really ought to think twice. What the gentleman has offered is an amendment that says small businesses shall be afforded an opportunity for hearings upon request from small businesses that are affected. One objection to the amendment was the answer that no small businesses will be affected. Absolutely nobody possibly can conceive down the road that that will be the case. I think certainly in all fairness, before the Federal Government gives money, federally subsidized money, in competition with small businesses, the least that these gentlemen ought to have is their day in court to be heard that, yes, his will affect them, and they can go ahead and do it.

Mr. ROUSSELOT. It is also entirely possible that funds from the Small Business Administration have been given to help finance various small businesses, and that this new financial organization could be putting out funds right next door to that same business.

Mr. STANTON. Absolutely.

Mr. ROUSSELOT. And yet there is no requirement about competition for those same Federal funds being used, and in fact no requirement that there be any kind of finding. So I think the gentleman's amendment is reasonable and I am surprised my colleague, the gentleman from Rhode Island, would not support it.

Mr. WYLIE. Mr. Speaker, I move to strike the last word.

I would like to ask the author of the amendment, the gentleman from South Dakota (Mr. ABDNOR), a question. On the amendment it says:

Such assessment shall provide for the prior solicitation of views . . . and shall afford an opportunity for hearings upon request from the affected small businesses.

What form are those hearings to take? Is a hearing required as a part of the procedure that is required in advance of any loan?

Mr. ABDNOR. Mr. Chairman, if the gentleman will yield, certainly I did not have any intention of telling the bank to have hearings, so I would assume it is by the organization.

Mr. WYLIE. But it says "and shall afford an opportunity for hearings upon request"—upon whose request?

Mr. ABDNOR. Will the gentleman repeat that?

Mr. WYLIE. Upon whose request will hearings be provided?

Mr. ABDNOR. Upon request by the affected small business.

Mr. WYLIE. Any small businessman?

Mr. ROUSSELOT. Yes.

Mr. ABDNOR. In the area of territory that can be affected. Let me say this is a different situation. Can the gentleman imagine a small business trying to compete with a nonprofit business? I think under those conditions he should have a chance to speak out. The cooperatives are fine in many cases and there is a place for them, but certainly we do not want to put small businesses out of business without giving them an opportunity to be heard.

Mr. WYLIE. I do not think the small businessman should be put out of business and I do not think this bill will do that or I would most certainly not support it. But I do not think we should tie the hands of bank officials to the extent that they will not have any flexibility in advance of a hearing. Your amendment says that hearings must be provided, but to what extent I do not know, and for that reason I must oppose the amendment.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I do not see why it is so difficult to comprehend why this new administration, in which the gentleman has such great confidence, because he is supporting it, could not conduct a hearing on the effect of small businesses.

Mr. WYLIE. I would like to reclaim my time at this point. I understood the gentleman from California to say he supports the administration. I spoke against the administration position.

Mr. ROUSSELOT. Yes.

Mr. WYLIE. But the administration did not have anything to do with this amendment?

Mr. ROUSSELOT. I did not say it did, but why could the administration that is going to administer this new Cooperative Bank, with up to 12 regional banks—why could it not set up rules and regulations for hearings I do not know?

Mr. WYLIE. No other lending institution is under restrictions like this. Besides, we are not talking about 12 regional banks.

Mr. Chairman, I oppose this amendment.

Mr. BROWN of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have given thought to this amendment and its application. I appreciate the need which is reflected by the amendment, to make sure that there would not be a serious adverse impact upon other small business entities within the area, and yet I can only reach the conclusion that this is not the proper way to address the problem.

I am a little surprised that my distinguished friend, the gentleman from California (Mr. ROUSSELOT), would support this kind of approach. Obviously it is one which adds enormous complication to the processes of seeking a loan, and I know what a great exponent the gentleman is of simplicity and economy in Government. This would only add to the cost and complexity of doing business for a segment of private business—and I assert that a consumer co-op is a private business—on a segment of private business which is least able to withstand this increased cost and complexity. I think this in itself is an adequate argument to vote against the amendment.

But on seeking to determine if there were any analogues to this proposed hearing procedure, any comparable situations, I can think of none in those business areas which are most closely parallel to it.

For example, let us look at a farm business, a small farmer seeking a loan from the Farmers Home Administration. This small farmer is obviously in competition with all other farmers, at least those in the same commodity operation. By analogy, the gentleman would say that this farmer could not get a loan from the Farmers Home Administration, unless there was a hearing on whether this would adversely affect the other farmers who are in competition with this gentleman.

Credit unions, borrowing from the Central Credit Union banks, are not compelled to have a hearing to determine whether this would adversely affect the other credit unions that might be serving a similar clientele.

As has been pointed out, the SBA does not go through this procedure, even though it might be financing two grocery stores or two shoe shops in the same block; no hearing is required to determine whether the SBA loan will adversely affect the other business.

There is a comparable provision, to some degree, in the process of chartering banks and savings and loan associations, where in the process of chartering it is required that the other businesses, existing banks or S&Ls in the area, be allowed to intercede and to testify as to the impact of this new charter; but that is a one-time operation having to do with the initiation of the business, not a continuing part of the operation after a business is already in effect.

So, in summary, I see no parallel to this provision. I see it adding complexity and cost to a segment of business which is least able to afford it. I see it flying in the face of everything we should be trying to achieve with this legislation and I am forced to oppose it on those grounds.

Mr. LAFALCE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as everybody knows, I offered an amendment as a substitute. I am going to oppose final passage of this bill; but should the bill pass, realistically this amendment would impose upon the bank an absolutely impossible burden having hearings every time a loan was being made.

I share the concern of the gentleman from South Dakota (Mr. ABDNOR), but I do not think the gentleman's amendment is a proper approach to deal with that concern. The concern that I have stems primarily from the fact that I do not think the creation of a National Consumer Cooperative Bank is really going to address the problems of consumer cooperatives adequately. They are so great that we have to work with the existing financial mechanisms that exist within the United States. In enacting this bill, we might have a palliative for some of the problems now; but it is really going to work a detriment in the long run, because it does not get to the real problem.

Second, it is the self-help fund of one-quarter of a billion dollars which really creates unfair competition. This amendment does not get to that at all. The self-help one-quarter billion dollars will give below-market interest rates to cooperatives only, and to no other form of business.

In that sense, we are not going to solve the problems of the inner city. We are not going to solve the problems of revitalization of neighborhood commercial districts, because few of them have anything to do with consumer cooperatives now. We are not going to improve the situation by assisting cooperatives alone in order to solve the inner city problem. That is the real problem, much more than the problem addressed by this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota (Mr. ABDNOR).

The question was taken: and on a division (demanded by Mr. ABDNOR) there were—ayes 19, noes 37.

So the amendment was rejected.

The CHAIRMAN. Are there further amendments to title I?

If not, the Clerk will read title II.

The Clerk read as follows:

TITLE II—OFFICE OF CONSUMER COOPERATIVES

ESTABLISHMENT

SEC. 201. (a) There is established within ACTION the Office of Consumer Cooperatives (hereinafter in this Act referred to as the "Office").

(b) The Office shall have an Assistant Director who shall be appointed by the President, by and with the advice and consent of the Senate. The Assistant Director shall report to and be responsible to the Director of ACTION.

(c) The Office, by policy guidelines, directives, determinations (promulgated in accordance with the requirements of 5 U.S.C. 553), shall carry out the provisions of titles III and IV, shall coordinate with the Bank in programs assisting the development of consumer cooperatives, and shall make annual reports to the Congress on all activities carried out under titles III and IV of this Act.

TITLE III—SELF-HELP DEVELOPMENT FUND

CREATION AND OPERATION OF SELF-HELP DEVELOPMENT FUND

SEC. 301. There is hereby established in the Treasury a fund known as the Consumer Cooperative Self-Help Development Fund, hereinafter called the fund. For the fiscal year ending September 30, 1978, there is authorized to be appropriated $10,000,000, which shall be deposited in the fund, and there is authorized to be appropriated for the next four succeeding fiscal years an amount not to exceed $240,000,000 in the aggregate. The fund shall be used by the Office as authorized in section 302 of the Act. Any collections under agreements pursuant to section 302 and any grants which may be received for the purposes of that section shall be deposited in the fund. Any moneys in the fund not immediately needed by the Office may be invested by the Office in obligations of the United States or of any agency thereof or in liquid obligations insured by such agency and the earnings from such investments shall be deposited in the fund.

CAPITAL INVESTMENTS AND INTEREST SUPPLEMENTS

SEC. 302. The Office may make a capital investment advance out of the fund to any eligible cooperative, in conjunction with or without a loan if the Office determines that—

(1) the applicant's initial or supplemental capital requirements exceed its abiltiy to obtain such capital through a loan under section 108 or from other sources;

(2) the membership of the applicant is, or will consist, substantially of low-income persons, as determined by the Office, or the applicant proposes to undertake to provide specialized goods, services, or facilities to serve the needs; or

(3) if, under either item (1) or (2) above, the criteria for a loan under section 108 cannot be met because of the lack of sufficient capital to initiate the proposed undertaking, and the applicant presents a plan which the Office determines will permit the replacement of a capital investment advance out of member equities within a period not to exceed thirty years.

(b) The Office may make advances out of the fund in the nature of interest supplements or credits to an eligible cooperative applicant which the Office determines cannot meet the criteria for a loan under section 108 of this Act by reason of deficiency of income from the sale of goods or services to or the use of facilities by its members or groups of persons of low income: *Provided*, That such advances will not exceed that part of the interest rate on indebtedness of such applicant to the Office, Bank, or other creditors which exceeds 5 per centum per annum for any year in which the net income of the organization is insufficient to meet scheduled interest payments.

(c) The Office may provide a special interest rate to any eligible cooperative which meets the requirement of subsections (a) and (b) of this section 302. Such special interest rate shall be calculated without including the cost of the fund of assistance provided to the applicant under title IV of this Act.

(d) The Office may transfer from the fund to its operating funds account sums equal to the interest supplements or credits under subsection (b) and the estimated cost of assistance furnished or provided under subsection (c) of this section.

TITLE IV—COOPERATIVE TECHNICAL ASSISTANCE

ORGANIZATIONAL ASSISTANCE

SEC. 401. The Office of Consumer Cooperatives shall make available information and services concerning the organization or re-

organization of cooperatives to best achieve the objectives of this Act and to best provide the means through which various types of goods, services, and facilities can be made available to members and patrons. The Office may enter into cooperative agreements with other agencies of Federal, State, and local governments, colleges and universities, or other cooperative, nonprofit organizations or foundations for the development and dissemination of such information, and services described in this title. The Office may make or accept grants or transfer of funds for such purposes.

INVESTIGATION AND REVENUES

SEC. 402. The Office of Consumer Cooperatives may undertake investigations of new types of services which can more effectively be provided through cooperative not-for-profit organizations and make surveys of areas where the increased use of such organizations will contribute to the economic well-being of the community.

FINANCIAL ANALYSIS AND MARKET SURVEYS

SEC. 403. The Office of Consumer Cooperatives, may, at the request of any eligible cooperative, provide a financial analysis of the applicant's capital structure and needs and its cost of operations, survey the market for the goods or services the cooperative makes or desires to make available to its members or patrons or the users of its facilities.

DIRECTOR AND MANAGEMENT TRAINING AND ASSISTANCE

SEC. 404. The Office of Consumer Cooperatives shall develop and make available, alone or in concert with other organizations, a program for training directors and staff of eligible cooperatives to improve their understanding of their responsibilities; the problems of and solutions for effective and efficient operation of their organizations or of cooperatives in general; and may by any means it deems appropriate, conduct membership studies, provide membership education programs, and programs for informing consumers and the general public of the advantages of cooperative action. Management supervision, review, and consultations shall be available from the Office to any eligible cooperative.

AUTHORIZATION

SEC. 405. Beginning October 1, 1977, there are authorized to be appropriated to the Office of Consumer Cooperatives such sums as may be necessary for the administration of this title IV.

FEES FOR SERVICES

SEC. 406. The Office may make the services under this title IV available for such fees as it may establish, not exceeding the cost thereof: Provided, however, That such services as the Office may determine may be made available without charge to eligible cooperatives depending on the nature of the services or on ability to pay. Any fees collected shall be accounted for separately and be available for expenses of the Office.

TITLE V—GENERAL PROVISIONS

AMENDMENTS TO EXISTING LAW

SEC. 501. (a) Section 201 of the Government Corporation Control Act (31 U.S.C. 856) is amended by redesignating paragraph (6) the second time it appears therein as paragraph (7) and by striking out "and" immediately before "(8)" and by inserting ", and (9) the National Consumer Cooperative Bank" immediately before the period at the end thereof.

(b) Section 302 of the Government Corporation Control Act (31 U.S.C. 867) is amended by striking "or" before "the Federal Land Banks" and inserting immediately after "the Federal Land Banks," the following: "or the National Consumer Cooperative Bank,".

(c) The second sentence of subsection (d) of section 303 of the Government Corporation Control Act (31 U.S.C. 868(d)) is amended by inserting "National Consumer Cooperative Bank," immediately before "Rural Telephone Bank".

SEC. 502. Section 5316 of title 5 of the United States Code is amended by adding at the end thereof the following new paragraph:

"(141) Assistant Director, Office of Consumer Cooperatives.".

Mr. ST GERMAIN (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. ST GERMAIN. Mr. Chairman, I ask unanimous consent that debate on all amendments, and all amendments thereto, conclude at 2 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

AMENDMENT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROUSSELOT: On page 69, line 10, strike "such sums as may be necessary" and insert, in lieu thereof the following: "$2 million for the fiscal year ending September 30, 1978, and for the next succeeding fiscal years an amount not to exceed $30 million in the aggregate."

Mr. ROUSSELOT. Mr. Chairman, the bill as reported authorizes appropriations of such funds as may be necessary. The Congressional Budget Office has estimated that $2 million will suffice for the fiscal year ending September 30, 1978, and $30 million for the first 5 years of the bank's life. The purpose of this amendment is to write these figures into the law. It is unwise to have an open ended authorization for such a new agency. We can and should review their operations if they need more funds during this period.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield.

Mr. ST GERMAIN. Mr. Chairman, we will be happy to accept the amendment.

Mr. ROUSSELOT. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROUSSELOT: On page 77 after line 24 add the following new section:

SEC. 503. All authorities granted under this Act shall terminate on December 31, 1982, and the President shall transfer authority for collection of outstanding loans and the completion of any outstanding contracts to an agency of his choice.

Mr. ROUSSELOT. Mr. Chairman, this amendment would provide a sunset provision in this bill, as we have done in many others. I think it is an appropriate amendment.

If the organization turns out to be as viable as my colleague from Rhode Island believes it to be, it will be very easily renewed. I see no reason to do any different with this organization than we did with the Energy Agency.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. There is a problem with a sunset amendment, I would say to my colleague from California, because the bank will be selling paper in the marketplace, and certainly the marketplace will not purchase this paper if they see that there is a 1982 sunset date on this bank.

Really and truly, there is no way for this to succeed. This would really ruin the whole thing. I would like to cooperate with the gentleman.

Mr. ROUSSELOT. If we decided to terminate, which I do not know that we will do, if it is as successful as the gentleman from Rhode Island (Mr. ST GERMAIN) and the gentleman from Wisconsin (Mr. REUSS) believe it is going to be, the Treasury Department would automatically assume the responsibility.

Mr. ST GERMAIN. I am sorry.

Mr. ROUSSELOT. Oh, it would, as it does under any other legislation.

Mr. ST GERMAIN. No, no. There is a provision in here which says that there will be no liability on the Treasury or taxpayers for the paper issued by this bank. The point is that you could not sell the paper ab initio because they would not purchase it in the open marketplace for a bank which is going to last 5 years.

Mr. ROUSSELOT. This gives us an opportunity to review this agency, as we are doing with the energy agency. I see no reason why this should be different from any other.

Mr. ST GERMAIN. If the gentleman will yield further, the way the gentleman from California comes back each and every Congress, I am sure he will be here. At any point in time the gentleman knows full well he can have the committee conduct full oversight hearings.

Mr. ROUSSELOT. But that is different, as the gentleman well knows, from the treatment of some of the other agencies with which we deal. It is not the same as having it come up and having the committee actually review it. I believe we have established in many other agencies the sunset concept. I do not believe this should be treated differently from the energy agency.

Mr. ST GERMAIN. If the gentleman will yield further, I certainly try to cooperate.

Mr. ROUSSELOT. I know the gentleman does.

Mr. ST GERMAIN. But I say sincerely to my colleague from California that I would be very grateful if he in fact would withdraw this amendment, having made his point, because really and truly, if the legislation is adopted and if the bank is established—it is not a bank, it is an agency—there is no way they can sell the paper in the marketplace.

Mr. ROUSSELOT. We have now 12 regional branches.

Mr. ST GERMAIN. After 7 years.

Mr. ROUSSELOT. But it is really a bank.

Mr. ST GERMAIN. Yes; it is a bank.

Mr. ROUSSELOT. It is a whole new banking system. So my belief is that we should be required to review this. I think we should put this issue before the House and let the House speak. If the gentleman's point is overwhelming, the gentleman will win.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT).

The question was taken; and on a division (demanded by Mr. ROUSSELOT) there were—ayes 26, noes 27.

RECORDED VOTE

Mr. ROUSSELOT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 203, noes 196, answered "present" 1, not voting 33, as follows:

[Roll No. 415]

AYES—203

Abdnor	Fithian	Mitchell, N.Y.
Anderson, Calif.	Flowers	Mollohan
	Flynt	Montgomery
Andrews, N.C.	Forsythe	Moore
Andrews, N. Dak.	Fountain	Moorhead, Calif.
	Frey	
Archer	Fuqua	Mottl
Armstrong	Gammage	Myers, John
Ashbrook	Gephardt	Nichols
Badham	Giaimo	Panetta
Bafalis	Gilman	Pickle
Barnard	Ginn	Pike
Bauman	Goldwater	Poage
Beard, Tenn.	Goodling	Pressler
Bennett	Gore	Pritchard
Bevill	Gradison	Quayle
Biaggi	Grassley	Quillen
Bonior	Guyer	Rahall
Bowen	Hagedorn	Regula
Breaux	Hall	Rhodes
Breckinridge	Hammer-schmidt	Risenhoover
Brinkley		Roberts
Brooks	Hansen	Robinson
Broomfield	Hefner	Roe
Brown, Mich.	Heftel	Roncalio
Brown, Ohio	Hightower	Rousselot
Broyhill	Hillis	Rudd
Buchanan	Holt	Runnels
Burgener	Huckaby	Ruppe
Burke, Fla.	Hughes	Russo
Burleson, Tex.	Hyde	Santini
Butler	Ichord	Sarasin
Byron	Ireland	Satterfield
Caputo	Jenkins	Sawyer
Carter	Jones, N.C.	Schulze
Chappell	Jones, Okla.	Sebelius
Clausen, Don H.	Kazen	Shuster
	Kelly	Sisk
Clawson, Del	Kemp	Skelton
Cleveland	Ketchum	Skubitz
Cochran	Kindness	Smith, Iowa
Cohen	Krebs	Smith, Nebr.
Coleman	Krueger	Snyder
Collins, Tex.	Lagomarsino	Spence
Conte	Latta	Stangeland
Corcoran	Leach	Stanton
Cornwell	Levitas	Steers
Coughlin	Lott	Stockman
Crane	Lujan	Stratton
Cunningham	Luken	Stump
Daniel, Dan	McClory	Symms
Daniel, R. W.	McCloskey	Taylor
de la Garza	McDade	Thone
Derwinski	McDonald	Treen
Devine	McEwen	Trible
Dickinson	Madigan	Tsongas
Dornan	Mahon	Udall
Duncan, Tenn.	Markey	Vander Jagt
Edwards, Ala.	Marks	Volkmer
Edwards, Okla.	Marlenee	Waggonner
Emery	Marriott	Walgren
English	Martin	Walker
Erlenborn	Mathis	Walsh
Ertel	Michel	Wampler
Evans, Del.	Milford	Watkins
Evans, Ga.	Miller, Ohio	White
Whitehurst	Wilson, Bob	Young, Alaska
Whitley	Winn	Young, Fla.
Whitten	Wydler	
Wiggins	Yatron	

NOES—196

Addabbo	Fowler	Nix
Akaka	Gaydos	Nowak
Alexander	Glickman	Oakar
Allen	Gonzalez	Oberstar
Ambro	Gudger	Ottinger
Ammerman	Hanley	Patten
Anderson, Ill.	Hannaford	Patterson
Annunzio	Harkin	Pattison
Applegate	Harrington	Pease
Ashley	Harris	Pepper
Aspin	Harsha	Perkins
AuCoin	Hawkins	Pettis
Baldus	Heckler	Preyer
Baucus	Hollenbeck	Price
Beard, R.I.	Holtzman	Pursell
Bedell	Horton	Quie
Beilenson	Howard	Railsback
Benjamin	Hubbard	Rangel
Bingham	Jacobs	Reuss
Blanchard	Jeffords	Richmond
Blouin	Jenrette	Rinaldo
Boggs	Johnson, Calif.	Rodino
Boland	Jones, Tenn.	Rogers
Bolling	Kasten	Rooney
Bonker	Kastenmeier	Rose
Brodhead	Keys	Rostenkowski
Brown, Calif.	Kildee	Roybal
Burke, Calif.	Kostmayer	Scheuer
Burlison, Mo.	LaFalce	Schroeder
Burton, John	Le Fante	Seiberling
Burton, Phillip	Lederer	Sharp
Carney	Leggett	Sikes
Carr	Lehman	Simon
Cavanaugh	Lent	Slack
Chisholm	Lloyd, Calif.	Solarz
Clay	Lloyd, Tenn.	Spellman
Corman	Long, La.	St Germain
Cornell	Long, Md.	Staggers
Cotter	Lundine	Stark
D'Amours	McCormack	Steed
Danielson	McFall	Steiger
Davis	McHugh	Stokes
Delaney	McKay	Studds
Dellums	Maguire	Thompson
Derrick	Mattox	Thornton
Dicks	Mazzoli	Traxler
Diggs	Meeds	Tucker
Dingell	Meyner	Ullman
Downey	Mikulski	Van Deerlin
Drinan	Miller, Calif.	Vanik
Duncan, Oreg.	Mineta	Vento
Eckhardt	Minish	Waxman
Edgar	Mitchell, Md.	Weaver
Edwards, Calif.	Moakley	Weiss
Eilberg	Moffett	Whalen
Fary	Moorhead, Pa.	Wilson, C. H.
Fascell	Moss	Wirth
Fenwick	Murphy, Ill.	Wolff
Findley	Murphy, N.Y.	Wright
Fish	Murphy, Pa.	Wylie
Fisher	Murtha	Yates
Flood	Myers, Gary	Young, Mo.
Florio	Myers, Michael	Zablocki
Foley	Natcher	Zeferetti
Ford, Mich.	Neal	
Ford, Tenn.	Nedzi	

ANSWERED "PRESENT"—1

O'Brien

NOT VOTING—33

Badillo	Evans, Ind.	Mann
Brademas	Flippo	Metcalfe
Burke, Mass.	Fraser	Mikva
Cederberg	Frenzel	Nolan
Collins, Ill.	Gibbons	Obey
Conable	Hamilton	Rosenthal
Conyers	Holland	Ryan
Dent	Johnson, Colo.	Shipley
Dodd	Jordan	Teague
Early	Koch	Wilson, Tex.
Evans, Colo.	McKinney	Young, Tex.

Messrs. FOLEY, KASTEN, KOSTMAYER, and PURSELL, changed their vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. JENKINS. Mr. Chairman, a proper balance between the competing parties of a free enterprise system is difficult to maintain. Recognizing this fact, our Nation has seen fit to restrict unbridled business dominations through antitrust laws and numerous other laws to protect the consumer and to encourage competition for the benefit of all our people. Likewise, we have sanctioned co-ops to provide services to large segments of our population where those services were not being provided by private businesses and this has been beneficial to the American people. Such services as providing electricity to rural America, marketing services for our farmers, and hopefully, expansion into the water and sewage areas are legitimate avenues for co-ops to serve and promote the best interest of all our people.

But, today we are being asked to tip the balance; to embark on a journey that will lead us away from the traditional concepts of free enterprise as we presently know and enjoy.

No Member of this House should be misled into believing that this legislation will not be harmful to small business—this is not a bill designed to harm big business, but one aimed at the thousands of small proprietors across this land. What we are really doing with this bill is asking the small grocer, the auto repair shop, the drugstores, the hardware store, the clothing stores, and all of our other neighborhood retail establishments to not only compete with groups that will pay no taxes, but we are legislating today to mandate and force those small taxpayers to actually finance that competitor. In simple terms, what we are doing today if we vote for this bill is to vote for a tax increase on the small businessman, and all the flowery speeches we hear today cannot change that basic fact.

If your basic belief is that the time has now come to finally terminate our free enterprise experiment that has served us through the ages, then you should not only support this bill but increase it even more. If, on the other hand, you believe as I do, that we should encourage rather than discourage, the spirit of fair and honest taxpaying small business competitors who continue to struggle, to hope, to fight for survival, to grasp for life, then you should join with me to defeat this legislation.

Mr. PURSELL. Mr. Chairman, as the House of Representatives considers legislation to create a National Consumer Cooperative Bank, I would like to take this opportunity to voice my very strong support for this bill. I believe that enactment of such legislation will prove beneficial to the American consumer by providing them with a wider range of choice within the marketplace in the real spirit of our free enterprise system.

Cooperative organizations have proven successful within my own Second Congressional District in Michigan. An important part of the cooperative system there is the college and university population. We are all very much aware of the rising costs of college education. A large part of these costs are due to housing and food bills. While they are not the complete solution to these costs, co-ops do provide tremendous savings in the costs of housing and food for students. For instance, the Inter-Cooperative Council at the University of Michigan is

helping to save students over $250,000 a year. We cannot afford to ignore the needs of student cooperatives. They are a vital and growing part of student life and I feel that we should assist them with the adoption of H.R. 2777.

Student co-ops and others are sound organizations which help to enhance our economy in the spirit of fair competition. However, as they are nonprofit organizations, they have encountered difficulties in securing credit from the profitmaking sector of our economy. While this reluctance may be understandable on the part of lending institutions, that does not mean we should ignore the needs of the cooperatives. The Consumer Cooperative Bank will be a self-supporting institution, which will repay the Government's capital and can eventually become a private institution operated by the cooperatives utilizing its services.

We need H.R. 2777 to help students keep down the costs of their college educations; it is needed to help families reduce the size of their food bills; it is needed to help curtail the spiraling costs of health care; it is needed to help all consumers enjoy the benefits of good quality, low-priced goods and services.

Therefore, it is my intention to support H.R. 2777 and I urge my colleagues to join me in helping to enact this vital piece of legislation.

Mr. BINGHAM. Mr. Chairman, I rise in support of H.R. 2777, the National Consumer Cooperative Bank Act. The need for such a bill was made apparent in extensive hearings held before the House Subcommittee on Financial Institutions. Representatives of consumer cooperatives from around the country testified as to the difficulty experienced by their organizations in gaining credit from commercial banks. The nonprofit status of the cooperatives, the unfamiliarity of banks with their corporate structure, and perhaps a faint suspicion of the word "cooperative" has made adequate financial support hard to obtain.

The National Consumer Cooperative Bank Act would be an historic step toward providing consumer cooperatives with the financial and technical support they deserve. The National Consumer Cooperative Bank created under the act would be a ready source of funds from which nonprofit cooperatives throughout the Nation could borrow at prevailing market rates. The Office of Consumer Cooperatives established under the auspices of ACTION would provide needed technical assistance to cooperatives. It would also administer a special self-help development fund, which would offer low-interest loans to new, small inner-city and rural cooperatives serving low-income people.

The great value of consumer cooperatives has been demonstrated over a long period of time. In existence since the 19th century, they provide consumers with services ranging from health care and legal assistance to housing and food products. In fact, the largest housing cooperative in the United States, Co-op City, is located in my district and is home to 55,000 of my constituents.

Cooperatives offer consumers the opportunity to gain control over their economic condition by organizing a corporation to serve their needs. These cooperatives would be particularly valuable in inner-city neighborhoods, where private business is often reluctant to enter. They would also offer a valuable economic boost to such communities. However, without a National Consumer Cooperative Bank, such projects are unlikely ever to get off the ground.

Further, this proposal would not create a continuing Government bureaucracy. Although initially capitalized by the Treasury Department, the bank would eventually come under the ownership of its private borrowers, and would have to compete in the open market. The initial investment by the Federal Government is substantial: $100 million in the first year, and a total of $500 million over a 5-year period. However, the bank would be required to repay the full amount of the Government investment, with interest, from the proceeds of its loans to cooperative borrowers. A similar venture was tried by the Bank for Cooperatives, created under the Farm Credit System to lend to farm cooperatives. The system started with Government seed money which was loaned to and repaid by small farmers. As the farmers repaid the loans, they purchased small shares of the bank until all of the Government seed money was repaid. There is no reason why the same experience could not be repeated by the National Consumer Cooperative Bank.

The proposed substitute for the bill—a 2-year $20 million pilot project—would have been unnecessary and counterproductive. The purpose of the substitute was to give further study to the credit needs of cooperatives in order to determine whether a consumer cooperative credit bank should be created. Yet testimony by representatives of consumer cooperatives from around the country has clearly established the inability of cooperatives to obtain credit from commercial banks and the necessity of creating a consumer cooperative bank. Further, the substitute would have created yet another expensive Government bureaucracy that may be hard to eliminate later. Although the National Consumer Cooperative Bank would require a far greater initial investment, it would eventually repay all of the Government money and become a private entity.

Consumers deserve the opportunity to organize cooperatives to meet their own needs. The National Consumer Cooperative Bank Act would make this opportunity genuine. I urge my colleagues to adopt this milestone proposal.

Mrs. SCHROEDER. Mr. Chairman, House passage of the National Consumer Cooperative Bank bill, H.R. 2777, would be a major victory for urban areas such as Denver. The measure could do for cities what its model, the farm credit system, does for rural areas—encourage self-help projects and promote community growth. For this reason, I have cosponsored the bill.

Consumer cooperatives have been popular for years in housing and health—two areas in which costs have risen rapidly. For example, the Common Market is a highly successful food co-op in Denver.

The bill provides Federal seed money to establish a national co-op bank which will make loans at market interest rates to consumer co-ops of all varieties. Because obtaining initial capital is often the most difficult organizational step many cooperatives face, the bill provides the additional nudge needed to help people help themselves. All Government capital will eventually be repaid and the bank will be phased out of the Federal Government becoming a self-supporting private institution.

Consumer cooperatives have come of age in our economy. I urge your support of H.R. 2777.

Mr. BROWN of California. Mr. Chairman, the bill to establish a National Consumer Cooperative Bank is an excellent piece of legislation. It is receiving a great deal of discussion and I am disturbed by some of the claims being made against this proposal. I strongly feel that the establishment of this bank is consistent with stated national goals and will help relieve some of the burdens being placed on underserved, and frequently exploited, rural and urban populations.

This bank follows on the successful example of the farm cooperative bank, set up on the same principle as the Consumers Co-op Bank. The Federal outlay in this program is simply a temporary one to allow capitalization of the bank. The money will be returned to the Treasury as loans are repaid, terminating any Federal investment in the bank. Loans will be made at prevailing rates and the legislation requires that only sound loans can be made. To insure that and to assist these co-op's with their special problems a self-help development fund is provided for, as well as a technical assistance program in ACTION. From a strictly financial viewpoint the bank is a sound investment that will not cost the taxpayer anything in its capitalization.

But what of the need for this institution? Critics argue that co-op's have no problem obtaining financing. The difficulties encountered by the successful Berkeley Cooperative in its attempts to secure a $600,000 loan flies in the fact of this argument. A nonprofit enterprise is a strange animal in the world of finance.

Co-ops are interested in serving their members first and expanding into new areas second. This low growth orientation is an anathema to those used to dealing with rising profit curves, expansion potential, and aggressive marketing. Co-ops frequently evolve in "declining" areas, urban and rural, that cause traditional lending institutions to shudder when considering loan security. These organizations do not appear in many investment portfolios, contrary to what critics of this bill would have us believe.

But the value of co-ops cannot be estimated on a purely financial basis. The benefits provided to their members and the local community are outside of the considerations used by loan offices, but should be considered by Congress. We bemoan rising costs yet here is a system that has been shown to save consumers 30 percent on their food bills in California and we question the need for it.

Co-ops provide a community focus, a sense of self-help that is missing in our national programs to revitalize declining areas. These areas are frequently abandoned by profitmaking enterprises, leaving the residents underserved and often victimized by those operations that remain. Recent studies have shown that when retail food outlets become concentrated in a few chain operations, prices are higher due to the lack of competition. Co-ops require little startup capital, making them suitable for low income areas. An average sized supermarket in California requires $200,000 to set up. A recent study in northern California showed that the average co-op cost was $2,030. By establishing this bank, we can provide a means for these areas to regain control of part of their lives and help foster the sense of community that we seek in our larger, checkwriting redevelopment schemes. This is more than worth the cost of the self-help fund and the technical assistance program.

This bill does not give an unfair competitive advantage to consumer cooperatives, it simply puts them on equal footing in obtaining financing. Co-ops evolve in response to a community need and well-run small business is equipped to meet those needs. If there is a shortage of a commodity or service or if residents cannot afford these items, then the community should be able to respond by taking action to correct the situation. These are the vital dynamics of a healthy functioning community, something that this bill encourages.

I see this bill as another tool to be used in revitalizing depressed areas. Cooperatives can provide savings to consumers and form a community focus that can catalyze redevelopment efforts. The capitalization outlay will be returned to the Treasury. The self-help fund and technical assistance fund will be paid for by the nonmonetary community benefits, benefits that we try to attain through higher priced programs. If we are serious in offering relief to the consumer and help to depressed areas then we should pass this bill.

Mrs. COLLINS of Illinois. Mr. Chairman, many times we have heard arguments against the origin of Federal credit programs. This may be largely due to the fact that the benefits of these programs cannot be measured by statistical data and intangible advantages are not taken into consideration. Computer specialists could not graph the millions of small businessmen to be helped by the billions of dollars of loans and loan guarantees through the Small Business Administration, nor could they foresee those rural cooperatives developed for farmers through the Farm Credit System.

I support H.R. 2777, the National Consumer Bank Act, because it extends to the consumer in the urban area, the same advantages given to farmers and small businessmen through their respective cooperative bank programs.

This measure will establish a National Consumer Cooperative Bank to make loans in the fields of health, housing, food and repair services. It would establish a Self-Help Development Fund for low-income consumer cooperatives in need for special assistance, and an Office of Consumer Cooperatives to provide technical assistance and to help finance new co-ops, especially in inner-city areas.

The National Consumer Bank Act gives the consumer bargaining power and increases marketplace competition. Providing groups and individuals with the opportunity for involvement in the economic condition of their community will not only challenge the domination of monopolies in America, but will help to revitalize inner city areas hurt by the loss of residents and businesses.

Many banks are not willing to make loans to cooperatives in inner-city communities. Since leading institutions do not prove to be of help, we must support the attempts of consumer cooperatives to deal with neighborhood and community problems.

H.R. 2777 authorizes $10 million for fiscal year 1978 for the Self-Help Fund and an amount not to exceed $24 million for the 4 succeeding fiscal years. The fund will provide development financing for newly formed cooperatives, low-income cooperatives and cooperatives serving special needs.

The bill establishes two separate entities—the National Consumer Cooperative and the Office of Consumer Cooperatives. All of the loans, guarantees, borrowings, and authorizations of the bill are included in Federal budget totals as long as the bank uses Treasury funds to make loans. This provides budget officials with information on the impact of the bank and the office on total U.S. budget figures.

There were reservations about the Small Business Administration and the Farm Credit System, and essentially every major new credit effort. Despite these reservations, consumer cooperatives exist in a variety of services as a successful self-help innovation. The National Consumer Cooperative Bank Act is a necessary measure to allow cooperatives to develop fully and provide more benefit for the consumer.

Mr. LAFALCE. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. Under the unanimous-consent agreement 2 minutes remain, so the gentleman from New York is recognized for 2 minutes.

Mr. LAFALCE. Mr. Chairman, I think a great many Members here voted against the substitute that I offered earlier because they were, in my judgment, erroneously—but certainly in good faith—greatly worried about any negative effect that might be incurred by cooperatives because of any study that might be done.

I ask the Members now to consider voting "no" on the final passage of this legislation because this bill is, regardless of the outcome on the substitute amendment, opposed by the administration. It is three-quarters of a billion dollars for a new bank and self-help fund. I quote from a letter from Bert Lance, dated June 29, 1977:

> The Administration has recently completed another review of this issue and continues to support the position presented by the Treasury Department.

That position was in opposition to this bill.

If there is any question about whether or not there is a subsidy under this bill, I quote from page 73 of the bill:

> The Office of Consumer Cooperatives has one-quarter of a billion dollars to make advances out of the fund in the nature of interest supplements or credits . . . the office may provide a special interest rate to any eligible cooperative which meets the requirements of subsections (a) and (b) of this section 302.

I ask the Members for a "no" vote on this three-quarter billion dollar bill.

The CHAIRMAN. Under the unanimous consent agreement, all time has expired.

The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore. (Mr. WRIGHT) having assumed the chair, Mr. MAZZOLI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 2777) to provide for consumers a further means of minimizing the impact of inflation and economic depression by narrowing the price spread between costs to the producer and the consumer of needed goods, services, facilities, and commodities through the development and funding of specialized credit sources for, and technical assistance to, self-help, not-for-profit cooperatives, and for other purposes, pursuant to House Resolution 638, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the Chair was in doubt.

Mr. ST GERMAIN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 199, nays 198, answered "present" 1, not voting 35, as follows:

[Roll No. 416]

YEAS—199

Addabbo	Aspin	Boland
Akaka	AuCoin	Bolling
Alexander	Baldus	Bonior
Allen	Baucus	Bonker
Ambro	Beard, R.I.	Brodhead
Ammerman	Bellenson	Brown, Calif.
Anderson, Calif.	Benjamin	Brown, Ohio
Andrews, N. Dak.	Biaggi	Burke, Calif.
Annunzio	Bingham	Burton, John
	Blanchard	Burton, Phillip
	Boggs	Caputo

Carney	Jenrette	Pursell
Carr	Johnson, Calif.	Quie
Chisholm	Kasten	Rahall
Clay	Kastenmeier	Rangel
Cleveland	Kildee	Reuss
Cohen	Kostmayer	Richmond
Conte	Krebs	Rinaldo
Conyers	Le Fante	Rodino
Corman	Lederer	Roe
Cornell	Leggett	Rogers
Cotter	Lehman	Roncalio
D'Amours	Lent	Rooney
Danielson	Lloyd, Calif.	Rose
Davis	Long, Md.	Rostenkowski
Delaney	Lujan	Roybal
Dellums	Lundine	Santini
Derrick	McCloskey	Sarasin
Dicks	McCormack	Scheuer
Diggs	McDade	Schroeder
Dingell	McFall	Simon
Downey	McHugh	Slack
Drinan	Madigan	Smith, Iowa
Duncan, Oreg.	Maguire	Solarz
Eckhardt	Markey	Spellman
Edgar	Mattox	St Germain
Edwards, Calif.	Meeds	Staggers
Eilberg	Meyner	Stark
Emery	Mikulski	Steers
Fary	Miller, Calif.	Steiger
Fascell	Mineta	Stokes
Fenwick	Minish	Studds
Findley	Mitchell, Md.	Thompson
Fish	Moakley	Thornton
Fisher	Moffett	Traxler
Flood	Moorhead, Pa.	Tsongas
Florio	Moss	Udall
Foley	Motti	Ullman
Ford, Mich.	Murphy, Ill.	Van Deerlin
Ford, Tenn.	Murphy, N.Y.	Vanik
Fowler	Murphy, Pa.	Vento
Gaydos	Myers, Michael	Walgren
Gephardt	Nedzi	Waxman
Gilman	Nix	Weaver
Gudger	Nowak	Weiss
Harkin	Oakar	Whalen
Harrington	Oberstar	White
Harris	Ottinger	Wilson, C. H.
Harsha	Panetta	Wirth
Heckler	Patten	Wolff
Heftel	Patterson	Wright
Hollenbeck	Pattison	Wylie
Holtzman	Pease	Yates
Howard	Pepper	Yatron
Hubbard	Perkins	Young, Mo.
Hughes	Price	Zablocki
Jeffords	Pritchard	Zeferetti

NAYS—198

Abdnor	Daniel, R. W.	Ichord
Anderson, Ill.	de la Garza	Ireland
Andrews, N.C.	Derwinski	Jacobs
Applegate	Devine	Jenkins
Archer	Dickinson	Jones, N.C.
Armstrong	Dornan	Jones, Okla.
Ashbrook	Duncan, Tenn.	Jones, Tenn.
Ashley	Edwards, Ala.	Kazen
Badham	Edwards, Okla.	Kelly
Bafalis	English	Kemp
Barnard	Erlenborn	Ketchum
Bauman	Ertel	Keys
Beard, Tenn.	Evans, Colo.	Kindness
Bedell	Evans, Del.	Krueger
Bennett	Evans, Ga.	LaFalce
Bevill	Fithian	Lagomarsino
Blouin	Flowers	Latta
Bowen	Flynt	Leach
Breaux	Forsythe	Levitas
Breckinridge	Fountain	Lloyd, Tenn.
Brinkley	Frey	Long, La.
Brooks	Fuqua	Lott
Broomfield	Gammage	Luken
Brown, Mich.	Giaimo	McClory
Broyhill	Ginn	McDonald
Buchanan	Glickman	McEwen
Burgener	Goldwater	McKay
Burke, Fla.	Gonzalez	Mahon
Burleson, Tex.	Goodling	Marks
Burlison, Mo.	Gore	Marlenee
Butler	Gradison	Marriott
Byron	Grassley	Martin
Carter	Guyer	Mathis
Cavanaugh	Hagedorn	Mazzoli
Chappell	Hall	Michel
Clausen, Don H.	Hammer-schmidt	Milford
Clawson, Del	Hanley	Miller, Ohio
Cochran	Hannaford	Mitchell, N.Y.
Coleman	Hansen	Mollohan
Collins, Tex.	Hefner	Montgomery
Corcoran	Hightower	Moore
Cornwell	Hillis	Moorhead, Calif.
Coughlin	Holt	Murtha
Crane	Horton	Myers, Gary
Cunningham	Huckaby	Myers, John
Daniel, Dan	Hyde	Natcher
Neal	Satterfield	Taylor
Nichols	Sawyer	Thone
Pickle	Schulze	Treen
Pike	Sebelius	Trible
Poage	Sharp	Vander Jagt
Pressler	Shuster	Volkmer
Preyer	Sikes	Waggonner
Quayle	Sisk	Walker
Quillen	Skelton	Walsh
Railsback	Skubitz	Wampler
Regula	Smith, Nebr.	Watkins
Rhodes	Snyder	Whitehurst
Risenhoover	Spence	Whitley
Roberts	Stangeland	Whitten
Robinson	Stanton	Wiggins
Rousselot	Steed	Wilson, Bob
Rudd	Stockman	Winn
Runnels	Stratton	Wydler
Ruppe	Stump	Young, Alaska
Russo	Symms	Young, Fla.

ANSWERED "PRESENT"—1

O'Brien

NOT VOTING—35

Badillo	Frenzel	Nolan
Brademas	Gibbons	Obey
Burke, Mass.	Hamilton	Pettis
Cederberg	Hawkins	Rosenthal
Collins, Ill.	Holland	Ryan
Conable	Johnson, Colo.	Selberling
Dent	Jordan	Shipley
Dodd	Koch	Teague
Early	McKinney	Tucker
Evans, Ind.	Mann	Wilson, Tex.
Flippo	Metcalfe	Young, Tex.
Fraser	Mikva	

The Clerk announced the following pairs:

Mr. Burke of Massachusetts with Mr. Teague.
Mr. Brademas with Mr. Cederberg.
Mr. Hawkins with Mr. McKinney.
Mr. Obey with Mr. Frenzel.
Mr. Shipley with Mr. Badillo.
Mr. Dodd with Mr. Conable.
Mr. Early with Mr. Flippo.
Mr. Dent with Mr. Koch.
Mr. Mikva with Mr. Gibbons.
Mr. Metcalfe with Mrs. Collins of Illinois.
Mr. Rosenthal with Mr. Holland.
Mr. Evans of Indiana with Mr. Fraser.
Mr. Hamilton with Mr. Charles Wilson of Texas.
Miss Jordan with Mr. Ryan.
Mr. Mann with Mr. Nolan.
Mr. Selberling with Mr. Tucker.

Messrs. BIAGGI, ZEFERETTI, and ROGERS changed their vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

AMENDING THE RULES OF THE HOUSE OF REPRESENTATIVES AND ESTABLISH A PERMANENT SELECT COMMITTEE ON INTELLIGENCE

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 658 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 658

Resolved, That it is the purpose of this resolution to establish a new permanent select committee of the House, to be known as the Permanent Select Committee on Intelligence, to oversee and make continuing studies of the intelligence and intelligence-related activities and programs of the United States Government, and to submit to the House appropriate proposals for legislation and report to the House concerning such intelligence and intelligence-related activities and programs. In carrying out this purpose, the Permanent Select Committee on Intelligence shall make every effort to assure that the appropriate departments and agencies of the United States provide informed and timely intelligence necessary for the executive and legislative branches to make sound decisions affecting the security and vital interests of the Nation. It is further the purpose of this resolution to provide vigilant legislative oversight over the intelligence and intelligence-related activities of the United States to assure that such activities are in conformity with the Constitution and laws of the United States.

SEC. 2. The Rules of the House of Representatives are amended by adding at the end thereof the following:

"RULE XLVIII

"PERMANENT SELECT COMMITTEE ON INTELLIGENCE

"1. (a) There is hereby established a permanent select committee to be known as the Permanent Select Committee on Intelligence (hereinafter in this rule referred to as the 'select committee'). The select committee shall be composed of thirteen Members with representation to include at least one Member from:

"(1) the Committee on Appropriations;

"(2) the Committee on Armed Services;

"(3) the Committee on International Relations; and

"(4) the Committee on the Judiciary.

"(b) The majority leader of the House and the minority leader of the House shall be ex officio members of the select committee but shall have no vote in the committee and shall not be counted for purposes of determining a quorum.

"(c) No Member of the House may serve on the select committee for more than six years of continuous service, exclusive of service by any Member of the House on such committee during the ninety-fifth Congress. To the greatest extent practicable, at least four of the Members of the House appointed to the select committee at the beginning of the Ninety-seventh Congress and each Congress thereafter shall be Members of the House who did not serve in such committee during the preceding Congress.

"2. (a) There shall be referred to the select committee all proposed legislation, messages, petitions, memorials, and other matters relating to the following:

"(1) The Central Intelligence Agency and the Director of Central Intelligence.

"(2) Intelligence and intelligence-related activities of all other departments and agencies of the Government, including, but not limited to, the intelligence and intelligence-related activities of the Defense Intelligence Agency, the National Security Agency, and other agencies of the Department of Defense; the Department of State; the Department of Justice; and the Department of the Treasury.

"(3) The organization or reorganization of any department or agency of the Government to the extent that the organization or reorganizaton relates to a function or activity involving intelligence or intelligence-related activities.

"(4) Authorizations for appropriations, both direct and indirect, for the following:

"(A) The Central Intelligence Agency and Director of Central Intelligence.

"(B) The Defense Intelligence Agency.

"(C) The National Security Agency.

"(D) The intelligence and intelligence-related activities of other agencies and subdivisions of the Department of Defense.

"(E) The intelligence and intelligence-related activities of the Department of State.

"(F) the intelligence and intelligence-related activities of the Federal Bureau of Investigation, including all activities of the Intelligence Division.

"(G) Any department, agency, or subdivision which is the successor to any agency named in subdivision (A), (B), or (C); and the activities of any department, agency, or subdivision which is the successor to any department, agency, bureau, or subdivision named in subdivision (D), (E), or (F) to the extent that the activities of such successor department, agency, or subdivision are activities described in subdivision (D), (E), or (F).

"(b) Any proposed legislation initially reported by the select committee, except any legislation involving matters specified in subparagraph (1) or (4)(A) of paragraph (a), containing any matter otherwise within the jurisdiction of any standing committee shall, at the request of the chairman of such standing committee, be referred to such standing committee by the Speaker for its consideration of such matter and be reported to the House by such standing committee within the time prescribed by the Speaker in the referral; and any proposed legislation initially reported by any committee, other than the select committee, which contains any matter within the jurisdiction of the select committee shall, at the request of the chairman of the select committee, be referred by the Speaker to the select committee for its consideration of such matter and be reported to the House within the time prescribed by the Speaker in the referral.

"(c) Nothing in this rule shall be construed as prohibiting or otherwise restricting the authority of any other committee to study and review any intelligence or intelligence-related activity to the extent that such activity directly affects a matter otherwise within the jurisdiction of such committee.

"(d) Nothing in the rule shall be construed as amending, limiting, or otherwise changing the authority of any standing committee of the House to obtain full and prompt access to the product of the intelligence and intelligence-related activities of any department or agency of the Government relevant to a matter otherwise within the jurisdiction of such committee.

"3. (a) The select committee, for the purposes of accountability to the House, shall make regular and periodic reports to the House on the nature and extent of the intelligence and intelligence-related activities of the various departments and agencies of the United States. Such committee shall promptly call to the attention of the House or to any other appropriate committee or committees of the House any matters requiring the attention of the House or such other committee or committees. In making such reports, the select committee shall proceed in a manner consistent with clause 7 to protect national security.

"(b) The select committee shall obtain an annual report from the Director of the Central Intelligence Agency, the Secretary of Defense, the Secretary of State, and the Director of the Federal Bureau of Investigation. Such reports shall review the intelligence and intelligence-related activities of the agency or department concerned and the intelligence and intelligence-related activities of foreign countries directed at the United States or its interest. An unclassified version of each report may be made available to the public at the discretion of the select committee. Nothing herein shall be construed as requiring the public disclosure in such reports of the names of individuals engaged in intelligence or intelligence-related activities for the United States or the divulging of intelligence methods employed or the sources of information on which such reports are based or the amount of funds authorized to be appropriated for intelligence and intelligence-related activities.

"(c) On or before March 15 of each year, the select committee shall submit to the Committee on the Budget of the House the views and estimates described in section 301 (c) of the Congressional Budget Act of 1974 regarding matters within the jurisdiction of the select committee.

"4. To the extent not inconsistent with the provisions of this rule, the provisions of clauses 1, 2, 3, and 5 (a), (b), and (c) of rule XI shall apply to the select committee.

"5. No employee of the select committee or any person engaged by contract or otherwise to perform services for or at the request of such committee shall be given access to any classified information by such committee unless such employee or person has (1) agreed in writing and under oath to be bound by the rules of the House (including the jurisdiction of the Committee on Standards of Official Conduct and of the select committee as to the security of such information during and after the period of his employment or contractual agreement with such committee); and (2) received an appropriate security clearance as determined by such committee in consultation with the Director of Central Intelligence. The type of security clearance to be required in the case of any such employee or person shall, within the determination of such committee in consultation with the Director of Central Intelligence, be commensurate with the sensitivity of the classified information to which such employee or person will be given access by such committee.

"6. The select committee shall formulate and carry out such rules and procedures as it deems necessary to prevent the disclosure, without the consent of the person or persons concerned, of information in the possession of such committee which unduly infringes upon the privacy or which violates the constitutional rights of such person or persons. Nothing herein shall be construed to prevent such committee from publicly disclosing any such information in any case in which such committee determines that national interest in the disclosure of such information clearly outweighs any infringement on the privacy of any person or persons.

"7. (a) The select committee may, subject to the provisions of this clause, disclose publicly any information in the possession of such committee after a determination by such committee that the public interest would be served by such disclosure. Whenever committee action is required to disclose any information under this clause, the committee shall meet to vote on the matter within five days after any member of the committee requests such a vote. No member of the select committee shall disclose any information, the disclosure of which requires a committee vote, prior to a vote by the committee on the question of the disclosure of such information or after such vote except in accordance with this clause.

"(b)(1) In any case in which the select committee votes to disclose publicly any information which has been classified under established security procedures, which has been submitted to it by the executive branch, and which the executive branch requests be kept secret, such committee shall notify the President of such vote.

"(2) The select committee may disclose publicly such information after the expiration of a five-day period following the day on which notice of such vote is transmitted to the President, unless, prior to the expiration of such five-day period, the President, personally in writing, notifies the committee that he objects to the disclosure of such information, provides his reasons therefor, and certifies that the threat to the national interest of the United States posed by such disclosure is of such gravity that it outweighs any public interest in the disclosure.

"(3) If the President, personally, in writing, notifies the select committee of his objections to the disclosure of such information as provided in subparagraph (2), such committee may, by majority vote, refer the question of the disclosure of such information with a recommendation thereon to the House for consideration. The committee shall not publicly disclose such information without leave of the House.

"(4) Whenever the select committee votes to refer the question of disclosure of any information to the House under subparagraph (3), the chairman shall, not later than the first day on which the House is in session following the day on which the vote occurs, report the matter to the House for its consideration.

"(5) If within four calendar days on which the House is in session, after such recommendation is reported, no motion has been made by the chairman of the select committee to consider, in closed session, the matter reported under subparagraph (4), then such a motion will be deemed privileged and may be made by any Member. The motion under this subparagraph shall not be subject to debate or amendment. When made, it shall be decided without intervening motion, except one motion to adjourn.

"(6) If the House adopts a motion to resolve into closed session, the Speaker shall then be authorized to declare a recess subject to the call of the Chair. At the expiration of such recess, the pending question, in closed session, shall be, 'Shall the House approve the recommendations of the select committee?'

"(7) After not more than two hours of debate on the motion, such debate to be equally divided and controlled by the chairman and ranking minority member of the select committee, or their designees, the previous question shall be considered as ordered and the House, without intervening motion except one motion to adjourn, shall immediately vote on the question, in open session but without divulging the information with respect to which the vote is being taken. If the recommendation of the select committee is not agreed to, the question shall be deemed recommitted to the select committee for further recommendation.

"(c)(1) No information in the possession of the select committee relating to the lawful intelligence or intelligence-related activities of any department or agency of the United States which has been classified under established security procedures and which the select committee, pursuant to paragraph (b)(2) of this clause, has determined should not be disclosed shall be made available to any person by a Member, officer, or employee of the House except as provided in subparagraph (2).

"(2) The select committee shall, under such regulations as the committee shall prescribe, make any information described in subparagraph (1) available to any other committee or any other Member of the House and permit any other Member of the House to attend any hearing of the committee which is closed to the pubic. Whenever the select committee makes such information available, the committee shall keep a written record showing, in the case of any particular information, which committee or which Members of those received such information. No Member of the House who, and no committee which, receives any information under this subparagraph, shall disclose such information except in a closed session of the House.

"(d) The Committee on Standards of Official Conduct shall investigate an unauthorized disclosure of intelligence or intelligence-related information by a Member, officer, or employee of the House in violation of paragraph (c) and report to the House concerning any allegation which it finds to be substantiated.

"(e) Upon the request of any person who is subject to any such investigation, the Committee on Standards of Official Conduct shall release to such individual at the conclusion of its investigation a summary of its investigation, together with its findings. If, at the conclusion of its investigation, the Committee on Standards of Official Conduct determines that there has been a significant breach of confidentiality or unauthorized disclosure by a Member, officer, or employee of the House, it shall report its findings to the House and recommend appropriate action such as censure, removal from committee membership, or expulsion from the House, in the case of a Member, or removed from office or employment or punishment for contempt, in the case of an officer or employee.

"8. The select committee is authorized to permit any personal representative of the President, designated by the President to serve as a liaison to such committee, to attend any closed meeting of such committee.

"9. Subject of the rules of the House, no funds shall be appropriated for any fiscal year beginning after September 30, 1978, with the exception of a continuing bill or resolution continuing appropriations, or amendment thereto, or conference report thereon, to, or for use of, any department or agency of the United States to carry out any of the following activities, unless such funds shall have been previously authorized by a bill or joint resolution passed by the House during the same or preceding fiscal year to carry out such activity for such fiscal year:

"(a) The activities of the Central Intelligence Agency and the Director of Central Intelligence.

"(b) The activities of the Defense Intelligence Agency.

"(c) The activities of the National Security Agency.

"(d) The intelligence and intelligence-related activities of other agencies and subdivisions of the Department of Defense.

"(e) The intelligence activities of the Department of State.

"(f) The intelligence activities of the Federal Bureau of Investigation, including all activities of the Intelligence Division.

"10. (a) As used in this rule, the term 'intelligence and intelligence-related activities' includes (1) the collection, analysis, production, dissemination, or use of information which relates to any foreign country, or any government, political group, party, military force, movement, or other association in such foreign country, and which relates to the defense, foreign policy, national security, or related policies of the United States, and other activity which is in support of such activities; (2) activities taken to counter similar activities directed against the United States; (3) covert or clandestine activities affecting the relations of the United States with any foreign government, political group, party, military force, movement, or other association; (4) the collection, analysis, production, dissemination, or use of information about activities of persons within the United States, its territories and possessions, or nationals of the United States abroad whose political and related activities pose, or may be considered by any department, agency, bureau, office, division, instrumentality, or employee of the United States to pose, a threat to the internal security of the United States, and covert or clandestine activities directed against such persons.

"(b) As used in this rule, the term 'department or agency' includes any organization, committee, council, establishment, or office within the Federal Government.

"(c) For purposes of this rule, reference to any department, agency, bureau, or subdivision shall include a reference to any successor department, agency, bureau, or subdivision to the extent that such successor engages in intelligence or intelligence-related activities now conducted by the department, agency, bureau, or subdivision referred to in this rule.

"11. Clause 6(a) of rule XXVIII does not apply to conference committee meetings respecting legislation (or any part thereof) reported from the Permanent Select Committee on Intelligence.".

SEC. 3. (a) The Permanent Select Committee on Intelligence shall make a study with respect to the following matters, taking into consideration with respect to each such matter, all relevant aspects of the effectiveness of planning, gathering, use, security, and dissemination of intelligence:

(1) the quality of the analytical capabilities of United States intelligence and intelligence-related activities and means for integrating more closely analytical intelligence and policy formulation;

(2) the extent and nature of the authority of the departments and agencies of the executive branch to engage in intelligence and intelligence-related activities and the desirability of developing charters for each intelligence agency or department;

(3) the organization of intelligence and intelligence-related activities in the executive branch to maximize the effectiveness of the conduct, oversight, and accountability of intelligence and intelligence-related activities; to reduce duplication or overlap; and to improve the morale of the personnel of the intelligence and intelligence-related agencies;

(4) the conduct of covert and clandestine activities and the procedures by which Congress is informed of such activities;

(5) the desirability of changing any law, House rule or procedure, or any Executive order, rule, or regulation to improve the protection of intelligence secrets and provide for disclosure of information for which there is no compelling reason for secrecy;

(6) the desirability of establishing a joint committee of the Senate and the House of Representatives on intelligence and intelligence-related activities in lieu of having separate committees in each House of Congress, or of establishing procedures under which separate committees on intelligence and intelligence-related activities of the two Houses of Congress would receive joint briefings from the intelligence and intelligence-related agencies and coordinate their policies with respect to the safeguarding of sensitive intelligence information;

(7) the authorization of funds for the intelligence and intelligence-related activities of the Government and whether disclosure of any of the amounts of such funds is in the public interest; and

(8) the development of a uniform set of definitions for terms to be used in policies or guidelines which may be adopted by the executive or legislative branches to govern, clarify, and strengthen the operation of intelligence and intelligence-related activities.

(b) The Permanent Select Committee on Intelligence shall report the results of the study provided for by this section to the House, together with any recommendations for legislative or other actions as it deems appropriate, not later than the close of the Ninety-fifth Congress.

SEC. 4. All records, files, documents, and other materials of the Select Committee on Intelligence of the Ninety-fourth Congress now in the possession, custody, or control of the Clerk of the House shall be transferred to the Permanent Select Committee on Intelligence.

Mr. BOLLING (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

COMMITTEE AMENDMENTS

The SPEAKER. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments: On page 13, line 4, after the word "or" strike out the word "removed" and insert in lieu thereof the word "removal".

On page 14, line 6, after the word "intelligence" insert the words "and intelligence-related".

On page 14, line 8, after the word "intelligence" insert the words "and intelligence-related".

The committee amendments were agreed to.

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the word "House" on page 17, line 10, be changed to "Houses." That is a typo.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes for debate to the gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, this resolution was reported from the Rules Committee yesterday. The initial introduction of a similar resolution took place I think on June 23, when the majority leader introduced the predecessor resolution. This is very little changed.

This is a resolution in effect sponsored by the leadership. It has been exhaustively discussed with a great variety of people, and those who have taken the trouble to read either the report or the resolution itself will see that it establishes a permanent Select Committee on Intelligence.

This is an unusual resolution in the fact that it is basically supported by all the elements of the government in the city. Not only is the Democratic leadership in support of the resolution but it also has the approval of the President, as I understand it, and of the intelligence community.

Of course in every case there are always dissents. In the development of the resolution the minority was consulted, but the minority in the Rules Committee raised certain questions, that they certainly had a right to raise, about the division between the parties and the membership and other questions as to substance.

This is another among many attempts on the part of the House to establish some effective oversight over the intelligence activities of the United States. As an individual I have been supporting similar resolutions for many, many years.

Mrs. BOGGS. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to my friend, the gentlewoman from Louisiana.

Mrs. BOGGS. Mr. Speaker, although the resolution before us today would create a permanent Select Committee on Intelligence in the House, the concept of establishing either a joint committee, a standing committee of the House or a Select Committee on Intelligence has been the subject of interest by Members of both Houses of the Congress for almost 25 years.

I ask the gentleman from Missouri (Mr. BOLLING), is it not a fact that our former colleague from New York, Edna F. Kelley, was one of the very few Members of the Congress who had the foresight to suggest and introduce legislation to establish a Joint Committee on Intelligence Matters to be composed of Members of both Houses of Congress as far back as 1953?

Mr. BOLLING. That is certainly true. Edna Kelly was one of the first people to recognize the need for oversight by the Congress of the intelligence community.

Mrs. BOGGS. And also supporting that concept, the gentleman from Wisconsin (Mr. ZABLOCKI) and former Congressman Walter Judd also focused attention and supported legislation to oversee intelligence activities, if my memory serves me correctly.

I would like to point out something that former Congresswoman Edna Kelly pointed out to the Rules Committee in her testimony in support of the establishment of an intelligence committee in 1961, "I cannot help but reflect and think that had this resolution been adopted 8 years ago, when I first introduced it in the 83d Congress, many unfortnate incidents involving the security and prestige of the United States might have been avoided." And Mr. Speaker, to bring us up to date, I need not detail to this body the tragic events that have occurred in the years from 1961 to 1977.

Although strongly advocating the establishment of a Joint Committee on Intelligence in the years of her service, Mrs. Kelley at the same time emphasized that Congress not go into the day-to-day intelligence business but provide a role of oversight of the activities of the various intelligence agencies of our Government.

Although the resolution before us today creates a permanent Select Committee on Intelligence, House Resolution 658 also directs the committee to make a study of the desirability of establishing a joint committee of the Senate and the House of Representatives or of establishing procedures under which separate committees of the two Houses would receive joint briefings from the intelligence agencies and coordinate their policies with respect to the safeguarding of sensitive intelligence information.

Mr. Speaker, I submit that the creation of such a committee is long overdue and therefore urge the adoption of this resolution.

Mr. BOLLING. Mr. Speaker, I thank the gentlewoman for her contribution.

It is true that a great many people were involved early on in trying to face this problem and Mrs. Kelly was one of the earliest.

Mr. RONCALIO. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Wyoming.

Mr. RONCALIO. Mr. Speaker, I am reminded of the occasion not too many years ago when the gentleman from Louisiana, Mr. Hébert, pointed with great pride that matters including intelligence policy could be handled capably and competently by the gentleman from Michigan (Mr. NEDZI) and there would be opportunity for oversight.

What is the difference between the committee at this time and what is to be established or recommended now, except a few more members of the staff?

Mr. BOLLING. Mr. Speaker, there is a very substantial difference, if the gentleman will allow me to answer in the next point I will get to. The key to this committee is that it is not a subcommittee of another committee that already has an interest in the area. This is a select committee, a permanent select committee. It is basically a committee of the leadership. Its membership will be appointed by the Speaker on his motion and on the recommendation of the minority leader. It will be a committee which will have exclusive jurisdiction of the CIA and its functions and it will have cojurisdiction, in effect, with a number of other committees.

It is hoped that over time it will be possible to move ahead in the direction of having a joint committee with the Senate. It is not timely to deal with that now, because the Senate in another matter eliminated virtually all joint committees. This will be an overall committee at the very top of the function. It is hoped it will be able to do a much more effective, much more objective job of oversight than has ever been done on a continuous basis by predecessors, the subcommittees of the various committees of the House.

Mr. RONCALIO. Mr. Speaker, if the gentleman will yield further, may I conclude by stating that there is no person in this body for whom I have more respect as a responsible legislator, and perhaps there are few people in the history of this Congress who have contributed more greatly to the proper discharge of its constitutional functions than has the gentleman in the well, the gentleman from Missouri (Mr. BOLLING); but again if we find the need to depart from our determination, particularly that of the gentleman from Missouri, to avoid the proliferation of committees in this institution, here we are again coming up with another one with more staff, more budget.

I have been through this joint committee route, knowing what it did for the atomic energy, failing to perform on atomic energy. I am not sure this is the right direction; but I have too much respect for the gentleman from Missouri not to support him; so I will support it in the final passage.

Mr. BOLLING. Mr. Speaker, I thank the gentleman.

I will say, the Joint Committee on Atomic Energy performed its function very well for a great number of years. In fact, there are Members who will say that it functioned longer than many of the committees in Congress; but the point is that this is another attempt to establish a committee, a leadership committee, which will give us an opportunity to effectively oversee the functions of the intelligence community.

Now, the difficulty that has always confronted the Congress in dealing with this problem has been twofold—there is a subsidiary difficulty, but the twofold difficulty has been that if you had effective oversight, you had to know. You had to know what was going on, and if you were going to know what was going on, you would have to be trusted enough by the generators of the information so that they would cooperate in making available to you what was going on in all intelligence activity. The dilemma there has always been that if the intelligence activities in the executive were distrustful of the security of the subcommittee or a member of the subcommittee, they were not going to communicate that information freely and frankly. So that you had the twin dilemmas of a desperate need for oversight of the activities of the executive agencies involved in intelligence, and the inability of the Congress to effectively have that oversight unless it had committees that dealt with it, that were secure.

Before I yield to the gentleman from Ohio, I would like to point out that we have tried—and it is very difficult—to thread the eye of the needle in dealing with this problem. There is a House rule, House rule XI, which says that every Member has access to anything that is in a committee file. Clearly, that would have an inhibiting effect under any circumstances on the willingness of the intelligence community to release information. But, it is also true that each Member of the House has a right to consider himself equal to all others.

To try to deal with that problem to the dissatisfaction of all and perhaps to the acceptance of most, we put language in, beginning on page 11, which begins—

"(2) The select committee shall, under such regulations as the committee shall prescribe, make any information described in subparagraph (1) available to any other committee or any other Member of the House and permit any other Member of the House to attend any hearing of the committee which is closed to the public.

Then, it goes on at great length to deal with the questions of enforcement and violations of trust. Now, the committee language is, "under such regulations as the committee shall prescribe." What we have tried to do here, as I say, to the dissatisfaction of practically everybody but, hopefully, with the acceptance of most, is that we have tried to come up with something that will retain the principle that is in the House rule and at the same time give to this committee—a committee run, in effect, by the leadership—the right to assure the security of the information.

Now, I am not prepared to back away from the touchiest point of all. The touchiest point of all is, does that mean that somebody might be denied access to

certain information? The honest answer is, of course. Of course. But, it would be under rules and regulations that were understood and adopted and which could be made the subject of decision by the House.

It is not, in my judgment, sensible for the House of Representatives to say that election to Congress automatically gives to any Member the right to see the most secret matters in the security establishment.

On the other hand, I think it would be an affront if the committee came to the House floor and sought to repeal the rule that states the general fundamental principle that all Members elected to Congress are equal. And we have, perfectly frankly, tried to deal with that dual problem. We think we have successfully done so, as I said earlier, not to everybody's satisfaction, but we believe to the satisfaction of most reasonable men.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. I thank the gentleman for yielding.

Mr. Speaker, let me say that I agree with the gentleman 100 percent in his summation of what the problem is, vis-a-vis dealing with the intelligence community. The only question I would raise is that I am not as sure as my more learned colleague from Missouri that the subsection he is talking about would proscribe the activities of the rights of the committee, in contravention to rule 11. For the second, let me ask the gentleman this question: Does the gentleman interpret this section, which he has read, as empowering the Select Committee on Intelligence with the right to establish regulations which would prevent any Members of this body from attending any hearing to which the public is closed? As I read it, any Member could attend any time a meeting which is closed to the public.

Mr. BOLLING. I read the language to mean that there would be regulations that might prevent some or a number of Members from being privy to certain documents. And it would be also something that would affect not just Members, but staff.

The problem of establishing the security of the material furnished this committee would be the first problem dealt with by the committee. And inevitably the regulations and the rules might affect a Member somewhere down the line.

Mr. ASHBROOK. I thank my colleague.

If the gentleman will yield further, I think we would all agree that in a committee of this type there are different types of intelligence information which will be received. I was hoping that that is what the gentleman would say. Frankly, I did not read the language quite in the same context. But then the thought that the committee could, under some circumstances, issue regulations which could be in contravention to rule 11 satisfies this Member.

Mr. BOLLING. The gentleman can state it any way he wants to, but the fact is the exceptions are possible.

Mr. WAXMAN. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from California (Mr. WAXMAN.)

Mr. WAXMAN. I thank the gentleman for yielding.

The gentleman has given an explanation of how to reconcile the new rules which will come into creation upon the adoption of this resolution and how to read them with the old rules. I want to ask a question concerning one situation in which I am involved.

On behalf of the Committee on Interstate and Foreign Commerce and the House of Representatives, the Subcommittee on Oversight and Investigations has been authorized to intervene in the pending action, United States against American Telephone & Telegraph Co., at the heart of which is a subpena issued by the subcommittee for certain material in the possession of A.T. & T. relating to noncourt ordered wiretaps conducted during the years 1966–76 by A.T. & T. at the request of the FBI. The participation by the House was authorized by House Resolution 1420 of the 94th Congress and House Resolution 334 of the 95th Congress. The concern which I have in connection with House Resolution 658 is that the courts may—at some future stage of the legal review of this matter—look to the procedures of this resolution relating to obtaining and disclosure by the House of classified material that are contained in House Resolution 658 and determine that these procedures may be the only ones by which the House may proceed in this connection. I believe such an interpretation would prejudice the case which the House of Representatives and the subcommittee have developed thus far in this action and I wonder if the distinguished gentleman can reassure me that the interpretation which I have just described is not accurate.

Mr. BOLLING. Mr. Speaker, it seems to me very clear that this resolution has no impact on that particular problem. This is a resolution that is prospective, and it does not seem to me that the procedures provided for in this resolution are at all comparable to the procedures the gentleman has outlined and under which his committee is operating.

Mr. WAXMAN. So the prospective operation of this resolution that the gentleman is proposing today would not affect the current resolution which is before the House of Representatives?

Mr. BOLLING. I do not see how it could.

Mr. WAXMAN. Mr. Speaker, I thank the gentleman for his answer.

Mr. BOLLING. Mr. Speaker, I believe I have covered the principal points. I propose to reserve the balance of my time.

Does the gentlewoman from New York (Ms. HOLTZMAN) desire me to yield?

Ms. HOLTZMAN. Yes. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Speaker, I thank the gentleman for yielding.

I would like to ask the gentleman whether he has an explanation for the fact that this resolution differs from one adopted in the other body in the following respect.

The resolution adopted in the other body to create a similar committee contained a section that provided as follows:

> Nothing in this resolution shall be construed as constituting acquiescence by the Senate in any practice, or in the conduct of any activity, not otherwise authorized by law.

That provision was omitted from this resolution, and in view of some of the language that appears in the resolution, particularly in the definition of intelligence and intelligence-related activities, I wonder whether the gentleman would explain why this was omitted.

Mr. BOLLING. Mr. Speaker, I was not responsible for its being in or out in this particular case, and I think it was left out because it was not considered of significance in this particular resolution.

Ms. HOLTZMAN. Will the gentleman then tell me whether any language in this resolution is in any way designed to constitute an acquiescence by the House in any practice, or in the conduct of any activity, that is not otherwise authorized by law?

Mr. BOLLING. Of course not. The gentleman will say flatly, of course not.

Ms. HOLTZMAN. Mr. Speaker, I thank the gentleman for his assurance.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I will be glad to yield to the majority leader.

Mr. WRIGHT. Mr. Speaker, I just want to compliment and congratulate the gentleman from Missouri (Mr. BOLLING) on his very lucid, forthright, and completely accurate summation of the purposes, the functions, and the structure of this committee. Its purpose is quite clear. It was requested by the President of the United States. He wants to have one place to which intelligence and intelligence-related spokesmen can come to give accurate information to the Congress secure in the knowledge that the confidentiality of sensitive information can be protected.

I think the executive branch of Government is entitled to have that assurance, and this resolution provides it.

The second thing it provides is that the Congress will have for the first time one clear and identifiable mechanism through which it can control, manage, and oversee the far-reaching activities of our scattered intelligence and intelligence-related agencies of Government. We have needed that for a long time. This will give it to us for the first time.

At the present moment there is no committee of Congress that has express jurisdiction over the Central Intelligence Agency or the Director of the Central Intelligence Agency. Now for the first time a committee of the House will have jurisdiction over that Agency of the Government. The Congress itself will have orderly access to know what is going on.

So, Mr. Speaker, I congratulate the gentleman for his very clear, lucid, and thoroughly accurate statement, and I

concur in each and all of the answers he has given to the questions that have been posed thus far.

Mr. BOLLING. Mr. Speaker, I thank the majority leader.

Mr. NEDZI. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Michigan.

Mr. NEDZI. Mr. Speaker, I have one question I would like to direct to the gentleman for some clarification.

One of the provisions of the resolution is that jurisdiction of the committee shall include authorizations for appropriations, both direct and indirect. The problem I see arising is the use of armed services resources by the various intelligence agencies.

And that use is extremely extensive. I am wondering what the intent of this particular language is with respect to jurisdiction over the armed services in terms of the resources that will be or might be used in intelligence gathering or intelligence fuctions?

Mr. BOLLING. I do not think that the language is intended to intrude on the normal authorization and appropriation processes of the armed services. Therefore I think that this is something that the intelligence committee will have to deal with on a more or less agreed upon basis with the armed services. But it is clearly not intended to move in on the armed services appropriation and authorization processes.

Mr. NEDZI. I thank the gentleman.

Mr. BINGHAM. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Speaker, along somewhat similar lines, I wonder if the gentleman from Missouri (Mr. BOLLING) could clarify something for me that troubles me a little bit. This is in reference to the broad terms intelligence and intelligence related activities. The resolution refers not only to the collection, analysis, production and dissemination of information, but with the use of information. I would like the gentleman to indicate that it was not the intention of the committee that his broad definition would apply to the day to day operations of the Department of State in which almost every case involves the use of information that has been collected.

Mr. BOLLING. I think clearly there was no intention to do that. It would be unreal and unreasonable to go that far.

I believe the point raised by the gentleman from New York (Mr. BINGHAM) is well taken.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The Chair will state that the gentleman from Missouri (Mr. BOLLING) has consumed 25 minutes.

Mr. LOTT. Mr. Speaker, I yield 5 minutes to the distinguished minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Speaker, we are being asked today to approve a new Select Committee on Intelligence after just 1 hour of debate and with no opportunity for Members to offer any improvement to the proposed structure or responsibilities of this committee.

I believe the creation of a committee that will have jurisdiction over some of our more clearly sensitive and essential agencies requires greater consideration than the "take it or leave it" proposal with which we have been presented by the Committee on Rules.

I should note here that an effort by my distinguished colleague, the gentleman from Illinois (Mr. ANDERSON) to have this resolution reported out under an open rule was defeated in the committee by a vote of 7 to 8, a 1-vote margin.

As I testified before the Committee on Rules a few days ago, the creation of a Select Committee on Intelligence is an extremely important matter that warrants the fullest attention of every Member. Unfortunately, amendments are precluded under the rule under which we are to consider this resolution and the House is denied an opportunity to work its will on a number of sensitive issues.

If my colleagues on both sides of the aisle have an opportunity to examine this proposal in detail I think they will agree that this resolution contains at least two very serious defects. First is the absence of any provision establishing bipartisan membership for this committee.

The House has a long tradition of bipartisan cooperation in many sensitive, nonpolitical areas. For example, the Committee on Standards of Official Conduct has equal representation between the majority and the minority and a long tradition of bipartisan cooperation. However, under the policy adopted by the Democratic Caucus, the ratio of the 13-member Intelligence Committee will be 9 Democrats and 4 Republicans.

The other body in creating its Select Committee on Intelligence has recognized the need for bipartisanship and has established a ratio of 9 to 8. I do not see how the House can really do anything less, otherwise I feel the result will be to blatantly politicize the committee that attaches to it the responsibility for some of the most sensitive and critical information on activities affecting our national security.

The other problem has to do with establishing rules governing access to meetings of the committee and to information in its possession.

I am aware that the committee will have authority to make rules in this area. I believe, however, it is the responsibility of the full House to erect safeguards to this very sensitive material rather than merely relying upon committee rules in the absence of stronger safeguards as to access. I really question whether our intelligence agencies will make their most sensitive data available to the committee. The result could well be to make it a laughing stock because it will not have the information it requires to handle its duties properly.

I should like to note, also, that the one vote margin on the Committee on Rules, indicating significant bipartisan support for giving the House an opportunity to work its will on the proposed amendments. For these reasons I strongly urge my colleagues to vote down this resolution so it can be returned to the floor under provisions that will permit the Members to share fully in the shaping of this very important committee.

I would also like to reemphasize a point I mentioned in my testimony before the Committee on Rules that my hope is to eventually have a joint committee of the House and Senate on intelligence. In line with the President's desire to limit the number of persons with access to intelligence information and thus reduce the number of opportunities for leaks which can accompany the handling of intelligence information, I think a joint committee of the House and Senate, instead of two committees, is the best approach. I hope this resolution today is just the first step toward a joint committee.

Again, it seems to me that if a joint committee is to be the end result, it would certainly facilitate that result if we were to establish a committee made up of, hopefully, equal members from each party, but at most a committee made up of one more of the majority than the minority. The Senate, as I mentioned, set its committee up that way, and I think it would facilitate matters, and the amalgamation of these two committees, if we were to do a similar job. I even intend—at least I hope I will be able—to support this resolution when it comes up for final passage.

I would like now, if I may, to have the attention of my friend, the gentleman from Missouri, the distinguished chairman of the Committee on Rules. I am sure the gentleman may have touched on this matter earlier. If he has, he can be very brief with me and refer to his previous remarks. But on page 11 on the Select Committee appear these words on line 21:

> The Select Committee shall under such regulations as the committee shall subscribe make any information described in subparagraph 1 available to any other committee or any other Members of the House, and permit any other Members of the House to attend any hearing of the committee which is closed to the public.

I gather from this—and I would just like to have it verified if I am correct—that this means that the committee in its rules may decide either to allow Members to have such information, such access to the meetings of the committee, or not to have, depending on the rules which the committee sets up.

Mr. BOLLING. If the gentleman will yield, that is correct. That language, I answered in a similar query from the gentleman from Ohio (Mr. ASHBROOK) gives the committee the capacity to provide rules that might exclude Members or committees from access to intelligence information. There is no question in my mind that is exactly what it does.

Mr. RHODES. I thank the gentleman.

Mr. Speaker, I yield back the remainder of my time.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this body is being asked today to endorse the creation of a Permanent Select Committee on Intelligence and we are being asked to do so on faith.

I say on faith because there exists in the resolution itself absolutely no assurance that what occurred in the House in the last Congress with respect to the unauthorized disclosure of intelligence information will not occur again.

The purpose of the resolution (H. Res. 658) is to establish a 13-member Permanent Select Committee on Intelligence, which would have legislative jurisdiction and oversight over all types of matters relating to the Central Intelligence Agency, the Defense Intelligence Agency, the National Security Agency, other agencies of the Defense Department, the Justice Department, the Treasury Department, and the organization or reorganization of any department or agency of the Government to the extent of its intelligence or intelligence-related activities. The select committee would control the authorization of appropriations, both direct and indirect, to all of the intelligence agencies of the Government. Periodic reports to the House on the nature and extent of the intelligence activities of the Government are required from the select committee.

An elaborate procedure is written into the resolution respecting the public disclosure of intelligence information in the possession of the select committee. The resolution leaves it to the select committee to draft and implement its own rules and procedures to guard against unauthorized disclosure. Public disclosure is permitted if the select committee so votes, unless the President objects. In the event of Executive objection, the ultimate decision on the question of disclosure of intelligence data to the public is left with the House, which is to go into closed session to determine the issue.

The resolution mandates that the select committee will make any intelligence information available, pursuant to its regulations, to any other committee or any other Member of the House and permit any other Member of the House to attend any hearing not open to the public. Any unauthorized disclosure by a Member or staff is to be investigated by the Committee on Standards of Official Conduct, which Committee is to recommend appropriate action in the event it finds a significant breach of confidentiality.

Finally, the select committee is instructed to make a study of "all relevant aspects of the effectiveness of planning, gathering, use, security, and dissemination of intelligence." Included in the subjects for study is the desirability of establishing a joint committee of the Senate and House on intelligence.

Several amendments were offered in the committee of original jurisdiction, the Committee on Rules, that sought to strengthen and tighten the weak security precaution language now existing in the resolution. These amendments failed one by one. But, because of their vital importance to the improvement of this resolution, I would like to share them with my colleagues at this time.

An amendment was suggested by the gentleman from Texas (Mr. MILFORD), who was a member of the Select Committee on Intelligence of the 94th Congress, to except the records of the Permanent Select Committee on Intelligence from access by any Member of the House. The gentleman's suggested amendment also would have excepted the select committee from the requirement of allowing any Member the right to attend any hearing of the select committee, whether such hearing were closed or not.

Now some may argue that a Member of Congress, as an elected representative of the people, must have access to any and all information bearing on his or her ability to serve his constituency and his country. I have no quarrel with that premise up to a point, and that point is best defined by Sir William Stephenson in the foreword to a book entitled "A Man Called Intrepid." Mr. Stephenson, the man credited with leading the most decisive intelligence operations of World War II, remarks as follows:

> We are rightly repelled by secrecy; it is a potential threat to democratic principle and free government. Yet we would delude ourselves if we should forget that secrecy was for a time virtually our only defense. It served not only to achieve victory, but also to save lives in that perilous pursuit.
>
> The weapons of secrecy have no place in an ideal world. But we live in a world of undeclared hostilities in which such weapons are constantly used against us and could, unless countered, leave us unprepared again, this time for an onslaught of magnitude that staggers the imagination. And while it may seem unnecessary to stress so obvious a point, the weapons of secrecy are rendered ineffective if we remove the secrecy. One of the conditions of democracy is freedom of information. It would be infinitely preferable to know exactly how our intelligence agencies function, and why, and where. But this information, once made public, disarms us.

The fact is, not all Members of Congress have a bona fide need to know about our Nation's intelligence matters. No intelligence system worth its "cloak" and its "dagger" could operate under circumstances permitting 435 Members free access to sensitive classified information, and I encourage my colleagues to heed Sir William Stephenson's very appropriate comments on this issue.

The next amendment offered in committee would have returned House Resolution 658 to language identical in the Senate resolution creating the Senate Select Committee on Intelligence. Under the resolution as written, the select committee is directed to prescribe regulations to make any intelligence information available to any other committee or any other Member to attend any hearing of the select committee.

The amendment simply would have substituted the word "may" for the word "shall", thus removing the mandate allowing the select committee to choose whether it wanted to make intelligence information available or whether it wanted to permit attendance by nonselect committee members at closed hearings. This change was intended to be a companion to the previously mentioned amendment, and the rationale behind it is the same.

Currently, three House committees and four Senate committees receive reports from the President on proposed covert operations. This is required by section 662 of the Foreign Assistance Act of 1961, as amended. The law requires that these reports be made to the "appropriate committees of the Congress." In the House alone this means that 75 Members have direct access to this most sensitive of intelligence information. In an effort to reduce this number, an amendment was proposed that would have defined the term "appropriate committees of the Congress," as far as the House is concerned, as the Permanent Select Committee on Intelligence and a subcommittee each of the Appropriations Committee and the International Relations Committee.

All of these amendments failed, as did amendments to prohibit proxy voting in the select committee and to require that the composition of he select committee be nonpartisan. Both of these proposals have precedents in the House Committee on Standards of Official Conduct. Additionally, the Senate Select Committee on Intelligence has a 9-to-8 ratio and a vice chairman who is a member of the minority. Obviously, like ethics, intelligence is a bipartisan subject in which both majority and minority should share equally. Yet, if the resolution passes as written, the majority will have 2-to-1 plus 1 responsibility for any mistakes in judgment that may occur and result in the unauthorized disclosure of classified data.

Does the majority really want this burden?

The futility of offering further amendments became evident during markup, and several improvements to the resolution were not offered. However, I want to mention them briefly at this time. One would have removed tactical foreign military intelligence serving no national policymaking function from the definition of "intelligence and intelligence-related activities." This was done in the Senate but was specifically omitted in the House resolution. As the resolution stands, every military unit in the field having an intelligence section will be subject to all the provisions of the House resolution. This is absurd.

Other amendments not offered would have required the posting of a security guard at the entrance of the Permanent Select Committee staff offices, and would have assured that the consent of at least four select committee members would be necessary prior to any select committee investigation. Both of these matters are provided for in the Senate.

Subsequent to the so-called markup session, which lasted little over an hour, the Rules Committee voted to report House Resolution 658 to the House as a privileged resolution. This means that there will be an up or down vote on the measure following 1 hour of debate. No amendments may be offered. You are being told, in effect, that you can "take or leave it but you'd better take it."

You also are being told that you are not responsible enough to be afforded the opportunity to amend a resolution having the real potential of directly affecting the very defense of this Nation.

I want to go on record as clearly supporting the creation of an intelligence committee in the House. Our intelligence

agencies want the committee; and, in my mind, they need it. Without direction from the Congress these departments and agencies have no approved guidelines to follow. It would seem to me that such congressionally accepted intelligence-gathering procedures would be welcomed by those in the Government with whom this task rests.

In line with this I would like to quote from a letter I received from Adm. Stanfield Turner, Director of the Central Intelligence Agency. Admiral Turner expressed the hope that an intelligence committee could be established in the House "but with exclusive jurisdiction and with safeguards relating to House rule XI and the Hughes/Ryan amendments." The amendments offered in the Rules Committee would have met the Director's objections. The resolution before us does not.

I want to conclude, Mr. Speaker, by reminding the Members that a precedent does exist for open rules on controversial select committee resolutions such as this one. This precedent includes two resolutions creating the Select Committee on Intelligence in the last Congress and two resolutions creating the Select Committee on Assassinations in this Congress.

Accordingly, I strongly appeal to the Members of this House to affirm this precedent again and vote down House Resolution 658 in order that it can be brought back to the House under an open rule.

Mr. BROOMFIELD. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Speaker, I rise in complete support of the gentleman's statement. I think it is excellent. I think it is most important that the Members understand the importance of the message, as the gentleman has indicated. The House would have another opportunity under an open rule to improve the bill. There are shortcomings. It is important that we have a committee established to consolidate the intelligence operations of this House.

I commend the gentleman for this kind of statement.

Mr. Speaker, 2 years ago the Murphy Commission fulfilled its mandate "to submit findings and recommendations—to provide a more effective system for the formulation and implementation of the Nation's foreign policy." As a member of that commission, I spent considerable time exploring the role intelligence plays in the conduct of our foreign policy. Ultimately, I concluded that the effective conduct of U.S. foreign policy rested so heavily upon our intelligence capabilities that Congress—in its watchdog capacity—had an overriding and continuing responsibility of insuring that they were always adequately protected and preserved.

During my service on the Murphy Commission, however, I also became convinced that our intelligence agencies must enjoy the full confidence of the American public whose interests they have been hired to serve. As we have painfully learned over the past few years, their performance can be seriously undermined when that confidence is eroded.

We, as the people's elected representatives, are in the best position to determine what the American public thinks about intelligence and how, when and under what conditions it should be employed. Once we make that determination, we have an obligation to transmit our findings to the intelligence community with the understanding that we expect it to discharge its responsibilities in a manner that is reflective of the body politic's wishes.

To some degree, such a communicative process has been in effect for a long time. In recent years, however, we have come to realize that something was lacking. Specifically, we discovered that we did not know for sure whether or not the intelligence arm of our Government was conducting its business within the guidelines we had prescribed. Once we came to that realization, we began to consider and enact measures that were designed to close this serious information gap. The Senate got started a year ago. We are attempting to do so today and I applaud the leadership of the House for taking the initiative on this very important question.

In general, as I indicated in the statement I submitted to the Rules Committee earlier this week, House Resolution 658 is a comprehensive proposal embodying many of the ideas and recommendations of those who have pondered and studied this matter over a period of years. Indeed, I find much of it compatible with a bill that I coauthored last session with the then chairman of the International Relations Committee, Thomas E. Morgan, which called for the creation of a Joint Committee on Intelligence Oversight.

Despite its many excellent features, House Resolution 658 does fall seriously short in a couple areas. I and other Members called these to the attention of the Rules Committee on Tuesday, July 12, 1977, when it hastily conducted a hearing on this resolution. They deal essentially with two questions that I believe this resolution treats most inadequately. The first pertains to the proposed committee's jurisdiction and the second relates to its membership. Since the testimony of Tuesday's Rules Committee session is not yet available, I feel compelled to append those remarks to those I am making today.

Without elaborating further, Mr. Speaker, suffice it to say that until I learned the outcome of yesterday's Rules Committee action I had remained confident that those portions of this measure that especially troubled me would ultimately be amended in a manner that I and like-minded colleagues would find acceptable. I am sorry to report, however, that such a possibility was foreclosed when the Rules Committee voted to bring House Resolution 658 to the floor today as a privileged resolution. With a narrow 8–7 vote, the committee thwarted a bipartisan effort to have this promising proposal debated under an open rule. In so doing, they precluded it from being perfected to my satisfaction. Therefore, I must cast a nay vote on House Resolution 658, and urge the rest or you to do likewise.

The issue now before us is not the creation of an Intelligence Oversight Committee, as I believe all of us think the time has come for such a panel, but rather how should it be constituted and under what ground rules should it operate. Thanks to the Rules Committee we are forbidden from debating that further today. Consequently, let us reject House Resolution 658 and recommit it to the committee with instructions that it be sent back here under an open rule. If that can be accomplished, I am hopeful House Resolution 658 can be improved in a way that meets with the approval of most of us.

Mr. Speaker, at the outset, I would like to commend the leadership of this House for initiating the legislation (H. Res. 658) now before us. I, too, favor strong congressional oversight of our intelligence community's activities, and cosponsored a measure during the last Congress to bring that about through the creation of a Joint Intelligence Committee. A review of House Resolution 658 indicates that it is a comprehensive proposal reflecting many of the suggestions and recommendations of those who have extensively studied this vexing congressional oversight question.

Although I am generally impressed with the thrust and intent of the majority leader's proposal, I do find it seriously lacking in a couple of areas. Its principal shortcoming is its failure to stipulate that the House's intelligence oversight responsibility must be vested exclusively in the hands of the proposed new intelligence committee. In this context, we should remember that the Murphy and Rockefeller Commissions, as well as both Select Intelligence Committees of the 94th Congress, strongly recommended that Congress concentrate rather than diffuse its intelligence oversight responsibility.

As it stands now, seven committees of the House are kept informed of at least some aspects of the CIA's activities. This has resulted in the Director of the CIA briefing more than 60 Representatives over the past year on some facet of the intelligence business. Such an arrangement has proven wholly unsatisfactory as Congress has diffused the oversight responsibility to the point where it is grossly ineffective. Moreover, as noted last year by Mr. McGeorge Bundy, President Kennedy's National Security Adviser, it has also led to "unauthorized and arbitrary leaks." These, of course, are most counterproductive as they seriously undermine the mutual trust and confidence between the executive and legislative branches that are so essential to making oversight work.

I think all of us agree that inherent in any congressional effort to practice meaningful oversight of the intelligence community and its activities is the risk of leaks of sensitive and/or classified information. While acknowledging this, we maintain that it is a risk worth tak-

ing as there is a clear-cut requirement for Congress to have access to highly classified material in order to fully discharge its intelligence oversight responsibility.

In accepting that responsibility, however, we must recognize the need to protect certain data and take every means possible, including self-disciplinary, to minimize the risk of unauthorized disclosures. To date, we have been remiss in this regard, principally because we have allowed an increasing number of committees to share in the oversight responsibility.

The proliferation of committees concerned with intelligence oversight has also created problems for those who have to testify before Congress. I recall William Colby, shortly before he turned over the reigns of the CIA to George Bush, estimating that he spent almost half of his time testifying before various congressional committees and subcommittees. Needless to say, this seriously endangered his ability to fulfill his dual responsibility of administering the CIA and overseeing the intelligence community. Consequently, would not it make much more sense to require the CIA director to account to a single House committee comprised of a membership that was representative of this body as a whole?

Another factor we should bear in mind in our considerations pertains to Congress investigative arm—the Government Accounting Office (GAO). Its current Director, Mr. Elmer Staats, made a strong case for concentrated oversight 2 years ago before Congressman PIKE's now defunct Select Committee on Intelligence on the grounds that it would bring about, among other things, a much more efficient working relationship with Congress. Presently, with so many committees and subcommittees possessing at least some jurisdictional responsibility over the intelligence community, the GAO is often pulled simultaneously in several directions as to what and for whom it should conduct a particular study and/or investigation.

The likelihood of the proposed committee's membership being chosen along usual partisan lines also troubles me. Since the committee will be treating matters that are essentially apolitical in nature, why should there be a need to apply the usual formula for determining how many Democrats and Republicans will sit on it? The Senate surely did not perceive such a need and I see no reason why we should not emulate the Senate model. At the present time, there are 9 Democrats and 8 Republicans on the Senate Intelligence Committee, and as Chairman INOUYE has observed, almost all of the decisions of his committee have been unanimously approved.

Mr. Speaker, as I said last year when I last addressed the House on this subject, we now are all well aware—thanks to exhaustive studies of both the executive and legislative branches of this Government—of what this body needs to practice meaningful oversight. I am confident, therefore, that although as in the Senate it may be tough going along the way, we will be able to live with what ultimately evolves from these deliberations. Undoubtedly, the final product will be an amalgamation of sundry ideas hammered out on the anvil of compromise. Nevertheless, I am sure it will represent a quantum jump forward over what currently masquerades as effective intelligence oversight. To those who may doubt this forecast, I suggest that they take a look at what has and is happening in the Chamber next door.

Mr. MCCLORY. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Illinois.

Mr. MCCLORY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, it was 2 years ago this month that I was in the well speaking in support of the reestablishment of the Select Committee on Intelligence. Those of you who were here will recall that there was considerable controversy and many doubts among Members of the House of Representatives on the ability of the House to conduct an investigation of the intelligence community. Many Members on both sides of the aisle were opposed to a reconstitution of the select committee. Had it not been for the bipartisan work of myself and my distinguished colleague from Missouri (Mr. BOLLING), I do not believe that this House would have reestablished the select committee.

The investigation went forward. While I realize that the select committee made mistakes, I also strongly believe that much of the work was important and provided some positive results for the House and for the intelligence agencies.

When I learned that the House leadership was prepared to consider the creation of a Permanent Select Committee on Intelligence, I was anxious to support this effort wholeheartedly. Since I served as the ranking minority member of the old Select Committee on Intelligence, I went to the Rules Committee to share with them my thoughts and experiences gleaned from my previous service. The first recommendation to the House from the select committee urged the establishment of a Standing Committee on Intelligence. I supported that recommendation at the time, and I still support the concept. However, as I told the Rules Committee, the resolution in its present form has certain flaws which this House cannot permit to be included when this committee is constituted.

First, it is crucial that the new Intelligence Committee exhibit to the intelligence community and to the American people a serious desire to exercise fair and nonpartisan oversight. The Pike committee had 13 members—9 Democrats and 4 Republicans. Most of our votes, votes which were crucial to the work of the select committee and to the image of the House of Representatives, went along partisan lines. In several instances, the committee was used to discredit the former Secretary of State for partisan political gain on behalf of some of the members of the committee. This House cannot permit this to happen again, no matter which party controls the executive branch.

After extensive debate, the Senate saw the wisdom of a nonpartisan ratio for its Intelligence Committee. As I am sure most of you are aware, presently there is a 9-to-8 ratio on that committee, and I believe we should follow their example. The security of this Nation and the lives and safety of Americans around the world is far more important than partisan politics of the House of Representatives.

Second, it has always been my belief that the Congress of the United States and particularly committees of the Congress charged with oversight of intelligence-related activities should be trusted to receive and safeguard sensitive information. The President and the intelligence agencies exhibited that trust during the 94th Congress. In total, the select committee received over 77,000 documents from the executive branch. During the investigation, I was a persistent supporter of the select committee's successful efforts to receive classified and highly sensitive information essential to our investigation. In fact, I introduced the resolutions which called for the issuance of subpenas for materials from the executive branch, and I protested when they were not complied with fully.

However, it was never my view that the secret or sensitive information which the select committee received was information which any member, or committee, or even the full House of Representatives should have a right to access or a unilateral right to make public. This resolution before us today permits any Member of the House of Representatives to attend a closed hearing of the new permanent select committee and access to any materials contained in the committee's files. If we are so concerned with the security of this information and the good reputation of the House of Representatives, then this new committee should be permitted to safeguard and withhold some of the most sensitive information from Members not directly involved with the committee's work. Two amendments which would have permitted the new committee to prescribe its own rules and regulations with respect to this sensitive subject were offered, but defeated in the Rules Committee.

Finally, I am concerned with the procedures for release of classified information which appear on pages 9 through 11 of the pending resolution. In its final recommendation submitted to the House on February 11, 1976, the Pike committee proposed stricter procedures for release of classified information than are provided for in this resolution. Briefly, House Resolution 658 provides that after the President certifies to the committee personally in writing that he objects to the release of the information in issue as a specific threat to the national interest, the full House, in secret session, becomes the final arbitrator. In effect, the House would be capable of unilaterally determining what is in the national interest or national security of this country. I do not believe the Constitution affords the Congress, much less the House acting alone, this right.

We all know that secret sessions of the House will simply not safeguard sensi-

tive material. Too many people will have access and the detailed process for release outlined in the resolution will revert to a sham.

If this resolution were in the Committee of the Whole, I would have offered amendments which would have addressed these important concerns. I honestly believe that the wisdom of the full House of Representatives would have insured that this committee would have been nonpartisan and capable of controlling the highly sensitive information which will be in its possession. The Senate committee, which I understand is operating quite effectively, does not permit access to its information by all Senators.

It is imperative that these provisions be included in the resolution establishing this permanent select committee, but we are not permitted that opportunity. Many of us prefer, and we all expect, that eventually the two committees will be combined into a permanent joint committee. It behooves us to establish our committee with procedures as similar to the Senate committee as possible. I ask unanimous consent to include in the RECORD, after my remarks, a Library of Congress comparison of Senate Resolution 400, which established the Senate Intelligence Committee, and House Resolution 658.

We are faced with an up-or-down vote. Reluctantly, I must urge all of you to vote against this resolution. I simply do not believe that the resolution, in its present form, reflects the wishes of the House of Representatives. If we defeat this resolution, we will insure that the Rules Committee will reconsider these most important issues, and will, at the very least, report a resolution which would provide any one of us the opportunity to offer amendments:

A SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN HOUSE RESOLUTION 658, 95TH CONGRESS AND SENATE RESOLUTION 400, 94TH CONGRESS: RESOLUTION TO ESTABLISH PERMANENT COMMITTEES ON INTELLIGENCE FOR THE HOUSE AND SENATE

On May 19, 1976, after a number of proposals, counterproposals, and compromises, S. Res. 400 to establish a new select committee of the Senate on intelligence matters was passed by a vote of 72–22. Currently before the House of Representatives is H. Res. 658 to establish a permanent select committee on intelligence similar to that created in the Senate in the last Congress. In most respects the language of the two resolutions is not only similar, but identical. There are, however, a few significant distinctions which are worthy of note. These are briefly described below.

1. Committee Titles: Senate—Select Committee on Intelligence. House—Permanent Select Committee on Intelligence.

2. Manner of Establishment: The Senate Committee was established by the resolution itself, while under H. Res. 658 the Committee is created by the addition of a new Rule 48 of the Rules of the House of Representatives.

3. Membership: Senate—15 Members, 2 from the Appropriations Committee, 2 from the Foreign Relations Committee, 2 from the Judiciary Committee, and 7 from the Senate at large. Members from the specified committees are to be evenly divided between the two major parties. Of the remaining seven, four are to be recommended by the majority leader, three by the minority leader. House—13 Members, at least one from the Committee on Appropriations, the Committee on Armed Services, the Committee on International Relations, and the Committee on the Judiciary.

(S. Res. 400, Section 2; H. Res. 658, Section 2, Clause 1))

4. Length of Service: No Senator may serve on the Senate Committee for more than eight years of continuous service. In the House resolution the limitation is six years. "To the greatest extent practicable," one third of the Senate Members appointed at the beginning of the 97th Congress and thereafter are to be Senators who did not serve during the preceding Congress. In the House resolution this stipulation applies to "at least four Members." (S. Res. 400, Section 2(b); H. Res. 658, Section 2, Clause 1(c)

5. "Intelligence" against "Intelligence and Intelligence-Related": H. Res. 658 employs the terms "intelligence and intelligence-related" where S. Res. 400 merely uses the word "intelligence." Both language forms are defined in the identical manner in the definitions portion of the resolution, with the exception that the Senate resolution includes the statement that "such term does not include tactical foreign military intelligence serving no national policymaking function." Note however, that both resolutions define only what the terms "include" and hence leave open-ended the areas which they cover (S. Res. 400; Section 14(a); H. Res. 658, Section 2, Clause (10)(a)).

6. Time Limitations on Referral: Under S. Res. 400 legislation proposed by the Select Committee other than that relating to the CIA or its Director, which contains matter otherwise within the jurisdiction of any standing committee, is to be referred to such committee for consideration and be reported to the Senate by that committee within 30 days of such referral. An identical time limit is placed upon proposals by other committees which are referred to the Select Committee. In H. Res. 658, containing an equivalent provision, the only time limit imposed is that "prescribed by the Speaker." S. Res. 400 provides for automatic discharge if a committee fails to meet the deadline. (S. Res. 400, Section 3(b); H. Res. 658, Section 2, Clause (2)(b)).

7. Referral on Question of Disclosure: S. Res. 400 provides for referral of the question of disclosure over the President's objection to the full Senate. The House resolution also provides for such referral to the House but adds that the Select Committee may refer the question "with a recommendation." (S. Res. 400, Section (8)(b)(3); H. Res. 658, Section 2, Clause 7(b)(3))

8. Disclosure Over Presidential Objection: While the procedures of the two bodies would differ in regard to the taking up of the disclosure question if H. Res. 658 is passed, it is significant to note especially that under H. Res. 658 only the full House may order disclosure over the objection of the President. Under S. Res. 400 however, the whole Senate has the option of referring the question of disclosure back to the Select Committee for final determination with respect to disclosure. In the House version the question can only be referred back "for further recommendation." (S. Res. 400 Section 8(b)(5)(C); H. Res. 658, Section 2, Clause 7(b)(7))

9. Member Attendance at Hearings: H. Res. 658 makes specific provision for permitting "any other Member of the House to attend any hearing of the committee which is closed to the public." No such specific provision is included in S. Res. 400. (H. Res. 658, Section 2, Clause 7(c)(2))

10. Availability of Materials: The Senate resolution states that the Senate "may" under such regulations as the committee shall prescribe to protect the confidentiality of such information, make information available to other committees or Members of the Senate. The House resolution, on the other hand, states that the Select Committee *"shall"* under such regulations make the information available. (S. Res. 400, Section 8(c)(2); H. Res. 658, Section 2, Clause (7)(c)(2))

11. Informing the Committee: Section 11 of S. Res. 400 contains matter not found in H. Res. 658 relating to keeping the Select Committee "fully and currently informed" by the executive agencies. That section provides:

(a) It is the sense of the Senate that the head of each department and agency of the United States should keep the select committee fully and currently informed with respect to intelligence activities, including any significant anticipated activities, which are the responsibility of or engaged in by such department or agency: *Provided,* That this does not constitute a condition precedent to the implementation of any such anticipated intelligence activity.

(b) It is the sense of the Senate that the head of any department or agency of the United States involved in any intelligence activities should furnish any information or document in the possession, custody, or control of the department or agency or person paid by such department or agency, whenever requested by the select committee with respect to any matter within such committee's jurisdiction.

(c) It is the sense of the Senate that each department and agency of the United States should report immediately upon discovery to the select committee any and all intelligence activities which constitute violations of the constitutional rights of any person, violations of law, or violations of Executive Orders, Presidential directives, or departmental or agency rules or regulations; each department and agency should further report to such committee what actions have been taken or are expected to be taken by the departments or agencies with respect to such violations.

12. Unauthorized Conduct: S. Res. 400 contains a provision not found in the House resolution to the effect that "[n]othing in this resolution shall be construed as constituting acquiescence by the Senate in any practice, or in the conduct of any activity, not otherwise authorized by law." (S. Res. 400, Section 16)

13. Studies To Be Made by the Committee: The following differences may be noted in the studies which both resolutions require the committees to undertake:

(a) The study ordered by both resolutions of the quality of the analytical capabilities of United States intelligence and means for integrating more closely analytical intelligence and policy formulation is limited in S. Res. 400 To "foreign intelligence." (S. Res. 400, Section 13(a)(1); H. Res. 658, Section 3(a)(1)).

(b) So also, the Senate study of the organization of intelligence activities to improve the morale of personnel of "foreign intelligence agencies" relates to all "intelligence and intelligence-related agencies" in the House resolution. (S. Res. 400, Section 13(a)(3)) H. Res. 658, Section 3(a)(3)).

(c) S. Res. 400 includes a study of the "desirability of establishing a standing committee of the Senate on intelligence activities". (The House committee, as proposed, is to be established as a permanent select committee and no such study is called for.) (S. Res. 400, Section 13(a)(6)).

(d) The Senate resolution states specifically that the committee may, in its discretion, omit the study of any matter which it determines to have been adequately covered by the earlier Senate Intelligence Committee (the so-called "Church Committee,"). (S. Res. 400, Section 13(b)).

14. Report and Recommendations: S. Res. 400 provides that the report and recommendations regarding these studies must be

reported to the Senate "no later than July 1, 1977, and from time to time thereafter as it deems appropriate. The House resolution states only that the report is to be made by the close of the 95th Congress. (S. Res. 400, Section 13(c); H. Res. 658, Section 3(b)).

Mr. LOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I thank my colleague for yielding to me. I listened to the entire presentation of testimony before the Rules Committee yesterday, and one fact struck me as being rather interesting. My colleague from Massachusetts (Mr. BOLAND), for whom I have the highest regard, and a number of Members, kept referring to the Senate committee as being constituted on the basis of an entirely different membership percentage and, therefore, it made sense to have a partisan 9 to 4 breakdown rather than something approaching the 9 to 8 Senate ratio.

It is different over there. It is 62 to 38. I do not know how many have taken the time to figure that out, but it is 62 percent. The majority in the House of Representatives, as a whole, is less than 66 percent—289 Democrats, 145 Republicans. Yet, on the basis of the 4-percent difference we are told that we must constitute a committee in this body of 9 to 4 where, with 62 percent majority in the Senate, they constitute 9 to 8. That is a very substantial 4 percent, I would point out.

The Senate is not that much more Republican or, conversely, move partisan than the House of Representatives, or is it? As I say, 62 percent there and 66 percent here. Yet, we are told that the small difference justifies making this a partisan committee.

I scribbled a few notes at the Rules Committee hearing, because I kept hearing them, and I heard them again from my friend from Missouri. My friends on the other side of the aisle keep talking about a leadership function; keep talking about a leadership decision; keep talking about a leadership responsibility; keep talking about leadership rules. Well, let us be honest. If that is what it is going to be, then it is a partisan committee. Just that, nothing else.

I am one who had hoped to serve on this committee. I am not so sure I would look forward to it as much as I would had it not been a partisan committee. There is no question but that we have no choice but to accept what is given to us today. The rules are constituted that way, and the majority leadership has the votes. It is very clear that the majority is setting up a partisan committee that will operate in a partisan way. As a person who believes in a strong intelligence committee I am very disappointed at what is happening here today.

Mr. LOTT. Mr. Speaker, I yield to the gentleman from New York (Mr. WEISS).

Mr. WEISS. I appreciate the gentleman yielding to me. I have just a couple of questions and perhaps a comment.

First, would the gentleman agree with me that this is probably about as profound an issue as this House has had to deal with this session of Congress?

Mr. LOTT. I certainly would.

Mr. WEISS. Would the gentleman have any objection or fear on his side of the aisle—have any objection to a unanimous-consent request to extend this debate so that we would have more than half an hour on each side to debate this most profound issue coming before the House?

Mr. LOTT. I would have no objection on this side.

Mr. WEISS. I appreciate the gentleman's response. Finally, would the gentleman agree with me that, in reading the legislation, in fact we will have created two different classes of Members of the House of Representatives: One class comprised of the 13 Members who will be members of this permanent select committee, and the other class consisting of the rest of the Members of the House who will have to get permission from those 13 members in order to see the same material they are not allowed to see otherwise?

Mr. LOTT. I think reasonable men could draw that conclusion.

Mr. WEISS. I thank the gentleman for yielding to me.

Mr. Speaker, at this time I ask unanimous consent that the time for debate on this matter be extended for an additional 1 hour, the time to be controlled by the gentleman from Missouri (Mr. BOLLING).

The SPEAKER pro tempore (Mr. SISK). Is there objection to the request of the gentleman from New York?

Mr. ASHBROOK. Mr. Speaker, reserving the right to object, I would assume the usual delegation of one-half the time to the minority?

Mr. WEISS. Of course. That is intended.

Mr. ASHBROOK. I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. MOTTL. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

Mr. WEISS. Mr. Speaker, I ask unanimous consent that time for debate be extended for an additional half hour, the time to be divided 15 minutes on each side.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LOTT. Mr. Speaker, we have just set a new precedent here, I believe, but at this point I would like to yield 5 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I, too, want to echo the question that was raised by my colleague, the gentleman from Ohio (Mr. ASHBROOK), and the distinguished minority leader, the gentleman from Arizona (Mr. RHODES). It does not appear to me that there is any more sensitive area of legislative jurisdiction to be created in this Congress than the jurisdiction which will be assigned to this permanent select committee. I believe most of us feel that there is no necessity to turn intelligence matters into a political football. Indeed, the other body has set the precedent of bipartisanship in the division of members in their committee, and I am wondering why—and perhaps the gentleman from Missouri could give us some rational explanation—the House division was set as it is, aside from the party arithmetic of the House. Quite often we do create committees that have very special or sensitive jurisdictions, that do not necessarily reflect the political division of the House but rather reflect the important nature of the jurisdiction of the committee.

I wonder if the gentleman from Missouri could give us any particular rationale for the division?

Mr. BOLLING. Mr. Speaker, would the gentleman repeat his question?

Mr. BAUMAN. Because of the sensitive jurisdiction of this committee, why would it not be proper to establish the membership not on the basis of the actual numerical political division of the House, but rather, as the other body set the precedent, a much closer division, assuming the committee will be nonpartisan in its future actions.

Mr. BOLLING. If the gentleman will yield, the gentleman knows, I think, that I was the chairman of the subcommittee which led to the creation of the Ethics Committee, which was bipartisan. Also, I was chairman of the select committee which led to some reorganization of the committee structure, and that was bipartisan. The gentleman also knows that matters of intelligence, unlike matters of organization and matters of ethics, involve policy. And it is only reasonable, in my opinion, while I expect the committee to be totally nonpartisan—that is the reason for the majority leader and the minority leader being ex officio members—it is only reasonable for us to follow the mandate of the American people in our election to the House of Representatives on policy matters. And that is the reason the division would be as suggested.

Mr. BAUMAN. Mr. Speaker, I appreciate the answer of the gentleman from Missouri (Mr. BOLLING). As always, he has, given an answer that is intellectually appealing in defense of a weak position. I commend him for that. But I would say to the gentleman that the House has already been through the excruciating experience of the Pike select committee. We know that this House was dragged through the press and the public media for months as a result of the divisions which occurred. There were, I am sure, valid viewpoints on both sides. But it was rather unfortunate, because the committee had a role to play and was frustrated by its own divisions.

I can foresee the same kind of thing being repeated unless this committee starts out on a completely nonpartisan basis with a willingness to address the overriding issue of intelligence rather than partisanship.

Mr. Speaker, I would hope that the resolution will be voted down so we might have a chance to return under an open rule and to offer amendments, as has been suggested. I personally support the creation of a Select Committee on Intelligence but it should be done with the proper safeguards and with a bipartisan membership.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the distinguished gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I am the last Member in the world who would or could speak for the majority, but it was my understanding, after listening to the testimony before the Committee on Rules, that the majority members of the Committee on Rules were in general agreement that the normally enforced rule of the Democratic caucus requiring the membership be 2 to 1 plus 1 did not apply in this case. So the usual binding partisan considerations could be set aside if the majority so desired. It is obvious, however, that is not the case.

Mr. LOTT. Mr. Speaker, I yield 6 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I well remember that 14 years ago, in the first appearance I ever made before the Committee on Rules, I testified in favor of a resolution proposed at that time by our former colleague, the gentleman from New York, Mr. Lindsay, in favor of a Joint Committee on Intelligence. Therefore, I suppose my credentials are in good standing as being in favor of the committee at that time.

But I think it is ironic—if that is a strong enough word—that we are considering a resolution today to create a Select Committee on Intelligence under a closed, no-amendment procedure. That is literally an insult to the intelligence of every Member of this body.

The argument was made against an amendment offered in the committee by the gentleman from Missouri (Mr. BOLLING)—an amendment that would have required access to information by Members not on the select committee—that the amendment would offer constitutional and practical problems, and that it would make some Members more equal than others.

I submit, Mr. Speaker, that is exactly what this procedure, under which we are operating this afternoon, does. It makes some Members—the leadership on this side of the aisle, the Members who drafted the resolution—more equal than the Members on this side of the aisle, who have desired to make some necessary changes in the wording of this resolution. How unfortunate it is that we are launching one of the most important committees of the Congress in this manner. It was a majority Member of the Congress on this side of the aisle who, in an unusual mood, extended the time for debate because, he said—and I quote—"We are dealing with the most profound issue to come before the 95th Congress." How ironic—it is more than ironic; it is tragic—that we are launching this committee on a sea of partisan controversy simply because of the unwillingness of the majority side of the aisle to proceed in any fashion other than to report this out as a privileged resolution which bars any changes whatever.

I for one am getting a little tired of the argument I have heard time and again from this side of the aisle that this is drafted so delicately and it is so intricately put together that one little change is going to sink the whole thing. That is balderdash. That is nonsense.

I think that we are here to exercise our independent judgment as Members of the House of Representatives. We do not have some kind of a little "animal farm" where we all bleat and bray on signal and drop our cards in a box and vote for something that we cannot change.

There were six amendments offered in the Committee on Rules when this matter was being discussed, and with machinegun-like precision they were mowed down—every one of them. There were amendments that had been talked about and testified for by Democratic Members, by Members on the majority side of the aisle.

There are times, Mr. Speaker, when procedure is elevated to the level of substantive importance. This is one of those occasions. We are dealing not with some sterile procedural question when we argue against a privileged status for this resolution. We are arguing, we are debating a question of substantive importance.

Before my time is up, let me remind the Members that we have some very good precedent on not one occasion, on not two occasions, but on five occasions in the last Congress. We have dealt with select committee resolutions, with resolutions that would create select committees under an open rule. On two of those occasions they dealt with a Committee on Intelligence, the one that was chaired by my able and distinguished friend, the gentleman from New York (Mr. PIKE). Those were brought to this floor not as privileged resolutions but under a procedure whereby Members had the right that they ought to have to suggest changes.

It is too bad indeed that one like myself, who supports the idea of an intelligence committee, has to, in protest against this arrogant, blatant procedure, vote against it today. But if we do, we are not doing any irreparable harm or damage to the cause of creating an intelligence committee, because this can be re-reported. It can be re-reported next week in this body under a procedure whereby each Member can exercise his conscientious judgment on an issue which, I repeat, has been described by a Member on this side of the aisle as of the most profound significance and more profoundly significant than any other issue that will be coming before us. It is an issue dealing with the security, the very lifeblood of this country.

I beg the Members of the House to think of this not simply as an effort on the part of the minority to block or to obfuscate or to obstruct the will of the majority because the will of the majority will prevail, but, let us do it under a decent procedure whereby we can adequately deal and treat with the very important issues before us.

Defeat the resolution.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Massachusetts (Mr. O'NEILL), the Speaker of the House of Representatives.

Mr. O'NEILL. Mr. Speaker, may I say that this matter has been around for a long time now. I have discussed this with the minority leader. I understood it had the backing of the Members on that side of the aisle and now, all of a sudden, it is politics for the sake of politics.

I wish your leader would lead instead of following his followers.

This is a serious and sensitive matter. It is before this House because the President of the United States and the Vice President of the United States and the Director of the CIA have asked us to establish a process that could provide valid oversight of all intelligence activities of the executive branch and at the same time reduce the possibility of leaks that might occur from the Hill.

As I say, the legislation has been around for a long time and the Members knew that it was going to be coming up for many, many months. Four months of hard deliberative and detailed work went into this piece of legislation. It varies hardly one iota from the legislation in the the other body. Where it does vary from the Senate committee's resolution it is to strengthen the committee's jurisdiction over the intelligence community and to assure each Member of the House an equal right of access to these matters.

Now, all of a sudden, the argument is raised that there should be an equal number of Democrats and Republicans just like the Committee on Ethics. Well, it is not like the Committee on Ethics. This is a committee where national policies of the highest nature will be decided—national policies that will affect the very survival of our Nation.

In the last election the constituencies in America sent 289 Democrats and 145 Republicans to the Congress. Each Member elected to this body must be granted an equal opportunity to make national policy. And this resolution provides that opportunity. Members of the minority party should not have a better chance of serving on this committee than Members of the majority party. I expect this committee to deliberate and act in a nonpartisan manner but I do not believe that Members of the minority party should be afforded a greater opportunity to address these questions that the electorate last fall dictated. Is that the way democracy works? The fewer the Members of Congress belonging to your party, the greater the representation you have. That is what it amounts to.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I would just like to observe that in the Presidential election I think the vote showed that Jimmy Carter received just over 50 percent of the popular vote to Gerald Ford's 48 percent. With respect to the makeup of the House I understand the ratio of the popular vote for Democratic Members was about 55 percent to about 42 percent for Republican Members. So, if we want to be representative of the public interests as expressed by the total popular vote then the fact is that the ratio of Democratic Members to Re-

publicans should be in the nature of 5 to 4, or something like that.

Mr. O'NEILL. This is the first time I ever heard that one.

Mr. Speaker, the activities of this committee will, I am confident be nonpartisan. There is no partisanship, believe me there is no partisanship, when you are dealing with the national security of this country. But to anticipate nonpartisan activity by a committee does not lead to the conclusion that Members of this body, just because we happen to be Democrats, should have less opportunity to serve on this committee than the Members on the other side of the aisle.

There are those over on our side of the aisle who are saying, "My rights are being denied; I should have the same rights as every other individual." Believe me, everyone's rights are guaranteed in this legislation; This resolution provides more protection of the Members right to access than the Senate resolution. This Committee is directed to make information available to all Members of the House under uniform rules and regulations. But if you subscribe to the rules and regulations the information shall be forthcoming; make no mistake about it. But I put the question to one Member, "Supposing a Communist were elected to this body. Supposing by some way we had some kind of subversive elected to this body. Should the Member have an unconditional right to go in and see and be given the opportunity to leak?"

"Yes," they said. "Yes, he should have this opportunity. Under a free democracy anybody should have that opportunity."

I believe under a free democracy our peers—our peers: you and I have the right collectively to determine what procedures and requirements should be followed to gain access to the most sensitive information affecting the very security of the Nation—as long as these procedures and requirements apply equally to all Members of the House. This resolution provides that opportunity and it applies to all Members equally—including members of the committee itself. Any Member who is curious enough can go up and say, "I would like to see this information," and I am sure that he would be granted that right. Let him sign in and say he is the man who saw the information, and will abide by the rules and regulations pertaining to such matter.

At present, there is an authorizing committee over in the Senate, and we are trying to establish the same thing. They have reported an authorization for the intelligence community for next year. It is pending at the Speaker's desk. Under the present circumstances we do not know where to send that piece of legislation that has passed the Senate. This committee will be the appropriate committee. And the Nation will be better served because the Congress involved itself in these critical issues of national policy.

I see the minority leader has returned to the Chamber. May I say to him that we have discussed this on many occasions—on many occasions. As I had understood, it had the blessing not only of the minority leader but of his complete party. We are working for one thing; we are working together to protect the Members' right to know and to protect the security of this Nation. I say to the minority leader, as I said when he was not on the floor, there are 289 Members of the Democratic Party on this side and 146 on his side. Because we have twice as many Members as they have, are we to be denied an equal opportunity to sit on this committee? This is a nonpartisan committee; there will be nothing partisan about its deliberations; and the Members can be assured of it by the Members that I appoint. If this bill is scuttled, then the minority party will have scuttled it. It is politics for the sake of politics. I made the statement when the minority leader was out that instead of leading his followers, he is following a few of his followers. This action surprises me at this time.

I hope this resolution is passed today.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Arizona.

Mr. RHODES. I thank the gentleman for yielding.

I am surprised at the Speaker's tirade. Actually, of course, he and I have talked about the bill. We agreed that we need an intelligence committee. I have told him from the first I thought we needed a joint committee; I still do. My only objections to this bill are twofold: One, I do think it should be completely bipartisan, by that I mean, equal numbers. The Speaker can disagree with me if he wants to, but please do not accuse me of bad faith. I have never agreed to any seating.

Two, I do not think we have adequately safeguarded the material to come before this committee under the Rules of the House.

I agree with the gentleman from Missouri (Mr. BOLLING) that the committee itself could make rules, and perhaps that is adequate; perhaps it is not. I would feel better if the House had made the rules for safeguarding the material under the rules of the House. That is the only difference I know between the Speaker and me, I am just taken back that he would feel ill about it.

Mr. O'NEILL. As I said while the gentleman was out, this bill arrives here because of the wish of the President of the United States, the Vice President of the United States, the head of the CIA, for a valid mechanism to provide congressional guidance to the immense intelligence activities of the executive branch and to reduce the possibility of leaks of sensitive national security information. I am fearful for this piece of legislation at the present time, and I say we are seeing politics for the sake of politics, and it is wrong for the Nation, believe me.

Mr. LOTT. Mr. Speaker, I yield myself such further time as I may consume.

Mr. Speaker, I just cannot restrain myself any further. I must say that if there has been any partisanship or politics in this issue, it has been on the part of the majority and the Speaker. If this issue has been worked on for 4 months, I want to know where.

It has not been worked on for 4 months in the committee of original jurisdiction, the Rules Committee. We saw it briefly two times maybe for a span of less than a month which includes the Fourth of July recess. We are the committee of original jurisdiction. The resolution has not been worked on for 4 months there.

I agree this should not be an issue of partisanship but it has gotten to be.

It is a matter of great national importance, yes, and what we primarily object to is the way in which it is being considered, where we have our hands completely tied and we do not have any opportunity to make any changes.

Mr. Speaker, I yield 4 minutes to the gentleman from Louisiana (Mr. TREEN).

Mr. TREEN. Mr. Speaker, I am concerned about this legislation. My concern arises out of some experience I and others had on the Select Committee on Intelligence that the gentleman from New York (Mr. PIKE) chaired, and chaired very ably, I might say. This is in regard to the handling of classified information, and I would like to have the attention of the gentleman from Missouri on this because I have a question to ask.

I believe that the procedures set forth in 7(b) with respect to release of classified information that the President may object to is very good. As a matter of fact that procedure flows from an agreement that was worked out by the select committee that the gentleman from New York (Mr. PIKE) chaired. So I applaud that procedure.

Would the gentleman tell me what procedure, or what sanctions, are written into the resolution with regard to disclosure of classified information before action might be taken by the committee under clause 7(b)? This clause sets forth the procedure in the event the committee wishes to disclose publicly any classified information; that it must be referred to the President and he has a certain period of time to respond, and then the committee may report to the House.

I am worried about the period of time from the moment the classified information is received by the committee until such time as the Intelligence Committee would choose to act under the procedures set forth in paragraph (b).

It seems to me we have a hiatus here, no way to protect the classified information and no way for the Ethics Committee to impose sanctions under a later clause because it only applies to paragraph (b).

I do not know if I have made the question clear. I got the resolution about a week ago, I think that was the first time it was available to us, and I have read the resolution about 5 or 6 times to see how that problem could be taken care of.

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. TREEN. I yield to the gentleman from Missouri.

Mr. BOLLING. Mr. Speaker, it seems to me—and I could be wrong but I have read the resolution any number of times because it is a very complicated and subtle put-together—that the language starting under (c) at the bottom of page 11 and going over to line 7 on page 13 covers a broader range of activity than that implied by the gentleman from Louisiana. I believe that the Committee on Standards of Official Conduct can investigate virtually any unauthorized disclosure of intelligence at any point in the process.

Mr. TREEN. I would hope so, but if the gentleman would follow me on that section 7(c)(1), it provides:

No information in the possession of the select committee relating to the lawful intelligence or intelligence-related activities of any department or agency of the United States which has been classified under established security procedures and which the select committee, pursuant to paragraph (b)(2) of this clause, has determined should not be disclosed shall be made available to any person by a Member . . .

So we have two conditions set forth in order to make the section applicable: First, classified information being made available to the committee, and second, which, pursuant to clause 2(b), the committee has acted on. But we do not take care of the situation—unless I have overlooked something—from the time classified information is delivered by the executive branch to this committee until the committee votes to act under (b), which it may never do.

Mr. BOLLING. My interpretation is different from that. I think my previous answer still stands, but I defer to the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. TREEN. I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Speaker, I think we certainly have to presume that the committee is going to be sufficiently interested in protecting classified information; that the committee certainly will determine that it should not be disclosed; and that it will make appropriate rules to guarantee this security.

If we read on down to the very next paragraph, procedures are outlined by which the select committee can make information available. It is by such means and under such regulations as the committee will prescribe.

I think, surely, we have to give to the committee the responsibility for making these appropriate regulations.

If the gentleman will bear with me further, the very next sentence in that section reads as follows:

Mr. TREEN. Mr. Speaker, where is the gentleman reading from?

Mr. WRIGHT. Beginning on page 12, line 8:

No Member of the House who, and no committee which, receives any information under this subparagraph, shall disclose such information except in a closed session of the House.

Mr. TREEN. The gentleman knows that the subparagraph referred to is the paragraph with regard to disclosure to other Members of the House.

Mr. WRIGHT. Precisely.

Mr. TREEN. But it does not cover members of the select committee itself. If the majority leader or anyone can point to anything in this bill that covers the problem of classified information received by the committee up until the time the committee acts, I would like to see it.

The SPEAKER pro tempore (Mr. SISK). The time of the gentleman from Louisiana has expired.

Mr. LOTT. Mr. Speaker, I yield 2 additional minutes to the gentleman.

Mr. TREEN. Mr. Speaker, if anyone can point to anything in this bill that covers the problem of classified information received by the committee up until the time the committee acts with regard to classified information, I will vote for the bill. I support the concept, but we have left a great hiatus here, which is extremely important.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. TREEN. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, the gentleman in the well has indicated a very serious defect in the legislation here. There is no inherent right for any committee of the U.S. Congress to disclose or publicize classified information.

I would like to call to the attention of the House a situation where perhaps information is disclosed to our intelligence agency from a foreign government on the condition that it remain classified and yet if received by the House Select Committee on Intelligence there would be vested in it under this Resolution authority to make public that kind of information. That authority just plain does not exist in the Congress of the United States and we should recognize that and spell out a procedure which would satisfy our needs—and accord respect to our limitations.

Mr. TREEN. Mr. Speaker, I appreciate the gentleman's contribution.

Let me say this. This is a real problem, and I think the gentleman from New York (Mr. PIKE) would confirm we did have leaks on our select committee, for whatever reasons they might have been, good or bad, but we had them. We do not know where they came from. These leaks occurred prior to the time we took action as a committee; so we do have this burden. And I say these things in all sincerity—I am not attacking this legislation on partisan grounds at all.

Mr. PIKE. Mr. Speaker, will the gentleman yield?

Mr. TREEN. I yield to the gentleman from New York.

Mr. PIKE. Mr. Speaker, the gentleman is absolutely correct. There were leaks, but what sort of bemuses me is that the gentleman appears to be satisfied with the provisions in this bill by saying that the Committee on Official Standards shall have the power to investigate those leaks and punish the leakers.

Now, we have been over this route, very frankly. It seems to me, from having read just the newspaper reports in the last 2 or 3 days, that there ought to be some power in this committee to investigate leaks out of the Committee on Official Standards.

Mr. LOTT. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Speaker, I would like to say that the gentleman from New York (Mr. WEISS) and the gentleman from Illinois (Mr. ANDERSON) hit the nail right on the head when they said that the question of creating a Select Committee on Intelligence is a very important issue and deserves to be considered under some other kind of procedure than the one we are following here this afternoon.

I support the President's view on this matter. I strongly believe, as he does, that we should have a Joint Committee on Intelligence. Failing that, we should do what has worked; namely, the approach the Senate has taken.

The committee that the Senate established last year and the one that they have set up this year has support and has credibility with the public. I think we should do the same thing. The people in my district are concerned about the unfairness of some of the methods of the CIA. I think they would be equally concerned about the unfairness of what is being proposed here this afternoon—and the way it is being done.

At least, we should be able to discuss this, to debate whether or not the committee should be made up 9 to 4, as proposed in the resolution before us, or on some other basis. I would also point out to the Speaker that I think his arithmetic is a little bit incorrect. The Democrats do not have a two to one plus one majority; they have two to one less one.

In any event, a matter as important as the one we are now considering should be debated under an open rule, so that the Members can propose, consider and vote on the various amendments that have been discussed this afternoon.

Mr. BOLLING. Mr. Speaker, I yield 3 minutes to the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Speaker, it is with a great deal of unhappiness and sorrow that I feel that I must oppose this resolution, because I do not think it spells out sufficiently the rights of Members of Congress. I am afraid we are going to regress rather than go forward. For the last 3 years, we have been hearing a lot of discussion here about protecting the security of the Nation, protecting the secrets of the Nation. I submit to you that the secrets of the Nation have been well protected. What has happened since Watergate has been that the rights of the American people to be secure from secret agencies of our Government have not been protected, and there have been illegal wiretappings by the FBI, and others. There have been interceptions of mail by secret Government agencies; there have been acts of wrongdoing by the CIA.

It was these situations that gave rise to concern in the Congress that we were not exercising sufficient oversight over the secret agencies. The citizens of this country think that we in Congress have good oversight over these agencies. I sub-

mit to the Members that we have not had it.

In the last couple of years, we have been trying to get better oversight. As part of that, our rights as Congressmen to know what was happening have been assured; we can now look at the secret reports and the secret documents in the committee files. Those rights we now have.

I am afraid that some of this language suggests that there are going to be regulations and rules written by this committee which are going to limit and infringe upon those rights which we now have. If we do not have those rights, how can we protect the American people? If we cannot find out that our Government is involved in Angola secretly, how can we inform the American people and then compel our Government to stop its illegal actions in an Angola or in a Laos or in a Cambodia?

There is no concern here that the secrets of the Nation are being frivolously displayed. The concern here is, how do we make sure that the rights of our citizens are not endangered by secret acts of our own Government? That is of great concern to me.

What is also of concern to me in this legislation is, what happens to me when I find out that there is American involvement secretly in another Angola, and I have to worry about whether I can even inform a fellow colleague of mine, or whether I can take this floor and inform the American people. That bothers me, and it worries me. I do not think we have spelled it out or debated it sufficiently here today.

Mr. BOLLING. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Speaker, I appreciate the gentleman yielding to me. I must say that it is not without some trepidation that I stand here opposed to the position taken by the distinguished gentleman from Missouri and the distinguished Speaker.

I have the highest regard for them. But I tell the Members that we have heard some very pernicious doctrine expounded here today. I would hope that my distinguished friend, the gentleman from Massachusetts (Mr. O'NEILL)—and I consider the Speaker a friend—would reread the debate that we are engaging in today, to review for himself where his doctrine would lead us.

When my constituents elected me to represent them in the House of Representatives they did not expect and I did not expect that I would become a second class Member of Congress, subject to 13 other Members telling me what I could say and what I could read and what I could talk about. And I must say that, although I never expected to be doing it on the floor of this House, I will at this point take a form of loyalty oath: I do not believe in treason or espionage on the part of anybody, including Members of the House of Representatives; but I do believe that as a Member, elected by the people of my district, that I have a right to know as much as any other Member, and anything which we are adopting in these rules which tends to take away from that right is, I think, in the first place, unconstitutional. But even if it were not, I think it denigrates this body and we ought not to be doing it.

Second, take an issue as profound as this and say that we are straitjacketed into one-half hour of debate on each side I think does a disservice to all of us. I would have hoped that it would not have been necessary for me to ask for an extension of time. I would have hoped that the gentleman from Missouri or the Speaker himself would have asked that the time be extended so that all of the Members who want to speak would have the right, even if they did not have the opportunity to offer amendments, to speak to this issue and let the world know how we feel about it.

To do anything else, I think, also denigrates this body.

I do not think we should be concerned about what the CIA thinks about our loyalty. What we ought to be concerned about is whether the CIA itself is conducting itself in a fashion which is in conformity with our constitutional form of government which we have all been sworn to uphold.

Mr. BOLLING. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Speaker, I am compelled to rise in opposition to House Resolution 658 in its present form. In its existing form this resolution in effect would set up a super-select committee, whose members are "booted, spurred and ready to ride" on the hapless backs of the "lesser" or "inferior" Members of the House, as defined by the architects of the resolution.

Mr. Speaker, we are either all children of God or all stepchildren—add to the demeaning of Members by this resolution the unprecedented and fawning concession of subparagraph 8 on page 13 of the resolution:

8. The select committe is authorized to permit any personal representative of the President designated by the President to serve as a liaison to such committee, to attend any closed meeting of such committee.

Under this unparalleled provision—unheard of before in legislative committee structural arrangement—President Nixon could have sent Ehrlichmann or Liddy to the secret meetings of the committee while a duly elected member could have been barred, if this had been the law then.

This is hastily and ill-conceived legislation, reflecting an abject withdrawal and a supine abdication of responsibility and honor and self-respect.

Mr. BOLLING. Mr. Speaker, I yield such time as he may consume to the gentleman from Louisiana (Mr. LONG).

Mr. LONG of Louisiana. Mr. Speaker, I am a strong believer in the biblical dictum that there is a time for everything. I am, therefore, convinced that the time for the creation of a permanent select committee on intelligence has arrived.

For the past several years we have subjected the intelligence establishment to unusually detailed scrutiny, we have revealed many—perhaps too many—of its operational arrangements, and we have brought their leaders before this body so frequently that a former director of CIA has estimated that more than a third of his time was spent in responding to Congress in some manner.

Much of the heat and sensationalism that attended the early revelations about the intelligence establishment has abated. The lengthy investigation revealed abuses, but it also pointed out that the intelligence community is made up of highly efficient and dedicated professionals. The need for a strong and effective intelligence community is becoming increasingly clear as we enter into an extended period of negotiations to lessen the danger of nuclear and conventional warfare.

For these reasons—both to prevent abuses of the system and to strengthen our capability to verify, detect changes in the balance of power, and provide early warning, the role of Congress needs to be strengthened. Quite frankly our currently fragmented approach to intelligence oversight and budget authorization lacks focus and centralized direction. A permanent select committee will provide us both with the necessary focus on intelligence as a single entity and with a much needed centralized oversight authority.

We in the Rules Committee held hours of hearings on House Resolution 658 and reported the proposal as drafted with only technical amendments. In the course of our hearings I became convinced that the resolution was carefully and precisely drafted to protect the rights of Members of Congress to have appropriate access to information. But the resolution also assures that regulations to protect the security of intelligence information will be adopted and diminish the possibility of leaks.

Our Nation needs a meaningful and viable partnership between the intelligence community and the Congress. The creation of a House Permanent Select Committee on Intelligence is an important step in developing such a relationship. I urge my colleagues to support House Resolution 658, which will permit us to exercise our rightful role in the oversight of the intelligence community and will also assure that access to intelligence information vital to national security will be properly restricted.

Mr. BOLLING. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. HARRINGTON).

Mr. HARRINGTON. Mr. Speaker, I think it has been said well, and I perhaps am the least credible to say it again. I think that what is at stake here is the preservation of an idea. We profess to be different. We profess to be open. We profess to want to have all of us engage in this experience. The kind of self-doubt and self-criticism that we are hearing puzzles me in the face of evidence of repeated abuses of this process, not by us, but by the executive branch.

The Members know the sham of oversight. The Members know the sham of the oversight in July 1977. The Members know the sham of two July's ago. Yet we allow this debate to be distorted into whether there will be leaks or not. What is this process about if it is not about involving all of us, with the risks taken

in openness? That is what disturbs me, because what we are really engaging in is an effort to practice self-denial once again.

Look at the dreary history. Look at the avoidance, look at the failure to take on that responsibility. To follow this road again, the way we are following it, in the face of what we have gone through in the course of the last few years bothers me, and I hope the Members will pause before supporting this effort.

Mr. BOLLING. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. BOLAND).

Mr. BOLAND. Mr. Speaker, I hope that the Members on this side of the aisle do not lose sight of the reason why this resolution is here today or why we are considering it at all. The reason is because the leadership in this body has determined that we ought to have a Permanent Select Committee on Intelligence—and the leadership is actually joined by the minority leadership, too—and because over the years we have had abuses in this area. There is only one way to correct those abuses, and that is to correct them by the kind of oversight that will be given in this resolution.

I am really amazed at the coalition that is developing here. I am surprised. Let me say something to some of my friends on this side whom I admire—the gentleman from Massachusetts, MICHAEL HARRINGTON, the gentleman from New York, TED WEISS, and those who espouse the causes I believe in and vote for. Let me say this to them: If we send this resolution back to committee, do we think we are going to get this kind of a resolution again if we have to compromise? Do we really think so? We will not, of course.

We are going to get something back that is much more pernicious than this. This is not pernicious. I hope the Members remember that because it is terribly, terribly important.

The questions about the political make-up of this committee have been discussed, I believe, rather eloquently by the distinguished gentleman from Missouri (Mr. BOLLING) and by the Speaker of this House. The make-up of the membership is 9 to 4. Sure, that is right; it is 9 to 4.

When the select committee in the Senate was established as a result of the Church recommendations, the Senate membership was 58 to 42, and the breakdown of the select committee in the Senate now is 9 and 8. But the problems are a lot different over there than they are here.

I am convinced this Permanent Select Committee on Intelligence will work, as the Speaker has said, and I am sure the minority leader will agree, because he will be appointing Members. He will have the opportunity to recommend four Members, and I know of no Member who is more concerned with security and the intelligence matters of this Nation than the distinguished minority leader. He will recommend four Members who will guarantee that this will be a nonpartisan committee.

It is difficult for me to come to the well of this House and speak on this matter. I am not a proselyte looking for a commission. This is not the kind of a task where one can brag about his successes. This is going to be a very difficult task.

I would say to you that the rights of the people will be protected, and I know they will, only because of what I know about the great Speaker of this House and the kind of people he wants to look at this matter. I am satisfied that those he will appoint will protect the rights of the American people.

I would suggest to my friend, the gentleman from Connecticut, that the very purpose of this committee, as it was in the Senate, is to protect the rights of Americans. That was what has been avoided. That is what was not being done over the past 4 and 5 years. Those years were traumatic, and we ought to forget them. We ought to move ahead and do exactly what the Senate is doing. Then I think we can promise the Members that we will provide the kind of a committee that we can stand up for and be proud of, just as the Senate stood up 2 weeks ago and voted overwhelmingly or unanimously for the budget resolution of its Committee on Intelligence.

Mr. Speaker, let us be candid with one another. House Resolution 658 presents this House with an opportunity which it has not had previously and which it has sorely needed for some time—the chance to establish a permanent committee of this body which will have oversight, budgetary and legislative authority, over the entire intelligence community.

That opportunity is one which I strongly believe we should seize today.

Presently, seven committees, have some form of jurisdiction over the various parts or parcels of the intelligence agencies of our Government.

All of them can secure access to the most vital secrets of our Nation, but none of them currently views the activities of the community as a composite.

None of them, in practice, have developed a critical overview of the functioning and work-product of the entire community.

I do not make these observations in criticism of these committees, but I am certain that their members would agree with this assessment.

They would also agree, I believe, that because of the lack of a strong, unified vehicle in this House—and previously in the other body—abuses occurred in the operations of some intelligence agencies, most notably the CIA.

The Congress and this House, it is true, have demonstrated concern for such developments.

Both bodies have created committees to study the problem of intelligence abuses and the larger problems of intelligence oversight and control by the Congress.

The results, as we are all aware, have been mixed.

On the other side, the Senate committee, headed by Senator CHURCH recommended, and the Senate then created, a Select Committee on Intelligence, which has complete oversight, legislative and budgetary authority, over all intelligence agencies, and their activities.

In the House, our experience has been less satisfying.

Although the Pike committee recommended the creation of a committee very much like that which now operates in the Senate, we have not acted on this crucial matter since then.

I believe that it is time that we act.

The Senate Select Committee on Intelligence has now been in operation for over a year.

When it recently reported out an authorization bill for all intelligence operations, the bill which was approved by voice vote in the Senate.

While the Senate continues apace to develop charters for the various intelligence agencies, while it gears up to handle the intelligence reorganization plan the President is expected to produce in the near future, while the Senate can be assured that their committee's members maintain a constant review of ongoing covert action, this body languishes in ignorance and, quite frankly, has taken no part.

There is no comparable committee of this House to which the Senate could refer its intelligence authorization bill.

And there is no one committee to which we, as Members, can look for the assurance that this body has its own watchdog on guard.

It is at this juncture that House Resolution 658 comes before us.

This resolution resembles as closely as possible Senate Resolution 400, which created the Senate committee.

This is important, because the House ought to make itself a full partner in the congressional review and control of intelligence activities.

It is important, because the same procedures which have worked so well for the Senate can be successful in the House.

It is most important, because in giving a new House Committee on Intelligence the same mandate as the Senate committee, we in this body will be able to work most closely—not only in the daily exercise of congressional review—but in actual joint operations.

I personally trust that such an experience—and the clean track record of protection of secret material that the House committee must establish—will lead, in the not too distant future, to the creation of a joint House-Senate Committee on Intelligence.

I have always favored this particular option and I continue to do so today. But I recognize, that after this body's recent experience with previous Select Committees on Intelligence, we must first prove to the Senate, to the President, and to ourselves, that we can handle the job that this committee must perform.

Mr. Speaker, William Stevenson, the author of the book, "A Man Called Intrepid," one of the foremost works on intelligence operations ever written, had this to say about the function of intelligence:

> Among the increasingly intricate weapons across the world, intelligence is an essential

weapon. But it is, being secret, the most dangerous. Safeguards to prevent its abuse must be devised, revised, and rigidly applied.

Few can quarrel with this statement, which points up the twin responsibilities, the opposite poles of a tension that the House committee must constantly maintain.

It will be the obligation of the Committee on Intelligence to insure that our Government is diligently working to protect the security of the country while preserving the liberty of its people.

This can only occur if every branch of Government exercises its constitutional duty to balance the operations of the others, and the committee will provide the House with the tool to do its part.

A great deal more could be said in support of creating a Committee on Intelligence.

I feel certain that I need not elaborate further in that respect.

I endorse House Resolution 658 wholeheartedly.

It embodies—in my estimation—the necessary accommodations to this body's rules which are necessary, but otherwise greatly parallels Senate Resolution 400, which created the present Senate committee.

Fundamentally, it provides the House with a companion committee structure, to that, in place, in the Senate.

House Resolution 658 embodies the substance of the recommendations of the Pike committee for creation of a House Committee on Intelligence.

It also follows closely the configuration of House Resolution 335, which was introduced by Mr. PIKE himself.

I have every expectation that, upon the creation of the House committee, we will see a swift development of communication and rapport, with the Senate, in the area of intelligence oversight.

This should lessen, not further burden, Admiral Turner and his other counterparts, among the intelligence chiefs, with the obligation to testify and provide intelligence briefings.

At the same time, the House will be insured that its Members have a strong voice in intelligence oversight that they have not had previously.

Let me close, Mr. Speaker, by noting that I personally, like so many of my colleagues in the House, have no set answers to the delimmas presented us by the last few years' developments in the arena of intelligence affairs.

I know little more about the particulars of the intelligence community than other Members present.

I know nothing about covert or clandestine activities except what I have read in the newspapers.

I believe the American people are aware of this ignorance on the part of this body.

They want to be assured that intelligence, like any other Government activity, is under control—constitutional, budgetary, and otherwise.

I join them in this concern and I urge you to adopt House Resolution 658.

Mr. LOTT. Mr. Speaker, I yield myself 30 seconds.

In my brief time, Mr. Speaker, I only wish to repeat, let us vote down this resolution. After it is voted down, we can bring it back under an open rule, and then we can correct the mistakes in this resolution.

Mr. Speaker, I yield the balance of my time to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Speaker, this is a very important piece of legislation. I am concerned about it because for most of my adult life I have been an intelligence Reserve officer, and I have been a member of the Intelligence Subcommittee of the Committee on Armed Services for the past 3 years.

I do not think that we can handle a resolution as complicated as this without more detailed hearings and without a more detailed report. I believe we ought at least to have an opportunity to offer some amendments. This is certainly not a perfect resolution. There are some amendments that need to be offered, and I think the proper procedure is to vote down this matter as a privileged resolution and bring it out under a rule so that we can offer some amendments to it.

Mr. FASCELL. Mr. Speaker, I rise in support of the establishment of a Permanent Select Committee on Intelligence.

For the past year, the Senate has, in effect, operated alone in discharging congressional responsibility for overseeing the activities of the large intelligence bureaucracy operated by our Government. More importantly, the Senate alone has made the concentrated and comprehensive effort required to review and recommend for authorization funds to carry out intelligence programs. It is time that the House organize itself to become an equal partner with the Senate.

The intelligence community—and a community is what is now used to refer to the many agencies engaged in one form or another of intelligence collection and analysis—in the view of many citizens has grown beyond its township lines to become a separate State. Intelligence organs exist in all of the armed services, in the Defense Intelligence Agency, elsewhere in the Department of Defense, in the State Department, and, of course, at the FBI and the CIA. Unfortunately because of the proliferation duplication of activity exists, confusing lines of authority are possible and the very important task of producing timely and accurate intelligence assessments is all too often hampered by bureaucratic complication.

One of the very essential tasks of the Permanent Select Committee on Intelligence will be to study the quality of our intelligence capabilities and the organization of intelligence activities in order to maximize effectiveness and reduce duplication or overlap. The committee will be charged to work with President Carter to help eliminate the very dangerous organizational morass that has grown up over the past 30 years.

It is my view that much of the abuse of authority and commonsense that intelligence agencies have committed in past years has a very direct relationship to the uncontrolled growth and unspecified mission in the community, overgrown as it has become. The permanent existence of a House committee, instructed to "provide vigilant legislative oversight" will do much to reduce excesses and maintain a focus of activity appropriate to our national security needs.

The resolution before us establishes a Permanent Select Committee on Intelligence. It directs that such a committee be composed of proper representation of the full House and given the proper jurisdiction to allow for thorough and comprehensive oversight, study, and control of the entire intelligence community.

Most important, the resolution provides adequate procedures to assure that matters which are deemed by the majority of this body to require public disclosure can be released for public review, expeditiously but responsibly.

I would like to point out, in this regard, that the disclosure procedures devised in the resolution before us are more restrictive than those allowed by the rules of the House as they now exist. At present, there are no clearly specified ways in the rules either to prevent unwarranted disclosure or to allow necessary disclosure of information this body develops concerning activities of the intelligence community.

The resolution before us provides the President adequate opportunity to object to any release of information in possession of the committee. It, however, allows the full House the opportunity to debate the merits of the President's argument and vote for or against public release. Such provisions assure that the full national security interest of the United States is properly balanced with the necessities of democratic government.

I urge adoption of the resolution to establish a Permanent Select Committee on Intelligence.

The SPEAKER pro tempore. The gentleman from Missouri (Mr. BOLLING) has 1 minute remaining.

Mr. BOLLING. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, to my friends on the Democratic side and on the Republican side who want us to have effective oversight of the intelligence community and the Executive, this is the last best chance. It is fine to talk about something better, but the best is always the enemy of the better.

This is carefully crafted to offend those who believe in perfect liberty, which is unreal. We will never get any information to do the necessary oversight unless we have security. This is not the time for those who are more conservative, who desire even greater security, to have any illusions that it is possible to get it.

This resolution can be effective. This committee will have the right people on it. This resolution is the one that we can pass and we should pass.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays yere ordered.

The vote was taken by electronic device, and there were—yeas 227, nays 171, not voting 35, as follows:

[Roll No. 417]

YEAS—227

Addabbo	Ford, Tenn.	Nichols
Akaka	Fountain	Nix
Alexander	Fowler	Nowak
Allen	Gammage	Oakar
Ambro	Gaydos	Oberstar
Ammerman	Gephardt	Ottinger
Anderson, Calif.	Ginn	Panetta
	Glickman	Patten
Andrews, N.C.	Gore	Patterson
Annunzio	Gudger	Pease
Applegate	Hall	Pepper
Ashley	Hanley	Perkins
Aspin	Hannaford	Pickle
AuCoin	Harris	Preyer
Baldus	Hawkins	Price
Barnard	Heckler	Quayle
Baucus	Hefner	Rahall
Beard, R.I.	Heftel	Rangel
Benjamin	Hightower	Reuss
Bevill	Howard	Richmond
Biaggi	Hubbard	Risenhoover
Bingham	Hughes	Roberts
Blanchard	Ichord	Rodino
Boggs	Ireland	Roe
Boland	Jacobs	Rogers
Bolling	Jenkins	Roncalio
Bonker	Jenrette	Rooney
Bowen	Johnson, Calif.	Rose
Brodhead	Jones, N.C.	Rostenkowski
Brooks	Jones, Okla.	Runnels
Brown, Calif.	Jones, Tenn.	Russo
Burke, Calif.	Kastenmeier	Santini
Burke, Fla.	Kazen	Scheuer
Burleson, Tex.	Keys	Seiberling
Burlison, Mo.	Kildee	Sharp
Byron	Kostmayer	Sikes
Carney	Krebs	Simon
Carr	Krueger	Sisk
Cavanaugh	Le Fante	Skelton
Chappell	Leach	Slack
Chisholm	Lederer	Smith, Iowa
Clay	Leggett	Solarz
Conte	Lehman	Spellman
Conyers	Levitas	St Germain
Corman	Lloyd, Calif.	Staggers
Cornwell	Lloyd, Tenn.	Steed
Cotter	Long, La.	Stokes
D'Amours	Long, Md.	Studds
Danielson	Luken	Stump
de la Garza	Lundine	Thompson
Delaney	McCloskey	Thornton
Derrick	McCormack	Traxler
Dicks	McFall	Tsongas
Diggs	McHugh	Tucker
Dingell	McKay	Udall
Downey	Mahon	Ullman
Drinan	Markey	Vanik
Duncan, Oreg.	Marks	Volkmer
Edgar	Mattox	Walgren
Edwards, Calif.	Mazzoli	Walsh
Eilberg	Meeds	Watkins
English	Meyner	Waxman
Erlenborn	Mikulski	Whalen
Ertel	Milford	White
Evans, Colo.	Mineta	Whitley
Evans, Ga.	Minish	Whitten
Fary	Moakley	Wilson, C. H.
Fascell	Moorhead, Pa.	Wirth
Fisher	Mottl	Wolff
Fithian	Murphy, Ill.	Wright
Flood	Murphy, N.Y.	Yates
Florio	Murphy, Pa.	Yatron
Flowers	Murtha	Young, Fla.
Flynt	Myers, Michael	Young, Mo.
Foley	Natcher	Zablocki
Ford, Mich.	Neal	Zeferetti

NAYS—171

Abdnor	Bennett	Burton, Phillip
Andrews, N. Dak.	Blouin	Butler
	Bonior	Caputo
Archer	Breaux	Carter
Armstrong	Breckinridge	Cederberg
Ashbrook	Broomfield	Clausen, Don H.
Badham	Brown, Mich.	
Bafalis	Brown, Ohio	Clawson, Del
Bauman	Broyhill	Cleveland
Beard, Tenn.	Buchanan	Cochran
Bedell	Burgener	Cohen
Beilenson	Burton, John	Coleman
Collins, Tex.	Hyde	Rhodes
Conable	Jeffords	Rinaldo
Corcoran	Kasten	Robinson
Cornell	Kelly	Rousselot
Coughlin	Kemp	Roybal
Crane	Ketchum	Rudd
Cunningham	Kindness	Ruppe
Daniel, Dan	LaFalce	Sarasin
Daniel, R. W.	Lagomarsino	Satterfield
Davis	Latta	Sawyer
Dellums	Lent	Schroeder
Derwinski	Lott	Schulze
Devine	Lujan	Sebelius
Dickinson	McClory	Shuster
Dornan	McDade	Skubitz
Duncan, Tenn.	McDonald	Smith, Nebr.
Eckhardt	McEwen	Snyder
Edwards, Ala.	Madigan	Spence
Edwards, Okla.	Marlenee	Stangeland
Emery	Marriott	Stanton
Evans, Del.	Martin	Stark
Fenwick	Mathis	Steers
Findley	Michel	Steiger
Fish	Miller, Calif.	Stockman
Forsythe	Miller, Ohio	Stratton
Frey	Mitchell, Md.	Symms
Giaimo	Moffett	Taylor
Gilman	Mollohan	Thone
Goldwater	Montgomery	Treen
Gonzalez	Moore	Trible
Goodling	Moorhead, Calif.	Van Deerlin
Gradison		Vander Jagt
Grassley	Moss	Vento
Guyer	Myers, Gary	Waggonner
Hagedorn	Myers, John	Walker
Hammer-schmidt	Nedzi	Wampler
	O'Brien	Weaver
Hansen	Pattison	Weiss
Harkin	Pike	Whitehurst
Harrington	Poage	Wiggins
Harsha	Pressler	Wilson, Bob
Hillis	Pritchard	Winn
Hollenbeck	Pursell	Wydler
Holt	Quie	Wylie
Holtzman	Quillen	Young, Alaska
Horton	Railsback	
Huckaby	Regula	

NOT VOTING—35

Anderson, Ill.	Frenzel	Mikva
Badillo	Fuqua	Mitchell, N.Y.
Brademas	Gibbons	Nolan
Brinkley	Hamilton	Obey
Burke, Mass.	Holland	Pettis
Collins, Ill.	Johnson, Colo.	Rosenthal
Dent	Jordan	Ryan
Dodd	Koch	Shipley
Early	McKinney	Teague
Evans, Ind.	Maguire	Wilson, Tex.
Flippo	Mann	Young, Tex.
Fraser	Metcalfe	

The Clerk announced the following pairs:

On this vote:

Mr. Burke of Massachusetts for, with Mr. Ryan against.

Mr. Brademas for, with Mr. Anderson of Illinois against.

Mr. Teague for, with Mr. Mitchell of New York against.

Mr. Fuqua for, with Mr. Frenzel against.

Mr. Shipley for, with Mr. McKinney against.

Until further notice:

Mr. Badillo with Mr. Brinkley.

Mr. Hamilton with Mr. Dent.

Ms. Jordan with Mr. Flippo.

Mr. Koch with Mr. Fraser.

Mr. Charles Wilson of Texas with Mr. Metcalfe.

Mr. Rosenthal with Mr. Mikva.

Ms. Collins of Illinois with Mr. Holland.

Mr. Dodd with Mr. Gibbons.

Mr. Obey with Mr. Nolan.

Mr. Evans of Indiana with Mr. Maguire.

Mr. Early with Mr. Mann.

Messrs. WALKER and FREY changed their vote from "aye" to "no."

Ms. OAKAR and Messrs. WAXMAN, MARKS, and RAHALL, changed their vote from "no" to "aye."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. RONCALIO. Mr. Speaker, Monday evening the General Oversight and Alaska Lands Subcommittee of the Interior Committee returned from 8 days of field hearings in Alaska on H.R. 39.

H.R. 39 is supplemental legislation required by the Alaskan Native Claims Act to determine future use and management of the vast public lands of our great 49th State.

We were socked in at Ketchikan and unable to make our return plane connections on Sunday the 10th, so I was obviously absent from floor business on Monday the 11th.

Had I been present and voting, I would have cast my votes as follows:

To suspend the rules and pass House Joint Resolution 24 to provide for the designation of a week as "National Lupus Week"; "yea".

To suspend the rules and pass H.R. 2960 to authorize the Secretary of the Interior to erect a memorial in honor of the 55 signers of the Declaration of Independence in Constitution Gardens in the District of Columbia; "yea".

To adopt House Resolution 642 providing for the consideration of H.R. 5023, Indian Claims Statute of Limitations; "yea".

CONFERENCE REPORT ON H.R. 4975, AMENDING THE PUBLIC HEALTH SERVICE ACT

Mr. STAGGERS submitted the following conference report and statement on the bill (H.R. 4975) to amend the Public Health Service Act to authorize appropriations for fiscal year 1978 for biomedical research and related programs:

(CONFERENCE REPORT (H. REPT. No. 95–500)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the text of the bill (H.R. 4975) to amend the Public Health Service Act to extend through the fiscal year ending September 30, 1978, the assistance programs for health services research; health statistics; comprehensive public health services; hypertension programs; migrant health; community health centers; medical libraries; cancer control programs; the National Cancer Institute; heart, blood vessel, lung, and blood disease prevention and control programs; the National Heart, Lung, and Blood Institute; National Research Service Awards; population research and voluntary family planning programs; sudden infant death syndrome; hemophilia; national health planning and development; and health resources development; to amend the Community Mental Health Centers Act to extend it through the fiscal year ending September 30, 1978; to extend the assistance programs for home health services; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be in-

serted by the House amendment insert the following:

TITLE I—HEALTH PLANNING AND STATISTICS EXTENSION

SEC. 101. This title may be cited as the "Health Planning and Health Services Research and Statistics Extension Act of 1977".

SEC. 102. (a) Section 1516(c)(1) of the Public Health Service Act (relating to authorizations for planning grants) is amended by striking out "for the fiscal year ending June 30, 1977" and inserting in lieu thereof "each for the fiscal years ending September 30, 1977, and September 30, 1978".

(b) Section 1525(c) of such Act (relating to authorizations for State health planning and development agencies) is amended by striking out "for the fiscal year ending June 30, 1977" and inserting in lieu thereof "each for the fiscal years ending September 30, 1977, and September 30, 1978.

(c) Section 1526(e) of such Act (relating to authorizations for grants for rate regulation) is amended by striking out "for the fiscal year ending June 30, 1977" and inserting in lieu thereof "each for the fiscal years ending September 30, 1977, and September 30, 1978".

(d) Section 1534(d) of such Act (relating to authorizations for centers for health planning) is amended by striking out "for the fiscal year ending June 30, 1977" and inserting in lieu thereof "each for the fiscal years ending September 30, 1977, and September 30, 1978".

SEC. 103. (a) Section 1613 of the Public Health Service Act (relating to authorizations for construction) is amended by striking out "for the fiscal year ending June 30, 1977" and inserting in lieu thereof "each for the fiscal years ending September 30, 1977, and September 30, 1978."

(b) Section 1625(d) of such Act (relating to funds for project grants) is amended by adding at the end the following new sentence "In addition to the amounts made available for such grants under the preceding sentence for the fiscal year ending September 30, 1978, there are authorized to be appropriated $67,500,000 for such fiscal year for such grants.".

(c) Section 1640(d) of such Act (relating to authorizations for area health services development) is amended by striking out "for the fiscal year ending June 30, 1977" and inserting in lieu thereof "each for the fiscal years ending September 30, 1977, and September 30, 1978".

SEC. 104. (a) Section 308(1)(1) of the Public Health Service Act (relating to authorizations for the National Center for Health Services Research) is amended (1) by striking out "and" after "1975.", and (2) by inserting after "1976" the following: ", and $28,600,000 for the fiscal year ending September 30, 1978".

(b) Section 308(1)(2) of such Act (relating to authorizations for the National Center for Health Statistics) is amended (1) by striking out "and" after "1975,", and (2) by inserting after "1976" the following: ", and $33,600,000 for the fiscal year ending September 30, 1978".

SEC. 105. (a)(1) Section 1903(m)(2)(A) of the Social Security Act is amended to read as follows:

"(2)(A) Except as provided in subparagraphs (B) and (C), no payment shall be made under this title to a State with respect to expenditures incurred by it for payment (determined under a prepaid capitation basis or under any other risk basis) for services provided by any entity which is responsible for the provision of inpatient hospital services and any other service described in paragraph (2), (3), (4), (5), or (7) of section 1905(a) or for the provision of any three or more of the services described in such paragraphs unless—

"(i) the Secretary (or the State as authorized by paragraph (3)) has determined that the entity is a health maintenance organization as defined in paragraph (1); and

"(ii) less than one-half of the membership of the entity consists of individuals who (I) are insured for benefits under part B of title XVIII or for benefits under both parts A and B of such title, or (II) are eligible to receive benefits under this title.".

(2) Section 1903(m)(2)(C) of such Act is amended by striking out "(A)(iii)" each place it occurs and inserting in lieu thereof "(A)(ii)",

(3) The amendments made by paragraphs (1) and (2) shall apply with respect to payments under title XIX of the Social Security Act to States for services provided—

(A) after October 8, 1976, under contracts under such title entered into or renegotiated after such date, or

(B) after the expiration of the one-year period beginning on such date,

whichever occurs first.

(b) Section 1309(a) of the Public Health Service Act is amended by striking out "September 30, 1977" the second time it occurs and inserting in lieu thereof "September 30, 1979".

SEC. 106. (a) The fourth sentence of section 1503(b)(1) of the Public Health Service Act is amended by inserting "established" before "under section 1524".

(b) The first sentence of section 1511(a) of such Act is amended by striking out "There" and inserting in lieu thereof "Except as provided in section 1536, there".

(c) Section 1512(b)(3)(B)(i) of such Act is amended by striking out "subsections (e), (f), and (g)" and inserting in lieu thereof "subsections (e), (f), (g), and (h)".

(d) Section 1512(c) of such Act is amended by striking out "agencies' health" and inserting in lieu thereof "agency's health".

(e) The first sentence of section 1513(a) of such Act is amended by striking out "the provision" and inserting in lieu thereof "provision".

(f) The last sentence of section 1513(a) of such Act is amended by striking out "(g)" and inserting in lieu thereof "(h)".

(g) The margin of the last sentence of paragraph (1) of section 1513(b) of such Act is indented to align with the margin of paragraph (2) of such section.

(h) Section 1513(b)(2)(C) of such Act is amended by striking out "is consistent" and inserting in lieu thereof "are consistent".

(i) Section 1513(d) of such Act is amended by striking out "system" each place it occurs and inserting in lieu thereof "systems".

(j) Section 1514 of such Act is amended by inserting "public or" before "nonprofit private".

(k) Section 1515(d) of such Act is amended by striking out "health services area" and inserting in lieu thereof "health service area".

(l) Section 1521(a) of such Act is amended by striking out "other than" and all that follows in such section and inserting in lieu thereof a period.

(m) Section 1521(d) of such Act is amended by striking out "Policy, Planning," and inserting in lieu thereof "Planning".

(n) Section 1523(c) of such Act is amended by striking out "(6), or (7)" and inserting in lieu thereof "or (6)".

(o) Section 1526(a) of such Act is amended by inserting "grants" after "may make".

(p) Section 1536(a) of such Act is amended by striking out "Trust Territories in the Pacific Islands" and inserting in lieu thereof "Trust Territory of the Pacific Islands, the Northern Mariana Islands".

(q) Section 1536(b)(4) of such Act is amended (1) by striking out "office" and inserting in lieu thereof "officer", and (2) by striking out "the regulation" and inserting in lieu thereof "regulations".

(r) Section 1602(5) of such Act is amended by striking out "1503" and inserting in lieu thereof "1603".

(s) The second sentence of section 1602 of such Act is amended by striking out "supports" and inserting in lieu thereof "support".

(t) Sections 1603(a)(4), 1603(a)(5), 1603(a)(6), 1604(b)(1)(C), 1604(b)(2)(A) and 1604(c)(2)(B)(i) of such Act are each amended by striking out "1602(a)" and inserting in lieu thereof "1602".

(u) Section 1603(a)(6) of such Act is amended by striking out "(4)" and inserting in lieu thereof "(5)".

(v) Section 1603(a)(7) of such Act is amended by striking out "standards" and inserting in lieu thereof "requirements".

(w) Section 1610(a) of such Act is amended by striking out "1513" and inserting in lieu thereof "1613".

(x)(1) Subsections (a) and (b)(1) of section 1620 of such Act are each amended by striking out "September 30, 1977" and inserting in lieu thereof "September 30, 1978".

(2) Section 1622(e)(2) of such Act is amended by striking out "and June 30, 1977" and inserting in lieu thereof "September 30, 1977, and September 30, 1978".

(y) Section 1622(c) of such Act is amended by adding after paragraph (4) the following new paragraph:

"(5) If any loan to a public entity under this part is sold and guaranteed by the Secretary under this subsection, interest paid on such loan after its sale and any interest subsidy paid, under paragraph (3)(A)(ii), by the Secretary with respect to such loan which is received by the purchaser of the loan (or the purchaser's successor in interest) shall be included in the gross income of the purchaser or successor for the purpose of chapter 1 of the Internal Revenue Code of 1954.".

(z) Section 1633(14) of such Act is amended by striking out "title XIV" and inserting in lieu thereof "title XV".

SEC. 107. Section 2(f) of the Public Health Service Act (relating to the definition of the term State) is amended (1) by striking out "and" after "Islands,", and (2) by adding before the period the following: ", American Samoa, and the Trust Territory of the Pacific Islands".

TITLE II—BIOMEDICAL RESEARCH EXTENSION

SEC. 201. This title may be cited as the "Biomedical Research Extension Act of 1977".

SEC. 202. Section 390(c) of the Public Health Service Act (relating to authorizations for medical libraries) is amended (1) by striking out "and" after "1975,", and (2) by inserting after "1976, the following: ", and $14,600,000 for the fiscal year ending September 30, 1978".

SEC. 203. (a)(1) Section 409 of the Public Health Service Act (relating to authorizations for cancer control programs) is amended (A) by striking out "and" after "1976,", and (B) by striking out "June 30, 1977" and inserting in lieu thereof "September 30, 1977, and $84,560,000 for the fiscal year ending September 30, 1978".

(2) Section 410C of such Act (relating to authorizations for programs of the National Cancer Institute) is amended (A) by striking out "and" after "1976;", and (B) by striking out "June 30, 1977" and inserting in lieu thereof "September 30, 1977; and $923,590,000 for the fiscal year ending September 30, 1978.".

(b)(1) The second sentence of section 408(b) of such Act (relating to national cancer research and demonstration centers) is amended by striking out "; but support under this subsection (other than support for construction) shall not exceed $5,000,000 per year per center." and inserting in lieu thereof a period and the following: "The aggregate of

payments (other than payments for construction) made to any center in support of such an agreement for its costs (other than indirect costs) described in the first sentence may not exceed $5,000,000 in any fiscal year, except that if in any fiscal year there is an increase, as reflected in the Consumer Price Index published by the Bureau of Labor Statistics, in the costs of a center for which payments may be made under such an agreement, the aggregate of payments in such year for such center may exceed $5,000,000 to include such increase and any such increase in any preceding fiscal year for which payments were made to such center under such an agreement to the extent that such increase resulted in payments in excess of $5,000,000. As used in this section, the term 'construction' does not include the acquisition of land, and the term 'training' does not include research training for which fellowship support may be provided under section 472.".

(2) Section 410B(a)(1) of such Act (relating to the National Cancer Advisory Board) is amended (A) by inserting "Policy" after "Technology", and (B) by striking out "(or his designee)" and inserting in lieu thereof "(or their designees)".

(3) Section 410(a)(1) of such Act (relating to the authority of the Director of the National Cancer Institute) is amended by striking out "one hundred" and inserting in lieu thereof "one hundred and fifty-one".

SEC. 204. (a)(1) Section 414(b) of the Public Health Act (relating to the authorizations for heart, blood vessel, lung, and blood disease prevention and treatment programs) is amended (A) by striking out "and" after "1976,", and (B) by striking out "fiscal year 1977" and inserting in lieu thereof "the fiscal year ending September 30, 1977, and $30,000,000 for the fiscal year ending September 30, 1978".

(2) Section 419B of such Act (relating to authorizations for the National Heart, Lung, and Blood Institute) is amended (A) by striking out "and" after "1976,", and (B) by striking out "for fiscal year 1977" and inserting in lieu thereof the following: "for the fiscal year ending September 30, 1977, and $426,320,000 for the fiscal year ending September 30, 1978".

(b)(1) Section 415(a)(1) of such Act (relating to national research and demonstration centers) is amended—

(A) by striking out "diseases and for research in the use of blood and blood products and in the management of blood resources;" in subparagraph (A) and inserting in lieu thereof "and blood vessel diseases,", and

(B) by striking out ", blood vessel diseases, research in the use of blood products, and research" in subparagraph (C) and inserting in lieu thereof "diseases and research into blood, in the use of blood products and".

(2) The third sentence of section 415(b) of such Act (relating to national research and demonstration centers) is amended by striking out "in any year" and all that follows in such sentence and inserting in fiscal year there is an increase, as reflected in the Consumer Price Index lieu thereof the following: "in any fiscal year, except that if in any published by the Bureau of Labor Statistics, in the costs of a center for which payments may be made under such an agreement, the aggregate of payments in such year for such center may exceed $5,000,000 to include such increase and any such increase in any preceding fiscal year for which payments were made to such center under such an agreement to the extent that such increase resulted in payments in excess of $5,000,000.".

(3) Section 417(a)(1) of such Act (relating to the National Heart, Lung, and Blood Advisory Council) is amended by striking out "National Science Foundation" and inserting in lieu thereof "Office of Science and Technology Policy".

(4) Section 419A(a) of such Act (relating to administration) is amended by striking out "made pursuant to section 414".

SEC. 205. Section 472(d) of the Public Health Service Act (relating to National Research Service Awards) is amended (1) by striking out "and" after "1976,", and (2) by striking out "for fiscal year 1977" and inserting in lieu thereof the following: "for the fiscal year ending September 30, 1977, and $161,390,000 for the fiscal year ending September 30, 1978".

TITLE III—HEALTH SERVICES EXTENSION

SEC. 301. This title may be cited as the "Health Services Extension Act of 1977".

SEC. 302. (a) Section 314(d)(7)(A) of the Public Health Service Act (relating to authorizations for formula grants to States for comprehensive public health services) is amended (1) by striking out "and" after "1976,", and (2) by striking out "for fiscal year 1977" and inserting in lieu thereof the following: "for the fiscal year ending September 30, 1977, and $106,750,000 for the fiscal year ending September 30, 1978".

(b) Section 314(d)(7)(B) of such Act (relating to authorizations for grants for hypertension programs) is amended (1) by striking out "and" after "1976,", and (2) by striking out "for fiscal year 1977" and inserting in lieu thereof the following: "for the fiscal year ending September 30, 1977, and $12,680,000 for the fiscal year ending September 30, 1978".

SEC. 303. (a)(1) Section 319(h)(1) of the Public Health Service Act (relating to authorizations for planning and development of migrant health centers) is amended (A) by striking out "and" after "1976,", and (B) by striking out "for fiscal year 1977" and inserting in lieu thereof the following: "for the fiscal year ending September 30, 1977, and $2,950,000 for the fiscal year ending September 30, 1978".

(2) The second sentence of section 319(h)(1) of such Act is amended by striking out "the next fiscal year" and inserting in lieu thereof "each of the next two fiscal years."

(b)(1) The first sentence of section 319(h)(2) of such Act (relating to authorizations for operation of migrant health centers) is amended (A) by striking out "and" after "1976,", and (B) by striking out "for fiscal year 1977" and inserting in lieu thereof the following: "for the fiscal year ending September 30, 1977, and $32,080,000 for the fiscal year ending September 30, 1978".

(2) The third sentence of section 319(h)(2) of such Act is amended by striking out "fiscal year 1977" and inserting in lieu thereof "fiscal years ending September 30, 1977, and September 30, 1978".

(c) Section 319(h)(3) of such Act (relating to authorizations for inpatient and outpatient hospital services) is amended (1) by striking out "and" after "1976,", and (2) by striking out "for fiscal year 1977" and inserting in lieu thereof the following: "for the fiscal year ending September 30, 1977, and $4,230,000 for the fiscal year ending September 30, 1978".

SEC. 304. (a)(1) Section 330(g)(1) of the Public Health Service Act (relating to authorizations for planning and development of community health centers) is amended (A) by striking out "and" after "1976,", and (B) by striking out "for fiscal year 1977" and inserting in lieu thereof the following: "for the fiscal year ending September 30, 1977, and $5,880,000 for the fiscal year ending September 30, 1978".

(2) Section 330(g)(2) of such Act (relating to authorizations for operation of community health centers) is amended (A) by striking out "and" after "1976,", and (B) by striking out "for fiscal year 1977" and inserting in lieu thereof the following: "for the fiscal year ending September 30, 1977, and $256,840,000 for the fiscal year ending September 30, 1978".

(b)(1) Section 330(b)(3) of such Act (relating to the definition of medically underserved population) is amended by adding at the end thereof the following: "In designating urban and rural areas for purposes of this paragraph, the Secretary shall take into account unusual local conditions which are a barrier to access to or the availability of personal health services.".

(2) The first sentence of section 330(e)(1) of such Act is amended by striking out "subsection (e)" and inserting in lieu thereof "subsection (c)".

SEC. 305. (a) Section 1001(c) of the Public Health Service Act (relating to authorizations for family planning projects) is amended (1) by striking out "and" after "1976;", and (2) by striking out "for fiscal year 1977" and inserting in lieu thereof the following: "for the fiscal year ending September 30, 1977; and $136,400,000 for the fiscal year ending September 30, 1978".

(b) Section 1003(b) of such Act (relating to authorizations for training) is amended (1) by striking out "and" after "1976;", and (2) by striking out "for fiscal year 1977" and inserting in lieu thereof the following: "for the fiscal year ending September 30, 1977; and $3,000,000 for the fiscal year ending September 30, 1978".

(c)(1) Section 1004(b)(1) of such Act (relating to authorizations for research) is amended (A) by striking out "and" after "1976,", and (B) by striking out "for fiscal year 1977" and inserting in lieu thereof the following: "for the fiscal year ending September 30, 1977, and $68,500,000 for the fiscal year ending September 30, 1978".

(2) Section 1004(b)(2) of such Act (relating to limitation on source of funds) is amended by adding immediately before the period the following: "or for the administration of this section".

(d) Section 1005(b) of such Act (relating to authorizations for informational and educational materials) is amended (1) by striking out "and" after "1976;", and (2) by striking out "for fiscal year 1977" and inserting in lieu thereof the following: "for the fiscal year ending September 30, 1977; and $600,000 for the fiscal year ending September 30, 1978".

SEC. 306. (a) Section 1121(b)(5) of the Public Health Service Act (relating to authorizations for sudden infant death syndrome programs) is amended (1) by striking out "and" after "1976,", and (2) by striking out "fiscal year ending 1977" and inserting in lieu thereof the following: "ending September 30, 1977, and $3,650,000 for the fiscal year ending September 30, 1978".

(b) Section 1131(f) of such Act (relating to authorizations for hemophilia programs) is amended (1) by striking out "and" after "1976,", and (2) by striking out "for fiscal year 1977" and inserting in lieu thereof the following: "for the fiscal year ending September 30, 1977, and $4,550,000 for the fiscal year ending September 30, 1978".

(c) Section 1132(e) of such Act (relating to authorizations for blood separation centers) is amended (1) by striking out "and" after "1976,", and (2) by striking out "for fiscal year 1977" and inserting in lieu thereof the following: "for the fiscal year ending September 30, 1977, and $3,450,000 for the fiscal year ending September 30, 1978".

SEC. 307. (a)(1) The first sentence of section 708(a) of the Public Health Service Act (relating to health professions data) is amended (A) by inserting "program" after "health professions personnel which", and (B) by striking out "United States and its territories and possessions" and inserting in lieu thereof "States".

(2) Section 708(e)(1)(C) of such Act is amended by inserting "use" after "personal data which".

(b) Section 721(f) of such Act (relating to regional health professions programs) is

amended by striking out "subsection (a)" in paragraphs (1) and (2) and inserting in lieu thereof "subsection (a) of section 720".

(c)(1) Section 731(a)(2)(B) of such Act (relating to loan repayment period) is amended by striking out "after the date on which the student completes his internship or residency training, and not later than the earlier of 12 months after such date or of 3 years after the date he ceases" and inserting in lieu thereof "nor later than 12 months after the date on which the student ceases to be a participant in an accredited internship or residency program or (if he was not a participant in such a program) ceases".

(2) Section 731(a)(2)(C)(i) of such Act (relating to termination of loans) is amended by inserting "(or at an institution defined by section 435(b) of the Higher Education Act of 1965)" after "eligible institution".

(3) The first sentence of section 732(a)(2) of such Act (relating to effective date of certificates of insurance) is amended by striking out "was made" and inserting in lieu thereof "is made to a student described in section 731(a)(1)".

(4) Section 732(d) of such Act (relating to certificates of insurance) is amended to read as follows:

"(d) The rights of an eligible lender arising under insurance evidenced by a certificate of insurance issued to it under this section may be assigned by such lender, subject to regulation by the Secretary, only to (1) another eligible lender, or (2) the Student Loan Marketing Association.".

(5)(A) The first sentence of section 735(c)(2) of such Act (relating to responsibilities) is amended (i) by striking out "specified in the agreement" and inserting in lieu thereof "specified in the contract", and (ii) by striking out all that follows "in an amount" and inserting in lieu thereof "determined in accordance with the formula

$$A=3\phi\left(\frac{t-s}{t}\right)$$

in which 'A' is the amount the United States is entitled to recover: 'ϕ' is the sum of the amounts paid by the Secretary under the contract to or on behalf of the individual and the interest on such amounts which would be payable if at the time the amounts were paid they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States: 't' is the total number of months in the individual's period of obligated service; and 's' is the number of months of such period served by him in accordance with the contract.".

(B) Section 735(c)(4) of such Act (relating to waivers and suspensions) is amended (i) by inserting "any obligation of service or" after "suspension of", and (ii) by striking out "the agreement which was breached" and inserting in lieu thereof "the contract".

(6) Section 737(1) of such Act (relating to definition of eligible institution) is amended by striking out "that is receiving, or the Secretary determines is eligible to receive, a grant under section 770 for such fiscal year" and inserting in lieu thereof "that received a grant, or the Secretary determines met the requirements for receipt of a grant, under section 770 for the preceding fiscal year."

(7) The amendments made by this subsection shall take effect October 1, 1977.

(d) Effective October 1, 1977, section 736 of such Act (relating to participation of Federal credit unions) is amended by striking out "Director of the Bureau of Federal Credit Unions" and inserting in lieu thereof "Administrator of the National Credit Union Administration".

(e)(1) Section 741(f)(1)(B) of such Act (relating to loan foregiveness) is amended (A) by inserting "(i)" after "who", and (B) by inserting before the semicolon the following: ", or (ii) obtained, under a written loan agreement entered into before October 12, 1976, any other educational loan for his costs at a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, or podiatry".

(2) Section 741(f)(2) of such Act (relating to payments) is amended by inserting after subparagraph (C) the following: "No payment may be made under this paragraph with respect to a loan described in paragraph (1)(B)(ii) unless the person on whose behalf the payment is to be made has submitted to the Secretary a certified copy of the agreement under which such loan was made. In any year the amount of payments that may be made under this paragraph with respect to such a loan may not exceed $10,000 and the total amount of payments that may be made under this paragraph with respect to such a loan may not exceed $50,000.".

(3) The amendments made by this subsection shall be effective as of October 12, 1976.

(f) Effective October 1, 1977, sections 748(b)(2) and 749(b)(2) of such Act (relating to traineeships) are each amended by inserting "tuition and fees and" before "such stipends".

(g) The first sentence of section 754(c) of such Act (relating to breach of scholarship contract) is amended by striking out "is the sum of the amount" and all that follows down through "was a loan" and inserting in lieu thereof "is the sum of the amounts paid under this subpart to or on behalf of the individual and the interest on such amounts which would be payable if at the time the amounts were paid they were loans".

(h) Effective October 1, 1977, section 758(a) of such Act (relating to scholarships for first-year students of exceptional financial need) is amended by striking out "in the school year ending in the fiscal year in which such grant is made".

(i)(1) Effective October 1, 1977, the first sentence of section 771(b)(2)(C) of such Act (relating to residencies in primary care) is amended by striking out "training program of such school in primary care" the second time it occurs and inserting in lieu thereof "training program of any school in primary care".

(2) Effective October 1, 1977, section 771(b)(2)(E) of such Act (relating to termination of affiliation with medical residency training programs) is amended by striking out "in the fiscal year".

(3) Effective October 1, 1977, section 771(b)(3)(A) of such Act (relating to eligibility for capitation grants) is amended by striking out "immediately before" and inserting "in".

(4) Effective October 1, 1977, section 771(b)(3)(B) of such Act (relating to the enrollment of students of foreign schools of medicine in schools of medicine in the United States) is amended to read as follows:

"(B) No later than August 15, 1977, and August 15 of each of the next two years, the Secretary shall identify the citizens of the United States who—

"(i) were—

"(I) before October 12, 1976, students in a school of medicine not in a State, or

"(II) enrolled in programs of institutions of higher education (other than schools of osteopathy or schools of medicine of more than two years) which programs were in existence in the States before such date and which prepare students to enter the third year of schools of medicine in the States; and

"(ii) by the date of the identification made under this subparagraph—

"(I) in the case of a student described in clause (i)(I), successfully completed at least two years in a school of medicine not in a State, and in the case of a student described in clause (i)(II), successfully completed a program described in such clause, and

"(II) successfully completed part I of the National Board of Medical Examiners' examination (or any successor to such examination).

The Secretary shall equitably apportion a number of positions among the schools of medicine in the States adequate to fill the needs of students identified in accordance with the preceding sentence.".

(j) Effective October 1, 1977, section 781(d)(2)(C) of such Act (relating to residency program requirement) is amended by striking out "or general internal medicine" and inserting in lieu thereof ", general internal medicine, or general pediatrics".

(k) Paragraph (1) of section 789(a) of such Act (relating to training in emergency medical services) is amended by striking out "and to assist in meeting the cost" and all that follows in such paragraph and inserting in lieu thereof the following: ", to assist in meeting the cost of training (including the cost of establishing programs for the training) of physicians in emergency medicine, especially training which affords clinical experience in providing medical services in emergency medical services systems receiving assistance under title XII of this Act, and to provide financial assistance (in the form of traineeships and fellowships) to residents who plan to specialize or work in the practice of emergency medicine.".

(l) Effective October 1, 1977, section 796(a)(4) of such Act (relating to project grants and contracts) is amended by striking out "of methods" and inserting in lieu thereof "or improvement of programs".

(m) Effective October 1, 1977, section 796(c) of such Act (relating to eligibility for allied health special project grants and contracts) is amended (1) by striking out "or" at the the end of paragraph (2), (2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; or", and (3) by adding after paragraph (3) the following new paragraph:

"(4) other public or nonprofit private entities capable, as determined by the Secretary, of carrying out projects described in subsection (a).".

(n)(1) Effective October 1, 1977, subpart IV of part C of title VII of such Act (relating to National Health Service Corps scholarships) is amended by adding at the end thereof the following new section:

"INDIAN HEALTH SCHOLARSHIP PROGRAM

"SEC. 757. (a) In addition to the sums authorized to be appropriated under section 756(a) to carry out the Scholarship Program there are authorized to be appropriated $5,450,000 for the fiscal year ending September 30, 1978, $6,300,000 for the fiscal year ending September 30, 1979, $7,200,000 for the fiscal year ending September 30, 1980, and for each of the succeeding four fiscal years such sums as may be specifically authorized by an Act enacted after the date of enactment of this section, to provide scholarships under the Scholarship Program to provide physicians, osteopaths, dentists, veterinarians, nurses, optometrists, podiatrists, pharmacists, public health personnel, and allied health professionals to provide services to Indians. Such scholarships shall be designated 'Indian Health Scholarships' and shall be made in accordance with this subpart, except as provided in subsection (b).

"(b)(1) The Secretary, acting through the Indian Health Service, shall determine the individuals who shall receive the Indian Health Scholarships, shall accord priority to applicants who are Indians, and shall determine the distribution of the scholarships on the basis of the relative needs of Indians for additional services by specific health professions.

"(2) The active duty service obligation prescribed in the written contract entered into under this subpart shall be met by the recipient of an Indian Health Scholarship

by service in the Indian Health Service, in a program assisted under title V of the Indian Health Care Improvement Act, or in the private practice of his profession if, as determined by the Secretary in accordance with guidelines promulgated by him, such practice is situated in a physician or other health professional shortage area and addresses the health care needs of a substantial number of Indians.

"(c) For purposes of this section, the term 'Indians' has the same meaning given that term by subsection (c) of section 4 of the Indian Health Care Improvement Act and includes individuals described in clauses (1) through (4) of that subsection.".

(2) Section 105(a) of the Indian Health Care Improvement Act is amended by striking out "pursuant to section 104" and inserting in lieu thereof "pursuant to section 757 of the Public Health Service Act".

(o)(1) The second sentence of section 810(a) of the Public Health Service Act (relating to computation of capitation grants for nursing schools) is amended by inserting "for each fiscal year" after "shall be computed".

(2) Paragraphs (1), (2), and (3) of such section 810(a) are each amended by striking out "such year" each place it occurs and inserting in lieu thereof "such fiscal year".

(3)(A) Section 810(c)(1)(A) of such Act (relating to requirements for nursing school capitation grants) is amended by striking out "beginning after" and inserting in lieu thereof "beginning in".

(B) Sections 810(c)(2)(A) and 810(c)(2)(B) of such Act (relating to requirements for nursing school capitation grants) are each amended by striking out "beginning after the close of" and inserting in lieu thereof "beginning in".

(4) Section 810(c)(1)(B) of such Act is amended by striking out "fiscal" each place it occurs and inserting in lieu thereof "school".

(5)(A) Section 822 of such Act (relating to nurse practitioner programs) is amended by—

(i) inserting after "contracts for programs" in the last sentence of subsection (a)(1) the following: "for the training of nurse practitioners who will practice in health manpower shortage areas (designated under section 332) and";

(ii) redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively, and inserting after subsection (a) the following:

"(b)(1) The Secretary may make grants to and enter into contracts with schools of nursing, medicine, and public health, public or nonprofit private hospitals, and other nonprofit entities to establish and operate traineeship programs to train nurse practitioners who are residents of a health manpower shortage area (designated under section 332).

"(2) Traineeships funded under this subsection shall include 100 percent of the costs of tuition, reasonable living and moving expenses (including stipends), books, fees, and necessary transportation.

"(3) A traineeship funded under this subsection shall not be awarded unless the recipient enters into a commitment with the Secretary to practice as a nurse practitioner in a health manpower shortage area (designated under section 332).".

(B) Section 830 of such Act (relating to traineeships) is amended—

(1) by striking out in subsection (a)(2) "(A) for the training of nurse practitioners who will practice in health manpower shortage areas (designated under section 332), and (B) for traineeship programs";

(2) by striking out subsection (b), and

(3) by redesignating subsection (c) as subsection (b).

(C) The amendments made by this paragraph shall be effective as of October 12, 1976.

(p)(1) Section 408(b)(2) of the Health Professions Education Assistance Act of 1976 (Public Law 94-484) (relating to effective date of revision of National Health Service Corps Scholarship Program) is amended—

(A) by striking out "Except as provided in subparagraph (B)" in subparagraph (A) and inserting in lieu thereof "Except as provided in subparagraphs (B) and (C)";

(B) in subparagraph (B) by striking out "for any school year" and all that follows in such subparagraph and inserting in lieu thereof "from appropriations for such Program for any fiscal year ending before October 1, 1977."; and

(C) by amending subparagraph (C) to read as follows:

"(C) If an individual received a scholarship under the Public Health and National Health Service Corps Scholarship Program for any school year beginning before the date of the enactment of this Act, periods of internship or residency served by such individual in a facility of the National Health Service Corps or other facility of the Public Health Service shall be creditable in satisfying such individual's service obligation incurred under that Program for such scholarship or for any scholarship received under the National Health Service Corps Scholarship Program for any subsequent school year. If an individual received a scholarship under the Public Health and National Health Service Corps Program for the first time from appropriations for such Program for the fiscal year ending September 30, 1977, periods of internship or residency served by such individual in such a facility shall be creditable in satisfying such individual's service obligation incurred under that Program for such scholarship.".

(2) The amendments made by this subsection shall be effective as of October 12, 1976.

(q)(1) Section 212(a)(32) of the Immigration and Nationality Act (8 U.S.C. 1182(a)) is amended (A) by inserting after "graduates of a medical school" in the first sentence thereof "not accredited by a body or bodies approved for the purpose by the Commissioner of Education (regardless of whether such school of medicine is in the United States)", and (B) by amending the second sentence to read as follows: "The exclusion of aliens under this paragraph shall apply to preference immigrant aliens described in section 203(a)(3) and (6) and to non-preference immigrant aliens described in section 203(a)(8).".

(2) Section 212(j)(1)(B) of such Act is amended by inserting after "that the alien" the following: "(i) is a graduate of a school of medicine which is accredited by a body or bodies approved for the purpose by the Commissioner of Education (regardless of whether such school of medicine is in the United States); or (ii)".

(B) Section 212(j)(1)(C) of such Act is amended by striking out "that upon such completion and return" and all that follows through "in that country" and inserting in lieu thereof "that there is a need in that country for persons with the skills the alien will acquire in such education or training".

(C) Section 212(j)(1)(D) of such Act is amended (i) by striking out "at the request" and inserting in lieu thereof "at the written request", and (ii) by striking out clause (i) and redesignating clauses (ii) and (iii) as clauses (i) and (ii), respectively.

(D) Section 212(j)(2)(A) of such Act is amended by striking out "(A) through (D)" and inserting in lieu thereof "(A) and (B)".

(3) Title VI of the Health Professions Educational Assistance Act of 1976 is amended by adding at the end thereof the following new section:

"TECHNICAL AND CONFORMING AMENDMENTS

"SEC. 602. (a) For purposes of section 212(a)(32) and section 212(j)(1) of the Immigration and Nationality Act (8 U.S.C. 1182), an alien who is a graduate of a medical school shall be considered to have passed parts I and II of the National Board of Medical Examiners Examination if the alien—

"(1) was on January 9, 1977, a doctor of medicine fully and permanently licensed to practice medicine in a State,

"(2) held on that date a valid specialty certificate issued by a constituent board of the American Board of Medical Specialties, and

"(3) was on that date practicing medicine in a State.

"(b) For purposes of this section, the term 'State' means a State as defined in section 101(a)(36) of the Immigration and Nationality Act (8 U.S.C. 1101).

"(c) Section 101(a)(41) of the Immigration and Nationality Act is amended (1) by inserting 'a' after 'graduates of', and (2) by inserting ', other than such aliens who are of national or international renown in the field of medicine' after 'in a foreign state'.

"(d) This section and the amendment made by subsection (c) are effective January 10, 1977, and the amendments made by subsections (b)(4) and (d) of section 601 shall apply only on and after January 10, 1978, notwithstanding subsection (f) of such section.".

(r) Section 707 of the Public Health Service Act (relating to delegation) is amended (1) by striking out the comma following "review" in paragraph (1), (2) by striking out "the merit of," in paragraph (1), (3) by inserting "(including any application for a continuation of such a grant or contract or for modification of such a contract)" after "program" in paragraph (1), and (4) by striking out "or enter into such a contract" in paragraph (2) and inserting in lieu thereof a comma and the following: "enter into such a contract, continue such a grant or contract, or modify such a contract".

SEC. 308. (a) Section 202(d) of the Community Mental Health Centers Act (relating to authorizations for planning of community mental health center programs) is amended (1) by striking out "and" after "1976,", and (2) by striking out "for the fiscal year 1977" and inserting in lieu thereof the following: "for the fiscal year ending September 30, 1977, and $1,930,000 for the fiscal year ending on September 30, 1978".

(b)(1) Section 203(d)(1) of such Act (relating to authorizations for initial operation) is amended (A) by striking out "and" after "1976,", and (B) by striking out "for fiscal year 1977" and inserting in lieu thereof the following: "for the fiscal year ending September 30, 1977, and $38,890,000 for the fiscal year ending September 30, 1978".

(2) Section 203(d)(2) of such Act (relating to continuation grants) is amended (A) by striking out "1977" and inserting in lieu thereof "1978", and (B) by striking out "or the next fiscal year" and inserting in lieu thereof "or the next two fiscal years".

(c) Section 204(c) of such Act (relating to authorizations for consultation and education services) is amended (1) by striking out "and" after "1976,", and (2) by striking out "for fiscal year 1977" and inserting in lieu thereof the following: "for the fiscal year ending September 30, 1977, and $15,000,000 for the fiscal year ending September 30, 1978".

(d) Section 205(c) of such Act (relating to authorizations for conversion grants) is amended (1) by striking out "and" after "1976,", and (2) by striking out "for fiscal year 1977" and inserting in lieu thereof the following: "for the fiscal year ending September 30, 1977, and $23,000,000 for the fiscal year ending September 30, 1978".

(e) Section 213 of such Act (relating to authorizations for financial distress grants) is amended (1) by striking out "and" after "1976,", and (2) by striking out "for fiscal year 1977" and inserting in lieu thereof the following: "for the fiscal year ending Sep-

tember 30, 1977, and $13,500,000 for the fiscal year ending September 30, 1976,".

(f) Section 228 of such Act (relating to authorizations for facilities assistance) is amended (1) by striking out "and" after "1976,", and (2) by inserting after "1977," the following: "and $2,500,000 for the fiscal year ending September 30, 1978,".

(g) Section 231(d) of such Act (relating to authorizations for rape prevention and control) is amended (1) by striking out "and" after "1976,", and (2) by striking out "for fiscal year 1977" and inserting in lieu thereof the following: "for the fiscal year ending September 30, 1977, and $7,880,000 for the fiscal year ending September 30, 1978".

(h) Section 203(e)(1)(A)(i) of such Act (relating to conversion grants) is amended by striking out "two grants" and inserting in lieu thereof "three grants".

(i) The last sentence of section 206(d) of such Act (relating to general provisions) is amended by striking out "ninetieth" and inserting in lieu thereof "one hundred and twentieth".

SEC. 309. (a) Section 501 of the Social Security Act (relating to authorizations for maternal and child health and crippled children's services) is amended (1) by striking out "and" after "1972,", and (2) by striking out "and each fiscal year thereafter" and inserting in lieu thereof the following: "and for each of the next four fiscal years, and $399,864,200 for the fiscal year ending September 30, 1978, and for each fiscal year thereafter".

(b) Section 249B of the Social Security Amendments of 1972 (relating to compensation under medicaid for nursing home inspectors) is amended by striking out "June 30, 1977" and inserting in lieu thereof "September 30, 1980".

SEC. 310. (a) Section 602(a)(5) of Public Law 94–63 (relating to authorizations for home health services) is amended by inserting after "1977" the following: ", and $8,000,000 for the fiscal year ending September 30, 1978,".

(b) Section 602(b)(4) of such Public Law (relating to authorizations for home health services training) is amended (1) by striking out "and" after "1976,", and (2) by inserting after "1977" the following: ", and $4,000,000 for the fiscal year ending September 30, 1978.".

SEC. 311. (a)(1) Section 303(a) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (relating to State plans) is amended by adding after and below paragraph (16) the following:

"Each State plan shall pertain to the twelve-month period of the State fiscal year which commences in the calendar year in which the plan is submitted and shall be submitted not later than July 31 of each calendar year.".

(2) Section 303(b) of such Act is amended by adding at the end the following: "A State plan submitted under subsection (a) may also contain provisions relating to drug abuse or mental health. The Secretary, acting through the National Institute on Alcohol Abuse and Alcoholism, shall establish procedures by which the Institute shall review each State plan submitted under subsection (a) and under which it shall complete its review of each such plan not later than September 15 of the calendar year in which the plan is submitted or not later than sixty days after the plan is received by the Institute, whichever is later.".

(3) The second sentence of section 409(e) of the Drug Abuse Office and Treatment Act of 1972 (relating to State plans) is amended by striking out "commencing October 1 of the calendar year" and inserting in lieu thereof "of the State fiscal year which commences in the calendar year".

(b)(1) The first sentence of section 302(a) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (relating to allotments) is amended by striking out "shall be less than $200,000," and inserting in lieu thereof the following: "shall, except as provided in paragraph (2), be less than the greater of (A) $200,000, or (B) the amount of such State's allotment for the fiscal year ending June 30, 1976, unless the amount appropriated under section 301 for allotments for the fiscal year ending June 30, 1976, was greater than the amount appropriated for the fiscal year for which the minimum allotment determination is being made, in which case the minimum allotment prescribed by this clause shall be an amount which bears the same ratio to the amount allotted for the fiscal year ending June 30, 1976, as the amount appropriated for the fiscal year for which the minimum allotment determination is being made bears to the amount appropriated for the fiscal year ending June 30, 1976.".

(2) Section 302(a) of such Act is further amended by inserting "(1)" after "(a)" and by adding at the end the following:

"(2) If the amount appropriated under section 301 for any fiscal year is less than the amount required to make for such fiscal year the minimum allotment prescribed by paragraph (1) to each State with an approved State plan, the minimium allotment for such fiscal year for a State with an approved State plan shall be an amount which bears the same ratio to the minimum allotment prescribed by paragraph (1) for such State as the amount appropriated under section 301 for such fiscal year bears to the amount of appropriations required to make the minimum allotment, as so prescribed, to each State with an approved State plan.".

(c) Section 311(c)(2)(B)(i) of such Act (relating to review of applications) is amended by striking out "his" and inserting in lieu thereof "its."

(d) The second sentence of section 202 of the Drug Abuse Office and Treatment Act of 1972 (relating to the Director of the Office of Drug Abuse Policy) is amended by striking out "any other department or agency of the United States" and inserting in lieu thereof "any department or agency of the United States engaged in any drug traffic prevention function (as defined in section 103)".

SEC. 312. Section 208(g) of the Public Health Service Act is amended by (1) striking out "fifty" and inserting in lieu thereof "fifty-five", and (2) inserting after "National Institutes of Health" the following: "and not less than five shall be for the National Institute on Alcohol Abuse and Alcoholism for individuals engaged in research on alcohol abuse and alcoholism".

SEC. 313. Section 603(b) of Public Law 94–63 is amended by striking out "Not later than 2 years from the date of enactment of this Act" and inserting in lieu thereof "Not later than August 30, 1977.".

SEC. 314. The Secretary of Health, Education, and Welfare, in cooperation with appropriate professional entities and individuals, shall within two years of the date of the enactment of this section (1) establish model standards with respect to preventive health services in communities, and (2) report such standards to the Congress. Such standards shall be developed to identify populations in need of preventive or protective health services and to maintain community oriented preventive health programs.

SEC. 315. (a)(1) The Secretary of Health, Education, and Welfare (hereinafter in this section referred to as "Secretary") shall arrange for the conduct of a study or studies to determine opportunities, if any, for broadened Federal program activities in areas of international health. Such study or studies shall consider biomedical and behavioral research, health services research, health professions education, immunization and public health activities, and other areas that might improve our and other nations' capacities to prevent, diagnose, control, or cure disease, and to organize and deliver effective and efficient health services.

(2) An interim report on such study or studies shall be completed no later than October 1, 1977. A final report thereon shall be completed no later than January 1, 1978. Both reports shall be submitted to the Secretary, the Committee on Human Resources of the Senate, and the Committee on Interstate and Foreign Commerce of the House of Representatives.

(b)(1) The Secretary shall request the National Academy of Sciences (hereinafter in this section referred to as "Academy") to conduct such study or studies under an arrangement whereby the actual expenses incurred by the Academy directly related to the conduct of such study or studies will be paid by the Secretary. If the Academy is willing to do so, the Secretary shall enter into such an arrangement with the Academy.

(2) If the Academy is unwilling to conduct one or more of such studies under such an arrangement, then the Secretary shall enter into a similar arrangement with other appropriate nonprofit private groups or associations to conduct such study or studies and prepare and submit the reports thereon as provided in subsection (a)(2).

And the House agree to the same.

HARLEY O. STAGGERS,
PAUL G. ROGERS,
DAVID E. SATTERFIELD,
TIM LEE CARTER,
JAMES T. BROYHILL,
Managers on the Part of the House.

EDWARD M. KENNEDY,
HARRISON A. WILLIAMS, JR.,
CLAIBORNE PELL,
GAYLORD NELSON,
ALAN CRANSTON,
WILLIAM D. HATHAWAY,
JACOB JAVITS,
RICHARD S. SCHWEIKER,
JOHN H. CHAFEE,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the bill (H.R. 4975) to amend the Public Health Service Act to extend through the fiscal year ending September 30, 1978, the assistance programs for health services research; health statistics; comprehensive public health services, hypertension programs; migrant health; community health centers; medical libraries; cancer control programs; the National Cancer Institution; heart, blood vessel, lung, and blood disease prevention and control programs; the National Heart, Lung, and Blood Institute; National Research Service Awards; population research and voluntary family planning programs; sudden infant death syndrome; hemophilia; national health planning and development; and health resources development; to amend the Community Mental Health Centers Act to extend it through the fiscal year ending September 30, 1978; to extend the assistance programs for home health services; and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House passed H.R. 4974, H.R. 4975, and H.R. 4976, which extended various health programs for fiscal year 1978. The Senate amendment to the text of the bill

struck out all after the enacting clause of H.R. 4975 and inserted a substitute text which extended the programs extended by H.R. 4974, H.R. 4975, and H.R. 4976. The House amendment to the Senate amendment struck out the text proposed by the Senate amendment and inserted a substitute text which was identical to the texts of H.R. 4974, H.R. 4975, and H.R. 4976, as passed by the House.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate amendment and the House amendment. The differences between the Senate amendment, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

AUTHORIZATIONS OF APPROPRIATIONS FOR HEALTH PROGRAMS

Both the House and Senate amendments to the House-passed bills authorized line-item appropriations for several health programs for fiscal year 1978. The following chart sets forth the authorizations in the Senate amendment, the House amendment, and the conference substitute.

	House amendment	Senate amendment	Conference substitute [1]
HEALTH SERVICES			
314(d)(7)(A)—Bloc grants	103.5	110	106.75
314(d)(7)(B)—Hypertension	10.35	15	12.68
319(h)(1)—Migrant planning	1.8975	4	2.95
319(h)(2)—Migrant operation	29.1525	35	32.08
319(h)(3)—Migrant hospitalization	3.45	5	4.23
330(g)(1)—CHC planning	5.75	6	5.88
330(g)(2)—CHC operation	241.6702	272	256.84
1001(c)—Family planning projects	123.625	140	136.4
1003(b)—Family planning training	3.45	5	3
1004(b)—Family planning research	67.838	70	68.5
1005(b)—Family planning information	.69	2.5	.6
1121(b)—Sudden infant death syndrome	2.3	5	3.65
1131(f)—Hemophilia	3.35	5	4.55
1132(e)—Blood separation centers	3.45	4	3.45
COMMUNITY MENTAL HEALTH CENTERS ACT			
202(d)—CMHC planning	.1	3.75	1.93
203(d)—CMHC initial operation	22.775	55	38.89
204(c)—CMHC consultation and education	15	15	15
205(c)—CMHC conversion	22	24	23
213—CMHC financial distress	12	15	13.5
228—CMHC construction	0	5	2.5
231(d)—Rape prevention	5.75	10	7.88
SOCIAL SECURITY ACT			
501—Maternal and child health [2]	399.8642	399.8642	399.8642
PUBLIC LAW 94-63			
602(a)—Home health services	8	8	8
602(b)—Home health training	4	4	4
Subtotal	1090.0623	1218.1142	1156.1242
Total, H.R. 4975	2960.1874	3509.7142	3357.0842

[1] Existing law provides that 22 percent of the appropriation made under sec. 1613 shall be made available for grants for construction or modernization projects designed to eliminate or prevent imminent safety hazards as defined by Federal, State, or local fire, building, or life safety codes or regulations, or avoid noncompliance with State or voluntary licensure or accreditation standards. The conference substitute authorizes appropriations of $67,500,000 in addition to the 22 percent earmark.

[2] No fiscal year limitation.

TECHNICAL AMENDMENTS TO HEALTH PLANNING LAW

Both the House and Senate amendments included technical amendments to the National Health Planning and Resources Development Act (PL 93-641).

The conference substitute combines the provisions of both amendments.

The managers wish to emphasize the need for a thorough review of implementation of this program by the new Administration. Several matters deserve the immediate attention of the Department of Health, Education, and Welfare.

First, the regulations governing a certificate of need program which must be developed by each state are deficient. The aggressive implementation of this section of the health planning legislation by the Department is necessary to effective control of capital expenditures, which is critical to containing exploding health care costs.

At the time that the Congress enacted P.L. 93-641, it was aware of the scope of coverage of section 1122 of the Social Security Act as it was then in effect. It was the intent of Congress that the certificate of need provisions of P.L. 93-641 have at least the same scope. The published regulations, however, do not require state certificate of need programs to cover organized ambulatory care programs, such as home health services; modernization of facilities; site acquisition; purchase of existing facilities; or the use of space within facilities leased to outside parties. Each of these activities was originally subject to review under section 1122 and in each case their exclusion will provide ways for hospitals, nursing homes and other health programs to circumvent the intent of this law. The omission of these activities from certificate of need regulations should be immediately reconsidered and rectified.

Second, the National Council on Health Planning and Development, established under title XV to advise the Secretary on a statement of national health planning goals and standards respecting the supply, distribution, and organization of health resources, has not been fully appointed and is not yet operational.

Third, the national guidelines for health planning have not yet been published. The issuance of such guidelines for use by health systems agencies and state health planning and development agencies was required by July 4, 1976. While a draft of the guidelines has been developed, it is deficient in that it includes few "standards respecting the appropriate supply, distribution, and organization of health resources" as required by section 1501. These standards are needed by health planning agencies to guide them in making proper policy decisions. Without them, each health systems agency and state health planning and development agency will be required to expend resources developing standards themselves to apply in their project review and planning functions.

Fourth, the Department has fallen behind on its publication of regulations essential to the implementation of the program. Especially crucial are those for state medical facilities and health plans and those for appropriations review.

Fifth, P.L. 93-641 established ten regional centers to develop health planning methodology and technology and to support the technical assistance and manpower training needs of the health systems agencies (HSAs) and state health planning and development agencies (SHPDAs) in the ten HEW regions. These multidisciplinary centers for health planning are similar to the health service research centers funded by the National Center for Health Services Research. The Congress' intent was for these health planning centers to be entities separate from, although funded by, HEW in order that they be permitted to serve their primary constituents, HSAs and SHPDAs. These centers are not to be viewed as extensions of HEW regional offices, nor should they be required to provide any program support for the Department's staff. Further, the Department should authorize the centers to define priorities and work programs to meet the peculiar local or regional needs and priorities of HSAs and SHPDAs.

Sixth, the lack of progress in developing an evaluation methodology for reviewing the performance of the health systems agencies and state health planning and development agencies also is of concern to the conferees. Public Law 93-641 contains measures requiring such evaluation. Clearly the state of the art in evaluation of health planning is limited; nevertheless, HEW seems to have missed an opportunity over the last few years to promote research and demonstrations to further develop that state of the art. Health systems agencies and state agencies must develop a posture of competence, fairness and impartiality as well as begin to influence their health care delivery systems in positive ways. If planning is to be successful, the Federal government must monitor the development of the planning system and take corrective action when problems are identified.

In this connection, the conferees were heartened to learn of the high standards which HEW is using in the review of health plans which HSAs develop. It is important that the initial health systems plans (HSP) both describe what additional services are needed to improve the health status of people and clearly identify excess capacity in the system, including the number and location of hospital beds and services that should be closed or converted to other uses, although the ability and advisability of HSAs providing such specificity in initial plans will vary due to social, legal and political factors. In determining whether an HSA is ready for full designation, HEW should continue to assure that its HSP and other plans are specific enough to be useful in carrying out its review and other implementation functions.

Finally, the conferees note that significant policy authority has been delegated to the ten HEW regional offices during the implementation of the planning and resources development program. In some cases this delegation has been disruptive and has resulted in actions contrary to the intent of the Conferees. For example, some HEW regional administrators have imposed salary and administrative restrictions on HSA staff. This is clearly inappropriate and outside the scope of HEW authority in that control over internal management, staff salary and administrative practices has been provided to HSA boards, and not HEW, by statute. Further, although it is appropriate for regional offices to monitor the implementation of the program and offer technical assistance, health planning policy decisions respecting implementation are clearly the responsibility of the Bureau of Health Planning and Resource Development under the direction of the Secretary with consultation with the National Council on Health Planning and Development. Uniform implementation of national health policies can best be accomplished by central decision making and regional monitoring.

The conferees also wish to clarify the original intent of the Health Planning and Resources Development Act with respect to the composition of governing bodies of health systems agencies. Under the law (section 1512 (b) (3) (C) of the Public Health Service Act) consumer representatives of governing bodies are to be "broadly representative of the social, economic, linguistic and racial populations" residing within the health service area. The conferees emphasize that, as the law states, the populations are to be *broadly* represented. Therefore, several different approaches to insuring meaningful involvement

in HSA decisions by all segments of society are permissible. In particular, it was not the intent of the Congress in enacting this provision to mandate a quota system requiring the selection of representatives of a particular category strictly proportionate to its representation in the population of the area or to require that representatives of a category be members of the class they represent. Instead, the Congress intended that, in implementation of the requirement with respect to consumer representatives, health systems agencies have the flexibility to adopt selection processes most appropriate to local needs.

HEALTH MAINTENANCE ORGANIZATION AMENDMENTS

The House amendment contained a provision not included in the Senate amendment which prohibited payments under medicare and medicaid to health maintenance organizations whose memberships are made up of a majority of individuals who are recipients of benefits under medicare or medicaid. This provision was intended to correct technically deficient language in PL 94-460 to achieve the original Congressional policy.

The conference substitute conforms to the House amendment.

CONSULTANTS TO THE NATIONAL CANCER INSTITUTE

The Senate amendment contained a provision, not included in the House amendment, which increased the number of experts and consultants which the Director of the National Cancer Institute is authorized to hire under section 410 of the Public Health Service Act (PHS Act) from 100 to 200. It further authorized the reimbursement of such consultants' traveling expenses to and from their assignment locations.

The conference substitute would authorize the Director of the National Cancer Institute to hire 51 additional experts and consultants, or a total of 151. It does not authorize the reimbursement of consultants for traveling expenses to and from their assignment locations.

AMBULATORY TREATMENT OF HYPERTENSION

The House amendment contained a provision, not included in the Senate amendment, which provided that grants under section 314(d)(7)(B) of the Public Health Service Act for programs for the screening, detection, diagnosis, prevention, and referral for treatment of hypertension could also be used to provide ambulatory care, where it is determined to be appropriate.

The conference substitute does not include the House provision. It is the intent of the conferees to wait until this program is substantively reevaluated later this year to determine whether the scope of the program should be expanded.

DEFINITION OF MEDICALLY UNDERSERVED POPULATION

The House amendment contained a provision, not included in the Senate amendment, which required the Secretary of HEW, in designating medically underserved populations under section 330 of the PHS Act for the purpose of making grants and awarding contracts for cummunity health centers, to take into account unusual local conditions which are a barrier to access to or the availability of personal health services.

The conference substitute conforms to the House amendment.

ADMINISTRATIVE COSTS OF FAMILY PLANNING RESEARCH

The House amendment contained a provision, not included in the Senate amendment, intended to make it clear that the existing prohibition on the use of funds under the authority of the Public Health Service Act other than section 1004 (relating to authorizations for family planning research) includes the administrative costs of family planning research activities.

The conference substitute conforms to the House amendment. In including this provision, it is not the intent of the conferees to reduce the amount of support available for population research excluding administrative costs. The conferees intend that this new provision—which clarifies the intention of Congress that the entire population research effort of the Department of Health, Education, and Welfare be conducted under section 1004 of the PHS Act—not be used to reduce the appropriate program support level for population research.

GOVERNING BOARDS OF COMMUNITY AND MIGRANT HEALTH CENTERS

It has come to the attention of the conferees that the requirements that community and migrant health centers establish governing boards composed of individuals a majority of whom are served by the center and who represent the individuals being served by the center has been interpreted by the Department of Health, Education, and Welfare in a manner which may preclude public entities such as State and local governments from submitting approvable applications.

Under the law, each community and each migrant health center is to have a governing board which shall meet once a month, shall establish general policies for the center (including the selection of services to be provided and a schedule of hours during which services will be provided), approve the center's annual budget, and approve the selection of the director of the center. These minimum responsibilities are delineated under sections 319 and 330 of the Public Health Service Act. While other responsibilities may be delegated to the governing board, no requirements for additional responsibilities are to be imposed which could preclude in any way the submission of an approvable application under either section 319 or 330 of the Act by public entities including State and local governments and health departments. The law is clear that both public and nonprofit private entities are eligible grant recipients, and Department regulations may not alter that stipulation.

AMENDMENTS TO HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE ACT OF 1976 (PUBLIC LAW 94-484)

Both the House and Senate amendments to the House-passed bill included provisions amending various authorities of the Health Professions Educational Assistance Act of 1976 (PL 94-484). The principal differences between the House and Senate amendments and the conference substitute are noted below.

LOAN FORGIVENESS UNDER GUARANTEED STUDENT LOAN PROGRAM

The Senate amendment contained a provision not included in the House amendment which conformed the financial obligation in the written contract which a borrower enters into with the Secretary of HEW under the loan forgiveness provision (section 735 of the PHS Act) of the guaranteed student loan program to that entered into by a participant in the National Health Service Corps scholarship program.

The conference substitute conforms to the Senate amendment.

DEFINITION OF ELIGIBLE INSTITUTION UNDER GUARANTEED STUDENT LOAN PROGRAM

The House amendment contained a provision not included in the Senate amendment which amended the definition of a health professions educational institution eligible to participate in the guaranteed student loan program (section 737 of the PHS Act) to provide that an institution would be determined to be eligible to participate if it received or was eligible to receive capitation support in the previous fiscal year. Existing law provides that an institution is eligible to participate only if it is receiving or is eligible to receive capitation support.

The conference substitute conforms to the House amendment with an amendment which would amend section 732 to make it clear that the insurability of a loan installment made pursuant to a line of credit would be conditioned on the eligibility of the borrower. An eligible borrower is defined as a student enrolled in an eligible institution.

LIMITATION ON DECLARATION OF BANKRUPTCY UNDER STUDENT LOAN PROGRAM

The Senate amendment contained a provision not included in the House amendment which amended section 735 of the PHS Act to prohibit a borrower who has entered into a written agreement with the Secretary of HEW to practice in a medically underserved area in exchange for payment of the borrower's obligation under the loan program who fails to honor the terms of the agreement from declaring bankruptcy during the five year period beginning on the date damages are due.

The conference substitute does not contain the Senate provision because the conferees are not convinced that bankruptcy will be widely utilized as a means of avoiding loan repayment. The conferees do wish to make clear, however, that in the event experience under the program indicates a need to include such a prohibition, the appropriate committees of Congress should consider prohibiting discharges in bankruptcy of damages incurred under the guaranteed student loan program.

LOAN FORGIVENESS OF NON-FEDERAL LOANS

Both the House and Senate amendments contained provisions which authorized the Secretary of HEW to enter into agreements under section 741 of the PHS Act with individuals who had obtained educational loans other than those awarded under section 740 of the Act prior to October 12, 1976 under which such agreements the borrower agrees to provide service in a medically underserved area in exchange for loan forgiveness. The Senate amendment contained provisions not included in the House amendment which specified that the borrower present a certified copy of his loan agreement to the Secretary, stipulated that payments by the Secretary on behalf of the borrower could not exceed $10,000 per year or a total of $50,000, and required that payments could be made only for service rendered for continuous periods of not less than one year.

The conference substitute conforms to the Senate amendment except that the requirements under existing law that the Secretary shall repay 30 percent of the principal of the loan in the first year of service, 30 percent in the second year and 25 percent in the third year, and that the minimum period of service is two years would also apply to borrowers who had obtained educational loans other than those awarded under section 750.

COUNTING OF RESIDENCY POSITIONS IN PRIMARY CARE FOR PURPOSES OF DETERMINING ELIGIBILITY FOR CAPITATION SUPPORT

The House amendment contained a provision not included in the Senate amendment which amended the capitation requirement under section 791 of the PHS Act that, in determining whether a medical school has met the requirement that a certain percentage of its filled first year residency positions be in primary care, the Secretary deduct a number equal to the number of individuals who, in the previous year, were in primary care positions but who were not in a primary care residency program of *such* school in the fiscal year to which the requirement applies. The amendment would require that only the

number of individuals who were not in a primary care residency program of *any* school be so deducted.

The conference substitute conforms to the House amendment.

EFFECTIVE DATE OF CAPITATION CONDITION WITH RESPECT TO TRANSFER OF U.S. CITIZENS FROM FOREIGN MEDICAL SCHOOLS

Both the Senate amendment and the House amendment contained provisions intended to establish the first school year in which schools of medicine would be required to enroll qualified U.S. citizens studying in foreign medical schools. The Senate amendment provided that the effective date of the provision was the date of enactment of the Health Professions Educational Assistance Act of 1976 (October 12, 1976), thus, establishing school year 1977–78 as the initial year of the program. The House amendment established school year 1978–79 as the initial year of the program.

The conference substitute conforms to the House amendment.

TRAINING PROGRAMS IN EMERGENCY MEDICAL SERVICES

The House amendment contained a provision not included in the Senate amendment which amended section 789 of the Public Health Service Act to provide that traineeships in emergency medicine for individuals in graduate medical education shall provide for tuition and fees and such stipends and allowances (including travel and subsistence expenses and dependency allowances) as the Secretary of HEW may deem necessary.

The conference substitute adopts the provision of the House amendment with an amendment which would conform the provisions of section 789 relating to the training of physicians in emergency medicine to the provisions of section 784 of the PHS Act relating to the training of physicians in general internal medicine and general pediatrics.

INDIAN HEALTH SCHOLARSHIP PROGRAM

The House amendment contained a provision not included in the Senate amendment which reinstated the Indian Health Scholarship Program which was part of the Indian Health Care Improvement Act (P.L. 94–437). The scholarship program was inadvertently repealed by virtue of the subsequent enactment of the Health Professions Educational Assistance Act of 1976.

The conference substitute conforms to the House amendment.

TRAINING OF NURSE PRACTITIONERS

The Senate amendment contained a provision not included in the House amendment which transferred support for the training of nurse practitioners who agree to practice in medically underserved areas from section 830 of the Public Health Service Act ("Traineeships") to section 822 ("Nurse Practitioner Programs"). Such support includes both traineeships for students and program support.

The conference substitute conforms to the Senate amendment. It is the conferees' intent that the appropriate committees of the Congress carefully review the programs of support for nurse practitioner training when substantive amendments to the Nurse Training Act are next considered.

FINANCIAL OBLIGATION OF NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP RECIPIENTS

Under existing law, the increased financial obligation under the NHSC scholarship program would not be incurred by individuals who receive their first year of scholarship support for a school year ending before September 30, 1977 but is unclear as to the obligation of an individual who receives his first scholarship for school year 1977–78, prior to the effective date of the new scholarship program (October 1, 1977). The Senate amendment contained a provision not included in the House amendment which exempted individuals who receive their first year of scholarship support for a school year ending before September 30, 1978 from the increased financial obligation.

The conference substitute conforms to the Senate amendment with an amendment which would provide that an individual who received his first year of scholarship support prior to the date of enactment of the Health Professions Educational Assistance Act of 1976 (October 12, 1976) would not incur the increased financial obligation under the new program unless such individual received a scholarship in a subsequent year under the new program. The amendment further provides that an individual who received his first year of scholarship support from fiscal year 1977 appropriations would not incur the increased financial obligation for that year of scholarship support but would do so for any subsequent scholarship.

AMENDMENTS TO THE IMMIGRATION AND NATIONALITY ACT

Amendments to the Immigration and Nationality Act made last year were intended to put to a halt abuses of provisions of that Act whereby thousands of alien graduates of foreign medical schools who were ill-trained by United States' standards were entering this country in order to practice medicine. These amendments required that before a person could enter the United States either under immigrant or under a so-called "J" visa for training, such person must have passed parts I and II of the National Board of Medical Examiners' examination (or an equivalent examination) and demonstrate a competency in oral and written English. Moreover, under the new amendments, an alien entering under a "J" visa is subject to three additional requirements: First, a school of medicine or of one of the other health professions must agree, in writing, to provide the graduate medical training for which the alien is coming to the United States. Second, the alien must make a commitment to return to the country of his nationality upon completion of his training and his country of nationality must provide written assurance that upon such completion and return he will be appointed to a position in government or in an educational institution in which he will fully utilize the skills he acquired in his education. Third, the duration of his participation in a program in the United States is limited to two years, with provision for extension of the duration for one additional year. Each of the four requirements for entry under a "J" visa is authorized to be waived with respect to any alien who seeks to participate in an accredited program of graduate medical education if there would be a substantial disruption in the health services of the program because the alien was not permitted, because of the new requirements, to enter the United States to participate in the program. This waiver authority expires December 31, 1980.

The Senate amendment established two exceptions to these requirements. First, it made them inapplicable to graduates of schools of medicine accredited by a body approved for such purposes by the Commissioner of Education, regardless of whether the school is located in the United States. Second, the Senate amendment excluded from the new requirements any alien who, on January 9, 1977 (the day before the effective date of the 1976 amendments), was legally authorized to practice medicine in a State, held a specialty board certification, was practicing exclusively within that specialty and continues to practice medicine in such State exclusively within the specialty for which he holds the specialty certificate.

Under the conference substitute, the House recedes to the Senate amendment with an amendment. The amendment includes the provisions of the Senate amendment exempting graduates of schools accredited by a body approved by the Commissioner of Education from the new requirements. In addition, it includes the provisions of the Senate amendment respecting aliens licensed, specialty board certified, and practicing medicine in a State on January 9, 1977 with two exceptions. First, under the conference substitute, an alien must have been *fully and permanently* licensed prior to such date. Second, the requirement of the Senate amendment that an alien continue to practice medicine exclusively within the specialty for which the alien held a specialty certificate in the State in which he is licensed is not included.

In addition, under the conference substitute, the new requirements are inapplicable to aliens who are of national or international renown in the medical profession. Further, the waiver provision under the "J" visa is limited to requirements for passage of the requisite examination and medical school affiliation such that no waiver of the provisions requiring that the alien make a commitment to return to his homeland and limiting the duration of his stay may be made. The requirement for written assurance from the alien's government is amended to simply require written assurance that there is a need for the alien's services in such country.

Implementation of the controversial but extremely important 1976 amendments has caused the managers great concern. Actions of the Department of Health, Education, and Welfare, the Department of Justice, and the National Board of Medical Examiners hardly have been consistent with the clear need for expeditious and effective implementation of the amendments. In addition, some actions which have been taken do not reflect the intention of the Congress in enacting the 1976 amendments.

The Visa Qualifying Examination (VQE), developed subsequent to the 1976 amendments, and designated as the equivalent examination to Parts I and II, will not be administered until September, 1977. The results of that examination will not be available until late in 1977 or early in 1978. Thus, as things now stand, because Parts I and II are not administered outside the United States, it is impossible for alien physicians to qualify for an immigrant or "J" visa to enter the United States for residency training for the school year beginning in 1977. Consequently, this country is in the anomolous position of having established criteria for admission of phyicians for graduate training but precluding aliens who had planned to accept graduate medical education positions in July, 1977 from satisfying such criteria. As a result, the conference substitute provides that the effective date of amendments made to the "J" visa program by the Health Professions Educational Assistance Act of 1976 and by the proposed legislation is postponed until January 10, 1978.

In recognition of the fact that the VQE would not be available in time for aliens to comply with criteria necessary to enter graduate medical training, the Department of Justice granted a blanket waiver of all four "J" visa requirements under the "substantial disruption" provisions of the new amendments through June 30, 1978. While a blanket waiver of the requirement that aliens pass the requisite examination appears justifiable until the VQE can be administered, certain aspects of the waiver do not. First, the managers perceive no basis for the blanket waiver of the requirement that an alien return to his country of origin after completion of training. Second, the June 30, 1978 date may, in effect, constitute a two year waiver whereby unqualified aliens would enter this country immediately prior to beginning residency training in July, 1978. In view of the availability of the VQE in September,

and the Congressional action taken in this report postponing the "J" visa requirements only until January 10, 1978, the managers expect that waivers will be authorized only on a case-by-case basis, in accordance with the above-expressed concerns, after that date.

Secondly, as noted in the Senate committee report, the conferees believe that the interpretation of the 1976 amendments with respect to so-called "H–1" visas (which authorize entry of aliens of distinguished merit to perform services of an exceptional nature) is not representative of Congressional intent. The 1976 amendments limited the availability of such visas, insofar as they are applicable to physicians, to persons coming pursuant to an invitation of a public or nonprofit private educational or research institution or agency in the United States to teach or conduct research, or both. As interpreted by the Department of Justice (Federal Register, Volume 42, No. 13, January 19, 1977) only physicians who are coming to the United States *solely* to teach or conduct research, or both. While Congress intended that the exemption apply to physicians *primarily* engaged in teaching or research activities, patient care activities incidental to teaching or research are indispensable in many instances. The conferees expect this policy, rather than that enunciated in the January 19 regulations, to be reflected in implementation of the amendments following enactment of this report.

SUPERGRADE POSITIONS FOR THE NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM

The Senate amendment contained a provision not included in the House amendment which increased the number of positions available to the Commissioned Corps of the Public Health Service under section 208(g) of the PHS Act from 150 to 155 and required that not less than five of those positions shall be for the National Institute on Alcohol Abuse and Alcoholism.

The conference substitute conforms to the Senate amendment with an amendment stipulating that the positions available to the National Institute on Alcohol Abuse and Alcoholism shall be filled with individuals engaged in research on alcohol abuse and alcoholism.

REPORTING DEADLINE FOR THE COMMITTEE ON MENTAL HEALTH OF THE ELDERLY

The Senate amendment contained a provision not included in the House amendment which postponed the date by which the Committee on Mental Health of the Elderly, established under Public Law 94–63, must make its report to Congress from July 29, 1977 to August 30, 1977.

The conference substitute conforms to the Senate amendment.

STANDARDS FOR PUBLIC HEALTH PROGRAMS

The Senate amendment contained a provision not included in the House amendment which added a new section 514 to the Public Health Service Act which directed the Secretary of HEW within one year of the date of enactment to establish standards with respect to preventive health care for identifiable populations within public health programs.

The conference substitute conforms to the Senate amendment with an amendment which would require the Secretary of HEW to develop, within two years of the date of enactment, model standards with respect to preventive health services in communities.

By requiring the development of model standards for community public health programs, the conferees intend to emphasize their commitment to the continuing need for such programs and their services, and to the benefits which accrue to the entire population. It is apparent that cost-effective public health programs, including preventive health services and those environmental control measures directed at protecting human health, will need to assume even greater significance in any program of National Health Insurance. Accordingly, standards need to be developed now to assure that public health programming is maintained as a crucial element of, or equal partner to, any National Health Insurance plan.

The "standards" concept is a broad one. By purposely avoiding more specific definition, however, it is the conferees' intent to allow maximum flexibility in determining what may be the most appropriate form for public health service program standards. The conferees are aware of the recent efforts of the Association of State and Territorial Health Officials, the National Association of County Health Officials, the United States Conference of City Health Officers, and the American Public Health Association, with staff support from the Center for Disease Control, to develop such standards on a voluntary, collaborative basis. The conferees anticipate that the Secretary will rely on the experience and advice of these groups, and support their continued efforts as a basis for both the form and content of public health program standards development required in this section.

STUDIES OF INTERNATIONAL HEALTH ISSUES AND OPPORTUNITIES

The Senate amendment contained a provision not included in the House amendment which directed the Secretary of HEW to arrange for the conduct of a study or studies to determine opportunities, if any, for broadened Federal program activities in areas of international health.

The conference substitute conforms to the Senate amendment.

HARLEY O. STAGGERS,
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DAVID E. SATTERFIELD,
TIM LEE CARTER,
JAMES T. BROYHILL,
Managers on the Part of the House.

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WILLIAM D. HATHAWAY,
JACOB JAVITS,
RICHARD S. SCHWEIKER,
JOHN H. CHAFEE,
Managers on the Part of the Senate.

CONFERENCE REPORT ON H.R. 6714, INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1977

Mr. ZABLOCKI submitted the following conference report and statement on the bill (H.R. 6714) to amend the Foreign Assistance Act of 1961 to authorize development assistance programs for fiscal year 1978, to amend the Agricultural Trade Development and Assistance Act of 1954 to make certain changes in authorities of that act, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 95–501)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6714) to amend the Foreign Assistance Act of 1961 to authorize development assistance programs for fiscal year 1978, to amend the Agricultural Trade Development and Assistance Act of 1954 to make certain changes in the authorities of that Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "International Development and Food Assistance Act of 1977".

TITLE I—INTERNATIONAL DEVELOPMENT ASSISTANCE

DEVELOPMENT ASSISTANCE POLICY

SEC. 101. (a) Subsection (d) of section 102 of the Foreign Assistance Act of 1961 is amended to read as follows:

"(d) (1) Development assistance furnished under this chapter shall be increasingly concentrated in countries which will make the most effective use of such assistance to help the poor toward a better life (especially such countries which are suffering from the worst and most widespread poverty and are in greatest need of outside assistance). In order to make possible consistent and informed judgments concerning which countries will make the most effective use of such assistance, the President shall propose appropriate criteria and factors to assess the commitment and progress of countries in meeting the objectives set forth in subsection (c) of this section and in other sections of this chapter. In developing such criteria and factors, the President shall specifically take into account their value in assessing countries' actions which demonstrate genuine concern and effective action for materially improving the lives of the poor and their ability to participate in development, including but not limited to efforts to—

"(A) increase agricultural productivity per unit of land through small-farm, labor-intensive agriculture;

"(B) reduce infant mortality;

"(C) control population growth;

"(D) promote greater equality of income distribution, including measures such as more progressive taxation and more equitable returns to small farmers; and

"(E) reduce rates of unemployment and underemployment.

A report on such proposed criteria and factors shall be transmitted to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate by January 31, 1978.

"(2) The President shall endeavor to bring about the adoption of similar criteria and factors by international development organizations in which the United States participates.

"(3) Presentation materials submitted to the Congress with respect to assistance under this chapter, beginning with fiscal year 1977, shall contain detailed information concerning the steps being taken to implement this subsection.".

(b) Such section 102 is amended by adding at the end thereof the following new subsection:

"(e) For the purpose of promoting economic growth in the poorest countries, the President is authorized, notwithstanding any other provision of law, to make assistance under this chapter available to the relatively least developed countries on a grant basis to the maximum extent that is consistent with the attainment of United States development objectives.".

FOOD AND NUTRITION

SEC. 102. (a) Subsection (a) of section 103 of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "$291,000,000" and all that follows through "1976 and"; and

(2) by inserting "and $580,000,000 for the fiscal year 1978" immediately after "1977".

(b) Such section 103 is amended by adding at the end thereof the following new subsection:

"(h) Of the funds authorized to be appropriated by this section for the fiscal year 1978, the President is requested to commit up to $60,000,000 for the purposes of assisting India with foreign exchange costs incurred in connection with the construction of grain storage facilities or other purposes specified in this section.".

POPULATION PLANNING AND HEALTH

SEC. 103. (a) Section 104 of the Foreign Assistance Act of 1961 is amended by striking out subsection (a) and inserting in lieu thereof the following new subsections:

"(a) In order to increase the opportunities and motivation for family planning and to reduce the rate of population growth, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for population planning. There are authorized to be appropriated to the President for the purposes of this subsection, in addition to funds otherwise available for such purposes, $167,000,000 for the fiscal year 1978, which amount is authorized to remain available until expended.

"(b) In order to prevent and combat disease and to help provide health services for the great majority, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for health, disease prevention, and environmental sanitation. There are authorized to be appropriated to the President for the purposes of this subsection, in addition to funds otherwise available for such purposes, $107,700,000 for the fiscal year 1978, which amount is authorized to remain available until expended.".

(b) Subsection (b) of such section 104 is redesignated as subsection (c).

(c) Such section 104 is amended by adding at the end thereof the following new subsection:

"(d)(1) Assistance under this chapter shall be administered so as to give particular attention to the interrelationshp between (A) population growth, and (B) development and overall improvement in living standards in developing countries, and to the impact of all programs, projects, and activities on population growth. All appropriate activities proposed for financing under this chapter shall be designed to build motivation for smaller families in programs such as education in and out of school, nutrition, disease control, maternal and child health services, agricultural production, rural development, and assistance to the urban poor.

"(2) The President is authorized to study the complex factors affecting population growth in developing countries and to identify factors which might motivate people to plan family size or space their children.".

(d) The amendment made by subsection (a) of this section shall take effect on October 1, 1977.

EDUCATION AND HUMAN RESOURCE DEVELOPMENT

SEC. 104. (a) Subsection (a) of section 105 of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "$90,000,000" and all that follows through "1976 and"; and

(2) by inserting "and $84,900,000 for the fiscal year 1978" immediately after "1977".

(b) Subsection (c) of such section is amended by inserting "for the fiscal year 1977, and not less than $1,647,000 shall be available for the fiscal year 1978," immediately after "shall be available".

TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT PROBLEMS

SEC. 105. Section 106(b) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "$99,550,000 for the fiscal year 1976 and"; and

(2) by inserting "and $105,000,000 for the fiscal year 1978" immediately after "fiscal year 1977".

COST-SHARING AND FUNDING LIMITS

SEC. 106. Section 110 of the Foreign Assistance Act of 1961 is amended—

(1) in subsection (a) by striking out "107" and inserting in lieu thereof "106"; and

(2) in subsection (b)—

(A) by striking out "No" and inserting in lieu thereof "Except for grants to countries determined to be relatively least developed based on the United Nations Conference on Trade and Development list of 'relatively least developed countries', no"; and

(B) by striking out "107" and inserting in lieu thereof "106".

DEVELOPMENT AND USE OF COOPERATIVES

SEC. 107. (a) Section 111 of the Foreign Assistance Act of 1961 is amended—

(1) in the first sentence by striking out "assistance in the development" and inserting in lieu thereof "technical and capital assistance in the development and use"; and

(2) by amending the second sentence to read as follows: "Not less than $10,000,000 of the funds made available under this Act for the fiscal year 1978 may be used only for technical assistance to carry out the purposes of this section.".

(b) The amendments made by subsection (a) shall take effect on October 1, 1977.

INTEGRATING WOMEN INTO NATIONAL ECONOMIES

SEC. 108. Section 113 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 113. INTEGRATING WOMEN INTO NATIONAL ECONOMIES.—(a) In recognition of the fact that women in developing countries play a significant role in economic production, family support, and the overall development process of the national economies of such countries, this part shall be administered so as to give particular attention to those programs, projects, and activities which tend to integrate women into the national economies of developing countries, thus improving their status and assisting the total development effort.

"(b) The President shall transmit to the Speaker of the House of Representatives and to the Committee on Foreign Relations of the Senate a report on the impact of development programs, projects, and activities on the integration of women into the developing economies of countries receiving assistance under this part. The report shall include—

"(1) an evaluation of progress toward developing an adequate data base on the role of women in the national economies of recipient countries:

"(2) a specific description of the efforts undertaken to implement subsection (a); and

"(3) an evaluation of the effectiveness of such efforts.

"(c) The report required by subsection (b) shall be transmitted not later than one year after the date of enactment of this subsection.".

PROHIBITION ON USE OF FUNDS FOR INVOLUNTARY STERILIZATIONS

SEC. 109. Section 114 of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "ABORTIONS.—" and inserting in lieu thereof "ABORTIONS OR INVOLUNTARY STERILIZATIONS.—(a)"; and

(2) by adding at the end thereof the following new subsection:

"(b) None of the funds made available to carry out this part shall be used to pay for the performance of involuntary sterilizations as a method of family planning or to coerce or provide any financial incentive to any person to practice sterilizations.".

LIMITATIONS ON DEVELOPMENT ASSISTANCE

SEC. 110. Section 115(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a) None of the funds made available to carry out this chapter may be used in any fiscal year for any country to which assistance is furnished in such fiscal year under chapter 4 of part II security supporting assistance) or under part VI (assistance for Middle East peace) unless the Congress has specifically authorized such use of those funds. The specific authorization requirement of this subsection shall be deemed to be satisfied if the purpose for which funds are to be used is described in the presentation materials submitted to the Congress on proposed development assistance programs for the fiscal year in question and the Congress indicates its approval of such use in the legislation authorizing development assistance programs for such fiscal year.".

HUMAN RIGHTS

SEC. 111. (a) Subsections (c) and (d) of section 116 of the Foreign Assistance Act of 1961 are amended to read as follows:

"(c) In determining whether or not a government falls within the provisions of subsection (a) and in formulating development assistance programs under this part, the Administrator shall consider, in consultation with the Coordinator for Human Rights and Humanitarian Affairs—

"(1) the extent of cooperation of such government in permitting an unimpeded investigation of alleged violations of internationally recognized human rights by appropriate international organizations, including the International Committee of the Red Cross, or groups or persons acting under the authority of the United Nations or of the Organization of American States; and

"(2) specific actions which have been taken by the President or the Congress relating to multilateral or security assistance to a less developed country because of the human rights practices or policies of such country.

"(d) The Secretary of State shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate, by January 31 of each year, a full and complete report regarding—

"(1) the status of internationally recognized human rights, within the meaning of subsection (a), in countries that receive assistance under this part; and

"(2) the steps the Administrator has taken to alter United States programs under this part in any country because of human rights considerations.".

(b) Such section 116 is amended by adding at the end thereof the following new subsection:

"(e) Of the funds made available under this chapter for the fiscal year 1978, not less than $750,000 may be used only for studies to identify, and for openly carrying out, programs and activities which will encourage or promote increased adherence to civil and political rights, as set forth in the Universal Declaration of Human Rights, in countries eligible for assistance under this chapter. None of these funds may be used, directly or indirectly, to influence the outcome of any election in any country.".

INFANT NUTRITION

SEC. 112. Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 117. INFANT NUTRITION.—The President is encouraged (1) to devise and carry out in partnership with developing nations a strategy for programs of nutrition and health improvement for mothers and children, including breast-feeding, and (2) to provide technical, financial, and material support to individuals or groups at the local level for such programs.".

ENVIRONMENT AND NATURAL RESOURCES

SEC. 113. (a) Chapter 1 of part I of the Foreign Assistance Act of 1961, as amended by section 112 of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 118. ENVIRONMENT AND NATURAL RESOURCES.—The President is authorized to furnish assistance under this part for developing and strengthening the capacity of less developed countries to protect and manage their environment and natural resources. Special efforts shall be made to maintain and where possible restore the land, vegetation, water, wildlife, and other resources upon which depend economic growth and human well-being, especially that of the poor.".

(b) Section 102 of such Act is amended—

(1) by inserting in the seventh paragraph of subsection (a) "environment and natural resources," immediately after "decent housing,"; and

(2) by inserting in subsection (b)(2) "environment and natural resources;" immediately after "health;".

RENEWABLE AND UNCONVENTIONAL ENERGY TECHNOLOGIES

SEC. 114. Chapter 1 of part I of the Foreign Assistance Act of 1961, as amended by sections 112 and 113 of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 119. RENEWABLE AND UNCONVENTIONAL ENERGY TECHNOLOGIES.—(a)(1) The President is authorized to furnish assistance under this chapter for cooperative programs with developing countries in energy production and conservation, with particular emphasis on programs in research, development, and use of small-scale decentralized renewable energy sources for rural areas carried out as integral parts of rural development efforts in accordance with section 103 of this Act. Programs under this subsection shall be undertaken, whenever appropriate, in cooperation with the Energy Research and Development Administration or its successor and shall be carried out, to the greater extent possible, through and in conjunction with activities under section 107 of this Act. These programs shall be directed toward the earliest practicable development and use of energy technologies which are environmentally acceptable, require minimum capital investment, are most acceptable to and affordable by the people using them, are simple and inexpensive to use and maintain, and are transferable from one region of the world to another.

"(2) Of the funds made available to carry out this chapter for the fiscal year 1978, up to $18,000,000 are to be used for carrying out this subsection.

"(b)(1) In furtherance of the purposes of this section, the President is authorized to carry out studies to identify the energy needs, uses, and resources which exist in developing countries. The results of the studies conducted under this subsection shall be reported to the Congress by March 1, 1978.

"(2) The Agency for International Development, in cooperation with the Energy Research and Development Administration or its successor, shall conduct a review of the options for implementing the purposes of this section, one of which shall be a proposal for a nonprofit Government corporation (which would be designated as the International Energy Institute) outside the Agency for International Development. The President shall submit a comprehensive report on such review to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate by January 31, 1978, together with his recommendations as to which option should be implemented.".

SAHEL DEVELOPMENT PROGRAM

SEC. 115. Part I of the Foreign Assistance Act of 1961 is amended—

(1) by redesignating section 494B as section 120 and inserting such redesignated section at the end of chapter 1 of such part, as amended by sections 112, 113, and 114 of this Act;

(2) by amending the section caption of such redesignated section to read "SAHEL DEVELOPMENT PROGRAM—PLANNING"; and

(3) by inserting the following new section immediately after such redesignated section:

"SEC. 121. SAHEL DEVELOPMENT PROGRAM—IMPLEMENTATION.—(a) The President is authorized to furnish assistance, and such terms and conditions as he may determine, for the long-term development of the Sahelian region. Assistance furnished under this section shall be in accordance with a long-term, multidonor development plan which calls for equitable burdensharing with other donors and shall be furnished, whenever appropriate, in cooperation with an international coordinating mechanism.

"(b) The President shall prepare an annual report on the Sahel Development Program concerning the allocation of the United States contribution to the Program, the extent of the contributions from other donor countries, the effectiveness of the integrated effort through the Club des Amis du Sahel, and the progress made in achieving the objectives of the Program.

"(c) There are authorized to be appropriated to the President for purposes of this section beginning in the fiscal year 1978, in addition to funds otherwise available for such purposes, $200,000,000, except that not to exceed $50,000,000 may be appropriated under this section for the fiscal year 1978. Amounts appropriated under this section are authorized to remain available until expended.".

AMERICAN SCHOOLS AND HOSPITALS ABROAD

SEC. 116. (a) Section 214 of the Foreign Assistance Act of 1961 is amended—

(1) in subsection (c)—

(A) by striking out "each of the fiscal years 1974" and all that follows through "1976 and" and inserting in lieu thereof "the fiscal year"; and

(B) by inserting "and for the fiscal year 1978, $25,000,000," immediately after "$25,000,000,";

(2) in subsection (d)—

(A) by striking out "1974" and all that follows through "1976 and"; and

(B) by inserting "and 1978" immediately after "1977"; and

(3) by adding at the end thereof the following new subsection:

"(f) Notwithstanding the provisions of subsection (b), funds appropriated under this section may be used for assistance to centers for pediatric plastic and reconstructive surgery established by Children's Medical Relief International, except that assistance may not be furnished for the domestic operations of any such center located in the United States, its territories or possessions.".

(b) The amendment made by subsection (a)(3) shall not apply to funds appropriated before the date of enactment of this Act.

HOUSING AND OTHER CREDIT GUARANTY PROGRAMS

SEC. 117. (a)(1) Section 221 of the Foreign Assistance Act of 1961 is amended—

(A) by striking out the second sentence; and

(B) in the last sentence, by inserting ", section 222(c)," immediately after "222(b)".

(2) Section 222(c) of such Act is amended—

(A) by inserting "or under section 221" immediately after "1969"; and

(B) by striking out "$600,000,000" and inserting in lieu thereof "$1,030,000,000".

(3) Section 223(i) of such Act is amended by striking out "1978" and inserting in lieu thereof "1979".

(b)(1) Section 222A(h) of such Act is amended by striking out "December 31, 1977" and inserting in lieu thereof "September 30, 1978".

(2) Section 223(b) of such Act is amended—

(A) by striking out "hereunder" and inserting in lieu thereof "under section 221 or 222 or under prior housing guaranty authorities"; and

(B) by adding at the end thereof the following new sentence: "Fees collected in connection with guaranties issued under section 222A shall likewise be available to meet similar expenses, costs, or liabilities incurred in connection with the programs authorized by that section.".

(c) Section 223(j) of such Act is amended in the last sentence—

(1) by striking out "1977" and inserting in lieu thereof "1978;" and

(2) by striking out "$50,000,000", "$20,000,000", and "$15,000,000" and inserting in lieu thereof "75,000,000", "30,000,000", and "30,000,000", respectively.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 118. (a) Section 302(a)(1) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "for the fiscal year 1974," and all that follows through "$194,500,000 and";

(2) by inserting immediately before the period at the end of the first sentence "and for the fiscal year 1978, $252,000,000"; and

(3) by adding at the end thereof the following new sentence: "Of the funds authorized to be appropriated under this subsection for the fiscal year 1978, not to exceed $42,500,000 shall be available for voluntary contributions to the United Nations Relief and Works Agency for Palestine Refugees.".

(b) Section 305 of such Act is amended by adding at the thereof the following new sentence: "The President is further requested, in making United States contributions to such organizations, to take into account the progress, or lack of progress, of such organizations in adopting and implementing policies and practices which encourage and promote the integration of women into the national economies of member and recipient countries, and into professional and policy-making positions within such organizations, in accordance with the World Plan of Action of the Decade for Women.".

INTERNATIONAL DISASTER ASSISTANCE

SEC. 119. The first sentence of section 492 of the Foreign Assistance Act of 1961 is amended by striking out "1976 and 1977" and inserting in lieu thereof "1977 and 1978".

ITALIAN RELIEF, REHABILITATION, AND RECONSTRUCTION

SEC. 120. Section 495B of the Foreign Assistance Act of 1961 is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting immediately after subsection (a) the following new subsection:

"(b) There are authorized to be appropriated to the President $30,000,000 for the

fiscal year 1978 for relief, rehabilitation, and reconstruction assistance, in accordance with the provisions of section 491 and on such terms and conditions as he may determine, for the people who have been victimized by the recent earthquakes in Italy. Amounts appropriated under this subsection are authorized to remain available until expended.".

TURKEY RELIEF, REHABILITATION, AND RECONSTRUCTION

SEC. 121. Chapter 9 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 495D. TURKEY RELIEF, REHABILITATION, AND RECONSTRUCTION.—The President is requested to use up to $10,000,000 of the funds made available under section 492 of this Act to provide relief, rehabilitation, and reconstruction assistance to the victims of the recent earthquakes in Turkey.".

USE OF FOREIGN VOLUNTARY NONPROFIT AGENCIES

SEC. 122. (a) Section 607 of the Foreign Assistance Act of 1961 is amended by inserting immediately before the period at the end of the first sentence "(including foreign voluntary nonprofit relief agencies so registered and approved when no United States voluntary nonprofit relief agency is available)".

(b) For purposes of implementing the amendment made by subsection (a), the President shall issue regulations governing registration with and approval by the Advisory Committee on Voluntary Foreign Aid of foreign voluntary nonprofit agencies.

REPEAL OF PROHIBITIONS ON AID TO COUNTRIES ASSISTING OR TRADING WITH CUBA OR VIETNAM

SEC. 123. (a) Section 620(a) of the Foreign Assistance Act of 1961 is amended—

(1) in the first sentence of paragraph (1) by striking out the semicolon and all that follows through "States"; and

(2) by striking out paragraph (3).

(b) Section 620(n) of such Act is repealed.

(c) Section 664 of such Act is repealed.

INSPECTOR GENERAL, FOREIGN ASSISTANCE

SEC. 124. (a)(1) Section 624(d) of the Foreign Assistance Act of 1961 is repealed.

(2) The President (A) may assign to the Inspector General, Foreign Service, any of the duties and responsibilities vested by such section 624(d) in the Inspector General, Foreign Assistance, and (B) may authorize the Inspector General, Foreign Service, to exercise such of the authorities granted by such section 624(d) to the Inspector General, Foreign Assistance, as the President determines are necessary to carry out any duties or responsibilities so assigned.

(b) Section 5315 of title 5, United States Code, is amended by repealing paragraphs (52) and (53).

(c) The amendments made by this section shall take effect on July 1, 1978.

FOREIGN SERVICE OFFICERS

SEC. 125. The last proviso of section 625 (d)(2) of the Foreign Assistance Act of 1961 is amended by striking out the semicolon and "however, the authority contained in this proviso may not be exercised with respect to the assignment to such duty of more than fifty persons at any one time".

DOUBLE DIPPING

SEC. 126. Section 626(b) of the Foreign Assistance Act of 1961 is amended by striking out "sections 3323(a) and 8344 of title 5 of the United States Code, section 872 of the Foreign Service Act of 1946, as amended, or any other law limiting the reemployment of retired officers or employees or governing the simultaneous receipt of compensation and retired pay or annuities, subject to section 5532" and inserting in lieu therof "section 3323(a)".

COORDINATION OF UNITED STATES INTERNATIONAL DEVELOPMENT POLICIES AND PROGRAMS

SEC. 127. (a) Subsection (a) of section 640B of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new sentence: "The Committee shall advise the President concerning the degree to which bilateral and multilateral development assistance should focus on critical problems in those functional sectors which affect the lives of the majority of people in the developing countries: food production; rural development and nutrition; population planning and health; and education, public administration, and human resource development.".

(b) Subsection (d) of such section is amended to read as follows:

"(d) The President shall report to the Congress during the first quarter of each calendar year on United States actions affecting the development of less developed countries. The report shall include (1) a comprehensive and coordinated review of all United States policies and programs having a major impact on the development of such countries, including but not limited to the areas of bilateral and multilateral assistance, trade, commodities, monetary affairs, private investment, debt, employment, food, energy, technology, population, oceans, environment, human settlements, natural resources, and participation in international agencies concerned with development; and (2) an assessment of the impact of such policies and programs on (A) national employment, wages, and working conditions in the United States, as well as other aspects of the United States economy, and (B) the well-being of the poor in the less developed countries in accordance with the approach to development outlined in subsections (c) and (d) of section 102 of this Act.".

(c) Such section 640B is amended by adding at the end thereof the following new subsections:

"(e) The head of any of the departments or agencies referred to in subsection (a) may temporarily assign, upon the request of the Chairman, any employee from such department or agency to the staff of the Committee.

"(f) To carry out the purposes of subsection (a), the Committee shall—

"(1) prepare studies on various development problems;

"(2) devise implementation strategies on developmental problems appropriate to each such department or agency;

"(3) monitor and evaluate the results of the development activities of each such department or agency; and

"(4) arrange for the exchange of information and studies between such agencies and departments.

"(g) In his annual report to the Congress pursuant to subsection (d), the President shall include a report on the Committee's operations pursuant to subsection (f).".

REIMBURSABLE DEVELOPMENT PROGRAMS

SEC. 128. Section 661 of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "up to $1,000,000" and all that follows through "1976, and";

(2) by inserting "of the funds made available for the purposes of this Act" immediately after "$2,000,000" the second place it appears; and

(3) by inserting "and $2,000,000 of the funds made available for the purposes of this Act in the fiscal year 1978" immediately after "1977".

OPERATING EXPENSES

SEC. 129. (a) Section 667 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 667. OPERATING EXPENSES.—(a) There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes, for the fiscal year 1978—

"(1) "220,200,000 for necessary operating expenses of the agency primarily responsible for administering part I of this Act; and

"(2) such amounts as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law, and for other nondiscretionary costs of such agency.

"(b) Amounts appropriated under this section are authorized to remain available until expended.".

(b) Section 109 of such Act is amended by inserting immediately before the period in the last sentence a comma and the following: "except that the authority of such sections may be used to transfer for the purposes of section 667 not to exceed five per centum of the amount of funds made available for section 667(a)(1)".

NOTIFICATION OF PROGRAM CHANGES

SEC. 130. Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 671. NOTIFICATION OF PROGRAM CHANGES.—None of the funds appropriated to carry out the purposes of this Act (except for programs under title III or title IV of chapter 2 of part I, chapter 5 of part I, and programs of disaster relief and rehabilitation) may be obligated for any activities, programs, projects, types of materiel assistance, countries, or other operations not justified, or in excess of the amount justified, to the Congress for obligation under this Act for any fiscal year unless the Committee on Foreign Relations of the Senate, the Committee on International Relations of the House of Representatives, and the Committee on Appropriations of each House of the Congress are notified fifteen days in advance of such obligation.".

FUTURE UNITED STATES DEVELOPMENT ASSISTANCE

SEC. 131. It is the sense of the Congress that the United States should increase substantially its assistance for self-help development among the world's poorest people. Such assistance should be provided in accordance with the general policies and principles of chapter 1 of part I of the Foreign Assistance Act of 1961, with particular emphasis on encouraging and supporting more equitable patterns of economic growth, especially in the poorest countries, and should be coordinated with similar expanded efforts by international organizations, donor nations, and the recipient countries themselves.

LIMITATION ON USE OF FUNDS; MISSING IN ACTION IN VIETNAM

SEC. 132. (a) None of the funds authorized to be appropriated by this Act may be used for assistance to or reparations for the Socialist Republic of Vietnam, Cambodia, Laos, or Cuba.

(b) The President shall continue to take all possible steps to obtain a final accounting of all Americans missing in action in Vietnam.

PLAN FOR INCREASED MINORITY BUSINESS PARTICIPATION IN FOREIGN ASSISTANCE ACTIVITIES

SEC. 133. (a) The Administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 shall prepare and transmit to the Congress, not later than 30 days after the date of enactment of this Act, a detailed plan for the establishment of a section on minority business within such agency.

(b) Such plan shall include, but shall not be limited to—

(1) a description of where the section on minority business will be located in such agency's organizational structure and what relevant lines of authority will be established;

(2) a listing of the specific responsibilities that will be assigned to the section on minority business to enable it to increase, in a rational and effective manner, participation of minority business enterprises in activities funded by such agency;

(3) a design for a time-phase system for bringing about expanded minority business enterprise participation, including specific recommendations for percentage allocations of contracts by such agency to minority business enterprises;

(4) a proposed reporting system that will permit objective measuring of the degree of participation of minority business enterprises in comparison to the total activities funded by such agency;

(5) a detailed projection of the administrative budgetary impact of the establishment of the section on minority business; and

(6) a detailed set of objective criteria upon which determinations will be made as to the qualifications of minority business enterprises to receive contracts funded by such agency.

TITLE II—FOOD FOR PEACE

REPEAL OF CERTAIN PROHIBITIONS ON TITLE I FINANCING

SEC. 201. (a) Section 102 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "; *Provided,*" and all that follows through the end of the section and inserting in lieu thereof a period.

(b) Section 103(d) of such Act is amended by striking out ", or (3)" and all that follows through "United Arab Republic under title I of this Act".

ALLOCATION OF TITLE I AGREEMENTS

SEC. 202. Section 111 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out the first three sentences and inserting in lieu thereof the following: "Not more than 25 per centum of the food aid commodities provided urider this title in each fiscal year shall be allocated and agreed to be delivered to countries other than those which meet the poverty criterion established for International Development Association financing and which are affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad, unless the President certifies to the Congress that (1) the use of such food assistance is required for humanitarian food purposes, or (2) the quantity of commodities which would be required to be allocated under this section to countries which meet the International Development Association poverty criterion could not be used effectively to carry out the humanitarian or development purposes of this title. A reduction below 75 per centum in the proportion of food aid allocated and agreed to be delivered to countries which meet the International Development Association poverty criterion and which are affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad which results from significantly changed circumstances occurring after the initial allocation shall not constitute a violation of the requirements of this section.".

HUMAN RIGHTS

SEC. 203. Title I of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:

"SEC. 12. (a) No agreement may be entered into under this title to finance the sale of agricultural commodities to the government of any country which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman, or degrading treatment or punishment, prolonged detention without charges, or other flagrant denial of the right to life, liberty, and the security of person, unless such agreement will directly benefit the needy people in such country. An agreement will not directly benefit the needy people in the country for purposes of the preceding sentence unless either the commodities themselves or the proceeds from their sale will be used for specific projects or programs which the President determines would directly benefit the needy people of that country. The agreement shall specify how the projects or programs will be used to benefit the needy people and shall require a report to the President on such use within 6 months after the commodities are delivered to the recipient country.

"(b) To assist in determing whether the requirements of subsection (a) are being met, the Committee on Agriculture, Nutrition, and Forestry of the Senate or the Committee on International Relations of the House of Representatives may require the President to submit in writing information demonstrating that an agreement will directly benefit the needy people in a country.

"(c) In determing whether or not a government falls within the provisions of subsection (a), consideration shall be given to the extent of cooperation of such government in permitting an unimpeded investigation of alleged violations of internationally recognized human rights by appropriate international organizations, including the International Committee of the Red Cross, or groups or persons acting under the authority of the United Nations or of the Organization of American States.

"(d) The President shall transmit to the Speaker of the House of Representatives, the President of the Senate, and the Committee on Agriculture, Nutrition, and Forestry of the Senate, in the annual presentation materials on planned programing of assistance under this Act, a full and complete report regarding the steps he has taken to carry out the provisions of this section.".

FINANCING THE SALE OF FOOD AND FIBER COMMODITIES

SEC. 204. Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended by section 203 of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 113. In the allocation of funds made available under this title, priority shall be given to financing the sale of food and fiber commodities.".

HIGH PROTEIN, BLENDED, AND FORTIFIED FOODS

SEC. 205. Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended by sections 203 and 204 of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 114. (a) The Congress declares it to be the policy of the United States to assist developing countries in the transition from food assistance recipients to economic self-sufficiency and to assist those nations which have been recipients of high protein, blended, or fortified foods under title II of this Act to continue to combat hunger and malnutrition among the lower income segments of their population, especially children, through the continued provision of these foods under this title.

"(b) In implementing the policy declared in subsection (a), the President, in entering into agreements for the sale of high protein, blended, or fortified foods under this title with countries which (1) give assurance that the benefits of any waiver under this section will be passed on to the individual recipients of such foods, and (2) have a reasonable potential for transition to commercial purchasers of such foods, may make provisions for a waiver of repayment of up to that part of the product value which is attributable to the costs of processing, enrichment, or fortification.

"(c) In implementing this section, due care shall be taken to minimize its impact on other commercial and concessional sales of whole grains and, where feasible, agreements under this title utilizing the authority contained in this section will provide for sales of such commodities.".

TITLE II MINIMUM DISTRIBUTION

SEC. 206. Section 201(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "title shall be" and all that follows through "unless" and inserting in lieu thereof the following: "title—

"(1) for fiscal years 1978 through 1980 shall be 1,600,000 metric tons, of which not less than 1,300,000 metric tons shall be distributed through nonprofit voluntary agencies and the World Food Program;

"(2) for fiscal year 1981 shall be 1,650,000 metric tons, of which not less than 1,350,000 metric tons shall be distributed through nonprofit voluntary agencies and the World Food Program; and

"(3) for fiscal year 1982 and each fiscal year thereafter shall be 1,700,000 metric tons, of which not less than 1,400,000 metric tons shall be distributed through nonprofit voluntary agencies and the World Food Program; unless".

TITLE II DISTRIBUTION PRIORITIES

SEC. 207. Section 202 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) by inserting "(a)" immediately after "SEC. 202.";

(2) by striking out the next to the last sentence; and

(3) by adding at the end thereof the following new subsection:

"(b)(1) Assistance to needy persons under this title shall be directed, insofar as practicable, toward community and other self-help activities designed to alleviate the causes of need for such assistance.

"(2) In order to assure that food commodities made available under this title are used effectively, indigenous workers shall be employed, to the extent feasible, to provide information on nutrition and conduct food distribution programs in the most remote villages.

"(3) In distributing food commodities under this title, priority shall be given, to the extent feasible, to those who are suffering from malnutrition by using means such as (A) giving priority within food programs for preschool children to malnourished children, and (B) giving priority to the poorest regions of countries.".

USE OF FOREIGN NONPROFIT VOLUNTARY AGENCIES

SEC. 208. (a) Section 202(a) of the Agricultural Trade Development and Assistance Act of 1954, as redesignated by section 207 (1) of this Act, is amended by inserting the following new sentence immediately after the second sentence: "If no United States nonprofit voluntary agency registered with and approved by the Advisory Committee on Voluntary Foreign Aid is available, the President may utilize a foreign nonprofit voluntary agency which is registered with and approved by the Advisory Committee.".

(b) For purposes of implementing the amendment made by subsection (a) the President shall issue regulations governing registration with and approval by the Advisory Committee on Voluntary Foreign Aid of foreign nonprofit voluntary agencies.

REIMBURSEMENT OF TRANSPORTATION COSTS

SEC. 209. Section 203 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) by striking out ", or, in the case of landlocked countries," and inserting in lieu thereof a semicolon; and

(2) by inserting immediately after "points of entry abroad" the following: "in the case (1) of landlocked countries, (2) where ports cannot be used effectively because of natural or other disturbances, (3) where carriers to a specific country are unavailable, or (4) where a substantial savings in costs or time can be effected by the utilization of points of entry other than ports".

SALE OF TITLE II COMMODITIES TO INCREASE PROGRAM EFFECTIVENESS

SEC. 210. Section 206 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "purposes specified in section 103 of the Foreign Assistance Act of 1961" and inserting in lieu thereof "increasing the effectiveness of the programs of food distribution and increasing the availability of food commodities provided under this title to the neediest individuals in recipient countries".

FOOD FOR DEVELOPMENT PROGRAM

SEC. 211. (a) Title III of the Agricultural Trade Development and Assistance Act of 1954 is amended by—

(1) redesignating sections 301, 302, and 303 as sections 308, 309, and 310, respectively; and

(2) inserting immediately before section 308, as redesignated by paragraph (1), the following new sections:

"SEC. 301. (a) In order to establish a strong relationship between United States food assistance and efforts by developing countries to increase the availability of food for the poor in such countries and improve in other ways the quality of their lives, the President is authorized to encourage the use of the resources provided by the concessional financing of agricultural commodities under this Act for agricultural and rural development, including voluntary family planning, health, and nutrition programs, by permitting the funds accruing from the local sale of such commodities which are used for such purposes to be applied against the repayment obligation of governments receiving concessional financing under this Act. The agreement between the United States Government and an eligible developing country government which provides for repayment of the obligation to the United States accruing from the concessional sale of United States agricultural commodities by the use of funds from the sale of such commodities in the participating country for specified development purposes shall be called a Food for Development Program.

"(b) The overall goal of assistance under this title shall be to increase the access of the poor in the recipient country to a growing and improving food supply through activities designed to improve the production, protection, and utilization of food, and to increase the well-being of the poor in the rural sector of the recipient country. Assistance under this title shall be used for programs of agricultural development, rural development, nutrition, health services, and population planning, and the program described in section 406(a)(1) of this Act, in those countries which are undertaking (or are seriously prepared to undertake in connection with the provision of agricultural commodities under this Act) self-help measures to increase agricultural production, improve storage, transportation, and distribution of commodities, and reduce population growth in accordance with section 109 of this Act, when such programs are directed at and likely to achieve the policy objectives of sections 103 and 104 of the Foreign Assistance Act of 1961 and are consistent with the policy objectives of this Act. Particular emphasis should be placed on activities which effectively assist small farmers, tenants, sharecroppers, and landless agricultural laborers, by expanding their access to the rural economy through services and institutions at the local level, and otherwise providing opportunities for the poor who are dependent upon agriculture and agriculturally related activities to better their lives through their own efforts.

"SEC. 302. (a) Whenever the President, in consultation with the government of a developing country, determines that such developing country meets the criteria specified in subsection (b) of this section and could benefit from the sale of United States agricultural commodities (including processed and blended foods) for the purposes of generating funds or distributing such commodities for agricultural and rural development, and improving food distribution and use within such country, the President may designate such country as eligible for a Food for Development Program.

"(b) In order to be eligible for a Food for Development Program under this section, a country must (1) have a need for external resources to improve its food production, marketing, distribution, and storage systems; (2) meet the criterion used to determine basic eligibility for development loans of the International Development Association of the International Bank for Reconstruction and Development; (3) have the ability to utilize effectively the resources made available by the sale of food commodities under this section for the purposes specified in clause (1) of this subsection; and (4) indicate the willingness to take steps to improve its food production, marketing, distribution, and storage systems.

"(c)(1) Except as provided in paragraph (2) of this subsection, the aggregate value of all agreements entered into under this title—

"(A) for fiscal year 1978, shall be not less than 5 percent,

"(B) for fiscal year 1979, shall be not less than 10 percent, and

"(C) for fiscal year 1980 and each fiscal year thereafter, shall be not less than 15 percent,

of the aggregate value of all agreements entered into under title I of this Act for such fiscal year.

"(2) The President may waive the requirement of paragraph (1) of this subsection with respect to a fiscal year if he determines that there are an insufficient number of agricultural and rural development projects which qualify for assistance under this title and that therefore the humanitarian purposes of this Act would be better served by furnishing financing under other provisions of this Act. Any such waiver shall be reported to the Congress, together with a detailed statement of the reasons for the lack of acceptable projects and a detailed description of efforts by the United States Government to assist eligible countries, pursuant to section 303(a), in identifying appropriate projects for assistance under this title.

"(3) Greatest efforts shall be made by relevant United States agencies to encourage maximum utilization of assistance for Food for Development projects under this title, even beyond the minimums required by paragraph (1) of this subsection.

"SEC. 303. (a) A country designated as eligible and wishing to participate in a Food for Development Program shall formulate, with the assistance (if requested) of the United States Government, a multiyear proposal which shall be submitted to the President. Such proposal shall include an annual value or amount of agricultural commodities proposed to be financed under the authority of title I of this Act pursuant to the provisions of this title, and a plan for the intended uses of commodities or the funds generated from the sale of such commodities, on an annual basis for each year such funds are to be disbursed. Such proposal shall also specify the nature and magnitude of problems to be affected by the effort, and shall present targets in quantified terms, insofar as possible, and a description of the relationships among the various projects, activities, or programs to be supported.

"(b) The multiyear utilization proposal for a Food for Development Program shall include, but not be limited to, a statement of how assistance under such Program will be integrated into and complement that country's overall development plans and other forms of bilateral and multilateral development assistance, including assistance made available under section 103 of the Foreign Assistance Act of 1961 or under any other title of this Act.

"(c) In his review of any utilization proposal for a Food for Development Program, the President shall be satisfied that such assistance is intended to complement, but not replace, assistance authorized by the Foreign Assistance Act of 1961, or any other program of bilateral or multilateral assistance, or under the development program of the country desiring to initiate a Food for Development Program.

"SEC. 304. (a) Whenever a utilization proposal has been agreed upon by the President and the participating country, the Commodity Credit Corporation is authorized to furnish credit under the authority of title I of this Act to the participating country for the purchase of a specific annual value of agricultural commodities to be delivered over a period of from one to five years, subject to the availability of commodities under section 401 of this Act.

"(b) Notwithstanding any other provision of this Act, no payment except as provided for under this title shall be required of the recipient government as a part of any agreement to finance the sale of agricultural commodities pursuant to a Food for Development Program.

"(c) In making food assistance available under this title to a country on the United Nations Conference on Trade and Development list of relatively least developed countries, the President may waive any requirement contained in section 303 (a) or (b), in that portion of section 303(c) which requires that assistance under this title is intended to complement but not replace any part of the development program of the participating country, or in section 306, if he finds that such country is unable to meet such requirement but could use assistance under this title to meet important humanitarian or developmental objectives of this Act. Such waivers, and the reasons therefor, shall be reported annually by the President to the Congress.

"SEC. 305. Funds generated from the sale of agricultural commodities by any participating country under this title shall be held in a special account, where practicable, to be disbursed for the purposes described in the approved Food for Development Program of such country. The amount of funds disbursed for such purposes and in accordance with the agreement, shall be deemed payments for the purposes of section 103(b) of this Act.

"SEC. 306. Not more than one year after the initial delivery of commodities to any country under this title and each year thereafter for the period of agreement, the government of the participating country, with the assistance (if requested) of the United States Government, shall submit a comprehensive report to the President on the activities and progress achieved under the Food for Development Program for such country, including, but not limited to, a comparison of results with projected targets, a specific

accounting for funds generated, their uses, and the outstanding balances at the end of the most recent fiscal year. Such annual report may also include recommendations for modification and improvement in the Food for Development Program of such country.

"SEC. 307. (a) Each year the President shall review the disposition of all agreements providing for the use of the proceeds from the sale of agricultural commodities pursuant to this title for which such funds were not fully disbursed the preceding year. The results of such review shall be included in the annual report to the Congress required under section 408(a) of this Act.

"(b) If the President finds that the provisions of an agreement are not being substantially met, he shall not extend financing for sales under this title until the end of the following fiscal year or until the situation is remedied, whichever occurs first, unless the failure to meet the provisions is due to unusual circumstances beyond the control of the recipient government.".

(b)(1) Section 103(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "section 106(b)(2)" in the proviso and inserting in lieu thereof "title III".

(2) Section 106(b)(2) of such Act is amended by striking out the second and third sentences.

ADEQUACY OF FACILITIES; EFFECT OF SHIPMENTS ON AGRICULTURAL PRODUCTION IN RECIPIENT COUNTRY

SEC. 212. Section 401 of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting "(a)" immediately after "SEC. 401." and by adding at the end thereof the following new subsection:

"(b) No agricultural commodity may be financed or otherwise made available under the authority of this Act except upon a determination by the Secretary of Agriculture that (1) adequate storage facilities are available in the recipient country at the time of exportation of the commodity to prevent the spoilage or waste of the commodity, and (2) the distribution of the commodity in the recipient country will not result in a substantial disincentive to domestic production in that country.".

REVISION OF REPORTING REQUIREMENTS; PROGRAM EVALUATION REPORTS

SEC. 213. Subsections (b) and (c) of section 408 of the Agricultural Trade Development and Assistance Act of 1954 are amended to read as follows:

"(b) Not later than September 30 of each year, the President shall submit to the Congress a report containing a global assessment of food production and needs and setting forth planned programing of food assistance under title I for the coming fiscal year. Not later than December 31, March 31, and June 30 of each year, the President shall submit a report to the Congress showing the current status of planned programing of food assistance under title I for the current fiscal year.

"(c) Beginning October 1, 1978, and at each five-year interval thereafter, the President shall submit to the Congress a comparative cross-country evaluation of programs conducted under titles II and III. Such evaluations shall cover no fewer than five countries sampled from the developed regions (Asia, Africa, Latin America, and the Caribbean), and shall assess the nutritional and other impacts, achievements, problems, and future prospects for programs under these titles.".

STUDY OF PAYMENTS OF OCEAN FREIGHT DIFFERENTIALS

SEC. 214. The President shall conduct a comprehensive study of payment of ocean freight differentials between United States-flag rates and foreign-flag rates when United States-flag vessels are required to be used, in accordance with section 901(b) of the Merchant Marine Act, 1936, for the shipment of agricultural commodities under the Agricultural Trade Development and Assistance Act of 1954 and shall recommend possible changes in the method of reimbursement which is now borne by the Commodity Credit Corporation. Such study shall be completed within 180 days after the date of enactment of this section and submitted to the following committees of the Congress: the Senate Committee on Agriculture, Nutrition, and Forestry; the Senate Committee on Commerce, Science, and Transportation; the House Committee on Agriculture; the House Committee on Merchant Marine and Fisheries; and the House Committee on International Relations.

EFFECTIVE DATE

SEC. 215. The provisions of this title shall become effective October 1, 1977.

And the Senate agree to the same.

CLEMENT J. ZABLOCKI,
DANTE B. FASCELL,
CHARLES C. DIGGS, Jr.,
DONALD M. FRASER,
LEE H. HAMILTON,
JONATHAN B. BINGHAM,
STEPHEN J. SOLARZ,
WM. S. BROOMFIELD,
PAUL FINDLEY,
LARRY WINN, Jr.,
Managers on the Part of the House.

JOHN SPARKMAN,
HUBERT H. HUMPHREY,
FRANK CHURCH,
DICK CLARK,
JOE BIDEN,
H. E. TALMADGE,
GEORGE MCGOVERN,
JAMES B. ALLEN,
CLIFFORD P. CASE,
JACOB JAVITS,
CHARLES H. PERCY,
ROBERT DOLE,
HENRY BELLMON,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

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JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6714) to amend the Foreign Assistance Act of 1961 to authorize development assistance programs for fiscal year 1978, to amend the Agricultural Trade Development and Assistance Act of 1954 to make certain changes in the authorities of that act, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text. The committee of conference recommends a substitute for both the House bill and the Senate amendment.

Except for clarifying, clerical, and necessary conforming changes, the differences between the two Houses and the adjustments made in the Committee of Conference are noted below.

The Committee of Conference agreed to authorizations for fiscal year 1978 in the amounts shown in the table on the following page:

FUNDS AUTHORIZED FOR FISCAL YEAR 1978 BY H.R. 6714

[In millions of dollars]

Program	Executive branch request	House bill	Senate amendment	Conference agreement
ilate r al development assistance:				
Food and nutrition	550.0	613.2	550.0	580.0
Population planning	167.0	181.0	160.0	167.0
Health	104.9	105.9	109.5	107.7
Education and human resource development	84.4	84.9	84.4	84.9
Technical assistance, energy research, reconstruction, and selected development problems	100.0	110.0	100.0	105.0
Sahel development program	50.0	50.0	50.0	50.0
Other programs:				
American schools and hospitals abroad [1]	[1] 7.5	[1] 25.0	[1] 20.0	[1] 25.0
International disaster assistance	25.0	25.0	25.0	25.0
Italy relief and rehabilitation	0	20.0	35.0	30.0
AID operational expenses	220.2	220.2	220.2	220.2
International organizations	254.0	246.0	252.0	252.0
Total	1,563.0	1,681.2	1,606.1	1,646.8

[1] $7,000,000 in excess foreign currencies were also authorized for the American Schools and hospitals abroad program under the executive branch request, the House bill, and the Senate amendment, and are authorized in the conference agreement.

SHORT TITLE OF ACT

The House bill was designated as the "International Development and Food Assistance Act of 1977".

The Senate amendment was designated as the "International Development Assistance Act of 1977".

The committee of conference agreed to the House provision.

DEVELOPMENT ASSISTANCE ASSESSMENT CRITERIA

A. Criteria and factors

The House bill amended section 102 of the Foreign Assistance Act to provide for development of appropriate criteria and factors to assess the development commitment and progress of countries. (Sec. 102 currently refers to criteria only.)

The Senate amendment provided for development of factors for this purpose, deleting the references in existing law to criteria.

The committee of conference agreed to the House provision.

B. Reports to Congress

The House bill required that the proposed criteria and factors be included in the annual presentation materials for each fiscal year.

The Senate amendment required a single report by December 31, 1977, in addition to the information for annual presentation materials previously required under sec. 102 (d).

The committee of conference agreed to the Senate provision, with a modification setting the reporting deadline at January 31, 1978.

ASSISTANCE TO INDIA

The Senate amendment provided that of the funds authorized for food and nutrition, the President is requested to commit up to $60 million to assist India with foreign exchange costs incurred in connection with the construction of grain storage facilities or other purposes specified under section 103, Food and Nutrition, of the Foreign Assistance Act.

The House bill had no specifically comparable provision, although it did increase the food and nutrition authorization by $61 million over the Executive branch request, with this increase intended for India.

The committee of conference agreed to the Senate amendment. The committee did so in recognition of the recent reestablishment of democratic principles and the restoration of political freedoms in India. In requesting the President to consider favorably a resumption of U.S. bilateral aid to India, it emphasizes the need for construction of grain storage facilities and other measures to improve food supplies and promote agriculture, rural development and nutrition for the people of India.

POPULATION PLANNING AND HEALTH

The House bill separated the population planning and the health assistance authorities into separate subsections of the Foreign Assistance Act, section 104.

The Senate amendment placed these authorities in separate sections of the Foreign Assistance Act.

The committee of conference agreed to the House provision.

POPULATION PLANNING

The House bill authorized $181 million for population planning for fiscal year 1978.

The Senate amendment authorized $160 million for the period.

The committee of conference agreed to an authorization of $167 million for fiscal year 1978. In agreeing to this amount, the committee of conference noted its concern about the management of the contraceptive delivery aspect of AID's population program. More than $40 million has been proposed by AID for the contraceptive delivery program for fiscal year 1978, despite evidence that in some cases contraceptives are piling up in warehouses abroad and many are not being distributed to or used by people in developing countries. The committee of conference therefore expects that any reallocations of the population account caused by appropriations lower than the authorized amount will be made by reducing AID's centrally managed contraceptive distribution service. The committee of conference does not intend that AID reduce, below the amounts programed in AID's fiscal 1978 presentation, its grants to either the U.N. Fund for Population Activities or to private groups working in the population field.

HEALTH

The House bill authorized $105.9 million for health for fiscal year 1978, and provided that $1,700,000 of that amount would be available only for the World Health Organization Onchocerciasis Control Program in West Africa.

The Senate amendment authorized $109.5 million for the fiscal year, and did not contain a separate provision for the Onchocerciasis Control Program.

The committee of conference, while deleting the House bill's earmarking for the Onchocerciasis Control Program, agreed to authorize $107.7 million for the health account. The executive branch request was $104.9 million. In agreeing on an amount $2.8 million above the executive branch request, the committee of conference intended that at least $1.7 million of the amount appropriated for the health account would be used for the WHO Onchocerciasis Control Program in West Africa and the remainder of the $2.8 million would be used for additional contributions to other WHO initiated programs to eradicate several specified tropical diseases.

IMPACT OF POPULATION ON GROWTH

The House bill provided that assistance under section 104 of the Foreign Assistance Act be administered so as to give particular attention to the interrelationship between population growth, development growth and overall improvement in living standards in developing countries. The House bill also provided that attention be given to the impact of all programs, projects, and activities on population growth and authorized the President to study factors affecting population growth in developing countries.

The Senate amendment also contained a provision concerning the impact of assistance on population growth, and requiring that all appropriate assistance activities be designed to build motivation for smaller families.

The committee of conference agreed to combine the comparable House and Senate provisions. The conference provision requires that assistance be administered so as to give particular attention to the interrelationship between population growth, development growth and overall improvement in living standards in developing countries and to the impact of all programs, projects, and activities on population growth. All appropriate activities under this chapter shall be designed to build motivation for smaller families. The committee of conference agreed also to include the House provision authorizing the President to study the factors affecting population growth in developing countries.

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

The House bill authorized $84.9 million for education and human resources development for fiscal year 1978.

The Senate amendment authorized $84.4 million for the fiscal year, and provided that not less than $1,647,000 of the amount authorized would be available to support the southern African student program and the southern African training program.

The committee of conference agreed to authorize $84.9 million for fiscal year 1978, and agreed to the Senate provision for educational assistance to southern Africans, noting that program would include South African, Namibian, and Zimbabwean participants.

DEVELOPMENT AND USE OF COOPERATIVES

The House bill amended section 111 of the Foreign Assistance Act to authorize the use

of funds for "technical and capital assistance in the development and use" of cooperatives.

The Senate amendment made no change in existing law which authorizes the use of funds for "assistance in the development of cooperatives".

The committee of conference agreed to the House provision.

"Capital assistance," for the purposes of this section, means funding for other than technical services, such as for materials, equipment and facilities, and for small loans.

The Committee of conference urges the executive branch to include representatives of cooperative development organizations as advisers to the Board for International Food and Agricultural Development.

INTEGRATION OF WOMEN INTO NATIONAL ECONOMIES

A. The House bill revised the policy statement in section 113 of the Foreign Assistance Act relating to the integration of women into national economies and required a report, within one year, on the impact of development assistance programs on the integration of women into the economies of countries receiving development assistance.

The Senate amendment did not contain a comparable provision.

The committee of conference agreed to the House provision.

B. The House bill amended Section 305 of the Foreign Assistance Act by adding a request that the President, in making U.S. contributions to international organizations, consider the progress of such organizations in developing policies which encourage the integration of women into the national economies of member and recipient countries and into professional and policymaking positions within such organizations.

The Senate amendment did not contain a comparable provision.

The committee of conference agreed to the House provision.

LIMITATIONS ON DEVELOPMENT ASSISTANCE

The House bill amended section 115 of the Foreign Assistance Act, which currently prohibits development assistance for countries receiving security supporting assistance, to allow such assistance if authorized by Congress. Such authorization would be deemed to exist if the proposed assistance is described in the annual presentation materials on the proposed development assistance programs and the Congress does not indicate its disapproval of such use.

The Senate amendment did not contain a comparable provision.

The committee of conference agreed to the House provision with an amendment deleting the House language concerning indication of disapproval and substituting therefor a requirement that the Congress, in the legislation authorizing development assistance for each fiscal year, indicate its approval of such assistance for any country receiving security supporting assistance.

HUMAN RIGHTS

A. The Senate amendment revised section 116 of the Foreign Assistance Act to require the Administrator of AID to consider specific actions which have been taken by the President or Congress relating to multilateral assistance or security assistance because of human rights practices or policies, and to consult with the State Department's Human Rights Coordinator before determining whether a country is eligible to receive U.S. assistance.

The Senate amendment also revised the existing reporting requirement to require that the Secretary of State transmit to Congress by January 30 of each year a full report regarding the status of basic human rights in countries that receive economic assistance, and the steps the Administrator has taken to alter U.S. development assistance programs in any country because of human rights considerations.

In addition, the Senate amendment included language defining human rights in various respects.

The House bill did not contain a comparable provision.

The committee of conference agreed to accept the Senate provisions establishing requirements for the Administrator of AID and revising the reporting requirements. The conference committee agreed to delete the proposed definition of human rights, instead specifying that the annual human rights reports on countries receiving development assistance would include an evaluation of the status of internationally recognized human rights within the meaning of subsection (a) of section 116 of the Foreign Assistance Act.

B. The House bill provided that not less than $750,000 of the funds made available for chapter 1 of part I of the Foreign Assistant Act may be used only for studies to identify, and for openly carrying out, programs and activities which will encourage or promote increased adherence to civil and political rights in countries eligible for development assistance under that chapter.

The Senate amendment did not contain a comparable provision.

The committee of conference agreed to the House provision.

INFANT NUTRITION

The House bill and the Senate amendment contained similar language adding a new section to the Foreign Assistance Act encouraging the President to provide with developing nations a strategy for nutrition and health improvement for mothers and children.

The committee of conference agreed to the following compromise language for that section: "The President is encouraged (1) to devise and carry out in partnership with developing nations a strategy for integrated programs of nutrition and health improvement for mothers and children, including breast feeding, and (2) to provide technical, financial, and material support to individuals or groups at the local level for such purposes."

ENVIRONMENTAL PROTECTION

The House bill added a new section to the Foreign Assistance Act providing that in the development and implementation of development assistance programs, the President shall take into account their effect on the natural resource base of the recipient, and he is encouraged, consistent with the other development objectives, to give attention to projects the objective of which is to maintain the natural resource base essential for sustainable development. Special efforts shall be made to maintain and where possible restore the land, vegetation, water, wildlife, and other resources upon which depend economic growth and human well-being, especially that of the poor. The House bill also authorized programs to help less developed countries prevent or reverse environmental damage. A funding level for these programs was not specified. The funds would come out of the Foreign Assistance Act section 106 account (Technical Assistance, Energy, Research, Reconstruction, and Selected Development Problems).

The Senate amendment provided that one of the first objectives of assistance shall be to support the efforts of less developed countries to meet the fundamental needs of their peoples for environment and natural resources. It also authorized the President to commit up to $5 million of the funds appropriated for fiscal year 1978 under part I of the Foreign Assistance Act, for assistance for developing and strengthening the capacity of less developed countries to protect and manage their environment and natural resources.

The committee of conference agreed to the Senate amendment, with an amendment adding to the Senate authorizing provision the following sentence from the House provision: "Special efforts shall be made to maintain and where possible restore the land, vegetation, water, wildlife, and other resources upon which depend economic growth and human well-being, especially that of the poor." The conferees intend also that in the development and implementation of U.S. assistance programs, the President shall take into account their effect on the natural resource base of the aid-receiving countries. The conferees also agreed not to specify a level of funding.

NONCONVENTIONAL ENERGY TECHNOLOGIES

The House bill provided two different earmarkings for programs in nonconventional energy technologies. It provided that not less than $10 million of the funds made available for fiscal year 1978 for section 103 of the Foreign Assistance Act could be used for programs in research, development, and use of small-scale, decentralized, renewable energy sources for rural areas. It also provided that not less than $8 million of the amount made available for fiscal year 1978 for section 106 of the Foreign Assistance Act would be available for activities designed to enable and encourage countries to use nonnuclear energy sources of energy.

The Senate amendment authorized assistance under part I of the Foreign Assistance Act for cooperative programs of energy production and conservation with developing countries. It further authorized studies to identify the energy needs, uses, and resources which exist in developing countries, and directed the establishment of an International Energy Institute to stimulate the application of renewable and unconventional energy to developing countries.

The committee of conference agreed to a compromise provision which authorized up to $18 million of the funds available for fiscal year 1978 under chapter 1, part I of the Foreign Assistance Act to be used to carry out cooperative programs with developing countries in renewable and unconventional energy production and conservation, with particular emphasis on programs in research, development, and use of small-scale, decentralized, renewable energy sources for rural areas. It further authorized studies to identify the energy needs, uses, and resources which exist in developing countries, the results of which are to be reported to the Congress by March 1, 1978. It requested the President and the Agency for International Development to review the options for implementing the purposes of this section, one option being a nonprofit corporation—the International Energy Institute—and to submit a report of such review to the Congress by January 31, 1978, together with a recommendation as to which option should be implemented.

SAHEL DEVELOPMENT PROGRAM

The House bill provided that the President, in furnishing assistance for the Sahel Development Program, take into account the special needs in the region for promoting ecological balance and for developing an effective infrastructure, including transportation. Funds allocated for major infrastructure projects could not exceed the percentage of funds contributed by all countries which are allocated for major infrastructure projects in the worldwide Sahel Development Program. The House bill also directed the President to prepare an annual report on the Sahel Development Program.

The Senate amendment did not contain a comparable provision.

The committee of conference agreed to delete the House provision relative to the promotion of ecological balance and development of an effective infrastructure, including transportation. It also agreed to the House provision requiring the President to prepare an annual report on the Sahel Development Program. The committee of conference recognizing the special conditions in the Sahelian region suggests that the President, in his annual report, on the extent to which the overall developmental objectives of the Sahel Development Program are being met, include an assessment of the needs of the region in promoting ecological balance and for developing infrastructure. Special attention to this matter is necessary because some major infrastructure projects are proposed for the Sahel. The President's report should include consideration of how the infrastructure needs of the region are being addressed and what the U.S. contribution, if any, should be toward meeting these needs. In any event, the percentage of any U.S. funds allocated for major infrastructure projects under this section is not to exceed the percentage of funds contributed by all countries which are allocated for major infrastructure projects in the worldwide Sahel Development Program.

AMERICAN SCHOOLS AND HOSPITALS ABROAD

A. Children's Medical Relief International

The Senate amendment provided that not less than $800,000 of the funds authorized to be appropriated under section 214 of the Foreign Assistance Act for American Schools and Hospitals Abroad for any fiscal year shall be available solely for furnishing assistance to centers for pediatric plastic and reconstructive surgery established by Children's Medical Relief International, for use only for foreign operations.

The House bill did not contain a comparable provision.

The committee of conference agreed to the Senate amendment with a modification removing the earmarking but providing that funds appropriated for the American schools and hospitals abroad program may be available for assistance to centers established by Children's Medical Relief International, for use only for foreign operations. The conference committee did recognize the intention of the Senate provision that AID proceed to furnish support for the institution in fiscal year 1978.

Four-institution limitation

The House bill provided that assistance under section 214 of the Foreign Assistance Act not be furnished in any fiscal year to more than 4 institutions in the same country, only one of which might be a university and only one a hospital.

The Senate amendment did not contain a comparable provision.

The committee of conference agreed to delete the House provision. However, in the conference committee's discussion of the American schools and hospitals abroad program, it was suggested that AID review present criteria for support of institutions and of the program's performance with a view toward producing recommendations to encourage more equitable geographic distribution of the program's grants, and guidelines for what types of institutions should receive support.

HOUSING GUARANTY PROGRAM

The Senate amendment would have amended sections 221, 222, and 223 of the Foreign Assistance Act to:

(1) Combine the Latin American and worldwide housing guaranty ceilings, add an additional $200 million in guaranty authority, and extend the guaranty authority through fiscal year 1979.

(2) Extend the authorization for the Agricultural and Productive Credit and Self-help Community Development Programs from December 31, 1977 to September 30, 1978.

(3) Provide for the use of fee income generated by the Community Development Program to be used for certain administrative and operating costs of that program.

(4) Authorize the following housing guaranty programs for fiscal year 1978; Israel, $25 million; Portugal, $15 million; and Lebanon, $10 million, notwithstanding the fact that these countries are not otherwise receiving development assistance.

The House bill did not contain a comparable provision.

The committee of conference accepted the Senate provision, with an amendment removing the additional $200 million in guaranty authority.

The committee of conference noted the language agreed to in the conference report on the International Development and Food Assistance Act of 1975 (H. Rept. 94–691, p. 34) that the exceptions permitting the operation of the housing guaranty program in countries not receiving development assistance should terminate at the end of fiscal year 1977. The conferees agreed to extend these exceptions for one additional year, through fiscal year 1978. However, they noted again that these exceptions go beyond the purpose of the program to serve as a developmental tool, and that, if the executive branch plans to continue such exceptions past fiscal year 1978, it should provide the House International Relations Committee and the Senate Foreign Relations Committee with a review of the entire housing guaranty program and recommendations as to how the program should be structured and what its purposes should be.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

A. The House bill authorized $246 million for international organizations and programs for fiscal year 1978.

The Senate amendment authorized $252 million for the period.

The committee of conference agreed to authorize $252 million for fiscal year 1978, and urged full appropriation of the amount authorized for this account. In the event that reductions are made in the account, it expects that U.S. contributions nevertheless will be made to all the organizations and programs listed in the House and Senate committee reports.

Funding for the World Health Organization's tropical disease program, which was included by the Senate in the international organizations and programs account, is to be provided from the health account instead.

B. The Senate amendment provided that not to exceed $42.5 million of the funds authorized under section 302(a)(1) of the Foreign Assistance Act for international organizations and programs would be available for voluntary contributions to the U.N. Relief and Works Agency for Palestine Refugees.

The House bill did not contain a comparable provision.

The committee of conference agreed to the Senate provision. It noted that congressional staff studies are underway to determine whether the direction and use of the U.S. contribution to UNRWA is sufficient and proper, and whether other countries are contributing according to their capacity and interest. Upon completion of the studies, a determination will be made concerning supplemental funding for fiscal year 1978.

C. The House bill authorization for international organizations included $10 million programed for the U.N. University.

The Senate amendment prohibited the use of international organization funds for the U.N. University.

The committee of conference agreed to delete the Senate provision.

INTERNATIONAL DISASTER ASSISTANCE

The House bill authorized $25 million for fiscal year 1978 for the International Disaster Assistance program.

The Senate amendment provided a permanent authorization of such sums as may be necessary, with the limitation that not to exceed $25 million may be available for obligation at any time.

The committee of conference agreed to the House provision.

ITALY RELIEF AND REHABILITATION

A. Purposes for which assistance authorized

The House bill amended section 495D of the Foreign Assistance Act to authorize assistance for relief and rehabilitation assistance for victims of the earthquakes in the Friuli region of Italy in May and September 1976.

The Senate amendment authorized assistance for relief, rehabilitation, and reconstruction assistance for the victims of the "recent earthquakes in Italy."

The committee of conference agreed to the Senate amendment.

B. Reports

The Senate amendment required quarterly reports on Italian disaster relief assistance.

The House bill had no reporting requirement.

The committee of conference agreed to the House position.

DISASTER ASSISTANCE FOR TURKEY

The Senate amendment added a new section 495D to the Foreign Assistance Act requesting that the President use up to $10 million of funds made available for international disaster assistance under section 492 of the Foreign Assistance Act to provide relief, rehabilitation, and reconstruction assistance to victims of the recent earthquakes in Turkey.

The House bill did not contain a comparable provision.

The committee of conference agreed to the Senate amendment.

USE OF FOREIGN VOLUNTARY NONPROFIT AGENCIES

The House bill amended section 607 of the Foreign Assistance Act to authorize the advance of services and commodities to foreign voluntary nonprofit relief agencies approved by the Advisory Committee on Voluntary Foreign Aid when no U.S. relief agency is available. For the purposes of implementing this provision, the President is to issue regulations governing registration with and approval by the Advisory Committee.

The Senate amendment did not contain a comparable provision.

The committee of conference agreed to the House provision. The provision, which applies only where U.S. voluntary nonprofit relief agencies are not available, will not reduce the funds available to U.S. agencies.

REPEAL OF PROHIBITION ON AID TO COUNTRIES ASSISTING OR TRADING WITH CUBA OR VIETNAM

The House bill repealed various provisions of the Foreign Assistance Act prohibiting assistance to countries which furnish assistance to or trade with Cuba or Vietnam.

The Senate amendment did not contain a comparable provision.

The committee of conference agreed to the House provision.

INSPECTOR GENERAL, FOREIGN ASSISTANCE

The House bill abolished the position of Inspector General, Foreign Assistance, effective January 1, 1978, but authorized any of the functions now being performed by the Inspector General, Foreign Assistance, under section 624(d) of the Foreign Assistance Act,

to be transferred to the Department of State's Inspector General, Foreign Service.

The Senate amendment did not contain a comparable provision.

The committee of conference adopted the House provision with an amendment delaying termination of the office until July 1, 1978. Should the Inspector General, Foreign Service, be assigned to perform any of the functions now being performed by the Inspector General, Foreign Assistance, the committee requests that, insofar as practical, reports on those programs currently within the responsibility of the Inspector General, Foreign Assistance be made available to the Congress.

LIMITATION ON PERSONNEL INITIALLY ASSIGNED TO DUTY WITHIN THE UNITED STATES

The Senate amendment eliminated the limitation presently in section 625(d)(2) of the Foreign Assistance Act which provides that not more than 50 newly hired A.I.D. Foreign Service officers may serve in the United States at the same time prior to being assigned overseas.

The House bill did not contain a comparable provision.

The committee of conference agreed to the Senate amendment.

DOUBLE DIPPING

The Senate amendment removed the exemptions currently granted AID consultants from the requirements of the Federal retirement laws which provide for reduction of annuity or salary for retired Federal employees who are reemployed by the U.S. Government. The exemptions are presently contained in section 626(b) of the Foreign Assistance Act.

The House bill did not contain a comparable provision.

The committee of conference agreed to the Senate amendment.

COORDINATION OF U.S. DEVELOPMENT POLICIES AND PROGRAMS

A. Review and report on U.S. aid programs in developing countries

The House bill revised existing reporting requirements contained in section 640 B of the Foreign Assistance Act, on U.S. actions affecting the development of the low-income countries and the impact of those undertakings on the United States. The House provisions require that such reporting include a comprehensive and coordinated review of all U.S. policies and programs having a major impact on developing countries; an analysis of the impact of those policies and programs on the well being of the poor majority in developing countries, in accordance with the principles set forth in the "new directions" mandate for bilateral development assistance; and an assessment of the impact of those policies and programs on all aspects of the U.S. economy.

The Senate amendment did not contain a comparable provision.

The committee of conference agreed to the House provision.

B. Report on "new directions" program

The Senate amendment revised section 640 B of the Foreign Assistance Act to provide for an expansion of the coordination role required in existing legislation by providing that the Development Coordination Committee report to the President on the degree to which U.S. bilateral and multilateral assistance should focus on "new directions" programs. The Senate amendment authorized personnel from departments or agencies represented on the Development Coordination Committee to be detailed to serve on the staff of the Committee. The Committee is required to (1) implement studies on developmental problems; (2) devise implementation strategies on developmental problems appropriate to each such department or agency; (3) monitor and evaluate the results of the development activities of each department or agency; and (4) arrange for the exchange of information and studies between agencies and departments.

The House bill did not contain a comparable provision.

The committee of conference agreed to the Senate amendment.

AUTHORITY TO USE PROGRAM FUNDS FOR A.I.D. OPERATING EXPENSES

The House bill amended section 109 of the Foreign Assistance Act and authorized the use of funds available for development assistance to be used to increase the amount authorized for operating expenses. The amount by which the operating expenses account could be increased was limited to 20 percent (or up to $44.04 million) of the total $220.2 million authorized for the operating expense account in fiscal year 1978.

The Senate amendment contained a similar provision but limited the increase to 5 percent (or up to $11.01 million) of the total authorized for the operating expenses account.

The committee of conference agreed to the Senate amendment.

NOTIFICATION OF PROGRAM CHANGES

The House bill added a new section to the Foreign Assistance Act requiring that the Congress be notified 15 days in advance of any reprograming of any funds under the Foreign Assistance Act in any fiscal year.

The Senate amendment contained a similar provision but made it applicable to fiscal year 1978 only.

The committee of conference agreed to the House provision.

FUTURE U.S. DEVELOPMENT ASSISTANCE

The House bill stated that it is the sense of the Congress that the United States should increase substantially its assistance for self-help development among the world's poorest people. Such assistance should be provided in accordance with the general policies and principles of chapter 1 of part I of the Foreign Assistance Act of 1961, with particular emphasis on encouraging and supporting more equitable patterns of economic growth, especially in the poorest countries, and should be coordinated with similar expanded efforts by international organizations, donor nations, and the recipient countries themselves.

The Senate amendment did not contain a comparable provision.

The committee of conference agreed to the House provision.

PROHIBITION ON ASSISTANCE TO VIETNAM, CAMBODIA, LAOS, AND CUBA

The House bill prohibited the use of funds authorized by this Act for the purpose of allowing any form of aid or trade, either by monetary payment or by the sale or transfer of any goods of any nature to Vietnam or Cuba.

The Senate amendment prohibited the use of funds authorized by this act for assistance to or reparations for Vietnam, Cambodia, or Laos.

The committee of conference agreed to the Senate amendment, with an amendment adding Cuba to the list of countries against which the prohibition against aid or reparations would apply. The committee noted that in connection with trade restrictions against these countries, such restrictions are currently in effect under authorities provided in other statutes.

MISSING IN ACTION

The Senate amendment directed the President to continue to take all possible steps to obtain a final accounting of all American missing in action in Vietnam..

The House bill did not contain a comparable provision.

The committee of conference agreed to the Senate amendment.

PLAN FOR INCREASED MINORITY BUSINESS PARTICIPATION IN FOREIGN ASSISTANCE ACTIVITIES

The Senate amendment directed the Agency for International Development to prepare and submit to the Congress, within 30 days of enactment of this bill, a detailed plan for the establishment of a section on minority business within the Agency.

The House bill did not contain a comparable provision.

The committee of conference agreed to the Senate amendment.

ALLOCATION OF PUBLIC LAW 480, TITLE I AGREEMENTS (75 PERCENT/25 PERCENT REQUIREMENT)

A. Who certifies and reports to Congress

The House bill amended section 111 of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) to provide that the President makes the certifications and reports to Congress when the 75/25 allocation is not followed.

The Senate amendment provided that the Secretary of Agriculture was to perform these functions.

The committee of conference agreed to the House provision. It is the hope of the conferees that the President will delegate the certification authority in order to speed up the process when such authority is used.

B. Criteria for waiver

The House bill amended Public Law 480 to allow waiver of the 75/25 requirement if 75 percent could not be used to carry out the humanitarian or development purposes of Title I.

The Senate amendment allowed such a waiver if 75 percent could not be used for the humanitarian purposes of Title I.

The committee of conference agreed to the House provision. As stated in the House report on H.R. 6714 (H. Rept. 95–240, p. 48), this waiver can be used only in advance of the fiscal year to which the waiver is applied.

C. Congressional veto

The House bill amended Public Law 480 to permit a one House veto of a proposed waiver within 30 calendar days.

The Senate amendment did not contain a comparable provision.

The committee of conference agreed to the Senate position.

HUMAN RIGHTS REPORTS TO CONGRESS ON PUBLIC LAW 480, TITLE I PROGRAMS

The House bill provided that reports on implementation of the new human rights requirements applicable to title I agreements be submitted by the President to the Speaker and to the Senate Committee on Agriculture, Nutrition, and Forestry.

The Senate amendment provided that the Secretary of Agriculture submit these reports to the Speaker and to the President of the Senate.

The committee of conference agreed to the House provision, with an amendment providing that the reports shall also be submitted to the President of the Senate.

TOBACCO SALES UNDER TITLE I

The House bill amended section 402 of Public Law 480 to make sales of tobacco and tobacco products ineligible for title I financing.

The Senate amendment added a new section to the act to provide that priority shall

be given in the allocation of title I financing to sales of food and fiber commodities.

The committee of conference agreed to the Senate provision.

WAIVER OF PORTION OF TITLE I REPAYMENT OBLIGATION ATTRIBUTABLE TO THE COSTS OF PROCESSING, ENRICHMENT, OR FORTIFICATION

A. Policy

The House bill added a new section to Public Law 480 to provide it to be U.S. policy to assist developing countries in the transition from food assistance recipients to economic self-sufficiency, and that waivers may be granted when there is a reasonable potential for such a transition with regard to the acquisition of the foods in question.

The Senate amendment stated that the transition is to full trading partners of the United States and that waiver is permitted only if the developing country has a reasonable potential of becoming a commercial purchaser of the foods in question.

The committee of conference agreed to the term "economic self-sufficiency" rather than "full trading partners of the United States", in the policy declaration, and to the term "commercial purchasers" in regard to the developing countries' reasonable potential.

B. Foods to which waiver applicable

Under the House bill the waiver authority applied to high protein, blended, or fortified foods.

Under the Senate amendment the waiver authority applied to enriched flour and high protein, blended or fortified foods or peanut products.

The committee of conference agreed to the House provision. To allow the Executive branch additional flexibility in the administration of this program, the committee of conference intends that enriched flour could be included among the products within the term "fortified" foods and peanut products within the term "high protein" foods.

C. Reimbursement of the Commodity Credit Corporation (CCC)

The Senate amendment provided that the amount of repayment waived under this provision is not to be considered a cost of the CCC, which is reimbursable under Public Law 480.

The House bill did not contain a comparable provision.

The committee of conference agreed to the House position.

D. Impact on other sales

The Senate amendment stated that in implementing this waiver provision due care shall be taken to minimize the impact on other commercial and concessional sales of whole grains and that, where feasible, Public Law 480 agreements utilizing this waiver authority will provide for sales of these commodities.

The House did not contain a comparable provision.

The committee of conference agreed to the Senate provision.

TITLE II MINIMUM DISTRIBUTIONS

The House bill amended section 201(b) of Public Law 480 to raise the present minimum from 1.3 million tons to 1.6 million tons, and the subminimum for voluntary agencies and the World Food Program from 1 million to 1.3 million tons, effective with fiscal year 1978.

The Senate amendment raised the minimum to 1.5 million tons, and the subminimum to 1.3 million tons, starting in fiscal year 1978. Thereafter the minimums will rise 50,000 tons each year through fiscal year 1982.

The committee of conference agreed to the House minimum of 1.6 million tons and the subminimum of 1.3 million tons for voluntary agencies and the World Food Program, effective with fiscal year 1978. It further agreed to annual increases of 50,000 tons each in the minimum and subminimum, starting with fiscal year 1981, for 2 years, so that by fiscal year 1982 the minimum will be 1.7 million tons and the subminimum 1.4 million tons.

TITLE II DISTRIBUTION PRIORITIES

The House bill amended section 202 of Public Law 480 to direct that to the extent feasible—

(1) indigenous workers be used for nutrition information and food distribution programs; and

(2) priority be given to those suffering from malnutrition.

The Senate amendment did not contain a comparable provision.

The committee of conference adopted the House provision.

USE OF FOREIGN NONPROFIT VOLUNTARY AGENCIES

The House bill amended section 202(a) of Public Law 480 to authorize the use of foreign nonprofit voluntary agencies registered with the Advisory Committee on Voluntary Foreign Aid where U.S. voluntary agencies are not available.

The Senate amendment did not contain a comparable provision.

The committee of conference adopted the House provision.

REIMBURSEMENT OF TRANSPORTATION COSTS

The Senate amendment amended section 203 of Public Law 480 to allow Commodity Credit Corporation financing to points of entry (rather than ports of entry) where ports of entry cannot be used because of natural or other disturbances, carriers to the country are unavailable, or substantial cost or time savings can be effected through the use of other than ports of entry.

The House bill did not contain a comparable provision.

The committee of conference adopted the Senate amendment.

SALE OF TITLE II COMMODITIES TO INCREASE PROGRAM EFFECTIVENESS

The Senate amendment amended section 206 of Public Law 480 to remove the present requirement in section 206 of Public Law 480 that title II agreements permitting generation of foreign currency proceeds must provide that such proceeds must be used for purposes of section 103 (food and nutrition) of the Foreign Assistance Act and substituted therefor a requirement that the currencies will be used for increasing the effectiveness of food distribution and increasing food availability to the neediest individuals.

The House bill did not contain a comparable provision.

The committee of conference adopted the Senate amendment.

FOOD FOR DEVELOPMENT

A. Placement in Public Law 480

The House bill added the Food for Development program as a new part 2 of title I.

The Senate amendment placed it in title III.

The committee of conference agreed to the Senate amendment. The committee intends that the applicable rules and regulations concerning title I of Public Law 480 apply also to the new title III Food for Development program. It is also intended that the commodities provided under the Food for Development program be part of the volume considered in the application of the section 111 75/25 formula. The Food for Development provisions do not in any way affect the existing barter provisions in title III.

B. Goal of food for development assistance

The House bill authorized Food for Development assistance for agricultural development, rural development, nutrition, health services, and population planning, and farmer-to-farmer programs (sec. 406(a)(1) of Public Law 480), in countries undertaking self-help measures (sec. 109), when such programs are aimed at the policy objectives of section 103 (food and nutrition) and section 104 (population planning and health) of the Foreign Assistance Act. "Particular emphasis" is to be placed on activities to assist small farmers, etc., through local rural development means.

The Senate bill contained no references to farmer-to-farmer or self-help provisions of Public Law 480, or to policy objectives of the Foreign Assistance Act. Assistance was authorized for activities assisting small farmers, tenants, sharecroppers, and landless farm laborers, through local rural development means including integrated health delivery systems (but not population programs as such), increased employment opportunities, spreading productive investment and service to small towns and outlying areas.

The committee of conference adopted the House provision.

C. Eligibility requirements

The House bill provided that to be eligible for a Food for Development program, a country must be able, among other things, to—

(1) benefit from the program; and

(2) utilize the assistance effectively to "improve its food production, marketing, distribution, and storage systems."

The Senate amendment required that the country—

(1) usefully benefit from the program; and

(2) utilize the assistance effectively for the purposes specified in B above.

The committee of conference adopted the House provision.

D. Annual minimum/maximum

The House bill established minimums for the Food for Development program of 5 percent of title I financing in fiscal year 1978, 10 percent in fiscal year 1979, and 15 percent in fiscal year 1980 and thereafter, with a Presidential waiver if there are an insufficient number of qualifying projects.

The Senate amendment placed a 15 percent annual ceiling on Food for Development programs.

The committee of conference adopted the House provision.

E. Food for development proposals

The House bill called for submission of a multiyear "use" proposal which must include information concerning value or amount of commodities proposed, intended use of the sales proceeds, and the nature and magnitude of the problems to be affected.

The Senate bill called for a multiyear proposal which is to include, in addition to the information specified in the House bill, a description of the relationships among the various projects, activities, or programs to be supported.

The committee of conference adopted the Senate provision.

F. Waiver of certain requirements for relatively least developed countries

The House bill permitted Presidential waiver of the Food for Development program requirements for a multiyear use proposal and annual report to the United States for those countries on UNCTAD's list of relatively least developed countries.

The Senate amendment did not contain a comparable provision.

The committee of conference agreed to the House provision.

G. Suspension of program for noncompliance

The House bill provided that the President—

(1) shall consider suspending shipments to a country if its annual report is not received within 90 days of the date on which it is due; and

(2) shall not extend financing for sales under the Food and Development program if he finds the agreement is not substantially complied with, unless noncompliance is due to unusual circumstances beyond the control of the recipient government. This prohibition would remain in effect until the end of the following fiscal year or until the situation is remedied, whichever occurred first.

The Senate amendment provided that the President may suspend shipments if he finds that the terms of the agreement are not substantially met.

The committee of conference agreed to the House provision for not extending financing for sales under the Food for Development program in event of noncompliance, but dropped the Senate provision and the House provision relating to the suspension of shipments because of overdue annual reports.

ADEQUACY OF FACILITIES TO STORE PUBLIC LAW 480 COMMODITIES AND EFFECT OF SHIPMENT ON AGRICULTURAL PRODUCTION IN RECIPIENT COUNTRIES

The House bill amended section 401 of Public Law 480 to provide that before entering into agreements with developing countries for the sale of agricultural commodities under Title I, the President shall determine taking into account predicted harvests, expected shipments from other sources, existing stocks, and projected levels of consumption, whether or not there is a substantial likelihood that adequate storage facilities will not be available in the recipient country. In the event that he finds that such a likelihood exists, he is required to implement a monitoring system to assure in connection with each purchase authorization that the requisite facilities are available. The shipment could not take place unless the President makes a determination on the basis of this monitoring system, that in all probability, adequate storage facilities will be available.

The Senate amendment provided that no agricultural commodity shall be financed or otherwise made available under the authority of the Act except upon a determination by the Secretary of Agriculture that (1) adequate storage facilities are available in the recipient country at the time of exportation of the commodity to prevent the spoilage or waste of the commodity, and (2) the distribution of the commodity in the recipient country will not result in a disincentive to domestic production in that country.

The committee of conference agreed to the Senate amendment, with an amendment inserting the word "substantial" before the word "disincentive." The committee requests that the basis for the determination that a substantial disincentive effect will or will not result from the distribution of the commodity under Title I in the recipient country will be reported to the Congress.

FACILITIES TO AID DISTRIBUTION AND CONSUMPTION OF U.S. FARM COMMODITIES

The Senate amendment added new sections to Title I of Public Law 480 to require that not less than 5 percent of the funds generated by Public Law 480 Title I sales be set aside for financing by the Secretary of Agriculture of projects aiding the utilization, distribution, storage, transportation, or otherwise increasing foreign consumption of and markets for U.S. agricultural commodities. The Secretary of Agriculture could release such amounts as he determined could not be effectively used for the above purposes. The Senate amendment also permitted the President to accept some portion of a loan payment under this provision in foreign currency as a currency use payment which could be used to fund projects in the developing country.

The House bill did not contain a comparable provision.

The committee of conference did not adopt the Senate amendment. However, it is the intent of the conferees that existing authorities in Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, and of the Foreign Assistance Act of 1961 be used for the purposes set forth in the Senate amendment. The conferees specifically intend that the President make use of existing authority provided under section 104(b)(1) of Public Law 480 to write into Title I agreements, as a currency use payment, provisions for this generation of foreign currencies to be made available to the Secretary of Agriculture to fund projects (in conjunction with other appropriate agencies) to improve storage, handling, distribution and other facilities which would assist in the consumption and distribution and in the reduction of wastage and spoilage of U.S. and locally produced agricultural commodities. Such use is not to be unrelated to the humanitarian and developmental purposes of title I of Public Law 480. The conferees likewise intend that the President make use of authority provided under section 103 of the Foreign Assistance Act of 1961 for expansion of storage facilities and improvement of marketing facilities and systems.

REPORTING REQUIREMENTS

A. Revising existing requirements

The Senate amendment revised existing reporting requirements in sections 408 (b) and (c) of Public Law 480 by providing for a new Section 408(b) in their place. The amendment provided that by the start of each fiscal year, the Secretary of Agriculture shall submit to Congress an annual global assessment of food production and needs and of food aid programing planned under title I for the coming fiscal year. Quarterly reports are required thereafter on title I food aid programing during the year.

The House bill did not contain a comparable provision.

The Committee of Conference agreed to the Senate amendment with an amendment designating the President rather than the Secretary of Agriculture as the reporting officer.

B. Five-year program evaluation reports

The House bill provided for Presidential reports to Congress not later than October 1, 1978, and each 5-year interval thereafter, containing a comparative cross-country evaluation of programs conducted under title II and under the Food for Development program. The evaluations are to cover at least five countries sampled from the developing regions, and shall assess the nutritional and other impacts, achievements, problems and future prospects for programs under title II and under the Food for Development program.

The Senate amendment was similar except that it did not contain the words "nutritional and other."

The committee of conference adopted the House provision.

STUDY OF PAYMENTS OF OCEAN FRIGHT DIFFERENTIALS

The Senate amendment added a new section to Public Law 420 to require that the Departments of Commerce, Agriculture and State jointly conduct and submit to the Congress within 180 days of enactment, a study of the payment of ocean freight differentials in the shipment of Public Law 480 commodities, with a recommendation concerning possible changes in the method of reimbursement (which is now borne by the Commodity Credit Corporation).

The study was to be submitted to the following committees of the Congress: In the Senate the Committees on Agriculture, Nutrition, and Forestry, and Commerce, Science, and Transportation; in the House of Representatives the Committees on Agriculture and Merchant Marine and Fisheries.

The House bill did not contain a comparable provision.

The committee of conference agreed to a modified version of the Senate amendment, providing that the President rather than the three Departments shall conduct the study, and adding the House International Relations Committee to the committees named to receive the study.

EFFECTIVE DATE

The Senate amendment provided that the Public Law 480 provisions of this bill become effective October 1, 1978.

The House bill did not contain a comparable provision.

The committee of conference adopted the Senate amendment.

CLEMENT J. ZABLOCKI,
DANTE B. FASCELL,
CHARLES C. DIGGS, Jr.,
DONALD M. FRASER,
LEE H. HAMILTON,
JONATHAN B. BINGHAM,
STEPHEN J. SOLARZ,
WM. S. BROOMFIELD,
PAUL FINDLEY,
LARRY WINN, Jr.,
Managers on the Part of the House.

JOHN SPARKMAN,
HUBERT H. HUMPHREY,
FRANK CHURCH,
DICK CLARK,
JOE BIDEN,
H. E. TALMADGE,
GEORGE MCGOVERN,
JAMES B. ALLEN,
CLIFFORD P. CASE,
JACOB JAVITS,
CHARLES H. PERCY,
ROBERT DOLE,
HENRY BELLMON,
Managers on the Part of the Senate.

FURTHER LEGISLATIVE PROGRAM

The SPEAKER. The Chair would like to make the following announcement, that the House will take up the conference report on H.R. 7552, appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies. This is the conference report on which the gentleman from Oklahoma (Mr. STEED) is the chairman of the committee. It is anticipated that unless we conclude this before the hour of 5 o'clock, we would adjourn following disposition of the report. Otherwise, we would follow with the program taking up the mining health and safety rule and bill to begin general debate. If the conference report goes to 5:30, the House will thereafter adjourn, to meet at 10 o'clock tomorrow morning and we will take up the mining health and safety bill then.

The Chair just wanted to inform the Members of the schedule that the House will be following.

CONFERENCE REPORT ON H.R. 7552, MAKING APPROPRIATIONS FOR THE TREASURY DEPARTMENT, THE U.S. POSTAL SERVICE, THE EXECUTIVE OFFICE OF THE PRESIDENT, AND CERTAIN INDEPENDENT AGENCIES, FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1978

Mr. STEED. Mr. Speaker, I call up the conference report on the bill (H.R. 7552) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1978, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see Proceedings of the House of June 22, 1977.)

Mr. STEED (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the statement.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. STEED. Mr. Speaker, we are very happy to be able to bring this conference report here today. We think it is a very good bill. There is one very interesting point I would like to make. That is, the bill we present is $43,774,000 less than the amount of the bill when it left the House to go over to the other body. In all the years I have been connected with it, I think this is the first time we have ever brought a bill back with less money than we had when we sent it over.

This bill is about $2 billion less than was appropriated last year, but that is caused because two items are normally funded in supplemental bills—the annual payment to the retirement and disability fund and the item for claims and judgments. These items will be considered some time next year.

The matters that we have here include, and I would call this to the attention of the Members, the fact that there are several items affecting the White House and Executive Office of the President that had to be omitted from the House bill because of lack of legislation. They were placed in the bill by the other body, and they have been agreed to here. Legislation to correct this problem is pending, and I think it is only fair that I call to the attention of the Members of the House the fact that in our conference with the representatives of the other body, they made it quite clear that they are not going to restore these items any more after this year. So, it puts everyone on notice in the Legislative Committee and the administration downtown that this authorizing legislation must, in all seriousness, be moved before this bill comes up again next year. If it is not, we are going to be faced with some very serious problems.

There is one other thing I would like to mention. The other body has an amendment which prohibits the use of any funds in the bill to be used for reducing postal service to less than 6 days. We took that amendment out. It is not that we have any disagreement with the purpose of it, but it is because the matter involved is currently before the legislative committees of the House and Senate. That is where it properly belongs, and we thought it was very necessary on our part to work with those committees and leave this matter for their attention, because they are in a better position to cope with it than we are. So, we are cooperating with our legislative counterpart.

Mr. Speaker, the bill is in good balance, in general. It is very much in line with the current fiscal year. Most of the increases which have been placed in it are those which are more or less automatic. So we think it is a good bill, and we hope the House will see fit to adopt it.

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. STEED. I yield to the gentleman from Texas (Mr. KAZEN).

Mr. KAZEN. I thank the gentleman for yielding.

Mr. Speaker, I understood the distinguished chairman to say that the conference committee took the money out of the bill which would provide for 6-day delivery service.

Mr. STEED. No. The Senate added a prohibition against using money for that purpose in the bill. Of course, it would not have been an effective general provision anyway, because only a very small portion of the total postal budget is contained in this bill. We have kept faith with the legislative committees, and they are working on this general problem right now. So it is not that we disagree. The matter just does not belong in this bill.

Mr. KAZEN. If the gentleman will yield further, is there enough money in the bill so that the Post Office Department can continue to deliver 6 days a week?

Mr. STEED. I think so. At least we took their budget and their word, and we appropriated the total amount of funds requested. We gave them every cent. So unless they have miscalculated their own budget, they do have ample funds.

Mr. KAZEN. Is it the gentleman's opinion that they have not asked for a budget which in and of itself had already reduced to 5-day delivery?

Mr. STEED. No. As a matter of fact, the public service allowance which we make, which happens to be $920 million, was put in the original act just for this purpose, to maintain rural routes and fourth class offices and 6-day deliveries. The only place it can be dealt with properly is in the legislative committee. They are already holding hearings. We are in touch with them.

Mr. KAZEN. If the gentleman will yield further for one more question, what was the situation in the conference as far as customs inspectors are concerned? Does the figure that was in the House bill as finally passed remain in the conference report?

Mr. STEED. No. The House bill provided 206 additional employees. The other body saw fit to go over the budget and add 100 additional, which we agreed to. So now we have an authorized and funded work force of 14,132 employees, which is 306 more than they have in the current year. We also restored all vacancies in the service numbering about 500 and are encouraging the Department to fill them immediately.

Mr. KAZEN. Three hundred six new additions in the Customs Service?

Mr. STEED. Yes, that is correct.

Mr. KAZEN. Incidentally, are those inspectors?

Mr. STEED. It is up to the Customs Service to use the manpower wherever they see fit. We have had requests from many of our colleagues for new ports of entry. We have had some undermanned stations. From the hearings, there is no question that they have all of the manpower of every category they need to meet these demands.

Mr. KAZEN. If the gentleman will yield further, we give them the manpower to man all of the stations we now have?

Mr. STEED. That is right. Those 306 positions are based solely upon the manpower needed to meet these demands. Mr. Speaker, I include the following table:

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY (FISCAL YEARS)

	New budget authority					Conference compared with—			
	Enacted 1977	Estimates 1978	House 1978	Senate 1978	Conference 1978	1977 enacted	1978 estimate	House bill	Senate bill
TITLE I—TREASURY DEPARTMENT									
Office of the Secretary	27,022,000	30,100,000	29,100,000	29,400,000	29,400,000	+2,378,000	−700,000	+300,000	
Federal Law Enforcement Training Center	9,936,000	12,100,000	12,000,000	12,000,000	12,000,000	+2,064,000	−100,000		
Bureau of Government Financial Operations	145,669,000	174,000,000	170,000,000	147,000,000	147,000,000	+1,331,000	−27,000,000	−23,000,000	
Government losses in shipment	500,000					−500,000			
Bureau of Alcohol, Tobacco and Firearms	118,664,000	124,600,000	122,600,000	122,600,000	122,600,000	+3,936,000	−2,000,000		
Bureau of Engraving and Printing		10,000,000	5,000,000	5,000,000	5,000,000	+5,000,000	−5,000,000		

	New budget authority					Conference compared with—			
	Enacted 1977	Estimates 1978	House 1978	Senate 1978	Conference 1978	1977 enacted	1978 estimate	House bill	Senate bill
U.S. Customs Service	359,190,000	383,000,000	383,000,000	384,700,000	384,700,000	+25,510,000	+1,700,000	+1,700,000	
Bureau of the Mint	41,400,000	41,100,000	41,000,000	41,000,000	41,000,000	−400,000	−100,000		
Bureau of the Public Debt	113,580,000	176,800,000	175,000,000	118,214,000	118,214,000	+4,634,000	−58,586,000	−56,786,000	
Internal Revenue Service:									
Salaries and expenses	50,268,000	51,105,000	50,719,000	51,000,000	51,000,000	+732,000	−105,000	+281,000	
Accounts, collection and taxpayer service	849,634,000	874,009,000	870,000,000	870,300,000	870,300,000	+20,666,000	−3,709,000	+300,000	
Compliance	907,709,000	948,525,000	928,500,000	941,500,000	938,500,000	+30,791,000	−10,025,000	+10,000,000	−3,000,000
U.S. Secret Service	118,030,000	123,500,000	123,000,000	123,000,000	123,000,000	+4,970,000	−500,000		
Total, title I, new budget (obligational) authority, Treasury Department	2,741,602,000	2,948,839,000	2,909,919,000	2,845,714,000	2,842,714,000	+101,112,000	−106,125,000	−67,205,000	−3,000,000
TITLE II—U.S. POSTAL SERVICE									
Payment to the Postal Service Fund	2,266,170,000	1,695,540,000	1,695,540,000	1,695,540,000	1,695,540,000	−570,630,000			
Total, title II, new budget (obligational) authority, U.S. Postal Service	2,266,170,000	1,695,540,000	1,695,540,000	1,695,540,000	1,695,540,000	−570,630,000			
TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT									
Compensation of the President	250,000	250,000	250,000	250,000	250,000				
The White House Office	17,162,000	17,580,000		17,580,000	17,580,000	+418,000		+17,580,000	
Executive residence	2,180,000	2,157,000		2,157,000	2,157,000	−23,000		+2,157,000	
Official residence of the Vice President	91,000	121,000		121,000	121,000	+30,000		+121,000	
Special assistance to the President	1,271,000	1,327,000		1,327,000	1,327,000	+56,000		+1,327,000	
Council of Economic Advisers	1,873,000	1,995,000	1,995,000	1,995,000	1,995,000	+122,000			
Council on International Economic Policy	1,450,000	1,450,000	1,450,000			−1,450,000	−1,450,000	−1,450,000	
Council on Wage and Price Stability	1,917,000	2,100,000		2,100,000	2,100,000	+183,000		+2,100,000	
Domestic Council	1,775,000	1,850,000		1,850,000	1,850,000	+75,000		+1,850,000	
National Security Council	3,270,000	3,000,000	3,000,000	3,000,000	3,000,000	−270,000			
Office of Drug Abuse Policy	1,100,000	1,320,000	1,000,000	1,300,000	1,200,000	+100,000	−120,000	+100,000	−100,000
Office of Management and Budget	27,472,000	28,830,000	28,830,000	28,830,000	28,830,000	+1,358,000			
Office of Federal Procurement Policy	1,681,000	1,840,000	1,681,000	1,840,000	1,840,000	+159,000		+159,000	
Office of Telecommunications Policy	8,476,000	8,447,000	8,447,000	8,447,000	8,447,000	−29,000			
Unanticipated needs	1,000,000	1,000,000		1,000,000	1,000,000			+1,000,000	
Total, title III, new budget (obligational) authority, Executive Office of the President and funds appropriated to the President	70,968,000	73,267,000	46,753,000	71,797,000	71,697,000	+729,000	−1,570,000	+24,944,000	−100,000
TITLE IV—INDEPENDENT AGENCIES									
Administrative Conference of the United States	880,000	914,000	914,000	914,000	914,000	+34,000			
Advisory Commission on Intergovernmental Relations	1,431,000	1,600,000	1,600,000	1,600,000	1,600,000	+169,000			
Advisory Committee on Federal Pay	215,000	220,000	220,000	220,000	220,000	+5,000			
Civil Service Commission									
Salaries and Expenses:									
Appropriation	107,095,000	110,930,000	110,930,000	110,930,000	110,930,000	+3,835,000			
By transfer	(26,475,000)	(30,065,000)	(30,065,000)	(30,065,000)	(30,065,000)	(+3,590,000)			
Government payment for annuitants, employees health benefits	451,844,000	506,467,000	506,467,000	506,467,000	506,467,000	+54,623,000			
Payment to civil service retirement and disability fund	3,107,598,000	1,737,070,000	1,737,070,000	1,737,070,000	1,737,070,000	−1,370,528,000			
Federal Labor Relations Council	1,637,000	1,787,000	1,787,000	1,787,000	1,787,000	+150,000			
Intergovernmental personnel assistance	15,000,000	15,000,000	20,000,000	15,000,000	20,000,000	+5,000,000	+5,000,000		+5,000,000
Total, Civil Service Commission	3,683,174,000	2,371,254,000	2,376,254,000	2,371,254,000	2,376,254,000	−1,306,920,000	+5,000,000		+5,000,000
Commission on Executive, Legislative, and Judicial Salaries: Salaries and expenses	100,000					−100,000			
Commission on Federal Paperwork	5,000,000					−5,000,000			
Commission to Review National Policy Toward Gambling	265,000					−265,000			
Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped	316,000	344,000	344,000	344,000	344,000	+28,000			
Federal Election Commission	6,180,000	6,833,000	8,000,000	7,000,000	7,300,000	+1,120,000	+467,000	−700,000	+300,000
General Services Administration									
Refunds under Renegotiations Act	1,000,000					−1,000,000			
Disposal of surplus real and related property, operating expenses	6,442,000	7,935,000	7,935,000	7,935,000	7,935,000	+1,493,000			

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY (FISCAL YEARS)—Continued

	New budget authority					Conference compared with—			
	Enacted 1977	Estimates 1978	House 1978	Senate 1978	Conference 1978	1977 enacted	1978 estimate	House bill	Senate bill
TITLE IV—INDEPENDENT AGENCIES—Continued									
General Services Admin.—Con.									
Federal Buildings Fund:									
Limitation on availability of revenue:									
Construction on buildings	(32,801,000)	(17,354,000)	(27,520,000)	(20,479,000)	(20,479,000)	(−12,322,000)	(+3,125,000)	(−7,041,000)	
Alterations and major repairs	(185,700,000)	(204,731,000)	(200,000,000)	(200,000,000)	(200,000,000)	(+14,300,000)	(−4,731,000)		
Purchase contract payments	(92,000,000)	(98,507,000)	(98,000,000)	(98,000,000)	(98,000,000)	(+6,000,000)	(−507,000)		
Rental of space	(473,200,000)	(489,000,000)	(487,000,000)	(487,000,000)	(487,000,000)	(+13,800,000)	(−2,000,000)		
Real property operations	(424,309,000)	(469,957,000)	(462,480,000)	(462,310,000)	(462,310,000)	(+38,001,000)	(−7,647,000)	(−170,000)	
Program direction and centralized service	(63,843,000)	(66,200,000)	(65,000,000)	(65,000,000)	(65,000,000)	(+1,157,000)	(−1,200,000)		
Total, Federal Buildings Fund limitation	(1,271,853,000)	(1,345,749,000)	(1,340,000,000)	(1,332,789,000)	(1,332,789,000)	(+60,936,000	(−12,960,000)	(−7,211,000)	
Direct appropriation—alterations and major repairs	125,000,000					−125,000,000			
Federal Supply Service	159,137,000	160,430,000	160,430,000	160,000,000	160,000,000	+863,000	−430,000	−430,000	
National Archives and Records Service:									
Operating expenses	66,269,000	67,134,000	67,134,000	67,134,000	67,134,000	+865,000			
Records declassification	1,470,000	1,470,000	1,470,000	1,470,000	1,470,000				
Total, National Archives and Records Service	67,739,000	68,604,000	68,604,000	68,604,000	68,604,000	+865,000			
Automated Data and Telecommunications Service:									
Operating expenses	7,831,000	8,217,000	7,831,000	8,217,000	8,024,000	+193,000	−193,000	+193,000	−193,000
Federal Telecommunications Fund	20,000,000					−20,000,000			
Preparedness activities:									
Federal Preparedness Agency, salaries and expenses	17,320,000	39,376,000	39,376,000	38,800,000	38,800,000	+21,480,000	−576,000	−576,000	
Expenses, Defense Production Act		12,390,000	1,300,000	1,300,000	1,300,000	+1,300,000	−11,090,000		
General activities:									
General management and agency operations, salaries and expenses	7,041,000	13,535,000	12,860,000	12,860,000	12,860,000	+5,819,000	−675,000		
Indian trust accounting	2,814,000	2,818,000	2,818,000	2,818,000	2,818,000	+4,000			
Allowances and office staff for former Presidents	390,000	667,000	617,000	617,000	617,000	+227,000	−50,000		
Expenses Presidential transition	3,000,000					−3,000,000			
Administrative and staff support services	75,173,000	79,425,000	79,425,000	79,425,000	79,425,000	+4,252,000			
Total, general activities	88,418,000	96,445,000	95,720,000	95,720,000	95,720,000	+7,302,000	−725,000		
Total, General Services Administration	492,887,000	393,397,000	381,196,000	380,576,000	380,383,000	−112,504,000	−13,014,000	−813,000	−193,000
Harry S. Truman Scholarship Fund	20,000,000					−20,000,000			
National Commission on Electronic Fund Transfers	1,300,000	200,000	200,000	200,000	200,000	−1,100,000			
National Center for Productivity and Quality of Working Life	2,750,000	2,900,000	2,900,000	2,900,000	2,900,000	+150,000			
National Commission on Supplies and Shortages	360,000					−360,000			
National Study Commission on Records and Documents of Federal Officials	350,000					−350,000			
U.S. Tax Court: Salaries and expenses	7,254,000	8,188,000	8,188,000	8,188,000	8,188,000	+934,000			
Department of Defense									
Defense Civil Preparedness Agency:									
Operation and maintenance	67,826,000	69,300,000	69,300,000	69,300,000	69,300,000	+1,474,000			
Research, shelter survey and marking	19,628,000	20,700,000	20,700,000	20,700,000	20,700,000	+1,072,000			
Total, Defense Civil Preparedness Agency	87,454,000	90,000,000	90,000,000	90,000,000	90,000,000	+2,546,000			
Total, title IV, new budget (obligational) authority, independent agencies	4,309,916,000	2,875,850,000	2,869,816,000	2,863,196,000	2,868,303,000	−1,441,613,000	−7,547,000	−1,513,000	+5,107,000
TITLE V—CLAIMS AND JUDGMENTS									
Claims and Judgments	92,916,317					−92,916,317			
Grand total, new budget (obligational) authority	9,481,572,317	7,593,496,000	7,522,028,000	7,476,247,000	7,478,254,000	−2,003,318,317	−115,242,000	−43,774,000	+2,007,000

Mr. KAZEN. I thank the gentleman.

The SPEAKER. The gentleman from Ohio (Mr. MILLER) is recognized for 30 minutes.

Mr. MILLER of Ohio. Mr. Speaker, we have a conference report before us which is a good report and has been given a lot of thought and I ask that all Members support it.

Mr. GIAIMO. Mr. Speaker, the conference report on the Treasury/Postal Service appropriations bill for 1978 is consistent with amounts included in the first budget resolution for fiscal year 1978. It is consistent with the subdivisions of budget authority and outlays made by the Appropriations Committee under section 302(b) of the Congressional Budget Act.

The conference report recommends appropriations of $7,478 million, $311 million less than the section 302(b) subdivision. Estimated outlays for the accounts within the purview of this bill would be $7,598 million, $279 million less than the section 302(b) subdivision. These balances of budget authority and outlays are more than sufficient to fund anticipated supplemental appropriations which will have to be made for claims and judgments. Thus, the conference report is without objection from the point of view of the congressional budget process.

The conference report recommends a number of appropriations for certain White House accounts and executive office functions which were stricken from the bill when it passed the House. These amounts, however. were anticipated in the budget resolution.

Mr. Speaker, I urge all Members to support the conference report.

Mr. STEED. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 4: Page 4, line 9, insert: ", and, notwithstanding section 2(e) of said Act, the full amount of payments made since July 1, 1974, and hereafter, for work and services in accordance with section 1 of the Act, at prices adjusted to permit the acquisition of capital equipment and provide future working capital.".

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 4 and concur therein.

The motion as agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 9: Page 8, line 7, insert:

THE WHITE HOUSE OFFICE

SALARIES AND EXPENSES

For expenses necessary for the White House Office as authorized by law, including not to exceed $3,850,000 for services as authorized by U.S.C. 3109, at such per diem rates for individuals as the President may specify and other personal services without regard to the provisions of law regulating the employment and compensation of persons in the Government service; hire of passenger motor vehicles, newspapers, periodicals, teletype news service, and travel (not to exceed $100,000 to be accounted for solely on the certificate of the President); and not to exceed $10,000 for official entertainment expenses to be available for allocation within the Executive Office of the President; $17,580,000.

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 4 and concur therein.

The motion as agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 10: Page 8, line 22, insert:

EXECUTIVE RESIDENCE

OPERATING EXPENSES

For the care, maintenance, repair and alteration, refurnishing, improvement, heating and lighting, including electric power and fixtures, of the Executive Residence, to be expended as the President may determine, notwithstanding the provisions of this or any other Act, and official entertainment expenses of the President to be accounted for solely on his certificate, $2,157,000.

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 10 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 11: Page 9, line 6, insert:

OFFICIAL RESIDENCE OF THE VICE PRESIDENT

OPERATING EXPENSES

For the care, maintenance, repair and alteration, furnishing, improvement, heating and lighting, including electric power and fixtures, of the official residence of the Vice President, $121,000: *Provided*, That advances or repayments or transfers from this appropriation may be made to any department or agency for expenses of carrying out such activities.

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 11 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

OFFICIAL RESIDENCE OF THE VICE PRESIDENT

OPERATING EXPENSES

For the care, maintenance, repair and alteration, furnishing, improvement, heating and lighting, including electric power and fixtures, of the official residence of the Vice President, and for official entertainment expenses of the Vice President, to be accounted for solely on his certificate, $121,000: *Provided*, That advances or repayments or transfers from this appropriation may be made to any department or agency for expenses of carrying out such activities.

The SPEAKER. Without objection, the motion is agreed to.

Mr. ASHBROOK. Mr. Speaker, reserving the right to object, is this the one for the official residence of the Vice President? Is this the one that increases the amount by $60,000?

Mr. STEED. Mr. Speaker, if the gentleman will yield, that is right.

Mr. ASHBROOK. Mr. Speaker, under my reservation of objection, I wondered if my esteemed colleague, the gentleman from Oklahoma (Mr. STEED), can indicate why that extra $60,000 has been added?

Mr. STEED. Mr. Speaker, the amount was added in the other body. We have already consented in conference that they do that. We have accepted their version. They have stated that the Presiding Officer of the other body will require the additional money.

Mr. ASHBROOK. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. The question is on the motion offered by the gentleman from Oklahoma (Mr. STEED).

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 12: Page 9, line 15, insert:

SPECIAL ASSISTANCE TO THE PRESIDENT

SALARIES AND EXPENSES

For expenses necessary to enable the Vice President to provide assistance to the President in connection with specialily assigned functions, services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem equivalent of the rate for grade GS-18, compensation for one position at a rate not to exceed the rate of level II of the Executive Schedule, and other personal services without regard to the provisions of law regulating the employment and compensation of persons in the Government service, including hire of passenger motor vehicles, $1,327,000.

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 12 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 14: Page 10, line 14, insert:

COUNCIL ON WAGE AND PRICE STABILITY

SALARIES AND EXPENSES

For expenses, including compensation for the Deputy Director at a rate not to exceed the rate for level V of the Executive Schedule, necessary for the Council on Wage and Price Stability as authorized by the Council on Wage and Price Stability Act of 1974 (Public

Law 93-387 as amended by Public Law 94-78), $2,100,000, subject to enactment of S. 1542, H.R. 6951, or similar authorizing authority.

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 14 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 15: Page 11, line 1, insert:

DOMESTIC COUNCIL

SALARIES AND EXPENSES

For necessary expenses of the Domestic Council, including services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem equivalent of the rate for grade GS-18; and other personal services without regard to the provisions of law regulating the employment and compensation of persons in the Government service; $1,850,000.

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 15 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 18: Page 12, line 16, insert:

UNANTICIPATED NEEDS

For expenses necessary to enable the President to meet unanticipated needs, in furtherance of the national interest, security, or defense which may arise at home or abroad during the current fiscal year, and to pay administrative expenses (including personnel, in his discretion and without regard to any provision of law regulating employment and pay of persons in the government service or regulating expenditures of government funds) incurred with respect thereto, $1,000,000.

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 18 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the last amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 25: Page 18, line 24, insert:

Michigan:

Detroit, Ambassador Bridge Border Station (Acquisition and Improvements), $2,559,000 and Acquisition and Improvements of United States Postal Service Properties, $7,400,000:

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 25 and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE

Mr. STEED. Mr. Speaker, I ask unanimous consent that I may be permitted to revise and extend my remarks and to include tabulations and extraneous material, and that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

FEDERAL MINE SAFETY AND HEALTH ACT OF 1977

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 682 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 682

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 7 of rule XIII to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4287) to promote safety and health in the mining industry, to prevent recurring disasters in the mining industry, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be read for amendment by titles instead of by sections, and all points of order against said substitute for failure to comply with the provisions of clause 5, rule XXI are hereby waived. It shall be in order to consider an amendment in the nature of a substitute to the committee amendment consisting of the text of the bill H.R. 7979 if offered by Representative Sarasin of Connecticut, and all points of order against said amendment for failure to comply with the provisions of clause 7, rule XVI and clause 5, rule XXI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of the bill H.R. 4287, it shall be in order in the House to take from the Speaker's table the bill S. 717 and to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 4287 as passed by the House.

The SPEAKER. The Chair recognizes the gentleman from Massachusetts (Mr. MOAKLEY).

Mr. MOAKLEY. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, the resolution provides for the consideration of the Federal Mine Safety and Health Act of 1977—H.R. 4287. It is a 1-hour open rule which provides for two waivers of points of order.

The report filed by the Committee on Education and Labor failed to include a separate cost estimate by the committee and therefore there is a need to waive points of orders for failure to comply with clause 7 of rule XIII of the Rules of the House of Representatives.

Additionally there is a need to waive points of order lying under clause 5 of rule XXI of the Rules of the House of Representatives because there are provisions in the bill that could be interpreted as appropriations in a legislative bill.

In addition to these two waivers the rule also provides that the committee amendment in the nature of a substitute shall be considered as the original bill for purposes of amendment. There is also provision made for amendment by titles instead of by sections. Under the provisions of the rule it shall also be in order to take the bill S. 717 from the Speaker's table and amend it with the provisions of H.R. 4287 as passed by the House.

Last, the rule provides that it shall be in order to consider an amendment in the nature of a substitute to the committee amendment consisting of the text of the bill H.R. 7979. In order for the author of that substitute, the gentleman from Connecticut (Mr. SARASIN) to get consideration of that amendment the committee on rules waived points of order lying against the bill for failure to comply with clause 7 of rule XVI which is the germaneness rule and clause 5 of rule XXI which is the rule prohibiting appropriations in a legislative bill.

Mr. Speaker, the purpose of H.R. 4287 is to promote safety and health in the mining industry and to prevent recurring disasters. The bill would make three major changes in the existing law:

First, it would bring all mining under the jurisdiction of the Federal Coal Mining Health and Safety Act of 1969.

Second, it would repeal the Metal and Nonmetallic Mine Safety Act of 1966.

Third, it would transfer the administration of the act from the Secretary of Interior to the Secretary of Labor.

The issue of safety in the mining industry is certainly an important one and the rule providing for consideration of the bill was drafted to insure that all the different points of view could be amply

explained and debated. Therefore, I urge my colleagues to adopt House Resolution 682 so that we might debate and vote on H.R. 4287.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule provides 1 hour of general debate for the consideration of H.R. 4287, the Federal Mine Safety and Health Act of 1977. The rule waives points of order for failure to include a committee cost estimate. The committee report does contain a cost estimate by the Congressional Budget Office, but the report does not say that the committee adopts this cost estimate as its own, and the report does not include a separate cost estimate by the committee. Technically, this is a violation of clause 7, rule XIII.

In order to expedite the amending process, the committee substitute is made in order as an original bill for the purpose of amendment. The rule also provides that the substitute will be read for amendment by titles instead of by sections. Points of order are waived against the committee substitute for failure to comply with clause 5, rule XXI. This clause prohibits appropriations on a legislative bill. The waiver is necessary because the bill transfers funds from the Department of Interior to the Department of Labor without the funds having been appropriated for the new purpose.

The gentleman from Connecticut (Mr. SARASIN) appeared before the Rules Committee and requested that the rule make in order as an amendment in the nature of a substitute, his bill H.R. 7979. This substitute could not be offered unless points of order against it were waived in the rule. Therefore, the rule specifically allows the gentleman from Connecticut to offer his substitute, and waives two points of order against the substitute. First, the Sarasin substitute requires the same waiver of clause 5, rule XXI that the committee substitute requires. This is necessary because of the transfer of funds from the Department of the Interior to the Department of Labor.

In addition it is necessary to waive points of order against the Sarasin substitute for failure to comply with the germaneness rule, clause 7, rule XVI. This waiver is required because the Sarasin substitute amends the Small Business Act, whereas the introduced bill does not.

Finally, Mr. Speaker, in order to expedite going to conference, this rule makes it in order to insert the House-passed language in the Senate bill number.

Mr. Speaker, H.R. 4287, the bill made in order by the rule, repeals the Federal Metal and Nonmetallic Mine Safety Act and amends the Federal Coal Mine Health and Safety Act of 1969 to include all mines, coal and other. In addition, H.R. 4287 provides for the transfer of functions for Mine Enforcement and Safety Administration—MESA—from the Department of the Interior into the Department of Labor.

The Sarasin substitute, on the other hand, strengthens the enforcement provisions applicable to the metal and nonmetallic mining industry, and keeps separate the law applicable to the coal industry.

Mr. Speaker, I support the rule, so that the House may work its will on the legislation made in order by the rule.

Mr. Speaker, I have no requests for time and reserve the remainder of my time.

Mr. MOAKLEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. LATTA. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 359, nays 11, answered "present" 1, not voting 62, as follows:

[Roll No. 418]

YEAS—359

Akaka	Chappell	Gephardt
Alexander	Chisholm	Giaimo
Allen	Clausen, Don H.	Gilman
Ambro	Clawson, Del	Ginn
Ammerman	Cleveland	Glickman
Anderson, Calif.	Cochran	Gonzalez
Andrews, N.C.	Cohen	Goodling
Andrews, N. Dak.	Coleman	Gore
Annunzio	Conable	Gradison
Applegate	Conyers	Grassley
Archer	Corcoran	Gudger
Armstrong	Corman	Guyer
Ashley	Cornell	Hall
Aspin	Cornwell	Hammer-schmidt
AuCoin	Cotter	Hanley
Badham	Coughlin	Hannaford
Baldus	D'Amours	Harkin
Barnard	Daniel, Dan	Harris
Baucus	Daniel, R. W.	Harsha
Beard, R.I.	Danielson	Hawkins
Beard, Tenn.	Davis	Heckler
Bedell	de la Garza	Hefner
Bellenson	Delaney	Heftel
Benjamin	Dellums	Hightower
Bennett	Derrick	Hillis
Bevill	Derwinski	Hollenbeck
Biaggi	Devine	Holt
Bingham	Dickinson	Holtzman
Blanchard	Dingell	Horton
Blouin	Dornan	Howard
Boggs	Downey	Hubbard
Bolling	Drinan	Huckaby
Bonior	Duncan, Oreg.	Hyde
Bonker	Duncan, Tenn.	Ichord
Bowen	Eckhardt	Ireland
Breaux	Edgar	Jacobs
Breckinridge	Edwards, Calif.	Jeffords
Brodhead	Eilberg	Jenkins
Brooks	Emery	Jenrette
Broomfield	English	Johnson, Calif.
Brown, Calif.	Erlenborn	Jones, N.C.
Brown, Mich.	Ertel	Jones, Okla.
Brown, Ohio	Evans, Colo.	Jones, Tenn.
Broyhill	Evans, Del.	Kasten
Buchanan	Fary	Kastenmeier
Burgener	Fascell	Kazen
Burke, Calif.	Findley	Kelly
Burke, Fla.	Fisher	Kemp
Burleson, Tex.	Fithian	Ketchum
Burlison, Mo.	Flood	Keys
Burton, John	Florio	Kildee
Burton, Phillip	Flowers	Kindness
Butler	Flynt	Kostmayer
Byron	Ford, Mich.	Krebs
Caputo	Ford, Tenn.	LaFalce
Carney	Forsythe	Lagomarsino
Carr	Fowler	Latta
Carter	Frey	Le Fante
Cavanaugh	Fuqua	Leach
Cederberg	Gammage	Lederer
	Gaydos	Leggett
Lehman	Nix	Slack
Lent	Nowak	Smith, Iowa
Levitas	O'Brien	Smith, Nebr.
Lloyd, Calif.	Oakar	Snyder
Lloyd, Tenn.	Oberstar	Solarz
Long, La.	Ottinger	Spellman
Long, Md.	Panetta	Spence
Lott	Patten	Stangeland
Lujan	Pattison	Stanton
Luken	Pepper	Stark
Lundine	Perkins	Steed
McClory	Pickle	Steers
McCloskey	Pike	Stockman
McCormack	Poage	Stokes
McDade	Pressler	Stratton
McEwen	Preyer	Studds
McFall	Price	Stump
McHugh	Pritchard	Taylor
McKay	Pursell	Thone
Maguire	Quayle	Thornton
Mahon	Quie	Traxler
Markey	Quillen	Treen
Marks	Rahall	Trible
Marlenee	Railsback	Tsongas
Marriott	Rangel	Tucker
Martin	Regula	Udall
Mathis	Reuss	Ullman
Mattox	Rhodes	Van Deerlin
Mazzoli	Richmond	Vander Jagt
Meeds	Rinaldo	Vanik
Meyner	Risenhoover	Vento
Michel	Roberts	Volkmer
Mikulski	Robinson	Waggonner
Milford	Rodino	Walgren
Miller, Calif.	Roe	Walker
Miller, Ohio	Rogers	Walsh
Mineta	Rooney	Watkins
Minish	Rose	Waxman
Mitchell, Md.	Rostenkowski	Weaver
Moakley	Rousselot	Weiss
Moffett	Roybal	Whalen
Mollohan	Rudd	White
Montgomery	Runnels	Whitehurst
Moore	Ruppe	Whitley
Moorhead, Calif.	Russo	Whitten
Moorhead, Pa.	Santini	Wiggins
Moss	Sarasin	Wilson, Bob
Mottl	Satterfield	Wilson, C. H.
Murphy, Ill.	Scheuer	Winn
Murphy, N.Y.	Schroeder	Wirth
Murphy, Pa.	Schulze	Wolff
Murtha	Sebelius	Wydler
Myers, Gary	Seiberling	Wylie
Myers, John	Sharp	Yates
Myers, Michael	Shuster	Yatron
Natcher	Sikes	Young, Alaska
Neal	Simon	Young, Fla.
Nedzi	Sisk	Zablocki
Nichols	Skelton	
	Skubitz	

NAYS—11

Abdnor	Crane	Hughes
Ashbrook	Edwards, Okla.	McDonald
Bauman	Fenwick	Steiger
Collins, Tex.	Hansen	

ANSWERED "PRESENT"—1

Bafalis

NOT VOTING—62

Addabbo	Foley	Obey
Anderson, Ill.	Fountain	Patterson
Badillo	Fraser	Pease
Boland	Frenzel	Pettis
Brademas	Gibbons	Roncalio
Brinkley	Goldwater	Rosenthal
Burke, Mass.	Hagedorn	Ryan
Clay	Hamilton	Sawyer
Collins, Ill.	Harrington	Shipley
Conte	Holland	St Germain
Cunningham	Johnson, Colo.	Staggers
Dent	Jordan	Symms
Dicks	Koch	Teague
Diggs	Krueger	Thompson
Dodd	McKinney	Wampler
Early	Madigan	Wilson, Tex.
Edwards, Ala.	Mann	Wright
Evans, Ga.	Metcalfe	Young, Mo.
Evans, Ind.	Mikva	Young, Tex.
Fish	Mitchell, N.Y.	Zeferetti
Flippo	Nolan	

The Clerk announced the following pairs:

Mr. Burke of Massachusetts with Mr. Ryan.
Mr. Brademas with Mr. Gibbons.
Mr. Teague with Mr. Nolan.
Mr. Shipley with Mr. Dent.
Mr. Addabbo with Mr. Mann.
Mr. Badillo with Mr. Flippo.
Mr. Hamilton with Mr. Conte.

Mr. Koch with Mr. Diggs.
Mr. Rosenthal with Mr. Fraser.
Mr. Dodd with Mr. Evans of Georgia.
Mr. Early with Mr. Metcalfe.
Mr. Obey with Mr. Cunningham.
Mr. Evans of Indiana with Mr. Mikva.
Mr. Zeferetti with Mr. Edwards of Alabama.
Mr. Boland with Mr. Fish.
Mr. Harrington with Mr. Pease.
Ms. Jordan with Mr. Anderson of Illinois.
Mr. Clay with Mr. Brinkley.
Ms. Collins of Illinois with Mr. Frenzel.
Mr. Dicks with Mr. Krueger.
Mr. Patterson of California with Mr. Goldwater.
Mr. Fountain with Mr. Madigan.
Mr. Foley with Mr. Hagedorn.
Mr. Holland with Mr. McKinney.
Mr. Thompson with Mr. Staggers.
Mr. St Germain with Mr. Symms.
Mr. Young of Missouri with Mr. Wampler.
Mr. Wright with Mr. Sawyer.
Mr. Roncalio with Mr. Charles Wilson of Texas.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. SEIBERLING. Mr. Speaker, during the vote on final passage of H.R. 2777, National Consumer Cooperative Bank Act, I was over on the Senate side and missed the vote. Had I been present I would have voted for passage of the bill.

GENERAL LEAVE

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks on House Resolution 658.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

FEDERAL MINE SAFETY AND HEALTH ACT OF 1977

Mr. GAYDOS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4287) to promote safety and health in the mining industry, to prevent recurring disasters in the mining industry, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. GAYDOS).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 4287, with Mr. GONZALEZ in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Pennsylvania (Mr. GAYDOS) will be recognized for 30 minutes, and the gentleman from Connecticut (Mr. SARASIN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. GAYDOS).

Mr. GAYDOS. Mr. Chairman, I yield 6 minutes to the gentleman from Kentucky (Mr. PERKINS), the chairman of the Committee on Education and Labor.

Mr. PERKINS. Mr. Chairman, the Committee on Education and Labor brings H.R. 4287 to the floor today as a means of promoting order in the Federal mine health and safety programs.

Those programs are fragmented today in at least two Cabinet departments and in several bureaus.

Obviously, there is little sense in continuing to maintain different levels of protection afforded to workers in the mining industry—and even less justice.

Mining has always been a hazardous business, and all too often we are reminded that it can be a deadly business as well.

Somewhere in this country, at least one miner is likely to lose his life on this very day we debate this bill. The national average is a little higher than one fatality a working day.

And it is shocking to realize that some 66 miners suffer disabling injuries every day the mines are in operation.

I cannot tell you that this bill will, beyond a shadow of a doubt, reduce these grim statistics. But by unifying the administration of our safety laws, and by applying a uniform standard of the toughest safety laws now on the books, the American citizen who goes down into the mines to work might have a better chance of surviving. Logic tells us that he will, and I sincerely pray that is true.

I represent a district in which the predominant mining industry is coal. Coal is the principal underpinning of the economy of certain parts of my eastern Kentucky district. And coal miners and their families make up a substantial segment of the population.

I know that since we passed the Federal Mine Safety Act in 1952 and followed it up with the more comprehensive Coal Mine Health and Safety Act of 1969, coal mine deaths have been reduced, and the number of coal mine disasters has dwindled.

Any miner's death or disability is tragic, and any blow we can strike in these Halls to improve the safety and health of miners—coal or otherwise—is certainly worth striking.

I am going to confine my remarks about this legislation primarily to the transfer of the presently styled Mining Enforcement and Safety Administration (MESA) from the Department of the Interior to the Department of Labor.

Under this bill, MESA will become MHSA, the Mine Health and Safety Administration. It will be administered by an Assistant Secretary for Mine Health and Safety, operating on the same level as the Assistant Secretary for Occupational Health and Safety.

The arguments for the transfer of MESA to Labor are well known by this house.

For all of its efficiency and capacity in dealing with major issues, the Department of the Interior just is not geared up to deal with the safety and health of workers. That is not a role assigned to the Department when it was created way back in the 19th century.

The Department of the Interior is the custodian of the Nation's natural resources, whereas the Department of Labor is charged with administering and enforcing statutes designed to advance the public interest by promoting the welfare of the wage earners of the United States, improving their working conditions, and advancing the opportunities for profitable employment.

Clearly, the duty of overseeing Federal interests in the health and safety of the Nation's miners should be vested in the Secretary of Labor and in the Department he administers.

The Carter administration recognizes this, the Secretary of the Interior recognizes this, and the Secretary of Labor recognizes it. Their positions are all spread upon the records of the Committee on Education and Labor.

I hope the House will maintain its good, logical position of last July 28 when it voted 309 to 86 for the transfer in H.R. 13555. This was one of those good pieces of legislation which unfortunately died in the other body in the closing days of the 94th Congress.

For all of the emphasis upon efficience of administration, I want to make it clear that establishing a neat table or organization and orderly flow lines are of secondary importance.

The main thrust of this legislation is the health and safety of the men and women who work in the mining industries. That is the bottom line.

I think we need to send a special message to the Nation's coal miners too. Just because we are transferring their agency to another department, and just because we are extending coverage of their act to thousands of additional mine workers in other industries, does not mean we are diminishing our concern for their health and safety one iota.

What this means is that the MESA Administrator will soon be reporting to a different Secretary and Assistant Secretary, and that he will come to work in a building with a new sign out front.

There will be no compromise in Congress demand that the lives and limbs of miners be protected, and that the safety regulations already promulgated be enforced rigorously.

As a matter of fact, I hope and I expect a new emphasis on enforcement of safety standards in the coal mines, so that we will have no more disasters such as Scotia in southeastern Kentucky some 16 months ago.

That disaster, which claimed 26 lives—including some employees of MESA—occurred because established safety regulations were flagrantly violated.

It occurred because a mine management took outrageous shortcuts and gambled with the lives of its employees.

And it occurred because some MESA inspectors were derelict in their duty to close down that dangerous, gassy mine for repeated safety violations.

Scotia was notorious as one of the 100 most dangerous mines in the United States.

We thought when we passed the 1969 act that the Secretary of the Interior had sufficient authority to close down and padlock a mine in such flagrant disregard of safety regulations. I still think that authority is granted in the 1969 act, and I am pleased that a Federal court case is presently in process to test the point.

I have high regard for both the present Secretary of the Interior and the Secretary of Labor. Both are able, honorable men, and both are dedicated to safety of miners.

I believe Secretary Marshall, when this bill is enacted and signed into law, will take action to protect the health and safety of their employees.

Mr. Chairman, I want to congratulate the Subcommittee on Compensation, Health and Safety for its work on this measure, and particularly the subcommittee chairman, Mr. GAYDOS, for his untiring efforts on behalf of this country's miners.

They have done a good job, and I hope the House will turn back any effort to dilute the safety provisions contained in the bill.

I am taking the liberty of attaching some very relevant and pertinent testimony on the matter of MESA transfer:

STATEMENT OF BASIL HOLBROOKE—TESTIMONY BEFORE THE SUBCOMMITTEE ON LABOR STANDARDS, BIG STONE GAP, VA.

Chairman PERKINS. You originally appeared in Letcher County, Kentucky, and your relatives are all still there?

Mr. HOLBROOKE. Yes, sir.

Chairman PERKINS. Give the committee your full name.

Mr. HOLBROOKE. My name is Basil Holbrooke. I am a resident of Big Stone Gap, Virginia. I was born and raised in Whitesburg, Letcher County.

Chairman PERKINS. Your father was a coal miner before you; am I correct?

Mr. HOLBROOKE. Yes, sir.

Chairman PERKINS. Retired coal miner?

Mr. HOLBROOKE. Yes, sir.

Chairman PERKINS. Your Uncle Pete was a retired coal miner?

Mr. HOLBROOKE. Yes, sir.

Chairman PERKINS. I think both your father and his brother, your Uncle Pete had eight children or so apiece?

Mr. HOLBROOKE. Yes, sir.

Chairman PERKINS. And you, of course, I think, had one brother who lost his life in World War II?

Mr. HOLBROOKE. Yes, sir.

Chairman PERKINS. When did you start to work for the Blue Diamond Coal Corporation?

Mr. HOLBROOKE. July 1950.

Chairman PERKINS. And how long did you work for the Blue Diamond Coal Company?

Mr. HOLBROOKE. From 1950 to 1969; about 19 years and some months.

Chairman PERKINS. Did you quit the Blue Diamond Coal Company on your own volition?

Mr. HOLBROOKE. Yes, sir.

Chairman PERKINS. When you first commenced they had a good safety team and so forth. At the time you quit in 1969, was safety as prevalent in the Blue Diamond Mine as it was in the years prior thereto that you had worked?

Mr. HOLBROOKE. No, sir, I don't think so. No, sir. That is my personal view. No, sir.

Chairman PERKINS. In what capacity were you working in at the time you ceased work at the Blue Diamond Coal Company, and what mine were you working in at that time and how long had you been in that mine?

Mr. HOLBROOKE. I was in the capacity at the Scotia Coal Company as maintenance foreman and also chief electrician from 1962 to 1969.

Chairman PERKINS. Did you have the good safety when you first went with Scotia?

Mr. HOLBROOKE. Yes, sir.

Chairman PERKINS. When did that safety cease there?

Mr. HOLBROOKE. Well, I say, again about 1966 or '67, something along there. It began to dwindle. Also, when a certain inspector quit inspecting the mine it started to degrade.

Chairman PERKINS. Who was that inspector who stopped inspecting at that time?

Mr. HOLBROOKE. Mr. M. L. West.

Chairman PERKINS. Had you had what you would term excellent inspection in the safety in the mine up until that time?

Mr. HOLBROOKE. Yes, sir.

Chairman PERKINS. And that is when the mine safety commenced to go downhill?

Mr. HOLBROOKE. Yes, sir.

Chairman PERKINS. In what ways did it go downhill, and give us the reason why you quit in 1969.

Mr. HOLBROOKE. Well, my brother and I, we were working there at this mine. We were riding together from Whitesburg to Pryse, Kentucky, which was across White Mountain.

Chairman PERKINS. What was his name?

Mr. HOLBROOKE. Edwin Holbrooke. He passed away about a year ago. He had a heart attack at U.S. Steel. He worked in a mine at U.S. Steel in Cumberland, Kentucky.

Chairman PERKINS. Go ahead.

Mr. HOLBROOKE. We discussed this and I told him methane gas over there was building more rapidly. I didn't think there was enough, to suit me, ventilation in this mine to move out the methane because when you have methane accumulating in a coal mine and not enough ventilation with the right arc or spark, you have got an ignition or explosion.

The thing about it is, I quit on my own person because I was afraid of my life. And my brother was afraid of his own life because of just what I stated.

Chairman PERKINS. Did you take certain precautions there for a year or two before you quit for the safety of other men?

Mr. HOLBROOKE. Yes, sir.

Chairman PERKINS. If so, describe what they were.

Mr. HOLBROOKE. Inside a coal mine you have got to do a certain cutting, welding on equipment because underground, if you are underground four or five mines you can't bring this equipment out—if you have 15, 20, 30 million jobs of welding. So you have your instrument which is the flame safety lamp to check methane. And mostly the flame safety lamp is to test for oxygen and gas combined. You can check either one. And I would have to go in with the men and take checks periodically because if you didn't have enough arc, you would have to hang curtains and sweep it out. And I got afraid if someone was relaxed in this with methane present and a lot of it comes from the strata that you would have an ignition. I got scared. So that is why I quit.

Chairman PERKINS. Did you de-energize the electricity where you would find excessive methane in that mine before you quit?

Mr. HOLBROOKE. Yes, sir.

Chairman PERKINS. Describe how you would do that.

Mr. HOLBROOKE. Well, when I come to a contents which would exceed two or three percent, I would de-energize. In other words, I would cut off all powers to any piece of equipment that was in there and make it safe for my men until I could get the gas out to resume my work or when I left it, I would cut off and de-energize all power for the safety of my men and my fellow workers.

Chairman PERKINS. You just decided to quit there because of the unsafe conditions on your own volition?

Mr. HOLBROOKE. Yes, sir.

Chairman PERKINS. Did you make any statement to anybody at the time you quit?

Mr. HOLBROOKE. I met my brother and several others. We talked—this mine is going to go. I said it is going to go, I am getting out.

Chairman PERKINS. What did you mean by "it was going to go"?

Mr. HOLBROOKE. I meant there was going to be an explosion, and I knew it. I said to my brother going across the mountain, I said, it is going to take two weeks, three weeks, a year, two years, three years, but it is going to go. It is going and it did happen. If you don't have the right ventilation you have got to have with the right amount of methane, you have got an explosion mixture. If you don't take care of this methane gas, that is the most—you talk about roof falls, methane gas is the most dangerous gas and dust that there is in the coal mine.

Chairman PERKINS. The brother that you lost in that mine, had he had any experience working in that mine?

Mr. HOLBROOKE. No, sir, as far as I know while I worked there. He worked there from 1963 until before his death. He never worked a day in the coal mine. He worked on the preparation plant or the tipple.

Chairman PERKINS. He was sent in, I believe, to help recover the—no, he was sent in after the first bodies were recovered.

Mr. HOLBROOKE. Yes, sir.

Chairman PERKINS. Go ahead and tell the committee what you understand about that first explosion and if you are acquainted with the type of motor that was carrying equipment back and forth from the mine that was being used there at Scotia at the time.

Mr. HOLBROOKE. This was a track operated battery locomotive. And this locomotive was, just like I said, powered by battery, but the braking systematic motor had a compressor. This compressor is operated by an electric motor which was powered by a battery, and it had open contactors in this motor. When this motor would go into any place that had methane, if the right amount of oxygen was available, there was nothing to do but have an explosion because you had an open-top motor. So, in my opinion—I wasn't there—but in my opinion, this motor caused that explosion, the first explosion.

Chairman PERKINS. From information that you picked up from the people who knew the area best in that community, what did they take in that morning on that motor, and what kind of work were they doing there at the time of the first explosion.

Mr. HOLBROOKE. They were taking in rails to lay up a section that had been pulled out. Now, this is my understanding. I had never been there. People tell me this. And it was in the investigation which they had in Whitesburg.

Chairman PERKINS. What, in your opinion after they took the rails in, what do you think—you don't know, but what is your judgment—knowing the conditions of that type of motor?

Mr. HOLBROOKE. Talking to some of the miners that worked there, two southeast mains had driven about so many hundred feet inbound, a section had turned off to the left. Well, they were in ventilation going up in the phase, to my understanding, of two southeast mains. When these men went through this curtain or door to take this steel up there to lay this track, that gave them the right amount. When they opened the door or curtain, that gave them the right amount of air with the right amount of methane, which about 15 percent is explosion range. Why, it had to go. There is no other way but explosion with that open-top contactor motor kicking on and off.

Chairman PERKINS. How long does it usually take for that battery to go out before it will kick on and off?

Mr. HOLBROOKE. It is just according, Mr. Chairman, to how often you use that battery. In other words, if you use it, say, for a few minutes, you have a full charged battery. My understanding of your question was, how long would it run before the battery would go completely down?

Chairman PERKINS. Yes.

Mr. HOLBROOKE. I would say anywhere from four to six weeks.

Chairman PERKINS. What should have been done, if anything, when they went in there and brought those bodies out?

Mr. HOLBROOKE. They should have deenergized that motor. When they went down there to get those bodies out, that motor should have been deenergized because the compressor kicked off on them. When the compressor kicked off, if they had pulled the plug, there would have been no fire. There would not have been anything.

Chairman PERKINS. Would you have done that if you had been in that mine?

Mr. HOLBROOKE. I would have deenergized that motor.

Chairman PERKINS. Have you deenergized motors in similar circumstances with methane prevalent in that mine, when there wasn't anybody killed?

Mr. HOLBROOK. I have deenergized motors, yes. The first thing I do is to deenergize the power.

Chairman PERKINS. Did that take place in that mine?

Mr. HOLBROOKE. I don't know. As far as I know, it was never deenergized. When I went over there that night, when my brother was in the mine, the first thing that I heard was that there was a motor in there that had a compressor on it. I knew where this motor was.

Chairman PERKINS. Did the rescue party know that the motor was down there?

Mr. HOLBROOKE. I never talked to any of those rescue men about it because they were reluctant to talk.

Chairman PERKINS. Did you tell them that it had an open switch?

Mr. HOLBROOKE. I did not talk to them. I did not talk to the rescue team whatsoever. I did not speak to a one of them because they were not in the vicinity where we were. They were in the backhouse.

Chairman PERKINS. Any rescue team that had been trained properly would have known to deenergize, as you have talked about, when they went in there, wouldn't they?

Mr. HOLBROOKE. They should have denergized all power, yes, sir.

Chairman PERKINS. When was it that you got word about your brother going in there?

Mr. HOLBROOKE. It was about one or one-thirty in the morning.

Chairman PERKINS. How soon after the first explosion was it that the second explosion occurred?

Mr. HOLBROOKE. I understand it was about 60 hours.

Chairman PERKINS. What caused your brother to go in there?

Mr. HOLBROOKE. I don't know why. I cannot find out. No one will tell me anything. No one will tell me why, or anything. It is just a hush-hush. No one would tell us anything.

Chairman PERKINS. They did tell you that he helped identify the first bodies that were brought out?

Mr. HOLBROOKE. Yes, they did.

Chairman PERKINS. But you know that your brother did not have that type of experience, to go in the mine and make any repairs?

Mr. HOLBROOKE. I do know that because he never worked inside of a coal mine. He would not know a cross-cut from a pick-up. He would not know one entry from another. As far as I know, he would not know anything. He would not even know how to use a self-rescuer. He was not trained in it.

Chairman PERKINS. Do you know who recruited that rescue team, that group to send in there to do some repair work, that were later killed within 59 or 60 hours, including your brother, after the first men were killed?

Mr. HOLBROOKE. I talked to Mr. Corning, and telled me that MESA had full charge. MESA did not tell me this. Mr. Corning told me this that MESA was in charge. I knew him well because I worked with him.

I said: "How come my brother went in there?" He said that he went in there to represent some people, and also that MESA was in full charge of the operation. That is what Mr. Corning told me.

Chairman PERKINS. What were they in there for, regardless of whether or not MESA sent them in there, what were they in there for, when your brother was killed, if you know, or what you understand?

Mr. HOLBROOKE. I don't understand, but I was told that they went in there to paint some top, and that is when the batteries were recovered. I had some personal friends that went in there. I wanted to go in, but they would not let me go in to recover my brother.

I had a personal friend who went in there, and he was right at the mouth of Two-South Main East, and there were six of them, the way he explained it to me, in this one little group. Their heads were kind of together. That is what he told me. I was not there.

Chairman PERKINS. That is what you heard?

Mr. HOLBROOKE. Yes.

Chairman PERKINS. You heard this from a reliable source?

Mr. HOLBROOKE. Yes, sir.

Chairman PERKINS. Now this is the second group of men, including your brother, that was killed?

Mr. HOLBROOKE. Yes.

Chairman PERKINS. That had been approximately 60 hours?

Mr. HOLBROOKE. Yes, sir.

Chairman PERKINS. From where that motor was sitting, and knowing the makeup of that motor from your training and experience, what set off that second explosion?

Mr. HOLBROOKE. This is my personal view. I think the motor——

Chairman PERKINS. Go ahead and explain why. I think you are right, myself.

Mr. HOLBROOKE. Mr. Chairman, when the rescue teams went up there and recovered the first bodies they built an air lock. In other words, they took air with them to the motor. When they went there and recovered all the bodies, this motor was not deenergized. They had enough air to get to the center. When the methane built up—this is my opinion—when the methane built up to an explosive range, with this air going up which the rescue team took with them to rescue the first men, I think it gave enough air to have a set of explosions, and that is what caused it. I am thinking myself that this is what caused it.

Chairman PERKINS. When you went over there, of course, you knew some of the personnel. Did you want to go down in the mine to make any recoveries, or anything like that?

Mr. HOLBROOKE. Yes, Mr. Perkins. You were over there with us, and we wanted to go down through a bore-hole which was 2,600 feet, and recover those bodies. But MESA and the company said no.

Chairman PERKINS. Let me ask you another question. From your experience as an electrical engineer, and from your training and experience that you had received in the mines for a period of 22 years, and the training and experience that you had received in the Scotia mine where that disaster took place, could you have recovered those bodies if you had been given your way?

Mr. HOLBROOKE. Yes, sir. Those bodies could have been down through the bore-hole or the shaft. They could have been dropped down with a bucket or an elevator, and they could have been dropped with tubing and a fan. You could have taken the air 2,600 feet down there and recovered those bodies in no time.

Now, the way they went in this mine. They went in through the porthole. They had roof falls, and they had water. I told them that it would take eight or nine months to recover the bodies. I missed it, I think, by about a week.

Chairman PERKINS. Did you point out to them on the map where they were going to run into water and roof falls, knowing the mine as it was constituted in the days that you worked in it?

Mr. HOLBROOKE. Yes, sir, I told them that. No one gave me an answer. They just sat there, and they did not say yea or nay.

Chairman PERKINS. I was there at the request of the family. We did not get any satisfaction whatsoever. So we knew that we were fighting a losing battle.

How soon after the explosion, an experienced miner like yourself, if you had been given the opportunity to go into that mine, could you have recovered those bodies, knowing the condition of the motor in the mine, knowing how it could set off explosions and so forth?

Mr. HOLBROOKE. The first thing I would have done, I would have sealed—When the rescue teams had recovered those bodies, if they would have sealed that immediately at the mouth of Two-South Main East, sealed that off, all the oxygen up there, I don't care how much there was. When the compressor kicked on and off, if you have no oxygen, there will be no explosion. No one knows what it would have done, but it would never have ignited the gas, because there would not have been any oxygen there for it to ignite.

Chairman PERKINS. You make that statement because of your training and your experience in the Scotia mine, where at times you had to deenergize to make conditions safe?

Mr. HOLBROOKE. Yes, sir.

Chairman PERKINS. You know what you are talking about in this area?

Mr. HOLBROOKE. Yes, sir.

Chairman PERKINS. I have to go and vote. I will be right back.

(Temporary recess.)

Chairman PERKINS. Mr. Holbrooke, were you advised of where the motor was sitting, or was found after they recovered your brother and the other bodies, when they went the long way around?

Mr. HOLBROOKE. My understanding is that they had turned off a section, left-handed, into South Main East, and the motor was situated by a curtain. That is my understanding, it was just by a curtain. That is where they found it.

Chairman PERKINS. In your judgment, was there methane beyond that motor, or would it have come into that section, back to the motor?

Mr. HOLBROOKE. Yes, it would. It will build up and come back.

Chairman PERKINS. Approximately how far was this from the last bodies?

Mr. HOLBROOKE. Mr. Perkins, I would have to have a map to tell that. I could not say how long this entry was, or anything like that.

Chairman PERKINS. But to the best of your knowledge, from what you have understood from reliable sources?

Mr. HOLBROOKE. I would not know how far that entry was. I never measured it. There is a scale on the map, any map, for the distance of the entry, and the levels of any entry. I could not say how far it was up by. I was never in that entry. I would not know.

The only thing I know, I looked at the map and did not measure it, because there was not any scale. I asked them for a map, to give me a map, and they gave me one, but

there was not any scale on that map they gave me.

I don't know what the scale of that entry was, whether it was on a 60 foot center, or whether it was a 75 foot center, or what. I did not know because there was no scale on the map. What I mean by scale, footage per linear foot.

Chairman PERKINS. Tell us why you say that that explosion was caused by the spark from the motor?

Mr. HOLBROOKE. In my opinion, just like I said, when this motor was there there was no ignition by the curtain. There was no source up there to cause the explosion, not enough oxygen. This air, my understanding was, was sent to this working section because of the men who were up there from the first explosion.

My understanding is that when they went through that curtain, it gave them enough air. You had the right amount of mixture of methane present. When the compressor kicked on at that instant, you had to have an explosion.

There was the right amount of air, and the right amount of methane, from five to 15 percent, with the right amount of oxygen with it, with the right source which could be this compressor, she had to blow up. There was no alternative.

Now, Mr. Perkins, if this had been properly closed off to begin with, there would not have been the ignition because there would not have been enough methane. This entry was not fire-bossed, and you have to fire boss if you have this source there. If you short-circuit the air from any entry, with methane present, you have to have ignition if you put the spark to it.

Chairman PERKINS. You make that statement because of your experience there in the Scotia mine before you quit. You told people that it was going to blow up.

Mr. HOLBROOKE. Yes. There was methane, and plenty of it. There were some places that sufficient air, and you had to be close with it. You had to be close with the air. You had to put the curtain there, you had to move it. If you relaxed on it in any way, it would build up and backup on you if you were welding or cutting, or when you were trouble-shooting with the panelboard cover or the starter cover off of it.

Chairman PERKINS. When they recovered the first bodies, when they recovered the bodies from the last explosion, did they go down the bore-hole?

Mr. HOLBROOKE. No, sir. They went in at the porthole, at the shaft.

Chairman PERKINS. That is when you discovered that your brother was back there?

Mr. HOLBROOKE. They dropped them down the bore-hole.

Chairman PERKINS. This last explosion, I am talking about?

Mr. HOLBROOKE. The last explosion, you are talking about, when the teams went in there to recover the bodies?

Chairman PERKINS. Yes.

Mr. HOLBROOKE. They dropped them down in a bucket, or a crane with a bucket on it. They put the rescue teams in a bucket and dropped them to the bottom, and they walked. It is my understanding, and I got this from hearsay because they would not talk to me, they walked all the way to the bodies without any apparatus on them whatsoever.

Chairman PERKINS. Was that out of the ordinary?

Mr. HOLBROOKE. No, sir, because there was a fan outside from the other side pulling fresh air down through the shaft, pulling it at their back as they were going in. It was pulling it over the bodies. This gave them fresh air with no methane or anything to hamper them. They went straight to the bodies.

Chairman PERKINS. Knowing the contour of the mine as you know it, when they commenced to go through the long way to open up the mine, and you suggested the short way to those bodies, what was the reaction of MESA on that occasion?

Mr. HOLBROOKE. They said, no way would they go down through the shaft. They told us over there that they felt the safest way would be to go through the porthole. I told them, "You know what you are going to run into there." I said, "You are going to run into water, roof-falls. You are going to run into everything. You are going to run into methane." I said, "It will take you from six to seven months, it will take you, I know, six or seven months to get there because I know. You will have to pump this water out because there is no way you are going to go to the other side of the water, no way because the air would be cut off. There is no way that you could get there."

They did not say anything to me. They did not give me any answer. It took them eight and a half months, I think, to go in there, just like I said.

Chairman PERKINS. If someone that was qualified, like yourself, had been permitted to go down the bore-hole to recover those bodies, in your judgment how long would it have taken to recover those bodies, and how would you have proceeded to recover?

Mr. HOLBROOKE. To begin with, I would have taken the air with me. I would have cut the fan off on the other side. I would have put a fan at the shaft with tubing, dropped material down that shaft. I would have taken the air with me, but I would never have let any air get to that motor, none whatsoever. I would have locked it off going to those bodies.

I would have had no air whatsoever going to those bodies. I would have gone just like a rescue team would go there. I would have had one entry going up and one entry going back, that is all. I would have cut the air off in the rest of the mine.

Chairman PERKINS. If that procedure had been followed, how soon could those bodies have been recovered from the time they started?

Mr. HOLBROOKE. Two or three weeks. I understand you had about 2,600 feet. That is my understanding. At least that is what they told us. You would have about 2,600 feet.

Chairman PERKINS. From all of your experience as a coal miner, which perhaps is as great as any other coal miner in the United States of your age, how do you rationalize the situation that took place there at Scotia?

Mr. HOLBROOKE. I think that some one or some people were lax in their safety, in my honest opinion. When you drop your safety, I don't care what mine it is, or where it is at, when you drop your safety programs, you have not got a coal mine, because you have got a mine that is not safe for the employees. So actually you do not have a coal mine. You have something for a man to go in there and harm himself, any person who enters that mine.

Safety is the main thing. If you have good safety in a coal mine, you have good production. As far as Scotia is concerned, I don't know any more. I really don't know any more about it. I have never worked there. I don't know anything about their safety whatsoever. I could not tell you anything because I don't have anything, no affiliation with them whatsoever.

Any company, any organization has to have a safety program, and let me put it this way, and men that enter any coal mine, you have to have men as well as company officials to work a safety program.

Chairman PERKINS. During the last couple of years, after Mr. West left the mine, did you have MESA inspectors in there?

Mr. HOLBROOKE. Yes, sir, there were MESA inspectors in there just about every day.

Chairman PERKINS. It was generally known as one of the most gassy mines in the whole country?

Mr. HOLBROOKE. It is very, very gassy, yes, sir.

Chairman PERKINS. What were those MESA inspectors doing about the times when you deenergized the mine? Did you ever talk to them about that? Did they ever ask you about it?

Mr. HOLBROOKE. No, sir. They never asked, I knew better than to work my men in the area of where there is methane gas and not oxygen to move it. I knew better. I did not discuss it with them.

Myself, I knew how to take care of my men. I knew how to take care of the things that were in there. I knew to kill that power, to kill that source.

Chairman PERKINS. Was there a difference there at that time than when Mr. West was there?

Mr. HOLBROOKE. He would make them put it up. We would tell them that they had to put it there, and they would put it there.

Chairman PERKINS. You did not have that problem?

Mr. HOLBROOKE. Not as much, no, sir. This is my personal opinion. I am giving you my personal opinion. If he would have been there at the mine, I don't think that there would have been an explosion.

Chairman PERKINS. If he had been there at the time, you would not have quit the mine, I presume?

Mr. HOLBROOKE. I don't think so, no, sir.

Chairman PERKINS. Mr. Holbrooke, let me compliment you on your testimony. Thank you for coming here. I had hoped that Senator Williams would come over. I asked him to come. This is the first time that anybody who really knows about the mine has given us any true insight about the conditions and the safety conditions that existed inside Scotia, a man of your training and experience.

I am proud to have known you since you were almost a kid. I also knew your father who is a retired United Mine Worker. There are very few people who are qualified to testify on the situations of this kind.

Tell the committee, in your opinion, whether it was the refusal—Whether in your opinion it was the lack of inspection and appropriate inspection, and suitable inspection, "if this mine had been properly supervised," I believe you stated, you did not feel that this explosion would have occurred?

Mr. HOLBROOKE. No, sir. If it had been properly supervised, and every man would have done his part, no way, sir, would it have happened.

Chairman PERKINS. I believe you told me one time that the negligence, you felt, caused your brother's death.

Mr. HOLBROOKE. Personally, I feel that way, yes, sir. I feel that way, personally.

Chairman PERKINS. You further told me that you told the reporters down there that the law was there, but it was not enforced. Is that correct?

Mr. HOLBROOKE. Yes, sir. We have laws. We have got plenty of laws. We have got laws to protect every man that goes in the coal mine, but these laws have got to be carried out. How can you protect people if they are not carried out.

The only way that you can have safety, as I said, the only way that you can have safety is that everyone gets concerned with it. Then you have a good operation.

Chairman PERKINS. When you quit there in 1969, you said that the conditions were such that they were intolerable, and you made the statement that the mine was going to blow sooner or later. Was that because of the inadequacy of the law, or was it because of the inadequacy of the enforcement?

Mr. HOLBROOKE. It was the inadequacy of the enforcement.

Chairman PERKINS. That is all. Thank you very much.

(Whereupon, at 2:50 p.m., the subcommittee adjourned, to reconvene at the call of the Chair.)

Mr. GAYDOS. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. Mr. Chairman, I thank the gentleman for yielding this time to me. I want to commend the gentleman from Pennsylvania (Mr. GAYDOS) for the splendid work he has done in championing the cause of mining health and safety and steering this bill through the committee legislative process and bringing it to the House floor again so that we may vote on legislation that is vitally important to the miners of America.

In the floor discussion of this legislation last year it was at one point alleged that this was something that was forced upon the working people, that it was not generated by the workers of America, but was, rather, invented by someone on high.

I would like to point out to my colleagues that this legislation is supported very strongly by the rank and file of the mine workers in my district. I circulated a letter among all the steelworker unions in my district, describing the principal features of this bill, and I might add that we have the largest iron ore mines in the entire United States in the congressional district that I represent. This legislation was discussed at regular local union meetings. It was voted on by the rank and file steelworker members, some 15,000 strong in northeastern Minnesota, and was unanimously supported in all of its aspects.

The legislation is vitally necessary to the future of mine safety for the workers. I know because I grew up in a miner's family. My father worked some 26 years in underground mines and then 13 years in an open pit mine. For years, he was chairman of the safety committee of Steelworkers Local 1663 at the Godfrey underground mine near my hometown of Chisholm, Minn.

I worked in the mines myself, earning my way through college. I saw the conditions, I know what we are talking about.

What we are talking about here is a division of responsibility for health and safety between MESA and OSHA.

What we are talking about is the failure of the Department of the Interior to administer a program that is principally in the interest of the workers because that department of government is principally interested production. There is a big gap between the role of the Department of the Interior under the Metal and Nonmetallic Mine Safety Act and the health and safety responsibilities of the Department of Labor, and the workers have been caught in the middle. There have been numerous incidents that have made this legislation necessary and caused it to come to the floor of the House today.

I would just like to relate one of the cases that was submitted to me by Willard Anderson, President of Local Union 2660, United Steelworkers of America at Keewatin, Minn.:

The problem involving dual jurisdiction between the Bureau of Mines (MESA) and OSHA that helped create the problem that resulted in a six-week safety dispute between the employees and the mining company was due to MESA claiming that they had no jurisdiction in the operation where heat was applied, as that part of the operation belonged to OSHA. Therefore MESA refused to inspect the area of the traveling grate or the kiln area as the temperature gets up to 2400 degrees Fahrenheit in these areas. OSHA refused to inspect the above area as they claimed the iron ore mining, including taconite, was the responsibility of MESA.

And MESA refused to inspect the grate, so the miners went out on strike and they stayed on strike for some 6 weeks.

The district director of Steelworkers District No. 33, at that time, Peter Benzoni, wrote to me, stating that the Secretary of the Interior's advisory committee, whose duty it was to revise and develop safety and health standards, indicated that there were something like 200 standards that the Secretary had not yet promulgated as of the end of 1976.

He stated:

This has been one of our chief complaints and criticisms of the procedural aspect of the present metal and nonmetallic mine safety law.

Harold Engelhart, the legislative chairman of District No. 33, Local Union No. 4757 at Babbitt, Minn., wrote to me and said:

Also in this regard, many areas where heavy welding is required and no suitable exhaust system is available, they do nothing about the situation because they state that no welding is being performed at the time of their inspection. This is true, even when the employer admits to the fact that heavy welding is done in these areas.

All these are examples of the failure of MESA to carry out the law that Congress has enacted.

Mr. Chairman, the growth of mining parallels the growth of our Nation. Many of the great advances that Americans have experienced were made possible through the toil of our miners, but these gains were not without their price, for the history of mining is filled with death and disaster. In the last 10 years coal, metal, and nonmetal miners have suffered 3,743 fatalities and 213,054 more disabling injuries. According to the National Safety Council, a miner's chances of getting killed are more than eight times as great as those of a laborer in manufacturing.

The energy crisis has made us aware of the need to accelerate our production of coal; every day we face a growing demand for other mineral resources. As the economy places more and more emphasis on mineral production, we will increasingly depend on our miners to supply our resource needs. During this time of rapid expansion of mining activity we must be especially careful not to overlook the safety of our Nation's miners, for with increased production comes increased need for better protection for the sometimes forgotten miner. The obligation is also greater for us in Congress to act without delay on legislation to insure adequate health and safety protection for miners.

Just as we rely on our miners for our resources, they depend on Congress to assure the safety of their workplace. Federal responsibility for miners' safety is now split between two vastly different acts, the Federal Metal and Nonmetallic Mine Safety Act of 1966 and the Coal Mine Health and Safety Act of 1969. The enforcement of both comes under the Federal Mine Enforcement and Safety Administration of the Department of the Interior. This situation has proven inadequate, especially for metal miners, because provisions of the Federal Metal and Nonmetallic Mine Safety Act are much too weak to afford proper protection to the miners and enforcement of that law is left to an agency of Government whose primary purpose is development and production of mineral resources, rather than the protection of the miner. I would like to quote again from Mr. Benzoni:

. . . the basic problem is that there is a conflict with the Department of Interior attempting to do its work of expanding the mining of domestic mineral resources and at the same time trying to administer real honest-to-goodness health and safety for the worker.

To further illustrate some of the specific inadequacies, let me quote again from Harold J. Engelhart:

When MESA (Mine Enforcement and Safety Administration) inspectors come on the property to take dust samples it is most often just after a rain storm and the rock being crushed and hauled is wet.

In addition:

. . . when the inspectors once enter onto the property, the employer has the opportunity to clean up ahead of them as they go about their tour.

Even when an inspector is doing his job conscientiously and reporting things as he sees them, often his recommendations will be reversed by his supervisor.

Such conditions are intolerable and should have been corrected long ago. To make needed corrections I introduced H.R. 3769 earlier this year, to codify the various mining health and safety laws into a consistent and comprehensive program providing better statutory protection to hard rock miners by upgrading the provisions of the 1966 Metal and Nonmetallic Mine Safety Act. My bill also would transfer enforcement of the Coal Mine Act and the Metal and Nonmetallic Act from the Department of the Interior, where, as I have pointed out, a production-oriented approach to mining has led to a serious oversight in the carrying out of their safety functions, to the more worker-oriented Department of Labor.

Although my bill was not reported by the committee, similar legislation, H.R. 4287, sponsored by our colleague, Congressman GAYDOS, chairman of the Subcommittee on Compensation, Health and Safety, was reported out and is the bill we are considering on the House floor today. This bill incorporates a great many of the features of my proposal, including the essential transfer of programs from Interior to Labor.

I strongly support the subcommittee bill because I am convinced it effectively

does the job of achieveing much needed mine safety reform. Not only will the miners in my own district benefit from such legislation, but all miners in all States will enjoy greater safeguards for their well-being; in fact, the entire American mining industry will benefit from mine strengthened standards.

I know from my own family life what miners go through, the risks they are exposed to. There is nothing like that kind of personal experience to impress indelibly upon an individual the grave dangers that miners face. That is why I am committed to insure that our miners get the most effective Federal mine safety program possible, the kind of protection for life and limb which they need and deserve.

What we are going to do today in this legislation is move the metal and nonmetallic mine safety program out of the Department of the Interior where the principal concern is for production and development of mineral resources, and put that program in the Department of Labor where the principal concern is with worker health and safety, and I would strongly urge my colleagues to support H.R. 4287 and to enact it quickly into law.

Mr. SARASIN. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. RUPPE).

Mr. RUPPE. Mr. Chairman, I rise in support of H.R. 4287. It makes good commonsense. We all know that there are differences between the safety and health problems incurred in coal mining and those incurred in mining for metals and such nonmetals as clay, gypsum, potash, and salt, but there are also many similarities. Many workers in metal mines and mills, for instance, are exposed to dust which produces a lung disease similar to the coal miners' black lung disease we hear so much about.

This bill recognizes the similarities by providing that safety and health standards for all miners be developed by the same department following the same procedures. All standards thus developed will be given "teeth" with equal enforcement "bite."

Differences are recognized by permitting specific standards to be tailormade for different types of mining. Indeed, this bill permits standards to be varied mine by mine if alternative standards are devised which guarantee that equivalent or better levels of safety can be achieved.

Consistent with the President's wishes, this bill gives the Department of Labor total and comprehensive responsibility for the protection of the safety and health of all miners. Since OSHA already enforces health and safety regulations in mine-connected milling and smelting operations, and since occasionally there are jurisdictional conflicts between OSHA and MESA inspectors, the Department of Labor seems to me to be a sensible roof under which to house both agencies. I wish to emphasize, however, that I believe the Department of the Interior has done an excellent job of administering the Metal and Nonmetallic Mine Safety Act of 1966. MESA has worked very closely with both labor and management to develop and implement strong health and safety standards.

The Metal and Nonmetallic Mine Safety Act authorized the creation of an advisory committee to assist the Secretary by advising him on all matters relating to health and safety in the mines. Over the years I have heard many compliments from individuals associated with both labor and management about the usefullness of the Federal Metal and Nonmetallic Mine Safety and Health Advisory Committee as a forum for exchanging ideas and expressing the viewpoints of the workers, the operators, and the State safety agencies.

I am very proud that extremely knowledgeable spokesmen associated with mining in Michigan such as Ernest Ronn of the United Steelworkers of America, Robert Neal of the Cleveland-Cliffs Iron Co., and Dr. James Boyd formerly of the Copper Range Co. have served on the advisory committee. It is my hope that the expanded scope of the advisory committees authorized by this bill will encompass the expertise and experience that the MESA Advisory Committee has fostered.

Mr. Chairman, I believe the approach adopted by this bill makes sense. The diligence to which we are awakened by coal mine disasters, whose similar and spectacular nature shocks us and moves us deeply, should not be lost to the coal miners' colleagues who mine our copper, lead, zinc, iron ore, limestone, phosphate, potash, and other minerals and who face similar—if less dramatic—dangers.

Fatalities and disabling injuries in mines have shown an encouraging downward trend in recent years. Let us hope that this trend will continue and accelerate as we streamline and consolidate the governmental procedures we have designed to protect our miners. It is with the spirit of cooperation, and not of confrontation, that the reorganization of our mine health and safety agencies should go forward.

Mr. GAYDOS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. ROSTENKOWSKI, having assumed the chair, Mr. GONZALEZ, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4287) to promote safety and health in the mining industry, to prevent recurring disasters in the mining industry, and for other purposes, had come to no resolution thereon.

AUTHORIZING CLERK TO CORRECT ENGROSSMENT OF H.R. 2777, NATIONAL CONSUMER COOPERATIVE BANK ACT

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to correct the engrossment of the bill H.R. 2777 by changes in cross references and by deleting the word "the" on page 52, line 23 where it first appears.

The SPEAKER pro tempore (Mr. LE FANTE). Is there objection to the request of the gentleman from Ohio?

There was no objection.

LIMIT IMPORTS TO SAVE JOBS

(Mr. ADDABBO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ADDABBO. Mr. Speaker, many of us serving in Congress have for years sought to stem the tide of imported products which are produced with cheap labor and which have driven American companies out of business because they could not compete.

There is hardly a single industry in America that has not been hurt by this invasion of foreign products and it is ironic that many of these foreign industries were set up with the help of American foreign aid or through the sharing of American industrial expertise.

We could go down the list of American industries which were all but destroyed by this unfair competition, but we really have no need to do so. All we have to do is travel throughout America and see the empty small towns of the Northeast, Southeast, the Plains States, and Western America. Where there were once factories there are empty hulks and where there was once thriving industry there is unemployment, deterioration and fear of the future.

We can walk through the central cities and see the lack of jobs where once small manufacturers offered employment and training to those who came to the cities with few, if any, salable skills.

There has been little to be encouraged about in recent years. But now, I am happy to say, the Carter administration has made some move to save jobs by limiting imports. As far as I can determine, that is the only action the administration could have taken that would stem the flow of dollars overseas and which would offer American industries respite from the onslaught of cheap imports.

Human rights, like charity, should begin at home, and we cannot help the rest of the world better itself until we take the actions that will provide jobs for our citizens. The Carter administration has taken a useful and proper first step, and I—for one—only hope it is willing to go as far as is necessary to correct the imbalances that exist today. I am also encouraged by the fact that a June 30 New York Times editorial expresses the same sense of concern that so many of us in the Congress have stated.

The Times very properly notes that the time for theorizing is over. If we are to solve a very real problem, we must take pragmatic action to protect our Nation.

I commend this editorial to you and I would hope that every Member of this House would read it. I would further hope that those of you who might have philosophical doubts about trade restrictions take a good look at America today. Unemployment is high because jobs have disappeared and the reason the jobs have disappeared can be traced

directly to the tidal wave of products from overseas.

Mr. Speaker, I ask unanimous consent to insert the New York Times editorial of June 30, 1977, into the CONGRESSIONAL RECORD.

WHEN FREE TRADE HURTS

International trade benefits the United States and its trading partners. Free trade, unfettered by tariffs or quotas or other interventions, allows each country to specialize in goods it produces most cheaply, thereby increasing the income of all. That's what the textbooks say, and for the most part, they are right.

But what is the United States to do when its open trade policy promises to destroy the livelihood of hundreds of thousands of Americans? That question has become particularly acute because many of the jobs now threatened by imports are held by the working poor in the shoe, garment and other light manufacturing industries. These are the workers least able to bear long periods of unemployment or to fend for themselves in the job market. Moreover, their employers are frequently the largest businesses in small towns, leaving entire communities vulnerable to destruction by imported goods.

What comfort do free traders have to offer these victims of imports? The Trade Act of 1974 provides "adjustment assistance"—combining higher and longer-lasting unemployment benefits to workers and subsidized loans for conversion and modernization to businesses. But the scale of this aid has been so modest—and its distribution so encumbered by red tape—that labor has rightly dubbed it "burial insurance." The unions propose instead to have jobs by limiting imports.

The Carter Administration has done precisely that, negotiating temporary ceilings on the importation of shoes from Taiwan and South Korea. The Administration is also considering a freeze on the 30 percent share held by imported textile and clothing in the American market under existing agreements.

The sad fact is that free-trade advocates have no realistic and ready alternatives to propose. So they must reluctantly recognize some value in these "orderly marketing agreements"—at least where they serve to protect relatively low-paid and low-skilled workers for whom no new trades can easily be found. And politically they relieve the pressure for harsher measures of trade protection, such as permanent and indiscriminate tariffs or quotas, which would raise profits and wages in domestic industries that are perfectly able to take care of themselves.

It ought to be recognized, however, that both the political and economic costs of such marketing agreements will be considerable. The industries that are most vulnerable to imports—shoes and clothing—will need even more protection in the future, not less. Permanent protection would simultaneously deprive American consumers of less expensive goods and the poorer nations of the opportunity to grow through trade with the rich. And eventually it will be difficult to offer unending protection to the neediest industries while denying it to the giant steel and automobile companies.

Administration economists are just beginning to think seriously about a more realistic program of trade adjustment assistance. They propose, to begin with, an experiment in the shoe industry, combining substantial unemployment benefits and offers of public employment with measures designed to wean communities from dependence on dying industries. These measures will include large guaranteed loans to pay for more efficient equipment in existing plants and tax incentives to attract new kinds of industry to troubled regions.

But the Federal Government has a poor record of providing useful public jobs and administering business-loan programs. This record of disappointment counsels caution and careful planning. But it cannot justify resignation to protectionism on the one hand, or the abandonment of workers and communities to the harsh discipline of the free market, on the other. Adjustment assistance represents the best hope of making free trade work. It is worth a heroic effort.

PROTECTING OUR CHILDREN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. FISH) is recognized for 20 minutes.

Mr. FISH. Mr. Speaker, on June 27 I introduced H.R. 8030, legislation that provides criminal penalties for child abuse and neglect within Federal jurisdictions, and provides a model law that States must adopt in order to receive grants under title I, part C, of the Omnibus Crime Control and Safe Streets Act of 1968. The administration of this program will be handled through the LEAA, which will direct the assistance through State law enforcement agencies.

With increasing regularity, headlines have appeared in every newspaper in this Nation bringing to our attention the scope and degree of the problems of child abuse and neglect. Some frightening examples include: "Expert Says Lucky Child Abuse Victims Are the Dead"; "Children: Limits of Pornography"; "Child Abuse Reaching Epidemic Proportions"; and "Child Abuse Reports Up—85 City Deaths Reported."

Experts have estimated that during the past year more than 4 million children have fallen victim to abuse or neglect. Actions included in these categories are the use of children in pornography, torture, physical beatings, confinement to closets or basements for long periods of time, starvation—actions inconceivable to most of us. It is important to understand that parents are not the only perpetrators—public and private agencies and institutions are among the greatest offenders in the area of child abuse.

I recently read an article in Children's Express magazine citing the plight of a 15-year-old girl, Thelma, and giving her inside view of institutions. I would like to insert part I of this article in the RECORD for the enlightenment of my colleagues:

CHILDREN IN TROUBLE, PART I: THE STORY OF THELMA

(By Jerry Mason, 12, and Jared Hoffman, 13)

I'm really mad that in order to escape from people like that the only solution is to go to an institution. You're supposed to be able to get something better than what you have been to. Instead they treat you like a criminal I mean, if another man beat you up your parents could sue them. If your parents beat you up, why can't you sue them? It's like you're being punished, and I don't think that's right. You're the person that is being abused, and I think that it is the parent that should go to jail. That is what you do to anyone else. Children are not property. That is the way they are treated by the U.S.

Express Reporters: Are you surprised by the fact that in the last year more money was given to The Society for the Prevention of Cruelty to Animals than to The Society for the Prevention of Cruelty to Children?

Thelma, age 15: No, I'm not surprised. Nobody really cares about these children. That's how it is, and I really don't think it will ever change because people aren't aware of how these institutions are run and the people that are aware really don't care because they are making money. Lots of money is made in these institutions. The Bureau of Child Welfare pays close to $40 a day for one person to live at my shelter.

I'm at the Children's Shelter because I ran away from home over a year ago. I ran away not because I was abused, but because I started to hate my father. I mean, I just really hated him. I couldn't live in the same house as him, so I ran away. My father found me and he beat me up. I got sent to the hospital and from the hospital they called the Bureau of Child Welfare.

Then I went to court five times. Finally, my father showed up and he admitted to the charges, and now I am in the custody of the warden. Supposedly soon, a smaller unit will be found for me. That is where I am until I'm 18.

It is a vicious cycle. What happens is, people from minorities and the lower working class come home and they are frustrated and they abuse their children. The children get sent to these institutions. Institutions don't offer them any alternatives, so they just stay there, they are not exposed to anything, they don't get any culture. They are there until they are 18 when they get placed on welfare. Then they are frustrated and they abuse their kids, and this cycle has been going on for years . . . .

Now, even with all of the things that are happening to me, at least I know where I am going to be tomorrow. When I was living out, like living with different friends, I really didn't know where I was going to be tomorrow and I was really strung out. I was unbelievably depressed, and nothing really mattered too much. I never felt like going to school. I didn't really want to be around people whose parents were supporting them and they were going home from school, and they didn't know what it was like to be starving or to be strung out or to have to look for a job. I didn't want to associate with people like that because they couldn't understand what I was going through.

I went to a lot of religions. My favorite, which I stuck to the longest, is the "born again" Christian. That was my favorite because you see during the time that I had gotten beat up by my father, when I was first at the Shelter, a girl threatened to kill me. I have never been with these type of girls.

They were acting out people. When I say acting out, that is a term that is used for people, that when they get angry, they throw chairs around or start kicking in windows. That is the only way that they know to let out their anger, because that is the way their parents know to let out their anger.

I was afraid of them, I was intimidated. I was a weak person then so I needed something to help me through and believing in God helped me and gave me something to believe in because there was nobody there to help me.

The Children's Shelter is complete institution. Nobody there really cares about anything that you do, there's no caring at all. You are placed into a dorm that has no privacy. There are about 17 beds, and you just get a bed. Whether you go to school or not nobody really cares. Half of the kids don't even attend school. They feed you things that are complete carbohydrates. They don't give you protein. To go to the nurse you have to have a pass, I mean, it is such an institution, there is no caring.

I should have been placed in a group home in July. A group home is a small unit of an institution. A group home usually will not hold more than 12 people at the most. Sometimes they are coed, usually they are not. Usually two or three people will share a room and it's supposed to be set up as sort of a family. You are supposed to feel that each member of the group home is a member of your family, and you'll have people that work there permanently called House Parents. In my case, it is slow and bogged down because I won't allow them to just send me any place. A lot of people would just get sent any place, and they get sent to these really weird places. Like, for example, they wanted to send me to a place called St. Agatha's for Catholic Girls and I refused because I said, "For one thing, I'm not Catholic; I'm not going to live in a place with nuns, and I don't want to move out of the city." I said, "I'm not going to live in a large residence with 100 people until I'm 18. I can't make it."

I really don't know very much about the Bureau of Child Welfare. I can only say one thing, that the people at BCW don't know the people they are working with. For instance I have three workers; I have an allocations worker, I have a care worker, and I have my care worker's supervisor. None of them ever met me. They don't know what I look like. All they know is what my psychological tests said.

I was only at the shelter two days before I had to be evaluated by this psychiatrist. My psychological is very bad you know. It says I'm unbelievably depressed and BCW places by that file. That was last April.

The allocations worker is supposed to find a group that is right for me, but she's never met me, she doesn't know what kind of person I am. How can she find a group? It is something I am having a problem with now. And my care worker is supposed to solve any problems I have, so if I need counseling, if I need anybody to be with me and to talk with me, she is supposed to be there for me. Obviously, she is not. I've never met her. And this is the same for all the people there, I mean. I'm not just one special case. We're starting counsels (some of the people there that are really concerned), to improve the shelter so that the children there have an active part in what goes on.

I would say. if you know that you can't live at home, run away. But know everything that can happen to you. Don't let yourself be strung out . . . Decide which is the less of the two evils. I mean I was lucky. A lot of runaways end up prostituting on the streets, because you have no money, and if the cops pick you up, they'll send you to reform school. I was lucky, I had friends, people I could live with. Sometimes if you can get somebody from BCW interested in you, they'll try and send your family to the counseling center, but I don't think the city is doing that anymore. I think they're cutting that out. Too expensive . . .

It seems cruel, but I wouldn't want to help people in the situation I am in because it's too painful. Because I have been there. I know what it is like and I couldn't really be there for somebody who's going through the same thing. It would be too close to the heart for me.

Mr. Speaker, the problem I am talking about does not confine itself to any particular economic or social group. It cuts across the social and economic spectrums. In an article on child abuse that appeared in the Putnam County Courier in my district, Dr. Judianne Densen-Gerber, J.D., M.D. was quoted as saying, "I think there are four million children in danger of their lives." She went on to describe the "lucky ones"—the ones who could not be hurt any more—the ones who were dead.

As my colleagues are aware, Congress passed the Child Abuse Prevention and Treatment Act in 1974 in an effort to effectively deal with this outrage. In addition, many States have adopted State child abuse laws in an attempt to solve this problem. But the effort has not been successful, and we are left with no uniform strategy to eliminate child abuse and neglect from our society.

For this reason I have introduced H.R. 8030. I feel it will fill the void between Federal, State, and local attempts to curtail abuse and neglect.

This was not easy legislation to draft. Many points of view had to be taken into consideration—the privacy and integrity of the individual and his home must be protected and guaranteed; recognition that abuse is usually the result of emotional problems and neglect the result of social problems; the fact that institutions were as guilty as parents; understanding that parenthood is taught and so abused children, in turn, become abusing parents; recognition that the jurisdiction of the State must be maintained, and soforth.

With these points in mind, I have studied the various State laws, research and studies of the American Psychiatric Association, and other reports. I feel my resulting legislation is a sound approach to the problems of abuse and neglect, and offers children and other parties concerned protection under the law.

My legislation will establish a uniform approach in dealing with child abusers by providing counseling for first-time offenders and criminal penalties for habituals within the special maritime and territorial jurisdiction of the Federal Government, and by providing financial assistance to States that adopt this law or similar statutes as part of their State law.

It also provides definitions for abuse and neglect; establishes mandatory reporting provisions; protects the confidentiality of all records subject to a fine and/or imprisonment, defines child pornography as abuse subject to criminal penalties; and, due to the number of cases of abuse that involve State and private social agencies and institutions, puts the administration of the law under the State law enforcement agencies.

I am inserting a copy of H.R. 8030 below:

H.R. 8030

A bill to amend title 18 of the United States Code to establish penalties for certain crimes against children in the special maritime and territorial jurisdiction, to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 to require the States to have similar criminal penalties as a condition of grants under such title I. and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 18 of the United States Code is amended by inserting after chapter 81 the following new chapter:

"Chapter 82.—PORNOGRAPHY DEPICTING CHILDREN AND OTHER OFFENSES INVOLVING OR AGAINST CHILDREN

"Sec.
"1671. Abuse or neglect of child.
"1672. Mandatory referral to courts.
"1673. Mandatory reporting.
"1674. Confidentiality of records.
"1675. Definitions.

"§ 1671. Abuse or neglect of child

"(a) Any person or other entity, in the special maritime and territorial jurisdiction of the United States, having custody in law or in fact of a child that abuses or neglects that child shall be punished as follows:

"(1) In the case of a first offense under this subsection by an individual, if such offense was not the sexual abuse of a child or the neglect of a child involving knowing failure to protect the child from sexual abuse, the offender shall be sentenced to appropriate counseling and education, after examination by a court-appointed psychiatric examiner.

"(2) In any other case, the offender shall be imprisoned for not more than fifteen years and fined not more than $15,000.

"(b) The court shall order appropriate counseling and institutional or other care for any child that significant credible evidence suggests was abused or neglected in violation of subsection (a) of this section, whether or not there has been a conviction under this chapter for such abuse or neglect.

"§ 1672. Mandatory referral to courts

"In any criminal or civil case coming before a court of the United States, the court shall make an appropriate referral to any State, territorial, local, or other court that has jurisdiction with respect to any probable child abuse or neglect.

"§ 1673. Mandatory reporting

"(a) Whoever believes or has reason to believe that a child has been or is being abused or neglected in violation of this chapter shall have the duty so to report to appropriate law enforcement officials. Whoever knowingly fails to make such report shall be fined not more than $5,000.

"(b) Any person making a report under subsection (a) small be immune from all civil or criminal liability in any judicial proceeding resulting from such report unless the report is made in bad faith or with malicious purpose.

"§ 1674. Confidentiality of records

"(a) In order to protect the rights of the child and parents and guardians, all records concerning reports of child abuse or neglect, including reports made to any official, agency, or employee of the executive branch of the Government, for the purposes of prosecution under this chapter, and all records and reports generated as a result of such reports, shall be confidential except as specifically provided by this chapter or other law. Whoever willfully permits, assists, or encourages the release of information contained in such reports or records in circumstances where such release is not permitted by this section shall be imprisoned not more than one year or fined not more than $5,000 or both.

"(b) No person, official, or agency shall have access to any such records unless for the express purposes of this chapter or of a State, territorial, or other law relating to child abuse or neglect.

"§ 1675. Definitions

"As used in this chapter—

"(1) the term 'abuse' means, with respect to a child, a physical, emotional, or mental injury inflicted on a child other than by accidental means, or such an injury at variance with the explanation given that injury by the person or other entity having custody in law or in fact of such child at the time such injury occurred, and includes physical, emotional, or mental injury inflicted as the result of sexual behavior;

"(2) the term 'neglect' means, with respect to a child, the failure or refusal to provide, when able in fact to do so, for the legally required support, education, care, and maintenance of such child, and also

includes the knowing failure to protect such child from sexual or other abuse, when able in fact to do so; and

"(3) the term 'child' means a person—

"(A) who has not attained the age of eighteen years; or

"(B) who is mentally retarded."

SEC. 2. The tables of chapters for title 18 and for part I of title 18 are each amended by inserting after the item relating to chapter 81 the following new item:

"82. Pornography depicting children and other offenses involving or against children ..... 1671".

SEC. 3. (a) Title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by adding at the end of part C the following new section:

"SEC. 310. No grant shall be made under this part to any State that does not have in effect throughout its jurisdiction—

"(1) substantially the same criminal penalties for substantially the same offenses and the same treatment provisions as are provided for child abuse and neglect in the special maritime and territorial jurisdiction of the United States in section 1671 of title 18 of the United States Code;

"(2) substantially the same rules on mandatory referral of child abuse and neglect cases to appropriate courts as are provided in section 1672 of such title 18;

"(3) substantially the same rules and penalties as to mandatory reporting (including immunity provisions) as are provided in section 1674 of such title 18; and

"(4) substantially the same rules and penalties as to confidentiality of records of child abuse and neglect as are provided in section 1674 of such title 18.".

(b) Section 301(b) of such Act is amended by adding at the end the following:

"(15) Programs and projects to protect children and the mentally retarded from the types of abuse and neglect that are prohibited under State law and to enforce State and Federal law as it pertains to such abuse and neglect, including the treatment of offenders under such law and children found to be abused or neglected.".

Mr. Speaker, the lives of countless children depend on the swiftness of congressional action—and action must be taken.

THE ROTH-KEMP TAX REDUCTION ACT OF 1977 PARALLELS THE KENNEDY TAX REDUCTIONS OF THE EARLY SIXTIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York, (Mr. KEMP) is recognized for 10 minutes.

Mr. KEMP. Mr. Speaker, rising unemployment and inflation in America today are unacceptably high, while real investment and aftertax incomes of Americans are lagging. Senator ROTH of Delaware and I, today, introduced the Kennedy tax rate cuts of the early 1960's, in order to combat both unemployment and inflation.

According to recent figures from the Bureau of Labor Statistics, for example, the cost of living for middle income families in the United States went up 78.9 percent between 1967 and 1976. At the same time, personal income taxes on middle income families went up 110.5 percent.

Perhaps even more disturbing is the weakness of capital spending by business for modernization of plant and equipment, which creates the jobs America needs for the future and leads to higher real wages. Over the past several years the rate of capacity growth in manufacturing has slowed considerably—from 4.6 percent between 1948 and 1968, to 4 percent between 1968 to 1973, to a current level of about 3 percent. The United States, in fact, is lagging behind nearly all OECD countries in the rate of investment and is not keeping pace with our need to create jobs, combat pollution and fight inflation as well.

On top of this situation, President Carter has proposed huge tax increases for social security and energy, the Internal Revenue Service wants to tax fringe benefits, and the administration's tax reform efforts are aimed at raising taxes on investment income and capital gains.

At the same time, inflation continues to increase everyone's taxes daily, as individual incomes are pushed up into higher tax brackets. This phenomenon has been calculated to raise individual income tax revenues 1.5 percent for every 1 percent rise in the Consumer Price Index. It will raise the real estate tax burden on the American people by approximately $5 billion this year alone, and will raise effective tax rates on all Americans by as much as 30 percent by 1980 if unchecked.

President Carter has thus far chosen to deal with this problem largely through rhetoric. He talks about balancing the budget, reducing taxes, cutting inflation and unemployment, and lifting the burden of Government off of the American people. While I commend him for these fine goals, I have seen very little of substance to indicate they will ever be met, or can ever be met in a contracting economy.

We believe that immediate, decisive action is needed to reduce taxes and get the economy moving again, and restore a high level of real growth and job creation without inflation. This can only be done by reducing the tremendous burden of taxation on the American people, which is discouraging incentives to work, production, saving, and investment. Increasing the after-tax reward for work and investment will lead to an increase in real output of goods and services, thus creating prosperity for the people and more revenue for all levels of government.

We cannot wait until 1979 or 1980 to see tax reduction implemented. The American people and the American economy need it now, particularly in the Northeast where the after-tax disposable income of the people, adjusted for cost of living and inflation is among the lowest in the country. By lowering the Federal tax rates, the Northeastern States will receive tremendous economic benefits without penalizing other areas of the country in the process.

President John F. Kennedy said in August 1962:

The single most effective fiscal weapon available to strengthen the national economy is the Federal tax policy. The right kind of tax cut at the right time is the most effective measure that this Government could take to spur our economy forward. For the facts of the matter are that our present tax system is a drag on economic recovery and economic growth, biting heavily into the purchasing power of every taxpayer and every consumer.

I would only add that not only is our present tax system biting into the purchasing power of American taxpayers and consumers, but it is strangling the incentives for investment and saving that are so necessary to the production of goods and services.

To put a balanced budget ahead of full employment without inflation is not only cruel politics, it is poor economics.

Just as President Kennedy's tax reduction was enormously successful in the early 1960's, we believe that a tax rate reduction of similar magnitude will have similar results today. This is why I am introducing a bill today, together with my colleague, Senator WILLIAM ROTH of Delaware, to make the following tax rate reductions:

Reduce all individual income tax rates by an average of 30 percent over 3 years. This will reduce the highest individual tax rate from 70 percent to 50 percent, the lowest rate from 14 to 8 percent, and all other rates in between by a comparable amount;

Reduce the corporate tax rate from 48 to 45 percent over 3 years; and

Immediately reduce the corporate surtax exemption for small business from $50,000 to $100,000.

Almost two-thirds of the tax reduction will go to families with adjusted gross incomes below $30,000, 40 percent will go to families with incomes below $20,000. As inflation has pushed more and more families into higher tax brackets in recent years, more incomes have been affected by the progressive nature of our marginal tax structure. For instance, in the early 1960's about 5 percent of all tax returns were subject to the marginal tax rate of over 30 percent. Today, nearly one-third of all tax returns are in 30 percent tax brackets or above and it is increasing daily.

This increase in after-tax income can be expected to have a highly expansive effect on the economy, as the incentive to work, produce, and invest is encouraged. The estimated effect on employment and gross national product is the following:

	GNP (Billions)	*Employment*
1978	+$43.4	+1,218,000
1979	+$95.5	+2,547,000
1980	+$157.4	+4,000,000

Source: Norman B. True, Inc.

Because of this increase in employment and GNP, Government tax revenues will increase also. Indeed, within a short time the Government will be collecting more tax revenues than it would have in the absence of a tax cut, because the tax base itself will be expanded. This is exactly what happened following the Kennedy tax rate reduction, as this table demonstrates:

Treasury estimated revenue losses:	
1963	—2.4
1964	—5.2
1965	—13.3
1966	—20.0
1967	—23.7
1968	—24.4
Total	—89.0

Actual revenue gains:

1963	+7.0
1964	+6.0
1965	+4.0
1966	+14.0
1967	+19.0
1968	+4.0
Total	+54.0

Lower tax rates will not only provide incentives that encourage work effort and production, but to the extent that these tax reductions reduce the cost of labor to employers they will encourage additional job creation and employment opportunities. Lower tax rates will increase the supply of jobs, generate more taxable income, more tax revenues and lower Government deficits. Further, the reduction of tax rates will diminish the incentive of people to escape taxation and thus have the effect of raising additional taxes from the wealthy. Our proposed legislation maintains the tax rates in proportion to ability to pay. But experience shows that excessively high rates do not produce large revenues. Experience is all in the other direction because when the tax rates on large incomes become too high, revenues disappear, and capital is diverted into unproductive channels, production and investment are discouraged and the small taxpayers and workers are left to bear the entire tax burden of Government spending and borrowing. The only way to relieve the small taxpayer is by getting the largest possible taxes from people with large incomes.

But we do not need a tax rate reduction just for wealthy people, nor do we need it just for low and middle income people—we need to reduce tax rates for all the people to encourage employment, production and economic growth.

While we are not concerned about the exact percentage of rate reductions, we believe that a permanent cut in tax rates is not only economically sound, but politically bipartisan. The people of America must understand that this is their fight, they alone can win it by making their wishes known to the administration and the Congress without regard to partisan politics. They must speak out now and not allow rhetoric to be a substitute for encouraging the industriousness of our free enterprise economy.

At this point I would like to append to my remarks excerpts from an article by an excellent journalist Mr. Warren Brookes of the Boston Herald-American which detail the beneficial effects of President Kennedy's tax reduction program:

JFK TAX CUTS: RECIPE FOR PROSPERITY

(By Warren T. Brookes)

As America ponders its uncertain economic future, with high inflation, high unemployment, spiraling government deficits, and weak investment, it is only natural that economists and pundits alike should be casting about for some "magic formula" for prosperity.

While no such simple "magic formula" exists, we can learn from history what works and what doesn't work. For the past few weeks, we have been carefully reviewing the past 26 years, from 1950 to 1976, to see if it offers any "clues" as to the steps that the next President should take to strengthen our economy.

In this analysis, we asked, in what period did the American worker and consumer fare best in terms of how much they earned, how well they were employed, and how little inflation they had to deal with?

GROWTH RATES AND ECONOMIC INDEXES

[In percent]

	Real disposable income	Real investment	Real output	Money supply	Average annual inflation rate	Total Government spending	Average unemployment rate
1950–55	+17	+14	+30	+16	2.5	+61	4.0
1955–60	+14	+2	+14	+7	1.6	+39	5.0
1960–65	+16	+35	+35	+19	1.2	+38	5.7
1965–70	+21	+1	+19	+29	3.6	+65	[1] 3.4
1970–76	+17	+4	+15	+38	6.0	+87	5.9

[1] Indicates war years with major draft.

No objective economist reviewing this history can fail to come up with the same conclusion we reluctantly came to: The best economic record of any government in the past 26 years was under John F. Kennedy, from 1960 to 1965. During this period, which included one "Eisenhower budget" and four "Kennedy budgets:"

Real investment growth was the highest in modern history.

Inflation was the lowest in modern history.

Real industrial output growth was the greatest of any period.

Money supply grew less 60 percent as fast as output.

Real disposable income grew the fastest.

Government spending grew the least.

In short, the period from 1960–65 was the fiscal conservative's "dream economy"—with capital investment growing very fast, real output more than keeping pace, while government spending was very modest, and the money supply was under tight control. Both workers and consumers benefited with good wages and stable prices.

Even though the Kennedy economic plan favored stimulating the economy by cutting taxes and modest deficits, it also favored "holding the line" on government spending. In other words, the emphasis was on leaving more money in private hands, rather than "running the printing press" with "easy money." Indeed, Mr. Kennedy's whole economic policy was so "conservative" in orientation, his own brother probably would be very uncomfortable with it today. Essentially it consisted of:

Holding government growth at very modest rates. During Mr. Kennedy's period, federal government spending grew only 28 percent compared with 65 per cent under Johnson and 92 per cent under Nixon and Ford.

Cutting taxes to stimulate growth, rather than increasing government spending.

Holding government deficits at a very modest level. Federal deficits under Kennedy amounted to .2 per cent of the GNP, about the same as under Truman and Eisenhower, and less than 1/10 of the level under Johnson, Nixon and Ford.

Holding the growth of the money supply well below the growth of the economy. Under Johnson and Nixon, the money supply grew more than twice as fast as output! Mr. Kennedy had, by far, one of the tightest money controls of any Administration.

Commitment to free trade, JFK did more to encourage world trade and international economic freedom than any President in history, and in so doing encouraged the growth of U.S. multi-national corporations!

But, the single, most potent thing Mr. Kennedy did was to stimulate the economy, not by big government spending, but by what liberal economists now refer to contemptuously as "trickledown" economics—investment credits to business.

The reason Mr. Kennedy took this route is that during his trip to Germany in 1961, Chancellor Adenauer told him that the way Germany had grown so well was to stimulate heavy capital investment, and strong corporate profits, through tax incentives, both for rapid depreciation, and for re-investment in productivity gains.

Mr. Kennedy was impressed by the sharp contrast of Germany's booming economy with Great Britain's self-destructive labor-dominated welfare state—and he came back and sold the Congress and Big Labor on the biggest set of tax incentives ever given to American industry (including a number that Sen. Ted Kennedy is now trying to repeal).

The strategy worked. During the period from 1960–65, the country had the greatest capital investment boom in its modern history, and, not surprisingly, the greatest growth in real output and productivity, and the greatest growth in real disposable personal income, as government's share of the economy was held at less than 29 per cent compared with 37 per cent now.

The nation also enjoyed the greatest decline in poverty, as millions of Americans were "sucked up" out of the poverty line, not by government welfare programs, but by the "up-draft" of a burgeoning economy, fueled by strong capital investment, real job creation, and rapid gains in productivity.

In short, Mr. Kennedy gave the nation a period of five years of some of the best economic progress in our history and he did it by essentially conservative economic methods—methods which, unfortunately, his own party has not only completely abandoned, but in current years is actively attacking.

Unfortunately, the economic progress of the first half of the '60s was soon aborted, as President Johnson and a free-spending Democratic Congress began to pass every piece of social legislation in sight, and run a major war at the same time, all without new taxes. The result:

Spiraling government spending now growing three times as fast as the nation's real output, and three times as fast as it grew in Mr. Kennedy's years.

Annual deficits bigger than the entire federal budget in 1950!

Real disposable income now at a near standstill.

Inflation at the highest average rate in modern history.

Poverty now increasing for the first time in this century.

Unemployment at the worst level since the 1930s.

Real capital investment is at lowest rate in modern history.

Commitments for future social spending rising at 14 percent a year.

As Thomas Galligan, a Democrat, and

president of Boston Edison put it so well at a Boston conference recently, "President Kennedy, when he was in office, recognized the importance of encouraging capital investment. He was very impressed when he visited Germany and saw what was accomplished there. As a result, he came up with the tax principle of accelerated depreciation which did represent a real improvement in the economy."

Yet mourns Mr. Galligan, "This nation has acted especially in recent years, and I regret, especially in the Democratic party, as though incentives of this type are something bad, or even something sinful."

THE PRODUCT LIABILITY INSURANCE TAX EQUITY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 5 minutes.

Mr. WHALEN. Mr. Speaker, I am today reintroducing the Product Liability Insurance Tax Equity Act—PLITE—with additional cosponsors. This brings to 46 the number of Representatives who are sponsoring H.R. 7711.

When this legislation was first introduced on June 9, I placed an explanatory statement in the CONGRESSIONAL RECORD, page 18324. To summarize very briefly, PLITE is intended to end Federal tax discrimination against those who self-insure for all or part of their potential liability for products or professional services. The bill does this by providing that taxpayers may establish qualified, tax-exempt trust funds for purposes of product or professional liability self-insurance, and that contributions to such trust funds shall be eligible for treatment as a business expense.

If enacted, PLITE would place self-insurers on the same tax footing as those who can obtain commercial insurance coverage. Hence, the label, Tax Equity Act.

A CORRECTION

Mr. Speaker, at this point, I would like to call to your attention an error that occurred when H.R. 7711 was first printed. In section 3(b) two words were omitted inadvertently causing understandable confusion among students of the bill. This error has been corrected in the version submitted today. The corrected text of the body of section 3(b) reads as follows:

> Under regulations prescribed by the Secretary, a taxpayer shall be allowed a deduction under subsection (a) for any contribution during the taxable year to any trust only to the extent that such contribution does not exceed the reasonable cost to the taxpayer (but for such trust) for insurance for such year for the payment of product liability claims and expenses directly related to the investigation and settlement (or opposition) of such claims.

COSPONSORS OF PLITE

At this point in the RECORD, I wish to insert the full list of cosponsors of H.R. 7711, the Product Liability Insurance Tax Equity Act. Of course, I am still seeking additional cosponsors and expect that this list will grow in the near future.

The list follows:

LIST OF COSPONSORS

John Anderson (Ill.)
Les AuCoin (Ore.)
Doug Barnard (Ga.)
Max Baucus (Mont.)
Elford Cederberg (Mich.)
Silvio Conte (Mass.)
Jack Cunningham (Wash.)
Bob Edgar (Penn.)
Alan Ertel (Penn.)
Millicent Fenwick (N.J.)
Don Fraser (Minn.)
Tennyson Guyer (Ohio)
Mike Harrington (Mass.)
Bill Hughes (N.J.)
John Jenrette (S.C.)
Jack Kemp (N.Y.)
Tom Kindness (Ohio)
John LaFalce (N.Y.)
Joseph Le Fante (N.J.)
Norman Lent (N.Y.)
Marilyn Lloyd (Tenn.)
Tom Luken (Ohio)
Jim Mann (S.C.)
Romano Mazzoli (Ky.)
Helen Meyner (N.J.)
Robert Mollohan (W. Va.)
George O'Brien (Ill.)
Richard Ottinger (N.Y.)
Ned Patterson (N.Y.)
Don Pease (Ohio)
Richardson Preyer (N.C.)
Joel Pritchard (Wash.)
Robert Roe (N.J.)
Marty Russo (Ill.)
Ron Sarasin (Conn.)
John Seiberling (Ohio)
Bill Stanton (Ohio)
Newt Steers (Md.)
Robert Traxler (Mich.)
Paul Tsongas (Mass.)
Bruce Vento (Minn.)
Robert Walker (Penn.)
Bill Walsh (N.Y.)
Charles Wilson (Tex.)
Jack Wydler (N.Y.)

HELSINKI'S UNFULFILLED PROMISE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. BURKE) is recognized for 10 minutes.

Mr. BURKE of Florida. Mr. Speaker, today I join with many of my colleagues in the House of Representatives who are protesting the existence of "Helsinki's unfulfilled promise."

As we all know, the Soviet Union was one of 35 nations which signed the Helsinki Final Act in August of 1975. Signatories to that accord agreed to facilitate the reunification of families which have been separated by governments and political borders. Regrettably there is overwhelming evidence that the Soviet Union is not living up to their pledge.

Mr. Speaker, I would like to call attention to one case in point. Lev Gendin is a 35-year-old engineer residing in Moscow. In November 1970, Mr. Gendin applied for a visa to leave the Soviet Union. As a direct consequence, he was immediately dismissed from his job as an electronics engineer and was forced to perform various types of menial work.

In addition, since that time Lev Gendin has been under constant KGB surveillance and has been a prime target for harrassment. From the time he applied to leave the Soviet Union, he has been forced to serve a total of 160 days in prison for what the Soviets allege have been his "anti-Soviet" activities. On one occasion—during Secretary-General Leonid Brezhnev's visit to the United States in 1973—Mr. Gendin was detained for 15 days. At that time that he was severely beaten by camp officials and sustained a serious spinal injury. Not long after—in May 1974—he was beaten unconscious by a group of strangers who cursed him as a "bloody Jew." He was warned by the KGB "to keep quiet or suffer the consequences."

In November 1974, Mr. Gendin was again arrested at the Kishinev Railway Station while awaiting a train for Moscow and was detained for 15 days on the pretext of having "behaved disgracefully" and "using foul language." Placed in solitary confinement, Gendin staged a 6-day hunger strike. Soon after, he was transferred to another cell occupied by common criminals who constantly threatened his life. Once there, he was given an additional 10-day sentence for spreading "anti-Soviet propaganda." While in jail, he was almost killed by a cellmate with a razor blade. He was transferred to another prison, but enroute he escaped. However, being without proper identification papers—which he had but which disappeared—Lev was forced to go into hiding. Six months later his documents were returned to him enabling Lev to find employment and avoid imprisonment for "parasitism." His wife feels this unexpected turn of events was attributable to "pressure from the West."

Mr. Speaker, Lev Gendin's most recent visa application has again been rejected. Now, I have received word in my office that on March 28, 1977, a warrant was issued again for his arrest on charges of "parasitism."

Aviva Klein-Gendin, Lev's 24-year-old wife, emigrated to Israel in 1972 in order to escape arrest by the Moscow KGB and she has not seen her husband since that time. In Israel, she is a tireless worker in the struggle to win freedom for her husband—a husband with whom she has lived for only 3 months before she alone was granted a visa. She knows that Lev writes to her every week, but often times she does not receive any letters for months Aviva strongly believes that protests in the West are their only shield against stronger Soviet action and are her hope of forcing his eventual release. She said:

> Our lives are in the hands of the West. If there will be enough protests, sooner or later he will be free and I will see him again and we can begin to live our lives.

I truly believe this.

Therefore, Mr. Speaker, I strongly protest this cruel and inhumane treatment of Lev Gendin's whose only crime has been his desire to leave the Soviet Union and go to Israel. The Soviet Union is a signatory of the United Nations Declaration of Human Rights, and as a party to the Helsinki agreement of 1975, has advised the world of its commitment to give Soviet citizens their internationally recognized human rights. As an affirmation of the letter and the spirit of these important agreements, it is my hope that

the visa request for Lev Gendin will be handled swiftly and compassionately by Soviet officials. Until that time I feel that we as Members of the U.S. Congress must continue to speak out against the actions of the Soviet Government in denying the human rights to its citizens as it does today.

H.R. 8289—EMPLOYEE BILL OF RIGHTS ACT

Mr. ASHBROOK. Mr. Speaker, today I have introduced a bill—H.R. 8289—entitled the Employee Bill of Rights Act of 1977 and have been joined by Congressman ERLENBORN of Illinois. The Ashbrook-Erlenborn bill is particularly important right now when labor reform is being considered.

Over the past few Congresses, there have been obvious struggles between organized labor and management to work some changes into our basic labor laws. In those struggles, each side has both won some and lost some, while, fortunately, some of the proposals have been quashed.

The bill we are introducing today has a different history, a different background, and a different philosophy from that union-management conflict. Contrasted to all major labor-management relations legislation since 1959, this bill addresses some of the problems the "pawns"; that is, employees—of the historical conflict face. This bill, hopefully, will restore some of the freedoms to employees originally envisioned by the National Labor Relations Act—NLRA—and the Labor-Management Relations Act of 1959—Landrum-Griffin.

Following the developments under the NLRA, it is blatantly apparent that the rights of employees have been subservient to the struggles and conflicts between big labor and big business. The text of this bill attempts to alleviate that subservience and restore the individual employee as the proper master and proper recipient of rights and attention in collective bargaining.

This is not a bill conceived by organized labor.

This is not a bill conceived by business.

This is a bill conceived by those of us who fear that both organized labor and big business have failed to protect employees' rights.

An important aspect of collective bargaining often overlooked is that bargainning should be based on the employees' free choice—the free choice to choose or not to choose a representative. Very often we have heard that the purpose of the NLRA is to "encourage collective bargaining." That it is, but that encouragement of collective bargaining must only be based on the employees' choice. To emphasize this point, our bill amends the findings and policies of the NLRA to emphasize the "free choice" of employees, recognizing that no longer does only big business interfere with certain rights of employees, but that big labor has become their foe, on occasion, as well. In further securing this "free choice," the bill provides for secret ballot elections for selecting a representative.

Under the bill, employees may be allowed to exercise their rights under the NLRA free of union fines for doing so.

Under the bill, employees will be extended the privilege of determining their own destiny in certain economic struggles.

Employees will, under the bill, have the right to equally hear both sides of campaign arguments.

Employees who once choose a union which then contracts a grievance and arbitration procedure will have the right to use that procedure exclusively, but are still protected by rights under the act.

Under the bill, employees will have to make known their political preferences only when they voluntarily choose to do so.

And, finally, the historical struggle for religious freedom from coercion under our collective bargaining laws is recognized and protected.

This bill deserves the support of all segments and all sides in the labor-management relations field. I include the text at this point:

H.R. 8289

A bill to amend the National Labor Relations Act to protect the rights of employees, to strengthen the remedies under such Act, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Employee Bill of Rights Act of 1977."

PREAMBLE

SEC. 2. Section 1 of the National Labor Relations Act (29 U.S.C. 151) is amended to read as follows:

"FINDINGS AND POLICIES"

"SECTION 1. The denial of, or interference with, the right of employees to organize, form, join, or assist labor organizations, to bargain collectively, and to engage in other concerted activities, or interference with or denial of their right to refrain from any or all of such activities leads to strikes and other forms of industrial strife or unrest, which have the intent or the necessary effect of burdening or obstructing commerce by (a) impairing the efficiency, safety, or operation of the instrumentalities of commerce; (b) occurring in the current of commerce; (c) materially affecting, restraining, or controlling the flow of raw materials or manufactured or processed goods from or into the channels of commerce, or the prices of such materials or goods in commerce; or (d) causing dimunition of employment and wages in such volume as substantially to impair or disrupt the market for goods flowing from or into the channels of commerce.

"Inequality of bargaining power between labor organizations and employers substantially burdens the process of collective bargaining and affects the flow of commerce.

"Experience has proved that protection by law of the right of employees to determine whether they wish to organize and bargain collectively encourages practices fundamental to the friendly adjustment of industrial disputes arising out of differences as to wages, hours or other working conditions.

"Experience has further demonstrated that certain practices by some labor organizations, their officers, and members have the intent or the necessary effect of burdening or obstructing commerce by preventing the free flow of goods in such commerce through strikes and other forms of industrial unrest or through concerted activities that impair the interest of the public in the free flow of commerce. The elimination of such practices is a necessary condition to the assurance of the rights herein guaranteed.

"It is hereby declared to be the policy of the United States to eliminate the causes of certain substantial obstructions to the free flow of commerce and to mitigate and eliminate these obstructions when they have occurred by protecting the right of employees to exercise full freedom of choice in determining whether they wish to designate collective-bargaining representatives and, when such representatives have been designated, by encouraging the settlement of industrial disputes through free collective bargaining."

SECRET BALLOT ELECTIONS

SEC. 3. (a) Section 8(a)(5) of the National Labor Relations Act is amended to read as follows:

"(5) to refuse to bargain collectively with the representatives of his employees: *Provided,* That nothing in this Act shall be construed as requiring an employer to bargain collectively until a representative of his employees has been determined by means of a secret ballot election conducted in accordance with the provisions of section 9.".

(b) Section 9(a) of the National Labor Relations Act is amended—

(1) by striking out "designated or" immediately before "selected for the purposes of collective bargaining"; and

(2) by inserting between "selected" and "for the purposes of collective bargaining" the following: "by a secret ballot election".

UNION FINES

SEC. 4. Section 8(b)(1) of the National Labor Relations Act is amended to read as follows:

"(1) to restrain or coerce (A) employees in the exercise of the rights guaranteed in section 7: *Provided,* That this paragraph shall not impair the right of a labor organization to prescribe its own rules with respect to the acquisition or retention of membership therein: *Provided further,* That it shall be an unfair labor practice under this section for a labor organization to threaten or impose any fine or other economic sanction against any person in the exercise of rights under the Act (including but not limited to the right to refrain from any or all concerted activity or to invoke the processes of the Board); or (B) an employer in the selection of his representatives for the purposes of collective bargaining or the adjustment of grievances;".

TO PROVIDE FOR STRIKE VOTES

SEC. 5. Section 8(b) of the National Labor Relations Act is amended by striking out "and" after paragraph (6), striking out the period at the end of paragraph (7) and inserting in lieu thereof a semicolon, and by adding at the end thereof the following new paragraph:

"(8) to call, maintain, continue or resume a strike in any bargaining unit after:

(A) a majority of the employees voting on the question have voted in a secret ballot referendum conducted by the Board, or by any other person or organization selected by the parties or designated by the Board, to conduct such referendum among the employees in such bargaining unit, not to strike or continue to strike; or

(B) such referendum has been requested before a strike begins and the result thereof has not been certified.

Any such referendum may be requested by (1) any labor organization which is a certified or recognized collective bargaining representative of employees in any bargaining unit whose members, in whole or in part have an interest in the outcome of the controversy giving rise to the strike or potential strike, (ii) the employer, or (iii) 10 percent or more of the members of such bargaining unit. Such request may be made in writing at any time when the employees in

such unit are contractually free to strike, or within not more than five days prior thereto, provided no such referendum may be held until at least thirty days elapsed following any prior referendum among employees in the same bargaining unit. Any referendum pursuant to this paragraph shall be conducted as expeditiously as possible and shall take precedence over elections pursuant to section 9(c)(1). Any employee who participates in a strike after a majority of the employees in the same bargaining unit voting in a referendum conducted pursuant to this subsection have voted not to strike or not to continue a strike, shall not, during the existence of the strike or thereafter, unless reemployed or reinstated by the employer, be considered to be an employee of such employer for the purposes of this Act.".

PROTECTION OF FREE SPEECH

SEC. 6. Section 8(c) of the National Labor Relations Act is amended to read as follows:

"(c) The expressing of any views, argument, opinion or the making of any statement (including expressions intended to influence the outcome of an organizing campaign, a bargaining controversy, a strike, lock out, or other labor dispute), or the dissemination thereof, whether in written, printed, graphic, visual or auditory form, shall not (i) constitute or be evidence of an unfair labor practice under any of the provisions of this Act, or (ii) constitute grounds for, or evidence justifying, setting aside the results of any election conducted under any of the provisions of this Act, if such expression contains no threat of reprisal or force or promise of benefit.".

TO PROVIDE FOR ELECTION OF REMEDIES AND NLRB DEFERRAL TO ARBITRATION

SEC. 7. Section 10(a) of the National Labor Relations Act is amended by inserting immediately before the period the following: ": *Provided further*, That if an employer, or a labor organization on its own behalf or on behalf of employees, or employees on their own behalf or on behalf of other employees, could submit a dispute to binding arbitration under the terms of an existing collective bargaining agreement, or have agreed to submit a dispute to binding arbitration, or have submitted a dispute to binding arbitration, then such arbitration shall be the exclusive forum and such party or any person on whose behalf such action has or could be taken, shall only have the right to institute or maintain an unfair labor practice proceeding before the Board involving the same incident or subject matter when determinations of such arbitration are inconsistent with the rights granted by this Act: *Provided further*, That nothing herein shall deprive any party to a proceeding before an arbitrator, the Board, or the courts, from exercising any right of judicial review or appeal that he may possess under existing law."

POLITICAL CONTRIBUTIONS AND EMPLOYEE FREE CHOICE

SEC. 8. Section 441. (b)(5) of Title 2, United States Code, is amended to read as follows:

"(5) Notwithstanding any other law, any method of soliciting voluntary contributions or of facilitating the making of voluntary contributions to a separate segregated fund established by a corporation, permitted by law to corporations with regard to stockholders and executive or administrative personnel, shall also be permitted to labor organizations with regard to their members: *Provided*, That no method, procedure or system by which union dues and other assessments are deducted from an employee's pay check by an employer, either automatically or on specific authorization from an employee, may be utilized in the solicitation of contributions to such separate segregated fund.".

INDIVIDUALS WITH RELIGIOUS CONVICTIONS

SEC. 9. Section 19 of the National Labor Relations Act is amended to read as follows:

"SEC. 19. Any employee (including any employee of a health care institution) who is a member of and adheres to established and traditional tenets or teachings of a bona fide religion, body, or sect which has historically held conscientious objections to joining or financially supporting labor organizations shall not be required to join or financially support any labor organization as a condition of employment; except that such employee may be required, in lieu of periodic dues and initiation fees, to pay sums equal to such dues and initiation fees to a nonreligious charitable fund exempt from taxation under section 501(c)(3) of the Internal Revenue Code, chosen by such employee from a list of at least three such funds, designated in a contract between the employer (including an employer which is a health care institution) and a labor organization, or if the contract fails to designate such funds, then to any such fund chosen by the employee.".

DOUBLE DIPPING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina (Mr. DAVIS) is recognized for 5 minutes.

Mr. DAVIS. Mr. Speaker, I wish to express my support for Representative BOB WILSON'S successful amendment to delete section 858 of H.R. 7933. Currently, the "double dippers" are under severe attack, while little attention is being given to a general reform of the entire system.

"Double dipping" could indeed be eliminated to help reduce the rising pension costs in the DOD budget. But to make the limitation effective beginning October 1 without hearings is unfair to those who have served for 20 or 30 years anticipating this benefit. A move to eliminate "double dipping" should affect those entering the armed services beginning with October 11 of this year, not those currently serving.

The Subcommittee for Defense Appropriations has arrived at a figure of $26 million that will be saved if pensions are taken from retirees who accept employment with the Federal Government after October 1. This figure is based on an estimate of the number and average retired pay of those military retirees who might be willing to forfeit their retired pay to continue their Government service.

Mr. Speaker, I am skeptical about whether this figure is accurate and whether any significant savings are likely. Faced with the prospect of losing their pension, I believe that few retirees would then be interested in accepting civil service jobs. In addition, a loss of retired military personnel within the civil service will result in greater hidden costs to the budget through loss of skilled services in Federal Government employ.

Civil service employees have a vested interest in their retirement program. Military personnel do not. Servicemen can be RIFed from the military prior to earning retired pay and receive not 1 cent in severance or rehabilitation pay. Only 1 of every 10 individuals who enter the military service ever reach retirement eligibility. Many who have served are forced out early—some prior to retirement eligibility—because of the "up or out" system which is designed to keep only the best leaders. Those who have served long enough to be eligible for retirement are fully entitled to the benefits they receive.

The time spent in military service does not count toward civil service retirement. The military retiree earns credit toward vested retirement only for that time he is employed in the Federal civil service. The retiree accrues retirement benefits at the same rate as any other individual just entering the civil service system. The two retirement systems, as presently operated, view the member as having participated in two distinct systems: As though he were employed by two separate employers. Were the retiree considered a "reemployed annuitant" with 20 years of Federal service, he would start off earning the 2 percent retirement multiplier that civil service employees of 10 years or more are entitled to.

Although it can be said that military pensions compose a sizable portion of the DOD budget, it must also be noted that the large number of military retirees today reflects the large standing forces that this Nation required over the last three decades.

Above all we must recognize the effect on the military retiree, himself. Enlisted retirees are about 41 years of age, officers are about 46. Their family obligations are at their most expensive phase. The rising expenses for a home, education, and the cost of living often make the pension insufficient to meet the needs of a retired serviceman. Military retired pay is a significant element of the military career package. Can the military continue to attract qualified personnel if benefits are further reduced?

Mr. Speaker, I believe that we should give more thought to a reform of the total military retirement package. A revision affecting only a 5-percent minority of civil servants will not result in any meaningful savings to the defense budget. We must concentrate our efforts toward legislation that will bring about more significant changes.

AMENDMENT TO STRIKE TITLE XV FROM AGRICULTURAL ACT OF 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 5 minutes.

Mr. WOLFF. Mr. Speaker, I rise today to bring my colleagues' attention to an amendment which I will offer to H.R. 7171, the Agricultural Act of 1977. At a time when inflation and excessive governmental intervention are uppermost in the minds and biting at the pockets of the American public, the House is about to consider a proposal which will result in higher prices to the consumer and more bureaucratic paperwork for the baker.

For many years now, we in the Congress have been looking for ways to protect the consumer from the ravages of inflation and the excesses of taxation. Rarely, however, have we been presented with a clearer way to protect the consumer from both of these evils than we

are today. The choice is simple, the issue is clear. Do we add to the burdens of the consumers by taxing wheat, or do we rush to their aid by preventing this ill-conceived, ill-advised, and illogical tax scheme from being strapped to the back of the American public?

The provision of H.R. 7171 to which I refer is title XV, which would establish a wheat and wheat foods research and nutrition program. Although the purpose of this proposal—to encourage a wheat research and education program—is laudable, I believe that for a number of reasons the means by which it would be implemented is of concern to both consumers and industry.

First, the program would be financed by an assessment—a bread tax—of up to 5 cents per hundredweight of processed wheat. This assessment would, in effect, levy a tax on all products made from wheat which are designed to be sold for domestic consumption off of the premises at which they are baked. Although the actual added cost per loaf of bread would not be great, the cost over time to the consumer would be significant because all costs, regardless of how small per unit, are ultimately borne by the consumer.

Moreover, the additional financial resources which the bakery must devote toward recordkeeping, with respect to the quantity of processed wheat it uses, will ultimately and certainly result in greater overhead for the baker and higher prices for the consumer. Furthermore, even those companies which would not be subject to the assessment due to insufficient volume would be required to prove their insufficient volume and this would demand similarly detailed bookkeeping and result in greater overhead and higher prices to the consumer.

Second, this program would increase the Federal Government's involvement into industry. Title XV would establish a Wheat Industry Council to administer the program. The Secretary of Agriculture would have the power to appoint all council members; approve all plans, budgets, rates of assessments, and contracts of the council; and compel the filing of detailed reports from all companies covered by title XV. Although some large multistate bakeries may not feel the weight of this new governmental intervention, small business, the smaller bakeries affected by this program will be overcome with redtape, and governmental regulations and expectations.

As you are aware, one reason why the Federal Government has grown in size is its assuming of aspects of life which were formerly the domain of private initiative and enterprise. While this involvement is often well intentioned, it is on occasion counterproductive. I believe that this would be the case with regard to title XV. Here the Federal Government is embarking on a program which is better left to the ingenuity of private enterprise.

I am for these reasons offering an amendment to strike title XV from the Agricultural Act of 1977. I urge my colleagues to seriously consider the issues which I have mentioned today and urge them to support the amendment which I will offer.

Mr. Speaker, I hope that, like yeast, the House will rise to the occasion and vote to strike the bread tax.

HOSPITAL COST CONTAINMENT ALTERNATIVES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 10 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, on April 25, 1977, I introduced together with my colleague, the Honorable PAUL G. ROGERS, H.R. 6575, the administration's hospital cost containment proposal. Next week, the Subcommittee on Health of the Committee on Ways and Means will consider this very important legislation in markup sessions. Public hearings on the administration proposal, held May 11–13, produced a variety of detailed comment and criticism. I have directed the staff of the Subcommittee on Health, based on their study of these comments and others, to consider what options might be available to respond to the most significant criticisms of the administration bill.

I am today introducing legislation reflecting that staff effort. It offers, for the consideration of my subcommittee and others, alternatives to several of the most highly criticized features of title I of the administration bill. These changes are designed to preserve the intent of the administration bill while improving its workability and acceptability.

In form, the legislation I am introducing today is essentially title I of the administration bill, with these policy alternatives inserted, and with some other technical changes also included. Although the bill I am introducing incorporates only title I of the administration bill, I fully expect that whatever cost containment bill is approved by my Subcommittee on Health will include some version of title II—relating to control of hospital capital expenditures—as well. The staff will continue to work in this area, and I note also that my colleague, the Honorable PAUL ROGERS, has suggested some alternatives for consideration. I look forward to working with him and his Health and the Environment Subcommittee on the Interstate and Foreign Commerce Committee as our two subcommittees consider the hospital cost containment legislation.

Joining with me in sponsoring these possible modifications to the administration's bill are several of my colleagues on the Subcommittee on Health: Mr. CORMAN, Mr. VANIK, Mr. COTTER, Mrs. KEYS and Mr. BRODHEAD. Let me emphasize that while in doing so they have expressed their commitment to seriously address this most critical hospital cost problem, neither they nor I necessarily endorse every feature of this bill. Rather we are proposing these amendments to further stimulate public discussion of possible improvements in the approach taken by the administration. In the same manner, this bill's failure to modify other provisions of the administration's bill should not be interpreted as a complete endorsement of those other provisions in their present form.

The following are some of the more significant areas in which the bill I am introducing today would make changes in H.R. 6575, the original version of the administration's proposal:

DURATION OF COST CONTROL PROGRAM

H.R. 6575 would establish a program limiting the percentage by which hospital patient revenues could increase from one year to the next. This program of limits would be *transitional* (until replaced by a permanent program). But H R. 6575 provides no specific ending date for these controls, a fact which has given rise to serious concern about the possibility that an admittedly arbitrary program of percentage limitations might be allowed to continue in effect for a lengthy period.

The bill I am introducing today would fix a limit on the duration of the cost containment plan—the controls would be applicable with respect to hospital accounting years that begin more than 60 days after enactment, and would continue for a total of four accounting years. This limitation to four years would put HEW and the Congress on notice that a permanent replacement for this transitional program must be ready as of a specific time. (Also, in regard to the date cost containment would begin, it should be noted that the program would start with hospital accounting periods beginning 60 days or more after enactment. This avoids a retroactive aspect of H.R. 6575, under which cost containment could begin during a hospital's accounting year, some part of which was in effect prior to enactment of the legislation.)

HOSPITALS SUBJECT TO THE COST CONTAINMENT PROGRAM

Under H.R. 6575, some 6,000 short-term hospitals would be subject to the cost containment program. In recognition that cost containment presents special problems for smaller hospitals, the Administration bill includes special provisions applicable to hospitals that admit fewer than 4,000 patients in a year.

These hospitals would be omitted entirely under the bill I am introducing today. Hospitals with fewer than 4,000 admissions in a year would not be subject at all to the cost containment program. Thus, instead of applying to 6,000 hospitals, the bill would apply to fewer than 2,700 hospitals. Nonetheless, this reduction by more than one-half in the number of hospitals subject to the program represents a reduction of less than 13 percent in the total hospital operating expense that would be subject to the cost containment program.

AMOUNT OF THE REVENUE LIMIT

Under H.R. 6575, the basic limit on increases in inpatient hospital revenues would be established through a formula designed to reflect general price trends as measured by the "GNP deflator" plus a factor to accommodate some increase in the intensity of inpatient services. Obviously, HEW believes the GNP deflator to be the best available measure of general price trends, but its adequacy in measuring inflationary forces bearing on hospitals has been severely criticized. Moreover, the allowance for intensity (one-third of the difference between the increase in the GNP deflator and the average annual increase in hospital costs in the two preceding years) keeps growing smaller, so that after a few years, the percentage increase allowed hospitals would exceed the rate of general inflation by only a very small amount.

The bill I introduce today substitutes for the formula in H.R. 6575 a flat percentage—9 percent—by which hospital revenues would be allowed to increase. (This 9 percent limit is about the same as the formula in H.R. 6575 produces for the first year of the program.) For each of the four years the program is in effect, a 9 percent increase

over the base revenue figure would be allowed. I fully realize that a flat percentage limitation (no matter what percentage is chosen) does not respond to changes in the general economy, as the GNP deflator formula is intended to do. But in the bill I introduce today, it is assumed that in a time-limited program there is less need for a complex formula reflecting economic trends than in a program without a definite ending date.

BASE PERIOD CALCULATION

Under H.R. 6575, in determining the limit on the rate of increase in each hospital's inpatient revenues, an adjustment would be made to account for hospital cost increases between the end of the hospital's base year (generally its accounting year ending in 1976) and October 1, 1977, the effective date of H.R. 6575. This adjustment would be calculated to allow an average annual rate of increase in hospital costs during the interim period equal to the average annual increase in the hospital's inpatient costs during the base year and the preceding accounting year. The interim period adjustment would be at an average annual rate of not less than 6 nor more than 15 percent. For hospitals whose accounting year does not begin on October 1, another adjustment would be needed for the period between September 30, 1977 and the beginning of the hospital's accounting year; this would assume the hospital's costs to have risen by the same percentage as is being allowed for the current year under the GNP deflator plus intensity allowance formula.

To simplify the base period calculation, the bill I am introducing today would establish the same base year as would H.R. 6575, but would bring base year information up-to-date by recognizing the actual percentage increase in revenue per admission experienced by the hospital during the year following the base year, and would make the presumption that an identical revenue increase per admission was experienced in the second year following the base year. These adjustments produce a base revenue figure to which the bill's percentage limitation thereafter can apply. Because the bill's effective date is keyed to the beginning of a hospital's accounting year, no further adjustment is needed for hospitals whose accounting year does not begin on a specific date (such as October 1, 1977, the effective date of H.R. 6575).

EFFICIENCY ADJUSTMENT

By allowing the same percentage increase in revenue for all hospitals regardless of their previous cost-containment accomplishments, H.R. 6575 has appeared to some observers to penalize hospitals that have worked to become efficient and to reward hospitals that have failed to try. H.R. 6575 has also been criticized for providing no ongoing incentives for efficiency, since it fails to distinguish between hospitals that are more or less efficient in comparison with their peers.

The bill I introduce today responds to that concern by providing for an efficiency adjustment based on an efficiency measure now in use in the existing medicare program. Pursuant to the 1972 amendments to the medicare program, prospective limits on costs to be reimbursed by medicare are established each year for the routine cost portion of hospital costs. Individual hospitals are assigned to one of various groups, depending on the hospital's size and the per capita income of the area where it is located. The cost limit for hospitals in each group is set by a formula that establishes the limit high enough to permit the routine costs of well over 80 percent of the hospitals to be covered in full.

Using similar methodology, under the bill I am introducing hospitals would be grouped and their costs examined. The Secretary would raise or lower an individual hospital's revenue limit in proportion to its performance measured against the cost performance of comparable hospitals. (Specifically, the percentage limit otherwise applicable would be increased or reduced—but by no more than one-fourth—in proportion to the ratio of the median cost experienced by comparable hospitals to the cost experienced by the particular hospital.)

PATIENT-LOAD ADJUSTMENT

Under H.R. 6575, the percentage limitation per admission would be adjusted for changes in a hospital's patient load only if its admissions since the base accounting year had increased by more than 2 percent or decreased by more than 6 percent (10 percent in the case of small hospitals—those with fewer than 4,000 admissions per year). Increases or decreases in admissions outside these limits would result in allowable revenue increases or decreases, respectively, at the rate of one-half of average revenue per admission. For large hospitals, an additional allowance for admission increases or decreases in excess of 15 percent would require an exception.

Under the bill I introduce today, the patient-load adjustment would be as follows: A hospital's revenue limit would not change at all where admissions decreased by as much as 15 percent. Decreases beyond that, and any increase in admissions, would result in allowable revenue decreases or increases, respectively, at the rate of one-half of average revenue per admission. Thus, hospitals would not be required to absorb the cost of admission increases of up to 2 percent, and they would not need to request an exception from the Secretary with respect to admission increases or decreases of more than 15 percent. No separate provisions for large and small hospitals would be required; small hospitals would not be subject to the cost containment provisions at all.

EXCEPTIONS

Under the bill I am introducing, the exclusion of small hospitals from the cost containment program and the modification of the patient-load adjustment described earlier should greatly reduce the need for hospitals to request exceptions to the regular revenue limits.

Two new bases for requesting exceptions would be added by the bill I am introducing. First, in the case where a particular cost payer such as Blue Cross plan has expanded its coverage of services to such a degree that its average reimbursement per admission for a particular hospital would increase by more than 3 percent (in the absence of the cost containment program), the Secretary may upon request increase the base reimbursement per admission to recognize this increased coverage by the cost payer. Second, an exception would be authorized where a hospital has experienced a shift among the various payers of hospital care and where under the program this would seriously reduce a hospital's allowable revenue. Where the loss in revenue is at least equal to 3 percent of the hospital's base year revenue, the Secretary could upon request increase the limits applicable to one or more cost payers or to charges, as he finds appropriate, to offset the effects of the shift among payers.

The bill I am introducing would modify the requirement to be met for an exception based on increased costs attributable to changes in capacity or types of inpatient services, or renovation and replacement of physical plant. An exception may be requested if these changes cause costs to increase by more than 3 percent of the hospital's base year costs. There would be no requirement that, to qualify, the hospital's current ratio of assets to liabilities be less than the ratio being experienced by 25 percent of hospitals. If an exception is granted, the revenue limit for the hospital would be modified for the accounting year and all future years so as to raise the hospital's current ratio of assets to liabilities to no more than the current ratio in the base accounting year.

WAIVER FOR STATE COST CONTROL PROGRAMS

The bill I introduce today includes the provision of H.R. 6575 which authorizes waiver of the Federal cost containment program with respect to hospitals in States with their own cost containment programs meeting specified requirements. However, instead of requiring (as in H.R. 6575) that the State impose stricter control on costs than the Federal program, the bill I now introduce would only require that the State program allow an aggregate rate of increase in hospital revenues no higher than the Federal program.

OTHER PROVISIONS OF H.R. 6575

In general, the bill I introduce today contains without major substantive change the other provisions of title I of H.R. 6575, with some technical and minor policy changes. I would expect that this process of technical change aimed at improved workability would continue during the course of Subcommittee markup of the cost containment legislation, along with the decision making on major policy issues.

The language of the modified title I follows:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Hospital Cost Containment Act of 1977".

REPORT ON PERMANENT REFORM IN THE DELIVERY AND FINANCING OF HEALTH CARE

SEC. 2. The Secretary of Health, Education, and Welfare (hereinafter in this Act referred to as the "Secretary") shall submit to the Congress, no later than March 1, 1978, a report setting forth his recommendations for permanent reforms in the delivery and financing of health care which will increase the efficiency, effectiveness, and quality of health care in the United States and which will replace the transitional provisions of title I of this Act.

TITLE I—TRANSITIONAL HOSPITAL COST CONSTRAINT PROVISIONS

PURPOSE

SEC. 101. It is the purpose of the transitional hospital cost containment program established by this title to constrain the rate of increases in total acute care hospital inpatient costs until the adoption of the permanent reforms referred to in section 2, by limiting the amount of revenue which may be received by the hospitals involved from Government programs, private insurers, and individuals who pay directly for such care.

PART A—ESTABLISHMENT OF HOSPITAL COST CONTAINMENT PROGRAM

IMPOSITION OF LIMIT ON HOSPITAL REVENUE INCREASES

SEC. 111. (a) A hospital's average reimbursement per admission for inpatient services covered by any cost payer, and a hospital's average inpatient charges per admission, in any of the hospital's first four accounting years which begin more than sixty days after the date of the enactment of this Act, may not (except as provided in subsections (b) and (c)) exceed the hospital's base reimbursement per admission for inpatient services covered by such cost payer (as determined under section 112(a)(1)) or the hospital's base inpatient charges per admission (as determined under section 112 (a)(2)), as the case may be, by more than—

(1) 9 per centum in the case of the first such accounting year,

(2) 18 per centum in the case of the second such accounting year,

(3) 27 per centum in the case of the third such accounting year, or

(4) 36 per centum in the case of the fourth such accounting year.

(b) The amount by which the limits set forth in subsection (a) and otherwise applicable to a particular hospital in any accounting year exceeds the hospital's base reimbursement per admission or base inpatient charges per admission (as referred to in such subsection) shall be increased (but by no more than one-fourth) or reduced (but by no more than one-fourth) in proportion to the ratio of the median cost experienced by comparable hospitals to the cost experienced by that particular hospital. For purposes of this subsection, the Secretary shall estimate the median cost experienced by comparable hospitals by using the same data and methodology he employs for estimating costs in excess of those necessary in the efficient delivery of needed health services for purposes of section 1861(v) of the Social Security Act and shall determine the cost experienced by a particular hospital in the same manner as he determines such costs for purposes of excluding costs in excess of those necessary to the efficient delivery of needed health services for purposes of that section, subject to such modifications as he finds to be feasible and appropriate. Notwithstanding the proportion or nature of the costs considered by the Secretary in estimating and excluding costs in excess of those necessary to the efficient delivery of needed health services, the limits set forth in subsection (a) as modified by this subsection shall apply to a hospital's average reimbursement per admission for inpatient services covered by any cost payer and to a hospital's average inpatient charges per admission as specified by such subsection (a).

(c) The limits set forth in subsection (a) and otherwise applicable to a particular hospital in any accounting year, as modified under subsection (b), shall be further adjusted to reflect changes in the total number of admissions experienced by the hospital in such year as compared to the total number of admissions experienced by the hospital in its base accounting year, in accordance with a formula promulgated by the Secretary. The formula so promulgated shall increase or decrease the applicable limits on average inpatient reimbursement per admission and average charges per admission so that—

(1) where the total number of admissions has declined (from the number in such base accounting year) but not more than 15 per centum, such limit shall be determined as though there had been no change in the number of admissions;

(2) where the total number of admissions has declined (from the number in such base accounting year) by more than 15 per centum, the limit on average inpatient charges per admission as otherwise determined shall be reduced, for each admission by which the total number of admissions has declined beyond 15 per centum, by an amount equal to one-half of the average charges per admission that would be allowed if there had been no change in the total number of admissions, and the limit or limits on average inpatient reimbursement per admission as otherwise determined shall be reduced by the same percentage; and

(3) where the total number of admissions has increased (over the number in such base accounting year), the limit on average inpatient charges per admission as otherwise determined shall be increased, for each admission by which the total number of admissions has increased, by an amount equal to one-half of the average charges per admission that would be allowed if there had been no change in the total number of admissions, and the limit or limits on average inpatient reimbursement per admission as otherwise determined shall be increased by the same percentage.

(d) For purposes of this title—

(1) a hospital's average inpatient reimbursement per admission for inpatient services covered by a cost payer shall be determined by dividing the total amount reimbursable to such hospital for inpatient services covered by such cost payer (without regard to coinsurance provisions which limit the liability of such cost payer for such reimbursement or amounts for which such cost payer is liable in meeting coinsurance provisions of other payers) by the number of admissions (as defined in section 122(c)) for which such cost payer is liable for inpatient services prior to liability by any other payer other than the patient; and

(2) a hospital's average inpatient charges per admission shall be determined by dividing its total inpatient charges (as defined in section 405.452(d) of title 20 of the Code of Federal Regulations and without regard to the actual basis or source of reimbursement or the actual amounts collected) by its total inpatient admissions (as defined in section 122(c) and without regard to the basis or source of reimbursement).

BASE REIMBURSEMENT AND CHARGES PER ADMISSION

SEC. 112. (a) For purposes of this title—

(1) a hospital's base reimbursement per admission for inpatient services covered by a cost payer shall be the average reimbursement per admission to such hospital for inpatient services covered by such cost payer for the hospital's base accounting year (as defined in subsection (c)) increased by a percentage equal to twice the percentage increase (over such base accounting year), if any, in the average reimbursement per admission to such hospital for inpatient services covered by such cost payer for the hospital's accounting year immediately succeeding its base accounting year; and

(2) a hospital's base inpatient charges per admission shall be the average inpatient charges per admission of such hospital for its base accounting year increased by a percentage equal to twice the percentage increase (over the charges imposed in such base accounting year), if any, in the average inpatient charges per admission of such hospital for its accounting year immediately succeeding such base accounting year.

(b) In establishing a hospital's base reimbursement per admission for inpatient services covered by a cost payer or base inpatient charges per admission under subsection (a), with respect to any particular accounting year—

(1) reimbursement to the hospital for inpatient services covered by any cost payer for the hospital's base accounting year shall be reduced by an amount equal to the inpatient charges of the hospital for services covered by such cost payer in the base accounting year which are discontinued as elements of inpatient services furnished by the hospital in the particular accounting year involved, multiplied by the proportion of the latter accounting year falling after such discontinuance; and

(2) inpatient charges per admission of the hospital for the hospital's base accounting year shall be reduced by an amount equal to the inpatient charges of the hospital for services in the base accounting year which are discontinued as elements of inpatient services furnished by the hospital in the particular accounting year involved, multiplied by the proportion of the latter accounting year falling after such discontinuance; except that this subsection shall not apply with respect to inpatient hospital services which have been found inappropriate by the State health planning and development agency designated under section 1521 of the Public Health Service Act for the State in which the hospital involved is located.

(c) For purposes of this title, a hospital's "base accounting year" is its first accounting year which ended in 1976, or, in the case of a hospital which did not meet the definition contained in section 121 for at least one full accounting year prior to an accounting year ending in 1976 in which it met such definition, the accounting period immediately prior to the first accounting year in which it satisfied such definition.

ESTABLISHMENT OF EXCEPTIONS

SEC. 113. (a) The Secretary may grant exceptions from the limits established under this title to individual hospitals but only under the circumstances and to the extent specified below:

(1) Where the Secretary finds on the basis of satisfactory evidence furnished by one or more hospitals that a cost payer has increased its coverage of inpatient services in a manner that would increase by more than 3 per centum the average reimbursement per admission for which such cost payer would be liable to any hospital except for the limits imposed by this title, the Secretary may increase such hospital's base reimbursement per admission for inpatient services covered by such cost payer by a percentage equal to his estimate of the percentage increase in average reimbursement per admission resulting from the increased coverage of inpatient services by the cost payer.

(2) Where the Secretary finds on the basis of satisfactory evidence furnished by a hospital that, as a result of differences between the source or basis of reimbursement in any particular accounting year to which this title applies and the source or basis of reimbursement in such hospital's base accounting year, such hospital would receive less in allowable reimbursement in that particular year, by an amount equal to or exceeding 3 per centum of its total inpatient costs in such base year, than it would have received if there had been no such difference in the source or basis of reimbursement, the Secretary may increase the limits applicable to one or more cost payers or to charges, as he finds appropriate, to offset the effects of such differences in the source or basis of reimbursement.

(3) Where the Secretary finds on the basis of satisfactory evidence furnished by a hospital that—

(A) changes in capacity or in the types or character of inpatient service available in such hospital, or renovation or replacement of physical plant, have increased inpatient costs per admission in the current accounting year by an amount exceeding 3 per centum of the hospital's inpatient costs per admission in its base accounting year, and

(B) such changes, renovation, or replacement have been found to be needed under section 1523(a)(5) of the Public Health Service Act or appropriate under section 1523(a)(6) of such Act by the State planning and development agency designated under section 1521 of such Act for the State in which such hospital is located,

the limits otherwise determined under this title and applicable to such hospital shall be increased (for such current accounting year and all subsequent accounting years) to the extent necessary to raise the hospital's current ratio of assets to liabilities to the level of such ratio in the hospital's base accounting year. For purposes of this paragraph, the term "current ratio of assets to liabilities", with respect to any hospital in any accounting year, means the sum of the cash, notes and accounts receivable (less reserves for bad debts), marketable securities and inventories held by such hospital divided by the sum of all liabilities of such hospital falling due in such year.

(b) The Secretary shall either approve any request for an exception made by a hospital under subsection (a), or deny such request, within a period not to exceed ninety days after the hospital has filed in a manner and form prescribed by the Secretary the evidence required by such subsection. Any such request not denied within such ninety-day period shall be deemed approved.

(c) Any hospital granted an exception under this section must make itself available for an operational review by the Secretary. The findings from any such review shall be made public, and continuance of the exception shall be contingent on implementation of any recommendations which may be made (as a result of such operational review) for improvements to increase efficiency and economy.

(d) Upon request by a hospital, the State health planning and development agency designated under section 1521 of the Public Health Service Act for the State in which the hospital is located shall make a finding as to the appropriateness of specific institutional health services for purposes of subsection (a)(3) or section 112(b), after requesting the recommendations of the appropriate health systems agency. The finding of a State health planning and development agency under this subsection shall not be subject to further review.

ENFORCEMENT

SEC. 114. (a) Notwithstanding any provision of title XVIII of the Social Security Act, reimbursement for inpatient hospital services under the program established by that title shall not be payable, on an interim basis or in final settlement, to the extent that it exceeds the applicable limits established under this title.

(b) Notwithstanding any provision of title V or XIX of such Act, payment shall not be required to be made by any State under either such title with respect to any amount paid for inpatient hospital services in excess of the applicable limits established under this title; nor shall payment be made to any State under either such title with respect to any amount paid for inpatient hospital services in excess of such limits.

(c) Notwithstanding any other provision of law, receipt by any hospital of payment for inpatient hospital services in excess of the applicable limits established under this title, or payment by any cost payer (as defined in section 122(d)(2)) for inpatient hospital services in excess of such limits, shall subject such hospital or cost payer—

(1) to the Federal excise tax imposed by section 4991 of the Internal Revenue Code of 1954 (as added by section 127 of this Act), and

(2) to exclusion, at the discretion of the Secretary, from participation in any or all of the programs established by titles V, XVIII, and XIX of the Social Security Act.

(d)(1) Where the Secretary determines that average charges per admission billed for inpatient services by a hospital during an accounting year any part of which is included in a period subject to this title the applicable limits established under this title, he shall promulgate (or shall require the hospital to promulgate in such manner as he may prescribe) the percentage by which the average charge per admission billed in that accounting year by the hospital exceeded the applicable limitation on average charges per admission established under this title.

(2) Any hospital described in paragraph (1) shall be exempt from the penalties set forth in subsection (c) if it holds in escrow an amount equal to the percentage promulgated under such paragraph multiplied by the hospital's total inpatient charges less its inpatient charges applicable to cost payers (as defined in section 122(d)), imposed on the accounting year referred to in such paragraph, until such time as charges below the applicable limits established under this title, equal in the aggregate to such amount, are experienced; but any such hospital which fails to do so shall be subject to such penalties.

EXEMPTION FOR HOSPITALS IN CERTAIN STATES

SEC. 115. (a) At the request of the Governor (or other chief executive) of any State (including the District of Columbia and Puerto Rico) the Secretary may exclude from the application of this title all hospitals physically located in such State if the Secretary finds that—

(1) such State has had in effect for at least one year as of the date of such request a program for containing hospital costs in the State which covers at least 90 per centum of the hospitals in the State which would otherwise be covered under the program established by this title;

(2) the State program applies at least to all inpatient care revenues of such hospitals (except revenues received under title XVIII of the Social Security Act);

(3) the Governor (or chief executive) certifies, and the Secretary determines, that the aggregate rate of increase in inpatient hospital revenues for all hospitals in the State will not exceed the estimated aggregate rate of increase in inpatient hospital revenues permitted under the limitations established by this title; and

(4) the Governor (or chief executive) has submitted, and had approved by the Secretary, a plan for recovering any excess of revenue which (notwithstanding paragraph (3)) may occur.

(b) A State which would meet the conditions of this section except that its program does not satisfy subsection (a)(2), but whose program did cover at least 50 per centum of all inpatient care revenues during the twelve-month period preceding the date of its request under subsection (a), will nonetheless be eligible under this section if, by the date of such request, it does have a program which satisfies such subsection.

EXEMPTION FOR HOSPITALS ENGAGED IN CERTAIN EXPERIMENTS OR DEMONSTRATIONS

SEC. 116. A hospital may be excluded from the application of this title if the Secretary determines that (1) such exclusion is necessary to facilitate an experiment or demonstration entered into under section 402 of the Social Security Amendments of 1967, section 222 of the Social Security Amendments of 1972, or section 1526 of the Public Health Service Act, and (2) such experiment or demonstration is consistent with the purposes of this title.

PART C—DEFINITIONS AND MISCELLANEOUS PROVISIONS

DEFINITION OF HOSPITAL

SEC. 121. (a) For purposes of this title (subject to subsection (b)), the term "hospital", with respect to any accounting year, means an institution (including a distinct part of an institution participating in the program established under title XVIII of the Social Security Act) which in its base accounting year—

(1) satisfied paragraphs (1) and (7) of section 1861(e) of the Social Security Act,

(2) had an average duration of stay of thirty days or less, and

(3) had more than 4,000 admissions.

(b) An institution shall not be considered a "hospital" during any accounting year if, in or with respect to any part of such year, it—

(1) is a Federal hospital;

(2) does not meet the conditions specified in paragraphs (1) and (2) of subsection (a); or

(3) derives more than 75 per centum of its inpatient care revenues on a capitation basis, disregarding revenues received under title XVIII of the Social Security Act, from one or more health maintenance organizations (as defined in section 1301(a) of the Public Health Service Act).

OTHER DEFINITIONS

SEC. 122. For purposes of this title—

Accounting Year

(a) (1) The term "accounting year" (except as provided in paragraph (2)) means—

(A) in the case of a hospital participating in the program established by title XVIII of the Social Security Act, a period of twelve consecutive full calendar months including the same months as the last full reporting period allowed for reimbursement purposes under such title; and

(B) in the case of a hospital not participating in the program established by title XVIII of the Social Security Act, a calendar year or, if requested by the hospital, such other period of twelve consecutive full calendar months as the Secretary may designate.

(2) The Secretary may establish an accounting year of less than twelve months, and make appropriate adjustments in the application of this title to that period, for a hospital whose accounting year under paragraph (1) is changed from one twelve-month period to another.

Inpatient Services

(b) The terms "inpatient services" and "inpatient hospital services" have the meaning given the term "inpatient hospital services" by section 1861(b) of the Social Security Act (including in addition the services otherwise excluded by paragraph (5) thereof).

Admissions

(c) The term "admission" means the formal acceptance of an inpatient by a hospital, excluding newborn children (unless retained after discharge of the mother) and excluding transfers within inpatient units of the same institution.

Cost Payer

(d) The term "cost payer" means—

(1) a program established by or under title V, XVIII, or XIX of the Social Security Act, and

(2) any organization which (A) meets the definition contained in section 1842(f)(1) of the Social Security Act, and (B) reimburses a hospital subject to this title for inpatient hospital services on the basis of cost as defined for purposes of such reimbursement.

Determination of Inpatient Reimbursement

(e) Inpatient reimbursement under the programs established by titles V, XVIII, and XIX of the Social Security Act shall be determined without regard to adjustments resulting from the application of section 405.460(g), 405.455(d), 405.415(f), or 405.415(d)(3) of title 20 of the Code of Federal Regulations.

EXEMPTION OF NONSUPERVISORY PERSONNEL WAGE INCREASES FROM REVENUE LIMIT

SEC. 123. (a) At the request of any hospital which is subject to the provisions of this title and which provides the data necessary for the required calculation, the Secretary shall modify the limit otherwise established for such hospital with respect to any accounting year under section 111 to allow such hospital to receive, without restriction, revenue equal to the average amount of any increase in regular wages granted in such year to nonsupervisory employees.

(b) Such modified limits for any accounting year shall be calculated by adding together—

(1) the average percentage increase in regular wages granted to the employees referred to in subsection (a) since the close of the preceding accounting year multiplied by the percentage of total inpatient cost (as determined for purposes of title XVIII of the Social Security Act) attributable to such wages in such preceding year; and

(2) the revenue increase limit otherwise applicable to the hospital under this title (as determined under section 111) multiplied by the percentage of revenues (as determined for purposes of title XVIII of the Social Security Act) attributable to all other expenses in the preceding accounting year.

(c) The modified limit established under subsection (b) for any hospital with respect to any accounting year shall constitute such hospital's revenue increase limit for such year under section 111 for all the purposes of this title.

(d) For purpose of this section—

(1) the term "regular wages" means wages paid to an employee at the "regular rate at which he is employed" within the meaning of the Fair Labor Standards Act of 1938 as amended by the Fair Labor Standards Amendments of 1974, and does not include overtime wages or shift differentials; and

(2) the term "nonsupervisory employee" means an individual, employed by a hospital, who is not a supervisor or a physician as determined under regulations prescribed by the Secretary.

(e) If an adjustment has been made for any hospital under this section for any accounting year, it shall be made for that hospital for all succeeding accounting years.

DISCLOSURE OF FISCAL INFORMATION

SEC. 124. (a)(1) Every hospital shall (A) submit semiannually to the health systems agency designated under section 1515 of the Public Health Service Act for the health service area in which it is located, by March 1 and September 1 of each year, its average semiprivate room rate and the charges for the 10 other services which the health systems agency finds represent the services which are most frequently used or most important for purposes of comparing hospitals, and make available all cost reports submitted to cost payers, and (B) submit annually its overall plan and budget described in section 1861(z) of the Social Security Act.

(2) Failure by any hospital to comply with the requirement of paragraph (1) shall subject it to exclusion, at the discretion of the Secretary, from participation in any or all of the programs established by titles V, XVIII, and XIX of the Social Security Act.

(b) Each health systems agency designated under section 1515 of the Public Health Service Act shall publish every April 1 and October 1, in readily understandable language for public use, the information it receives under this section, in a manner designed to facilitate comparisons among the hospitals in its area.

IMPROPER CHANGES IN ADMISSION PRACTICES

SEC. 125. Upon written complaint by any institution meeting the conditions set forth in paragraphs (1) and (7) of section 1861(e) of the Social Security Act that one or more hospitals subject to this title has changed its admission practices in a manner that would tend to reduce the proportion of inpatients of such hospital or hospitals for whom reimbursement at less than the inpatient charges (as determined under section 111(d)) applicable to such inpatients is anticipated, the Secretary shall investigate the complaint and, upon a finding that the complaint is justified, may impose the sanction set forth in section 114(c)(2).

REVIEW OF CERTAIN DETERMINATIONS

SEC. 126. (a) Any determinations made by or on behalf of the Secretary under this title with respect to the application of its provisions to individual hospitals (other than determinations made section 125) shall be subject to the provisions of section 1878 of the Social Security Act in the same manner (except as provided in subsection (b)) as determinations with respect to the amount of reimbursement due to a provider of services under title XVIII of such Act.

(b) For purposes of subsection (a), the Secretary (notwithstanding section 1878(h) of the Social Security Act) shall appoint five additional members of the Provider Reimbursement Review Board following the specifications for expertise applicable to the existing five members. Such five additional members shall constitute the Board for purposes of reviewing all appeals under this title. All the other provisions of section 1878 of the Social Security Act shall apply except that the Board as so constituted shall be considered as reviewing decisions of the Secretary rather than of a fiscal intermediary, and subsection (b) of such section shall not apply.

EXCISE TAX ON EXCESSIVE PAYMENTS FOR INPATIENT HOSPITAL SERVICES

SEC. 127. (a) Subtitle D of the Internal Revenue Code of 1954 (relating to miscellaneous excise taxes) is amended by adding at the end thereof the following new chapter:

"CHAPTER 45—TAX ON CERTAIN EXCESSIVE PAYMENTS FOR INPATIENT HOSPITAL SERVICES

"SEC. 4991. IMPOSITION OF TAX.

"(a) IN GENERAL.—There is hereby imposed, with respect to the receipt by any hospital of payment for inpatient hospital services in excess of the applicable limits established by title I of the Hospital Cost Containment Act of 1977, and with respect to any payment made by any cost payer as defined in section 122(d)(2) of such Act for inpatient hospital services on a cost basis in excess of such limits, a tax equal to 150 percent of the amount of such excess. The tax imposed by this subsection shall be paid by the hospital or cost payer.

"(b) EXCEPTION.—The tax imposed by subsection (a) shall not apply with respect to any hospital so long as it is determined by the Secretary of Health, Education, and Welfare to be taking the corrective action described in section 114(d)(2) of the Hospital Cost Containment Act of 1977.

"(c) DEFINITIONS.—Terms used in subsections (a) and (b) have the meanings given them by title I of the Hospital Cost Containment Act of 1977.

"(d) ADMINISTRATION.—Under and to the extent provided by regulations of the Secretary, the appropriate provisions of subtitle F (relating to procedure and administration) shall be made applicable with respect to the tax imposed by subsection (a) of this section.".

(b) The table of chapters for subtitle D of such Code is amended by adding at the end thereof the following new item:

"CHAPTER 45. Tax on certain excessive payments for inpatient hospital services.".

MORE ON THE CLINCH RIVER BREEDER REACTOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia, (Mr. LEVITAS) is recognized for 5 minutes.

Mr. LEVITAS. Mr. Speaker, in the continuing public debate on the Clinch River breeder project, I would call to the attention of the Members an editorial which appeared in the Atlanta Journal of June 19, 1977, regarding President Carter's decision relating to the Clinch River project:

BREEDER REACTOR OPPOSED

The argument being put forward by the industry to keep the Clinch breeder alive is that other nations will build the breeder reactor if the United States does not. Many, however, are not yet fully committed to the development of breeder power and can still be influenced by leadership and example.

To justify something as potentially dangerous as the breeder reactor by arguing that Washington should go ahead because others are thinking about going ahead is a weak stamp of approval. It also does not speak to the individual merits of the issue.

Jimmy Carter is America's first president with a background in nuclear education. We believe he has reached the right decision on the breeder. It is unnecessary at this time, combining bad economics and bad foreign policy.

CAPTIVE NATIONS WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. LE FANTE) is recognized for 10 minutes.

Mr. LE FANTE. Mr. Speaker, next week we will pay tribute to all the peoples of the captive nations who are dominated by Communist governments.

Our Nation abhors the conditions of subjugation endured by many of our brothers and sisters throughout the world.

Our Nation detests the policies of Communist Russia which has severed much of the world from the freedoms which we enjoy in the United States.

Our Nation is appalled by the Communist imperialism which has led to the subjugation of the brave peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Romania, East Germany, Bulgaria, White Ruthenia, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam, Laos, and Cuba, and which seeks to further extend its terrible domination.

Our Nation cannot tolerate the so-called spirit of détente with Russia when this Communist aggressor denies basic human rights to its people and to the nations it controls.

Our Nation, following the lead of President Carter, must insure that the inalienable human rights of all the peoples of the world, the freedoms of speech, press, religion, assembly, and petition and the rights of life, liberty, and the pursuit of happiness, are honored and preserved.

Our Nation, whose destiny has been strengthened and promoted by millions of Americans whose origins are rooted in the captive nations of the world, seeks to keep the shame of their motherlands before the conscience of the world.

Our Nation wants the brave individuals behind the Iron, Bamboo, and Sugar Curtains to strive for the reacquisition of the freedoms and dignities that they once held and of which they have been stripped by Communist Russia.

Our great Nation stands as a symbol of independence and liberty for which the oppressed people of the world must strive. We must maintain America as the beacon of democratic practices and freedoms. In the words of President Eisenhower, who signed the Captive Nations Week Resolution into law—

I call upon all who love freedom to stand with us now. Together we shall achieve victory.

LEGISLATION AMENDING THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. JONES) is recognized for 5 minutes.

Mr. JONES of Tennessee. Mr. Speaker, today I am introducing by request a bill to amend the Consolidated Farm and Rural Development Act which would make changes in certain insured and guaranteed loan programs administered by the Farmer Home Administration.

A draft of this bill was forwarded to the Speaker by the Department of Agriculture by letter on June 20, 1977. The text of this bill is from that letter and the letter from John C. White, Acting Secretary, follows:

DEPARTMENT OF AGRICULTURE, OFFICE OF THE SECRETARY,
Washington, D.C., June 20, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Enclosed for the consideration of the Congress is a draft bill "To amend the Consolidated Farm and Rural Development Act." The bill would make beneficial changes in certain insured and guaranteed loan programs administered by the Farmers Home Administration (FmHA).

The Department of Agriculture recommends that the draft bill be enacted.

The amendment to Section 302 would authorize the FmHA to extend eligibility for farm ownership, farm soil and water, and farm recreation loans to partnerships and corporations. This would permit the Secretary to authorize loans to private corporations and partnerships controlled by family farmers and ranchers who are engaged primarily and directly in farming or ranching. This amendment will not change the size of the enterprise to be assisted from that which would have existed as an individual family farmer operated enterprise. Under the amendment, the credit elsewhere test would apply to both the entity and the principal stockholders or partners. This proposed amendment would not require additional outlays.

The amendment to Section 305 would increase the loan limits on insured and guaranteed farm ownership, farm soil and water, and farm recreation loans from $100,000 to $200,000. This would also eliminate the $225,000 limitation on the total indebtedness that may exist against the farm or security. This amendment also eliminates the requirement that the county committee certify as to the maximum amount of such a loan. These changes would permit more adequate financing of family farms than is possible under existing limits and facilitate the use of guaranteed credit. This proposed amendment would not require additional outlays.

The revision to Section 307(a) would authorize interest rates for insured farm real estate-type of loans at a rate based on the average of current marketable obligations of the United States with comparable maturities plus an additional charge prescribed by the Secretary to cover losses and cost of administration. The revision would authorize the Secretary to assist young and other farm families, who may not reasonably be expected to make full payments based on an interest rate determined as above, with an interest rate less than the formula rate. Loans for water and waste disposal systems and essential community facilities would be made at an annual interest rate comparable to that prevailing in the private market for similar loans. The attached schedule shows estimated savings in terms of interest subsidy reductions over a 5-year period, assuming the program levels effective in 1977. This amendment would also provide that interest rates on all types of loans authorized under Subtitle A, when made as guaranteed loans, will be at rates negotiated between borrower and lender. Further, it would permit the Secretary more flexibility to react to changing conditions, and to provide interest rates for the various loan programs more in line with rates being paid by borrowers financing projects through conventional sources. This section would also delete the reference to "escrow agent" now found in Section 307(a)(2) of the Act. Such deletion would enable the Secretary, in those cases where he requires prepayments of taxes, insurance and the like, to merge the prepayments with other payments from the borrower, if the Secretary desires to do so for bookkeeping purposes.

The amendment to Section 309(f)(1) would delete the $500 million maximum limitation on the amount of new loans that may be held in the Agricultural Credit Insurance Fund at any one time. Of the three FmHA insurance fund accounts, only that controlling utilization of the Agricultural Credit Insurance Fund contains such a limitation, with emergency loans being excepted. Elimination of this limitation would simplify the administration of the fund.

Subsections 309(f)(3) and 309A(g)(3) would be amended to authorize FmHA to pay from either the Agricultural Credit Insurance Fund or the Rural Development Insurance Fund deferred installments on loans to the holder of the notes. This authority would allow payments to holders of insured paper to be made on a regular basis from the funds even though the borrowers have been permitted to defer payment of principal and interest of the loans. At the present time, the payments from the borrowers may be deferred but the debt instruments cannot be sold from the funds since holders are not willing to forego interest payments on their loans.

Subsection 309A(g)(8) would be amended to authorize FmHA to transfer any funds made available under the Rural Development Insurance Fund for administrative purposes and merge these funds with any appropriation for administrative expenses of FmHA. This would place the same authority under the Rural Development Insurance Fund as FmHA now has under the Agricultural Credit Insurance Fund and the Rural Housing Insurance Fund which authorize FmHA to transfer administrative funds to its administrative appropriation account. This proposed change would not require any additional outlays.

A new Section 309B would be added which would authorize the Secretary to purchase the guaranteed portion of any outstanding guaranteed loan from the holder and to use the assets of the Agricultural Credit Insurance Fund and the Rural Development Insurance Fund for such purposes. This would permit the Secretary to create a secondary market for the guaranteed portion of loans made by private lenders. It is anticipated that this authority would be used only when the private sector is unable to generate its own market. Further, it is intended that the Secretary would purchase such guarantees at discounts adequate to cover any risk exposure to the Government.

The amendment to Section 310B would eliminate for business and industrial assistance the administrative determinations concerning employment transfers and overproduction in cases where the assistance would not exceed $500,000 or direct employment resulting from the assistance would not be increased by more than 20 employees. This change would expedite the administrative process and permit more rapid and effective assistance for business and industry in rural areas and would not require any additional outlays.

The amendment to Section 311 would authorize farm operating loans to private corporations and partnerships controlled by family farmers and ranchers and engaged primarily and directly in farming or ranching. Loans in these categories are presently limited to individuals. Under the amendment, the credit elsewhere test would apply to both the entity and the principal stockholders or partners. This amendment will not change the size of the enterprise to be assisted from that which would have existed as an individual family farmer-operated enterprise.

The amendment to Section 313 would increase farm operating loan limits to borrowers from $50,000 to $100,000 for insured and guaranteed loans. It would also delete the requirement that the county committee certify as to the maximum amount of operating loans. This amendment would provide an upward adjustment for inflation and permit borrowers to acquire sufficient capital to be effective farmers and ranchers.

Under the amendment to Section 316 the interest rate for farm operating loans would be determined by the Secretary of the Treasury. A like change is provided for Section 307 for subtitle A programs. The amendment to Section 316 would also provide for interest rates on guaranteed operating loans to be negotiated between borrower and lender.

The amendment would permit consolidation or rescheduling for payment of outstanding farm operating loans for a period not to exceed 7 years thus permitting the Secretary more flexibility to meet the credit needs of borrowers. The interest rates on loans which are consolidated or rescheduled could, in the discretion of the Secretary, be changed to the then current operating loan rate except that for guaranteed loans the interest rates would be a matter of negotiation between the borrower and lender.

The amendment to Section 321 specifies that an eligible partnership for an emergency loan must be a United States partnership. A similar requirement is already imposed on corporations.

A new subsection 331(j) would be added to permit FmHA to continue to conduct loan and grant operations in connection with properties or facilities securing any loan held or insured by the Secretary, or in connection with any property held by the Secretary, in areas that have passed from rural to urban classification due to population growth.

The amendment to Section 333(b) would authorize FmHA to establish a procedure for appeal and review and possible reversal of determinations made by FmHA County Committees. FmHA would thus be able to rectify any inequities which may result from county committee recommendations, certifications or other authorized actions. The amendment to Section 333(c) would exempt guaranteed loan borrowers from the require-

ment that they refinance their FmHA debt through conventional lenders when they can secure credit from those sources. By eliminating the requirement of "graduation" in the case of guaranteed loan borrowers, it would permit such borrowers to continue their customary and established business relationships with financial institutions, instead of seeking other sources of credit.

A new section 346 would also be added to the Act to nullify any restriction in another agency's statutory authority prohibiting it from becoming involved where a different Federal agency is rendering assistance. Any such agency would thus be authorized to assist a project that is also assisted by FmHA.

An identical letter has been sent to the President of the Senate.

The Office of Management and Budget advises that there is no objection to the presentation of this proposed legislation.

Sincerely,

JOHN C. WHITE,
Acting Secretary.

JUPITER ORBITER PROBE IN A BALANCED SPACE PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FUQUA) is recognized for 10 minutes.

Mr. FUQUA. Mr. Speaker, we must maintain strength and continuity in our efforts to explore mankind's most challenging frontier—space. In particular, exploration of our planetary system yields unique information on the origin and early history of the Earth, and comparisons of our planet with its neighbors provide a new and stimulating viewpoint from which to diagnose the ills of our environment and chart their solution. At the same time, this exploration appeals to humanity's basic urge for new knowledge and a wider perspective, and lays foundations for the eventual utilization of space resources and perhaps ultimately the large-scale colonization of space.

The age of interplanetary exploration is less than 15 years old. Since the first Mariner spacecraft was launched to Venus in 1962, the United States has sent 11 small unmanned spacecraft to the planets, in addition to our Apollo expeditions of the Moon. Exploratory visits to Mercury, Venus, Mars, and Jupiter have been made, and the Pioneer 11 spacecraft is now en route to Saturn. For Mars, the planet that has always captured the imagination of mankind, we have followed our early reconnaissance missions with a long-lived orbiter in 1971 and the spectacularly successful Viking landers and orbiters in 1976.

In 1977, a dual Mariner flyby mission to Jupiter, Saturn, and perhaps Uranus will be launched, and in 1978, Pioneer Venus will probe the hot and alien atmosphere of Earth's sister planet. The time to initiate the Jupiter orbiter probe for launch in January 1982 is now.

The Jupiter orbiter probe mission consists of a single spacecraft with two major segments: an atmospheric probe carrying 44 to 66 pounds of science experiments and an orbiter equipped with up to 165 pounds of instruments. Among the experiments: a new camera system with which scientists can gather more information about planets and satellites than ever before because of its greater spectral response.

A flight time of 1,000 days to Jupiter is planned, allowing the probe to enter the atmosphere on the sunlit side of the planet. Fifty-six days before JOP arrives at Jupiter, the probe will be released from the main spacecraft. The instrument-laden probe will provide the first direct sampling of the dense atmosphere of Jupiter. The probe will transmit data for as long as 30 minutes as it plunges through Jupiter's atmosphere.

The Orbiter, meanwhile, will burn its rocket engine to settle into a looping, elliptical orbit around Jupiter. For the next 20 months or longer the spacecraft will follow a series of elliptical paths that take it to all regions around Jupiter.

At least 11 near encounters with Jupiter, and 11 close passes by the largest satellites will occur. During at least one orbit, the spacecraft will study Jupiter's magnetotail—that portion of the magnetic region directly opposite the Sun—out to a distance of 150 Jupiter radii, 10,740,000 kilometers—6,673,500 miles—from the planet. Such observations are impossible with flyby spacecraft and from Earth.

It is important to begin the Jupiter orbiter probe project in the coming fiscal year. Both the orbiter and the probe incorporate several state-of-the-art devices that require reasonable leadtimes for design and construction.

Timing of the JOP mission is critical: By launching in January 1982, mission personnel can continue the orderly and progressive exploration of the other planets. Viking is still exploring Mars. Pioneer Venus will be launched in 1978 to our nearest planetary neighbor. Pioneer 11 will fly past Saturn in 1979. Voyager 1 and 2 will arrive at Jupiter in 1979 and Saturn in 1980 and 1981.

No further planetary exploration missions are currently funded. The Nation's planetary exploration program will end when these missions end. The tables show "starts" and "ends" of all planetary-exploration missions since fiscal year 1969:

Funding through fiscal year 1977

Viking, fiscal year 1969 to 1978	$951.7
Mariner 9, fiscal year 1969 to 1973	134.9
Mariner 10, fiscal year 1970 to 1975	102.8
Pioneer 10–11, fiscal year 1970 to 1978	96.4
Voyager, fiscal year 1972 to 1982	267.3
Pioneer Venus, fiscal year 1975 to 1979	141.6

Mr. Speaker, we cannot allow this progress to degrade and suffer the loss of balanced and aggressive planetary exploration.

JUSTICE SHOULD BE A TWO-WAY STREET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ECKHARDT) is recognized for 5 minutes.

Mr. ECKHARDT. Mr. Speaker, I would like to continue today to illustrate the kinds of duplicitous conduct big business engages in when it wants to defeat proconsumer legislation.

A few years ago, when the House Commerce Committee was working on the Magnuson-Moss FTC Improvements Act, I spent many hours with representatives from Sears and Penney's working out the administrative procedures and the judicial review provisions of the legislation.

Sears, Penney's, and other large retail stores were very anxious to have the legislation give them ample opportunity to go to court to challenge FTC action.

The provision we worked out gave them much more extensive rights at the agency level and on judicial review than either the Constitution or the Administrative Procedure Act requires. Our provision requires the FTC to hold an oral hearing with opportunity for cross-examination before it can issue a rule prohibiting a specific unfair or deceptive market practice. Under the APA, agencies are required only to give interested parties an opportunity to submit written comments on a proposed rule. Thus the record going to a court for judicial review under the APA is much smaller than the record created for review under the Magnuson-Moss amendments to the FTC Act. Further, under the APA, a court on review determines if the agency has acted arbitrarily and capriciously. However, under the Magnuson-Moss amendments, the courts must engage in a much more searching review of the record to determine if the Commission's action was supported by substantial evidence.

Now some people would consider this an extra burden to impose on the judiciary since, as I have shown, their judicial review of agency action is normally much more limited.

However, neither Sears, Penney's, nor I were particularly concerned about any extra burden on the courts. We were, instead, concerned about protecting their substantive rights. After all, the courts exist to serve the people, not vice versa.

At least, that is what I thought. But I am discovering that when it comes to other people's rights, Sears and Penney's purport to be much more concerned about the burden on the courts than they are about protecting those rights.

As I explained to the House on Tuesday and Wednesday, the House Commerce Committee has reported a bill, H.R. 3816, which makes it possible for individuals who are injured by violations of FTC rules and orders to go into court, either individually or as a class, to get their money back.

The large retail companies have expressed the concern that such consumer class actions could overburden the judiciary. They make this argument without offering any evidence to support it. In fact, States with liberal class action laws have not been overburdened with class suits. Further, experience with class actions under the antitrust and securities laws offers no support for their argument.

So, in short, when we were dealing with their rights, these retail chains were not concerned with the burdens on the courts. But when their customers' right to use the courts is involved then, it is argued, they will clog the courts and there is no time to try the customer's case. The courthouse door should be

open not only to the merchant and seller but also to the buyer.

BRINGING TOP JOB GROWTH UNDER CONTROL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. HARRIS) is recognized for 5 minutes.

Mr. HARRIS. Mr. Speaker, today I have introduced a bill to bring some control and management to growth at the top levels of Government. This bill deals with the mechanism for creating executive level positions in Federal agencies. Executive level jobs are those positions above the career civil service. All are political appointments and most require Senate confirmation. Currently, there are between 800 and 900 executive level positions. The startling fact is that no one is certain of the precise number.

Here is what the bill does:

First. It directs the Civil Service Commission to precisely determine the number of executive level positions in the executive branch and to publish that number in the Federal Register within 90 days of enactment of the bill.

Second. It freezes the number of executive level positions at this number effective upon publication.

Third. It directs the President to present to Congress by January 1, 1979, a comprehensive plan for the number of executive level personnel in the executive branch, together with appropriate justification. Authority to implement the plan would come from Congress.

Fourth. It terminates the current authority for all executive level positions on July 1, 1980, a "sunset" provision.

Fifth. It requires referral of all bills and provisions of bills creating executive level jobs to the House Post Office and Civil Service Committee.

Thus, under this legislation, we will stop the hodge-podge process of creating top positions and place the initial responsibility for establishing these positions in the House committee best able to plan, create, and establish salary levels for jobs in the context of Government personnel needs and public policy. The bill will enable the executive branch and the Congress to find out how many positions there are, at what levels and salaries, and bring some order and coherrence to the management at the top levels of Government in a systematic way.

TOP JOBS SPROUT RANDOMLY

Executive level positions, unlike civil service jobs, are created by Congress in various laws we enact. Often these positions originate in bills in the various authorizing subcommittees when they create a new program or new agency. Sometimes the positions are written into law in separate bills for that purpose alone.

For example, in this Congress, the House passed the Small Business Act amendments (H.R. 692), legislation with the primary goal of increasing loan and bond guarantee authority for the SBA. Included in this bill is a provision adding a new executive level V position in SBA, an Associate Administrator, at $47,500 per year. In 1970, When Congress made amendments to the Merchant Marine Act, Congress added an additional Assistant Secretary of Commerce for Maritime Affairs.

Last year, Congress sent to the President a bill to establish a new Assistant Secretary in the Department of Agriculture at executive level IV at a salary of $50,000. That bill also renamed the Under Secretary position "Deputy," and upped the executive level and the salary from III to II, a $5,000 increase. In addition, the bill elevated the Administrator of the Animal and Plant Inspection Service from GS–18, a civil service classification, to executive level V, a $47,500 political appointment.

NO CONTROL NO SENSE

The result and the problem is that the top jobs come into being almost randomly—with no central, overall control or coordination. No one—not Congress, the Civil Service Commission, the Office of Management and Budget, or the White House—provides any central focus or coordinates the creation of these positions. In fact, the Civil Service Commission has told me that they have difficulty precisely determining how many executive positions there currently are. They do their best to keep track, but that is about all.

Congress is as much the culprit as is the executive branch. The substantive committees often feel, and sometimes justifiably, that when they create a new program or write a new law, they need to establish top positions for persons to administer the law. However, sometimes positions come into existence because of other motivations. One department may want a sixth Assistant Secretary because another department has six. Creating a new executive level slot may be a little plum to an individual or group. An "Assistant Secretary for Animal Welfare" or "Tourism" or "Overseas Marketing" may or may not be justified. That is not the point. The point is that the creation of any top position should be considered in the total context of government, of public policy, and the overall structure and needs of government. It should not be a reflex to a new fad, nor should the positions be "manufactured" to accommodate any one individual, or pursue a particular political motivation. Simply put, we need to bring some order to this chaos—some objective standards to the process.

QUADRENNIAL COMMISSION CALLED FOR CENTRAL CONTROL

The need for some central control was recognized by the Commission on Executive, Legislative, and Judicial Salaries in its report to the President in December 1976. The Commission has called the present procedure of assigning jobs to certain levels "inadequate" and that this has happened "without adequate overview." They cite several problems this haphazard process causes. It makes evaluation of established jobs "almost impossible" when "the work content had eroded." It has meant that some of the newer agencies have "received more favorable treatment" than some of the older agencies. This may mean that their agency's "lobbyists" on Capitol Hill are more vocal.

It certainly has meant that a significant number of jobs are evaluated erroneously, according to the Commission. For example, the Commission questioned why the Special Representative for Trade Negotiations should be a level I—at $66,000 per year—the same level as a Cabinet Secretary. They pointed out that the Administrator of the Federal Aviation Administration is at level II, $57,500 annually, but probably should be at III, $52,500 annually. They reported that the Administrator of LEAA is level II but the Administrator of NASA is at level II. They suggested that perhaps the Director of the FBI should be a level III, not a level II.

The Commission called for a permanent Commission, to have among its other duties, the responsibility to monitor and recommend approval of job classifications in the executive levels. I disagree. A new Personnel Commission is not needed. Since these positions are political appointments, the President has and should have the ultimate authority over them. He of course could consult with OMB, the Civil Service Commission, and the various agencies. But the President as the chief executive should be ultimately in charge.

UNFAIR TO CAREER EMPLOYEES

Another inequity created by this situation is its bearing on the career civil service. On March 1, 1977, President Carter issued a memorandum to all departments and agencies and asked them to "limit the number of appointments to full-time permanent positions in your agency to not more than 75 percent of the number of vacancies occurring after February 28, 1977." He said at the time:

> One of the top priorities of this Administration is to manage the affairs of Government more efficiently. As part of this effort, we must hold Federal employment to the lowest number needed to operate effectively. Toward that end, I am imposing a limitation on the hiring of federal civilian workers pending the establishment of revised employment ceilings.

His directive did not address executive level positions—just the rank and file.

I feel it is unfair to limit the number of career jobs without also looking at the number of political jobs and their need. I believe that we need to freeze the proliferation of executive jobs, at least until we find out where we are and develop a more rational system for creating them. And I believe that it is unfair to the career force and to all job seekers to see career job opportunities curtailed, but political jobs popping out willy-nilly in no rational fashion.

Hearings on H.R. 5544 which I cosponsored with Mr. UDALL will start July 26. This bill begins to address this question; the bill I have introduced today takes an additional step. I will urge that the Subcommittee on Ethics and Employee Utilization, on which I serve, to consider this bill in its deliberations as well.

ANNOUNCEMENT

(Mr. RONCALIO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, on rollcall No. 418, the vote on House Resolution 682, due to an important commitment which had previously been made I was unable to reach the floor of the Chamber in sufficient time to cast my vote.

Had I been present, I would have voted "aye."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. RONCALIO, for Monday, July 18, on account of official business in Wyoming.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. COLEMAN) to revise and extend their remarks and include extraneous matter:)

Mr. FISH, for 5 minutes, today.
Mr. KEMP, for 10 minutes, today.
Mr. WHALEN, for 5 minutes, today.
Mr. BURKE of Florida, for 10 minutes, today.
Mr. ASHBROOK, for 15 minutes, today.
Mr. CONABLE, for 20 minutes, on July 15.

(The following Members (at the request of Mr. LE FANTE) to revise and extend their remarks and include extraneous material:)

Mr. DAVIS, for 5 minutes, today.
Mr. WOLFF, for 5 minutes, today.
Mr. ROSTENKOWSKI, for 10 minutes, today.
Mr. LEVITAS, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. LE FANTE, for 10 minutes, today.
Mr. JONES of Tennessee, for 5 minutes, today.
Mr. FUQUA, for 10 minutes, today.
Mr. ECKHARDT, for 5 minutes, today.
Mr. HARRIS, for 5 minutes, today.
Mr. FLOOD, for 60 minutes, July 20.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. PERKINS, to revise and extend his remarks, and to include extraneous material during general debate on H.R. 4287.

(The following Members (at the request of Mr. COLEMAN) and to include extraneous matter:)

Mr. FORSYTHE in two instances.
Mr. STEIGER in two instances.
Mr. ABDNOR.
Mr. MILLER of Ohio in four instances.
Mr. ERLENBORN.
Mr. JEFFORDS in three instances.
Mr. STOCKMAN.
Mr. COLEMAN.
Mr. LUJAN.
Mr. LARGOMARSINO.
Mr. STEERS.
Mr. DUNCAN of Tennessee.
Mr. RUDD.
Mr. LEACH.
Mr. HARSHA.
Mr. MCCLOSKEY.
Mr. FISH.
Mr. ASHBROOK in three instances.
Mr. DORNAN.
Mr. COLLINS of Texas in three instances.
Mr. TAYLOR.
Mr. DERWINSKI.
Mr. CARTER.

(The following Members (at the request of Mr. LE FANTE) and to include extraneous matter:)

Mr. SOLARZ.
Mr. MINISH in two instances.
Mr. MCHUGH.
Mr. OTTINGER in two instances.
Mr. ALEXANDER.
Mr. EILBERG in two instances.
Mr. BONIOR.
Mr. DE LUGO.
Mr. ROGERS in five instances.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. MAZZOLI.
Mr. MURPHY of New York.
Mr. BRECKINRIDGE.
Mr. STUDDS.
Mr. LLOYD of California.
Mr. RICHMOND.
Mr. APPLEGATE.
Mr. LEDERER.
Mr. KOSTMAYER.
Mr. FITHIAN.
Mr. BAUCUS.
Mr. BRODHEAD in two instances.
Mrs. SCHROEDER.
Mr. MCDONALD.
Mr. SISK.
Mr. JOHNSON of California.
Mr. TEAGUE.
Mr. VANIK.
Mr. RODINO.
Mr. BLOUIN.
Mr. BENNETT.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1338. An act to provide for the issuance and administration of permits for commercial outdoor recreation facilities and services on public domain national forest land, and for other purposes; to the Committee on Interior and Insular Affairs.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 186. An act to implement the Convention on the International Regulations for Preventing Collisions at Sea, 1972;

H.R. 1551. An act granting the consent of Congress to an amendment to the Sabine River Compact entered into by the States of Texas and Louisiana;

H.R. 5638. An act to amend the Fishery Conservation Zone Transition Act in order to give effect during 1977 to the Reciprocal Fisheries Agreement between the United States and Canada;

H.R. 6893. An act to amend title 4 of the United States Code to make it clear that Members of Congress may not, for purposes of State income tax laws, be treated as residents of any State other than the State from which they were elected;

H.R. 7636. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1978, and for other purposes; and

H.J. Res. 24. Joint resolution to provide for the designation of a week as "National Lupus Week".

ADJOURNMENT

Mr. LE FANTE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 34 minutes p.m.), the House adjourned until Friday, July 15, 1977, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1905. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize appropriations during the fiscal year 1978 for procurement of aircraft and missiles, and research, development, test and evaluation for the Armed Forces, and for other purposes; to the Committee on Armed Services.

1906. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-48, "To provide for deductions for deed recordation taxes and motor vehicle registration fees and for accelerated payment of taxes on insurance premium receipts," pursuant to section 602 (c) of Public Law 93-198; to the Committee on the District of Columbia.

1907. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-51, "To provide for the monetary payment of rewards to certain persons who provide information relating to violations of the District of Columbia revenue laws, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1908. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-52, "To amend the District of Columbia plumbing code to require the installation of water conservation devices or fixtures," pursuant to section 602 (c) of Public Law 93-198; to the Committee on the District of Columbia.

1909. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-53, "To amend existing District of Columbia law with regard to cases of child neglect and abuse, to establish procedures for the termination of parental rights in certain situations, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1910. A letter from the Secretary of the Interior, transmitting the annual report of the Office of Water Research and Technology for 1976 including the Office's activities under the Saline Water Act of 1971, as amended, pursuant to section 307 of the Water Resources Research Act of 1964, as amended; to the Committee on Interior and Insular Affairs.

1911. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense articles and services to the Government of Is-

rael, pursuant to section 36(b) of the Foreign Military Sales Act, as amended (Transmittal No. 77–47); to the Committee on International Relations.

1912. A letter from the Federal Power Commission, transmitting a copy of the map entitled "Principal Electric Facilities in the United States"; to the Committee on Interstate and Foreign Commerce.

1913. A letter from the Acting Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (section 104(n)(33)); to the Committee on Public Works and Transportation.

1914. A letter from the Acting Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (section 202); to the Committee on Public Works and Transportation.

1915. A letter from the Acting Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (section 202(a)); to the Committee on Public Works and Transportation.

1916. A letter from the Acting Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (section 203(a)); to the Committee on Public Works and Transportation.

1917. A letter from the Acting Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (sections 202 and 204); to the Committee on Public Works and Transportation.

1918. A letter from the Acting Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (section 205); to the Committee on Public Works and Transportation.

1919. A letter from the Acting Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (section 207); to the Committee on Public Works and Transportation.

1920. A letter from the Acting Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (sections 207 and 208); to the Committee on Public Works and Transportation.

1921. A letter from the Acting Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (section 301); to the Committee on Public Works and Transportation.

1922. A letter from the Acting Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (section 301(c)); to the Committee on Public Works and Transportation.

1923. A letter from the Acting Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (section 304(j)); to the Committee on Public Works and Transportation.

1924. A letter from the Acting Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (subsections 304(e) and 402(g)); to the Committee on Public Works and Transportation.

1925. A letter from the Acting Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (section 307); to the Committee on Public Works and Transportation.

1926. A letter from the Acting Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (section 309); to the Committee on Public Works and Transportation.

1927. A letter from the Acting Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (section 311(b)); to the Committee on Public Works and Transportation.

1928. A letter from the Acting Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (section 318); to the Committee on Public Works and Transportation.

1929. A letter from the Acting Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (section 402(1); to the Committee on Public Works and Transportation.

1930. A letter from the Acting Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (subsection 402(d)(4)); to the Committee on Public Works and Transportation.

1931. A letter from the Acting Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (section 402(h)); to the Committee on Public Works and Transportation.

1932. A letter from the Acting Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (section 405); to the Committee on Public Works and Transportation.

1933. A letter from the Acting Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (title II); to the Committee on Public Works and Transportation.

1934. A letter from the Comptroller General of the United States, transmitting a report concerning the procedures used for holding architects and engineers responsible for the quality of their design work (LCD–76–333, July 14, 1977); jointly, to the Committees on Government Operations and Armed Services.

1935. A letter from the Comptroller General of the United States, transmitting a report on how the United States leases Outer Continental Shelf lands for the domestic development of oil and natural gas resources (EMD–77–51, June 28, 1977); jointly, to the Committees on Government Operations, and Interior and Insular Affairs.

1936. A letter from the Comptroller General of the United States, transmitting a report on the status of, and potential for, energy resource development in the Rocky Mountain area (EMD–77–23, July 13, 1977); jointly, to the Committees on Government Operations, Interior and Insular Affairs, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STAGGERS: Committee of conference. Conference report on H.R. 4975 (Rept. No. 95–500). Ordered to be printed.

Mr. ZABLOCKI: Committee of conference. Conference report on H.R. 6714 (Rept. No. 95–501). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JOHNSON of California (for himself, Mr. HARSHA, Mr. ROBERTS, and Mr. DON H. CLAUSEN):

H.R. 8309. A bill authorizing certain public works on rivers for navigation, and for other purposes; jointly, to the Committees on Public Works and Transportation, and Ways and Means.

By Mr. ERLENBORN (for himself and Mr. ASHBROOK):

H.R. 8310. A bill to amend the National Labor Relations Act to protect the rights of employees, to strengthen the remedies under such act, and for other purposes; to the Committee on Education and Labor.

By Mr. ADDABBO:

H.R. 8311. A bill to amend the Social Security Act to require automatic sprinkler systems in all nursing facilities and intermediate care facilities certified for participation in the medicare or medicaid program, and to provide for direct low-interest Federal loans to assist such facilities in constructing or purchasing and installing automatic sprinkler systems; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. CORMAN:

H.R. 8312. A bill to authorize the payment of attorney's fees in tax cases; to the Committee on the Judiciary.

By Mr. DERWINSKI:

H.R. 8313. A bill to amend the Internal Revenue Code of 1954 to allow an individual to exclude from gross income the gain from the sale or exchange of the individual's principal residence; to the Committee on Ways and Means.

By Mr. EVANS of Delaware (for himself, Mr. BONIOR, Mr. CAPUTO, Mr. COLLINS of Texas, Mr. D'AMOURS, Mr. FISH, Mrs. HECKLER, Mr. LENT, Mr. MANN, Mr. MOAKLEY, Mr. MURPHY of Pennsylvania, Mr. NOLAN, Mr. PATTERSON of California, Mr. PURSELL, Mr. STOKES, and Mr. THONE):

H.R. 8314. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for amounts paid for commuting to and from work on public transportation systems; to the Committee on Ways and Means.

By Mr. JONES of Tennessee (by request):

H.R. 8315. A bill to amend the Consolidated Farm and Rural Development Act; to the Committee on Agriculture.

By Ms. KEYS (for herself, Mr. CORMAN and Mr. BRODHEAD):

H.R. 8316. A bill to amend title XVI of the Social Security Act to make it clear that any remuneration received by an individual for services performed in a sheltered workshop or work activities center is to be treated as earned income (and subject to disregard under the provisions applicable to earned income generally) for purposes of determining such individual's eligibility for SSI benefits and the amount thereof; to the Committee on Ways and Means.

By Mr. LEACH:

H.R. 8317. A bill to provide that a former spouse of a Federal employee who is married to such employee for 5 years or more shall be entitled to a portion of such employee's annuity and to a portion of the annuity of any surviving spouse of such employee, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LUJAN:

H.R. 8318. A bill to declare that title to certain lands in the State of New Mexico are held in trust by the United States for the Ramah Band of the Navajo Tribe; to the Committee on Interior and Insular Affairs.

H.R. 8319. A bill to amend title 5, United States Code, to include Energy Research and Development Administration couriers and security inspectors within the same civil service retirement provisions as law enforcement officers and firefighters; to the Committee on Post Office and Civil Service.

By Mr. NOWAK:

H.R. 8320. A bill to authorize Federal financial assistance for the operation and maintenance of the Theodore Roosevelt Inaugural National Historic Site in Buffalo, N.Y.; to the Committee on Interior and Insular Affairs.

H.R. 8321. A bill to authorize Federal financial assistance for the operation and maintenance of the Theodore Roosevelt Inaugural National Historical Site in Buffalo, N.Y.; to the Committee on Interior and Insular Affairs.

By Mr. OTTINGER (for himself, Mr. AUCOIN, Mr. HARRINGTON, Mr. HANNAFORD, Mr. MURPHY of Pennsylvania, Mr. OBERSTAR, Mr. PATTISON of New York, Mr. TRAXLER, Mr. VENTO, and Mr. CHARLES WILSON of Texas):

H.R. 8322. A bill to require States to participate in a system of regional Presidential primaries administered by the Federal Election Commission, and for other purposes; to the Committee on House Administration.

By Mr. ROE (for himself and Mr. MOFFETT):

H.R. 8323. A bill to make the provisions of the Public Safety Officers Benefits Act retroactive to January 1, 1972, and to include volunteer ambulance, first-aid and rescue squad members as Public Safety Officers eligible to receive benefits thereunder; to the Committee on the Judiciary.

By Mr. SMITH of Nebraska:

H.R. 8324. A bill to impose a moratorium on railroad abandonments, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SOLARZ:

H.R. 8325. A bill to amend the War Powers Resolution; to the Committee on International Relations.

By Mr. SPENCE (for himself, Mr. BAFALIS, Mr. BAUCUS, Mrs. COLLINS of Illinois, Mr. DAVIS, Mr. DUNCAN of Tennessee, Mr. EDWARDS of Oklahoma, Mr. FITHIAN, Mr. FREY, Mr. HANSEN, Mr. JENRETTE, Mr. KEMP, Mr. KINDNESS, Mr. LAGOMARSINO, Mr. LOTT, Mr. MARTIN, Mr. MOORHEAD of California, Mr. NEAL, Mr. TREEN, and Mr. YOUNG of Florida):

H.R. 8326. A bill to amend chapter 49 of title 10, United States Code, to prohibit union organization in the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. STEERS:

H.R. 8327. A bill to establish a commission to study the adequacy of the annual Federal payment to the District of Columbia; to the Committee on the District of Columbia.

By Mr. WHITEHURST (for himself and Mr. SCHULZE):

H.R. 8328. A bill to amend the National Housing Act to provide for the insurance of graduated payment mortgages, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. CORMAN (for himself and Mr. LEDERER):

H.R. 8329. A bill to amend title XVIII of the Social Security Act to provide coverage for services which may be performed by a dentist on the same basis as presently allowed for physicians under the medicare program, and to authorize a payment under such program for all inpatient hospital services furnished in connection with dental procedures requiring hospitalization; jointly, to the Committee on Ways and Means and Interstate and Foreign Commerce.

By Mr. DORNAN:

H.R. 8330. A bill to provide for the establishment of a memorial tomb in the Memorial Amphitheater of the National Cemetery at Arlington, Va., to commemorate the members of the Armed Forces of the United States who lost their lives while serving in Southeast Asia during the Vietnam era and whose remains have never been recovered; to the Committee on Veterans' Affairs.

By Mr. ECKHARDT:

H.R. 8331. A bill to amend the Securities Investor Protection Act of 1970; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRIS:

H.R. 8332. A bill to provide for the referral to the Committee on Post Office and Civil Service of the House of Representatives of bills, resolutions, and other matters under which authority is granted to establish executive level positions, to limit the number of such positions which may be created, and for other purposes; jointly, to the Committees on Rules, and Post Office and Civil Service.

By Mr. KEMP:

H.R. 8333. A bill to provide for permanent tax rate reductions for individuals and businesses; to the Committee on Ways and Means.

By Mr. KEMP (for himself, Mr. MOORHEAD of Pennsylvania, and Mr. ROUSSELOT):

H.R. 8334. A bill to exempt sales by small producers of certain natural gas from regulation of the Federal Power Commission and from the requirement of certificates of public convenience and necessity of section 7(c) of the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mr. KEMP (for himself and Mr. THONE):

H.R. 8335. A bill to amend the Internal Revenue Code of 1954 and certain other provisions of law to provide for automatic cost-of-living adjustments in the income tax rates, the amount of the standard, personal exemption, and depreciation deductions, and the rate of interest payable on certain obligations of the United States; to the Committee on Ways and Means.

By Mr. LEVITAS (for himself, Mr. UDALL, Mr. PHILLIP BURTON, Mr. MATHIS, Mr. BRINKLEY, Mr. GINN, Mr. BARNARD, Mr. EVANS of Georgia, Mr. FOWLER, Mr. SEIBERLING, Mr. DE LUGO, Mr. WON PAT, Mr. SANTINI, Mr. CORRADA, Mr. LAGOMARSINO, Mr. CARR, and Mr. MILLER of California):

H.R. 8336. A bill to enhance the outdoor recreation opportunities for the people of the United States by expanding the national park system, by providing access to and within areas of the national park system, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ROSTENKOWSKI (for himself, Mr. CORMAN, Mr. VANIK, Mr. COTTER, Mrs. KEYS, and Mr. BRODHEAD):

H.R. 8337. A bill to establish a transitional system of hospital cost containment by providing for incentives and restraints to contain the rate of increase in hospital revenues, to provide for the publication and disclosure of information useful to the public in making decisions about health care, to provide for the development of permanent reforms in hospital reimbursement designed to provide incentives for the efficient and effective use of hospital resources, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. WEAVER (for himself, Mr. MAZZOLI, Mr. ANNUNZIO, Mrs. MEYNER, Mr. HANLEY, Mr. YOUNG of Missouri, Mr. NEAL, Mrs. CHISHOLM, Mr. NEDZI, Ms. OAKAR, Mr. SEIBERLING, Mr. BONKER, Mrs. SPELLMAN, Mr. STEERS, Mr. ROSENTHAL, Mr. HYDE, Mr. GEPHARDT, Mr. OBERSTAR, Mr. LEDERER, and Mr. ADDABBO):

H.R. 8338. A bill to assist in the marketing and handling of 1977, 1978, 1979, 1980, and 1981 crops of wheat and feed grains; to the Committee on Agriculture.

By Mr. WHALEN (for himself, Mr. BARNARD, Mr. BAUCUS, Mrs. MEYNER, Mr. O'BRIEN, Mr. OTTINGER, Mr. ROE, Mr. SEIBERLING, Mr. TSONGAS, and Mr. WYDLER):

H.R. 8339. A bill to amend the Internal Revenue Code of 1954 to provide that trusts established for the payment of product liability claims and related expenses shall be exempt from income tax, and that a deduction shall be allowed for contributions to such trusts; to the Committee on Ways and Means.

By Mr. ENGLISH (for himself, Mr. HIGHTOWER, Mr. KINDNESS, Mr. STUMP, Mr. WHITLEY, Mr. MCCORMACK, Mr. BOWEN, Mr. KREBS, Mr. WEAVER, Mr. GLICKMAN, Mr. LUJAN, Mr. ANDREWS of North Carolina, Mr. COLEMAN, Mr. HUCKABY, Mr. GOODLING, Mr. O'BRIEN, Mr. MADIGAN, Mr. ALLEN, Mr. ROBINSON, Mr. CORNWELL, Mr. FITHIAN, and Mr. BAUCUS):

H.J. Res. 545. Joint resolution to establish priorities for the usage of natural gas for agricultural purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ENGLISH (for himself, Mr. HIGHTOWER, Mr. STEED, Mr. RISENHOOVER, Mr. WATKINS, Mr. EDWARDS of Oklahoma, Mr. CHARLES WILSON of Texas, and Mr. MAHON):

H.J. Res. 546. Joint resolution to establish priorities for the usage of natural gas for agricultural purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KEMP (for himself and Mr. ROUSSELOT):

H.J. Res. 547. Joint resolution to clarify and reaffirm Government purchasing policies; to the Committee on Government Operations.

By Mr. HOWARD (for himself and Mr. SHUSTER):

H. Con. Res. 282. Concurrent resolution making apportionment of funds for the National System of Interstate and Defense Highways; to the Committee on Public Works and Transportation.

MEMORIALS

Under clause 4 of rule XXII,

219. The SPEAKER presented a memorial of the House of Representatives of the State of Washington, relative to labor agreements in the airlines industry; to the Committees on Education and Labor, and Public Works and Transportation.

PETITIONS, ETC.

Under clause 1 of rule XXII,

The SPEAKER presented a petition of the board of directors, Sport Fishing Institute, Washington, D.C., relative to marine fisheries conservation and management; to the Committee on Merchant Marine and Fisheries.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3816

By Mr. LLOYD of California:

Page 49, after line 7, insert the following new section:

TERMINATION OF ACT

SEC. 14. The Federal Trade Commission Act, as amended by section 7, is further amended by redesignating section 22 as section 23, and by inserting after section 21 the following new section:

"TERMINATION OF ACT

"SEC. 22. (a) The provisions of this Act shall terminate on September 30, 1982, and the Federal Trade Commission shall be abolished on such date.

"(b) The President shall—

"(1) commencing 2 years before the date of termination specified in subsection (a), conduct an investigation of the overall performance of the Commission, including a study of the effectiveness of the Commission in accomplishing its purposes and in promoting the general welfare; and

"(2) not later than one year before the date of termination specified in subsection (a), make public and submit to each House of the Congress a report containing—

"(A) the findings of the investigation conducted by the President under paragraph (1); and

"(B) recommendations relating to whether the authority of this Act should be extended, the Commission should be reorganized, or the provisions of this Act should be permitted to terminate.

"(c) Each committee of the Senate and the House of Representatives having primary oversight responsibility with respect to the Commission shall, not later than 6 months before the date of termination specified in subsection (a) conduct an inquiry with respect to the performance and effectiveness of the Commission. Each such committee shall make public a report of its findings, conclusions, and recommendations, including any proposed legislation for such extension of the provisions of this Act, or such reorganization of the Commission, as such committee considers appropriate.".

And redesignate the following section accordingly.

H.R. 5400

By Mr. GUDGER:

Page 16, line 7, after (a)(1), insert: "(A)".

Page 26, line 14, after election insert: "; or, at such other location as meets the requirements of subparagraph (B)."

(B) Each State and unit of general local government and the agency and agencies thereof authorized by law to establish and administer polling places for federal elections may establish and administer one or more special registration and polling places within each county or its equivalent, to be open and available during the same hours as are other polling places but to be used exclusively for individuals to register and vote as set forth in subparagraph (A). At least one such registration and polling place shall be provided for every 25,000 individuals residing within each unit of general local government's jurisdiction according to the most recent federal census; provided, however, that in no case shall there be less than one such polling place per county or its equivalent. The registration record of a person registering and voting under this sub-section shall be transferred to the polling place of his residence and he shall be notified that he is to cast his ballot at such polling place in subsequent elections.

H.R. 7171

By Mr. BONIOR:

Page 67, after line 11, insert the following new subsection.

SEC. 1106. (a) On or before January 31, 1978, and every second year after 1978, the Secretary of Agriculture, in consultation with the Administrator of the Agency for International Development, shall prepare and transmit to each House of the Congress a hunger impact statement concerning domestic and international food assistance programs administered through the Department of Agriculture or the Agency for International Development. Such statement shall at least include, with respect to food assistance programs carried out, or to be carried out, within two years of the date on which such statement is transmitted, the following:

(1) a description of areas in which food assistance has been, or will be, provided, including income levels, nutritional characteristics, and food production in such areas;

(2) a description of the nutritional value of agricultural commodities which have been or will be, distributed under such programs; and

(3) an evaluation of such programs, including the efficiency of administration and the effects of such programs with respect to nutritional improvement, if any, of individuals receiving such assistance.

(b) The Secretary may secure directly from any department or agency of the United States information necessary to enable him or her to carry out the provisions of this section. Upon request of the Secretary, the head of such department shall furnish such information to the Secretary.

By Mr. McHUGH:

Insert the following language as a new section 910 (at p. 52, line 5):

INTERNATIONAL EMERGENCY FOOD RESERVE

SEC. 910. Title I of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new section 111, as follows:

"SEC. 111. (a) The President is authorized to enter into negotiations with other nations to develop an international system of food reserves to provide for humanitarian food relief needs, and to establish and maintain a food reserve as a contribution of the United States toward the development of such a system, to be made available in the event of food emergencies in foreign countries or in the United States. The reserve shall be known as the International Emergency Food Reserve.

"(b) The Secretary shall, as soon as practicable, build minimum stocks of food (including processed and blended foods insofar as practicable) for the International Emergency Food Reserve of no less than two million tons as an indication of the commitment of the United States to the establishment of an international system of food reserves. Pending an international agreement on food reserves, the Secretary is authorized to increase the stocks to a level not greater than six million tons.

"(c) As soon as practicable, following the effective date of an international agreement on food reserves, the Secretary shall adjust the maximum level of stocks to such level as may be established as a provision of the United States participation in such international agreement. The Secretary shall reestablish such reserve to the level prescribed under the respective cases provided for above by the earliest possible date following any action under subsection (d) which has drawn the reserves to a level less than two million tons. Such reserve may be acquired by the Commodity Credit Corporation as the result of defaults on loans made under price support programs administered by the Secretary. The Secretary may also acquire such reserve through purchases by the Commodity Credit Corporation on the market to the extent that quantities acquired by the Commodity Credit Corporation under price support operations are inadequate.

(d) Pending an international agreement on food reserves, food in the International Emergency Food Reserve may be disposed of only under the following circumstances:

(1) Such food may be utilized for the purpose of providing humanitarian relief in any country which suffers a major disaster, as determined by the President.

(2) Such food may be utilized for the purpose of assisting any developing country to meet its food requirement in any year in which there has been such a severe shortfall in food production, as determined by the Secretary, as to warrant the use of United States food for such purpose.

(e) Notwithstanding any provision of this Act, the Secretary shall provide for the periodic rotation of stocks of the International Emergency Food Reserve to avoid spoilage and deterioration of such stocks, utilizing programs authorized by the Agriculture Trade Development and Assistance Act of 1954, as amended, but any quantity removed from the reserve for rotation purposes shall be promptly replaced with an equivalent quantity. Notwithstanding any other provision of law, none of the stocks of food in the International Emergency Food Reserve shall be included in the Secretary's determination of the carryover of wheat, feed grains, rice, or soybeans.

Strike section 1320 and substitute the following as a new Section 1320 (at p. 111, line 23):

"SEC. 1320. No later than one year following the date of enactment of this act, the Secretary shall report to the appropriate committees of Congress a program for eliminating short-run manpower shortages in the field of veterinary medicine. The report shall also include recommendations for insuring a continuing supply of veterinarians in the long-run, for eliminating the existing maldistribution of veterinarians, and recommendations for additional funding for facilities if necessary."

By Mr. STANGELAND:

Title IV, section 401, page 6, line 22, delete the dollar figure "$2.35" and insert in lieu thereof the figure "$2.47"; and

Page 7, line 23, delete the dollar figures "$2.65" and "$3.00" and insert in lieu thereof the figures "$2.90" and "$3.10", respectively.

Page 9, line 19, strike the period at the end of the sentence and insert the following: ", except that in computing the amount of payment for any producer receiving benefits under such Act for the 1977 crop, the Secretary shall use the amount of the acreage planted in wheat in lieu of the farm acreage allotment.".

Title V, section 501, page 16, line 5, delete the figure "$2.10" and insert in lieu thereof "$2.28".

Page 18, line 3, strike the period at the end of the sentence and insert the following: ", except that in computing the amount of payment for any producer receiving benefits under such Act for the 1977 crop, the Secretary shall use the amount of the acreage planted in feed grains in lieu of the farm acreage allotment.".

Title IX, section 902, page 45, lines 7 and 20, delete the words "1 cent" in each instance and insert in lieu thereof the words "2 cents".

H.R. 7940

By Mr. McHUGH:

Insert the following language after "$75" in section 5 (e) (3) (at p. 14, line 11): "(adjusted annually commencing July 1, 1979, to reflect changes in the shelter and fuel and utilities components of housing in the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor)".

Add the following language as a new subsection (e) to section 16 (at p. 50, line 26): "Each State's federally funded share of administrative costs pursuant to subsection (a) shall be reduced dollar for dollar for each dollar of food stamp moneys that the State receives for itself by virtue of the application of a sales tax to food purchases made by households with food coupons. The Secretary calculate this reduction by applying the following percentages to the monthly totals of food stamps redeemed in States that have sales tax covering purchases of food in retail food stores: 0.99 per centum where the State food sales tax is 1 per centum, and 1.98, 2.91, 3.84, 4.76, 5.66, 6.54, and 7.41 per centum where the State food sales tax is 2, 3, 4, 5, 6, 7, and 8 per centum respectively."

By Mr. MATHIS:

On page 8, line 22, strike the word "The" and insert in lieu thereof the following:

"Subject to the availability of funds appropriated under section 18, the."

On page 55, strike lines 23, 24 and 25 and insert in lieu thereof the following:

"SEC. 18. (a) To carry out the provisions of this Act, there is hereby authorized to be appropriated not in excess of $5,847,600,000 for the fiscal year ending September 30, 1978; not in excess of $6,158,900,000 for the fiscal year ending September 30, 1979; not in excess of $6,188,600,000 for the fiscal year ending September 30, 1980; and not in excess of $6,235,900,000 for the fiscal year ending September 30, 1981."

On page 56, line 7, add the following new subsection:

"(b) In any fiscal year, the Secretary shall limit the value of those allotments issued to an amount not in excess of the appropriation for such fiscal year. If in any fiscal year the Secretary finds that the requirements of participating states will exceed the limitation set herein, the Secretary shall direct state agencies to reduce the value of such allotments to be issued to households certified as eligible to participate in the food stamp program to the extent necessary to comply with the provisions of this subsection."

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House Rule X. Previous listing appeared in the CONGRESSIONAL RECORD of June 30, 1977 (page 21720).

H.R. 2801. February 1, 1977. Judiciary. Amends the Omnibus Crime Control and Safe Streets Act of 1968 to condition certain assistance to States, local governments, and agencies thereunder on the adoption of a law enforcement officers' bill of rights.

H.R. 2802. February 1, 1977. Judiciary. Amends the provision of the Gun Control Act of 1968 imposing penalties for the use of a firearm during the commission of certain crimes to (1) cover the commission of any of specified felonies with the use of any firearm which has been transported in commerce, rather than only the commission of Federal felonies, (2) increase the terms of imprisonment, and (3) prohibit suspended and probationary sentences for first convictions.

H.R. 2803. February 1, 1977. Judiciary. Directs the United States to pay reasonable litigation costs, including attorney fees, to prevailing defendants in civil actions in which the United States is a plaintiff.

H.R. 2804. February 1, 1977. Public Works and Transportation. Amends the Federal-Aid Highway Act of 1973 to authorize the use of funds of the Highway Trust Fund for the financing of parkways. Requires that parkways funded in such a manner be managed solely for scenic and recreational use and for passenger car travel.

H.R. 2805. February 1, 1977. Veterans' Affairs. Requires the Administrator of Veterans' Affairs to pay (in addition to any pension already paid) a monthly pension of $150 to each veteran of World War I who meets specified service requirements, or to the surviving spouse of each such veteran, or when there is no surviving spouse, to the child or children of each such veteran.

H.R. 2806. February 1, 1977. Veterans' Affairs. Extends for one year the delimiting period for receiving educational assistance in the case of any eligible veteran who is pursuing, during his or her tenth year of eligibility a program of education.

H.R. 2807. February 1, 1977. Ways and Means. Amends the Internal Revenue Code to exempt nonprofit volunteer firefighting or rescue organizations from the excise tax on sales of special fuels, automotive parts, petroleum products, and communication services.

H.R. 2808. February 1, 1977. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for State and local taxes paid or incurred for the furnishing of public utility services.

H.R. 2809. February 1, 1977. Ways and Means. Amends the Internal Revenue Code to allow a limited income tax credit for the tuition paid to a private, nonprofit elementary or secondary educational institution for the education of a dependent.

H.R. 2810. February 1, 1977. Ways and Means. Amends the Internal Revenue Code to extend additional allowances for bad debt reserves to national mortgage associations similar to those presently allowed savings and loan associations and mutual savings banks.

H.R. 2811. February 1, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) and Title XIX (Medicaid) of the Social Security Act to include in the coverage provided under such programs the services of licensed (registered) nurses.

H.R. 2812. February 1, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) of the Social Security Act to provide that, in determining the reasonable reimbursable cost of inpatient nursing care, such coverage, at a minimum, shall include a salary cost differential of at least eight and one-half percent in recognition of the above-average cost of furnishing such care to aged patients.

H.R. 2813. February 1, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) and Title XIX (Medicaid) of the Social Security Act to make it a misdemeanor for any person to offer or receive consideration for the referral of patients, clients, or customers.

H.R. 2814. February 1, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) of the Social Security Act to provide that, in determining the reasonable reimbursable cost of inpatient nursing care, such coverage, at a minimum, shall include a salary cost differential of at least eight and one-half percent in recognition of the above-average cost of furnishing such care to aged patients.

H.R. 2815. February 1, 1977. Ways and Means; Education and Labor; Interstate and Foreign Commerce. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to require the Secretary of Health, Education, and Welfare to establish and put into effect procedures to expedite payment of monthly benefits which are delayed.

Amends Title XI (General Provisions) of the Social Security Act and the Federal Coal Mine Health and Safety Act to require the Secretary to institute measures to insure that hearings and determinations pursuant to specified provisions of such Acts are expedited. Amends Title II of the Social Security Act to limit the amount of reduction in benefits allowed to compensate for past overpayments.

H.R. 2816. February 1, 1977. Interior and Insular Affairs. Authorizes the Secretary of the Interior to acquire and maintain the site in Auburn, Massachusetts, on which Dr. Robert H. Goddard launched the first liquid-propelled rocket.

H.R. 2817. February 1, 1977. Merchant Marine and Fisheries. Revises the boundaries of the Tinicum National Environmental Center, Pennsylvania. Increases the amount authorized to be appropriated for land acquisition for, and development of, such center.

H.R. 2818. February 1, 1977. Interstate and Foreign Commerce. Exempts all natural gas produced on or after January 1, 1977, from regulation by the Federal Power Commission.

H.R. 2819. February 1, 1977. Government Operations. Establishes an Office of Inspector General within each of the Departments of Agriculture, Commerce, Housing and Urban Development, Interior, Labor, and Transportation, the Environmental Protection Agency, and the Energy Research and Development, General Services, National Aeronautics and Space, and Veterans' Administrations. Makes it the duty of such offices to direct the auditing investigation of the programs of the agency in which each such Office is established and to recommend policies to each respective agency to promote the efficiency and economy of and to prevent and detect fraud and abuse in the programs administered by each agency.

H.R. 2820. February 1, 1977. Interior and Insular Affairs. Redesignates the Boundary Waters Canoe Area in Superior National Forest, Minnesota, as the Boundary Waters Wilderness Area. Specifies restrictions relating to timber harvesting, mining, and use of recreational vehicles within such area.

Increases the one and one-quarter percent of the fair appraised value the amount payable to the State of Minnesota with respect to lands within the Superior National Forest.

H.R. 2821. February 2, 1977. Agriculture. Amends the Agricultural Act of 1949 by establishing the price support of milk at not less than 90 percent of the parity price on the date of enactment, and by providing for quarterly adjustments.

H.R. 2822. February 2, 1977. Interstate and Foreign Commerce. Amends the Communications Act of 1934 by extending the maximum term of license and license renewal for the operation of broadcasting stations.

H.R. 2823. February 1, 1977. Ways and Means. Amends the Internal Revenue Code to exempt activities related to oil and gas from the limitation on business losses to the amounts at risk; retains the exemption for such activities from the limitation on the division of partnership leases to each partner's contribution to basis.

H.R. 2824. February 1, 1977. Ways and Means. Amends the Internal Revenue Code to exempt employees over age 65 from the requirements of the Federal Insurance Contributions Act.

H.R. 2825. February 1, 1977. Public Works and Transportation. Amends the National Visitor Center Facilities Act of 1968 to direct the Secretary of the Interior to assign the lease of Union Station, Washington, D.C. to the Secretary of Transportation and to sublease that portion of Union Station which is required for the operation of the National Visitor Center.

Authorizes the Secretary of Transportation to renegotiate the lease of Union Station and to exercise the purchase option included in such lease at the earliest practicable date.

H.R. 2826. February 1, 1977. Judiciary. Prescribes, with specified exceptions, the knowing solicitation, provision, or receipt of of anything of monetary value, for: (1) seeking to place, placing, or arranging to place any child for permanent care or adoption; or (2) coercing any individual to place any child for adoption, to provide any child with permanent care, or to adopt any child under circumstances which result in the transportation of such child or individual in interstate or foreign commerce.

H.R. 2827. February 1, 1977. Ways and Means. Amends the Internal Revenue Code to provide that taxpayers shall not be required to pay the principal or interest for underpayments of taxes for any period prior to April 16, 1977 (March 16, 1977 in the case of a corporation), nor penalized for any failure to withhold and deduct taxes on renumeration paid before 1977, to the extent that such failures or underpayment are attributable to new or increased tax liabilities imposed by the Tax Reform Act.

H.R. 2828. February 1, 1977. Agriculture. Authorizes the Secretary of Health, Education, and Welfare to make loans to certain municipalities for the construction and operation of nonprofit clinics for the spaying and neutering of dogs and cats.

H.R. 2829. February 1, 1977. International Relations. Amends the Arms Export Control Act to eliminate maintenance of internal security as a purpose for which military sales may be made.

Amends the Foreign Assistance Act of 1961: (1) to eliminate maintenance of internal security as a purpose for which military assistance may be furnished; and (2) to prohibit furnishing military education and training for internal security.

H.R. 2830. February 1, 1977. International Relations. Amends the Arms Export Control Act to eliminate maintenance of internal security as a purpose for which military sales may be made.

Amends the Foreign Assistance Act of 1961: (1) to eliminate maintenance of internal security as a purpose for which military assistance may be furnished; and (2) to prohibit furnishing military education and training for internal security.

H.R. 2831. February 1, 1977. Interior and Insular Affairs. Terminates all rights under the Mineral Leasing Act of 1920 to certain leases within the Los Padros National Forest in California.

H.R. 2832. February 1, 1977. Government Operations; Rules. Abolishes within three years of the enactment of this Act, or three years after they have been established, all Federal regulatory agencies unless the President and Congress determine that such agencies should continue to exist.

H.R. 2833. February 1, 1977. Ways and Means. Amends the Internal Revenue Code and the Social Security Act to exempt seafood processing workers from social security taxation, and unemployment and income tax withholding, where the workers' income depends on the volume of work completed and the employees are not required to perform according to any fixed time schedule.

H.R. 2834. February 1, 1977. Interstate and Foreign Commerce. Amends the Natural Gas Act to terminate Federal Power Commission authority to regulate the sale or delivery of natural gas by producers of new natural gas.

H.R. 2835. February 1, 1977. Judiciary. Provides the appointment of special prosecutors relative to alleged violations of criminal law involving abuse of office fraud against the United States, or obstruction of justice, or campaign finance by any of specified Federal officials or campaign managers.

Directs the Attorney General to promulgate regulations requiring employees of the Department of Justice to disqualify themselves from investigations or prosecutions which may result in a conflict of interests or the appearance thereof.

H.R. 2836. February 1, 1977. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for agency fees, court costs, attorneys' fees and other necessary costs and fees incurred in the adoption of a child.

H.R. 2837. February 1, 1977. Post Office and Civil Service; Rules. Amends the Federal Salary Act of 1967 to make recommendations for rates of pay for Members of Congress and the Resident Commissioner from Puerto Rico, transmitted by the President to Congress, subject to Congressional approval by specific resolutions passed by each House.

Amends the Legislative Reorganization Act of 1946 to establish annual rates of pay for Members of Congress, Delegates to the House, the Resident Commissioner from Puerto Rico, and House and Senate leadership at the rates in effect on September 30, 1976.

H.R. 2838. February 1, 1977. Agriculture. Amends the Federal Crop Insurance Act: (1) to change its title to the "Federal Commodity Insurance Act"; (2) to change the agency's name to the Federal Commodity Insurance Corporation; (3) to extend commodity insurance to all counties of the United States and to all commodities; and (4) to require the Corporation to pay 50 percent of the premium cost of the commodity insurance issued to any individual under the provisions of this Act. Removes the $12,000,000 ceiling on annual appropriations.

H.R. 2839. February 1, 1977. Armed Services. Amends the Federal Civil Defense Act of 1950 to authorize the use of Federal civil defense funds by local civil defense agencies for natural disaster or civil disturbance relief. Increases the Federal contribution for travel expenses and per diem allowances for students in civil defense training programs and increases the Federal financial contribution to States for civil defense personnel and administrative expenses. Increases the authorization for appropriations under such Act for travel expenses, personal equipment for State and local workers, and personnel and administrative expenses.

H.R. 2840. February 1, 1977. Public Works and Transportation. Amends the Public Works and Economic Development Act of 1965 to transfer authority to provide financial assistance to economy recovery planning councils for disaster areas from the President to the Secretary of Commerce.

H.R. 2841. February 1, 1977. Public Works and Transportation. Authorizes the Secretary of the Army, acting through the Chief of Engineers, to participate in the Modification of the Upper Baker project, Baker River, Washington, for flood control purposes and for replacement of power losses as a result of flood control operations.

H.R. 2842. February 1, 1977. Small Business. Amends the Small Business Act and the Consolidated Farm and Rural Development Act to provide for reduced interest rates on disaster loans.

H.R. 2843. February 1, 1977. Ways and Means. Amends the Internal Revenue Code to allow the income tax deduction of farm losses of crops or livestock attributable to disasters in areas qualifying for Federal disaster relief.

H.R. 2844. February 1, 1977. Agriculture; Banking, Finance, and Urban Affairs. Makes emergency loans available under the Consolidated Farm and Rural Development Act to farmers regardless of their ability to procure financial assistance elsewhere. Authorizes Federal payments to holders of notes for such loans for a one year period. Authorizes the deferral of payments on loans made under the rural housing loan program of the Housing Act of 1949 in the event of a disaster. Makes financial assistance available to repair, replace, or refinance property damaged by such disaster.

H.R. 2845. February 1, 1977. Education and Labor. Amends the Act which established the Youth Conservation Corps to direct the Secretaries of Agriculture and Interior to jointly extend the Youth Conservation Corps so as to make possible the year-round employment of young adults.

H.R. 2846. February 1, 1977. Public Works and Transportation. Amends the John F. Kennedy Center Act to authorize appropriations for certain repairs to the John F. Kennedy Center for Performing Arts.

H.R. 2847. February 1, 1977. Education and Labor. Amends the Comprehensive Employment and Training Act of 1973 to direct that a designated portion of funds made available for the Emergency Jobs Programs be utilized to provide public service jobs to Vietnam veterans.

H.R. 2848. February 1, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) and Title II (Old-Age, Survivors', and Disability Insurance) of the Social Security Act to extend Medicare hospital coverage to include drugs. Establishes a Formulary Committee within the Department of Health, Education, and Welfare to prepare and maintain a listing of qualified drugs.

H.R. 2849. February 1, 1977. Ways and Means. Amends the Tariff Schedules of the United States to suspend for three years the customs duties imposed on the importation of latex rubber mattress blanks.

H.R. 2850. February 1, 1977. Ways and Means. Amends the Tariff Schedules of the United States to suspend for three years the customs duty on the importation of molded pin core latex foam rubber sheets one inch thick.

H.R. 2851. February 1, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) and Title XIX (Medicaid) of the Social Security Act to include the services of licensed practical nurses under the coverage provided pursuant to such Titles.

H.R. 2852. February 1, 1977. Ways and Means. Amends the Internal Revenue Code to exempt aircraft used primarily for agricultural operation from the excise tax on civil aircraft. Provides for the refund of the excise tax on gasoline used for farming purposes in an aircraft to the aerial applicator who purchased it.

H.R. 2853. February 1, 1977. Agriculture. Authorizes the Secretary of Agriculture to make grants on a matching basis to the States, Puerto Rico, the Virgin Islands, and Guam to provide financial assistance to urban areas for the planting, maintenance, and protection of trees and shrubs.

H.R. 2854. February 1, 1977. Agriculture. Authorizes the Secretary of Agriculture to make grants on a matching basis to the States, Puerto Rico, the Virgin Islands, and Guam to provide financial assistance to urban areas for the planting, maintenance, and protection of trees and shrubs.

H.R. 2855. February 1, 1977. Banking, Finance and Urban Affairs. Establishes national minimum standards for condominium sales and conversions to be administered by an Assistant Secretary for Condominium Housing, Department of Housing and Urban Development. Prohibits financial institutions engaged in the extension of credit to prospective purchasers of condominium units from discriminating on the basis of age, sex, race, religion, marital status or national origin.

H.R. 2856. February 1, 1977. Interstate and Foreign Commerce. Authorizes each State in which interstate ambulance service originates to regulate such service.

H.R. 2857. February 1, 1977. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to provide for the admission to public and private institutions under Veterans' Administration contract of not less than 12,000 veterans eligible for nursing home or intermediate care.

H.R. 2858. February 1, 1977. Veterans' Affairs. Provides that medical care be furnished to a dependent parent who receives dependency and indemnity compensation for the service-connected death of a child who was a member or veteran of the Armed Forces.

H.R. 2859. February 1, 1977. Veterans' Affairs. Extends outpatient dental services and treatment to any war veteran who has a service-connected disability of 80 percent or more.

H.R. 2860. February 1, 1977. Veterans' Affairs. Extends until September 30, 1983 the authority: (1) of the Administrator of Veterans' Affairs to maintain an office in the Republic of the Philippines; (2) of the President to authorize the Administrator to enter into contracts with the Veterans' Memorial Medical Center to pay for hospital care and medical services to Commonwealth Army veterans and new Philippine Scouts for service-connected disabilities; (3) to make payments for such care and services; and (4)

to appropriate specified sums for the training of health service personnel, for new equipment and the rehabilitation of the Veterans' Memorial Medical Center.

H.R. 2861. February 1, 1977. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to permit a veteran, who is being supplied with drugs but who is not a patient in a Veterans' Administration facility, to determine whether the drugs will be supplied directly by the Administrator or from a source approved by the Administrator and whether the Administrator shall pay such source directly or reimburse the veteran who will pay for the drugs.

H.R. 2862. February 1, 1977. Interior and Insular Affairs. Authorizes the Secretary of the Interior, whenever it is necessary for the proper preservation or management of a unit of the National Park System, to acquire conservation easements by donation, purchase with donated funds, transfer from a Federal agency, or exchange.

H.R. 2863. February 1, 1977. Education and Labor. Amends the Comprehensive Employment and Training Act of 1973 to establish specified employment, training, and guidance programs for youths through prime sponsors under such Act, including a Youth Community Service opportunity in private enterprise, and occupational information and career guidance programs.

Authorizes the Secretary of Labor to establish a National Occupational Information and Career Guidance Service.

Requires such prime sponsor to establish an Education Work Committee within its planning council.

Directs the Secretaries of Agriculture and of the Interior to establish a National Conservation Corps.

Increases the amount authorized to be appropriated annually to the Job Corps.

H.R. 2864. February 1, 1977. Education and Labor. Amends the Comprehensive Employment and Training Act of 1973 to establish specified employment, training, and guidance programs for youths through prime sponsors under such Act, including a Youth Community Service opportunity in private enterprise, and occupational information and career guidance programs.

Authorizes the Secretary of Labor to establish a National Occupational Information and Career Guidance Service.

Requires such prime sponsor to establish an Education Work Committee within its planning council.

Directs the Secretaries of Agriculture and of the Interior to establish a National Conservation Corps.

Increases the amount authorized to be appropriated annually to the Job Corps.

H.R. 2865. February 1, 1977. Interior and Insular Affairs. Makes the cost of water furnished by the Central Valley, California, project to public organizations nonreimbursable or nonreturnable under Federal reclamation laws, unless the public organizations (except the State of California): (1) deliver a specified quantity of water annually to the United States Fish and Wildlife Service; and (2) construct water conveyance facilities necessary for such delivery. Restricts contracts for the use of certain lands to wildlife and water fowl habitat conservation or purposes agreed upon by the Service and the public organization.

H.R. 2866. February 1, 1977. Judiciary. Amends provisions imposing additional penalties upon persons committing Federal felonies with the use of, or while illegally carrying, a firearm to increase minimum sentences thereunder and to prohibit a suspended or probationary sentence with respect to a first conviction.

H.R. 2867. February 1, 1977. Post Office and Civil Serivce. Permits postage-free mailing of correspondence to any Member of Congress by residents of the State or district represented by such Member which is sent to the Member's official business address.

H.R. 2868. February 1, 1977. Veterans' Affairs. Provides that recipients of veterans' pensions and compensation will not have the amount of such pension or compensation reduced because of increases in social security benefits.

Applies to annual income determinations made for calendar years after 1976.

H.R. 2869. February 1, 1977. Ways and Means. Authorizes and directs the Secretary of Labor, through the Bureau of Labor Statistics, to prepare, as part of the Consumer Price Index, the Consumer Price Index for the Aged and Other Social Security Beneficiaries designed to reflect the relevant price information for individuals, as a group, who are 65 years of age or older or are otherwise entitled to monthly benefits under the program of Old-Age, Survivors, and Disability Insurance of the Social Security Act.

H.R. 2870. February 1, 1977. Ways and Means. Authorizes and directs the Secretary of Labor, through the Bureau of Labor Statistics, to prepare, as part of the Consumer Price Index, the Consumer Price Index for the Aged and Other Social Security Beneficiaries designed to reflect the relevant price information for individuals, as a group, who are 65 years of age or older or are otherwise entitled to monthly benefits under the program of Old-Age, Survivors, and Disability Insurance of the Social Security Act.

H.R. 2871. February 1, 1977. Ways and Means. Authorizes and directs the Secretary of Labor, through the Bureau of Labor Statistics, to prepare, as part of the Consumer Price Index, the Consumer Price Index for the Aged and Other Social Security Beneficiaries designed to reflect the relevant price information for individuals, as a group, who are 65 years of age or older or are otherwise entitled to monthly benefits under the program of Old-Age, Survivors, and Disability Insurance of the Social Security Act.

H.R. 2872. February 1, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to provide that the automatic cost-of-living increases in benefits be made on a semiannual basis (rather than only on an annual basis as at present).

H.R. 2873. February 1, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to provide that the automatic cost-of-living increases in benefits be made on a semiannual basis (rather than only on an annual basis as at present).

H.R. 2874. February 1, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to provide that the automatic cost-of-living increases in benefits be made on a semiannual basis (rather than only on an annual basis as at present).

H.R. 2875. February 1, 1977. Interior and Insular Affairs. Designates specified lands in the Organ Pipe Cactus National Monument, Arizona, as a wilderness area to be administered by the Secretary of the Interior.

H.R. 2876. February 1, 1977. Interior and Insular Affairs. Designates specified public lands and waters in the State of Alaska for inclusion in the National Park, National Wildlife Refuge, Wild and Scenic Rivers and National Wilderness Preservation Systems. Makes provisions for the management of subsistence uses of fish and wildlife on national lands.

H.R. 2877. February 1, 1977. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Reaffirms the authority of the States to regulate terminal and station equipment used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with Commission actions authorizing specialized carriers.

H.R. 2878. February 1, 1977. Appropriations. Appropriates $200,000,000 to carry out the Older Americans Community Service Employment Program during fiscal year 1978.

H.R. 2879. February 1, 1977. Education and Labor. Authorizes the Commissioner of Aging, under the Older Americans Act of 1965, to make grants for the development and evaluation of preretirement education programs.

Directs the Commissioner to carry out studies: (1) to evaluate existing preretirement education programs; and (2) to assess existing and proposed Federal, State, and local programs relating to specified kinds of retirement plans.

H.R. 2880. February 1, 1977. Education and Labor. Amends the Older Americans Act of 1965 to direct the Secretary of Labor to make grants to or enter into contracts with specified public and private employers for the purpose of: (1) establishing part-time employment programs for persons who have retired or have reached retirement age; and (2) providing development and training assistance to such persons to help them obtain part-time jobs.

H.R. 2881. February 1, 1977. Interstate and Foreign Commerce. Authorizes the President to declare natural gas emergencies within interstate pipeline service areas. Directs the Federal Power Commission to order transfers of natural gas supplies to such areas where necessary to alleviate shortages.

H.R. 2882. February 1, 1977. Armed Services. Authorizes the Secretary of Defense to transfer to the Secretary of the Interior a specified part of Fort Story Military Reservation, Cape Henry, Virginia, for inclusion in the Colonial National Historical Park.

H.R. 2883. February 1, 1977. Education and Labor. Amends the Older Americans Act of 1965 to exclude retired Federal employees serving on the Federal Council on the Aging from the Federal provisions on annuities and pay on reemployment.

H.R. 2884. February 1, 1977. Merchant Marine and Fisheries. Directs the Secretary of the Interior to make a comprehensive study of the wolf for the purposes of developing adequate conservation measures.

Establishes a moratorium on all killing of wolves except as game in areas not protected under the Endangered Species Act, pending the results of such study.

H.R. 2885. February 1, 1977. Post Office and Civil Service. Increases the maximum permissible size and weight of mail other than letter mail.

H.R. 2886. February 1, 1977. Post Office and Civil Service. Includes within the definition of "law enforcement officer" as relating to civil service retirement, employees whose duties include investigation, apprehension, or detention of individuals suspected or convicted of offenses against the criminal laws of the United States, and the protection of human life and property within the employing agency's responsibility.

H.R. 2887. February 1, 1977. Ways and Means. Amends the Internal Revenue Code to allow the amortization of any qualified methanol producing facility and to prohibit the imposition of a tax on gasoline or any fuel in a mixture with methanol, if at least ten percent of the mixture is methanol.

H.R. 2888. February 1, 1977. Ways and Means. Amends the Internal Revenue Code to allow homeowners and renters who pay their gas bills an income tax credit for up to $25 of the expenses incurred in the conversion of pilot lights on gas cooking stoves, ranges and ovens to a system of manual ignition. Allows a $25 income tax deduction to other individuals and corporations for the same expenses.

H.R. 2889. February 1, 1977. Interstate and Foreign Commerce. Amends the Emergency Petroleum Allocation Act of 1973 to direct the President to take action to equalize the ceiling price for residual fuel oil throughout

all areas of the United States, allowing for reasonable variations in prices to reflect differing transportation costs.

H.R. 2890. February 1, 1977. Judiciary. Requires the reimbursement of any State or local government expenditure made at the request of the Secret Service for the protection of any person whom the Secret Service is authorized by law to protect.

H.R. 2891. February 1, 1977. House Administration. Prohibits any person holding an elective public office from appearing on the ballot in any general election for Federal elective office if the term of the elective public office extends beyond the beginning of the term of the Federal office.

H.R. 2892. February 1, 1977. House Administration. Prohibits travel at Government expense outside the United States by Members of Congress after adjournment sine die of the last session of a Congress if such Member is not a candidate for reelection in the next Congress or a Presidential nominee for some other office of the United States.

H.R. 2893. February 1, 1977. Veterans' Affairs. Provides that remarriage of the widow of a veteran after age 60 shall not result in termination of dependency and indemnity compensation.

H.R. 2894. February 1, 1977. Ways and Means. Amends the Internal Revenue Code to exclude from gross income the first $5,000 received by an individual as a civil service or other Federal retirement annuity.

H.R. 2895. February 1, 1977. Ways and Means. Authorizes a taxpayer, under the Internal Revenue Code, to elect to treat qualified architectural and transportational barrier removal expenses which are paid or incurred during the taxable year as expenses which are not chargeable to capital account. Deems such expenses so treated as allowable tax deductible expenditures.

H.R. 2896. February 1, 1977. Ways and Means. Amends the Internal Revenue Code to allow individuals an income tax credit for the electrical fuel surcharges imposed by public utilities.

H.R. 2897. February 1, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to provide that the remarriage of a widow, widower, or parent shall not terminate his or her entitlement to widow's, widower's, or parent's insurance benefits or reduce the amount thereof.

H.R. 2898. February 1, 1977. Ways and Means. Amends the Internal Revenue Code to provide a limited exclusion from gross income of interest on savings deposits paid or accrued by an individual taxpayer.

H.R. 2899. February 1, 1977. Ways and Means. Amends the Internal Revenue Code to allow employers of 50 persons or less to forward payroll taxes quarterly.

H.R. 2900. February 1, 1977. Post Office and Civil Service. Repeals the laws permitting the private carriage of letters. Exempts letters and packages carried by private express from the requirement that all letters and packages carried by a vessel in interstate commerce be delivered promptly to the local post office upon arrival in a port.

HOUSE JOINT RESOLUTIONS

H.J. Res. 300. March 2, 1977. Judicary. Constitutional Amendment—Provides for the direct popular election of the President and Vice President of the United States.

H.J. Res. 301. March 2, 1977. Interior and Insular Affairs. Authorizes the Secretary of the Interior to accept any gift or bequest of any property or structure which comprise Saint Paul's Church Eastchester in Mount Vernon, N.Y.

H.J. Res. 302. March 3, 1977. Post Office and Civil Service. Requests the President of the United States to issue annually a proclamation designating the week beginning with the third Monday in February as "National Patriotism Week."

H.J. Res. 303. March 3, 1977. Post Office and Civil Service. Requests the President of the United States to issue annually a proclamation designating the week beginning with the third Monday in February as "National Patriotism Week."

H.J. Res. 304. March 3, 1977. Judiciary. Proposes a Constitutonal amendment to prohibit any law varying the compensation of Members of Congress from taking effect before an intervening general election to choose Members of the House of Representatives.

H.J. Res. 305. March 3, 1977. Judiciary. Constitutional Amendment—Establishes a Court of the States, composed of one judge from each State, to hear and determine all cases arising under the tenth amendment (reserved powers of the States and people) upon appeal from the Supreme Court.

H.J. Res. 306. March 3, 1977. Judiciary. Constitutional Amendment—Prohibts the President from granting a pardon to a person for a Federal offense for which such person has not been convicted, unless the granting of such pardon has ben approved by a majority vote of the members of each House of Congress.

H.J. Res. 307. March 3, 1977. Judiciary. Constitutional Amendment—Declares the term "person," with respect to due process and equal protection, applicable to human beings irrespective of age, health, function or conditon of dependency, including the unborn. Prohibits the deprivation of life of an unborn person, except under laws permitting medical procedures required to prevent the death of the mother.

H.J. Res. 308. March 3, 1977. Judiciary. Constitutional Amendment—Declares the term "person," with respect to due process and equal protection, applicable to human beings irrespective of age, health, function or condition of dependency, including the unborn. Prohibits the deprivation of life of an unborn person, except under laws permitting medical procedures required to prevent the death of the mother.

H.J. Res. 309. March 3, 1977. Post Office and Civil Service. Requests the President of the United States to issue annually a proclamation designating the week beginning with the third Monday in February as "National Patriotism Week."

H.J. Res. 310. March 7 1977. Judiciary. Constitutional Amendment—Declares the term "person," with respect to due process and equal protection, applicable to human beings irrespective of age, health, function or condition of dependency, including the unborn. Prohibits the deprivation of life of an unborn person, except under laws permitting medical procedures required to prevent the death of the mother.

H.J. Res. 311. March 8, 1977. Judiciary. Constitutional Amendment—Declares the term "person," with respect to due process and equal protection, applicable to human beings irrespective of age, health, function or condition of dependency, including the unborn. Prohibits the deprivation of life of an unborn person, except under laws permitting medical procedures required to prevent the death of the mother.

H.J. Res. 312. March 9, 1977. Judiciary. Constitutional Amendment—Revises procedures for the election of the President and Vice President to (1) abolish the office of elector, (2) require each candidate for President to be paired with a Vice Presidential candidate, (3) direct that a State's electoral votes be cast for the pair of candidates receiving a plurality of popular votes, (4) determine the President and Vice President if no pair of candidates receives a majority of electoral votes, through an election in the House of Representatives by member, and (5) authorize Congress to provide for the case of inability or withdrawal of a Presidential candidate, Vice Presidential candidate, President-elect, or Vice President-elect.

H.J. Res. 313. March 9, 1977. International Relations. Directs the President to seek an international agreement to prevent pollution of the oceans by establishing tanker safety criteria.

H.J. Res. 314. March 10, 1977. Post Office and Civil Service. Declares the flower commonly known as the rose to be the national floral emblem of the United States of America. Requests the President of the United States to declare such fact by proclamation.

H.J. Res. 315. March 10, 1977. Post Office and Civil Service. Authorizes the President of the United States to designate the week beginning November 6, 1977, and ending November 12, 1977, as "National Volumteer Firemen Week."

H.J. Res. 316. March 10, 1977. Post Office and Civil Service. Requests the President of the United States to issue annually a proclamation designating the week beginning with the third Monday in February as "National Patriotism Week."

H.J. Res. 317. March 14, 1977. Post Office and Civil Service. Authorizes and requests the President to annually designate September 8 as "National Cancer Prevention Day."

H.J. Res. 318. March 14, 1977. Post Office and Civil Service. Authorizes and requests the President to annually designate September 8 as "National Cancer Prevention Day."

H.J. Res. 319. March 14, 1977. Post Office and Civil Service. Authorizes and requests the President to annually designate September 8 as "National Cancer Prevention Day."

H.J. Res. 320. March 14, 1977. Post Office and Civil Service. Authorizes and requests the President to annually designate September 8 as "National Cancer Prevention Day."

H.J. Res. 321. March 14, 1977. Post Office and Civil Service. Authorizes the President of the United States to designate the week of September 18 through September 24, 1977, as "National Lupus Week."

H.J. Res. 322. March 14, 1977. Post Office and Civil Service. Provides that a week in May be designated "National Burglary and Theft Prevention Week."

H.J. Res. 323. March 14, 1977. Judiciary. Constitutional Amendment—Allows the President an item veto in appropriation legislation.

H.J. Res. 324. March 14, 1977. Judiciary. Constitutional Amendment—Directs that each judge of a district court of the United States shall be selected by election in the appropriate judicial district for a term of six years.

H.J. Res. 325. March 14, 1977. Post Office and Civil Service. Authorizes the President of the United States to designate the week beginning November 6, 1977, and ending November 12, 1977, as "National Volunteer Firemen Week."

H.J. Res. 326. March 14, 1977. International Relations. Calls for the President to seek a treaty or international agreement establishing a wildlife preserve for humpback whales in the West Indies.

H.J. Res. 327. March 14, 1977. International Relations. Requires the President to seek a treaty or other arrangement with Canada calling for an immediate moratorium on the killing of the eastern timber wolf.

H.J. Res. 328. March 15, 1977. Judiciary. Constitutional Amendment—Revises procedures for the election of President and Vice President to (1) specify the election date, (2) determine electoral votes on the basis of popular votes in each Congressional district, and (3) provide for the election of the President and Vice President, if no candidates receive a majority of electoral votes, by both the House and the Senate combined, each State to have one vote.

H.J. Res. 329. March 16, 1977. Armed Services. Restores the Medal of Honor previously awarded to Dr. Mary Edwards Walker.

H.J. Res. 330. March 16, 1977. Judiciary. Constitutional Amendment—Declares the term "person," with respect to due process and equal protection, applicable to human beings irrespective of age, health, function or condition of dependency, including the unborn. Prohibits the deprivation of life of an unborn person, except under laws permitting medical procedures required to prevent the death of the mother.

H.J. Res. 331. March 16, 1977. Post Office and Civil Service. Designates February 15 of each year as "Susan B. Anthony Day."

H.J. Res. 332. March 17, 1977. Post Office and Civil Service. Designates October 7, 1977, as "National Coaches' Day."

H.J. Res. 333. March 17, 1977. Education and Labor; Post Office and Civil Service. Requires the publication of statistics indicating the social, health, and economic conditions of Americans of Balto-Slavic origin or descent by specified executive departments. Requires an affirmative action program be implemented within the Bureau of the Census for the employment of personnel of Balto-Slavic background to aid in collecting census data on such persons.

H.J. Res. 334. March 17, 1977. Armed Services. Restores the Medal of Honor previously awarded to Dr. Mary Erwards Walker.

H.J. Res. 335. March 17, 1977. Judiciary. Constitutional Amendment—Declares the term "person," with respect to due process and equal protection, applicable to human beings irrespective to age, health, function or condition of dependency, including the unborn. Prohibits the deprivation of life of an unborn person, except under laws permitting medical procedures which physically verifiable facts establish are required to prevent the death of the mother.

H.J. Res. 336. March 21, 1977. Post Office and Civil Service. Authorizes the President of the United States to designate the week beginning November 6, 1977, and ending November 12, 1977, as "National Volunteer Fireman Week."

H.J. Res. 337. March 22, 1977. Post Office and Civil Service. Authorizes the President of the United States to designate the week of September 18 through September 24, 1977, as "National Lupus Week."

H.J. Res. 338. March 22. 1977. International Relations. Directs the President to review United States policies and practices with respect to arms shipments to South Africa and to insure that such policies and practices are consistent with obligations under the United Nations Security Council Resolution to prevent shipment of arms and related items which might contribute to apartheid in South Africa. Requires the President to report such review to Congress and to explain the licensing of "nonmilitary weapons" for shipment to South Africa.

H.J. Res. 339. March 22, 1977. Judiciary. Constitutional Amendment—Permits religious observances in governmental institutions and public places. Permits reference to a supreme being in a governmental or public document, activity, place, or on money. Declares that this amendment shall not constitute establishment of religion.

H.J. Res. 340. March 22, 1977. Judiciary. Constitutional Amendment—Permits any State to allow, prohibit, or regulate abortion.

H.J. Res. 341. March 22, 1977. Interior and Insular Affairs. Requires that the sites of service of General Thaddeus Kosciuszko during the American Revolutionary War be marked and that such tracing be officially known as the Kosciuszko Trail.

H.J. Res. 342. March 22, 1977. Post Office and Civil Service. Designates the first full week of April as "National Drafting Week."

H.J. Res. 343. March 22, 1977. Judiciary. Constitutional Amendment—Increases to 4 years the term of a Member of the House of Representatives, and limits the number of times any person may be elected to the House to three.

H.J. Res. 344. March 22, 1977. Post Office and Civil Service. Designates December 19, 1977, as "Encampment Day."

H.J. Res. 345. March 23, 1977. Post Office and Civil Service. Designates the third of September of 1977 as "National Rehabilitation Week."

H.J. Res. 346. March 23, 1977. Armed Services. Directs the President of the United States to restore to Doctor Mary Edwards Walker the Congressional Medal of Honor awarded to her in 1865 and revoked in 1917.

H.J. Res. 347. March 23, 1977. Judiciary. Constitutional amendment—Permits persons to participate or to decline to participate in voluntary prayer or meditation in public buildings or places supported by public funds.

H.J. Res. 348. March 23, 1977. Post Office and Civil Service. Authorizes the President of the United States to designate the last Friday of April of each year as National Arbor Day.

H.J. Res. 349. March 23, 1977. Post Office and Civil Service. Authorizes the President of the United States to designate the last Friday of each year as National Arbor Day.

H.J. Res. 350. March 23, 1977. Judiciary. Constitutional amendment—Provides for the direct popular election of the President and Vice President of the United States.

HOUSE CONCURRENT RESOLUTIONS

H. Con. Res. 151. March 10, 1977. Education and Labor. Declares it to be the sense of Congress that there should be an increased emphasis by Congress and the Department of Health, Education, and Welfare on providing both vocational and liberal arts education to all students in postsecondary education programs.

H. Con. Res. 152. March 10, 1977. Post Office and Civil Service. States that the Postal Service should place maximum emphasis upon research and development, especially in the field of electronic communications.

H. Con. Res. 153. March 14, 1977. Ways and Means. Declares the sense of Congress that each Member of Congress must prepare his own income tax return without assistance until Congress eases the burden that "the complex and obtuse" tax laws place on taxpayers.

H. Con. Res. 154. March 14, 1977. Science and Technology. Requires the United States Government to convert to the metric system of weights and measures to the fullest extent possible in its internal and contractual affairs. Authorizes the appropriate congressional committee to conduct seminars to inform the American people of the progress toward conversion to the metric system.

H. Con. Res. 155. March 14, 1977. International Relations. Urges the Canadian Government to reassess its present policy of permitting the killing of newborn harp seals in Canadian waters.

H. Con. Res. 156. March 14, 1977. International Relations. Declares that the United States should effect a regional conservation treaty for the protection of northern hemisphere pinnipeds.

H. Con. Res. 157. March 15, 1977. Directs the printing as a House document of a compilation of tributes by Members of the House in the Halls of Congress, commemorating the service of the Honorable Gerald R. Ford.

H. Con. Res. 158. March 15, 1977. Interstate and Foreign Commerce. Expresses the sense of Congress that the ban on saccharin should be withdrawn.

H. Con. Res. 159. March 15, 1977. International Relations. Requests that the concerns of the United States be conveyed to the Soviet Government regarding adherence to the Helsinki Declaration with respect to freedom to emigrate.

H. Con. Res. 160. March 15, 1077. International Relations. Requests that the concerns of the United States be conveyed to the Soviet Government regarding adherence to the Helsinki Declaration with respect to freedom to emigrate.

H. Con. Res. 161. March 15, 1977. International Relations. Requests that the concerns of the United States be conveyed to the Soviet Government regarding adherence to the Helsinki Declaration with respect to freedom to emigrate.

H. Con. Res. 162. March 15, 1977. House Administration. Directs that additional copies be printed of the subcommittee print of the House Subcommittee on Consumer Affairs of the Committee on Banking, Finance, and Urban Affairs entitled "Give Yourself Credit: Guide to Consumer Credit Laws."

H. Con. Res. 163. March 15, 1977. International Relations. Urges the Canadian Government to reassess its present policy of permitting the killing of newborn harp seals in Canadian Waters.

H. Con. Res. 164. March 17, 1977, House Administration. Authorizes the printing of additional copies of "Jerry L. Litton, Late a Representative from Missouri, Memorial Addresses Delivered in Congress."

H. Con. Res. 165. March 17, 1977. International Relations. Declares it the sense of the Congress that the President will take steps to: (1) call upon the Soviet Union to resurrect the Ukrainian Orthodox and Catholic Churches; (2) contact the officials of the Soviet Union to secure freedom of worship in the Soviet Union and Eastern Europe; and (3) raise the question of Stalin's liquidation of such churches in the United Nations.

H. Con. Res. 166. March 17, 1977. International Relations. Pledges the support of the Congress to advance human rights. Urges the President to inform other nations that the United States will consider human rights protection in evaluating its relations with other nations.

H. Con. Res. 167. March 17, 1977. Appropriations. Declares that it is the sense of Congress that at least 20 percent of the funds which would otherwise be appropriated for foreign military assistance be diverted to the Federal Old-Age Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

H. Con. Res. 168. March 21, 1977. Interstate and Foreign Commerce. Declares it the sense of the Congress that the President should establish a special task force to develop reliable information to determine whether the price of natural gas in interstate commerce should be deregulated.

H. Con. Res. 169. March 21, 1977. International Relations. Urges the Canadian Government to reassess its present policy of permitting the killing of newborn harp seals in Canadian waters.

H. Con. Res. 170. March 21, 1977. Armed Services; International Relations. Declares the sense of Congress that the President should declare a moratorium on United States manufacture of chemical weapons (lethal and incapacitating nerve and mustard agents and "binary agents") and order the destruction of certain United States stockpiles of such weapons. Urges other nations to destroy their stockpiles. Urges the Conference of the Committee on Disarmament to conclude a treaty banning the manufacture and possession of such weapons.

H. Con. Res. 171. March 22, 1977. International Relations. Declares the sense of the Congress that the President should be commended for assistance to Zaire, and that the President should call upon the United Nations and its Security Council to investigate violations of Zaire's sovereignty.

H. Con. Res. 172. March 22, 1977. International Relations. Requests that the concerns of the United States be conveyed to the Soviet Government regarding adherence to the Helsinki Declaration with respect to freedom to emigrate.

H. Con. Res. 173. March 23, 1977. Armed Services. Declares it to tbe the sense of Congress that John Adams should be known as

the "Father of the United States Marine Corps."

H. Con. Res. 174. March 23, 1977. International Relations. Declares the sense of Congress that the President should urge the Soviet Union to allow Dr. Sergei Kovalev to accept the invitation of Cornell University.

H. Con. Res. 175. March 23, 1977. International Relations. Declares the sense of Congress that the President should urge the Soviet Union to allow Dr. Sergei Kovalev to accept the invitation of Cornell University.

H. Con. Res. 176. March 24, 1977. International Relations. Declares it the sense of Congress that the President should direct the Ambassador to the United Nations: (1) to have the United States accepted as a member of the United Nations Council for Namibia; (2) to endorse United Nations Council for Namibia "Decree Number 1—For the Protection of the Natural Resources of Namibia"; and (3) to support any proposal in the Security Council declaring the administration of Namibia by South Africa a threat to the peace.

H. Con. Res. 177. March 24, 1977. International Relations. Expresses the sense of the Congress that the peoples of Lithuania, Lativa, and Estonia should be given the right of self-determination. Calls for free elections in the Baltic States, under the auspices of the United Nations.

H. Con. Res. 178. March 28, 1977. International Relations. Pledges the support of the Congress to advance human rights. Urges the President to inform other nations that the United States will consider human rights protection in evaluating its relations with other nations.

H. Con. Res. 179. March 28, 1977. International Relations. Declares that the United States should effect a regional conservation treaty for the protection of northern hemisphere pinnipeds.

H. Con. Res. 180. March 29, 1977. Veterans' Affairs. Expresses the sense of Congress that the Secretary of Defense shall at the earliest opportunity inter an Unknown Soldier in Arlington National Cemetery and make permanent display of representative medals, ribbons, and tributes of the Vietnam War in the Arlington Memorial Amphitheater.

H. Con. Res. 181. March 29, 1977. Interior and Insular Affairs; Agriculture. Directs the Secretary of the Interior and Secretary of Agriculture to institute a comprehensive revision of the regulations governing the allocation of use for white water rivers to insure a fair allocation of use among all potential users.

H. Con. Res. 182. March 29, 1977. House Administration. Directs the printing of the pamphlet, "Black Americans in Congress" as a House document.

H. Con. Res. 183. March 29, 1977. House Administration.

Directs the printing, as a House document, of the pamphlet, "Black Americans in Congress.

Requires that the name, party affiliation, and State of residence of each cosponsor of this and certain companion resolutions be included in such pamphlet.

H. Con. Res. 184. March 29, 1977. House Administration.

Directs the printing, as a House document, of the pamphlet, "Black Americans in Congress.

Requires that the name, party affiliation, and State of residence of each cosponsor of this and certain companion resolutions be included in such pamphlet.

H. Con. Res. 185. March 31, 1977. Armed Services; International Relations. Declares the sense of Congress that the President should declare a moratorium on United States manufacture of chemical weapons (lethal and incapacitating nerve and mustard agents and "binary agents") and order the destruction of certain United States stockpiles of such weapons. Urges other nations to destroy their stockpiles. Urges the Conference of the Committee on Disarmament to conclude a treaty banning the manufacture and possession of such weapons.

H. Con. Res. 186. April 4, 1977. Establishes the dates for adjournment of the House of Representatives and the dates of recess for the Senate.

H. Con. Res. 187. April 4, 1977. Interstate and Foreign Commerce. Expresses the sense of the Congress that every individual who has undergone extensive radiation treatment for tonsil, adenoid, thymus, or similar problems should be made aware of the potential risk of developing cancer because of such treatments, and of the need for regular physical checkups as a result of the risk.

H. Con. Res. 188. April 5, 1977. International Relations. Declares the sense of the Congress that the President should be commended for assistance to Zaire, and that the President should call upon the United Nations and its Security Council to investigate violations of Zaire's sovereignty.

H. Con. Res. 189. April 5, 1977. Post Office and Civil Service. Declares that the United States Postal Service should issue, during 1977, a commemorative stamp in honor of Saint Elizabeth Ann Seton.

H. Con. Res. 190. April 5, 1977. House Administration. Provides that the brochure entitled "How Our Laws are Made" be printed as a House document.

HOUSE RESOLUTIONS

H. Res. 281. February 9, 1977. Post Office and Civil Service. Disapproves that part of the recommendations transmitted by the President to Congress, pursuant to the Federal Salary Act of 1967, which recommend rates of pay from Members of Congress and the Resident Commissioner from Puerto Rico.

H. Res. 282. February 9, 1977. International Relations. Declares it the sense of the House of Representatives that the Government of th United States should maintain its rights and jurisdiction over the Panama Canal and the Panama Canal Zone.

H. Res. 283. February 9, 1977. House Administration. Authorizes the appropriation of a certain amount for the expenses of the investigations and studies to be conducted by the Committee on Interstate and Foreign Commerce of the House of Representatives.

H. Res. 284. February 9, 1977. Rules. Requires the Congressional Record for the House of Representatives to contain an accurate verbatim account of remarks actually delivered on the floor of the House together with permitted supporting data. Limits revisions of verbatim remarks in the Record, to the correction of grammatical and typographical errors which do not change the meaning, content, or substance of those remarks. Entitles Members to insert in the Record remarks not actually delivered on the floor. Stipulates that such insertions always be clearly distinguishable from verbatim remarks.

H. Res. 285. February 9, 1977. Judiciary. Directs the Attorney General to furnish the House of Representatives all communications and documents received by the Department of Justice for Kim Sang Keun of South Korea respecting Members and employees of Congress.

H. Res. 286. February 9, 1977. Judiciary. Refers H.R. 2557 to the Chief Commissioner of the Court of Claims.

H. Res. 287. February 16, 1977. Rules; Standards of Official Conduct; House Administration. Amends the Rules of the House of Representatives to: (1) revise financial disclosure requirements for Members and other employees; (2) establish prohibitions on the accepting of gifts from foreign nationals; (3) require that proceeds from all fund raising events be treated as campaign contributions; (4) include registered lobbyists and certain other individuals as persons having a direct interest in legislation; (5) prohibit the maintenance of unofficial office accounts; (6) limit the use of the frank; (7) limit foreign travel expenses of Members who have not been reelected; and (8) restrict the amount of outside income which may be earned by Members.

Establishes a Select Committee on Ethics.

H. Res. 288. February 16, 1977. Post Office and Civil Service. Disapproves the Presidential pay recommendations in the budget for fiscal year 1978.

H. Res. 289. February 16, 1977. Interstate and Foreign Commerce. Expresses the sense of the House of Representatives that the major television networks should take such steps as may be necessary to provide captioning of programs for hearing impaired individuals.

H. Res. 290. February 16, 1977. Post Office and Civil Service. Disapproves the Presidential pay recommendations in the budget for fiscal year 1978.

H. Res. 291. February 16, 1977. Rules. Sets forth the rule for the consideration of H. Res. 115 (Disapproval of Presidential salary recommendations for Federal officials).

H. Res. 292. February 16, 1977. Post Office and Civil Service. Disapproves the Presidential pay recommendations in the budget for fiscal year 1978.

H. Res. 293. February 16, 1977. Appropriations. Expresses the disapproval of the House of Representatives of the proposed deferral D77-52 for operating expenses for certain activities of the biomedical and environmental research program conducted by the Energy Research and Development Administration.

H. Res. 294. February 16, 1977. House Administration. Directs the printing as a House document of a compilation of tributes by Members of the House in the Halls of Congress, commemorating the service of the Honorable Gerald R. Ford.

H. Res. 295. February 16, 1977. Rules. Establishes within the House of Representatives a Select Committee on Energy to study all aspects of the exploration, research and development, production, importation, distribution, and use of all energy-related resources, including priorities and policies with regard to energy.

H. Res. 296. February 16, 1977. Rules. Creates a House select committee to conduct an investigation of all records, memorandums, papers, documents, books, and other information of any standing or select committee of the House or officer of the House respecting expenses incurred by or on behalf of any such committee or its members or employees.

H. Res. 297. February 16, 1977. House Administration. Declares that certain expenses of certain investigations and studies conducted by the Committee on Science and Technology shall be paid out of the contingent fund of the House.

H. Res. 298. February 17, 1977. House Administration. Declares that the expenses of the investigations and studies to be conducted by the Committee on Agriculture shall be paid out of the contingent fund of the House.

H. Res. 299. February 17, 1977. Rules: Standards of Official Conduct; House Administration. Amends the Rules of the House of Representatives to: (1) revise financial disclosure requirements for Members and other employees; (2) establish prohibitions on the accepting of gifts from foreign nationals; (3) require that proceeds from all fund raising events be treated as campaign contributions; (4) include registered lobbyists and certain other individuals as persons having a direct interest in legislation; (5) prohibit the maintenance of unofficial office accounts; (6) limit the use of the frank; and (7) limit foreign travel expenses of Members who have not been reelected.

Establishes a Select Committee on Ethics.

H. Res. 300. February 17, 1977. Agriculture; Banking, Finance and Urban Affairs. Declares the sense of the House that: (1) the Secretary of Agriculture should study the impact of the foreign palm oil industry on the domestic vegetable oil industry and recommend to the National Advisory Council on International Monetary and Financial Policies that further loans by the international financial institutions for the development of palm oil be discouraged by the United States; and (2) the Secretary of the Treasury instruct the United States Executive Director in each of the International financial institutions to oppose new proposals for palm oil development loans unless the palm oil is needed domestically and does not have the effect of increasing palm oil exports.

H. Res. 301. February 17, 1977. Agriculture; International Relations. Declares the sense of the House that the Secretary of Agriculture study the impact of the foreign palm oil industry on the domestic vegetable oil industry and, if justified, recommend that the administration negotiate agreements with the principal palm oil producing countries to restrain excessive imports of palm oil into the United States.

H. Res. 302. February 17, 1977. Interstate and Foreign Commerce. Declares a state of war against amyotrophic lateral sclerosis.

H. Res. 303. February 17, 1977. Interstate and Foreign Commerce. Sets forth guidelines for the development of pay television.

H. Res. 304. February 22, 1977. Sets forth the rule for the consideration of H.R. 11.

H. Res. 305. February 22, 1977. Appropriations. Disapproves the proposed budget deferral D77-50 (magnetic fusion energy research), as set forth in the message of January 17, 1977, transmitted to the Congress by the President.

H. Res. 306. February 22, 1977. Appropriations. Expresses the disapproval of the House of Representatives of proposed deferral D77-51 withholding funds appropriated for operating expenses for Program Support-Community Operations for certain communities associated with facilities of the Energy Research and Development Administration.

H. Res. 307. February 22, 1977. Appropriations. Disapproves the proposed budget deferral D77-52 (Biological and Environmental Research), as set forth in the message of January 17, 1977, transmitted to the Congress by the President.

H. Res. 308. February 22, 1977. Rules. Amends rule X of the Rules of the House of Representatives to require the establishment in the House of a Select Committee on Investigations whenever in any Congress the majority party in the House and Senate is the same party as that of the President.

Requires such select committee to conduct studies and investigations of the administration and enforcement of Federal laws by the Federal departments and agencies.

H. Res. 309. February 22, 1977. Rules. Amends rule X of the Rules of the House of Representatives to require the establishment in the House of a Select Committee on Investigations whenever in any Congress the majority party in the House and Senate is the same party as that of the President.

Requires such select committee to conduct studies and investigations of the administration and enforcement of Federal laws by the Federal departments and agencies.

H. Res. 310. February 22, 1977. House Administration. Declares that certain expenses of certain investigations and studies to be conducted by the Committee on Armed Services shall be paid out of the contingent fund of the House.

H. Res. 311. February 22, 1977. Interstate and Foreign Commerce. Calls for the consideration of the relationship between the violence depicted on television and violence in society by those persons responsible for television programming and broadcasting in the United States.

H. Res. 312. February 22, 1977. International Relations. Declares it the sense of the House of Representatives that the Government of the United States should maintain its rights and jurisdiction over the Panama Canal and the Panama Canal Zone.

H. Res. 313. Feburary 22, 1977. House Administration. Declares that certain expenses of certain investigations and studies to be conducted by the Committee on International Relations shall be paid out of the contingent fund of the House.

H. Res. 314. February 23, 1977. Interstate and Foreign Commerce. Sets forth guidelines for the development of pay television.

H. Res. 315. February 23, 1977. House Administration. Includes employees of the House Beauty Shop within the compensation classification system established by the House Employees Position Classification Act.

Designates such individuals as Congressional employees.

H. Res. 316. February 23, 1977. Rules. Amends rule XI of the Rules of the House of Representatives to require committee approval of travel proposals.

H. Res. 317. February 23, 1977. Rules, Amends rule XI of the Rules of the House of Representatives to require committee approval of travel proposals.

H. Res. 318. February 23, 1977. International Relations. Declares it the sense of the House of Representatives that the Government of the United States should maintain its rights and jurisdiction over the Panama Canal and the Panama Canal Zone.

H. Res. 319. February 23, 1977. House Administration. Declares that certain expenses of certain investigations and studies to be conducted by the Committee on International Relations through its subcommittee on International Organizations pursuant to a resolution adopted on February 3, 1977, shall be paid out of the contingent fund of the House.

H. Res. 320. February 23, 1977. Ways and Means. Declares it the sense of the House of Representatives: (1) that the President should obtain removal of the trade impairments placed on dried prunes by the European Economic Community and should seek agreement with the European Economic Community that similar restrictive measures will not be imposed in the future; and (2) that the European Economic Community should be placed on notice that retaliatory measures will be taken if restrictive import regulations are placed on walnuts.

H. Res. 321. February 23, 1977. House Administration. Declares that certain expenses of certain investigations and studies to be conducted by the Committee on Merchant Marine and Fisheries shall be paid out of the contingent fund of the House.

H. Res. 322. February 23, 1977. Public Works and Transportation. Directs the Architect of the Capitol to conduct a feasibility study of using solar energy in certain House Office Buildings.

Authorizes the appropriation of funds to conduct such study.

H. Res. 323. February 23, 1977. Rules. Requires that the Congressional Record for the House of Representatives contain an accurate and verbatim account of remarks actually delivered on the floor of the House, together with permitted supporting data.

Limits revisions of verbatim remarks in the Record to the correction of grammatical and typographical errors which do not change the meaning, content, or substance of those remarks.

Entitles Members to insert in the Record remarks not actually delivered on the floor. Requires that such insertions always be clearly distinguished from verbatim remarks.

H. Res. 324. February 23, 1977. Rules. Requires that the Congressional Record for the House of Representatives contain an accurate and verbatim account of remarks actually delivered on the floor of the House, together with permitted support data.

Limits revisions of verbatim remarks in the Record to the correction of grammatical and typographical errors which do not change the meaning, content, or substance of those remarks.

Entitles Members to insert in the Record remarks not actually delivered on the floor. Requires that such insertions always be clearly distinguished from verbatim remarks.

H. Res. 325. February 23, 1977. Rules. Requires that the Congressional Record for the House of Representatives contain an accurate and verbatim account of remarks actually delivered on the floor of the House, together with permitted supporting data.

Limits revisions of verbatim remarks in the Record to the correction of grammatical and typographical errors which do not change the meaning, content, or substance of those remarks.

Entitles Members to insert in the Record remarks not actually delivered on the floor. Requires that such insertions always be clearly distinguished from verbatim remarks.

H. Res. 326. February 23, 1977. Rules. Requires that the Congressional Record for the House of Representatives contain an accurate and verbatim account of remarks actually delivered on the floor of the House, together with permitted supporting data.

Limits revisions of verbatim remarks in the Record to the correction of grammatical and typographical errors which do not change the meaning, content, or substance of those remarks.

Entitles Members to insert in the Record remarks not actually delivered on the floor. Requires that such insertions always be clearly distinguished from verbatim remarks.

H. Res. 327. February 23, 1977. House Administration. Includes employees of the House Beauty Shop within the compensation classification system established by the House Employees Position Classification Act. Designates such individuals as Congressional employees.

H. Res. 328. February 24, 1977. House Administration. Declares that certain expenses of certain investigations, studies, and oversight responsibilities and functions of the Committee on Government Operations shall be paid out of the contingent fund of the House.

H. Res. 329. February 24, 1977. House Administration. Declares that certain expenses of investigations and studies to be conducted by the Committee on the District of Columbia shall be paid out of the House contingent fund.

H. Res. 330. February 24, 1977. Rules; Standards of Official Conduct; House Administration. Amends the Rules of the House of Representatives to: (1) revise financial disclosure requirements for Members and other employees; (2) establish prohibitions on the accepting of gifts from foreign nationals; (3) require that proceeds from all fund raising events be treated as campaign contributions; (4) include registered lobbyists and certain other individuals as persons having a direct interest in legislation; (5) prohibit the maintenance of unofficial office accounts; (6) limit the use of the frank; and (7) limit foreign travel expenses of Members who have not been reelected. Establishes a Select Committee on Ethics.

H. Res. 331. February 24, 1977. Rules; Standards of Official Conduct; House Administration. Amends the Rules of the House of Representatives to: (1) revise financial-disclosure requirements for Members and other employees; (2) establish prohibitions on the accepting of gifts from foreign nationals; (3) require that proceeds from all fundraising events be treated as campaign contributions;

(4) include registered lobbyists and certain other individuals as persons having a direct interest in legislation; (5) prohibit the maintenance of unofficial office accounts; (6) limit the use of the frank; (7) limit foreign travel expenses of Members who have not been reelected; and (8) restrict the amount of outside income which may be earned by Members. Establishes a Select Committee on Ethics.

H. Res. 332. February 24, 1977. Rules; Standards of Official Conduct; House Administration. Amends the Rules of the House of Representatives to: (1) revise financial disclosure requirements for Members and other employees; (2) establish prohibitions on the accepting of gifts from foreign nationals; (3) require that proceeds from all fundraising events be treated as campaign contributions; (4) include registered lobbyists and certain other individuals as persons having a direct interest in legislation; (5) prohibit the maintenance of unofficial office accounts; (6) limit the use of the frank; (7) limit foreign travel expenses of Members who have not been reelected; and (8) restrict the amount of outside income which may be earned by Members. Establishes a Select Committee on Ethics.

H. Res. 333. February 24, 1977. House Administration. Authorizes the chairman of the Subcommittee on Oversight and Investigations of the Committee on Interstate and Foreign Commerce to continue to intervene in the pending action, "Ashland Oil Incorporated against Federal Trade Commission, et al," to secure information relating to natural gas reserves. Authorizes the chairman of the Committee to employ special counsel to represent the Committee in such proceeding.

H. Res. 334. February 24, 1977. House Administration. Authorizes the chairman of the Subcommittee on Oversight and Investigations of the Committee on Interstate and Foreign Commerce to continue to intervene and appear in a certain action pending before the U.S. District Court for the District of Columbia, and to employ special counsel to continue to represent the committee and the House in all judicial proceedings relating to such action.

H. Res. 335. February 24, 1977. Rules. Establishes within the House of Representatives a Standing Committee on Intelligence to oversee and make continuing studies of the intelligence activities and programs of the United States Government, and to submit to the House appropriate proposals for legislation.

Sets forth procedures whereby the Committee may disclose publicly information in its possession. Authorizes the House to approve disclosure of certain classified information over the objection of the President.

Prohibits the appropriation of funds for specified intelligence activities unless authorized by House bill or joint resolution.

H. Res. 336. February 24, 1977. International Relations. Declares it the sense of the House of Representatives that the Government of the United States should maintain its rights and jurisdiction over the Panama Canal and the Panama Canal Zone.

H. Res. 337. February 24, 1977. Sets forth the rule for the consideration of H.R. 3365.

H. Res. 338. February 28, 1977. Sets forth the rule for the consideration of H. Res. 287.

H. Res. 339. February 28, 1977. Rules. Amends rule XI of the Rules of the House of Representatives to require committee approval of travel proposals.

H. Res. 340. February 28, 1977. House Administration. Prohibits the reimbursement for travel expenses of Members of the House of Representatives and certain House employees for the difference between the cost of first-class air fares and regular fares except in specified cases.

H. Res. 341. February 28, 1977. Rules; Standards of Official Conduct; House Administration. Amends the Rules of the House of Representatives to: (1) revise financial disclosure requirements for Members and other employees; (2) establish prohibitions on the accepting of gifts from foreign nationals; (3) require that proceeds from all fund raising events be treated as campaign contributions; (4) include registered lobbyists and certain other individuals as persons having a direct interest in legislation; (5) prohibit the maintenance of unofficial office accounts; (6) limit the use of the frank; (7) limit foreign travel expenses of Members who have not been reelected; and (8) restrict the amount of outside income which may be earned by Members.

Establishes a Select Committee on Ethics.

H. Res. 342. February 28, 1977. International Relations. Declares that the House of Representatives applauds the efforts of the Women's Peace Movement to end violence in Northern Ireland.

H. Res. 343. February 28, 1977. House Administration. Declares that certain expenses of special investigations and studies to be conducted by the Ad Hoc Select Committee on the Outer Continental Shelf shall be paid out of the contingent fund of the House.

H. Res. 344. February 28, 1977. Standards of Official Conduct. Amends rule XLIII of the Rules of the House of Representatives to prohibit Members of Congress from using funds, other than those specifically appropriated by Congress for the purpose of fulfilling their activities as federal officeholders.

H. Res. 345. February 28, 1977. Interstate and Foreign Commerce. Calls for the consideration of the relationship between the violence depicted on television and violence in society by those persons responsible for television programing and broadcasting in the United States.

H. Res. 346. March 1, 1977. Rules. Amends rule X of the Rules of the House of Representatives to establish a Standing Committee on Intelligence with legislative jurisdiction over all measures relating to: (1) the Central Intelligence Agency and the Director Central Intelligence; (2) intelligence activities of all other Federal departments and agencies; (3) any organization or reorganization of such departments or agencies which relates to intelligence activities; and (4) authorizations for appropriations for specified departments and agencies.

H. Res. 347. March 1, 1977. Rules. Amends rule X of the Rules of the House of Representatives to create a 37-member Select Committee on Energy. Directs the Speaker to refer first to the Select Committee all bills, resolutions and other matters relating to: (1) energy resources, regulation, conservation, and allocation; and (2) energy power administrations.

H. Res. 348. March 1, 1977. Rules. Amends rule X of the Rules of the House of Representatives to create a 37-member Select Committee on Energy. Directs the Speaker to refer first to the Select Committee all bills, resolutions and other matters relating to: (1) energy resources, regulation, conservation, and allocation; and (2) energy power administrations.

H. Res. 349. March 1, 1977. Rules. Establishes within the House of Representatives a Select Committee on Welfare Reorganization to: (1) study any problems which exist in the interaction of present benefit programs; (2) formulate legislation to resolve such problems; (3) study the system used by the House to refer proposed welfare legislation to committees; and (4) study whether there is a need in the House for a standing committee to handle such legislation.

H. Res. 350. March 1, 1977. Rules. Establishes within the House of Representatives a Select Committee on Welfare Reorganization to: (1) study any problems which exist in the interaction of present benefit programs; (2) formulate legislation to resolve such problems; (3) study the system used by the House to refer proposed welfare legislation to committees; and (4) study whether there is a need in the House for a standing committee to handle such legislation.

H. Res. 351. March 1, 1977. Rules. Standards of Official Conduct; House Administration. Amends the Rules of the House of Representatives to: (1) revise financial disclosure requirements for Members and other employees; (2) establish prohibitions on the accepting of gifts from foreign nationals; (3) require that proceeds from all fund raising events be treated as campaign contributions; (4) include registered lobbyists and certain other individuals as persons having a direct interest in legislation; (5) prohibit the maintenance of unofficial office accounts; (6) limit the use of the frank; (7) limit foreign travel expenses of Members who have not been reelected; and (8) restrict the amount of outside income which may be earned by Members.

Establishes a Select Committee on Ethics.

H. Res. 352. March 1, 1977. Rules. Amends rule XLIV of the Rules of the House of Representatives to require the Committee on Standards of Official Conduct to transmit the financial disclosure reports of Members to the county clerks within the district from which such Members were elected.

H. Res. 353. March 1, 1977. Rules. Amends rule XVI of the Rules of the House of Representatives to apply the ten minutes of debate rule to a motion to recommit with instructions on the adoption of a simple resolution or conference report after the previous question has been ordered.

H. Res. 354. March 1, 1977. Rules. Amends rule XVI of the Rules of the House of Representatives to apply the ten minutes of debate rule to a motion to recommit with instructions on the adoption of a simple resolution or conference report after the previous question has been ordered.

H. Res. 355. March 1, 1977. Rules. Amends rule XVI of the Rules of the House of Representatives to apply the ten minutes of debate rule to a motion to recommit with instructions on the adoption of a simple resolution or conference report after the previous question has been ordered.

H. Res. 356. March 1, 1977. Standards of Official Conduct. Amends rule XLIII of the Rules of the House of Representatives to prohibit Members of Congress from using funds, other than those specifically appropriated by Congress for the purpose of fulfilling their activities as Federal officeholders.

H. Res. 357. March 1, 1977. House Administration. Declares that certain expenses of investigations and studies to be conducted by the Committee on the Judiciary shall be paid out of the contingent fund of the House.

H. Res. 358. March 1, 1977. Judiciary. Refers H.R. 3834, together with all accompanying papers, to the Chief Commissioner of the Court of Claims.

H. Res. 359. March 2, 1977. Sets forth the rule for the consideration of H.R. 2846 (John F. Kennedy Center repairs).

H. Res. 360. March 2, 1977. Sets forth the rule for the consideration of H.R. 3477 (Income tax refund).

H. Res. 361. March 2, 1977. House Administration. Authorizes the Committee on House Administration to incur such further expenses as it deems advisable to carry out its responsibilities with respect to setting the seven contested elections pending before it. Directs that such expenses be paid out of the contingent fund of the House.

H. Res. 362. March 2, 1977. House Administration. Requires the Clerk of the House of Representatives to make available to each

Member an amount sufficient to defray the charges for toll-free telephone service from any location in such Member's district to any office of such Member in such district.

H. Res. 363. March 2, 1977. House Administration. Directs the reprinting of the report entitled "Administration of Public Law 89-306, Procurement of ADP Resources by the Federal Government" for the use of the House Committee on Government Operations.

H. Res. 364. March 2, 1977. Rules; Standards of Official Conduct; House Administration. Amends the Rules of the House of Representatives to: (1) revise financial disclosure requirements for Members and other employees; (2) establish prohibitions on the accepting of gifts from foreign nationals; (3) require that proceeds from all funds raising events be treated as campaign contributions; (4) include registered lobbyists and certain other individuals as persons having a direct interest in legislation; (5) prohibit the maintenance of unofficial office accounts; (6) limit the use of the frank; and (7) limit foreign travel expenses of Members who have not been reelected.

Establishes a Select Committee on Ethics.

H. Res. 365. March 2, 1977. International Relations. Declares it the sense of the House of Representatives that the Government of the United States should maintain its rights and jurisdiction over the Panama Canal and the Panama Canal Zone.

H. Res. 366. March 2, 1977. Rules. Amends the Rules of the House of Representatives to add rule XLV prohibiting any Member from maintaining or having maintained for such Member's use, an unofficial office account.

H. Res. 367. March 2, 1977. Standards of Official Conduct. Amends rule XLIII of the Rules of the House of Representatives to limit the amount any Member, officer, or employee may accept as an honorarium for any single activity, or in the aggregate during a single calendar year.

H. Res. 368. March 2, 1977. Rules. Amends the Rules of the House of Representatives to add rule XLV prohibiting any Member from maintaining or having maintained for such Member's use, an unofficial office account.

H. Res. 369. March 2, 1977. International Relations. Declares the sense of the House of Representatives that the President and the Secretary of State should (1) initiate negotiations with Vietnam to resolve outstanding bilateral problems, (2) support the lifting of the trade embargo against Vietnam, (3) refrain from vetoing Vietnamese membership in the United Nations.

H. Res. 370. March 3, 1977. House Administration. Declares that the expenses, not to exceed $364,320, of investigations and studies to be conducted by the Committee on Small Business shall be paid out of the contingent fund of the House.

H. Res. 371. March 3, 1977. Elects Members of the House of Representatives to the Committee on Science and Technology; Public Works and Transportation; and Government Operations.

H. Res. 372. March 3, 1977. Rules. Establishes within the House of Representatives a House Commission on Congressional Operations to: (1) study the organization and operation of Congress; (2) identify court proceedings or actions of interest to the Congress or the committees of the House, their workloads, and their relationships to certain Senate committees.

Establishes for the House of Representatives an Office of Placement and Office Management, subject to the control of the Commission, to assist Members, committees, and officers seeking competent personnel, and to furnish advice with respect to office management.

H. Res. 373. March 3, 1977. House Administration. Requires any Member of the House of Representatives who uses any official mailing allowance for the mailing of congressional newsletters to include in at least one such newsletter during each term the names, positions, and rates of compensation of all such Member's permanent staff.

H. Res. 374. March 3, 1977. Rules. Amends the Rules of the House of Representatives to provide for and to regulate television and radio coverage of the House of Representatives.

H. Res. 375. March 3, 1977. Rules. Amends the Rules of the House of Representatives to provide for and to regulate television and radio coverage of the House of Representatives.

H. Res. 376. March 3, 1977. Rules. Amends the Rules of the House of Representatives to provide for and to regulate television and radio coverage of the House of Representatives.

H. Res. 377. March 3, 1977. Rules. Amends the Rules of the House of Representatives to provide for and to regulate television and radio coverage of the House of Representatives.

H. Res. 378. March 3, 1977. House Administration. Declares that the expenses, not to exceed $964,092, of investigations and studies to be conducted by the Committee on Interior and Insular Affairs shall be paid out of the contingent fund of the House.

H. Res. 379. March 3, 1977. House Administration. Directs the printing as a House document of the transcript of the proceedings in the Committee on Armed Services of February 16, 1977, incident to the presentation of a portrait of the Honorable Melvin Price.

H. Res. 380. March 4, 1977. Rules. Requires that units of weights and measures contained in all House bills, resolutions, and amendments, and in all committee reports, be expressed in units of the metric system as either the sole or as an alternative unit of measurement.

H. Res. 381. March 4, 1977. Rules. Amends rule XVI of the Rules of the House of Representatives to apply the ten minutes of debate rule to a motion to recommit with instructions on the adoption of a simple resolution or conference report after the previous question has been ordered.

H. Res. 382. March 4, 1977. House Administration. Declares that the expenses, not to exceed $787,625, of investigations and studies to be conducted by the Select Committee on Aging shall be paid out of the contingent fund of the House.

H. Res. 383. March 7, 1977. Rules. Establishes within the House of Representatives a 16 member Select Committee on Ethics to consider bills and resolutions which incorporate into permanent law portions of modifications of specified Rules of the House of Representatives.

H. Res. 384. March 7, 1977. Rules. Establishes in the House of Representatives a Select Committee on Drought.

Stipulates that the select committee shall not have legislative jurisdiction.

Authorizes the select committee to conduct a comprehensive study of drought problems and solutions for the Western United States.

H. Res. 385. March 7, 1977. Rules. Amends the Rules of the House of Representatives to provide for and to regulate television and radio coverage of the House of Representatives.

H. Res. 386. March 8, 1977. Small Business. Requests the President of the United States to convene a White House Conference on Small Business with the help of the Senate Small Business Committee to develop recommendations, including suggestions for joint legislative and executive action, for revitalizing and maintaining economic viability of the small business infrastructure.

H. Res. 387. March 8, 1977. Rules. Amends rule XXII of the Rules of the House of Representatives to remove the limitation on the number of Members who may introduce jointly public bills, memorials, or resolutions.

H. Res. 388. March 8, 1977. Sets forth the rule for the consideration of H.R. 3843 (Housing assistance, riot and crime insurance, National Commission on Neighborhoods).

H. Res. 389. March 9, 1977. Elects certain Members of the House of Representatives to the Joint Committee on Printing, and the Joint Committee of Congress on the Library.

H. Res. 390. March 9, 1977. International Relations. Declares that the House of Representatives calls for the release of Dr. Mikhail Shtern of the Soviet Union and commutation of his sentence.

H. Res. 391. March 9, 1977. Interstate and Foreign Commerce. Expresses the sense of the House of Representatives that Congress should establish a national telecommunications policy.

H. Res. 392. March 9, 1977. Rules. Establishing a 12-member select committee in the House of Representatives to conduct an investigation of all acts of any agency, official, employee, or agent of the Government of the Republic of Korea or any representative of a business interest carried on in such Republic to influence any present or former Member of the House or employee of the Federal or a State government in his or her official capacity through the giving of gifts.

H. Res. 393. March 9, 1977. House Administration. Adds additional employees to the offices of the minority leader, the majority whip, and the chief deputy majority whip. Fixes the rate of compensation for such individuals. Requires that such compensation as may be necessary for such individuals be paid from the contingent fund of the House.

Declares that there shall be paid out of the contingent fund of the House additional specified amounts for certain expenses of the majority and minority leaders and whips.

Fixes the rate of compensation of the Postmaster of the House of Representatives.

H. Res. 394. March 10, 1977. Rules. Amends the Rules of the House of Representatives to remove the 25-member limit to the number of sponsors of any House of Representatives bill. Permits the addition or deletion of any Member's name as the sponsor of any legislation by a request made by a Member to the Speaker on behalf of such Member.

H. Res. 395. March 10, 1977. Interstate and Foreign Commerce. Expresses the sense of the House of Representatives that the ban or prohibition of saccharin should be delayed until the appropriate Congressional committees have determined that consumption of saccharin is unsafe.

H. Res. 396. March 10, 1977. Rules. Amends rule X of the Rules of the House of Representatives to establish a Standing Committee on Intelligence.

Amends rule XI of the Rules of the House of Representatives to set forth a procedure for the public disclosure of certain classified information by House committees.

Establishes in the House a Special Leadership Committee to consider requests from such committees and House members with respect to such disclosure.

Establishes penalties for the release of classified materials other than in accordance with the procedure established by this Act.

H. Res. 397. March 10, 1977. Sets forth the rule for the consideration of H.R. 1746 (importation of Rhodesian chrome).

H. Res. 398. March 14, 1977. Interstate and Foreign Commerce. Calls for the consideration of the relationship between the violence depicted on television and violence in society by those persons responsible for television programing and broadcasting in the United States.

H. Res. 399. March 14, 1977. Interstate and Foreign Commerce. Sets forth guidelines for the development of pay television.

H. Res. 400. March 14, 1977. Interstate and Foreign Commerce. Expresses the sense of the House of Representatives that the ban or prohibition of saccharin should be delayed until the appropriate Congressional committees have determined that consumation of saccharin is unsafe.

SENATE—*Thursday, July 14, 1977*

(Legislative day of Wednesday, May 18, 1977)

The Senate met at 1 p.m., on the expiration of the recess, and was called to order by Hon. THOMAS J. MCINTYRE, a Senator from the State of New Hampshire.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

God of our Fathers and our God, we thank Thee for the quiet solemn moments when liturgies of religion and rituals of patriotism recall our cherished past, and summon our devotion to the unfinished revolution in a government of the people, by the people, and for the people. Grant to us who serve here clean hands and pure hearts that we may be worthy successors to those who have gone before us. Come to us as a living, vivid, sustaining presence. Carry our thoughts and words beyond all rituals and formalities to the heart of daily life and duty. And finally move us to a deeper dedication to do justly, to love mercy, and to walk humbly with our God.

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 14, 1977.

To the Senate:

Under the provisions of rule I, section 3, of the standing rules of the Senate, I hereby appoint the Honorable THOMAS J. MCINTYRE, a Senator from the State of New Hampshire, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. MCINTYRE thereupon assumed the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of yesterday, Wednesday, July 13, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORIZATION TO MAKE CERTAIN CORRECTIONS IN ENGROSSMENT OF S. 1338

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 1338.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, if the distinguished minority leader does not wish to use any of his time personally at this time—or, if he does, I will yield for that purpose—I should like to yield the remaining part of my time this morning to the Senator from New York.

Mr. BAKER. Mr. President, I have no requirement for my time under the standing order this morning. I can yield it back or yield it to the distinguished Senator from New York, if he needs it.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

I yield to the distinguished Senator from New York.

POWER FAILURE IN NEW YORK CITY—SENATE CONCURRENT RESOLUTION 35

Mr. MOYNIHAN. Mr. President, I thank the distinguished majority leader and the distinguished minority leader for yielding their time to Senator JAVITS, my cherished senior colleague, and myself, to take this opportunity to inform Senators what they undoubtedly know.

At 9:34 last night the lights in New York City went out. Theaters, businesses, hospitals, parks, streets, buildings of all descriptions, subways—were without power.

It has been accompanied by great turmoil, great distress, but equally by genuinely magnificent behavior on the part of the people in New York State, in particular our firemen, our police, and our hospitals, who operated under circumstances of all but unprecedented difficulty, risked their lives, saved lives, and, in a real sense, have saved that city once more.

Senator JAVITS and I are very much concerned and intend to ask the Federal Power Commission to look into the matter, to see just what happened this time, and to ask it to discover measures that can avoid a repetition of what increasingly takes upon itself the surreal quality of science fiction, when a great city is suddenly paralyzed by an inexplicable event.

The crisis is easing. Electricity has been restored to roughly 3 million people, and it is expected that by 3 o'clock this afternoon the city will be normal again. However, it has been an altogether abnormal event which, it seems to us, should concern the Federal Power Commission and should be followed by actions in the national Government, if necessary, and certainly in the State and local governments.

The last great power failure was in 1965; it blacked out not only the city, but parts of nine Northeastern States and eastern Canada. Fortunately, the power failure is not as widespread this time. But it is no less serious for those affected.

The remarkable thing about this awful event is what remains the same. We see at such a time the resourcefulness and the goodwill of our people. The actions of men and the character of a society are tested in such a time. Our New Yorkers were magnificent.

By 10 last night, Mayor Beame had declared the city to be in a state of emergency. All the firemen and policemen of the city were called to duty, and they responded extremely well to the emergency. Fire and crime broke out as in all such emergencies. Seven thousand policemen were on duty all night. As of 8 a.m. this morning 2,000 arrests had been made. During the same time, 576 fires were started, all are under control; 1,500 alarms were called—three times the usual number. Policemen and firemen risked their lives—some were injured—they do this every day. What a debt we owe them. Hospital patients were cared for, subway riders were helped out of the dark caverns, elevator riders trapped in skyscrapers were freed as soon as they could be.

Mr. President, Senator JAVITS and I are here in Washington to do whatever we can to help our great city. We must find out, first of all, exactly what caused the power failure. Then we must discover what measures can be taken to avoid a repeat. I will ask, with the distinguished senior Senator from New York, that the Federal Power Commission investigate the cause of the blackout and report possible remedies for any reoccurrence.

The crisis is easing, electricity has been restored to roughly 3 million people. It is now expected that full power will be restored everywhere by 3 o'clock this afternoon. Westchester County and the Borough of Queens are already back to normal. Sections of Brooklyn, the Bronx, Manhattan, and Staten Island are supplied with electricity again. The water supply for the city gets better by the hour.

Mr. President, I once said that the art of politics is learning how to cope. I am proud to say that our New Yorkers are coping wonderfully well, in the very best tradition of our people.

Mr. BAKER. Mr. President, I yield my time under the standing order to the distinguished Senator from New York.

Mr. JAVITS. I thank my colleague.

Mr. President, I think that, in a sense, every disaster has a silver lining. It is very critical to remind ourselves again that New York City is not a local city; it is a national city. When New York is down, as the saying goes, that goes for a good part of the country—the press associations, the communications media, the great centers which bring people into

the country and take people out of the country, the stock market, the major banks. It represents an element in our national life which is truly national in scope and content. In view of the difficulties which our city has had, I think this is a critical matter to call to the attention of the American people at a time such as this.

Also, notwithstanding its size and complexity, the miracle is the way in which it has a sense of self-discipline when disaster strikes. As Senator MOYNIHAN has stated, the firemen and the police, marshaled for full emergency duty, have restrained the worst of what could happen—a panic or riots—in a situation of this character, in a city of this size.

Although, most regrettably and tragically, we have had far more looting than occurred in the comparable blackout about 10 years ago—and city authorities and State authorities will give it their most urgent attention—it is still an enormous tribute to the city, to the people of the city, and to the security forces that this has been reasonably contained.

Mr. President, Senator MOYNIHAN made the point that we need to have an opportunity, on the highest level, to look into this question. He and I expect sometime today to introduce an appropriate resolution which will call upon the Federal Power Commission to assist us in this inquiry, through an investigation of the causes of the power shortage and a prompt report to Congress, also invoking the aid of the whole executive department as well as the Federal Power Commission in helping us to decide and to indicate what measures may be taken at the Federal, State, or local level in order to deal with the present catastrophe and to avoid such catastrophes in the future.

Finally, Mr. President, this is another illustration of the fact that we are now essentially an urban culture in this country; that well over 70 percent of the people live in the cities; that anything that affects the cities represents a national catastrophe. As I said a moment ago, that is what this is. The power failure in New York is a national catastrophe. The older cities—New York being the biggest and the best known, almost synonymous with the United States in the eyes of millions upon millions of people in the world—have to be materially revised and materially modernized.

It is a national asset which we are seeking to preserve. One of the worst things that has happened to New York because of its financial troubles has been the failure to have the proper maintenance for its facilities, including the facilities which failed in this particular situation, to wit, its power facilities, and having the necessary capital invested to bring its facilities abreast of the urgent needs not alone of New York but of the whole country.

Mr. President, while in a catastrophe like this the last thing you think about is money, one last thought about money: New York City is a tremendous revenue-producer for this Nation, producing everything from millions, untolds mil-everything from millions, untold millions of people who come to New York and, through New York, into the United States for purposes of travel, et cetera, somewhat balancing the multibillion dollar travel bill which we have with Americans traveling abroad throughout the world.

It is also a place of deposit and trading of commodities, stocks, and art; as a mecca for those who are ill. One of the greatest medical centers in the world is the whole city of New York as an outstanding medical center; and, in addition, a place of enormous entrepreneurship, the first place people abroad are thinking about when they think about coming into the United States either to do business or to make investments.

So the revenue production aspects which the city engenders are also a matter of the most prime national consideration.

Mr. President, in sum, we have suffered a very serious blow in New York with an enormous toll of human suffering as well as a toll of property damage and danger of things getting out of control. In terms of the population and in terms of crime from our present reports these dangers have been contained through the heroic action of our security forces, our firemen and our police, and through the legendary discipline of this enormous mass of New York's millions when faced with a catastrophe, and an enormous tribute must be paid to them, and again symbolizing and making vivid and dramatic the fact that New York City is our national city, and that when New York is down a big part of the United States is down in terms of one of our great assets and great central means for doing the business of our country.

I consider it a great privilege to represent my State. Senator MOYNIHAN and I have often complained on the floor of the inadequacy of understanding who we are, what we are, and the role we play. I hope very much that the vividness of this demonstration, Mr. President, will not be lost upon our colleagues.

I know we have their sympathy, and I know we have their every good wish, and I know the United States will help us. But more than that I hope my colleagues, through this rather tragic event, have an even better understanding of who we are and what we mean in terms of the future destiny of the United States.

Mr. President, Senator MOYNIHAN and I will send a resolution to the desk and ask that it be appropriately referred.

The ACTING PRESIDENT pro tempore. The resolution will be received, appropriately referred, and printed in the RECORD.

The concurrent resolution, which was referred to the Committee on Energy and Natural Resources, reads as follows:

S. CON. RES. 35

Resolved by the Senate (the House of Representatives concurring),

Whereas, at 9:34 p.m. on July 13, 1977, the entire electric power supply of Consolidated Edison Company, which serves all of New York City and Westchester County, New York, was suddenly terminated due to causes which are at present unknown;

Whereas over ten million people in the New York metropolitan area were suddenly left without electrical power to light their homes and businesses, to run building elevators and mass transit systems, to power water pumping systems, refrigeration and air conditioning systems;

Whereas there are reports of fires and looting that could seriously and permanently damage the citizens of the New York metropolitan area and cause individuals and businesses major financial loss;

Whereas power outages that result in blackouts are a continuing and serious part of the Nation's energy crisis and are likely to reoccur in other portions of the country in the future with similar damaging consequences;

Therefore, be it

Resolved, that the Senate and House of Representatives in Congress combined request that:

1. The Federal Power Commission institute an immediate investigation of the causes of the New York power outage of July 13, 1977, and report thereon to the Congress in no more than thirty days from passage of this resolution;

2. The Federal Power Commission undertake an immediate study to determine whether any legislative or administrative actions are necessary or useful to prevent or control such power outages in the future by improving system reliability, expanding reserve power requirements, ordering further interties between adjacent power systems or other recommendations and that it report theron to the Congress no later than 90 days from passage of this Resolution;

3. The Federal Power Commission undertake an immediate study to determine what measures should be taken either at the Federal, State, or local level, in the event of such power outages, to alleviate the adverse effects as best as possible, such as mandating of emergency power generating equipment in office buildings or places of public accommodation, or mechanisms which localize or limit the effects of power outages, and that it report thereon to Congress no later than ninety days from passage of this resolution;

4. The President undertake a study to determine whether disasters which are the result of the failure of electrical power generating equipment and which result in widespread personal and financial loss should be included in the categories of disasters that entitle an area to Federal disaster relief aid under title 42, United States Code, section 5121 et sequentes.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Oregon (Mr. PACKWOOD) is recognized for not to exceed 15 minutes.

CARTER ADMINISTRATION IS RETREATING ON STAND ON HUMAN RIGHTS

Mr. PACKWOOD. Mr. President, I come before you today because I am disappointed, and, frankly, I am quite mad. I believe that the Carter administration is covertly crawling away from its strong public stand on human rights.

Mr. President, we are not talking about water projects or more money for the B–1 bomber. We are talking about sacrificing human lives if we back down now. Who among us has not read the headlines and seen that one of the highest

priorities of the Carter administration is to foster human rights.

Yet, yesterday in testimony before the Trade Subcommittee of the Senate Finance Committee, we heard an Under Secretary of State tell us that the administration was willing to scrap its position on the Jackson-Vanik amendment—which prohibits the extension of credits to countries that do not have free emigration—in order to boost farm commodity exports.

President Carter, ever since his inauguration, has repeatedly asserted that it is the position of the United States to attempt to further the cause of human liberties throughout the world. Just this week in U.S. News & World Report, Under Secretary of State Habib was quoted as saying:

> Human rights has now become a recognized fact in the development and execution of U.S. foreign policy.

One of the cornerstones of our human rights policy is contained in the Trade Reform Act of 1974—specifically the so-called Jackson-Vanik amendment—which prohibits the extension of most-favored-nation status or the extension of credits to countries which do not allow free emigration.

As a matter of fact, President Carter, during the campaign, sent a letter to Senator JACKSON, coauthor of the Jackson-Vanik amendment, dated September 29, 1976, specifically affirming his support of that amendment. That letter reads in part:

> I share your deep concern over the protection of human rights and freedom of emigration in the Soviet Union and throughout the world. The legislation which you coauthored, which is now the law of the land and which is aimed at securing those rights, will be effectively implemented by a Carter-Mondale Administration. As the platform of our party makes clear, "America must take a firm stand to support and implement existing U.S. law to bring about liberalization of emigration policy in countries which limit or prohibit free emigration".

Mr. President, I ask unanimous consent that the entire letter from the then Governor Carter to Senator JACKSON be printed in the RECORD at the end of my statement.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. PACKWOOD. Mr. President, it is beyond my comprehension that a President could make such a clear and strong commitment, and a few short months later, send a lower echelon spokesman up to the Hill as he did yesterday to say human rights and the extension was an issue "we have just not addressed."

Can it be that the left hand does not know what the right is doing? I do not think so. I think the administration is slithering away from its position through the back door of an Under Secretary. I am deeply discouraged that such strong rhetoric could be issued from the White House, and that it could be so easily reversed and dismissed in a 10-minute testimony before a Senate subcommittee.

Mr. President, the Trade Reform Act of 1974 with its Jackson-Vanik amendment was a hotly contested, long-debated issue. Only after much discussion and negotiation was the amendment, in its present form, added to the Trade Act. It was added, however, in open, frank, free debate. Now we find this administration covertly creeping away from the commitment made to the American people during the campaign and to Senator JACKSON personally in the letter to him. I emphasize covertly because this attempt to renege on some of the provisions of the Jackson-Vanik amendment was done stealthily, perhaps in the hope it would not be noticed.

Let me explain briefly what happened at the hearing yesterday so you will understand my confusion and my furor.

On Wednesday, July 13, 1977, the Trade Subcommittee of the Finance Committee held hearings on farm exports. Testifying at the hearing were: Bob Bergland, Secretary of Agriculture, and Julius L. Katz, Assistant Secretary of State for Economic and Business Affairs.

I asked Mr. Bergland whether the administration favored the extension of the Commodity Credit Corporation credits to the Soviet bloc nations. Mr. Bergland said that while he personally favored it, Mr. Katz would speak for the administration.

Mr. Katz, it appears, was very reluctant to speak for the administration or, perhaps, to phrase it better, Mr. Katz was willing to speak for the administration but was very reluctant to say what their position was. After severe prodding on this issue, Mr. Katz produced a letter dated July 12 to Senator RUSSELL LONG, chairman of the Finance Committee and signed by Douglas J. Bennet, Jr., the Assistant Secretary for Congressional Relations of the Department of State.

Mr. President, I ask unanimous consent that that letter in its entirety be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, D.C., July 12, 1977.

Hon. RUSSELL LONG,
Chairman, Committee on Finance,
U.S. Senate.

DEAR MR. CHAIRMAN: The Secretary has asked me to respond to your inquiry of May 11 regarding S. 1415, introduced by Senator Dole, amending Section 402 of the Trade Act to permit extension of Commodity Credit Corporation (CCC) credits to nonmarket-economy countries. We consider authority to extend CCC credits a useful instrument for expanding foreign markets for U.S. agricultural exports.

It is our understanding that this bill is intended to permit nonmarket economies to participate in CCC programs on the same basis as market-economy countries. To do so effectively, however, the bill would also have to amend Section 409(a) of the trade act, which prohibits extension of government-backed credits to nonmarket economy countries which deny their citizens the right or opportunity to emigrate to join close relatives in the United States. The laws, regulations, and practices which now make many nonmarket-economy countries ineligible for U.S. Government credit programs under Section 402(a) also make them ineligible under Section 409(a).

If both of these sections were amended, the following nonmarket-economy countries would become eligible for CCC credits: Albania, Bulgaria, the People's Republic of China, Czechoslovakia, German Democratic Republic, Hungary, Laos, Mongolia, and the Soviet Union. Romania, which is currently eligible to receive CCC credits through a Section 402(c) waiver of Section 402(a) and 409(a), would remain eligible for CCC credits even if the waiver lapsed. Poland would be unaffected by such legislation because it is eligible for CCC credits by virtue of being exempted from Section 402(a) by 402(e) and from Section 409(a) by 409(c).

The Department considers it inappropriate to the purposes of the Commodity Credit Corporation to extend credits in support of exports of commodities which a country is already committed to purchase from the United States. For example, the Soviet Union is committed through the 1980 crop year to purchase at least six million tons of U.S.-grown wheat and corn per year under the U.S.-USSR Grain Agreement of 1975. However, CCC credits could be considered in support of purchases over that amount, or in support of other commodities.

Since agricultural exports to North Korea, Vietnam, Cambodia and Cuba are not now authorized, these countries would not receive CCC credits.

The Department of State would not object to enactment of S. 1415.

The Office of Management and Budget advises that from the standpoint of the Administration's program there is no objection to the submission of this report.

Sincerely,

DOUGLAS J. BENNET, JR.,
Assistant Secretary for Congressional Relations.

Mr. PACKWOOD. The letter indicates that the administration has no objection to the amendment of S. 1415 which would whittle away the projections of the Jackson-Vanik amendment by allowing the extension of Commodity Credit Corporation credits to the Soviet bloc nations.

The following colloquy between myself, Assistant Secretary Katz, and Senator MOYNIHAN followed:

PACKWOOD. And now, may I ask again, I don't quite understand what the position of the administration is. They do not object to the exension of the CCC credits. Does this mean that they can be cited to support it, or do they basically have no position?

KATZ. Well, our position is that we do not object to the bill, S. 1415. We're not going to take an initiative I think is what we mean.

PACKWOOD. If this is argued on the floor, can the administration be quoted as being in favor of it?

KATZ. I think the administration can be quoted as not objecting to the enactment of the bill.

* * * * *

MOYNIHAN. ...This letter of Mr. Bennet's of the 12th is a little puzzling to me because, are we to read this as the President repudiating the Jackson amendment? During the campaign, Governor Carter said repeatedly that he supported 'the effective implementation of the Jackson amendment'. And, here's the Department of State saying that the administration, which means the President, would have no objection to repealing the Jackson amendment. Now, sir, does this represent the President's view?

KATZ. Senator, it represents a position.

MOYNIHAN. Sir, you've been here longer and you understand this language better. I'm too new not to see that this seems to be different than what the President said in the campaign....

* * * * *

MOYNIHAN. Has the State Department been involved in this, sir?

KATZ. Well, I believe it has. Yes, sir.

* * * * *

MOYNIHAN . . . In no sense do I mean to harass you, but sir, if the State Department says this it must be speaking for the President. The State Department doesn't formally have its own foreign policy against the President's.

KATZ . . . This letter . . . has been authorized by people who are authorized to speak on his behalf.

MOYNIHAN. This is not exactly a marginal issue of no great note, having to do with the obscurities of trade policy, you know. Well, thank you, Mr. Katz. Do I understand you to say that this has been approved by a person who is authorized to speak on the President's behalf?

KATZ. Yes, sir.

Mr. President, it will be a sad day for this Nation if we were to condone bartering away human lives. It is incredulous to me that this administration can play such a monumental world role in human rights and in a second breath betray that commitment which is the embodiment of our belief in democracy.

I am disillusioned and angry with this apparent abdication of a commitment by the White House, and I urge this body not to allow our foreign policy to become a charade.

EXHIBIT 1

SEPTEMBER 29, 1976.

Hon. HENRY JACKSON,
Senate, Old Senate Office Building,
Washington, D.C.

DEAR SCOOP: I am delighted that you are campaigning in behalf of the Carter-Mondale ticket. In talking with our friends and supporters, I hope you will take the opportunity to convey my strong personal interest in two issues of substantial importance to the foreign policy of our country.

Right now, the Congress has an opportunity to enact the first new legislation in ten years dealing with the Arab-sponsored boycott of the State of Israel. We ought to resist all attempts by foreign governments to impose racial or religious discrimination on American citizens as the price of doing business. Moreover, in my judgment, legislation should be passed to make compliance with any secondary boycott of Israel illegal. I regret that the Ford Administration continues to oppose such legislation which seeks only to bring America's commercial practices into harmony with America's humane principles.

I share your deep concern over the protection of human rights and freedom of emigration in the Soviet Union and throughout the world. The legislation which you co-authored, which is now the law of the land and which is aimed at securing those rights, will be effectively implemented by a Carter-Mondale Administration. As the platform of our Party makes clear, "America must take a firm stand to support and implement existing U.S. law to bring about liberalization of emigration policy in countries which limit or prohibit free emigration."

The 1976 election is an important milestone in the history of our country. It is an election where the people will, I am confident, choose an Administration which shares their belief in human decency and fair play. I value your support and help.

Very truly yours,

JIMMY CARTER.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. PACKWOOD. I yield.

Mr. JAVITS. Mr. President, I was one of the negotiators of the accord, which was entered into by the President and Secretary of State Kissinger, which resulted in the Jackson-Vanik amendment. There were three of us. They were Senator JACKSON, Senator RIBICOFF, and myself.

When the Russians denounced the trade agreement, of course, that agreement fell, and the Jackson-Vanik amendment remained as a protection, a safeguard, that the conditions which brought about our agreement would not be repeated. Those conditions we all know have been repeated.

Now no one has his feet in concrete, and no one would welcome more an easing of an area of enormous tension with the Soviet Union than I in making it a fact that the doors would be open to the validity and recognition of the Helsinki declaration so that the original agreement at the very least between Senators RIBICOFF, JACKSON, and myself, and the President and the Secretary of State might be complied with.

But I wish to join the Senator in condemning any backdoor effort which is certainly not only suspect, but which is clearly an indication, and to express my gratitude for the vigilance of the Senator from Oregon and my own colleague, the Senator from New York, which I fully expected of both of you, by the way, and add the fact that I should call this matter to the attention of the chairman and ranking member of the Foreign Relations Committee.

As the Senator has very properly stated, this is a major foreign policy decision and at the very least we would expect that the committee would be consulted before, let alone any position would be taken or the President would even give consideration to the elements which would go into any contemplated change of position.

Mr. PACKWOOD. I thank the Senator from New York, and I might add that the thing that bothered me the most was the stealth which this involved. It was not in Mr. Katz' testimony. We had to pry it out of him, and he had this letter in his briefing book which he then read, a letter which he sent to the chairman of the Finance Committee announcing this position without ever so much as a hearing or notice to Congress or any idea that they were changing their position.

Mr. JAVITS. I thank my colleague and I think the consultative point that I have just made will appeal to my colleagues on the Foreign Relations Committee. I shall do it very promptly and in writing.

Mr. PACKWOOD. I thank the Senator.

Mr. JAVITS. I thank the Senator.

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. PACKWOOD. I yield.

Mr. MOYNIHAN. I wish to join with my cherished senior colleague, Senator JAVITS, in thanking the Senator from Oregon for the part he played yesterday and for bringing this matter to the attention of the Senate today at the first opportunity he had.

I am sorry, Mr. President, to have to agree with the term used by the distinguished Senator from Oregon. He said this was done by stealth. I am sorry to have to say there is no alternative explanation that has been made available to us. Without warning a committee was informed that the administration was taking a position which could only be seen at odds with the most clear commitments of the campaign of the party and of Congress. We had not even seen the letter by which we reportedly had been informed of this change. Stealth is the reason and, Mr. President, with the consciousness of what I say I wish to state in my view—it may not be that of my colleagues—this matter can only be resolved by the President, it should be resolved by the President, and it should be resolved positively and promptly, and the President should reaffirm the position he has taken during the campaign that he was for the effective implementation of the Jackson-Vanik-Javits amendment, and that there could be no question of this Nation withdrawing back from what was, in fact, the first major commitment to the issue of human rights adopted by this Congress in this present era.

I thank the Senator from Oregon.

Mr. PACKWOOD. I thank the Senator, and I say if this is an effective implementation of the Jackson-Vanik amendment, I hope we do not have any more effective implementation of it.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. PACKWOOD. I yield.

Mr. DOLE. As a member of that committee and, of course, it was the proposal of the Senator from Kansas that we were discussing in the Finance Committee, I am not certain how I would characterize the letter, because the letter simply said they did not object to the proposal offered by the Senator from Kansas to extend Commodity Credit Corporation credit to the People's Republic of China and other nonmarket economies which with certain exceptions would not be eligible. It does not extend the most-favored-nation treatment. But it does seem to the Senator from Kansas that we should have a full hearing and, as I indicated yesterday, I am not so certain that the Jackson-Vanik amendment has been effective insofar as increasing the number of emigres that have been able to leave Soviet Russia. I think, in fact, it may have had the opposite effect or the opposite impact.

At least the Senator from Oregon has called it to the attention of the Senate and as one who is concerned about exports and export farm products it is the hope of this Senator that we could have a full and complete review of the policy and then make a determination.

So I applaud the distinguished Senator from Oregon for raising it in the Chamber. I do believe that the letter was less than committal. because I asked the same witness, "Does this mean you support my amendment?" And he said, "It means we have no objection." So it was a rather lukewarm endorsement of the effort we were making.

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. PACKWOOD. I am delighted to yield.

Mr. MOYNIHAN. Mr. President, I am sure the Senator would agree with me and with the whole of this body that in

raising this question we are addressing our remarks to the administration and not to the distinguished Senator from Kansas whose concerns of this are so clear and so transparently honest and loyal to the purposes which we all share.

The Senator from Kansas understands in no sense do we question his commitment to these matters but, it is generous of him to speak so gently of the administration not his own. It is more difficult for me to do so when a matter which was firm and clear and if anything reaffirmed in our foreign policy suddenly emerges ambiguous, uncertain, faint, and indirect; and I refer once again unhappily to the term "stealth" which the Senator from Oregon used to describe the way in which this came about.

OUTER CONTINENTAL SHELF LANDS ACT AMENDMENTS OF 1977

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of S. 9, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 9) to establish a policy for the management of oil and natural gas in the Outer Continental Shelf; to protect the marine and coastal environment; to amend the Outer Continental Shelf Lands Act; and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Energy and Natural Resources with an amendment in the nature of a substitute.

The ACTING PRESIDENT pro tempore. The time for debate on this bill, S. 9, is limited to 4 hours, to be equally divided between and controlled by the Senator from Washington (Mr. JACKSON) and the Senator from Wyoming (Mr. HANSEN), with 2 hours on any amendment in the first degree except an amendment by the Senator from New Hampshire (Mr. DURKIN), on which there shall be 2½ hours, with 30 minutes on any amendment in the second degree, debatable motion, or appeal, and with a vote on final passage to occur no later than 6 p.m. on the second day of consideration.

The Senator from Wyoming.

PRIVILEGE OF THE FLOOR

Mr. HANSEN. Mr. President, I ask unanimous consent that the following staff members of the Committee on Energy and Natural Resources and members' staffs be given the privilege of the floor during the consideration of and voting on S. 9: Grenville Garside, Dan Dreyfus, Mike Harvey, R. D. Folsom, Mary Flanagan, Fred Craft, Tom Wylie, Tom Imeson, Carol Sacchi, Erich Evered, Sam Ballenger, and Nolan McKean.

Mr. BELLMON. Mr. President, reserving the right to object, I have no objection of my own, but the Senator from Connecticut (Mr. WEICKER), who has been objecting to these requests, has been delayed for a few moments. I wonder if this request could be withheld until he is on the floor.

Mr. HANSEN. Yes, that is agreeable.

The ACTING PRESIDENT pro tempore. Do I understand that the Senator from Wyoming withdraws the request?

Mr. HANSEN. Yes, I withhold it for the time being. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. On whose time? The Chair inquires of the Senator from Wyoming, on whose time?

Mr. MOYNIHAN. Will the Senator from Wyoming respond to the inquiry of the Chair?

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the time for the quorum call not be charged to either side in the forthcoming debate.

The ACTING PRESIDENT pro tempore. A quorum call is now in progress, and the time has been charged to the Senator from Wyoming.

Mr. HANSEN. I am sorry; I did not hear that.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time consumed by the quorum call not be charged to either side in the forthcoming debate.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I ask unanimous consent that Judy Heffner of my staff have the privilege of the floor during the debate and votes on matters considered today.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BELLMON. Mr. President, reserving the right to object, the Senator from Connecticut (Mr. WEICKER) has been objecting to these requests. He will be on the floor momentarily; I wonder if the Senator would withhold his request.

Mr. LEAHY. I will withhold it, and I will not renew the request today, Mr. President. I suggest the absence of a quorum.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the time for the quorum call not be charged to either side.

The ACTING PRESIDENT pro tempore. That has already been agreed to. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that during the consideration of the Outer Continental Shelf Lands Act, S. 9, Robert Szabo, of my staff, be granted the privileges of the floor.

Mr. BELLMON. Mr. President, reserving the right to object, I have no objection on my own, on behalf of the Senator from Connecticut, who has no objection, I wonder if the unanimous-consent request could be withheld until he reaches the floor, which will be momentarily.

Mr. JOHNSTON. Very well.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum and suggest that the time required for the quorum call not be charged to either side in the forthcoming debate.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HANSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, in addition to the names of those staff members of Senators and staff members of the committee, I ask unanimous consent that there also be accorded floor privileges during the consideration of and voting on S. 9 to:

Mike Crisp, of the staff of Senator BAKER; Joseph Keefe and Chris Burke, of the staff of Senator DURKIN; and Hugh Watson, of the staff of Senator BELLMON.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. HANSEN. Mr. President, could the name of Mike Crisp be deleted?

The ACTING PRESIDENT pro tempore. Without objection, it is deleted.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Darla West, of my staff, be granted the same privileges.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, in addition to the names of those who were read, I would include Robert Szabo, of the staff of Senator JOHNSTON.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, S. 9, the Outer Continental Shelf Lands Act Amendments of 1977, is one of the most significant energy policy bills to come before the Senate this year.

This bill strikes a balance between the Nation's urgent need for additional energy supplies and the equally important national policy to protect the environment.

During the next decade, development of conventional oil and gas from the Outer Continental Shelf can be expected: First, to provide the largest single source of increased domestic energy; second, to supply this energy at a lower average cost to the U.S. economy than many alternatives; and third, to supply it with substantially less harm to the environment than almost any other source.

Because the OCS represents such a

large and promising area for oil and gas exploration, the Congress must update the Outer Continental Shelf Lands Act of 1953, which has never been amended, to provide adequate authority and guidelines to reflect today's concern for encouraging exploration and development in an environmentally sound manner.

S. 9's major provisions would: First, establish policy guidelines for OCS development; second, require a 5-year leasing program; third, give the coastal States an increased role in Federal OCS decisions; fourth, improve safety requirements; fifth, establish unlimited absolute liability for oil spill damage with payments from a liability fund; sixth, provide for a two-step decision process to separate exploration from development and production; seventh, authorize new leasing systems and require their use on an experimental basis; and eighth, establish a fund to pay for damages to commercial fishing vessels and gear resulting from OCS development activities.

Many State and local officials have strongly recommended that the Federal decision to allow exploration for oil and gas should be separated from the decision to develop and produce if oil and gas is found. S. 9 provides a mechanism for this separation which, I believe, balances the need of the Federal lessee for reasonable assurance that he can develop any oil and gas found on his lease with the needs of the coastal States to assess the potential impact of such development. If a Federal lessee finds oil and gas, he must prepare and submit to the Secretary, the Governor of affected coastal States, and local units of government a development and production plan. The plan must include information about the nature and extent of the development and production program—both on the Outer Continental Shelf and onshore. Review of this plan will give the costal States a real opportunity to assess the potential environmental, social, and economic impacts of the development and to resolve any problems with the Secretary and the lessee before they occur.

Mr. President, there are many other significant sections in this bill which deserve special mention and the merits of these provisions are overwhelming. Therefore, I ask unanimous consent that a summary of major provisions of S. 9 be printed in the RECORD at the close of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JACKSON. Mr. President, a brief review of the legislative history of this bill is instructive. Since 1970 the Senate has conducted extensive hearings on OCS matters, received the benefit of numerous publications on the subject and twice passed bills similar to S. 9 by overwhelming margins.

In 1974, S. 3221 passed the Senate by a vote of 64 to 23 and in 1975, S. 521 passed by a margin of 67 to 19. Then, unlike now, the administration opposed the bill and threatened veto. The bill before the Senate today enjoys strong administration support and was favorably reported by the committee by a 14 to 4 vote.

Mr. President, before closing, I feel that it is necessary to comment on the minority views expressed in the committee report. Their basic position is to oppose any revision of the Outer Continental Shelf Lands Act—arguing that change is unnecessary. Obviously, those of us who support S. 9 have a different idea as to what is "necessary."

Their objections to the bill are not new. Indeed, they are identical to the opposition expressed by others, including the oil industry, and the previous administration. Industry and my good friends in the minority apparently believe that requiring advance planning, public participation, intergovernmental coordination, and improving safety and preventing oil spills are not appropriate matters for Congress to consider. Apparently, industry and the minority believe that the Federal Government should simply turn the people's oil and gas over to the major oil companies and rely on them to do what is "necessary" to meet the people's energy needs.

Those of us who support S. 9 believe that the programs under existing law are not adequate to protect the public interest. We believe that Congress must exercise its special constitutional responsibility to make policy for the Outer Continental Shelf rather than simply delegate its authority to the Secretary of the Interior without any policy guidelines.

My friends in the minority apparently forget that we are not dealing with regulation of the use of private property in this bill. We are dealing with ways of assuring that the people's resources are used in the manner best designed to meet the people's needs. Big oil has no inherent right to exploit public resources. And, by the same token, big oil should not be allowed to keep vital oil and gas information from the owners of that resource.

Mr. President, by way of example, the minority states in the committee report that:

> There is compelling evidence that the competition in OCS resources is increasing and that the Federal Government is benefiting greatly from such competition.

To support this statement, they cite the fact that 177 different companies have purchased acreage in the OCS. Thus, they conclude that new bidding alternatives, which would encourage independents and smaller companies to participate in OCS activities are unnecessary.

I must repeat again that the supporters of S. 9 have a different view than the minority and big oil about what is "necessary" to encourage competition in the OCS. In fact, the minority's views on competition sound exactly like a letter I received from Exxon in response to a staff memo which analyzed the Baltimore Canyon Lease Sale.

They fail to point out that the bulk of the 177 companies involved in the OCS, individually, own only minute percentages and infinitesimal shares of leases and production.

The true story of OCS competitive activity is evidenced by the recently invalidated Baltimore Canyon Lease Sale in which over 80 percent of the bid money was offered by 12 major oil companies. Exxon alone accounted for 30 percent of the total—purchasing outright three tracts for which they paid over $209.7 million. Sure, 25 other companies managed to win small percentages of tracts in that sale, but is there really any question that the big oil companies controlled that sale?

My friends in the minority and the oil industry may say that I should not cite the Baltimore Canyon sale because it is not truly representative of OCS competitive activity. In response to that, I call attention to a 1976 Congressional Research Service Study which was printed by the Senate Interior Committee.

That report points out that OCS oil lease ownership is heavily concentrated in a small group of large oil companies, and that the probability of a large oil company winning an OCS lease is significantly higher than that of a small company. Consider, for example, these figures: Nine of the largest oil companies in the United States are also among the 10 largest OCS lease holders and these 10 firms hold 62 percent of total OCS acres leased; six giants—Exxon, Texaco, Shell, Gulf, Chevron, and Conoco—account for 70 percent of the oil produced in the Gulf of Mexico; the 17 largest operators own 90 percent of all producing Federal OCS leases and 92 percent of the oil produced from those leases. The statistics go on and on.

Is there any real consolidation in having 177 companies involved in OCS activities when statistics show that 160 of them together produce as little as 8 percent of the oil?

Mr. President, increased competition is needed in the OCS and I believe that this bill will help to accomplish that objective by providing for five new bidding alternatives, thus reducing the need for utilizing the cash bonus bid system which requires enormous capital expenditures. I am hopeful that that capital will now be used for increased exploration rather than simply for purchasing the right to explore.

Mr. President, the criticism expressed by industry is to maintain the status quo. Those of us who support S. 9 believe that the status quo tips the scales heavily in favor of the oil industry and against the interest of the American people who own these resources. We believe that the time has come to tip the scales in the other direction and to help the people regain control of their resources. We believe that S. 9 balances the scales.

I urge the Senate to pass S. 9.

EXHIBIT 1

SUMMARY OF MAJOR PROVISIONS

1. POLICY—SECTION 202

The bill declares that the OCS is a vital national resource reserve held by the Federal Government for all the people, which should be made available for expeditious and orderly development, subject to environmental safeguards, in a manner consistent with maintenance of competition and other national needs.

It also expressly recognizes that in view of the impact on the costal zone of OCS development, the coastal States may require assistance in protecting the coastal zone

and coastal States should participate in OCS policy and planning decisions.

The bill also recognizes and preserves the States' rights to protect their marine and coastal environment.

2. LEASING PROGRAM—NEW SECTION 18 (PART OF SECTION 208)

The Secretary is directed to prepare and periodically update a comprehensive leasing program designed to carry out the policy. This program would indicate the size, timing, and location of leasing activity which the Secretary determines would meet national energy needs over the next five years. The leasing program must be consistent with these principles:

(1) Management of the outer Continental Shelf shall be conducted in a manner which considers economic, social, and environmental values of the renewable and nonrenewable resources contained in the outer Continental Shelf, and the potential impact of oil and gas exploration on other resource values of the outer Continental Shelf and the marine, coastal, and human environments.

(2) Timing and location of exploration, development, and production of oil and gas among the oil- and gas-bearing physiographic regions of the outer Continental Shelf shall be based on a consideration of—

(A) existing information concerning the geographical, geological, and ecological characteristics of such regions;

(B) an equitable sharing of developmental benefits and environmental risks among the various regions;

(C) the location of such regions with respect to, and the relative needs of, regional and national energy markets;

(D) the location of such regions with respect to other uses of the sea and seabed, including fisheries, intracoastal navigation, existing or proposed sealanes, potential sites of deepwater ports, and other anticipated uses of the resources and space of the outer Continental Shelf;

(E) the interest of potential oil and gas producers in the development of oil and gas resources as indicated by exploration or nomination;

(F) laws, goals, and policies of affected States which have been specifically identified by the Governors of such States as relevant matters for the Secretary's consideration;

(G) policies and plans promulgated by coastal States pursuant to the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.).

(3) The Secretary shall elect the timing and location of leasing, to the maximum extent practicable, so as to obtain a proper balance between the potential for environmental damage, the potential for the discovery of oil and gas, and the potential for adverse impact on the coastal zone.

(4) Leasing activities shall be conducted to assure receipt of fair market value for the oil and gas owned by the Federal Government.

3. COASTAL STATE AND PUBLIC PARTICIPATION—NEW SECTIONS 18, 19, AND SECTION 25. (PART OF SECTION 208)

Numerous provisions of S. 9 are designed to give States and local governments and the general public a significant opportunity to participate in and comment on Federal OCS planning and policy decisions. This is particularly important with respect to development of the 5-year leasing program pursuant to new section 18 and review of development and production plans required by new section 25.

One of the most significant features of the bill is new section 19 which states that if a Governor of an affected coastal State makes specific recommendations to the Secretary regarding the size, timing, or location of a proposed lease sale or on a proposed development and production plan, the Secretary shall accept such recommendations if he determines that they provide a reasonable balance between the national interest and the well-being of the citizens of the affected States.

4. SEPARATION OF EXPLORATION FROM DEVELOPMENT AND PRODUCTION—NEW SECTION 25. (PART OF SECTION 208)

New section 25 provides the mechanism for separation of exploration from development and production endorsed by the National Governors Conference, the National Conference of State Legislatures, the Coastal States Organizations and many other groups. It is one of the most significant portions of S. 9.

If a Federal lessee finds oil and gas he must prepare and submit to the Secretary a development and production plan. The plan must include information about the nature and extent of the development and production program on the Outer Continental Shelf of State-owned tidelands and onshore. The Secretary must make the plan available to the Governors and local government officials in affected States. Review of the plan and statement will give the coastal States a real opportunity to assess the political environmental, social and economic impacts of the development and to resolve any problems with the Secretary and the lessee before they occur.

5. OIL AND GAS EXPLORATION—SECTION 206

This section clarifies the existing language of the OCS Lands Act of 1953, permitting agencies of the United States and private individuals to conduct geological and geophysical explorations on the OCS. It also requires a lease holder to submit an exploration plan to the Secretary. The plan must set out a schedule for exploration and indicate the general location of each well to be drilled.

6. UNLIMITED OIL SPILL LIABILITY—TITLE III

The bill puts into law the existing rule, established by Departmental regulation, that an OCS lessee is liable for the total cost of control and removal of spilled oil. It also creates a new strict liability rule for damages from oil spills from any offshore facility or any vessel carrying oil produced offshore. The provisions are patterned after the Trans-Alaska Pipeline Authorization Act and the Deepwater Ports Act of 1974.

The damage liability is imposed, without regard to fault, and without regard to ownership of the land or resource damaged if the land or resources is relied on for subsistence or economic purposes. Thus, there can be recovery for damage to fisheries despite the fact that the fisherman has no property right in the uncaught fish. Resort owners could also recover for loss of business caused by an oil spill on the beach even though they do not own the beach. On the other hand, sport fishermen or vacationers could not recover for any inconvenience caused by a spill.

The lessee or holder of a right of way is liable for not more than $35 million and liability of a vessel owner shall not exceed $150 per gross registered ton, unless such damage resulted from gross negligence or willful misconduct or was the result of a violation of a safety or construction regulation. The Offshore Oil Pollution Compensation Fund created by the act is liable for the balance. The Fund gets its money from a fee of 3¢ per barrel on oil produced from the Outer Continental Shelf.

7. INDUSTRY INFORMATION DISCLOSURE—NEW SECTION 26. (PART OF SECTION 208)

The bill requires any person holding a geological or geophysical exploration permit to submit to the Government the data and information obtained during exploration. All oil and gas lessees would have to submit data about the oil and gas resources in the area covered by the lease. The Secretary would keep all proprietary data confidential until he determines that public availability of the data would not damage the competitive position of the permittee or lessee. Summaries of these data would be made available to affected States to assist them in planning.

Private parties using public resources for private profit should be required to make information they obtain about the resources available to the representatives of the public. At the same time, the value of this information to the individual explorer or producer is recognized. The provisions of S. 9 are designed to balance the public's interest in obtaining information about its resources and public's interest in maintaining an active and competitive oil and gas industry.

8. SAFETY AND ENVIRONMENTAL STANDARDS AND ENFORCEMENT—NEW SECTIONS 21 AND 22. (PART OF SECTION 208)

New section 21 directs the Secretary and the Coast Guard to establish safety and environmental protection standards for all pieces of equipment pertinent to public health, safety or environmental protection. These standards must require use of the best available and safest technology where failure or malfunction of the equipment would have a substantial impact on public health, safety or the environment. Diving safety standards will be jointly enforced by the Department of Labor and the Coast Guard.

The section also mandates a study of the adequacy of existing safety reuglations and of the technology, equipment, and techniques used in OCS activities. This study will be done jointly by Interior, Coast Guard, and the Labor Department. Based on this study the President will submit to Congress in 1 year a plan of action for promotion of safety and health in OCS exploration, development, and production.

To assure that increased OCS development proceeds in as safe a manner as possible, section 22 directs the Secretary and the Coast Guard to conduct regular inspections and strictly enforce safety regulations. The inspections must take place at every stage of operations which means that Congress must provide funding and manpower needed. Lessees would be required to give the Secretary any information he needs to assure a safe operation.

9. REVISED BIDDING SYSTEMS—SECTION 205

S. 9 authorizes a wide variety of new bidding systems. These are designed to reduce the front end cash bonus, increase the government's return on actual production of oil or gas, make it easier for smaller companies to enter the OCS development business, and increase the availability of funds for exploration.

Section 205 sets forth procedures for utilizing the various bidding alternatives authorized. These alternatives may not be the "perfect solution". However, they should facilitate entry into the OCS development business of more independent producers and are certainly worth trying on an experimental basis.

In order to assure that these alternatives will be used, the bill limits the Secretary's authority to use the cash bonus-fixed royalty system which has been the historical method of OCS bidding to not more than two-thirds of the tracts offered each year.

10. PROMOTION OF COMPETITION—SECTION 205

Section 205 revises bidding systems to encourage entry of new competitors, especially small independent operators. It also limits joint bidding among major oil companies, provides for antitrust review of proposed leases by the Federal Trade Commission, and requires the Attorney General to advise the Secretary on the competitive aspects of promulgating and enforcing regulations.

S. 9 also deals with sale of royalty oil (new section 27) and requires a report with specific recommendations to improve competition,

maximize production and insure fair return to the public from development of OCS resources. (Section 207)

11. ENVIRONMENTAL BASELINE AND MONITORING STUDIES—NEW SECTION 20. (PART OF SECTION 208)

The Secretary of Interior is required to begin environmental baseline studies before any OCS area is leased. Monitoring is to continue throughout the development and production stages. These studies will involve all appropriate Government agencies, particularly the National Oceanic and Atmospheric Administration.

12. STRINGENT CIVIL AND CRIMINAL PENALTIES—NEW SECTION 24. (PART OF SECTION 208)

New section 24 increases criminal penalties for certain willful violations of the act up to $100,000 per day. It also imposes civil penalties of up to $10,000 per day for violations which continue after notice and opportunity to correct violations.

13. INTERAGENCY COORDINATION OF ALL FACETS OF OCS OIL AND GAS DEVELOPMENT

S. 9 contains numerous provisions designed to promote Federal interagency coordination, particularly among the Departments of Interior, Commerce, Labor and Transportation. It directs coordination with State and local government agencies.

14. FISHERMEN CONTINGENCY FUND—TITLE IV

Title IV establishes a Fishermen Contingency Fund to provide compensation for damage to commercial fishing vessels and gear caused by OCS oil and gas development activities. OCS activity does on occasion cause damage to commercial fishing vessels, nets and other gear. This fund would provide compensation for such damage and resulting loss of revenue. The $2 million fund would be derived from a fee of 1¢ per barrel of OCS oil or gas equivalent.

Mr. JACKSON. Mr. President, I yield the floor at this time and I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. ZORINSKY). The Senator from Wyoming.

Mr. HANSEN. Mr. President, first let me say that the Senator from Oklahoma (Mr. BARTLETT) will be the floor manager of the bill for the Republican side. He is not able to be here at the moment, and he may not be able to be on the floor continuously during the debate on this bill. But he is the person that those of us on the minority side unanimously agreed should manage the bill because of his expertise, his knowledge, and his innate fairness.

Mr. President, today we are debating a bill which amends an act passed by the Congress in 1953—the Outer Continental Shelf Lands Act. That law has been on the books now for nearly a quarter of a century and it has much to recommend it. It is short; it is understandable; and most importantly, it has been effective. However, for the last 7 years there have been studies and legislative proposals to change the 1953 act. There have been two underlying arguments in support of these efforts:

First. That since the original OCS law has never been amended, it needs to be updated to be consistent with current energy needs as well as with modern environmental standards;

Second. The 1953 law needs changes which will—in the words of proponents of this bill—"put some meat on the bones" of the original law.

Well, for several years now I have listened to these arguments. I have read the reports of these various studies and I have examined the proposed legislation. I have never been convinced of any need to tinker with a good law and to run the risk of obtaining a bad result in the bargain. But, that is precisely the danger I see in S. 9.

It is not "meat" that this bill will put on the bones of the 1953 act—it is fat—layers and layers of regulatory fat of the kind that encases all of our Federal bureaucracy.

Mr. President, to show that there is no need for this proposed legislation, let me briefly point out what we have accomplished under this supposedly outdated and "underweight" 1953 law. Since 1953, we have drilled over 21,000 oil and gas wells offshore. These wells have produced over 7.5 billion barrels of oil and 42 trillion cubic feet of natural gas. Last year alone OCS wells accounted for 14.6 percent of the entire Nation's oil production and 27.2 percent of the country's gas. With the constantly improving technology coupled with existing environmental regulations, the record for environmental protection in the OCS has been excellent. In but one instance in nearly a quarter of a century of exploration, development and production has there been an accident which resulted in serious oil damage to the shoreline.

Under current law, the Federal Government is certainly getting its fair share of OCS revenues. Of the $23 billion in revenues generated in OCS oil and gas production, the Federal Government has received $19 billion. This means that 86 cents of every dollar of OCS revenues have gone to the Government, with the oil industry receiving 14 cents.

Under the current law there is extremely vigorous competition for Federal offshore leases. Since 1953 over 177 different companies of all sizes have successfully competed for the right to drill and produce from OCS lands. The best evidence of the intensity of the competition among these operators is found in the amount of money offered by unsuccessful bidders. In 16 recent sales $6.4 billion—45 percent of the total money spent—was left on the table. And, we are not talking only about the efforts of major oil companies either. Of these 177 companies only 35 are large enough to be included in the Fortune 500 list of the Nation's enterprises.

My good friend, the distinguished Senator from Washington, the chairman of the committee, calls attention to these same statistics as support for the bill, S. 9, which is now before us.

I point out, Mr. President, that the cost of an average well drilled on the Outer Continental Shelf is $10 million. If anyone is interested in why only 177 companies are actively competing for these OCS leases, to find the answer he has but to ask himself how many companies are there in the United States today with money sufficient to pay on the average of $10 million for every well that penetrates the Outer Continental Shelf.

I must ask my colleagues just what is so wrong with the present system? Will these new amendments increase the production of oil and gas? In my judgment, the answer to this question is "No," they will not. S. 9 merely builds in new regulatory impediments to OCS development.

Will these amendments speed up OCS exploration? Absolutely not. It is estimated that the new regulations, review provisions, and litigation potential contained in S. 9 will add at least 3 years—at least 3 years, Mr. President—to the time it now takes to bring new OCS acreage into production. An OTA study recently revealed that it now takes at least 8 years to obtain new production under existing law. If we pass S. 9, we will guaranttee that not one drop of new oil from future leases will reach our shores until 1988.

Will these proposed changes to the 1953 act contribute to a sound national policy? Again, the sad answer is "No." No law which will delay or possibly foreclose access to offshore resources can be part of a rational energy plan. These OCS resources constitute over 50 percent of the Nation's entire petroleum reserves—and yet this legislation will erect a multitude of unneeded additional bureaucratic hurdles to development of these reserves. Our only alternative is constantly to increase our reliance on imported oil and the dangers and economic impact of that policy are clear beyond dispute.

I strongly oppose S. 9 and urge my colleagues to join me in voting against this unnecessary and totally counterproductive bill.

Mr. President, we need to keep in mind what we are really talking about. I know of no industry which has been more unfairly maligned than has the oil and gas industry. Politicians have a way of always searching around for a scapegoat when things do not work well.

Let me say a few words about what we have done to get into the mess we are in right now.

Back in 1953 or 1954, when the Phillips decision was handed down, the Federal Power Commission started regulating the price of natural gas. Many people are worrying today about what is wrong with the coal business: Why is it that we have not gotten along faster than we have in developing a viable, new technology for coal? Anyone who knows much about it understands very clearly why we have not. The answer is that with natural gas artificially controlled pricewise, as it has been since the early 1950's, there was no incentive for anybody in the coal business to try to develop any new technology, because natural gas was held down arbitrarily by the regulatory power, the Federal Power Commission, so as to preclude completely any competition from coal or any other energy resource.

I know that my good friend from Washington refers to the minority and to the oil industry. The opposition to this bill, the real opposition to this bill, is not divided by the center line here that divides those on the Democratic side from those of us on the Republican side. What is at stake and what must be more clearly perceived is what the facts are.

Our dependency upon foreign sources of supply has grown steadily over the

years, first by the actions of the Federal Power Commission; second, by the actions of politicians who have seen and have added to the inflationary pressures that have shot all costs skyward. As a consequence, people have been concerned, and it has not been difficult to paint the oil industry as bad boys wearing black hats.

The fact is that the responsibility for the energy crisis this country now faces should be laid squarely at the feet of the Members of Congress and of several administrations, and that includes Republicans and Democrats as well.

I call attention to our growing dependency upon foreign sources of supply and the inevitable result that that dependency is going to have upon the foreign policy of this country, with the increased jeopardy in which our national security is being placed. If we were to have that great importation of oil shut off only momentarily, we would suffer great anguish in our industrial capacity in the United States, factories would shut down, production would come to a standstill, and the ability of the United States of America to defend itself would be practically frozen in its tracks.

We do not have any coal-fired airplanes, and we do not run many submarines or surface ships by coal these days. We, as a nation, are vitally dependent upon oil and natural gas in order to survive in this crucial decade that we are partway through now.

It is important to understand that the real problem, the real threat, the real danger that America faces is not by any construction of the oil industry as being the enemy of America but, rather, we should look more clearly at the facts and perceive, as all people will who will take an objective look, that the real danger to this country is the significant dependence that we have upon foreign suppliers for this vital energy source. We can do something about that, and we are doing something about that; but we will not add to our ability to make the right kind of response by passing this bill.

Lest there be any doubt, I am going to work with members of the committee on both sides of the aisle to try to make this bill as good as I am able to make it, through whatever efforts I may possibly be able to offer. But I say this: I think what America needs today is increased production, and we need it quickly; not 5 years from now, but as soon as we can.

I am disturbed about this bill, S. 9, because it seems to me to offer only more delay, more redtape, more procrastination, and all sorts of things that add up to one word—more delay.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. HANSEN. I yield.

Mr. JACKSON. Mr. President, there is nothing personal in my remarks, as the Senator knows. We have a very good relationship on our committee. We have our differences. They are honest differences, and I respect those differences and we have many different points of view.

I say for the record that one could not have a finer ranking minority member on any committee than the distinguished senior Senator from Wyoming.

Mr. HANSEN. Mr. President, I thank my good friend, my cherished friend, the chairman of the Committee on Energy and Natural Resources, for his very generous remarks.

I say this, although I am certain it is totally unnecessary insofar as the members of the committee are concerned: I share nothing but the highest respect and regard for the Senator from Washington. As he has said, and as I shall repeat, there is no personal animosity or any feeling at all between us. I have nothing but the very highest regard for him and for all members of the full committee.

Mr. BELLMON. Mr. President, S. 9 is legislation the Nation does not need. Its sponsors attempt to solve problems which do not exist. The OCS Lands Act Amendments of 1977 are offered for three basic reasons: First, to safeguard the environment; second, to assure equitable treatment for all parties seeking OCS leases, and, third, to insure production of the oil and gas deposits these undersea lands may hold.

These are proper objectives. They are necessary to help us maintain portions of the lifestyle we find most comfortable. While these objectives are necessary, the amendments are not since the objectives are already being met.

In the 24 years since enactment of the Outer Continental Shelf Lands Act, some 21,000 wells have been drilled offshore. Only one of those wells created a spill that damaged the shoreline. The damage was not permanent. Experience, then, shows that the environment is now adequately protected.

Since offshore leases have been offered for purchase, 177 companies have successfully bid the highest price. Of those 177 companies, 142 cannot be found in the Fortune 500 list. These smaller companies are becoming increasingly more successful. In 1975, they accounted for 41 percent of the OCS oil production compared with only 29 percent 5 years earlier. Their share of gas production increased from 54 to 63 percent in the same period. Smaller, financially responsible companies, then, are competitive in offshore oil and gas production.

The wells that have been drilled offshore produced 14.6 percent of this Nation's total oil output in 1976 and 27.2 percent of the natural gas output in the same year. To date, these wells have produced 7½ billion barrels of oil and 42 trillion cubic feet of natural gas. Production is moving ahead.

Each of the objectives the OCS Lands Act Amendments of 1977 seek, clearly is already being reached.

Mr. President, I believe that these amendments will delay oil and gas production for a year or two as lawsuits are filed in an attempt to clarify the assessment of bids the Government would receive. The alternative bidding procedures provided in these amendments are so diverse that they do not allow a common measurement. There is no way to objectively determine which company or individual has actually submitted the highest bid. If a number of bidding procedures are used during a single lease-sale period, subjective judgments—open to covert influence—will have to be made.

Delays are intolerable in this "moral equivalent of war" that we are supposedly fighting. These amendments attack problems that do not exist. They create problems we do not need. They will delay, not enhance energy production.

Mr. President, I urge my colleagues to vote against S. 9.

Mr. JACKSON. Mr. President, title III of this bill includes a provision identical to the conference report on S. 521, 94th Congress, establishing liability for cleanup and damages from oil spills emanating from oil development activities on the Outer Continental Shelf. It includes a compensation fund created from a fee on oil produced from the OCS. Under the rules of the Senate adopted earlier this year, the Committee on Environment and Public Works has jurisdiction over "environmental aspects of Outer Continental Shelf lands." Thus, this provision of S. 9 insofar as it establishes rules governing oil pollution is within the jurisdiction of the Committee on Environment and Public Works.

The Committee on Energy and Natural Resources and the Committee on Environment and Public Works have discussed this bill. The chairman of the committee, Senator RANDOLPH, and the chairman of the Subcommittee on Environmental Pollution, Senator MUSKIE recognize the importance of having adequate oil pollution liability provisions in any legislation dealing with development of Outer Continental Shelf oil resources and they realize the importance of expediting action on this important legislation. Several technical amendments have been proposed by the Environment Committee to assure that the oil pollution liability section is consistent with basic oil pollution and cleanup laws.

It is important to note however, Mr. President, that the Committee on Environment and Public Works has in no way waived its jurisdiction over the issues to which I have referred, nor does the Committee on Energy and Natural Resources in any way assert additional jurisdiction over oil pollution cleanup and liability with respect to the Outer Continental Shelf. Our purpose is to pass, as quickly as possible, comprehensive legislation which would affect the Outer Continental Shelf. This purpose is enhanced by the cooperation of the chairman and the ranking member of the committee, Senator RANDOLPH and Senator MUSKIE.

Mr. ROBERT C. BYRD. Mr. President, the leadership asked the Committee on Environment and Public Works to permit this bill to be considered without unnecessary delay even though the issue of oil pollution cleanup liability generally, and environmental effects of development of the Outer Continental Shelf resources specifically, are within the jurisdiction of the committee chaired by my colleague, the senior Senator from West Virginia. Of course, the Committee on Commerce, Science, and Transportation also has an interest because of its jurisdiction over the "transportation and

commerce aspects of Outer Continental Shelf lands."

I want to express the appreciation of the leadership to Senator RANDOLPH and Senator MUSKIE for their cooperation, and I want to underscore the statement of the chairman of the Energy and Natural Resources Committee that, in the opinion of the leadership, the fact that this bill contains an oil pollution section in no way infringes on the jurisdicton of the Environment and Public Works Committee or the Commerce, Science, and Transportation Committee, nor does it in any way expand the jurisdiction of the Energy and Natural Resources Committee.

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. JACKSON. I yield to the Senator from Louisiana such time as he may need.

Mr. JOHNSTON. I thank the Senator.

Mr. President, when I look at this bill, I do not know whether to laugh or to cry.

I am very happy that this bill has been amended in very major ways from the way it started out in the Senate.

We have, for example, taken out the provision of the original bill that would put the Federal Government in the drilling business, an incredible provision, when you consider that the only thing you can fault the oil companies for doing on the Outer Continental Shelf, in my view, is for being so successful, for being a model for the entire world in technology and in success in finding and producing oil. That is the basic fault that you can find with big oil companies.

Yet, with that kind of record, the original bill provided that we would put the Federal Government in the drilling business. I suppose that, using the post office as a model, we were going to let them take over on the Outer Continental Shelf.

So I am very pleased that we were successful in removing that amendment. That is more than progress; that, I think, is a crowning victory.

In the same light, Mr. President, the original bill started off with a provision that was an absolutely guaranteed provision for further delay on the Outer Continental Shelf. What this second provision would do would be to split exploration from production. You would get one set of companies to go out and explore and then, after that was all completed and over with, they would decide about who would produce and how they would produce and whether it would be the Government or free enterprise. The possibility for delay in that amendment was absolutely immense, and it was also Federal Government drilling by the back door.

We were successful in removing that. We were successful in passing what some would call grandfather clauses so that you would not have to subject those ongoing operations on the Outer Continental Shelf to some of the delaying regulations of this bill, which have nothing to do with safety, which have nothing to do with oilspills, with environment quality, but have merely to do with bureaucratic redtape, very important provisions we were able to pass.

There were about 15 amendments in all, Mr. President, we were able to put on the bill, including an amendment which restores more equity and more fairness to coastal States which bear the burden of offshore production. That was also passed as an amendment to this bill.

So what we have, Mr. President, is a bill that has been vastly improved in the committee and, in that sense, all of us who support drilling on the Outer Continental Shelf, all of us who believe—as the distinguished Senator from Wyoming so aptly describes, who believe—this country is running short of oil and gas at a time when it need not be so short of oil and gas and at a time when it is in the interest of the American public to produce on the Outer Continental Shelf, those of us who believe that way can take some real satisfaction in the amendments that have been made.

But we also recognized that this bill is not in itself going to produce one quart of oil or one cubic foot of natural gas. It still contains, Mr. President, very much that, in my view, is not in the interest of producing on the Outer Continental Shelf.

There are improvements that ought to be made. Present law provides for much too much opportunity for lawsuits that have to do not with safety, not with health, not with environmental quality but with dotting the "i's" and crossing the "t's" of supercilious environmental regulations such as those regulations and those lawsuits which are now stopping drilling on the Atlantic Outer Continental Shelf.

Mr. President, we have 20,000 oil wells off the coast of Louisiana, and we have been drilling out there for a quarter of a century. If there has been one dead fish or one dead crab or any diminution in the environmental quality to the coastal zone of Louisiana in terms of the environment of that water out there I am not aware of it.

The so-called danger from oil spills has simply not been proved. Not only has it not been proved, but it has been disproved, and we need to get on with that drilling.

Yet here we are, year after year passes, and we still do not drill in the Atlantic Outer Continental Shelf. We are still not producing off the coast of Alaska, and we are delayed in our drilling off California.

Now, Mr. President, we should improve this bill in a number of other ways. It needs to be improved as far as getting away from this litigation. We need to take out the royalty bidding in this bill because it is going to result, as the discussion will show later on in this bill, in some productive areas not being produced, some productive areas not being produced because when you bid that royalty, which may be bid up as high as 80 percent, and the return of oil is not as great as you had hoped to find, then the economics are simply not there to go purchase the rig, the offshore rig, and to put the millions of dollars into that project that are going to be required to produce it.

Mr. President, let me close by saying this: The charge that there is not competition on the Outer Continental Shelf simply is not true, in my view. The oil industry, for all of the slings and arrows and criticism that it gets, is one of the most competitive industries in terms of exploration and production we have in this country.

My distinguished friend from Washington refers to the fact that there were some 70-something companies involved in the Baltimore Canyon lease sale. But he points out that most of those leases were held by 12 companies. Well, even if you accept the fact that most of the leases were held by 12 companies, 12 companies are a whole lot more than we have in big industries in this country. We have only three big car producers; we have only three or four airplane producers; we have only four aluminum producers, and so the list goes on and on.

Yet we have of major oil companies some—depending on how you define them—over 17, and the competition is very keen and very swift.

Finally, let me say, Mr. President, there has been no evidence produced in our committee that the American public has not gotten a fair break on the Outer Continental Shelf. To the contrary, I think the figures produced in that committee would show that the amount invested in drilling off the Outer Continental Shelf exceeds that which has been recovered.

It is the hope of companies that have drilled there that in future years they will recover and make a profitable situation. But the point is it is a high-risk situation.

So, Mr. President, as I look at this bill I say it has come a long way, but it still has a good way to go.

I thank my distinguished friend from Washington.

ADDITIONAL STATEMENTS SUBMITTED

Mr. HATCH. Mr. President, in my opinion the legislation now before us provides a perfect example of how a legislature ought not to legislate. As four distinguished Senators on the Energy Committee have so forcefully pointed out in their minority report, the original Outer Continental Shelf Lands Act of 1953 was a simple and workable law which has been very effective in placing reasonable regulations upon the exploration of the Continental Shelf since its enactment. It has effectively protected the public interest. Oil and gas producers have compiled an excellent record overall, one which we should not overlook because of a few unfortunate occurrences such as the Santa Barbara oil spill, which left no lasting damage anyway: hard cases make bad law. As the minority report phrases it, there is simply no need to alter "a simple, 10-page law of proven effectiveness into a 35-plus page regulatory nightmare."

Even if the record of the companies drilling for offshore oil were far worse than it is, there would still be absolutely no reason to thicken the regulatory jungle on the Outer Continental Shelf just when we are in such dire need of new energy sources. But the one is never quite

sure of the intentions of those who frame such bills as these. For instance, when we read the 15 "findings" in the preamble to the bill, we observe an interesting contradiction. The first few "findings" speak of our energy difficulties, and at least imply that we must find new sources of energy on the Outer Continental Shelf. But as the "findings" continue, they become gradually wordier, and their emphasis shifts—almost without our realizing it—toward protection of the environment and a maze of regulations which have little to do with increasing energy production. So in the end, the logic of the preamble—Stripped of all its verbiage—can be rephrased this way: we face a bothersome shortage of energy and, therefore, we must place additional restrictions upon exploration and exploitation of the Outer Continental Shelf. That strikes me as the logic of Alice in a rather unoriginal Wonderland.

Mr. President, many people claim that we have an energy shortage because we lack a national energy policy. The truth, however, is quite different: we have an energy shortage because we do have a national policy. And that policy is: we do not produce oil, we do not produce gas, we do not produce coal, we do not produce electricity by nuclear power. So our current energy shortage is an entirely logical result of this unstated policy, a policy which also underlies the Outer Continental Shelf amendments before us.

In addition, this bill illustrates another very curious syndrome. That syndrome is the one that says: That legislature is best which legislates most. I happen to be a lawyer by profession, but I reject the notion that the more laws a society has, the better off it is. I believe that Congress would be well advised to repeal and simplify existing laws instead of complicating old ones and constantly passing new laws. This bill certainly seems to be an example of the legislating syndrome. Its proponents argue that, since the law has worked for so long so well without any amendments, we should amend it now merely to justify our existence as legislators.

Mr. President, to my mind that legislature is best which legislates most intelligently, not which legislates most. And legislating intelligently requires that we say "no" fairly frequently to unnecessary proposals which would hinder rather than help the citizens of this Nation.

If we are concerned, then, about the energy needs of our country, and if we are concerned about the "quality of legislation" in this Congress, we will vote "no" on final passage of the Outer Continental Shelf lands amendments.

Mr. RIBICOFF. Mr. President, our Nation's energy resources, especially such nonrenewable resources as oil and natural gas, are not limitless. Although efforts to conserve and to more efficiently utilize available energy resources may be successful, the demand for additional energy will continue to grow. Clearly, we must seek new sources, such as those which exist in our offshore oil and natural gas reserves. However, this must be done in an environmentally sound manner and in close cooperation with affected States.

Without question, the Outer Continental Shelf offers a tremendous potential in terms of helping us meet the energy challenges before us. In 1954 the Outer Continental Shelf was providing about 2 percent of the Nation's petroleum supply. By 1973 the amount had risen to about 17 percent. Projections indicate that 20 years from now offshore petroleum will account for nearly one-third of the oil used in the United States. The overall economic impact is equally significant.

Late last year the New England River Basins Commission completed a study on the probable impact on New England of an oil and gas discovery at Georges Bank, the northernmost of the Mid-Atlantic Outer Continental Shelf areas. This NERBC study analyzed the potential impacts of a high, medium or a "no-find" that oil and gas discovery would have on New England's economy. A so-called medium find, defined as 900 million barrels of oil and 4.2 trillion cubic feet of natural gas, is estimated to infuse about $1 billion dollars of capital investment into the regional economy. This level of oil/natural gas find would increase employment in New England by 1,200 persons over 15 years. Total wages of these workers over that period would average $23 million annually.

It is clear, therefore, that the accelerated development of offshore energy resources will assist the country in meeting some of the urgent energy problems now being faced. It will also assist in stabilizing and improving the economy of regions such as New England.

In light of these issues—additional sources of energy and the overall economic ramifications, not to mention the critically important environmental considerations—the legislation before us today is long overdue. S. 9 significantly tightens and improves the Outer Continental Shelf Lands Act of 1953 by giving more consideration to the impact of Outer Continental Shelf development, onshore as well as offshore, environmental as well as economic. This measure affords affected coastal States, such as the one I am honored to represent, a definite voice in Federal leasing policy deliberations. The bill also requires closer monitoring of the exploration and development of the OCS and helps to fill the gap which presently exists in information on the nature and extent of resources presently available.

S. 9 contains a number of laudatory and much-needed provisions such as the requirement for the Interior Department to conduct environmental baseline studies before leasing any Outer Continental Shelf area and the establishment of a system to insure that liability for damages from Outer Continental Shelf-related oil spills is assessed. The need for provisions such as these was highlighted by gaps in the Interior Department's draft environmental impact statement for the proposed North Atlantic Outer Continental Shelf lease sale. This study, for example, failed to address the possibility of an oil spill in Long Island Sound. The Interior Department's environmental impact statement also did not consider the potential of a production spill reaching the mouth of Long Island Sound nor did it take into account the possible impact of a tanker or pipeline spill in Rhode Island waters near the sound. Serious omissions such as this will certainly be avoided under the measure before us this afternoon.

Mr. President, America needs a sound, comprehensive, and national policy for the development and production of oil and natural gas in the Outer Continental Shelf. S. 9, with the addition of certain strengthening amendments, which will be offered, will end many of the problems now experienced in developing our oil and gas resources. This measure will benefit the consumer. It will provide for a more orderly planning mechanism. Environmental safeguards will be strengthened. I am pleased to support this legislation and urge its enactment without delay.

The PRESIDING OFFICER. The Senator from Washington.

AMENDMENT NO. 493 (AS MODIFIED)

Mr. JACKSON. Mr. President, I thank my colleague from Louisiana.

I call up my amendment which is at the desk and which is in lieu of the printed amendment No. 493 to S. 9, with various cosponsors.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON), for himself, Mr. CRANSTON, Mr. PERCY, Mr. HOLLINGS, Mr. METCALF, Mr. BUMPERS, Mr. RIEGLE, and Mr. DURKIN proposes amendment No. 493 (as modified).

Mr. JACKSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

On page 208, between lines 7 and 8, insert new subsections (h) and (i) as follows:

(h) Except for any tract on which there is a lease outstanding, where the Secretary determines that exploratory or stratigraphic drilling by the United States is necessary to obtain more accurate information regarding the oil and gas resources of the Outer Continental Shelf, he shall contract for such drilling: Provided That no funds shall be appropriated for such drilling prior to the fiscal year beginning October 1, 1978. Nothing in this subsection shall be interpreted to prevent the Secretary from leasing any area of the Outer Continental Shelf which has not been drilled pursuant to this subsection where he determines that such leasing is consistent with the provisions of this Act.

(i) The Secretary shall include, in his annual report pursuant to Section 15 of this Act, costs of the drilling program, staffing required to administer the program, and a detailed description of the progress of the program.

Mr. JACKSON. Mr. President, the unprinted amendment, I may say, is substantively the same as printed amendment No. 493. I have merely made certain technical changes in the printed amendment.

Mr. President, this amendment which I introduced along with Senators CRAN-

STON, PERCY, HOLLINGS, METCALF, BUMPERS, RIEGLE, and DURKIN would direct the Secretary of the Interior to contract for exploratory drilling where the Secretary determines that drilling is necessary to gain better information about the publicly owned oil and gas resources of the OCS.

Federally contracted drilling would supplement information gathering provided for in section 26 of S. 9 and work being done by the oil and gas industry. Additionally, it would assist in producing information about new areas which industry has been unable or unwilling to explore. In light of our tight energy supply situation, it is critically important for the Federal Government to know as much as possible about the extent of our OCS resources.

It is important also that the public be assured a fair return on the sale of those resources. The Interior Department has often undervalued tracts prior to leasing them, setting minimum acceptable bids far below what oil companies have offered. It may be difficult to determine whether we have been underselling our valuable energy resources over the long term, but every new bit of information such as that made possible by our proposal would increase the knowledge and thus decrease the risk to the public, helping to assure a fair return. And most, importantly, Mr. President, this supplement to information gathering would help to cure the intolerable situation of having to rely only on oil industry estimates of the value of publicly owned land.

While the Secretary already has the discretionary authority to gather information and do exploratory work, I believe that Congress should mandate the effort.

This amendment in no way authorizes Federal production of oil and gas. In fact, it cannot lead to that end under this legislation. It is purely a Federal contractual program, similar to contracting for defense work or other jobs which must be done in the national interest. However, a principle which everyone must remember is that the OCS is publicly owned land—land owned by and for the benefit of all the people of the United States. The OCS is not privately owned land. Therefore, the public has an inherent right to know what resources it owns.

The program would not cause delays in leasing the OCS. The amendment does not require the Secretary to contract for drilling prior to leasing in each area of the OCS. Thus, the Secretary could proceed with his regular leasing schedule in those areas of the OCS where he believes that leasing is consistent with the provisions of S. 9.

Furthermore, the information program could well lead to leasing of areas which, because of concerns about potential impact on the marine and coastal environment, might not otherwise be made available for development. The information gained would assist the Secretary in determining whether exploration could be done in an environmentally safe manner and whether the potential size of the oil and gas resource in the area warranted further exploitation.

Mr. President, this amendment provides that no funds can be spent on a drilling program prior to the fiscal year beginning on October 1, 1978, and that a report on the program must be included in the annual report to Congress. Therefore, any drilling program initiated under this amendment would have to be subsequently approved by the Senate Appropriations Committee during its review of the Interior Department's appropriations request.

I urge my colleagues to join in supporting this amendment which in my view is vital to the Nation's Outer Continental Shelf development program.

Mr. President, I reserve the remainder of my time.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. JOHNSTON. I wish to make it clear, Mr. President, and I shall ask this question: The Energy Committee considered essentially this amendment in markup and during hearings and the Government drilling amendment was rejected; was it not?

Mr. JACKSON. That is correct, I might add, however, that in the last Congress as the Senator knows, the amendment was approved on the floor of the Senate.

Mr. JOHNSTON. A somewhat different amendment.

Mr. JACKSON. Substantially the same.

Mr. JOHNSTON. That is right. Will the Senator make it clear when the vote comes on this that the actions of the committee was to turn this down? And the reason I say that is that ordinarily an amendment which is introduced by the chairman has the appearance of the imprimatur of the committee and I wish to make that clear because I think the matter has been so thoroughly considered in committee that we should get that information over to Senators in the Chamber.

Mr. JACKSON. The record speaks for itself. This is not a committee amendment. And the Dear Colleague letter that we sent around makes that very clear. I am not claiming nor have I ever claimed that it is a committee amendment.

Mr. JOHNSTON. Does the Senator know or have any estimate at all within the nearest billion dollars how much money it would cost to get the necessary information regarding oil and gas resources on the Outer Continental Shelf through contracting for such drilling?

Mr. JACKSON. No, I cannot give a figure. But it is very limited. As the Senator knows, the amendment provides conditions under which the Secretary would be directed to go ahead with drilling, and the Secretary would have to find that there is need for drilling in order to acquire more accurate information.

Mr. JOHNSTON. Is it not a fact that under the amendment any time that the Secretary determines that it is necessary to obtain more accurate information regarding oil and gas resources, he must contract for such drilling?

Mr. JACKSON. That is right. I will read the part that is relevant.

Except for any tract on which there is a lease outstanding, where the Secretary determines . . .

Where the Secretary determines—

that exploratory or stratigraphic drilling by the United States is necessary to obtain more accurate information regarding the oil and gas resources of the Outer Continental Shelf, he shall contract for such drilling:

Those are the conditions that he has to meet.

Mr. JOHNSTON. I have a map here. I do not know how well the Senator can see it, but this happens to be a map of the Outer Continental Shelf off the State of Texas.

There are literally hundreds of structures, some of which produce oil and some of which do not, off the coast of Louisiana and Texas.

The testimony was, and I think it was admitted to by everyone, by every single witness, who appeared before that committee, that drilling on one of these structures tells you nothing about the oil or gas resources that are located on another structure.

My first question is: The Senator will acknowledge that that is true, is it not, that drilling on one structure tells you nothing about the other structure?

Mr. JACKSON. I think that is generally true.

Let me just say to the Senator we are dealing with something fundamental. This is Government property. Who in the world is going to say for example, that when the Government has property in a warehouse, it cannot even take inventory of its own property? That is what this boils down to. The point is, and it is a very important one, the people of this country have a right to know by impartial evidence what the assets are in a given area of the Outer Continental Shelf. I do not think it should be left to the oil companies.

Mr. JOHNSTON. If the Senator will yield at that point, I am simply trying to establish what this inventory consists of and how many warehouses we are talking about. The fact is we are talking about on the Atlantic coast probably hundreds of warehouses or hundreds of structures, each independent of the other, on which each witness who testifies says that finding out what is in one structure does not tell you what is in the other structure.

As I look at this amendment, it seems to me that it would require the Secretary to drill on each and every one of those structures at a cost of billions of dollars.

Mr. JACKSON. That is simply not true.

Mr. BUMPERS. Will the Senator yield?

Mr. JACKSON. The amendment expressly states, that such a drilling program is limited by appropriations:

Provided, That no funds shall be appropriated for such drilling prior to the fiscal year beginning October 1, 1978. Nothing in this subsection shall be interpreted to prevent the Secretary from leasing any area of the Outer Continental Shelf which has not been drilled pursuant to this subsection where he determines that such leasing is consistent with the provisions of this Act.

The facts are that we have vast resources in the federally owned lands and

it is a sad day in this country when we are not going to permit our own Government, on property belonging to all the people of the United States, to find out what we have in the inventory.

Mr. JOHNSTON. I am just trying to find out what it costs.

Mr. JACKSON. We are asking only that the Government have that opportunity. The Government would employ private independent contractors who are experts, where the situation requires that course of action.

It seems to me this is the only wise and prudent thing to do under the circumstances.

Mr. BUMPERS. Mr. President, will the Senator yield?

Mr. JOHNSTON. Yes, I yield.

Mr. BUMPERS. Let me make two points. First, the Senator from Louisiana is correct that the Secretary is mandated to engage in exploratory drilling any time he feels that the stratigraphic information is insufficient.

Second, whether or not the structure is present, of course, cannot be known actually, until they are drilled; is that not correct?

Mr. JOHNSTON. No, the presence of a structure is determined by what we call shooting, by shooting the explosive charge which will outline the general definition of the structure.

Mr. BUMPERS. But you cannot know what the limitations of a structure are until you actually drill it and explore it?

Mr. JOHNSTON. No, you will know what that structure looks like, and basically what it is composed of. What you will not know is whether it has oil and gas. For instance, on the Destin Dome, on which more than $1 billion was spent, the limits of the dome were known, the kind of rock it consisted of was known, but what was not known was whether there was gas and oil present. The companies spent over $1 billion to determine the presence of gas and oil, and found out there was none.

Mr. BUMPERS. If the United States had invested that billion dollars instead of the oil companies investing it, why would that not have pleased them more?

Mr. JOHNSTON. I am quite sure they would have been happy not to have invested that billion dollars in the Destin Dome. There is no doubt about that. If anyone figures the United States can do this better than the big oil companies, we had better do it. But how can anyone say that the Federal Government, with its vast inefficiency, vast costs, and bureaucratic delays and everything else that all our constituents say about the Federal Government, that to get them into it is going to lead to more rapid, sound, and less expensive development of that Outer Continental Shelf? How anyone could say that for the life of me I cannot understand.

Mr. BUMPERS. The Senator would not suggest that when the United States enters into a contract for a new computer operation, he means that IBM is inefficient; would he?

Mr. JOHNSTON. The Government contracts with them to come up with a set of computers to fit a particular task.

Mr. BUMPERS. Here the Secretary is going to be employing, by contract, the very same people the Senator is defending, to do this exploration for them.

Mr. JOHNSTON. If this were computer work, I would say that is fine.

Mr. BUMPERS. What is the difference whether Exxon and Mobil are drilling for themselves or for the Secretary of the Interior?

Mr. JOHNSTON. The difference is that this is a risk-taking venture.

Mr. BUMPERS. But the Government is the one taking the risk under this amendment. The Secretary is the one who is going to employ Exxon, Mobil, or whomever he chooses to hire to do this exploratory drilling. These are the people who you and I admit have the expertise. They are the ones that will be doing it. What is wrong with that?

Mr. JOHNSTON. First, delays; second, expense; third, expertise, that is, as to the amount of energy recovered. If there is anything else, I do not know what it is, but you have covered the whole field when you talk about expense, lack of expertise, and delay, it seems to me. I suppose each one of those things would take place if the Government is going to search for oil on the Outer Continental Shelf.

Mr. BUMPERS. Mr. President, may I have time to make a preliminary statement? I hope the floor manager is willing to give me a little time.

Mr. JACKSON. Yes; Mr. President, how much time do I have remaining?

The PRESIDING OFFICER (Mr. SASSER). The Senator has 43 minutes remaining.

Mr. JACKSON. I have consumed 17 minutes on the amendment.

THE PRESIDING OFFICER. The Senator is correct.

Mr. JACKSON. Does the Senator want 15 minutes?

Mr. BUMPERS. I would just like to engage in a colloquy. I do not think it will take 15 minutes.

I would like to say, at the outset, that I know the Senator from Louisiana will agree with me about the vastness of this resource. For example as the distinguished floor manager has already said, we are talking about approximately 70 billion barrels of oil off the Atlantic Continental Shelf.

That belongs not to you, not to me, not to the people of Arkansas or Louisiana, but to the 213 million people of the United States. It is a resource that belongs to all of us.

The people of the United States have a right to know not only how much is there, but they also have a right to get the best price for it possible, because it belongs to them. I daresay there is not a Senator in this body, there is not a Member of the House of Representatives, who, if he owned this property, would not be trying to get the highest price for it he could get.

I have told the distinguished Senator from Louisiana in private and in the committee that I am not anxious to drill the Outer Continental Shelf, the Baltimore Canyon, Georges Bank, and so on. I am reluctant to do it, because some day we may be sorry. We can have blowouts, destroy fisheries, run up costs, and do much more damage than the amount of any return we could ever get from it.

But I am willing to concede that we ought to drill it. We have already drilled off the coasts of Louisiana, the Senator's State, Mississippi, and Texas, and I am willing to concede that we ought to drill that.

The only place the Senator and I part company is on the idea that that is a national resource. It belongs to the United States, and the United States not only has the right but the duty and the responsibility to make certain that it is drilled in a certain way, and that we know as best we can what is there, so that we can get the top dollar for it.

For example, in 1974, in a sale off the coast of Louisiana, the Government estimated the value of those tracts at $679 million. Obviously, the reason they estimated the value of that tract at $679 million was because they did not know as much as the oil companies knew; because the oil companies bid $2.175 billion, well over three times the value estimates of the Department of the Interior.

In another spectacular miscalculation on tract 64, the Department of the Interior estimated the worth of the area at $5.6 million, and Exxon bid $76.2 million. Why? Because Exxon knew a lot more about what was there than the Government knew.

All the Senator from Washington is trying to do with his amendment is redress that imbalance of information.

The oil companies are going to resist a provision in this bill right now, that was agreed to in the 94th Congress furnishing us the interpretive data. They do not want us to have the primitive data, and they do not want us to drill. What they want is all that esoteric information that they can only get with their expertise. They come in with their eyes wide open. They put blinders over the eyes of the Secretary of the Interior, and say, "This is what it is worth."

I do not think that is fair. I do not think it would be a camel's nose under the tent approach, either. I think the people are entitled to know what is out there.

Mr. JOHNSTON. Mr. President, will the Senator yield to me for a moment?

Mr. BUMPERS. Surely.

Mr. JOHNSTON. I represent the same interests the Senator does. It is the people of this country who own the resource, who ought to be taken into consideration, not the oil company and not the Interior Department. But what the distinguished Senator from Arkansas would refer to as a spectacular miscalculation on the part of the Interior Department when they come up with different figures from the oil companies, I think, misconceives the basic nature of the business of finding oil on the Outer Continental Shelf.

It is not a case that Exxon or Shell knew that much more than the Interior Department, but all of these companies differ. Exxon differs from Shell, from Arco, and from all the rest in their in-

terpretation of what those data mean. Sometimes they are right, sometimes they are wrong. At Destin they were wrong by over a billion dollars.

In the lease my friend from Arkansas refers to, they were right by some extent, I presume. But the point is it requires great expertise to take a bit of information, interpret that information, and expend billions of dollars based upon that. My point here is that the only way we can know whether there is oil and gas in a given structure on the Outer Continental Shelf is to go and drill on that structure. That is the only way.

All of the shots that are fired on the whole Gulf will tell you where these structures are. We know right now in the Gulf of Alaska are some of the biggest structures in the world. But we do not know whether there is oil and gas there, and we will never know that until it is drilled.

Under this amendment, the Secretary of the Interior, if he is true to what it requires—that is, if he thinks it is necessary to obtain more accurate information regarding the oil and gas resources on the OCS—must drill, and that means he must drill hundreds and thousands of holes on the Outer Continental Shelf.

That is what the amendment says.

I have no doubt, Mr. President, that he will not drill that many, because the Congress will not go that far. But we are buying a pig in a poke. Under this amendment he would have to go that far if he is true to what the amendment says. Every structure not yet drilled would have to be drilled.

Mr. BUMPERS. I disagree with the Senator's interpretation of the amendment. There is indeed a mandate which says he must drill if he feels that he does not have enough stratigraphic information. But simply because he does not know where every structure is, because he does not know what is in every structure, and does not know the delineation of it, does not mandate him to conduct exploratory drilling operations. I am assuming that he has some discretion in this matter.

When we talk about mandating exploratory drilling because he does not have sufficient information, the Secretary is the one who will determine when he does not have sufficient information.

Let me give you some idea of the way we are operating in this country right now. Now is the time that we need to know what our resources and reserves are. We need to know. The Senator knows we have fought this out in committee for the past 2 years. We have tried to get the gas and oil companies of this country to tell us what their natural gas reserves were in order to deal with some of these winter crises as we had last year. We could not pry it out of them with dynamite. They consider it proprietary information. When they do this seismic work or exploratory drilling on the Outer Continental Shelf, we cannot pry that information out of them unless we force them to give it to us.

Mr. JOHNSTON. Will the Senator yield?

Mr. BUMPERS. Yes.

Mr. JOHNSTON. The Senator will admit that it is within the discretion of the Secretary to determine whether every single structure undrilled and unleased on the Outer Continental Shelf, off Louisiana, the Gulf, off California, anywhere else, can be drilled under this amendment.

Mr. BUMPERS. I can only read the amendment. It says "except for any tract on which there is a lease outstanding." Here is the key language, "where the Secretary determines that exploratory or stratigraphic drilling by the United States is necessary to obtain more accurate information."

That gives the Secretary a great deal of discretion. That does not mean he is going to drill every structure.

Mr. JOHNSTON. But he may, under this amendment.

Mr. BUMPERS. He certainly may, if he feels it is mandatory. Think of the billions of dollars Exxon and all those other companies could have saved if the United States had been doing the exploratory drilling on the Destin Dome instead of them. It seems to me they would welcome this with open arms.

To get back to the point of how little we know about our reserves, here is an indication: The U.S. Geological Survey revised downward their estimates of undiscovered recoverable resources of the United States. The old figures had estimated that 477 billion barrels of oil would eventually be found. Now, on March 26, 1974, they come in and say that there are between 200 and 400 billion barrels of natural gas liquids in Alaska, the lower 48 States, and under the OCS. These lower figures resulted in large part from a nearly 50-percent reduction in the estimates of offshore oil.

I simply do not understand, and I have tried to understand, the opposition to this amendment. No. 1, it simply says that the United States is entitled to explore its own resources and find out how much is there.

No. 2, it says that the Secretary can contract to have this done. That does not mean he is going to drill every structure out there. He has the discretion. But when he contracts he is going to contract with these same people who are in here lobbying against this amendment. They are saying it is going to be slow, and that the Government is inefficient.

Well, if the Government is inefficient in this case they will be inefficient because they are the ones the Secretary is going to hire to do the drilling.

Finally, some of these independent producers who do not have the money to go out and make these kinds of determinations will get the benefit of this information and have a much better chance of bidding and competing with some of the majors in developing and producing some of that offshore oil.

I cannot understand it.

We went through that problem in the strip mining bill on the coal reserves that the United States owns in the western part of the United States. I did not understand then and I still do not understand how the House could say that the hundreds of billions of tons of coal out West, which belong to the people of the United States, could not be mined without the surface owners' consent. What the House is saying is that the people of the United States are going to get ripped off to this extent. They own the coal out there, but they are going to have to pay for it again.

In this amendment to the OCS bill, we are not going to fall for that again. We are not going to let the oil companies come in at a decided advantage in bidding on this oil. We are going to say to them, "We are going to find out how much is there and then we are going to start talking about it."

This has to work to the advantage of the oil companies. There may be places like the Destin Dome, where, if we turned them loose, they would go out and drill and find nothing. If the United States did the drilling for them, we could say that the chances of finding oil there would be very slim, based on the information we have. If they appreciated what was being done for them, they would say, "Thank you."

I thank the Senator for yielding.

Mr. JACKSON. I reserve the remainder of my time, Mr. President.

Mr. HASKELL. Will the distinguished Senator from Wyoming yield 10 minutes?

Mr. HANSEN. I yield 10 minutes to the distinguished Senator from Colorado.

Mr. HASKELL. Mr. President, I reluctantly oppose the distinguished Senator from Washington. The reason for my reluctance is that I believe that, at least since I have been in the Senate, he has been the leader in energy matters. For instance, in 1974, out of his committee was reported and passed the Energy Supply Environmental Coordination Act. This, incidentally, among other things, established the first coal conversion program.

In the same year came the Federal Nonnuclear Energy Research Act. This established for the first time a vigorous national program on alternate energy research and on advanced forms of treating fossil fuel, such as coal gasification. Additionally, last year or the year before there was the Energy Policy and Conservation Act which, for the first time, concentrated on conservation. I would submit, Mr. President, that the distinguished Senator from Washington has laid the foundation upon which the now President of the United States has modeled his energy policy.

With that track record that the Senator from Washington has, I believe it places him as the Nation's leader in the energy field. It is for that reason that I reluctantly oppose his amendment.

Why would one oppose an amendment that seeks to get information? There is no question, Mr. President, that when a well is drilled information is obtained. The problem is, where does one stop drilling wells?

If this desk top, for example, is a lease and I drill in the upper right-hand corner and get a dry hole, that does not condemn the desk top. There may well be oil and gas elsewhere.

If I am Secretary of the Interior, and if I am a prudent Secretary of the Inte-

rior, I will drill on the lower left-hand corner. If that is dry, I may have to drill one or two more.

A negative result does not mean the end of exploratory drilling.

Let us assume, Mr. President, that I, as the Secretary of the Interior, am fortunate and I find a producing well in the upper right-hand corner of the desk top. Can I lease on that basis? Do I know what the reserves are? Would I be a prudent Secretary of the Interior to accept a bid based upon that framework of knowledge? Should I lease to some private party, based upon that one producing well, and then have that private party hit the jackpot, so to speak? Would I not be condemned, or criticized, as being negligent and, in effect, giving away the Government's property? Mr. President, would I not, as a really prudent Secretary of the Interior, be led to drilling other wells to delineate the outline and the extent of the field? It seems to me that would, inevitably, be what I would have to do.

This is a policy question: Is it better for the Government of the United States to do, in effect, the brainwork that goes into discovering natural resources—that is, the geological, the geophysical, the analyzing of the geological-geophysical—is it better for the Government of the United States to do it and risk its money, or is it better for the private individuals to do it, or companies? I submit, Mr. President, that, at least in this year of 1977, it is better for the individual companies to do it if we can be sure that there is competition among those individual companies.

Mr. President, the bill that is before the Senate now makes a diligent effort to insure that there is competition for the OCS leases. There is an alternate method of bidding. Quite rightly, we have criticized what is now the only way of bidding—that is, the bonus bid—where the large, major oil company can come in and, in effect, outbid everybody else, where the independent does not have the finances to put up the bonus and then put more money out for expenditures. So there was need for an alternate method.

The best alternate method, in my opinion, is net profit bid, so that, when an independent oil company comes in, they can bid on a net profits basis. This will allow for many more bidders on the leases.

Mr. President, as far as information is concerned, this bill is diligent, also, in being sure that the Government of the United States has information. It has provided, I believe, as the Senator from Arkansas just mentioned, that not only must the raw technical data of the companies be provided to the Government, but their interpretation also must be provided.

Now, Mr. President, normally, one would think raw data would be sufficient. If we had the same confidence in Government geologists and geophysicists, then we would not need the companies' interpretive data. But, apparently, we recognize that there are people in industry of competence and imagination. So I submit, Mr. President, that, since the bill is designed to get competition into the OCS, since the bill is designed to get all the information to the Government, the right to drill exploratory wells is an unwise thing to give the Government at this time. Maybe, at some future time, for instance, as in Pet 4, where the Government is in the drilling business and this is a congressional decision on behalf of the Congress and the executive branch. But, inevitably, this right to drill, if exercised, will lead to a full exploration of a given area or areas. This is the heart of finding oil. After everything else it is almost mechanical.

So, Mr. President, although granting that this amendment will give information, I think it will have the side effect of getting the Government in the business—inevitably in the business. It is for that reason that I oppose the amendment of the distinguished Senator from Washington.

I thank the Senator from Wyoming for yielding me time.

Mr. DURKIN. Will the Senator from Vermont yield for a question?

Mr. HASKELL. Certainly.

Mr. DURKIN. Is not the basic issue here that the American public realizes that that oil and gas off our Continental Shelf is theirs, that it is an asset that belongs to you and me, to my children and your children? Before we steal that, they view it as our obligation to get the best, the most reasonable price for their asset and they entrusted that responsibility to us when they elected us to the U.S. Senate.

Mr. HASKELL. I concur with the Senator from New Hampshire.

Mr. DURKIN. To quote the Senator from Louisiana, the only way to know the extent of that asset that belongs to us and our children is to drill. I know the Senator from Louisiana did not say it in quite that same context, but is it not true that the only way we can tell the people of this country that we got the proper remuneration for their depletable asset is that the Secretary had the authority to drill where necessary?

Mr. HASKELL. No. I agree with the Senator's first sentence, but not his second.

I quite agree that the only way we are going to know whether there is oil or gas is to drill. That is the only way on God's green Earth.

Now, what is the best way to find oil? Is it the best way to have the geologists in the U.S. Geological Survey say, "OK, we are going to drill here; then we are going to drill there; then we are going to drill there"? Is that the best way to get it out? Or is the best way to get all the information there is, short of taking the risk of drilling an expensive well and then leasing out to the company?

If the Senator feels that it is best for the Government to get in the business, fine. I think that is a congressional policy decision that the Senate and Congress can make, and it is a perfectly plausible one. But unless we come to that conclusion, I submit that it would be unwise to authorize exploratory drilling.

Mr. DURKIN. I think I agree with the Senator from Colorado that for the Government to get into the business would be unwise. But we are not talking here, there is no talk of nationalization, no talk of this being the precursor of nationalization or the precursor of Government takeover. That is a red herring. Let us get rid of that one at the beginning of the debate on the Outer Continental Shelf, right away.

The PRESIDING OFFICER (Mr. LEAHY). The time of the Senator from Colorado has expired.

Mr. HASKELL. I ask the Senator from Wyoming if he can yield me 5 more minutes?

Mr. HANSEN. Yes.

Mr. METZENBAUM. Will the Senator from Colorado yield for 1 minute for a unanimous-consent request?

Mr. HASKELL. Yes.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that Barry Direnfeld and Dan Grady be accorded the privileges of the floor during debate on the OCS bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, on my time, not on the time of the Senator from Colorado, I yield to the distinguished Senator from Utah for a unanimous-consent request.

Mr. HATCH. Mr. President, I ask unanimous consent that Mr. Kirk Rector, Mr. Charles Moser, and Mr. John Baldwin of my staff be accorded the privilege of the floor during debate on this measure. There will be no more than two at any one time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, has the Senator from New Hampshire finished his question?

Mr. DURKIN. Will the Senator from Colorado yield for one more question?

Mr. HASKELL. May I answer that last one?

Mr. DURKIN. Fine.

Mr. HASKELL. I say to the distinguished Senator from New Hampshire that, certainly, there is no question of nationalization involved here. But as I tried to point out, it is inevitable that if we permit exploratory drilling, if you are the Secretary of the Interior, you do not dare stop with one well, because, if you lease based upon one well, you have leased on inadequate information. Therefore you are inevitably led to an exploration of a potential field.

Mr. DURKIN. What is wrong with that?

Mr. HASKELL. It is to that extent that the Government would be in the business.

Mr. DURKIN. What is wrong with the Federal Government being allowed—not in the oil business; not the transportation, not the production, not the retail. I am not talking about that, but about the business of ascertaining what is the extent of this asset that belongs to us and our children.

I think it is admirable that the Lady Justice is blindfolded. I think it is one of the hallmarks of our judicial system.

But I think it is a crime when the Secretary of the Interior is blindfolded when he is handling and awarding on this depletable asset that belong to us and our children.

So the question is, What is wrong with drilling? Not the oil business, but just drilling.

Mr. HASKELL. There is nothing wrong as long as we make that policy decision. But what the Senator is saying is that the geologists and geophysicists in the employ of the Government of the United States should be the ones to say where drilling takes place and they are more competent than private industry. The Senator may be right. I do not agree.

What the Senator is saying is, "OK, once we've delineated this field, then let private industry take over." Which is fine, too. But that is the pick and shovel work. The imaginative work and creative work comes in interpreting geological and geophysical data.

For that reason, I would disagree with my friend from New Hampshire.

Mr. DURKIN. We have a number of children in the galleries. Are not the geologists of the Federal Government who drill, are they not more able to tell the children in the galleries and the children of this country the extent of that reserve?

Are they not more likely to give an estimate of the reserve, that is in the interest of this generation next, than the oil companies who have a vested interest?

Mr. HASKELL. What the Senator is saying is, Are not the Government geologists more likely to say where oil will be found than private geologists?

Mr. DURKIN. No. My question is, are not they, the Government geologists, more likely to adequately and accurately measure the extent of that asset, whether it be oil or gas reserve, than an oil industry geologist who has a stake, a very vested stake in underplaying the size of that asset?

Mr. HASKELL. First, we have to find it. I say to the Senator from New Hampshire that I would place my money more on the private geologist.

Now, when it comes to information, I think the Government should have all the information when they make their competitive bids, and the bill provides that.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I will just take a minute to inject a comment or two on the question of the Senator from New Hampshire.

The idea that somehow or other we are putting the Government in the oil business is nothing but a smoke screen. That is the most specious argument of all.

First of all, we are simply allowing the Secretary to contract if he does not have enough information to estimate what a lease is worth. If he does not have enough stratigraphic information, then he can contract with somebody to go out and get it for him. That would only include seismic work. We are not asking for economic information, as the Senator from Colorado said. We are going to try to get geophysical and geological information so the Secretary will be as intelligent as the oil companies. He has not been able to be in the past.

But to suggest that the Federal Government, that louses up everything it touches, is about to ruin the oil business in this country, because it will get in the oil business, is totally fallacious. It has nothing to do with this.

It simply says that the Secretary can hire somebody to explore to give him additional information.

Now, who is he going to hire? This is the question.

I will tell the Senator. He is going to hire the same folks that Exxon, Mobil, and Texaco would hire without this in it.

They do not go out and do the work themselves. They contract to have it done. That is exactly what the Secretary will do, and he is going to hire precisely the same people they hire.

Mr. DURKIN. Will the Senator yield?

Mr. BUMPERS. I am happy to.

Mr. DURKIN. Is it not a fact that before the U.S. Government could get into the oil business that they would have to come back to the Congress, they would have to get authorizing legislation through the Congress, we would have to defeat half a dozen filibusters, and that it is totally beyond the scope or the comprehension of this amendment to get the Federal Government involved in any more than the exploration as distinct from production, transportation, and retailing of any type energy product?

Mr. BUMPERS. It is nothing more or less than was already said in answer to the question of the Senator from Colorado.

The Senator says this is a national resource belonging to the 213 million people in this country, they are entitled to be paid, the highest possible price the Secretary can get for it.

Mr. DURKIN. Is it not true right now the Secretary of the Interior is like a blind man feeling the elephant, he does not know what he is up against, he does not know the size of it, and he is doing business with the oil company that is seeking the lease that has much more complete data, and the Secretary is blindfolded?

Mr. BUMPERS. I said a moment ago before the Senator came to the floor that what they want and what a lot of those people standing outside that door want, is the right to come in with their eyes wide open and they want to put blinders over the eyes of the Secretary and say, "This is a fair fight."

Mr. DURKIN. With respect to nationalization—not that that is an issue here—I think the Senator from South Dakota said very clearly last week that when they get a loser like Barnwell, they do not object to having it nationalized. In fact, they ask us to pick up the tab for all the losers.

But I think the Senate has done an excellent job of laying to rest the specter of nationalization, the post office running the energy business in this country.

Mr. MATSUNAGA. Will the Senator yield?

Mr. BUMPERS. Before that, I ask the Chair, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 27 minutes.

Mr. BUMPERS. How much time does the Senator from Hawaii want?

Mr. MATSUNAGA. Just enough for a few questions.

From the standpoint of the taxpayer, is it not true that the pending amendment proposes that the Government should pay for exploration costs by hiring contractors to do the job, while without the amendment the oil companies would lease the shelf and out of their own pockets pay for all the exploration?

Mr. BUMPERS. That is precisely right.

Mr. MATSUNAGA. If that is so, as I see it, it would be to the advantage of the taxpayer that the pending amendment be defeated.

Mr. BUMPERS. To the Senator from Hawaii, let me make this point.

This is not really a change in the present law, if I read it correctly. The Secretary has the right under the present law to require those oil companies or permittees, as they are called, to furnish him with all the data they collect.

Now, he has not done it in many instances, but he has the authority to.

I further believe under present law he has the right to drill on behalf of the United States. The oil companies, of course, contend he does not. It is my belief he has that right at the present time.

If my interpretation is correct, then this amendment is not doing a great deal more than he has the authority to do. This amendment only clarifies and makes certain to everyone what his authority is.

Mr. MATSUNAGA. If the Secretary now has the authority to assemble all the facts through the oil companies, he must have the authority to force the oil companies to provide him with such information, and I see no need for the amendment.

Mr. BUMPERS. In 1974, the Secretary offered an area for lease offshore Louisiana, and he estimated before the bids were taken that the tract was worth $679 million. Does the Senator know what the bid there was? It was $2.175 billion, three and a half times the Secretary's estimate. Does the Senator know what that means? That means that the oil companies knew a lot more about what was out there than the Secretary knew.

Let us assume that they feel that they might find a bird's nest on the ground. Since the Secretary does not know any more about the tract than he does. They could bid $700 million, or $21 million more than he estimated. That is always a very distinct possibility. If the Secretary in this case gets this interpretive data. He could drill out there and find something. In this example, the oil is going to be worth billions and billions more than it is going to be under the present system.

Mr. MATSUNAGA. The facts as the Senator has revealed them to me make me believe that the present system, without the amendment, is working, that it is good, that the 17 oil companies which are competing against each other are

bidding much more than the Secretary thought at that time the land was worth.

So I think we should leave it the way things are. Let the oil companies go out and explore, without any Federal funds being paid to them. Let them lease the Outer Continental Shelf for as much as they wish to pay, based on how much they think they can profit from it. Leave it at that, and let us keep the Government out of the drilling business.

Mr. BUMPERS. The Senator is very difficult to persuade, but let me take another tack.

Mr. MATSUNAGA. I thought I was persuading the Senator from Arkansas about changing his mind about this amendment.

Mr. BUMPERS. I think the Senator is undecided at this point, but let me give the Senator another valid reason.

If we look at who has been doing the leasing of offshore lands in this country, we will find that it is the major oil companies who have the money to do it. One of the reasons why they have the money to do it is that they can afford to take risks.

Mr. MATSUNAGA. That is correct.

Mr. BUMPERS. Many of the small independent drillers in this country cannot take those risks but would like very much to get a piece of the action. If the United States does some of this exploratory drilling and finds oil is there, we are just quarreling about the price. Then the independent can go to the banker and get some money when he knows the oil is there. All he has to do is produce it. But if he has to go to the banker and say, "There's a 200,000-acre lease that I can bid on, and I think there's oil there, so would you please lend me about $10 million to $25 million to go out and see?" the banker is going to say to that small independent, "Your financial statement doesn't warrant that kind of loan on that kind of risk."

So I am saying that it would be very helpful to allow some of the smaller oil companies, the independents, to get a piece of the action, and that is the only way they can get it.

Mr. MATSUNAGA. I believe that under other provisions of the bill, the smaller oil companies will be given the opportunity to bid, under a revised system of bidding which is provided for in the bill.

My concern here is that the taxpayers' money—and I am a taxpayer—will be used to go out and explore, to take great risks; whereas, the oil companies are willing to do all this with their own money.

As the Senator from Arkansas pointed out, the oil companies have been bidding higher than the Secretary believed the land to be worth in the past. Since there are as many as 17 oil companies bidding against each other, they are not going to bid without some knowledge of what they are going to be able to get out of their leasehold. If by doing this they can still give us a good return for Government leaseholds, we should let private industry continue to do it.

I am firmly of the philosophy that only where private industry fails or refuses to enter an area which should be explored should Government step in.

Mr. BUMPERS. I will make one final point, and then I am not going to let the Senator take any more of my time, since he is opposed to this amendment.

It is true that the Secretary was able to get 3½ times as much as he thought the leasehold was worth. But that $2.179 billion was peanuts compared to what he would have received if he had drilled it first and found that oil was there.

Mr. MATSUNAGA. I thank the Senator for yielding, but I must, in closing, remind the Senator that there are also great risks involved in exploration, and the Government, after spending huge sums of the taxpayers' money could end up with finding no oil at all. Without the amendment, the fruitless exploration for oil would be at the expense of the oil companies, with private enterprise, as it should be.

Mr. ABOUREZK. Mr. President, will the Senator from Arkansas yield some time?

Mr. BUMPERS. How much time do I have, Mr. President?

The PRESIDING OFFICER. The Senator from Arkansas has 17 minutes.

Mr. BUMPERS. How much time does the opposition have?

The PRESIDING OFFICER. The opposition has 44 minutes.

Mr. BUMPERS. If the Senator will wait, I should like them to use a little of their time.

Mr. ABOUREZK. Perhaps the Senator from Wyoming will yield me time.

Mr. HANSEN. It depends on whether the Senator is a friend or enemy. [Laughter.]

I yield myself such time as I may require, and then I intend to yield to the Senator from Louisiana.

Mr. President, we bandy words around in this Chamber oftentimes without realizing completely what is meant by them.

The distinguished Senator from Arkansas, my good friend, says that the oil companies knew—he uses the word "knew"—more than the Secretary knew. The oil companies did not know anything, or at least they did not know whether oil was there or not. They placed and made their bid on what they expected or hoped to find down there.

I make the point that the Destin Dome leases in the coastal area of Florida yielded the Federal Government $1.4 billion, when you add together the amount of money that was bid by the various oil companies.

I hope that the distinguished Senator from Arkansas will note this, too: 14 holes were drilled in that area, and not one producible drop of oil was found. If you want to lease that land today, you can lease it, for one very good reason: The people who paid $1.4 billion for it did not find any oil in commercial quantities down there, and they did not want to drill any more holes that they thought might be dry, because they had had that questionable pleasure 14 times.

Some people say that the American people own this land, and they would have us bleed for our children because we are giving away a resource when we do not know what it contains. This law has worked pretty well. The U.S. Government has received 86 cents out of every dollar of oil and gas that has been produced so far on the Outer Continental Shelf.

It is all right to run private industry down, and it is all right, particularly in this day and age, to run the oil business down. However, there is another side of the coin that we had better look at, and it was looked at and examined and debated in great detail by the Committee on Energy and Natural Resources.

I associate myself with what the distinguished Senator from Louisiana has said, because I believe he is 100 percent right.

Let me tell the Senate how good the Government is. The most appropriate example that I have in mind of Federal contractual exploration is in the Naval Petroleum Reserve No. 4.

It has recently been changed to the National Petroleum Reserve, Pet 4, and that is what they refer to it as in these days, and it has been for some time under the stewardship of the Federal Government in the person of the Department of the Navy, with the aid and counsel of the U.S. Geological Survey for many decades.

During that time the Federal Government has spent nearly $200 million in terms of 1976 dollars in exploration for oil and gas in Pet 4.

The last time I checked, Mr. President, I found that in the whole of Pet 4, an area that competent geologists still believe contains much oil and gas, after having spent nearly $200 million, the Government of the United States, through the U.S. Geological Survey, has presently reached a production of about 40,000 cubic feet of gas per day. They have found no oil in commercial quantities in Pet 4.

Now, the total reserves are similarly dismal in this area.

I must point out the bulk of that $200 million was spent in contracts to private companies that were acting at the direction of the Federal Government.

Let me also say that Senator JACKSON, when he introduced his amendment, this amendment, said, and I quote from the RECORD:

> While the Secretary already has the discretionary authority to gather information and do exploratory work, I believe that Congress should direct the effort.

So I agree with my good friend from Hawaii that if he already has that authority why do we need this amendment? What some people would say is whether you think it is prudent or not, whether you believe as the person responsible for the stewardship of the Federal lands and the Outer Continental Shelf, whether it makes sense for you to do the drilling, we are, in effect, going to tell him he has got to do the drilling.

Well, I think we ought to consider these facts: first, has the present law worked? Have the American people gotten back a fair return? Are we finding oil and gas in significant quantities under the present operation of the law?

Any person who has looked at the facts, I think, inescapably must conclude the answer to each of these questions in

a resounding "Yes, it has worked; it has worked well." I see no reason at all to put the Government into the business.

We have never tried to opt the U.S.S.R.'s way of doing business because we recognize, as Americans, there is great strength, vitality and diversity in turning people loose to do their thing, the thing they know best to do.

I think here is a case of great expertise, plus sufficient cash backing to do the job well, plus the intensification and the full dedication of effort that we have seen on the part of the industry to find the oil and gas we need.

I do not think we need this amendment. It was not the conclusion of the Energy Committee that we needed this amendment. I find nothing to persuade me now that we need this amendment.

I would like to yield such time as the distinguished Senator from Louisiana may require.

Mr. JOHNSTON. I thank my distinguished friend from Wyoming.

Mr. President, as usual, it seems that when we get into arguing amendments here on the floor we, on both sides of the amendments, frequently tend to obscure the real facts and overdramatize and, perhaps, in the process, mislead the people.

Let me make it very clear what this amendment does not involve. This amendment does not involve a fight between the oil companies and the people. Everybody in the Senate represents the people. Everybody wants to get the best deal for the people. We want to find the most oil at the least cost for the people with the greatest amount of speed. On both sides we want to do that and, I think, everybody recognizes that.

I certainly submit that the proponents of this amendment are sincere in what they want to do. They are trying to do that. But, Mr. President, I think the basic fault with this amendment is that it misconceives the nature of geology and how oil is deposited and what it takes to find that oil, and it misconceives the difficulty of the Government getting in and doing that job.

If I may just say a word about how oil is deposited, if anybody does not know——

Mr. HANSEN. Mr. President, if my good friend from Louisiana would yield for just one question, let me ask that question because it seems appropriate at this point to put it: Is not part of the argument, a significant part of the argument, not over the moot issue of whether this factual information is available now to the Government but rather over the access to proprietary interpretation of this data we are talking about partly in this amendment? Would my friend comment on that?

Mr. JOHNSTON. I think that is a real problem submitted by this bill because it is all opinion, most of it is opinion, and very little of it is fact.

Mr. HANSEN. Does not the Government actually want access to the interpretive data, that is, the conclusions reached by industry people as they examine the factual data obtained from the drilling itself?

Mr. JOHNSTON. That is correct.

Mr. HANSEN. I thank my friend.

Mr. JOHNSTON. Mr. President, there is no oil found—there is no oil field anywhere in the world that I know anything about—that does not occur with reference to what we call a structure. A structure is an aberration in the way that the various layers of soil and rock have been deposited. A structure is a dome or an anticline or some kind of fault in the way those sands are laid.

Now, all oil was deposited originally in a beach environment. Even in Alaska, the North Slope was at one time, those oil fields, a beach environment where all the little fossils and fish and what have you decayed and formed oil.

But where those sands occur in a flat deposit, where it is like a desert, shall we say, underground, and it is flat, there is no oil to be found because oil does not occur in that kind of way. It has to occur with a tilt in that sand where the oil can flow up through the sand and be deposited against some abberation which we call a fault. That is what we call a structure.

Now, the point I made a moment ago when I showed that map of the Gulf of Mexico is that there are literally hundreds of structures in the Gulf of Mexico, and there are hundreds of structures out in the Atlantic, and the point is that by drilling on one of those structures, you do not find out what is on the other structure.

So we start off with the fact that this amendment, if it is going to be effective, would involve a monumental amount of drilling because just to find out what is on one of several hundred structures does not tell you anything.

How big a job is it to find out what is on one structure? Well, we know that they dropped $1.4 billion, that is including the bonuses, to find out what was on the Destin Dome. That was one structure.

We know they drilled many, many wells out in the North Sea before they ever found the Ekofisk field, so sometimes hundreds of wells can be drilled on one structure, keeping in mind that a structure can be a vast area, before you can either condemn the structure as containing no oil or you can determine how much oil it does have.

So, Mr. President, when we talk about whether the people are entitled to the information, let us understand how big the job is for the people to get that information.

I think the Senator from Colorado (Mr. HASKELL) put it very well, and that is, the bottom line question is, who best can drill the oil for the people of this country. Is it private enterprise or is it the Government? If you believe the Government can best do it, then vote for this amendment. But do not fool yourself into thinking that the Government can go out on a very small program and contract with a few oil companies and find out whether there is "oil on the Atlantic Coast or not."

It simply cannot be done, Mr. President, because the job is too vast.

It has been said that the Government is going to hire the same experts as the private companies. The problem with that, Mr. President, is that the Government when it hires those private companies has to tell those private companies what to do.

Therein lies the fault with this amendment. The Government, of course, proceeds on bids and advertisements when they go to hire a private company. The Government just cannot go get some company and say, "Come along with me and we will drill for a few days and decide what we are going to do." When you contract with the Government, Mr. President, you do so on a bid. The bid has to say precisely what is going to be done, how many holes, how deep each one of these holes is going to be, and where that hole is going to be located.

That is the kind of information that the Government must put in its bid and put in its advertisement before it goes out and seeks a private contractor to drill.

That is the second real fault with Government drilling because the oil business just simply does not work that way, Mr. President. The oil business works on flexibility, and on-the-spot and speedy decisions because you need to be able to go out and drill that first well and based on what you find on the first well then you determine whether to go out and drill your second well, how deep to put your second well, how much mud to put in your second well, what kind of angle to drill it at, and all those multiplicitous decisions that are today made in the private sector by oil companies drilling on the Outer Continental Shelf. The problem is if you get the Government to lay out a program for a set of wells that they are going to drill, determined today for what you are going to do next year, then you end up, first of all, spending more money for it and, second, you end up very much like a coach if he tried to call every play of a football game in advance of the time the game starts because the business of searching for oil varies from day to day.

We had a witness before our committee who was the drilling contractor in the North Sea for the Ekofisk field, and he found the Ekofisk field. He pointed out to us that he was drilling at that time. As I recall it was for Royal Dutch-Shell. He said they had already drilled seven wells out there which were all dry holes, and Shell was telling him to go ahead and try to find someone else to contract his rig to because they had given up hope. But they had already contracted it and so he said he went ahead and drilled that final hole and on that basis found the field. That decision is the kind of decision that needs to be made on the spot based on what has happened on the other holes because it is a very fluid business.

Mr. President, the basic questions here are: How do we best find the oil, what is the cheapest cost, and what is the greatest speed of getting it? In my view, Mr. President, there is no question that private enterprise has proven that it can do those jobs better than the Federal Government.

I thank my colleague from Wyoming.

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS. Mr. President, I ask unanimous consent that a quorum call be in order and not be charged to either side and not to last for more than 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. I ask unanimous consent that Bud Walsh and Deborah Stirling of the Commerce Committee staff be afforded the privilege of the floor during this debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I ask unanimous consent that Richard Arnold and Arch Monroe of my staff be permitted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I yield to the Senator from Illinois such time as he may desire.

Mr. PERCY. Mr. President, I wish to make it very clear, indeed, to my distinguished colleague, the minority manager of the bill, that I share in common with him an absolutely firm conviction that the U.S. Government should stay out of the oil business as such, that is, getting into the drilling, distribution, transmission, and selling of petroleum products. The Government has plenty to do, and it does not do very efficiently and effectively many times what it undertakes to do. As long as we have an efficient highly competitive industry, as long as we have a vigilant antitrust division in the Justice Department, as long as we have adequate but not excessive regulation to protect the public interest, which has generally supported the adequacy of that by responsible business itself, then I see no reason whatsoever for the Government to get in the oil and gas business. I would do everything humanly possible as a Senator to oppose that.

I have great respect for Senator STEVENSON, my colleague from Illinois. We see eye to eye on a number of things. But we have seen differently on the Government getting into the oil and gas business. We have seen differently on revenue sharing. I have always maintained respect for his position but vigorously opposed him on certain of those positions.

In this case, I find myself in opposition to my distinguished classmate and my esteemed colleague, but I wish to assure the distinguished Senator from Wyoming that in offering and supporting this amendment by no stretch of the imagination would I ever want to have it used as a foot under the tent or a nose in the tent or a means of the Government inching its way into the business that is competently carried on, I think, by the private sector.

This amendment would simply direct the Secretary of the Interior to contract for exploratory drilling where the Secretary determines that drilling is necessary to gain better information about the publicly-owned oil and gas resources of the Outer Continental Shelf. Federal contracting for drilling would supplement information gathering provided for by section 26 of S. 9 and work being done by the oil and gas industry. It would also provide information about new areas which industry has been unable or unwilling to explore. There have been various estimates reported by the U.S. Geological Survey, by industry, and by other sources, regarding the resource potential of the OCS. It is essential for the Federal Government to know as much as possible about the extent of our OCS resources, because decisions about leasing must command full public confidence.

I may be oversimplifying this but I rather feel that when the Government has an inventory of anything it should know what it has. It is no different than the private sector.

The private sector owns land, and it has mineral resources underneath it. It has a duty and an obligation to its stockholders to find out what it has got. It should not sit there with land that has no known value.

But they cannot place a value on it if they do not know what they have. It is no different than the Defense Department. If they have a great deal of equipment in several plants and various places, they ought to have an inventory of it and know what they have got.

Occasionally the Government, in its various forms and sectors, whether it is GSA, the Department of the Interior, or the Department of Defense, sells some of the property it has. It cannot sell it unless it knows what its value is, what the extent of the property is and what the inventory is.

As I say, I would be happy to listen to any further arguments, but in a sense this is what the Secretary of the Interior is doing. He has public land. This land has vast resources underneath it. We know that. It is up to the Secretary to determine and find out what he has got.

He has the right to do it right now. All we are saying is that Congress feels—or the supporters of this amendment feel, and I hope that will be the Senate and the House of Representatives—all we are saying to him is, "We think you had better find out what you have got, eliminate all of this guesswork, and determine by the best possible methods you can, go in and find out what you have got, and do not be as erroneous about what you have got as you have been in the past. You have missed the mark so many times you have made the Government look foolish. It looks like we do not know what we are doing."

If the private sector made as many errors as the Government is making in its estimates of what it has, I think the stockholders would fire the board of directors. Someone would demand that there be a better accounting of what they have got.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. PERCY. I yield.

Mr. JACKSON. I congratulate the distinguished Senator from Illinois for hitting the nail right on the head. All we are trying to do in a specific situation is find out, basically, an inventory of the Government's property. The objective is not to put the Government in the oil business, as I have said over and over again. We will hire the oil companies to go out and do the drilling in fragile or sensitive areas, where there is great controversy, to see that it is done correctly.

I think the contentions of the industry are incorrect. Anything the Government might do is automatically construed by them to be antibusiness, which is, as I say, incorrect. This is just good, prudent business practice, and I think that is the sum and substance of the Senator's statement.

Mr. PERCY. I should think any American citizens, and certainly American citizens involved in the energy field, would think we would be out of our minds if we would stand on our reputations and just keep on guessing.

Mr. JACKSON. Is it not true that no private firm would ever put itself in that position?

Mr. PERCY. No private firm would ever dare be in that position, or dare admit it. But we publicly admit, by some of the things we say and do, that we do not know what we have, and make no effort to find out. In fact, we so grossly underestimate it that the private sector has proved time after time that it knows better what the Government owns than we know.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. PERCY. I would like to make one further point on that particular factor, and then I will be happy to yield.

If we have a national forest—let us get it a little closer to home; I have used the illustration of the Department of Defense and the Department of the Interior, but if, say, we have national forests, we certainly would want to know what our stock is. No one would charge that we were going into the lumber business or the furniture business or some other business if we take an inventory and know how many trees we have. I think it is only common sense for us to figure out what we have, so that we can tell, and know what we can expect, when we put these public lands out for bids and open them up to the private sector.

We are not saying the Department of the Interior is directed or authorized to go into the exploratory drilling business. All we are saying is they are requested to go out and contract for it, to use the

very same contractors that the private sector, the oil companies use, the drillers, to go in and use those private sector techniques, but have the report come to the Government rather than to the oil and gas industry. That is all we are saying.

I am happy to yield to the Senator from Utah.

Mr. HATCH. Will the Senator explain to me who is going to pay for this? Would the Government pay for it, out of general revenues?

Mr. PERCY. I would assume when the Secretary of the Interior places the contract, and he owns vast tracts of public lands or properties, and he directs that a contract be placed to make some exploratory drillings to find out what is there, of course the Government would pay for it.

Mr. HATCH. We would have to.

Mr. PERCY. I would be rather suspicious if someone else paid for it, because you cannot serve two masters, and the contractor works for whoever pays for it. So therefore the Department of the Interior ought to pay for it, so that the contractor is perfectly clear that his duty and his responsibility is to the Department of the Interior, to give them an accurate assessment of what we have.

Mr. HATCH. So basically, if I understand the Senator correctly, what he is saying is that the Government will hire independent contractors to go out, in essence, and do geophysical surveys, and do drilling to determine exactly what the Government has, before leasing its lands to others in the private sector?

Mr. BUMPERS. That is correct.

Mr. HATCH. The Senator is saying the reason we should not be giving this task to the private sector is that the Government needs to know about the resources it has before they do?

Mr. PERCY. That is right.

Mr. HATCH. And that no intelligent businessman in the private sector would want to go ahead and take the high monetary risks and other risks to drill offshore in these areas, if I understand the Senator correctly?

Mr. PERCY. If we may separate the two, this has nothing to do with privately held mineral resources. The companies have the right to go in and do exploratory drilling, do anything they want with their own property. All we are saying is that before we take public resources and open them up so that the private sector can come in, all we want to know is, approximately what can we expect as the floor below which we would not accept bids?

When I continue with my prepared comments, I will give some specific illustrations of where we have been so grossly wrong that the Government really looks as though it does not know what it is doing.

Mr. BUMPERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUMPERS. How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Arkansas has 5 minutes remaining.

Mr. PERCY. I have another 4 minutes——

Mr. BUMPERS. I have promised the Senator from South Dakota (Mr. ABOUREZK) 2 minutes, so I would like to reserve 2 minutes for him at the end.

Mr. HATCH. Mr. President, will the Senator from Wyoming yield me some time to ask some questions of the distinguished Senator from Illinois?

Mr. HANSEN. Yes. How much time does the Senator require?

Mr. HATCH. Could I just take 3 more minutes?

Mr. HANSEN. Fine.

The PRESIDING OFFICER. The Senator from Utah is yielded 3 minutes by the Senator from Wyoming.

Mr. HATCH. So basically what the Senator is saying is that this approach would be—I would suggest this would be a good characterization—a major departure, but the Senator feels a good departure, from the leasing programs of Federal Government lands that we have utilized in the past?

Mr. PERCY. It is what the Senator from Illinois thinks the Government should have been doing all along.

Mr. HATCH. But it would be a major departure from what this Government has been doing all along, even though the Senator thinks it would be a good idea, as well as a number of others. Is that correct?

Mr. PERCY. I personally do not know. I would hope the Department of the Interior has done this in the past, but I know this, that they should in the future. The position only is not what they have done in the past but what they should do in the future. We are making policy and that is where we are trying to go. The Senator from Illinois is determined, as a cosponsor of this amendment, that that is the area which should be opened up now and it is only a prudent position for us to take.

Mr. HATCH. I understand that position. But if this is so difficult to do, why do so many private sector companies want to get out and take these horrendous risks to see if they can locate on leases they own from the Government pursuant to a policy in the past concerning oil and gas on the continental shelf?

Mr. PERCY. The Senator knows very well that they do it because apparently the risk is worth it over a period of time.

Mr. HATCH. When they did do it, they always wound up paying some sort of a royalty set by law, by the Congress, to the United States, is that correct?

Mr. PERCY. Yes, that is correct. But, of course, as the distinguished Senator well knows, there are negotiated arrangements when bids are placed. Take the Colorado situation on shale. The contract was negotiated finally that Gulf and Standard Oil would pay $42 million a year for 5 years for the rights they have. That figure was set on a negotiated or a bid basis. The same thing is true here. All we want to know is roughly what are the parameters, what should those bids look like. When I give some specific cases, I hope those specific cases will be so appealing to my distinguished colleague he could support the amendment.

Mr. HATCH. I appreciate the Senator's comments and his feelings in this matter. I have just one other question. Does the Senator think it would be better under the circumstances, rather than allowing the Federal Government to go out and pay for this and to allow Federal bureaucrats to really manage a system of drilling and exploration on the Outer Continental Shelf, to allow the private sector, pursuant to a policy which has existed from the beginning of mineralization discovery in America, to go out and take those risks for us, rather than have the taxpayers, the public, pay for them? Would that not more than balance off what we might make by having a bureaucracy do something? I think I would be fair in stating I have not seen a bureaucracy yet do anything in business that would even compare to the private sector's efforts.

Mr. PERCY. We are not saying how many drillings they have to take. We are are not specifying what they have to do, other than the fact that this is a principle which should be established, which is now permissive but which we think should be mandatory.

The PRESIDING OFFICER (Mr. MATSUNAGA). The time of the Senator has expired.

Mr. HATCH. Will the Senator yield 1 additional minute?

Mr. HANSEN. I yield 1 additional minute.

Mr. HATCH. I wanted the Senator from Illinois to complete his statement.

Mr. PERCY. I simply feel that the principle being established is a principle which is in this amendment coming from the Congress as a mandate for the Department of the Interior to go out and find out what we have and not have as many mistakes in judgment as we have had, and the possibility that the public interest is not being fully taken into account.

Mr. HATCH. I have a high regard for my distinguished colleague and friend from Illinois, but I would like to point out that I feel the old system is better. Instead of placing it in the hands of bureaucrats, who may or may not know anything about the oil and gas business, and I think if we look at the President's energy program there is a good indication that they do not know anything about the oil and gas business, we ought to let the private sector go out and find it and pay a royalty, a policy which has been a fine policy, and not put the risk on the taxpayers of this country. That is why I feel strongly against this amendment, even though I appreciate the opinions and feelings of my distinguished colleague and friend from Illinois.

Mr. PERCY. I appreciate the interest shown by my colleague.

It is important that the public be assured a fair return on the sale of our OCS resources. The Interior Department has often undervalued tracts prior to leasing them, setting minimum acceptable bids far below what oil companies have offered. For example, in the March 1974 Louisiana offshore lease sale the Government's estimated value of

the tracts was $679 million; bids amounted to nearly $2.175 billion. In one spectacular miscalculation—tract 64, Interior estimated the worth of the area at $5.6 million and Exxon bid $76.2 million. Mistakes can be made in overvaluing as well as undervaluing. In lease sale number 35, off the California coast, Interior's estimated value of the area of $2 billion actually received only $400 million in bids. It may be difficult to determine whether we have been underselling our valuable energy resources over the long term, but every new bit of information such as that made possible by our proposal would increase the knowledge and thus decrease the risk to the public, helping to assure a fair return.

While the Secretary already has the discretionary authority to gather information and do exploratory work, we believe that Congress should mandate the effort. The oil industry has argued that a Federal drilling program "violates the basic principle from which the American economy has gained its strength and runs counter to free enterprise competition." This information program in no way authorizes Federal production of oil and gas. In fact, it cannot lead to that end under this legislation. It is purely a Federal contractual program, similar to contracting for defense work or other jobs which must be done in the national interest. However, a principle which everyone must remember is that the OCS is publicly owned land—land owned by and for the benefit of all the people of the United States. The OCS is not privately owned land. Therefore, the public has an inherent right to know what resources it owns.

The program would not cause delays in leasing the OCS. The amendment does not require the Secretary to contract for drilling prior to leasing in each area of the OCS. Thus, the Secretary could proceed with his regular leasing schedule in those areas of the OCS where he believes that leasing is consistent with the provisions of S. 9.

Furthermore, the information program could well lead to leasing of areas which, because of concerns about potential impact on the marine and coastal environment, might not otherwise be made available for development. The information gained would assist the Secretary in determining whether exploration could be done in an environmentally safe manner and whether the potential size of the oil and gas resource in the area warranted further exploitation. With such information, the Nation's critical need for additional energy resources could be intelligently balanced with the desire to protect the marine environment.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 2 minutes.

Mr. ABOUREZK. Mr. President, I ask if the Senator from Washington will yield me 5 minutes on the bill.

Mr. JACKSON. Mr. President, a parliamentary inquiry. How much time remains?

The PRESIDING OFFICER. Two minutes.

Mr. JACKSON. I will yield 2 minutes on the amendment and 3 minutes from the bill to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 5 minutes.

Mr. ABOUREZK. Mr. President, in listening to the debate on this particular issue today, the opponents of the Jackson amendment have zeroed in on two major points: First, that it is a question of the Government getting into the drilling business, that they are worried about the taxpayers' money being spent to find out how much oil the Government owns, and, second, that the Secretary of the Interior will have to go in and do a lot of drilling.

I do not know what that particular point has to do with it.

I might say I think the issues are misrepresented. It is not a question of whether or not the Government is going to get into the business, whether a bureaucracy is going to be involved in drilling for oil. What it really amounts to is what Senator PERCY said. That is if a company operated with its own resources, like the U.S. Government operates with its resources, they would fire the board of directors.

That is just exactly what the stockholders of this company, the Government, might do if we do not take control and find out what our resources are. I think they deserve to be fired, if that is the case.

If one goes out to the reception room right now, one cannot get through there, it is so thick with oil lobbyists. One cannot walk through. If anybody here thinks the oil lobbyists are worried about the taxpayer's dollar, they are deluding themselves. They are worried about the profits of the oil companies, and maintaining those profits at the expense of the Government and at the expense of the taxpayers.

There is not a thing wrong with the Government trying to find out what its inventory is, what resources it has. In fact, if we do not find out, I think we are fools.

I would submit that if we walk away from here today defeating this amendment, the oil company people out in the lobby are going to be walking away laughing up their sleeves and they would have a right to do so.

I urge the adoption of this amendment. I believe it is about time we found out exactly what we own and what we ought to charge for what we own. Let us not let the oil companies dictate our policy. I think we ought to dictate it for ourselves. I yield back any remaining time.

Mr. STEVENS. Will the chairman yield?

Mr. JACKSON. I thank the Senator from South Dakota.

May I first yield 2 minutes from the bill—wait a minute.

Mr. HANSEN. Mr. President, Senator JACKSON may be given 2 minutes on my time.

Mr. JACKSON. I thank the Senator very much.

Thanks to the generosity of the Senator from Wyoming, I will yield 2 minutes——

Mr. HOLLINGS. Let Senator Stevens go first. He has to leave.

UP AMENDMENT NO. 656

Mr. STEVENS. I have an amendment which I understand will be agreed to. I have an appointment downtown. If the Senator will allow me to offer the amendment——

Mr. JACKSON. If the Senator will offer the amendment, he is allowed 30 minutes on the amendment.

Mr. STEVENS. It is not in order yet because the time has not expired, but if the Senator will permit me, I will send it to the desk and ask that it be in order.

Mr. JACKSON. Send it to the desk.

The PRESIDING OFFICER. Is this an amendment to the amendment?

Mr. STEVENS. It is an amendment to the amendment.

The PRESIDING OFFICER. Without objection, the amendment will be stated.

The legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an unprinted amendment No. 656 to amendment No. 493.

Mr. STEVENS. Mr. President, I ask that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At page 1, line 7, strike the period, insert a semicolon and insert the following: *"Provided further,* That budget requests for the funds necessary to implement this subsection shall be displayed as a separate line item and appropriately justified, as part of the Department's annual budget request; and that no such budget request may be made to the Congress until the Secretary has made every reasonable effort to avoid such Federal expenditures and has published in the Federal Register, a request that potential permittees apply for a permit to participate in a continental offshore stratigraphic test or other such test drilling operations as are authorized by regulation.

Mr. STEVENS. I will be very brief, Mr. President. The purpose of this amendment is to insure that budget requests for money to participate through the procedures set forth in Senator JACKSON's amendment will be displayed as a separate line item and justified separately, that no budget requests may be made to Congress until the Secretary has made every reasonable effort to avoid these expenditures, and that the Secretary must publish a notice in the Federal Register for potential permittees applying to participate in this type of offshore stratigraphic tests or such other drilling operations tests as are authorized by regulation.

What this really does is give those of us who are on the Appropriations Committee an opportunity to evaluate whether this is a necessary Federal expenditure, and to insure that every reasonable effort has been made to obtain the desired information through private participation. I am pleased at the cooperation of my good friend from Washington and his staff and that of the Senator from Wyoming in agreeing this

problem should be watched by the Appropriations Committee.

Mr. JACKSON. Mr. President, I am prepared to accept the Senator's amendment.

Mr. HANSEN. I am prepared to accept it for our side.

Mr. JACKSON. I think it strengthens the amendment that I offered earlier today. I think we are prepared to vote. I yield back my time.

Mr. STEVENS. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 656—AS MODIFIED

Mr. JACKSON. Mr. President, my good friend from Wyoming will yield 2 minutes to the Senator from South Carolina on the balance of his time. Then I am prepared to yield back the remainder of my time. I do not have any to yield back.

Mr. HANSEN. I shall first hear what the Senator from South Carolina says. This is a magnanimous gesture on my part.

Mr. JACKSON. I hope the Senator from South Carolina is not compromised.

Mr. HOLLINGS. It is a magnanimous gesture. I thank the floor manager and particularly the Senator from Wyoming.

Mr. President, with respect to the Government getting into the business, nobody really has any idea of the Government's handling the business. Those of us who talk with alarm should have a better sense of history with respect to this Government and the exploratory and geological efforts made heretofore which have made us successful. The fact is that the Government and the industry have been in lockstep over many, many years. The first gentleman who did any drilling in Teapot Dome was a young Navy lieutenant named Jack Bridges, who later came back to the Senate as director of our Joint Atomic Energy Committee. The Senator from Connecticut and the Senator from Washington will remember. He is now down at the Center for International Studies.

The naval petroleum reserve was just that, a naval petroleum reserve. The British, under Winston Churchill, in 1916, came and took over that reserve for the Government, as a result of the Navy getting into oil supplies and the Government getting into the business. We have resisted any production for manufacture, but as for lack of any knowledge of what is contained on our Outer Continental Shelf, I once asked a person by the name of Carter, James Carter, president of Gulf Oil, a question. He was testifying before our committee about 5 years ago. At that time, they were proposing the sale of 10 million acres. I said:

Mr. Carter, if Gulf were to sell to Exxon those 10 million acres, don't you think it would be a pretty good idea to know just exactly what was out there so you would know whether you got a fair price?

He said:

Certainly; that is the first thing we should do, before we put it up and make a deal with Exxon.

I said:

If that is a good practice for industry, why not for Government, to have a look at it, go in and do exploratory drilling on a selective basis from the very beginning?

We have worked with the oil companies, Phillips as an example, and they have worked with 11 other companies on a basis of support for this type of approach, for us to find what is really there and protect the public's interest.

With that in mind, I am glad to support the amendment of the Senator from Washington. I thank the Senator from Wyoming for his 2 minutes.

Mr. JACKSON. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HANSEN. Mr. President, I yield such time as the Senator from Louisiana may require.

Mr. JOHNSTON. Mr. President, very briefly, in summary, a bipartisan effort on the Committee on Energy beat this amendment by a vote of 11 to 7. We beat it by almost 1½ to 1 for some very basic, simple reasons.

First, we thought it would cost the Government a great deal more money. We think that is demonstrably true.

Now, when private enterprise searches for oil, as the distinguished Senator from Hawaii said, private enterprise pays for that right. This amendment would reverse that and the Government would pay drillers to go out and drill.

Second, we are dealing with delay, inordinate delay, while we, first, have Government geologists decide which holes to drill and where, and, then, put out bids, with advertisements and all of that. Then we finish the drilling program and then we have to go to the leasing program. We are talking about inordinate delay.

Finally, we are talking about less oil for the American consumer. We are talking about replacing the most successful, the most technologically superb group in the world, American oil experts. We are going to replace those by whom? By the Federal Government, by geologists in the Federal Government, to determine where the holes will be drilled.

Mr. President, so far as I know, there is not one single geologist in the Federal Government who has ever drilled an oil well offshore. If he has, he did not get that experience in Government work; he got that experience on the outside. The reason for that is very simple: First, the Government has never been in the business. Second, if the Government were in the business, it could not afford to pay the salaries to get the highest and best-skilled people. That is because, to pay a good geologist to decide to drill out in the Gulf of Mexico and whether to expend a billion dollars, as on the Destin Dome, they have to pay them big salaries, more than a Senator makes; more than a Cabinet member makes, as a matter of fact.

We just do not have any of those people that exist in the Federal Government.

Mr. ABOUREZK. Will the Senator yield for a question on that point?

Mr. JOHNSTON. For one question, yes.

Mr. ABOUREZK. Does not this amendment anticipate the Government's contracting that to drilling companies, rather than hiring bureaucrats? Is that true?

Mr. JOHNSTON. No, the amendment does not contemplate that. The amendment contemplates that the contractors do what the distinguished Senator from Colorado described as the pick-and-shovel work, the punching of the hole. But it is the Government geologist who would tell them where to put the hole and how deep. They are not simply turning it over to private enterprise and saying, "Go out and explore off the Atlantic and wherever you explore, or however much bill you run up is fine with us." Rather, it is contemplated that some geologists in the Geological Survey, I suppose, would lay out a program, put that out for bids, and then the contractors would just punch the holes to the depth and in the places called for in those bids.

Mr. ABOUREZK. But, in fairness, the Senator was saying in his argument that it would be the Government geologists doing the punching, when, in fact, the truth is that it would be private contractors who would be doing the punching.

Mr. JOHNSTON. No; what I said was that the geologists would be determining where to punch those holes. That is the key question.

The digging of that hole, as much technology as that requires, is not nearly as difficult, does not involve the risk that determining where to put the hole does, because determining where to put that hole is the difference between losing $1,044,000 on the Destin Dome and hitting Cognac Field off Louisiana.

That is the whole story, you see. We are going to replace that brainwork, that creative work, with Government geologists as opposed to private geologists. That is what this is about.

Mr. ABOUREZK. The Senator is saying that is not good enough.

Senator JACKSON wants to say a word.

Mr. JACKSON. I will take time off the bill for my response.

Mr. HANSEN. How much time does the Senator require?

Mr. JACKSON. One minute.

Mr. HANSEN. I yield 2 minutes.

Mr. JACKSON. Mr. President, let me straighten something out here, if I can. There are two factors on this: First, the Government can decide where to drill. However, that is not the only way to do it. Let us take Petroleum Reserve No. 4, a classic example. The Husky Oil Co., a very fine oil company, has been doing the job for the Government to ascertain where to drill. In that case, the Government has called upon the oil company to do it. The actual drilling, under this proposal, there is no dispute—even the Senator from Louisiana does not claim otherwise—will be done by private oil companies or private drillers. But if the Government owns all this property, to me, it makes no sense that the Government of the United States cannot take an inventory and find out what it has in certain limited situations.

The bill does not require the Government to drill. There is no provision for

a force account. It is a straight private enterprise working for the Government of the United States. The best evidence of it is petroleum reserve No. 4, in response to the question asked earlier where the Government hired Husky to make decisions even as to where the drilling should take place.

They do both—making the decision as to where and then the actual drilling.

I just thought the record should be clear on that.

Sure, we lost in the committee. We lost 2 years ago in the committee. But the Senate voted it in.

I am perfectly agreeable to letting the Senate decide shortly, one way or the other.

Mr. JOHNSTON. Mr. President, I simply hope the Senate will uphold the action of the committee, which was taken by a vote of 11 to 7.

I think the facts very clearly support that action of the committee.

Mr. JACKSON. Mr. President, I yield back the remainder of my time.

Mr. HANSEN. I yield back the remainder of my time.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that two members of my staff, Elvira Orly and Kathryne Bruner, be granted privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Washington, as amended. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. McCLELLAN) is necessarily absent.

Mr. BAKER. I announce that the Senator from Alaska (Mr. STEVENS) is necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. STEVENS) would vote "nay."

The result was announced—yeas 52, nays 46, as follows:

[Rollcall Vote No. 285 Leg.]

YEAS—52

Abourezk	Glenn	Moynihan
Anderson	Hart	Muskie
Bayh	Hathaway	Nelson
Biden	Hollings	Nunn
Brooke	Humphrey	Pearson
Bumpers	Inouye	Percy
Burdick	Jackson	Proxmire
Byrd, Robert C.	Javits	Randolph
Cannon	Johnston	Ribicoff
Case	Kennedy	Riegle
Chiles	Leahy	Sarbanes
Church	Magnuson	Sasser
Clark	Mathias	Stennis
Cranston	McGovern	Stevenson
Culver	McIntyre	Williams
DeConcini	Melcher	Zorinsky
Durkin	Metcalf	
Eagleton	Metzenbaum	

NAYS—46

Allen	Ford	Laxalt
Baker	Garn	Long
Bartlett	Goldwater	Lugar
Bellmon	Gravel	Matsunaga
Bentsen	Griffin	McClure
Byrd, Harry F., Jr.	Hansen	Morgan
	Haskell	Packwood
Chafee	Hatch	Pell
Curtis	Hatfield	Roth
Danforth	Hayakawa	Schmitt
Dole	Heinz	Schweiker
Domenici	Helms	Scott
Eastland	Huddleston	Sparkman
Stafford	Thurmond	Weicker
Stone	Tower	Young
Talmadge	Wallop	

NOT VOTING—2

McClellan	Stevens

So Mr. JACKSON's amendment, as amended, was agreed to.

Mr. JOHNSTON. Mr. President, I will shortly move to reconsider. I will only be about 5 or 10 minutes in this conversation.

Mr. BUMPERS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

The time is controlled. Who yields time?

Mr. HANSEN. I yield to the Senator such time as he may require.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. JOHNSTON. Mr. President, this amendment was considered at great length by the Committee on Energy and Natural Resources. It was rejected by the Committee on Energy and Natural Resources by a bipartisan front, by a vote of 11 to 7. The reasons for that are very, very clear.

This is no small amendment. This is no amendment just designed to let the American people know what is on the Outer Continental Shelf. This amendment, if it is agreed to, is going to result in more cost to the American people, more delay to the American people, and less oil than any other single act we have done this year—and believe me, we have done a lot of things in the Senate to slow down the quest for energy.

Now, what this amendment does, Mr. President, if it is carried out according to what that amendment states, is to put the Federal Government into the business of exploring for oil, and if it is just a little exploration for oil it is not going to tell you very much.

What the amendment calls for is for the Secretary of the Interior to go out and explore every time he is not satisfied that he knows what is in a structure, and that means every undrilled structure. That is what the amendment calls for.

This same kind of amendment was assessed by the Office of Technology Assessment last year or 1975, and the cost was astronomical, in the billions of dollars.

Mr. President, what this amendment does is to ask the Senate to buy a pig in a poke, to give the Secretary of the Interior carte blanche authority to go in and explore anywhere to any extent he can get the money to do so.

If you think that is going to get this country more oil, if you think the Secretary of the Interior is better than the oil companies at that, then vote for this amendment.

If you think the Federal Government can do it more cheaply, then vote for this amendment.

If you think the Federal Government can do it faster, then vote for this amendment.

I can tell you that the Committee on Energy considered it, and, after considering it, we voted it down 11 to 7, because we believed the answer to all three of those questions was "no."

So I move to reconsider the vote.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The motion has been made to reconsider. The time will be divided equally, 15 minutes on each side.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. JACKSON. Mr. President, I wonder if we can set the record straight. There has always been a big controversy over this issue. First, the Senator from Louisiana says we lost in the committee, and that is true. We lost 2 years ago. Although it was not this particular amendment, it was substantially the same. The Senate at that time rejected the view taken by the full committee just as they have so far here today, Mr. President.

Now, it is being stated before the Senate that this somehow puts the Government into the oil business.

There is a very clear analogy here. The Government owns the vast oil area known as petroleum reserve No. 4 in Alaska, which is a part of the naval petroleum reserve. This legislation contemplates the same course of action as used in that situation in certain limited areas in the Outer Continental Shelf.

The Government, in certain limited situations, would do as we have done in Naval Petroleum Reserve No. 4, hire the Husky Oil Co.—in that case. It will be other companies in the future. First, to find out whether we ought to drill in a certain area and, second, if the decision is for exploratory drilling in a given area, then private enterprise or the oil companies themselves would do the drilling, Mr. President.

But what my good friend is trying to say here is that the Government of the United States which owns billions and billions of dollars of property has no right, no right whatsoever, to find out what happens to be in the inventory.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. BARTLETT. The Senator, I think, said this imposed restrictions and limits on the Government, or that the Government was limited in what it could do.

Will the Senator tell me what limits are placed on the Government as to what it can do in drilling in the Outer Continental Shelf?

Mr. JACKSON. Yes. The amendment speaks for itself. I just point out to my good friend from Oklahoma at the beginning of the amendment:

> Except for any tract on which there is a lease outstanding, where the Secretary determines that exploratory or stratigraphic drilling by the United States is necessary to obtain more accurate information regarding the oil and gas resources of the Outer Continental Shelf, he shall contract for such drilling:

Now, there it is, and I want to point out, Mr. President, in many cases in some of these fields the very large oil companies know more about what the Government may have than the Government itself.

Mr. BARTLETT. Mr. President, will the Senator yield further? Does he feel that that places any actual limitation on the Government's action? If the Secretary of the Interior is eager and anxious to drill, he could then do all the drilling he would have the money to; is that correct?

Mr. JACKSON. No, that is not correct.

I would point out to the Senator if he would look at the Stevens amendment, which we accepted, it further restricts the authority of the Secretary, and through all this, as the Senator knows, the Appropriations Committee will be passing on the individual appropriations.

Mr. NUNN. Mr. President, will the Senator from Washington yield on that particular point?

Mr. JACKSON. Yes.

Mr. NUNN. As I understand the Stevens amendment, if the Secretary deemed it necessary to explore certain areas, is it true that under the Stevens amendment and the amendment we are about to vote on again that there will have to be action by Congress in approving the appropriation request before such exploration goes forward?

Mr. JACKSON. The Senator is correct, that is true. Not only is an appropriation required by Congress but "no such budget request"—and I am quoting from the Stevens amendment:

> No such budget request may be made to the Congress until the Secretary has made every reasonable effort to avoid such Federal expenditures and is published in the Federal Register, a request that potential permittees apply for a permit to participate in a continental offshore stratigraphic test or other such test drilling operations as are authorized by regulation.

Mr. NUNN. So that if Congress were to conclude this was an unnecessary act on the part of the Secretary, that he was really getting into an area that could be better handled by private enterprise, and it would be disadvantageous to the taxpayer that he do so, that Congress could, by acting, stop his action.

Mr. JACKSON. The Senator is correct. It would be handled all by private enterprise, and even if the Secretary decided that he wanted to go out and do some drilling in a given area, he would have to do that by private enterprise, which is required all the way through. He could not even do that unless he got permission from Congress for the necessary funds.

I yield to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, will the Senator yield?

Mr. JACKSON. I yield 2 minutes to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, I believe the most specious argument made here this afternoon is the old smokescreen that somehow the Federal Government is getting into the oil business.

Nothing could be further from the truth. There are vast oil resources off the Atlantic coast on the Outer Continental Shelf. They belong to the 213 million people of the United States. The Secretary of the Interior is our steward over the leasing of those lands, the exploration, the development, and the production of such oil as may be found out there.

The amendment does not state that the Secretary has to engage in exploratory drilling. It simply says that any time he feels he does not have adequate stratigraphic, geological, geophysical information to sensibly enter into a lease with the oil companies, then he may, if he determines that he does not have that information, contract for exploratory drilling.

With whom does he contract? The very same people that Mobil, Gulf, Texaco, and all the rest of them contract with. They do not do it. They hire it to be done, and this is a resource that belongs to all of us.

So why should not the Secretary, who is indeed our steward, who is a fiduciary, why should he not have the right to contract to get information so he will know what he has in order to negotiate the very best lease on behalf of the American people?

He is not going to drill on every structure, as the Senator from Louisiana suggests. He is not getting into the oil business. We are still going to lease it. They are going to develop it. They are going to produce it. What they want is to go to the negotiating table with their eyes wide open and the Secretary of the Interior with blinders over his eyes. It is not a fair fight.

This amendment simply does what the law probably requires right now. I know the Secretary can ask for interpretative data on any lease arrangement he wants right now. The oil companies have consistently maintained that he cannot drill. I personally think he can. If he cannot, he certainly should be allowed to, and that is what the amendment does.

Mr. HATCH. Mr. President, will the Senator yield for a question?

Mr. BUMPERS. I will yield on the time of the Senator from Wyoming.

Mr. HATCH. Mr. President, will the Senator yield me a minute?

Mr. GRAVEL. Mr. President, will the Senator from Wyoming yield me 2 minutes?

Mr. HANSEN. I yield for a question. The Senator might have a rather lengthy response. So I wish to limit my time to his question.

Mr. HATCH. Mr. President, will the distinguished Senator from Arkansas answer this question? As I understand, there is a lack of platforms, a lack of expert geologists, a lack of equipment, and there are many things that the private sector has to scramble to get and obtain to be able to compete. Is the Senator saying that they are not in competition with the private sector when they are going to be the prime contractor for all of these materials, resources, platforms, drilling procedures, et cetera? I consider that the biggest part of the private sector. But I wish to know what the Senator's response is.

Mr. BUMPERS. That would be similar to the Pentagon saying that they want a new computer system down at the Pentagon and they want IBM to design it for them. That would be like saying that the Government is getting into the computer business. We are not getting into the oil business.

Mr. HATCH. The Government is competing with the private sector when it starts to take the available drilling equipment, platforms, geologists, and so forth, away from the private sector that is so equipped to do it at this point.

Mr. BUMPERS. The point I made a while ago is that the Secretary is going to hire the very same people to do the work that Exxon has if they have a lease. They would not be taking any drilling platform away from the private sector. They would be doing the same work they would be doing anyway.

Mr. HATCH. What are Exxon and Husky Oil to do? These are some of the things I question there. Are they going to put their equipment out to be drilling for the Government under the direction of Federal bureaucrats or for the bureaucrats that they are taking from the private sector?

Mr. GRAVEL. Mr. President, will the Senator yield on that point?

The PRESIDING OFFICER. Who yields time?

Mr. HANSEN. I yield 2 minues to the distinguished Senator from Alaska.

Mr. HEINZ. Mr. President, will the Senator yield for a unanimous-consent request?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HANSEN. I yield to the Senator from Pennslyvania.

The PRESIDING OFFICER. From the bill itself because on the reconsideration of the measure time is controlled by Senator JOHNSTON and Senator JACKSON.

Mr. HANSEN. The Chair is exactly right.

Mr. JOHNSTON. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 15 minutes remaining.

Mr. HEINZ. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. JOHNSTON. Yes.

Mr. HEINZ. Mr. President, I ask unanimous consent that Mr. Ted West of my staff be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAVEL. Mr. President, will the Senator yield me 3 minutes?

Mr. JOHNSTON. I yield 3 minutes to the Senator from Alaska.

The PRESIDING OFFICER. The Senator from Alaska is recognized for 3 minutes.

Mr. GRAVEL. Mr. President, the argument is made here as to what the Government is going to do? Will it go out and do the same thing that the private sector is going to do?

I wish to follow through on the example of the Senator from Washington of petroluem reserve No. 4, because that is a Federal oil company; it is the only one we have in the country. Look at the track record of what has happened.

What they are saying is we will have Gulf Oil do it, we will have Exxon do it, and that is right. That is the way they are going to do it, the way they did it in Alaska. They are going to have Husky Oil do it. What they have done up there is they have a cost-plus contract. We used to have in the oil industry bidding, competitive bidding with the benefits

going to the consumer. But the first move that was made by Government was to capriciously sit there and see who would best romance them and say, "We pick you."

I have had oil companies in my office lobbying to get a piece of that pie up there, to get in there where the lard is nice and fat, like we have with defense contracts where someone sits there in Government and picks Charlie out, "because I like the kind of steak he bought me last night for dinner."

That is just what is going to happen. You are going to have the Government standing up and picking the companies, picking the ones they like to go drill, to go explore, and they are going to be asking the people, the taxpayers, to appropriate the money.

Let us look at what happened up in Alaska. Huskie got a cost-plus contract for $600 million to go look see if there is anything there, and it is going to take them 10 years to do it. We fought to shrink it down to 6 years. That is 6 years to even find out what is there.

Compare that to what was done right next door in Prudhoe Bay. In 2 years the private sector spent $3 billion and found the largest reserve of oil in the entire Northern Hemisphere.

And you are worried about whether the Government gets a good deal or not. The Government has control of what that oil sells for, the Government has control of what that oil is going to be shipped for, and the Government has control of what the consumer is going to pay for it. What more do you want to do?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GRAVEL. Do you want to destroy a competitive American industry and supplant it with Government-controlled industry which in my mind is socialism?

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. Mr. President, I yield to the distinguished Senator from Louisiana 3 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 3 minutes.

Mr. LONG. Mr. President, implicit in this amendment is the idea that someone might make a big profit in producing energy. We should be hoping that someone would, because if someone is making a profit, we are going to be getting some energy.

We have drilled 21,000 wells in the Gulf of Mexico. We do not have one in the Atlantic. Why did they drill the 21,000 wells in the Gulf of Mexico? It is because they thought they were going to make money out of it.

Since the Federal Government got into it, the companies as a group have yet to net their first dollar. What they have spent there greatly exceeds any oil that they have been able to produce.

We have the studies which were done for the Finance Committee over the last several years. This last year is the first year since the Arabs put the embargo on when the oil industry within the United States made more than the average for manufacturing. Up to that point you would be well advised to put your money in the average manufacturing company instead of the oil industry because oil companies were making less than the average. That takes into account the fact that the depletion allowance has now been repealed. So if the companies do make a profit, the Government gets 48 percent of it. There is no depletion allowance for these companies any more. And as has been pointed out the Government controls the price.

One-third of these bids, I am told, are to be let on a royalty basis. I talked to the chief executive officer of one of the largest pipeline companies. He said:

> If they bid on a royalty basis my company will bid 100 percent, and if someone will bid 100 percent we will bid 101 percent.

In other words, they will bid more than the value of the oil for the lease and more than the value of the gas for the lease. That is for the simple reason that they need the gas to put in their pipeline and under any fair utility regulation principle they are entitled to charge that to the consumers. So for one-third of your leases you are going to charge you are going to get around 100 percent; the producer gets zero.

That sounds like one great deal. Of course, the only problem about that is if he is not going to be able to make a penny profit at all it works out kind of like a cost-plus contract. If he has a brother-in-law working for the company do not worry. The brother-in-law is going to be working on that particular lease, where the Government gets 100 percent. At the same time you are getting 100 percent on one-third of your leases. The others are being leased competitively.

The industry, as I say, in the Federal offshore area has yet to make the first dollar of net profit, and it is only now that the industry is getting to where it is making 17 percent profit in the United States against an average of about 16 percent for all manufacturing.

We should be hoping they would make a profit to attract some more production out there.

Mr. President, since the energy crisis hit, this Congress has not done one thing to increase production. It has not done anything to get us one more barrel of oil. All it has done is put more and more delays on the production we would otherwise get. It has not gotten us one cubic foot of additional gas.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LONG. Mr. President, may I be yielded 1 additional minute?

Mr. JOHNSTON. I yield the Senator 1 additional minute.

The PRESIDING OFFICER. The Senator from Louisiana is yielded 1 additional minute.

Mr. LONG. All Congress has done is ease the pain while the situation gets worse and while politicians make speeches about how bad it is and what all they are going to do about the matter. We are faced now with a 4-year delay from the time that someone applies for a lease up until he is permitted to sputter in and drill, and in the Atlantic we still have an indefinite delay.

If this amendment carries, before you can even put the lease out to bid for production you have to first give it to someone under a Government contract with the Government paying for it to have someone go out there and explore but not to produce.

What do you hope to find if the whole thing works out the way you would like it to work out? That there is oil out there.

Well, if there is, you ought to be wanting to get some production at the earliest possible moment, and if there is, the Government controls the transportation and controls the cost, and the Government gets 50 percent of all the profits under the tax laws, anyway. The Government ought to be glad to see some profits made.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

Several Senators addressed the Chair.

Mr. JACKSON. Mr. President, I yield 3 minutes to the Senator from Illinois (Mr. PERCY).

The PRESIDING OFFICER. The Senator from Illinois is recognized for 3 minutes.

Mr. PERCY. Mr. President, I have, during the course of the vote, discussed with four or five or six of my colleagues what their attitudes were toward this amendment, and why they were voting against it.

The reasons given to the Senator from Illinois were almost unanimously that they were afraid this would mean the Government would be getting into the oil business.

Mr. President, if I felt this was an entree for the Federal Government to get into the oil business, I would vote against it. But I cannot foresee any possibility of that happening, so long as we in principle state that all this does is allow the Government to find out what is has got. Certainly I stand firm against the whole regulatory process in the oil and gas business. I think it has contributed to our problem, and done much to create the shortages with which we are faced. I certainly want to keep the Government out of the oil and gas business.

But certainly, as a matter of reasonable business prudence, the Government ought to know what it has got. We ought not to look as foolish as we do when we know as little about some of our resources as we seem to know.

This is simply to tell the Secretary that when he does not have enough information to adequately determine what the value of public property is, he should try to find out, and find out through the private sector, by placing a contract.

I see no difference, in principle, than in GSA trying, in selling a building, to find out what it is worth, or the Department of Defense in disposing of some of its inventory.

The Department of the Interior has an inventory of resources. All the Secretary is required to do, under this proposal, is find out what he has got. And certainly we have a check and balance, because he must come back for an appropriation, and by the time we get to the appropriations process we will have a Secretary of Energy, and we will have a recommenda-

tion from the Secretary of Energy as to whether or not we should appropriate such funds as may be needed for the Secretary to carry out some exploratory drilling for the sole purpose of finding out what the public owns in its inventory.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

Mr. JOHNSTON. Mr. President, I yield 3 minutes to the Senator from Colorado.

The following Senators requested and, by unanimous consent, the privilege of the floor was granted in behalf of the following staff members: Mr. HUMPHREY: Martha Rogers; Mr. KENNEDY: Terry Brady.

Mr. HASKELL. Mr. President, I would like to put in perspective what this amendment is. Someone a moment ago said the Federal Government would not have the information that the companies would. This bill cures that situation. Not only will the Federal Government have the raw data, but it will have the companies' own evaluation.

Someone else said that only the rather large companies could get into the OCS. That is true under present law. It is not true under this bill. This bill is designed for alternate methods of bidding, including net profit bidding, that will let small companies get in, that will allow competition.

Therefore, the Government will have the information. There will be a competitive structure.

The distinguished Senator from Illinois a moment ago said he would vote against this if he thought the Government would be in business. Mr. President, it is not possible to drill just one well and find out whether you have or do not have an oilfield. You have to drill a series of exploratory wells to determine that. This is the guts of the oil business.

Mr. President, if we think Government geologists are better than private geologists, then I would say vote for this amendment. I am not, at this stage of the game, willing to make that judgment. I think the bill gives the information to the Federal Government; it provides for competition within the industry; and, Mr. President, for that reason I cannot support the amendment.

Mr. GRAVEL. Mr. President, will the Senator from Louisiana yield me 1 minute?

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. I yield 1 minute to the Senator from Alaska.

Mr. GRAVEL. Mr. President, we have petroleum reserve No. 4, where the Federal Government has been looking for oil under a 10-year program. The private sector can do this, and has done it, in a much shorter period of time. So, while Senators may be well motivated for having the Government do this, I say we are talking about unbelievable delays in the Government going out and trying to find out what is there, when they are totally protected in what is there through the bidding process that exists.

The difference is that what we are going to institutionalize here is the noncompetitive features of it, as opposed to the completely cash-free industry. That is what we are destroying; and I think it will end the process of getting oil to the American people as cheaply as possible.

Keep in mind, we had the notification of natural gas in Barrow, Alaska, at the end of the Second World War, and it took the Government 20 years to get it to the people who live right on top of the gas.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

Mr. JOHNSTON. Mr. President, I yield 1 minute to the Senator from Oklahoma.

Mr. BARTLETT. Mr. President, the Senator from Illinois was talking about the fact that he would change his position in this matter if he thought the Government was getting into the oil business.

The question is what is involved in evaluating leases. You do not evaluate a lease by drilling one well. It is a question of time until the lease is completely drilled up. The evaluation done by the Federal Government will be done from one single point of view; whereas, in recent lease sales totaling $6.4 billion, 45 percent of the total that was put up was left on the table, showing a very decided difference of opinion as to what the value of those leases was.

This means that what we are doing here is interposing one point of view for many points of view in evaluating leases, and in doing this we are going to restrict very definitely and significantly the amount of exploration that will be done. The Government will come to the conclusion, honestly, with the people they have hired from the private sector, that this particular lease is no good, and yet there will be other people who will think otherwise. The fact that the Government puts its stamp of disapproval on the lease does not in fact mean that there are no oil and gas reserves to be found.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

Mr. JACKSON. Mr. President, I am prepared to yield back the remainder of my time.

Mr. JOHNSTON. Mr. President, just one comment. That is that the presence of this amendment in this bill, in the last Congress, resulted in the House of Representatives recommitting the bill and killing it. I hope the House will save the Senate again, if we do not turn around enough votes this time.

This is chronicled as an apple pie amendment which simply lets the American people know what is out there. It is not so, Mr. President. Mark my word, we will have delay, expense, and less oil, right in the midst of this energy crisis, if we pass this amendment.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON. If I have any remaining time.

Mr. LONG. Do we not have a provision in this bill for so-called royalty bidding, and bidding based on the net profit?

Mr. JOHNSTON. That is correct.

Mr. LONG. I think some companies have told us that when they are going to do royalty bidding, pipeline companies, for instance, they would bid as much as 100 percent. What do we need to know that would better protect the Government's interest, if they are going to give us 100 percent anyway? What more would we like to know about it?

Mr. JOHNSTON. The Senator has a very good point.

Mr. GRAVEL. Mr. President, will the Senator yield for one point?

Mr. JOHNSTON. Just for one point, because I think—

The PRESIDING OFFICER. All time of the Senator from Louisiana has expired.

Mr. JACKSON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

Mr. JOHNSTON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to reconsider. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. MCCLELLAN) is necessarily absent.

The result was announced—yeas 48, nays 51, as follows:

[Rollcall Vote No. 286 Leg.]

YEAS—48

Allen	Griffin	Pell
Baker	Hansen	Roth
Bartlett	Haskell	Schmitt
Bellmon	Hatch	Schweiker
Bentsen	Hatfield	Scott
Byrd, Harry F., Jr.	Hayakawa	Sparkman
Chafee	Heinz	Stafford
Curtis	Helms	Stevens
Danforth	Huddleston	Stone
Dole	Johnston	Talmadge
Domenici	Laxalt	Thurmond
Eastland	Long	Tower
Ford	Lugar	Wallop
Garn	Matsunaga	Weicker
Goldwater	McClure	Young
Gravel	Morgan	
	Packwood	

NAYS—51

Abourezk	Eagleton	Metzenbaum
Anderson	Glenn	Moynihan
Bayh	Hart	Muskie
Biden	Hathaway	Nelson
Brooke	Hollings	Nunn
Bumpers	Humphrey	Pearson
Burdick	Inouye	Percy
Byrd, Robert C.	Jackson	Proxmire
Cannon	Javits	Randolph
Case	Kennedy	Ribicoff
Chiles	Leahy	Riegle
Church	Magnuson	Sarbanes
Clark	Mathias	Sasser
Cranston	McGovern	Stennis
Culver	McIntyre	Stevenson
DeConcini	Melcher	Williams
Durkin	Metcalf	Zorinsky

NOT VOTING—1

McCellan

So the motion to reconsider was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

UP AMENDMENT NO. 657

Mr. JOHNSTON. Mr. President, I have an amendment I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. JOHNSTON), for himself and Mr. KENNEDY, Mr. BROOKE, Mr. CRANSTON, Mr. BIDEN, Mr. BENTSEN, Mr. ROTH, Mr. MAGNUSON, Mr. JACKSON, Mr. HOLLINGS, Mr. STEVENS, and Mr. DURKIN proposes unprinted amendment No. 657.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mr. SARBANES). Without objection, it is so ordered.

The amendment is as follows:

On page 260, line 20, delete all of Section 506 and insert in lieu thereof the following:

"SEC. 506. The Coastal Zone Management Act of 1972 (86 Stat. 1280), as amended, is further amended by deleting clause (i) of subparagraph (B) of Section 308(b)(4) thereof and inserting in lieu thereof:

"(i) necessary to provide new or improved public facilities and public services which are required as a result of Outer Continental Shelf energy activity, provided that the Secretary may, pursuant to criteria promulgated by rule, describe geographic areas in which such public facilities and such public services are presumed to be required as a result of Outer Continental Shelf energy activity for purposes of disbursing the proceeds of grants under this subsection."

On page 263, after line 15, add a new section 507 as follows and renumber succeeding sections accordingly:

"SEC. 507. The Coastal Zone Management Act of 1972 (86 Stat. 1280), as amended, is further amended by adding a new Section 308(b)(6) as follows:

"(6) Nothing in this section shall affect the applicability of the National Environmental Policy Act to grants made pursuant to this subsection."

On page 263, after the new Section 507, add a new Section 508 as follows and renumber succeeding sections accordingly:

"SEC. 508. The Coastal Zone Management Act of 1972 (86 Stat. 1280), as amended, is further amended by deleting Section 318(a)(3) and inserting in lieu thereof the following:

"(3) such sums, not to exceed $50,000,000 for the fiscal year ending September 30, 1977 and not to exceed $75,000,000 for each of the eight fiscal years occurring during the period beginning October 1, 1977 and ending September 30, 1984, as may be necessary for grants under section 308(b);"

Mr. JOHNSTON. Mr. President, may we have order?

The PRESIDING OFFICER. Will the Senator suspend while we obtain order in the Chamber?

The Members will please take their seats and clear the aisles.

Mr. JOHNSTON. Mr. President, this amendment is submitted on behalf of myself, the distinguished Senators from Massachusetts (Mr. KENNEDY and Mr. BROOKE), Mr. CRANSTON, Mr. BIDEN, Mr. BENTSEN, Mr. ROTH, Mr. DURKIN, Mr. MAGNUSON, Mr. HOLLINGS, Mr. JACKSON, and Mr. STEVENS.

Mr. President, the amendment I am offering as a substitute for section 506, as contained in the Outer Continental Shelf Lands Act Amendments of 1977, as reported by the Energy Committee, makes three changes in present law. All three changes concern the coastal energy impact program established by the Coastal Zone Management Act Amendments of 1976 and appertain to the formula grant portion of that program only. The changes are as follows:

First, section 308(b)(4) of the Coastal Zone Management Act governs the use of formula grants received by coastal States or units of general purpose local governments in a coastal State. The section provides that the formula grants may be used to repay State or local bonds which are guaranteed by the Federal Government pursuant to other provisions of the coastal energy impact program; may be used to finance the "study of, planning for, development of, and the carrying out of projects and programs" which provide new or improved public facilities and public services; and may be used to prevent, reduce, or ameliorate "unavoidable loss" of valuable environmental or recreational resources which result from coastal energy activity. My amendment removes two restrictions which presently inhibit the use of formula grants to finance new or improved public facilities and services.

The first restriction which is removed is the requirement in section 308(b)(4)(B)(i) that grant money may not be used to finance new or improved public facilities and public services unless adequate financing for such purpose is not available under another portion of the program. To my State, this is an effective bar against using any of the formula grants to provide public facilities or services. The loan and loan guarantee portion of the program contains twice as many funds as the grant portion of the program. My State and other coastal States with ongoing OCS production receive generous allocations of loan funds. However, the loan funds are not designed for States such as Louisiana, California, and Texas, which have established OCS development and, at least in the case of Louisiana, have declining tax bases. The loan program is designed for States such as Alaska, Massachusetts, Delaware, and other states which anticipate supporting OCS development and must therefore prepare facilities and services for the expected influx of workers. As a result, Louisiana cannot and will not make full use of the loan allocation set aside for it. Yet, the failure to exhaust the loan allocation bars Louisiana's use of formula grants for much needed facilities and services to support the heavy ongoing OCS activity off its coast.

Removing this unnecessary and burdensome restriction will benefit States which are presently supporting OCS development as well as those which will soon be called upon to support that development. Removing the restriction will in no way increase the amount of formula grant money received by any State. However, removal of this restriction is essential to my State and, I am informed, is equally as troublesome to other coastal States which are either presently supporting OCS development or anticipate supporting such development.

The second restriction which is removed is also contained in section 308(b)(4)(B)(i) of the Coastal Zone Management Act. That restriction requires that formula grant moneys may only be used to provide new or improved public facilities and services required as a result of "new or expanded" OCS activity. Obviously, the "new or expanded" restriction is an obstacle to those States, such as California, Texas, and Louisiana, which are supporting most of the ongoing OCS activity. Yet ongoing activities generate the need for certain public facilities and services just as surely as do "new or expanded" OCS activities. In addition, Louisiana, Texas, and California will support much of the "new or expanded" OCS activity. But in situations where "new or expanded" activities are commingled with "ongoing" activities, the determination of whether facilities and services are required as a result of "new or expanded" activities or as a result of "ongoing" activities is almost impossible.

My amendment removes the words "new or expanded" so that new or improved public facilities and services required as a result of ongoing OCS energy activities may also be financed by formula grants. Removal of "new or expanded" does not increase any State's formula grant moneys. However, removal of the words does allow States presently supporting OCS development to use their grant money for facilities and services required by that development and removes the unnecessary and burdensome requirement of determining whether facilities and services are required as a result of new or expanded as opposed to ongoing OCS energy activity.

Second, my amendment grants the Secretary of Commerce the power to designate pursuant to criteria promulgated by rule, certain geographic areas in which public facilities and services are presumed to be required as a result of OCS energy activity. This provision will not increase the formula grant money received by any State or local governmental unit nor does the provision change the guidelines governing use of the formula grant money. Rather, the provision merely adds certainty to the formula grant process, reduces the paperwork required by the State or local governmental unit in making a requisition of a formula grant, and reduces the administrative burdens of the Secretary of Commerce.

Third, my amendment changes the authorization levels of the formula grant portion of the coastal energy impact program. Present authorizations are $50 million per year through fiscal year 1984. My amendment retains the $50 million authorization for the present year, then increases the authorizations to $100 million per year for the next 4 fiscal years only.

Mr. President, the language of my amendment has been carefully worked out in negotiations with the Commerce Committee, the administration, acting through the Department of Commerce and the Office of Management and Budget, and my cosponsors. The administration supports the first two changes proposed in my amendment, but does not support any change in the authorization levels.

Mr. President, in summary as I said, the amendment does three things. First, it increases the authorization for the

coastal zone impact funds, the so-called formula grant fund, from $50 million to $75 million over a period of 8 years.

Second, it takes out of the present bill some requirements which have been found to be quite unreasonable. One of those requirements is that any area that is impacted by coastal zone drilling first must borrow all of the money that is available to it before it can get a grant. In the instances of those States—for example, Texas, Louisiana, California—which already have drilling, the requirement of borrowing money before getting a grant is a very onerous requirement that makes it practically impossible to get the grant, because the loans are not at favorable interest rates and any established community can get a better interest rate on its own.

The loan is calculated to help those frontier areas such as Alaska and others.

Next, Mr. President, the amendment makes it possible to use the grant money for ongoing impacts from offshore drilling as opposed to only new or expanded drilling.

Mr. President, the amendment is the culmination of a lot of work in consultation with members of the Committee on Commerce, with members of the States that are affected by the offshore drilling and prospective offshore drilling.

I yield to my distinguished friend from Washington.

Mr. MAGNUSON. Of course, the Senator from Louisiana, I want the record to show, realizes that this is a matter which is in the clear jurisdiction of the Committee on Commerce.

Mr. JOHNSTON. Yes, Mr. President.

Mr. MAGNUSON. And I joined with him in the amendment because I do think that if it had been sent to the Commerce Committee, they would have approved the modified amendment and passed it right back.

Senator HOLLINGS, myself, and others, have agreed to it to save time. But I want the record to show that this is establishing absolutely no precedent at all on the jurisdiction of the Commerce Committee on coastal zone management matters. Under the reorganization of the Senate, we have clear jurisdiction and I am sure the Senator from Louisiana realizes that.

Mr. JOHNSTON. Mr. President, the Senator from Washington is correct. It has clear jurisdiction over that act. The Energy Committee makes no claim on that jurisdiction.

What this amendment represents is the culmination of about 3 years of negotiations on this particular amendment, which will now be culminated and consummated and we will make no further claim on the coastal zone management bill.

Mr. MAGNUSON. I want the record also to show, if the Senator will yield, that there was some suggestion made by the Senator from Louisiana to me and others that 2 years ago we made some kind of agreement on this type of amendment, as to jurisdiction.

I do not quite recall what we did. I recall the Senator from Louisiana was quite provoked at one time that we could not get an agreement.

But since that time, we have had a reorganization, regardless of this, and, clearly, we have had an awful fight to keep coastal zone management in the proper committee. We held hearings on it, worked on it for years. Now it is clearly there.

I am glad to join with the Senator in this matter to expedite what I think will be a good amendment.

I wish the Senator would yield also to my colleague from South Carolina.

Mr. JOHNSTON. Yes.

Mr. HOLLINGS. I thank the distinguished chairman, the Senator from Washington, and my colleague, the Senator from Louisiana.

Actually, the Senator from Louisiana and I sat in conference together when we were marking up that impact fund. I chaired that conference and I understood the misgiving that the Senator from Louisiana had because, in a sense, we had a temporary agreement at one time—generally speaking, this same kind of approach that the Senator now submits in the form of his amendment. At no time was there any question about the jurisdiction.

I am glad we can accommodate our distinguished friend from Louisiana who has led the way, along with the Senator from Alaska and myself and the Senator from Washington, on the institution of the coastal energy impact fund.

Mr. President, I join the chairman of the Committee on Commerce, Science, and Transportation, Senator MAGNUSON, in cosponsoring the amendment offered by the distinguished junior Senator from Louisiana.

Although this amendment, by directly affecting the Coastal Zone Management Act of 1972, clearly falls within the jurisdiction of the Commerce Committee alone, the committee has agreed to make an exception in this one case, in order to address some of the problems being encountered in coastal States experiencing impacts from Outer Continental Shelf oil and gas activity. I am pleased to join in this agreement to enable the coastal zone management program to be more responsive to needs growing from OCS activity in our fragile and invaluable coastal areas. As I understand it, this amendment will enable coastal States, through the coastal zone management program, to deal with impacts from both frontier areas that will be leased and coming into production, as well as some of the problems already existing from current OCS activity. I feel that this is a sound compromise, and I fully endorse it.

Mr. JOHNSTON. Mr. President, I thank the Senator from Washington and the Senator from South Carolina, along with the distinguished chairman of my committee, for the many hours of work in helping us get this worked out so amicably and so helpfully.

Mr. MAGNUSON. Mr. President, the bill now before the Senate, S. 9—the Outer Continental Shelf Lands Act Amendments of 1977—contains matters which are within the exclusive jurisdiction of the Senate Committee on Commerce under the new jurisdictional rules recently adopted by the Senate. Section 506 of that bill contains an amendment to the Coastal Zone Management Act of 1972, as amended. That legislation is solely within the jurisdiction of the Committee on Commerce under rule XXV of the standing rules of the Senate, as recently amended. The Committee on Energy and Natural Resources has no claim whatsoever to that jurisdiction.

While members of the Energy Committee concede this jurisdiction, they desire this amendment without action in the Committee on Commerce. I consider this process highly unusual, particularly since it does not provide our committee with an ability to examine thoroughly this amendment or the substitute which Senator JOHNSTON now desires to offer.

But in the spirit of compromise I am willing to lay aside the jurisdiction issue if Senator JOHNSTON changes his amendment such that no coastal State is harmed in his attempt to aid his State of Louisiana. As shown to me, his original substitute amendment would have deprived certain west coast States of impact aid which they would receive under the present terms of the coastal energy impact program. This is the very reason I raised the jurisdictional issue. I have asked him to change his substitute amendment to insure that other States are not harmed.

Under his original proposal, the funding authorization for formula grants under the Coastal Energy Impact Program (CEIP) would be changed from an 8-year, $50 million per year level to a 4-year, $100 million per year level. This creates great uncertainty for those States which are on the far end of the Outer Continental Shelf leasing program, namely the west coast States. Under this proposal, my own State of Washington would lose in excess of $2 million.

I propose to continue the 8-year authorization, but to raise it to $75 million per year. This seems to be far more equitable to all States.

Coastal States will have to show actual need for these funds before they can qualify and appropriations for the CEIP must be approved by Congress. So this is not an unreasonable proposal.

The other parts of Senator JOHNSTON'S amendment have, I understand, the blessing of the administration. Since the Commerce Committee has not had time to analyze the ramifications of the changes to section 308(b)(4), the committee reserves the right to reexamine these changes if we feel it is necessary.

Mr. KENNEDY. Mr. President, will the Senator from Louisiana yield so I can ask a question of the Senator?

Mr. JOHNSTON. I yield to the Senator.

Mr. KENNEDY. Mr. President, as the Senator from South Carolina understands, there is enormous interest in the coastal States, and they are all in different states of preparedness. But they are extremely serious in fulfilling the mandate of the coastal zone management requirements.

The 8-year authorization brings some concern to coastal States in the application of the legislation if there appear to be necessary changes, whether the Senator from South Carolina, who has

been the real leader in the Senate in this area, and the other members of the committee, are going to be receptive and responsive to alternations and changes which are justified, which are obviously consistent with the purpose and thrust of the legislation, but would also permit what changes and alterations would help carry forward the thrust of the legislation.

I am interested in that.

Mr. MAGNUSON. We can do that any time. But under the present law which the amendment seeks to modify, we would have to take a look at it at the end of 4 years, is my understanding, regardless. But we could do that at any time it develops.

Mr. HOLLINGS. If the Senator will yield, I want to make an affirmative statement to what the Senator from Massachusetts pointed out.

The impetus was his own leadership, in his own General Assembly in Massachusetts. Recently my own State finally passed coastal zone management legislation after 5 years. Even though we offered it, it took them 5 years to pass the program in South Carolina.

As the coastal States are coming into the program, we are going to review this each year and not be bound totally by what exists now, in the sense that since the 8 years were authorized we will not touch it for 8 years.

We will have constant oversight—I am sure the Senator from Loiusiana will be interested in the same thing for Louisiana—and may have to upgrade these amounts.

Mr. KENNEDY. I think that is very reassuring. I was sure that was the very purpose of the Senators, but it did bring some concern to a number of the member States.

I thank the chairman of the committee, the Senator from South Carolina, as well as the Senator from Louisiana.

I want to state my complete and wholehearted support for this amendment. I think it is difficult to shape and draft legislation that is going to be responsive to the needs of the different regions of the country, the gulf area as well as the New England coast, and other areas of the west coast, where there will be development. There is different interest because there is more production in some areas, more environmental questions in some areas of the country. There may be more employment in some areas and less production.

Whatever these balances are, I think the amendment of the Senator from Louisiana, which was offered by him and I was pleased to join, was an attempt to accommodate these various factors and also to adjust some of the existing restrictions in permitting those States which have already accepted some of the environmental impact to be able to be more flexible in dealing with this issue and also raising the authorizations.

I think all these approaches are in our national interest. I know they are in the interest of the State of Louisiana and I believe, clearly, in New England, as well.

I thank the Senator from Louisiana for the time he has spent in fashioning a formula which I think insures adequate national protection on these particular issues.

I express my support for this amendment.

Mr. President, I ask unanimous consent that my prepared statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KENNEDY ON THE JOHNSTON-KENNEDY AMENDMENT TO THE COASTAL ZONE MANAGEMENT ACT

I wish to join the distinguished Senator from Louisiana (Mr. Johnston) in offering this amendment to the Coastal Zone Management Act of 1972. This amendment is the result of a cooperative effort of Senator Johnston, the administration, Senator Brooke, and myself to work out language which would be broadly acceptable and improve the provision of social services and public facilities required by off-shore exploration and production. Our amendment achieves that goal.

As we know Mr. President, the Energy and Natural Resources Committee amended the Coastal Zone Management Act in wholesale fashion, making it unacceptable to States such as Massachusetts as well as other so-called "frontier States" where off-shore oil is thought to exist but has not yet been actively explored. The most objectionable amendment would have changed the formula by which grant funds are made available to the States.

The 1974 act, now in effect, distributes funds using a formula based one-third on leases, one-third on new employment related to OCS activities and one-third on production. The committee amendment eliminated this formula and based the grant allocation entirely on production. If passed in its present form, only States now in production would receive funds; States in the leasing and exploration phase would receive nothing. Next year, for example, I am told the effect of the committee would have been to provide 90 percent of the funds to Louisiana, 10 percent to Texas with none left over for other States. The Johnston-Kennedy amendment would prevent such an occurrance and restore the 1972 one-third, one-third, one-third formula.

However, the Johnston-Kennedy amendment does more than restore the status quo. It makes important additions to the Coastal Zone Management Act. First, the authorization will be increased from $50 million to $75 million per year. This higher amount will be important as more and more States—the States adjacent to the George's Banks and the Baltimore Canyon plus California and Alaska—begin exploration and come into production. The added burdens placed on coastal States cannot all be met with loans. Grants will be important. As the need arises States like Massachusetts will be asking for increases in this category.

Second, the amendment does away with the requirement that a State must exhaust its loan funds before being eligible for grant monies. When the Coastal Zone Management Act was passed the Congress chose to approach the "boom town" needs of OCS-affected areas primarily with loans, not grants.

Massachusetts accepted this principle. We do not now seek to reverse it. But we recognize that loans are not the only solution for States which are presently supporting OCS activity and which, therefore, have establish social needs. The administration, both Democrat and Republican, is reluctant to request more than twenty to thirty percent of the amount authorized: Ten and $15 million respectively for 1977 and 1978, out of a potential $50 million authorization. Therefore, States like Louisiana, Texas, California, and eventually others, should be free to use the grants as the State and local governments see fit, within the parameters of the law.

Finally, this amendment stipulates that grants monies can be used for facilities and services related to ongoing as well as new OCS activities. This provision is of interest primarily to Louisiana, Texas and California which are now in production and not to Massachusetts. But social services and physical facilities are needed whether OCS work is established or just beginning. The act still contains provisions to insure that Federal assistance is available primarily for the unusual high start-up costs and will not be used to provide continuous support for OCS systems. The original intent of the Coastal Zone Management Act are therefore preserved

Mr. President, I urge the Senate to adopt this amendment which represents the best compromise available among the interests of producing and frontier States, the Senate and the administration.

Mr. JOHNSTON. Mr. President, I thank the distinguished Senator from Massachusetts, and particularly thank him for the leadership and the time he and his staff have spent in putting this together.

Mr. MAGNUSON. Will the Senator yield?

Mr. JOHNSTON. It was a much more difficult job than it appears and the Senator from Massachusetts helped a great deal.

Mr. MAGNUSON. Every State gets a little money in this particular thing. Massachusetts, for example, might get $18 million during a period of time. Louisiana, I say to the Senator from Massachusetts, gets $216 million. No wonder the Senator from Louisiana is doing his job. [Laughter.]

Mr. JOHNSTON. It is only fair.

Mr. MAGNUSON. The State of Washington is way down—$4.9 million.

To be fair about it, the amount of money that comes in is related and tied to the amount of drilling that goes on. If the State of Massachusetts should find some oil wells off its coast, or if the State of Washington should do so, we might get somewhere. We would climb up a little bit, but we would never get anywhere near what the State of Louisiana is getting out of this bill. I will put this chart in the RECORD. It is not in derogation of what the Senator is saying, but it is related to the amount of drilling, and more drilling is going on there than in other places.

Texas, which does not need the money at all—they have big surpluses—gets $37 million, total. This is over the years, up to 1984.

It is a good bill and a good amendment, and maybe we will catch up with you some time, or get close to you, if we find some oil.

Mr. JOHNSTON. It may be that the new Government drilling program will find oil off Washington.

Mr. MAGNUSON. With or without the drilling program.

Mr. President, I ask unanimous consent to have this table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

PROJECTED STATE REVENUES

[In millions of dollars; fiscal years]

State	1978	1979	1980	1981	1982	1983	1984	Total
Alabama	0.35	1.90	0.62	0.25	1.07	0.97	0.97	6.15
Alaska	5.00	7.05	8.75	22.32	21.82	14.92	15.17	95.05
California	2.75	1.75	2.50	2.00	1.75	5.20	5.20	21.15
Connecticut	0	.56	.37	.56	.37	.37	.37	2.62
Delaware	0	1.01	2.80	1.01	1.37	.67	.67	7.55
Florida	.17	4.01	4.80	2.94	1.60	3.10	3.10	19.72
Georgia	0	4.09	4.32	3.36	.92	3.32	3.51	19.54
Louisiana	52.90	32.02	29.40	23.50	28.87	25.70	24.45	216.85
Maine	0	.34	.22	1.61	.22	1.40	1.40	5.20
Maryland	0	.45	1.92	.45	.82	.30	.30	4.25
Massachusetts	0	6.67	.75	3.52	1.00	3.20	3.45	18.60
Mississippi	1.82	2.67	1.90	1.60	2.35	2.25	2.25	14.85
New Hampshire	0	.41	.07	.54	.07	.47	.47	2.05
New Jersey	0	1.24	7.25	1.42	3.06	1.26	1.51	15.75
New York	0	.90	.60	.90	.60	.60	.85	4.45
North Carolina	0	.96	.22	.34	.22	.22	.22	2.20
Oregon	0	.00	0	0	0	.40	.04	.80
Pennsylvania	0	.11	.07	.17	.14	.14	.20	.84
Rhode Island	0	1.65	.90	1.77	.90	1.30	1.30	7.82
South Carolina	0	2.01	2.37	2.56	.52	2.37	2.37	12.22
Texas	12.00	4.27	4.07	2.50	5.25	4.75	4.75	37.60
Virginia	0	.90	1.05	.90	.77	.60	.60	4.82
Washington	0	0	0	.75	1.25	1.45	1.45	4.90
Total	75.00	75.00	75.00	75.00	75.00	75.00	75.00	525.00

Note: Acres leased—⅓, oil and gas landed—⅙, oil and gas produced—⅙, new employees—⅓. Based on $75,000,000 per year (standard CEIP formula).

Mr. BIDEN. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield the Senator 4 minutes.

Mr. BIDEN. Mr. President, it is with mixed emotions that I rise to support the basic provisions of the Outer Continental Shelf Lands Act Amendments of 1977. I understand the tremendous energy needs this country faces. I am concerned with our country's increasing dependence on politically vulnerable, high-priced foreign oil. But, I am also concerned that many Americans might be misled into believing that the energy development of our Outer Continental Shelf will be some "panacea" to our energy problems. It is only out of recognition of the fact that OCS energy development is inevitable, that I support the Energy Committee's hard work embodied in this bill to provide for the most orderly management of that development.

While my State of Delaware has the second smallest land area of all States in the Union, it still has a tremendous stake in OCS development. Unlike many coastal States, more than 98 percent of Delaware's ocean and bay coastal zone is open space—parks, marshes, and private land characterized by dunes and beaches for recreation, and a variety of birds and other wildlife, which offer opportunities for study and appreciation in this unique region.

Ever since the 1790's, families have enjoyed the natural beauty of the Delaware shore.

Over 3.6 million people—seven times the State's entire population—yearly relax in Delaware's coastal parks. Municipal beaches and boating, sport fishing, and hunting attract many more. However, this region provides more than recreation and beauty. A million pounds of fish are caught commercially off Delaware shores every year, making a significant contribution to our economic base.

I, for one, am not willing to trade these incalculable resources for unrestricted energy speculation. Therefore, I support S. 9's major provisions establishing policy guidelines for OCS development, strict safety and environmental protection standards, unlimited liability to cover damages from spills, a fund to cover any damages to commercial fishing vessels from OCS-related activities, and the increased role which the bill provides for coastal States, local governments, and citizens to participate in OCS development decisions.

I know there are those who will argue that this bill will unnecessarily delay the development of whatever oil and gas reserves lie off our shores. I am convinced that, in fact, this bill will not unnecessarily delay that development. But if delays are needed to avoid potential damage to the environment and to minimize the onshore impacts of oil and gas development on the OCS, then I say—so be it. What will we have gained for future generations if after we have depleted our offshore energy potential, our ocean and bays, coastline, and wildlife had sustained irreparable damage?

So I repeat that it is with mixed emotions that I support the Outer Continental Shelf Lands Act of 1977. I want more secure sources of domestic energy. I want to strengthen our Nation's economy. I want more jobs for our people. I want the opportunities that commercial and industrial development bring. I believe we will achieve none of these goals unless we legislate the needed coherent guidelines for the orderly planning of offshore energy development and production, and guarantee the necessary safeguards. It is the very absence of such provisions which have led to litigation and delays in the development of domestic oil and gas reserves in the past.

COORDINATION WITH AFFECTED STATES AND LOCAL GOVERNMENTS

Mr. President, in light of this background, there are a few provisions of S. 9 which I would particularly like to highlight. First, I strongly endorse the new section 19 of section 208 of this bill which insures that the Secretary of the Interior gives thorough consideration to the voices of responsible regional and local State officials in planning OCS leasing and development. This section of S. 9 provides for a reasonable balance between the national interest and the well-being of the citizens of the affected State by allowing the Governor of the State to review the terms of proposed lease sales and development and production plans. I also applaud the committee's intent to insure that the Secretary give thorough consideration to the views of responsible regional and local state officials in planning OCS leasing and development.

ENVIRONMENTAL IMPACT STATEMENTS

I also strongly support new subsection 25 of section 208 which provides a means to separate the Federal decision to allow private industry to explore for oil and gas from Federal decisions to allow development and production to proceed if the lessee finds oil or gas. Section 25(d) further requires the Secretary to, at least once prior to approving an OCS development plan declare approval of a development and production plan to be a major Federal action which requires an environmental impact statement. Moreover, the Secretary is to transmit the draft environmental impact statement to the Governor of any affected State, and the executive of any local government or area, and is to make such draft available to the public.

Mr. President, I have been assured that pursuant to this section of S. 9, approval of a development and production plan for the Baltimore Canyon region leased in OCS lease sale number 40, would be construed a "major Federal action," and that preparation of an environmental impact statement would thus be an absolute requirement.

OIL SPILL LIABILITY

I am especially pleased, Mr. President, to endorse title III of this bill establishing a system to insure that liability for damages from OCS-related oil spills is assessed and damages are paid for. I have been assured, however, that this provision of S. 9 in no way precludes action on more comprehensive oil pollution liability and compensation legislation such as I have introduced and is now being considered by the Senate Environment and Public Works and Commerce Committees.

It is a curious situation that the seas, from which life arose, should now be threatened by one form of that life. Therefore, I have introduced legislation which will go beyond the provisions of title III of this bill, and provide a truly comprehensive national policy to deal with liability in the aftermath of oil spills. I think it is essential that there be unlimited liability for the cost of cleaning up oil spills. The higher the limit of liability the more incentive there will be to manage offshore exploration and development activities and to operate tankers safely and carefully. I would also like to see unlimited liability imposed on those responsible for the loss of property or income as well as any other cost of restoring the environment.

COASTAL STATE IMPACT FUND

There is one section of S. 9 to which I must, Mr. President, take strong ex-

ception. Section 506 of title V in the committee bill amends the Coastal Zone Management Act in a very inadvisable manner. Under this provision, the Coastal Zone Management Act's formula for providing Federal grants to States adversely affected by OCS energy activity is very radically altered to the extreme disadvantage of States with yet-to-be-developed OCS areas. I, therefore, have joined with Senators JOHNSTON, KENNEDY, CRANSTON, BROOKE, BENTSEN, MAGNUSON, and others in introducing an amendment to correct this imbalance in the committee bill. By deleting the proposed changes in the grants formula of the Coastal Zone Management Act of 1972, our amendment provides the same equitable share of Federal assistance to both producing and potential-producing coastal States which present law provides. Oil and gas development of the Outer Continental Shelf will no doubt significantly increase demands on certain coastal State public facilities and services. The Coastal Zone Act now provides Federal grants for the expansion of such services to accommodate OCS-related growth, after those services are proved to be overburdened. Our amendment would allow for the most expeditious disbursal of such funds by permitting the Secretary of Commerce to, pursuant to criteria promulgated by law, describe geographic areas in which such overburdened public facilities and services are presumed to be required as a result of OCS energy activity for purposes of disbursing Coastal Zone Management impact grants.

Mr. President, it is only fair that if in the national interest we require the people in certain areas of our coastal States to suffer the bad consequences of offshore drilling, that the Federal Government should protect these people from suffering unduly. Therefore, I hope my colleagues will join me in supporting this amendment to S. 9.

Therefore, I hope my colleagues will do what we have done in other instances with regard to coal exploration—which I have supported—that affects interior States, and that is to provide those persons and those States who are going to be asked to pay the price for development with at least financial protection.

Mr. HART. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON. I yield.

Mr. HART. Is the Senator from Louisiana under a time constraint?

Mr. BUMPERS. There are 2 hours on this amendment.

Mr. JOHNSTON. I am ready to vote.

Mr. BUMPERS. I yield the Senator from Colorado such time as he requires.

Mr. HART. The statements made by the Senator from Washington and the Senator from Delaware trigger my interest. I am not clear as to exactly what reference the Senator from Delaware was making about taking care of the coal-impacted areas.

I have introduced legislation which would provide impact assistance for the inland States similar to that proposed in this provision for the coastal States.

The Senator from Washington says that every State is taken care of here. Obviously, he meant to say every coastal State.

Mr. MAGNUSON. I stand corrected. I meant the coastal States that have offshore drilling.

Mr. HART. And rightly so, since this is an Outer Continental Shelf bill.

I should like to know what the Senator from Louisiana, in his efforts to mitigate the impact on communities in those coastal States, has to say about the same kind of mitigation for inland States. We do have coal development in the Rocky Mountain area. We have uranium, oil shale, natural gas, and all the rest. The Senator from Wyoming, who was on the floor earlier, is well aware what can happen in the small towns where this development takes place. People come in literally overnight. They build trailer parks. There are not adequate sewerage facilities or roads. There are not adequate schools or hospitals or any of the other infrastructure every community needs.

What I am interested in knowing—and I am sure the Senator from Wyoming would be interested as well—is the attitude of some of those who are sponsoring this proposal about inland problems.

Mr. JOHNSTON. I think the Senator makes a very good point. He is probably beginning in Colorado to see just the early stages of what is in its advanced stages in Louisana with the development of energy and rapid influx of people and the problems it brings from sewerage to schools to housing to pollution, to all of those other things.

It was in that spirit last year that I voted for the bill which increases the amount of revenues that inland States get from federally owned lands from 37½ to 50 percent.

Mr. HART. A long overdue increase.

Mr. JOHNSTON. Not inland States, but Western States and Colorado to a great extent.

Mr. HART. Colorado, Oregon, and Washington.

Mr. JOHNSTON. That is correct. So it made it possible when they had the oil shale lease in Colorado the State of Colorado, as I recall, was able to get some $200 million, I believe, and rightfully so, as its share of that lease.

Furthermore, I and many of my colleagues on the Energy Committee voted for the so-called payments-in-lieu bill which will distribute a little less than $1 billion a year to mainly the Western States, the public land States, that cannot tax that public land and, it seems to me, in a spirit of fairness not only because they cannot tax, but also because of this energy development.

So I say the Senator makes an excellent point, and he points out the difficulties caused by energy development.

I think the Senate and the Congress have responded well on both scores, both in the payment-in-lieu bill and the 50-percent royalty bill.

Mr. HART. Let me respond, first of all, by saying the payments-in-lieu-of-taxes bill is to compensate for some inequity that exists in some Western rural counties, because the local governments have to provide services for those counties where the public lands exist while they have no ability to gather revenues for those lands with which to pay for those services. So, I think it is not quite fair to say that this payments-in-lieu-of-taxes bill will take care of the energy impact. That is a separate problem.

Mr. JOHNSTON. That is true. It will help to some extent.

Mr. HART. It will help pay for the services that have to be provided in those counties, because the public lands are there. These free services include fire protection, road maintenance, cleanup, and whole host of other demands and drains on these local counties with their inadequate tax base. So that is a separate problem, and it existed long before the energy impact was ever heard of.

The payments-in-lieu the Senator refers to are just a step in the direction of taking care of an inequity that has been too long in existence. That is one problem.

On the question of the oil shale leases, I think we have a peculiar situation there. I will check the records, but I think the Senator's recollection may be a little elaborate in terms of the amount of money accuring to the State of Colorado.

Mr. JOHNSTON. It may be.

Mr. HART. The State of Colorado has not realized nor will it realize in the near future anywhere near the amount of money the Senator has suggested.

Mr. JOHNSTON. This was a share of the bonus. As I recall, the bonus paid was something in the neighborhood, perhaps it was, of $300 million, of which you did get or were able to get—excuse me, the Senator from Wyoming tells me it was $200 million.

Mr. HANSEN. That is my recollection.

Mr. JOHNSTON. Under the legislation recently passed, you would then be entitled to $100 million, so I was a little elaborate in my estimate.

Mr. HART. Regardless of Colorado's problems in realizing its share of the oil shale funds, I would like to point out that the Rocky Mountain States are beginning to experience severe impacts from energy development.

Now, let me point out the bill I have introduced is not nearly as elaborate as the measure the Senator is proposing because, first of all, it provides assistance primarily through loans.

My understanding is that the Senator from Louisiana's proposal is a grant program; is that correct? Could the Senator enlighten me on that?

Mr. JOHNSTON. You ask is this a grant program?

Mr. HART. Yes.

Mr. JOHNSTON. This particular amendment relates to the grant program already in the law, and it increases that authorization from $50 million to $75 million.

There is also a loan program provided in other sections of the Coastal Zone Management Act, which is also funded but not under this particular amendment.

Mr. HART. Let me just say, in reference to the inland impact legislation it is a loan program, in part in recognition of some of the facts the Senator has already

laid out, but not entirely. In fact, I was told the chances of getting a bill through to mitigate the effects of inland energy development with a grant program was almost impossible.

Now, obviously I do not occupy the position of preeminence that the Senator from Louisiana does or I would not have been told that, because he has just managed to do it. Nevertheless, in sponsoring this legislation, the decision was to make it a revolving loan fund, with the requirement that communities, once they got on their feet, developed a tax base and infrastructure, could repay the Federal Government.

What I am still seeking, from the Senator from Louisiana, is his attitude toward that kind of legislation.

Mr. JOHNSTON. Without knowing the details of it, it sounds like the kind of bill I have supported. My distinguished friend from Wyoming has very eloquently made the case for the inland States that are getting ready to be mined exclusively with strip mining, and I am familiar on a firsthand basis with the effects, and if present programs are not adequate to deal with that on a State and local basis, I would be very friendly toward a program which would adequately take care of that, and I think I have demonstrated that, and I think my colleagues on the Energy Committee have as well.

Mr. HART. Well, the fact is that the impact on Colorado and Wyoming is as bad or worse than what it is in Louisiana, in terms of what happens to a small community in terms of health care needs, education needs, police protection needs, and all the rest. I think it is safe to say that for those of us who are landlocked, our impacts are just as bad as on the coast. Those of us who are considering support for this amendment have to give serious thought to the time when we will be before the Senate with similar legislation seeking the support of those from coastal States.

I am not talking about back scratching or log rolling or vote trading or anything else. But, I am just talking about applying the same rules to meeting the needs of impacted communities in the Rocky Mountain States and the inland States where energy is being rapidly developed. That is the concern I have, and I hope it is shared, as I am sure it is, by my colleague from Wyoming.

Mr. HANSEN. Mr. President, will the Senator from Colorado yield?

Mr. HART. The Senator from Louisiana yielded to me.

Mr. JOHNSTON. Yes, I will yield to the distinguished Senator from Wyoming.

Mr. HANSEN. First, let me say I support enthusiastically the amendment offered by the distinguished Senator from Louisiana. I think we have to recognize as a Nation of concerned people that we must make an extraordinary effort to cope with the problems that are forced upon us by our growing dependency upon foreign countries for oil and gas.

We all want to move forward quickly. I regret that we have taken what I view as a backward step in adopting the Jackson amendment, cosponsored by several of our colleagues. But, nevertheless, that is part of the bill now, and I guess it is one of the things we are going to have to weigh as we try to make a determination on the final outcome of our vote on this piece of legislation.

I do want to say we understand in Wyoming, as does the distinguished Senator from Colorado, what it means to have a sharp escalation in the mining activity as this Nation gropes with its own domestically owned resources in trying to satisfy the growing demand for energy. I am totally sympathetic with the distinguished Senator from Colorado, as a consequence.

Just to try to help set the record straight insofar as my memory may permit me to do, my recollection is that there was paid in excess, slightly in excess, of $200 million bonuses on oil shale leases. I think though those payments were made sufficiently previously to the increase in mineral royalties so that the old 37½ percent—but I am not certain about this—may have been returned to Colorado instead of the 50 percent.

Mr. HART. I think the Senator is absolutely correct, and I also think there were other conditions on that royalty payment.

Mr. HANSEN. As a matter of fact, I do not think the full amount was paid. Is that correct?

Mr. HART. That is precisely correct.

Mr. HANSEN. So if my recollection serves me correctly, Colorado lacked receiving a lot of money anywhere near $100 million.

Mr. HART. That is absolutely correct.

Mr. HANSEN. Then, of course, that amount of money, or whatever was returned to the State from the two sources, one from the increased royalties and, second, from the payments in lieu of taxes, is still subject to distribution according to the formula authorized by the State legislature.

Mr. HART. That is correct.

Mr. HANSEN. So it may not follow at all, despite the fact that a seemingly large amount of money has been returned to a Western State, such as Colorado, that it necessarily gets to those impact points where we do have real concern about the inability of city and county governments to meet, with ever-growing numbers of people, the needs for hospitals, police, staffing, fire departments, sewage disposal, and everything else. It is that concern that motivated me, as it has each of us here, to do something about that. I want to be as helpful as I can be.

I think we should recognize, as I am certain those of us here this afternoon do, that the State legislature has a responsibility. It is one thing for us to take the action that we have taken to make available to the disposition of the State legislatures these funds, and I underscore this point, because there may be a disposition, as I know there has been in a number of States, on the part of the State legislature to assume that a lot of money is coming into the State and that lots of projects that they might otherwise have never dreamed of trying to authorize and appropriate funds for suddenly become attainable, and that is something that we can do nothing about.

But I would hope that the legislatures, and I do not mean to imply that they are not responsible, by any means, must consider in appropriating these funds the intention of Congress in saying, "We want this money to be used, first, in addressing the problems of the social and economic impacts resulting from energy development."

Having said all of that, let me say again, Mr. President, that I think the coastal States are going to experience the same sort of problems we have had in the interior areas of this country in having people move in and having the demand and the necessity for all kinds of services provided generally by Government expand sharply and escalate very markedly without a commensurate ability or without the front-end money necessary to permit Government at whatever level to take steps necessary so as to minimize that sharp impact.

I could not be more sympathetic than I am with my good friend from Colorado in my desire to see that we do everything we possibly can to minimize that problem.

I think what this amendment of the distinguished Senator from Louisiana addresses is a recognition of this fact, and I would hope that it will be adopted and stay right in here, because I think it is extremely important that we take steps to see that we do not add specific burdens to areas along the coast where the population will burgeon overnight and need for services expand out of all proportion of local government to address that problem when we have the opportunity through the adoption of the Johnston amendment to anticipate that situation and do something about it as I believe all Americans would have us do.

Mr. JOHNSTON. Mr. President, I am ready to vote unless someone else wishes to speak.

Mr. HART. Mr. President, I wish to explain the reason for bringing this issue up.

We are in a hurry and anxious to resolve this, and everything else, but I think it is important that the record reflect that, while we are considering this issue of concern to some States in the Union, the same problems apply nationwide almost. Certainly in the region that I come from the same situation prevails. I want it made very clear that while we are seeking here to help one region of the country with its problems, those same problems occur in other regions, and I want the people who represent those regions to understand when they ask for the support of those of us in the inland States that we have the same problems and we will be seeking legislatively to remedy those problems and the time will come and hopefully very soon when legislation of this type, perhaps not this broad or this elaborate, is brought on this floor and we will be seeking the support of the coastal States and the people representing those States in helping alleviate the same problems in our own parts of the country. I just want that point to be made, and I want to seek to the degree possible to get some feeling from those promoting this legislation as to how they feel about those problems in other parts of the country.

Mr. LONG. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield to the distinguished Senator from Louisiana.

Mr. LONG. Mr. President, I believe this point should be made to be understood that if the Federal Government wants to produce energy in the areas that are under the jurisdiction of the Federal Government in the sea, and that is where the big potential is at the moment, it should make it as attractive as it can to the States to cooperate. When States like Louisiana and Texas went out there and commenced drilling out in the Gulf of Mexico, where we now have 21,000 wells drilled, they did so because they saw something in it for them. They had the prospect of finding revenue that would increase the State's revenue and help pay for schools and pay for the expense of government. They were very enthusiastic about it, because it is a tremendous asset and a tremendous plus to them.

But when you ask these States on the Atlantic seaboard to cooperate in drilling in an area that greatly exceeds that which is in the Gulf of Mexico, I can understand why you are met with all these environmental lawsuits and all these objections. In the first place the whole thing will be a burden on their State government. Those big trucks crack up highways something awful. Then you have to educate all those children of the workers who come in with no revenue to help pay for it. You have to provide police protection, sanitary services, and all the rest.

Then we hope to avoid it, but there might be a spill, in spite of all the precautions that someone can take, as in the experience that happened in the North Sea just a few months ago. It takes a while but in time that oil will disintegrate and become a part of the ocean atmosphere, but it take time and meanwhile you have a pesky little bit of scum here that has not yet gone away. That takes a while.

So with all those irritations and burden on the Government and to see the Government go out there and make a ton of money out of all that with the adjacent State receiving nothing but annoyance and expense out of it, one can understand why those States file those lawsuits, file those objections, and resist anything happening so that the Government just gets nothing out of it.

If you make it where it is not a burden to them but it is a plus, then they would tend to look at it in an entirely different way. Frankly, without something along that line, this Government is just never going to get anywhere toward producing energy in the largest frontier that it has.

My understanding is that the lands privately owned and those owned by the States are producing 95 percent of the oil that is being produced by the United States—and if this is not correct I would like to be corrected—and that which is owned by the Federal Government, which is the other 5 percent including that in the Gulf and the Atlantic and beyond the historic boundaries the other 50 percent is producing 5 percent. So 50 percent privately owned, then, or owned by the State, is producing 95 percent, and the other 50 percent, owned by the Federal Government, is producing 5 percent; and there is no reason why that which is owned by the Federal Government should not produce just as much as that which is owned privately.

If you want those people to produce, there ought to be a little something in it for the States. That is the philosophy that the amendment expresses, and I think it is right.

With Federal lands located in Western States, like Colorado, and even the Kisatchie National Park in Louisiana, the law provides that the States receive 37½ percent, as I recall, which is a big incentive for the States to hope something comes out of all this, and to cooperate, and they do cooperate and help move the effort along.

I do not know that this Senator has ever been found guilty of not trying to see that the Western States have every incentive for cooperation.

Mr. HART. Mr. President, if the Senator will yield. What I am saying is, that our needs for assistance are as great in Colorado as in Louisiana. Louisiana does not receive the bonuses of its offshore resources; that is a separate matter, having to do with the impact of that development on the communities and States. What I am saying is that when the time comes for similar legislation to be on the floor of the Senate providing some assistance to the inland States for their energy problems, that those who are seeking assistance for the coastal States today will be sympathetic to pleas from other parts of the country for that kind of assistance.

Mr. LONG. I would hope so, Mr. President, and I would also hope that when the Western States seek this, it would be in the same light as is being proposed by my colleague from Louisiana. What we are trying to do is get more energy, not to impact it but to get it, and to obtain cooperation where we need it, because without it we will never get anywhere in this energy crisis.

Mr. JOHNSTON. Mr. President, I yield back the remainder of my time.

Mr. BUMPERS. Mr. President, the chairman of the Energy Committee, Mr. JACKSON, has authorized me, on behalf of the committee, to accept the amendment. I am prepared to yield back the remainder of my time.

Mr. HART. Mr. President, before the Senator does that, will he yield for a question?

Mr. BUMPERS. I yield.

Mr. HART. Mr. President, as a representative of the committee, I would be interested in the views of the Senator from Arkansas on the question we have just been raising here. I would hope we could solidify this record a little more as to the position of those promoting this legislation on the problems in other parts of the country.

Mr. BUMPERS. Mr. President, first of all I will have to make this comment: The reason why I said I am speaking on behalf of the chairman of the committee is that I am not really for the amendment. I do not have any strong criticism of it. It certainly is much more acceptable to me than it was when the same amendment was suggested in the committee. I thank the Senator from Louisiana for toning down the amendment and making it considerably more acceptable, because I would certainly be resisting it strongly if it were in that same form now. But quite honestly, we have a tendency here, as the Senator knows, to include the States on the Great Lakes every time we get into coastal zone management or any bill that has any impact on the coastal States. All we have to do is include the States on the Great Lakes, and that makes 30 States. And, of course, that is 60 votes.

Despite my sympathies for the States which, indeed, do suffer an impact as a result of this offshore drilling, States such as Arkansas and Colorado are indeed going to suffer from very similar impacts from other energy developments within their States. I certainly intend to support the legislation of the Senator from Colorado when and if it comes before this body, even though at this time I cannot visualize any serious impact on my State from energy development, though we do have, as we have just discovered recently, somewhere between 2 billion and 4 billion tons of lignite.

But that lignite is not covered by the Federal Government, and the State of Arkansas is not going to share in a royalty from the extraction of that lignite. The only way we can share in it is to impose a severance tax on it. States are traditionally reluctant to do that because it makes the product noncompetitive if the severance tax is too high. There was a story in Business Week yesterday which pointed out this very thing.

I will not pursue that. To answer the question, I share the concern of the Senator from Colorado, and intend to support his legislation, and I hope that our friends from the coastal States will be as generous in considering that legislation as I have tried to be in considering this type of legislation.

Mr. HART. All we are asking for is equity and recognition of the fact that the development problems are not regional nor local, they are national; they exist wherever energy deposits are found. They are not necessarily related to petroleum, and not necessarily related to offshore drilling. They are the net cumulative effects of rapid energy development on local areas, and the same problems that this amendment is designed to solve exist in the State of Colorado, they exist in the State of Wyoming, and they exist up and down the Rocky Mountain area.

Mr. BUMPERS. I appreciate the comments of the Senator from Colorado, and am pleased to respond with my support for his legislation, and my sympathy for the inland States which will be suffering an impact.

The Senator from Wyoming knows of my opposition to an amendment to increase the share of royalties in the strip mining bill for the States from 37½ to 60 percent. We cut it to 50 percent. The President vetoed that, and the veto was overridden. Is that not correct?

Mr. HANSEN. Yes.

Mr. BUMPERS. Of course, we are talking about 50 percent of the Federal

Government's share of the royalty. But I want to point out that in my State, the 2 to 4 billion tons of lignite are owned by individuals. Therefore, the State will derive no money for any impact, whether it is for new schools, new roads, or new public or municipal facilities of any kind. I hope, as I say, that those of us here now and those from coastal zone States who read the RECORD will bear that in mind when the legislation of the Senator from Colorado comes up.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BUMPERS. I yield.

Mr. LONG. The Senator may feel that his State cannot tax that lignite, but my feeling is they can tax it all they want to.

I would defend with my life the right of Arkansas to tax that lignite, every last ton of it, just as much as they want to tax it. That is a right given the States under the Constitution. A severance tax is a completely proper tax. We have been levying it on oil for the longest time. As a matter of fact, my guess is that if the Senator will lead the charge to put a tax on lignite in Arkansas, we will do what we can on the same product in Louisiana. It has been Louisiana leading the charge for a severance tax for 50 years anyway. Half of our problem has been that we cannot persuade the other States to tax the oil companies as much as we tax them on the severance of their oil. We have a right to tax them. It is an appropriate right of the States to tax on their resources. I would hope the Senator would use his influence in Arkansas to see that they obtain some revenue from their resources.

Mr. BROOKE. Mr. President, I am a cosponsor of this amendment, because I believe it offers substantial improvements for the operation of the coastal impact program. Some have asked me why I have any interest at all since Massachusetts will not benefit from these funds until we have an OCS lease sale and it is unknown how much we will be entitled to thereafter.

My reasons are simple. I believe our friends on the gulf coast have long supplied the Nation with offshore oil and gas at substantial economic and environmental cost to those areas and I believe they must benefit fully from the funds designed to mitigate the costs of OCS onshore impacts. This is no regional issue; this is sound national policy for everyone.

However, I would like to clarify some questions that have arisen about environmental impacts of the new provisions allowing the Secretary to designate broad areas of presumed impact. Does the Senator from Louisiana have any document from the Office of Canal Zone Management indicating how this will be implemented?

Mr. JOHNSTON. Yes. The Office of Coastal Zone Management has provided me with the criteria they intend to use for implementing this authority.

Mr. President, I ask unanimous consent that this document be printed in the RECORD at this point. I also ask unanimous consent to have printed in the RECORD a document supplied by the Office of Coastal Zone Management which specifies the process the office follows now in processing formula grant requisitions.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE OFFICE OF COASTAL ZONE MANAGEMENT'S INTENT TO PROPOSE REGULATIONS TO IMPLEMENT NEW LANGUAGE FOR SECTION 308(b)(4)(B)(i)

(The Office of Coastal Zone Management (OCZM) intends to propose regulations which provide that the OCZM may designate geographic areas in which new or improved public facilities and public services will be presumed to be required as a result of OCS energy activity for the duration of the Coastal Energy Impact Program so long as the first criteria below and any one of the second, third, or fourth criteria below are met.

1. Any portion of the unit of general purpose local government which is seeking to provide the new or improved public facility or public service is located within the state's defined coastal management boundary or, if no such boundary has yet been established by the state, then within such boundary as the OCZM may designate.

2. There is an OCS energy activity located, or expected to be located, within the geographic area and the state's defined coastal management boundary, or OCZM designated boundary if no boundary has yet been established by the state.

3. The state shows that a significant fraction of the workers in the geographic area are employed in OCS energy activity.

4. The state shows that the new employment and related new population associated with an anticipated OCS energy activity will cause shortages in the requested public facilities and public services in the geographic area.

OCZM PROCEDURES FOR PROCESSING REQUISITIONS FOR THE PROCEEDS OF 308(b) GRANTS

I. PREREQUISITION REQUESTS

At any time, a state may submit proposals for projects (public facilities and public services) to be funded from its allotment of formula grants. The proposals should contain the information designated in II below. The Office of Coastal Zone Management, will review the information submitted and verify to the state the eligibility of the project. The state may later submit an official requisition for the project funds, with appropriate certifications, and the formula grant will be delivered to the state without further Federal review if no EIS is required.

II. REQUISITION OF FORMULA GRANT MONEY

To ensure that states can requisition the proceeds of their allotted formula grants with maximum speed, the CEIP regulations have established a requisition and review procedure as follows:

1. The state submits a requisition for a project or projects to be funded from its allotment of formula grants containing:

(a) A certification that the project is compatible with the state's developing or consistent with the state's approved coastal management program;

(b) A brief description of the project providing only enough information to demonstrate that the use of money is consistent with the purposes and requirements of the Coastal Zone Management Act.

(c) Sufficient environmental information to indicate whether an environmental impact statement will be necessary, but this information will not be required for nonconstruction projects.

(d) A certification that the state has used its approved intrastate allocation process (for funds allocated after FY 77) or its interim intrastate allocation process (for funds allocated during FY 77).

2. The Office of Coastal Zone Management quickly reviews the information submitted, verifies that the certifications have been made in proper form and with proper signatories, and determines that, based on the information provided, the project is not ineligible because of inconsistency with the purposes and requirements of the Coastal Zone Management Act.

3. For projects involving the construction of public facilities and the provisions of public services (308(b)(4)(B)), the review in II(2) above shall be limited to determination that the public facility to be built conforms with the requirements of Section 931.42 of the regulations and that the public facility is "required as a result of outer Continental Shelf energy activity" as determined in accordance with regulations to be proposed as outlined above.

4. For projects involving construction for environmental or recreational uses (308(b)(4)(C)), the review in II(2) above shall be limited to determinations that the project is designed to prevent, reduce, or ameliorate losses of valuable environmental or recreational resources which are "unavoidable", as defined in the statute and regulations, and which result from coastal energy activity.

5. For each construction project, the Office of Coastal Zone Management shall determine from the environmental information submitted, whether an Environmental Impact Statement is required. If an EIS is required on any project, the EIS will be performed before processing of that project's requisition is completed.

Mr. BROOKE. Will each new project eligible for CZM funds in a broadly designated impact area still be reviewed by OCZM for its conformity to the purposes of the act?

Mr. JOHNSTON. Yes, OCZM must still assure that each expenditure of formula grant money complies with the Coastal Zone Management Act.

Mr. BROOKE. Does this section change the definition of activities now eligible under the act?

Mr. JOHNSTON. No.

Mr. BROOKE. Is any provision of existing law related to air pollution, water pollution, or to other environmental impacts suspended or changed with respect to projects in these zones?

Mr. JOHNSTON. No.

Mr. BROOKE. Can any area not now potentially eligible under the act be designated and impact area—for example, an entire State or large inland areas contiguous to the coastal zone?

Mr. JOHNSTON. No, the designation by the Secretary must comply with the present requirements of the Coastal Zone Management Act.

Mr. BROOKE. I thank the distinguished Senator from Louisiana.

I would like to note, Mr. President, that I do not believe that the basic CZM Act goes far enough toward protecting the coastal zone from harmful growth. I do expect to continue to support the tougher position which the Senate took when we last amended this statute. And I will try to get the basic provisions tightened. But you have been most persuasive that the language before us in no way alters the existing provisions of law nor the practices of OCZM except to streamline the grants process. My strong support of this language continues. And I hope it will indicate to the public how obsolete are the myths about the alleged unbridgeable divisions among regions

over the national energy policies all our people want and need so urgently.

Mr. BUMPERS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. If all time has been yielded back, the question is on agreeing to the amendment of the Senator from Louisiana.

The amendment was agreed to.

Mr. JOHNSTON. I move to reconsider the vote by which the amendment was agreed to, Mr. President.

Mr. LONG. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHILES. Will the distinguished floor leader yield me some time so I might bring up a conference report on the Treasury appropriation?

Mr. BUMPERS. I am happy to yield.

TREASURY-POSTAL SERVICE APPROPRIATIONS, 1978—CONFERENCE REPORT

Mr. CHILES. Mr. President, I submit a report of the committee of conference on H.R. 7552 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7552) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1978, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of June 22, 1977.)

Mr. CHILES. Mr. President, the conference report has been printed as House Report No. 95–455.

New budget authority recommended in the conference report is $7,478,254,000. This is a reduction of $115,242,000 below the fiscal year 1978 amended budget estimates and $43,774,000 below the House bill. It is an increase of $2,007,000 above the Senate bill.

TITLE I

For title I of the bill, providing appropriations for the Treasury Department, the conference agreement is $2,842,714,000. This is a reduction of $67,205,000 below the House bill and $3 million below the Senate bill.

For the Internal Revenue Service, the conferees allowed $1,859,800,000. This is an increase of $10,581,000 above the House bill and a reduction of $3 million below the Senate bill. The conferees expressed concern about the level of audit coverage and directed that this coverage be maintained at not less than 2.43 percent during fiscal year 1978. This is the same level of effort programed for fiscal year 1977.

TITLE II

The conference agreement for title II, the U.S. Postal Service, is $1,695,540,000. This includes $223,250,000 to finance the extended phasing-in period of full postal rates for certain second, third, and fourth class mailers as authorized by Public Law 93–328.

TITLE III

The conference agreement for title III, the Executive Office of the President, is $71,697,000. This is an increase of $24,944,000 above the House bill and a reduction of $100,000 below the Senate bill.

The House sustained points of order against appropriations for the White House Office, the Executive Residence, the Official Residence of the Vice President, Special Assistance to the President, the Council on Wage and Price Stability and the Domestic Council on the basis that these activities were lacking authorization. The conferees agreed to include $25,135,000 for these appropriations.

For the Office of Drug Abuse Policy, the conferees agreed to an appropriation of $1,200,000. This is an increase of $100,000 above the House bill and a reduction of $100,000 below the Senate bill.

TITLE IV

For title IV, Independent Agencies, the conference agreement is $2,868,303,000. This is an increase of $5,107,000 above the Senate bill and a reduction of $1,513,000 below the House bill.

For the Federal buildings fund, the conferees allowed a limitation on the availability of revenue collected from Federal agencies by standard level user charges (SLUC) of $1,332,789,000. This is a reduction of $7,211,000 below the House bill and includes funding for new construction projects in Maine, Michigan and Alaska as well as funding for acquisition of U.S. Postal Service properties in North Carolina, Michigan and Connecticut.

The conferees agreed to an appropriation of $20,000,000 for grants under the Intergovernmental Personnel Act; $160,000,000 for the Federal Supply Service; $8,024,000 for the Automated Data and Telecommunications Service and $38,800,000 for the Federal Preparedness Agency. For the Federal Election Commission, the conferees agreed to an appropriation of $7,300,000 which includes $750,000 for the National Clearinghouse activity.

Mr. President, this has been a summary of the conference report, and I will answer any questions at this time.

Mr. President, I move the adoption of the conference report on H.R. 7552.

The PRESIDING OFFICER. The question is on the adoption of the conference report.

The conference report was agreed to.

The PRESIDING OFFICER. The clerk will state the amendment in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 11 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

OFFICIAL RESIDENCE OF THE VICE PRESIDENT
OPERATING EXPENSES

For the care, maintenance, repair and alteration, furnishing, improvement, heating and lighting, including electric power and fixtures of the official residence of the Vice President, and for official entertainment expenses of the Vice President, to be accounted for solely on his certificate, $121,000: *Provided*, That advances or repayments or transfers from this appropriation may be made to any department or agency for expenses of carrying out such activities.

Mr. CHILES. Mr. President, I move the Senate concur in the amendment of the House to the amendment of the Senate No. 11.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to.

OUTER CONTINENTAL SHELF LANDS ACT AMENDMENTS OF 1977

The Senate continued with the consideration of S. 9.

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum without the time being charged to either side.

Mr. ROBERT C. BYRD. Mr. President, will the Senator withhold that for a moment?

Mr. BUMPERS. I will.

Mr. ROBERT C. BYRD. I ask unanimous consent to proceed for 2 minutes without the time being charged.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, if it is agreeable to all concerned, Mr. DURKIN will call up his amendment, on which there is a 2½-hour time limitation. Debate on that amendment will occur tonight, with a proviso that 30 minutes will be utilized on tomorrow at the resumption of the consideration of this measure, 30 minutes to be equally divided between Mr. DURKIN and the manager of the bill, with no more rollcall votes tonight.

I yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, reserving the right to object and I shall not object, the leader knows we have a conference report which is very important and we ought to get it approved. There will be no more than just a few minutes discussion, 5 minutes, according to what I believe now.

Mr. METZENBAUM. Mr. President, in connection with that matter, I advised the chairman of the Armed Services Committee that Senator GOLDWATER——

Mr. STENNIS. He is here.

Mr. METZENBAUM. He is here? All right.

Mr. ROBERT C. BYRD. May I ask the distinguished manager of the bill if it is anticipated that a rollcall vote would be necessary on the conference report?

Mr. STENNIS. No.

Mr. GOLDWATER. If the Senator will yield, it is nothing but a discussion of legislative history regarding some language which did not come out as clearly as we wanted in the conference report.

Mr. ROBERT C. BYRD. I understand.

Mr. STENNIS. It should not take more than 5 or 6 minutes.

UNANIMOUS-CONSENT REQUEST

Mr. ROBERT C. BYRD. Mr. President, is any Senator entitled to the floor at the moment?

The PRESIDING OFFICER. No.

Mr. ROBERT C. BYRD. I ask unanimous consent that Mr. DURKIN may be recognized to call up his amendment; that there be no vote on that amendment tonight; that on tomorrow, upon resumption by the Senate of consideration of this bill, there be a remaining time limit on the amendment by Mr. DURKIN of 30 minutes, to be equally divided in accordance with the usual form.

Mr. DURKIN. Reserving the right to object.

What time for the vote? Is there a time certain?

Mr. BAKER. Mr. President, reserving the right to object, I am not going to object, but I want to make one inquiry and state one observation.

We are up against a unanimous-consent order to vote not later than 6 tomorrow. There are a number of printed amendments; no doubt there may be unprinted amendments. I inquire of the majority leader in that respect, then, since we have a time certain to finish the whole thing, what time he plans to come in tomorrow so we can get some estimate of whether we can accommodate all of those amendments after we finish the Durkin amendment?

ORDER FOR RECESS UNTIL 9:30 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, that when the Senate completes its business today, it stand in recess until the hour of 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO RESUME CONSIDERATION OF OCS MEASURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, after the two leaders or their designees have been recognized under the standing order tomorrow, the Senate resume consideration of the OCS bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT ON OCS MEASURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate resumes consideration of the OCS bill tomorrow, the time of one-half hour be allotted, equally divided in accordance with the usual form, on the amendment by Mr. DURKIN; at the conclusion of which time, the vote will occur.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, this relieves Senators of any possibility of any further rollcall votes today. There will be a rollcall vote in the neighborhood of 10:15 a.m. tomorrow on the amendment by Mr. DURKIN, or in relation to that amendment.

Mr. President, I ask Mr. BUMPERS if it will be possible for him to manage the bill in the morning, and if this would be agreeable with Mr. JACKSON, for Mr. BUMPERS to manage the bill in Mr. JACKSON's absence in the morning. Mr. JACKSON has to continue a markup in his committee on an energy bill.

Mr. BUMPERS. I say to the leader, I have not discussed this with Senator JACKSON, but I feel certain it will be agreeable to him.

Mr. HANSEN. Reserving the right to object, and it is not my desire to object, we have had markups for the last couple of days, I guess, on the energy bill. I do not know who may be there. I have been there pretty much by myself. The problem that I anticipate is that, without knowing if everyone on the Energy Commitee on the minority side is engaged, I know two of our members are on the Public Works Committee, or whatever the new name is. They are marking up the clean air bill. I should not want to get into a situation where we do not have any representation on the minority side. I know Senator JACKSON would not, either, for that matter.

That is the only problem. If we can resolve that, I have no objection at all. I just do not know if anyone else is going to be there.

Mr. ROBERT C. BYRD. I wonder if the distinguished minority leader can help us in this regard, to find somebody on the committee to represent the minority in Mr. HANSEN's absence, because Mr. HANSEN will have to be here on the floor.

Mr. BAKER. If the Senator will yield, I was just talking to the staff about that.

We have another complication in that other members of this committee, who would ordinarily be primarily interested in the management of this measure, are also involved in the markup of another bill in another committee.

I say to the majority leader and my friend from Wyoming that I think, surely, we can find somebody to cover at least part of that first 2 hours of the session, when the committees can meet without consent, and permit him to attend the markup while we dispose of opening details of the session, the continuation of consideration of the Durkin amendment, and, by the time that vote is taken, it will then be 10:30 or thereabouts and we shall be close to the time when the committees will be preparing to meet.

Mr. DURKIN. Mr. President, reserving the right to object. I do not think I shall, but does the unanimous-consent agreement propounded by the majority leader contemplate an up or down vote on amendment No. 507, which is the one we shall call up, rather than a motion to table?

Mr. ROBERT C. BYRD. It does not. Does the Senator wish an up or down vote?

Mr. DURKIN. Yes.

Mr. ROBERT C. BYRD. Mr. President, I modify my request as follows:

Mr. JOHNSTON. Will the majority leader make the full request? I had stepped out.

Mr. ROBERT C. BYRD. Yes, I will be glad to.

I ask unanimous consent that, when the Senate completes its business today, it stand in recess until the hour of 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. That will allow the committees to meet until 12.

I ask unanimous consent that, after the two leaders or their designees have been recognized under the standing order on tomorrow, the Senate resume consideration of the OCS bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that, at that time, when the Senate resumes its consideration of the OCS bill tomorrow, there be a 30-minute time limitation on the amendment by Mr. DURKIN, to be equally divided in accordance with the usual form, at the conclusion of which time, a vote will occur on the Durkin amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. That takes care of it.

Mr. DURKIN. I thank the Senator.

Mr. STENNIS. Reserving the right to object, as I understand the Senator's request, that includes the idea of the conference report coming up on the military authorization bill?

Mr. ROBERT C. BYRD. Yes, indeed.

Mr. HANSEN. Will the distinguished majority leader yield?

Mr. ROBERT C. BYRD. Yes.

Mr. HANSEN. I am constrained to observe that there is a good likelihood that there may not be a working quorum present at the Energy Committee meeting that has been planned for tomorrow morning, anyway. So, assuming that that may very well be the way things work, I should not object to our coming in at 9:30. I have in mind the universal desire that we wrap this up quickly. So, if that would be helpful, if the majority leader wants to move it back from 10, which we have just agreed to, to 9:30 in the morning, I should not object.

Mr. PERCY. If the majority leader will yield, I should certainly appreciate that very much. I hope to stay as long as I possibly can, but I have to leave for the west coast.

Mr. JOHNSTON. If the majority leader will yield, I should like that, too.

ORDER FOR RECESS UNTIL 9:30 A.M. AND ORDER OF PROCEDURE TOMORROW

Mr. ROBERT C. BYRD. Seeing that this is an opportunity for me to make many friends, I ask unanimous consent that, when the Senate completes its business today, it stand in recess until 9:30 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. With the understanding that the previous request as to the resumption of action on the bill and the time limitation agreement on Mr. DURKIN's amendment and the vote occurring on Mr. DURKIN's amendment at the expiration of 30 minutes, or, if time is yielded back, before then, stands.

The PRESIDING OFFICER. It is so understood, and the previous unanimous-consent requests are confirmed.

Mr. LONG. Reserving the right to object, if the Senator will yield, assuming there are committees that have requests to meet, will the committees be permitted to meet tomorrow morning?

Mr. ROBERT C. BYRD. The Senator wishes to meet until how long? Under the order as it is now entered, the committee could meet until 11:30 without consent.

Mr. LONG. Would the Senator as soon make it 12:30, then? Never mind. We shall find a way.

Mr. ROBERT C. BYRD. The Senator is very versatile and adroit, very resourceful.

Mr. President, there will be no more rollcall votes tonight. However, the distinguished Senator from Mississippi will bring up a conference report after the discusion on the amendment by Mr. DURKIN.

Mr. DURKIN. He can bring it up now if he would like.

Mr. JOHNSTON. Mr. President, will the majority leader yield?

Mr. ROBERT C. BYRD. Yes. I do not want to lose those friends I gained a few moments ago.

Mr. JOHNSTON. Does the unanimous-consent order now call for a vote on passage tomorrow night at 6 p.m.?

Mr. ROBERT C. BYRD. Yes, not later than 6 p.m.

Mr. JOHNSTON. I wonder if the majority or minority leader would be amenable to moving that up to, say 3 p.m.?

Mr. BAKER. Mr. President, I should very much like to do that, but I simply cannot. I have counted the printed amendments on the desk. There are nine of them. I am not certain they will all be called up. I am almost certain they will not. That would certainly limit the range of our opportunity to dispose of these.

Mr. PERCY. Will the majority leader yield?

Mr. ROBERT C. BYRD. I yield to Mr. PERCY first, then to Mr. HANSEN.

Mr. PERCY. I think that, possibly, the same thing could be accomplished or moved toward that if it is possible to cut the time limitation down from 2 hours per amendment to an hour. Does the minority leader know of anyone who wants 2 hours?

Mr. HANSEN. I was just checking. I am not the minority leader, but if I could respond, I think that arrangement would be a workable one and I would not object to cutting the time on the amendments from 2 hours equally divided to 1 hour.

Mr. BAKER. Mr. President, I see Senator THURMOND is on the floor. He has two amendments.

Mr. THURMOND. Five, which I just sent to the desk.

Mr. BAKER. Could I inquire of the Senator——

Mr. THURMOND. I imagine the managers of the bill will accept several of them.

Mr. BAKER. Could we have a reduction in time on those amendments, would that be agreeable to the Senator from South Carolina?

Mr. METZENBAUM. It would not be agreeable to the Senator from Ohio.

I have an amendment. I think there are three or four others who expect to speak in connection with it. We may take less than 2 hours, but at this point I do not want to foreclose those who are cosponsors from having that opportunity.

TIME LIMITATION AGREEMENT ON CERTAIN AMENDMENTS

Mr. BAKER. If the Senator will yield, I would like to make a request, if I may, with respect to the amendments of the Senator from South Carolina.

Mr. President, would the Senator from South Carolina agree to a 1-hour limitation on each of his five amendments?

Mr. THURMOND. Yes.

Mr. BAKER. Mr. President, I make that unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on all other amendments, with the exception of the amendment by Mr. METZENBAUM, there be a 1-hour time limitation, equally divided in accordance with the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object.

Mr. ROBERT C. BYRD. This request would not affect the amendment by——

Mr. BAKER. I am sorry, I have people I have to check with on my side that are not on the floor. Can the majority leader withhold that just a few minutes?

Mr. ROBERT C. BYRD. Yes. I am glad to.

If the Senator from Mississippi may be recognized to call up his conference report, may we have the understanding that on the disposition of the conference report the Senate resume consideration of the OCS bill, at which time Mr. DURKIN be recognized?

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Mississippi.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to Mr. DURKIN to get the yeas and nays on his amendment?

The PRESIDING OFFICER. The amendment has not yet——

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent it be in order for the yeas and nays to be ordered on the amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DURKIN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank all Senators.

There will be no more rollcall votes.

Mr. PERCY. Will the Senator yield for a further clarification?

Mr. ROBERT C. BYRD. Yes.

Mr. PERCY. Would it be possible for the floor managers to try to schedule amendments and require the offer of the amendment requiring a rollcall vote earlier in the day, rather than having them all pile up at the end on Friday afternoon, which might find a number of Senators necessarily absent?

Would this be agreeable to the managers?

Mr. BUMPERS. As the Senator knows, sometimes it is very difficult.

Mr. PERCY. The best effort.

Mr. BUMPERS. Certainly, the best effort, that will require rollcall first, to accommodate people who will have to leave early tomorrow.

Mr. PERCY. I thank the distinguished Senator.

Mr. ROBERT C. BYRD. I thank Senators.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Mr. President, I thank the leader for providing this time and I thank the Senator from New Hampshire for being so considerate, as he always is, to yield at this point.

DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1978—CONFERENCE REPORT

Mr. STENNIS. Mr. President, I submit a report of the committee of conference on H.R. 5970 and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. SARBANES). The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5970) to authorize appropriations during the fiscal year 1978, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of June 20, 1977.)

Mr. STENNIS. Mr. President, this conference report was signed by all the conferees, both the House and the Senate.

I am not going to ask for a rollcall vote and I do not think anyone else will, under the circumstances.

Mr. President, this conference report on H.R. 5970 contains the authorization for funds for procurement, research, and development and civil defense, together with the strength levels for active duty, Reserve, and civilian manpower for the

Department of Defense for fiscal year 1978. This is a massive bill, covering many of the major items and issues of national defense. The Senate version of the bill passed on May 17, by an overwhelming vote, with only three votes against it. We went on to have eight conference sessions with the House over a 2-week period. In the course of the conference, the many differences between the two bills, including 45 differences in procurement, 199 differences in research and development, and 44 differences in manpower strengths and language were resolved by the conferees.

This bill is some $20 million below the overall defense budget recommended by President Carter. This includes the dollar effect of manpower reductions in the bill. It is my understanding that this bill is consistent with the budget resolution targets once the necessary financing assumptions have been made and the Appropriations Committees have acted.

I want to point out to the Members that the House and Senate conferees concluded action on this report on June 19, 1977, before the President's recent budget amendment. The President's budget amendment relating to the B–1 bomber, cruise missiles, and related items was not considered by either the House or Senate committee in the work relating to this conference report. These matters will be considered by the Armed Services Committee, along with the supplemental authorization request submitted to the Senate on July 13, 1977.

Mr. President, before getting into the details of this report, I want to point out that there is a printing error on page 2 of both the Senate Report 95–282 and House Report 95–446, the printed copies of the conference report on H.R. 5970. Under the item for procurement of missiles in the Army, the correct figure is $562,700,000 which is $1 million less than that shown in the printed copy. The official copy of the conference report as passed by the House and which is now before the Senate has the correct figure. I would note that the correct figure also appeared in the conference report as it was printed in the CONGRESSIONAL RECORD on June 20, 1977. To save the expense of reprinting the entire report to correct one figure, a star print was not requested.

I urge the Senate to approve the conference report on H.R. 5970, the military authorization bill for the 1978 fiscal year. I believe that the conferees have drafted a splendid conference report which authorizes the material and manpower necessary for the armed services.

The conference bill includes authorization of funds totaling $36.1 billion for procurement, research and development, and civil defense. In arriving at this figure, the Senate added $142.5 million to its bill and the House added $173.3 million to its bill. Both bills increased due to the fact that Senate legislation authorized specific amounts for shipbuilding claims, while the House legislation had made a general authorization for payment of shipbuilding claims. The authorization bills of the two Houses were only some $38 million apart in funds authorized. However, because of the different treatment of shipbuilding claims and the different manpower levels authorized, the total impact of the House bill was $692 million above that of the Senate. In conference, the Senate conferees added $267.5 million and the House conferees accepted reductions of $424.5 million.

MAJOR ACTIONS IN PROCUREMENT

I turn now to the actions of the conference committee on major programs in disagreement.

NAVY SHIPBUILDING

Conferees approved an authorization for Navy ships of $6.2 billion. The $6.2 billion recommended is $440 million above the amended budget request, $486 million above the House bill, and $483 million below the Senate bill. The new ships approved are as follows: 2 Trident submarines, 1 nuclear attack submarine, 1 DDG–47 Aegis destroyer, 2 DD–963 (air capable) destroyers, 8 guided missile frigates, 2 fleet oilers, and 3 fleet tugs.

Also authorized are long lead funds for *Nimitz*-class carrier—$81.6 million—and for an Aegis-equipped *Virginia*-class nuclear cruiser—$180 million. I wish to emphasize that the conference report maintains the option, included in the Senate version of the bill, for the executive branch and Congress to decide for fiscal year 1979 which kinds of carriers are required—*Nimitz*-class, CVV medium conventional carrier, conversion of a *Midway*-class carrier, or VSTOL aviation ship. We must move forward now with the changes that are necessary to meet the major threat posed by the Soviet Navy. There is a big argument about whether large carriers are better or small carriers, or what kind of ships should go along with the carriers. So we just put the alternatives in this bill and that was finally agreed to by the majority.

The future composition of sea based forces, aircraft carriers, and other means of keeping aircraft at sea is a serious matter. One of the great concerns of the Senate committee and the conferees was that Congress be provided with complete information on costs and capabilities of the various types and combinations of aviation ships. Both the necessary research and development funds and specific language requiring comprehensive evaluation studies of sea based aircraft platforms are included in the conference report in order that general design of these ships can be sufficiently advanced to permit authorization of these ships next year. I do not believe that Congress should manage the study or dictate its contents. We have an excellent Secretary of the Navy, and we have charged him with that responsibility. It is urgent that no further time be lost. A choice, without loss of a year, is necessary.

AIRCRAFT

The conferees provided for 40 F–14s in fiscal year 1978 (the Senate had 36 and the House had 44) and advance procurement for 36 F–14's in fiscal year 1979 (the Senate had 36 and the House had 60). The statement of managers contains a statement relating the F–18 to the conference action on the F–14. This statement, as I understand, is simply an explanation of the conference action on the fiscal year 1978 program for the F–14 and is not intended to bind the Congress or the executive branch in the development of any budget or program in future years. The conferees authorized 108 F–15s in the House bill for $1,697.1 million (the Senate had accepted the Carter budget reduction to 78) and they fully authorized the research and development and procurement request for 105 F–16s for a total of $1,484 million (the House had cut $159 million from research and development and procurement). The House conferees accepted the Senate amendment to the House bill authorizing 12 A–7Es at a procurement cost of $107.8 million (the House had authorized six A–7Es at a procurement cost of $45.4 million).

AIRLIFT

This bill authorizes $170 million in procurement and $50 million in research and development to improve and increase our airlift forces which are so important to our support to NATO as well as to our allies worldwide. One of our most pressing needs is to improve our ability to reinforce our NATO allies in the event of an attack by the Warsaw Pact Group, and airlift is the key to any improvement. This bill authorizes funds to continue work to replace the wings of the C–5A, to start the program to stretch the C–141, to procure eight C–130s, to continue development of the AMST, a new tactical transport, and to modify commercial passenger aircraft to be able to carry Army equipment.

The latter effort, referred to as the Civil Reserve Air Fleet modification program, is an important step to more fully utilize our commercial aircraft. The Air Force has testified that this is the most cost-effective way to increase our airlift capability. In the past there has been some difficulty in working out a satisfactory program for using the commercial aircraft. The compromise worked out this year calls for a one-time payment to cover the costs of modification and the operating differential costs that result from the modification. This approach eliminates the need for an annual appropriation and eliminates an indefinite Government obligation. With the programs provided this year, the Department of Defense should have the basis for building a sound airlift force in the years ahead.

In addition to these large cargo aircraft the conferees agreed on authorizing $17.2 million for 20 C–12 aircraft for the Army and $21.6 million for 22 CTX aircraft for the Navy. These are light turboprop off-the-shelf utility transport aircraft. The C–12 is currently in use in the Department of Defense.

TANKS

The conferees agreed to authoriz $1.5 billion for the procurement of armored vehicles for the Army and Marine Corps. The conferees agreed to purchase 800 new M60 series tanks, and accepted language requiring testing of the XM–1 tank gun to include foreign competitors and a report by the Secretary of the Army on the results of the test. The House conferees agreed to a Senate amendment to prevent the expenditure of funds to integrate the TOW antitank

missile on the mechanized infantry combat vehicle (MICV) prior to initial production. The conferees also agreed to authorize $5 million for a study to reevaluate the specific requirement for and design of the MICV and to assess the need for a more survivable follow-on vehicle.

NATO STANDARDIZATION

I am pleased to report that this bill contains programs that are important to achieving greater standardization of weapons among NATO allies. I support the President in his efforts to work toward greater standardization, and this bill conveys the message that the Senate is ready to support him in his efforts.

MANPOWER

The conference agreed to authorize active duty strengths of 2,085,100 including:

Army	787,000
Navy	535,800
Marine Corps	191,500
Air Force	570,800

This level is 3,900 below the strengths requested in the President's budget.

The conferees agreed to authorize selected reserve strengths totaling 868,900 including:

Army National Guard	382,000
Army Reserve	211,300
Navy Reserve	87,000
Marine Corps Reserve	32,400
Air National Guard	92,500
Air Force Reserve	52,000
Coast Guard Reserve	11,700

This level is 35,900 above the strength requested in the budget.

The conference authorized civilian strengths of 1,018,000 to be apportioned among the military departments by the Secretary of Defense. This is a reduction of 12,100 from the strengths requested in the President's budget and can be accomplished by attrition.

I wanted to mention two manpower issues which I believe need more specific attention by the Department of Defense. First, the active duty military strength for the Army was a matter of extensive discussion by the conferees. In the President's budget request and throughout the hearings on this bill the Army presented a manpower program which had some serious defects, among them a reduction in combat troops and corresponding increase in support. As a result, the Senate bill reduced the Army request by 12,900. A few days before the beginning of the conference the Army presented an entirely new manpower program which increased combat troops and decreased support, but also implied substantial policy changes, such as the number of troops stationed overseas. These policy implications had not been reviewed or approved. While the conferees agreed to restore most of the strength reduction made by the Senate on the basis of this new Army program, it was not intended to approve additional deployments of troops overseas or other such major policy changes until they are reviewed and approved. I expect the Department of Defense to take such steps as necessary to preclude this situation from occurring in the future.

The conferees agreed to a Selected Naval Reserve strength of 87,000, some 35,000 above the budget request and 7,000 below the current actual strength. None of the conferees are satisfied with the Naval Reserve situation. For the past 3 years the administration has proposed a reduction as large as 50 percent in the basis that the existing strength is not Naval Reserve strength each year on the needed for wartime missions. On the other hand Congress has increased the requested Naval Reserve strength on the basis that there are additional missions for the Naval Reserve and some of the units being disestablished appear to have merit.

This issue must be resolved so that the Naval Reserve strength can be stabilized, a proper balance struck between active duty and Reserve naval personnel, and our dedicated Naval Reservists can carry out meaningful missions consistent with our national defense policy. We expect the Department of Defense to bring this matter to a meaningful resolution next year.

GENERAL PROVISIONS

Admirals and generals and civilians—The conferees agreed to reduce the authorized levels of generals and admirals to 1,073 over a 3-year period beginning with fiscal year 1978 and to apply a reduction to Defense civilian employees in General Schedule grades GS–13 through 18, or equivalent, by the same proportionate amount over the same period. This amounts to a 6-percent reduction for both military and civilian senior personnel over a 3-year period.

Contracting out—The House bill contained a provision which would have declared a moratorium on any further contracting out of industrial and commercial activities and would have maintained the current percentage of funds for in-house research and development activities until March 15, 1978. The conferees also requested a study of this whole issue of contracting criteria, which is to be completed by December 31, 1977. The Senate conferees agreed to a moratorium on such contracting out until the earlier of March 31, 1978, or 90 days after the study is completed, but only if the contracting out would not have been possible under the policies existing before June 30, 1976. In this way, the Department of Defense can continue to contract out functions where the evidence is clear that the function can be performed cheaper by private contractors.

Readiness—Regarding combat readiness, the conferees accepted a provision which would require the Secretary of Defense to provide the Congress with a report setting forth quantifiable and measurable material readiness requirements for our Active and Reserve Forces. This should help the Department and the Congress to get a better handle on the important area of readiness.

The conferees also agreed to include an additional statutory reporting requirement on the impact of foreign military sales on U.S. equipment inventories.

SALT—The conferees agreed to a provision that asserts congressional readiness to consider changes in procurement and research and development for strategic programs recommended to facilitate negotiations or agreement in the strategic arms limitation talks. These changes would be considered under normal congressional budgetary procedures.

Transfer authority to Israel—The conferees agreed to extend the authority of section 501 of Public Law 91–44 for 2 years to provide the President the authority to transfer to Israel aircraft and equipment necessary to counteract military assistance provided to other countries in the Middle East. If such equipment is taken from U.S. inventories, it is to be replaced as soon as practicable.

Operation and maintenance inflation—The conferees agreed to require that Defense operations and maintenance title include amounts to cover total program cost including anticipated inflationary factors for next year's bill.

Women in the military—The conferees accepted a House provision which amends the United States Code to provide that females who become members of the Armed Forces will incur a 6-year statutory obligation in the same manner as is now the case with males. The conferees accepted a Senate provision requiring the Secretary of Defense to submit to Congress a definition of the term "combat" and recommendations on expanding job classifications in the military to which women may be assigned.

As I have said, I view this as an adequate bill and a very good resolution of the difference between the House and Senate bills. I want to thank all the conferees for their assistance. Senator TOWER, the ranking Republican member, and the Chairmen of our Subcommittees, Senators CANNON, MCINTYRE, NUNN, and CULVER were most helpful, indeed, in their areas. All members of the conference attended well and really worked to bring about this conference report. Happily, the same was true in connection with all of our committee membership in the extensive preparation of the Senate bill that passed the Senate.

CARRIER STUDIES

Mr. President, I want to make clear several points relating to Congress' action to provide several viable options on the carrier question. In my view, the law is very clear on this matter.

The law as adopted by the Joint Conference says, and I quote:

> The Secretary of the Navy shall take such actions as are required to insure that such studies are sufficiently advanced with respect to a Nimitz class aircraft carrier, a CVV, a VSTOL aviation ship, and a DD–963(H) so that any of such ships may be authorized in fiscal year 1979.

There is no need for any confusion because of this legal language. The language is quite clear. No administrative or accounting procedure can be used to negate this requirement of law.

The Secretary of the Navy is required to take whatever actions are necessary to develop the information that the Congress needs to authorize a *Nimitz*-class carrier, a CVV, a VSTOL Aviation Ship and a DD–963(H) in fiscal year 1979. If that means he must do studies then he may do so. If it means he must do design

work, then he may do so. He may do whatever is required to provide the information needed to permit authorization. There is no need for any confusion about that; it is fully clear.

Mr. President, I will be glad to answer any questions that I can.

I yield to the Senator from Texas.

Mr. TOWER. Mr. President, I join my distinguished colleague, the chairman of the committee, in urging adoption of the conference report.

I think there was a great spirit of amity between the Senate and the House Members, perhaps more so than has been the case during recent years.

We had some serious matters to attend to in shipbuilding and aircraft procurement, and on other matters that were of considerable depth and complexity.

I want to commend the distinguished chairman, who also chaired the conference committee, the distinguished Senator from Mississippi, on the dispatch and equanimity with which he handled the conference. It was a pleasure to serve with him in that capacity.

Mr. President, I rise in support of the report of the committee of conference on H.R. 5970, the bill to authorize appropriations for the Department of Defense for fiscal year 1978.

While the differences between the House and Senate versions of this bill were considerable, the conferees were able to arrive at what I consider to be a reasonable compromise with respect to the numerous defense programs that were at issue. In order for us to achieve agreement with the House conferees, it was necessary for those of us representing the Senate to accept some measure of additional funds above that provided for in the bill enacted by the Senate on May 17. In so doing, however, the Senate conferees were able to preserve many of the more critical elements contained in our version of this legislation.

Since the many programs and issues involved in this bill have been repeatedly addressed in this Chamber by my colleagues on the Committee on Armed Services and other Senators, I will not address, at this point, the many detailed matters which have already received due attention in this body. I would reiterate to my colleagues, however, that despite the funds authorized by this legislation, there remain a considerable number of unsolved problems related to our national security requirements. There are several critical programs which will require increased attention next year. These programs will be at the foundation of both our strategic and general purpose force structures for the remainder of this century. I believe all of the Members of this body should be aware that in many respects the conference report before us today lays the groundwork for several major commitments which Congress and the administration, in my view, must not fail to make in the future.

Mr. President, I will briefly mention three specific areas of our overall defense program which are, in my view, particularly critical at this time.

First, this conference report provides funds for an ambitious shipbuilding program, which includes certain options which the President will have to consider bearing directly on the future of naval aviation. The inclusion of $81.6 million in this bill for additional long-lead items for a fourth *Nimitz*-class aircraft carrier reflects the conviction of many of the conferees that we ought not foreclose the possibility of constructing an additional large-deck nuclear carrier for our fleet. It is my sincere hope that the administration will seriously consider our unified position on this matter, for without question, it is an issue which will have enormous impact on the future of our Navy.

Secondly, this conference report provides major funding to proceed with the modernization of the tactical aircraft for the Army, Navy, Marine Corps, and Air Force. Included are development funds for the advanced attack helicopter for Army and funds to continue with the Air Force's F–15 and F–16 and the Navy's F–14, F–18, and A–7 programs. The recommendations of the conferees differ in some respects from the tactical aircraft proposals submitted by the Department of Defense. In my view, our agreement provides a more realistic plan for each of the services, and I urge the President and the Secretary of Defense to accept our action on this part of the bill as a considered program based on lengthy and detailed testimony before both the House and the Senate Armed Services Committees. In each case, where the conferees agreed to aircraft procurement funds that differ from the budget request, I believe there to be compelling evidence on the record that we have formulated a prudent and sensible approach to the ongoing modernization of our inventory of tactical aircraft.

Thirdly, the authorizations contained in this conference report are based on an overall strategic posture with which the President has recently taken sharp exception.

In announcing his decision not to proceed with production of the Air Force's B–1 strategic bomber, the President emphasized that he had chosen what was referred to as the cruise missile "option."

His choice reflects the assumption that we will not require a new manned penetrating bomber over the next 10 to 15 years. He proposes instead that we continue to rely on the more limited penetrating capabilities of the B–52, and that we develop a wide-bodied jet aircraft in the standoff role of a so-called cruise missile carrier.

The foundation of his decision could lead one to believe that the strategic requirements of the United States necessitate the deployment of either a new manned bomber or the cruise missile programs. By assuming that strategic military requirements can be equally served by either option, the President permitted himself to lend additional emphasis to economic tradeoffs in reviewing the relative costs of these systems.

I would like to stress to my colleagues that these fundamental assumptions embodied in the President's recent decision are dramatically at odds with the nature of the strategic force structure endorsed by the legislation before us today. Indeed, the testimony taken by our committee and the exhaustive study of our strategic requirements, undertaken by our Research and Development Subcommittee, did not lead us to the conclusion that the respective capabilities of a new manned bomber and the cruise missile were interchangeable. To the contrary, Mr. President, our review of present and future strategic needs led us to recommend to the Senate that despite the significance of the cruise missile development effort, the requirement for an advanced manned strategic bomber continues to be undeniable.

Nowhere in our committee's testimony is there evidence provided by administration or service witnesses as to the ability of the cruise missile to function as a substitute for a new bomber. Nowhere in our extensive record is there testimony which states that we have in the past overestimated Soviet air defense capabilities foreseeable in the 1980's. Nowhere in our thorough collection of information on the Soviet defense posture is there the first indication that the penetrating capabilities of a new manned bomber will not be vital to the credibility of our deterrent in the years to come.

To the contrary, Mr. President, many of us have concluded that we do not possess the luxury of being able to choose between the new manned bomber and the cruise missile if we are to sustain the credibility of our nuclear deterrent. We did not perceive there to be an option in selecting one of these systems over the other. Our record concludes that the risks we must assume in terminating either system are unacceptably high risks for this country to take.

Nonetheless, the President has made known to us his decision. He has not made known to us an acceptable rationale. He has not informed this body or the Committee on Armed Services of any changes in our estimates of the Soviet defensive capabilities which have permitted the creation of new "options"—options that he claims are now available to us and which he believes will entail no unreasonable risks with our future security.

Mr. President, the only source of continuity with respect to the history of our national security needs rests within the Congress. Our committee represents a focal point for this continuity in overseeing, from year to year, one of the most difficult and costly tasks facing our Government today as in years past—that of providing the United States with the necessary military strength. It is my strong belief that in keeping with this task we must conduct a thorough examination of the new directions in strategic planning that the President's decision represents. I hope that our committee will undertake this review with all dispatch, and that the new administration will cooperate fully in their participation in these proceedings.

I know that the Senate expects, from our committee, the most careful deliberation on all aspects of our national defense program, particularly where vital and far-reaching strategic issues are involved. Certainly, this particular issue warrants deliberations of the most thorough and comprehensive sort.

Additionally, one special item of concern to me in this conference agreement is the section which deals with the matter of the Department of Defense's so-called contracting-out policies. Language has been included in the House bill establishing certain restrictions on the extent of future contracting-out by the Department of Defense in the areas of commercial and industrial functions at military installations, and research and development efforts controlled by defense research activities. The House bill also required the Secretary of Defense to submit a report on these matters to the Congress next year.

The Senate conferees argued strongly in opposition to these provisions, particularly those which set forth restrictions on the percentage of DOD research and development efforts during the time in which the required report is being prepared. I frankly believe it would be better for us to await this report prior to the establishment of statutory limitations on the level of defense research that may be contracted for in the private sector.

Despite the strong objections which the Senate conferees voiced on this matter, the House conferees were adamant that these provisions be included in the agreement with certain minor changes. Accordingly, it was with great reluctance that the Senate receded to the House position with an amendment.

I would generally observe, Mr. President, that this type of interference on the part of the Congress in the management flexibility of the Department of Defense seldom, in my view, proves to be beneficial.

Mr. President, in conclusion I would like to pay special tribute to our able and distinguished chairman, the Senator from Mississippi, who also served as the chairman of our conference committee. Though in cetrain instances, there were significant disagreements between the House and Senate positions in various parts of this bill, our chairman demonstrated his limitless capacity for sound judgment, leadership, and persuasiveness in bringing the conferees to the agreement which is before the Senate today. Had our conference not enjoyed the benefit of his enduring tact and his vast understanding of many complicated issues, our tasks would have been far more difficult than in the end they proved themselves to be.

I thank the Chair.

Mr. STENNIS. Mr. President, I thank the Senator from Texas for his very fine, effective service all the way through the bill, including the conference, and with the other conferees.

I have never seen, I do not believe, as complete and total participation, week after week, by every conferee there from both the House and Senate.

Mr. President, the Senator from Ohio has a matter here, and I am glad to yield to him for such time as he wants. I have certain papers in my hand he may need.

Mr. METZENBAUM. I thank the Senator. I appreciate the courtesy of the Senator from Mississippi who, in his usual way, is always very courteous to all the other Members of the Senate.

I have long addressed myself to my concern with respect to military procurement and the failure to use competitive bidding. I did that when I had the privilege of serving on an interim basis on the Armed Services Committee. I have done it in communications to the Secretary of Defense. I have done it at every opportunity, because in the past as little as 8 percent of all the procurement of the military has been done on a sealed bid competitive basis, and as much as 92 percent has been without true competitive bidding, and about 22 percent of that 92 percent was on a negotiated competitive bid.

In looking over the report of the conference committee on this subject, it came to my attention that there was an item involving an authorization of $21.6 million—not a very large item as items in a military authorization bill go—for the purchase by the Navy of 22 CTX aircraft.

As we read the conference committee report, this item was discussed a good deal at the conference committee. But the final report language is unclear on one key point.

(Mr. STONE assumed the chair.)

Mr. METZENBAUM. It is a fact that the CTX is to be an off-the-shelf aircraft. It would seem to me the best way to spend the taxpayers' dollars would be for the Navy to procure the CTX through price competition, through competitive bidding.

I ask the distinguished members of the Armed Services Committee who contributed in the conference if it was the intent of the conference report that the CTX be competitively procured?

Mr. STENNIS. Yes. The Senator is certainly correct.

In response thereto, I will read from the pertinent part of the conference report, the language exactly as it is in the conference report. It reads—

This program was discussed at length—

Meaning the $21.6 million program the Senator referred to:

This program was discussed at length among the conferees and agreement finally was reached to provide funds for an off-the-shelf turboprop light utility transport aircraft.

These are small, light transport aircraft for the services. I wanted us to hold the money down on this any way we could and not go into new design or anything that was plush. This language was finally agreed upon. To me, it could not mean anything except that they buy this off the shelf, from whomever they see fit, as long as it is a turboprop and meets the other descriptions that are used.

Mr. METZENBAUM. Does the distinguished Senator from Mississippi interpret that language to mean that the military will be expected to purchase, on a sealed bid competitive basis, these turboprop airplanes, since they are off the shelf, and does the off-the-shelf reference imply that they are to be procured in that manner?

Mr. STENNIS. I will come back to that. Except for the words "sealed bids," I am not sure that they do not have to be accepted procedures in the law for doing it without sealed bids. It certainly would be my expectation that they would do the best to make a dollar go as far as they could, but stay within this class of planes, off the shelf, so that there would not have to be anything special made at a high cost; and that would be in compliance with the law.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. GOLDWATER. Mr. President, I am glad that the Senator from Ohio has brought this up, because I think we have made it perfectly clear on the floor that this is to be competitive bidding.

During the conference, I tried to use the language of our Senate report, which states:

Authorization of $21.6 million is recommended for procurement of off-the-shelf turboprop light utility transport which is common with the Army/Air Force light utility transport.

I objected to that, because if it is common, it means there is only 1 aircraft that can be bought, and that is the Beech aircraft.

This language would have steered the CTX procurement to the Beech C–12 A—commercial model A–200—meaning a sole source procurement.

My language, which I recommended and which I thought had been adopted—but after I left the conference, it had been changed—was as follows:

The conferees agreed to authorize $21.6 million for a competitive procurement of 22 off-the-shelf turboprop light utility transports for the Navy.

So I would like this colloquy to show that it is abundantly clear that competition will be held.

I point out that there is the Cessna Co., two models of Beech, the Fairchild-Swearingen Co., and the Arava 201 STOL Transport.

The CTX aircraft will provide direct administrative, logistics, and operational support to all fleet commands, shore facilities and research organizations. It will replace many of the 20- to 30-year-old reciprocating engine aircraft currently performing this mission. In briefings provided to the committee, Navy indicated CTX would be a competitive procurement of a commercial off-the-shelf FAA-type certified aircraft. The planned total procurement is 66 aircraft to be bought at the rate of 22 per year over fiscal year 1978, fiscal year 1979 and fiscal year 1980.

The authorization bill approved 22 CTX aircraft and recommended an authorization of $21.6 million for fiscal year 1978.

The issue is whether Navy will now buy these 22 aircraft sole source from Beech—who now has an on-going contract with Army/Air Force for the C–12 to fill the CX/UX requirement—or whether it will advertise for competitive bids to meet the CTX requirement.

The potential bidders for this aircraft are: One, Cessna Conquest; two, Fairchild-Swearingen Metro; three, Beech Model A–200 (C–12A); four, Beech Super King Air Model 200; five, Arava 201 STOL Transport.

Navy stated its general requirements for a CTX were as follows: One, Off-the-

shelf Commercial Turbine Powered; two, Max TO GW 20,000 pound; three, 1000 NM Range/2,000 pound; four, 8–18 PAX; five, 235 KTAS Min; six, 66 Aircraft—31 sites—To replace 117 UE old recips; seven, accel/stop less than 4,000 foot maximum; eight, consider DOD inventory; nine, small cargo door—40 inch by 48 inch pallet/occupied litter.

The argument that savings can be made if Navy buys the C–12A does not hold water. Since this aircraft will be contractor supported and maintained and the contractor will provide the training, all as part of the purchase price, there will be no common supply system or training system between the three services. Some savings would be possible if the services were going to maintain the aircraft and train all maintenance and air crew personnel.

Consequently, there will be no Government inventory of spare parts, special tools, overhaul facilities, and training facilities.

Referring back to the CX/UX competition, the word unofficially is that in the original evaluation of the Cessna Citation, Lear Jet, Swearingen, and Beech proposals, the Beech was rated fourth. Subsequently, when Congress directed Army to produce a turboprop aircraft only, Beech ended up as the only bidder because Swearingen at that time was having financial difficulties and was being taken over by Fairchild and did not bid a second time around.

The Senate report stated that:

> Authorization of $21.6 million is recommended for procurement of off-the-shelf turboprop light utility transport which is common with the Army/Air Force light utility transport.

This language would have steered the CTX procurement to the Beech C–12A—commercial model A–200—meaning a sole source procurement. Your proposed language for the conference report as follows:

> The conferees agreed to authorize $21.6 million for a competitive procurement of 22 off-the-shelf turboprop light utility transports for the Navy.

This language was not accepted.

The final language adopted in the conference report is as follows:

> This program was discussed at length among the conferees and agreement finally was reached to provide funds for an off-the-shelf, turboprop, light utility transport aircraft.

Mr. President, I am satisfied that if the Senator from Mississippi says that it is his understanding that this will be done by bits, it will be done that way.

Mr. STENNIS. I thank the Senator. I do not know what he was reading about the specifications. I do not understand that. I am just passing on the words, that it is wide open to be competitive. As for the names that the Senator mentioned, any others who can meet the description would be entitled to bid.

Mr. METZENBAUM. Does the Senator from Mississippi understand that this procurement will be done by competitive bids? Is that his understanding of the procedure?

Mr. STENNIS. It certainly is clear here. I certainly thought at the end, where the conferees wrote in the language that the Senator indicated——

Mr. GOLDWATER. The language was not accepted. I left the room thinking it had been accepted, but after I left, it had been changed. I can read that language in the bill now. To me it is competitive bidding. But I want to pin it down absolutely.

Mr. STENNIS. I thank the Senator for his interpretation. There is no doubt that it is an open bid for any manufacturer who can meet these requirements. But it does not give them any authority to have a new plane built, with new specifications, and to get a plush plane and come back later for more money.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. TOWER. Mr. President, my understanding certainly is consistent with that of the distinguished chairman, that this is to be competitive. I was part of the deliberations on this. That was the intention.

Mr. METZENBAUM. I appreciate the responses of the distinguished Senators from Arizona, Mississippi, and Texas. It is a step in the right direction. I commend the Senators who served on the conference committee for taking this step in the right direction.

Mr. STENNIS. I thank the Senator for his assistance while he was a member of the committee. We need him to come back.

Mr. METZENBAUM. I thank the Senator.

Mr. MUSKIE. Mr. President, I shall speak briefly concerning the military procurement authorization conference report and express my views on how it relates to the national defense targets Congress established in the first budget resolution for fiscal year 1978.

The conference agreement provides for $77.2 billion in budgetary authority and $50.3 billion in outlays. These totals include the costs for not only R. & D., procurement and civil defense activities, but estimates of the manpower costs associated with the manpower ceilings authorized in the report. Mr. President, these amounts are in general agreement with the first budget resolution assumptions.

For the national defense function of the budget, Congress voted in the first budget resolution to provide $118.5 billion in budget authority and $111.0 billion in outlays. The Budget Committee conferees assumed that financial adjustments of $1.6 billion in budget authority and $0.9 billion in outlays could be made to the President's budget request for national defense in order to remain within these targets.

It is appropriate at this point, Mr. President, to commend the distinguished chairman of the Armed Services Committee, my friend from Mississippi, Mr. STENNIS, and all Senate conferees, for their dedication to the budget process. The chairman supported Budget Committee efforts at developing the national defense functional targets and fought in conference to stay within the targets for which Congress voted. I thank the Senator for his able assistance and the committee's staff director, Frank Sullivan, and his staff for their assistance. They have worked closely and cooperatively with the Committee on the Budget staff.

Mr. NUNN. Mr. President. I support the conference report on the fiscal year 1978 military authorization bill. The bill provides $36.1 billion for military procurement, research, and development and civil defense as well as the authorized manpower levels for Active Military Forces, Reserve Forces, and civilians. The effect of conference actions on manpower, which I will now summarize, is to save $76 million from the President's budget request.

ACTIVE DUTY FORCES

On active duty manpower, the conference authorized an overall level of 2,085,-100 personnel. This is some 3,900 below the strengths requested by President Carter for fiscal year 1978. It is 13,200 above the Senate level and 5,300 below the House level.

This includes an end strength of 787,-000 for the Army, 535,800 for the Navy, 191,500 for the Marine Corps, and 570,-800 for the Air Force. This bill, as originally passed by the Senate, included an end strength of 777,100 for the Army—a reduction of 12,900 below the budget request. Senate action reduced the Army request because that manpower program represented an expansion of Army training related to changes in personnel policies. The Army had planned to decrease prior service accessions by 62 percent, decrease reenlistments by 7 percent, increase attrition for adverse reasons by 9 percent, and increase support for specialized training. Similarly, manpower for combat units was decreased from previous estimates.

After the Senate had completed action on the authorization bill, the Army presented a new program of Army manpower to the Congress. This program completely reversed these unacceptable personnel plans and increased manpower for combat units. The conferees recommend an end strength of 787,000, provided that the Army does reverse its adverse personnel trends and increase combat manpower by 4,200 as is now plannned.

This change, Mr. President, as a result of Senate action is very significant. Instead of an Army manpower program based on increased personnel turbulence at the expense of many individuals, we now have a program which will increase combat capability with a more stable personnel program and will achieve savings from the budget request.

The conferees authorized a level of 535,800 for the Navy, which includes additional Navy personnel to administer the Reserves. This is in keeping with the Naval Reserve strength recommended by the conferees.

The conferees agreed that an end strength of 191,500 was appropriate for the Marine Corps for fiscal year 1978. As long as the Marine Corps can achieve the quality standards established by the Commandant, this end strength is supportable. Such an achievement will not

be easy. The percentage of new recruits who are high school graduates has decreased from 75 percent in September 1976 to 63 percent in December 1976 and 59 percent in March 1977. The conferees also agreed that the primary role of the Marine Corps is ground combat and for this reason, the Marine Corps must place its highest priority in recruiting on the ground forces.

For the Air Force, the conferees recommend an end strength of 570,800. This level represents a partial denial of increases in training support which cannot be justified by changes in workload.

The conferees accepted a Senate provision that would establish a uniform pay level of $313 per month for cadets and midshipmen at the military service academies. Current pay would be frozen at the current level of $345 until living increases reach this level.

RESERVE FORCES

For the Reserves, the conferees authorized an average strength of 868,900. This includes an authorization of 87,000 for the Naval Reserve. The conferees expect the Secretary of the Navy and the Secretary of Defense to pursue vigorous efforts to increase the integration of Naval Reserve units and personnel with the active Navy. They expect improved training for Naval Reservists to meet the needs of the Navy early in the case of mobilization. If we have a Naval Reserve with meaningful missions, I am hopeful it will be possible to stop the continuing reductions in the Naval Reserve strength level that have taken place.

In discussing problems with the maintenance of the all volunteer force, I have previously expressed my serious concern over growing manpower shortages in our Reserve forces. Selected Reserve forces are more than 63,000 below authorized average strengths and the individual ready reserve is more than 246,000 below mobilization levels for the Army alone. Clearly the manpower needs of our Reserve forces must be addressed.

The conference bill authorizes a 1-year test program of educational assistance and reenlistment bonuses for the Selected Reserve instead of the permanent program included in the House bill. The authority to offer further incentives will expire for personnel enlisting or reenlisting after September 30, 1978. In this way, the test can collect data on incentive programs to develop a comprehensive program to address Selected Reserve strength problems in fiscal year 1979. It should be made clear that both House and Senate Armed Services Committees expect to see such a program in the fiscal year 1979 President's budget submission.

CIVILIAN PERSONNEL

The conferees authorized an overall Department of Defense end strength for civilian personnel of 1,018,600. This reduces the House bill by 15,700 and increases the Senate bill by 7,700 civilians.

This level is a reduction of 12,100 from the administration request. Recently, the President ordered a further reduction from this conference authorization of 8,300 civilians for fiscal year 1978—that is, about the same level approved by the Senate. Although the President acted after the conference on this bill, the conferees felt that some addition to the Senate approved ceiling was necessary because of changes in active force strengths and possible changes in contracting out work. This further reduction may be addressed in later appropriations action.

The conferees agreed that this reduction should be generally applied to white-collar civilians and implemented through attrition. The conferees also agreed that in activities engaged in maintenance, construction, or repair, the Defense Department must manage manpower resources in a manner that will insure these activities are provided sufficient manpower to fulfill the work requirements for which funds have been appropriated. The bill grants the Secretary of Defense the authority to exceed the civilian authorization ceiling by 1¼ percent of the authorized level—some 12,700 civilians—when he determines that it is in the national interest. This flexibility should prevent inefficient management actions.

The conference bill requires a study by the Office of Management and Budget and the Department of Defense on the criteria for contracting out commercial and industrial activities of the Defense Department. There have been many sincere concerns expressed by contractors and Government employees over present contracting out policies. Because of the uncertain validity of current policies, the administration has already initiated a review of these policies. The bill prohibits any further conversion of such work from Department of Defense civilians to outside contractors, unless such work would be contracted out under the contracting out procedures which existed on or before June 30, 1976. Also, the Subcommittee on Manpower and Personnel, which I chair, will hold hearings early next month on this subject. The result of this provision should be continual reliance on the private sector in a way that is fair, both to Government employees and to contractors, and is also cost effective.

ADMIRALS AND GENERALS AND SENIOR GRADE DEPARTMENT OF DEFENSE CIVILIANS

The conferees agreed to a modification of the Senate provision which would require reductions in admirals and generals in the armed services and in senior grade Department of Defense civilian personnel. The bill before us today will reduce admirals and generals by 6 percent over the next 3 fiscal years. Although I had initially proposed a larger reduction, I do believe that this provision is realistic and that it will hopefully initiate a process to enable Congress and the Department of Defense to develop criteria for an ongoing review of the number of general officers. Similar reductions are to be taken in general schedule grades 13 through 18 for civilian personnel—a provision initiated by the Senator from Arizona (Mr. GOLDWATER). The conferees were very concerned about "grade creep" in Defense civilian manpower.

OTHER PROVISIONS

The conference accepted a provision which would require at least one senior ROTC unit in each State as long as the State desires it and there are 40 students enrolled in it. This was a floor amendment to the Senate bill by the distinguished Senator from Alaska (Mr. STEVENS).

The conferees also accepted a Senate provision requiring the Secretary of Defense to submit to Congress a definition of the term "combat" and recommendations on expanding job classifications to which military women may be assigned. This was a floor amendment to the Senate bill by the distinguished Senator from Wisconsin (Mr. PROXMIRE).

Mr. President, this bill provides adequate manpower—active duty, reserve, and civilian—to efficiently maintain a strong, ready national security force. I urge that the conference report be accepted.

Mr. STENNIS. Mr. President, three members of the conference are present, and if anyone has any questions, we will be glad to try to answer them. Otherwise, with our statements in the RECORD. I think the matter is covered.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. STENNIS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

S. 9—OUTER CONTINENTAL SHELF LANDS ACT AMENDMENTS OF 1977

The Senate continued with the consideration of S. 9.

AMENDMENT NO. 507

Mr. DURKIN. Mr. President, I am not sure what the parliamentary situation is; but, in any event, I call up amendment No. 507, and I ask unanimous consent that the reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill insert a new section as follows:

INVESTIGATION OF AVAILABILITY OF DOMESTIC CRUDE OIL AND NATURAL GAS

SEC. 509. (a) The Congress hereby finds that—

(1) there is a serious lack of adequate basic energy information available to Congress and the President with respect to the availability of domestic crude oil and natural gas;

(2) there is currently an urgent need for such information;

(3) the existing collection of energy data and information relevant to the determination of crude oil and natural gas availability by Federal agencies is uncoordinated, is jurisdictionally limited in scope, and relies too heavily on unverified information from industry sources;

(4) adequate, reliable, and comprehensive information with respect to the availability of domestic crude oil and natural gas resources wherever located is essential to the national security of the United States; and

(5) this lack of adequate reserve data requires a reexamination of past data as well as the acquisition of adequate current data.

(b) The purpose of this section is to enable the President and Congress to gain the

best possible knowledge of the status of crude oil and natural gas reserves, resources, productive capacity, and production available to meet current and future energy supply emergencies, to gain accurate knowledge of the potential quantity of domestic natural gas and crude oil resources which could be made available to meet such emergencies, and to aid in establishing energy pricing and conservation policies.

(c) The President is authorized and directed to conduct a continuing investigation, based on data and information which he determines has been adequately and independently audited and verified, for the purpose of determining the availability of all natural gas and crude oil produced or located in the United States or in any State, including all crude oil and natural gas on the Outer Continental Shelf, onshore Federal lands, and all non-Federal lands.

(d) The investigation conducted pursuant to this section shall include, among other items—

(1) an independent determination of the MER (maximum efficient rate) and MPR (maximum production rate) in relation to the actual production from the fields, reservoirs, and wells in this study commencing with the twelve-month period immediately prior to the date of enactment of this section, and the President shall direct that an independent estimate shall be made indicating whether production from these fields, reservoirs, and wells has been less than the maximum efficient rate and maximum production rate, and, if so, the reason for this difference;

(2) an independent estimate of total discovered reserves, including proved and indicated reserves, and undiscovered resources, including hypothetical and speculative resources, of natural gas and crude oil by fields and reservoirs based on, where necessary, geological and geophysical explorations carried out by Federal or other appropriate agencies;

(3) a determination of the utilization of natural gas and crude oil in terms of end-use markets so as to ascertain the consumption by different classes and types of end users; and

(4) the relationship of any and all such information to the requirements of conservation, industry, commerce, and the national defense;

(5) an independent evaluation of trade association estimates of reserves, ultimate recovery, and productive capacity from 1965 onward. This evaluation shall be accompanied by a detailed description of procedures used by the associations and how their data relate to the results yielded in this study. In order to provide maximum opportunity for evaluation and continuity, the President shall obtain all of the available data and other records which the trade associations have used in compiling their reserves data.

(e) In order to obtain information required by this section, the President may utilize the authority to collect energy information granted to the Administrator of the Federal Energy Administration in the Energy Supply and Environmental Coordination Act of 1974, as amended (15 U.S.C. 791 et seq.), and the Federal Energy Administration Act of 1974, as amended (15 U.S.C. 761 et seq.), the authority granted to the Federal Power Commission in the Natural Gas Act (15 U.S.C. 717 et seq.), and the authority granted to the Federal Trade Commission in the Federal Trade Commission Act (15 U.S.C. 41 et seq.), and the authority granted to the Secretary of Interior in the Energy Conservation and Policy Act (42 U.S.C. 6214 et seq.), and the authority granted to the Director of the United States Geological Survey in the Geological Survey Act (43 U.S.C. 31 et seq. as amended), and any authority which may be necessary to carry out the provisions of this section.

(f) The President shall submit an initial report to Congress on the results of the continuing investigation required under this section not later than six months after the date of enactment of this section, and shall submit subsequent reports annually thereafter. The initial report shall include cost estimates for the separate components of the continuing investigation and a time schedule for meeting all of its specifications. The schedule shall provide for producing all the required information for the Outer Continental Shelf within a year after the enactment of this section, for other areas under Federal jurisdiction within eighteen months after the enactment of this section, for all major actual or potential producing areas within twenty-four months, and for all United States lands offshore and onshore within thirty months. There shall be separate reports on past data as follows:

(1) within six months on the acquisition and details of trade association data and information;

(2) within twelve months an evaluation of the trade association materials and within eighteen months the relationship between trade association data and the new data collected under this section.

(g) The President shall consult with the Federal Trade Commission regarding categories of information collected from companies pursuant to this section. Notwithstanding other provisions of law, the President shall, upon request of the Federal Trade Commissioner, make available to the Federal Trade Commissioner such information acquired by the President under this section.

(h) The President may delegate all or any portion of the authority granted to him under this section to such executive agencies (within the meaning of 5 U.S.C. 105) or officers of the United States he determines appropriate, and may authorize such redelegation as may be appropriate. Except with respect to section 552 of title 5 of the United States Code, any officer or executive agency of the United States to which authority is delegated or redelegated under this section shall be subject only to such procedural requirements respecting the exercise of such authority as the President would be subject to if such authority were not so delegated.

(i) Prior to a final judgment, no court shall have jurisdiction to grant any injunctive relief to stay or defer the implementation of this Act, or action taken by the President under this Act.

(j) If any provision of this Act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Act, or the application of such provisions to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

Mr. DURKIN. Mr. President, I ask unanimous consent that the name of the Senator from Indiana (Mr. BAYH) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURKIN. I yield myself 20 minutes.

Mr. President, the amendment I have called up is to authorize and direct the President of the United States to conduct an independent investigation of our Nation's oil and gas reserves.

As we take action today on important legislation to help our Nation increase energy supplies, it would be appropriate for every Member to take a moment to reflect upon the crisis confronting us.

As I look around the Chamber, it reminds me of the MC who was introducing the next speaker. He said, "This man is a man of dignity. I am happy to introduce him. He is so close to the people that talking to him is just like talking to yourself."

I think I have an idea of what he meant. But I will be as brief as possible, in accordance with the unanimous-consent agreement, so we can all get out of here and vote on this in the morning.

I think it is appropriate for every Member to take a moment to reflect upon the crisis confronting the country. We are voting now daily, in committee and on the floor, on legislation that will inevitably form part of a national energy plan.

That national energy plan is going to impact every man, woman, and child in this country for generations to come.

I think we all know we must act quickly to solve the problem of dwindling supplies and growing demand. We know we must act to increase our energy resources and reduce our dependence upon imported oil and gas.

We know if we do not act quickly things will continue to get worse, not better. Yet what we do not know is probably greater and probably more important than what we do know. We do not know whether, in fact, we have 20, 40, or 100 years' supply of oil and natural gas. We do not know whether the natural gas shortages of last winter, which threw thousands of our people out of work, was real or whether there was plenty of gas trapped behind the pipe.

We do not know indeed whether the national energy plan on which we are deliberating is the appropriate plan or whether different supply projections would justify a more or less urgent policy or, in fact, different policy.

Regrettab'y we stand here in ignorance. We are forced to proceed on a national energy plan with a great leap of faith, a leap which accepts present estimates of oil and gas reserves, estimates which are almost all based on industry-supplied figures.

The public is placing their confidence in us to fashion a national energy policy to guide this Nation for the next decade and the decade beyond, and we are flying blind, we are literally flying by the seat of our pants. We do not have the information we should have. Today we must take the necessary steps to remove these blinders so that as we review energy policy in the coming year we will have all the information we need to make the best possible decision.

The seriousness of this information gap painfully demonstrated recently in 2 days of hearings before the Senate Energy and Natural Resources Committee. During those hearings ERDA officials were called upon to explain their handling of a recent natural gas study they initiated and then arbitrarily rejected.

Contrary to conventional wisdom and contrary to industry estimates of a severe natural gas shortage, the first ERDA study or the Knudsen curves indicated there would be an adequate and

affordable supply of natural gas for the next 40 years.

The chairman of that study, Dr. Christian W. Knudsen, testified under oath that at the release of his analysis he was removed from the project and shifted to another job within ERDA and then told that the real reason for the transfer, the demotion and the release from the project was that the results of his study conflicted with conventional wisdom and conflicted with industry estimates.

ERDA then made two other studies. I should point out that at the hearing before the Energy Committee last week, ERDA, I think, was doing what they thought right, and they said, "We are going to be allocating millions and billions of dollars, and we ought to have an idea of what the oil and gas figures are in this country."

Dr. Fred Weinhold was asked to head up the study, and Dr. Knudsen was his assistant. Fred Weinhold was assigned to the White House to be one of the key assistants to Dr. Schlesinger. Dr. Knudsen assumed the role of chairman, a role he did not seek, and carried out the procedures set forth by Dr. Weinhold, completed the project, and on April 7 indicated to his superiors at ERDA that there was a more than adequate supply of natural gas available, and that it was available at a reasonble production cost.

In fact, his curves indicated there was a supply of about 40 years available at a production cost of around $1 per mcf. That was April 7.

On April 8 he was invited to a meeting and, I think the testimony at the hearing would show, he was wire brushed by his superiors for coming up with figures that did not agree with the conventional wisdom.

On April 12 ERDA officials decided to sack Dr. Knudsen from the study, but they did not inform him for another couple of weeks.

On April 15 they produced another set of curves. That second set of curves was not quite as optimistic as Dr. Knudsen's, but even they were unacceptable, and then the Government officials and industry officials met at Reston at a conference or what have you and, based on no objective evidence, they came up with a third set of curves.

Ironically, the second day of the hearings, the oversight hearings, that were held with respect to the Knudsen study, when Knudsen is telling us under oath—I ask unanimous consent that his statement that was delivered to the Energy Committee be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY DR. CHRISTIAN W. KNUDSEN

Mr. Chairman and members of the Committee, thank you for the opportunity to appear here today to describe the procedure used for the natural gas estimate made by my group as part of the Market Oriented Program Planning Study (MOPPS).

BACKGROUND

Estimating gas resources was one part of the five-part effort of the Intermediate Energy Supply Working Group for which I served as Chairman after March 18. The four other committee sub-groups covered oil, coal, base load electricity, and intermediate and peaking load electricity. During the latter half of March, we prepared our gas resource curves which were presented to the Acting Administrator and the Assistant Administrators of ERDA on April 7 as part of the MOPPS Phase I presentation.

NATURAL GAS RESOURCE CURVES

Attached to my written statement is a copy of the graph labeled "High BTU Gas Supplies" which I presented at the April 7 meeting. The brief summary of assumptions and sources used, also attached, was handed out then. The gas curves shown were developed by analyzing a number of government and industry documents. Experts in and out of government were consulted for their opinions and suggestions.

In this brief presentation, I will concentrate my remarks on the conventional natural gas curve labeled "Conventional On and Offshore Plus Alaska." A brief description of the data sources and assumptions used to develop the other sources of gas displayed by the graph is attached for your reference.

The "conventional" curve is our estimate of the wellhead cost in dollars per thousand cubic feet to exploit the natural gas resources of the conterminous United States and Alaska, including both onshore and offshore areas. The costs are shown in 1975 dollars and are meant to represent all expenses of discovering and producing natural gas at the wellhead, including taxes and a nominal return of 15 percent on capital invested calculated by the "discounted cash flow" method. The quantity of the gas resource is indicated on the graph by the term "quads". This energy unit is one quadrillion British Thermal Units (10^{15} BTU) and is approximately the heat content of one trillion cubic feet (TCF) of natural gas (10^{12} cubic feet). For reference, United States annual useage of natural gas is about 20 TCF or 20 quads.

The principal reference used for the estimates of conventional gas resources is U.S. Geological Survey Circular 725. This study, completed and published in 1975, was accomplished specifically for the FEA. It is the product of the work of over 70 geologists covering 102 separate onshore and offshore petroleum provinces of the conterminous United States and Alaska. Each province was individually appraised, and includes resource estimates to 30,000 feet in depth, generally. Only the Continental Shelf out to 200 meters of water depth was treated within the offshore areas.

The document estimates the gas resource as sub-economic and economically recoverable reserves and further breaks down the reserve estimate into measured, inferred and undiscovered elements. Measured reserves, also called proven reserves, are those which can be economically extracted using existing technology and which are estimated from geologic evidence supported directly by engineering measurements. Inferred reserves, also called probable reserves, are those eventually to be added to known fields through extensions, revisions and new pays. Agreement about these two categories of gas resources is good among the currently available gas resource studies. Undiscovered recoverable gas represents resources, yet undiscovered, estimated to exist in favorable geologic settings outside of known fields on the basis of broad geologic knowledge and theory.

The USGS estimates given here take into account relevant history and experience and are based on assumptions that undiscovered recoverable resources will be found in the future under conditions represented by a continuation of price-cost relationships and technological trends generally prevailing in the recent years prior to 1974. Price-cost relationships since 1974 were not taken into account because of the yet undetermined effect these may have on resource estimates. Indeed, the higher price-cost ratios which began in 1975, if they should continue or increase, would likely increase estimates of both undiscovered recoverable resources and reserves significantly.

The above estimates of reserves and undiscovered recoverable resources are based on 80 percent recovery of gas in place in favorable geologic settings. Another 10 percent of this gas is considered to be ultimately recoverable, but under sub-economic conditions given the price-cost relationship of the study. An additional 10 percent of the total gas in place is not included in the estimates.

It should be noted that the Circular 725 undiscovered recoverable gas estimate was made by the most current techniques and is considerably less than earlier USGS estimates. Also, it is more conservative than a similar estimate recently made by the Potential Gas Committee. This committee, sponsored by the Colorado School of Mines, consists of volunteer representatives from large and small exploration and production companies, consultants, officials of state geological surveys, and from academic institutions. Other estimates made by the National Academy of Science, the National Petroleum Council and the American Association of Petroleum Geologists are larger than those of Circular 725. They include more and varying amounts of the Continental Shelf to greater water depths, however, so that it is difficult to compare them directly.

The USGS estimates are shown in an attachment to my statement. The lower end or starting point of the curve was plotted at 30 cents to approximate the cost of gas produced in the United States prior to 1975. This gas price was 30 cents per thousand cubic feet amounts 481 TCF. The average wellhead price was 30 cents per thousand cubic feet (MCF) in 1974 according to the American Gas Association's 1975 "Gas Facts."

The quantities of proven, inferred, and undiscovered recoverable gas were plotted on the cost-resource graph using costs based on Federal Power Commission (FPC) Opinions. Opinion 699H was the first national rate structure and was developed using the earlier Permian I Area Rate Proceeding methodology to allow for recovery of dry hole costs as well as successful wells. Further, drilling costs were extrapolated from a correlated trend of the previous ten years and, for the first time, a discounted cash flow (DCF) costing format was used to produce a 15 percent rate of return over the life of the investment. The 699H national rate of 52 cents per MCF in 1975 applied to gas from wells commenced after January 1, 1973, and appeared to our group to represent an appropriate cost of producing the measured or proven gas reserves consistent with the economic assumptions of Circular 735. Accordingly, the proven gas segment of 237 TCF was plotted at 52 cents and this value was taken as the base rate.

The next increment of natural gas resource, the inferred reserve of 202 TCF, was extended from the 52 cent point. This increment was plotted at a multiple of two times the base rate value of 52 cents, or $1.04. This value compares with the national rate of $1.01 per MCF set by FPC Opinion 770 for gas from wells commenced during the 1973–1974 time period. The rate was later reduced to 93 cents by Opinion 770A because of a change in the method of accounting for natural gas liquids.

Consideration was given to using a factor of three times the base rate for this increment, or $1.56, which compares more closely with the $1.42 value allowed by FPC Opinion 770A for gas from wells commenced after January 1, 1975. However, it was decided that a factor of two times the Opinion 699H rate, or $1.04, more nearly corresponds to the pre-1974 price-cost relationship assumed by the USGS in estimating the resource.

The undiscovered recoverable resource was plotted at its mean value of 484 TCF. One possibility considered for plotting its cost was at the $1.42 rate of Opinion 770A, which the FPC felt was adequate for gas produced after 1974. Indeed, a highly respected resource consultant suggested this to us as the appropriate value considering that the USGS resource estimate was based on pre-1974 price-cost relationships. Another possibility is based on the fact that both industry and government sources expect greatest future drilling activity in offshore areas. Given a 1974 ratio of average gas well drilling costs offshore to onshore of about five, again from the American Gas Association's 1975 "Gas Facts", we see some justification for using a more conservative upper cost bound of five times the base rate, or $2.60. Our policy was to be as conservative in our estimates as possible while maintaining consistency with the assumptions on which the USGS estimates were based. Accordingly, it was decided to use the $2.60 per MCF upper limit for the undiscovered recoverable gas resource.

The sub-economic quantity mean estimate of 160 TCF was added to establish the asymptote of the curve.

This, then, discusses the rationale of development of the conventional natural gas cost-resource curve. It can be seen that the development of such a curve is subject to uncertainty and involves subjective judgments. Although we relied on the FPC cost analyses which provide definitive values, we purposely chose to present our estimates as multiples of a base cost to avoid attributing an unjustified degree of accuracy to them. The question of cost uncertainty for the undiscovered recoverable gas is particularly pertinent and was to be the subject of further analysis when our effort was terminated.

One important note of caution should be made about such a cost-resource curve. It is not possible to obtain a price and production rate relationship from the curve without such oversimplified assumptions as to make the conversion invalid.

Thank you for your attention to this technical detail. I will be glad to try to answer any questions that you may have.

1. Conventional (including Alaska) dominates:

USGS estimates used for quantities.

Proved reserves (287) recoverable at $0.52 (FPC Opinion 699 price applicable in 1975).

Inferred reserves (202) recoverable at 2 times base ($1.04).

Undiscovered reserves (322–655) recoverable at about 5 times base ($2.60).

Mean value shown here.

Alaska quantity (29–132) well within the range of uncertainty of the estimate.

2. Devonian Shale:

Quantity estimates by Columbia National Gas as economically recovery in this producing area (285 TCF).

Total resource estimated at 500,000 TCF.

About 9,000 producing wells now.

Plateau price of about $2.40 represents mean estimate using existing fracturing technology.

Plateau price could be as low as $1.50 using advanced fracturing techniques (15 percent ROI).

3. Tight Sands:

Quantity of 600 TCF in place with 50% recoverable from FPC National Gas Survey (Only 3 basins out of 11 basins and 1 province).

Total recoverable quantity is probably 2 times the 300 TCF shown.

Plateau price is estimate based on assumption that wells will cost 3 times as much as Devonian Shale but will produce 3 times as much gas.

4. Methane Drainage from Coal:

Total quantity in place estimated by FPC task force (1977) at about 800 TCF.

Quantity shown is estimate recoverable from known coal reserves.

Plateau price of $2.40 is from TRW study using existing technology based on only 3-yr. well life and include cost of extensive collection system which must be relocated every 3 years.

Plateau price of $1.50 may be more appropriate for production using advanced technology and longer well life.

5. Geopressured Methane:

Quantity shown is assumption that at least 2 percent (1,000 TCF) of total estimated by USGS (24,000 TCF on shore with at least that much off shore) can be recovered.

Price is mean of two estimates:

Low using ERDA geothermal division production cost estimates and distribution of well lifetime of:

(O&M = 2.1 cent bbl—Finding rate = .75)

40%—20 yr.
30%—10 yr.
20%—5 yr.
10%—3 yr.

High using same capital cost but higher O&H costs (6.3 cent bbl) and lower finding rate (.36) with distribution of well life of:

10%—20 yr.
20%—10 yr.
30%—5 yr.
40%—3 yr.

6. In Situ Coal Gasification:

Quantity (6,000 Q) is based on TRW estimate at 660 billion tons of in-situ gasifiable coal (non-mineable)

Price is based on study by Amoco and is consistent with Gulf Research study and with Resource Science Study. (Conservative estimate using equity financing). Utility financing could reduce the price (2.82—1.66)

7. SNG from Coal:

Quantity (900) is based on gasification an approximately ⅓ of mineable coal with an efficiency of 60 percent.

Price is an average of dry Lurgi and HYGAS estimates from Braun Study using Western coal and utility financing. Price of coal is $1.30/$10^6$ Btu.

1. Unconventional Natural Gas—Devonian Shale:

There is considerable uncertainty regarding the quantity of gas present in the Devonian Shales despite the more than 9,000 productive shale gas wells which have been drilled in the Appalachian region alone. The Columbia Gas Service Company has estimated the natural gas resources in a 100,000 square mile portion of the Devonian shale formation (an area corresponding roughly to the Appalachian Basin) to be slightly over 500,000 trillion cubic feet and the recoverable reserve portion of that to be 285 trillion cubic feet.[1] The lower value of 285 trillion cubic feet was taken as the estimate for the quantity of Devonian Shale gas resource despite the fact that this estimate applies to only 25 percent of the more than 400,000 square miles which the U.S. Geological Survey estimates is underlain by the Eastern and Midwestern Devonian shales.

Cost estimates were taken from the TRW report previously cited.[1] These estimates use a costing methodology similar to that used by the Federal Power Commission and are based on data from the Big Sandy Field in eastern Kentucky. More than 8,000 wells have been drilled by the primary operator in the region. The $2.50 cost estimate was taken as the mid point between shot wells and the more expensive fractured wells to give a desired ROI of 15 percent. This cost estimate was shown as a plateau in an attempt to emphasize that there is no relationship established by these curves between cost and rate of resource exploitation.

2. Unconventional Natural Gas—Tight Sands:

More than 11 low permeability reservoir basins are known in the Western part of the U.S. The Federal Power Commission[2] has estimated the total gas in place in only three regions (Green River Basin, Wyoming; Piceance Basin, Colorado; and Uinta Basin, Utah) to be 600 trillion cubic feet of which as much as 50 percent might be recovered with effectively employed stimulation processes. No estimates were available for the other basins so they were not included in the resource estimate. Instead, the total gas in place estimate for these three regions was taken as the upper resource limit.

The FPC[2] has estimated the well head cost for new gas from these basins using hydraulic fracturing at $0.23 to $0.72 per MCF in 1980 with 15 percent rate of return and with cost escalation factors of 4 percent per year through 1975 and 3.5 percent per year from 1976–1980. This is equivalent to $0.20 to $0.62 in 1975 dollars. However, for the sake of consistency, a cost uncertainty band of $1.70 to $3.00 was used based on the Devonian shale analysis. Although production costs may be higher in this resource, production rates are also expected to be proportionately higher. The cost estimate was shown as a plateau to emphasize that there is no relationship established by these curves between cost and rate of resource exploitation.

3. Unconventional Natural Gas—Methane Drainage from Coal Beds!

The quantity estimate was taken from a study by TRW[3] covering a range from 250 TCF to 860 TCF. This is consistent with FPC estimates of 300 TCF to 850 TCF.[4]

The cost estimates are taken from the TRW study and assume recovery of gas from virgin coal seams in advance of mining operations. The cost estimate range selected was based on stimulated vertical wells as being closer to existing technology. The cost estimate was shown as a plateau to emphasize that there is no relationship established between cost and rate of resource exploitation.

4. Unconventional Natural Gas—Geopressured Methane:

The U.S. Geological Survey[5] has estimated the amount of methane dissolved in aquifers in the geopressured on-shore in Texas and Louisiana to be 24,000 trillion cubic feet (to about 20,000 ft. depth). An additional 2½ times this amount is estimated to be present offshore in the Gulf of Mexico and deeper (to about 30,000 ft.). Other geopressured zones are believed to exist in the U.S. and offshore of California and Alaska but no assessment of the gas resource in these zones has been made. Other estimates of the resource base range from 3,000 TCF[6] to 100,000 TCF.[7]

In a study performed for ERDA[8] by MITRE, no analysis was found in the literature that directly addresses the question of the cost of production of methane as the principal product from geopressure wells. This study infers from geothermal power plant calculations that a selling price of $2/MCF would be expected to pay back the original investment in about 3.5 years and four times investment in 14 years. To obtain a range of cost estimates, a simplified discounted cash flow calculation was made using the following assumptions and the mean was plotted.

Recoverable Resource: 1,000 TCF.

Investment =

$3 × 10^6 composed of:
$2.0 × 10^6$ for primary water well
$.5 × 10^6$ for two reinjection wells
$.5 × 10^6$ for gas separation equipment

Dryhole/producer ratio = .5

Production Rate = $4.38 × 10^5$ MCF/year based on 40,000 bbls water/day 30 cu. ft. gas/bbl.

Finding Rate:

High Case—.35 (current gas industry rate).

Low Case—.75 (Geothermal Div. est.).

O & M: High Case—$9.16 × 10^5$/yr. Low Case—$3.0 × 10^5$/yr.

Distribution of well life over recoverable resource:

Footnotes at end of article.

[In percent]

20 years	10	40
10 years	20	30
5 years	30	20
3 years	40	10

5. In Situ Coal Gasification:

The overall resource available for in situ coal gasification was estimated at 660 billion short tons of coal. With an overall efficiency of approximately 45 percent this would yield about 6,000 trillion cubic feet of pipeline quality (945 Btu/Scf) gas. (The ERDA program office for in situ coal gasification has since estimated the coal resource available at about 3 times this amount, or 1.8 trillion tons, to give a total resource in place of 29,000 TCF.)

The cost estimate range was based on two studies [9] and [10]. The representative value was selected near the top of the range.[10]

6. Synthetic Natural Gas from Coal:

The quantity range was obtained by assuming from ⅓ to ½ of the 300 x 10^9 tons of mineable coal would be gasified on the surface. 10 percent loss is expected from cleaning and the process efficiency was assumed to be 60 percent. This resulted in a range of estimates from 800 TCF to 1600 TCF depending on different assumptions concerning the Btu content of the coal.

The cost estimates were taken from a study done for ERDA by C. F. Braun Co.[11] The study was based on use of Montana coal and the prices were adjusted to reflect a coal cost of $0.88/MMBtu. Two different processes were considered: Dry Lurgi representing current technology and Hygas (Steam, O^2) representing second generation technology. Costs were computed for both processes using both equity and utility financing methodology.

FOOTNOTES

[1] "Economic Analysis of Natural Gas Stimulation Applied to the Eastern Devonian Shales" Report No. 2213–17–04 prepared for ERDA by TRW Energy Systems Planning Division, January 1977.

[2] National Gas Survey, Volume II Supply Task Force Reports, U.S. Federal Power Commission, 1973, p. 82 and 83.

[3] *Systems Studies of Energy Conservation, Methane Produced from Coalbeds,* TRW Energy Systems Planning Division, January 1977 p. 1–1.

[4] *Report to Supply-Technical Advisory Task Force—Non-conventional Natural Gas Resources Sub-Task Force II: Methane in Coal* to the Federal Power Commission, November 1976.

[5] "Assessment of Geothermal Resources of the United States", USGS Circular 726–1975.

[6] Hise in "Natural Gas from Unconventional Geologic Sources", National Academy of Sciences, 1976.

[7] Jones in "National Gas from Unconventional Geologic Sources," National Academy of Sciences, 1976.

[8] Resource Evaluation and Analysis Document, Natural Gas from Geopressured Reservoirs", H.W. Joy, the Mitre Corp., September 1976.

[9] *An Economic Evaluation of Underground Coal Gasification,* A. M. Garon, Gulf Research and Development Company.

[10] *Evaluation of Lawrence Livermore Laboratory In Situ Gasification Concept,* C. S. Goddin, D. E. Hall, R. C. Mason presented at Symposium Compositive Economics for Synfuels Processing" at National meeting of American Chemical Society, N.Y. City, April 7, 1976, Table 10.

[11] Factored Estimates for Western Coal Commercial Concept, Interim Report, Roger Detman, C. F. Braun and Co., October 1976.

Mr. DURKIN. The very day he is testifying under oath that quite possibly we are swimming in natural gas, the New York Times, the Wall Street Journal, and most every major paper in the country were releasing a statement of the Federal Power Commission predicting severe energy shortages again this winter and, quite possibly, with the result in layoffs, unemployment, dislocation, economic and personal dislocation, that many communities experienced last winter.

So we have one Government study saying there is substantial gas. We have another Government study that says we are going to have another crisis come fall and come winter. I do not know who is right, and I do not think anyone in the room knows who is right.

But I would like to point out for the RECORD the figures set forth in the three different studies or three different projections of ERDA. The first one, the Knudsen estimate one, was based here, again was based, on USGS data for the proven and inferred reserves, and based on USGS data for the undiscovered reserves that probably could be reasonably expected to be discovered.

But Dr. Knudsen said there were 200 trillion cubic feet at 50 cents, production costs at 50 cents, per mcf. He said at $1 per mcf there were 421 trillion cubic feet; at $2 there were 800 trillion cubic feet; at $3 there were 1,811 trillion cubic feet of natural gas; at $4 per mcf production cost 2,470 trillion cubic feet of gas; at $5, 2,755 trillion cubic feet.

The second estimate indicated that at 50 cents there were 201 trillion cubic feet of gas; at $1 per mcf 350 trillion cubic feet; at $4, 858 trillion cubic feet.

Then the third set of figures that were arrived at, there was not any study, it was a seance, which is a more appropriate term, at Reston with Government and industry officials, and then this set of curves begins to square with the industry predictions: at 50 cents 91 trillion; at $2, 541 trillion cubic feet; $4, 1,259 trillion cubic feet.

I ask unanimous consent that the results of the three divergent gas supply estimates published by MOPPS be printed in the RECORD at this point.

There being no objection, the estimates were ordered to be printed in the RECORD, as follows:

Gas supply—conventional and unconventional sources

(Trillion cubic feet)

Cost (thousand cubic feet)	Estimate 1 (Knudsen)	Estimate 2	Estimate 3
$0.50	200	201	91
1	421	350	176
2	800	512	541
3	1,811	665	944
4	2,470	858	1,259
5	2,755	1,104	1,483

Mr. DURKIN. Who is right? As I say, we simply do not know. We could afford the luxury of not knowing when prices were low and supplies were rather abundant. However, at a time of high prices and interrupted supplies it is imperative that we know exactly where we stand. In fact, when I was home during the last recess, in talk shows and going over the State, the people of New Hampshire, who know what a cold winter is, who know what it is to be at the empty and expensive end of the energy pipeline, were absolutely flabbergasted that the Congress was making or attempting to make policy based on data, inadequate data, based on incomplete data, based on data supplied by the oil industry, which has a stake, a vested interest, in showing or establishing that we are running out of natural gas and running out of oil and, thereby, increasing the profit picture of their reserves.

We are not saying we should postpone the vital decisions on the national energy policy question. I think it is too late to postpone the vital energy policy decisions that we must make while we wait for a definitive study of our reserves.

However, it is not too late to mandate the collection of this information so we may later refine or even alter the course of our energy policy to accord with the realities of our energy supplies. We will need this information for midcourse corrections in our policy.

That is why I am offering an amendment to S. 9, the Outer Continental Shelf Act amendments, to establish a continuing Government investigation and inventory of oil and natural gas reserves.

As you may know, at present Federal data collection authority is spread unevenly and inconsistently over several Federal agencies, including the Federal Power Commission, the Interior Department, the U.S. Geological Survey, the SEC, the FEA, the Federal Trade Commission, and the prospective Department of Energy.

However, there are still serious questions about the overall power of any agency of the Federal Government to make the necessary inspections, drillings, and data verifications necessary to give the Government the ability to independently determine the true extent of our oil and natural gas reserves.

As Senator JOHNSTON said earlier in the debate today, there is only one way to know how much gas and oil you have and in fact he said you never will know until you drill. I think it is absolutely imperative that the administration have the authority to drill, to ascertain the data with respect to an inventory of our oil and gas reserves.

I think the Senate indicated today in the vote on the amendment of the distinguished chairman of the Energy Committee, Senator JACKSON, that the Senate believes that the Federal Government in handling a depleting resource, which belongs to us, to our children and their children, that the Federal Government, Congress has the moral and practical and legal obligation and will be remiss if we did not know and could not inventory the amount of oil and gas reserves onshore and on our Continental Shelf.

I think the Senate demonstrated the respect it has for the chairman of the Energy Committee, a man who has been fighting, when I was still back in New Hampshire, who was leading the fight to bring the consumer's voice to the energy decisions in this country.

My amendment with respect to drilling does not go as far as the amendment that was adopted today by the Senate, but it complements that amendment and gives the administration the authority to drill, if necessary, not to get in the oil

business. I am not going to raise that straw man that has been laid to rest earlier today. They are not getting into the energy business. It merely gives and it mandates that the administration investigate and report back to Congress the amount and extent of our oil and gas reserves, and it gives the administration the authority in carrying out that congressional mandate, if necessary, to obtain the geological and geophysical data, and if you do not have that authority you are not going to get adequate figures.

In many cases, just having the authority is going to obviate the need for using it, but that authority is absolutely essential if we are going to get adequate data and more importantly no energy plan is going to work unless it has the support of the American public.

Again, I was home during the recess. People at home do not think we are involved in any energy crisis. They think this is a scheme of manipulators and a scheme of the multinational oil companies. But as a prerequisite to establishing public support and public commitment to solving our national energy crisis we are going to have to have data, we are going to have to have data that is independently verified and data that is not based upon figures from the oil and gas industry but based on the governmental research and governmental study. Otherwise, we are never going to resolve the conflict whether we are running out of gas and people are going to be out of work this winter whether there is gas behind the pipe or whether there is in fact, as Dr. Knudsen pointed out, that we are swimming in natural gas.

Take into consideration what we are being asked to do. Congress is contemplating massive programs to convert utilities and businesses to coal, to install scrubbers, to hazard the environment with the CO_2 problem. We are being asked to commit the taxpayer to vast expenditures, and before we do that and before we at least embark and carry out all the internal deadlines in the legislation that we are going to pass this session, I think it is an absolute necessity, Congress clear responsibility, to resolve this question because how can businessmen, small businessmen, and larger corporations, plan when there is a question as to the extent of the supply with respect to oil and gas.

So I think the consumer benefits, the senior citizen benefits, the small business people benefit, the business round table benefits, and I think even the oil companies benefit because then the American public will know the true facts with respect to our oil and gas supplies, and the question of whether this is a fabrication of the oil and gas industry can be laid to rest once and for all.

This is at a time when Congress is contemplating massive programs to convert utilities and businesses to coal, to install insulation and solar equipment, to provide numerous tax incentives, and to build new pipelines, nuclear plants, and synfuel facilities, yet we do not know the necessity of these costly projects.

Clearly, the Congress must act to insure to have sufficient information to make informed decisions on the vital energy decisions ahead.

The amendment I am offering would authorize and direct the President to get this urgently needed information and to report it to Congress annually. In particular, it requires the President to make an independent determination of the MER—maximum efficient rate—and MPR—maximum production rate—in relation to the actual production from fields, reservoirs, and wells, commencing 12 months immediately prior to the date of enactment. It requires an independent estimate of total proved and probable natural gas and crude oil reserves by fields and reservoirs, and a determination of the utilization of both natural gas and crude oil in terms of end use markets. It also requires a study of the relationship of the information to the requirements of conservation, industry, commerce, and the national defense, and it mandates a study of past trade association data so that it can be compared to data gathered under this section.

The President is authorized to delegate his authority to conduct this study to appropriate Federal agencies, but he alone is ultimately responsible for providing the information to Congress in a form that is readily usable.

Mr. President, every previous effort by the Federal Government to obtain this type of information has been bogged down in lengthy litigation. The Federal Power Commission has attempted to obtain some of the same information that would be collected pursuant to the bill I introduce today, beginning in 1974, and still has not gotten to first base. There is simply not the luxury of time to allow technicalities to be used to continually deprive the Federal Government of this urgently needed information. Therefore, subsection I of the act provides that no court shall have jurisdiction to grant any injunctive relief to stay or defer action taken under this act.

The dire need for favorable action on this amendment is clear. Just this past Tuesday, July 12, at an FEA public panel discussion, Administrator O'Leary was shocked and angered by the attitude of American Gas Association and the American Petroleum Institute toward providing the Federal Government with their past reserves data. Apparently the trade associations refused to agree that they should supply FEA with data collected during the past several years. The Government can no longer afford to rely on industry for such vital information. We must seek independent data that has been verified and audited.

Ironically, groups as disparate as API and AGA and the Consumer Federation of America support the concept behind this amendment.

My bill leaves to Presidential discretion the manner in which information is to be gathered. The President need not duplicate existing efforts, but may, if he chooses, rely in part upon work now being performed under other provisions of law, provided he assures the accuracy, independence, and credibility of the energy information he reports annually to Congress.

Mr. President, overlapping jurisdiction and inadequate authority have resulted in confusion and uncertainty at the Federal level. Not only are the secondhand figures received by Federal agencies not independently verified, but agencies sometimes withhold from other agencies what little information is available. The only thing that everyone agrees upon, from Secretary Andrus to FEA Administrator O'Leary, is that we simply do not have the information we need. My legislation would provide the mandate and direction to gather this information. Without it, we cannot fashion a national energy policy and we cannot make decisions now before us which impact on future generations. And I submit that without this information we will not be able to justify our actions to the Nation.

At this point, I ask unanimous consent to print in the RECORD a couple of editorials.

First is the editorial appearing in the April 27, 1977, edition of the Wall Street Journal where they question where we have 1,001 years of natural gas. So it is not a figment of imagination. The Wall Street Journal cannot be considered to be an impetuous publication.

The PRESIDING OFFICER. Does the Senator ask unanimous consent to print that editorial in the RECORD?

Mr. DURKIN. Yes.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

1,001 YEARS OF NATURAL GAS

The conventional wisdom about President Carter's energy program seems to be that the gasoline tax won't fly in Congress, but that the other elements of the plan will sooner or later be enacted. Indeed, there is a deep suspicion among the political crowd that the gas tax was designed to lose, in the process drawing off the opposition's energies so the rest of the package could go through unmolested.

Our own estimate, though, is that the whole package will collapse a piece at a time. This estimate is not merely wishful thinking, although it certainly expresses our hopes. But it is more firmly based on the fact that the United States has been seriously thinking about energy for more than three years. Not only the general public, but also Congress and the press corps have developed a sophistication about energy issues, and we think we are now past the point of being vulnerable to blindly adopting scare scenarios and emergency solutions.

The notion that we may soon be freezing in the dark unless we sacrifice by paying higher taxes to Washington could not be sold to Congress by President Ford and Vice President Rockefeller when we were all relative greenhorns at the energy game. Yes, Mr. Carter certainly deserves his chance to scare Congress into action. But because he seems to learn quickly and is flexible rather than stubborn, there is a good chance Mr. Carter will discover the true shape of the energy problem in the process of failing to get any major portion of his package adopted.

Take natural gas, for example. Mr. Carter apparently thinks the United States is running out of the stuff. If that were true, we might be as scared as he seems to be. But in the course of the debates on his plan, the President will discover that while we are now consuming 20 trillion cubic feet of natural gas every year and that—if prices were only decontrolled—we have roughy 20,000 trillion cubic feet of natural gas at hand, with some estimates that there may be 50,000 trillion cubic feet of it. That is, enough

to last between 1,000 and 2,500 years at current consumption.

The President's energy advisers know this. It was explained to them recently in a briefing by specialists of the American Gas Association. Experts in ERDA have been trying to tell the White House too, but have been snubbed apparently on the ground that this news would take the sting out of the scare.

What Mr. Carter has been told is that we have only 216 trillion cubic feet of proven reserves of natural gas, 10 years' supply. But that number was developed by the U.S. Geological Survey in 1974 relating resources available at 1974 technology and 1974 prices, of 52 cents per thousand cubic feet. USGS does not and never has projected what resources would be available at higher prices.

ERDA, though, has unofficially estimated that at an uncontrolled price of $2.25 the nation would be awash with natural gas. It would bring in 230 trillion cubic feet of what USGS calls "inferred reserves," make economic the 285 trillion cubic feet of Devonian shale in Appalachia, the 600 trillion cubic feet of Western "tight sands" and between 200 trillion and 300 trillion cubic feet of coal-seam methane.

At somewhere between $2.50 and $3.00 per thousand cubic feet, the industry could tap the big deposit—geopressured methane that exists at depths of 15,000 feet, both onshore and offshore, in the Gulf region. This natural gas dissolved in water runs to between 20,000 and 50,000 trillion cubic feet. If you consider that 1,000 cubic feet of natural gas is roughly equivalent to one million British Thermal Units, this exotic natural gas is not all that expensive at $3 per million BTUs. Americans now pay about $2.05 per million BTUs of natural gas delivered at their homes, $3 per million BTUs of fuel oil and $10 per million BTUs of electricity.

The only conceivable way Americans would freeze in the dark anytime in the near future is if the government continues to keep the price of natural gas from getting into the ranges that would finance tapping these reserves. Holding down the price is of course precisely what President Carter proposes, a ceiling of $1.75 per thousand cubic feet.

We can't believe that President Carter genuinely desires that we freeze in the dark because of his policies. Instead, we assume it will take him a little time to get fully informed on the true nature of the energy problem. Perhaps some friend will call him up and tell him about this editorial, and we can begin thinking of dancing in the dark instead of freezing in it.

Mr. DURKIN. Mr. President, I ask unanimous consent to print an editorial from the Wall Street Journal of June 13, 1977, in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

JIMMY CARTER ON THE RUN

So President Carter is reduced to bewailing the "special interests" picking apart his energy program in Congress and winning House subcommittee votes to deregulate the price of natural gas. It really is a bit much, coming as it does from someone who only a few months ago won the presidency by carrying Texas and Louisiana on a pledge to deregulate the price of natural gas. But then, Jimmy Carter is on the run, badly losing his "moral equivalent of war."

As Congress discovers that the President's sweeping energy plan was stitched together with bailing wire, he responds by taking press conference swipes at the "inordinate influence" of special interests and making speeches against the oil and auto companies. He sends his press secretary, Jody Powell, out to give Ziegler-like performances, for example referring to the liberal Republican Ripon Society as "the ripoff society."

Mr. Powell has even been putting silly words into his boss's mouth, telling newsmen that President Carter believes "that even if we increased the price of oil to provide an additional $20 a barrel, there would be little, if any, increase in our production." Even sillier, he added, "the same is true in the price of natural gas."

If Mr. Carter really believes this we're really in trouble, for there is so much evidence to the contrary it would mean the President simply does not want to be confused by the facts. We'd prefer to believe he has been temporarily confused by his energy bureaucracy, which has been hiding energy to make its case.

Now, though, the cat is out of the bag. The famous MOPPS study has been coughed up by Mr. Carter's Energy Research and Development Administration (ERDA). Although Jody Powell still won't believe it, ERDA did its best to back up his statement. But try as hard as its experts could to prove that higher prices wouldn't bring forth more energy, they just couldn't do it.

As the accompanying chart reveals, a group of 70 or so ERDA people in the Market Oriented Program Planning Study approached the question three times. The first time, April 1, the estimates came in embarrassingly high. So they tried again, and on April 6 found less gas, and on June 3 less still. But even with the most pessimistic estimate, what have they found? That potential reserves at $3.25 per thousand cubic feet (mcf) will be double the reserves at Mr. Carter's ceiling price of $1.75. If there is really an energy crisis, why is Mr. Carter opposed to having twice as much gas?

Note well that the chart covers only conventional supplies; potential supplies from unconventional production are even greater. ERDA has just brought in the first geopressurized methane well, bringing that absolutely immense resource a step closer. The third MOPPS estimate projects unconventional sources of natural gas at 600 trillion cubic feet at prices below $3.25 a mcf. At worst, the good people at ERDA have found us 55 years worth of natural gas at a reasonable price.

And to tell the truth, MOPPS executive director Harry Johnson says he isn't sure the higher estimates weren't the correct ones. Instead of talking of an "energy crisis," he talks of a "liquids crisis," meaning you can't make gasoline out of natural gas. And Philip White, MOPPS chairman, told The Washington Post that the original estimate might have been "a pretty good guess."

Our own guess, based on talks with independent gas producers, is that deregulation of natural gas would bring in so much of the stuff it would soon force down the price of its nearest substitute, No. 2 fuel oil, which now sells at the equivalent of $3 per mcf. Which is to say, deregulation of gas prices could very well break the OPEC cartel.

There's hope. We doubt that Mr. Carter's "special interest" rhetoric will incite the public against Congress, since a year ago the Harris Poll showed the public favoring deregulation by 51 percent to 17 percent. Representative Krueger of Texas last week got a deregulation bill approved by a House Commerce subcommittee. If he could get the environmentalists and consumerists to wake up to the fact that their causes would be served by deregulation, he could take it all the way, cleaning up with MOPPS.

Mr. DURKIN. Mr. President, I also ask unanimous consent at this stage to print in the RECORD an editorial from a New Hampshire newspaper, the Valley News, of July 12, 1977, in which they indicate their concern that the country have adequate data.

There being no objection, the editorial was orderd to be printed in the RECORD, as follows:

INFORMATION

One of the impediments to developing an effective national energy policy is a chronic lack of information about the real extent of current resources.

One instance of the problem arose recently in the Senate Energy and Natural Resources Committee, which debated a study that indicated the country is fairly swimming in natural gas—enough to last another 40 years. The study, done by the federal Energy Research and Development Administration (ERDA), ran counter to the results of earlier studies on which the President's energy program was based. So, the chairman of the optimistic study was removed, and a new study was done, this one showing a much more serious, impending gas shortage.

Without knowing the real extent of the gas shortage, it is a chancy affair trying to plan an energy policy. For instance, perhaps it is preferable to rely more on natural gas than coal—and thus avoid a host of environmental problems—in the interim period as more alternative sources are developed. Further, how can policy-makers decide how heavily to push nuclear power before they know the true extent of fossil fuel resources?

The root of the problem is that only the energy companies themselves have adequate information about resources, and they won't part with it if they feel it's to their disadvantage.

Sen. John A. Durkin, D–N.H., a member of the energy committee, intends to introduce legislation that would authorize the President to independently gather data on reserves and report it annually to Congress.

We agree with the concept of the proposal. But, as Durkin himself recognizes, it will be years before such information would be available to help steer an energy policy. Further, we wonder whether the federal government has the resources to do the job that has, in any case, already been done by the oil and other energy companies.

We believe the fastest and most economical way to get adequate data is to legally require disclosure of all resource information by the companies to the appropriate federal agencies.

The exploration that generates most of the information for the companies is paid for by the American public anyway. It should get what it pays for. If the nation is to make the right decisions to extricate itself from its energy problems, it must have the facts.

Mr. DURKIN. Mr. President, also at this point, I ask unanimous consent to print in the RECORD definitions that are contemplated with respect to this amendment so that there be no doubt over what definitions of the various terms are and there can be no doubt over what we mean by the definitions used in the act.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From Federal Power Commission, 1976]

DEFINITIONS—DURKIN AMENDMENT—RESERVES AND RESOURCES CLASSIFICATIONS

Discovered Reserves—oil and gas known to exist, proved and indicated.

Proved Reserves—oil and gas for which estimates of the quality and quantity have been computed from analyses and measurements from closely spaced and geologically well known sample sites.

Indicated Reserves—oil and gas likely to be added in future years to proved reserves in identified fields, from new reservoirs, extension of reservoirs and from improved recovery methods.

Undiscovered Resources—oil and gas surmised to exist on the basis of broad geologic knowledge and theory, possible and speculative.

Hypothetical Undiscovered Resources—oil and gas that may reasonably be expected to exist in a known producing basin under known geologic conditions.

Speculative Undiscovered Resources—oil and gas that may reasonably be expected to exist in presently non-productive basins.

Field—an area consisting of one or more reservoirs all grouped on, or related to, the same individual geologic structural feature and/or stratigraphic condition.

Reservoir—a porous and permeable underground formation containing an individual and separate natural accumulation of producible hydrocarbons, which is confined by impermeable rock or water barriers and is characterized by a single natural pressure system.

Department of Interior definitions. OCS Order No. 11 (1974) Maximum Efficient Rate (MER).—The maximum sustainable daily oil or gas withdrawal rate from a reservoir which will permit economic development and depletion of that reservoir without detriment to ultimate recovery.

Maximum Production Rate (MPR).—The approved maximum daily rate at which oil or gas may be produced from a specified oil or gas well completion.

Geological and Geophysical Explorations.—Those activities related to the collection of rock data including bore hole logging, seismic prospecting, and drilling.

Mr. DURKIN. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I gave before the Energy and Natural Resources Committee on June 23, 1977.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN A. DURKIN

Mr. Chairman, as members of the Senate Energy and Natural Resources Committee now writing an energy policy which will affect every man, woman, and child in this country for generations to come, we sit here today ignorant of the basic information we need to make the right decisions.

We are asked to greatly increase the price ceiling for natural gas, and yet we do not even know whether there is an urgent natural gas shortage.

We are asked to give industry incentives to convert oil and gas-fired boilers to coal, and yet we do not even know whether there is an urgent natural gas shortage.

We don't know because most available data is supplied by the gas industry itself and is not subject to verification, and because even the Energy Research and Development Administration has come up with studies with dramatically different conclusions.

As a result, we sit here today like mapmakers of centuries ago, attempting to chart unseen lands by relying on secondhand information. I don't have to remind anyone here that it was through using such a map that Christopher Columbus found America but was convinced he was in India.

Are we running out of natural gas, as the administration and two ERDA studies contend, or are there adequate reserves for several decades, as another study contends?

The shortages of last winter clearly showed how important adequate supplies of natural gas are for the heating of homes and schools, and industrial operations as well. When supplies fall short of demand, the result can be catastrophic.

Future supplies of gas are a subject of intense debate and controversy. Unfortunately, this debate seems to be intensifying. Yet clear-cut solutions to the gas supply problem, are clouded both by the abundance of opinion and the lack of reliable information. One of the Government's roles in this debate must be to provide complete and unbiased information, so that decision-makers can develop sound policies for the future. This has not always been the case. And that is why we are here today.

Too often energy policies have been dominated by interests using their own data and information to serve their own interests. Too often the Government has acquiesced in the face of industry arguments or information, instead of pursuing the rigorous data collection and analysis that is necessary for sound policy development. And too often the result is the same, a confused policy that hardly serves the people it's intended for.

The MOPPS effort is a well intended, carefully planned study designed to assist ERDA in its R & D planning process. The unexpected results reported by Mr. Knudsen's committee have turned a rational endeavor into a controversy. The publicity created by Knudsen's gas supply findings has unfortunately lent veracity to these speculative results. Yet nothing has appeared to indicate that we do in fact have 1,001 years of gas supply.

Apparently, Mr. Knudsen's gas supply projections were rejected without independent analysis. They were rejected more for their alarming appearance than their questionable methodology or substance. To complete parallel studies and accept the one most in line with administration policy, as seems to be the case here, is at best unprofessional. In this situation it has cast doubt upon the government's credibility regarding energy supplies. The MOPPS controversy has also demonstrated the continuing need for knowing precisely what our national energy reserves really are. What's wrong with the MOPPS gas supply projections is the same thing that's wrong with every Government reserves study. Projecting future supplies by using inadequate uncertain data supplied by industry results in greater uncertainty. What's more, it reduces our credibility and perpetuates uncertainty over future supplies.

What is needed before more studies of this nature are undertaken, is new independent reliable reserves data. This will happen only when we establish a reserve data gathering authority within the Government and give it the powers needed to accomplish this vital goal. For until reliable reserve data are available, no government can be effective in its policy or honest to its people.

What is needed before the Senate embraces or enacts the very expensive national energy program as sent up by the administration is a prompt and thorough four-pronged no nonsense, no holes barred investigation of (1) the true extent of natural gas reserves onshore and offshore in this country, (2) the projections of Mr. Knudsen that there is a 40 year supply of readily available natural gas at reasonable prices, and (3) why and under what political pressures did ERDA arbitrarily reject the Knudsen findings and (4) is the arbitrarily and politically motivated rejection of Knudsen's findings and his summary dismissal part of a double cover up—a cover up of the true extent of our natural gas reserves and a cover up of the cover up??

This committee must answer two questions—(1) what is the extent of our natural gas reserves, (2) do we have another case of a dedicated civil servant such as the woman who did not succumb to the pressure of the drug industry and allow thalidomide to cripple thousands of American children or do we have another dedicated bureaucrat such as the one who blew the whistle on the cost overruns of the C5A?

I submit that the American public is not going to support the administration's national energy program until this question of a double cover up is laid to rest.

Mr. DURKIN. At this point, again, to facilitate the proceeding, I ask unanimous consent to have printed in the RECORD the articles in the Washington Post and the New York Times of June 23 to which I referred a few moments ago.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 23, 1977]

WINTER GAS SHORTAGE PREDICTED

Interstate pipeline companies predict they will have much less gas to deliver this winter than they had last year, and gas shortages across the nation may be worse as a result, the Federal Power Commission said yesterday.

A report prepared by the FPC staff and based on data from 50 interstate pipeline firms estimated that deliveries during the 1977–78 heating season would be 169.9 billion cubic feet, or 2.9 percent, below actual deliveries last winter.

It took a record cold spell last winter to bring on the natural gas shortage that caused many industries and schools to close down and threw thousands of workers out of a job.

But the FPC said even normal weather this coming winter will result in interstate pipelines being unable to deliver some 23 per cent of their wholesale customers' "firm requirements" for natural gas. The shortage last winter was 21 per cent.

The FPC said the most severe curtailments will include the systems of United Gas Pipe Line Co., Transcontinental Gas Pipe Line Corp. and Arkansas Louisiana Gas Co. It predicted shortages on those lines would range from 38 per cent to just over 48 per cent. Transco serves Maryland and Virginia.

The actual impact of the shortages will depend on the weather, the nation's economic activity, and the ability of gas-burning installations to switch temporarily or permanently to other fuels.

Natural gas supplies started declining around 1971, and the situation has grown steadily worse since. The shrinking supply has created an increasing gap between the amounts of gas the pipelines promised their wholesale customers and the amounts actually available.

Shortages have developed each winter, but were minimized during the winters of 1974–1975 and 1975–1976 by unusually mild weather.

The FPC reported that last winter's firm requirements for natural gas totalled some 7.24 trillion cubic feet but only 5.715 trillion was available, leaving a gap of 1.52 trillion, or 21 per cent.

This coming winter, firm requirements will drop slightly to about 7.2 trillion cubic feet, but available supplies will drop even more--to about 5.54 trillion. This will leave a shortage of some 1.66 trillion cubic feet, or 23 per cent, the FPC estimated.

[From the New York Times, June 23, 1977]

FPC SEES 3 PERCENT DROP IN WINTER SUPPLIES OF INTERSTATE GAS

(By Steven Rattner)

WASHINGTON, June 22.—The Federal Power Commission predicted today that interstate supplies of natural gas would again decline in the coming winter, raising the possibility of renewed gas shortages. Although gas supplies are relatively easy to predict, shortages are not, because weather is a major factor.

Last winter, when temperatures plunged to record lows in many areas, the tight supply of gas produced widespread school and factory closings, particularly in the Midwest.

For the coming winter, the F.P.C. calculates that gas supplies would decline by about 3 percent, or 170 billion cubic feet. That is enough gas to heat one million

homes. If shortages do recur, they would affect industry first, because of a system of priorities developed by the F.P.C.

The F.P.C.'s report is based on filings by gas-supplying pipelines and revealed that the second most affected pipeline in the nation will be the Transcontinental Gas Pipe Line Corporation, which is a major supplier to the New York area and is Consolidated Edison's largest gas source.

UNABLE TO COMPETE FOR GAS

"The principal reason why our curtailments are so deep is that we are unable to compete for gas onshore in the Texas and Louisiana and Gulf Coast area," said Hal Miller, director of marketing at Transco. Mr. Miller was alluding to the present system of federal regulation, which fixes the price at which interstate pipelines can buy their gas at $1.46 per thousand cubic feet, while allowing intrastate lines to pay unregulated prices.

That system is now under reconsideration as part of President Carter's energy program. The President's solution is to extend regulation to the intrastate market. The companies, however, want interstate prices deregulated, to try to reverse the continuing, nationwide decline in gas production.

The F.P.C. also estimated today that pipeline gas deliveries during the winter would fall about 23 percent short of contracted requirements, compared to a 21 percent shortfall last year.

At Transco, curtailments during this winter are projected to reach 40 percent of requirements, compared to 38.5 percent last winter. These figures are considered particularly significant by industry experts because the calculation of requirements is based on contracts currently in effect, many of which are many years old and not reflective of current needs of customers.

STORED SUPPLIES ARE HIGH

Moreover, the F.P.C. can only calculate the extent of pipelines' failure to deliver to their customers, which are the distribution utilities such as Con Ed. The commission has neither knowledge of nor jurisdiction over the use of the gas by the utilities. Although experts believe that the states in the North and the Midwest dependent on interstate supplies face potentially serious shortages if the weather is cold, one plus at the outset will be a high level of stored supplies.

Gas companies store a large part of their winter needs during the slack summer months and the F.P.C. believes that the storage situation this winter will be better than it was last year, despite the large consumption of last winter.

Also, a number of companies, such as Transco, have increased their storage, so as to better meet peak winter demand. Because of its added storage, Transco will actually supply more gas this winter than last winter, although its supplies over the course of the full year will show a decline.

Any shortage during the coming winter might also be mitigated by the continuing trend of large industrial users—those who lose their gas supplies first—to shift away from gas. These users have in some cases been subject to cutoffs for the last three winters.

Mr. DURKIN. I also ask unanimous consent that a summary and section-by-section analysis of the amendment be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DURKIN AMENDMENT TO S. 9 OUTER CONTINENTAL SHELF ACT AMENDMENTS—CRUDE OIL AND NATURAL GAS INFORMATION ACT

SUMMARY

The amendment finds that there is a lack of adequate energy information available to Congress and the President with respect to crude oil and natural gas resources of the U.S. The purpose of the amendment is to require a study which will enable the Congress and the President to gain a full and complete knowledge of the status of crude oil and natural gas supplies, reserves, and production available to meet current and future emergencies and to gain accurate knowledge of the potential quantity of available supplies and to aid in establishing energy pricing and conservation policies.

SECTION-BY-SECTION ANALYSIS

Subsections a and b—Findings and purposes as stated above.

Subsection c—Directs the President to conduct a continuing investigation based on adequate and independent data of natural gas and crude oil reserves located in the U.S. or in any State, including, but not limited to—

(a) fields and reserves in the Outer Continental Shelf,

(b) other federal domain reserves, offshore and onshore,

(c) offshore fields within state territorial limits, and

(d) onshore oil and gas fields and reserves.

Subsection d—The investigation is to be made independently by non-oil or gas industry or producer affiliated persons and is to include, among other items, certain standardized objective criteria for comparison purposes.

Two of these are MER and MPR, the optimal rates of production from the fields, reservoirs, and wells. The Maximum Efficient Rate (MER) is the "maximum sustainable daily oil or gas withdrawal rate from a reservoir which will permit economic development and depletion of that reservoir without detriment to ultimate recovery."

The Maximum Production Rate (MPR) relates to a given well completion in a reservoir and is usually determined by measuring the rate of production at full (flush) flow once a month.

The investigation would also—

Require an indeepndent estimate of total proved, probable and possible natural gas and crude oil reserves by fields and reservoirs, with geological and geophysical explorations by Federal or other appropriate agencies where necessary.

Include "a determination of the utilization of natural gas and crude oil in terms of end-use markets." Such figures are needed to show the extent to which substitute energy sources can be utilized by end use consumers in order to conserve oil and natural gas and reduce demand.

Show the relationship of the gathered information to the requirements of conservation, industry, commerce and the national defense.

Subsection e—To gather the required information the President may utilize authority granted to FEA in the Energy Supply and Environmental Coordination Act of 1974, Federal Energy Administration Act of 1974, and the authority granted to the Federal Power Commission in the Natural Gas Act.

Subsection f—An initial report must be submitted to the President and Congress within 6 months after enactment with annual reports thereafter.

Subsection g—The President may delegate his authority under this section to appropriate executive agencies.

Subsection h—Prior to a final judgment, no court may offer injunctive relief to stay or defer the implementation of this Act, or action taken by the Secretary under the Act.

Subsection i—If any provision of the section is held invalid, the remainder of the section and its provisions shall be unaffected.

Mr. DURKIN. Mr. President, I think, if the Senate will bear with me another second or two, that we have laid to rest the argument that this is the Government getting into business. I do not think Senators are any longer fighting that straw man. It is not the Government getting into the oil business at all.

The allegation that it would create a bureaucracy is another strawman of the same family. In fact, it will serve to consolidate authority that is now scattered all over in half a dozen different agencies.

As to the allegation that it is not necessary, I think the record already indicates that it is necessary and long overdue.

We have one other question that I suppose has concerned some people, with respect to cost. I might point out that now the various agencies are spending in the neighborhood or in excess of $12 million for energy data, the collection of data, and are producing little or no credible data.

Take, for example, the Federal Trade Commission. Much money is also being expended in litigation. The Federal Trade Commission has spent considerable money trying to obtain data.

The Federal Power Commission has spent over $1 million on its Form 40.

With all these costs, when we take into consideration the cost of the data collection today, the litigation costs, the cost to the consumer, people have estimated that the national energy plan will cost $1 trillion. We cannot afford not to come up with this data.

As I indicated earlier, the fact that there is the authority to drill will obviate the need in many, many cases to drill and eliminate the cost and the cost problems, the cost with respect to drilling. The very fact that the authority exists would be an incentive to obtain complete and accurate data.

I might point out one other thing which I believe is important. We are not asking for data, and the data will not be reported, on a company-by-company basis. It is not an effort to find data of a particular company. The report contemplates that it will be the supply data in aggregate and not divulging the interests of any oil company. As I said earlier, this benefits the consumer and ultimately will benefit all businessmen, big and small, as well as the oil companies.

Inasmuch as the hour is late, and I believe everything is in the record, having reserved a 15-minute wrapup for each side in the morning, I will just say the need for this does not need much more debate. It speaks for itself. I have discussed this with many, many people. They are absolutely flabbergasted that we do not have the information today. This mandates that the President do it, it mandates the report to Congress, and it puts us in a position to answer rationally and reasonably the concerns of people all across the country.

Mr. President, do I anticipate——

Mr. HATHAWAY. Mr. President, will the Senator from New Hampshire yield?

Mr. DURKIN. I am happy to yield to my friend from Maine

Mr. HATHAWAY. Mr. President, I am pleased to join in support of the amendment of my colleague from New Hamp-

shire, Senator DURKIN, to require an independent evaluation and annual report on all of our oil and natural gas resources. The amendment consolidates authority which is now scattered throughout more than half a dozen energy related agencies. Varied legislative authority has been granted these agencies, and some broad authority was adopted in the Energy Policy and Conservation Act; that has not, however, been implemented. If we are to adopt a convincing national energy policy in this session of Congress, and if we are to see it effectively implemented, then we must develop convincing and credible data on our actual resources to guide that policy.

While a central reserve data gathering authority was recommended in 1965, the need for such a consolidated data effort certainly became apparent with the oil embargo of 1973–74. It is regrettable that we do not already have that authority operative to provide the kind of independent evaluation which will be needed in the debate on the administration's energy policies in the coming months. With last winter's natural gas emergency behind us, and the headlines dominated by a water emergency instead it is difficult to mobilize the American people to the call for the "moral equivalent of war." This may be good rhetoric but until it is backed by credible evidence of the need, it may only remain rhetoric.

With the continuation of price controls on both the oil and gas industry a crucial factor in the overall debate on energy policy, the self-interest of the oil and gas industry in data collection is evident. It is also antithetical to rational legislation of a Federal energy policy.

It is regrettable that Congress does not have this kind of data before it as it debates the extent of our future use of coal, our development of other alternative energy resources, the allocation of our limited financial resources on our energy research and development budget, the question of tax incentives for conservation, and the oil equalization tax. But national energy policy is not a one-shot decision by any means; its development and shaping will be before the Congress for the months and years to come. We cannot afford to rely on industry balance sheets as the determiner of our energy choices. Federal involvement in setting policy and guidelines for national energy development, inextricably linked with environmental and economic growth questions, is here to stay. The degree of that involvement is, of course, subject to debate, as we have heard extensively in the debate here today. But even the broadest policy outlines require that they be substantiated by accurate information on what our own resources are, how long they can be expected to last, and where our limited resources can most effectively be allocated in insuring an adequate energy supply.

The amendment is straightforward in its purpose; I find the rationale for its adoption both straightforward and compelling and would urge my colleagues to support this amendment.

This makes commonsense, as the Senator from New Hampshire has pointed out, that if we do not have accurate data, then we are not going to convince the American public that there is an energy shortage, and without the cooperation of the American public, we are not going to put through any kind of an energy conservation plan.

Without accurate data, we are just legislating in the dark, and we certainly would require accurate data in any other field in which we are legislating, and there is no reason why we should not get it in this field.

It seems to me the amendment sponsored by the Senator from New Hampshire will give us that data so that we can come up with more realistic policy.

I thank the Senator from New Hampshire for yielding.

Mr. DURKIN. I thank the Senator.

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. DURKIN. Yes.

Mr. MOYNIHAN. Mr. President, I rise to support the amendment of the Senator from New Hampshire, and to make a simple point, but one which is frequently overlooked, which is that if there has been any one characteristic of the American National Government which has distinguished it from almost all others for more than two centuries, it has been the degree to which this Government has compiled accurate information about social, political, and economic questions with which this Nation has been concerned.

This has not just been a matter of responding to this issue or that; it is a matter which is indeed written into our Constitution, in the requirement of a decennial census. We are the first Government that has based essential aspects of governance, particularly representation in the House of Representatives, upon accurate information collected by Government.

In the amendment the Senator has proposed, he carries out a tradition which goes back to the beginnings of this Constitution. It advances in the middle of the 19th century with the first serious gathering of economic data by the census; and continues in the second half of the 19th century with the beginning of labor statistics, which have made an enormous impact upon the way we manage our affairs and understand our society.

The Senator from New Hampshire is much to be congratulated for a measure which is not only urgent with respect to an issue before us now, but wholly consonant with a tradition this Republic has maintained from its beginning. I congratulate the Senator, Mr. President, and state my support; and I ask to be associated with the amendment.

Mr. DURKIN. I thank my friend from New York, and I ask unanimous consent that the name of the Senator from New York be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. DURKIN. Yes.

Mr. JACKSON. Mr. President, I support the amendment offered by the distinguished Senator from New Hampshire. I will defer my remarks; it is late in the evening and we are about to recess. But I will have something further to say, I will say to my good friend, in the morning.

Mr. DURKIN. I appreciate the support of the distinguished manager of the bill.

Mr. JACKSON. When we return in the morning this will be the pending business.

I also wish to associate myself with the remarks of the distinguished Senator from New York.

Mr. McINTYRE. Mr. President, will my junior colleague let me say a word or two?

Mr. DURKIN. I yield.

Mr. McINTYRE. Mr. President, as I understand the amendment being offered by my good friend, I just want the record to show, and I hope tomorrow I will have an opportunity to expand on it, that many years ago this Senator was confronted with what was then known as the mandatory oil import quota program. Many, many times hearings were held by the Small Business Subcommittee of the Banking Committee, and later by the Subcommittee on Investigations of the Select Committee on Small Business. Time and time again, those like yourself, Mr. Chairman (Mr. JACKSON), in trying to get a handle on what was the situation with regard to crude oil and distillate, were up against the damning fact that it was only the big oil companies and their associates who knew what we really had or what was being used. Your Government, the people of the United States of America, had to depend upon the oil industry to tell them what they had and what they expected to be utilized in the year coming.

It is a sad story, and a very bad story. So I am very happy to join my junior colleague in offering this amendment; and if the debate continues on into tomorrow, I hope to be able to have a few more words to say.

I would have to yield to the expertise of my friend from Washington as to whether or not the facts that the Senator from New Hampshire asks for in this amendment can be obtained, but I can only say, Mr. President, we need this information for the benefit of the people of this country very, very badly, and we have never had it.

I thank the Senator for yielding.

Mr. DURKIN. I thank my senior colleague, and I appreciate his support as well as the support of the chairman, the distinguished Senator from Washington.

The PRESIDING OFFICER. The Senator has utilized 37 minutes.

Mr. DURKIN. I am prepared to wrap it up and wait over until morning.

Mr. JACKSON. Will the Senator yield?

Mr. DURKIN. I will be happy to yield.

Mr. JACKSON. Because of the importance of the Senator's amendment, and he has done a very fine job in articulating his position, it would be for the benefit of our many colleagues who are not able to be here if he could finish his remarks when we resume at 9:30 in the morning. I will be here at that time. I believe that would be far more effective and helpful to all of us. I congratulate the Senator for the effort which he is

making and the excellent way in which he has presented this information to the Senate.

Mr. DURKIN. I thank the chairman for his support. It is crucial.

TIME-LIMITATION AGREEMENT ON REMAINING AMENDMENTS TO S. 9

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time on any amendment remaining on this bill, with the exception of the amendment by Mr. DURKIN, on which there is a remaining time limit of 30 minutes, with the exception of an amendment by Mr. METZENBAUM, and with the exception of an amendment, amendment No. 494, which is an amendment to be proposed by Mr. BELLMON for Mr. BARTLETT, there be a time limitation of 1 hour, to be equally divided in accordance with the usual form. I am talking about amendments in the first degree.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Officer laid before the Senate a message from the President of the United States submitting the nomination of Hazel Rollins, of the District of Columbia, to be an Assistant Administrator of the Federal Energy Administration, which was referred to the Committee on Energy and Natural Resources.

MESSAGES FROM THE HOUSE

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

At 5:05 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its clerks, announced that the Speaker has signed the following enrolled bills and joint resolution:

H.R. 186. An act to implement the Convention on the International Regulations for Preventing Collisions at Sea, 1972.

H.R. 1551. An act granting the consent of Congress to an amendment to the Sabine River Compact entered into by the States of Texas and Louisiana.

H.R. 5638. An act to amend the Fishery Conservation Zone Transition Act in order to give effect during 1977 to the Reciprocal Fisheries Agreement between the United States and Canada.

H.R. 6893. An act to amend title 4 of the United States Code to make it clear that Members of Congress may not, for purposes of State income tax laws, be treated as residents of any State other than the State from which they were elected.

H.R. 7636. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1978, and for other purposes.

H.J. Res. 24. Joint resolution to provide for the designation of a week as "National Lupus Week".

The enrolled bills and joint resolution were subsequently signed by the President pro tempore.

At 6:06 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7552) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1978, and for other purposes; that the House recedes from its disagreement to the amendments of the Senate Nos. 4, 9, 10, 12, 14, 15, 18, and 25 and concurs therein; and that the House recedes from its disagreement to the amendment of the Senate No. 11 and concurs therein with an amendment in which it requests the concurrence of the Senate.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following communications which were referred as indicated:

EC–1663. A letter from the Chairman of the Federal Power Commission transmitting, for the information of the Senate, a copy of the map, "Principal Electric Facilities in the United States, 1977" (with accompanying papers); to the Committee on Energy and Natural Resources.

EC–1664. A letter from the Administrator of the Agency for International Development, Department of State, transmitting, pursuant to law, a proposed amendment to AID's system of records, in accordance with the Privacy Act (with accompanying papers); to the Committee on Governmental Affairs.

EC–1665. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Impact of Population Assistance to an Asian Country" (ID–77–10) (with an accompanying report); to the Committee on Governmental Affairs.

PETITIONS

The ACTING PRESIDENT pro tempore laid before the Senate the following petitions which were referred as indicated:

POM–260. Senate Joint Resolution 30 adopted by the Legislature of the State of Wisconsin urging Congress to provide the American consumer the assurance that foreign dairy products marketed in the United States are safe and wholesome; to the Committee on Agriculture:

[The State of Wisconsin]

"SENATE JOINT RESOLUTION 30

Urging Congress to provide the American consumer the assurance that foreign dairy products marketed in the United States meet minimum standards of quality by requiring the inspection of these products at the United States ports of entry, at the foreign milk processing plants which provide dairy products for export to the United States, and at the foreign dairy farms which supply milk to foreign milk processing plants for the production of dairy products to be exported to the United States

"Whereas, under Wisconsin law it is illegal to sell any food that is adulterated or contaminated with dirt grease, or any filthy, putrid or decomposed substance or to sell any food produced under conditions whereby it might become so contaminated; and

"Whereas, Wisconsin dairy farmers are subject to strict laws, regulations and inspections governing the method of production of dairy products which are designed to ensure that only safe and wholesome dairy products reach the consumer, but which add considerably to the costs of production that the farmer must bear, thereby raising the price the farmer must get for the production in the market in order to stay in business; and

"Whereas, dairy products imported from foreign countries that do not regulate production methods as stringently as does Wisconsin, are sold in Wisconsin; and

"Whereas, only 12 percent of the dairy products imported from 1969 through 1975 were inspected at United States ports of entry and 10 percent of the products inspected were detained because of pesticide contamination, salmonella, filth or some other adulterant; and

"Whereas, this Russian roulette approach to foreign dairy product inspection not only fails to provide consumers with adequate protection against unwholesome dairy products but also gives foreign producers an unfair competitive advantage over American farmers which threatens their ability to continue producing wholesome dairy products; now, therefore, be it

"*Resolved* by the Senate, the assembly concurring, That the Wisconsin Legislature strongly urges the Congress of the United States to provide the American consumer the assurance that foreign dairy products marketed in the United States are safe and wholesome and are free from contaminating substances, filth and disease and are produced under sanitation standards as stringent as those required of United States dairy farmers through the passage of the Obey, Steiger, Baldus, Uniform Consumer Dairy Sanitation Act of 1977; and, be it further

"*Resolved*, That duly attested copies of this resolution be transmitted to all Members of Congress from this state, the secretary of the U.S. Senate, the chief clerk of the House of Representatives, and the U.S. Secretary of Agriculture."

POM–261. House Concurrent Resolution No. 234 adopted by the Legislature of the State of Louisiana memorializing Congress to effect full employment for all citizens who are willing and able to work; to the Committee on Banking, Housing, and Urban Affairs:

"HOUSE CONCURRENT RESOLUTION NO. 234

"Whereas, unemployment remains the number one economic problem facing the nation today; and

"Whereas, America's promise of economic freedom lies in the opportunity for every willing and able American to obtain a job at fair rates of compensation; and

"Whereas, this opportunity for full employment will assure each and every American the security of providing a livelihood for himself and his family; and

"Whereas, unemployment at levels experienced today and in recent years places great economic costs on taxpayers in the form of social services which must be provided to meet human needs of unemployed persons and their families.

"Therefore, be it resolved by the House of Representatives of the Louisiana Legislature, the Senate thereof concurring, that the Louisiana Legislature does hereby memorialize the Congress of the United States to take

all measures necessary to effect full employment, to the absolute extent possible, for all citizens willing and able to work.

"Be it further resolved that a copy of this Resolution be transmitted to each member of the Louisiana congressional delegation and to the Clerk of the House of Representatives and the Secretary of the Senate of the United States Congress."

POM–262. Senate Joint Resolution 29 adopted by the Legislature of the State of Wisconsin urging Congress to require foreign dairy products to be labeled to disclose the fact that they are imported; to the Committee on Commerce, Science, and Transportation:

[The State of Wisconsin]

"SENATE JOINT RESOLUTION 29

"Whereas, Wisconsin dairy farmers are subject to strict laws, regulations and inspections designed to assure that only safe and wholesome dairy products reach the consumer; and

"Whereas, dairy products are imported from foreign countries which do not regulate production as stringently as Wisconsin; and

"Whereas, only 12 percent of the dairy products imported from 1969 through 1975 were inspected at United States ports of entry and 10 percent of the products were detained because of adulteration or contamination; and

"Whereas, American dairy farmers are entitled to protection from unfair competition and American consumers are entitled to know the origin of the products they buy, a right long recognized in the meat, clothing, electronics and other industries; now, therefore, be it

"Resolved by the senate, the assembly concurring, That the Wisconsin Legislature strongly urges the Congress of the United States to protect the American farmer from unfair competition and proyide the American consumer with the ability to learn where his dairy products are produced through the passage of the Obey Imported Dairy Products Labeling bill; and, be it further

"Resolved, That duly attested copies of this resolution be transmitted to all members of Congress from this state, the secretary of the U.S. senate, the chief clerk of the house of representatives, and the U.S. secretary of agriculture."

POM–263. House Resolution No. 77–43 adopted by the House of Representatives of the State of Washington asking the President and the Congress of the United States to terminate the Airline Mutual Aid Agreement; to the Committee on Commerce, Science, and Transportation:

"HOUSE RESOLUTION No. 77–43.

"Whereas, The Federal Aviation Act of 1958, Section 401, subsection (k), paragraph 3, of Title IV, states that nothing therein shall be construed as restricting the collective bargaining process; and

"Whereas, The Federal Aviation Act of 1958, Section 412, subsection (b), paragraph 1, of Title IV, states that the board shall by order disapprove any such contract or agreement it finds to be adverse to the public interest; and

"Whereas, the Federal Aviation Act of 1958, Section 416, subsection (b), paragraph 2, of Title IV, states, in pertinent part, that no air carrier is exempt from subsection (k), Section 401, Title IV; and

"Whereas, The Railway Labor Act, as amended, Section 10 of Title I, states that if a dispute threatens substantially to interrupt interstate commerce so as to deprive any section of the country of essential transportation service, the mediation board shall notify the President, who may, in his discretion, create a board to investigate and report on such dispute;

"Now, therefore, be it resolved, The members of the House of Representatives respectfully pray that the President and the Congress of the United States terminate the Airline Mutual Aid Agreement, as amended, as being in violation of the Federal Aviation Act of 1958, Section 401, subsection (k), paragraph 3; and

"Be it further resolved, That copies of this resolution be immediately transmitted to the Honorable Jimmy Carter, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington."

POM–264. Assembly Joint Resolution No. 12 adopted by the Legislature of the State of California relative to enforcement of the federal Clean Air Act; to the Committee on Environment and Public Works:

"ASSEMBLY JOINT RESOLUTION No. 12

"Whereas, Congress, through the federal Clean Air Act, has mandated the attainment and maintenance of national ambient air quality standards established to protect human health; and

"Whereas, The federal Clean Air requires states to prepare and submit implementation plans which document the state's plans and programs for achieving the air quality standards; and

"Whereas, The Clean Air Act and Environmental Protection Agency regulations adopted pursuant thereto require that state implementation plans contain regulations which prohibit the construction of a new or modified emission source which will interfere with the attainment or maintenance of an air quality standard; and

"Whereas, The State Air Resources Board and several air pollution control districts have adopted new source review regulations which substantially comply with Environmental Protection Agency regulations; and

"Whereas, The implementation of such new source regulations may result in stringent controls on certain new economic development in the state as well as require increased investment by California businesses in pollution control equipment; and

"Whereas, Several other states have not adopted, or do not strictly enforce, new source review regulations which substantially comply with federal law; and

"Whereas, The Environmental Protection Agency has not uniformly enforced its existing regulations concerning new source review in all states affected by the regulations; and

"Whereas, Such unequal enforcement practices may unduly penalize those states which have complied with the federal law and environmental regulations, resulting in unfair economic advantages for states with inadequate air pollution enforcement policies; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the United States Congress and the Council on Environmental Quality are requested to investigate the unequal enforcement policies of the Environmental Protection Agency with regard to air pollution controls on new industrial development; and be it further

"Resolved, That the Environmental Protection Agency is hereby requested to enforce the Clean Air Act and its own regulations adopted pursuant thereto with equal stringency in all states and the agency is requested to make every effort to eliminate unfair competitive advantages conferred upon those states which have refused to substantially comply with federal law; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, to each member of the Council on Environmental Quality, and to the Administrator of the Environmental Protection Agency."

POM–265. Senate Joint Resolution No. 8 adopted by the Legislature of the State of California relative to displaced homemakers; to the Committee on Human Resources:

"SENATE JOINT RESOLUTION No. 8

"Whereas, There is an ever-increasing number of persons in this state who, having fulfilled a role as homemaker, find themselves "displaced" in their middle years through divorce, death of spouse, or other loss of family income; and

"Whereas, Displaced homemakers are very often without any source of income; and are ineligible for categorical welfare assistance; and

"Whereas, Displaced homemakers are subject to a high unemployment rate and face continuing discrimination in employment because they are older and have no recent paid work experience; and

"Whereas, Displaced homemakers are ineligible for unemployment insurance because they have been engaged in unpaid labor in the home, and are ineligible for social security because they are too young or may never qualify for social security because they have been divorced from the family wage earner; and

"Whereas, Displaced homemakers have often lost their rights as beneficiaries under employer's pension and health plans through divorce or death of spouse, despite many years of contribution to the family well-being, and are most often ineligible for the Medi-Cal and are generally unacceptable to private health insurance plans because of their age; and

"Whereas, The Legislature finds that home makers are an unrecognized part of the work force who make an invaluable contribution to the welfare of the society as a whole; and

"Whereas, The State of California created a Displaced Homemaker Center in 1975 as a pilot project; now, therefore be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to adopt legislation which would establish displaced homemaker centers throughout the United States, and be it further

"Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM–266. House Concurrent Resolution No. 97 adopted by the Legislature of the State of Louisiana to recognize the Houma Tribe, Incorporated, and the Houma Alliance, Incorporated, as Indian communities of Louisiana and to request federal recognition thereof; to the Select Committee on Indian Affairs.

"HOUSE CONCURRENT RESOLUTION No. 97

"Whereas, identifiable Houma Indian communities have existed in the vicinities of Galliano and Dulac, Louisiana since the nineteenth century; and

"Whereas, the Houma Indians were living in Louisiana at the time of first contact with LaSalle in 1686 and have continued to live in Louisiana ever since; and

"Whereas, it is the policy of the state of Louisiana to recognize the Indian tribes within the borders of the state, and to support their aspirations for the preservation of their cultural heritage and the improvement of their economic conditions, and to assist them in achieving their just rights.

"Therefore, be it resolved by the House of Representatives of the Legislature of Louisiana, the Senate thereof concurring, that the state of Louisiana formally recognizes the Houma Alliance, Incorporated, Indian community at Dulac, Louisiana, and the Houma Tribe, Incorporated, Indian Community at Galliano, Louisiana, as Indian tribes.

"Be it further resolved that the Government of the United States of America, and particularly the Bureau of Indian Affairs, is hereby memorialized, requested and urged to take such steps as are necessary to effect in the near future formal recognition of the Houma Alliance, Incorporated, Indian community at Dulac, Louisiana, and the Houma Tribe, Incorporated, Indian Community at Galliano, Louisiana, and to acknowledge that the rights of the Houmas are no less, if not indeed greater, than those of other Indian tribes in the United States, and thereupon to take appropriate executive and/or congressional action.

"Be it further resolved that copies of this Resolution be transmitted to the President of the United States, the presiding officers of the Senate and the House of Representatives of the Congress of the United States, the Louisiana Congressional Delegation, and the Director of the Bureau of Indian Affairs, United States Department of the Interior."

POM-267: A petition from Ralph E. Barnett, Rock Hill, South Carolina, requesting the President and the Congress of the United States to stop the surrender of the Panama Canal by the United States of America; to the Committee on Foreign Relations.

POM-268. A petition from John J. Yarnall, Wayne, Pennsylvania providing additional evidence in the Congressional Reference Case—John J. Yarnall, #2-72—Court of Claims; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Energy and Natural Resources:

Report of the Committee on Energy and Natural Resources pursuant to section 302 (b) of the Congressional Budget Act of 1974 (Rept. No. 95-343).

By Mr. DECONCINI, from the Committee on the Judiciary:

With an amendment:

S. 1613. A bill to improve access to the Federal courts by enlarging the civil and criminal jurisdiction of United States magistrates, and for other purposes (Rept. No. 95-344).

By Mr. MUSKIE, from the Committee on the Budget:

Without amendment:

S. Res. 218. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to consideration of S. 1678 (Rept. No. 95-345).

By Mr. CANNON, from the Committee on Rules and Administration:

S. 1859. An original bill to amend the Act of July 31, 1946, as amended, relating to the United States Capitol Grounds (Rept. No. 95-346).

By Mr. CANNON, from the Committee on Rules and Administration:

Without amendment:

S. Con. Res. 25. A concurrent resolution providing for the acceptance of a statue of the late Senator Ernest Gruening presented by the State of Alaska for the National Statuary Hall collection, and for other purposes (Rept. No. 95-347).

With an amendment:

S. Res. 203. A resolution to provide for additional copies of "Protective Services for the Elderly" (Rept. No. 95-348).

HEALTH PLANNING AND HEALTH SERVICES RESEARCH AND STATISTICS EXTENSION ACT OF 1977—CONFERENCE REPORT (REPT. NO. 95-349)

Mr. KENNEDY submitted a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the bill (H.R. 4975) to amend the Public Health Service Act to extend through the fiscal year ending September 30, 1978, the assistance programs for health services research; health statistics; comprehensive public health services; hypertension programs; migrant health; community health centers; medical libraries; cancer control programs; the National Cancer Institute; heart, blood vessel, lung, and blood disease prevention and control programs; the National Heart, Lung, and Blood Institute; National Research Service awards; population research and voluntary family planning programs; sudden infant death syndrome; hemophilia; national health planning and development; and health resources development; to amend the Community Mental Health Centers Act to extend it through the fiscal year ending September 30, 1978; to extend the assistance programs for home health services; and for other purposes, which was ordered to be printed.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

D. Lee Rampey, Jr., of Georgia, to be U.S. attorney for the middle district of Georgia.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

ORDER FOR STAR PRINTS—SENATE RESOLUTION 18 AND SENATE RESOLUTION 40

Mr. ALLEN. Mr. President, the distinguished Senator from Missouri (Mr. DANFORTH) was an original supporter and cosponsor of Senate Resolution 18 and Senate Resolution 40, both expressing the sense of the Senate in opposition to a blanket Presidential pardon for draft dodgers. There were a number of other sponsors whose names were added as cosponsors. The RECORD does not reflect that I made such a request as to Mr. DANFORTH though he was a cosponsor and supporter.

I therefore request that he be named as a cosponsor of Senate Resolution 18 and Senate Resolution 40 ab initio and that a star print of both resolutions be printed with Mr. DANFORTH's name shown thereon as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent the second time, and referred as indicated:

By Mr. TALMADGE (for himself, Mr. STONE, Mr. NUNN, Mr. CHILES, Mr. HOLLINGS, and Mr. CLARK:

S. 1854. A bill to provide emergency assistance to producers who suffer loss of feed grain production due to disastrous drought conditions in 1977; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HATCH (for himself and Mr. TOWER):

S. 1855. A bill to amend the National Labor Relations Act to protect the rights of employees, to strengthen the remedies under such act, and for other purposes; to the Committee on Human Resources.

By Mr. HATFIELD:

S. 1856. A bill to provide for a cooperative forest resources extension program; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HATFIELD (for himself and Mr. PACKWOOD) (by request):

S. 1857. A bill to reduce the size of the Bull Run Reserve within Mt. Hood National Forest lands in Oregon; to the Committee on Energy and Natural Resources.

By Mr. BARTLETT (for himself and Mr. BELLMON):

S. 1858. A bill to amend section 447 of the Internal Revenue Code pertaining to accounting procedures for businesses operating nurseries; to the Committee on Finance.

By Mr. CANNON, from the Committee on Rules and Administration:

S. 1859. An original bill to amend the Act of July 31, 1946, as amended relating to the U.S. Capitol Grounds. Placed on the Calendar.

By Mr. ROTH:

S. 1860. A bill to provide for permanent tax rate reductions for individuals and businesses; to the Committee on Finance.

By Mr. PELL:

S. 1861. A bill to remove certain inequities in the Secret Service retirement system; to the Committee on Governmental Affairs.

By Mr. MATHIAS:

S. 1862. A bill to amend the Department of Transportation Act and certain other provisions of law with respect to rail service continuation assistance; to the Committee on Commerce, Science, and Transportation.

By Mr. STENNIS (for himself, Mr. MCINTYRE, and Mr. TOWER) (by request):

S. 1863. A bill to authorize appropriations during the fiscal year 1978 for procurement of aircraft and missiles, and research, development, test and evaluation for the Armed Forces, and for other purposes; to the Committee on Armed Services.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

(Statements in connection with the above introduced bills and joint resolutions are printed at the conclusion of Senate proceedings today.)

ADDITIONAL COSPONSORS

S. 49

At the request of Mr. MATHIAS, the Senator from Kansas (Mr. DOLE) was added as a cosponsor of S. 49, the Small Business Administrative Review Act.

S. 506

At the request of Mr. HUMPHREY, the Senator from Utah, (Mr. HATCH) was added as cosponsor of S. 506, the Wage Supplements for Handicapped Individuals Act.

S. 1014

At the request of Mr. DOMENICI, the Senator from Arizona (Mr. GOLDWATER), the Senator from Pennsylvania (Mr. HEINZ), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Idaho (Mr. MCCLURE), and the Senator from Florida (Mr. STONE) were added as

cosponsors of S. 1014, to amend the Internal Revenue Code.

S. 1092

At the request of Mr. PELL, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 1092, a bill to improve the Federal-aid highway program.

S. 1453

At the request of Mr. HUMPHREY, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 1453, the Economic Impact Act of 1977.

S. 1526

At the request of Mr. BARTLETT, the Senator from Montana (Mr. MELCHER), the Senator from Alaska (Mr. GRAVEL), and the Senator from Colorado (Mr. HASKELL) were added as cosponsors of S. 1526, to establish an Associate Administrator for Women's Business Enterprise.

S. 1780

At the request of Mr. DOMENICI, the Senator from Oregon (Mr. HATFIELD) and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. 1780, the Elementary and Secondary Education Optional Consolidation and Reorganization bill.

S. 1837

At the request of Mr. METZENBAUM, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 1837, the Retiree Benefits Act of 1977.

SENATE CONCURRENT RESOLUTION 13

At the request of Mr. BARTLETT, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. Con. Res. 13, relating to the standards and rights of foster children.

AMENDMENTS SUBMITTED FOR PRINTING

LEGISLATIVE BRANCH APPROPRIATIONS, 1978—H.R. 7932

AMENDMENTS 508, 509, 510

(Ordered to be printed and to lie on the table.)

Mr. CRANSTON. Mr. President, I submit for printing three amendments which I intend to offer to H.R. 7932. The distinguished Senator from Texas, Mr. BENTSEN, and the distinguished Senator from Oregon, Mr. PACKWOOD, have joined with me as cosponsors.

I am circulating to our colleagues a letter which explains the purposes of these amendments which I ask unanimous consent be printed at this place in the RECORD.

I also ask unanimous consent that the text of the amendments be printed in the RECORD following the letter.

There being no objection, the letter and amendments were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Washington, D.C., July 15, 1977.

DEAR COLLEAGUE: During consideration of the FY 78 Legislative Appropriations bill, H.R. 7932, we intend to offer three amendments which are aimed at giving Senators added flexibility in using funds from their official office accounts.

The first would permit funds from the official office account to be spent for stationery and other office supplies which are purchased outside the Senate Stationery Room. From time to time a Senator or his office will have an immediate need for an item which the Stationery Room has run out of—or simply doesn't carry at all. Under present regulations the Senator cannot be reimbursed for the expense if he goes to a private stationery supply store to obtain the item, even though it is a necessary and legitimate office expense. Our amendment corrects that situation.

The second amendment is designed to clarify the intent that Senators themselves are to decide what are the legitimate expenses to be paid for under the new category of the Official Office Expense Account entitled "Other official office expenses". This category was added by the Committee to cover the variety of business expenses which presently do not fall within the enumerated categories. We applaud the Committee's action in taking steps to get away from the current practice of limiting expenditures to an arbitrary list by setting up such a category. Our amendment simply makes explicit who is to determine what necessary and legitimate office expenses are covered by this category, namely the Senator.

Our third amendment would increase the limit on expenditures from this new category to 15 percent of the total official office expense account. We believe that a Senator really should have full discretion to decide what legitimate expenses are to be paid for from his official office allowance and hope that the multiple-category concept will eventually be replaced. However, we are willing to accept the Committee's proposal that such full discretion be limited to a certain percentage of expenditures from the account. We have the means of testing the feasibility of a full discretion system through this new category. However, we feel that the ten percent limit proposed by the bill is inadequate to make an effective test and that the fifteen percent we propose is more realistic.

We hope we can count on your support when these amendments are considered.

Sincerely,

LLOYD BENTSEN,
ALAN CRANSTON,
BOB PACKWOOD.

AMDT. NO. 508

On page 28, line 16, strike out "ten" and insert in lieu thereof "fifteen".

AMDT. NO. 509

On page 28, line 6, beginning with "other", strike out all through "expenses" in line 7 and insert "such other official expenses as the Senator determines are necessary".

AMDT. NO. 510

On page 27, after line 22, insert the following:

"(2) by striking out 'procured through the Senate stationery room' in paragraph (2);".

On page 27, line 23, strike out "(2)" and insert "(3)".

On page 28, line 20, strike out "(3)" and insert "(4)".

OUTER CONTINENTAL SHELF LANDS MANAGEMENT ACT—S. 9

AMENDMENTS NOS. 511 THROUGH 515

(Ordered to be printed and to lie on the table.)

Mr. THURMOND submitted five amendments intended to be proposed by him to the bill (S. 9) to establish a policy for the management of oil and natural gas in the Outer Continental Shelf; to protect the marine and coastal environment; to amend the Outer Continental Shelf Lands Act; and for other purposes.

NOTICES OF HEARINGS

COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Friday, July 22, 1977, at 10 a.m., in room 2228, Dirksen Senate Office Building, on the following nomination:

Harold L. Murphy of Georgia to be U.S. district judge for the northern district of Georgia, vice James C. Hill, elevated.

Any persons desiring to offer testimony in regard to this nomination shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

ADMINISTRATION, REPORTING, AND INVESTMENT POLICIES UNDER ERISA AND S. 285, S. 901, AND S. 1745

Mr. NELSON. Mr. President, I wish to announce that the Select Committee on Small Business will conclude the series of public hearings on the administration, reporting, and particularly the investment policies under ERISA on Monday, July 18, 1977, at 10 a.m. in room 424, Russell Senate Office Building.

During May and June, 5 days of testimony on these subjects were taken jointly by our committee and the Private Pension Plans Subcommittee of the Senate Finance Committee.

Several bills have been introduced in this area: S. 285 and S. 901 by Senator BENTSEN; and S. 1745 introduced by Senator MCINTYRE and myself. Comments on these proposals will be welcome.

The witnesses scheduled to appear are:

Harold E. Bigler, Jr., vice president, Connecticut General Life Insurance Co., Hartford, Conn.

Robert J. Hickey, Esq., attorney, Washington, D.C.

Peter H. Vermilye, chairman, Alliance Capital Management Corp., Boston, Mass.

John G. Mutschler, president, John G. Mutschler & Associates, Minneapolis, Minn.

Further information on the hearing can be obtained from the offices of the Senate Small Business Committee, 424 R.S.O.B., (202) 224–5175.

CONFERENCE COMMITTEE MEETING ON H.R. 692

Mr. NELSON. Mr. President, I wish to announce that the House and Senate conferees on H.R. 692, an act to amend the Small Business Act and the Small Business Investment Act of 1958, to extend and increase loan and guarantee authorities and to authorize appropriations for such programs, to authorize appropriations for salaries and expenses, and for other purposes, are scheduled to meet at 1 p.m. on Wednesday, July 20, 1977, in room S–146 of the Capitol.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. RANDOLPH. Mr. President, the Committee on Environment and Public Works will meet Monday, July 18, to consider White House nominations for appointment to three Federal agencies.

The hearing is scheduled for 9:30 a.m. in room 4200, Dirksen Senate Office Building.

The prospective appointees are:

William Drayton, Jr., of New York to be Assistant Administrator for Planning and Management in the Environmental Protection Agency.

Kent Forrest Hansen of Massachusetts to be a member of the Nuclear Regulatory Commission for the remainder of a term expiring in June 1978.

Marion Edey of Washington, D.C., to be a member of the President's Council on Environmental Quality.

Drayton assumed the post of Assistant Administrator on an acting basis late last month after serving since February as special assistant to the Environmental Protection Agency Administrator.

Hansen, now professor of nuclear engineering at Massachusetts Institute of Technology, has been involved in scientific study and research for about 24 years and has written extensively on nuclear-related subjects.

A former congressional staff member, Ms. Edey founded the League of Conservation Voters in 1970 and has directed its activities since that time.

Persons wishing to comment on any of these nominations should contact the committee office (224–6176).

LAW OF THE SEA CONFERENCE

Mr. METCALF. Mr. President, the latest session of the United Nations Law of the Sea Conference draws to a close tomorrow.

Ambassador Richardson will testify on progress at the Law of the Sea Conference on July 21 at 10 a.m. before the Senate Subcommittee on Public Lands and Resources in room 1224 of the Dirksen Senate Office Building.

For further information contact Norman Williams, subcommittee staff, at 224–5249.

REGULATION OF CHEMICALS IN FOOD AND AGRICULTURE

Mr. LEAHY. Mr. President, I wish to announce that the Subcommittee on Agricultural Research and General Legislation will hold the second in a series of hearings on Federal regulation of chemicals in food and agriculture. At this hearing a group of invited scientists will testify about their views on what should be the Government's role in food safety and quality, their assessment of the present Government role, and their views on the extent and limitations of scientific knowledge about chemicals in food and agriculture. The following witnesses will testify:

Dr. William W. Lowrance, author of "Of Acceptable Risk: Science and the Determination of Safety."

Dr. Gordon McDonald, chairman, National Academy of Science, Committee on Science in Policy Making.

Dr. William Darby, president, Nutrition Foundation.

Dr. Wendell Kilgore, director, Food Protection and Toxicology Center, University of California at Davis.

Dr. Robert Neal, member EPA Pesticide Advisory Committee; past chairman, Committee on Food Protection, National Academy of Science.

Dr. Virgil W. Hays, chairman, Department of Animal Sciences, University of Kentucky.

The hearing will be held on Tuesday, July 19, in room 322 Russell at 11 a.m.

Further information can be obtained from Dale Standsbury of the committee staff at 224–2035.

ADDITIONAL STATEMENTS

(Additional statements are printed at the conclusion of Senate proceedings today.)

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there morning business? If not, morning business is closed.

ORDER TO CONSIDER H.R. 7932 ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the majority leader be authorized to call up at any time on tomorrow the legislative appropriations bill, H.R. 7932.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF A MEASURE ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, on behalf of Mr. HANSEN and the minority leader, that the Senate proceed now to consideration of calendar order No 307.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF CERTAIN OIL AND GAS LEASES TO ALLOW THE DRILLING OF AN ULTRADEEP WELL

The Senate proceeded to consider the bill (H.R. 2502) to extend certain oil and gas leases by a period sufficient to allow the drilling of an ultra-deep well.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–330) explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

BACKGROUND AND NEED

H.R. 2502 involves about 19 oil and gas leases issued noncompetitively pursuant to Section 17(c) of the Mineral Leasing Act of 1920 (30 U.S.C. 226(c)). Seventeen of the leases were issued between November 1, 1963 and June 1, 1967. Two were issued effective June 1, 1971 and August 1, 1973, respectively. The primary term of each lease was 10 years.

All leases were committed to the Pacific Creek unit agreement approved by the Secretary of the Interior on September 27, 1973.

After approval of the unit agreement, Rainbow Resources Group, the owners of the leases in question, explored the unit to a depth of approximately 20,500 feet without obtaining commercial production. The prosecution of these drilling operations extended the term of three of the leases, which would otherwise have terminated in the last three months of 1973 for an additional two years.

The unit agreement was terminated on July 23, 1975. Under the provisions of the Mineral Leasing Act, all leases committed to the unit which would have otherwise terminated before July 23, 1977, were extended to that date by virtue of the termination of the unit agreement.

Rainbow Resources Group applied for the approval of a new unit agreement and waiver of the requirement for production prior to the end of the extended term of the leases, July 23, 1977. The application was denied.

Prior to March 19, 1975, the regulations of the Department of the Interior defined the "primary term" of a lease as all periods in the life of a lease prior to its extension by reason of production. Thus, a lease in an extended term committed to an approved unit or cooperative plan of development could be extended by reason of actual drilling operations rather than production. Under the pre-March 1975 regulations of the Department, the leases owned by Rainbow Resources which were in an extended term by reason of the termination of the agreement if included in a new unit could have been further extended by the commencement and continuation of drilling operations within the unit area prior to July 23, 1977.

However, on March 19, 1975, the Department published rulemaking which redefined the "primary term" of a lease to mean only the initial term as set forth in the lease. Since the primary term of the leases in question is 10 years, the redefinition meant that a lease in an extended term could only be further extended by production in paying quantities and not by drilling operations. In order for the leases to gain a further extension beyond July 23, 1977, there would have to be either actual production in paying quantities on each lease, or production from an approved unit or cooperative plan to which the lease had been committed. This rulemaking was entered into in order to conform to the Mineral Leasing Act Amendments of 1960.

The Committee is aware that there is a lawsuit currently pending in the tenth Circuit Court of Appeals in which the original plaintiffs seek to compel the Secretary of the Interior to grant second drilling extensions for their noncompetitive leases. (*Enfield et al.* v. *Kleppe*, Civ. No. 76–1737). The District Court's decision in favor of the plaintiffs was based on equitable grounds and was appealed by the Secretary of the Interior. The issue presented on appeal is whether the Secretary of the Interior can be compelled for reasons of equity to act in accordance with an invalid regulation which purportedly permitted the Secretary to exercise authority not granted by law.

The Committee recognizes that the Secretary is without authority to grant or recognize extensions for drilling under the Mineral Leasing Act beyond what the law allows—that is, one two-year extension for drilling on the last day of the statutorily specified primary term for leases issued after September 2, 1960. In reporting this bill favorably, the Committee has relied principally upon the special circumstances which Rainbow Resources, Inc. has presented to it, which it thinks warrants the extension of their leases—the unique technological problems encountered in drilling the first 25,000-foot well in that part of the country. The Committee, therefore, has not based its recommendations on consideration of the broader question of equity presented to the U.S. Court of Appeals in the *Enfield* case. The Committee's favorable recommendation on this private relief legislation is in no way intended to bear upon the issues or outcome of the *Enfield* case.

Rainbow Resources Group plans to develop the leases by the drilling of an ultradeep well to a depth of 25,000 feet. They represent that the ultimate cost of such a well would be between $6 and $7 million. The cost of the well drilled on the original unit was approximately $2 million.

Drilling of an ultradeep well to a depth of 25,000 feet would require approximately three years. There was insufficient time for the drilling of such a well and completion of it as a producing well from the date of the termination of the original unit agreement and the end of the term of the leases as extended by such termination or July 23, 1977. Had the Department been correct in the interpretation of "primary term" reflected by the regulations prior to March 19, 1975, approval of a unit agreement and drilling operations alone could have served to extend the leases for the time required to complete the drilling of the proposed untradeep well.

In the absence of legislation, the several leases involved will terminate July 23, 1977, and will be subject to re-leasing under the noncompetitive simultaneous drawing system employed by the Department of the Interior. Testimony shows that there are good prospects for substantial quantities of natural gas from ultra deep wells in the area covered by the leases. It has been the policy of the Administration and of the Congress to encourage the search for natural gas in frontier areas. If this legislation is not passed, it may take as much as ten years before the leases could be consolidated into a unit of sufficient size to sustain the investment necessary for a well of this depth. In view of the national need for natural gas and the expenditures of the present lease owners in reliance on the regulations, the Committee determined that the national interest overbalanced the objection that enactment of this legislation might set an undesirable precedent.

The Committee determined that the drilling of a well to this depth in the Rocky Mountains is a unique situation and is not likely to lead to future legislative extension of leases under the 1960 law. The drilling of a well of this depth is a major undertaking which justifies the enactment of this legislation.

The diligent development of leases under the Act is of the highest priority. This legislation provides safeguards to insure that the leases continue to be diligently developed. The Secretary is authorized to impose specific conditions to assure prompt development of the lease.

Mr. HANSEN. Mr. President, this bill simply makes possible an action by the Government, which will virtually assure the drilling of a deep well. I urge its passage.

The bill was considered, ordered to a third reading, read the third time, and passed.

Mr. HANSEN. I move to reconsider the vote by which the bill passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, there are two nominations on the calendar which were cleared for action this morning. One is from the Department of Justice, cleared on both sides, in addition to nominations placed on the Secretary's desk in the Coast Guard. I ask unanimous consent that the Senate go into executive session to consider those nominations.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, I advise the distinguished majority leader that those nominations appearing on the Executive Calendar for today, as he describes them, have been cleared on this side. There is no objection to proceeding to their consideration and to confirming them.

There being no objection the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

DEPARTMENT OF JUSTICE

The assistant legislative clerk read the nomination of Kenneth J. Mighell, of Texas, to be U.S. attorney for the Northern District of Texas.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The assistant legislative clerk read the nomination of Billie Lykins, of Kentucky, to be U.S. marshal for the Eastern District of Kentucky.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The assistant legislative clerk proceeded to read sundry nominations in the Coast Guard placed on the Secretary's desk.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations placed on the Secretary's desk in the Coast Guard be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

OUTER CONTINENTAL SHELF LANDS ACT AMENDMENTS OF 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume consideration of the OCS bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 9:30 a.m. After the two leaders or their designees have been recognized under the standing order, the Senate will resume consideration of S. 9, a bill to establish policy for the management of oil and natural gas in the Outer Continental Shelf, at which time, the pending question will be on the adoption of the amendment by Mr. DURKIN, on which there is a time limitation of 30 minutes, and on which the order for the yeas and nays has already been entered. That means that a rollcall vote will occur circa 10 a.m.

Following that vote, other amendments will be called up. There is a time limitation on any other amendment in the first degree of 1 hour, with the exception of an amendment by Mr. METZENBAUM and an amendment by Mr. BARTLETT, which will be proposed by Mr. BELLMON, on which there is a 2-hour limitation.

Rollcall votes will occur during the day on amendments and motions in relation to the bill. Passage of the bill will occur at no later than 6 p.m.; I hope somewhat earlier than that, but, according to the agreement, that is the latest hour at which passage can occur.

It is the intention of the leadership to call up tomorrow the legislative appropriations bill, H.R. 7932, at a convenient time, and to work our way through that bill. It is hoped that, by tomorrow, a time agreement can be entered into on the bill.

Mr. BAKER. Mr. President, I also hope that a time agreement can be entered into on the bill. I am optimistic that that will be the case.

I might say, for the information of the majority leader, that on the Outer Continental Shelf amendment by Mr. BELLMON on behalf of Mr. BARTLETT, it is my understanding that, while Mr. BELLMON presented the amendment, Senator BARTLETT will be present on the floor to make the presentation on tomorrow.

RECESS TO 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 9:30 a.m. tomorrow.

The motion was agreed to, and, at 7:40 p.m., the Senate recessed until Friday, July 15, 1977 at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate July 14, 1977:

FEDERAL ENERGY ADMINISTRATION

Hazel R. Rollins, of the District of Columbia, to be an Assistant Administrator of the Federal Energy Administration, vice Samuel J. Tuthill, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 14, 1977:

DEPARTMENT OF JUSTICE

Kenneth J. Mighell, of Texas, to be U.S. attorney for the northern district of Texas for the term of 4 years.

Billie Lykins, of Kentucky, to be U.S. marshal for the eastern district of Kentucky for the term of 4 years.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE COAST GUARD

Coast Guard nominations beginning John J. Ryan, to be lieutenant (j.g.), and end-

ing Robert C. Buckles, to be lieutenant (j.g.), which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 29, 1977.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTION

(Statements in connection with bills and joint resolutions introduced today are as follows:)

By Mr. TALMADGE (for himself, Mr. STONE, Mr. NUNN, Mr. CHILES, Mr. HOLLINGS, and Mr. CLARK):

S. 1854. A bill to provide emergency assistance to producers who suffer loss of feed grain production due to disastrous drought conditions in 1977; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. TALMADGE. Mr. President, on July 2, 1977, Senator SAM NUNN, Governor George Busbee, Georgia Commissioner of Agriculture Tommy Irvin, Georgia Farm Bureau President Emmett Reynolds, Deputy Secretary of Agriculture John White and I surveyed the drought conditions existing in southern Georgia. What we found caused us great concern. All crops have suffered because of lack of moisture, but the corn crop has been devastated.

I understand that similar conditions exist also in north Florida and in parts of Alabama, the Carolinas and Virginia. Senator STONE and I have discussed the problems of Florida corn producers at length.

To date, the Federal Interagency Drought Coordinating Committee has declared 137 counties in Georgia, 35 counties in Florida, 53 counties in Alabama, 1 parish in Louisiana, and 22 counties in West Virginia to be emergency drought impact areas and eligible for Federal assistance.

These feed grain producers need help and they need it badly. Many are young farmers, short on capital and equity. And even well established farmers are suffering severely.

During the tour of the drought stricken area, I promised corn producers that I would introduce a bill which would be helpful to them. Senator STONE and I are doing that today.

Current law provides for some disaster relief, but it falls far short of providing protection to the most needy and even to the extent that it should.

The Farm Act of 1973 provided for two types of disaster payments, first, prevented from planting payments, and second, abnormally low yield payments.

Feed grain producers having allotments are eligible for prevented planting payments only when they are prevented from planting either feed grains or any other nonconserving crop.

Feed grain producers having allotments are eligible for low yield disaster payments whenever the total production on the farm is less than two-thirds the normal production of the allotment.

In the case of either prevented planting or abnormally low yields, disaster payments are made only to producers who have historical allotments and only to the extent of the allotment coverage.

Furthermore, the total plantings on the farm are charged against allotment. The producer does not receive disaster payments unless his total farm production of a crop is less than 66⅔ percent of the normal production of the allotment. This dilutes disaster protection even to those producers who have an allotment, and it may even result in no protection whatever even though severe crop losses are experienced.

For example, if a grower has an acreage allotment of 100 acres, plants a total of 200 acres, and suffers a 50-percent reduction in yield because of disaster, he would not receive a payment because all of the production is charged to the allotment. And in this example, the yield was 100 percent of the allotment, well above the point where assistance would be provided.

Growers who do not have allotments are ignored completely, which particularly affects the young farmers who have begun farming in recent years and may be without any coverage whatsoever.

This also means that the young farmers who rent most, if not all of their land and who produce corn commercially may not be covered.

These young farmers, who are just beginning, have little equity in land and equipment and are in no position to weather the financial crunch that they face.

Even the established farmer may suffer because little if any of his loss may be covered under existing law.

This is the reason that the new disaster provisions approved by the Senate and recommended by the administration, which would become effective in 1978, have put aside the historical allotment requirement. Losses would be covered on all of the currently planted acreage.

Under the new law, to take effect next year, disaster payments will be made if the total quantity of feed grains harvested on any farm is less than 75 percent of the farm program yield times the total acreage planted for harvest. The disaster payment for corn would be one-third the target price for the loss in production below 75 percent.

In this bill that is being introduced today, I am proposing that the new disaster provisions included in the farm bill, S. 275, be made effective in counties designated as disaster areas beginning with the 1977 corn crop rather than next year.

In addition, so that no one will be hurt financially, the provisions of this new measure will prevail only if disaster coverage exceeds the coverage under the old provisions. Of course, the new measure also will cover those growers who planted without any allotment whatsoever.

If this bill becomes law, all current acreage planted to feed grains in disaster designated counties will be covered, whether or not an allotment has been established for producers or even if growers overplanted existing allotments. Thus, we correct the shortcomings of the present law and make the changes this year.

I plan to work closely with the Department of Agriculture after introduction in order to make any necessary refinements. In my view, this legislation will make an important and timely contribution toward dealing with a serious problem which faces our corn producers.

Mr. STONE. Mr. President, I would like to add some comments to those already made by the distinguished senior Senator from the State of Georgia.

This bill will provide assistance on a one-time basis to the American farmer who has suffered a reduction in his feed grain production this year as a result of the drought conditions in various parts of the United States.

Recently, along with Senator LAWTON CHILES, Congressman DON FUQUA and Florida Commissioner of Agriculture Doyle Conner, I toured the drought-stricken counties of the state of Florida, and saw first-hand the devastation that has resulted from the drought. I talked with many Florida corn farmers and received detailed accounts of what it will take for them to overcome this terrible adversity, which comes right on the heels of the Florida freeze disaster earlier this year. One problem on which there seems to be general agreement is the present inadequacy of the deficiency-in-production disaster payments program for feed grain producers established by the Agricultural Act of 1949.

This bill will add a new section to the act, expanding the eligibility under the feed grain disaster payments program to include:

First, all feed grain producers, not just those whose farm have a feed grain base; and

Second, all acreage planted to harvest, not just acreage within the grain base.

All counties designated as emergency drought impact areas in 1977 by the Interagency Drought Emergency Coordinating Committee will be eligible under this proposal. However, this measure will not be applicable to those feed grain producers who are eligible for deficiency-in-production payments under the current program and who would receive larger payments under the current program.

This bill, Mr. President, is very badly needed in the drought-stricken counties of our Nation, where the hardy American farmer has been forced once again to try and salvage his livelihood—this time as a result of natural disaster. Department of Agriculture Secretary Bob Bergland has already indicated to me the administration's support for this legislative remedy. I strongly urge my colleagues to give the bill their prompt and favorable consideration. Thank you, Mr. President.

By Mr. HATCH (for himself and Mr. TOWER):

S. 1855. A bill to amend the National Labor Relations Act to protect the rights of employees, to strengthen the remedies under such act, and for other purposes; to the Committee on Human Resources.

Mr. HATCH. Mr. President, on behalf of Senator TOWER and myself, I am

pleased to introduce for the consideration of the Human Resources Committee and hopefully the full Senate, the Employee Bill of Rights Act of 1977.

The purpose of this bill is to bring much needed labor law reform and revitalization to the Taft-Hartley Act. Of late we have heard considerable criticism from organized labor that the act and its administration are, in many respects, overly cumbersome and replete with procedural delays which deprive employees of fundamental rights. Some of these complaints may be based upon fact and I for one intend to inquire into the situation fully to see whether the contentions have merit. If employees have been denied procedural due process in pursuing their rights then the Senate should by all means remedy these problems.

However, let me make it clear that I am primarily concerned about protecting employee rights and unconcerned about making it easier for unions to organize at the expense of those employees who are guaranteed the rights to refrain from that activity. Our long-standing national labor law policy of assuring employees the absolute freedom of choice as to whether they want to be represented by a labor organization must be preserved. This tenet, represented in many provisions of this bill, constitutes another solid brick in the cornerstone of our labor-management policy.

The first provision of my bill amends the preamble to the National Labor Relations Act to emphasize that a balanced approach to modern labor-management relations must emphasize the "free choice" of employees to engage in, or to refrain from engaging in, collective bargaining or other concerted activity. The provision is designed to update and conform the preamble language to the labor-management circumstances which exist today and to stress that employees have the right to exercise full freedom of choice in determining whether they wish to designate collective bargaining agents and to engage in free collective bargaining thereafter.

A free society should guarantee no less.

The second section of my bill amends section 8(a)(5) and section 9(a) of the National Labor Relations Act to provide that an employer shall not be compelled to bargain until his employees have freely chosen a representative by means of a secret ballot election by the National Labor Relations Board in accordance with procedures in section 9 of the act.

Some organizations and legislators have recently urged that policy makers dilute the secret ballot method of determining representation issues by legally certifying a labor organization on the basis of an authorization card-check. This in my view is a completely erroneous approach to resolving questions concerning representation and antithetical to the fundamental rights of employees.

The purpose of this provision therefore is to recognize the continued validity of the secret ballot as the best means to determine true employee sentiment on representation questions. It will prevent the Board from circumventing the election provisions of section 9 by precluding them from certifying the bargaining status of any union unless that organization has demonstrated through the proven reliability of a secret ballot, its majority status. The provision affirmatively requires an election and certification of a union as a basis for collective bargaining and insures that employees shall not be disenfranchised, by Board fiat, in a matter so vitally important to their working lives as the selection of a collective bargaining representative.

My bill also amends section 8(b)(1) of the act by making it an unfair labor practice for a labor organization to threaten or impose a fine or other economic sanction against any person in the exercise of rights assured by the act. This provision is necessary because it enables union members or at least those who are required to pay dues and periodic assessments to exercise rights the act protects such as voluntarily crossing a picket line or filing a decertification petition, free from union retaliation and court enforceable union fines and penalties.

Section 5 of this bill provides for employee strike votes. It should be an unfair labor practice for a union to call a strike when the employees who are so directly affected by a labor-management dispute vote against such action by secret ballot or to commence a strike when a secret vote has been called for and the result of the voting has not been certified. Under the bill such a secret ballot referendum can be requested by the bargaining agent, the employer, or 10 percent of the employees involved in the dispute at times when employees are free to strike or within not more than 5 days prior thereto, and at 30-day intervals thereafter.

It is my feeling that more stable labor relations will result by permitting and encouraging greater employee participation in economic decisions such as strike votes. Needless strikes can be avoided or can be discontinued by objection of a majority of the employees in the bargaining unit who are the real parties in interest in a labor-management collective bargaining dispute.

They should have a guaranteed say on "bread and butter" issues which impact so heavily on their economic well-being and my bill provides for this.

Section 6 of my bill amends the present free speech section of the act, section 8(c), to permit noncoercive or threatening campaign electioneering and organizing statements provided such free speech expressions contain no threat of reprisal or force or promise of benefit to affect the results of an election or other dispute.

I believe it is important that employees be permitted to hear or read all relevant information pertaining to their wages, hours, and terms and conditions of employment disseminated by either a labor organization or an employer so long as they are not threatened, coerced, or promised a benefit 8(c) should thus apply to representation as well as unfair labor practice cases.

This provision is in accord with recent Board decisions which have changed electioneering policies by giving greater latitude to the parties to convince employee-voters of the worth of their respective positions. The Board has determined that in the modern industrial setting, employees are sufficiently sophisticated, and I agree, to sift through campaign rhetoric designed to influence the outcome of an election. Therefore, the Board will not determine the truth or falsity of any particular statements made in the heat of a campaign.

My bill in section 7 legislates into the act the Board's deferral to arbitration policy established in the Collyer Wire case which has worked so successfully over the years. Accordingly, this section reinforces the Board's policy and signifies congressional approval that as a matter of national labor policy it is preferable that there be a voluntary resolution of disputes between parties in a collective bargaining relationship, where possible, prior to resorting to the Government for assistance. At the same time the provision permits a party to avail itself of the Board process where the results of the arbitration are inconsistent with statutory rights granted under the act.

Accordingly, there is an adequate accommodation and balance between contract rights and duties on the one hand and the protection of statutory rights afforded by the act on the other.

Section 8 of my bill amends title II, of the United States Code in section 441b (b)(5) to prohibit the solicitation of contributions to union political funds via the mechanism of the check-off procedure.

Finally, section 9 of the bill amends section 19 of the act to allow all employees, not just those employed in the hospital industry, who are members of and adhere to established and traditional tenets of a bona fide religion which have historically held conscientious objections to joining or to refrain from joining or financially supporting labor organizations to refrain joining or supporting them. This is a provision which has precedent in existing law for hospital employees and it is right in principle and should apply to all employees.

To avoid the "free-rider" argument the bill does require the employees who qualify for the exemption to pay sums equal to dues and initiation fees to a nonreligious charitable tax exempt fund under procedures which are further specified in the bill. It is a real "human rights" approach to our labor policy and it should be universally supported.

Mr. President, I believe the adoption of my bill will go a long way to realizing the goals envisioned by the act—the promotion of industrial peace and labor relations stability while protecting working people in puruance of those ends and ultimately to improve the quality and substance of their working lives.

Mr. President, I ask unanimous consent that the text of the bill now be printed in full in the RECORD as well as a sectional analysis of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1855

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Employee Bill of Rights Act of 1977".

PREAMBLE

SEC. 2. Section 1 of the National Labor Relations Act (29 U.S.C. 151) is amended to read as follows:

"FINDINGS AND POLICIES"

"SECTION 1. The denial of, or interference with, the right of employees to organize, form, join, or assist labor organizations, to bargain collectively, and to engage in other concerted activities, or interference with or denial of their right to refrain from any or all such activities leads to strikes and other forms of industrial strife or unrest, which have the intent or the necessary effect of burdening or obstructing commerce by (a) impairing the efficiency, safety, or operation of the instrumentalities of commerce; (b) occurring in the current of commerce; (c) materially affecting, restraining, or controlling the flow of raw materials or manufactured or processed goods from or into the channels of commerce, or the prices of such materials or goods in commerce; or (d) causing diminution of employment and wages in such volume as substantially to impair or disrupt the market for goods flowing from or into the channels of commerce.

"Inequality of bargaining power between labor organizations and employers substantially burdens the process of collective bargaining and affects the flow of commerce.

"Experience has proved that protection by law of the right of employees to determine whether they wish to organize and bargain collectively encourages practices fundamental to the friendly adjustment of industrial disputes arising out of differences as to wages, hours or other working conditions.

"Experience has further demonstrated that certain practices 'by some labor organizations, their officers, and members have the intent or the necessary effect of burdening or obstructing commerce by preventing the free flow of goods in such commerce through strikes and other forms of industrial unrest or through concerted activities that impair the interest of the public in the free flow of commerce. The elimination of such practices is a necessary condition to the assurance of the rights herein guaranteed.

"It is hereby declared to be the policy of the United States to eliminate the causes of certain substantial obstructions to the free flow of commerce and to mitigate and eliminate these obstructions when they have occurred by protecting the right of employees to exercise full freedom of choice in determining whether they wish to designate collective bargaining representatives and, when such representatives have been designated, by encouraging the settlement of industrial disputes through free collective bargaining."

SECRET BALLOT ELECTIONS

SEC. 3. (a) Section 8(a)(5) of the National Labor Relations Act is amended to read as follows:

"(5) to refuse to bargain collectively with the representatives of his employees: *Provided,* That nothing in this Act shall be construed as requiring an employer to bargain collectively until a representative of his employees has been determined by means of a secret ballot election conducted in accordance with the provisions of section 9.".

(b) Section 9(a) of the National Labor Relations Act is amended—

(1) by striking out "designated or" immediately before "selected for the purposes of collective bargaining"; and

(2) by inserting between "selected" and "for the purposes of collective bargaining" the following: "by a secret ballot election".

UNION FINES

SEC. 4. Section 8(b)(1) of the National Labor Relations Act is amended to read as follows:

"(1) to restrain or coerce (A) employees in the exercise of the rights guaranteed in section 7: *Provided,* That this paragraph shall not impair the right of a labor organization to prescribe its own rules with respect to the acquisition or retention of membership therein: *Provided further,* That it shall be an unfair labor practice under this section for a labor organization to threaten or impose any fine or other economic sanction against any person in the exercise of rights under this act (including but not limited to the right to refrain from any or all concerted activity or to invoke the processes of the Board); or (B) an employer in the selection of his representatives for the purposes of collective bargaining or the adjustment of grievances;".

TO PROVIDE FOR STRIKE VOTES

SEC. 5. Section 8(b) of the National Labor Relations Act is amended by striking out "and" after paragraph (6), striking out the period at the end of paragraph (7) and inserting in lieu thereof a semicolon, and by adding at the end thereof the following new paragraph:

"(2) to call, maintain, continue or resume a strike in any bargaining unit after:

(A) a majority of the employees voting on the question have voted in a secret ballot referendum conducted by the Board, or by any other person or organization selected by the parties or designated by the Board, to conduct such referendum among the employees in such bargaining unit, not to strike or continue to strike; or

(B) such referendum has been requested before a strike begins and the result thereof has not been certified. Any such referendum may be requested by (i) any labor organization which is a certified or recognized collective bargaining representative of employees in any bargaining unit whose members, in whole or in part, have an interest in the outcome of the controversy giving rise to the strike or potential strike, (ii) the employer, or (iii) 10 percent or more of the members of such bargaining unit. Such request may be made in writing at any time when the employees in such unit are contractually free to strike, or within not more than five days prior thereto, provided no such referendum may be held until at least thirty days have elapsed following any prior referendum among empoyees in the same bargaining unit. Any referendum pursuant to this paragraph shall be conducted as expeditiously as possible and shall take precedence over elections pursuant to Section 9(c)(1). Any employee who participates in a strike after a majority of the employees in the same bargaining unit voting in a referendum conducted pursuant to this subsection have voted not to strike or not to continue a strike, shall not, during the existence of the strike or thereafter, unless reemployed or reinstated by the employer, be considered to be an employee of such employer for the purposes of this Act.".

PROTECTION OF FREE SPEECH

SEC. 6. Section 8(c) of the National Labor Relations Act is amended to read as follows:

"(c) The expressing of any views, argument, opinion or the making of any statement (including expressions intended to influence the outcome of an organizing campaign, a bargain controversy, a strike, lockout, or other labor dispute), or the dissemination thereof, whether in written, printed, graphic, visual or auditory form, shall not (i) constitute or be evidence of an unfair labor practice under any of the provisions of this Act, or (ii) constitute grounds for, or evidence justifying, setting aside the results of any election conducted under any of the provisions of this Act, if such expression contains no threat of reprisal or force or promise of benefit.".

TO PROVIDE FOR ELECTION OF REMEDIES AND NLRB DEFERRAL TO ARBITRATION

SEC. 7. Section 10(a) of the National Labor Relations Act is amended by inserting immediately before the period the following:

": *Provided further,* That if an employer, or a labor organization on its own behalf or on behalf of employees, or employees on their own behalf or on behalf of other employees, could submit a dispute to binding arbitration under the terms of an existing-collective bargaining agreement, or have agreed to submit a dispute to binding arbitration, or have submitted a dispute to binding arbitration, then such arbitration shall be the exclusive forum and such party of any person on whose behalf such action has or could be taken, shall only have the right to institute or maintain an unfair labor practice proceeding before the Board involving the same incident or subject matter when determinations of such arbitration are inconsistent with the rights granted by this Act: *Provided further,* That nothing herein shall deprive any party to a proceeding before an arbitrator, the Board, or the courts, from exercising any right of judicial review or appeal that he may possess under existing law."

POLITICAL CONTRIBUTIONS AND EMPLOYEE FREE CHOICE

SEC. 8. Section 441b(b)(5) of Title 2, United States Code, is amended to read as follows:

"(5) Notwithstanding any other law, any method of soliciting voluntary contributions or of facilitating the making of voluntary contributions to a separate segregated fund established by a corporation, permitted by law to corporations with regard to stockholders and executive or administrative personnel, shall also be permited to labor organizations with regard to their members: *Provided,* That no method, procedure or system by which union dues and other assessments are deducted from an employee's pay check by an employer, either automatically or on specific authorization from any employee, may be utilized in the solicitation of contributions to such separate segregated fund.".

INDIVIDUALS WITH RELIGIOUS CONVICTIONS

SEC. 9. Section 19 of the National Labor Relations Act is amended to read as follows:

"SEC. 19. Any employee (including any employee of a health care institution) who is a member of and adheres to established and traditional tenets or teachings of a bona fide religion, body or sect which has historically held conscientious objections to joining or financially supporting labor organizations shall not be required to join or financially support any labor organization as a condition of employment; except that such employee may be required, in lieu of periodic dues and initiation fees, to pay sums equal to such dues and initiation fees to a nonreligious charitable fund exempt from taxation under section 501(c)(3) of the Internal Revenue Code, chosen by such employee from a list of at least three such funds, designated in a contract between the employer (including an employer which is a health care institution) and a labor organization, or if the contract fails to designate such funds, then to any such fund chosen by the employee.".

Mr. TOWER. Mr. President, I am pleased to join my colleague from Utah in sponsoring the "employee bill of rights." The purpose of our bill is to provide certain basic rights for all employees—union and nonunion—and to assure the individual workers ample opportunity to govern their own quality of working life.

There are those who tout major reform of the National Labor Relations Act, citing the need to streamline certain procedures and provide additional remedies for unfair labor practices. Well, it has been 18 years since Congress last enacted major labor law revision, and I for one will welcome the opportunity to reexamine the provisions of this monumental statute.

Beginning with the Wagner Act in 1935, Congress has attempted to provide statutory protection against industrial strife. Throughout the years, with passage of the Taft-Hartley Act in 1947, and the Landrum-Griffin Act in 1959, efforts have been made to refine this delicate balance between organized labor and management. Congress has approached the problem by treating management and unions much like the two sides of a scale—adding a little weight first to one side and then to the other in an attempt to seek balance. What bothers me about this approach is that we seem to be putting the least weight where it is most needed, and that is the interest of the individual workers.

This country was built by men and women who wanted to work. It was their strength and sweat and genius that bridged our rivers, tamed our forests, turned the prairie into farms and villages into cities. America's prosperity is a tribute to its millworkers and farmhands, its clerks and stevedores. And no one should be allowed to bar them from using their talents, earning all they can, and enjoying the rich fruits of this country's free economy. No one should be permitted to dictate to the individual workers. Nobody should have the power to tell them they shall not work when they want to work. Nobody should have the power to treat them and their families, the backbone of American prosperity, like serfs. Nobody owns the American worker—not big labor, not big business, and not big government.

A couple of generations ago, when many workers began to organize unions, and one of their songs asked, "Which side are you on, boys, which side are you on?" Today, the question is still important, and the American worker has every right to an answer. Do we come down on the side of organized labor? Big business? Or should we turn our attention to the needs of the individual worker for a change, and seek to restore that equity which was originally sought in his behalf?

In my view, present labor laws far too often relegate individual workers to the status of silent partners in terms of labor-management issues. As used in many instances, the term "labor" does not always mean the same thing as "workers." Yet because this erroneous assumption is frequently made, we often find it to be the case that individual employees are merely pawns to be moved about, as strategy dictates, in a match between organized labor and management.

It is fitting, I think, that as we proceed with regulatory reform efforts in other areas, we should undertake a thorough review of existing labor laws. We must recognize that both business and organized labor play a vital and historical role in our economic and social structure, and we must stress the importance of preserving that balance between these interests. We know all too well that when industrial disruption does occur, everyone suffers—employees, employers, and the general public.

At the same time, I believe that any serious attempt to structure labor law reform must center not on the interests of organized labor, and not on the interests of big business, but rather on the rights of the individual workers. The legislation we are introducing today would provide a number of safeguards for working men and women, to assure them that as they enter the labor market, it will be under the conditions they choose. Our bill protects their right to join a labor union, if they want to; to go on strike, if they want to; and to cast a secret ballot in industrial elections free from intimidation and coercion.

Specifically, the "employee bill of rights" provides the following:

First, our bill provides for secret ballot elections, and stipulates that such elections must be held prior to required bargaining sessions.

Second, the bill will protect workers against union fines, which are often levied as "punishment" for such things as exceeding work quotas, or exercising freedom of speech.

Third, it would be unlawful for a union to call or continue a strike if the individual workers vote against such action in a secret ballot referendum.

Fourth, the bill will guarantee the right for all parties to be heard during organizing campaigns and electioneering, provided that such efforts do not include force, threat of reprisal, or promise of benefit.

Fifth, we would require that when disputing parties have agreed to arbitration as a means of settlement, then such arbitration shall be the exclusive forum for the resolution of disputes, unless the arbitration decisions are inconsistent with other rights granted under the National Labor Relations Act.

Sixth, the bill provides that the check-off procedure may not be used to solicit contributions to union political funds. While both unions and management would continue to raise contributions under existing campaign contribution laws, this provision would relieve management from the admiinstrative burdens of collecting union funds.

Seventh, we would add language to protect those who object to joining or financially supporting labor organizations on the basis of religious conviction. This language, incidentally, already applies to workers in health facilities under a law passed in 1974. Such individuals may elect to pay sums comparable to union dues to a nonreligious charitable fund under this arrangement.

I think that the provisions of our bill, as I have just enumerated, will serve to strengthen not only the rights of individual workers, but also the overall operation of labor-management relations, and thus the likelihood of industrial peace which would benefit all Americans. At the same time, I do not view this as an inclusive measure, and there will undoubtedly be other efforts to strengthen employees' rights which I shall support as Congress proceeds to act in this area. A major purpose of this bill, as I see it, is to serve notice to my colleagues that any efforts to amend the labor laws will be met with the insistence that an integral part of such reform must include provisions to protect the rights of individual workers.

SECTION-BY-SECTION SUMMARY

SECTION 1—SHORT TITLE

This section cites the bill as the "Employee Bill of Rights Act of 1977."

SECTION 2—PREAMBLE

Amends section 1 of the National Labor Relations Act, relating to "Findings and Policies," to emphasize the "free choice" of employees to engage in or to refrain from engaging in concerted activity or collective bargaining.

SECTION 3—SECRET BALLOT ELECTIONS

Amends section 8(a)(5) and section 9(a) of the National Labor Relations Act to provide that an employer will not be required to bargain until his employees have selected a representative by means of a secret ballot election conducted under section 9 of the Act.

SECTION 4—UNION FINES

Amends section 8(b)(1) of the National Labor Relations Act by making it an unfair labor practice for a union to threaten or impose a fine against any person in the exercise of rights under the Act.

SECTION 5—STRIKE VOTES

Adds a new subsection (8) to section 8(b) making it an unfair labor practice for a union to call or continue a strike when employees vote against such action in a secret ballot referendum, or when such a referendum has been called for and the result of the secret ballot has not been certified. Such a referendum can be requested by the bargaining representative, the employer or 10% of the employees involved in the dispute at times when employees are contractually free to strike or within not more than five days prior thereto, and at 30-day intervals thereafter. An employee who participates in a strike rejected by his fellow employees in a secret ballot referendum loses his status as an employee unless reemployed or reinstated by the employer.

SECTION 6—PROTECTION OF FREE SPEECH

Amends section 8(c) of the National Labor Relations Act to allow non-coercive campaign electioneering and organizing which will not constitute grounds for setting aside an election, if such free speech expressions contain no threat of reprisal or force or promise of benefit.

SECTION 7—ELECTION OF REMEDIES AND DEFERRAL TO ARBITRATION

Amends section 10(a) of the National Labor Relations Act to require that where the parties have agreed to arbitration, then such arbitration shall be the exclusive forum for the resolution of disputes except when arbitration decisions are inconsistent with rights granted by the Act.

SECTION 8—POLITICAL CONTRIBUTIONS AND EMPLOYEE FREE CHOICE

Amends Title II, United States Code, section 441b.(b)(5) to prohibit solicitation of contributions to union political funds through the use of the check-off procedure.

SECTION 9—INDIVIDUAL WITH RELIGIOUS CONVICTION

Amends section 19 of the National Labor Realtions Act to allow all employees who are members of and adhere to established and tradition tenets of a bona fide religion which has historically held conscientious objections to joining or financially supporting labor organizations to refrain from joining or financially supporting such labor organizations.

By Mr. HATFIELD:

S. 1856. A bill to provide for a cooperative forest resources extension program; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. HATFIELD. Mr. President, I wish to direct the attention of my colleagues to the uncertain future of our Nation's forest resources—a matter which affects all Americans. This Nation possesses vast and rich forest lands, over one-third of our total land area in all, which have long provided for the many forest product dependent industries in our country. This great resource is used for a number of diverse purposes, including the furnishing of: 1.5 million jobs for Americans, over 60 percent of the Nation's water supply—through watershed protection, essential products for our housing industry, a major portion of the land base for outdoor recreation, and the prime habitat for fish and wildlife.

As demand for wood fiber and forest products continues to rise, so must our awareness of the need to manage our forests more effectively. Nature allows forests to replace themselves only so fast, and unless more forest landowners are able to properly manage the forests, future supplies will fall short of consumption by the turn of the century. As recent studies indicate, the output of forest products will have to double within the next 30 years if this Nation is going to meet the needs of a growing population.

To prevent these predicted shortages of wood products, it is necessary that we pursue those areas, both public and private, which will best help us meet the Nation's future needs. The level of management in our national forests is not presently adequate, if we are to meet our future goals for production. More funding and further measures must be taken to increase our capability to soundly manage public lands. Similarly, there exists, among the small, private forest landowners, a general unawareness of up-to-date forest management techniques and practices. Private forest owners control 59 percent or 300 million acres of the Nation's timberland. Much of this land is accessible to markets and possesses a high production potential, but for many reasons has not been able to produce at an optimum level: Ownership motives tend to vary, absentee owners are common, most tracts are small, and the potential for production increases are poorly understood. By meeting the forest management needs in these two areas through existing forestry extension programs, the possibility of future shortages could be substantially averted.

Especially with regard to private forest lands: By establishing a link between educational and advisory programs, and existing needs for sound forest management, these private landowners will be helped to realize the full potential of their land for timber production, wildlife management, recreational opportunities, and watershed protection. In the end such services will not only benefit the private forest landowners, but will significantly help to bridge the gap between the growing demand for wood products and a lagging supply.

EXTENSION FORESTRY

Extension education in forestry has existed since its conception back in 1911. The Smith-Lever Act of 1914 created the Cooperative Extension Service, whose basic philosophy was to help people to help themselves through designed educational opportunities aimed at providing a basis for better understanding, stronger motivation, and improved decisions. The problems begin where the Extensive Service presently leaves off.

Many forested States have only one or two forestry-oriented personnel; 15 States have no extension forestry whatsoever. Excellent results have been achieved among States who have begun specializing in forestry as is done in agriculture. However, as several surveys indicate, 90 percent of small woodland owners neither understand technical forestry nor have carefully evaluated management goals. Such deficiencies mean an annual income loss of hundreds of millions of dollars to landowners, increased costs to consumers, and reduced benefits to society. Additional support must be given, therefore, to the county or local level in an attempt to enhance management of the private forest land areas.

THE BILL

The bill I wish to introduce, entitled "Cooperative Forest Resources Extension Act of 1977," will authorize the Secretary of Agriculture to expand the existing extension services in two general directions. First, and most important, extension services will be directed to provide reliable information to the public understanding of forests and related resources; with special emphasis in this effort being given to improving the productivity of small, private forest lands. Second, the existing extension program will be expanded in order to help meet our future needs for increased commodity and noncommodity uses of the forest resource. Its primary objectives will be to, first, improve forest management, timber harvesting, and wood utilization; second, benefit wildlife, recreation, and watersheds; and, third, secure the benefits of vegetation, trees, and forests in rural and urban environments—with increased attention being given to the application of the best educational technology and research information available.

Mr. President, I ask unanimous consent that the full text of my proposal be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1856

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Cooperative Forest Resources Extension Act of 1977".

STATEMENT OF FINDINGS

SEC. 2. The Congress hereby declares that—

(1) adequate supplies of wood and other forest resources necessary to meet the needs of the Nation can be provided largely through the application of sound forest management, wood utilization processes, and other conservation practices by private forest landowners, foresters, loggers, wood processors, fisheries and wildlife, biologists, natural resource workers, and the resource-using public;

(2) research results, innovations and up-to-date economic, technical, and social information are not sufficiently available and understood to insure the most effective and efficient management of the Nation's renewable forest resources, particularly as such information pertains to forest ecology and management, forest engineering, wood science, watershed management, recreation, fisheries and wildlife, and related environmental concerns;

(3) the wisest resource decisions should evolve from a sound education and advisory program designed to solve problems of people based on the best forest resource knowledge from Federal, State, and available private research, practical experience, and field trials;

(4) a national program of forest resources extension is essential to meet local forest resource needs and to achieve national forestry goals; and

(5) the program provided by this Act should be complementary to and not a replacement for any other forestry program.

STATEMENT OF PURPOSE

SEC. 3. (a) It is the purpose of this Act to authorize the Secretary of Agriculture to formulate and maintain a cooperative forest resources extension program to develop, transfer, teach, and encourage the application of scientific, technological, and social information for helping people make improved decisions to (1) improve forest management, timber harvesting, and wood utilization; (2) benefit wildlife, recreation, and watersheds; and (3) secure the benefits of vegetation, trees and forests in rural and urban environments.

(b) It is also the purpose of this Act to provide reliable information to the public for the purpose of increasing public understanding of forests and related resources, to obtain improved consumer use and conservation, and to give special emphasis to extension opportunities that will improve the productivity of small private forests and woodlands.

FOREST RESOURCES EXTENSION PROGRAM

SEC. 4. (a) In order to carry out the purpose of this Act, the Secretary of Agriculture (hereinafter in this Act referred to as the "Secretary") shall formulate and carry out, in cooperation with eligible colleges and universities of the United States, a cooperative extension program in forest resources. As used in this Act, the term "eligible colleges and universities" means colleges and universities required to be supported and maintained, in whole or in part, with funds made available under the provisions of the Act of July 2, 1862 (12 Stat. 503; 7 U.S.C. 301–305, 307, 308), and the Act of 1890 (26 Stat. 417; 7 U.S.C. 321–326, 328), and colleges and universities eligible for assistance under the Act entitled "An Act to authorize the Secretary of Agriculture to encourage and assist the several States in carrying on a program of forestry research, and for other purposes", approved October 10, 1962 (76 Stat. 806; 16 U.S.C. 582a–582a–7).

(b) The Secretary shall provide for the development of a unified extension system, within the States, among regions, and for the Nation. The existing structure of the Cooperative Extension Services of the Land Grant Universities shall be utilized while at the same time providing for needed forest resource specialization and the extension of knowledge gained in research undertakings of private, State, and Federal programs. Program development processes shall be applied to utilize the best expertise and knowledge of forest resource fields and of the clientele being served. The extension program developed under this Act shall be administered independently of the regulatory functions of agencies, State and Federal, and shall be responsible to the administrative authority of

Cooperative Extension Service Directors in the State, or to authority delegated by these Directors.

(c) In formulating and carrying out the program provided for in this Act, the Secretary shall provide financial support to eligible colleges and universities to enable them to carry out the following mission: conduct problem-oriented educational programs aimed at practical needs in forest resource management and use; develop appropriate educational opportunities, materials, and information based on usable research and technology and encourage prudent use and application thereof; provide educational opportunities for the public; and communicate to research organizations what specific research information is needed. This extension program shall employ the best educational technology available consistent with developing understanding and application of sound practices.

(d) No college or university shall be eligible for any funds under this Act unless such college or university has prepared and submitted to the Secretary a plan regarding its proposed extension activities under this Act. The Secretary shall, by regulation, prescribe the information which must be included in any such plan and shall describe the roles of participating institutions, objectives, program priorities and rationale, staffing and funding allocations, program development processes relating to needs of people, educational methods, and anticipated accomplishments. Each plan must be approved by the Secretary before any funds are allocated to the college or university submitting such plan. Plans shall be updated periodically and reports of accomplishments supplied to the Secretary.

(e) The Secretary shall obtain the cooperation of other departments and agencies of the Federal Government to utilize any expertise, information, or other resources, such as tracts of land for demonstrations that may be of benefit to persons engaged in the development of extension programs for the purposes of this Act. All departments and agencies of the Federal Government with information or action programs impacting forest resources use and management are directed to cooperate with the Secretary in carrying out the provisions of this Act.

COORDINATION OF NEW FORESTRY DEVELOPMENTS

SEC. 5. Whenever any department or agency of the Federal Government develops any program directly affecting the practice of forestry, or other related resource use or management, the head of such department or agency shall consult with the Secretary regarding alternative or supplementary approaches in extension education, and the Secretary shall recommend to the Congress whether, in what manner, and to what extent extension education should be utilized in such program.

RULES AND REGULATIONS

SEC. 6. The Secretary is authorized to issue such rules and regulations as he deems appropriate to carry out the provisions of this Act. He shall consult with eligible colleges and universities and other appropriate departments and agencies of the Federal Government before issuing any such rules or regulations.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 7. (a) There are authorized to be appropriated not to exceed $10,000,000 annually to carry out the provisions of this Act.

(b) Not more than 4 per centum of the funds appropriated to carry out this Act in any fiscal year may be used by the Secretary for administrative, technical, and other services and for supportive technology transfer and educational programs with States and regions.

(c) Funds appropriated to carry out the program provided for in this Act in the first year shall be divided among the States, for the organization and establishment of a base program in each State, except that not more than $8,000,000 shall be allocated among the States for such purposes. Any amount in excess of $8,000,000 appropriated for the first year of the program and funds appropriated for years after the first year shall be apportioned as provided in subsections (d) and (e). Funds authorized to carry out this Act in this subsection (c) are in addition to and not in lieu of funds authorized under any other provision of law for similar purposes.

(d) Funds shall be allocated under this Act among States under a formula approved by the Secretary and developed from criteria representing the significance of forestry and other resources and activities designated in this Act. These criteria will be related to (1) the economic activity generated from the production of forest products; (2) the potential timber productivity of forest lands; and (3) a population factor that represents the significance of fisheries and wildlife, watersheds, recreation and the amenity and community values of forests in each State. The allocation of funds shall be weighted one-third to each of the factors (1), (2) and (3) above. No funds shall be allocated under this subsection to colleges and universities in any State unless such State agrees to match such funds in an equal amount within a period of two years after the allocation of Federal funds and unless such State agrees to use such matching funds to carry out the program provided for in this Act. Federal funds allocated under this Act shall be used in addition to and not in lieu of other funds applied to like or related extension activities provided for in this Act.

(e) Block grants to States may be made by the Secretary to develop demonstrations, special program emphasis, or new and experimental programs or to provide special equipment or facilities to aid in the implementation of this Act. Such additional amounts as may be specified in appropriations Acts may be used for administrative costs, special projects, technical and other services, and for coordinating the extension work of the Department of Agriculture carried out under this Act with the several States, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

By Mr. BARTLETT (for himself and Mr. BELLMON):

S. 1858. A bill to amend section 447 of the Internal Revenue Code pertaining to accounting procedures for businesses operating nurseries; to the Committee on Finance.

Mr. BARTLETT. Mr. President, I am today introducing an amendment which I believe is technical in nature. The Internal Revenue Service during 1976 changed a longstanding rule as to the accounting procedures used by nurseries. Revenue Ruling 76–242 provides that all nurseries must convert to an accounting system which includes annual inventories.

This is not practical, because nurseries do not harvest on an annual basis, or on any regular periodic basis. Because of the nature of the plants and trees raised by nurseries, they are subject to the vagaries of nature, and the market. There is no specific maturity for many of these plantings, and some of them are retained for 8 years or more.

For many years, nurseries have used an annual accural method of accounting without including inventories of their crops. This practice was based on a 1922 Revenue Ruling (I.P. 1368 I–1 Cum. Bull. 72).

The new revenue ruling provides that the nurseries must inventory their crops commencing for taxable years after January 1, 1978. This requirement applies to subchapter S corporations, family-held corporations, and corporations with gross receipts of $1 million or less.

Congress attempted to correct this ruling in the Tax Reform Act of 1976, but from my discussions with the Internal Revenue Service, the amendments to section 447(a) do not appear to treat adequately the problem of nurseries. However, on the basis of this attempt, the Internal Revenue Service decided that it would withhold the application of the revenue ruling for 1 year. Otherwise, the original ruling would have become effective for taxable years after January 1, 1977.

It is for this reason that I am introducing this particular amendment. Other farming operations, such as the pineapple industry, were exempted from the application of the revenue ruling, and it is my belief that it was Congress' intent to exempt nurseries. However, in the pressure of debate, the language inserted was inadequate.

My amendment provides that the requirements of section 447 will not apply to the business of operating a nursery.

Mr. President, I ask unanimous consent that a letter from Midwestern Nurseries, Inc., be included with my statement. This is a letter to the Internal Revenue Service explaining the disastrous effects of Revenue Ruling 76–242.

I hope that the Senate Finance Committee will review this matter and include my amendment with other technical and corrective changes to the 1976 Tax Reform Act.

Time is limited and it is imperative that Congress clarify this section so that the Internal Revenue Service will have the guidance to withdraw this revenue ruling.

Mr. President, I ask unanimous consent that the text of my bill be printed along with this statement.

There being no objection, the material was ordered to be printed in the RECORD as follows:

S 1858

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, the last sentence of Section 447(a) of Title 26 is amended as follows:

Strike the words, "The requirements of this" and insert in lieu thereof the word "This".

TAHLEQUAH, OKLA.,
August 20, 1976.

MR. JOHN WITHERS,
Internal Revenue Service,
Assistant Commissioner-Technical,
Washington, D.C.

DEAR MR. WITHERS: This letter is to confirm our oral conversations setting forth our position to a recently released revenue ruling, Revenue Ruling #76–242, requiring accrual basis taxpayers engaged in farming operations to inventory the costs of growing plants, reversing a long standing Internal Revenue Service policy.

Our company was formed as a corporation in 1968 and relying upon a 54-year-old In-

ternal Revenue Service ruling and current regulations, selected the accrual method of accounting and expensed current inventory costs related to the growing crops. The service has continually held that such costs may not be inventoried until the plants reach a marketable size therefore we do not use inventories when determining our taxable income.

A large amount of cash is required to develop a nursery due to the long-term growth period of nursery stock before it reaches marketable size (4 to 5 years). Because of this, our company is heavily financed with three major loans guaranteed by the U.S. Department of Agriculture's Farmers Home Administration. Our creditors require audited financial statements and require an unqualified opinion from our independent Certified Public Accountant.

Due to this long-term growth cycle where only 20% to 25% of our inventories are marketable at any given time, the high susceptibility of growing plants to pests, weather, disease, and the high processing cost to remove the plants from the fields and ready them for shipment (which is normally greater than the cost of the plant itself), commercial lending institutions will not lend money collateralizing nursery stock inventories in the field without other collateral or guarantees. Therefore, we do not have the financing avenues collateralizing loans with inventory available to us that other industries enjoy.

The inventory of nursery stock is different from inventory of the normal manufacturing company. This is highlighted by comparing the inventory turnover of nurseries with manufacturing industries. The normal manufacturer will turn their inventory approximately four to six times per year whereas a nursery will turn its inventory once every four or five years. This presents considerable problems to the nursery when it comes to capital utilization, financing and marketing.

It is recognized that generally accepted accounting principles require the nursery stock to be recorded as an asset on the balance sheet. However, if this were a company with no prior growing experience an independent certified public accountant may not be able to express an unqualified opinion on the financial statements because they would not have any method or accounting principles to establish standards which could be applied to growing crops.

It is also recognized among many companies that generally accepted accounting principles and tax accounting treatment do not have to be the same. A few examples of this are intangible development costs, which have been capitalized for years for financial statement purposes and expensed for income tax purposes. Further, the accelerated depreciation for tax purposes versus other methods for financial statements does not require conformity. The most recent discussions concerning conformity between financial and tax accounting centered around the long-term contract concept. When those regulations were finally resolved, it was agreed that long-term contract reporting for financial statement and tax purposes need not be the same.

The accounting profession has not come up with an exact cost method for pricing a plant in the field, but in lieu of exact cost they use a generalized approach of estimating the total amount of cost that should be deferred. The income tax regulations usually contemplate that in an inventory situation, the inventory is stated at the lower cost or market. Accordingly, we suggest that there is no known method for measuring the exact cost of a tree or a shrub that is in a field. It should be recognized that accounting is not an exact science while the Internal Revenue Code contemplates an exactness that is not comparable to generally accepted accounting principles.

Revenue Ruling #76-242 will have a substantial detrimental impact on our company and the nursery industry, without offsetting benefits. Current expensing of costs incurred in growing nursery stock inventories does not eliminate taxes but merely defers them until the inventory reaches a marketable state. Payment of taxes on existing inventories and not allowing a current deduction for current inventory costs will result in double taxation as long as inventory levels are maintained. The Ruling only requires accrual basis taxpayers to inventory growing crops, therefore, those taxpayers who made the decision in the company's beginning based upon current law at that time, to use the accrual method, are now less competitive than companies who use the cash method.

Because of the intensive growing cycle of the product, it would seem that this ruling would tend to discourage the ability of accrual basis nurseries to grow into larger more viable businesses. This seems directly in conflict with other agencies of the government, such as the Farmers Home Administration.

If the proper tax year-end is utilized, the cash method of accounting will result in the same income as the accrual method of accounting. The reasons for this is that the receivables and payables at the end of the natural business cycle year would tend to offset each other with the result that the major difference between cash and accrual accounting using the farm method would be nominal. It should be noted that this ruling will have the greatest adverse effect on the small businessmen and generally will not materially affect the large multi-national corporation.

Even though there are costs which must be deferred for financial statement purposes, it should be noted that the potential amount of deferred taxes to the United States government would not be material. If in fact, the ruling stands, the acceleration of taxes could be off set by defaulted government guaranteed loans and increased unemployment in areas in which these nurseries operate.

Nurseries tend to employ considerable number of unskilled people that are otherwise unemployable and these people could appear on the unemployment rolls of the country and the related welfare payments would probably be more than the additional taxes. We realize that taxes are not supposed to be an economic weapon but the mere changing of a 54 year old ruling will have an adverse effect that could threaten the nursery industry with complete disaster.

Furthermore, when the Internal Revenue Service issued the ruling, they made it effective for all years beginning immediately thereafter. There was no advance notice that a ruling of this type was being considered nor did the Internal Revenue Service even request information from the industry itself concerning this proposed ruling. In all fairness, the industry does not see the need to make this new ruling applicable in such a short time. We believe that the granting of a 10-year spread on the taxes applied to the opening inventory would be of nominal benefit to the industry as a whole. While in many circumstances this is an alternative, it lacks any beneficial substance to the nursery industry as a whole in view of the fact that it does not aid us in our ability to secure additional capital funds. Capital must be employed in these businesses and until this capital can be converted into sales it should not be recognized as an inventory type asset.

We are a viable competitive company, yet the ruling as it now stands, if not withdrawn or amended, will require utilization of alternatives such as complete liquidation, higher pricing of products, so as to be uncompetitive with other nurseries using the cash method of accounting, reduction of the scope of our operation, or sale of the company. We believe that it was not the intent of the Internal Revenue Service to force companies into the above alternatives but that the ruling was issued without the proper consideration of the economics of the industry and the realistic facts of the nature of the industry itself.

We respectfully request that the Internal Revenue Service consider the following alternatives:

1. Withdraw Revenue Ruling No. 76-242 until a careful study of the impact of the Ruling can be made.
2. Add a Grandfather clause so as not to effect existing taxpayers.
3. Revise the Ruling to specifically exclude plant material which requires more than a single year's growth before becoming marketable.
4. Allow for automatic changes in method of accounting to the cash basis without requirements that financial reports to lenders and investors be on the cash basis.

Sincerely,

BOB BERRY,
President.
LES CASHMERE, C.P.A.,
Secretary/Treasurer.

By Mr. ROTH:

S. 1860. A bill to provide for permanent tax rate reductions for individuals and businesses; to the Committee on Finance.

THE TAX RELIEF ACT OF 1977

Mr. ROTH. Mr. President, I am today introducing the Tax Relief Act of 1977, a bill to provide substantial permanent tax rate reductions for all taxpayers, individuals and businesses, phased in over a 3-year period. This same bill is also being introduced today in the House of Representatives by Congressman JACK KEMP, and we intend to work together for the adoption of this legislation.

The Tax Relief Act provides substantial tax relief to all working Americans, and its enactment would stimulate economic growth and create millions of new jobs in the private economy.

For individuals, tax rates would be reduced by an average of 33 percent, from the present range of 14 to 70 percent to rates ranging between 8 and 50 percent. For business, the tax rates would be reduced from 48 to 45 percent and the small business surtax exemption would be increased from $50,000 to $100,000.

The economic impact of the Tax Relief Act would be enormous. According to an econometric projection prepared by economist Norman B. Ture, this legislation would expand the gross national product by $43 billion and create 1.2 million new jobs by the end of next year. By the end of 1985, these tax rate reductions would increase GNP by $240 billion and result in the creation of 5.5 million jobs.

The immediate adoption of the Tax Relief Act will assure the type of long-term economic growth needed to create meaningful new jobs in the private economy. Although the economy has recovered somewhat, we are still plagued with sluggish growth, rising prices, and persistent unemployment. The capital investment necessary to expand the economy, create new jobs, and increase wages is not growing rapidly enough, and consumer and business confidence is not strong enough to stimulate the type of spending and investment necessary to assure long-term economic growth.

I believe that the principal obstacle to

strong economic growth is the excessive tax burden now imposed on the American people. The high rate of taxation on individuals and businesses is strangling economic growth, choking off private initiative, investments, and the creation of jobs. The heavy tax burden has destroyed the incentive for individuals and businesses to work, save, produce, and increase the wealth of our Nation.

The heavy tax burden imposed on taxpayers reduces consumer purchasing power and retards savings and investments in new factories, homes, and equipment, resulting in slow economic growth and high levels of unemployment. Substantial tax rate reductions for all taxpayers will increase workers' take-home pay, stimulate consumer spending, increase the incentive to save, invest and produce, and expand the economy.

The Tax Relief Act of 1977 is modeled after the legislation proposed by President Jack Kennedy in the early 1960's to get this country moving again. Kennedy realized then, as we should realize now, that the largest single barrier to a higher rate of economic growth is the heavy drag of Federal income taxes. The Kennedy tax rate reductions reduced individual tax rates from a range of 20 to 91 percent to the present range of between 14 to 70 percent, and reduced corporate tax rates from 52 to 48 percent. These tax rate reductions stimulated a 5-year period of unprecedented economic growth, low inflation, and high employment.

INDIVIDUAL TAX RATE REDUCTIONS

The Tax Relief Act would provide substantial tax relief to all working taxpayers. The bill would reduce all individual tax rates by an average of 33 percent, reducing the present tax rates of between 14 to 70 percent to rates ranging between 8 and 50 percent. The lower tax rates would be reduced by as much as 42.8 percent, while the highest tax rates would be reduced by approximately 28 percent. The rate reductions would be phased-in over a 3-year period, beginning with a rate reduction of approximately 10 percent effective January 1, 1978. The following chart shows the proposed tax rate changes:

Tax rate structure

Present rates	Proposed rates	Percent change
14	8	42.8
15	9	40.0
16	10	37.5
17	11	35.2
19	13	31.5
22	15	31.8
25	17	32.0
28	19	32.1
32	21	34.3
36	24	33.3
39	27	30.7
42	29	30.9
45	31	31.1
48	33	31.2
50	35	30.0
53	36	32.0
55	37	32.7
58	40	31.0
60	42	30.0
62	44	29.0
64	46	28.0
66	47	28.7
68	48	29.4
69	49	28.9
70	50	28.5

These tax rate reductions will provide substantial tax relief to all taxpayers, with the largest percentage tax reductions going to lower- and middle-income taxpayers. When fully effective, the Tax Relief Act would reduce the tax burden on a family of four earning $8,000 by 90 percent, reduce the tax burden on a family of four earning $10,000 by nearly 50 percent, and reduce the tax burden on a family of four earning $15,000 by 38 percent. Those earning more than $20,000 would have their tax bills reduced by approximately 33 percent. The following chart shows the impact of the tax rate reductions on different income levels:

IMPACT OF TAX RELIEF ACT ON FAMILY OF 4

AGI	Present tax	Proposed tax	Tax cut	Percent cut
$8,000	$120	$12	$108	90.0
$10,000	446	226	220	49.3
$12,500	917	547	370	40.3
$15,000	1,380	852	528	38.2
$17,500	1,926	1,223	703	36.5
$20,000	2,480	1,600	880	35.4
$25,000	3,570	2,341	1,230	34.4
$30,000	4,808	3,167	1,641	34.1
$35,000	6,218	4,100	2,118	34.0
$40,000	7,778	5,162	2,616	33.6

ECONOMIC IMPACT

The economic impact of these across-the-board tax rate reductions would be enormous. By reducing the tax burden on the economy, the cost of working and producing would be reduced and production, employment, investment, and wages would increase substantially. According to econometric projections, the individual tax rate reductions proposed by the Tax Relief Act would substantially expand the economy's total productive capacity, stimulate capital investment, increase total wages, and create millions of jobs. One econometric projection, which simulates the effects of these tax rate reductions on the economy, concludes that the enactment of this act would increase GNP by $43.4 billion and result in the creation of 1,218,000 jobs by the end of 1978. By the end of 1980, the legislation would increase GNP by $157.4 billion and create 4 million new jobs, and by the end of 1985, the bill would increase GNP by $240.6 billion and create 5,470,000 jobs.

By reducing the cost of saving and capital, these tax rate reductions would increase capital investments and annual wage rates as labor productivity and the demand for labor services increased.

The following chart shows the economic effects of the proposed individual tax rate reductions:

Year	Employment	Wages	GNP [1]	Capita outlays
1978	1,218,000	$166	$43.4	$43.9
1979	2,547,000	350	95.5	55.2
1980	4,000,000	551	157.4	67.3
1981	4,326,000	594	171.9	67.5
1982	4,549,000	643	187.7	190.1
1983	4,838,000	688	204.0	238.1
1984	5,143,000	735	221.3	80.4
1985	5,470,000	790	240.6	84.6
				90.6

[1] In billions of 1976 dollars.

Source: Norman B. Ture, Inc.

REVENUE IMPACT

The Taxpayers Relief Act would reduce individual income taxes by $21.1 billion in calendar year 1978, by $48.1 billion in 1978, and by $81.8 billion in 1980. In fiscal 1978, the bill would reduce individual taxes by $14.8 billion, by $40.0 billion in fiscal 1979, and by $71.7 billion in fiscal 1980.

However, these tax rate reductions will not result in equivalent revenue losses. The tax rate reductions would expand the economy so much, create so many taxpaying jobs, and increase the total Federal tax base so much that the total revenue impact would be substantially smaller.

According to the econometric study prepared by Dr. Ture, the net cost of this proposal would be $10 billion in 1978, $22.3 billion in 1979, and $36 billion in 1980.

It is important to note that in every tax rate reduction enacted since 1946, the estimated revenue losses have not occurred and in fact revenues have increased as a result of the tax rate reductions. This is because tax rate reductions expand the economy, create taxpaying jobs, increase Federal tax revenues, and reduce Federal spending on unemployment benefits. In the case of the Kennedy tax rate reductions, although his Treasury Department estimated a 6-year revenue loss of $89 billion, revenues actually increased by $54 billion.

It is equally important to note that these permanent tax rate reductions are not only designed to provide tax relief but to help avoid future tax increases which are automatically caused by inflation and economic growth. Under our progressive income tax system, inflation and growth push taxpayers into higher tax brackets, automatically forcing people to pay a higher percentage of their income in taxes.

A recent study conducted by the Library of Congress concluded that Federal income taxes will "increase considerably as a percent of the average family's income." According to the Office of Management and Budget, inflation and growth will increase the median income of a family of four earning $17,300 in 1976 to $20,970 in 1981, but its income tax burden will increase from 1977—11.4 percent of income—to $4,103—15.2 percent—a 30-percent increase.

This increased tax burden will nearly double the amount of individual income tax receipts collected by the Government between 1976 and 1980. According to a recent projection made by the Congressional Budget Office, individual income tax receipts are projected to increase from the $130.8 billion collected in 1976 to $252 billion in 1980. Consequently, the American people will be subjected to substantial automatic tax increases unless these tax rate reductions are enacted this year. In addition these tax rate reductions will help offset higher energy prices and increased energy taxes. Under the legislation approved by the House Ways and Means Committee, $85 billion in increased energy taxes will be imposed on the American people by 1985.

CORPORATE TAX REDUCTIONS

The Taxpayers Relief Act would also reduce corporate tax rates by one percentage point a year for three years, from 48 percent to 45 percent, and in-

crease the small business surtax exemption from $50,000 to $100,000. These changes would reduce the existing bias against investment and saving, remove some of the uncertainties which are inhibiting long-term investments, and provide significant tax relief to our Nation's small businesses.

Under present law, the tax rate on the first $25,000 of corporate taxable income is 20 percent, the tax rate on the next $25,000 of taxable income is 22 percent, and the tax rate on income in excess of $50,000 is subject to an additional 26 percent surtax, for a total tax rate of 48 percent.

Under this bill, the 20 and 22 percent rates would be reduced by 1 percentage point a year to 17 and 19 percent. The 26-percent surtax would remain unchanged, and the surtax exemption would be increased to $100,000. The net result of the proposal is shown as follows:

PRESENT LAW

20% on first $25,000
22% on second $25,000
48% (22%+26% surtax) on income in excess of $50,000

1978

19% on first $25,000
21% on second $75,000
47% (21%+26%) on income in excess of $100,000

1979

18% on first $25,000
20% on second $75,000
46% (20%+26%) on income in excess of $100,000

1980

17% on first $25,000
19% on second $75,000
45% (19%+26%) on income in excess of $100,000

The revenue impact of these corporate tax reductions would be $1.35 billion in fiscal 1978, $3.7 billion in fiscal 1979, and $5.2 billion in fiscal 1980.

Mr. President, I believe that action is needed now to reduce the tax burden on the American economy. The administration is now preparing a tax reform package which will be submitted to Congress within the next few months, and various spokesmen for the administration have indicated that one of their top priorities will be to reduce the maximum tax rate on upper-income individuals from 70 percent to 50 percent. I believe that the tax rates on all taxpayers should be reduced, and I believe the tax rates should be reduced now. The administration's tax reform package is expected to include many controversial proposals, and a long and heated battle is likely. As a result, it is doubtful that final action on a tax reform bill could be completed before 1979.

I do not believe that we can afford to wait for 2 years to reduce the tax burden on the American taxpayer and to create meaningful jobs for the unemployed. Delaying final action on this tax rate reduction until 1979 will result in the loss of between 1.0–2.5 million jobs and up to $95 billion of economic growth.

We cannot afford to pass up this opportunity to stimulate economic growth and create real jobs in the private economy. We must act now to enact substantial across-the-board tax rate reductions for all Americans.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1860

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Tax Relief Act of 1977".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

Sec. 2. Table of Contents.—

Sec. 1. Short title; amendment of 1954 Code.

Sec. 2. Table of contents.

Sec. 3. Reduction in 1978 individual income tax rates.

Sec. 4. Reduction in 1979 individual income tax rates.

Sec. 5. Permanent reduction in 1980 individual income tax rates.

Sec. 6. Reduction in corporate tax rates and permanent increase in the corporate surtax exemption.

REDUCTION IN 1978 INDIVIDUAL INCOME TAX RATES

SEC. 3. (a) PERMANENT REDUCTION.—Section 1 (relating to tax imposed) is amended to read as follows:

"Section 1. Tax Imposed.

"(a) Married Individuals Filing Joint Returns and Surviving Spouses.—There is hereby imposed on the taxable income of—

"(1) every individual (as defined in section 143) who makes a single return jointly with his spouse under section 6012, and

"(2) every single surviving spouse (as defined in section 2(a)),

a tax determined in accordance with the following table:

If the amount of taxable income is—		Then the tax before credit—	
Over—	But not over—	Enter—	Of excess over—
0	$1,000	0 plus 12.0 pct	0
$1,000	2,000	$170 plus 13.0 pct	$1,000
2,000	3,000	$250 plus 14.0 pct	2,000
3,000	4,000	$390 plus 15.0 pct	3,000
4,000	8,000	$540 plus 17.0 pct	4,000
8,000	12,000	$1,270 plus 19.0 pct	8,000
12,000	16,000	$1,980 plus 22.0 pct	12,000
16,000	20,000	$2,860 plus 25.0 pct	16,000
20,000	24,000	$3,860 plus 28.0 pct	20,000
24,000	28,000	$4,980 plus 32.0 pct	24,000
28,000	32,000	$6,260 plus 35.0 pct	28,000
32,000	36,000	$7,660 plus 37.0 pct	32,000
36,000	40,000	$9,140 plus 40.0 pct	36,000
40,000	44,000	$10,740 plus 43.0 pct	40,000
44,000	52,000	$12,460 plus 45.0 pct	44,000
52,000	64,000	$16,060 plus 47.0 pct	52,000
64,000	76,000	$21,700 plus 49.0 pct	64,000
76,000	88,000	$27,580 plus 52.0 pct	76,000
88,000	100,000	$33,820 plus 54.0 pct	88,000
100,000	120,000	$40,300 plus 56.0 pct	100,000
120,000	140,000	$51,500 plus 58.0 pct	120,000
140,000	160,000	$63,100 plus 59.0 pct	140,000
160,000	180,000	$74,900 plus 61.0 pct	160,000
180,000	200,000	$87,100 plus 62.0 pct	180,000
200,000	300,000	$99,500 plus 63.0 pct	200,000
300,000	400,000	$162,500 plus 63.0 pct	300,000
400,000		$225,500 plus 63.0 pct	400,000

"(b) Heads of Households. There is hereby imposed on the taxable income of every individual who is the head of household (as defined in section 2(b)) a tax determined in accordance with the following table:

If the amount of taxable income is—		Then the tax before credit—	
Over—	But not over—	Enter—	Of excess over—
0	500	0 plus 12.0 pct	0
500	1,000	$60 plus 12.5 pct	$500
1,000	1,500	$122 plus 13.5 pct	1,000
1,500	2,000	$180 plus 14.0 pct	1,500
2,000	3,000	$260 plus 15.5 pct	2,000
3,000	4,000	$415 plus 16.0 pct	3,000
4,000	6,000	$575 plus 16.0 pct	4,000
6,000	8,000	$935 plus 19.5 pct	6,000
8,000	10,000	$1,325 plus 22.0 pct	8,000
10,000	12,000	$1,765 plus 23.5 pct	10,000
12,000	14,000	$2,235 plus 27.0 pct	12,000
14,000	16,000	$2,775 plus 28.0 pct	14,000
16,000	18,000	$3,345 plus 31.0 pct	16,000
18,000	20,000	$3,965 plus 32.5 pct	18,000
20,000	22,000	$4,615 plus 35.5 pct	20,000
22,000	24,000	$5,325 plus 36.5 pct	22,000
24,000	26,000	$6,055 plus 38.5 pct	24,000
26,000	28,000	$6,825 plus 39.5 pct	26,000
28,000	32,000	$7,615 plus 41.0 pct	28,000
32,000	36,000	$9,255 plus 43.0 pct	32,000
36,000	38,000	$10,975 plus 44.5 pct	36,000
38,000	40,000	$11,865 plus 46.0 pct	38,000
40,000	44,000	$12,785 plus 47.5 pct	40,000
44,000	50,000	$14,685 plus 49.5 pct	44,000
50,000	52,000	$17,655 plus 50.5 pct	50,000
52,000	60,000	$18,665 plus 51.5 pct	52,000
60,000	64,000	$22,785 plus 52.5 pct	60,000
64,000	70,000	$24,885 plus 53.5 pct	64,000
70,000	76,000	$28,095 plus 54.0 pct	70,000
76,000	80,000	$31,335 plus 55.5 pct	76,000
80,000	88,000	$33,555 plus 56.5 pct	80,000
88,000	90,000	$38,075 plus 57.5 pct	88,000
90,000	100,000	$39,225 plus 58.0 pct	90,000
100,000	120,000	$45,025 plus 59.5 pct	100,000
120,000	140,000	$56,925 plus 60.5 pct	120,000
140,000	150,000	$69,025 plus 61.0 pct	140,000
150,000	160,000	$75,125 plus 61.0 pct	150,000
160,000	180,000	$81,225 plus 62.0 pct	160,000
180,000	200,000	$93,625 plus 62.5 pct	160,000
200,000	300,000	$106,125 plus 63.0 pct	200,000
300,000	400,000	$169,125 plus 63.0 pct	300,400
400,000		$222,125 plus 63.0 pct	400,000

"(c) UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS.—There is hereby imposed on the taxable income of every individual (other than a surviving spouse as defined in section 2 (a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 143) a tax determined in accordance with the following table:

If the amount of taxable income is—		Then the tax before credit—	
Over—	But not over—	Enter—	Of excess over—
0	$500	0 plus 12.0 pct	0
$500	1,000	$60 plus 13.0 pct	$500
1,000	1,500	$125 plus 14.0 pct	1,000
1,500	2,000	$185 plus 15.0 pct	1,500
2,000	4,000	$270 plus 17.0 pct	2,000
4,000	6,000	$610 plus 19.0 pct	4,000
6,000	8,000	$990 plus 22.0 pct	6,000
8,000	10,000	$1,430 plus 25.0 pct	8,000
10,000	12,000	$1,930 plus 27.0 pct	10,000
12,000	14,000	$2,470 plus 29.0 pct	12,000
14,000	16,000	$3,050 plus 31.0 pct	14,000
16,000	18,000	$3,670 plus 34.0 pct	16,000
18,000	20,000	$4,350 plus 36.0 pct	18,000
20,000	22,000	$5,070 plus 38.0 pct	20,000
22,000	26,000	$5,830 plus 40.0 pct	22,000
26,000	32,000	$7,430 plus 45.0 pct	26,000
32,000	38,000	$10,130 plus 49.0 pct	32,000
38,000	44,000	$13,070 plus 52.0 pct	38,000
44,000	50,000	$16,190 plus 54.0 pct	44,000
50,000	60,000	$19,430 plus 56.0 pct	50,000
60,000	70,000	$25,030 plus 58.0 pct	60,000
70,000	80,000	$30,830 plus 59.0 pct	70,000
80,000	90,000	$36,730 plus 61.0 pct	80,000
90,000	100,000	$42,830 plus 62.0 pct	90,000
100,000	150,000	$49,030 plus 63.0 pct	100,000
150,000	200,000	$80,530 plus 63.0 pct	150,000
200,000		$112,030 plus 63.0 pct	200,000

"(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS: ESTATES AND TRUSTS.—There is hereby imposed on the taxable income of every married individual (as defined in section 143) who does not make a single return

jointly with his spouse under section 6013, and of every estate and trust taxable under this subsection, a tax determined in accordance with the following table:

If the amount of taxable income is—		Then the tax before credit—	
Over—	But not over—	Enter—	Of excess over—
0	$500	0 plus 12.0 pct	0
$500	1,000	$60 plus 13.0 pct	$500
1,000	1,500	$125 plus 14.0 pct	1,000
1,500	2,000	$195 plus 15.0 pct	1,500
2,000	4,000	$270 plus 17.0 pct	2,000
4,000	6,000	$610 plus 19.0 pct	4,000
6,000	8,000	$990 plus 22.0 pct	6,000
8,000	10,000	$1,430 plus 25.0 pct	8,000
10,000	12,000	$1,930 plus 28.0 pct	10,000
12,000	14,000	$2,490 plus 32.0 pct	12,000
14,000	16,000	$3,130 plus 35.0 pct	14,000
16,000	18,000	$3,830 plus 37.0 pct	16,000
18,000	20,000	$4,570 plus 40.0 pct	18,000
20,000	22,000	$5,370 plus 43.0 pct	20,000
22,000	26,000	$6,230 plus 45.0 pct	22,000
26,000	32,000	$8,030 plus 47.0 pct	26,000
32,000	38,000	$10,850 plus 49.0 pct	32,000
38,000	44,000	$13,790 plus 52.0 pct	38,000
44,000	50,000	$16,910 plus 54.0 pct	44,000
50,000	60,000	$20,150 plus 56.0 pct	50,000
60,000	70,000	$25,750 plus 58.0 pct	60,000
70,000	80,000	$31,550 plus 59.0 pct	70,000
80,000	90,000	$37,450 plus 61.0 pct	80,000
90,000	100,000	$43,550 plus 62.0 pct	90,000
100,000	150,000	$49,750 plus 63.0 pct	100,000
150,000	200,000	$82,600 plus 63.0 pct	150,000
200,000	----------	$112,750 plus 63.0 pct	200,000

(b) Effective Date.—The amendment made by subsection (a) shall apply to the taxable year beginning after December 31, 1977 and before January 1, 1978.

REDUCTION IN 1979 INDIVIDUAL INCOME TAX RATES

SEC. 4. (a) PERMANENT REDUCTION.—Section 1 (relating to tax imposed) is amended to read as follows:

"Section 1. Tax Imposed.

"(a) Married Individuals Filing Joint Returns and Surviving Spouses.—There is hereby imposed on the taxable income of—

"(1) every individual (as defined in section 143) who makes a single return jointly with his spouse under section 6012, and

"(2) every single surviving spouse (as defined in section 2(a)),

a tax determined in accordance with the following table:

If the amount of taxable income is—		Then as tax before credit—	
Over—	But not over—	Enter—	Of excess over—
0	$1,000	0 plus 10.0 pct	0
$1,000	2,000	$100 plus 11.0 pct	$1,000
2,000	2,800	$210 plus 12.0 pct	2,000
2,800	4,000	$282 plus 13.0 pct	2,600
4,000	8,000	$464 plus 15.0 pct	4,000
8,000	12,000	$1,064 plus 17.0 pct	8,000
12,000	16,000	$1,744 plus 19.0 pct	12,000
16,000	20,000	$2,504 plus 22.0 pct	16,000
20,000	24,000	$3,384 plus 24.0 pct	20,000
24,000	28,000	$4,344 plus 25.0 pct	24,000
28,000	32,000	$5,404 plus 31.0 pct	28,000
32,000	36,000	$6,704 plus 33.0 pct	32,000
36,000	40,000	$8,024 plus 35.0 pct	36,000
40,000	44,000	$9,424 plus 38.0 pct	40,000
44,000	52,000	$10,944 plus 40.0 pct	44,000
52,000	64,000	$14,144 plus 41.0 pct	52,000
64,000	76,000	$19,064 plus 43.0 pct	64,000
76,000	88,000	$24,224 plus 46.0 pct	70,000
88,000	100,000	$29,744 plus 48.0 pct	88,000
100,000	120,000	$35,504 plus 50.0 pct	100,000
120,000	140,000	$45,504 plus 52.0 pct	120,000
140,000	160,000	$55,904 plus 53.0 pct	140,000
160,000	180,000	$66,504 plus 54.0 pct	160,000
180,000	200,000	$77,304 plus 55.0 pct	180,000
200,000	300,000	$88,304 plus 56.0 pct	200,000
300,000	400,000	$144,304 plus 56.0 pct	300,000
400,000	----------	$200,304 plus 56.0 pct	400,000

"(b) Heads of Households. There is hereby imposed on the taxable income of every individual who is the head of household (as defined in section 2(b)) a tax determined in accordance with the following table:

If the amount of taxable income is—		Then as tax before credit—	
Over—	But not over—	Enter—	Of excess over—
0	$500	0 plus 10.0 pct	0
$500	1,000	$50 plus 10.5 pct	$500
1,000	1,300	$107 plus 11.5 pct	1,000
1,300	2,000	$137 plus 12.0 pct	1,300
2,000	2,600	$221 plus 13.5 pct	2,000
2,000	4,000	$307 plus 14.0 pct	2,600
4,000	6,000	$493 plus 16.0 pct	4,000
6,000	2,000	$318 plus 17.0 pct	6,000
8,000	10,000	$1,158 plus 19.5 pct	8,000
10,000	12,000	$1,548 plus 20.5 pct	10,000
12,000	14,000	$1,958 plus 23.5 pct	12,000
14,000	16,000	$2,428 plus 25.0 pct	14,000
16,000	18,000	$2,928 plus 27.5 pct	16,000
18,000	20,000	$3,478 plus 28.5 pct	18,000
20,000	22,000	$4,048 plus 31.0 pct	20,000
22,000	24,000	$4,668 plus 32.0 pct	22,000
24,000	26,000	$5,308 plus 34.0 pct	24,000
26,000	28,000	$5,988 plus 34.5 pct	26,000
28,000	32,000	$6,673 plus 36.0 pct	28,000
32,000	36,000	$8,113 plus 38.0 pct	32,000
36,000	38,000	$9,638 plus 39.0 pct	36,000
38,000	40,000	$10,418 plus 40.5 pct	38,000
40,000	44,000	$11,228 plus 42.0 pct	40,000
44,000	50,000	$12,903 plus 44.0 pct	44,000
50,000	52,000	$15,548 plus 45.0 pct	50,000
52,000	60,000	$16,443 plus 45.5 pct	52,000
60,000	64,000	$20,083 plus 46.5 pct	60,000
64,000	70,000	$21,938 plus 47.5 pct	64,000
70,000	76,000	$24,798 plus 48.0 pct	70,000
76,000	80,000	$27,673 plus 49.5 pct	76,000
80,000	88,000	$29,658 plus 50.0 pct	80,000
88,000	90,000	$33,653 plus 51.0 pct	88,000
90,000	100,000	$34,678 plus 51.5 pct	90,000
100,000	120,000	$39,828 plus 53.0 pct	100,000
120,000	140,000	$50,428 plus 54.0 pct	120,000
140,000	150,000	$61,228 plus 54.5 pct	140,000
150,000	160,000	$65,678 plus 54.5 pct	150,000
160,000	180,000	$72,128 plus 55.0 pct	160,000
180,000	200,000	$83,128 plus 55.5 pct	180,000
200,000	300,000	$94,228 plus 56.0 pct	200,000
300,000	400,000	$150, 228 plus 56.0 pct	300,000
400,000	----------	$206, 225 plus 56.0 pct	400,000

"(c) UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS).—There is hereby imposed on the taxable income of every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 143) a tax determined in accordance with the following table:

If the amount of taxable income is—		Then the tax before credit—	
Over—	But not over—	Enter—	Of excess over—
0	$500	0 plus 10.0 pct	0
$500	1,000	$50 plus 11.0 pct	$500
1,000	1,300	$105plus 12.5 pct	1,000
1,300	2,000	$141 plus 13.0 pct	1,300
2,400	4,000	$232 plus 15.0 pct	2,000
4,000	6,000	$532 plus 17.0 pct	4,000
6,000	8,000	$577 plus 19.0 pct	6,000
8,000	10,000	$1,252 plus 22.0 pct	8,000
10,000	12,000	$1,892 plus 24.0 pct	10,000
12,000	14,000	$2,172 plus 28.0 pct	12,000
14,000	16,000	$2,738 plus 31.0 pct	14,000
16,000	18,000	$3,352 plus 34.0 pct	16,000
18,000	20,000	$4,012 plus 35.0 pct	18,000
20,000	22,000	$4,712 plus 33.0 pct	20,000
22,000	26,000	$5,472 plus 40.0 pct	22,000
26,000	32,000	$7,072 plus 41.0 pct	26,000
32,000	38,000	$8,532 plus 43.0 pct	30,000
38,000	44,000	$12,112 plus 46.0 pct	38,000
44,000	50,000	$14,872 plus 48.0 pct	44,000
50,000	60,000	$17,752 plus 50.0 pct	50,000
60,000	70,000	$22,752 plus 53.0 pct	60,000
70,000	80,000	$27,952 plus 54.0 pct	70,000
80,000	90,000	$33,252 plus 54.0 pct	80,000
90,000	100,000	$35,652 plus 55.0 pct	90,000
100,000	150,000	$44,152 plus 56.0 pct	100,000
150,000	200,000	$72,152 plus 56.0 pct	150,000
200,000	----------	$100,152 plus 56.0 pct	200,000

"(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS; ESTATES AND TRUSTS.—There is hereby imposed on the taxable income of every married individual (as defined in section 143) who does not make a single return jointly with his spouse under section 6013, and of every estate and trust taxable under this subsection, a tax determined in accordance with the following table:

If the amount of taxable income is—		Then the tax before credit—	
Over—	But not over—	Enter—	Of excess over—
0	$500	0 plus 10.0 pct	0
$500	1,000	$50 plus 11.0 pct	$500
1,000	1,300	$105 plus 12.0 pct	1,000
1,300	2,000	$141 plus 13.0 pct	1,300
2,000	4,000	$232 plus 15.0 pct	2,000
4,000	6,000	$532 plus 17.0 pct	4,000
6,000	8,000	$872 plus 19.0 pct	6,000
8,000	10,000	$1,252 plus 22.0 pct	8,000
10,000	12,000	$1,692 plus 24.0 pct	10,000
12,000	14,000	$2,172 plus 29.0 pct	12,000
14,000	16,000	$2,732 plus 31.0 pct	14,000
16,000	18,000	$3,352 plus 33.0 pct	16,000
18,000	20,000	$4,037 plus 35.0 pct	18,000
20,000	22,000	$4,712 plus 38.0 pct	20,000
22,000	26,000	$5,472 plus 40.0 pct	22,000
26,000	32,000	$7,072 plus 41.0 pct	26,000
32,000	38,000	$9, 532 plus 43.0 pct	32,000
38,000	44,000	$12,112 plus 46.0 pct	38,000
44,000	50,000	$14,872 plus 48.0 pct	44,000
50,000	60,000	$17,752 plus 50.0 pct	50,000
60,000	70,000	$22,752 plus 52.0 pct	60,000
70,000	80,000	$27,952 plus 53.0 pct	70,000
80,000	90,000	$33,252 plus 54.0 pct	80,000
90,000	100,000	$38,652 plus 55.0 pct	90,000
100,000	150,000	$44,152 plus 56.0 pct	100,000
150,000	200,000	$72,152 plus 56.0 pct	150,000
200,000	----------	$100,152 plus 56.0 pct	200,000

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to the taxable year beginning after December 31, 1978 and before January 1, 1979.

PERMANENT REDUCTION IN INDIVIDUAL INCOME TAX RATES

SEC. 5. (a) PERMANENT REDUCTION.—Section 1 (relating to tax imposed) is amended to read as follows:

"Section 1. Tax Imposed.

"(a) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—There is hereby imposed on the taxable income of—

"(1) every individual (as defined in section 143) who makes a single return jointly with his spouse under section 6012, and

"(2) every single surviving spouse (as defined in section 2(a)),

a tax determined in accordance with the following table:

If the amount of taxable income is—		Then as tax before credit—	
Over—	But not over—	Enter—	Of excess over—
0	$1,000	0 plus 6.0 percent	0
$1,000	2,000	$80 plus 9.0 percent	$1,000
2,000	2,200	$170 plus 10.0 percent	2,000
2,200	4,000	$190 plus 11.0 percent	2,200
4,000	8,000	$588 plus 11.0 percent	4,000
8,000	12,000	$900 plus 15.0 percent	3,000
12,000	16,000	$1,508 plus 17.0 percent	12,000
16,000	20,000	$2,188 plus 19.0 percent	16,000
20,000	24,000	$2,948 plus 21.0 percent	20,000
24,000	28,000	$3,799 plus 24.0 percent	24,000
26,000	32,000	$4,748 plus 27.0 percent	28,000
32,000	36,000	$5,828 plus 29.0 percent	32,000
36,000	40,000	$6,928 plus 31.0 percent	36,000
40,000	44,000	$8,228 plus 33.0 percent	40,000
44,000	32,000	$9,348 plus 35.0 percent	44,000
52,000	64,000	$12,348 plus 36.0 percent	52,000
64,000	76,000	$16,668 plus 17.0 percent	64,000
76,000	00,000	$21,108 plus 40.0 percent	76,000
88,000	100,000	$25,903 plus 42.0 percent	88,000
100,000	170,000	$31,928 plus 44.0 percent	100,000
120,000	140,000	$39,988 plus 46.0 percent	120,000
140,000	160,000	$49,185 plus 47.0 percent	140,000
160,000	180,000	$33,582 plus 48.0 percent	160,000
180,000	200,000	$68,185 plus 49.0 percent	180,000
200,000	300,000	$77,988 plus 50.0 percent	200,000
300,000	400,000	$127,933 plus 50.0 percent	300,000
400,000	----------	$177,458 plus 50.0 percent	400,000

"(b) Heads of Households. There is hereby imposed on the taxable income of every individual who is the head of household (as defined in section 2(b)) a tax determined in accordance with the following table:

If the amount of taxable income is—		Then as tax before credit—	
Over—	But not over—	Enter—	Of excess over—
0	$500	0 plus 8.0 pct	0
$500	1,000	$40 plus 8.5 pct	$500
1,000	1,100	$87 plus 9.5 pct	1,000
1,100	2,000	$92 plus 10.0 pct	1,100
2,000	2,200	$187 plus 11.5 pct	2,000
2,200	4,000	$205 plus 12.0 pct	2,200
4,000	6,000	$421 plus 14.0 pct	4,000
6,000	8,000	$701 plus 15.0 pct	6,000
8,000	10,000	$1,001 plus 17.0 pct	8,000
10,000	12,000	$1,341 plus 18.0 pct	10,000
12,000	14,000	$1,701 plus 20.5 pct	12,000
14,000	16,000	$2,111 plus 22.0 pct	14,000
16,000	18,000	$2,551 plus 24.0 pct	16,000
18,000	20,000	$3,031 plus 25.0 pct	18,000
20,000	22,000	$3,531 plus 27.0 pct	20,000
22,000	24,000	$4,071 plus 28.0 pct	22,000
24,000	26,000	$4,631 plus 29.5 pct	24,000
26,000	28,000	$5,221 plus 30.0 pct	26,000
28,000	32,000	$5,821 plus 31.5 pct	28,000
32,000	36,000	$7,031 plus 33.0 pct	32,000
36,000	38,000	$8,401 plus 34.0 pct	36,000
38,000	40,000	$9,081 plus 35.5 pct	38,000
40,000	44,000	$9,791 plus 36.5 pct	40,000
44,000	52,000	$11,251 plus 39.5 pct	44,000
52,000	60,000	$14,411 plus 40.0 pct	52,000
60,000	64,000	$17,611 plus 41.0 pct	60,000
64,000	70,000	$19,251 plus 41.5 pct	64,000
70,000	76,000	$21,741 plus 42.0 pct	70,000
76,000	80,000	$24,261 plus 43.5 pct	76,000
80,000	88,000	$26,001 plus 44.0 pct	80,000
88,000	90,000	$29,521 plus 46.0 pct	88,000
90,000	100,000	$30,441 plus 46.5 pct	90,000
100,000	120,000	$35,091 plus 47.0 pct	100,000
120,000	140,000	$44,491 plus 48.0 pct	120,000
140,000	150,000	$54,091 plus 48.5 pct	140,000
150,000	160,000	$58,941 plus 48.5 pct	150,000
160,000	180,000	$63,791 plus 49.0 pct	160,000
180,000	200,000	$73,391 plus 49.5 pct	180,000
200,000	300,000	$83,491 plus 50.0 pct	200,000
300,000	400,000	$133,491 plus 50.0 pct	300,000
400,000		$183,491 plus 50.0 pct	400,000

"(c) UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS).—There is hereby imposed on the taxable income of every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 143) a tax determined in accordance with the following table:

If the amount of taxable income is—		Then as tax before credit—	
Over—	But not over—	Enter—	Of excess over—
0	$500	0 plus 3.0 pct	0
$500	1,000	$40 plus 9.0 pct	500
1,000	1,100	$85 plus 10.0 pct	1,000
1,100	2,000	$95 plus 11.0 pct	1,100
2,000	4,000	$194 plus 13.0 pct	2,000
4,000	6,000	$454 plus 15.0 pct	4,000
6,000	8,000	$754 plus 17.0 pct	6,000
8,000	10,000	$1,094 plus 19.0 pct	8,000
10,000	12,000	$1,474 plus 21.0 pct	10,000
12,000	14,000	$1,694 plus 24.0 pct	12,000
14,000	16,000	$2,374 plus 27.0 pct	14,000
16,000	18,000	$2,914 plus 29.0 pct	16,000
18,000	20,000	$3,494 plus 31.0 pct	18,000
20,000	22,000	$4,114 plus 33.0 pct	20,000
22,000	24,000	$4,774 plus 35.0 pct	22,000
24,000	32,000	$6,174 plus 36.0 pct	26,000
32,000	38,000	$8,334 plus 37.0 pct	32,000
38,000	44,000	$10,554 plus 40.0 pct	38,000
44,000	44,000	$12,954 plus 42.0 pct	44,000
44,000	60,000	$12,954 plus 44.0 pct	44,000
60,000	70,000	$19,994 plus 46.0 pct	60,000
70,000	80,000	$24,594 plus 47.0 pct	70,000
80,000	90,000	$29,294 plus 45.0 pct	80,000
90,000	100,000	$34,094 plus 49.0 pct	90,000
100,000	150,000	$38,994 plus 50.0 pct	100,000
150,000	200,000	$00,894 plus 50.0 pct	150,000
200,000		$85,994 plus 50.0 pct	200,000

"(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS: ESTATES AND TRUSTS.—There is hereby imposed on the taxable income of every married individual (as defined in section 143) who does not make a single return jointly with his spouse under section 6013, and of every estate and trust taxable under this subsection, a tax determined in accordance with the following table:

If the amount of taxable income is—		Then the tax before credit—	
Over—	But not over—	Enter—	Of excess over—
0	$500	0 plus 8.0 pct	0
$500	1,000	$15 plus 9.0 pct	$500
1,000	1,100	$85 plux 10.0 pct	1,000
1,100	2,000	$95 plus 11.0 pct	1,100
2,000	4,000	$194 plus 13.0 pct	2,000
4,000	6,000	$454 plus 15.0 pct	4,000
6,000	8,000	$754 plus 17.0 pct	6,000
8,000	10,000	$1,094 plus 19.0 pct	8,000
10,000	12,000	$1,474 plus 21.0 pct	10,000
12,000	14,000	$1,894 plus 24.0 pct	12,000
14,000	16,000	$2,374 plus 27.0 pct	14,000
16,000	18,000	$2,912 plus 29.0 pct	16,000
18,000	20,000	$3,494 plus 31.0 pct	18,000
20,000	22,000	$4,114 plus 33.0 pct	20,000
22,000	26,000	$4,774 plus 35.0 pct	22,000
26,000	32,000	$6,174 plus 36.0 pct	26,000
32,000	38,000	$8,334 plus 37.0 pct	32,000
38,000	44,000	$10,554 plus 40.0 pct	38,000
44,000	50,000	$12,954 plus 42.0 pct	44,000
50,000	60,000	$15,714 plus 44.0 pct	50,000
60,000	70,000	$19,994 plus 46.0 pct	60,000
70,000	80,000	$24,594 plus 47.0 pct	70,000
80,000	90,000	$29,294 plus 48.0 pct	80,000
90,000	100,000	$34,094 plus 49.0 pct	90,000
100,000	150,000	$38,994 plus 50.0 pct	100,000
150,000	200,000	$63,994 plus 50.0 pct	150,000
200,000		$88,994 plus 50.0 pct	200,000

(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years ending after December 31, 1979.

SEC. 6. REDUCTION OF CORPORATE TAX RATES.

(a) Reduction of Normal Tax Rates.—Subsection (b) of section 11 of the Internal Revenue Code of 1954 (relating to normal tax) is amended to read as follows:

"(b) Normal Tax.—The normal tax is equal to—

"(1) in the case of taxable years beginning after December 31, 1977, and before January 1, 1978, the sum of—

"(A) 19 percent of so much of the taxable income as does not exceed $25,000, plus

"(B) 21 percent of so much of the taxable income as exceeds $25,000;

"(2) in the case of taxable years beginning after December 31, 1978, and before January 1, 1979, the sum of—

"(A) 18 percent of so much of the taxable income as does not exceed $25,000, plus

"(B) 20 percent of so much of the taxable income as exceeds $25,000; and

"(3) in the case of taxable years beginning after December 31, 1979, the sum of—

"(A) 17 percent of so much of the taxable income as does not exceed $25,000, plus

"(B) 19 percent of so much of the taxable income as exceeds $25,000.".

(b) Increase in Surtax Exemption.—Subsection (d) of such section (relating to surtax exemption) is amended to read as follows:

"(d) Surtax Exemption.—For purposes of this subtitle, the surtax exemption for any taxable year is $100,000, except that, with respect to a corporation to which section 1561 (relating to certain multiple tax benefits in the case of certain controlled corporations) applies for the taxable year, the surtax for the taxable year is the amount determined under such section.".

(c) Conforming Amendment.—Paragraph (7) of section 12 of such Code (relating to cross references relating to tax on corporations) is amended by striking out "$50,000" and inserting in lieu thereof "$100,000".

(d) Effective Date.—The amendments made by this section apply with respect to taxable years beginning after December 31, 1977.

By Mr. MATHIAS:

S. 1862. A bill to amend the Department of Transportation Act and certain other provisions of law with respect to rail service continuation assistance; to the Committee on Commerce, Science, and Transportation.

RAIL SUBSIDY EXTENSION

Mr. MATHIAS. Mr. President, the bill I am introducing today is intended to help two types of railroad operations attain a sound financial footing and stay there.

My bill would continue for 1 additional year a full Federal subsidy to: Rail branch lines; and commuter rail lines.

The rail branch lines are those light density freight lines which ConRail chose not to operate when it took over the bankrupt railroads. Under the Regional Rail Reorganization Act of 1973, Congress voted to provide subsidies to those branch line operators through March 31, 1977, for operating the lines and rehabilitating the track to permit the trains to run at higher speeds. During that time, cost data was to be compiled by the branch lines in coordination with ConRail and the Federal Railroad Administration. This information was to be used as the basis for weighing the costs and benefits of individual rail lines and to assist in devising a suitable rail shipment system.

Because of the rail reorganization, the newness of the program, and the time required to issue Federal regulations to carry out the program, only 3 months of the subsidy money was used by the rail branch lines. Therefore, they have very little hard data upon which to make future operational decisions. This is not only unfair to those rail operators but thwarts the intent of the original legislation to provide a 1-year "gearing up" period.

Very little track rehabilitation on those branch lines has received the Federal subsidy because of similar organizational delays. For example, the Federal Railroad Administration decided to fund only completed track repair jobs rather than those underway, and then only if FRA had approved the State's rail plan. In addition to those delays, it took the better part of 1976 for branch operators to survey, plan, and program track rehabilitation.

The purpose of the Regional Rail Reorganization Act was to get the rail system back on its feet. It has taken some time for all the parties to work out their respective problems, and for this reason I believe a 1-year extension of the full Federal subsidy is warranted.

Most of those branch rail lines are located in rural areas whose regional economies are dependent for their economic livelihood on those lines and the shipping they provide. It is essential that Congress insure the stability of rural regional economies by extending the branch line subsidy. The extra year will permit the States to adjust their budgets, and in some cases their constitutions to permit them to take on a heavier load of the subsidy costs for those branch lines.

Those small railroad operators simply do not have the financial capacity to take on the full cost of track upgrading in order to make them competitive and to allow them to continue serving important sectors of our Nation's economy. Without track upgrading many miles of the system will continue to be operated with trains lumbering along at 10 miles per hour or less.

An estimated $180 million in rail bed

improvement is needed on branch lines in the ConRail region. Under the first year of operation with Federal subsidy, only about $60 million or one-third of that amount had been obligated.

The operating subsidy funds, which come from section 402 of the Regional Rail Reorganization Act, have historically been available for all the States. I would expect this arrangement to continue pursuant to report language of the Senate Appropriations Committee for fiscal year 1977 and 1978.

The second part of my bill would extend the Federal commuter rail subsidy for one more year pursuant to section 17 of the Urban Mass Transportation Act of 1964. That full subsidy expired on March 31, 1977. Under the 1964 Act, the subsidy drops to 90 percent for the subsequent year and 50 percent for 6 months thereafter. As a result, the States would have to pick up the difference between the subsidy and the actual cost of commuter rail operation. This is a substantial financial burden for the States which some of them find they are unable to carry.

The 1-year extension specifically in my bill would provide the States with a period in which to make a decision on whether they will assume the operating subsidy for commuter lines and adjust their budgets to accommodate those costs.

Commuter rail service is an important transportation resource in many intercity areas, carrying workers to their jobs in an enregy efficient way.

Section 17 of the UMTA Act is authorized at $45 million for fiscal year 1978. The Senate has approved an appropriation very close to that figure. My bill would extend the subsidy for 1 more year and increase the authorization level by $56 million.

By Mr. STENNIS (for himself, Mr. McINTYRE, and Mr. TOWER) (by request):

S. 1863. A bill to authorize appropriations during the fiscal year 1978 for procurement of aircraft and missiles, and research, development, test and evaluation for the Armed Forces, and for other purposes; to the Committee on Armed Services.

Mr. STENNIS. Mr. President, by request, for the Senator from New Hampshire (Mr. McINTYRE) and the senior Senator from Texas (Mr. TOWER), I introduce, for appropriate reference, a bill to authorize appropriations during the fiscal year 1978 for procurement of aircraft and missiles, and research, development, test, and evaluation for the Armed Forces, and for other purposes.

I ask unanimous consent that a letter of transmittal requesting consideration of the legislation and explaining its purpose be printed in the RECORD immediately following the listing of the bill.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
July 13, 1977.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: On July 12, 1977 the President submitted an amendment to the Budget for fiscal year 1978 as a result of his decision to terminate B-1 production and to pursue instead development and deployment of cruise missiles using air-launched platforms. The amendment decreases the amounts requested for appropriation in certain accounts of the Department of Defense and increases others. Some of these increased amounts require fund authorization pursuant to section 138(a) of title 10, United States Code.

Taking into consideration the amounts which will be authorized for appropriation in the pending Department of Defense Appropriation Authorization Act, 1978 and the decreases in appropriations requested contained in the Budget amendment, in some instances fund authorization will exceed the amount requested for appropriation and additional authorization could be considered unnecessary. However, in accordance with past practice this request for supplemental authorization includes the full amount for those additional programs in the President's Budget amendment for procurement and research and development.

Accordingly, there is forwarded herewith legislation "To authorize appropriations during the fiscal year 1978 for procurement of aircraft and missiles, and research, development, test and evaluation for the Armed Forces, and for other purposes." This proposal is a part of the Department of Defense legislative program for the 95th Congress. The Office of Management and Budget advised that enactment of this proposal would be in accord with the program of the President.

In accordance with usual practice, the Committee on Armed Services will be furnished with such additional information as it may require in connection with this request. A similar request is being forwarded to the Speaker of the House of Representatives.

Sincerely,

DEANNE C. SIEMER.

ADDITIONAL STATEMENTS

COMMUNITY EDUCATION—TOLL-FREE NUMBER

Mr. CHURCH. Mr. President, for 2 years the Office of Education has administered a community education program—a program which utilizes the public school system to serve the needs of the entire community.

When I introduced the legislation to create such a program, it was foreseen that someday every State and community would benefit from this most effective form of "education." Already we have witnessed programs in almost every State and the number of community programs is growing. Courses from tax counseling to yoga are offered in the public schools and the attendance record has been most encouraging.

However, there are still many communities which have not yet benefited from community education and I am pleased to learn that the Federal Community Education Clearinghouse has been established. The clearinghouse provides a toll-free number for requests on information about community education, and I think that my colleagues, their staffs, and their constitutents will find this assistance of value.

I ask unanimous consent that the news release describing the clearinghouse be printed in the RECORD.

There being no objection, the news release was ordered to be printed in the RECORD, as follows:

HEW NEWS,
June 29, 1977.

Suppose a school board wants to initiate a community education program in its district.

Who can the members talk to about assessing community needs?

How do they go about forming an advisory council?

What services could such a program provide its senior citizens?

The Federal Community Education Clearinghouse, recently established by HEW's Office of Education, can answer all of these questions and others as well.

The clearinghouse, operated under a one-year contract by Informatics, Inc., in Rockville, Md., gathers, analyzes, and disseminates up-to-date information on a broad range of topics related to community education.

A toll-free number provides easy access to the clearinghouse during regular working hours. Requests can be made by dialing (800) 638-6698 from anywhere in the continental United States except Maryland. Maryland residents should dial (301) 770-3000. The public also is invited to write or visit the office at 6000 Executive Boulevard, Rockville, Md., 20852.

In answering requests, the clearinghouse draws upon several hundred articles and documents which have been collected and filed in appropriate categories. A requestor may receive excerpts from journal articles, descriptions of successful programs, or explanations of alternative approaches to the subject. Or, he might be referred to a State agency that offers technical assistance or to an individual in his geographic area who has the needed expertise. If the response/referral service contains several items on a subject, the clearinghouse would send a bibliography of references for the requestor to research.

In addition to answering individual requests, the clearinghouse will produce:

A quarterly publication, the *Community Education Calendar*, highlighting issues, events, and important developments in the community education field. Community school officials and practitioners are encouraged to exchange information and ideas by contributing to the *Calendar*.

A registry containing the names and interest areas of community educators. People on the list will receive the latest products and publications of the clearinghouse and will serve as a resource for linking requestors with appropriate contacts.

A directory describing the goals, activities, and results of selected projects funded by the Office of Education's Community Education program. Projects will be chosen to illustrate the variety of settings, target populations, and administering agencies represented in the Federal program.

A catalog of resource material listing the most important printed and audiovisual items contained in the response/referral service. An expanded abstract and purchase information on each item will help community educators know what is available in particular subject areas.

ENERGY STRATEGY REBUTTAL

Mr. GARN. Mr. President, one of the most comprehensive critiques of Amory Lovins' "Energy Strategy: The Road Not Taken?" has been written by Dr. Ian A. Forbes, the technical directory of Energy Research Group, Inc., a Massachusetts consulting firm. Dr. Forbes criticisms go directly to the heart of the Lovins thesis, and really should be read as a counterweight to the Foreign Affairs article.

Let me quote a few of the points on which Dr. Forbes challenges Lovins:

That "soft" energy is cheap is contrary to actual current cost data for most of the soft energy sources that Lovins discusses.

That it is plentiful relies on the assumption that soft technologies are available at acceptable cost. . . .

While there is much energy wastage . . . the potential for savings is neither as large nor as easy as Lovins' numbers game would lead one to believe.

That it is clean is doubtful. . . . To the extent that diesel electric generators, domestic use of coal, methanol, recycled waste, fluidized-bed boilers, etc., would have to be used, the soft technologies will still constitute polluting technologies, only dispersed and less amenable to control.

Last, and perhaps most importantly, Dr. Forbes points out that—

If the soft path really consists of options that are technically viable, available at reasonable cost, publicly acceptable, and environmentally sound, it would seem that our policy would flow quite easily in that direction with only gentle pushing.

Only those who believe in devil theories have an answer to this objection.

Mr. President, I ask unanimous consent that Dr. Forbes articles be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ENERGY STRATEGY: A TIME FOR REALISM

(By Dr. Ian A. Forbes)

One of the most disturbing aspects of Amory Lovins' "Energy Strategy: The Road Not Taken?" and other papers that recommend a "soft," renewable energy source strategy is that, in the midst of an energy problem that grows steadily worse because of inaction, they offer false hope of simple, almost utopian solutions. To the public at large, Lovins offers a vision of energy that is clean and safe, cheap and plentiful, and that provides more and better employment; to the policy-makers who have fiddled time away for over a decade, he provides an excuse for further inaction by suggesting that a complete rethinking is required; and to those who insist in the face of all evidence that nuclear power is dangerous and solar cheap, he gives a rationale for what they had decided anyway.

That "soft" energy is cheap is contrary to actual current cost data for most of the soft energy sources that Lovins discusses. That it is plentiful relies on the assumption that soft technologies are available at acceptable cost and that the inefficiencies of current "hard" energy systems are so great that for very little effort or cost we can obtain much more energy output from our raw resources. While there is much energy wastage, and while conservation of fluid fuels in particular must be our highest priority, the potential for savings is neither as large nor as easy as Lovins' numbers game would lead one to believe.

That it is clean is doubtful since it presumes that the truly clean sources (principally solar) can provide the bulk of the nation's energy supply. To the extent that diesel electric generators, domestic use of coal methanol, recycled waste, fluidized-bed boilers, etc., would have to be used, the soft technologies will still constitute polluting technologies, only dispersed and less amenable to control.

There are many other contradictions in Lovin's arguments for a soft energy path. At one point, cogeneration of electricity and steam or hot water is an important step to improving energy efficiency. At another point electricity is dismissed as a technology that is constrained to waste two-thirds of the energy content of fuel. He rightly professes concern for the global buildup of CO_2, yet proposes the use of coal, oil and methanol. He raises the very real problem of fluid fuel shortages, but advocates the use of diesel generators and the abandonment of central electric power generation. He is concerned about the risks of the high technology path, but dismisses those of the soft path. And he constantly juggles energy input-output values and energy costs and savings to the continual benefit of the soft path.

The underlying presumption seems to be that the soft path leads naturally and inherently to a future that is not only cleaner and more benign, but also freer and more human. This is not axiomatic. A change to decentralized energy systems will not, per se, make for a freer, more "human" society. Some low-energy societies are by no means warm, friendly and free of coercion, while others are cooperative and human in the midst of adversity. Certainly, we cannot view energy policy as the sole mechanism for dehumanizing society. If we forsake proven "hard" options for an unproven "soft" path, we run a high risk of having to disrupt or coerce society to maintain the soft path. In this sense, the soft path society could be a great deal colder and less free than today's.

Perhaps, however, the most disturbing aspect of Lovins' development of the road-not-taken is that he apparently feels little obligation to discuss the detailed policy mechanisms that would lead us onto the soft path. Yet this is what it largely hinges on. If the soft path really consists of options that are technically viable, available at reasonable cost, publicly acceptable, and environmentally sound, it would seem that our policy would flow quite easily in that direction with only gentle pushing.

Our future path should not be but a heedless extrapolation of the past. To the contrary, conservation is inarguably necessary and the development of renewable sources is desirable. Our demands need questioning and our social goals need careful re-examination. Most of all we need responsible action from public leaders whose negligence has grossly abused the public's trust. But prudent policies must recognize the exigencies of the present while approaching the future in an open-minded yet realistic way.

ENERGY STRATEGY AND CHANGE

Lovins' view of two distinct and exclusive paths is puzzling. To view the future as a "hard" path with high growth or a "soft" path with massive savings and low growth, for which we must make a clear choice today, is myopic if not irresponsible. Lovins' hard energy path is a "straw man" that shows future growth well in excess of that of most thoughtful projections; and his soft path is simply unfeasible in terms of the assumptions it makes for the rate at which energy efficiency improvements and soft technology can be introduced. Nor can our energy future be viewed as having two paths. Rather it is a plain, where the hard technologies cannot be forsaken till the soft technologies are tested and found viable, and even then the transition would be a gradual one. In fact, however, hard and soft have coexisted since the dawn on the industrial age; and in future transitions they must coexist with each other and with conservation.

There is a tendency on the part of those who maintain that the "energy crisis" was invented to believe that we have discovered much by way of new alternatives in the last several years, and that energy systems can be molded in short order in the hands of a few capable strategists. Neither point is correct.

Possibly the only really "new" discovery of today is an examination of growth and a questioning of consumption, manifested in debates over energy and jobs, lifestyle, and conservation versus growth. To the extent that these debates can move us away from posturing for favored strategies toward a careful researching of the basic roots of energy demand, this trend is a healthy one.

A central problem is the rate at which policy decisions can produce major changes in an energy system that is so complex and interdependent. Beyond the point where new technologies are available and competitive, there is a striking consistency to the rate at which they build into an energy system even, in dramatically different economies.

In this light, lovins' assertion that soft technologies could grow to about five quads by 1985, and to about 35 quads in 2000 (representing 35 percent of his total energy demand estimate for 2000) would take miracles or revolution to come true. More careful studies, such as those by Arnold Cohen and others, suggest that solar heating, for example, might provide 1–3 percent of year 2000 energy needs if major government support is provided to develop the market before economic viability is achieved.

For too long we have avoided decisions on problems that were apparent a quarter of a century ago, and we cannot use visions of a different path as an excuse for further delay. It is time to confront reality and use the tools we have available to solve supply and demand problems now. New supplies and strategies must be brought into play, but none can provide easy or quick solutions.

ENERGY EFFICIENCY AND CONSERVATION

Much of Amory Lovins' strategy is based on the beguiling proposition that, "The United States could probably improve energy efficiency by a factor of three or four," and that through efficiency improvements alone we could get twice as much energy out of the system for the same input by 2000, and more thereafter. This "more or less" seems like an offer that can't be refused, especially when combined with the statement that energy is lost "in elaborate conversions in an increasingly inefficient fuel chain." Lovins claims, for example, that in Britain since 1900 energy input has doubled while output has increased by only one-half. This proposition is contrary to the facts.

In Energy in the Future, Palmer Putnam analyzed the efficiencies of world energy systems from 1800 to 1950 in great detail. For the United Kingdom he concludes that although energy input from 1900 to 1950 grew at about the same rate as the population, the overall conversion efficiency more than doubled, so that the energy output per capita also more than doubled. As to the United States, Putnam calculates that the overall efficiency increased from about 11 percent in 1900 to nearly 30 percent in 1950. He concludes that while U.S. per capita input increased by about 75 percent in this period, energy output per capita increased by about 350 percent.

It is evident, therefore, that the historical trend has been toward more, not less efficient energy use. Examples vary from the replacement of the fireplace by the stove and basement furnace to more complex efficiency improvements in industrial processes—the efficiency of electric generating plants increased nearly ten-fold between 1900 and 1970, and the efficiency of rail transportation increased dramatically (in energy terms) after 1950 with the phasing out of steam locomotives.

There are, however, some important areas for efficiency and conservation improvements, and in this regard Lovins' points are well taken. The principal emphasis needs to be on oil and natural gas, which account for three-quarters of U.S. energy consumption.

The internal combustion engine is a prime example, particularly since transportation accounts for about one-quarter of U.S. energy use and over one-half of oil consumption. Since 1920, the efficiency of automobile engines has increased by only about 22–25 percent. But, the increasing size and number of "options" have decreased today's mile-

age to below that of 1920. There is obviously room for improvement (though in quoting a 27 percent improvement from 1974 to 1976, Lovins fails to mention that 1974 models with their pollution control devices, represented a low ebb in auto efficiency).

Savings can also be effected by switching to smaller cars, or away from cars and planes to buses and trains. But this requires changes in habits and lifestyles (in this regard, recall that the oil embargo resulted in demand for small cars that manufacturers moved to match, only to be faced with surpluses as the recession eased and the public moved back to bigger cars.)

Electricity is another area in which efficiency improvements are possible. The steady increase in generating efficiency can be expected to continue, but cogeneration and the use of heat pumps have the potential to provide for marked improvement. Heat pumps are considerably more efficient than resistance heating and are already making inroads in the domestic market, although further development is needed for reliable operation in the northern U.S. and Canada. Cogeneration is, as Lovins suggests, largely a problem of institutional barriers, which is true of many things in energy. It is certainly feasible and desirable to use the "waste" heat from power plants for industrial steam or for district heating, but siting policies, rate structures and many other factors will need to be modified to provide the incentive for this.

There are many other areas where improvements can be made (home insulation, industrial equipment, etc.) but the rate of efficiency increase will not be as fast as before. Many of the areas require technical developments, and beyond that must wait for old equipment to be retired before new, more efficient models can be installed—this factor is a significant limiter, yet it is frequently ignored.

ECONOMICS

Much of Amory Lovins' soft strategy is based on the proposition that the economic cost of continuing the hard path is unacceptably burdensome, and that the soft path is well within an affordable range. Yet, current and projected costs lead to the opposite conclusion. They indicate that Lovins' soft path would be more expensive, due both to the direct cost of the technology proposed and to the cost of the early retirement of existing and energy conversion technology which his strategy would impose.

With regard to the hard path, it is a matter of record that fuel costs and capital costs have risen dramatically over the past several years. These cost increases are putting, and will continue to put, a substantial strain on our energy system and our society, including the dramatic impact of imports (up from $3 billion in 1970 to about $36 billion in 1976). But costs have begun to stabilize, and prospects are that future capital cost increases will not be at the pace of the post-embargo recession period, but rather nearer the slower pace of the pre-embargo era.

Lovins' juggling of capital costs for energy supply is confusing at best. He claims that "the capital cost per delivered kilowatt of electrical energy emerges as roughly 100 times that of the traditional direct-fuel technologies." While electric resistance heating is more expensive than oil or natural gas, as anyone using it knows, it is certainly not that much more expensive, nor is the capital component.

First, Lovins' capital costs are not consistent 1976 dollars as he claims. For example, for a nuclear power plant ordered today the total capital cost in 1976 dollars would be about 40–60 percent of that that Lovins gives. Second, for hard and soft technologies the total investment must include not only the cost of production facilities (e.g., for oil: exploration, drilling, pipelines, tankers, refineries, etc.), but also the costs related to final delivery to dispersed locations and to end use. Third, Lovins plays an interminable game with energy efficiencies: electricity's end-use energy content is not always its resistance heating value, but rather varies with the application (refrigeration, lighting, air conditioners, etc.) and if cogeneration is involved, while direct use of fuel can never be at the full energy potential of the fuel—the prime example here being the automobile engine. Fourth, it is surprising that a believer in life-cycle costing would miss the point of replacement rate for investment.

The useful life of a mine, well, power plant or solar panel is an important factor in the rate at which capital investment is needed (power plants, for example, have a useful life of about 40 years—well beyond that of many other components of our energy system). And it would be particularly significant in a strategy that requires the early retirement of existing equipment in order to replace it quickly with more efficient equipment or soft technology.

But this might mean little if the "soft" path were inherently cheaper and less capital intensive. Unfortunately, much of the soft path is more costly than the hard, for the foreseeable future at least.

Because a number of key parts of Lovins' vaguely-defined soft path are not well developed, cost estimates are uncertain (this alone should warrant concern). But enough is known to make some observations.

Lovins dismisses economies of scale, for which very reason power plants, refineries and other energy facilities have been built in larger sizes over the years. And it is for this reason, combined in some cases with technical complexity, that the "hard" approach has been suggested by some for renewable energy sources. (It might be well to note, too, that the definition of "hard" and "soft" is user-dependent; what is soft for industrial users might be hard for individual consumers.)

Lovins also suggests "backyard" diesel generators. True, they can be inexpensive (though not nearly as low as Lovins' $40 per kilowatt), but ask anyone living in a remote area supplied by diesel generators what they pay for electricity and one quickly finds out that it is hardly a cheap route (even when the diesel fuel comes from a "hard" refinery). Suggesting the production of alcohol to satisfy fluid fuel demand leads from the sublime to the ridiculous, not least of all because of price (e.g., store-alcohol currently has a shelf price of $4–7 per gallon). Besides, alcohol still produces the CO and CO_2 that we are concerned about.

Lovins further states that solar heating is available now and solar cooling imminently. This might well be questioned in terms of the durability of collector systems in the northern U.S. or Canada, and of the reliability of solar cooling systems. This is a major factor in life-cycle costing, but let us assume that the target lifetimes are achievable. Lovins claims that "They are cheaper than present electric heating virtually anywhere, cheaper than oil in many parts, and cheaper than gas and coal in some." But a recent study for ERDA arrives at a somewhat different conclusion. It finds, in essence, that solar heating may be "cheaper" than electric resistance heating in most of the U.S. for new houses with 12-inch attic insulation and brick veneer siding.

Put in terms of Lovins' own cost parameter, if a solar heating system at a cost of $5,000 could supply 60 percent of a U.S. average annual home heating requirement of about 20 barrels of oil, the capital cost translates to about $150,000 for the equivalent of a barrel of oil per day delivered (current cost). Since solar heating systems can cost twice this and more for high quality systems and/or professional installation, they are certainly not cheap; solar cooling promises to be about twice as expensive. Solar heating is a desirable trend, particularly in solar-designed housing, but it is not a low-cost path.

And again, on windmills, costs for ERDA/NASA's recently installed 100-kilowatt Sandusky wind turbine and those currently on order, are around $5,000 per rated kilowatt. At a 30 percent capacity factor, this translates to a capital cost of about $1.2 million per barrel of oil per day, without storage and transmission losses. Significant cost reductions can be expected in production machines, but it is still an expensive route. The more practical application would seem to be the approach of Canada's National Research Council in developing wind turbines for use in combination with diesel generators in remote or isolated areas where fuel costs are high.

It is clear that the soft path is very likely to be more capital intensive than the hard path. Dispensing the capital in smaller lumps at a time does not make it any less so.

ON NUCLEAR POWER

These are glimpses throughout Lovins' article that his desire to halt nuclear power is not only intense but undoubtedly one of the seminal foci from which his statement grew. He trots out a weary list of risks in operation, human fallibility and malice; of risk through greed for profit; of violence and coercion; of abrogation of civil liberties; of having to guard long-lived wastes; of establishment of an elite priesthood; of long-term effects of nuclear mishaps; and, in general and without evidence, a shopping list for a technology where everything is to be as bad as possible, in contrast to soft technology where everything is to be as good as possible.

More than 40 countries have seen what Amory Lovins fails to see—that nuclear power is an essential part of their future development. It is ridiculous for him to quote Norway, which will not need nuclear power for some time, or Australia and New Zealand which have not needed it till now, as examples of countries that have "rejected" nuclear power. International commitments to nuclear power will continue to grow of necessity.

International nuclear proliferation is a matter that requires serious efforts for solution. But it is naive to suggest that a unilateral cessation of domestic commercial nuclear power activities (neglecting research and military programs) will bring a halt to proliferation. If the U.S. were to halt its nuclear energy programs, others might falter temporarily, but they would not halt. Control of international nuclear proliferation will mean hard work to develop comprehensive safeguards and agreements with the possibility of sanctions.

ON HARD AND SOFT TECHNOLOGY

Projections of the Energy Research Group are that "new" energy sources, other than synthetic fuels, are unlikely to provide more than 4–6 percent of energy supply in 2000, and we have no reason to believe that other detailed methodological estimates come to significantly different conclusions. Energy supply for several decades at least will thus have to come principally from fossil fuels (hard and soft, natural and synthetic) and from nuclear fuels.

Embarking on a soft path with no immediate prospect of significant input from clean, renewable sources means, in essence, the dispersed use of fossil fuels—oil in diese generators, coal in basement furnaces, and a myriad of other polluting applications. With dispersal, pollution control is more difficult, less amenable to regulation, and hardly more environmentally sound that the "hard" path. Nor would Lovins' path be totally "soft," since mining and delivery would still be essentially "hard."

Lovins' suggestion that coal can provide a ready bridge to a completely soft energy mix relies on his claims that energy consumption in 2000 can be held to about 25 percent below current projections (declining thereafter) and that soft technologies can provide 35 percent of 2000 demand. With these two assumptions, coal production would require only a modest increase of about 65 percent by 2000 (and then be halted by 2025). But if just one of these two assumptions failed, there would have to be about a four-fold expansion of coal production by 2000, which would be difficult to accomplish and not very "soft."

Stating that "We are developing supercritical gas extraction, flash hydrogenation, flash pyrolysis, panel-bed filters and similar ways to burn coal cleanly" is correct if the emphasis is on the word "developing." The same can be said for Lovins' enthusiastic endorsement of fluidized-bed boilers. Their reliability with caking coal leaves much to be desired and their ability to remove sulfur pollutants needs improvement. Pending further development work, it is difficult to project the scale of fluidized-bed system use in larger commercial applications, let alone in individual home units.

There is no reason why a belief in the necessity of maintaining current "hard" technologies and developing new ones cannot exist with a belief in the importance of conservation and an excitement for the potential of certain softer technologies—solar heating and photovoltaic cells, wind turbines, waste conversion, energy storage and much more. Stating that they cannot conquer the energy world tomorrow or even in twenty years is not a denial of their value, only a recognition of reality.

Such a view might look to a future with energy demand growth reduced substantially from historic trends by conservation, with coal and nuclear displacing oil and natural gas in the nearer term, and with renewable energy sources building-in substantially beyond 2000. It is emphasized that this is illustrative, because substantial actions and programs would be required and because there is some latitude to the plan. And while it must be considered uncertain beyond the next ten years or so and speculative beyond 2000, it is nevertheless feasible.

There can be no doubt that there is a need for action and a need for that action to be based on sound goals and social policies. But energy strategy should not be used as the sole instrument to manipulate a path for society. Rather, energy policies should be developed in consonance with social objectives that have been openly agreed upon.

Thus, it gives pause for concern when we hear that, "Soft technologies are ideally suited for rural villagers and urban poor alike" and that soft technologies "do not carry with them inappropriate cultural patterns or values" for poor countries. For this seems hardly less than the "noble savage" concept resurrected to modern dress, and would seem to fly in the face of centuries (if not millenia) of human transitions and the desire for less individual effort (or for much of the world, less hardship). We can point out to others the mistakes we feel we have made, but we cannot dictate the path they should take, for the freedom of choice must be theirs.

Much careful thought remains before we can conclude that we are fundamentally on the wrong track.

NUTRITION EDUCATION

Mr. HUMPHREY. Mr. President, the Society for Nutrition Education has just concluded its annual convention. It is especially interesting to note that this year the meeting was held in Washington only days after the Senate passed, 96 to 0, legislation authorizing for the first time a comprehensive program of nutrition education for all the schoolchildren of America.

Members of the society have been instrumental in the formation of this legislation, which I am proud to have sponsored. They have been in the forefront of the fight to help save millions of dollars in health care costs, reduce the increasing incidence of suffering from chronic diseases, and improve the productivity of a better fed and healthier America, by educating children about healthful food habits.

I feel strongly that our general approach to health care has to be away from investment in the most costly kinds of crisis care and toward a greater investment in prevention. I am equally convinced that sound nutritional practices will form the foundation upon which to build a sound prevention strategy.

Mr. President, my friend and colleague, Senator GEORGE MCGOVERN, chairman of the Select Committee on Nutrition and Human Needs, made an excellent keynote address to the Society for Nutrition Education earlier this week. It summarizes all we have learned from our many hearings with regard to diet and health, makes a clear and commonsense argument for the need for nutrition education, especially for children, and warns of the problems in returning to a prudent diet under the circumstances of a continually and rapidly changing society, of advertising overkill, and of sedentary lifestyles.

Mr. President, I ask unanimous consent that Senator MCGOVERN's speech be printed in the Record.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

KEYNOTE ADDRESS, SOCIETY FOR NUTRITION EDUCATION ANNUAL CONVENTION

(By Senator GEORGE MCGOVERN)

Welcome to Washington. It's good to be among so many friends, and I deeply appreciate the invitation to address you today.

I stand here sharing a special sense, a feeling, that for those of us professionally concerned with matters of diet and health, a new day has arrived:

A day in which the American people and the United States' Congress have finally awakened to the fact that what we eat and how healthy we are are two totally intertwined factors;

A day in which there is beginning to shift in public perception and public policy—a shift away from ever spiralling expenditures for curative health measures towards a more modest but important investment in prevention—with nutrition education and sound nutritional practices being the cornerstone of that program of prevention;

A day in which the public will demand that doctors and health professionals take the time to both know more and care more about the importance of nutrition;

A day of growing consumer concern over what has been added to food—to color it, preserve it, and flavor it.

And, a day in which the American consumer is demanding information about the nutritional worth of all the products found in the supermarket: Dollar value at the store is coming to mean nutritional value.

In short, what I'm saying to you, and what hundreds of nutrition educators, dietitians, and nutritionists have said to me at hearings, in correspondence and in private meetings, is that matters of health care should be informed by good old common sense, and in this case, that means good nutrition.

I am optimistic that policymakers in Washington are beginning to think of nutrition not as a "fad", but as an important issue that must be dealt with by HEW and USDA. It is, I believe, the key to a preventive health policy that is long overdue.

The simple fact is that our diets have changed radically within the last 50 years, with great and often very harmful effects on our health. These dietary changes represent as great a threat to public health as smoking. Too much fat, too much sugar or salt, can be and are linked directly to heart disease, cancer, obesity, and stroke, among other killer diseases.

In all, six of the ten leading causes of death in the United States have been linked to our diet.

Last year every man, woman and child in the United States consumed 125 pounds of fat, and 100 pounds of sugar.

The consumption of soft drinks has more than doubled since 1960—displacing milk as the second most-consumed beverage. In 1975, we each drank, on the average, 295 12-oz. cans of soda.

In the early 1900's, almost 40 percent of our caloric intake came from fruit, vegetables and grain products. Today only a little more than 20 percent of calories comes from these sources.

Sixty percent of our total calories now comes from fat and sugar.

In testimony last year before the Senate Select Committee on Nutrition, the Assistant Secretary for Health, our nation's top health official, told us that: "In formulating future health policy, I believe that we have now reached a crucial point. Many of today's health problems are caused by a variety of factors not susceptible to medical solutions or to direct intervention by the health provider."

A USDA study has estimated that an improved diet could potentially reduce heart and vascular disease mortality by 20 percent to 25 percent. Similar statistics could be cited for the other major killer diseases.

The point is that preventive health care is the key to controlling our $150 billion medical care bill—and nutrition education is the key to preventive health care.

Earlier this year the Senate Select Committee on Nutrition and Human Needs, which I have been proud to chair since its creation in 1968, released a publication entitled "Dietary Goals for the United States." It was the first publication of its kind by any agency of the Federal Government and consequently has received widespread attention. It has been reviewed positively by Lancet, one of the most prestigious international medical journals; been the focus of a recent Kiplinger News Letter; and has generally helped to focus debate among health professionals and the food industry alike.

"Dietary Goals for the United States" is basically an endorsement of the "prudent diet." It is a call for a return to a more balanced diet, and is consistent with the recommendations of expert committees from around the world.

The Goals are as follows:

1. Increase carbohydrate consumption to account for 55 percent to 60 percent of the caloric intake;

2. Reduce overall fat consumption from approximately 40 percent to 30 percent of energy intake;

3. Reduce saturated fat consumption to account for about 10 percent of total energy intake; and balance with polyunsaturated and monounsaturated fats, which should account for about 10 percent of energy intake each;

4. Reduce cholesterol consumption to about 300 mg. a day;

5. Reduce sugar consumption by almost 40 percent to account for about 15 percent of total energy intake;

6. Reduce salt consumption by 50 percent to 85 percent, to approximately 3 grams a day.

The reaction to Dietary Goals has been extraordinary. More copies have been requested than for any other print in recent Senate history. Some have protested specific recommendations, while at the same time agreeing that they endorse all the recommendations except those that involve their industry.

I've tried to remind them that the diet we eat today was not planned or developed for any particular purpose. It is a happenstance related to our affluence, our farm production patterns and the activities of our food and advertising industries. If the risks associated with eating this diet become demonstrably large, as they have, the pattern can and should change.

In a series of hearings conducted by the Nutrition Committee called "Diet and Killer Diseases," time and again epidemiological evidence suggested increases in various killer diseases followed certain specific dietary trends.

The question to be asked, therefore, is not why should we change our diet, but, why not? What are the risks associated with eating less fat, less saturated fat, less cholesterol, less sugar, less salt, and more fruits, vegetables, unsaturated fat and whole grain cereals? There are none that can be identified, and important benefits can be expected.

I am sure that as the Committee continues its investigation, the Goals will be refined. There must be no turning back, however, on the official recognition that nutrition has finally achieved:

In the last year both the House and the Senate have established legislative subcommittees on nutrition;

The Farm Bill recently passed by the Senate recognized for the first time, and I quote, ". . . that nutrition and health considerations are important to United States' agriculture policy."

The Department of Agriculture has new plans to establish human nutrition research laboratories in major universities throughout the country;

The White House has undertaken a review of our nutrition research program.

But it is one thing to set the factual framework for action, and another to create an effective and meaningful mechanism for teaching people what to do about the problem. This is especially true with nutrition information, where so much partial information is made available by private interests.

Children watch about 25 hours of T.V. each week. Millions spend more time per week in front of the tube than in school. Food and beverage are T.V.'s most frequently advertised products. Food advertising is omnipresent. It has been estimated that a moderate T.V.-watching child potentially sees between 8,500 and 13,000 food and beverage commercials each year.

How do children process those messages, particularly food messages? Do their reactions shape life-long attitudes toward the product, a class of products, nutrition, or health?

I've noted with interest the deep concerns of many lobby groups over the recommendations made in "Dietary Goals." Usually, I am asked how we can make such dietary recommendations without final, laboratory proof of our thesis. I'd ask those same groups how they can justify aiming advertisements grossly oversimplified and incomplete to children without knowing what the impact is on their learning processes.

From a behavioral standpoint, every commercial message may have an anti-social implication. We simply don't know.

But I agree with Dr. Jean Mayer, who said at recent hearings, "I think it's very important for us, as a nation, to decide that foods, like drugs, are not commodities like any other commodity. That foods, like drugs, are essential to the nation's health and that, therefore, they cannot be sold—particularly to small children—with the same type of huckster techniques with which one can sell the plastic green monsters or this and that toy."

We need to involve government in this kind of investment, in a national program of nutrition education in the schools.

It is my hope that the Nutrition Education Bill (H.R. 1139) which I introduced and which recently passed the Senate 96–0 will be a beginning. It was the result of years of research and long hours of hearings and investigations. My staff has met regularly with the leadership of the Society for Nutrition Education for guidance in drafting this bill, and is particularly indebted to Ms. Ulrich for her expert advice and counsel.

The legislation authorizes the Secretary of Agriculture to carry out a program of nutrition information and education as part of food service programs for children.

It establishes a system of grants to state education agencies for the training of food service and educational personnel in the principles of good nutrition and the development of comprehensive nutrition education programs. The goal is to encourage the dissemination of nutrition information to children participating or eligible to participate in the school lunch and child nutrition programs, while making full use of the school lunch and child nutrition programs as a learning laboratory.

Such a program would be coordinated at the national level with other nutrition activities conducted by education and health agencies. A national back-up center, to train people and develop materials, is established. Each step along the way, the Secretary is directed to consult representatives of the appropriate federal administrative agencies, and nutrition, public health, home economics, school food service associations, in the formulation of such a program. A specialist in nutrition education is funded to do a needs assessment, draw up a budget, and write a state plan for nutrition education. Provisions are made for piggy-backing onto existing programs, such as the Extension Service.

Fifty cents for each child enrolled in school is authorized, with no state receiving less than $75,000.

I cannot think of any other program which would be as cost-beneficial as nutrition education.

Private industry spends four billion dollars a year on food advertising. The Federal Government spends $65 million on nutrition education. Coca-Cola spends over $70 million just to advertise coke.

The difference in the nation's resources allocated to promotion versus health education is enormous and indefensible.

We desperately need an unbiased source of funds for research in nutrition education and for the development of balanced educational materials which would be effective for a wide range of needs. General Mills and Kelloggs should not be faulted for providing tens of millions of children with the only nutrition education materials they may ever see. However, isn't it time to seriously question the role of private interests in our schools?

That is what government can do in this area—supply us with the necessary independence to pursue, as a matter of public policy, a course that will serve the greatest common good, not reinforce and protect the vested interests preaching more food, more fat, more sugar, and, ultimately, more doctor bills.

The new funds are needed if we hope to allow teachers the use of materials other than those supplied by corporate interests. This legislation should help liberate nutrition educators to follow a more independent course.

I believe an independent approach, independent of TV., independent of private promotional interests, is not only necessary for reasons of health, but is the one that ultimately will be the most effective.

But if nutrition educators are to be given a new independence and a new stature, they—you—must respond with new vigor and new imagination. In the course of our hearings over the years, I have been struck with the timidity of nutrition and health educators, as compared to doctors and scientists.

It seems almost as if you've been bludgeoned with fears of appearing unprofessional, or biased, not objective in your presentation. As a result, there has been a reluctance to move away from a dispassionate and false objectivity, that merely says eat from the four basic food groups, eat in moderation, all foods are good foods.

I believe this is no longer adequate. You must advocate certain foods, as we did in "Dietary Goals for the United States," and discourage the use of others. Don't be afraid to tell what you know. Be advocates for change. Be candid and specific.

How can contemporary people be expected to incorporate more healthful habits as part of their daily experience if educators of all kinds tip-toe around the requirements of a prudent diet.

Look at the success of "Dietary Goals," really just simple recommendations for a prudent diet. I see all around me a voracious hunger for the truth about health and diet.

In a Gallup poll conducted for *Redbook* magazine last year, 88% of those surveyed said they wanted to know more about nutrition. A Harris poll earlier this year for Chicago's Mount Sinai Hospital found that only 14% of those questioned thought Americans ate properly.

I see people trying to live healthful lives without, or in spite of, the guidance of government or industry or the comfort of common symbols. In a way, people are learning as well as can be expected under the circumstances of constant change, of advertising overkill, of sedentary life styles.

We must not misinterpret the signs. There is no revolution going on. We haven't had any breakthroughs or new discoveries. Instead, what is happening is evolution of thought, an awareness infinitely more profound and permanent than some flashy momentary change in thinking. We have to now decide to do more than ride this incoming tide. We have to harness it.

I believe it is time to stop pouring billions of dollars solely into taking care of ourselves after we get sick and concentrate more effort on staying healthy.

And I believe we need to join with each other in this struggle.

I remember nearly ten years ago when we set out to do something about the scourge of domestic hunger, the tragic blight upon this great land.

Who had then envisioned a free lunch program reaching ten million children each day, or a special supplemental feeding program for low-income women, infants, and children reaching nearly a million persons, or a new elderly program reaching 280,000 persons?

No one could have predicted the level of commitment the Federal Government would be willing to make. No one could have predicted the strength of the constituency for change, the constituency now known as "the hunger lobby." Community and church groups, school food service workers, educators, labor unions, and others interested in social justice have banded together, nar-

rowed their focus, organized themselves to push for specific legislative measures, and worked harder than they knew they could, and have succeeded in dramatically expanding nutrition programs during a period when almost all other so-called liberal, people oriented, programs have been drastically reduced.

And you, as professionals who are involved daily with the nutrition education of persons of all ages, know the value of these programs.

What I'm suggesting here today is that you can do the same.

Nutrition educators, dietitians, and nutritionists have to become catalysts for change. If you don't do it, someone else will—someone less well informed—the food faddists, the miracle cure workers, the fast buck artists, are all ready to fill the vacuum created by nutritional ignorance in this country.

I know there are many vitally important subjects we could have spent time on today. But presentations such as this are naturally limited.

I have directed several staff members of the Nutrition Committee to stay here to participate this week and report back to me. Your program of workshops appears to be ambitious and comprehensive, and you can be sure it will be useful to the workings of the Committee.

Let's be clear what our goals are.

Beyond the savings of billions of dollars in health care, beyond the increase in productivity of a more wisely fed America, beyond the decerased suffering from chronic diseases, what of our children?

What of their ability to learn, their ability to thrive as humans, and their ability to discern between information provided by the vested interests and more independently arrived at information?

Aren't they the ones we're really talking about?

Our responsibility to them and the prospects for progressive change in the next decade challenge each one of us. We are, my friends, on the verge of breakthrough in nutrition education policy.

The dimensions of the endeavor are great, but I believe, working together, we can accomplish much.

I wouldn't have come here to share these thoughts with you if I didn't think so.

Thank you for your time, thank you for your professional concern, and, most of all, thank you in advance for your help in the days ahead.

DEPLORING NORTH KOREAN ATTACK ON U.S. ARMY SUPPLY HELICOPTER

Mr. THURMOND. Mr. President, the unjustified attack by the North Koreans on a U.S. CH–47 cargo-type helicopter and the subsequent deaths of three of the four American crew members once again reveals the nature of the enemy we face in Korea.

Any civilized nation would not have reacted so violently to an apparent mistaken intrusion into the edge of North Korean territory by a noncombatant type aircraft.

The brutality of the North Korean response reminds us of the attack on U.S. military personnel during the tree-cutting incident in the truce zone when several Americans were attacked with machetes and hacked to death.

Mr. President, I urge President Carter to show firmness and strength in dealing with the North Koreans relative to the deaths of these Army personnel.

Similar incidents in the past merely demonstrate the increased risks we undertake in Korea by removing U.S. ground forces from that country where danger of serious confrontations are ever present.

RAINFALL AND RURAL LIFE

Mr. McGOVERN. Mr. President, South Dakota, which in 1976 had a serious shortfall of moisture, has been blessed with a return to near normal rainfall patterns in the eastern part of our State.

Writing in the June, 1977, edition of the Co-op Country News, Ms. Pat Leimbach, in her column, "Country Wife," points out the difference that rain can make in what is, at best, a semi-arid part of the United States. Ms. Leimbach was in South Dakota last fall during the drought and again this spring when we had more generous rainfall.

In her recitation of the dramatic contract between drought and nearly adequate moisture, Ms. Leimbach has also captured part of the essence of rural life.

Mr. President, I ask unanimous consent that her column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Co-op Country News, June 20, 1977]

COUNTRY WIFE

(By Pat Leimbach)

Somebody points out that I have a bright green spot on the seat of my white slacks. Not an attractive souvenir, but a souvenir all the same—the splattered innards of a bug who sacrificed his life to an idyllic hour passed by a "poet" on a prairie meadow.

I was up in South Dakota last September when five or six months of drought had made the place look in places like a moon scape, in others like a stage set for "Grapes of Wrath." So I felt like Dorothy awakening in the Land of Oz last week when I returned to a Technicolor wonderland of purple and gold hay fields interspersed with waving, shimmering acres of heading wheat and barley. There must be a few special days in the year when the light is of a quality that yields full sway to shades of color, and I hit those days the first week in June.

The alfalfa and sweet clover seeds itself among the native grasses along the roadsides crowding right up to the pavement like border plants on a garden path: I opened the car windows wide and let the perfume of the blooming hay blow through, turned the car radio to my secret passion, country western, and had myself a South Dakota "high."

The only nuisance plant much in evidence among the luxuriant greens was mustard, which in its golden June bloom is still a treat to the passerby not concerned with eradicting it.

Adding a note of humor to this scene are the tiny pocket gophers or ground squirrels who sit up on their hind quarters along the pavement gazing impishly about, and then scurry away as autos appear. Many of them are there mourning over the remains of dead relatives, whose poor little furry bodies litter the highways. They reminded me of naughty kids intent on playing where their mothers have told them they absolutely must not.

My business in South Dakota was speaking for four electric cooperatives in four little towns. The annual meeting of the co-op is one of the wing-dings of the year in these small farming communities. The firemen throw a barbecue; a little carnival is imported to set up on the vacant lot next to the Texaco station; down at the theatre they show cartoons for the kiddies.

On a banner strung between the bank and the hardware, or on a big cardboard box at the crossroads beneath the water tower, it says, "Rural Electric Co-op Meeting Tonight!" and you just follow the stream of people to the only place in town big enough to hold them all, the high school. After the meeting and the speech everybody files out for an intermission, a few making their way to the tavern down town, and the combo assembles to tune up for the square dance.

The Country Wife takes herself back to the Hilltop Motel (the "hill" was created when the highway piled up dirt for an overpass above the railroad that runs alongside the elevator linking this prairie town to the network of cities that depend on it for existence.)

It ain't a very excitin' place to pass a night, but as Loretta Lynn says, "I'm jest 'country'" and after a day with the bees and the butterflies, the gophers and the hay fields the only thing that's important is knowing that I can open the curtains of this small room and the prairie moon will shine in unobscured by a great glow from city lights.

INITIATIVE CONSTITUTIONAL AMENDMENT

Mr. HATFIELD. Mr. President, last Monday, July 11, I joined my colleague from South Dakota, Senator ABOUREZK, in introducing the initiative constitutional amendment, Senate Joint Resolution 67. The introduction of this amendment and the beginning of a nationwide drive toward its ratification has aroused a considerable amount of interest in the press and the public in general.

One of the news accounts about the resolution appeared in the New York Times on Tuesday, July 12. Mr. President, I think it would be helpful for our colleagues to have the benefit of this summary of the resolution. Therefore, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 12, 1977]

INITIATING OF LAWS BY PUBLIC PROPOSED

WASHINGTON, July 11.—Senator James Abourezk, Democrat of South Dakota, introduced today a proposed constitutional amendment that would allow citizens to initiate Federal laws and enact them through a national election.

The proposed amendment would give citizens the right to propose and enact proposals that have been ignored by elected officials, but it would reserve for Congress the right to declare war, call up troops and propose constitutional amendments.

Laws adopted through the process would be subject to judicial review and could be changed by Congressional action. However, in the first two years following enactment, such laws could only be repealed or amended by Congress by a two-thirds vote in both chambers. Thereafter, the laws could be changed by a majority vote, with the President retaining his veto power.

The amendment would require citizens petitioning for a new law up to 18 months to gather signatures in at least 10 states, equal in number to 3 percent of the ballots cast in the preceeding Presidential election. The signatures would have to be validated by the Justice Department before the proposal

could be placed on the ballot at the next Federal election.

Based on the 1976 Presidential election, when 81.5 million votes were cast, the 3 percent national requirement would mean that at least 2.45 million valid signatures would be needed.

In remarks entered into The Congressional Record today, Senator Abourezk called the proposed amendment "an actualization of the citizens' First Amendment rights 'to petition the Government for redress of grievances,'" which he said would serve as "a tool to extend the scope of the citizen's right to vote."

"In fact, I believe the main result of this initiative amendment, when adopted, will be to provide a way for the people of this nation to circumvent Congress at these times when powerful special interests appear to be blocking important legislation,'" he told reporters.

He said that 23 states now had laws granting their citizens the right to initiate laws. To become part of the Constitution, the Abourezk amendment would have to be passed by a two-thirds vote in both houses of Congress and ratified by three quarters of the states.

FIGHTING MEDICAID FRAUD

Mr. CHURCH. Mr. President, the Senate Committee on Aging has played an important role in bringing the facts about medicare and medicaid fraud to the American public. Last year, we received testimony from New York's deputy attorney general designated special prosecutor for nursing homes, Charles J. Hynes, and from Mr. Samuel Skinner, U.S. attorney, northern district of Illinois. These two men are recognized as the two most active prosecutors in the field of health care fraud. The achievements of these two men and their leadership role in this new and important specialty in the law has been fully captured in the May 1977 edition of the Health Care Financing Administration Record, published by the Department of Health, Education, and Welfare. I ask unanimous consent that the article "Progress in the War on Medicaid Fraud," by Martin Judge be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PROGRESS IN THE WAR ON MEDICAID FRAUD

(By Martin Judge, editor)

When the first phase of the war on Medicaid fraud and abuse ends in two years, the situation will be under control, says the nation's chief Medicaid official. But, cautions Dr. M. Keith Weikel, "Control should not be equated with eradication. However, we will definitely be managing the problem effectively rather than being managed by it."

Though the effort to curb Medicaid fraud and to see that the right persons get the right services began making headlines only recently, work to solve the problem began two years ago.

Despite this campaign, however, some estimates place the amount of loss due to fraud in 1976 between $750 million and $1.5 billion—about five to 10 percent of what is currently being spent on benefits. While this percentage of loss is not unheard of in business, when you add the dollars lost in providing services to ineligible patients and the cost of unnecessary services, it is substantial.

Since States have a dollar limit on their Medicaid funds, the money that is siphoned out of the system cannot be replaced. Therefore, some low income citizens may be deprived of services.

GENESIS OF THE PROBLEM

Although the campaign against fraud and abuse is expected to bring the problem under control in the near future, the haunting question remains: How did Medicaid get out of control in the first place and why did it take so long to begin reining it in?

Undeniably, part of the answer is poor management. But the answer is more complex than that. When the Medicaid program was launched in January of 1966, the objective was to deliver comprehensive services on a scale that had never before been attempted. "It seems that inadequate attention was given to the fiscal controls on the delivery and the quality of the services," says Dr. Weikel, who in 1974 become commissioner of what was then SRS's Medical Services Administration.

"The objective in the early years of the program was to get the services to the people who needed them. The philosophy was: the more dollars you pour into the program, the more services are provided."

This theory did not meet serious challenge because it was recognized that it takes money to gear up any new program. Also helping to cloud the effectiveness of the program was that the number of recipients increased markedly each year as it was publicized. In addition, costs were expected to increase because more extensive services were being offered. Another major factor was that during the late 1960s and early 1970s medical costs began escalating generally.

But by 1974 the situation had changed. In that year there was only a two-percent increase in recipients of Medicaid benefits compared with a 15-percent increase in costs. "In 1974, we were spending $12.6 million on Medicaid," recalls Dr. Weikel, "and with that much money there had to be at least some fraud and abuse taking place. We began to look closely at the numbers. They didn't jibe so we looked for the holes and began to find them."

An analysis by MSA showed that officials needed to shore up fiscal controls and expand their investigative activities. In an effort to gain public support for a "war on fraud and abuse," a press conference was held to explain the problem. Virtually no publicity resulted. Without public support for the war, knocking at the doors of law enforcement agencies, asking for a general crackdown, produced only hollow sounds.

There was not enough law enforcement muscle to go around. Both local and national law enforcement officials preferred to go after organized crime, drug traffic and other high-profile crime. In addition, information on the extent of fraud and abuse was sketchy. Why after all try to recover the $50 a pharmacist charged for undelivered drugs or the $20 from a physician who bills twice for the same visit? They simply are too time consuming to prove considering the amount to be recovered. The general feeling: Medicaid convictions are low-yield.

EMPHASIS ON DETECTION

While continuing to advocate a crackdown on Medicaid rip-off artists, Medicaid officials began working on a system to help detect fraud and abuse by health care providers and recipients as well as honest errors in computation by Medicaid personnel.

"We have known for a long time that the best treatment for fraud and abuse is prevention, and the best prevention is efficient management," says Dr. Weikel. "To this end we developed an automated Medicaid Management Information System to permit States to handle legitimate claims more efficiently. The system also can alert State officials to questionable practices and identify the providers involved."

The first hurdle to accomplishing this objective was securing the cooperation of the States which operate individualized Medicaid programs under general Federal guidelines. To encourage them to install the computerized systems, Congress authorized payment of 90 percent of the setup cost of the systems and 75 percent of the on-going cost of operating them. To date 13 States are using the system and 19 more are working to install it.

The system can be programed to produce information in various forms. It can, for instance, identify physicians who perform an above average number of surgical procedures or clinical laboratory tests. It can also detect duplicate billing for the same service by comparing the types of services, date they were rendered and the cost on the invoices. The system can also detect other patterns of services such as the practice known as ping-ponging where a patient is referred back and forth from one medical practitioner to another.

When improper practices are suspected, a printout of the provider's claims is checked for unusual patterns, which may ultimately lead to an examination of the provider's records. Auditing the records is simplified by the information system because it has pinpointed the areas in which the suspected discrepancies lie.

A complicating factor in setting up an automated system is that each State, the District of Columbia and the territories have various types of computer systems, and the variation among them is substantial.

To assist the States in their fraud and abuse programs. HEW last year set up a 112-person Division of Fraud and Abuse Control. One of its primary responsibilities is to assess the system of each State and the effectiveness with which each system is being operated.

Assessment of a system determines whether or not the State has a proper mechanism for detecting fraud and abuse. If the State's capabilities or procedures are found to be deficient, staff provides counsel for effecting corrective action.

The second major responsibility of the Division of Fraud and Abuse Control is the comprehensive review of each State's policies and management practices. This takes from four to 12 weeks, depending on the size of the State. The review begins by drawing a sample of high-volume providers chosen from the State's lists of physicians, pharmacists, laboratories and nursing homes.

The team visits the providers' offices and checks their records for documents supporting claims. The audit includes such things as confirming that a charge for lab tests is backed up by a record of the test results. If there is a high number of claims which cannot be verified, the provider's file is turned over to the State for possible recovery of funds or prosecution.

If the team finds a high error rate across the board, it is a good indication that the guidelines for filling out claims are unclear. In that case the procedure for enrolling providers would be reviewed and suggestions presented for revising it.

To furnish on-going assistance to the States, MSA last year established the Institute for Medicaid Management which presents periodic seminars on a wide variety of management subjects and also consults with States as needed. Its mission is to identify and communicate the best technical and managerial practices to the States.

PROSECUTORS CRACKDOWN

While better detection techniques were being developed, there was a growing awareness of abuses and fraud by providers. In 1974, in the wake of reports by the news media of widespread nursing home scandals, the State of New York appointed a special prosecutor for health and social services.

"The tactic of the nursing home industry is delay and stall, hoping we will go out of business as usual," says Special Prosecutor Charles J. Hynes, who is also deputy attorney general for the State. But despite this

stalling, Mr. Hynes has convicted 20 persons, indicted 53 more and is awaiting dispositions on an additional 30.

Asked if the cost of prosecution was justified by the funds recovered, Mr. Hynes said. "Just two of those convicted had defrauded the system out of $3.5 million—more than our office's first year budget." Mr. Hynes estimates that the nursing home industry in New York State has siphoned off about $70 million in Medicaid funds over the past five years.

Like New York, a number of States have added to or established investigative units to cover all aspects of Medicaid fraud.

Recently, the Department of Justice has become a force in controlling fraud and abuse. "There has been a change at Justice in their attitude toward social programs in general since we began talking with them several years ago," says Dr. Weikel. "We had a very difficult time interesting U.S. attorneys in prosecuting but now Justice is committing significant resources to the Medicaid effort."

One U.S. attorney who needed no encouraging was Samuel Skinner who has established a reputation for ferreting out fraud and abuse in health care in the Northern District of Illinois. Said Mr. Skinner: "We are using the same techniques to fight Medicaid fraud and abuse as we have used in the past to fight official corruption.

"In addition, we have been the first to use the Racket Influence and Corrupt Organization's Act in our efforts to combat fraud because of possible organized crime involvement. Included in the provisions of RICO are the possible forfeiture of various business enterprises, i.e., nursing homes, medical centers, pharmacies, which have been used by individuals defrauding Medicaid and Medicare."

Why is such tough counterpunching required? Mr. Skinner feels one reason is that the program expanded too quickly to be managed effectively. Another, he says, is that everyone who wants to become a provider can do so wtihout any screening and with only minimal licensing requirements.

Mr. Skinner says that a recent investigation of the nursing home industry in the Chicago area uncovered that it was a common practice for homes to receive kickbacks from pharmacies at the rate of three to six dollars per month for each public assistance patient. Seven nursing home owners were recently convicted of mail fraud and the receipt of kickbacks, and were fined $1 million collectively as well as sentenced to jail terms ranging from 60 to 90 days. In addition, six pharmacists were also convicted of paying kickbacks to nursing homes and were fined or incarcerated.

To combat such practices, Mr. Skinner established the first investigative unit in the U.S. whose sole function was to investigate fraud in various State and Federal social programs. Since August 1975, when the unit began operation, over 80 persons have been convicted of fraud and about $1.5 million have been recovered by the Government through restitution and fines.

In addition to an increased chance of being prosecuted, Mr. Skinner feels that penalties for so-called white-collar crime of this nature should be stiffened and has been testifying before congressional committees investigating the penalty structure.

"With the increased help from law enforcement agencies and with more and more States moving aggressively to control fraud and abuse, we will have it under complete control wtihin two years," says Dr. Weikel. "And that's something we've never been able to say before."

SMALL BUSINESS REVIEW ACT

Mr. DOLE. Mr. President, today I am cosponsoring S. 49, a bill to establish a Small Business Administrative Review Court. I am glad to join with the senior Senator from Maryland, Mr. MATHIAS, in this effort to assist the small businessman of America.

The number of small businesses which go out of existence each year is over 50 percent. While much of this attrition is due to normal market factors, a great many of the losses must be attributed to the effects of Government regulations and redtape. Even those businessmen who can understand the mounds of forms and thousands of regulations often give up trying to cope with the massive and often unresponsive Federal bureaucracy they come in contact with.

Small businesses are an integral part of our total economy and a part which is threatened more than most by stifling Government regulation. To challenge even the smallest adverse Government action is often beyond the resources of most small businessmen. Yet, the number of agencies which can impose fines, issue citations and promulgate orders grows each year. The deck is stacked against the small businessman when he disagrees with the Federal Government.

S. 49 would not restrict the activities of any Government agency in fulfilling its statutory purpose. What the bill will do is give the small businessman a fair chance to have an impartial hearing on an agency adverse determination.

Senator MATHIAS recently spoke before the Frederick, Md., Rotary Club on the difficulties facing the small businessman and explaining how S. 49 would help. His remarks are timely and thought provoking. Each Member of the Senate could profit by reading and thinking about the points Senator MATHIAS makes. Therefore, I ask unanimous consent that these remarks titled "Small Business: Problems and Prospects," be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

SMALL BUSINESS: PROBLEMS AND PROSPECTS

(By Senator CHARLES MCC. MATHIAS, JR.)

I am delighted to be here today to talk with you about the problems and concerns of small business and what we might do about them.

The biggest stumbling block to the conduct of business today is overregulation. The agencies, departments and commissions of the Federal Government churn out regulations so fast and furiously that we finally had to set up a Commission on Federal Paperwork. It was given two years to stem the flow of paper and its time has almost run out now with no dramatic results.

The small, independent business people in this country can hardly keep track of the organizations empowered to issue regulations, much less of the regulations themselves. But the problem of excessive government regulation is not confined to business. It affects everyone. In this one area at least the equal opportunity guidelines are scrupulously followed: no race, no class, no age group, no sex is over-looked. Everybody gets the business.

Let me give you some statistics on the flood of paper being generated in Washington:

The government prints over 11 billion forms a year.

There are 50 forms to be filled out each year for every man, woman and child in the country.

GSA reports government forms cost the economy $20 billion a year to fill out and another $20 to be read and shuffled about by the bureaucracy.

There are an estimated 6,000 different forms generated by 3,500 government bureaus, agencies and services that maintain 8,000 separate records systems.

I don't want to give the impression that the Congress is innocent in this area. It isn't. Congress has passed 9,000 laws that require reports of some sort and not long ago the Senate Subcommittee studying the burgeoning paper problem issued a 2,200 page report.

When you translate these statistics into human terms, some incredible horror stories emerge. You probably have your own favorites, but here are some of mine:

An Oregon company operating three small TV stations reported that its license renewal application weighed 45 pounds;

In one major corporation, with 40,000 employees, federal reporting requirements in the personnel area alone require the use of 125 file drawers and, because of these requirements, the corporation has had to increase its personnel staff by a third;

Then there's the Federal agency which required that construction vehicles be equipped with bells to warn workers of their approach, while another government agency required the same workers to wear ear muffs against noise pollution.

Another problem with all these regulations is that too little thought is given to the actual effect of strict application. All too often the practical effect of an order, fine or citation is inequitable; sometimes it borders on the ludicrous.

My colleague, Senator Malcom Wallop of Wyoming, played that theme to a fare-thee-well in his successful campaign to unseat Gale McGee last November and the voters loved it.

The highlight of his onslaught on government regulation was a TV spot attacking a pending government proposal that would have required that a toilet be available to every worker within a two or three minute walk of his workplace.

Wallop's spot showed a Wyoming cowboy leading his packhorse off into the sunset, dragging a portable toilet at the end of his lasso. The voice-over simply said: "This time they've gone too far."

Now, I don't mean to imply that all regulations are bad; many are necessary. But, unfortunately, no matter how carefully a regulation is drafted, there is always the possibility that it will miss the mark when actually applied, or that different agents of the Federal government will apply it in different ways. In some cases, too, regulations do not accurately reflect the intent of the Congress when it passed the law authorizing them.

These are things we can do something about. Right now there are only two avenues of redress for a business when confronted with what it considers an unwarranted Federal order, citation or fine. It can appeal to the administering agency or it can go to court. In practice, small business people have found these avenues ineffective because they entail insupportable expense and delay. The result is that increasing numbers of small business people figure the game isn't worth the candle and they suffer in silence. They have simply given up seeking redress through the avenues established for that purpose.

Now, I would like to tell you what I'm trying to do to remedy this situation. On the first day bills were received in the 95th Congress, I introduced the "Small Business Review Act" which is designed to enable small businesses to obtain review of their rights at minimum expense to themselves or the taxpayer. Since then, I am happy to say, Senators Heinz of Pennsylvania, Leahy of Vermont and Hayakawa of California have joined me as cosponsors.

My bill was developed with the cooperation and support of the National Federation of Independent Business which is as determined

as am I that their nearly half-a-million members, and all other small businesses in this country, have equitable access to a grievance forum when faced with a Federal order, citation or fine.

My bill—S. 49—is designed to promote due process and to rationalize the application of the many regulatory controls on small business. It is based on the very successful experience of the U.S. Tax Court in the conduct of "small tax cases". Specifically, S. 49 establishes a court of limited jurisdiction to hear cases involving Federal orders, citations and fines involving $2,500 or less.

The court may rescind all or any part of a fine, citation or order which it finds inappropriate to the alleged offense, inconsistent with prior interpretations of the regulation or simply inequitable.

The court will not decide whether regulations are good or bad. It will merely attempt to introduce some common sense and equity into the way those regulations are applied.

Any citizen—corporate or private—may petition the court for a hearing. The jurisdiction, however, suggests that most cases will focus on small business. The rationale for a $2,500 limit is twofold. First, it is generally the small actions which now are being foregone because of cost. Second, this court is directed to act with all due speed on petitions, and it is the large, very high dollar value actions that tend to bog a court down.

To insure that costs of litigation remain low and that rapid review is achieved, the bill incorporates three procedures that have proved effective in the handling of small tax cases by the U.S. Tax Court.

First, decisions rendered by the court are not appealable. Both parties waive their right of appeal once the case is before the Small Business Administrative Review Court.

Second, because there is no appeal, decisions rendered by the court cannot be used as a precedent in any other court. Thus, the court cannot establish its own body of law outside the normal process of judicial review.

Third, the court is designed to be very liberal in its procedure to encourage individuals to represent themselves before the court.

A petitioner has an option to employ an attorney, but is not required to employ one. Therefore, the form to be used by the petitioner is a very simple one, similar to the one-page form now used by the U.S. Tax Court for its small tax cases.

In addition, the filing fee is only $10, an amount easily within the reach of most people.

The handling of small tax cases by the U.S. Tax Court provides a good illustration of what I am hoping to achieve in the small business regulation area. There, the average time between filing a petition and a decision is 10 months; between trial and opinion it is three months. In close to 95 percent of the cases, the individual acted as his own counsel. The record shows the Tax Court has been neither a patsy for the petitioner nor for the government; cases have been decided almost equally between the two.

I'd like to emphasize that I am not creating a new layer of bureaucracy to control already existing bureaucracies. I have drafted a sunset provision into the bill so that it will automatically expire in five years unless Congress specifically acts to renew the court. The Chief Judge will be required to provide Congress with an assessment of the court's performance to enable Congress to decide if it's worth continuing.

If the court succeeds in eliminating many of the inequities small businesses now face, as I believe it will, then we will have made significant progress toward achieving due process for a group of citizens whose enterprise, although vital to our society and our economy, is often neglected.

I have brought copies of S. 49 with me in the hope that you will study it and agree to work with me toward getting this important legislation passed in this session of Congress.

AIRLINE DEREGULATION

Mr. McGOVERN. Mr. President, in the continuing discussion over airline deregulation, it is important to note that many pilots have serious reservations about the proposed changes in the Nation's air service that would be mandated by the pending legislation.

The Watertown, S. Dak., Public Opinion used as their editorial in a recent edition of that newspaper a letter to me from North Central Airlines Pilot D. P. Korab of Streamwood, Ill., who formerly flew with a so-called third-level carrier.

Mr. President, I ask unanimous consent that the Public Opinion editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

"DOGPATCH AIRLINES" IF DEREGULATION APPROVED

(NOTE.—What could federal airline deregulation mean in terms of substitute airline competency and safety? No one should be better able to speak with authority on the subject than a former commuter or "third-level" airline pilot who is now with a major scheduled carrier. The following letter to U.S. Sen. George McGovern was written by D. P. Korab of Streamwood, Ill., a pilot with North Central Airlines. It effectively supports South Dakota's fight to retain its present air service.)

DEAR SENATOR MCGOVERN: I am an airline pilot with North Central Airlines and I am writing to you concerning proposed deregulation of the airline industry. I am aware that you have already expressed concern with the quality of service that the small cities would get under a deregulated system; my letter hopefully will reinforce your views.

Current deregulation bills, as I understand them, will open up small community service to competitive bidding with no consideration given to either the carriers or communities in regard to historical markets and service. Being a former commuter pilot, and knowing many more, I'd like to give you a little inside information as to what type of service will be purchased by the government for the small communities.

Some of the operational practices which go on in the commuter industry include:

1. Company minimums are almost standard throughout the commuter industry (200 feet and ½ mile visibility on an ADF approach in Wisconsin; 300 feet below FAA minimums on a VOR-DME approach in California; and many Beach 99s crashed short of foggy runways throughout the U.S.A.).

2. Company official weather reports which bear no semblance to the real weather (one California company, to keep their pilots informed of the real weather, listed the real weather under the travel itinerary of fictitious passenger stored in their computer. The pilot would just pull up this passenger's itinerary at a down-line station to find out the real weather.)

3. Cheating on the weight and balance to make the passenger and fuel loads "fit" (Beach 99s, Swearingen Metroliners, and De-Haviland Herons have serious weight limitations. With a full passenger load they can only carry enough fuel to fly 100 miles—legally!)

4. Substitution of equipment depending on the passenger load (in Utah if 10 or more passengers showed for a flight the aircraft was a Twin Otter as was listed in the Official Airline Guide, 6–9 passengers a Navajo, and five or less a single engine Cherokee six.)

I'd like to offer you my opinion of what operations under "free entry" deregulated system would be like. The successful "low bid" new entry airlines will be operating cheap, old, used aircraft, or they wouldn't have been successful in the bidding. These new airlines will have the same problems the commuter airlines have and their solution will undoubtedly be to use operational practices as I described in the last paragraph—or worse!

Banks and other lending institutions will only lend the large amounts of money necessary for new aircraft, spares, and expensive ground equipment if their loans are reasonably secure through some sort of route protection (not allowed by deregulation.) Established carriers will be extremely reluctant to enter into interline ticket and baggage agreements with new airlines that may be out of business next month.

A passenger starting a trip in Huron, S.D. will buy a ticket to Sioux Falls, deplane, buy another ticket to Chicago, deplane and buy a third ticket to Kalamazoo, all the while toting his bags through airports. The final product delivered to the small community will be the cheapest plane fiyable under law—no mention of the most dependable—or safest! And the U.S. taxpayer will be supporting these "Dogpatch Airlines."

The most logical solution when trying to determine who should receive a subsidy would be to ask the town who would have to live with whatever service is bestowed on them. If a town is being served by a certificated regional air carrier and is desirous to have that carrier stay, then a reasonable subsidy should be paid to that carrier even if it is not the cheapest. I am not talking about subsidizing DC9 or B737 operations, but CV580, F27 and YS11 are reasonable aircraft for small cities.

The present cost to the government for subsidized service is about $70 million annually, and although some would be saved under deregulation the cost would surely be a large fraction of the present cost. This minimal saving would come at the expense of the world's best air system with the safest record, most dependable service, and lowest fares (please note the order.)

I am proud of North Central and the service we provide to many small cities. North Central today serves all the communities that we were authorized to serve 22 years ago and has a completion factor of 99.3 per cent, the highest in the airline industry, with some of the worst weather. North Central has never been shut down by a strike and has supplied uninterrupted essential air service to small cities for 28 years.

In closing I do not intend this letter to be a slur against commuter airlines. Quite the contrary, I feel that the commuters are growing up and will play a major part in the U.S. air system. The new airlines will have severe problems and passenger service and safety will be jeopardized. I can't describe to you my joy and relief when I was hired by North Central two years ago because from then on I would never be forced to do practices which I didn't consider to be the safest.

The pilots of certificated air carriers are true professionals in all respects. I have never observed a captain look at the passenger load to determine if the weather was severe enough to cancel a flight. I can promise you that many a commuter pilot has said to himself "maybe we can get in" if the passenger load was good.

When the deregulation bills come before you I hope that you take into consideration some of the things I have passed along in this letter. Put yourself in that airliner and ask yourself, "who would I want up front

driving?" Once deregulation goes through and all of our small aircraft have been disposed, you can't just say "Oops, the old system wasn't so bad." The small cities will be stuck with the "Dogpatch Airlines."

D. P. KORAB.

BILL MILLER, A BUSINESS ACTIVIST BEHIND JOBS FOR VETERANS

Mr. PELL. Mr. President, the finest accomplishments of our Nation have always been forged by dedicated men who combine idealism and pragmatism, and who are willing to serve their country in many spheres of activity. Our national achievements are characterized by a sense of private sector involvement wedded to governmental and social goals, and few individuals have so clearly exemplified this pattern of accomplishment and this union of private and public sector concern, as a man who is a good friend of mine, of the State of Rhode Island, and of his country, Bill Miller.

In a recent article in the New York Times, G. William Miller, the chairman of the board of Textron, Inc., is characterized as a "business activist," a man who can turn his business skills to the purposes of social and economic betterment. He views public service as a principal responsibility of today's business leader, rather than simply as an avocation or "extracurricular" endeavor, and his personal record sets a fine example for others in business.

Bill Miller has now begun a most difficult and important assignment: to lead the drive to find jobs for unemployed American war veterans: President Carter's new HIRE program.

HIRE stands for "Help Through Industry Retraining and Employment" and is a program combining Federal financial assistance from the Labor Department, and the efforts of thousands of businessmen to recruit, train, and employ Vietnam-era veterans. The younger Vietnam-era veterans are suffering an unemployment rate of about 13.6 percent, and the HIRE program, armed with the volunteer efforts of business along with $140 million in Federal funds for training subsidies, is trying to put 100,000 veterans back to work in the next 15 months.

Mr. President, I am confident that Bill Miller will contribute as much to this national social priority as he has already given to Rhode Island, to the U.S. savings bond drive, and to Textron. His personal commitment and skill, alined with the deep social involvement of our Nation's businessmen and corporations, can certainly help put these veterans back to work, where they themselves wish to be, and make us stronger as a country for that effort.

Mr. President, I ask unanimous consent that the article "Business Activist Behind Jobs for Veterans" from the July 5 New York Times be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BUSINESS ACTIVIST BEHIND JOBS FOR VETERANS

(By Thomas E. Mullaney)

PROVIDENCE, R.I.—With his nautical background, G. William Miller, the dynamic chairman of Textron Inc., thoroughly enjoyed his Independence Day weekend a year ago and wished he could have participated in some kind of reprise for 1977. On July 4 last year, the former Coast Guard officer stood as a guest on the deck of that service's training bark, Eagle, as she cruised, full-masted, into New York harbor with the parade of Tall Ships and other sailing vessels to mark the nation's Bicentennial.

He was close to the sea again this year, but the past holiday was a long work-week-end at his summer cottage in Westport, Mass., on the Atlantic Coast. There was a lot of catching up to be done on the affairs of the vast conglomerate he heads here and also preparation for a special new task that Mr. Miller is undertaking at the request of President Carter. The assignment is to spearhead a drive to find jobs for the nearly half million unemployed American war veterans.

Public service and social issues have long occupied the time and the attention of the energetic, articulate 52-year-old marine engineer and lawyer. In an interview at his headquarters in the center of this city the other day, Mr. Miller said he viewed such tasks as a prime responsibility of business leaders, not as a casual extracurricular venture. He has always had his plate heaped high with such commitments, and, when one crests he is a soft touch for a bid to take on another project.

This is one of those moments. The former native of Sapulpa, Okla., had spent considerable time during the last six months traveling around the country for meetings with 25 top business groups on behalf of payroll savings for this year's United States savings bond sales campaign. "It also gave me a great glimpse of what's going on in the country," he said.

Mr. Miller said he has reached the point where that effort was fully organized, operating efficiently, en route to the goal of exceeding last year's record $7.6 billion sale, and no longer in need of his rallying talents. Washington had obviously heard he might be available for a new public service role.

Early last month, just before Mr. Miller planned to leave on a business trip to Europe and attendance at the Paris Air show (Textron is a major producer of helicopters and aerospace products), he was invited by the Labor Department to a meeting in Washington of business executives, labor-union officials and representatives of veterans' groups to establish a joint committee to help in hiring former service men, thousands of whom now have handicaps that limit job opportunities.

The unemployment rate for veterans between the ages of 20 and 24 is a particularly serious national problem—running around 13.6-percent, which is 3.4 points higher than the rate for their non-veteran counterparts and more than twice the national average unemployment rate for all groups.

"Before I knew it," Mr. Miller said, "I was made chairman of the committee and told to be there two weeks later with a plan of action at a White House conference."

The Textron chief executive now in his ninth year in that capacity and his 21st year with the company after leaving the law firm of Cravath, Swaine & Moore in New York was a natural choice for the new jobs program, which is known as H.I.R.E. (Help Through Industry Retraining and Employment). In addition to a highly successful business career, he has a record of distinguished civic service, particularly in the human rights area.

Mr. Miller, known as Bill to business associates and friends, was named by President Kennedy as the first National Chairman of the Industry Advisory Council of the President's Committee on Equal Employment Opportunity in 1963.

Then, in 1966, he became a charter member of the National Alliance of Business Men, formed when President Johnson asked business leaders to help the Government persuade employers to hire and train the economically disadvantaged to solve the unemployment problem at that time. Mr. Miller is slated to become chairman of that group in September.

The organizing session for the new H.I.R.E. program was held on June 14, and the new project was begun with a budget of $140 million in the Labor Department, to place at least 100,000 veterans in private-sector jobs within 15 months.

President Carter and Labor Department officials noted the excessively high level of unemployment in that group and said a special effort had to be made in putting those younger people to work. Because the Vietnam War has been so unpopular, the American public and industry, unfortunately, has not been as supportive as in the past to provide jobs for ex-servicemen when they return to private life. Such rolls are growing, and the economy is not providing enough opportunities now to accommodate them as well as the many other new entrants in the labor force.

Mr. Miller saw no need to create any large new bureaucracy for the task. The existing National Alliance of Business Men's Organization has the mechanism to handle the task he said, but it needs to have the new Administration focus on it and permit the Labor Department to contract directly with industry on a national basis for job-training projects, rather than dealing only through local sponsors.

By the middle of this month, there will be another meeting in Washington on the new jobs program—"a big sales conference," as Mr. Miller calls it.

He has already written to 100 major companies, asking them to lend the H.I.R.E. operation a top sales executive for four months to speak on behalf of the program in their areas of the country. Also going out in waves to some 4,000 companies are letters asking pledges of jobs for veterans. There will also be seminars for veterans on how to find a job and for state employment offices on making job referrals for ex-service men.

"We have a big challenge before us," Mr. Miller said. "And I'm optimistic about our prospects for success."

He indicated that he felt "we'll probably not use the $140 million completely because many companies will want to do this without the wage subsidy reimbursement provided." But he intends to keep on top of the project by asking quarterly reports on progress toward commitments by companies in the program.

Meanwhile, Mr. Miller will be pushing his own company toward the goal set 10 years ago for average annual compound rates of growth ranging between 8 and 10 percent on sales, profits and pre-share earnings. The targets are being met.

At the same time, he is actively working to improve the energy situation in the Northeast as chairman of an advisory committee set up by the coalition of the area's governors.

One objective in that field is to establish a Federally-chartered regional financing agency to aid development of new forms of energy. That, too, is a big public-service task for the energetic Textron chairman.

ORGANIC BRAIN DISORDERS AND AGING

Mr. CHURCH. Mr. President, several years ago when the Congress was considering legislation to establish a National Institute on Aging within the National Institutes of Health, there was concern that the development of such an Institute would cause unnecessary duplication of research.

Fortunately, NIA has, instead, worked well with the other institutes of the NIH and research fields in joint efforts to im-

prove the scope of research related to aging. For example, the Institute has held conferences with the country's medical schools on geriatric medicine and with the National Institutes of Mental Health and the National Institute of Neurological and Communicative Diseases on senile dementia. Planned for the future are joint conferences with the President's Council on Physical Fitness and Sports, World Health Organization, the Fogarty International Center, and the National Institute of General Medical Sciences.

I applaud this effort to inform the entire field of research and services about the characteristics of the aging process. Early reports indicate that such joint efforts have led to a mutual educational experience.

Recently, such a joint conference was held on the subject of senile dementia. At this conference, NIA's Director Robert Butler's opening remarks reflect the need for and worth of these cooperative efforts. I ask unanimous consent that Dr. Butler's remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

OPENING REMARKS BY DR. ROBERT N. BUTLER

It is a special pleasure for me to have an opportunity to participate in this conference because I have always advocated the development of a national research program on the organic brain diseases. That was my deepest desire when I was with the National Institute of Mental Health (NIMH) in the late 1950's and early 1960's, and it remains so today.

It is my hope and that of the other participants, I am sure, that this conference will not only serve to focus the research community's attention on this problem, but will also stimulate new interest and exciting new work on the organic brain diseases. These devastating and dehumanizing diseases are feared by all and, tragically, are considered synonymous with old age by many. The fears surrounding the organic brain diseases are not surprising: it is hard to imagine what might be more frightening than the prospect of "losing our minds and being put away."

The opportunity for collaboration that we at the National Institute on Aging have here among the National Institutes of Health is one which is crucial to our fulfilling our broad mandate, concerned as it is with the universal biological process of aging. I sincerely believe that programs of joint effort and co-funding such as this one are the best means to most quickly move toward our common goal of preventing or ameliorating the organic brain diseases as well as other conditions.

There have been some significant accomplishments in our understanding of the organic brain diseases in the fifteen years since I left NIMH. Most notable is a realization of the close relationship, if not identity, between senile brain disease and Alzheimer's disease, with recognition of the fact that these are not inevitable results of the aging process, but are diseases separable from normal aging. We still do not know if there may not be other and different organic brain diseases having different sources, just as pneumonia may be caused by one of several pathogens. But we have learned that a variety of conditions, including poor nourishment and obstruction of the oxygen supply to the brain, can create brain disease. We have not established specific psychometric patterning or physiological pathognomonic tests for these brain diseases.

Other developments in the past fifteen years that merit our scientific attention at this conference and in the future are highlighted by:

The differentiation of Alzheimer's disease from multi-infarct dementia and depression.

The contributions of cerebral blood flow studies, electroencephalography, and computerized axial tomography to elucidation of the organic brain diseases.

New knowledge regarding genetic factors and chromosomal aberrations, blood proteins, structural brain changes, and chemical and metabolic changes from neurohumors to aluminum.

Information about amyloid and brain reactive serum agents and serum globulins which delineates certain immunological aspects deserving further study, and

The discovery of the role of the slow virus in Jakob-Creutzfeldt disease.

But while we have progressed in our understanding of the organic brain diseases during these fifteen years, other events have lessened the impact of this new knowledge. The absolute numbers and relative proportions of older people have increased rapidly. The creation of Medicare and Medicaid in 1965, with their emphasis on treatment instead of prevention and inpatient rather than ambulatory care, has resulted in a sharp rise in the number of old people entering nursing homes and a corresponding decline in the quality of long-term care. Even more pertinent in the context of this conference is the effect of Medicaid on those suffering from organic brain diseases. Because they receive Medicaid funds, private profit and nonprofit care facilities are far less expensive to states than state mental institutions. Encouraged by the possibility of reducing their costs, the states transfer—or more accurately, dump—older mental patients into foster and boarding homes that often lack adequate health care personnel, facilities, or services. This removal of the older, mentally diseased population from the mainstream of the health care system is counterproductive in light of the fact that two-thirds of all federal health dollars are spent on the old.

These fifteen years have seen an awakening of interest in gerontology and geriatrics among students and educators. Some courses are now offered in the biology of aging, human development, and geriatric medicine. In October 1976, the U.S. Senate Special Committee on Aging conducted hearings on "Medicine and Aging: An Assessment of Opportunities and Neglect." This March, the NIA sponsored a workshop on the incorporation of geriatric medicine into American medical education. These developments are a beginning; teaching is needed to give medical students, house officers, and practicing physicians an adequate background in the interactions of age and disease seen in the multiplicity of pathologies, variety of clinical presentations, and frequency of diseases such as senile dementia in old age.

Older people and their families are asking, often bitterly, for help in staying out of nursing homes. They demand more than improvements in nursing homes and the provision of necessary home care services, although both are desirable goals. After all, people receiving even the best home or nursing home care are still diseased and dependent. It is only through research that we can obtain the necessary new knowledge that will lead to prevention of the diseases of old age. Research can thus be viewed as the ultimate service, the ultimate cost-container.

The participation of the National Institute on Aging in this conference illustrates how the study of the biology of aging can contribute to understanding disease. Aging is a universal, progressive, apparently irreversible and inherent process which interacts with and is often confused with a variety of environmental events. Aging is characterized by alterations in the major human integrative systems, such as the immune and central nervous systems. These changes may leave the body vulnerable to disease, but disease is not the inevitable outcome of aging.

The NIA has the task of trying to disentangle the aging process from the diseases and other environmental factors that accompany it. The Research on Aging Act of 1974, which created the NIA, is a realistic response to the complex issue of aging and its attendant diseases. Our mandate is broad, allowing us to take a variety of approaches in tackling the mysteries of the aging process.

One such approach is the longitudinal study. The NIA took over the Baltimore Longitudinal Study of Aging from the National Institute of Child Health and Human Development, our "donor" Institute. The study, which was begun in 1958, is devoted to enhancing our understanding of the aging process by the measuring changes in body organs and functions such as cognition and renal clearance with advancing age. We view the longitudinal study as a vital tool that will provide a basis for characterizing normal human development and aging, including central nervous system function.

The NIA's mandate charges it to "conduct and support biomedical, behavioral, and social research on the aging process and other special needs and problems of the old." The organic brain disorders which afflict a significant portion of older Americans clearly fall within this our scope. Despite the fact that brain infirmities count among the nation's leading health problems from both personal and economic standpoints, the magnitude of these organic brain diseases is not reflected in published mortality and morbidity rates. Katzman and Karasu calculate that as many as 4.4% of our 23 million Americans over 65 have some degree of serious intellectual impairment. In absolute numbers, this represents nearly 1 million U.S. citizens. It is estimated that about 65%, or some 600,000, suffer from the Alzheimer-type dementia. In the absence of artificial survival methods, their life expectancy is reduced to about five years, according to some estimates. In comparison, the average combined life expectancy of men and women at age 65 is about 15.6 years. Given these statistics, one might expect 100,000 to 120,000 deaths annually from senile dementia and Alzheimer's disease, making these dementias the fourth or fifth leading cause of death in the United States. However, the U.S. Vital Statistics tables do not list Alzheimer's disease, senile dementia, or even "senility" as a cause of death—even in the comprehensive list of 263 causes of death. Moreover, were the dementias listed, the statistics would reflect a greater incidence of dementias among women than men. This difference may be due to the fact that women live an average of 8 years longer than men, and/or may possibly indicate an increased susceptibility among women to these diseases.

Wisniewski and Terry have pointed out, "There are many changes found in the aged brain . . . [that] may be present in pathological situations in some young and middle-aged brains. The situation is somewhat analogous to that in oncology, in which the majority of cancers occur in people over 50, but obviously cannot be considered entirely as the effect of cell senescence. However, genetically programmed, time-dependent changes in the cell, plus exposure to a harmful environment (hormonal, immunological, infectious, etc.) may open the way to an increased incidence of pathological conditions." Cerebral arteriosclerosis and osteoporosis are other examples of conditions that bear a clear relationship to the passage of time and may express themselves clinically in connection with age processes. However, in studying and treating these diseases, we must avoid the conceptual and practical pitfall of writing them off as "due to age." This only reinforces pessimism and nihilism, when

what is most needed is for us to channel the finest of scientific imagination and discipline into the study—and ultimate prevention—of these conditions.

The public at large tends to think of brain disease in the later years as due to either age or "hardening of the arteries"—arteriosclerosis. But chronological age per se does not explain brain disease. Moreover, the work of Corsellis in 1962 and Tomlinson, Blessed and Roth in 1970 suggests that as important as arteriosclerosis may be, it is not as major a contributor to organic brain diseases as is senile dementia. Tomlinson, Blessed and Roth found that vascular disease—cerebral arteriosclerosis or multi-infarct dementia with gross cerebral infarcts—is responsible for 12% to 17% of dementia cases. In contrast, 50% of their senile patients had plaques and neurofibrillary tangles. Another 18% had mixed lesions.

What exactly is senile dementia? How does it relate to Alzheimer's disease? The two conditions present pictures that are indistinguishable to the clinician, histochemist, and electromicroscopist. The only apparent difference between the two is the earlier ages of onset associated with Alzheimer's disease. Or is there more to the research story?

In both senile dementia and Alzheimer's disease, light microscope studies of affected neurons that have been impregnated with silver show thick bands of fibrillary material traversing irregularly through the cytoplasm. Electromicroscopic studies do not show degeneration of preexisting filaments or tubules, nor the accumulation of filaments of the amyloid type, but rather a new class of fibrillary material not seen in normal cells. Terry and Wisniewski reanalyzed these structures with the aid of tilt-stage electromicroscopy and by X-ray images of scale models, and reached the conclusion that the twisted fibers are each made up of paired helical filaments (PHF). Ultrastructurally, the PHF showed increased diagonal density extending through the narrow regions, the dense band being about 100 Angstroms wide. Although neurofibrillary change is the most common histological feature of Alzheimer's disease/senile dementia, it is also found, but in lesser numbers, in the normal aged brain* and in the brains of those with other pathological conditions, such as Down's syndrome (mental retardation), post-encephalitic Parkinsonism, and the amyotrophic lateral sclerosis-Parkinsonism Dementia complex. Incidentally, the last disease is essentially indigenous to the Chamorro population of Guam in the Marianna Islands.

The neuritic plaque associated with Alzheimer's disease/senile dementia consists of three elements: degenerative neuronal processes, reactive non-neuronal cells, and amyloid. Plaques with a central core of amyloid surrounded by degenerating neurites and reactive cells are known as classical senile or neuritic plaques. Lesions primarily made up of the central core alone or known as amyloid or compact plaques.

There is no simple diagnostic laboratory test from blood or urine for Alzheimer's disease/senile dementia, nor is there an effective, quantitative psychometric examination. The computerized axial tomogram a revolutionary X-ray technique, has helped in diagnosis to the degree that it indicates brain atrophy and replaces the risky and painful procedures of angiography and pneumoencephalography. Nonetheless, the CAT is not a specific diagnostic test. It is also a most expensive procedure, but that is to be expected, for the early use of any new technology or procedure is usually costly. In the absence of reliable diagnostic tests, senile brain disease and multi-infarct dementia should only be diagnosed after conducting a careful, systematic evaluation of a variety of other possible causes of organic brain symptoms. These causes include depression, normal pressure hydrocephalus, pernicious anemia, drugs, thyroid changes, and even fecal impactions. It is hard to estimate, but perhaps 20 percent to 30 percent of all cases that public and professional people label as "senility" have diagnosable, and often treatable and reversible, causes.

Some might argue that comprehensive, systematic diagnosis is too expensive, given the presumed shortness of life. But the shortness of life becomes questionable when we see many older people living out increasingly longer lives in expensive nursing homes. A $500 bill for a diagnostic work-up, including $240 for a CAT scan, is minimal when contrasted with the $15,000 per year one Medicaid nursing home bed costs in New York State. We cannot afford to misdiagnose and misplace patients.

As research progresses in the area of Alzheimer's disease/senile dementia, epidemiology will take on even greater importance. We must assure that the raw data from which epidemiologists work is increasingly valid and reliable. For instance, when a nursing home patient dies, the doctor usually writes the sign-out diagnosis as the proximate or immediate cause of death—pneumonia, heart failure, or the like. The primary condition, the real basis of the death, may be organic brain disease; but it is not the sign-out diagnosis. Contrast this with cancer, in which case the sign-out diagnosis is cancer and not the immediate cause of death, which may have been heart disease. We need to reform our death certificates to reflect the primary cause of death so that epidemiological studies will be based on accurate data. The NIA plans to initiate collaboration with the National Center for Health Statistics or other federal organizations to encourage this needed reform.

Our Institute hopes to set up a registry of senile dementia/Alzheimer's disease cases for the exchange of tissue as well as clinical and other information of value to research. We wish to pick up any familial cases as well. Since we feel that it is important to increase both public and professional knowledge of this condition, we plan to develop and disseminate widely a booklet that would transfer existing knowledge to our two major audiences—health providers and the general public. We also hope to encourage nursing homes to play a greater role in the clarification of research issues. In the private sector, we wonder if the many thousands of families that fear or have suffered from the organic brain diseases would be interested in organizing themselves in a unified voice to encourage and support research in this area. An organization such as Friends and Relatives of Victims of Alzheimer's Disease/Senile Dementia could be instrumental in catalyzing national and academic interest. Such a group would give visibility to the problem, collect research funds, offer research training, and provide service and support for victims and their families.

As resources in funds and personnel permit, the NIA will be establishing a neurosciences laboratory in our Baltimore Research Center. This laboratory will conduct studies of the blood brain barrier and the role of antigen and antibody complexes in senile dementia. In addition, it will examine neuropathology, neuroanatomy, neural functions, and study regional and general cerebral blood flow in animals.

At present, there are a mere 12 significant research grants in the field of Alzheimer's disease/senile dementia supported through the three Institutes sponsoring this conference. As part of a major national effort in Alzheimer's disease/senile dementia, the NIA will promote and support research on these dementias in American medical schools, hospitals, and research institutions. We encourage the contributions of all of you attending this conference, and hope that our combined efforts will lead to more effective methods of treatment and ultimately the prevention of these devastating diseases.

*This finding could reflect early, incipient, or aborted cases of the disease.

NUTRITION AND HEALTH

Mr. McGOVERN. Mr. President, as a service to my colleagues, I would like to note that the country's prestigious Wall Street Journal published seven articles in June on the topic of nutrition, food, and health. Five of these were part of a series titled, "The Way We Eat." I applaud the paper and its writers for this timely effort.

It has been almost a full year since the Select Committee on Nutrition and Human Needs initiated a series of hearings to investigate the relationship between nutrition and health. The Diet Related to Killer Diseases hearings have generated a number of congressional actions.

The findings have been instrumental in the development of parts or all of the following current legislation: the research sections of the farm bill (S. 275); the Child Nutrition Act Amendments (S. 1420); the Medicare Nutrition Counseling Act (S. 1116); the National Meals on Wheels (S. 519); and the National Preventive Medicine, Health Maintenance, and Health Promotion Act (S. 1191).

The first 2 days of hearings in July 1976 prompted the indepth staff investigation which culminated in the publication of "Dietary Goals for the United States" in January 1977. This report has elicited an unprecedented response in the demand for copies, in the continued media coverage and general debate, and in the mail received by the committee. It has received both wide acclaim and criticism from consumers, industry representatives, nutrition experts, and health professionals.

Since the report's publication, the committee has continued its investigations, and listened to its critics. In a hearing in March the cattle industry responded to the dietary goals recommendations, and this month there will be an egg industry hearing before the committee.

Three weeks ago the committee heard testimony on the links between nutrition and one's mental health and behavior. Interestingly enough, this is a research topic on which more debate may soon arise and which, because of its predominantly hypothetical scientific status, is not even addressed in the dietary goals report.

I would like to commend my colleague, Senator HUMPHREY, for his remarks in the CONGRESSIONAL RECORD of June 30, 1977, highlighting the Committee's June 22 hearing, "Nutrition: Mental Health and Mental Development." I want to second his statement and thank him for inserting Dr. Carolyn Brown's testimony into the RECORD as an example of the many provocative ideas raised and questions being asked by nutrition minded researchers, clinicians, and ciitzens. Similarly, I believe the Wall Street Journal articles mentioned above are just one more indication of Ameri-

cans' increasing interest in nutrition, and ask for unanimous consent that these seven articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, June 2, 1977]

CAN CHOCOLATE TURN YOU INTO A CRIMINAL? SOME EXPERTS SAY SO

(By Timothy D. Schellhardt)

WASHINGTON.—Society has been debating the causes of crime since Cain slew Abel.

Today the discussion generally centers around social, hereditary and economic factors. But lately more attention is being given to a biological source of antisocial behavior: the food people eat.

An increasing number of scientists and physicians are concluding that malnutrition, food allergies and other nutritional deficiencies can set off aggressive and mind-warping behavior leading to criminal acts.

In some instances, the food allergy or malnutrition can unbalance mental processes, leading to violent behavior. In other cases, an ailment known as hypoglycemia—a lower-than-normal level of sugar in the blood—can trigger irrational behavior that can be controlled through the diet.

"For an allergic person, eating may lead to beating, biting and battle," declares K. E. Moyer, a psychology professor at Carnegie-Mellon University. "While a person who is allergic to pollen suffers a stuffy nose, a person allergic to chocolate or bananas may pass out bloody noses."

The link between food and crime is attracting more attention from law-enforcement officials. In Cuyahoga Falls, Ohio, for instance, an offender referred to Probation Officer Barbara Reed must take a test to determine whether he or she suffers from hypoglycemia, which can cause a person to become irritable, irrational, afflicted by a vague sense of dread, and frequently violent. Various hypoglycemia-associated crimes, including "motiveless murders," assaults, sexual offenses and other law violations, have been reported by researchers.

CHANGE DIET OR ELSE

If Mrs. Reed's tests reveal symptoms of low blood sugar, the two municipal judges in the community of 50,000 can order the offender to change diets—paradoxically, by replacing sweets and starches with high-protein foods, fresh vegetables and fruits, and vitamin supplements. If the offender refuses to change diets, probation can be revoked.

"If crime could be reduced, even by a small degree, by exploring the effects of food, then we should by all means explore these possibilities," asserts Thomas Marsh, police chief of Fairfield, Ohio. "We couldn't do much worse than we are with the more orthodox approaches to crime prevention."

The effects of food on behavior are being studied at several research centers in the U.S. and Canada.

In Spencer, Okla., William Philpott, a psychiatrist and specialist in cerebral allergies, is gathering evidence that allergic reactions to foods and pollutants often trigger violent behavior. A 12-year-old patient of his became so aggressive after eating a banana that he picked up a stick and tried to hit another patient. After eating an apple, the boy started a fight. A 52-year-old woman tested on wheat said she felt like hitting and punching someone. An 18-year-old youth, tested for a reaction to tobacco, struck the examiner after having an hallucination that there were horns on the examiner's head and that the examiner was the Devil.

Dr. Philpott treats such behavior by limiting the use of the food involved, and by prescribing certain vitamins and mineral supplements.

CASE OF A WIFE-BEATER

In Manhasset, N.Y., Dr. Jose Yaryura-Tobias, psychiatrist and research director at the North Nassau Mental Health Center, treats patients, including lawbreakers, whose violent behavior seems to have a biochemical genesis. One of his patients, a 32-year-old man arrested for assaulting and seriously injuring his wife, admitted during his examination to cravings for chocolate, cola drinks and coffee, all of which made him calmer for a few hours after use. A glucose-tolerance test showed that the man suffered from hypoglycemia. When deprived of blood sugar, the brain hasn't any alternate food supply, so its metabolism slows down and its functions are impaired.

Dr. Yaryura-Tobias placed the man on a diet low in carbohydrates and high in proteins and vitamin B6. "He improved within eight weeks," the doctor says.

Studies by Dr. Abram Hoffer, a forensic psychiatrist in Saskatchewan, suggest that 70% of the inmates imprisoned there for serious crimes have vitamin deficiencies. His research also indicates that about 90% of convicted murderers diagnosed as paranoid schizophrenics suffer from low blood sugar or some vitamin deficiency.

Dr. R. Glen Green, a medical consultant at Saskatchewan Penitentiary, has found that a majority of inmates there suffer from some form of vitamin deficiency or dependency. About one-third of them, he says, experience perceptual distortions caused by a deficiency of vitamin B6.

A researcher who studied inmates in the Morris County, N.J., jail concluded that the inmates high degree of restlessness resulted from their use of significantly more sugar, alcohol and caffein than non-inmates. A special dietary program administered to some of the inmates significantly reduced the number of disciplinary reports and improved the inmates' performance in academic and vocational classes, jail officials say.

Prof. Moyer of Carnegie-Mellon believes that food allergies directly affect the body's nervous system by causing a noninflammatory swelling of the brain, which can trigger aggression.

"The pressure of the swelling may make nerve areas that normally produce aggression more sensitive, or deactivate areas that normally inhibit aggressive behavior," he says. "The intensity of the symptoms varies from a mild irritable reaction, in which the person is a little more easily annoyed than usual, to a psychotic aggressive reaction."

Leonard Hippchen, associate professor at Virginia Commonwealth University's Justice and Public Safety Department, believes that the research findings involving food and criminal behavior, while still limited, suggest that juvenile delinquency and crime can be traced partly to biochemical factors. "Whereas in the past the role of biological factors in crime largely has been rejected by criminologists, it now appears to be time to work out a new partnership" with the nutrition researcher and physician, he says. Mr. Hippchen is editing a book on biochemical approaches to treatment of delinquents and criminals.

Researchers say it's impossible to estimate how many crimes committed each year can be traced to effects of food on behavior. Modern crime-reporting systems aren't geared to collecting such information. Law-enforcement officials also have little way of dectecting nutrition-induced crimes.

Dr. Saleem Shah, chief of the Center for Crime and Delinquency Studies at the National Institute of Mental Health, believes that the correlation between food and crime needs to be researched more thoroughly. He decries what he considers a lack of "careful" recent studies.

"While we are unable to estimate the degree to which hypoglycemic disorders may involve persons in trouble with the law, the base rates would probably be rather low," he says. "Interestingly, these rates have never been systematically measured."

Probation Officer Reed in Cuyahoga Falls, for one, says she's convinced that there are biochemical explanations for some crimes. Her tests for hypoglycemia on 106 persons last year revealed that 82 percent suffered from at least 15 symptoms of low blood sugar. The change to a highly nutritional diet, she contends, resulted in a "definite change in attitude and appearance" in almost all of her subjects.

One of them, a 20-year-old man arrested for criminal damage, destruction of property and discharging a firearm, was placed on the special diet after a test indicated he was paranoid and depressed and had "a deep lack of self-worth." Mrs. Reed says that as a result of the new diet, the man's depression vanished and he became "optimistic, cooperative and realistic."

Within four months, according to her report, he had obtained a job paying $7 an hour. Three months later he was promoted and his parents reported "he was the son they knew before he had become 'messed up.'" His two-year probation period was lifted after 10 months.

[From the Wall Street Journal, June 7, 1977]

DOCTORS MAY BE ABLE TO CLEAR OUT ARTERIES, REDUCE HEART SEIZURES

(By Jerry E. Bishop)

Medical scientists are talking seriously of being able to clear out the fatty deposits that clog the coronary arteries and lead to heart attacks.

Until recently, deliberate reversal of the artery disease that underlies heart attacks was a feat most physicians left to future generations. But evidence now is building up that such an accomplishment may not be so distant after all.

For one thing, the arteries of experimental animals, including primates such as monkeys, have been clogged deliberately and then unclogged by drastic manipulations in the animal's diets.

For another, there are some hints—and that's all they are at present—that doctors may have reversed, or at least stopped, the build-up of the fatty deposits in some human patients.

Lastly, recent discoveries about how and why the arteries clog up in the first place are provoking serious speculation that the disease process can be hindered or prevented.

"In the future, one can think of chemical Roto-Rooters," drugs that would clear out the arteries and eliminate the risks of a heart attack, says Dr. Robert I. Levy, who did research on the problem before his recent appointment as director of the government's National Heart, Lung and Blood Institute.

LEADING CAUSE OF DEATH

Such drugs would be a great boon. Physicians strongly suspect that almost every adult American has the fatty deposits building up to some degree on the inner walls of key arteries. In an estimated four million persons, the deposits have reached the point where they have produced either a heart attack or crippling chest pains, the American Heart Association says. The result is that nearly 665,000 people will die of heart attacks this year, almost twice as many as will die of cancer, the nation's second leading cause of death.

The disease underlying this death toll is known to doctors as atherosclerosis of the coronary arteries, or coronary artery disease. The coronary arteries, or coronaries, are the tiny blood vessels that nourish the heart muscle itself. Atherosclerosis is the build-up of the deposits, a process that, judging from autopsy studies, begins early in life with a fatty yellow streak appearing on the inner

lining of the arteries. A deposit, or "plaque," of fibrous material rich in fatty cholesterol begins accumulating there.

By middle age the plaques often have built up to a point where the blood flow through an affected artery is seriously hindered. Heart tissues downstream of the obstruction begin to have difficulty getting enough oxygen-rich blood, particularly when exertion places an extra workload on the heart.

ROLE OF CHOLESTEROL

For many victims, this results in the vise-like chest pain called angina pectoris whenever they walk fast or otherwise exert themselves. For others, the existence of the deposits isn't known until the blood flow is suddenly blocked completely, destroying downstream tissues. This, of course, is the heart attack.

To physicians, it seems only logical that if these plaques could be cleared out, it would undermine the basis of most heart attacks. There is strong evidence that an excessive amount of cholesterol in the blood carries a high risk of heart attack, presumably by contributing to the buildup of the plaques. The big, unanswered question is whether reducing cholesterol levels will reduce the risk of heart attack. Presumably, if a drastic cutback in blood cholesterol levels causes the plaques to stop growing or begin shrinking, the case against cholesterol, a fatty substance, will be airtight.

"What stimulated us all originally were autopsy studies following famines," explains Dr. Robert W. Wissler, an experimental pathologist at the University of Chicago. For instance, during the severe shortages of dairy and meat products in Nazi-occupied Scandinavia and the Low Countries, deaths from heart attacks dropped sharply. Routine autopsies at the time hinted that in some people, established plaques might have shrunk during the food shortages.

TESTS WITH MONKEYS

In later years, scientists have managed to induce atherosclerosis in the coronary arteries of dogs and pigs and then caused it to regress. But perhaps the most excitement has been generated by more recent experiments with monkeys, evolutionary cousins of humans.

In experiments at the University of Iowa, monkeys were fed a cholesterol-raising diet, rich in egg yolks and animal fats, for 17 months. This was long enough, as proven by autopsies on some of the animals, to produce plaques that narrowed the coronary arteries by 50% or more. The still-living monkeys, whose coronaries presumably were as badly clogged as those in the killed ones, were then put on a rigid diet low in fats and cholesterol. After the monkeys had been fed this diet for more than three years, autopsies found that deposits had narrowed the animals' coronaries by an average of about 20%; that compares with an assumed narrowing of 50% or more—the same as in the first group of monkeys—when the low-fat diet began.

To scientists, a single experiment means little unless it can be reproduced. But a few months before the Iowa experiment was finished. Dr. Wissler in Chicago launched a similar four-year study with monkeys that confirms the Iowa finding—that is, that a drastic reduction of cholesterol levels can cause the plaques to shrink, at least in monkeys. In addition to using a cholesterol-lowering diet. Dr. Wissler gave his monkeys a regimen of cholestyramine, a drug prescribed to humans under the name Questran, which lowers cholesterol levels by blocking the absorption of fats and cholesterol from foods.

The monkey experiments, however, raise a practical and frustrating problem. They indicate that cholesterol levels have to drop to about 150 milligrams of cholesterol per 100 milliliters of blood serum to reverse the growth of the plaques. For Americans, who get about 45% of their calories from fats, a "normal" (although not necessarily a desirable) level is 200 to 250 milligrams. Indeed, many American doctors don't even prescribe blood fats approach 300 milligrams. Even then, few doctors or patients attempt such an ambitious goal as cutting the cholesterol level in half.

Thus, there is little experience with humans who have achieved and maintained the drastic reductions in cholesterol levels that in theory would affect the plaques. But there are at least two studies in humans where the evidence of the deposits' shrinking is strong. One of these involves patients with proven coronary-artery disease and high cholesterol levels treated at the University of Minnesota. The treatment involves an operation pioneered by Dr. Henry Buchwald in which the small intestine is surgically short-circuited to reduce drastically the absorption of fats from foods. The surgery combined with diet has cut cholesterol levels by 50% or more in about 175 patients treated so far, Dr. Buchwald says

X-RAYS OBTAINED

More important, in 22 of these patients, the Minnesota researchers had the chance to get before and after X-rays of the coronary arteries. The X-ray technique, called coronary arteriography, isn't a routine procedure and is normally used only to plan open-heart surgery. It is limited in that it can detect only relatively large, advanced plaques and only gross changes in plaque size. Even so, the X-rays strongly indicated that in at least three of the 22 patients, the deposits had shrunk in size during the three to four years following surgery and the lowering of cholesterol levels. (One of the three patients is John Hiller, pitcher for the Detroit Tigers baseball team who made a comeback after a heart attack.)

Unfortunately, five other patients in the study showed continued worsening of the deposits; the evidence in the remainder is uncertain. "All these data are highly suggestive but we don't yet have firm proof" that lowering cholesterol will reverse coronary disease, Dr. Buchwald says.

Several weeks ago, however, Dr. David H. Blankenhorn and his colleagues at the University of Southern California raised hopes for getting the proof. They reported what many scientists regard as convincing evidence that cholesterol-lowering therapy and blood pressure control had produced regression in some atherosclerotic deposits in the leg. Although atherosclerosis is most dangerous in the coronary arteries, it is a generalized disease with deposits building up in many major arteries at the same time they are accumulating in the coronaries. Dr. Blankenhorn's group argues that, although there are some differences, growth and shrinkage of plaques in the leg arteries is representative of what goes on in other arteries.

In the California study, 25 patients with high cholesterol level were treated for 13 months to get the levels down and, where necessary, to lower blood pressures. Nine showed unmistakable signs of regression in the deposits in the leg arteries and all nine had achieved lower cholesterol levels than 13 others whose plaques continued to grow To many researchers, regression of these early-stage deposits after only 13 months of treatment is surprising.

SPACE TECHNOLOGY

Drawing attention to the California study is the technique used by Dr. Blankenhorn's group to measure changes in the size of the deposits. They use an adaptation of a computer system originally developed to construct and enhance pictures of the planets from digital signals sent back by spacecraft. The system can construct from X-rays, images that reveal changes in plaque size that wouldn't be evident on conventional X-ray photos. Such a technique could be the key to finding out if the growth of the deposits can truly be stopped or reversed.

"We believe that the important result of this study is evidence that a total effect of all therapy can influence atherosclerosis favorably," the USC scientists reported. They added, though, that the real advance will come when and if the technique can be used to measure plaque sizes in the tiny coronary arteries before and after treatment. At the moment, the only definitive way to measure plaque size other than an autopsy is to slit open a coronary artery during open-heart surgery. To subject a patient to open-heart surgery both before and after treatment just to see if a plaque had grown or shrunk is too risky to be justified, the researchers say.

Meanwhile, a foundation of basic research is being laid for the theory that lowering cholesterol levels can melt away the deposits.

The buildup of a fatty deposit in an artery wall, it is thought, begins with some microscopic damage to the smooth inner lining. Cells begin proliferating to repair the damage. In the ordinary course of this damage repair, cholesterol from the blood serum would be carried into the cells, converted into whatever the cells used it for, and any leftovers and "used" cholesterol would be carted away. But when the blood serum is loaded with more cholesterol than is needed, the fatty material pours in faster than it can be carted off, the repair process is disrupted, and the fibrous, cholesterol-rich plaque begins building up.

SECRETS BEING UNLOCKED?

Scientists in several laboratories believe they now are learning the secrets of this process and finding some road signs to how it might be manipulated. Fatty substances like cholesterol don't mix with water, of course; hence the blood can't transport them. In order to carry the fats from the liver to the rest of the body, the body hooks them on to proteins that dissolve in the blood serum. Since fats are known as "lipids," the fat-protein combinations are called lipoproteins.

An emerging theory is that one type of lipoprotein called low-density lipoproteins is the form in which cholesterol is served up to the cells, the "waiter" so to speak. The evidence is less certain, but it is speculated that a second type, the so-called high-density lipoproteins, is what clears the cholesterol out of the cells, a kind of cholesterol "busboy."

Recently, researchers who have been monitoring heart disease for 26 years in residents of Framingham, Mass., startled the medical world with a report that people with excessive cholesterol in the form of low-density lipoproteins have the greatest risk of heart attack. But, they found, if the excessive cholesterol was in high-density lipoproteins the busboy—the people seemed to be protected against heart attack.

The immediate implication of the finding is that in older people, at least, excessive amounts of cholesterol in the form of low-density lipoproteins are what need to be treated. But if the cholesterol is high-density lipoprotein, "these people don't need treatment," Dr. William P. Castelli of the Framingham study says. "They're really better off than most people in the U.S."

To researchers trying to melt away the plaques, there are longer-range implications. Controlling the fats in the diet may be helping by reducing the supply of the dangerous low-density lipoproteins, retarding the growth of the plaques. To get them to shrink, it might be necessary to boost the amount of high-density lipoproteins, to pull the cholesterol out of the deposits. Drugs that could do this would be Dr. Levy's "chemical Roto-Rooters."

[From the Wall Street Journal, June 16, 1977]

AMERICAN DIETS TODAY ARE HIGH IN PROTEINS, FATS, AND CONTROVERSY

(By Joann S. Lublin)

When it comes to eating, Roy F. Northrop is all-American.

Dining recently at a restaurant near his home in Acton, Mass., the 40-year-old stockbroker skipped the homemade bean soup and salad bar in favor of a draft beer and four pieces of buttered bread. Then he ate a rare, 10-ounce steak and a baked potato sprinkled with salt and topped with whipped butter. For dessert, he had coffee with cream and a large dish of chocolate ice cream.

The slightly overweight Mr. Northrop orders a similar meal whenever he goes out. "I'd be very happy to eat the same things forever," he declares.

So, apparently, would most of us. Since the beginning of this century, American patterns of food consumption have changed radically. But although we are heavier than ever before—at least 20% of us carry more weight than our physiques require—we don't eat any more than we used to. Rather, it's the components of the national dinner plate that are different. The average American today consumes proportionately more meat, dairy products, eggs, salt and sugar than his turn-of-the-century counterpart. And he eats less vegetables, fruits and grain products.

This regimen, high in protein as well as fat and cholesterol, is controversial. It has, in the opinion of some authorities, increased our average height and lowered the age at which we reach sexual maturity. Others, however, are alarmed by the contrast between this enriched fare and the sedentary lives we lead these days. "Rather than eating well, most people are eating themselves to ill health," states D. Mark Hegsted, professor of nutrition at Harvard University.

Many physicians and nutritionists, in fact, urge that we change our way of eating. A recent U.S. Senate committee report on the subject went so far as to recommend that every family throw out the salt shaker, give up soft drinks, eschew those steaks and eat more vegetables, skimmed milk and fish.

The booming diet-book business and the "natural foods" movement suggest these warnings are being heard. But how well they are being heeded is another matter. Many of us like some foods too much to give them up. Even gender is involved. One nutritionist observes that women seem to prefer chocolate. Surveys by a chicken-industry trade group show that men don't find eating that bird "manly." And nutritionist Jean Mayer, president of Tufts University, believes that "the more men sit at their desks, the more they need reassurance of their maleness by eating red meat. It is the motorcycle of the middle-aged."

DINING AND DYING

Moreover, despite the concern with the state of the nation's eating habits, experts still can't agree on what kind of diet will permit healthy persons to stay that way, or what normal people should eat to function best at work and play. Only recently, for instance, have medical investigators begun to pin down evidence linking the way we dine with some of the ways we die.

Inquiries into how our personalities and our behavior are affected by food are also just getting underway. This area of research represents one of "the new frontiers of nutrition," says George Briggs, a nutrition scientist at the University of California at Berkeley. "The end result may be a healthier, more productive society."

Technology plays a big role in what we do eat these days. Industry's ability to preserve and transport foods has brought Boston scrod to Dallas and put tomatoes on Chicago tables in midwinter. Mass merchandizing helps too. Consider the taco, which 10 years ago was practically unheard of outside the Southwest: Now that the Mexican border fare has captured the interest of fast-food entrepreneurs, "tacos are standard food across the country," says Helen Ullrich, executive director of the Society for Nutrition Education.

THE PRICE OF PROGRESS?

At the same time, regional and cultural differences in our eating habits are beginning to disappear. That may be simply the price of progress. However, Richard de Rochemont, coauthor of "Eating in America," a history of the nation's gastronomy, argues that it also means Americans' tastebuds are "infinitely less varied than they used to be." The problem, he says, is that the widespread use of sugar and salt in prepared and frozen foods "tends to level things out," making people less interested in eating foods with other tastes.

Bland though it might be, our diet today is suspected to be a factor in such illnesses as heart disease, cancer, stroke, diabetes, hardening of the arteries and cirrhosis of the liver. Specifically, scientists believe that meats and dairy products, which are high in both saturated fats and wax-like cholesterol, seem to lead to the buildup of fatty deposits in arteries. When these deposits block a heart artery, a heart attack occurs; a clogged artery to the brain causes a stroke.

Other researchers are trying to determine exactly how eating habits play a role in the nearly 400,000 annual cancer cases suspected to be related to nutrition. One theory: animal-fat-laden foods may trigger release of tiny amounts of cancer-causing substances in the colon as well as upset the delicate balance of hormones in the breast.

Cancers of the colon may also be related to our diet's lack of fibers, the tough structural portion of vegetables that's often lost during processing and cooking. Experts think that these fibers somehow dilute cancer-causing chemicals in the intestine while aiding elimination. But, concedes one food researcher, "we don't even know yet what it is" in fibrous foods that seems to benefit the digestive system.

Little is known about how to treat diseases wrought by overnutrition. However, a recent test conduct by a University of Southern California team indicates for the first time that fatty deposits in arteries can be reduced by restricting diet and providing special medication. Especially intriguing is the work of Procter & Gamble Co. researchers, who may have found a way for people to lower their cholesterol intake without radically changing what they eat.

The key in this instance is sucrose polyester, a noncaloric synthetic with the cooking properties of vegetable oil. For 10 days, the Procter & Gamble researchers fed 13 normal volunteers meals loaded with eggs, butter and other cholesterol-raising foods. The subjects' cholesterol levels should have skyrocketed by the end of the period; instead, they dropped 14%. The reason, the researchers believe, is that their foods were cooked with sucrose polyester.

It's too early to tell if these findings mean we will be able to improve our health by gorging on greasy hamburgers and cheese omelets. Nonetheless, the synthetic is a "potentially remarkable, extraordinary compound," says Dr. Charles J. Glueck, director of the University of Cincinnati's Clinical Research Center and a participant in the Procter & Gamble study.

SKIMPY DIETS BLAMED

Skimpy diets, the bane of Depression-era Americans, still affect some of us. The academic failure of many poor schoolchildren, for instance, is partly blamed on a lack of nutritious food. Some say this malnutrition is severe enough to inflict brain damage, but other experts disagree. Made sluggish by iron deficiencies, these children "score poorly on intelligence tests because of low energy rather than because of direct effects on the brain," says Michael C. Latham, a professor at Cornell University's Graduate School of Nutrition.

Scientists have only a glimmer of understanding about how food affects moods. But they are beginning to explore the connection between diet and at least two areas of behavior; hyperactivity in children and emotional and mental disorders in adults.

"Wall climbers," or temperamental children who have trouble sleeping, learning and sitting still, are said to number at least 1.5 million, or 5 percent of all U.S. schoolchildren. In 1973, a San Francisco allergist, Dr. Benjamin F. Feingold, suggested that this hyperactivity could be due to the artificial dyes and colors found in dozens of foods. He kept his hyperactive patients away from more than 50 items, ranging from bologna to ice cream, and observed that more than half the youngsters began to calm down.

"A JOY TO BE AROUND"

Since then, word of the diet has spread among parents of hyperactive children—there are now 100 "Feingold Associations" in 25 states—and many swear by its effectiveness. One is Eugenia Kuehnau of Schaumburg, Ill., who decided to try the regimen on her five-year-old son, Kenny, after medication failed to stop his series of angry fits. Since she removed flavored and dyed foods from Kenny's diet over a year ago, his behavior has been "just unbelievable," Mrs. Kuehnau says. "He listens to directions. He's a joy to be around instead of a pain."

Physician organizations, such as the American Medical Association and the American Academy of Pediatrics, remain skeptical about Dr. Feingold's hypothesis. Several federally funded experiments, under way in Pittsburgh and Madison, Wisc., are attempting to compare children on the Feingold diet with those who eat the usual childhood foods. Results so far suggest that at best, artificial food colors can trigger hyperactivity in a small proportion of youngsters for a few hours at a time.

Another popular theory holds that an inadequate supply of vitamins, minerals and nutrients can wreck biochemical havoc in the minds of adults, causing everything from schizophrenia to headaches. The answer, proponents believe, is megavitamin therapy; there are about 800 orthomolecular psychiatrists—physicians who practice the megavitamin discipline—in the U.S. who treat patients with up to 200 times the normal dosages of some vitamins and minerals.

Adherents to the theory are enthusiastic about its potential. Megavitamin therapy "roughly doubles the recovery rate from mental illness in general," claims Dr. David Hawkins, medical director of the North Nassau Mental Health Center in Manhasset, N.Y. Such "supernutrition" can help ordinary people "reach their potential in life," adds Dr. H. L. Newbold, a New York psychiatrist.

For instance, Dr. Newbold, who pops 10 grams of vitamin C daily to stay in shape, had one 57-year-old patient who kept losing his memory. The psychiatrist concluded the man wasn't getting enough vitamin B12, so he prescribed large doses of the substance, improving the man's recall. Dr. Hawkins says he treated a schizophrenic who had high levels of copper in her hair and urine by placing the woman on a diet low in copper and high in zinc and vitamins B6 and B7. "She improved in six weeks and went home," he reports.

Critics charge that the megavitamin advocates have failed to test scientifically the theory's merit. "Unless they have hard evidence, they shouldn't make claims," contends Dr. Morris A. Lipton, psychiatry professor at the University of North Carolina's

medical school. Other physicians point out that gulping down large doses of certain vitamins can cause harmful side effects, such as kidney stones.

There appears to be independent support for at least one aspect of the megavitamin theory, however, and that involves the way the brain responds to some foods. Until 1970, scientists believed that the brain was protected from blood-level variations in the intake of amino acids, which make up all protein. Then Massachusetts Institute of Technology investigators discovered that amino acids might indeed affect the output of brain chemicals.

Specifically, they found that when rats were fed a diet containing unusually small amounts of tryptophan, a key amino acid, the animals' brains produced less of one brain chemical, serotonin. As this output fell, the rats began to act meaner and more sensitive to pain. Fluctuations in serotonin also seemed to influence the animals' sleep habits, appetite and sex drive.

The researchers now believe the human brain may react in the same way. Will they come up with diets tailored to specific activities such as sex, sleep and work? "We can't do that now," says Loy Lytle, associate professor of pharmacology at M.I.T. "Someday, we may be able to."

[From the Wall Street Journal, June 21, 1977]

MORE FOODS TODAY ARE "FRESH" FROM FACTORIES AND QUICK TO PREPARE

(By Victor F. Zonana)

Fresh Horizons bread looked like a winner. Perfected last year by the Continental Baking Co. unit of International Telephone & Telegraph Corp., Fresh Horizons is low in calories and high in natural-fiber content. Although priced at a premium 65-cents-a-loaf to reflect the cost of this fibrous material, the product seemed sure to appeal to the weight-conscious and to natural-food buffs.

For a while, it did. In the first several months following Fresh Horizons' nationwide introduction last fall, sales "far exceeded our expectations," a Continental Baking spokesman says.

Then in March, Sen, George McGovern, the South Dakota Democrat who chairs the Senate Select Committee on Nutrition, announced he was "shocked" to learn that the source of Fresh Horizons' fiber content was "sawdust" and "wood pulp." Added the Senator: "As one who grew up in the Great Plains, I assumed that the fiber was the natural fiber found in wheat."

Indignant Continental Baking officials hurried to explain that Fresh Horizons doesn't contain sawdust or wood pulp, but highly refined cellulose powder derived from wood. (Natural fibers, whether from wheat, wood or vegetables, are thought to aid the human digestive process.) And in Fresh Horizons' case, substituting the powder for flour enabled the company to keep the product's calorie content 30% below that of white bread, officials argued.

The damage, however, was done. Fresh Horizons' sales, which had reached a high in February, fell across the country, "They are now rebounding," says Robert B. Keane, a Continental Baking vice president, "but we still aren't back up to the peak."

The Fresh Horizons episode is a sign of the times. Today, more than half of what we eat already has been altered, "enriched" or otherwise changed by food manufacturers. And a study by Arthur D. Little Inc., the consulting firm, calculates that about two-thirds of our food now comes frozen or refrigerated, while much of the balance—from cereal to instant soup—has been processed to the point that it needs no special care.

CONTROVERSIAL ALTERATIONS

Whether these alterations involve the addition of a single ingredient or the application of complex technology, they are increasingly controversial. Cyclamates, saccharin, and a number of other additives have come under fire as health hazards; never before, food industry executives complain, have Americans been so suspicious of how their food is made. Some critics, meanwhile, simply object to all changes modern foods undergo between the farm and the dinner table.

"Food should be a link to nature, especially for all our people who live in the big cities," says Michael Jacobsen, director of the Center for Science in the Public Interest. "The American public should feel and believe that food comes from farms, not factories."

The trend, however, has long been in the opposite direction. Humans have processed their food ever since cavemen started salting and smoking meats. A breakthrough in food preservation came in 1810, when Nicholas Appert showed Napoleon I how the French army's food could be preserved by storing it in airtight glass containers. Cans soon followed. By World War II, food scientists had learned how to reduce eggs, milk and juices to powdered form.

Now, many in the food business predict there soon will be even fewer "fresh" meats and "fresh" produce in the nation's supermarkets—and more chemically-treated hybrids designed to survive the rigors of long-distance transportation.

TECHNOLOGY'S ROLE

"Fresh foods spoil too fast," says Glenn Stelzer, sales director of the food and fragrance development department at Hercules Inc., a chemical company. "You just can't move them to the consumer fast enough." Adds Ferguson Clydesdale, nutrition professor at the University of Massachusetts: "There's no possibility of feeding our nation without the use of technology, and that means processed foods."

Food manufacturers also stress technology's role in the ease with which many foods can be prepared these days. Yet there's often a trade-off involved. Agriculture Department economists, for instance, found that 64 percent of the processed foods examined in a recent study were priced higher than the equivalent amount of homemade foods. Some examples: Turkey tetrazzine costs about 42 cents a serving when prepared from scratch, but almost 79 cents a serving when purchased in a frozen package; homemade fried chicken is about one-third the price of chicken that comes covered with factory-prepared batter.

Larry G. Traub, who authored the government study, points out that the higher prices of processed convenience foods "reflect the extra labor and energy that go into them." Determining the consumer's actual cost of using them is also difficult, he adds, because many people aren't sure what their own time is worth in dollars and cents.

Industry critics, however, say that food manufacturers oversell convenience. Sidney Margolies, a syndicated columnist who writes on consumer-related issues, offers one striking example, canned franks-and-beans. "Franks and beans canned together cost more than if you buy the two separately," he says. "What the hell is the labor factor of boiling a frankfurther and mixing it with a can of beans?"

As food wends its way to the grocer's shelf, it is likely not only to be canned, frozen or refrigerated, but also flavored, colored, thickened or condensed; the average American, by one estimate, consumes nine pounds of additives alone every year. And to counter charges that they are selling "empty calories," cereal makers and other food manufacturers are also adding vitamins and minerals to their products. (Less frequently, however, are they removing the sugars that provoked those charges.)

Some additives, such as artificial colors, are used only to enhance the visual appeal—and thus the sales—of foods. Even nutritious additives have their drawbacks. Kellogg Co., for instance, recently reduced the iron content of its Frosted Rice cereal to 10 percent of the government's "recommended daily allowance" from 25 percent after consumers discovered they could move flakes of the cereal around with magnets. As a company spokesman explains it, "we had problems evenly distributing the product's sugar coating," which contained microscopic, ground particles of pure iron, a common additive in flour and baked goods. Now, the spokesman avers, Frosted Rice can't be moved with magnets unless "they are very, very strong."

SEAFOOD IN KANSAS

But other additives are necessary if we are to keep eating the foods we do. Without preservatives, for instance, New Yorkers would have to give up most fruit in winter and Kansas Citians would have to forego seafood. Often the only sacrifice is taste: Tomatoes, oranges and bananas picked green and then artificially ripened with gases may be able to withstand the journey to faraway markets, but when they get there, food critics say, their "fresh" flavor is missing.

The future promises even more highly-processed foods. Already, for instance, McCormick & Co., a supplier of additives to the convenience-food industry, has chemically recreated in its laboratories "almost every flavor known to man," a spokesman tells a visitor. "Meat, fruit, cheese, wine, vegetables—you name it, we've got it," he says, pointing to hundreds of vials stored on shelves.

Using chemicals like these, other scientists have created the first generation of "engineered foods"—artificial meats made from vegetable protein, cheese and egg substitutes, and other products. In a process that resembles the manufacture of nylon, the Worthington Foods division of Miles Laboratories has been taking protein-rich soybeans, refining them and spinning them into long, thin fibers. Then with flavorings, colors and texturizers, the soybean fibers are transformed into meatlike products, ranging from artificial chicken to artificial bacon. These items, Worthington officials say, contain far less cholesterol than do real meats.

This technology hasn't yet advanced to the point where the taste and texture of meats can be exactly duplicated. Scientists say they have had the best luck with imitating the texture of hamburgers and meatballs, but the ersatz steaks and roasts are still too grainy. (For this reason, Worthington's products are sold mostly in specialty stores to those who won't eat meat for religious or health reasons.)

PREDICTED: A COVER-UP

Nonetheless, "all the big food companies are waiting for a technological breakthrough—or the price of real meat to go through the ceiling—before introducing their own texturized soy protein," says William Hale of Arthur D. Little. He also predicts these meat substitutes will first enter the American diet through the institutional foods market, where companies will be able to "sneak them in and cover them up with lots of sauce."

Not all the new food-processing technology has proved successful. Freeze-drying, a by-product of the space program that allows a manufacturer to condense and preserve foods by removing the water content, enjoyed a flurry of interest in the late 1960s. But because the process requires large amounts of what has become very expensive energy, it's now only used to make freeze-dried coffee and a few "instant" foods.

A more recent development is the "retort pouch," a packaging process that promises to both save energy and eliminate the need for cans and freezers. By placing foods in foil

and plastic containers and then cooking them in large retorts, food manufacturers say they can reduce the time—and thus the amount of fuel—needed to sterilize foods in the canning process. The retort pouch also can accommodate foods such as gravy and meat slices that currently must be frozen to be preserved. The Food and Drug Administration, however, hasn't approved the process because of questions about the sealant that will be used to close the filled pouches.

Food manufacturers are also turning back to the farm, buying acreage outright or gaining control over crops through long-term contracts with growers. One reason they're doing so, industry analysts say, is to ensure steady supplies of foods at stable prices. Another reason: to begin manufacturing food before it reaches the factory.

"By producing many of our own ingredients, we can assure ourselves of the qualities we need at our own quality specifications," says a researcher at Campbell Soup Co. For instance, to turn out tomatoes with what it says are "superior flavor, nutrition and processing characteristics," Campbell supplies growers with seeds developed by its research department. Other food companies, meanwhile, are studying use of the "square" tomato, a laboratory breakthrough with a rectangular shape that's said to be easier to pack and more resistant to bruising.

[From the Wall Street Journal, June 24, 1977]

FOOD MARKETERS SPEND BILLIONS PERSUADING US TO BUY THEIR PRODUCTS

(By John E. Cooney)

The nation's food merchants want your attention. Listen to New York advertising executive Jack Trout describe what they are doing to get it:

"It's a food war out there and advertising is the weapon," says the president of Ries Cappiello Colwell Inc. "TV is the bombers that have mass impact, and print media and couponing are the infantry for the hand-to-hand stuff."

The battlefield analogy is apt. Selling food in America is not only a big business—our grocery bill last year totaled $153.1 billion—it's also a hotly competitive one. To persuade you to buy their products, food makers will spend about $4 billion on advertising alone this year, up 7% from the 1976 level. Billions of cents-off coupons will be offered as added inducement. And by the time the year is out, food marketing specialists will have designed, packaged, tested—and sometimes discarded—dozens of new edibles you never knew you were going to want.

Nutritionists wince at this approach. "Food is sold on the basis of what's for fun, amusement or sex appeal—not what's good for you," contends Joan Gussow, chairman of the nutrition program at Columbia University's Teachers College. But many in the food industry, where nutrition is often used as a sales tool these days, don't see it that way. "Food companies are only trying to capture the taste buds of America," says one supermarket chain executive. "They sell what people buy."

It's in the aisles of the country's 183,700 grocery stores and supermarkets where consumers finally do decide what and how much to buy. They get plenty of help. Milk, always a big draw, is often placed at the rear of the store; shoppers must pass high-profit "impulse" items such as snack foods to get to it. And "non-nutritious products like orange drinks that are only 10% juice and 90% water are positioned near oranges so people will think they are better than they are," says Warner Isaac, a buyer for Consumers Coop, a cooperative supermarket chain based in Berkeley, Calif.

But it's outside the grocery store where the selling of food begins. The medium is usually television—its visual impact persuaded food marketers to buy $2.68 billion worth of TV time last year—and the message is often directed at women, who do most grocery shopping, and children, who are the most susceptible. Though nearly every type of food is advertised, it's the packaged, processed items like cereals, snacks, speciality foods and soft drinks that are pushed the hardest.

SELLING SPAGHETTI SAUCE

Perhaps typical is the commercial for Hunt-Wesson Inc.'s spaghetti sauce. The theme of the ad is simple: It emphasizes how much members of Boston's Italian community happen to like the sauce. For if "people who eat the most spaghetti use it, it lends credibility" to the product, explains Daniel Ailloni, president of Stratmar Systems Inc., a market research concern.

Then there's the campaign devised by Marsteller Inc., a New York agency, to sell the yogurt made by Dannon Milk Products Co. Yogurt's reputation as a health food is an obvious selling point in this nutrition-conscious age, and Marsteller hasn't overlooked it with the slogan, "If you don't always eat right, Dannon is the right thing to eat."

But one television commercial, showing hoary octogenarians in Soviet Georgia lapping up Dannon Yogurt after a hard day in the field, seems to make light of the product. As it turns out, that's the idea: By combining dry humor with an exotic foreign setting, says Marsteller vice president Milton Sutton, the agency hopes to enhance Dannon's appeal among a presumably sophisticated "upscale population—the middle management types." Otherwise, he adds, "we might show somebody in a bowling alley."

MOTHER'S ROLE

Also subtle is the promotion of General Food Corp.'s Shake 'n Bake, a mixture of crumbs and spices that, when applied to raw chicken, enables the user to create a dish strongly resembling homemade fried chicken. Shake 'n Bake commercials, however, stress more the convenience. One depicts a mother serving up a chicken dinner while small children stand nearby. The object of this homey, rather winsome vignette, says Stratmar Systems' Mr. Ailloni, is to "reinforce the mother's role."

(Apparently, it can be risky to make a food product too easy to use. When cake mixes were first introduced some years ago, they flopped. Then the eggs were removed from the mixes "so women could add their own eggs, pretend they were doing some real work and get rid of the guilt," one marketing observer recalls. Soon after, cakemix sales soared.)

A study of children's reactions to televised food advertising by the psychology department at Columbia's Teachers College found that youngsters who watch a lot of TV try hardest to influence what their mothers buy at the supermarket. Breakfast cereals—the most heavily advertised food products on television—were what these children asked for most often. Next came cookies, candies and ice cream, all highly advertised items. And the study showed that mothers often gave in to their youngsters' demands.

"It's pretty hard to turn down a child who is reaching out of the shopping basket and begging for certain products," says Mary Alice White, one of the professors who conducted the study.

Food companies are under increasing pressure from consumer groups and government agencies alike to abandon some of their merchandising tactics. For instance, Action for Children's Television, a Newtonville, Mass., group critical of food commercials aimed at children, is asking the Federal Trade Commission to halt commercials that say Milky Way candy bars should be eaten "wherever you are . . . at work, rest or play." The ACT complaint contends that a "child could very likely make the erroneous assumption that eating a Milky Way at rest and play, every day, will lead only to enjoyment, not cavities."

The television industry is responding to this criticism. A trade group, the National Association of Broadcasters, has voted to trim the number of all daytime commercials; it has also ruled that cereal commercials must depict a "complete breakfast," including milk and fruit.

The food industry is responding too. Kellogg Co., the big cereal maker, has begun advertising the fact that it answers all letters that ask nutrition questions. And General Foods is conducting a campaign in newspapers and magazines that seeks to explain the need for processed foods. A typical ad begins this way: "Dear General Foods, Nothing you do to a pea is going to make it a better pea. So why do anything?" Part of the answer: ". . . what if it's February, and you live in North Dakota, and the only part of Nature still making peas is a thousand miles away? What we do to foods to solve problems like this is called food processing. . . ."

Nonetheless, nutrition is "not a direct concern" of most marketers, says Ronald G. Nelson, executive vice president of Consumer Response Corp., a test-marketing company. How the product looks—how it's packaged—is.

A package, of course, protects a food product during transportation. It is also an important marketing tool because it both promotes and describes what's inside. But sometimes this description is less than informative. "Packagers can put a great big apple with a drop of condensate on an apple drink that has very little apple juice in it," observes Ruth McMurry, a New York graphics designer.

Clever packaging and expensive promotion don't guarantee success, though. "It's not simply a matter of who comes up with the biggest ad budget is who dominates the market place," says an executive at J. Walter Thompson Co., the big advertising agency. "You have to sell your product better or people won't buy it."

Take Maxim, the freeze-dried coffee from General Foods. Although it was the first of its kind, introduced in 1964, it has been outsold in each of the past six years by Taster's Choice, a Nestle Co. competitor brought to market just a decade ago. One of Maxim's problems, marketers say, is that it didn't attempt at the outset to capture sales from an obvious market, regular-coffee drinkers. The apparent reason: fear that Maxim would compete with Maxwell House coffee, also a General Foods product. At Nestle, however, "one of our lines of attack has been that one jar of Taster's Choice makes 120 cups of coffee, or about the amount that two pounds of ground coffee makes," a spokesman says.

Pringle's Potato Chips, a Procter & Gamble Co. product that comes packed in a tube resembling a tennis-ball container, is another example of how difficult selling food can be. Last year, Snack Food, a trade publication, estimated that Pringle's had garnered 10 percent to 15 percent of the $1 billion potato chip market. Today, industry sources believe, Pringle's market share is only 6 percent or 7 percent.

Some believe the sales slip is due to the fact that Pringle's costly container has forced the retail price of the product 10 percent above that charged by competing chips. A Snack Food article also suggests that at a time when "natural" foods are becoming increasingly popular, "many consumers perceive Pringle's as a make-believe' product of an era forever gone. . . ." But Mr. Trout, the Ries Cappiello Colwell president, suspects that Procter & Gamble "got so hung up on making something that didn't break, they forgot to make it taste good."

To minimize product failure, food makers rely on test markets, or areas of the country where the local populace's reaction to a new item is sought as a barometer of national opinion. "Virtually none of the major companies go into roll out (national marketing) of a product until they have test marketed it," says Emmanual Demby, chairman of Motivational Programming Inc., a testing and research concern.

This isn't an exact science, but it's close People in coastal cities, marketers have found, tend to accept nearly all new products quickly. Those who live in the Middle West, however, seem to reject most of them. Thus it is that Syracuse, N.Y., which is neither coastal nor Midwestern, is considered to be an ideal test market, researchers say.

Statistics aren't available on the number of new foods that don't pass muster in these outings. But it's doubtful, for instance, that shoppers will ever see "Ice Flow," a slush-like drink, or "Kool and Creamy," a pudding, on supermarket shelves; both recently flunked their tests. And the results aren't in yet on the Gerber Products Co. Sampling of the college market's receptiveness to its baby foods, which occurred after the company discovered some students were eating these foods as snacks. (One Gerber test advertisement read, "Baby yourself during exams.")

Once the food manufacturer has packaged, tested and promoted a product, its fate is in the grocer's hands. And the first thing the retailer does is to determine whether his customers will buy the item. Gourmet foods, for instance, are seldom found in stores catering to blue-collar neighborhoods, "And don't try and sell black-eyed peas in North Dakota," adds a spokesman for Pathmark supermarkets.

Pricing is an important factor, too. The average supermarket carries 10,000 items, and about 20% of them are sold either at a loss or at no profit, industry analysts say. But these foods, usually staples, are priced low to entice customers into the store and expose them to foods and other goods that do bring a profit. It's worth the effort. By one estimate, nearly half the items bought on a weekly shopping trip are purchased on impulse. "Most people don't plan menus or food purchases," explains Earle Wendel, professor of marketing at Cornell University.

Atmosphere and store design, however, may be the most effective ploys grocers have. Good lighting, for instance, can easily boost sales, says William Pierson, manager of Studio 70, a supermarket-design firm. "We use incandescent lighting that makes meat look red—the wrong color on meat can make it look unappetizing."

Today, some supermarket chains are experimenting with an idea borrowed from discount outlets, the "warehouse store." Spartan in appearance—the aisles are often crowded with food items still in shipping boxes—these stores are meant to attract budget-minded shoppers. But outside of the Pacific Northwest, results "have been uneven," says Thomas Wilson, senior partner in the consulting firm of McKinsey & Co. "It depends on whether people think they're getting a bargain and if they want to get one in stores like those."

At the other extreme are the luxury stores. Byerly Markets, a three-supermarket chain in Minneapolis, offers carpeted floors, low ceilings, chandeliers, a bakery, a well-staffed meat department and plenty of check-out counters. Yet Byerly keeps its food prices competitive by lowering another cost: It advertises only once or twice a year. Volume is high, a Byerly spokesman says, and the company makes money.

The Byerly approach could be the wave of the future. Analyzing speech patterns in shoppers' replies to marketing questions, Consumer Response Corp. determined that while people complain a lot about high food prices, what most really want are short check-out lines and pleasant surroundings.

[From the Wall Street Journal, June 28, 1977]

TO MORE U.S. FAMILIES, THE BEST MEALS AREN'T ONES EATEN AT HOME

(By Stephen J. Sansweet)

VAN NUYS, CALIF.—Jerry Marlow is a remodeling contractor who, by dint of hard work, earns about $25,000 a year. Linda Marlow not only cares for the couple's three school-aged children, she also puts in two full days a week at her husband's office.

So two to three times a week, they give themselves a break. Children usually in tow, the Marlows hop into the family Ford and either drive a few miles to their favorite Mexican restaurant or scout around for a new place to dine. Mr. Marlow estimates those dinner time treks cost $50 to $75 a week, or from $2,600 to $3,800 a year; he also spends another $10 to $15 a week on lunch for himself.

For some families, devoting that much income just to eat away from home might seem excessive. Government figures indicate that only 3.7% of the total population's personal disposable income was spent in restaurants last year (another 11.9% was spent in supermarkets). But for the Marlows and millions of other increasingly affluent families, the custom has become an important part of their lives.

"It's well worth the cost, because it really pleases the family, gets us all together and gives us some time to talk as a group," Mr. Marlow says. Besides, his wife adds, "if I'm really rushed, I don't enjoy cooking very much."

In any two-week period, about 50 million American families dine out an average of six times, reports a study done for the National Restaurant Association. Last year, these customers left behind $44 billion at some 375,000 eating places; this year, they're expected to spend about 12.5% more, half of which will reflect inflation. So commonplace has this habit become that today, only about 20% of us haven't yet experienced a Big Mac at McDonald's, one industry analyst claims.

American eateries range in style and substance from the Cozy Inn in Salina, Kan., where the hamburgers are 30 cents each, to the Palace in New York, where the fixed-price dinner is $65. In between are independently owned diners and coffee shops and the nationwide chains that are expected to account for half of all restaurant sales by the end of this decade.

MILLION-DOLLAR EATERIES

"The trend today is restaurants that cost $1 million to build, do $1 million in sales a year and serve a pretty good meal for $3," says Donald E. Lundberg, chairman of the hotel and restaurant management department at California State Polytechnic University. "Atmosphere has also become darn important." Indeed, one can now dine in places that resemble English pubs, railroad stations, coal mines, warehouses, airports, bank vaults, body shops and monasteries, to name a few.

Then there are the fast-food chains, offering not atmosphere but quickly-prepared take-out meals often no more elaborate than a hamburger, french fries, and soft drink. Although hundreds of these outlets folded in the franchise-restaurant debacle that followed the 1969–70 recession, fast-food restaurant sales today are outpacing those in the rest of the industry. By 1980 a government study says, sales of the 20 largest fast-food chains should reach $16.3 billion from 46,600 outlets, up from sales of $10 billion at about 28,800 outlets last year.

But as restauranting becomes more of a business and less of an art, some critics claim quality is being lost. John L. Hess, former New York Times food critic, sums up his view of the state of restaurants today in one word: desperate. "The food's just terrible," says Mr. Hess, who recently completed a gastronomic tour of America to write a book. His constant companion was heartburn. "More and more restaurant operators are taking shortcuts," Mr. Hess complains. "They just don't try anymore."

DINING IN ANCIENT EGYPT

Dining out is an ancient practice. There is a record of a restaurant in Egypt in 512 B.C. that offered a single dish, a plate of cereal, wild fowl and onions. Delmonico's opened in New York in 1827 as the first U.S. restaurant in which patrons sat at tables, were served by waiters, and could select meals from an extensive bill of fare. But it was during World War II, when nearly one third of the nation's women went to work and families were disrupted, that eating away from home gained wide acceptance. Today, nearly $1 out of every $4 spent on food is spent in restaurants.

It is cheaper to eat at home, of course; an Agriculture Department study notes that a typical meal at McDonald's costs about twice as much as the same food prepared in the family kitchen. But earlier in this decade, supermarket prices rose faster than menu prices, and restaurants trumpeted the "bargain" of eating out. Then last year, the trend was reversed. The price of food purchased at the grocery store rose 2.1% while the cost of dining out jumped 6.8%.

Now, "our phantom competitor in this industry is the supermarket," says Michael Guarnieri, president of Tiny Naylor's Restaurants, a Los Angeles-area chain of 20 coffee shops. "We are afraid the new price structure in the restaurant industry will drive the working women back to the kitchen."

Still, the average individual restaurant check ranges from 53 cents for a midday snack to $2.94 for dinner. And price seems little obstacle to the increasing number of families with few children at home and two spouses at work. It is the industry's belief, says Victor Rosellini, vice president of the National Restaurant Association, that "as per-capita disposable income increases, as leisure time increases and as the opportunity to eat away from home increases, more and more Americans will eat out more and more frequently."

The Marlow family is a case in point. Neither Jerry, 37 years old, nor Linda Marlow, 36, ate away from home much when they were growing up. But after they met and married, they found dining out to be a pleasant departure from the daily routine. Now, the Marlows usually take their three children along twice a week (16-year-old Tony, the oldest, says, "it's sort of a social thing more than anything else") and reserve the third outing for themselves.

Cost is a secondary concern, although Mr. Marlow is taken aback by "fancied-up $4 hamburgers." A recent $60 tab for two at an Italian restaurant also came as an unpleasant surprise. Service and atmosphere are important to them, however. And "if we don't like the food, we just won't return," Mrs. Marlow says. (At home, the family meals are what she calls "just the regular stuff." During one week, Mrs. Marlow prepared a macaroni and cheese casserole, chili, pork chops and steak.)

On a recent evening, the Marlow family and a guest decide to try a local outlet of Victoria Station Inc., one of the more successful limited-menu, full-of-atmosphere restaurant chains. Started in San Francisco in 1969, Victoria Station restaurants specialize in roast beef and a railroad theme—refurbished boxcars and cabooses placed around a central waiting room filled with British Railways artifacts. Today, there are 57 of them around the country, with another 14 scheduled to open by next March 31.

Victoria Station and most other "theme" restaurants don't take reservations, partly to

avoid extra labor costs and partly to push liquor sales among waiting customers. But the Marlows are seated without delay and a cocktail waitress comes over to take orders. An affable, bearded waiter appears next, handing out wood-backed menus listing nine entrees that are mostly variations on roast beef and steak. Then he directs the Marlows to the staple of this type of restaurant, the salad bar.

With their chilled plates, crisp lettuce, cherry tomatoes, alfalfa sprouts and the like, these do-it-yourself salad bars give customers a "sense of participation," restaurateurs say. There's seldom a stated charge for the salads; their cost is included in the price of the entree. And they're a big draw. "This is really neat," Mrs. Marlow says as she piles greenery on her plate, "a strong selling point."

Service is a bit slow (the crew is short-handed, the waiter explains), but the Marlows are pleased with the steaks when they arrive. There's so much, in fact, that they later ask for "doggy bags." The tab comes to $45.60, plus $6.85 for drinks, for the party of six. "It's a nice place," Mr. Marlow says. "We'd come back on a special occasion, or maybe just the two of us."

Victoria Station restaurants cater to people like the Marlows. The company says its typical customer, who spends an average $9.50 a visit, is a 25-to-40-year-old professional person with a household income of more than $20,000. People in this income bracket, industry studies show, tend to dine out at least four times a week.

Nowadays, however, "the competition in our part of the marketplace is pretty tough," says Richard J. Bradley, chairman and president of Victoria Station. Indeed, for its fiscal year ended March 31, the company reported an 11% gain in sales but only a 4% increase in net income. "The consumer is getting smarter and demanding more," Mr. Bradley adds. "I think you'll see operators spending a little less money on the design and decor of restaurants and a little more on the preparation and presentation of the food."

To meet these demands and stay competitive in their field, Victoria Station and other limited-menu restaurants are adding more items to their menus. Fast-food outlets are doing the same thing; McDonald's, for instance, now offers at least four different breakfasts in addition to its standard fare.

At the same time, many restaurants are turning to technology—and away from the chef—to keep food and labor costs down. Chains ranging from the roadside Howard Johnson's to the expensive and elegantly appointed Stouffer's Restaurants increasingly rely upon centrally prepared, frozen entrees that are thawed, boiled in a pouch or heated in a microwave oven, and then served to customers.

Mr. Lundberg of California State Polytechnic recalls a visit to a highly recommended French restaurant in Chicago. "I went back into the kitchen and was amazed to see that it was only about 10 by 15 feet and staffed by just one old guy who had holes in his shoes," he says. The kitchen equipment consisted of a gas stove, a pot of hot water, a freezer-refrigerator and a salad station. The customers, who weren't aware of how their coq au vin was being prepared, seemed "well pleased" with their food, the professor says. "There's a lot of pre-prepared stuff that a chef couldn't make as well on the premises."

That may be. Nonetheless, culinary sleight-of-hand has prompted truth-in-menu crusades in some parts of the country. The Michigan Restaurant Association is asking members to refrain, for instance, from calling soup "homemade" if it comes from a can or calling a salad "chicken" if it's made from turkey. And the California Attorney General's office has been filing dozens of suits in the Los Angeles area charging restaurant operators with deceiving customers through inaccurate menu listings.

Among recent infractions: calling Pacific rockfish "Florida red snapper," using non-dairy imitations in "blueberry cream-cheese pie," substituting California potatoes for the specified "Idaho," and advertising fish as fresh even though it had been frozen solid for months. Even one of the city's most prestigious and expensive restaurants, Scandia, agreed to pay a $7,500 fine after being accused of re-serving uneaten bread and using frozen peas in the "puree of fresh peas," among other things.

"Labor-saving convenience foods are for the convenience of the opeartors and not the public," complains Mr. Hess, the food critic. "Most managers of chain restaurants aren't authorized to buy what is fresh and good on the local scene, and the result is that we all eat slop." His solution: "Eat at an ethnic restaurant that hasn't yet become homogenized."

Mr. Lundberg, who has written a book on the restaurant business, dismisses such criticism as being elitist. "The large chains make available new concepts on a wider scale, reaching into all parts of the country much faster," he says. "There will always be room for the homestyle mon-and-pop restaurants, although there will be fewer of them in the future."

[From the Wall Street Journal, June 30, 1977]

TOO FAT? THIN? TIRED? FAD DIETS ARE PUSHED AS CURES FOR OUR ILLS

(By Joseph M. Winski)

Over here, seated before a dish of mashed lentils and corn bread, we find Nellie Shriver. The gentle-voiced Miss Shriver is the vegetarian movement's chief lobbyist. She wants everybody in the world to be a vegetarian.

And over here, sitting down to a thick steak oozing blood-red juices, we find David Stroud. He is president of the National Live Stock and Meat Board, an organization striving to preserve meat's good name and sales. "She goes around telling everybody, 'don't eat meat, meat is killing you,' and that's hogwash," Mr. Stroud says. "That's all there is to it."

We seem to have a slight disagreement here. But considering the subject, that isn't surprising. Besieged by claims about the value of this food or the harm of that one, many Americans these days are taking a hard second look at what they have been eating. In a Gallup poll conducted for Redbook magazine last year, 88% of those surveyed said they wanted to know more about nutrition. A Harris poll earlier this year for Chicago's Mount Sinai Hospital found that only 14% of those questioned thought Americans ate properly.

No doubt some of this skepticism stems from the frequent disagreements on nutritional matters among the "experts" themselves: The science of determining food's relationship to health is still, it seems, an evolving one. In any case, many people now feel free to follow the dietary advice of their own choosing, seeking that combination of foods that will reduce weight, nourish the psyche as well as the body, or cure everything from impotence to cancer.

Catering to this market for alternatives to conventional eating habits is a multi-billion dollars industry that includes book publishers, health-food emporiums and fasting clinics. Leading the way are the specialty-diet advocates themselves. "For millions of Americans," says Dr. Frederick J. Stare of Harvard University's School of Public Health, "the road to utopia is paved with fad diets."

There is, for example, Adelle Davis, who believed that no one who drank a quart of milk daily ever got cancer. Miss Davis, author of books such as "Let's Get Well," died of bone cancer in 1974. There are the folks at Rodale Press Inc., who through their Organic Gardening and Farming magazine and other publications have persuaded thousands to eat only "organic" foods—even though many food scientists say there's no evidence that foods grown with chemical fertilizers are more dangerous or less nutritious than "organically grown" foods.

SARDINES VS. WRINKLES

Among the newcomers to the field is Dr. David Reuben, who a few years ago told us everything we wanted to know about sex. Now, in a book entitled "The Save-Your-Life Diet," Dr. Reuben advises that many of the "dread diseases of civilization" can be prevented by eating more fibrous foods and having large and easy bowel movements. Another physician, Dr. Benjamin Frank, in a book called "Dr. Frank's No-Aging Diet," suggests that sardines and other foods high in nucleic-acid content erase wrinkles.

Vegetarianism is a more traditional alternative-eating philosophy, based both on the belief that meat is harmful to health and the personal conviction that animal life, including that of cattle and hogs, is sacred. As Nellie Shriver sometimes tells followers, "We must never rest. Every day the slaughterhouses grind out their victims. Every day people die of cancer."

The 34-year-old Miss Shriver heads American Vegetarians Inc., a group she helped form and which now devotes its efforts to lobbying politicians on behalf of the vegetarian cause. "The movement is exploding," Miss Shriver says. She estimates there may be as many as 15 million vegetarians in the U.S. today, compared to less than five million a decade ago. (The Meat Board's Mr. Stroud says those figures are greatly exaggerated.)

BOOM IN DIET BOOKS

Being a vegetarian is also supposed to help one lose weight. Others, however, offer easier ways to reduce, usually in both paperback and hardcover editions. These are the diet books, a phenomenon that probably began with the 1961 publication of Dr. Herman Taller's "Calories Don't Count."

Dr. Taller's book, which advocated heavy doses of polyunsaturated fats sold two million copies. It also earned him the nearly universal disapproval of the medical establishment (calories do count, many doctors say) and a 1967 mail-fraud conviction in a Brooklyn federal district court for promoting a safflower product that was among the fats that the diet recommended. Other weight-loss books, offering different prescriptions from their authors, followed. One of them, Dr. Irwin Stillman's "The Doctor's Quick Weight Loss Diet," describes 63 quick-loss diets; It's now in its 42nd printing.

There are a number of diets that stress foods that, because of the enzymes in them, supposedly burn up more calories than they contain. The food usually called for is grapefruit, with eggs added for nutrition's sake. Fifty-one grapefruit-and-eggs diets were turned up in a 1973 Senate committee hearing on fad diets. These regimens often circulate as "mayo" diets. The reason isn't clear, but keeps the prestigious Mayo Clinic busy denying there is a connection.

Nutritionists say a lot of the popular diets do work, at least for a while. But they also warn that because many of these diets often require either too much or too little of the foods that the human body needs, otherwise healthy individuals can't—and shouldn't—stick to them for long.

Others suspect that diet-book promoters time the publication of books purporting to reveal new nutritional "finds" to coincide with the waning popularity of the previously published "discovery." One who does is Philip A. White, director of the American Medical Association's Department of Foods and Nutrition, which keeps up with new

diets and alerts the public to the ones it believes are dangerous. "We can't get involved with every diet that comes along," he adds, "or we'd do nothing else."

The AMA did take issue with "Dr. Atkins' Diet Revolution," a book that has become a publishing-industry legend. It didn't appear until October, 1972, but it still made the Publishers' Weekly annual best-seller list both for that year and for 1973. Demand at one point was so great that five printers were involved; nearly a million hardcover editions were sold, and another four million paperback copies have been printed thus far.

In the book, Dr. Robert C. Atkins wrote he had developed a diet that lets "you eat as much as you want, as often as you want," including "heavy cream, butter, mayonnaise, cheese, meats, fish, fowl." Such claims prompted the AMA to issue a press release calling the diet "a bizarre regimen" that was "neither new nor revolutionary" and "without scientific merit."

Dr. Atkins says he is "chagrined" by the "savage" attacks from his peers. (He successfully sued the New York County Medical Society when it tried to censure him for "self-laudation.") And he disagrees with physicians who say he has made a fortune in the diet-book business.

DISCOVERING THREE CHINS

"I would say I made, at most, two hundred and some thousand on that book," Dr. Atkins says. A cardiologist by training, he explains he became interested in diet when he saw a picture of himself and realized, apparently for the first time, that he had three chins. Indeed, undaunted by the criticism his first book provoked, Dr. Atkins has written a second, "The Superenergy Diet," which advocates eating to gain energy (though one who follows it can supposedly lose weight, too) and advises megavitamin therapy, or the regular consumption of large doses of vitamins.

Joan Lappin, Dr. Atkins' assistant, is a believer in the "superenergy" diet. She takes five vitamin pills a day, each of which contains, among other ingredients, 1,388% of the recommended daily allowance of vitamin B6. She says this has given her not only a lot more energy, but also a "phenomenal memory" and resulted in "not a stretch mark on my body." (Physicians who eschew megavitamin therapy say it may be harmful to internal organs such as the kidneys.)

One thing neither "Diet Revolution" nor "The Superenergy Diet" promises is nirvana. The so-called Zen Macrobiotics diet literally does. First popular among food cultists in the early 1960s, Zen Macrobiotics calls for gradually reducing one's daily diet to brown rice, supposedly the "perfect" food.

In addition to leading the user to progressively higher stages of mental serenity, this diet also has been touted as a cure for cancer. "No illness is more simple to cure than cancer," George Ohsawa, developer of the diet, wrote. "Simply return to the most elementary and natural eating and drinking," as called for in one of the Zen Macrobiotic diets.

According to the AMA, at least three people have starved to death on the Zen Marcobiotics diet. One was a 24-year-old New Jersey woman who died in November, 1965, of what the official autopsy report said was "emaciation due to starvation." Even today, nutritionists say, this diet is attracting devotees, some of whom urge the diet on their children. Last March, the American Academy of Pediatrics listed the diet among "the recent increase in nutritional practices that are potentially hazardous to the health of children."

Sandy Goldberg never tried Zen Macrobiotics, but she concedes she tried dozens of other diets before finding one that, she says, really works. Here she is in a meeting room of Chicago's Palmer House Hotel, telling about 100 people, mostly large women, about her discovery:

"My name is Sandy Goldberg, and I am a member of the Weight Watchers organization. I lost 115 pounds on the Weight Watchers program, and that was four years, one month, two days and 37 minutes ago." Loud applause follows.

Miss Goldberg is a "lecturer" for Weight Watchers International Inc., a publicly held company that earned more than $2 million last year by conducting thousands of weekly meetings like this one. What Weight Watchers sells, nutritionists say, is a good low-fat diet (it calls for a lot of fish) packaged in the tenets of group motivation pioneered by Alcoholics Anonymous.

CLAPPING FOR ROSEANN

The highlight of Miss Goldberg's presentation is what she calls "cards," the reading from index cards of the name and weekly progress of each student. "Eileen . . . five and a quarter pounds lost last week! Let's all clap for Eileen." But Roseann has gained two pounds. "What happened, Roseann?" "My daughter baked me a surprise birthday cake." "Let's all clap for encouragement for Roseann!" They do.

Weight Watchers says it has registered nine million students in its 13 years of existence. Many of them have shed pounds, although Dr. William Sebrell, the company's medical director, concedes, "You simply can't get anybody to lose weight if they aren't really motivated to." An example of motivation, Dr. Sebrell says, is the man who joined the program after having trouble getting out of a telephone booth

There are, of course, many people who don't adhere to anyone's diet except their own. One is Bonnie Swearingen. Right now, she tells a visitor to her Chicago apartment, she is fasting on tea and honey to correct recent "excesses." More typically, Ms. Swearingen simply makes substitutions in her diet, using fresh lemon juice as a flavoring instead of salt, whole-grained bread instead of white, and "absolutely no sugar" Occasionally, she also substitutes champagne for hard liquor and low-calorie caviar for red meat. (The caviar comes from Iran, "where my husband's company has a plant." Her husband is John E. Swearingen, chairman of Standard Oil Co. of Indiana.)

These habits, Mrs. Swearingen says, have given her good health. "But vanity comes before the health considerations," she adds. "I eat the way I do because I am too vain to let myself go." Chicago society columnists frequently assure the 43-year-old willowy blond that she hasn't let herself go.

Although some of Mrs. Swearingen's alternative foods may be only for the well-to-do, others, such as honey, have long been popular among health-food buffs everywhere. There's also Korean ginseng, whose rumored aphrodisiac qualities have helped boost U.S. imports to $3.5 million last year from only $67,000 in 1971. Yogurt continues to sell well, and bee pollen has become popular among athletes because it supposedly increases endurance. Nobody knows what tomorrow's big sellers will be, but some health-food advocates are predicting a welcome reception for the yucca plant

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DIPLOMATIC IMMUNITY

Mr. MATHIAS. Mr. President, earlier this year I introduced two bills, S. 1256 and 1257, aimed at achieving two important, interrelated goals: First, modernizing our diplomatic immunity laws, and two, helping insure that Americans who suffer personal injury and property damage in accidents involving diplomatic personnel are not left without remedy.

S. 1256, which is the House counterpart of legislation introduced by Congressman JOSEPH FISHER of Virginia, would repeal our antiquated 1790 diplomatic immunity statute. That statute grants absolute immunity from civil, criminal, and administrative jurisdiction to all diplomatic personnel, irrespective of rank. My bill replaces the 1790 statute with the far more reasonable provisions contained within the Vienna Convention on Diplomatic Relations, which makes the degree of immunity commensurate with the rank and duties of the diplomatic personnel.

My second bill, S. 1257, would insure that persons injured in accidents with diplomatic personnel are provided an efficient, sure means of adequate and just compensation. Specifically, my bill would:

Require that all diplomatic personnel obtain automobile liability insurance and would preclude a State from giving a diplomat a driver's license or car registration approval unless adequate proof of insurance is demonstrated;

Allow an injured party to bring a direct cause of action against the diplomat's insurance company; and

Preclude an insurance company from asserting the diplomatic immunity as a defense against any claim covered by such policy.

I am gratified that Congress is finally seriously reviewing the need for reform of our diplomatic immunity laws. I invite my colleagues to join with me in bringing this much-needed reform to fruition by passing these bills in the 95th Congress.

Last month, the House International Relations Subcommittee on International Operations, under the able leadership of its chairman, Congressman DANTE B. FASCELL, favorably reported a bill which would repeal our 1790 diplomatic immunity statute. During testimony before that subcommittee, the Department of Justice expressed its views with respect to my bill. The Department of Justice stated:

> Senator Mathias recently introduced a bill (S. 1257) . . . which is expressly designed to require that members of the diplomatic community carry compulsory insurance. We believe that legislation of that nature merits the most careful consideration by the House of Representatives.

In addition, Congressman GEORGE DANIELSON, chairman of the House Judiciary Subcommittee on Administrative Law and Governmental Relations has introduced a bill allowing an injured party to directly sue a diplomat's insurance company.

Much of the credit for prompting such congressional action belongs to the press, which very often in the past has featured articles highlighting the need for remedial diplomatic immunity legislation. Most recent, both the Washington Star and Columnist William Raspberry vividly portrayed the need for revision of diplomatic immunity laws by highlighting the tragic case of Mrs. Halla Brown, who was paralyzed as a result of an auto accident involving a foreign diplomat. I ask unanimous consent that this article by Mary Ann Kuhn, staff writer for the Washington Star, along with the column by William Raspberry that appeared in the Washington Post, be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Star, June 27, 1977]

HOW ONE CASE DRAMATIZED NEED FOR CHANGE

(By Mary Ann Kuhn)

On Capitol Hill and in the State Department a certain name keeps coming up during hearings and in discussions about abuses of diplomatic immunity. The name is Halla Brown. Sometimes, it's The Halla Brown Incident. The Halla Brown Thing. The Halla Brown Case.

The Halla Brown Case, according to congressional and State Department officials, has dramatized the need to reduce the amount of immunity diplomats and embassy personnel receive in the U.S.

Her case spurred Congress to begin overhauling laws that give diplomats blanket immunity from criminal and civil offenses.

Halla Brown didn't lobby on Capitol Hill or get signatures on a petition to try to get a law passed to limit abuses of immunity.

She was involved in an automobile accident that turned her life as a successful doctor into that of a bedridden patient for the rest of her life.

The person driving the car that ran into hers was a diplomat. Shielded by immunity, he couldn't be charged with any crime or sued for damages under existing U.S. laws, even though the police report clearly states the diplomat's car struck Halla Brown's.

Under present laws dating back to 1790, the diplomat could have been prosecuted or sued only if his ambassador had chosen to waive the diplomat's immunity. That is rarely done and wasn't in this case.

The diplomat, however, was sent back to his home country following the accident. The reason: He did not have the automobile insurance required by his own embassy.

A bill has been introduced on Capitol Hill by Sen. Charles McC. Mathias, R-Md., which, if passed, would require all members of the diplomatic community to have automobile liability insurance. It also would specifically preclude the insurer from asserting the diplomatic immunity of the insured as a defense against any claim covered by such policy.

Also under consideration is legislation which would create within the Department of State an office to review claims against members of the diplomatic community which were not satisfied under the insurance provisions of other bills.

"It's the most outrageous incident," says Evan Dobelle, the State Department's Chief of Protocol, when he talks about Halla Brown's case. "It's tragic. Tragic."

Halla Brown lives in an apartment on Virginia Avenue NW a few blocks from the State Department. She is 65 years old now.

Halla Brown lies in bed day after day under pastel flowered sheets drawn up to her bare shoulders. She will have to have nurses, around the clock, for the rest of her life.

She can't walk. She can talk only a little while before she runs out of breath. Her respiration is less than normal. During a recent interview, she occasionally had to stop talking to catch her breath. She can't feed herself. She turns pages with a mouthstick. Every two or three hours, she has to be turned on her side.

Halla Brown is paralyzed from the neck down.

"The only thing I can move is my head. But I can't move it normally—15 degrees on this side," she said, moving her white-haired head to one side, "and on this side, I can turn it all the way.

"Let me see what else I can do I can hump my shoulders in the front, like this. But I have no muscles in the back to offset them, so I can't do anything. I can't do anything with my hands."

Halla Brown seems to have lost the will to live.

"Do you speak French?" she asks a visitor. "I was reading a book last year about Madame de Lafayette, about her life, and she has one chapter she heads: 'Dans Ma Vie Presque Morte,' which means more or less, 'In my life almost dead.'

"That's about the best description of my life you can get."

Her voice wavers as she goes on. "Everything you like, that you know how to do, has been taken away."

Halla Brown wasn't always this way. In 1974, she was at the top of her profession. She was a clinical professor of medicine at George Washington University She was chief of its allergy clinic. She was a brilliant woman, admired and respected by those in and out of her field.

But one Saturday morning in April of that year, she and her husband, also a doctor, left their house on Idaho Avenue to make their rounds at George Washington University Hospital, as they had done for 25 years.

The Halla Brown incident was beginning.

It was close to 7:30 a.m. Her husband, Dr. Arthur Rosenbaum, then chief of adult medicine at Group Health Association, was behind the wheel of their 1969 Plymouth. She was on the passenger side. Between them were books to go back to the library.

"We were just talking about how we would go to England on our vaaction, where we would go there," recalls Dr. Brown. "We were joking about how I nearly starve everytime we go there. My husband is at the British Museum as soon as the door opens and he flatly refuses to leave until he is out in the evening."

They were talking about that as their car drove south on 34th Street NW., across Garfield Street. A 1970 Toyota going west on Garfield ran a red light

According to the police report, the Toyota smashed into Halla Brown's car, hurling it into a tree. The accident left her a quadriplegic for the rest of her life.

The Toyota was driven by a diplomat, Alberto Watson-Fabrega, then cultural attache at the Panamanian embassy. No chages were placed against him. He, too, was injured and walked with a crutch for two years after the accident, according to a spokesman for the Embassy of Panama.

The diplomat was "scolded and reprimanded for not having insurance, which is one of the rules at the embassy," said an embassy spokesman. "He was sent back to his country (Panama) for not having his insurance. He suffered a slight diminution in his career."

The diplomat never apologized to Dr. Halla Brown or her husband. "It was recommended by the lawyers we were consulting that he didn't," said the embassy spokesman. "The speculation was it would give indications of presumed guilt. The police didn't decide who was at fault."

Yet, the police report states, both in a diagram and in words, that the diplomat's car struck Halla Brown's.

The diplomat has his own version of the accident which he gave to embassy officials at the time. "He said he didn't see the impact," said the embassy spokesman. "He lost consciousness. He couldn't recall the details of the accident."

Halla Brown said, "He (the diplomat) is probably dancing at diplomatic parties . . . and doesn't realize what he has done. I'm sure he couldn't have any idea.

"I felt at the time I was in the ICU—intensive care unit—that I wish he could come and see me with the holes bored into my skull, the horrible pain I was in, all the time, day and night, just to let him know what he has done."

For the next 19 months, Dr. Brown was in hospital beds, seven months in GWU hospital and a year in New York before she was released.

"I nearly died umpity-ump times but made it through," she said. "Whether it was worth it or not is another question."

She returned home in November 1975. Since then, she has been back to GWU hospital for three brief stays, one lasting six days, then another six days, and one visit of four days.

She lies in bed in her apartment every day. Sometimes, she is allowed to sit in a wheelchair. Mostly she does "nothing" from day to day.

"It takes a long time to get me washed," she said. "And my blood pressure is so low . . ."

For a moment, she sounds bitter. "Well, I don't have much fun, if you mean that. You can't do anything that you like to do. You can't write papers. You can't play the piano. I used to do a lot of outdoor things. You can't sew, you can't play with your grandchildren. You can't make them little things. All they do (her grandchildren) is hit their heads on the wheelchair."

She starts to say, "You know, it doesn't seem human"—then she stops.

"I'm sure our sons will never forgive him," she said, clearing her throat. "The whole family was damaged one way or another."

The diplomat himself was hospitalized less than a week for multiple fractures and minor head injuries following the accident. So was Dr. Brown's husband, who suffered fractures of four ribs and vertebrae and a 10-inch scalp laceration.

While the diplomat himself never communicated with Dr. Brown and her husband, the man who was Panamian ambassador here at the time did.

"There was a gesture (of money) made—let's put it that way—at one time from the ambassador," said Dr. Rosenbaum, who retired from Group Health last year after 25 years there.

"That's all it was. A gesture made and accepted. And I would want nothing further said about that. There were some indications that there might be more gestures but there never were. I called a few times. They never answered my calls.

"From the point of view of its significance in the total picture, it was not more than a gesture."

Dr. Rosenbaum, who said he now does part-time work with the GWU health plan and remains a clinical professor of medicine at GWU, said that the ambassador of Panama came to his office twice.

Total hospital and medical costs since the accident amount to more than $250,000, according to Dr. Rosenbaum.

"Right now," said Dr. Rosenbaum, his wife's nursing care, the hospital and medical bills are "practically all covered by insurance. But this is going to run out.

"We did happen to be very well insured. So until the insurance lapses—I don't know just when, the first policy will lapse next year—when it lapses we are through unless there is some sort of national health plan. Then we have to cover it all ourselves.

"But for this year and last year, we were very well covered. Whenever it does (lapse), I'm stuck with whatever it is, which will by then, counting escalation and medical costs, probably begin to approach $60,000 a year. It's close to $50,000 now. It goes up every year."

Round-the-clock nursing has already risen from $114 to $126 a day. "It probably will go up again," he said. "The nurses say it will very soon.

'My wife certainly requires round-the-clock nursing. They change her position every two or three hours to prevent bed sores. They have to monitor her blood pressure closely because she has extremes of blood pressure, mostly low, and it drops to almost

zero, literally zero, in the sense you can't detect it, and she has to be tilted. Where there is no blood pressure—she would die if we didn't do that. In just a few minutes, her brain would suffer brain damage.

'She mostly suffers from low blood pressure when she sits up. That's why, when she is in the wheelchair, she can't sit the way a so-called normal wheelchair person does with ther legs bound. She has to have them out straight out in front of her on top of two pillows because if you drop her legs, her blood pressure drops too. When she has to be tilted—a nurse tilts her head down and her legs up in the air—there is a rush of blood to the head."

Their attorney, Arthur Feld, collected on the couple's own uninsured motorist's coverage in the amount of $10,000 after filing a lawsuit against the insurance company.

Meanwhile, the State Department is trying through diplomatic channels to obtain from the Panamanian government indemnification for Dr. Brown in the form of an ex gratia payment.

"Although these representations have not met with success thus far, the State Department will continue to urge the Panamanian government to relieve the burden weighing upon Dr. Brown and her family," said Richard Gookin, protocol officer.

D.C. Del. Walter E. Fauntroy is working on a way to somehow get Congress or the State Department to compensate Halla Brown. One way would be the passage of a private bill in Congress on her behalf. According to Fauntroy's office, no definite decision has been made on exactly what to do for her.

Halla Brown's, according to her husband and State Department officials, "is in a sense the most dramatic case that's happened recently.

"If this bill to change diplomatic immunity goes through, I think it ought to have my wife's name on it," said Dr. Rosenbaum through a slightly bitter laugh.

[From the Washington Post, July 8, 1977]

DIPLOMATIC IMMUNITY GONE INSANE

(By William Raspberry)

The very name Halla Brown is enough to incite impassioned argument in this town. No, not argument—outrage. "Argument" suggests two sides, and there is no acceptable second side to the Halla Brown tragedy.

Three years ago, Dr. Brown was a prominent member of the George Washington University medical faculty, chief of its allergy clinic. Today she is a paraplegic, paralyzed from the neck down and unable to move anything except her head. She can talk only in short spells and she uses a rubber-tipped stick, held in her mouth, to turn pages when she reads. But it isn't just the waste of a brilliant career that starts Washingtonians sputtering at the mention of her name. It is the fact that the person responsible for her condition—a driver who ran a red light and smashed into the side of her car—hasn't done anything about it.

He wasn't required to. He was a diplomat.

No charges were placed against the errant driver, Alberto Watson-Fabrega, here at the time as cultural attaché at the Panamanian embassy. He never apologized, and he never paid. He didn't even own the auto insurance his own embassy required. His punishment, if that is what it was, was being recalled and reassigned.

Dr. Brown, meanwhile, requires round-the-clock nursing care and has run up medical costs approaching $250,000—most of it, fortunately, taken care of by insurance or professional courtesy. Dr. Brown and her husband are both physicians.

The Halla Brown case may be the most outrageous, but far from the only, example of diplomatic immunity gone insane.

Offenses ranging from parking violations to negligent maiming to murder have gone unpunished, thanks to diplomatic immunity. Merchants and landlords have had bills unpaid and uncollectible because their debtors enjoy diplomatic immunity. It's even against the law to sue the scofflaws.

Nor is this incredible diplomatic impunity limited to real diplomats: the ambassadors and chargés d'affaires. It extends to chauffeurs, gardeners, domestics and their families—some 19,000 persons altogether—whether the liabilities stem from official duties or not.

The culprit, which Congress is finally gearing up to do something about, is a 1790 U.S. law. It gives embassy employees here a much broader immunity than that provided under the recent Vienna Convention, which governs diplomatic immunity in 122 other countries. The United States has been a party to the convention since 1972, but it is the 185-year-old law that will prevail here—at least until it is overturned by Congress.

There is a move afoot to do just that. But even if it succeeds, it will leave immunity for some 2,200 diplomats and their 5,600 family members.

Sen. Charles McC. Mathias (R-Md.) has introduced legislation that would require all members of the diplomatic community to have auto liability insurance and remove diplomatic immunity as a bar to any claim against the insurance policy. D.C. Delegate Walter Fauntroy (D) has introduced a private bill for the payment of Dr. Brown's medical expenses.

But these are piecemeal efforts that fall far short of what is needed.

Sen. Richard S. Schweiker (R-Pa.) has said he will introduce legislation to cut off all military aid to Panama until it provides "satisfactory restitution" to Dr. Brown.

But State Department officials fear that such a move might not be worth the cost in worsened relations and complications in negotiations over the Panama Canal.

The outrage, of course, is that any of these measures is needed. It is callous beyond belief, for instance, that the Panamanian government has not, on its own, made some reasonable effort to correct the damage done by one of its representatives.

Hardly anyone here has any objection to the primary purpose of diplomatic immunity: to facilitate the work of officials here as representatives of their chiefs of state. But it makes no sense that immunity should be subverted into impunity—letting foreigners get away with unpaid rent, ignored liquor bills and, quite literally, murder.

The question is how to undertake drastic changes in the ancient practice without exposing American diplomats to retaliation. For instance, a dozen years ago, when Washington police started one of their periodic crackdowns on illegal diplomatic parking, 87 tickets for moving violations were handed out to Americans outside the embassy in Manila in a single day.

One thing can be done without risk of diplomatic indelicacy or retaliation. If the U.S. government considers diplomatic immunity vital to its own interests, then it should assume responsibility for the resultant injury to American citizens.

Halla Brown's medical bills would be a good place to start.

WHERE ARE THE PROTESTORS?

Mr. HELMS. Mr. President, many Americans have noticed the remarkable tunnel vision of our liberal friends, who are so unrelenting in their demands for instant universal suffrage in Rhodesia and South Africa, so anxious to see that every phrase of our own Bill of Rights is adopted in Chile and Argentina; and yet are strangely oblivious to the horrors that are taking place in Vietnam and Cambodia.

Forunately, some voices still are lifted against injustice and inhumanity, without regard to whether they are perpetrated by the Left or the Right: John Barron, senior editor of the Reader's Digest has recently published "Murder of the Gentle Land" detailing the Communist genocide in Cambodia.

Mr. Boyce Hanna of radio station WADA in Shelby, N.C., pondered that book and, I am sure, spoke for many of us when he wrote an editorial broadcast by WADA on June 24 entitled, "Where Are the Protestors?"

I ask unanimous consent to have this editorial printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHERE ARE THE PROTESTERS?

The streets are strangely silent. No one is marching and the campuses are peaceful. All this is a curious paradox. Do you remember back when the U.S. was bombing in Cambodia? Do you remember the protests? Buildings, mostly war factories, were destroyed . . . and some people were killed.

The protests were factors in ending our involvement in Southeast Asia. Then the communists took over. We now learn that since their takeover, the communists have cold-bloodedly murdered 1.2 million men, women and children . . . marching them into the countryside and, in many cases, bayonetting them.

This figure, 1.2 million, is documented in the book just published, "Murder of a Gentle Land." The authors describe a campaign of ruthless repression and brutal killings of government and military persons, and then innocent families.

The communists even brag about eliminating prostitution in Cambodia. They did. They killed them. Being educated was another capital offense. Those who had degrees went before the bayonet. One point two million murdered between April of 1975 and December of 1976.

Where are those Americans who protested our relatively tame actions in Cambodia of several years ago? Why are they now silent? Or, could it be they realize their protests contributed to the conditions allowing these murders? Our pullout from Southeast Asia gave the communists carte blanche to begin their Hitler-like campaign. One point two million slaughtered. But the American streets are curiously silent.

BARRING EXCHANGE OF ALASKAN OIL WITH JAPAN: A POLITICAL DECISION ON AN ISSUE THAT NEED NEVER HAVE COME UP

Mr. HANSEN. Mr. President, the administration's recent decision to "scuttle" the option of exchanging Alaskan crude oil with Japan was both inappropriate and untimely. More importantly, however, it should be observed that exchange of oil with Japan should never have become an issue at all.

With respect to the decision itself, the administration has admitted that it was based upon political grounds. I, for one, feel that certain other considerations should have been taken into account. Although I do not regard exchange with Japan as an appropriate long-term solution for disposition of Alaskan oil, it provides the most economical and

practical method of dealing with crude which is surplus to west coast needs until such time as pipeline systems are constructed from the west coast of the United States to other areas of the country. The only other option available to handle the surplus during the immediate future involves transporting the crude by tanker through the Panama Canal. Transportation by tanker will add approximately $1 per barrel to the cost of delivering the crude to market, a cost which must ultimately be absorbed by the consumer. Even if transportation by tanker is determined to be the preferred option, it is likely that there may not be enough tankers available to move the entire surplus during the early months of North Slope production.

In view of our growing dependence upon foreign crude oil imports and our professed interest in stimulating new domestic production, it is totally inappropriate to remove what may be the only available option to prevent some portion of the Alaskan North Slope oil from being left in the ground. Regardless of whether Alaskan oil is exchanged with Japan or delivered directly to the United States, each and every barrel produced will have the effect of backing out a barrel of imported foreign crude and improving our balance-of-payments position.

After 8 or 9 years of hard work and innumerable Governmental and regulatory delays, the taps line will soon be operational and will be moving oil from the largest field ever discovered in America from the Arctic Circle across the Alaskan wilderness to Valdez for tanker shipment. This has been the largest construction project in U.S. history and the workers on taps and the member companies should be commended for the successful completion of the project. In addition to being contrary to the national interest, a decision which could shut in even a small portion of crude for a limited time is hardly the proper sendoff for those involved in such an effort.

The more important lesson to be learned from our current situation is that the issue of exchanging Alaskan oil with Japan need never have been an issue in the first place.

In the spring of 1974, just after the Arab Oil Embargo, Sohio, one of the major North Slope producers, identified the prospect of a west coast crude oil surplus and notified the Federal Government that a pipeline was needed to transport part of the Alaska oil from the west coast to other markets in the United States. That was over 3 years ago. By the middle of 1975, Sohio had selected a specific route from Long Beach, Calif., to Midland, Tex., and permit applications were filed with the appropriate Federal agencies.

Now, after 2 years of effort, an environmental impact statement, and untold volumes of other State and Federal reports and data gathering, not one of the key permitting decisions has been made. This situation involving a major energy project of national significance provides sober comment on the ineffectiveness of our burgeoning bureaucracy. This particular project involves conversion of existing but unneeded natural gas lines resulting in relatively low environmental impact. The only environmental issue of significance involves the air quality impact of constructing the Marine terminal in Long Beach and the company has offered to provide "tradeoffs" to offset any emissions which may be introduced as a result of the project.

The air quality aspects of the project provide a good example of big bureaucracy at its best. Since California does not have an approved State implementation plan, the environmental protection agency retains permitting authority over the project. Within California, permits are also required from the local Southern California air quality management district and the State level, California air resources board which exercises veto power over decisions of the local air authority. Three separate and distinct agencies each with differing views and motivations, must review and make permitting decisions on the same facility.

As I understand it, the company has essentially reached agreement with the local air agency, the agency which represents the people who breathe the air in Long Beach. At the State level in Sacramento, however, there have been suggestions time and time again that the crude oil pipeline project is being held ransom as a bargaining chip for securing solutions to nonrelated problems such as securing additional supplies of natural gas for California or to effect a cleanup of Los Angeles air quality far beyond the level of emissions introduced by the project.

The performance of the Federal Environmental Protection Agency is even more disappointing. Faced with a situation where any permitting decision, be it favorable or unfavorable, might draw fire from certain quarters, the EPA has elected to take no action at all. Despite the fact that air applications have been on file with the agency since November 1976, and that project sponsors have offered specific "tradeoffs" which more than offset the emissions introduced by the project, EPA has not yet acknowledged the application as complete and initiated the permit review process.

Returning then to the primary issue of exchange with Japan, my second point should be perfectly clear. Reasonable, timely action on the part of Federal and State agencies would have prevented the need to consider exchange with Japan in the first place.

In conclusion, what is needed is not Federal Government or State government political decisions which foreclose viable short-term options to move this vitally needed resource to the United States, but a concerted coordinated action resulting in the prompt resolution of the remaining issues and the granting of construction permits. If the administration feels comfortable in making "politically" oriented decisions, as opposed to decisions on the basis of economics and facts, then I would urge the administration to expedite a long-term solution to the distribution of Alaskan crude before the lack of such a solution becomes a political liability.

THE FIFTH ANNIVERSARY OF WATERGATE

Mr. CURTIS. Mr. President, about a month ago, June 17, 1977, we passed the fifth anniversary of the famous Watergate breakin. There are still unanswered questions and more and more people are realizing that this inexcusable, foolish breakin was blown out of proportion. They are aware that—First, the U.S. Treasury was not looted by that act; second, the security of our country was not jeopardized; and third, that no information or valuable assistance was given to any foreign power.

The public is also concerned about the repeated scandals that show up among the Democrats—such as the Korean scandal as well as many other cases—and absolutely nothing happens. Many people were shocked when minority leader BAKER's suggestion to President Jimmy Carter that a special prosecutor be named for the Korean cases was passed off with the allegation that BAKER was just playing politics.

An interesting article about the fifth anniversary of Watergate was written by Kevin Phillips. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TIME FOR TV TO REAPPRAISE WATERGATE?

(By Kevin Phillips)

You might have expected that on June 17, 1977, the fifth anniversary of that famous burglary, the network news programs would have one last commemorative Watergate wallow—and so they did. Once again, though, their greatest failing was less what they said than what they chose not to discuss.

Take the CBS Evening News. Lesley Stahl one of the screen's more perceptive correspondents, observed that the American people may never know what brought Watergate about.

Maybe not. But this is one facet of the 5-year-old affair that has been insufficiently analyzed. And in the end, the evidence of "why" and "for what" may be central in judging whether the media (not least TV news) performed a public service or a political execution in their Watergate coverage. Seriously.

Why did Watergate happen? What brought it about? The answers are not totally elusive. Since the Nixon-Frost interviews, moreover, new information has surfaced (or gained circulation). All of the material I cite can be found in books and newspapers available to the public (or to a TV news director).

A month and a half ago, for example, convicted Watergate burglar E. Howard Hunt was quoted by the Chicago Tribune, maintaining that the break-in was staged to find suspected financial ties between the Cuban Communist regime and Sen. George McGovern's Presidential bid.

Or ask convicted burglar Eugenio Martinez, "I had hopes," he has said, "we might have done something valuable (in burglarizing Democratic headquarters). We all heard rumors in Miami that McGovern was receiving money from Castro. That was nothing new. We believe that today."

Or convicted burglar Frank Sturgis. Back in 1974, he told reporter Andrew St. George that the Watergate burgarly team had been told to look for (1) any dirt on prominent Democrats; (2) "anything on Howard Hughes"; and (3) a "thick, secret memorandum from the Castro government" consisting of a "long, detailed listing" of CIA and DIA

(Defense Intelligence Agency) covert operations against Cuba, plus a Cuban analyis of how the CIA had not told the whole truth about these operations even to U.S. Government leaders.

Add it up. Taken together, these statements suggest that the break-in was aimed, rightly or wrongly, at procuring assassination-plot material and establishing informational or financial ties between the 1972 Democratic campaign and Castro's Cuba. What's more, a second alleged motivation—anything "anything on Howard Hughes"—ties right in. Remember that according to 1975 testimony before the Senate Intelligence Committee, Hughes was involved with the CIA-Mafia conspiracies against Castro. There was even discussion of his Hughes Tool Company serving as a Latin American front for the CIA! So material on Hughes could easily have related to Cuba or the CIA plots.

A second point: Who were the *only two people* at the Democratic National Committee whose phones were tapped? Answer: Chairman Larry O'Brien (who for some time during 1971 had been receiving a monthly retainer from Howard Hughes even while serving as DNC chairman) and middle-level official R. Spencer Oliver (whose father, one Robert Oliver, just happened to be an account executive on the Hughes Tool account at R. Mullen and Company, a public-relations-firm-cum-CIA-front).

Big coincidence, huh? Again we see three intermingled strands: Cuba, Howard Hughes, the CIA.

Let's set aside the theme of Cuban money (although it is a bit of a coincidence that George McGovern is such a friend of Fidel Castro and that one of McGovern's ex-press aides, Kirby Jones by name, is the go-between for U.S. corporations out to do business in Cuba). But the Castro-plots-Hughes-CIA link cannot be dismissed,

Were the Watergate burglars looking for Cuba-Hughes-assassination-plot material that could have embarrassed the CIA? Maybe so. John Ehrlichman drops hints in his novel "The Company." And after the first Nixon-Frost show, burglar Frank Sturgis told a WFAA–TV (Dallas) interview that the CIA hatched the break-in because they felt the President was becoming too powerful and was too interested in the assassination of John Kennedy.

Who knows? But other Nixon aides and allies have also queried the role of the CIA. Team-leader Howard Hunt, himself an ex-CIA man, discussed the possibility in May that burglar James McCord might have been part of a conspiracy to trap the Watergate burglars. A minority Watergate report by Sen. Howard Baker, which the Ervin Committee refused to publish, flatly charged that when burglar James McCord was apprehended, a CIA agent named Pennington came to McCord's house and "destroyed documents which might show a link between McCord and the CIA." Frank Sturgis says that Robert Bennett, president of the CIA-fronting Mullen Company, was the "Deep Throat" who fed information to the Washington Post. Yet Nixon White House aide Chuck Colson is also quoted by Jack Anderson, saying he had "good reason to believe that Bob Bennett was somehow involved in the decision to go after O'Brien." And Bennett was also a post-break-in liaison between Hunt and G. Gordon Liddy. A setup, maybe? Keep going. . . . Top Nixon White House aide H. R. Haldeman, when asked if White House aide Alex Butterfield (who disclosed the White House taping system) was a CIA agent, said, "Maybe. I just don't know." (Sturgis implies Butterfield was.) Haldeman doesn't "dismiss" the possibility that the CIA was out to get Nixon; neither does Ehrlichman. And New York investigator A. J. Woolston-Smith, a one-time CIA associate, has sworn an affidavit describing an April 1972 meeting at which Democratic officials discussed Woolston-Smith's warning of Republican Watergate break-in plans. James McCord's name was mentioned (note here that Howard Hunt maintains that McCord fouled up the burglary, and that the police, somehow tipped, were waiting).

No, right now the American people don't know why the Watergate burglary (and consequent Presidential overthrow) took place. I'll bet most of them would like to know, though. Little of the information listed here has been drawn together by newsmen—print or video. But it would make quite a documentary: "The 'Why' of Watergate—Was It a Setup or Was It a Blunder?"

CBS did a good job on June 10 with its two-hour special "The CIA's Secret Army." Let me suggest, however, that a two-hour special on the ever-unraveling whats and whys of Watergate could be a greater public service—and perhaps even begin straightening out the record of history.

PROPOSED ARMS SALES

Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD at this point the notification I have just received. A portion of the notification, which is classified information, has been deleted for publication, but is available to Senators in the office of the Foreign Relations Committee, room S–116 in the Capitol.

There being no objection, the notification was ordered to be printed in the RECORD, as follows:

DEFENSE SECURITY ASSISTANCE AGENCY AND DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE),

Washington, D.C., July 13, 1977.

In reply refer to I–12309/76ct

Hon. JOHN J. SPARKMAN,

Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding under separate cover, Transmittal No. 77–47, concerning the Department of the Army's proposed Letter of Offer to Israel for major defense equipment as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $121.1 million and support costs of $2.4 million for a total estimated cost of $14.5 million.

Sincerely,

H. M. FISH,

Lieutenant General, USAF, Director, Defense Security Assistance Agency and Deputy Assistant Secretary (ISA), Security Assistance.

TRANSMITTAL NO. 77–47

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective Purchaser: Israel.

(ii) Total Estimated Value Major Defense Equipment,* $12.1 million; other, 2.4 million; total, $14.5 million.

(iii) Description of Article or Services Offered: [Deleted] bulldozers, earth-moving (M–728).

(iv) Military Department: Army.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: July 13, 1977.

NOTICE CONCERNING NOMINATIONS BEFORE THE COMMITTEE OF THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Hubert T. Taylor, of West Virginia, to be U.S. marshal for the northern district of West Virginia for the term of 4 years vice Walter M. Garrison, Jr.

J. Albert Jones, of Kentucky, to be U.S. attorney for the western district of Kentucky for the term of 4 years vice George J. Long.

John H. Hannah, Jr., of Texas, to be U.S. attorney for the eastern district of Texas for the term of 4 years vice A. Roby Hadden.

Jose Antonio Canales, of Texas, to be U.S. attorney for the southern district of Texas for the term of 4 years vice Edward B. McDonough, Jr., resigning.

Theddis R. Coney, of Texas, to be U.S. marshal for the southern district of Texas for the term of 4 years vice Marshall F. Rousseau, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in any of these nominations to file with the committee in writing, on or before Friday, July 22, 1977, any representations or objections they may wish to present concerning the nomination, with a further statement whether it is their intention to appear at their hearing which may be scheduled.

THE NORTH KOREAN INCIDENT

Mr. HATCH. Mr. President, the incident that occurred yesterday in Korea only aggravates the present situation. It was only a few weeks ago that General Singlaub stated that he felt that it would be a mistake to withdraw American ground troops from Korea. President Carter immediately recalled General Singlaub and reprimanded him for his criticism of the administration's policy. Well, Mr. President, yesterday, July 13, 1977, one of our helicopters, a Chinook that was loaded with construction materials, inadvertently landed across the DMZ line. The pilot of the aircraft immediately attempted to demonstrate to the North Koreans that this was an error and that no aggression was intended. The North Koreans came aboard the helicopter and inspected the cargo. The pilot was then allowed to take off again. At this time the North Koreans deliberately shot the helicopter down. Of the four crew members on board, three of them were killed and the other was taken prisoner.

* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

Mr. President, in May, the Joint Chiefs of Staff sent a memorandum to President Carter and urged him to reconsider his decision to withdraw all of our ground troops from Korea within 5 years. Just this past month they have again reconsidered their position and now concur with the President. I feel that this newest of incidents is dramatic proof that we cannot, and should not, abandon our allies, the South Koreans. For the past 23 years, peace and stability have existed on the Korean peninsula. The American forces, with their enormous firepower, have maintained the military balance between the forces deployed north and south of the 38th parallel. The American forces fulfill a complicated threefold purpose in Korea: Supplement and support allied Republic of Korea—ROK—forces to discourage attacks by the People's Republic of Korea—PRK—to restrain ROK forces from possibly overreacting to PRK provocations and launching a general attack themselves, and form an integral role in the United Nations Command structure.

Only Korea remains in the entire East Asia region as a powerful military ally of the United States. We cannot afford to abdicate our solemn responsibilities to it. At the time of victory of the North Vietnamese Army in 1975, Kim Il Sung apparently sought support for intensifying his own liberation war in Korea in visits to Peking and other Communist capitals. But American steadfastness and the desire for stability by other powers in the area prevailed and peace and stability remained in the region. However, President Carter's withdrawal proposal has brought once again a feeling of uncertainty to the area. Yesterday's actions only serve to highlight the need for our continued support through troop presence in Korea.

Mr. President, I urge President Carter to act swiftly and positively, to regain the bodies of the three men who have been killed and to have the North Koreans return at once the man who was captured.

NORTH KOREAN ATTACK ON THE U.S. HELICOPTER

Mr. HELMS. Mr. President, the action of North Korea in shooting down a U.S. helicopter that accidentally strayed across the DMZ is an action that was unwarranted and unnecessarily hostile. Although technically North Korea remains in a state of belligerency, and as such, it may claim the right to shoot down a military aircraft, the fact remains that in this particular case it may be questioned whether such a drastic response was appropriate.

Although only newspaper accounts are presently available, in addition to the official statements, we can at least be sure that the North Koreans had no reason to suspect that the helicopter was on a hostile mission. A Chinook helicopter is a work vehicle, not an attack or reconnaissance vehicle. There is no indication that any warning shots were fired, or any attempt made to bring the helicopter safely to the ground after it was sighted by the North Koreans. In fact, just the opposite was the case: After a warning shot fired by the South Koreans on the ground, the helicopter landed, and then sought to return. It was then that the North Koreans attacked without warning. Indeed, some reports indicate that the helicopter actually crashed in the DMZ.

The North Korean action can only be described as harsh and provocative, especially coming so soon after President Carter's announcement of the withdrawal of U.S. troops from Korea. Indeed, when this incident is compared with the incident last August where North Korean troops brutally hacked to death two U.S. soldiers who had been sent to prune a tree in the DMZ, we see the same callous disregard of human life, the same propensity to provoke a crisis, and the same unrelenting hostility towards the creation of peace in the Korean peninsula. It only demonstrates once again that North Korea is unfit to be included in the family of civilized nations.

It also casts into doubt the action of President Carter in proposing the total withdrawal of U.S. troops. For it is now clear that his decision was based on political considerations, rather than military and strategic considerations. The testimony of Gen. Bernard W. Rogers yesterday has clarified the fact that the recommendation of the Joint Chiefs of Staff was only for a 20-percent withdrawal by 1982, not a total withdrawal. And indeed, the military judgment of the Joint Chiefs was that it was imprudent to withdraw any troops until the South Korean troops could withstand the North Korean threat.

But it is fair to say that military might alone is not the deterrent factor. The strong support of a superpower such as the United States is a deterrent in and of itself. Just as last August, the B–52's were immediately put on alert, it requires overwhelming power, not just matching power, to deter a brutal, hostile regime with no regard for human life and intent on conquest.

We must ask ourselves then: Is the withdrawal of U.S. troops an "acceptable risk"? What can we expect? The North Korean action shows that we can expect continual provocation, continual hostility, and rash judgment. We must ask whether these elements have been included in the definition of "acceptable risk."

ANOTHER MURDER OF AMERICANS BY NORTH KOREANS

Mr. ALLEN. Mr. President, the unprovoked and completely unjustified shooting down today of an American helicopter by the North Koreans serves as a tragic warning that we face a cruel enemy who has neither honor nor integrity.

Today's attack reportedly has taken the lives of three of our men, and the capture of a fourth. One of the crewmen was Sp. 5 Robert C. Haynes, whose home and family are in Anniston, Ala. Typically the North Koreans refuse to give us information regarding this brutal attack.

Mr. President, Americans have not forgotten the vicious attack in August by North Korean killers who beat to death two unarmed officers of the U.S. Army and who brought injury to other unarmed Americans and to South Koreans carrying out an assignment in the so-called neutral zone that divides Korea.

Mr. President, our Government must seek to bring to justice those who have perpetrated these crimes. To let the North Koreans get away with these attacks invites greater arrogance and threatens the peace in the Far East.

EXTENSIONS OF REMARKS

FEDERAL REGULATION: THE HIDDEN TAX

HON. E. THOMAS COLEMAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. COLEMAN. Mr. Speaker, Americans are expressing increasing concern for the extent of Federal regulation and bureaucratic interference in their lives. Federal spending for various business inspections and regulatory activities is approaching $4 billion a year. But, the actual cost of Government regulation is much higher. Indirect costs of regulation, which result from its restrictive and anticompetitive effects on business, are in reality a "hidden tax," that is shifted from the taxpayer to the consumer. Thomas G. Moore, of the Hoover Institution, has estimated that the indirect costs resulting from activities of the Interstate Commerce Commission alone, through "overregulation" or faulty regulation, are $16 billion a year.

The King City, Mo., Commercial Club recently brought to my attention several examples of the anticompetitive effects of regulation which were printed in the St. Louis Globe-Democrat. This article dramatizes the need for a complete overhaul of Federal Government regulatory activities. Such activities must be made efficient, and government regulation should be subjected to cost/benefit analysis.

As the article indicates, Congress is responsible for creating this "regulatory Frankenstein." During the last 20 years, in fact, Congress has created approximately 240 new Federal agencies, bureaus, or commissions, while terminating only 21. Because Congress created this situation, it is our duty to correct it.

The article follows:

HOW WASHINGTON HOUNDS GREYHOUND

Further evidence that federal regulators and controllers are running amuck has been provided by Gerald H. Trautman, chairman and chief executive officer of the Greyhound Corp.

Writing in Human Events, Trautman gave these examples of bureaucratic excesses:

The U.S. Labor Department summoned Greyhound to court claiming the company's age qualifications for drivers are discriminatory. The department alleged that Greyhound should hire people to drive for it no matter how old they are.

The company had to go through a full trial with expert witnesses and an appeal before its qualifications were sustained.

Greyhound was besieged by the federal Equal Employment Opportunity Commission because the company had set a height requirement of 5'7". This was the minimum height at which Greyhound felt a driver could still have good visibility. But the EEOC claimed this was discrimination.

Rather than go to court over this Greyhound decided it wasn't worth the time and effort. So, along with demanding that Greyhound give up the height requirement, EEOC demanded that the company pay some $19 million in back pay to unspecified and unknown individuals "who might have been employed in the past if we had not had the 5'7" rule."

The demand from EEOC was simply signed, "Betsy."

Only in the fantasyland of Washington bureaucracy could anyone come up with the idea of demanding that Greyhound launch a nationwide search for bus drivers under 5'7" who might have been employed if this rule had been in effect and then divide $19 million among them.

But the Interstate Commerce Commission has proposed a much more costly exercise in futility for Greyhound. Its staff is advocating, among other things, that bus companies be required to provide a terminal in every town of 15,000 in the U.S. and keep those facilities open 24 hours a day whenever a bus company has a schedule in a town of that size.

If the ICC were to be successful in this effort, Greyhound estimates it would increase annual operating expenses by $187 million and require at least a 50 per cent increase in intercity passenger fares.

As with all of the zany bureaucratic schemes, the public winds up paying for them if they are carried out. Congress, which passed legislation creating a regulatory frankenstein monster, has a duty to stop such madness. It doesn't have to wait for President Carter to act. It can, on its own, drastically reduce or eliminate most of the powers that are now being so badly abused by regulatory agencies.

The point is being reached where businessmen, such as Trautman, are having to devote over a third of their time to dealing with the intrusions of the federal government.

SOLARZ CALLS FOR CHANGES IN WAR POWERS RESOLUTION

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. SOLARZ. Mr. Speaker, the conflicts and frustrations that arose out of this country's involvement in the long war in Indochina, together with the trend toward executive branch usurpation of power from the Congress during several successive administrations, led Congress to attempt, as explained in the purpose of the war powers resolution, "to fulfill the intent of the framers of the Constitution of the United States and insure that the collective judgment of both the Congress and the President will apply" during times of hostilities abroad.

The most concrete achievement of this renewed determination and spirit within the Congress was the passage in 1973 of the war powers resolution. The resolution, drawing upon the experience of America's surreptitious escalation of the Vietnam war, tried to establish clear limits on the President's authority to wage war. The resolution provided for a limited period of time in which a President could engage in hostilities without congressional consent while at the same time requiring the President to consult with the Congress even before introducing U.S. Armed Forces into such hostilities. Furthermore, the resolution provided that Congress could remove American forces from conflicts by passing a concurrent resolution.

The war powers resolution was clearly a landmark in the evolving congressional-Presidential relationship. It was a noble effort that passed despite a veto by President Nixon. The chairman of my committee, the Honorable CLEMENT ZABLOCKI, deserves major credit for this momentous legislation.

Unfortunately, a number of ambiguities have cropped up since passage of the resolution, which were highlighted by the emergency evacuations of Americans and foreign nationals from Vietnam and Cambodia when the Communists took power in those countries, and the *Mayaguez* incident off the shores of Cambodia which took place shortly thereafter. These actions clearly confirm the need for some modification in the war powers resolution in order to further clarify the warmaking power in this country.

The most important change that I think is needed in the war powers resolution is the adoption of a provision to automatically cut off any expenditure of funds for the use of U.S. Armed Forces in hostilities after Congress adopts a concurrent resolution disapproving the use of American forces or after the 60-day period—which can be extended to 90 days—of combat sanctioned by the war powers resolution without any congressional action.

I believe that this change is necessary because at least one important executive branch representative has contended that, despite the limitations of the war powers resolution, the President could continue military action as long as he wanted simply by using any leftover money previously appropriated by Congress.

During the Vietnam and Cambodia evacuations, President Ford took the opportunity to evacuate tens of thousands of Indochinese civilian and military personnel who wanted to escape with their American protectors. This humanitarian gesture raised a serious question as to whether the evacuation violated a variety of statutes which specifically prohibited U.S. military operations in, over, or off the shores of Indochina.

A short while after the evacuation, and shortly before the *Mayaguez* incident, Monroe Leigh, then the State Department's Legal Adviser, testified before the House International Relations Subcommittee on International Security and Scientific Affairs in a hearing on the effectiveness of the war powers resolution. In response to questions, Mr. Leigh contended that even though the Congress might pass a concurrent resolution requiring the withdrawal of American forces from the hostilities abroad, or even if Congress failed to approve the deployment of forces within the proscribed period of time, the President could use whatever previously funded appropriations he had to continue the fighting. This could mean residual appropriations designed to finance the specific military action or it could mean funds from the entire defense budget or it could conceivably mean anything the President wanted it to mean.

Specifically, I asked Mr. Leigh whether Congress, pursuant to the war powers resolution, could force the withdrawal of U.S. forces from combat situations into which they had been introduced by the President, pursuant to his constitutional authority as Commander in Chief. Mr. Leigh replied:

> If he (the President) has used up all the money appropriated and then Congress refuses to provide any more, I think the Congress has effectively stopped the President from continuing the military action. I don't know how he can go on. If, on the other hand, he still had moneys that were unexpended, he could continue to spend those until such time as there was a court challenge and the court found that he was acting illegally.

I then asked Mr. Leigh a hypothetical question: If Congress, after American troops had been sent in by the President to defend U.S. forces that had been fired upon in Korea, passed a concurrent resolution requiring the withdrawal of U.S. forces, could the President disregard it and keep the troops there anyway? "I believe," Mr. Leigh replied, "that the answer to that is yes," although he did add that the administration did not necessarily share this view. I think this colloquy has significant implications for the future effectiveness of the war powers resolution.

It was clearly Congress intent, in enacting the war powers resolution, to prohibit the President from committing the U.S. forces into combat situations abroad for prolonged periods of time without the approval of the Congress. From Mr. Leigh's testimony, it appears to be the legal interpretation of the State Department that the war powers resolution notwithstanding, the President retains the right to draw upon previously appropriated funds to keep U.S. forces involved in overseas combat as long as such funds are available, even if Congress has specifically voted to terminate the use of American troops in such a situation.

The legal basis for this contention is that Congress cannot by statute deprive the President of the right to exercise authorities conveyed upon him by the Constitution. And to the extent the President has sent troops into combat in the discharge of his constitutional responsibilities, the Congress cannot statutorily deprive him of that right. As a result, Mr. Leigh argues, the President would be entitled, even in the face of a congressional

decision under the war powers resolution to terminate the use of American forces in combat situations abroad, to utilize previously appropriated funds for such purposes.

Indeed, the funds that the President might draw upon are immense. At the end of fiscal 1978, it is expected that the Pentagon will have an appropriated but unexpended balance of $80.3 billion, of which $19.6 billion will not have been obligated. Fortunately, there are many clear precedents establishing Congress authority to terminate the use of previously appropriated funds, including the 1973 amendment that blocked, as of August 15, 1973, the obligation of funds "herein or heretofore appropriated" for combat activities in, over or off the shores of Indochina.

To the extent that the Ford administration—or any administration—shares Leigh's point of view, the law is functionally meaningless; at a minimum, it is badly in need of clarification. As Mr. Leigh pointed out, a legal tangle resulting from differing interpretations of the resolution could go to the courts for a decision. But with the United States enmeshed in what potentially could be a major constitutional crisis, the courts may well refuse to rule on such a case.

It would avail the Congress little if, pursuant to the war powers resolution, we terminated the use of American forces in combat situations abroad, only to find out that the President, pursuant to what he believed was his constitutional authority, decided to keep them there by utilizing previously appropriated funds for that purpose. Whether or not Congress has the constitutional right to require the President by statute or resolution to withdraw American forces from situations into which he has sent them pursuant to his authority as Commander in Chief, it clearly has the right to deny him the use of Federal funds for such purposes. Consequently, by adopting an amendment to the war powers resolution making it clear that any congressional action under the terms of the resolution designed to bring an American involvement in a combat situation abroad to an end will automatically trigger a prohibition on the use of Government moneys for such purposes, Congress would put real teeth into the law and eliminate one of the largest loopholes in it.

A second area in which I would like to see some modification is section 8(a) of the resolution. Section 8(a) now states that a President cannot draw the inference from any treaty or "provision of law" passed by Congress of Presidential authority to introduce Armed Forces into hostilities, unless the provision or treaty states that it is "intended to constitute specific statutory authorization within the meaning" of the war powers resolution.

However, the war powers resolution does not mention executive agreements and concurrent resolutions despite the fact that well over half of all agreements between the United States and other countries are executive agreements. Thus we have the rather anomalous situation whereby a President cannot use the treaties or laws as a justification for engaging in military action without the approval of Congress, but he could conceivably cite an executive agreement or concurrent resolution for the same purpose.

It seems to me that the resolution should be broadened to prohibit the President from inferring war-making authority from concurrent resolutions and executive agreements in the same way it now prohibits him from claiming such authority from either laws or treaties.

If this change were made, it would be clear that any executive agreement between President Nixon and President Thieu of Vietnam regarding the U.S. response to North Vietnamese violations of the 1973 Paris accords—or some of the early 1970 base agreements with Spain and Portugal which were also executive agreements—could not be used by a President as the basis for a unilateral determination to introduce U.S. forces into hostilities.

Legislation to accomplish these and other modifications are now being considered by the Senate Foreign Relations Committee, and I certainly hope that the House takes up the subject as well. To that effect, I am today introducing legislation to strengthen the war powers resolution as I outlined in this statement.

It is vital that Congress act now to protect the war powers resolution, of which Chairman ZABLOCKI and many others are so justly proud, from the constitutional challenges that have been raised against it. I believe that now is the time to act, when we are not in the midst of any major international crisis, and can consider the implications and consequences of what we are doing without the political and military pressures generated by crisis situations.

The war powers resolution was a significant and historic step forward in Congress reestablishment of its historic role. But the very importance of that step requires us to remove the loopholes and ambiguities in the law which came to light during the course of the Vietnam, Cambodia, and *Mayaguez* situations.

HONEST WOMAN RETURNS A BAG FILLED WITH MONEY

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. BENNETT. Mr. Speaker, an outstanding lady in my hometown, Mrs. Mary McRoy, found $10,000 and probably could have safely kept it without anyone being the wiser and instead saw that the money went to its rightful owner. There are so many accounts in the media these days of people doing wrong when they should do right that I think that it is worthwhile to bring to the attention of the Congress and to the country this inspiring story. I, therefore, repeat hereunder a newspaper article from the June 29, 1977, edition of the Florida Times-Union, which I believe will be inspiring to anyone who reads it:

SUM OF $10,000: HONEST WOMAN RETURNS A BAG FILLED WITH MONEY

(By Bob Boyle)

"I know people need money, but Jesus is the best thing that ever happened to me," Mrs. Mary McRoy said after returning $10,000 she found in the lobby of St. Vincent's Medical Center Monday.

The money belonged to Mrs. Louise T. Newton who has been staying in the hospital with her husband, William, since April 19. He is suffering from a heart ailment.

"I went down to mail a letter. I was getting a quarter out of my purse and I took the bag out and I just put it down. Isn't that stupid? That could have ruined me," Mrs. Newton said Tuesday.

She said she didn't know the bag was missing until somebody came up to her husband's room and told her.

Mrs. McRoy, a nurse's aide at the hospital for the past nine years, said she noticed the bag in the lobby around 11 a.m. and informed "one of the volunteer ladies."

Later that day, Mrs. Newton, who owns an accounting and income tax service, came down to the cafeteria where Mrs. McRoy was eating.

"I wanted to thank her and give her some kind of reward," Mrs. Newton said.

Mrs. McRoy said she asked Mrs. Newton "what she was doing with that much money in a hospital. I told her that she should put it in her car or something."

"Then someone asked her how much was in the bag. She said she didn't know and opened it up to count it. She found out that it was $10,000, counting the checks," the 42-year-old nurse's aide said.

Mrs. Newton said her daughter had been bringing her the money every day from the business and she had just been putting it in the bag without keeping a record of the total amount.

"Most people wouldn't have been so honest," Mrs. Newton said. She said she gave Mrs. McRoy a $30 reward."

"I didn't want to take what she gave me. I'm free today. I have a free mind and a free spirit," Mrs McRoy said as she was preparing to leave for Bible class.

"I realize money can't buy health. If it could she wouldn't have her husband in there."

FEDERAL DISASTER RELIEF ACT OF 1974

HON. WILLIAM H. HARSHA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. HARSHA. Mr. Speaker, I call to the attention of all Members of this body another example of the discriminatory and unequal application of the provisions of the Federal Disaster Relief Act of 1974. This example underlines, as did our experience with administration of this act last winter, the need for oversight hearings in the near future.

On page 30545 of the Federal Register of Wednesday, June 15, there appears a notice of a major disaster determination by the Federal Disaster Assistance Administration for the State of Georgia affecting six coastal counties of the State whose income from shrimp fishing has been severely limited by the extreme cold weather which occurred after January 14 of this year.

This declaration is similar to other major disaster determinations made by

FDAA which affected coastal counties of Maryland and Virginia earlier this year. Mr. Speaker, I do not begrudge the needed assistance for fishermen in these States whose income to support their families has no doubt been substantially reduced by bad weather. However, it puzzles me—as it no doubt does Members from the States of Michigan, West Virginia, Indiana, Pennsylvania, and New York—that States which went through the worst winters in their history, sustaining the lowest temperatures on record and unprecedented damage to roads, highways, bridges, water lines, and other public facilities, could get only limited Federal assistance because the President would only declare emergencies in their States, while at the same time the President was willing to declare major disasters in these fishing States and trigger major Federal assistance.

As I stated during hearings of the Water Resources Subcommittee of the House Public Works and Transportation Committee when we were considering H.R. 6197, to extend the Disaster Relief Act, the uneven application of this act and the denial of its benefits to some States through unfounded interpretation of its provisions calls for hearings in the near future to review its administration.

THE COORS STRIKE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mrs. SCHROEDER. Mr. Speaker, for several months now a strike has been underway at the Coors brewery in Colorado. On July 10 the Rocky Mountain News commented on the strike as follows:

THE COORS STRIKE

We don't want Joe Coors telling us how to run our newspaper and we are positive he doesn't want us telling him how to run his brewery. In general, we don't comment on labor disputes. It is difficult to judge from the outside.

But the problem in Golden is one of many years' standing, with the strike that began April 5 by Brewery Workers Local 366 only the latest skirmish. So we set our usual reluctance aside.

We believe it is time to end the poisonous labor relations that have spread distrust and bitterness for so many years at the Adolph Coors Co.

The issues of the strike do not include the wage package. That was settled months before the strike. What remain are work rules and practices.

At the crux is the polygraph. The attitude of Coors management is symbolized by its insistence on using these lie detecting machines in dealing with employees.

A lie detector carries only one message to an employee: It says the company does not trust an employee's word. It is a personal insult.

Trust is so basic to dealing with large organizations that one would think lie detectors would be a giveaway item in labor negotiations—one which the company could sacrifice at the bargaining table. But Coors management is sticking to it like it was the King James version of the Bible. They are treading heavily into privacy and Fifth Amendment rights under the Constitution.

The lie detector overshadows other issues like the company's desire to eliminate seniority in assigning work shifts and lowering differentials—bonus payments—that go to those working less desirable shifts.

When the union judged it was getting nowhere on these items, it went out on strike. Coors hired nonunion workers to keep going, but rubbed the union's nose in it by saying the scabs were permanent employees. It only increases bitterness.

The Wagner Act in 1935 guaranteed workers the right to set up unions of their own choice and gave them the right to bargain collectively with management. This didn't mean the company had to sign a contract. It only meant the company had to make good faith efforts to bargain.

So unions are vulnerable. They can be busted by companies that negotiate but don't sign. But it is often a bitter harvest for the company that tries it.

Twenty years ago, Coors and the union ended a bitter fight with a truce after both were hurt.

Now both appear hurt again.

For the good of all concerned, it is time to stop this nonsense about lie detectors, time to settle the other leftover issues and hope that somehow things can be patched together again.

The first move is up to Coors. It is strange to see a company like that—with so much going for it—ignore common sense.

BACK TO BASICS IN EDUCATION

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. COLLINS of Texas. Mr. Speaker, America's youth deserves better education. The schools of this country have forgotten what the real business of education is about. We need to refocus our programs on the fundamentals. The reading, writing, and academic skills of American students are in a broad state of decline unprecedented in our history.

Our children are coming out of the "new math" not knowing how to multiply and divide. They have come out of the "elective system" not knowing the basic facts of history, geography, or grammar. Open classrooms produce students who do not know how to listen or take directions. Many of our junior and senior high school students, and even some of those presently in college, cannot read and write the English language.

Apparently, leading educators are judged by how many articles they have written for periodicals. Sometimes they are given special awards for being innovative. I think it is time that the American educational system evaluates its educators by results. The number of articles they have published or how many advanced educational theories they have come up with is insignificant—the real question is whether or not they are educating the youth of America.

The New York Times recently reported that in the 10 years following 1964, the verbal and math scores on the Scholastic Achievement Tests—SATs—steadily declined and that the average test scores for 1975 high school graduates declined by 10 points on the verbal portion and by 8 points on the math portion since 1974. This was the largest single drop in the past 12 years. The Stockholm-based International Association for the Evaluation of Educational Achievement made a study of 250,000 children around the world. The reading comprehension test showed America's 10-year-olds finished in ninth place out of 11 countries.

We know that a child who cannot read or write properly or who cannot spell is severely handicapped in adjusting to advanced training. Last fall, the Yale English Department voted to reinstate English 10, a composition course, because so many Yale students cannot handle English, cannot compose a sentence or a paragraph, cannot organize a paper. Last year at Yale, 185 students applied for 12 places in one small college seminar on expository writing. Nothing fancy, just a course on how to write. This is typical of the students' desperate wish to be taught how to handle the fundamentals of English.

The results of the "new math" on test results of American students is even more alarming. The National Assessment of Educational Progress reported in 1975 that many teenagers lacked the basic math skills to shop intelligently, drive a car, or balance a checkbook.

Our Federal spending for education has increased from $714 million in 1964 to $9.36 billion in this year's budget. We have many educators with advanced degrees. We have big school buildings and modern buses to haul children across town. But what do they learn? More spending and more degrees among teachers has not improved the American child's education.

I think it is time we got our educational system back to basics.

A VERY COSTLY AND DESTRUCTIVE FIRE

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. LUJAN. Mr. Speaker, I would like to take this opportunity to share with my distinguished colleagues a significant and important story which I feel deserves recognition.

The State of New Mexico recently experienced a very costly and destructive fire near Los Alamos in the La Mesa Forest. Through the assistance of the Los Alamos Amateur Club and the repeaters, the Santa Fe VHF Society, Jemez Mountain Repeater Association, and the Caravan Club of Albuquerque, continuous around-the-clock communication service was provided for all the agencies involved in this disaster, including the U.S. Forest Service, weather service, and branches of the military. In addition, approximately 565 health and welfare phone dispatches were handled for the firefighters, many of whom had come to aid from surrounding States.

A total of 55 volunteers was involved for nearly 1,900 man-hours using personal equipment and giving of their valuable time in order to help calm and,

eventually, extinguish the fire. An extraordinary performance such as this should be acknowledged.

Unfortunately, the next time New Mexico, or any State for that matter, experiences a catastrophe of this magnitude, the amateur radio operators may not be in a position to provide such commendable and expeditious service. The amateurs may soon find themselves without sufficient resources and flexibility which insure quality reliable communication services where any other medium proves inadequate if the already small spectrum space that they already have is removed.

At this point in time, I would like to emphasize the kind of help amateur radio provides to the public in times of great need and the valuable resource that this country has in this body of competent, disciplined, and dedicated amateur radio operators, and to ask your consideration and assistance in providing for continuing support for these fine people and citizens.

RESULTS OF SURVEY ON MINIMUM WAGE

HON. DAVE STOCKMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. STOCKMAN. Mr. Speaker, since the beginning of the 95th Congress, I have received numerous letters from Michigan employers expressing great concern over the minimum wage increase embodied in H.R. 3744. As you know, Mr. DENT's bill would tie the minimum wage to a fixed percentage of the average hourly earnings in manufacturing. This would result in a new minimum wage of approximately $3.04, beginning January 1978.

Employers in my district strongly oppose an increase of this magnitude. I share their opposition for two reasons. First, I believe that the increase in the minimum wage mandated by H.R. 3744 would exacerbate the already serious problem of teenage unemployment. Second, such a large increase would generate severe inflationary pressures in the economy through its direct and indirect effects on labor costs.

In order to more systematically assess the impact of H.R. 3744 on teenage unemployment and labor costs in my district, I conducted a survey of over 200 businesses. The devastating effect of a $3-plus minimum wage on youth employment is clearly demonstrated by the survey. Of those businesses who employ teenagers, 83 percent indicated that increasing the minimum wage would have a negative effect on youth employment. One-third of the businesses surveyed predicted that teenage employee positions would be completely eliminated.

An excessively large increase in the minimum wage encourages employers to substitute capital for labor and to reduce nonwage benefits. The latter effect is particularly harmful to the young worker in an entry-level job. The on-the-job training efforts of employers that indirectly compensate entry-level workers will be curtailed. Minimum wage jobs at an artificially high pay rate will tend to become dead end jobs instead of the lower rungs on a ladder of advancement.

In addition to the survey questions relating to employment of youth, I questioned the businessmen in my district about the effect of the minimum wage increase on labor costs, both directly in the form of increased payroll for workers now at the minimum wage, and indirectly in the form of higher wages to other workers to maintain traditional differences in pay. Over half of the businesses surveyed predicted that passage of H.R. 3744 would cause them to insur significant increases in labor costs. The estimated cost increases directly attributable to the minimum wage increase ran as high as 18 percent of present payroll. Estimates of indirect labor cost increases, principally from higher wages to maintain traditional differentials, averaged 12.3 percent.

The local inflationary effects demonstrated in my survey are in accord with a recently completed national study by Edward Gramlich for the Brookings Institution. He predicted that the $3 minimum wage would add 1 percentage point to inflation and cost employers $8 billion in increased labor costs.

The damage that could result from the minimum wage increase proposed in the Dent bill is immense. I hope that the data provided by my constituents will assist the Members of this body in assessing the impact of a vote in favor of an excessively large increase in the minimum wage. Our economy simply cannot tolerate the additional inflationary stresses, nor can our young workers tolerate such a decrease in their employment prospects.

In closing, I would urge my colleagues to avail themselves of an often-neglected information resource—their constituents—and find out what the impact of this bill would be in their districts. I found the businessmen of the Fourth District willing and eager to cooperate in supplying the data requested of them. I am sure that other Members would also receive full cooperation in their efforts.

EAGLE SCOUT AWARD

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. DUNCAN of Tennessee. Mr. Speaker, I would like to take this opportunity to ask my colleagues to join with me in congratulating Michael Fogarty of Knoxville, Tenn., a member of my constituency, on his receipt of the Eagle Scout award.

Michael is 13 years old and an honor student at Bearden Junior High School. In his 2½ years as a member of troop 147, he has served as quartermaster and patrol leader. Further, he is an elected member of the "Order of the Arrow," a national brotherhood of Scout campers. Michael's achievement of this great honor speaks highly of his character and ideals. As an Eagle Scout, Michael exemplifies qualities upon which a sturdy base for a strong future may be built.

The future of our Nation rests upon our young people. They will be our statesmen, our dreamers, our men, and women of science and industry. If this Nation belongs to young people like Michael, we may all be assured that that future will be a good one.

THE IMPACT OF ILLEGAL ALIENS ON A DEMOCRATIC SOCIETY

HON. B. F. SISK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. SISK. Mr. Speaker, 200 years ago, in July 1777, Gen. John Burgoyne secretly moved a British Army of 9,300 men down Lake Champlain to Fort Ticonderoga, forcing American troops under Maj. Gen. Arthur St. Clair to evacuate the fort. Although the American Army lost that battle, it was later to defeat Burgoyne at Saratoga and, as we all know, American democracy ultimately triumphed.

Today, two centuries later, our democracy stands to lose another battle; one which most people do not even know we are fighting. It is the battle against illegal immigration.

Illegal aliens now comprise half of our population increase each year, and the numbers are growing. We have fairly good statistics on the natural increase—the number of births over deaths—but we have very little information on the hidden half of our growth. What we do know should concern every thoughtful American, because the potential for truly drastic change is there. And it is not the kind of change we have planned for at all.

The first—and most important—change is sheer size.

We are just beginning to realize that our Far West is basically desert, and that 30 years of abnormally good rainfall has tricked us into unwarranted expansion. More people now live on that land—in cities, suburban developments, retirement communities—than the water resources can support.

This is just the opposite of the problem of the east coast, where population density has caused problems in the cities. Crowding there is perceptible, tangible. "Crowding" in the seemingly limitless spaces west of the Mississippi is harder to appreciate, but the limits are there, nevertheless.

Once you start relating the numbers of people to the amount of resources available to give them a decent quality of life, you begin to see that 220 million may be more than enough. Doubling the population is a preposterous idea. Most of the publicity tells us not to worry, we will not double our numbers for another 80 years or so. But the publicity is wrong—we will double 220 million in half that time, because the statistics do not take into account illegal immigration.

This means that all of our projections for energy, housing, education, social services, hospital beds, all of our plans are based on false and dangerous assumptions.

The political implications of growing numbers are obvious—each Representative and Senator has increasingly less contact with constituents, because there are so many more of them. Each Federal agency grapples with twice the paperwork to handle the same land area with twice as many people on it. The budget, made inadequate by inflation, becomes even more inadequate when the numbers of people being served increases. Even without the problem of illegal aliens, the viability of democracy dwindles with increasing numbers.

But we do have the problem of illegal aliens, and it affects democracy in ways we find difficult to talk about. There is another big change in the wind, and its social and political impact will be enormous: our common language is being steadily eroded. Until now, the fact that we all speak the same language has pretty much been taken for granted by Americans. Our media can give us coast-to-coast instant communication; only an occasional broadcast from the U.N. reminds us that language is a barrier to be contended with elsewhere.

As Richard Higgins wrote in the Washington Post—

> Every bilingual or multilingual society in the world pays a price for linguistic pluralism—a price ranging from higher costs for government and business to political strains tending toward fragmentation along linguistic lines. . . . The United States is, however, a tolerant society. If citizens and others living in the United States wish to speak languages other than English in their homes or voluntary associations, that should be of no more concern to the government than their religious practice. But state-sanctioned and financed bilingualism is a different matter.

A different matter, indeed. We know that Spanish is by far the most commonly used second language in America, and it would be no problem if the Spanish-speaking spoke English as well; but a great many do not. Other languages are also being listed on our ballots, street signs, and school notices: Korean, Japanese, Chinese, Italian, and Tagalog. This is not a matter of pressure of "ethnic purity"—whatever that is. It is a matter of increasing pressure on local governments to provide a service they are not equipped or financed for. Think, for instance, of our fire departments and police departments. Think of our school systems. Think about the consequences to our postal service.

In our completely understandable desire to avoid discrimination at the ballot box, we have opened Pandora's box instead. Last year, San Francisco's ballot was printed in four languages. This year, it will be in six. How long we will be able to afford local elections and referenda in our increasingly multilingual cities is a matter of conjecture. It is a certainty that it will be harder to keep them honest.

This pressure is not likely to be coming from the long lines of people waiting and hoping to immigrate legally, studying the language and the constitution. They want to become citizens, and they are doing everything possible to earn that privilege.

But there is a far larger group who are not coming here legally, and they are not coming out of a reverence for American institutions. They are coming to earn a living, and to send money home. They are not interested in becoming part of the American culture, but in bringing their own culture with them and remaining in it as much as possible. Is this cause for concern? Not necessarily, if the numbers are small. We can both learn from each other. The cause for concern is again in the numbers—no heritage is so precious that it cannot be overwhelmed and lost by numbers. Ask any American Indian.

What impact will this wave of illegal immigrants have on American life?

Suppose that a major portion of Americans were compelled to live outside the law. They could not turn to the police for protection, no matter how they were exploited and preyed upon by criminals. How long would respect for the law endure in communities whose very citizens were illegal?

Suppose a major portion of Americans gained their livelihood from criminal activity, outright fraud and debasement of human beings? Suppose this "business" ran into billions of dollars of profit, all going underground to feed ever-growing rings of organized crime? Drugs, smuggling of virtual slaves, false documents, all make money for someone. Who? How much? And who is dealing with it?

No, none of these suppositions are true in the sense of being "a major portion" but all of them are true for a growing minority, and that is the point. The exploited underclass outside the law is growing; the numbers of people who are diametrically opposed to the American system of government is growing; and the crime that feeds off of the illegal aliens is growing. All of these trends are inimical to democracy.

All that stands against them at the moment is one overworked, undermanned Federal agency—the INS—and their retiring Commissioner Leonard Chapman has testified repeatedly that "the problem is completely out of control."

In 1777 we lost the battle, but we recognized the gravity of the situation and with sheer determination we ultimately won the war. Today's battle is much larger and far more complex and I fear that unless we take stock and face the problem squarely, we stand to lose not only this battle, but perhaps even the war.

IMPORTANT BUT SERVICE NEEDED TOO

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. STEIGER. Mr. Speaker, one of the great challenges facing the 95th Congress is what to do about the U.S. Postal Service. In the 94th Congress, we approved a short-term postal reform measure which placed a moratorium on service cutbacks and rate increases. The moratorium has expired, and postal officials have indicated they intend to raise the cost of a letter to 16 cents and to cut mail deliveries from 6 to 5 days a week.

Representatives JIM HANLEY and CHARLES H. WILSON, chairmen of subcommittees with jurisdiction over the Postal Service, deserve great credit for the efforts they have made to tackle this large problem. My strong hope is that we will produce a sound postal reform package in this session.

An editorial in the June 23 Manitowoc, Wis., Herald-Times-Reporter describes well the need for a tighter rein on postal operations. It points out the irony of the Postal Service's plan to cease sorting operations at Monitowoc, shifting them to Green Bay in the name of efficiency, while at the same time putting out a special news release on the economic benefits of the Manitowoc Post Office.

The editorial details the economic pluses listed by postal officials and adds:

> The U.S. Postal Service should be a little more careful in trying to cut service through a facility which produces revenues of $1.5 million a year.

I concur. The editorial is one that should be read by all who are concerned about postal service in America. It follows:

IMPORTANT BUT SERVICE NEEDED, TOO

Indians long ago accused the U.S. government and its official agencies of speaking with forked tongues.

Long after the redman was chased from his hunting grounds to barren wastelands, the practice of speaking with a forked tongue is ever so imminent in the U.S. Postal Service, particularly in its desire to slice service in the City of Manitowoc and Manitowoc County.

On June 6, Mayor Anthony V. Dufek informed the City Council he had received a promise the U.S. Postal Service would delay until 1979 any attempt to delete the local post office as a sorting center in order to produce an even larger mess in Green Bay.

Now the U.S. Postal Service comes out with a special release for The Herald-Times-Reporter and boasts about how vital the postal service is to the city's economy.

The release states "with a total U.S. Postal Service investment and annual operating expenses of more than $1.3 million, the Manitowoc, Wis., Post Office is not only vital to the economy of the community from the communications standpoint, it is also one of its more important industries."

If this is true, then the U.S. Postal Service will have to make amends and forget about hindering the mail service and economy of the community.

Employing 63 persons, the office pumps more than $1.1 million a year into the area's economy through salaries and benefits.

The proposed alteration in service to Manitowoc would claim eight jobs, and very carefully the U.S. Postal Service did not elaborate on the possibility of transferring some of the local employes to Green Bay.

Again boasting it is a labor-intensive industry, the U.S. Postal Service release noted personnel costs represent about 85 percent of its annual national $15 billion budget. For example, the Postal Service said the average letter carrier earns $17,180 a year in salary and fringe benefits. The average clerk makes $17,456 in wages and benefits; the average mailhandler $26,545. These salaries increase with the cost of living, the postal

service said. The average supervisor earns $21,250 in salary and benefits.

The Manitowoc postmaster earns $24,610 in salary and fringe benefits. The office has 26 vehicles which were purchased at a cost of $68,000. The Post Office is leased for $51,000 a year.

More than 999 businesses and 11,548 residences are served by the Manitowoc Post Office, and it has five rural routes.

Then comes the real laugh line. The U.S. Postal Service said in many cases it loses money on facilities the size of the one in Manitowoc.

The U.S. Postal Service should be a little more careful in trying to cut service through a facility which produces revenues of $1.5 million a year.

Subtract the investment and annual operating costs of $1.3 million from the revenues generated and it is easy to determine the U.S. Postal Service is trying to pull the wool over the eyes of the people who are entitled to every 13 cents of service they need.

FTC AMENDMENT

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. LLOYD of California. Mr. Speaker, I plan to offer an amendment to the Federal Trade Commission Amendments, H.R. 3816. Simply, my amendment would add a "sunset" clause to the FTC Act to terminate the Commission on September 30, 1982, unless a review affirms its positive performance.

The amendment follows:

AMENDMENT TO H.R. 3816

Page 49, after line 7, insert the following new section:

TERMINATION OF ACT

SEC. 14. The Federal Trade Commission Act, as amended by section 7, is further amended by redesignating section 22 as section 23, and by inserting after section 21 the following new section:

"TERMINATION OF ACT

"SEC. 22. (a) The provisions of this Act shall terminate on September 30, 1982, and the Federal Trade Commission shall be abolished on such date.

"(b) The President shall—

"(1) commencing two years before the date of termination specified in subsection (a), conduct an investigation of the overall performance of the Commission, including a study of the effectiveness of the Commission in accomplishing its purposes and in promoting the general welfare; and

"(2) not later than one year before the date of termination specified in subsection (a), make public and submit to each House of the Congress a report containing—

"(A) the findings of the investigation conducted by the President under paragraph (1); and

"(B) recommendations relating to whether the authority of this Act should be extended, the Commission should be reorganized, or the provisions of this Act should be permitted to terminate.

"(c) Each committee of the Senate and the House of Representatives having primary oversight responsibility with respect to the Commission shall, not later than 6 months before the date of termination specified in subsection (a), conduct an inquiry with respect to the performance and effectiveness of the Commission. Each such committee shall make public a report of its findings, conclusions, and recommendations, including any proposed legislation for such extension of the provisions of this Act, or such reorganization of the Commission, as such committee considers appropriate.".

And redesignate the following section accordingly.

RESULTS OF SIXTH SESSION OF THE LAW OF THE SEA CONFERENCE

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. McCLOSKEY. Mr. Speaker, on the eve of conclusion of the sixth session of the Law of the Sea Conference in New York, we will shortly receive a Consolidated Negotiating Text from the President of the Conference, H. Shirley Amerasinghe of Sri Lanka. The most controversial portion of this text will be the draft articles formulated by Committee I Chairman Mr. Paul Engo of the Republic of Cameroon.

Mr. Engo recently visited Washington and spoke to a number of us with respect to the various issues which his committee has been attempting to resolve. These relate primarily to the proposed international regime to regulate deep seabed mining and the allocation of the benefits which will be derived from the cooperative exploitation of the resources of the deep seabed, the "Common Heritage of Mankind."

The primary controversy is between the Group of 77, the caucus of the 115+ developing nations of the world—Mr. Engo served as chairman for 2 years—and the technologically developed nations, particularly the United States. The key issue has been the question of whether, and under what conditions, American mining companies will have assured access to the resources of the deep seabed. This issue, which resulted in a stalemate at the fifth session of the conference last fall, could remain at an impasse and effectively terminate the 7 years of long and painful negotiations, and could well result in a major escalation of those international tensions which constantly threaten the uneasy peace we now enjoy throughout the world. If, on the other hand, the new Consolidated Negotiating Text achieves a breakthrough by being acceptable to both the developing nations and the United States, we would achieve a major step forward in international law.

It will be interesting to compare the positions enunciated by Mr. Engo when he visited Washington and the final language of the new Consolidated Negotiating Text which we expect to have in our hands no later than next Monday, July 18. So that our colleagues may have these two documents for comparison and reference, I am attaching hereto, on behalf of BEN GILMAN, DON FRASER, and myself, the complete statement Mr. Engo made to the Members of Congress for the Peace Through Law luncheon sponsored by DON on July 29, 1977.

STATEMENT MADE BY MR. PAUL BAMELA ENGO, CHAIRMAN OF THE FIRST COMMITTEE THIRD UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA

Your Excellencies,

I should like first of all to express my gratitude and that of my dear friend and colleague, His Excellency Alan Beasley, Chairman of the Drafting Committee of the Conference, to all who have, by this invitation, made our visit here possible.

For me personally, it is a refreshing homecoming, having spent three and a half glorious years in this beautiful Capitol, representing my nation here in a diplomatic capacity.

Undoubtedly, it is a select privilege to be able to speak to such an assembly of distinguished representatives of the great people of this nation. If out of American modesty you are tempted not to admit the fact, I think that as a foreigner from a friendly nation, I may be permitted the freedom to refer to the historic nature of the mission which you, as a people, have for mankind as a whole.

My nation, the United Republic of Cameroon, is often referred to as Africa in miniature, indeed as an experiment in African unity. Your nation is a far more elaborate experiment on the possibilities for peaceful coexistence among the various peoples and cultures that God planted on earth.

This nation was born of a great revolution of thought and at a significant cross-roads in history. The pursuit of freedom and a new life that brought your founding fathers across the vast oceans was revolutionary. Their staggering attainments in the face of grave difficulties were revolutionary. The growth of new ideas of meaningful justice and national progress for all; the institutions, political, and social and economic that have evolved from the American experience; these have provided revolutionary models for peaceful evolutions in many lands near and far. They give sustenance to cherished hopes of strengthening the concept of the brotherhood of all mankind.

Today, we all share the concerns of your people that the morals of the original American dream should neither weaken nor fade. Your experiment should provide valuable data for programmes of nation building in many young countries.

I have chosen to refer to these facts because it is in their light that one expects the Government and people of the United States to be more receptive to revolutionary ideas and change than most of the older world. Sometimes, the knowledge of your great achievements in many fields in only two centuries, tempts most people to expect more benevolent leadership than you can in all reality afford. You get criticised because many expect so much of so comparatively young a nation.

I placed some priority on my visit here today because of my conviction that you the leaders of this great nation have the right to hear from those of us who share your concerns about this giant step our generation is taking in response to the challenge of the open space age.

As Representatives of nations at the Third United Nations Conference on the Law of the Sea, we have often faced the difficulty of adequately communicating the true climate at the Conference to our Governments and Parliamentarians. I have often appealed for negotiations across interest lines. You perhaps need, like all of us, contact with the Representatives of other geographical regions in order to understand the bonds which attach us to a common design.

I wish to seize this rare opportunity to address you on the current status of the negotiations at the Conference, particularly on issues connected with mining of the re-

sources of the deep sea-beds. These fall within the mandate of the First Committee, of which I have the honour to be Chairman. I am making available to each of you copies of two important statements I have had to make before the Conference so far. They outline in some detail our procedures and program of work, and also explain in simple terms the nature of the critical issues which must be resolved if we are to succeed in elaborating a universally recognized treaty articles in the near future.

You are undoubtedly aware that this effort commenced in earnest as far back as 1971. Unlike the preparations for the 1958 Geneva Conventions, we did not have a body of expert jurists like the International Law Commission to prepare a draft proposal for the Conference. You may recall that even with that much smaller Conference, the ILC took nine years to prepare a draft on issues far less complicated.

Following the adoption in December 1970 of the "Declaration of Principles governing the Sea-bed and the Ocean Floor beyond the Limits of National Jurisdiction," the United Nations General Assembly established an Ad Hoc Committee on the subject. Since then, through literally hundreds of formal and informal meetings of that Committee, and subsequently of the First Committee of the present Conference on the Law of the Sea, a dedicated group of representatives has worked tirelessly to secure agreement on an international regime and machinery for exploration and exploitation of the resources of this vast area.

For six years therefore we have spared no effort to deal realistically and creatively with a series of problems that must be among the most intractable in Conference history. These problems range from the legal to the economic; from questions of corporate finance to marine science and technology.

Negotiations began dealing with concrete texts as far back as 1972, each reflecting conflicting approaches to the novel ideas within our universe of discourse. A variety of ideas for regulating sea-bed exploration were presented by several delegations, the most elaborate by far being those embodied in the proposal of the United States.

Discussions proceeded on the basis of alternative texts. Soon areas of agreement and disagreement were isolated—areas of agreement were widened and primitive compromises forged.

In the Spring of 1975, on the proposal of the President of the Conference, which was endorsed by the Conference as a whole, I prepared for the First Committee an "Informal Single Negotiating Text," which sought to deal for the first time with the entire range of issues before the Committee. The provisions of that text were further refined by me in the light of discussions in the Committee and eventually embodied in a "Revised Single Negotiating Text," presented at the Fourth Session of the Conference in 1976.

With every modification of the text, I endeavoured to reconcile in as fair and balanced a manner as possible, inconsistent or even frankly conflicting points of view that had been expressed.

You will appreciate, I am sure, that the task has been far from easy. Opinions within the Committee are strongly held and expressed with great skill and persuasive ability. Frequently, a wealth of technical material is presented in support of a particular idea, only to be matched by a formidable volume of material that points in a contrary direction.

Ideology, and aspects of the now familiar cleavage between North and South continue to nag and divide the Committee on a variety of vital issues which this wholly new field of endeavour has presented to the international community.

National interests on Second and Third Committee questions have been fairly readily recognizable, at least in the short run. By comparison, there are very few States with direct, specific national interests at stake in the international regime and machinery.

They are potential sea-bed mining States; consuming or importing industrialized States; and land based producers (existing and potential) who are mainly developing countries In each of these categorizations, the numbers are small, particularly as compared to the number of States participating in the Conference—now 156.

The division that has come about—developed and developing countries—is somewhat of an over-simplification, and is probably due to a comparison with the proliferation of powerful interest groups elsewhere in the Conference. The actual interest of many States in the outcome of Committee 1 negotiations lies more, it would appear, in the direction of trade-off with issues in other Committees, rather than in the actual elements of a Committee 1 compromise. The case of the Land-locked and geographically disadvantaged States is an instance of this kind of interest in Committee 1 questions.

The situation in the rest of the Conference, as it has developed, has had important effects on the First Committee. Extended national jurisdiction has not benefitted the majority, in fact it has benefitted mainly the developed countries. This realization has had the effect of throwing more of a spotlight on the First Committee in terms of real benefits for the international community as a whole—remembering that the international area is also now that much smaller, with again the prospect looming that it would be primarily the developed countries that would benefit.

The so-called package deal came about originally because of the requirements of one single comprehensive Convention. The process of "packaging" was further developed to allow groups to trade questions or segments of questions against other items. There was no particular rationale in the Second Committee in linking such issues as international straits to fisheries for negotiating purposes.

In the First Committee, however, there are clear, logical links between various components of the package. These logical interrelationships sometimes make procedure very important indeed; also they make agreement on fundamental principles very important.

There is no way of reaching agreement on general principles by way of particulars, though it can be important to closely investigate particular technical points as a way of resolving undue suspicions on the underlying intentions in advancing certain principles.

The whole history of the negotiations is revealing in itself. Initially, for the developed countries, there were the frustrations as to how international organizations were evolving—concerns in particular as to what they considered the so-called "tyranny of the majority"—coupled with suspicions of a possible freeze or shut-out from a potentially valuable and reliable source of raw materials.

For the developing countries, there were the frustrations of possible historic repetitions (of neo-colonialism, separate development, etc.) and fears that past efforts to improve developing country prices for raw materials in general would suffer, and that the declared "common heritage of mankind" would mean nothing in terms of bridging the development gap. The prospect of a new international organization with regulatory powers, operational and revenue-producing capabilities highlighted such frustrations and hopes, as perhaps no other subject before the UN General Assembly has ever done.

Thus, the first positions adopted by both sides were extreme, from any point of view.

In terms of a text, it meant, for most developed countries, a Part I of the Convention which would give as many guarantees as necessary for security of supply from the sea-bed, and access by States and private companies for that purpose. Guarantees would extend to having a thoroughly detailed Annex I on basic conditions of exploration and exploitation that would leave few, if any, loopholes for later discriminatory or otherwise unfavorable decisions by the Authority, especially by its Assembly with membership of all States.

For the developing countries and to some extent some developed ones also, it meant the supremacy for all time of the basic principles of the "Common heritage of mankind"; non-appropriation and invisibility; and a single entity representing mankind to conduct or fully control operations, without any details that could later be used to limit or circumscribe the powers of the Authority.

It meant, for the developed countries, that the Authority would be tightly bound to a detailed Convention in every respect; for the developing, it meant that the First Committee was already embarking on work that could have been left to the Authority of the future.

Time and frustrating debate seem to have tamed appetites on both sides. Each now realizes that a mutually cherished Convention cannot be achieved without the approval of the other.

Fairly close on the heels of the adoption of these initial extreme positions came the realization that the "Common heritage" concept would be empty words unless those with the finance and technology could be enticed into the Area, and the realization, from the other point of view, that the First Committee issues had to be traded against jurisdictional gains from the Second and Third Committees.

The effect on the Text was to compromise on the general framework: basic principles, supplemented, or offset, by a certain amount of detail that would have the practical effect of circumscribing the Authority's powers to some extent, and at least over a transitional period.

The result also was prolonged negotiations requiring internal as well as external balancing of provisions, including also the balancing of main text against annexes.

One more point I wish to mention: One of the most serious, if not the most serious of the disadvantages that has faced us in our work, is the lack of a negotiating technique which will enable the full democratic expression and eventual synthesis of the views of over 150 Sovereign States. For years, my colleagues and I have grappled with this problem with varying degrees of success.

Restricted negotiations, however efficient and productive are unreliable as devices for achieving progress, since any compromises reached are treated with suspicion and often rejected by those who did not, or could not, participate.

We proceed today through a series of informal consultations carried out by me and also on my behalf in the Chairman's Negotiating Group by Minister Evensen of Norway, to refine still further the provisions of the Revised Single Negotiating Text.

By the end of this week or early next, I expect my text to have reached a sufficiently mature stage, i.e., to be sufficiently reflective of most shades of opinion, to be included in a proposed "Composite Negotiating Text" to be prepared under the leadership of the President of the Conference.

This Text will be the product of countless hours of debate and consultation, and would mark the penultimate stage of our deliberations. From this point on we shall be embarking on a period of negotiation that could lead either to a desirable success or, tragically, to the realization that mankind is not yet ready for the kind of giant step in interna-

tional organization and co-operation that the proposed international regime and machinery would represent.

Your Excellencies, Distinguished Members of the United States Congress, poised, as I believe we are, on the threshold of substantial progress, fought for and won in years of intensive and patient work, indications of possible unilateral action by our technologically advanced friends of the West, fills me personally and the rest of the Conference, with much apprehension. There may well exist reasons for wishing to embark on a program of sea-bed mining under protective domestic legislation, none of which may be intended as a threat. I fully realize that a step of that serious nature will not be lightly taken by the people of this great nation, and that your legislation could well endeavour to anticipate and if at all possible provide for dove-tailing or incorporation into an evolving regime for the sea-bed. No one doubts that the United States has done as much as any other participant at the Conference to try to reach agreement on the issues.

In spite of all this I would appeal to you to examine the pros and cons of the timing of such action.

In the first place, there is a substantial body of world opinion (developed and developing countries alike), which considers that the mining of sea-beds resources, in the absence of a comprehensive treaty universally agreed upon, is clearly illegal. Not even the stretching of the ill-defined provisions of the 1958 Geneva Conventions give credence to the contrary view.

It is a consequence of that view that the nodules and other mineral wealth of the sea-bed, as the "Common heritage of mankind", cannot be dealt with by individual States or entities sponsored by them except within the framework of a comprehensive treaty.

So widespread is the belief in the illegality of premature mining activity that Banks and other lending institutions, traditionally cautious, and with no lack of alternative investments on land, would be expected to view sea-bed mining with an understandable skepticism unless backed by the generally accepted framework of an international treaty.

Secondly, the enactment of protective legislation could be interpreted by other States as failing to heed, if not deliberately flouting, the expressed wishes of a very considerable number of members of the world community. While other States continue to work steadily toward an orderly solution to grave problems, through regulation by treaty, such actions by one might be interpreted as complete disregard for their undoubted efforts. The resulting resentment could immeasurably complicate the negotiations, if not lead to their complete collapse. The resentment would come from even the most trusted of the vast circle of friends of this nation.

The question of motivation may well haunt those friends. The primary interests of the United States expressed at the Conference relating to the First Committee included access to resources of the area and participation in their exploitation. Current texts being considered favourably have gone a long way to meet these. The developing countries (Group of 77) have moved substantially to accept these ideas, in a spirit of compromise. What threat to the United States, it may be asked, is there that is so serious that she would need domestic protective measures so urgently.

It is now clear that activities of exploitation are likely to commence around the year 1985, definitely not before 1980. Would it not be better to promote early adoption of a treaty now or next year than to destroy the emerging results for which the United States has played an important role?

Many more questions could be asked, even by your good friends.

I know I express the widespread sentiments of the membership of the Conference when I appeal to your characteristic American sense of wellbeing for the common good, to delay the consideration of Unilateral measures until they become absolutely necessary, having regard to the results of the negotiations. There is an air of hope and a renewed dedication to the early attainment of a universal treaty, which has dominated every procedure and negotiating process this Session.

One hundred and fifty-six nations continue the struggle day and night, during the Session and after. We are all, big and small, rich and poor nations, working with history. We cannot retreat now. We must not fail ourselves or future generations because we cannot afford to fail.

No State in our age can afford the dangerous luxury of isolation from the collective effort. No State in our peace-seeking and freedom-loving world can afford to act in total disregard of the wishes of its peers. Your nation stretches its hand of friendship in a renewed call for morality in international affairs. Permit me, my dear friends, to take the liberty of stating that you are being watched by those interested in deepening bonds of friendship with you, however small or geographically removed or however different their social systems.

In the aftermath of contemplated action by your firms, on the basis only of domestic legislation, one cannot help feeling that the United States is unlikely, through such action, to do much to foster the development of its foreign relations.

I have thus spoken, sincerely and frankly, only because of the special cordial and friendly relations I have as Chairman, maintained with your distinguished Delegation at the Conference, and more so because I believe I know a good deal about your great potential as a people to give inspired leadership in our common endeavour to build a strong viable and peace-oriented international community.

May God grant you His wisdom to make the right decision for your nation and in the wider interest of all mankind.

FEDERAL CONSUMER PROTECTION AGENCY

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Ms. HOLTZMAN. Mr. Speaker, I would like to share with my colleagues a letter I received from Rosemary Pooler, executive director of the New York State Consumer Protection Board, supporting a Federal Consumer Protection Agency.

Ms. Pooler, who has been called by Empire State Report a person "with solid consumer credentials and a reputation as a no-nonsense activist," is unusually well qualified to assess the need for a consumer advocate agency on the Federal level. Her views deserve our careful consideration.

The letter follows:

I am writing to urge your support for H.R. 6805 and S. 1262 which would establish a federal Agency for Consumer Protection.

This agency would provide for presentation of consumer interests before federal agencies and the courts. Day after day, these agencies make decisions which affect everybody's health, safety, and pocketbook. Yet, the consumer's voice is often absent during their deliberations.

The Agency for Consumer Protection would be a catalyst for improving administrative responsiveness. Regulatory agencies are structured to act as judges—to hold hearings and to make objective decisions after having heard a vigorous debate between advocates for each side. This system has repeatedly broken down when no one has come forward to represent the consumer's viewpoint, since consumers often lack the necessary financial and technical resources to participate. The Agency for Consumer Protection will fill this void by intervening where possible when another federal agency is engaged in activity which may substantially affect an interest of consumers.

This legislation would also permit the ACP to take part in informal rulemaking and other agency activities where many decisions which affect consumers are made.

It is our experience at the New York State Consumer Protection Board that consumers are best protected by meaningful representation when decisions are being made, not after.

I urge you to vote for H.R. 6805 and S. 1262 and to oppose any weakening amendments. Consumers need a federal consumer agency to give them an advocate in the governmental process.

U.S. MIDEAST POLICY DISTURBINGLY CONFUSED

HON. RAYMOND F. LEDERER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. LEDERER. Mr. Speaker, on June 16, I spoke to the House about the overreaction of the administration to the Israeli elections and the rise to authority of Menachem Begin. Since then President Carter's statements on his Mideast policy and statements of the State Department have only further confused the American position. The President's meeting recently with national Jewish leaders has put some confidence back into the American stand. However, our country's position is still disturbingly confused.

Listening to and reading official announcements, I am still unable to discern a concrete policy on the necessities of a Mideast peace, especially with regard to borders and a Palestinian homeland. I think such confusion can only encourage the Arab countries to withhold peace attempts in the hopes of bringing Israel to its knees with the help of the United States. This is, I am sure, not what the President intends. With this in mind, I anxiously await the results of the President's meetings with Mr. Begin next week.

I here insert two articles which appeared in my hometown newspaper, the Philadelphia Inquirer. I believe these explain the adverse effect of the administration's policy on peace efforts:

U.S. MIDEAST STATEMENT IS ITSELF "DISTURBING"

If the Carter Administration "strongly" believes, as it said in an official statement issued by the State Department, "that progress toward a negotiated peace in the Middle East is essential this year if future disaster is to be avoided," it would have done better not to issue the statement.

This is not to say that the statement, which calls on Israel to withdraw from occupied ter-

ritories on all fronts and by implication takes Prime Minister Menachem Begin to task, necessarily will do terrible harm. It is only to say that it is more likely to obstruct than to advance "progress toward a negotiated peace," because it has already made the Israelis more nervous than they have been about the direction of U.S. policy and may give the Arabs false hopes as to what they can expect from the U.S.

Why was the statement isued at all? Officials explain that it was a response to "disturbing" comments by the new Israeli prime minister. Yet what Mr. Begin said was hardly new. He has made no secret of his reluctance to surrender territory on the West Bank and the Gaza Strip. He was, at worst, ambiguous about what he means by negotiating "without preconditions."

Still, ambiguity is hardly an unknown quantity in the higher reaches of other governments, including Washington. If U.S. officials wanted to send Mr. Begin a message before his visit to Washington three weeks from now, they could have picked up the telephone, sent him a cable or used a diplomatic pouch.

What makes the State Department statement all the more disturbing, if not astounding, is that it comes on the heels of an administration effort to assuage Israeli concern about U.S. Mideast policy. Vice President Mondale's San Francisco speech, in which he said, or appeared to say, that the U.S. did not intend to pressure Jerusalem or impose its views on the parties, was part of that effort. So was the administration's announcement of new sales of $115 million in arms to Israel.

U.S. officials also said they were responding to Sen. Jacob K. Javits, who himself was responding to Mr. Mondale. In a speech delivered on the Senate floor Monday, the New York Republican criticized the "imbalance in what the Israelis and the Arabs are being called on to do." Yet what Sen. Javits said, Mr. Mondale had acknowledged in noting the "profound asymmetry in what the two sides in the Middle East are seeking." Israel, the Vice President pointed out, is being called on to give up territory, which is tangible and "difficult to regain short of war." The Arabs are being asked to make peace, which "can be ephemeral," easily retracted.

Those who drafted the State Department message should have considered how the Arabs would read it. It is simply not enough to go through the ritual of asserting—ambiguously—that "the Arab states will have to agree to implement a kind of peace which produces confidence in its durability." The Arabs must understand that they cannot force the U.S. to do their bargaining for them to obtain what the Israelis under no circumstances will concede—insecure, indefensible borders and an independent, irredentist state, dominated by terrorists, in their midst. The Arabs must understand that they, too, must make tangible concessions. There must be no ambiguity about that and especially no illusions.

ON THE MIDEAST—CARTER IS LESS THAN EVEN-HANDED

(By Elsa Goss)

The Mideast could well become Jimmy Carter's Waterloo.

That's the impression I'm getting as his administration begins to formulate a policy on settling the Arab-Israeli standoff.

It's not that Jimmy Carter doesn't want peace in the Mideast, of course. Like every modern President before him, he's made that a top priority goal. But the problem is that, with each passing week and each additional administration statement, Carter has shown a surprising inability to size up the situation—and the attitudes of the adversaries in question—as they really exist.

In short, it is one thing to say that "progress toward a negotiated peace in the Middle East is essential this year if future disaster is to be avoided." It is quite another thing to pull it off. And I'm not at all sure that Carter is savvy enough to do it.

You only have to look at his changing position to wonder.

As a candidate, Jimmy Carter issued statement after statement that, from an Israeli point of view, at least, were very reassuring. On June 6, 1976, for instance, he said point blank that a precondition for a Middle East peace was a change in the Arab attitude for Israel.

He called not only for an Arab recognition of Israeli state but also for diplomatic relations, a peace treaty, open frontiers and an end to both an embargo and propaganda against the tiny country. He asked for final borders between Israel and its neighbors, but emphatically stated that they should be "determined in direct negotiations between the parties and they should not be imposed from outside."

On the question of a Palestinian state—one of the thorniest points of contention between the two sides—Candidate Carter said, "There ought to be territories ceded for the use of the Palestinians. I think they should be part of Jordan and be administered by Jordan. I think half the people in Jordan are Palestinians themselves."

That point of view was very close to the one espoused by the government of Yitzak Rabin and served to dispel much of the distrust many American Jews had felt toward Carter until then.

But things have changed considerably since Carter's move to Washington. The President has delivered what can only be seen by the Israelis—and their sympathizers—as one body blow after another. The administration cancelled an arms sale to Israel, refused to allow the sale of Israeli-built Kfir jets to Ecuador and turned down, for security reasons, it said, a proposal for a co-produced U.S.-Israel military communications system. By the time the administration announced a $115 million arms sale to Israel, tensions between the two countries were already high.

Yet this, all of this, including Carter's ill-advised description of Syrian President Hafiz al-Asad as "a strong supporter in the search for peace," was mere prelude to the recently declared Middle East policy statement which called on Israel to withdraw from all of its occupied territory.

It is difficult, if not impossible, to see exactly what Carter hoped to gain by this statement. Meant as an official response to what is seen as newly elected Israeli Prime Minister Menachem Begin's hard-line stance on the West Bank and Gaza Strip, it served only to exacerbate U.S.-Israeli relations and to give hope to the Arabs that they will be asked to concede nothing at the bargaining table.

For while it is true that the statement called, in theory, for "both sides to the dispute to make difficult compromises," it, in fact, took only the Israelis to task. And while it called for a "homeland for the Palestinians whose exact nature should be negotiated between the parties," it never mentioned Jordan—a semantic slight which could not be lost on either side.

So what Carter has done is to serve notice to the Israelis, who, after all, have won every war with the Arabs since 1948, that he can no longer be viewed as a solid ally. And he's managed to give the Arabs some hope that American rhetoric will accomplish what all of their aggression has not—total capitulation by the other side.

It's not a position designed to make either side willing to compromise and it's not likely to make peace any more of a reality in 1977 than it has been for the past 29 years. About the only thing that it does is to put Carter into the diplomatic equivalent of being right smack dab between a rock and a hard place.

And that's a very precarious place for a President to be.

PHILADELPHIAN REACTS TO MIDDLE EAST MEETING WITH PRESIDENT CARTER

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. EILBERG. Mr. Speaker, last week's meeting between President Carter and leaders of the Jewish community included the participation of two distinguished Philadelphians, Mr. Theodore R. Mann, chairman of the National Jewish Community Relations Council, and Mr. I. Jerome Stern, president of the Federation of Jewish Agencies of Greater Philadelphia.

Mr. Mann, a leading attorney in Philadelphia, is past president of the Jewish Community Relations Council in the city, and has held several top posts with the American Jewish Congress. Mr. Stern, also a well-known attorney, has had a similarly distinguished career of public service.

Following last week's meeting in the White House, Mr. Stern authored the following reaction for the op-ed page of the July 13, 1977, Philadelphia Inquirer. I commend it to the attention of my colleagues:

. . . BUT HE IS CLEAR ON SUPPORT OF ISRAEL

(By I. Jerome Stern)

One of the prime concerns of the Carter Administration has been a continuing effort—by public pronouncement and by private discussion and negotiation—to bring about an end to the bitter strife in the Middle East, and to bring the parties to this 30-year struggle to the bargaining table.

Last week I took part in a conference at the White House with President Carter, Vice President Mondale, Secretary of State Vance, and their advisers, in a frank discussion of these knotty Mideast problems.

The meeting was arranged at the President's request with the Conference of Presidents of Major American Jewish Organizations and other leaders of Jewish communities throughout the United States.

Our talks that day were typical of the "grass roots meetings" the President has found it useful to schedule to keep in touch with the American people. For this, he is to be commended.

President Carter's peace proposals for the Middle East, which he first articulated at Clinton, Mass., stem not only from his own deep religious convictions which are rooted in the Old Testament, but from his understanding that the existence of Israel, a friendly democratic state in that part of the world, is vital to U.S. interests.

The existence of a Jewish homeland was, until the establishment of the State of Israel by mandate of the United Nations, a hope, a dream, an aspiration of Jews for more than 2,000 years. Now that survivors of hate and oppression have returned to the Biblical land of their fathers, they have but one overriding desire—to live in peace with their neighbors. It should be noted that throughout these 20 centuries Jews have always lived in and enriched the land now known again as Israel and the Holy City of Jerusalem.

I am convinced that our President understands the religious and political reasons for the survival of the State of Israel—both Israel and the U.S. share the goal of peace in the Middle East. President Carter's meeting with Prime Minister Begin, that opens next Tuesday, should be an opportunity for both countries to explore the avenues to peace.

The President, in his remarks at Clinton on March 16, 1977, defined the peace he envisaged for the Middle East. The points he made included more than Arab recognition of Israel's right to exist—though even this has so far been ignored by every one of Israel's Arab neighbors.

The borders would be opened to travel, to tourism, to cultural exchange, to trade. There would be navigation of the waters by Israeli ships, and finally there would be full diplomatic recognition of Israel as a sovereign state. This definition of peace is one which the State of Israel has already endorsed. When will her adversaries address these vital elements in any real peace?

In his remarks to Jewish leadership in the White House meeting I attended, the President reaffirmed that he was committed to permanent peace and security for Israel. His private as well as public utterances on this topic are consistent and reassuring.

If the Arab nations in confrontation with the State of Israel will agree to have face-to-face negotiations on all issues without preconditions, a commitment Israel has made time and time again, and that Israel's new Prime Minister, Menahem Begin, has also endorsed, then peace could come to this part of the world.

I commend the President for being the catalyst in prodding the parties to sit down together to talk. His role is a difficult one; however, he realizes that unless a real peace is achieved, continuing confrontations will shed more blood in another futile attempt to destroy the survivors of the Holocaust and Jewish refugees from Arab and other lands.

The ancestors of this same Jewish people brought the concept of peace and justice to the world. In the words of the prophet Isaiah:

". . . They shall beat their swords into plowshares, and their spears into pruning hooks. Nation shall not lift up sword against nation, neither shall they learn war anymore."

We all hope and pray that the time is near at hand when the vision of Isaiah becomes a reality.

BOTH SIDES OF THE ISSUE

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. KOSTMAYER. Mr. Speaker, while we in the Congress continue to debate an agency for consumer protection, the debate also continues in the country.

I would like to share with my colleagues two points of view about the proposed consumer agency that recently were presented in northeastern Pennsylvania over WDAU–TV in Scranton.

Tom Powell, in addition to being the very capable news director at that CBS-affiliate television station, is a well-respected Pennsylvania news journalist who at one time served as national president of the Associated Press Broadcasters. He lives in Scranton and opposes creating the Consumer Protection Agency.

Edward Mitchell is also from Scranton and was the Democratic nominee for U.S. Congress in the 10th District last year. During his campaign he vigorously supported the creation of the agency and argues so in this presentation. He now serves as my administrative assistant and for several years served as press secretary and special assistant to the Governor of the Commonwealth prior to his unsuccessful race last year.

I favor creating this important agency. Nevertheless, the following exchange offers some good points on both sides of the issue, and I would like to add them to the national debate by inserting them in the RECORD:

A WDAU–TV EDITORIAL BY NEWS DIRECTOR TOM POWELL—JULY 5, 1977

Last week we carried a story on the evening news about a Wilkes-Barre group that has organized with the objective of persuading Congressman Flood to vote in favor of a federal consumer protection agency.

Well, we wish them no luck. The last thing we need right now is a big-brother agency meddling in everyone's affairs and we hope Congressman Flood will cast his vote toward defeat of the bill.

It's a Frankenstein's monster type thing—creating a super-bureaucrat with powers so vast and unchecked that former Watergate prosecutor Leon Jaworski felt constrained to write a warning letter to Congress about the potential for abuse. What Jaworski was saying in effect was if you thought Watergate reflected abuse of power, wait until you see the consumer protection agency.

The trouble with this legislation is that it uses the Ralph Nader premise that consumers are all idiots. So, we should have some bureaucratic czar running around deciding what is good for us.

All federal agencies are required to operate and regulate in the public interest and we are already getting all the protection we need. Indeed, some may think—with the saccharin ban, laetrile, seat belts and Tris—that we already are getting too much.

The consumer, as taxpayer, would be getting a bum deal right off the bat with $60 million dollars listed as the price tag for the gaggle of lawyers that would be needed to run the consumer protection apparatus.

And just as Nader-style consumerism has already added several hundred dollars to the price of cars, you can figure on higher prices for a lot of other things once the consumer protector starts protecting us from ourselves.

We hope Congressman Flood will agree that the people of his district don't have to be led through life by the hand of big government and will vote no.

WDAU–TV EDITORIAL REPLY: EDWARD MITCHELL, SCRANTON, PA., JULY 7, 1977

Last year in my race for Congress in the 10th District, I supported the creation of a federal consumer protection agency so vigorously and criticized my opponent's opposition to such an agency so sharply, that my friend Tom Powell once joked that the Consumer Federation of America must have financed my campaign.

I enjoyed that joke, but Tom's recent WDAU editorial opposing a bill before Congress to create such a consumer agency is not a laughing matter.

In fact, tears should come to our eyes when we consider a recent study showing how last year alone, high prices, harmful products and dishonest business practices ripped-off consumers in the American marketplace to the tune of more than $607 billion which comes down to about $3000 for every man, woman and child in the country.

No wonder, as last month's Harris Poll documented, a majority of Americans, by a margin of 52–34 desperately wants a consumer watchdog in Washington.

Yet Congress is hesitant because of some myths being spread by big business and other opponents—myths which also found their way into the WDAU editorial and which deserve refutation.

For example:

This agency is no "monster". On the contrary, it doesn't even have any regulatory authority. And to run it for one year will cost what it now costs to run the Pentagon for one-half hour.

There will not be the harassment of business many fear. In fact, small businesses, farmers and many light industries are exempt from the agency's domain.

Instead of expanding government bureaucracy, as President Carter pointed out in announcing his support for the measure, this agency consolidates other government consumer offices into one agency thus reducing the bureaucracy and cutting red tape.

Finally, rather than costing $60 million, as WDAU estimated, the agency is budgeted for one-fourth that amount.

As Esther Peterson, the President's very capable consumer advisor has noted, that's a small price to pay to put the consumer on a better footing in Washington with big business and oil companies and their multi-billion dollar lobbying efforts.

Actually, the price amounts to about a nickel for every American. That's why a Luzerne county group has joined a national campaign and is sending their congressman a nickel to persuade him to support the agency.

If you live in Congressman Flood's 11th District, Rep. McDade's 10th District, or Allen Ertel's 17th Congressional District—I urge you, too, to send them your nickel today and tell them to vote for your very much needed consumer protection.

Thank you.

WATER RESOURCES DEPARTMENT

HON. HAROLD T. JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. JOHNSON of California. Mr. Speaker, efforts by the responsible committees of the House of Representatives to assert their proper role in water resources development continue to encounter obstacles in the form of unilateral initiatives on the part of the executive branch. The most recent instance occurred when the administration announced intentions to solicit public comment on a series of five policy papers scheduled for publication in the Federal Register tomorrow. These policy papers have never been shared, much less their content discussed, with either the Committee on Public Works and Transportation or the Committee on Interior and Insular Affairs.

Recognizing that the manner in which issues are identified and their boundaries determined inevitably influences the comments and ultimate results, the bipartisan leadership of both committees have urged the President to defer such publication pending consultation with these committees.

As in the case of the recent conflict over water resources projects designated for elimination, the issue here is the ability of Congress to exercise its jurisdiction in this important area of public policy in an environment of genuine co-

operation and consultation with the executive branch.

I ask unanimous consent that the letter referred to above be printed at this point in the RECORD, and I pledge to my colleagues to share similarly the President's response thereto:

HOUSE OF REPRESENTATIVES
Washington, D.C., July 13, 1977.

The PRESIDENT
The White House
Washington, D.C.

DEAR MR. PRESIDENT: We are writing with regard to the option papers on the five issues to be addressed in the water resources policy study being undertaken by the Administration. These option papers are to be published in the Federal Register July 15.

These papers, by the way in which they define the issues and alternatives, will necessarily have a profound effect on the final outcome of the study. Indeed they may well be determinative of the results. Yet, as was the case with the review of water resources projects conducted by the Administration earlier this year, there has been no opportunity for timely participation and review by the appropriate Congressional Committees. We therefore urge that prior to the publication of the option papers the Committees be given the opportunity to review them and to hold hearings if necessary. If this is not done, the Congress will again find critical water resources initiatives being formulated in the absence of genuine consultation between the Executive and Legislative branches.

As we have been constrained to point out in the past, Congress has provided in Section 80 of the Water Resources Development Act of 1974 a sound mechanism for thorough review of the water resources program with participation by both the Administration and the Congress.

Enactment of Section 80 represents the Congress' commitment to consultation and cooperation in the development and refinement of water resources policy. We urge the Administration to respond in the same manner.

Sincerely,

William H. Harsha, Ranking Minority Member, Public Works and Transportation Committee; Don Clausen, Ranking Minority Member, Subcommittee on Water Resources: Joe Skubitz, Ranking Minority Member, Interior and Insular Affairs Committee; Manuel Lujan, Jr., Ranking Minority Member, Subcommittee on Water and Power Resources; Harold T. (Bizz) Johnson, Chairman, Public Works and Transportation Committee; Ray Roberts, Chairman, Subcommittee on Water Resources; Morris K. Udall, Chairman, Interior and Insular Affairs Committee; Lloyd Meeds, Chairman, Subcommittee on Water and Power Resources.

PENNSYLVANIA DEPARTMENT OF COMMERCE CALLS FOR "BUY-AMERICA" APPROACH TO MEETING ENERGY GENERATING NEEDS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. EILBERG. Mr. Speaker, the foreign competition problem confronting America wears many different faces, and one of these has to do with obtaining the hydroelectric generating equipment needed to help us weather our energy crisis.

The problems in this area have been highlighted by the Pennsylvania Department of Commerce which has found that the same problems afflicting such domestic industries as footwear, garment manufacturing, steel, and television also afflict the energy generating industry.

The Department has uncovered instances where our domestic producers are thwarted from competing in foreign marketplaces, while at the same time foreign producers have made increased penetration into our domestic marketplace adversely affecting American industry and jobs.

Pennsylvania's Secretary of State, the Honorable Norval D. Reece, has put this issue into sharp focus in letters which he has sent to the Honorable Robert Strauss, the President's Special Trade Representative; the Honorable W. Michael Blumenthal, Secretary of the Treasury; the Honorable Juanita Kreps, Secretary of Commerce; and the Honorable Daniel Minchew, Chairman of International Trade Commission.

I commend to the attention of my colleagues the reasoned arguments of Pennsylvania's Secretary of State, as contained in the following text of the letter which I am placing in the RECORD at this point:

COMMONWEALTH OF PENNSYLVANIA,
DEPARTMENT OF COMMERCE,
Harrisburg, Pa., June 27, 1977.

During recent months, we have been examining the effects of foreign manufacturers on certain domestic industries. Because of your involvement in the creating and implementing of foreign trade regulations, I would like to convey a matter of concern to Pennsylvania and United States energy producing industries.

From 1962 to 1976, the hydraulic turbine market for the United States totaled approximately $1 billion dollars or $67 million per year (15 years inclusive). Of this total, agencies of the federal government accounted for 43.4% of the amount purchased, an average of $29 million per year in purchases.

During this same time period, however foreign suppliers competing in our domestic marketplace have caused our hydraulic turbine industry to decline in number. There is, essentially, only one full capability manufacturer in the United States, the Hydro-Turbine Division, located in York, Pennsylvania, of the Allis-Chalmers Corporation. According to this company, the primary source of competition to domestic producers in this industry are Japanese and Soviet Union manufacturers.

It has been projected that federal purchases of hydraulic turbines during the next 5 years will total approximately $208 million. Of this amount, nearly $167 million will be purchased by the U.S. Army Corps of Engineers. We would hope that the 50% differential factor currently being used by the Corps under the Department of Defense procurement policy might prevail in any contract awarding. This factor differential is vital to promote the economic well-being of domestic producers of hydrogenerating equipment.

I am cognizant of the rationale behind the concept of world free trade. However, when it becomes apparent that our producers in a particular industry are thwarted from competing in the home marketplace of their chief foreign competitors, we ought to consider mechanisms which will redress this imbalance. For example, we have a document which clearly indicates, from a policy level, an unwillingness by Japanese power companies to purchase non-Japanese produced equipment unless bought through Japanese manufacturers.

Therefore, we would hope that in the establishment of foreign trade policy and regulations you might promote a "Buy America" concept, particularly when our manufacturers are hindered or excluded from competing in foreign markets. An action such as this would do much to redress trade imbalance, protect American jobs, and promote the economic vitality of domestic industry.

I would be willing to provide you with additional information on this or other trade matters in which we are involved. If I can be of assistance to you, feel free to contact me.

Sincerely,

NORVAL D. REECE.

COMMONWEALTH OF PENNSYLVANIA,
DEPARTMENT OF COMMERCE,
Harrisburg, Pa., June 27, 1977.

Congressman JOSHUA EILBERG,
U.S. House of Representatives, 2135 Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN EILBERG: Enclosed is a copy of a letter sent to several individuals (note the distribution list) concerning foreign trade. I would like to bring your attention to this matter since it not only involves a Pennsylvania based facility but also because of the policy changes implied affecting all foreign trade.

The Pennsylvania Department of Commerce has conducted investigations into the foreign trade situations involving footwear, garment manufacturing, steel (particularly specialty steel), and others. We have found instances where our domestic producers are thwarted from competing in foreign marketplaces creating a distinct imbalance in competition. This is the case in the manufacture and trade of hydrogenerating equipment, our reference in the attached letter.

We are fully aware of the reasoning behind the concept of world free trade. However, we are also aware that due to acts affecting foreign marketplaces, our domestic producers face competitive situations which are distinctly disadvantageous. At the same time, foreign producers have made increased penetration into our domestic marketplace adversely affecting American industry and jobs.

It is not our intent to advocate an isolationist foreign trade policy. However, we do believe that an effective balance in foreign trade should be sought and to this end, we need your assistance. In your deliberations in Washington, Pennsylvania business and industry welcome your efforts to sustain their economic well-being in order to provide jobs and income.

If I can provide you with further information on this or other matters, feel free to contact me.

Sincerely,

NORVAL D. REECE.

Letters to: Mr. Robert Strauss; Mr. W. Michael Blumenthal; Ms. Juanita Kreps; Mr. Daniel Minchew.

FOR GAS PRICES, A SUGGESTION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. MAZZOLI. Mr. Speaker, the deregulation of natural gas prices is currently under consideration in Congress.

After the past winter's gas shortages and the job layoffs that resulted we cannot understate the seriousness of the energy problem.

Total deregulation of gas prices is the answer that some advance. Continued price controls is the answer of others.

Maybe there is a middle ground which is the "best of both worlds."

Deregulation of natural gas wellhead prices, coupled with an annual price increase limit could prevent the steep price hikes possible in a totally free market while, at the same time, providing the financial incentives which everyone agrees are necessary to spur on-and-offshore gas development.

An editorial appeared in the Washington Post on July 10, 1977 which is interesting and is worthwhile reading on this point:

FOR GAS PRICES, A SUGGESTION

The only fair and sensible way to set the price of natural gas is to deregulate it completely. That means ending the long and unhappy experiment in setting the price through government regulation. Federal price ceilings have consistently held gas prices too low—far lower than oil prices—and the result is a series of gas shortages that seem to be getting steadily worse.

As long as gas is cheaper than oil, both homeowners and businesses are going to gamble on warm weather, with unpleasant consequences when the weather turns unexpectedly cold. The cost of these shortages, in layoffs and economic disruption like last winter's, is going to be higher than the cost of letting prices rise. President Carter's energy program, in its weakest and silliest section, would deliberately continue to hold gas cheaper than oil. But if energy policy is to be established by the rule of social justice, some thought might usefully be given to those people whose jobs depend on a steady flow of gas in cold years as well as warm ones.

Congress is bitterly divided on the issue of deregulation. This section of the energy bill will probably be settled by only one or two votes in the House Commerce Committee and, perhaps, by little more than that in the House itself. Some of the opposition comes from the old-line consumers' organizations that equate low gas prices with public virtue. With conservation an urgent necessity, that's a dangerous anachronism. A lot of congressmen worry about windfall profits to gas producers as the value of their reserves rises. It's an altogether proper concern, but the answer is taxation. To try to control gas industry profits by deranging the whole nation's fuel markets is absurd. Here, the reader will perceive, we disagree with the position argued by Lee White on the opposite page.

But there's another and more substantial range of concerns about gas pricing. The sudden impact of large and unexpected price jumps on consumers—both households and industries—is painful and harmful. James Schlesinger, the President's energy planner, speculated the other day that, without regulation, prices of gas might have shot up to three or four times the present level during last winter's cold snap. In response to this fear, we have a modest suggestion to offer.

The suggestion is drawn from the commodity markets. The price of orange juice, for example, falls when demand drops. But it is permitted to fall only so many cents a pound in any one day. That prevents sudden leaps, collapses, speculative raids and panics.

In deregulating gas, Congress might well decree that in any year the price can move only, say, 15 per cent from the previous year's average. If a daily limit is right for orange juice, an annual limit sounds more suitable for natural gas with its highly seasonal swings. We would expect the price of gas to move up steadily until it was a bit above the cost of oil—the premium reflecting the greater ease of handling it and its cleanliness. But if there were a sudden emergency, like a cold January or a coal strike, the price could go up only 15 per cent. Mr. Schlesinger's nightmare would be prevented. The price could not go spiking through the roof. Meanwhile, the shortages would end. Some users would switch to cheaper fuels. Others would cut back consumption. That, after all, is presumably the point of the President's energy policy.

But consumers have a right to protection from sudden, drastic price changes. Most families don't have much financial flexibility from month to month, what with mortgages and installments and all the demands of an established rhythm of life. It takes time to adjust, and that annual limit provides a shock absorber.

The price of gas to consumers will rise anyway. Under regulation the government will increasingly try to ease the shortages by promoting the import of very expensive liquefied gas from Algeria or the manufacture of synthetic gas, averaging these prices in with the cheap domestic natural gas. But that's doing it the hard way. The simpler and more effective answer to the shortages is deregulation—with a reliable shock absorber.

DOUBTING THE B–1 DECISION

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following commentary by Rowland Evans and Robert Novak. The commentary describes some major causes for concern now that the President has decided to cancel production of the B–1 bomber.

DOUBTING THE B–1 DECISION

(By Rowland Evans and Robert Novak)

Second thoughts on President Carter's cancellation of the B–1 bomber are producing serious questions on strategic policy, confronting the administration with problems for which solutions are not presently in sight.

A new debate over strategic policy seems ensured, now that the B–1 supersonic bomber—whatever its immense costs to the taxpayer—has been scrapped. Plans for such a debate are now being laid by defense-oriented members of Congress who want to know, among other things, whether Carter has hidden plans for some new and cheaper manned bomber to penetrate Soviet air defenses after the B–52 dies of old age in the next 10 to 12 years.

The deepening concern inside the defense bloc is that the virtual abandonment of the strategic (long-range) B–1 bomber—with no other replacement for the B–52 yet visible—was primarily a sudden money-saving move with inadequate study of its profound implications.

Some of these implications seem, at least on the surface, to pose horrendous new problems. For example, under the long-held American nuclear-balance thesis of mutual deterrence, the U.S. has allowed its air defenses to atrophy. The Soviet Union has done just the opposite.

No air defense has been developed against the low-flying cruise missile. Yet, even, though U.S. experts hint broadly that the American missile may be equipped with electronic counter-measures that blind Soviet radars, the threat of an eventual effective Soviet defense against the cruise is real.

Moreover, it is axiomatic that what the U.S. does, the Soviets eventually can also do. Carter's decision to cancel the B–1, leading to all-out U.S. development and production of the cruise missile—not as an arms-talks bargaining counter but as the replacement for the long-range bomber—will predictably lead to a crash cruise-missile program in the Soviet Union. If successful, leading congressional defense experts warn, this Soviet capability will either force the U.S. into an immensely expensive air-defense program or hand the Soviets an unacceptable advantage.

"We've got the marbles right now with the cruise missile," a top military expert told us, "but 10 years down the road the cruise is going to turn into our problem, not theirs."

There is, moreover, growing suspicion on another score on Capitol Hill, even among hawkish members of Congress who always have felt that the air-launched missile was the American ace in the hole. Without the B–1 to take a major role in the air-launched nuclear bomb force—one leg of the strategic triad—they fear the proposed 2,500-kilometer (1,550-mile) ceiling on the range of the air-launched cruise missile would be inadequate.

With the B–1 as its partner, it was felt that the cruise missile could be restricted to that maximum range from the point of launch. Without the B–1's versatility, that range will give sanctuary to vast Soviet areas, say congressional critics.

The effect of the B–1 decision on SALT hardly begins with the question of lifting that 2,500-kilometer range ceiling for the cruise missile. More important is the question of verifying the range, numbers and payloads of the Soviet cruise missile.

Verification lies at the heart of congressional worry about any new arms-control agreement. Yet no way exists to verify the existence of whatever numbers of cruise missiles the Soviets say they have—once they master development and move into production.

This presents the administration with a profound problem. John L. McLucas, who as Undersecretary of the Air Force in the early Nixon days was head of National Reconnaissance—the top verification job—recently defined that problem.

In a letter to The Washington Post July 9, McLucas warned that "the President is moving away from a world of known weapon systems . . . to a world where there is no way to count how many each side has. He will have traded a temporary advantage in technology for a loosened control over weapons in general."

Underlying these rising concerns is the fact that Carter canceled the B–1 with no apparent offset of any kind from Moscow, a paradox deeply troubling to his critics.

The President's new budget amendment, asking Congress to kill $1.5 billion in B–1 funds and transfer $500 million of it to the cruise missile, was due on Capitol Hill this week. Carter is certain to get what he wants, but he may also get what he does not want: the start of a great debate on the strategic position of the U.S. as it looks ahead to a new period without the manned bomber.

FEAST OR FAMINE—A QUESTION OF GRAIN RESERVES

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. BROWN of California. Mr. Speaker, next week, the Agricultural Act

of 1977 will be considered on the floor of the House. Many farm and food issues will be discussed. One of the most important of these will be the subject of grain reserves.

Congressman WEAVER introduced a bill, "The Stocks Management and Reserve Bill," H.R. 7871, which will be split into sections and offered as four amendments to the farm bill. The comprehensive effect of these amendments would be the establishment of a domestic grain reserve and an international emergency reserve.

A great number of news articles, including one in the July 4 Newsweek, have reported on the growing number of nearly bankrupt farmers due to the extremely large surpluses of grain being produced this year. These surpluses are depressing prices to farmers to such an extent that their returns are far below the cost of production. The Newsweek article concludes that—

The only solution for the Wheat Belt is to find some way to achieve a steady and continuing balance between supply and demand.

A grain reserve system such as the one proposed by Mr. WEAVER would move us in this direction. It would provide farmers an extended loan in order to hold their grain on-farm and off the market until prices rise to levels that would assure them their cost production and then some. It directly addresses the problem producers face today—what to do with surpluses in a temporary situation when only limited export markets exist. And it assures adequacy of supply to meet our food needs at times when world harvests are not so bountiful.

I insert the Newsweek article in the RECORD:

THE GOLDEN GLUT

Jack Loring, a wheat farmer near Tulia, Texas: "This is as good as it can get, and we're still going broke."

Nature has seldom been kinder to the nation's wheat farmers. From the Texas Panhandle, where the harvest is already under way (following story), to the Dakota flatlands along the Canadian border, the fields are lush and the forecast is for a crop only slightly less than the record 2.1 billion bushels brought in last year. But it's not a time for rejoicing. Thousands of farmers are on the verge of bankruptcy, wheat prices are plummeting and the pressure is rising in Washington for some kind of emergency aid. Says Democratic Rep. Richard M. Nolan, whose rural Minnesota district depends on wheat for much of its livelihood: "The situation is catastrophic."

Just a few months ago, farmers feared the drought in many parts of the West would turn the prairies to dust bowls. But for most of the Wheat Belt the rains came in time, and the farmers now find themselves snarled in falling prices, skyrocketing fuel and labor costs, and growing wheat stockpiles that they can ill afford to store. A Department of Agriculture survey of 226,100 farmers in nine wheat-growing states in April found that 73,200 will have some trouble paying off their debts this year, and 13,900 could be forced out of business.

The basic problem is simply too much wheat. There is still a 1.1 billion-bushel carryover from last year's crop—the most in fourteen years and nearly double the surplus of a year ago. Then, since they qualify for U.S. Government subsidies only if they have their land in production, farmers tended to overplant last fall. Finally, healthy harvests in the Soviet Union and other foreign countries have all but dried up the overseas market for surplus American stocks. As a result, wheat was selling for as little as $1.92 per bushel last week in the Texas Panhandle, compared with an average of $3 a bushel last year and $5 and even $6 a bushel in the shortage years of the early 1970s.

The farmers blame Washington. The government encouraged overplanting during the early '70s when massive quantities were sold to Russia, China and India. "We were going to feed a hungry world, and the farmers rolled up their sleeves and went to work," said D. G. (Bill) Nelson of the Texas Wheat Producers Association: "They bought new machinery, they expanded their operations, they wrung record yields out of their land. And now they are left holding the bag. They feel victimized."

Landlocked: Larry Sturgess of Tulia is typical of the hard-pressed farmers. A weatherbeaten man of 35 with a wife and four children, he raises wheat on 1,280 acres, most of which he rents. With wheat prices depressed, he figures he'll land $45,000 in the hole this year. "We knew this when we started this crop," he says, "but what do you do when every dime you have is invested right here? You can't just walk off. You just plod on and hope you get a market."

Sturgess thinks he'll have to pay another visit soon to Hiram Jordan, president of the tiny First State Bank in Tulia. Jordan knows farming as well as the farmers themselves. Each year he sits down with his borrowers to figure out the number of acres to plant, the equipment to buy, and so on. Last year, 17 per cent of his farmer clients couldn't pay off their lines of credit, and this year, Jordan says, will be worse. "If something isn't done," he says, "they're going to break all the agricultural banks, and if they do that, food is not going to be produced."

The government does make up the difference between the going market price and the support price of $2.47 a bushel, but that is not enough to keep many farmers afloat. A recent study by the Texas A&M University extension service found it costs a Texas farmer $3.87 to grow a bushel of dry-land wheat and $4.10 a bushel to grow it on irrigated land. "Six years ago wheat went to $6 a bushel, and it's a good thing it did, or I'd be out of business," says Otis Harman, a 61-year-old Texan who, like all farmers, depends on good years to carry him through the bad.

No Relief: Things are no better in Kansas, where Carl Brollier farms a huge 10,000-acre spread near Moscow. Brollier is being offered $1.85 to $1.90 per bushel for his wheat, but says: 'It doesn't even start to pay our costs, which come to $3 a bushel." Ordinarily, low wheat prices paid farmers would mean lower bread prices for consumers—flour prices, at $5.75 per hundredweight, are less than half their level of three years ago—but in these inflationary days, the old rules don't apply. Marketing, distribution and manufacturng costs keep rising, so the Agriculture Department predicts that the price of cereal and baked goods will continue to rise "modestly" over the next six months.

To aid the farmers, President Carter has proposed that the support price for wheat be raised from its current level of $2.47 to $2.90 a bushel next year, a move the White House estimates would cost $2 billion. However, the Senate already has passed a bill that would lift the support figure to $2.90 this year and $3.10 in 1978 at a cost of $3.9 billion—a bill Carter has vowed he will veto.

But there were signs last week that with the crisis in the Wheat Belt deepening, the Administration might be ready to compromise. After a meeting to discuss the problem with Nebraska Gov. J. James Exon, Bert Lance, director of the Office of Management and Budget, told NEWSWEEK's John Walcott: "There's a problem out there that's getting worse. The farmers just can't go on losing money year after year; it's not like the government." Lance said the government will have to provide some credit relief to farmers facing bankruptcy.

At the weekend, NEWSWEEK learned that the Agriculture Department may double the $7.5 billion in total credit available this year through the Farmers Home Administration and raise the individual loan limit from $100,000 to $200,000. That will help in the short run—but in the long run, the only salvation for the Wheat Belt is to find some way to achieve a steady and continuing balance between supply and demand.

LEGISLATION TO ESTABLISH A COMMISSION TO STUDY THE ADEQUACY OF THE FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. STEERS. Mr. Speaker, I am today introducing legislation to establish a blue ribbon commission whose task it will be to help establish a fair and reasonable basis for the annual Federal payment to the District of Columbia. This commission is urgently needed, in my view, in order for the Congress to give any further consideration to the level of the Federal payment.

The history of the debate over how to set the level of the Federal payment can be traced back to the founding of Washington as the Nation's Capital in 1800. Over the years, numerous commissions, studies, and reports have devised equally numerous methods for computing the Federal payment. Most recently, the 93d Congress, in Public Law 93–198, the District of Columbia Home Rule Act, Congress authorized the payment at graduated levels which went from $230 to $300 million for the fiscal year ending on June 30, 1978. The only subsequent change was to bring the payment into conformity with the new Federal fiscal year.

It is safe to say that, after the city has to live with the $300 million "cap" for a while, new attention will have to be given to the proper level for the payment. To date, however, there is simply no agreement on what factors should be included—and to what degree—in attempting to establish a fair basis for the payment. That renewed look at the payment must come. While there may presently be a "cap" on the payment, there is certainly no "cap" on inflation and, thus, no "cap" on the costs of running a city.

This time, in reviewing the payment, let us do it rationally. My bill would establish a seven-member commission with five members appointed by the President, and one each appointed by the Speaker of the House and the President pro tempore of the Senate. The commissioners would have to be experts in municipal government and finance. The commission would have 1 year in which to complete its work. It would analyze both the costs and benefits to the District of Columbia resulting from its status as the Nation's Capital. Among the factors to be considered would be:

First. Revenue unobtainable by the District due to the lack of taxable commercial and industrial property.

Second. Revenue lost due to the substantial amount of federally owned property in the District.

Third. Revenues lost due to exemptions from District taxes.

Fourth. Costs incurred by the District in providing services to those who are present due to the fact that the District of Columbia is the Federal Capital, and for unreimbursed services to the Federal Government.

Fifth. Benefits to the District—other than the Federal payment—as a result of the Federal presence, relative to the Federal assistance given to other States and local governments.

This is by no means a comprehensive listing of all the factors which the Commission should consider. But it does give an idea of the complex relationships which exist between the Federal Government and the government of the District of Columbia.

I am personally of the view that the Federal payment is inadequate. On April 27, 1977, the District of Columbia City Council held hearings on the subject of the Federal payment. I submitted a statement to the Council at that time in which I said that I supported a new look at the Federal payment and that I would work toward such a reevaluation. The legislation I am submitting today is a first step in that direction.

Whether the Commission will be able to reach a determination of exactly what amount the payment should be is certainly questionable. Unavoidably, in dealing with a matter as complex as this, certain factors will involve the use of prudent judgment. That is our task. However, the Commission would be able to go a very long way indeed in finally making some sense out of the Federal payment. Its findings should greatly ease the task of the Congress—a task which we must face in all fairness to the city of Washington—of coming to grips with the Federal payment and the Federal responsibility to the some 750,000 citizens who live in the District of Columbia.

Mr. Speaker, legislation substantially similar to that which I am introducing was introduced during the last Congress by my predecessor in office, Congressman Gilbert Gude, and by many other members of the Committee on the District of Columbia. That committee approved of this approach, and I sincerely hope that this Congress will be known here in the Washington area as the Congress that finally made order out of chaos surrounding the Federal payment to the District of Columbia. I urge my colleagues to join me in this endeavor.

MRS. FERN COEN: A DEDICATED AND LOYAL CITIZEN

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. APPLEGATE. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues a constituent of mine who has proven to be a most dedicated and loyal citizen.

This year Mrs. Fern Coen of Mingo Junction, Ohio celebrates 50 years as the only active charter member of the Mingo Junction American Legion Post Auxiliary No. 351. This fine woman has shown devoted service to her community, her country, and to God.

A lifelong resident of Mingo Junction, Mrs. Coen has admirably served in various auxiliary offices in addition to being an avid supporter of World War I veterans organizations and of church and social groups.

Mrs. Coen truly exemplifies all the qualities of a true and loyal American and certainly serves as an outstanding model for our young people today. On behalf of the 18th Congressional District of Ohio, Mr. Speaker, I want to thank Mrs. Coen for her undying service.

VERMONTERS EXPRESS STRONG VIEWS ON ENERGY AND OTHER ISSUES

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. JEFFORDS. Mr. Speaker, I would like to call the attention of my colleagues to the results of a questionnaire which I mailed earlier this year to all households in the State of Vermont.

The questionnaire covered a wide variety of important national issues, with emphasis on energy issues, the congressional pay raise, U.S. policy on human rights, and general congressional priorities.

Approximately 11,000 Vermonters responded to the questionnaire, and thousands wrote letters to further expand upon their views.

I am encouraged, Mr. Speaker, that so many Vermonters have taken an active interest and have expressed thoughtful, highly informed opinions on these complex issues.

The tabulations have now been completed. The figures speak for themselves, so I will comment only briefly on a few of the results.

The public opinion findings in the area of energy may evoke some surprise in this Chamber. The public, at least in Vermont, is very much aware of the fact that an energy crisis exists, and is willing to make personal sacrifices to conserve energy, if necessary. Five very stringent conservation steps were listed ranging from rationing to a standby energy tax. In all, 96 percent of those responding said they would be willing to accept one or more of those alternatives if necessary to reduce dependence on imported oil.

At the same time, large majorities favored intensive efforts to develop new energy sources. It is significant to note that while there is much concern over energy prices, most of those responding made it clear they do not want Congress to abandon environmental concerns in the pursuit of cheap energy.

The overall message is that the people, at least in Vermont, want us to address our energy problems in a decisive, meaningful, and well considered manner. There is no cause for political timidity in doing what must be done.

I would also like to call the attention of my colleagues to the overwhelming support expressed for national beverage container deposit legislation. The remarkable success of Vermont's own deposit law, and awareness that that energy conservation and other benefits would be substantially greater on a national scale, are reflected in the questionnaire results on this issue.

Vermont public opinion is evenly divided on the issue of U.S. policy toward nations which substantially violate human rights of their individual citizens. Almost exactly half said our foreign aid and trade policies should be affected, to one extent or another, by human rights considerations. The other half said our foreign aid decisions and trade agreements should be based solely on our own strategic and economic interests.

The final question, on congressional priorities, must be interpreted with some caution. Vermonters were asked to select the one issue which should receive highest priority, and the one issue which should receive lowest priority. They were not asked to indicate their second and third priorities, and so on. The results of this question, then, are not a scientific ranking of priorities, but rather an indication of the issues which raise the strongest feelings—positive or negative—among the Vermont public.

Mr. Speaker, I insert the questionnaire results in the RECORD at this time:

QUESTIONNAIRE

1. Members of Congress recently were granted an automatic pay increase of 29 per cent, without having to vote on it. My views in opposition to this automatic pay hike are outlined elsewhere in this newsletter. What is your opinion?

A. The pay raise was excessive, or at least should have been voted on in Congress and not made effective until after the next election: 89 percent.

B. The pay raise was justified, in light of the fact that the cost of living has increased by more than 50 per cent since the last such pay raise in 1969: 11 percent.

2. Although the automatic pay raise is now in effect, as a matter of personal principle I will not accept the benefits of the additional salary without the permission of Vermonters. I shall abide by the result of this vote.

A. Accept the pay raise, so that your salary will be the same as that of other members of Congress: 61 percent.

B. Refuse to accept the benefits of the additional salary until after the next election: 39 percent.

3. Throughout much of the country this winter, shortages of natural gas and high fuel oil prices have again underscored the limits to our traditional energy sources. Please check below the steps you believe Congress should take in dealing with this problem. (Check as many as you wish.)

A. Continue to make a major investment in development of nuclear power as the chief energy source for the future: 29 percent.

B. Make greater use of coal, even if it means widespread strip mining and increased air pollution: 13 percent.

C. Make greater use of coal, but with controls to minimize strip mining and air pollution, even if these controls mean higher prices: 52 percent.

D. Make a major effort to further develop solar power and other non-nuclear alternative sources of energy: 83 percent.

E. Encourage competition among the big oil companies by dividing them up into smaller companies: 34 percent.

F. Allow the prices of oil and natural gas to rise without controls to encourage increased production of those fuels and of alternative energy sources: 20 percent.

4. Although there are many steps we could take to conserve some amounts of energy with relatively little sacrifice, many experts feel it will be necessary to enact a tough and comprehensive conservation program to reduce our dependence upon foreign oil. If we do reach a point where severe steps are necessary, which of the following would you prefer?

A. Increased taxes on petroleum products, to discourage use and encourage alternative energy sources: 16 percent.

B. Remove price controls on crude oil, so that prices will rise and use will be discouraged: 14 percent.

C. Place greater restrictions on oil imports, and reduce consumption through higher prices: 8 percent.

D. Place greater restrictions on oil imports, and force a reduction in consumption through rationing: 25 percent.

E. Establish strict conservation goals for the country and for each region of the U.S., and enact new taxes or import restrictions *only* if those goals are not met voluntarily: 58 percent.

F. The energy crisis is not likely to become serious enough to warrant any of the above: 4 percent.

5. To conserve energy and other resources, should we enact a nationwide beverage container deposit law similar to Vermont's?

A. Yes: 93 percent.

B. No: 7 percent.

6. There has been much recent debate regarding U.S. policy toward nations such as Chile, the Soviet Union, and South Korea, where there are substantial violations of human rights of individual citizens. Which of the statements below comes closest to your opinion?

A. We should withhold military and economic aid and trade agreements, from foreign governments which substantially violate individual human rights: 26 percent.

but blanket withdrawal of aid and trade

B. We should take appropriate action, depending upon the severity of the foreign nation's policies regarding human rights, but blanket withdrawal of aid and trade would be unwise: 24 percent.

C. We should protest those nations' actions through international diplomacy, but our foreign aid and trade policies should be based solely on our own strategic and economic interests. 32 percent

D. We have no business whatever meddling in the internal affairs of other nations: 18 percent.

7. Of the general areas listed below, please put the letter "H" in the box next to the one issue you feel should receive the highest priority in Congress this year. Put the letter "L" in the box next to the area you feel should have the lowest priority. Please use only one "H" and one "L".

A. Reducing unemployment: High 15 percent; low 0.7 percent.

B. Curbing inflation: High 29 percent; low 0.5 percent.

C. Tax reform: High 7 percent; low 0.8 percent.

D. Welfare reform: High 12 percent; low 1.3 percent.

E. Benefits for senior citizen: High 2 percent; low 1.3 percent.

F. Military spending: High 2 percent; low 12.4 percent.

G. Holding down energy cost: High 4 percent; low 1 percent.

H. Reducing dependence on foreign oil: High 9 percent; low 0.7 percent.

I. Economic aid for poor countries: High 0.3 percent; low 16 percent.

J. Military aid for allies: High 0.07 percent; low 16 percent.

K. Legislation to help small farmers: High 2 percent; low 2 percent.

L. National Health Insurance: High 4 percent; low 19 percent.

M. Federal aid to education: High 1 percent; low 5 percent.

N. Higher minimum wage: High 0.5 percent; low 20 percent.

O. Streamlining government bureaucracy: High 10 percent, low 3 percent.

RETIREMENT ANNUITIES FOR FORMER SPOUSES OF FEDERAL EMPLOYEES

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. LEACH. Mr. Speaker, over the past several months, the Subcommittee on Compensation and Employee Benefits of the House Post Office and Civil Service Committee has been giving careful consideration to the financial problems of former spouses of Federal employees. In listening to the testimony, my concern for these individuals has deepened.

The tradgedy of divorce strikes with increasing frequency in this country and the economic problems it creates for the parties involved can be enormous. Many individuals have devoted years of their lives to homemaking and child rearing—careers which have not earned them economic rewards and which leave them without financial security. The earning power of the home and the marriage relationship is dependent not only on the wage earner but on the contribution of the homemaker as well. Yet society has not, until recently, recognized the economic value of the homemaker's contribution.

Historically, property settlements in a divorce have been left to the judgment of State courts. However, the Federal Government, in 1965, initiated a change in social security policy to permit the former spouse of a social security recipient to claim a portion of that recipient's annuity if their marriage had lasted at least 20 years.

This change recognized the unique problems faced by partners who have devoted 20 or more years of their lives to homemaking and child rearing and who, at a later stage in life, find themselves in the highly tenuous position of having no independent income, few marketable skills, and little economic security. Unfortunately, in divorce situations, alimony is seldom a reliable means of guaranteeing income for nonworking spouses.

Although the Federal Government has recognized and met the needs of participants in the social security system, curiously enough, it has not done so within the retirement system for its own employes—the civil service retirement system. This dual standard should not be tolerated.

Former spouses of Federal employees face no fewer economic problems subsequent to a divorce than do those under the social security system. To deny them the same consideration and rights now offered to those who are under the social security system is to deny these individuals equal recognition for their years of uncompensated service in the marriage partnership.

To deal with this need in the fairest manner possible, I have today introduced legislation which would allow the State courts to divide the retirement benefits of civil servants along with other property. In the event that the courts fail to consider retirement benefits in determining the property settlement at the time of the divorce, then the Civil Service Commission would be mandated to provide a former spouse of a Federal retiree with a portion of the retiree's annuity based on a formula which takes into account the years of marriage during the employee's years of creditable service.

I feel this legislation carefully protects the rights of both the court and the parties to a divorce, and yet insures that the pension will be considered in divorce proceedings. If it is not, only then will the Government step in to allocate, by formula, a share of that pension to former spouses.

It would be my hope that this change in Federal pension policy could serve as a model for private sector pension plans.

CONGRESS SHOULD TAKE BACK CONTROL OVER THE U.S. POSTAL SERVICE

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. RUDD. Mr. Speaker, of all the essential public services, it is hard to find one that is more expensive, more inefficient, more bureaucratic, and whose costs have skyrocketed more unreasonably over the past 6 years than the U.S. Postal Service.

This is despite a major overhaul of the postal system by Congress in 1970, which was designed to eliminate the inefficient Cabinet-level Post Office Department and create an independent U.S. Postal Service that would eventually operate on a self-sustaining businesslike basis.

The new U.S. Postal Service is a quasi-Government agency with its own Board of Governors to direct and control its operations. Nonsupervisory postal employees are unionized, and revision of the postal laws provided for collective bargaining to negotiate employee contracts.

Unlike the old Post Office Department, which operated with massive congressional appropriations, the new independent postal service was intended to reduce costs and hopefully operate on its own by 1984.

Subsidies from the Federal Government from 1972 to 1979 were set at 10 percent of the old Post Office Department's 1971 appropriation, or $920 mil-

lion, and were to be scaled down to nothing by 1984.

The 6-year history of postal service since 1971 has been a financial disaster, rather than the improvement that was expected.

The operating deficit of the postal service from 1972 to 1975 was more than $8.1 billion. The estimated deficit for 1976 and 1977 is about $5.3 billion. That is a total deficit beyond operating income of $13.4 billion in just 6 years.

There is little hope to reverse this debt-ridden failure of the Postal Service, because postal employee union contracts continue to bring substantial increases in employee salaries. Employee salaries and benefits are 86 percent of all Postal Service expenses. And as the result of union demands, postal union contracts contain "no layoff" clauses, making it impossible to reduce an overpaid workforce.

With this sorry state of affairs, the administration and some Members of Congress propose to increase postal rates to 16 cents for first-class business mail. Congressional estimates are that all first-class mail will reach 20 cents by 1980 and 22 cents by 1981 under the current postal setup.

The proposed postal rate increase—16 cents for business mail and continuation for now of 13 cents for personal mail—should win the Emmy, the Oscar, and the Pulitzer Prize for demagogic deception.

We all know that postal service has continued to deteriorate since Congress relinquished its oversight of this vital public service. Rates have increased in every category, and delivery time is much slower. Many businesses have turned to private parcel service, because their delivery is faster and more dependable.

Do the postal bosses believe that by keeping personal first-class letters at 13 cents the general public will believe the increased cost in business mail will not affect them?

In my State of Arizona, the Valley National Bank is one of our largest employers. It estimates that raising the price of a business mail stamp to 16 cents will cost them $300,000 yearly. It will cost the Maricopa County government $90,000 more. The University of Arizona will have to pay $85,000 more for the handling of its mail. Utility companies, which must mail monthly bills, will be penalized.

Do the proposers of this double standard rate believe that business will not pass the increased cost to its customers?

This is one more example of a cynical Government effort to mislead the taxpaying public.

We put a heavy tax on corporations, and ask the public to believe that they are escaping the cost because big business is paying the tax. Pure demagogy. The truth is that General Motors pays no tax. General Motors collects a tremendous amount of money in taxes from its customers. Every tax, every increased cost forced upon a business must be paid by the ultimate consumer, one way or another.

A dutiful child may write to his parents four times a month. By keeping personal mail at 13 cents, he will save 12 cents a month. But everything he buys from a business, every service he enjoys, will go up in price and eat up that 12 cent saving because of the increase for business mail.

I wonder how much it will cost to keep business and personal mail segregated. If the address must be handwritten, how much more time will be consumed deciphering the handwriting? How many more pieces of mail will go astray because some postal clerk misread the handwritten scrawl?

Mr. Speaker, in 1970 it cost just 6 cents to mail a first-class letter. Today it costs 13 cents—a whopping 216-percent increase in 7 years. In that same period, the purchasing power of the dollar, according to Department of Labor statistics, declined only 32 percent.

Postal service is a national necessity, affecting the life of every citizen in the United States. I have searched my memory, but I cannot come up with another single example of any other essential service—not the price of milk or gasoline or bread—which has increased by 216 percent in the past 7 years.

I do not believe that we need to continue these postal increases. But even if they were needed—which unless there is a drastic change again in the operation of the Postal Service, they will be—the Postal Service should increase the first-class rate in a straightforward, honest manner.

We should recognize and condemn the present proposal as an attempt to conceal the fact that all postal patrons will bear their share of the cost of the increase, that this dual rate is, in fact, a double standard of morality—something which the Government of the United States should be the first to reject.

How can we in good conscience demand that business be compelled by the force of law to deal honestly and openly with its customers if we permit Government itself to engage in this deceitful tactic?

Mr. Speaker, I believe that Congress must move to disallow discriminatory postal rate increases, and to solve the whole financial crisis of the debt-ridden Postal Service. This can only be done by repealing the 1972 postal law revision, returning the U.S. Postal Service to congressional control and oversight, and breaking the steady rise in postal costs forced by union control and union demands.

I have cosponsored H.R. 8208 with my friend and colleague from Kansas, the Honorable JOE SKUBITZ, to accomplish this objective.

Our bill would repeal the provisions of the Postal Reorganization Act and reenact the former provisions of title 39 of the United States Code.

The bill would also freeze postal rates and fees until they are changed in accordance with the former postal law, with approval by Congress.

I would like to include the text of our bill at this point in the RECORD:

H.R. 8208

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That the Postal Reorganization Act (Public Law 91-375; 84 Stat. 719) and the amendments made by such Act are hereby repealed.

SEC. 2. Title 39, United States Code, is reenacted and revised by reenacting the provisions of former title 39, United States Code, as in effect immediately before the date of the enactment of the Postal Reorganization Act (Public Law 91-375; 84 Stat. 719).

SEC. 3. Any rate of postage or fee for postal services in effect immediately before the date of the enactment of this Act shall continue in effect until such rate or fee is changed in accordance with the provisions of title 39, United States Code, as reenacted by section 2.

THE B-1 BOMBER AND THE BENEFITS OF COMPETING INTELLIGENCE ORGANIZATIONS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. McDONALD. Mr. Speaker, one of the more pernicious "reforms" now being suggested for our intelligence community is that the CIA should have control of all intelligence gathering and analysis. This would eliminate the opportunity for other agencies such as the DIA to present alternative interpretations of intelligence data. Often, in the past, when there were disagreements between DIA and CIA, it was DIA that was correct.

Gen. George J. Keegan, Jr., former Chief of Air Force Intelligence, was in the center of many of the disagreements in the past. His deep understanding of the problems and logical presentation of his case made him very unpopular among the bureaucrats. Now retired, General Keegan has written a valuable article for the New York Times of July 6, 1977. He points out that the decision to cancel production of the B-1 bomber is an indication of our country's underestimation of the Soviet threat. General Keegan also points to the body of evidence, that the administration has chosen to ignore, that the Soviets are working on a high-energy beam to neutralize ICBM's before the end of the next decade.

I urge my colleagues to read General Keegan's article. It clearly shows why we must have diversified sources of intelligence analysis. The CIA must not be allowed to have a monopoly in this area. General Keegan's article follows:

[From the New York Times, July 6, 1977]

HOW TO KEEP THE RUSSIANS AWAY

(By George J. Keegan, Jr.)

WASHINGTON.—By its decision to cancel production of the B-1 bomber, the Carter Administration has resolved all doubt about its perception of the Russian threat, and the character of its approach to peace and security.

The decision leaves little room for confidence and casts a pall over the future. Unfortunately, we are observing a repetition of the ignoble military unpreparedness of the 1930's.

Despite the Soviet Union's commitment to superior war-waging capability, defense spending more than double that of the United States, and an imperial expansiveness of unprecedented scope—it appears that

factors of domestic politics, budget and illusory hopefulness shall prevail over legitimate needs of national security.

It seems not to have occurred to our leaders that the B–1 might also have to be used in a nonnuclear capacity to help secure the world's sea lanes and as a crisis response weapon of remarkable responsiveness, precision and survivability. Instead, we are told that an untested cruise missile requiring elaborate preprograming against known targets is to be mated to the aging B–52 as the flying leg of a triad which may soon be rendered obsolete by breakthroughs in Russian defense technology.

What then has the Carter Administration revealed of itself by the B–1 decision?

It has signaled clearly that our persistent underestimation of the threat will continue; that our pursuit of peace and security will continue to be premised on the strange notion that if we can but assuage Russian fear of the United States by self-imposed restraint, we may some day induce like behavior on the part of the Russians; and, that the defense of the free world will not be premised on the oldest lesson of history—namely, that to prevail in peace, one must have the means to prevail in war.

And finally, the one nation upon which the peace and security of the free world must depend has apparently opted for a continuing commitment to unilateral disarmament. Are the Russians now to judge that they are free to pursue their hegemonic interests against the cause of human rights and freedom with less fear of United States intervention?

Strategically, the United States is eliminating the most survivable element of the strategic triad—and the only one which has utility for non-nuclear warfare. Unless the cruise missile is mated to a manned bomber which itself can penetrate the most sophisticated of defenses, its utility shall be restricted to preprogramed retaliatory routes and targets—thus contributing little to a for more likely range of real world conflict operations.

A remarkable body of evidence, which this Administration has chosen to ignore, makes it clear that the Russians, with their high-energy beam research, hope to neutralize the intercontinental ballistic missile before the end of the next decade.

Similarly, the Russians have every expectation of soon rendering the oceans transparent and neutralizing the large submarine through remarkable advances in antisubmarine technology. Yet we are proceeding willy-nilly to put all of our deterrent eggs in fewer and fewer large underwater baskets.

Despite credible evidence that Russian war survival, military hardening and civil defense measures have proceeded far beyond what our politicized estimates concede, the Carter Administration has refused to face the reality. Our strategic missile forces lack the accuracies and yields necessary to overcome the marked survivability advantages which the Russians must now perceive they enjoy. Again, the B–1 and the stationary version of the MX missile alone are competent to deny the Russians such advantages and to redress the shocking 40-to-1 fatality exchange ratios which I believe the Russians would now enjoy in a nuclear war.

Yet we seem unconcerned that the Russians are planning soon to test more than a dozen new strategic missiles and to double the production capacity for their own version of the B–1 bomber of which more than 200 are now operational.

Practically, the B–1 has the potential of being the most effective anti-naval weapon in history. Some 40 to 50 B–1's, armed with suitable conventional warheads and guided weapons, could probably sink the entire Russian and East European fleets of major surface war ships within 24 to 36 hours, day or night and in any kind of weather—a feat which today could not be accomplished by all of the free world's naval forces operating over a period of years.

Meanwhile, the United States Navy has been cut in half and the Russians allowed to seek virtually uncontested domination over the free world's ocean access to fuel and raw materials, and the ability to reinforce threatened overseas theaters. The B–1, but for a pittance, might allow us to redress decisively the naval balance which has long been the key to this nation's ability to export, import and reinforce by sea—thus easing the Navy's complex burden of coping with the submarine threat.

One wonders about the intelligence advisories which counsel more restraint as a suitable response to the Russian threat. Also, one must ask who has counseled the President against concern for Russian developments in antisubmarine warfare, particle-beam research and civil defense—all trends which clearly portend the demise of United States ballistic missile forces.

Upon what hopes and by what advisories has our President been induced to believe that the now clearly hegemonic ambitions of the Soviet Union are likely to be assuaged by the elimination of the single most useful general purpose weapon system yet produced by the United States? Are we once again to tempt fate through a return to the evangelical didacticism of the Wilsonian era or the isolationism of the 1930's?

Jimmy Carter is the last President of the United States who has time remaining to assure that his successor Presidents will not have had all of their options for peace mortgaged by the failures of one man to make the capital investments necessary to assure adequate safeguards against the ever-escalating propensities of dictatorships to make war.

By the B–1 decision alone, the United States leadership has elected to turn its back on history and succumb once again—as have so many recent Administrations—to dealing with the cosmetics rather than the realities of international power politics.

DETAIL OF METHODOLOGY AND PROJECTIONS OF CRS STUDY ON TAXES IN THE YEAR 2000

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. VANIK. Mr. Speaker, Tuesday I submitted to the RECORD the results of an important study on taxes in the year 2000. This study, which was completed by Donald W. Kiefer of the Congressional Research Service, detailed the tax burden of a median-income family for the remainder of this century. Because of the important implication of the study, I am including at this point in the RECORD an explanation of the methodology followed by Mr. Kiefer in his study:

II. DETAIL OF METHODOLOGY AND PROJECTIONS

As indicated in the previous section, the projections in this paper are based on the Spring 1977 long-term econometric forecast by Data Resources, Inc. However, because the DRI projections extend only to the year 1990 and do not include all the economic quantities needed for this study, several additional assumptions and procedures are necessitated. These assumptions and procedures are explained along with the detailed projections in the following subsections.

A. GROSS NATIONAL PRODUCT AND INCOME LEVELS

Table 2 displays projections of Gross National Product, total personal income, and median family income in nominal and real terms. The GNP estimates to the year 1990 are taken from the DRI projections; the projections beyond 1990 assume a 7.1 percent annual growth rate in nominal GNP, which is an approximation of the DRI growth trend in the last several years of their projection. The GNP estimates in real (1975 dollars) terms are obtained by deflating the nominal amounts by the GNP price deflator. Estimates for the GNP price deflator to 1990 are taken from the DRI projections. The DRI estimates show the annual increase in the GNP deflator rising from 5.1 percent in 1976 to 5.9 percent in 1978 and then decreasing gradually to 4.0 percent in 1987 and beyond. For purposes of deriving the estimates beyond 1990, a continued 4.0 percent annual increase in the GNP deflator was assumed.

TABLE 2.—GROSS NATIONAL PRODUCT, TOTAL PERSONAL INCOME, AND MEDIAN FAMILY INCOME IN NOMINAL AND REAL TERMS, 1975-2000

Year	GNP		Total personal income		Median family income	
	Billions of nominal dollars	Billions of 1975 dollars	Billions of nominal dollars	Billions of 1975 dollars	Nominal dollars	1975 dollars
1975	1,516.3	1,516.3	1,249.7	1,249.7	13,719.00	13,719.00
1976	1,691.4	1,609.3	1,375.2	1,301.0	14,931.70	14,126.50
1977	1,875.8	1,686.9	1,523.6	1,354.3	16,406.20	14,583.30
1978	2,088.3	1,772.8	1,690.3	1,422.8	18,043.80	15,188.40
1979	2,303.6	1,851.8	1,871.7	1,496.2	19,791.00	15,820.14
1980	2,539.0	1,935.2	2,070.2	1,570.7	21,674.90	16,445.30
1985	3,812.8	2,299.6	3,069.0	1,836.6	30,588.60	18,305.60
1990	5,387.3	2,667.0	4,362.4	2,135.3	41,638.60	20,381.10
1995	7,591.3	3,089.7	6,175.9	2,485.3	56,826.50	22,867.80
2000	10,697.1	3,577.6	8,743.3	2,891.3	77,687.40	25,690.30

Estimates for total personal income were derived in a similar fashion. Projections of nominal levels to 1990 are from DRI; projections beyond 1990 assume a 7.2 percent annual growth rate, an approximation of the growth trend in the latter year DRI projections. Real personal income estimates were derived by deflating the nominal estimates by the Consumer Price Index (CPI). The CPI estimates were obtained similarly to the GNP deflator estimates. The DRI projections of CUI increases are slightly higher than the projections of GNP deflator levels, the CPI annual increase is projected to rise from 5.7 percent in 1976 to 6.4 percent in 1977 and then decline gradually to a 4.0 percent annual increase in 1989 and beyond. The projections beyond 1990 assumed a continued 4.0 percent annual increase in CPI.

Estimates for median family income levels were obtained more circuitously. Median family income levels do not appear in the DRI projections. Historical data from 1947 to 1975 reveal that median family income and per capita income have maintained a fairly constant relationship over time; using

this observation, projections of per capita income were used to project median family income levels, assuming the relationship between these two variables remains constant at the 1975 level.[1]

Projections of nominal per capita personal income to 1990 were obtained from DRI by dividing estimates of total personal income by population. Estimates beyond 1990 were derived by dividing the total personal income previously obtained, by population estimates from the Series E projections by the Bureau of the Census, which are very close to DRI population projections for the years to 1990.[2] Finally, estimates of median family income each year were obtained by applying the ratio of median family income/per capita income for 1975 to the per capita income estimates.

As Table 2 indicates, these procedures lead to an estimate for nominal GNP in 1990 of $5.39 trillion, and by the year 2000 a $10.7 trillion economy is projected. In constant 1975 dollars, total production of goods and services is projected to increase by 75 percent from 1975 to 1990, to a level of $2.67 trillion, and to increase by 136 percent from 1975 to 2000, to a level of $3.58 trillion.

[1] This assumption could be rendered invalid by changes in demographic patterns, etc., especially in the long run and is thus a point of sensitivity in the projections.

[2] Bureau of the Census, 1972 OBERS projects, Economic Activity in the U.S., Volume 4, States. April, 1974. p. 4. The DRI population projection for 1990 is 245.6 million; the Census projection is 246.04 million.

TABLE 3.—TOTAL FEDERAL RECEIPTS, FEDERAL INDIVIDUAL INCOME TAX RECEIPTS, AND MEDIAN INCOME FAMILY FEDERAL INDIVIDUAL INCOME TAX LIABILITY IN NOMINAL AND REAL TERMS, 1975–2000

Year	Total Federal receipts [1]			Total Federal individual income tax receipts [2]			
	Billions of nominal dollars	Billions of 1975 dollars	Percent of GNP	Billions of nominal dollars	Billions of 1975 dollars	Percent of personal income	Percent of total Federal receipts
1975	286.5	286.5	18.9	120.7	120.7	9.66	42.1
1976	329.7	313.7	19.5	139.8	132.3	10.17	42.4
1977	359.6	323.4	19.2	150.4	133.7	9.87	41.8
1978	423.0	359.1	20.3	181.2	152.5	10.72	42.8
1979	480.2	386.0	20.8	211.2	168.8	11.28	44.0
1980	546.0	416.2	21.5	246.2	186.8	11.89	45.1
1985	819.5	492.3	21.5	377.6	226.0	12.30	46.1
1990	1,164.4	576.4	21.6	548.2	268.3	12.57	47.1
1995	1,656.2	674.1	21.8	787.0	316.7	12.74	47.5
2000	2,355.6	787.8	22.0	1,129.9	373.6	12.92	48.0

[1] Includes FICA/FUCA.

[2] Income tax only.

Total personal income in nominal dollars is projected to reach $4.36 trillion in 1990 and $8.74 trillion in 2000. In constant 1975 dollars, total personal income is estimated to increase 71 percent from 1975 to 1990 to reach a level of $2.14 trillion, and to further increase to a level of $2.89 trillion by the year 2000.

Median family income, in nominal terms, is estimated to reach $41,639 by 1990 and $77,687 by 2000. These incomes represent substantial real improvement in living standards, with median family income in constant 1975 dollars reaching $20,381 in 1990, an increase of nearly 50 percent over the 1975 level, and $25,690 in the year 2000, an increase of 87 percent from 1975.

B. FEDERAL RECEIPTS AND INCOME TAXES

Table 3 exhibits projections of total Federal Government receipts, Federal individual income tax receipts, and Federal individual income tax liability for a median income family in nominal and real terms. Total Federal receipts to the year 1990 are from the DRI projections; estimates beyond 1990 were derived assuming a 7.3 percent anual growth rate in nominal receipts, which approximates the DRI growth trend in the last years of the projection. Estimates of total Federal receipts in real terms were obtained by dividing nominal receipts by the estimated GNP price deflator.

MEDIAN INCOME FAMILY FEDERAL INDIVIDUAL INCOME TAX LIABILITY

Year	Nominal dollars	1975 dollars	Percent of income
1975	[1] $1,496.00	[1] $1,496.00	10.9
1976	1,716.00	1,623.46	11.5
1977	1,831.28	1,627.80	11.2
1978	2,187.52	1,841.35	12.1
1979	2,524.68	2,018.13	12.8
1980	2,914.52	2,211.32	13.4
1985	4,254.94	2,546.34	13.9
1990	5,919.16	2,897.29	14.2
1995	8,187.46	3,294.75	14.4
2000	11,351.20	3,753.70	14.6

[1] Estimate ignores the rebate of 1974 income taxes under the Tax Reduction Act of 1975 (Public Law 94–12).

Projections of nominal Federal individual income tax receipts to 1990 are from DRI; [3] the projections beyond 1990 assume an annual growth rate of 7.5 percent, again an approximation of the final trend in the DRI projections. Constant dollar estimates of Federal individual income tax receipts were derived by deflating the nominal projections by the estimated CPI deflator.

The estimates of individual income tax liabilities for the median income family were derived from the median family income estimates and the estimated ratio of total individual income tax collections ot total personal income. The actual Federal individual income tax liability which would be incurred by a four person family with the estimated 1976 median family income was used as the basis of the projections. Federal income tax liability for the median income family is estimated to be $1,716 in 1976; [4] this amount represents 11.5 percent of the estimated 1976 median family income of $14,931.70. This percent is a higher effective tax rate than the overall eeffctive individual income tax rate (total Federal individual income tax receipts as a percent of total personal income). Projections of the income tax liability of the median income family were derived by assuming that the ratio—effective tax rate for the median income family/overall effective tax rate—remains constant in the future.

As displayed in Table 3, these procedures generate estimates of total Federal receipts in 1990 of $1.16 trillion and in the year 2000 of $2.36 trillion. Real Federal receipts in constant 1975 dollars are estimated to grow to $576.4 billion by 1990, or double the 1975 level, and to increase to $787.8 billion by 2000, or 175 percent of the 1975 level. These projections imply a gradual increase in the percentage of GNP claimed by the Federal government; this percent is projected to increase from 18.9 percent in 1975 to 21.6 percent in 1990 and 22.0 percent in 2000.

Total Federal individual income tax receipts are estimated at $548.2 billion in 1990 and $1.13 trillion in 2000. In 1975 dollars, these estimates represent levels of $268.3 billion and $373.6 billion respectively, for increases of 122 percent and 310 percent respectively over 1975 levels. These estimates imply that the individual income tax will increase both as a percent of personal income and as a percent of total Federal receipts. As a percent of personal income, the Federal individual income tax is projected to rise to 12.6 percent in 1990 and 12.9 percent in 2000 from a level of 9.7 percent in 1975. The tax is also estimated to become even more dominant as a Federal revenue source, providing 47.1 percent of Federal receipts in 1990 and 48.0 percent in 2000, compared to 42.1 percent in 1975.

Federal individual income tax liability for the median income family, in nominal terms, is projected to grow from $1,496 in 1975 to $5,919 in 1990 and $11,351 in 2000. In terms of constant 1975 dollars, this represents a growth to a tax level of $2,897 in 1990, a 94 percent increase over 1975, and a level of $3,754 in 2000, a 151 percent increase over 1975. The percentage of the median income family's income claimed by Federal income taxes would rise from 10.9 percent in 1975 to 14.2 percent in 1990 and 14.6 percent in the year 2000 under these assumptions.

[3] The DRI projection does not estimate "Federal individual income tax receipts"; rather it projects the national income accounts classification of "personal tax and nontax receipts", which includes estate and gift taxes and a small amount of nontax payments. To obtain the projections of individual income tax receipts, it was assumed the ratio—individual income taxes/personal tax and nontax receipts—which equalled 96.2 percent in 1976, remains constant.

[4] This estimate of Federal individual income tax assumes a four person family whose income consists entirely of wages and salaries, and who claims the standard deduction. The 1975 tax liability shown in Table 3 ignores the rebate of 1974 income taxes under the Tax Reduction Act of 1975 because of its unusual nature.

BALANCE(S) OF POWER SERIES: THE NAVAL BALANCE, PART VI (IV)—CRITICAL GEOPOLITICS: THE CHOKEPOINTS

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. BRECKINRIDGE. Mr. Speaker, our last entry in the Balance(s) of Power Series in the June 23 issue of the CONGRESSIONAL RECORD, on the subject of the naval balance compared the geopolitical positions of the United States and the Soviet Union in relation to naval strategy. This week's selection presents a disturbing picture of methodical Soviet political activity to influence critical geographical areas, known as the "chokepoints."

The article, The Chokepoint War, by Lawrence Griswold, appeared in Seapower, July 1973; it explains the importance of the straits and narrow waterways which form the chief handicap to be overcome by the Soviet Navy, especially in certain scenarios.

U.S. naval strategy hopes to capitalize on this weakness, for example, by blocking the Greenland, Iceland, United Kingdom gap in support of allied North Atlantic operations. This article suggests that the present advantage enjoyed by the U.S. Navy's open access to the seven seas may not be taken for granted. Present tension in the southern sector of NATO between Greece and Turkey, with control of critical passageways, demonstrates the fragility of the geopolitical balance.

It should be noted that the focus of this article does not include the general war contingency in which Soviet forces are largely deployed beyond constraining chokepoints in advance of hostilities.

Selections from Mr. Griswold's article follow:

THE CHOKE POINTS

The formula is simple enough: The nation controlling the strategic interoceanic canals and straits controls the oceans; and, controlling the oceans, it commands the world.

That, at least, is the way it went half a century ago. Now there is an added factor: the nation controlling the oceans must also control the air above those canals and straits. Mastery of one element is no longer enough; even in peace-time, when international waterways are open to all maritime shipping, police functions are as necessary as tugs and dredges. In wartime, absolute control spells the difference between survival and submission.

Kremlin leaders, particularly those who control the naval/maritime policies of the Soviet Union, are well aware of this all-important geopolitical fact of life in the 20th century and are apparently quite willing, and very able, to capitalize on it.

There are, of course, only a small number of strategic interoceanic canals and straits: the Panama Canal, the Strait of Malacca, and, via the Mediterranean and Red Seas, the Suez Canal.

But there are also strategic narrow waterways connecting oceans and seas. Among these are the Strait of Gilbraltar, the English Channel, and the Bering Strait. Today's most timely example, however, is probably the Strait of Hormuz, which links the Persian Gulf with the Gulf of Oman and which, if closed, could deprive Western industry of nearly 90 per cent of its Middle Eastern fuel oil.

But ranking ahead of all others, even the great interoceanic straits, are the alien-owned bottlenecks—the chokepoints—through which the merchant navy and warships of a great maritime power must pass to reach the seas and oceans it depends upon for its existence as a great power, and even its life as a nation.

PETER'S WINDOW

How to survive the chokepoint is the problem faced now, as previously, by Russia. In the 18th century, by building St. Petersburg at the mouth of the Neva, where it empties into the Gulf of Finland, Peter the Great opened a "window" on Europe from his new city on the Russian Baltic. In the final years of the same century and the first decade of the next, Catherine the Great established Russian dominion over the northern half of the Black Sea, the Crimea, and the Sea of Azov.

After the Molotov-Ribbentrop Pact of August 1939, Josef Stalin made the Gulf of Finland and almost all the Baltic Sea a Russian lake. Between 1944 and 1946 he twice attempted a Russian foothold on the Turkish Black Sea shores and along the Turkish straits of the Bosporus and Dardanelles. And in the Baltic, after the German surrender, he landed a Red Army occupation force on Denmark's island of Bornholm, over 700 miles west of Leningrad and the southern gatepost to the North Sea. Copenhagen was defenseless then. It is only slightly less so today.

No Scandinavian country has the power to resist a military push by Russia. They all know it, and Moscow does not permit them to forget it, especially Denmark, a somewhat timorous NATO member, but the continental divider between the North and Baltic Seas. Copenhagen has been the recipient of Kremlin warnings concerning NATO's freedom of movement in the Baltic east of Bornholm and, last winter, Moscow sent a modern missile-bearing submarine to test Norway's fjords as ambush sites for Russian operations in the North Sea and the Norweigan Channel. It was located and harassed by the Norwegian Navy, but escaped after a few weeks in the world's headlines. Oslo preferred to identify it merely as "alien."

Even Iceland, a rebellious NATO member but strategic center of the GIUK (Greenland, Iceland, United Kingdom) Gap, has been included, with Sweden and Finland, as a submissive *de facto* Soviet "ally." In May, while Icelandic gunboats sparred with British frigates over Reykjavik's claim to 50 miles of national fishing waters, Iceland revealed that 10 Russian submarines and 10 Russian surface warships were then, "as normally," enjoying the hospitality of Iceland's deep fjords. Objectively, historians may sympathize with Russian concern over its restricted access to the North Atlantic through the Swedish-Danish Oresund, but the USSR's use of Iceland as an advanced naval base in mid-Atlantic is an undisguised threat to the West.

Russia's other major western chokepoint, the only outlet from the Black Sea to the Aegean and Mediterranean, is the short Bosporus strait and the long intestinal passage of the Dardanelles, both of which are inside the banked walls of Turkey and are separated by Turkey's enclosed Sea of Marmara, a long gauntlet of three stages. Although Russia's merchant navy is by far the largest user of the Turkish Straits, landlocked Romania and Bulgaria also depend on them for their only access to the outside world.

Central European nations such as Austria, Czechoslovakia, Poland, and both Germanies have a large share in the extensive riverine traffic of the Danube, which empties its waters into the Black Sea south of Odessa. The great Russian shipyards at Nikolayev, the naval bases at Crimean Sebastopol and Balaklava, the oil ports of Batumi and northward, the general merchant traffic out of Novorossisk and the slightly lesser ports of the Sea of Azov servicing the river cities of the Donat and Don—all depend on the Black Sea and, inevitably, access, through the Turkish Straits, to the Mediterranean and the oceans of the world.

If Russia's designs on the Baltic commenced with Tsar Peter, its plans for the Turkish Straits began with Catherine the Great and her conquest of the northern shores of the Black Sea and the Crimea only a few years after Peter's death. Every Russian ruler thereafter schemed or went to war for control of the straits. Stalin, having failed to gain such control at his Yalta Conference with Roosevelt and Churchill, was later prevented only by Truman's dispatch of a strong cautionary warning, backed by a battleship, from attempting to impose "joint" control of the Turkish Straits in 1946. Later Russian pressures on Iran also contributed to the situation compelling the creation of NATO (with Greece and Turkey as rather distant members of a North Atlantic alliance), the semi-permanent establishment of the Sixth Fleet in the Mediterranean, and renewed commitments of the United States to the government of Iran.

BORING VIOLENCE

Having failed to achieve military domination of alien bottlenecks controlling its maritime routes to and from the oceans, the Kremlin returned once more to earlier tactics: "boring from within," or using political and ideological forces within the subject nations. National communist parties (wherever they were legal), allied with other left-wing or simply sentimental socialist or "welfare" groups, were mobilized to further Russian programs.

In Iran, the Tudeh Party, set up by the Red Army in 1942 during its over-long wartime occupation of the northern half of the country, nearly gained control of the government before it was forced underground in 1953—it is still a potent force for destruction and as late as June of this year was believed to be responsible for the murder of a member of the United States Military Mission in Teheran. Sharing with Turkey a centuries-long history of conflict with an expanding Russia, and just as vulnerably located, Iran has the responsibility of defending not only its extensive northern frontier with Russia, but also its southern frontiers along the Arab/Persian Gulf from the delta of the Shatt threatens to run wild in the gulf, to the gulf's outlet through the Strait of Hormuz to the Arabian Sea, where Russian-armed South Yemeni guerrillas menace weakly armed Arab sheikdoms on the Omani peninsula.

In Turkey, where the Communist Party was abolished in 1925, pro-Russian activities were carried on by the Turkish Labor Party until 1970, when the TLP was abolished and its members dispersed into other political parties or driven underground. The violence that erupted thereafter ranged from the murder of an Israeli Consul General to the kidnapping of American servicemen, until the Turkish government was forced to declare a state of martial law which still continues.

In Denmark, Russia's political boring from within has enlisted considerable popular support—much of it innocent—for pressures aimed at forcing a withdrawal from NATO and adoption of a passive neutrality like that of Sweden. The Danish Communist Party receives most of its support from labor unions, but it is not a large party and most of its *parliamentary* support derives from the non-communist left.

In its May 21, 1973, issue, *U.S. News & World Report* described the Danish Progress Party as proposing abolition of Denmark's armed forces on the grounds that Denmark could not defend itself against Russia in event of an attack. The Progress Party represents only 25 per cent of the population, it is true, but it is also true that its disarmament proposition is shared beyond the party's membership. If Denmark, one of NATO's strategic keystones, has been thus subverted, it is far from alone in its somewhat docile attitude toward Russia—a fact which U.S. planners often seem to overlook.

SOUND OPPORTUNISM

Opportunism has always directed Russian policy. The Soviet Union has grown great by persistently and mercilessly pursuing retreating enemies, as it followed Hitler's broken armies into Germany across the subjugated Balkans and the Baltic States, and as it took advantage of the Japanese defeat to establish its hegemony in North Korea, Sakhalin, and the Kuriles. Russia is a vast country covering most of Eurasia, and if the great geopoliticians—Haushofer, Mackinder,

and Spykman—are right it could become the One Country of the future. Certainly, it is preparing for that role—has been preparing for it since 1939, in fact—and its plans have commenced to mature.

Russia has seized and occupied Japan's Kunashiri Strait (now Proliv Yekateriny) north of Hokkaido. It has seriously weakened Denmark's will to resist, and it is working hard at subverting a Turkish government to break Ankara's stubborn resistance to yielding up the Turkish Straits to Russian control.

A Russian Fleet is now in virtual control of the southeastern Mediterranean and the entrance to the Suez Canal. Castro's Cuba has been a Russian-financed agent for communist subversion throughout Latin America, including, most particularly, the regime now ruling the Republic of Panama and seeking to obtain control of the Panama Canal. And, farther south in Latin America, Chile and Argentina, who jointly share the only alternate route to the Pacific Ocean, are extremely close to the Soviets—it will be no surprise if Russian submarines are soon discovered patrolling the Strait of Magellan from both oceanic gates.

The strait of Malacca, no longer an international shortcut for warships or jumbo tankers above 200,000 deadweight tons but the joint property of Malaysia and Indonesia, is still free, but Russia also has worked itself closer to that strait with its presence in the Bay of Bengal, now intensified as Russian engineers improve the ports of Bangladesh.

Historically and strategically, the Kremlin's program to control the world's chokepoints is unpleasantly sound.

WHY NOT THE BEST

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. DORNAN. Mr. Speaker, I call the attention of my colleagues to a Patrick J. Buchanan article which has appeared in the Los Angeles Herald Examiner. Again, Mr. Buchanan has showed his skill in succinctly expressing the feelings of most Americans about an issue vital to our country. This time he reiterates the many questions which have arisen since the President's ill-fated decision on the B–1 program.

His article, ironically entitled, "Why Not the Best?" asks just that very question. It also asks the many other as yet unanswered questions which have come to mind in the wake of the administration's decision to abandon the best airborne defense system the world has ever seen:

Why was the duplicitous campaign waged by the White House via leaks, innuendos and hints to encourage the American people and the Congress into believing that the B–1 would be approved?

Why has the administration decided to prevent the United States from acquiring a first rate defense system?

Why has the administration opted for second best?

Why has the administration eliminated even the "bargaining chip" value of the B–1 by deserting the program before the SALT talks?

Why has the President not stated that he will not now bargain with the numbers and range of the cruise missiles during the SALT talks?

Why has the administration put a price tag on our Nation's liberty?

Will the administration answer these questions?

The Congress and the American people deserve answers.

Again, and again Pat Buchanan asks the right questions, the tough questions, the ones that usually are not asked at the White House press conference-funfests. His excellent column follows:

[From the Los Angeles Examiner, July 7, 1977]

WHY NOT THE BEST?

(By Patrick J. Buchanan)

WASHINGTON.—With the President's decision to terminate the B1 bomber, the Pentagon has need of another Billy Mitchell, a senior officer with the courage to risk court martial and career to awaken his countrymen to the consequences of that decision.

Last week's surprise announcement of the B1 climaxed a clever and duplicitous campaign conducted from the White House. Via hints, suggestions and leaks, journalists and politicians were encouraged to believe President Carter would backtrack on his campaign pledge and build the bomber. That exceptation, consciously fostered, contributed mightily to the astonishment, relief and rejoicing in the McGovern wing of the party, where the President is weak.

That orchestrated exercise in deception, however, is only of tertiary importance. What is crucial is that the author of "Why Not The Best?" has opted for a U.S. security system that is decidedly second best.

The President has chosen to rely on a strategic bomber fleet the backbone of which is the B52, a plane whose technology dates to the 40's, and all of which rolled off the assembly line between 1954 and 1962. Many B52's are flown today by crew members not yet born when their bomber was built.

The contribution of the B52 to postwar Western security can hardly be exaggerated. But in 1977 it is an aging, subsonic plane in a supersonic age, terribly vulnerable to the sophisticated Soviet air defense system of long-range radars, 2,600 fighter-interceptors and 12,000 surface-to-air missiles.

The B1 is the finest military airplane ever constructed smaller than the B52, it is more than twice as fast, carries a larger payload, can get away from a threatened base quicker, fly lower, and penetrate any radar system in the Soviet Union.

Strategically, it can either go in over the target or stand a thousand miles offshore and launch cruise missiles. And the extraordinary tactical advantages of the B1 were ignored in the President's announcement. Though the U.S. faces a serious global challenge from a Soviet navy superior in numbers to our own, ex-Air Force intelligence chief General George Keegan has written, "Fifty B1s, armed with the proper air-to-surface missiles, could with high probability sink or cripple every major surface ship possessed by the Communist nations in 24 to 36 hours."

A single argument exists against the B1—its imposing cost of $102 million per plane. But the entire fleet the Air Force requested, 244 planes, could be built with what the U.S. Government spends in three weeks.

The saving grace of the President's decision was his commitment to the cruise missile, an inexpensive, almost invulnerable second-strike weapon, tiny in relative size, which can fly thousands of miles at treetop level to land within feet of its target.

If, however, the President accepts Soviet restrictions on the number and range of cruise missiles in exchange for a SALT II agreement, the national security will mandate Senate rejection of his SALT treaty.

COST EQUALIZATION BILL

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. BRODHEAD. Mr. Speaker, on July 13 I introduced H.R. 8291, the Unemployment Compensation Cost Equalization Act of 1977. I am very pleased to report that the entire Michigan delegation, as well as a number of other Members, joined me in cosponsoring the bill. Current cosponsors include: Messrs. KILDEE, BLANCHARD, CEDERBERG, BONIOR, CONYERS, VANDER JAGT, RUPPE, TRAXLER, DINGELL, FORD of Michigan, DIGGS, CARR, NEDZI, BROWN of Michigan, SAWYER, BROOMFIELD, STOCKMAN, PURSELL, RODINO, FLORIO, HOWARD, FORSYTHE, MAGUIRE, HOLLENBECK, MINISH, MEYNER, PATTEN, Mrs. FENWICK, and Messrs. RINALDO, THOMPSON, and LE FANTE.

Recent high unemployment caused many States to exhaust their unemployment insurance funds. As a result, they were forced to enact substantial increases in the tax on employers which finances benefits, or alternatively, to borrow from the Federal unemployment insurance trust fund. Under current law, the 23 States which have borrowed and have not repaid their debt by 1980, will have an additional 0.3 percent Federal penalty tax levied against their employers. The tax will increase by 0.3 percent per year until their entire debt is repaid.

The system of "cost equalization" provided in my bill would both ease this burden and compensate those States who took steps to avoid or eliminate a Federal debt. In general, H.R. 8291 establishes a requirement that for each year beginning in calendar year 1974, the Secretary of the Treasury compensate States for a portion of their unemployment benefit costs, if: First, a State's uninsured unemployment rate for that year was at least 6 percent; and second, its benefit payments exceeded total payments in a designated base year.

I believe that enactment of this system of cost equalization will effectively redress the regional inequities caused by high unemployment. H.R. 8291 has been endorsed by the Interstate Conference of Employment Security Agencies, as well as the employment commissioners of 35 States.

The text of the bill follows:

H.R. 8291

To provide for reimbursement to States experiencing high rates of insured unemployment.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Short Title—

This Act may be cited as the "Unemployment Compensation Cost Equalization Act of 1977."

Section 2. Cost Equalization Payments—

Title IX of the Social Security Act is amended by redesignating Sections 906, 907, and 908, respectively, as Sections 907, 908 and 909 and by inserting after Section 905, the following new section:

"COST EQUALIZATION PAYMENTS"

"CERTIFICATION OF ELIGIBLE STATES"

"Section 906(a)(1) The Secretary of Labor shall certify to the Secretary of the Treasury each State which is eligible for a cost equalization payment in partial reimbursement for its excess compensation cost with respect to calendar year 1974 or any succeeding calendar year. The Secretary of Labor shall make such certifications at the following times:

"(A) for excess compensation costs with respect to calendar years 1974, 1975 or 1976, no later than 60 days after enactment of this Act; and

"(B) for excess compensation costs with respect to any later calendar year, no later than March 31 of the next succeeding calendar year.

"(2) The Secretary of Labor's certification to the Secretary of the Treasury of a State's eligibility for a cost equalization payment with respect to a given calendar year shall also include a certification of the amount that is payable to that State with respect to such a calendar year, that amount to be computed as follows:

"(A) 25 percent of the State's excess compensation cost for that year if the State's rate of insured unemployment for such calendar year was at least 6.0 percent but less than 6.5 percent;

"(B) 37.5 percent of the State's excess compensation cost for that year if the State's rate of insured unemployment for such calendar year was at least 6.5 percent but less than 7.0 percent; and

"(C) 50 percent of the State's excess compensation costs for that year if the State's rate of insured unemployment for such calendar year was 7.0 percent or more.

"TRANSFERS TO STATE ACCOUNTS"

"(b) The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office shall make payments to each eligible State in accordance with the Secretary of Labor's certifications under subsection (a) by transfers from the general fund of the Treasury to the account of each eligible State in the Unemployment Trust Fund.

"DEFINITIONS"

"(c) For purposes of this section—

"(1) Eligible State.—The term 'eligible State' with respect to any given calendar year, means a State

"(A) whose rate of insured unemployment for the year equaled at least 6.0 percent and (B) whose total dollar amount of payments during that year, for regular, extended and additional compensation, exceeded its total dollar amount of payments for regular, extended and additional compensation during its base year.

"(2) Rate of insured unemployment.—The term 'rate of insured unemployment' means the percentage arrived at by dividing the average weekly number of individuals filing claims for regular extended and additional compensation for weeks of unemployment in the calendar year, as determined on the basis of the reports by the State employment security agency to the Secretary of Labor, by the average monthly covered employment under the State law for the four consecutive calendar quarters ending on June 30 of such calendar year.

"(3) Compensation.—The term 'compensation' means cash benefits payable to individuals with respect to their unemployment.

"(4) Regular compensation, extended compensation and additional compensation.—The terms 'regular compensation,' 'extended compensation' and 'additional compensation,' have the meanings given to such terms in section 205 (2), (3), and (4) of the Federal-State Extended Unemployment Compensation Act of 1970: *Provided*, That such terms shall not include any compensation payment for which the State law requires any employer to reimburse the State unemployment fund, any compensation payment made pursuant to 5 U.S.C. Chapter 85, or any other compensation payment which is reimbursable under any other State or Federal law.

"(5) Base Year.—The term 'base year,' for any eligible State with respect to any given calendar year, means. among the five calendar years that immediately precede that calendar year, the most recent calendar year for which the State's rate of insured unemployment was less than 6.0 percent. If the State's rate of insured unemployment for each of such five calendar years was 6.0 percent or more, the term 'base year' means that calendar year, among such five calendar years, in which the State's total dollar amount of payments for regular, extended and additional compensation was least.

"(6) Excess Compensation Cost.—The term 'excess compensation cost' means the dollar amount by which an eligible State's total dollar amount of payments, during the calendar year in question, for regular, extended and additional compensation exceeded its total dollar amount of payments for regular, extended and additional compensation during its base year.

"(7) State Law.—The term 'State law' means the State unemployment compensation law approved by the Secretary of Labor under Section 3304 of the Federal Unemployment Tax Act."

"LIMITATION ON TRANSFERS"

"(d)(1) If the Secretary of Labor finds that on March 31 of any year—

(A) A State is not eligible for certification under Section 303 or

(B) The law of a State is not approvable under Section 3304 of the Federal Unemployment Tax Act

then the Secretary of the Treasury shall withhold the transfer to the State's account in the Unemployment Trust Fund of the amount of any cost equalization payment otherwise available under the provisions of subsection (b) for transfer to that State's account. During the next 12 months immediately following that March 31, if the Secretary of Labor finds and certifies to the Secretary of the Treasury both that the State is eligible for certification under Section 303 and that the law of the State is approvable under such Section 3304, the Secretary of the Treasury shall then transfer the amount of such cost equalization payment to the State's account. In the absence of such an affirmative finding and certification by the Secretary of Labor within that 12-month period the amount of such cost equalization payment shall not thereafter be available for transfer to the State's account. *Provided, however*, That such 12-month period shall be excluded during the time that administrative and judicial review of the Secretary of Labor's findings is pending.

"(2) The amount which, for this paragraph would be transferred to the account of a State under subsection (b) or paragraph (1) of this subsection, shall be reduced (but not below zero) by the balance of advances made to the State under Section 1201. The sum by which such amount is reduced shall—

"(A) be transferred to the Federal unemployment account, and

"(B) be credited against, and operate to reduce, any balance of advances made to the State under Section 1201.

"AUTHORIZATION OF APPROPRIATIONS"

"(d) There are authorized to be appropriated from the general fund of the Treasury, without fiscal year limitations, such sums as may be necessary to carry out the purposes of this section."

SALE OF AWACS TO IRAN

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. STUDDS. Mr. Speaker, on Monday, July 11, I introduced a resolution to disapprove the proposed sale of seven early warning aircraft—AWACS—to Iran. I took this action because this proposed sale raises a host of questions about our commitment to an arms sales policy characterized by restraint and prompted solely by the need to serve our foreign policy objectives. This sale constitutes a clear violation of the administration's own arms sales policy, would create some severe security problems, and would greatly increase our involvement with the current government of Iran.

The following is an excellent editorial by the New York Times on this subject, which I believe should be of considerable interest to my colleagues:

THE BOEING SHUFFLE AND THE SHAH

The Carter Administration proposes to sell Iran seven enormously expensive radar aircraft, running great risks for just one reason: to enable the United States Air Force to buy some too. The risks are that Soviet spies could gain easier access to some of the most secret and sophisticated American technology and that American personnel could become hostages to the service of those craft in Iran. The only immediate benefit is that if Iran buys three aircraft a year, Boeing will keep open its production line and deliver three other to the Air Force as well.

We are talking about the so-called Airborne Warning and Control System (AWACS), whose purpose is to monitor and control air warfare. Each of these modified Boeing 707 airliners and its accompanying electronic gear and spare parts will cost $170 million. The Air Force would like 31 of them, but can afford only three a year. Boeing says it cannot afford to produce so few, even at that price. But an additional three for Iran would buy time for the Administration to iron out the difficulties which thus far have blocked a hoped-for sale of 27 more to NATO governments.

AWACS has had an odd history on its way to the Shah's stable of costly hardware. It was conceived more than a decade ago as part of a program to modernize America's continental air defenses. Then the Nixon Administration decided that expensive air defense was not worth buying; SALT I had banned antiballistic missiles and thus made both the United States and the Soviet Union vulnerable to each other's missiles. So the Air Force changed AWACS' mission to one of controlling tactical air battles. Some military analysts doubt that AWACS is worth the cost and argue that most of its missions could be adequately performed by the smaller Grumman E-2C, which costs only $30 million.

As is so often the case, however, the Air Force wants the finest, and in the Shah it knows it has a kindred spirit. Like Senator Jackson, who spares no effort to promote the fortunes of Boeing, the largest employer in his state of Washington, the Shah is not an easy man for the Administration to turn down. But a clutch of Senators, led by John Culver of Iowa, an influential first-term member of the Armed Services Committee, has sponsored a resolution to block the proposed sale.

The Senators advance three main arguments. First, although the Iranians contend that they want AWACS for air defense against the Soviet Union, the Senators suspect that a more likely role for the system would be for military operations in the Persian Gulf—offensive as well as defensive. Second, they fear that Iran would not be able to safeguard AWACS from a major Soviet espionage effort. Finally, the Senators fear that the Iranians would not be able to operate AWACS without very substantial help from American military personnel, some of whom would likely be needed even to man equipment aboard the aircraft. A Senate report warned last year that by 1980 perhaps 50,000 Americans, including dependents, might be resident in Iran to supply trained manpower for the sophisticated weapons the Shah has been buying. In the case of AWACS, Americans might actually find themselves in combat operations, raising even further the risk of American involvement in an Iranian war.

These arguments amount to a strong case. The only countervailing argument—aside from the habitual desire not to offend the Shah—is the need to give Boeing sufficient business to keep its production line open. There is, of course, another way to accomplish that: the Air Force could increase its own purchases from three to six per year. But that would mean diverting funds from purposes more dear to both the Air Force and the Department of Defense, and AWACS might not survive such competition.

Arms sales usually confront principle with expediency. The Administration has made much of its desire to curb expedient sales and to let principle rule. No AWACS for Iran would be a good place to start.

DISTINGUISHING BETWEEN NUCLEAR FISSION REACTORS: THE ERDA VIEW ON PRESIDENT CARTER'S NUCLEAR ENERGY POLICY

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. BROWN of California. Mr. Speaker, a few weeks ago the Acting Administrator of the U.S. Energy Research and Development Administration delivered an address to the Edison Electric Institute on President Carter's nuclear energy policy. This speech clarifies an issue that has been muddied in the debate over the Clinch River Breeder Reactor project. Quite simply, the CRBR is not linked at all to the future of the light water reactor, which is the current type of reactor supplying power in the United States today. Moreover, the future of nuclear fission energy in the long term is not dependent on the CRBR either. In no way is the vote against the Clinch River project a vote against nuclear power.

This speech by Robert Fri should clarify this issue, and dispel any doubts that any Member has about the President's decision to defer the Clinch River Breeder Reactor project.

SPEECH DELIVERED BY ROBERT W. FRI, ACTING ADMINISTRATOR, U.S. ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION, TO THE EDISON ELECTRIC INSTITUTE, PHILADELPHIA, PA., JUNE 15, 1977

Thank you, ladies and gentlemen. It is a pleasure for me to be here again among so many friends and colleagues in energy, and to have an opportunity to discuss what I believe is a sorely misunderstood element of President Carter's National Energy Plan. Specifically, I have heard a great deal of concern expressed by various elements of the electrical industry about the Administration's initiatives on advanced nuclear technologies. Much of that concern was triggered by the decision to defer construction of the Clinch River Breeder Reactor demonstration project. But I suspect the worries go far beyond that one project, perhaps to the whole future of commercial nuclear technology. Personally, I believe that those gloomy speculations are not justified. Our nuclear future, in my view, is still bright, and, equally important, on course.

This is, of course, a very complex subject with many elements, and I think, as a means of sorting out these elements, it may help to divide the problem—like Gaul—into three parts: the need for nuclear power generally, the role of the breeder, and finally the role of Clinch River.

As to the role of nuclear power generally, the President's policy is animated by the answers to two tough questions. And the answers add up to real support for our only near-term nuclear energy source—the light water reactor.

The first tough question we have to ask, I think, is whether we are going to have nuclear power in this country at all. It is not, in my judgment, a question of relative importance, of last resort or top priority. For if we have nuclear power, we must deal with its problems. If not, we must be prepared to dig and burn a lot of coal.

The facts to me are clear. We have, and we must continue to have, nuclear power. Maybe only 330–380,000 megawatts by the end of the century, maybe more—but we need it, and in substantially greater supply than we have it today.

Even as a last resort we will have nuclear power. Our energy problem is a problem that requires us to resort to last resorts. Until we can reliably recover more oil and gas through enhanced recovery techniques, until we learn how to burn coal more cleanly, and perhaps even beyond, we must resort to energy resources of proven capability.

The second tough question is deceptively simple, but crucially important. What kind of nuclear power do we want? Part of the answer to this question lies in the answer to my first—we need nuclear power of proven capability. And that means light water reactors. But—and here is the hard part—we also need to ask how far beyond the light water reactor we are now prepared to go. More specifically, what should be the relation of the light water reactor to the plutonium economy?

The prospect of worldwide use of plutonium is, in my judgment, the most formidable issue in nuclear power today. President Ford was sufficiently concerned about it that he made a major public statement on the issue in the waning and frenetic days of an election campaign. He judged that reprocessing—and hence the use of plutonium—is not an inevitable corollary of nuclear power, and that it should not be used unless it can be proved safe. President Carter clearly holds at least as firm an opinion on the issue.

If there is controversy and uncertainty surrounding the plutonium question, and if we need light water reactor power now, we should seriously question whether the light water reactor should be burdened with the uncertain future of the plutonium economy. Should we, in other words, insist now on the need for recycle and the breeder, or should we view plutonium in a different light—an energy reserve for the future, potentially for light water reactors or, more probably as a source of fuel for the breeder reactor?

There are powerful arguments on both sides. Recycle, of course, can extend the life of the light water reactor, and that could be crucial to our continued energy supply. Perhaps more importantly, reprocessing simplifies the problem of disposing of spent fuel. Certainly on the international front, this is one central motive for reprocessing. Domestically, it is equally clear we must have a way of disposing of spent fuel.

On the other hand, recycle shows indifferent economics for light water reactors—sufficiently indifferent, in my judgment, not to be a pivotal economic factor in the utility decision to purchase light water reactors. It may also well be that plutonium has more energy value as a breeder fuel than as a light water reactor fuel.

By now you know how the President weighed these arguments. If we need nuclear power, we should not ask the light water reactor to bear this cross of plutonium. In short, first things first.

There is another side to this decision, one almost as important as our support for light water reactors. And it is this: a commitment to light water reactors can stand alone; decisions on recycle and the breeder are separate, and separable, actions.

Which brings me to my second topic—the role of the breeder, and of advanced nuclear technology generally.

In discussing the role of the breeder, I think it's important to realize that there are a few things about advanced nuclear technology on which we can all agree. Even our Breeder Steering Committee, representing all shades of opinion on the breeder, agreed on three essential points;

That the United States should preserve the fission option for the long-term;

That we should conduct research on reactor technologies consistent with our nonproliferation objectives; and

That we recognize that there is no totally proliferation-proof fission technology.

So the breeder issue is not one of whether we continue to work on advanced nuclear technologies, but rather how and at what pace. What, in other words, are the relative benefits and risks of a delay in our breeder program?

To put this fundamental issue in context, I think it's useful to understand its historical setting. Dr. Edward Teller gave such an historical perspective during Senate hearings last week at which he was giving testimony.

Dr. Teller, of course, has been a part of this atomic age since the very beginning, and he can give us an inkling about the early thinking of our nuclear scientists and some of the motivations that set us on our present course. Dr. Teller stated that back in 1945, when many of these policy directions were first established, no one really knew how much uranium fuel was available. In fact, he said their thought was that there was a lot less uranium available than we know to exist. He anticipated that we would be running out of uranium a lot sooner, and that there was the utmost urgency in developing the advanced technologies of reprocessing and the breeder to provide us with the continuing supply of fuel for our commercial power industry.

It was in part because of this sense of urgency in those early days that the decision was made to give the highest priority to the plutonium cycle.

I'm not certain of everything that they took into consideration back then. But it seems probable there was a greater sense of confidence in the viability of the plutonium cycle than in some of the other technological options, or at least the belief that plutonium cycle technology could be developed sooner than the others. At any rate, a very great sense of urgency played a significant role in the decision to push for the plutonium cycle, perhaps at the expense of some of the other technologies. So, for the past thirty

years, we have been moving full tilt toward the plutonium cycle.

Well, thirty years have passed. Many things have come to pass. We know a lot more. Some of our early notions have been dispelled. It's a very different world with some very different conditions to consider. And these changes confront us with a new assessment of the benefits and risks of plutonium technology, an assessment at which we should not be afraid to look.

The benefits of delay in our breeder program are threefold as I see them.

First, more time gives us an opportunity to assess alternate nuclear technologies and our international institutions for controlling proliferation. We mounted our present programs before proliferation became so serious an international issue. And we can, if we want, use time wisely to reexamine our options—to see if alternate technologies achieve a better balance between our economic, energy, and proliferation objectives. Perhaps we will find nothing; I can't say. But I do know that we abandoned a number of options because energy and economics were our primary objectives. I know that two Presidents have now said that our economic concerns should never dominate our proliferation objectives. I know that there are a variety of reactors that produce less fissile material than the plutonium breeder. And I know that our refusal to look at these options will not do much to improve the public's opinion of nuclear power.

Second, time will also allow us to reassess other technologies for producing energy from inexhaustible resources, as does the breeder. For some months, the imbalance from our research programs inexhaustible technologies have been of concern to me in two primary ways.

First, ERDA is working on less than half of possible inexhaustible technologies. Why are we so narrow in our view? Is our program just right, or is it just accident? I suspect the latter.

My second concern is how we can afford to fund even those technologies we are already pursuing—fusion, the breeder, and solar electric technology. If all these projects were pursued to the large demonstration stage, they would more than consume our current research budget within a few years. How then do we choose from these options to select the best we can afford to pursue? Indeed, will we even have a choice if one program is already consuming more funds than all the others combined? Is our decision going to be made by us, or by default? I would prefer to have a hand in it.

I should note that we began this spring a study of these inexhaustible technologies, and that we hope to have a preliminary answer to these questions this fall.

The final benefit of time is the acquisition of one essential piece of information—the size of our uranium resources. There is great dispute as to whether we have 1.8 million tons, 3.7 million tons, or more than 5 million tons of uranium. Everyone seems to agree that 1.8 million tons is a pretty good planning figure. But above that amount, the argument rages simply because we don't have the facts to settle it. Even the National Academy of Sciences report assigns a low probability to the 3.7 million tons estimate—as I read it—because the geologic data are not available to do anything else. ERDA can and will prospect for uranium, get the facts, and settle the argument. But it will take time. This time, and the few dollars we will consume in using it, have enormous leverage over a multi-million dollar research decision. In an orderly world, we should get the facts first.

But there is a risk in delay; the risk that, if we delay the breeder will not be available when we need it.

One thing we have to admit is that the risk is less than it was, simply because the projected growth of nuclear power has dropped dramatically. Five years ago, the AEC was estimating 1200 gigawatts of installed nuclear capacity by the end of the century. We are now estimating somewhere between 330–380,000 gigawatts. We have more time. But is it enough?

Let me give you my assessment. Assume that there will be 400 gigawatts of installed nuclear capacity by the end of the century, that we have 3.7 million tons of uranium ore, and that electric energy demand will grow at the rate of 3.3 percent a year after 2000. Then, drawing on an analysis prepared by the Breeder Steering Committee, the first commercial breeder must operate in 2000, and that is seven years later than ERDA's reference program for the LMFBR. So perhaps we have a five to ten year window that we did not have before.

Of course, my estimate of 3.7 million tons could be high. If it is, we would lose ten years. But my estimate of electric demand growth after 2000 could be high, too; and if that's the case, we would gain ten years. Your recently announced National Energy Watch program could do just that. I applaud you for this initiative, for it is a fine one. In fact, it could be as important to nuclear power as exploring for uranium.

Beyond this, however, we could gain more time, at significant cost by going to lower grade ore, by increasing the tails assay, or even by importing uranium. In other words, off-setting errors in our assumption may preserve a five or ten year window. And if they don't, we still could pay a price to recoup.

Obviously, any decision based on such analysis is a calculated balance of bentfits and risks. The President decided that the benefits outweigh the risks. It's what I would have done.

Finally, there is the Clinch River decision. The decision to defer the Clinch River construction is a direct result of the calculation that we have time to pause in our pursuit in the breeder program, and to examine alternate nuclear technologies. In that sense, the Clinch River decision is imminently sound.

But, like the moon, there is a back side to the Clinch River problem, and perhaps we should shed some light on it. Whatever the merits of Clinch River project in the original breeder program, there is responsible opinion that Clinch River has grown into a machine that was going to be too little, too late.

Dr. Teller took on this point in his testimony. Clinch River, he said, would only duplicate what the Europeans are doing already. We should not insist on making all the fast breeder mistakes. We can give the other people a chance to do that, and then learn from their mistakes.

When Senator Domenici of New Mexico asked Dr. Teller why, after so many years backing the Clinch River reactor, he was now opposed to its construction, he replied, "Now we know the Emperor has no clothes."

Dr. Teller has more of a flair for the dramatic than I, but I think he is on to a valid point. Had not all this happened, I suspect we would—or at least we should—have had a good analysis of the merits of Clinch River on purely programmatic grounds. If we are in such a rush for a breeder, for example, it's not clear to me that we should have a program that would build three reactors—the CRBR, the PLBR, and the first commercial breeder—all achieving critically between 1984 and 1993. Perhaps we should have leapfrogged from the FTF to a middle size demonstration, and from there to a commercial reactor. Perhaps we still will.

We have, after all, not cancelled the breeder program, but rather broadened and deepened it. And we have history in this country of building a very large technological base before we finally make a commitment to a particular course. We don't always come in first, but we usually come out better. Keep in mind the history of the space program. The Russians put the first satellite in space and the first man in space. We came in later with much more sophisticated and better built rocketry, and we went to the moon.

Still, these are controversial decisions, and controversy always clouds the field, making it hard to see the battle whole. So, while we are embroiled in this latest nuclear controversy, let me suggest something else also happening—something else that is perhaps of more long-term importance than all the heat of the present moment.

For we are forging a nuclear program on a broader base of understanding and, I hope, support, than ever before. Support for the light water reactor is more credible than it's been in a while, at least partly because we have refused to buy the problems of a plutonium economy as a necessary consequence of this support. Behind all the disagreement on the future of nuclear power, we at least all agree that the fission option has to be kept open beyond the light water reactor. We propose to look at alternate research paths to do just that, and to refuse to examine alternatives would be to fall into an old nuclear trap that has not served us well. Perhaps most important, the demise of the Joint Committee on Atomic Energy coupled with the dramatic announcements of the President on nuclear power, have forced a new segment of Congressional membership and leaders to examine and take stand on the nuclear issue. Whatever the outcome of the current controversy, I believe that the resulting program will be built on more solid foundation than we have seen in a long time—at both ends of Pennsylvania Avenue.

In short, the system works. That is why I am optimistic about the future of nuclear power. I also believe we are on the right course, although you may disagree. But if we can share an optimism in the future of nuclear power, and share our devotion to our constitutional process, then we share all that really counts.

Thank you.

KOCUREK SAYS RETIREMENT FOR THE BIRDS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. PICKLE. Mr. Speaker, there seems to be a growing movement away from mandatory retirement and frankly, I think this is a good thing.

Numerous instances can be cited of individuals who have done some of their best work when they were way beyond the age of 65.

In my hometown of Austin, Tex., Willie Kocurek has been known for many years for civil and business endeavors. Recently, Willie closed his small "Mom and Pop" store and will return to the University of Texas law school after a 50-year absence.

I am sure that at the age of 67, Willie will meet this challenge as he has everything else in life, head on. And I am confident that he will succeed.

I am enclosing some articles about the remarkable "Mr. K." He is an inspiration to all Americans:

[From the Austin American Statesman, May 18, 1977]

"MR. K." GOING BACK TO LAW SCHOOL

(By David Frink)

Bespectacled and bow-tied, his face is as familiar in the Austin area as the University of Texas Tower. He is one of just a few

men who can be accurately described as an institution.

The young man from Caldwell came to Austin in 1929. The people in his home town had faith in the debater who had led his graduating class, and came with him to help him find a job so he could continue his studies.

Almost 50 years later, Willie Kocurek, the man with the speaking voice of a circus-barker, is nearing retirement. But, it won't be retirement for this energetic 67-year-old. He calls it "renewment" because he is leaving the floor of his retail store to complete the law school training he started in 1943.

There probably isn't an Austinite who hasn't heard Kocurek, in his rapid-fire delivery, tell them they don't need money—just a little bit a month. That phrase, along with, "Where there's a Willie, there's a way," and hand-drawn advertisements, have been Kocurek's trademarks over his retail career. He began that career with the Grayburg Oil Co. as a service station operator.

If his trademark has been unique and home-made advertising, Kocurek's hallmark has been his ingenious manner and friendly helping-hand nature. "Mr. K," as he is known to the thousands of customers and friends who have passed through his doors, has always run a person-to-person business.

"A good salesman doesn't sell a product. He makes a person want to buy it. He tells them how it works and what it will do," Kocurek said. Interviewed recently in an uncharacteristic position—sitting still—Kocurek said he learned the retail trade person-to-person and has resisted automating his store.

"I think the uniqueness of our establishment has been that we have always done the work manually. Mrs. Kocurek (his wife, Maurine) has been the mainstay," he said. "She has always done the accounting by hand with the help of my brother, Rudy."

The formula has obviously worked. After working as manager of the service station through his college years, Kocurek went on to operate three other service stations and expand the business in 1946 to include tires, appliances and furniture. The location of his store from 1936 to 1972, first on the west side and then the east side of 19th Street at San Jacinto, put him within shouting distance of the UT campus. That location, Kocurek said, helped him make new friends and renew acquaintances with students who returned to Austin.

"I've probably seen a quarter of all the people who ever went to a UT game as they walked by my store," he said.

Kocurek said he is phasing out his business and not re-ordering. He will close his store, now located at 41st and Guadalupe, by the end of August, if not before, he said. (Ironically, the first service station he managed as a 19-year-old business student, still stands at 43rd and Guadalupe.)

"I've made two blocks in 48 years. How long will it be before I make the Capitol?" Kocurek joked.

Law school will be a way for him to "grow," he said, although it will require a "re-disciplining of the mind. I've kept the brain cells pretty active over the years, though."

He will be installed as 1977 president of the Boy's Clubs of Austin and Travis County Thursday evening at their annual installation and awards banquet at the Quality Inn South.

Fred Akers, new head football coach at the University of Texas, will be the principal speaker for the 7 p.m. affair. Tickets for the banquet are $6 and may be purchased at the Austin Boy's Club, 303 West Johanna, or by calling 444–7199.

[From the (Austin) Daily Texan, June 6, 1977]

KOCUREK "GRANDFATHERING IN"

(By Marilane Nather)

"Where there's a Willie there's a way," Austin appliance dealer Willie Kocurek says, and he may prove by re-entering the University's highly competitive law school in the fall.

Kocurek will be 67 years old in October.

By liquidating his stock of appliances, TVs, furniture and tires, Kocurek hopes to wind up his long-established retail business at 4031 Guadalupe St. and to complete the law school training he started in 1943. His studies were interrupted in 1944 by two years of naval service, and when he returned Kocurek says, he felt law studies couldn't "mesh with work."

Kocurek has opted for what he calls "renewment" in his radio and newspaper ads, rather than retirement. "I think that all of us have to stay active if we can and reinvigorate ourselves, rather than do the proverbial thing such as retiring to the armchair, and two years later we are six feet under," he says.

Although not officially accepted, Kocurek says a conversation with Associate Law Prof. Byron F. Fullerton, assured him that he could re-enter through the "grandfather clause."

Kocurek said he has not yet spoken with the dean of the school but hopes to do so in July.

"I was told I would get in but I don't know whether I can get out," Kocurek said with a smile. Kocurek estimates that he will have to attend law school for two years, including two summers, to graduate in 1979.

Thomas J. Gibson III, associate dean of the law school, said Kocurek is entitled to reenter, rather than be readmitted.

Gibson said the specific paragraph in the 1976–78 law school catalogue which affects Kocurek reads: "Where a person has earned less than nine semester hours of credit in the School of Law, has withdrawn, and then wishes to resume his studies, he must apply for readmission to the School of Law. His application for readmission will be judged and processed as if it were an initial application for admission."

Since Kocurek said he had 12½ hours credit and left in good standing, readmission is not required, Gibson said.

Kocurek does not have to meet today's law school admission standards. No law School Admission Test (LSAT) is required, nor is his grade point average (GPA) considered. He may continue his studies by having met the standards which were applied when he first entered law school in 1943. This is known as "grandfathering in," a legislative term applied not only to people but also to such things as building codes.

"We get one or two cases like this each year," Gibson said. He added that the successful completion of the course work depends largely on "the reasoning process."

"Seeing two sides to every issue is important."

Gibson confirms Kocurek does not displace any of the 500 new students the Board of Regents asks the law school to accept each year. In fact, a variable enrollment somewhere over this number makes up each new class. "In deciding new admissions, 85 to 90 per cent come in strictly on the basis of the GPA and LSAT scores," Gibson said. "The other 10 per cent are discretionary admissions." He added, "We don't discriminate because of age."

Gibson said if Kocurek returns in the fall, he will have to finish his law studies according to the current catalogue, since all the requirements for a degree in the law school must be completed within five years of the date of the catalogue chosen.

"Scheduling will be a minor problem," Gibson said. "We will have to adjust his schedule with what he has already had.

Once Kocurek has reentered, the same rules which govern the other students are applicable to him, such as the maintenance of grades, he said.

Kocurek says he is not sure if he will practice law after he graduates since this could be affected by many things such as "health and passing the bar." He plans to "let the Lord help me shift those gears."

"I have 50 years' experience that I might be able to contribute," he offered. "Debate—that's my forte," Kocurek said. He believes it is possible that this skill improves with age.

Kocurek sees no serious problems regarding the gaps between his previous law studies and remaining course requirements. "I have been dealing with contracts and torts every day," he said.

"I have had nothing but very favorable comments," Kocurek said about his return to law school. "In the U.S. we have encouraged everyone to stay active mentally."

As a returning student, Kocurek anticipates some life style changes. He knows he will have to develop study habits again and admits his main concern is "not being my own boss." Kocurek said he also will have to reduce his civic involvement.

Kocurek came to Austin in 1929 and received a BBA from the University in 1933.

He built up his retail business by applying his own style of advertising, which has featured artwork "all hand-drawn and original with me," plus slogans such as "Where there's a Willie there's a way," and "You don't need money, just a littlebitamonth." Personal charm and rapid speech have helped build his image as an institution in Austin.

HUMAN RIGHTS IN LATIN AMERICA

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. RICHMOND. Mr. Speaker, since the Carter administration has taken office, we have seen increasing discussion of the human rights movement in worldwide political circles. In many countries, political leaders have—much to their dismay—seen an upsurge in human rights education among the helpless, lower-class sector of their populations. These leaders are beginning to resist a movement which, upon the initiative of a few, is overshadowing traditional national political beliefs.

One such example of this movement was recently depicted by Wall Street Journal staff writer Agostino Bono, who outlined the situation in Brazil and other Latin American nations. Traditionally, the sword and cross relationship between state and church has provided a basis upon which the Latin American nations have grown. But now this relationship is changing. The church is leading the human rights movement in many of these nations. As Mr. Bono notes, Government resistance to church advocacy of these

principles has led to censorship of publication dealing with the issue. And despite the repressive hand of Government, church leaders are pushing to disseminate humanistic principles by word of mouth.

Aroused by the need for such ideas among the poor, the church has seen the need for social and economic change. Their only hope is to provide human rights information at the grassroots level.

I, too, have had a firsthand look at the present situation. During a fact-finding mission to Brazil earlier this year, I saw how the poor are literally placed behind the scenes. Mr. Speaker, I would like to share the Wall Street Journal account of the Latin American situation with my colleagues. I believe it provides a basis upon which we may all build humanistic principles for peoples throughout the world:

[From the Wall Street Journal, June 6, 1977]

CATHOLIC AID TO POOR IN BRAZIL IS WORSENING CONFLICT WITH MILITARY

(By Agostino Bono)

SAO PAULO.—The small community centers that are springing up in the rural areas outside Brazil's largest city would hardly seem to be a threat to this nation's authoritarian government: Their basic function is no more than the study of the Bible. But they are part of a drive by Catholic bishops to create what one high church official calls "a laboratory for democracy."

About 50,000 of these centers have sprung up in villages across the country. By instructing poor Brazilians in the ways of democracy, they could be emerging as a powerful popular force. The priests who are runing the centers, with the blessing of their bishops, are showing peasants and Indians how to apply Biblical concepts of justice and equality to their own lives.

Such teachings aren't at all popular with the military men who run Brazil and they are widening the breach that has developed between the Catholic church and the government. There have been reports of arrests, harassment and even torture of those involved with the centers. A bishop has been beaten up, and last year two priests who were aiding poor Brazilians in land-rights disputes were murdered, one by a policeman.

ALLIANCE IS BREAKING DOWN

Nor is the church in Brazil unique in its challenge to the government. Across much of Latin America the conservative alliance of the sword and the cross, forged during the 16th Century Spanish conquest, is breaking down. Encouraged by President Carter's views on human rights, Catholic leaders have become the strongest critics of their governments.

Right-wing governments, particularly in those 13 nations run by the military, maintain that the churchmen have leftist political aims in speaking out. But Catholics deny this. "The opposition is not ideological. The bishops are just describing what they see," says an adviser to Paulo Evaristo Cardinal Arns of Sao Paulo, regarded by the Brazilian military as one of its most dangerous enemies.

The most severe church-government antagonisms are in Brazil, Chile and Paraguay. But tensions also are running high in Argentina, Ecuador, Peru and Bolivia. With political parties, universities and unions restricted or even outlawed, the church is the only institution capable of opposition.

The Catholic bishops do not hesitate to speak out. Last November Brazil's bishops issued a statement accusing "regimes of force, claiming to fight communism and carry out economic development," of declaring war on those "who do not agree with an authoritarian vision of society."

The government seen intent on fighting back, either directly through arrests or indirectly by the violent actions of right-wing government supporters. In Paraguay, many peasant leaders have been murdered or arrested, and priests have been exiled. In Argentina, three priests were murdered last year in a suburb of Buenos Aires. Two others were killed in the western province of La Rioja.

DISCUSSING THE POOR

When 48 Catholic bishops, priests and lay advisers met last August in Riobamba, Ecuador, they were dispersed by machine gun-toting security forces. The clerics were jailed overnight, and the 37 foreigners, among them were ordered out of the country.

The meeting was being held to discuss the needs of Latin America's masses of desperately poor people and in particular the problems of Ecuador's Indian population. To Ecuador's military rulers such talk constituted inflaming the population and was subversive.

In most Latin American countries the poverty level is so high and the education level so low that the conscience of the church has been aroused by the need for social and economic changes. The authoritarian governments, however, are hostile to any such changes because of the fear that an educated peasantry could foment widespread political unrest. Thus the church is viewed as a political enemy.

It wasn't always so. For generations the Catholic church and the military worked in harmony as two right-wing pillars of Latin American society. The few conflicts that arose were due to a small number of "rebel" priests, usually considered leftist, who were disowned by the church hierarchy.

Changes came with the Second Vatican Council and the social concerns of Pope John XXIII and Pope Paul VI. Today, although Latin America's Catholic bishops still range from conservative to moderate, they are far more aware of economic and social problems.

NEW BREED OF CHURCHMAN

Brazil's Cardinal Arns, 56, is typical of this new breed of churchman. When the left-wing government of Joao Goulart was overthrown in 1964, Cardinal Arns was a priest teaching at the Catholic University of Petropolis and writing books on early Christian literature. He was named a bishop in 1966 and four years later became head of the Sao Paulo archdiocese, which with between 10 million and 12 million people, is the largest in the Catholic world. He was named a cardinal in 1973.

Cardinal Arns has become the rallying point for antigovernment protests. He often visits the poorest areas of Sao Paulo, mingling with the people and stopping now and then to hug a friend. He says he developed his critical stance because he was confronted with evidence that the government was violating human rights in the name of anticommunism and the war against subversives.

In the late 1960s and early 1970s, Brazil was in turmoil as Marxist guerrillas kidnaped and murdered foreign executives and diplomats. The military and the political police overreacted, critics charge. Many people were arrested and held without charge. political prisoners told of being tortured, and there were murders by "death squads" of off-duty police.

Brazilian bishops began compiling evidence of these activities, and Cardinal Arns set up a human rights commission composed of lawyers and other professional people to monitor government abuses in Sao Paulo. People who are afraid of government reprisals if they speak out can provide evidence in secret to the commission. In this way, Cardinal Arns is able to exert pressure on the government.

The government cannot take direct action against the cardinal because of his domestic popularity and international reputation. But it can reach him in other ways, through censorship of his archidiocesan newspaper for example.

There is no logic for the censorship other than harassment, says Father Dario Bevilacqua, the newspaper's editor. No reasons are ever given, he says, but the censored material usually concerns human rights and political issues.

In 1975, a young police officer who was also a medical student, was put in charge of censoring the paper. "A college boy censoring the archbishop," says Father Bevilacqua incredulously.

Occasionally church and censor conflict. In 1971, for example, Cardinal Arns issued a statement accusing the government of torturing one of his priests in jail. The censor kept the statement out of the newspaper. The cardinal then ordered the statement nailed to the door of every church in the archdiocese and read aloud at Sunday mass.

The cardinal's most notable struggle against the government has been his efforts to end the torture in the infamous Sao Paulo military prison. In 1975, a journalist suspected of being a Communist died in the prison. Although the military said he had committed suicide, it was widely speculated that he had been tortured to death. With all other avenues of protest, such as public demonstrations, denied to them, Catholic, Protestant and Jewish leaders held a memorial service attended by 3,000 people. The cardinal gave the sermon in which he said that murderers "will not only be judged evil in the minds of men, but also in the judgment of God."

Two months later a union leader died in the same prison. This time Cardinal Arns instructed priests to hold memorial services across the city and he himself conducted services that became antigovernment rallies. Partly as a result of the cardinal's efforts, the army commander in charge of the prison was removed last year.

Although the democratic leaning of the cardinal and other influential church leaders is out of step with government thinking, they can be restrained. But in the Bible-study groups across the country there is emerging what may be a far more pervasive force.

The centers are openly teaching Brazilians the fundamentals of a democratic society. "Through massive lack of education, many Brazilians don't know what their rights are," says the advisor to Cardinal Arns. "The basic aim is to get the government to apply its own laws," he says.

A U.S. Catholic missionary, who has spent six years helping to organize grass-roots study groups, says the aim is to help poor people see how religious teachings can be applied to their everyday lives. They are then encouraged to begin small development projects, with church social agencies helping out.

In some communities in the poverty-stricken northeast region of Brazil, groups have developed community laundries by channeling river water to a simple building with washing stalls. This has saved women from having to carry their clothes, often several miles, to wash them in a river.

In other areas, the study groups have been educating sharecroppers about their rights of land tenure. In recent years many companies and colonists have been buying untitled land that has been worked for generations by Indians and peasants, who knew nothing about making land claims. In many cases there are no government registry offices anywhere near the area. But priests and bishops are supporting the peasants' and Indians' land claims with the argument

that Brazilian law grants ownership to a person who works and lives on untitled land.

The government has been angered by these developments and, according to the U.S. missionary, is trying to break up many of the grass-roots centers. The missionary says that sociologists and lawyers working with groups have been arrested and tortured. Some professional workers have left the centers out of fear: "It's hard to hold a guy to his commitment if the consequences are so strong," the missionary says.

Many priests and bishops have had their telephones tapped and have been followed by security agents, he says. One U.S. priest was talking on the telephone when a third voice interrupted the conversation and told the priest to stop talking in English. "You speak good Portuguese. Cut out the English," said the voice.

REGIONAL PRESIDENTIAL PRIMARY ACT OF 1977

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. OTTINGER. Mr. Speaker, today I am reintroducing the Regional Presidential Primary Act of 1977 with cosponsors.

This bill provides for five regional primaries to be held at 3-week intervals from April through June of a Presidential election year. All States in a region and all candidates who have qualified for Federal funds would participate. The major intent of the bill is to assure that voters in every State will have the opportunity to express directly their choice for a Presidential nominee and that nominees selected by the national party convention reflect the voters' decision.

The adoption of this type of legislation will increase voter participation in the primary process, establish a more rational procedure for the selection of our parties' nominees, ease the burden on the candidates and the public, and will enhance the opportunity for rational development of the issues.

I have made one minor change in the text of the bill in response to several questions raised by various State election officials. The amendment extends the time in which States have to prepare for their respective regional primaries from 30 to 60 days.

Those of my colleagues who have agreed to cosponsor the bill are: Mr. AUCOIN, Mr. HARRINGTON, Mr. AUSTIN MURPHY, Mr. CHARLES WILSON of Texas, Mr. HANNAFORD, Mr. PATTISON, Mr. VENTO, Mr. TRAXLER, and Mr. OBERSTAR.

A summary of the major provisions of the bill follows:

MAJOR PROVISIONS OF REGIONAL PRESIDENTIAL PRIMARY ACT OF 1977

Each State is required to conduct an election for delegates to a national convention for the nomination of the individual for election to the office of President.

Five regional primaries shall be held during each Presidential year, with each State required to participate in the primary of its region. The first regional primary shall be held on the first Tuesday in April, and subsequent regional primaries shall be held every three weeks thereafter for the succeeding twelve weeks. The order of each primary shall be determined by lot, with each State given sixty days notice prior to the date of its primary.

All candidates receiving Treasury matching funds will appear of each State's ballot.

Candidates who are not eligible for matching funds can be placed on a State's ballot if that candidate presents a petition to the State election officer signed by at least 1 percent of the individuals who are registered to vote in the State involved.

Cross-over voting is eliminated.

All State ballots will be certified by the Federal Elections Commission.

Delegates to the convention will be selected to proportionately reflect the votes received by candidates in a State primary, in accordance with State law and party rules. Delegates must be bona fide supporters of a candidate.

Any candidate who receives less than 5 percent of the primary vote or a percentage less than what one delegate represents (whichever amount is greater), will not have delegates selected to represent him at the party convention, and those delegates shall be apportioned among the other candidates.

Delegates to the national convention shall vote for the nomination of the candidate for whom they were appointed until: a) two ballots have been taken; b) such candidate receives less than 20 percent of the vote on a ballot; or c) such candidate releases such delegate.

States shall be reimbursed for any reasonable costs incurred in conducting a regional primary.

MORE NATURAL GAS CAN BE PRODUCED IF THE PRICE IS RIGHT

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. COLLINS of Texas. Mr. Speaker, the Canyon Sand Gas Play is located in the southwestern portion of the Permian Basin of west Texas. The gas was first discovered in the 1950's in Sutton County—Sonora Field, and later spread into Crockett—Oxona Field, and Schleicher Counties—Eldorado, Velrex Fields—in the 1960's. The reservoir rock is tight, estimated reserves—average 1 billion cubic feet per well, and gas deliverability—average 200 thousand cubic feet per day—are both low, but estimated well life is long—20 years. Drilling activity was limited due to lack of adequate market facilities and inadequate gas prices—mostly regulated by FPC.

In this early stage, what little profit was realized, was largely from gasoline plant operations. In 1971, Intratex Gas Co. started taking gas from the Canyon Sand Play for intrastate sale. The initial price was 30 cents per thousand cubic feet—almost double the 16½ cents regulated interstate gas. Drilling activity increased, raising the number of productive wells from 500 in 1971 to 1,678 in 1976, as the competitive intrastate gas market reached an unregulated price of $1.90 per thousand cubic feet. The result was an extra 185 billion cubic feet of gas produced from 1971 to January 1, 1977.

Today, the Canyon Sand Play has become one of the most active plays in the Continental United States. Its current boundaries—which are yet to be defined—cover most of six counties. It is over 170 miles long and as much as 110 miles wide—see maps, and has already produced over 780 billion cubic feet of gas and 4¼ million barrels of condensate. It appears, however, that this development is only in its infant stages, since there is room for upward of 20,000 wells with potential gas reserves of approximately 30 trillion cubic feet, enough to supply the entire United States for over a year.

Additional natural gas in large volume can be produced from these more expensive reservoirs.

TRIBUTE TO DR. ROBERT M. WHITE

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. MURPHY of New York. Mr. Speaker, this Friday, July 15, Dr. Robert M. White steps down as Administrator of the National Oceanic and Atmospheric Administration. Dr. White was first appointed to Federal service by President Kennedy in 1963—as Chief of the Weather Bureau. He has now served five Presidents—and each with great distinction. The Nation is losing a very capable and skillful administrator.

Dr. White was the first person in the Federal establishment to speak out forcefully on the necessity of bringing together the scattered Federal activities relating to the solid Earth, the vast oceans, and the atmosphere that envelops them, which together constitute a geophysical continuum. Dr. White did so out of his conviction that a new organizational form was needed within the executive branch if the Nation was to meet successfully the environmental challenges of the future. He was persuasive, and we owe the establishment of NOAA primarily to him.

We also owe many of NOAA's fine achievements to him. The United States today has the most advanced and comprehensive environmental satellite system in the world—a system that serves not only our Nation but the world at large. The system began as a meteorological system; it is now being expanded to serve oceanography. It is no understatement to say that the environmental satellite has revolutionized man's ability to monitor the geophysical environment. The satellite has helped advance our scientific knowledge of the environment; it has proven invaluable in the protection of life and property against severe storms and other environmental hazards; and it has materially contributed to the improvement of regular weather services throughout the world. For the development of our operational environmental satellite system, Dr. White deserves much of the credit.

Dr. White has contributed equally to the development and management of other important programs. He played a significant role in the enactment of the Fishery Conservation and Management Act of 1976, which is generally regarded as the most significant fisheries legislation in the Nation's 200-year history, and in the development of a national marine

fisheries program to implement the statute. He also played a large role in the development of the Nation's coastal zone management program. The coastal zone of the United States—the areas bordering our coasts and the Great Lakes—contains our seven largest metropolitan centers, almost half our population, and approximately 40 percent of the American industrial complex, and Dr. White was one of the first to point out that the concentration of people and of industrial activities in the zone was slowly destroying it. The coastal zone management program is the Federal effort to halt and reduce this destruction and restore harmony to the relationship between man and the coastal environment.

These two important programs relate to the oceans and indicate Dr. White's increasing involvement in oceanographic activities over the years. He was also active in expanding the sea grant program and in combating ocean pollution. But beyond all this, he demonstrated his awareness that in future years the Nation must seek to use the oceans in multiple ways—for example, as a site for powerplants and deepwater ports, as a source of energy and hard minerals, and as a vital source of food. Some of these uses are conflicting, and the major oceanic problem of the future will be to develop a proper balance among the many valuable ways in which we can use the oceans. Few have contributed more to the quest for a point of balance than Dr. White.

Thus far, in talking about Dr. White's achievements, I have talked about the parts. But management of the whole is equally important. NOAA today comprises approximately 40 percent of the total personnel of the Department of Commerce and receives about 40 percent of its budget. It is a large organization with many diverse activities. It requires a high order of managerial skill to meld all these parts into a single functioning agency. Dr. White clearly demonstrated that he possessed the requisite skill. He organized NOAA so that today it is a harmonious and smoothly run organization despite its geographical dispersion and its variety of interests and responsibilities. He molded NOAA so that it can respond quickly and effectively to a sudden emergency, as in the case of an approaching hurricane or a sweep of tornadoes, and can engage with equal effectiveness in the detailed and painstaking process of long-range planning. His successor is inheriting a sound organizational structure.

Finally, I should like to remark briefly on Dr. White's sponsorship of research in the geophysical sciences and on his contribution to the spirit of international cooperation and order. In the last analysis, NOAA's ability to serve the Nation depends on the depth of our scientific understanding of the physical processes that govern the geophysical environment. In order to assist the scientific community in its quest for a deep understanding, Dr. White proposed and supervised the development of the global atmospheric research program (GARP), the most comprehensive atmospheric research program ever mounted. The program will extend over many years and comprises a series of regional and global experiments on the general circulation of the atmosphere. Its purpose is to provide a scientific basis for the improvement of long-range weather forecasting and the development of our knowledge of climatic fluctuation.

Dr. White also played a material role in the shaping of the Federal Government's weather modification research program—a program that offers the hope of many social and economic benefits. And with equal consistency, he sponsored the cause of oceanographic research. GARP, which is studying the interactions between the atmosphere and the oceans, has an important oceanographic component, and NOAA itself has a direct research program. Most important, Dr. White took the load in the search for new international institutional arrangements that will permit American scientists to carry out their oceanographic research throughout the world's oceans. In Dr. White, our Nation's scientific community has had a strong and worthy ally.

The geophysical environment knows no international boundaries, and man's mastery of this environment depends on international cooperation. It is in this spirit that the United States proposed and helped create the World Weather Watch, a comprehensive system for the observation of the global environment and for the rapid and efficient processing, analysis, and dissemination of worldwide weather information. Much of the credit for the development of the watch belongs to Dr. White. He also worked hard for international cooperation in oceanography. And he played a monumental role in the establishment by international convention of a quota system for the killing of whales. Because of his efforts, there is now an international system to prevent future depletion of the world's whale population.

It is abundantly clear that Dr. White is an administrator of the highest caliber. He has long since proven his organizational ability, his managerial skill, his dedication to scientific research, his concern for the protection of the natural environment, and his pursuit of new avenues of international cooperation. The Nation will sorely miss his many talents.

Let me add a personal note. As a past chairman of the Subcommittee on Oceanography of the House Committee on Merchant Marine and Fisheries and now as chairman of the Full Committee and as chairman of the House Ad Hoc Select Committee on the Outer Continental Shelf, I worked with Dr. White extensively and came to know him well. He was always cooperative, informed, and willing to give me, and the Congress generally, the full benefit of his advice and counsel. He was tireless in his pursuit of solutions to difficult problems, and his views were always sound and wise, deliberately constructed and well conceived. And he always added a spice of imagination and innovation to a large helping of rationality. I and others in the House will sorely miss his many talents.

I am pleased to add, however, that Dr. White will not be far away after he steps down as Administrator of NOAA. Next week he will assume the chairmanship of the Climate Research Board of the National Academy of Sciences, which is located in Washington. I am certain that the executive branch and the Congress will continue to draw in some way on his knowledge and wisdom as the Nation confronts the new challenges of the geophysical environment.

DEREGULATION OF NATURAL GAS

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. WINN. Mr. Speaker, the intense debate over the President's proposed natural gas plan highlights the direction his national energy policy will take us. I wonder if the President and his energy advisers clearly recognize their missed opportunity for presenting an effective energy program.

Natural gas pricing has been under Federal control for over 20 years. Should a different approach not be taken? Well, President Carter and his advisers could not muster the courage or foresight to do so. What has been offered to the Nation is a program designed to reduce energy consumption and to hold down production through the expansion and continuance of Federal regulation. The result—forced reduction in energy consumption, coupled with dwindling supplies—will not stimulate economic growth essential for an effective energy program. What should have been offered is a program designed to meet increased demand for energy in the years ahead through incentives for increased production of domestic supplies.

Lacking faith in a free marketplace and in the law of supply and demand, the President has opted for more price controls, inadequate supplies and reliance on emergency measures to meet winter shortages.

I favor conservation. After years of indiscriminate use of energy and fuel, each one of us can find some way in our everyday life to conserve. But must we ask Americans to drastically alter their lifestyles through an enforced conservation program because the President and his advisers will not terminate a 23-year-old program of price controls?

Studies reveal that natural gas supplies are available and recoverable. The President's plan, however, will not produce sufficient supplies from traditional sources; further, recovery from certain reserves, requiring the application of costly new technologies, will not be economically feasible unless fair market prices are permitted.

Natural gas production has decreased over the years. Under President Carter's pricing scheme and extension of controls, analyses reveal that gas production will further diminish. He must know this; otherwise, why has he proposed a plan which allocates and distributes supplies?

His request for new controls over intrastate gas provides for allocation from one area to another. Because production of new gas in recent years has been confined mainly to the intrastate market, it can be expected that price controls will limit intrastate production.

Decontrol of natural gas has been challenged by those who predict higher fuel bills for consumers. It is also of concern to some of my constituents from whom I have heard. A number of studies, however, conclude that the President's program, if enacted as originally offered, will result in much higher prices for consumers. Prices will also rise under deregulation; but with deregulation will come natural gas to meet the anticipated increase in demand by consumers.

The deregulation issue may reflect the trend and tone of our national energy policy. That is why it is so important. Congress now has the opportunity which the President and his advisers overlooked. If Government regulation and price controls are continued, they may always be with us. I believe the Congress will act in the best interests of the Nation, both from the viewpoint of industry and of the consumer.

REVOLUTION ON THE FARM: PART II

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. ALEXANDER. Mr. Speaker, I would like to share with my colleagues the second of a series of articles that appeared in the Arkansas Gazette about emerging trends in Arkansas' farm community:

REVOLUTION ON THE FARM—II: THOUSANDS FORCED TO LEAVE LAND

(By Tom Hamburger)

Above the portals of Washington's Union Station are engraved the words: "The farm. Best home of the family. Main source of national wealth. Foundation of civilizied society. The natural providence."

REYNO.—Herbert Cox, 43, sighed as he gazed from his work at a service station here toward the tractor visible in one of the fields surrounding this Randolph County community. This is the first spring in 26 years that Cox hasn't been farming.

Cox's problems and his dreams give human shape to the recent history of farming in Arkansas. Like hundreds of other farmers across the state, Cox left his life's work after the 1976 harvest, forced out by an economic situation that since 1940 has reduced the number of farm workers in Arkansas by 247,813, or 82.3 per cent, and the number of farms by 72 per cent.

The force that moved Cox off the land is changing the social and economic fabric of Arkansas. Cox is a victim of a 20th Century agricultural revolution.

Rural population in Arkansas dropped 26 per cent between 1950 and 1970 while cities across the state grew rapidly. The growth problems of cities like Little Rock and Pine Bluff (both grew 20 to 30 per cent in the 1960s alone) can be attributed in part to the changing agricultural scene.

CHANGES IN ARKANSAS FARMING 1940-69

	1969	Percent cnegha Since 1959	Since 1940
Total number of farms	60,433	−36.4	−72.1
Average acres per farm	260	+49.9	+211.8
Number of 500 acres	7,517	+21.4	+211.8
Percent acres owned by blacks	2	−36.1	−50.5
Number farmers, farmhands	146,000	−34.2	−50.9
Total net income per farm	$5,499	+42.6	(1)
Products' value (thousands)	972,837	+20	+132

[1] Unavailable.

Source: Figures from Southern Exposure, fall, 1974.

Since 1952, farm prices have increased by only 6 per cent, while overhead has risen by 122 per cent. The declining profit margins have caused farm operators to increase the size of their operations or go out of business.

When Cox, the son of a farmer, started out 26 years ago he was in good shape. With his father-in-law, he farmed 250 acres, a large tract in those days. He and his wife and two children had a good life. Three other families also earned their livelihood from the farm.

Cox was able to keep up with innovations during his first two decades on the land.

Cox started his farming career with a $2,250 tractor and a two-row cultivator. He had two employes then and "had to work a lot of hours." In 1957, just after Cox lost one of his employes, he bought a more powerful tractor and a new, four-row cultivator for $5,600.

Even with one less man, the new tractor made his farm work easier. He worked with one full-time hand and "had a good life," he recalled.

In 1967, with expensive chemical technology replacing hand labor to control weeds and with generally increased costs of production, Cox had to improve efficiency. So he invested $6,700 in a new six-row cultivator, and his last field hand left to become a truck driver.

Cox's last field hand had company. During the 1960s, according to state census data, agricultural employment in Arkansas declined almost 45 per cent, a decrease of 44,125 workers. The decline was greatest in Delta counties.

Fortunately, there was an increase of 134,218 in nonagricultural employment during the same period.

Census figures show that black farm workers have been displaced at a much faster rate than whites. Of those displaced, 85.5 per cent were nonwhite.

WORKED ALONE

In the 1970s, Cox worked the land alone and did well at first. His landlord raised the rent from a fourth of his crop to a third, but his new six-row cultivator and chemical farming were, if lonely, efficient.

Six years ago, Cox and his family managed to scrape up the capital to buy a combine for about $15,000.

Costs, however, continued to rise. In five years a combine similar to the one Cox bought would sell for about $32,000. Land prices were soaring and diesel fuel went up from 12.5 cents in 1972 to 44 cents last fall. Cox's fellow farmers were selling to larger interests.

Finally the spiral caught up with Herbert Cox. "I had to get out," he says with a shrug. "I wasn't making any money.

"All the farmers were trying to get more land to justify the high equipment. They had to have volume to stay in business.

"I was born and raised on the farm and stayed here my entire life except for two or three years," Cox said.

Cox's post-farming career was relatively easy. He knew auto mechanics and found a job at a local garage.

There are hundreds of other farmworkers who had no such skill and who, like Cox, stayed in hometowns that offered little employment. The displacement of farmers has created a challenge for social service agencies throughout Arkansas.

In Randolph and other agricultural counties, training and placement programs were developed through the Community Service Administration, formerly the Office of Economic Opportunity.

Mrs. Frances Moore, community program director for the Black River Area Development Corporation, works with farm families in a three-county region of Northeast Arkansas.

"So many of them are out of jobs and have no other skill and are reluctant to move to cities," she said. There are no estimates on the number of unskilled farm workers in the state, but BRAD has a caseload of hundreds in Randolph county alone.

A nonprofit agency to work with migrant and unemployed farm workers was established with Labor Department funds last year. Known as the Arkansas Council of Farmworkers, the agency handles the cases of 444 farmworkers, providing counseling, job placement and housing assistance.

Mechanization has created growth problems for cities in farm areas. Such cities have mushroomed, providing jobs for the former farm workers. Walnut Ridge (population 3,800), for example, has about nine factories.

To house displaced farm workers, Walnut Ridge has a crowded row of trailers that rent for about $15 a week. The trailers have a high turnover rate and a high crime rate.

A frequent problem with many of the farm workers is their unwillingness to work through the spring. "Then they leave to find farm work," Mrs. Moore said.

"Its a cycle," she noted. "Grandpa did it so they are going to farm. Even when there isn't work, they would rather stay and get farm work when they can."

Herbert Cox will stay at the service station but he would prefer to be in the fields. "Naturally I would, because I always have been used to farming. No one will ever completely get that out of his system."

TRIBUTE TO DR. MORTON FLAHERTY

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. OTTINGER. Mr. Speaker, recently the city of White Plains lost a vital part of community service through the retirement of one of its physicians, Dr. Morton Flaherty. I am pleased to take this time to share some of the highlights of Dr. Flaherty's career with my colleagues.

A native of Hartford, Conn., Dr. Flaherty graduated from Columbia University's College of Physicians and Surgeons in 1935; there, he specialized in internal medicine and psychiatry. He established his practice in White Plains in 1937. served for 5 years in the First Army and returned to White Plains where he has maintained his practice over the last 31 years.

During his years of service, Dr. Flaherty served as the president of the medical and dental staff of White Plains Hos-

pital, was elected a Fellow of the Westchester Academy of Medicine and is at present a member of the 3-person city of White Plains Medical Board.

A tireless and dedicated physician, Dr. Flaherty has brought something special to all those he treated. He is a family doctor in every sense of the word. With his office in the home, he was never too busy to see any patient—or even to make a house call—regardless of the hour. His professional manner always included a gentle concern and understanding of the patient as a whole person; this style and his dedication are to be admired and emulated by men and women who plan to become general practitioners. Because of these factors, as well as the numerous contributions made to the political and civic organizations of White Plains I know that his wife, Cynthia, and children, Margo and Bob, are extremely proud—and deservedly so.

On behalf of Dr. Flaherty's many patients and friends I join with my former House colleague, Ogden Reid, to honor and thank this warm and caring man—he will be missed.

HERBITS ANALYSIS OF THE KING REPORT—PART III

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. STEIGER. Mr. Speaker, today I am continuing the analysis of Dr. William King's report on national service and the volunteer military. Stephen E. Herbits, the special assistant to Secretary of Defense Donald Rumsfeld in the Ford administration, prepared the analysis, which was presented at the West Point senior conference on national service last month.

The following segment is the conclusion of Herbits' analysis of chapter 4 of the King report, "Achieving America's Goals: National Service or the All-Volunteer Armed Force?" Herbits continues to outline the examples of distortion and bias which he sees as a thread running through the whole of the King report.

Among the issues about which Herbits presents information to counter King's conclusions are enlistment bonuses, indicators of Army quality, disciplinary trends, racial content of the total force and the inequitability of the draft.

This portion of the Herbits analysis, and his work as a whole, offers a balance to the King report in weighing the pluses and minuses of the volunteer concept. His paper will, I hope, be given thoughtful attention by all who read the RECORD. Part III follows:

Although King notes the separate cost of enlistment bonuses on page 25, he has taken journalistic license by discussing the bonus problem as a whole, when in fact re-enlistment bonuses are not part of the AVF problem. Furthermore, he uses wrong figures. The December 17, DOD paper, on page 5, says enlistment bonuses cost $67.8 million, re-enlistment bonuses $103.8 million. Because motivation is higher and people are in the service because they want to be, the quality of re-enlistments is higher as quotas for re-enlistments stay the same and increasing numbers seek to remain in the service. With increased numbers wanting to re-enlist under the AVF, re-enlistment bonuses can probably be reduced and re-enlistment periods made longer with further Army planning. If anything, re-enlistment bonuses are relevant to the AVF only to the extent there is a savings in that category. The key thing is that re-enlistment bonuses are not an AVF issue—and this confusion should be corrected.

The Army points out that the enlistment bonus insures quality in the combat arms that is representative of the Army overall. The value of this, it says, can be seen in the fact that bonus enlistees with high school diplomas experienced half the early loss rate of non-bonus enlistees. Obviously, a bonus to a high school graduate for a four-year enlistment is cost effective, as it provides a high quality, well-trained individual whose experience over the four years of his or her enlistment will give stability to the force, as well as cost savings in training an early replacement. King also neglects the facts that the use of enlistment bonuses is not unprecedented and that, just as in the private sector, high risk and specialized jobs justify higher pay.

The reference of Dr. King to women in the AVF are also filled with unfounded suppositions and misleading generalities. The section, on page 27, carries a negative implication about the AVF which is simply not warranted. Once again, we have a situation where effective management on the part of Pentagon officials, shows the AVF doing much better in attracting quality women in greater numbers and in finding meaningful jobs—and an increasing variety of them—for the women to perform.

On page 27, in discussing the numbers of college personnel in enlisted ranks, King suggests that a survey indicated that "most enlisted personnel interviewed displayed an ignorance of the need for a strong military . . ." without suggesting what similar data was found during the draft. King does not show: (1) what prior data was, what changes have occurred since the inception of the AVF, and whether there is a relationship or not; (2) whether there is a relationship between what the enlisted men know and how they behave (i.e., more knowledge of global strategic problems induces better performances as a soldier); (3) whether there is any corroborative or contradictory data (The Army points to its own surveys consistently showing that a high percentage of soldiers (90 percent) believe that a "strong Army is necessary for the security of the U.S."); (4) what the reliability and verifiability of the study is (his footnotes suggest that the study was "provisional"); (5) whether any alternative (draft, national service) would change matters much; and (6) what the impact is on enlistment trends (After all, many men still enlist for patriotic reasons without a comprehensive background in the complexities of perceived national defense strength vis a vis our enemies.). With the information he has provided his innuendo is about as worthy of its implications as the theory that too much knowledge of America's conventional posture in Europe would be enough to deter enlistment as a "useless gesture."

The professor's section on the racial mix of the AVF is, quite simply, offensive. In saying that "although the mass public is probably unware of the current magnitude of black representation," Dr. King raises a legitimate question about what his true feelings are about the composition of the force. While he cites various potentially deterious ramifications of allowing blacks to enlist in numbers higher than their share of the national population, he does nothing to credit the Army for its policy of equal opportunity for learning a skill and for advancement.

Dr. King fails totally to recognize why the numbers of blacks have increased. Dr. Cooper has found that perhaps the single most important reason why there are increasing numbers of blacks joining the forces is that increasing numbers are being found eligible for military service. Cooper has concluded that the proportion of blacks in the force would be approximately the same today whether or not we had kept the draft, simply because of the increased number of blacks who are now eligible.

The last paragraph of this section, on page 28, reflects the absurdity of the "logic" used by King in reaching his conclusions. Specifically, he says this: "Since the current racial composition of the armed forces was specifically rejected as unlikely by the Gates Commission, and since this assumption was used as a basis for rejecting other concerns which existed concerning the AVF, it represents a disconcerting aspect of the AVF." This is a ridiculous conclusion. Just because one supposition, based on data available at the time the Gates Commission undertook its study, proved wrong hardly means that this indicates anything at all in terms of other estimates of the Commission. By rhetoric, Dr. King tries to make the blatant illogic of saying: "If prediction A is wrong, then B, which is unrelated, is wrong as well."

While much of Dr. King's discussion of the effectiveness of the AVF has already been touched on, a few points are in order about this section entitled, "Effectiveness of the All-Volunteer Military Force."

What is so fascinating about this section and Dr. King's approach is the selectivity. Dr. King seems to find only "disquieting" signs. It would not have taken much probing to find literally dozens of examples of why our forces are better prepared to fight today than under the draft. Among the many points King misses are:

(a) The Army and other military experts (and logic) have refuted King's argument on attrition and suggest the opposite is true. Elsewhere in this analysis is a discussion of attrition and morale.

(b) The only clear determination we reach here is the professor's penchant for using the word "coercive." He repeatedly talks about "increasing rates for non-judicial punishments." This is a convenient way of ignoring the substantial drop in disciplinary problems service-wide a not surprising approach on his part. The difference between what he tries to portray and reality is one of day and night. From a discipline standpoint, there has been remarkable improvement over the draft era. Between FY '74 and FY '76, Army absence-without-leave rates were down 48 percent (and the lowest since 1960), desertion rates were down 59 percent (and the lowest since 1962), and court martial rates were down 54 percent (and the lowest in 10 years). Crimes against property are the lowest since 1971, crimes of violence are the lowest in recent years, and hard drug use is down sharply.

(c) The Army directly refutes King's argument that the AVF could not perform in combat. Furthermore, top military and civilian experts say the AVF is the most professional fighting force they have ever seen.

(d) No one, least of all the Pentagon, argues we should not have a stand-by draft authority. In fact, the Department of Defense has tried to get the appropriate congressional committees to take action on this. Past experience blows out of the water King's contention that the perception of the AVF as a "peacetime concept" will in any way affect

our ability to mobilize effectively if a standby draft system is in place.

(e) The reserves need increased attention and improved DOD management. There is every indication they are receiving it now. Quality criticisms, however, appear to be overstated.

(f) King's obsession with the racial issue is amazing. It keeps recurring and recurring. His fear that racial discontent within the military will be stimulated because of the present racial distribution is in direct contradiction to evidence which shows racial incidents are down from the draft era, and is oblivious of the fact that peaceful integrated living may be more advanced in the military than civilian society as a whole.

Finally, for the first time in the history of the United States Army, the Recruiting Command is using a "reservation system" in recruiting to fill specific school spaces, so that the vast bulk of individuals are getting trained in the skill they requested, thereby improving morale. Performance is most assuredly being improved by the higher degree of motivation among the students. For the first time in the history of the Army, the training program is training numbers of individuals in direct correlation with vacancies in the field, assuring a massive improvement of the job/skill match—where individuals are actually serving in the jobs for which they have been trained. Again, motivation tends to improve performance. In any event, readiness, by any manpower measurement, is significantly higher under the new structure. With the vast turnover under the draft—and compulsion providing little incentive to defense managers—this kind of reform just never took place in the draft era. It was the AVF which prompted it and permitted its implementation. But there is no mention in this section (or throughout the study for that matter) that the volunteer force is offering us something better, as well as some problems remaining to be solved. Where is the balance in Dr. King's study?

Dr. King apparently feels he can justify the sloppiness of his work by saying, at the introduction of his next section on impact on the nation, that, "Any assessment of the impact of the AVF on the nation is, like that of military effectiveness, necessarily imprecise and incomplete." His study need not have carried that description to unfair ends.

King says, "The ACF-induced need for active recruiting has produced social consequences which are considered to be undesirable by many people," referring particularly to its role in schools. First, he apparently ignores the fact that well before the AVF, the Army and other services were actively recruiting graduating high school students. Further, he makes reference to the Armed Services Vocational Aptitude Battery (ASVAB), which is given in many schools, as an example of this intrusion. King conveniently fails to state that ASVAB is given only to those high school students who volunteer to take it—it is not mandatory. As the Army says, the results are used not only for recruiting purposes, but in school guidance counseling. It is not intended to replace any other vocational testing in school systems.

To show the extent of the convoluted nature of what King is doing, we should view his arguments in the perspective of what he proposes as an alternative. While objecting to vocational aptitude tests that are taken on a voluntary basis by high school students, he would require that all young people be subjected to a national program of "testing, evaluation and counseling" for his favored "minimally coercive" national service program. It is simple to see which is more intrusive, which more "dangerously enlarges" the government role and which is more likely to "negate the American concept of a free and independent education."

On page 30, King continues his preoccupation with the racial issue. Perhaps the best refutation to this comes from Congressman Ron Dellums, a member of the Congressional Black Caucus. In the October 17, 1976, Washington Post, Rep. Dellums said that, "Black volunteers understand what joining the military means. If through the exercise of free choice by individuals, there are more blacks in the service than in the population, we should expect a proportionately greater sacrifice. . . ." It should also be pointed out here that under the AVF (and not the draft) blacks are represented in the combat arms, where most battle casualties occur, in about the same percentage as they are represented in the Army as a whole.

The subsection, "Managing the Nation," once more displays Dr. King's talent for euphemism. The word "channel" is one of the most important words he uses in his document. He tries to slip the term "general motivator" through, suggesting it is a contrast to a "coercive device." What a "general motivator" does is disguise the notion of coercion and channeling, thus making it all the more an insidious device.

King talks about how selective service provided the opportunity to define skill areas for deferments and national planning. Yet, it was those very policies which made the draft so discriminatory. Thus, on the one hand he talks about how the AVF has come to rely too heavily on blacks and the poor, then he tells us that he wants to return to a system whereby we can channel people into occupations for which they are best suited. In other words, blacks and the poor still get short shrift, since King would hypothetically channel the other people into areas where "they are more valuable." As Rick Cooper has said, such a policy was tried and used in 1918, but rejected as socially repressive. King takes us back 50 years in terms of social progressiveness.

Had he researched it, King would have found that a substantial portion of the debate in the late '60's about the unfairness and inequities of the draft focused on General Lewis B. Hershey's favorite concept: channelling. See Bruce Chapman, Wrong Man in Uniform, Trident Press, 1967; Jean Carper, Bitter Greetings, Grossman, 1967; Stafford, et. al., How to End the Draft, National Press, Inc., 1967; Sol Tax, The Draft, Chicago University, 1967; the 1966 and 1967 Congressional hearings on the Selective Service System; and dozens of Congressional Record speeches, news articles and editorials. The country has debated the question of whether we as a nation want a government agency to so "channel" individuals into various predetermined skills and professions through a coercive system such as selective service when it is not necessary. Draft reforms totally unrelated to the volunteer force were instituted by the Congress and President to eliminate the concept of channelling.

The King summary is only as good as the material he was summarizing. It simply magnifies the slant.

IN MEMORY OF ALICE PAUL

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. FORSYTHE. Mr. Speaker, I would like to join my colleagues in expressing my extreme regret at the death of Alice Paul, 92. She was not only a member of my constituency, but also a native of my home town, Moorestown, N.J.

A lifelong champion of equal rights for women, and a founder of the National Woman's Party, Miss Paul was also the original author of the Equal Rights Amendment.

Educated at Swarthmore College in 1905, she earned her Ph. D. at the University of Pennsylvania in 1912, which was far from usual for women at that time.

As a leader in the suffragette movement, she often led protests and campaigns in her effort toward total equality for women. Despite being imprisoned several times, and once sustaining a hunger strike for 22 days, her efforts resulted in the passage of the 19th amendment in 1920, the Susan B. Anthony Amendment which guaranteed equal suffrage.

She continued her commitment to women's rights and in 1923 she authored the first Equal Rights Amendment. Although with her help the ERA was introduced in Congress for 49 consecutive years, it was not until 1972 that the Nation Woman's Party finally achieved passage by Congress.

Miss Paul kept abreast of the quest for final adoption of ERA in recent years, as the amendment has not been ratified by the total number of States needed. She was quoted as saying: "No soldiers like to look back over past victories when there are new battles to be fought."

I am sure I am joined by my fellow Members in expressing sorrow at the death of such a courageous woman who strove for freedom and equality for women worldwide. May her goal of "equality of rights under the law" be fulfilled in the memory of its noble author.

IN OPPOSITION TO UNIVERSAL VOTER REGISTRATION

HON. GENE TAYLOR

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. TAYLOR. Mr. Speaker, probably one of the best known and most knowledgeable election officials in the United States is the Missouri Secretary of State, James C. Kirkpatrick. He has served in that office since 1965.

The fact that Secretary Kirkpatrick is a past president of the National Association of Secretaries of State is testimony to respect that his colleagues have of him.

While Secretary Kirkpatrick is a Democrat and I am a Republican, I nevertheless can attest to the fact that the elections over which he presides in the State of Missouri are honestly run, fairly administered and efficiently conducted.

Secretary Kirkpatrick is dedicated to voter participation and works hard at the job. Whatever he has to say you can bank on the fact that it is supported by years of knowledge.

For that reason, I would like to call to the attention of my colleague Jim's testimony in opposition to the Universal Voter Registration Act that he presented to the Rules Committee of the

U.S. Senate on Wednesday, May 4, 1977.

Whether you are for the proposal or against it, at this time, you should read Secretary Kirkpatrick's testimony before you make a final decision on how you will vote:

REMARKS BY JAMES C. KIRKPATRICK, MISSOURI SECRETARY OF STATE

Good morning Chairman Cannon and members of the committee. My name is James C. Kirkpatrick.

By way of introduction, I have served as Missouri's Secretary of State since 1965. I am a past-president of the National Association of Secretaries of State. I was appointed in 1975 to a two-year term on the Federal Election Commission's Clearinghouse Advisory Panel.

We share the concern of President Carter and Congress over apathy in the electoral process. Yet, I must appear before this committee in opposition to the Universal Voter Registration Act of 1977.

Three states with four and one-half percent of this Nation's voting-age population have been experimenting with the basic registration method proposed in this legislation. Now Congress is considering forcing it upon the other 95.5 percent of America as a solution for voter apathy.

From the perspective of Missouri's chief election office, we view the Act as a real threat to the integrity of our election system.

We seriously challenge every basic assumption by the proponents of instant registration on election day. According to the advocates:

Pre-election registration is a significant obstacle to full voter participation;

Tough penalties will protect the nation from widespread voter fraud; and

Federal incentive funding will adequately compensate states for the financial burden of implementing election day registration.

We do not challenge a fact so obviously clear to all. Voter apathy imperils democracy.

But we did not come to Washington to simply urge greater citizen participation in free elections, as worthy as that might be. We came to get down to the nuts and bolts of this proposal.

Registration of voters began in California and New York in 1866. It has gained almost universal acceptance since then as a method of preventing voter fraud. Only North Dakota—in 1951— has since repealed their voter registration requirements.

Registration accomplishes several other desirable goals as well. If registration closes at a reasonable date prior to election day, it allows election authorities time to determine an even vote-load distribution in precincts. Ballots, election supplies and equipment can be more economically and properly distributed.

Pre-election registration also identifies a highly mobile, eligible electorate.

Uniform registration requirements in each state treat all citizens equally under the law.

Finally, in those states permitting initiative petitions—including Missouri—it is an important element in verifying the signatures on those petitions.

Having said these things on behalf of pre-registration, in all honesty, we admit it has sometimes discouraged participation in the past.

Statewide voter registration was the law in Missouri for a few years following the Civil War. It required a loyalty oath which could not be met by an estimated one-third of our electorate at that time.

That law is no longer on the books. Neither Missouri, nor any of our sister States in this Union, any longer have laws setting forth undue residency requirements, poll taxes, literacy tests, grandfather clauses or property requirements. These were the legal deterrents to voting, not the concept of pre-registration itself.

Restrictive registration requirements have been repealed. The franchise has been successively extended to blacks, women, armed forces personnel and their dependents, 18–21 year-old, and overseas civilian U.S. citizens.

In short, voter participation is now open to more of our citizens than at any time in the history of this republic.

Yet, participation continues to decline.

Frankly, we are amazed proponents of this legislation maintain that registration remains a significant obstacle to voting. They simply have no case.

The U.S. Census Bureau reports an estimated 12,174,000 registered Americans did not vote in 1972. In 1974, that number was 24,725,000. The advance report by the Bureau for last November's election estimates the number at 11,063,000.

Even millions of Americans already registered before the election are turned off on voting.

Census Bureau findings clearly demonstrate relatively few of our citizens are not registering because of the requirements of the law.

A bureau report for the 1974 election estimated 5,270,000 Americans who were not registered were in that condition because of residence, inconvenience of registration or lack of knowledge about how or where to register.

That represented only 11.7 percent of unregistered voters and only 3.7 percent of the voting-age population.

The advance report for the 1976 election estimates only 3,520,000 Americans—down to 2.4 percent of the voting-age population—did not participate because of registration practices or residency.

Again, voter registration is not a major obstacle to voter participation. That conclusion was further verified by pollster George Gallup. Between November 10 and 13, 1972, the Gallup organization conducted in-person interviews with 1,462 voting-age citizens. A summary of that report was published in the Kansas City Star on December 10, 1972. In that report, Gallup said:

". . . Only a small proportion of nonvoters appeared to have a reasonably legitimate excuse for not voting. According to their own testimony, a large majority of nonvoters could have voted if they had made an extra effort to register and vote."

Government reports and a survey by a nationally renowned independent polling organization confirm a basic conclusion: registration prior to election day is not a major cause of voter apathy. Distrust of politics and candidates, illness and disability, and fear of jury duty selection are more compelling reasons for nonregistration. The rationale for this bill is well-meaning, but it is shallow.

Among the ranks of nonvoters are millions of the sick, the disabled, the shut-ins. There are millions of citizens absent from their homes on election day.

The disenfranchised also includes the disinterested and disgusted.

Of what use is registration at the polling place on election day to these tens of millions of Americans?

Only Minnesota, Wisconsin, and Maine now permit election day registration. Not one of those States required uniform registration practices statewide prior to installing this new system.

Each State reports election day registration caused long lines in many areas.

Long lines are familiar obstacles to voter participation. Perhaps we underestimate their impact.

Last November, an estimated 248,000 Americans did not vote because of long lines brought on by heavy turnouts or mechanical breakdown of voting equipment. That's about the sum total of all votes cast in the chairman's home State of Nevada as well as Alaska. It's a problem we don't need to make worse with election day registration.

Wouldn't it be ironic if voters were turned away in future elections by the long lines of those who hadn't bothered to register until election day? I don't think that was the meaning of Matthew: "Many that are first shall be last; and the last shall be first."

In Wisconsin, approximately 215,000 citizens registered and voted on election day last year, about 10 percent of all votes cast.

Once again, long lines developed. Worse yet were problems of confusion.

Ruth C. Clusen, president of the League of Women Voters of the United States and a supporter of this legislation, told the House Administration Committee:

". . . (Wisconsin) officials were simply not prepared for the numbers of people drawn to the polls under the new procedure."

Wisconsin law provided for no more than three registrars at each polling place. In some areas, that was just not enough to keep up with the large turnout.

We point this out because State law must be amended to fully implement all the provisions of the Universal Voter Registration Act.

The legislatures of Kentucky, Montana, Nevada, New Hampshire, North Dakota, Oregon and Texas meet biennially, according to the Council of State Governments. Excluding North Dakota, which has no registration, 14,046,000 voting-age Americans live in the remaining six States where it will be next to impossible to pass enabling legislation by 1978.

That's twice as many people than those in Minnesota, Wisconsin and Maine.

It would be hard enough in the Missouri Legislature, which will meet for just 4½ months next year.

It took 5 years of concentrated effort to win legislative approval to extend registration to 74 of Missouri's 114 counties.

Has election day registration been tested enough to warrant a headlong rush for the 1978 election? Will Congress assume the responsibility for the degree of mass confusion any reasonable person can expect from such a pell-mell rush?

And what about Minnesota, where the data is most readily available? In terms of voting-age population, Minnesota is the Nation's 19th largest State. We don't knock the State, but it is not one of the Big Ten in the Electoral College.

Last November, 454,147 Minnesotans registered and voted on election day—23 percent of all votes cast. Several areas ran short of ballots and long lines developed.

In 1974, approximately 260,000 Minnesotans registered on election day—20 percent of the total vote.

How can we expect a local election official in larger states to prepare enough ballots when turnout estimates must be guessed? It's like trying to provision your own surprise party.

In Minnesota they Xeroxed ballots. We'll get into the potential for fraud later, but how can we photocopy the punch card ballots used in many Missouri counties?

It's unlike Congress to launch into a nationwide program—particularly in the sensitive area of our election process—with so little study.

The whole idea is especially disturbing to State and local election officials who can demonstrate increased voter participation without election day registration.

In 1972, Missouri was one of only six States not requiring registration in all its political subdivisions. About 75 percent of our voters lived in counties with registration, but most counties were not covered by the law.

The total vote in 1972 in our State was 1,852,589.

In February, 1973, our office reported the results of a survey of county election authorities where registration was required. There were 1,788,946 Missourians who were registered.

In September, 1973, statewide voter registration was enacted. If registration discouraged voter participation, that would have to show up in the years following statewide registration.

That was not the case. Between February, 1973, and November, 1976, the number of registered voters in our State increased by 764,000. That's a 43 percent increase, when registration nationwide decreased by 3 percent.

Last November, 1,953,600 votes were cast for president in Missouri—a record. That's an increase of 101,011 votes over 1972—a 5.4 percent increase.

The fact is, in each and every Presidential election since at least 1940, the percentage of voting-age Missourians who cast ballots was greater than the national average. That was true whether we required statewide voter registration or allowed the local option approach to registration.

Given 3 years of adjustment to statewide voter registration, our local election officials performed admirably. We made the adjustment and boosted turnout to boot.

One significant improvement pre-election registration meant for Missouri was our ability to forecast voter turnout. This is vital in determining sufficient election judges and clerks, supplies and ballots for each polling place.

Our estimate for the general election last year was short of the final total by only 3,600 votes—less than two-tenths of one percent of the mark.

We lose the advantage, however, with election day registration.

We're very concerned this legislation will open up the floodgates for widespread voter fraud.

That may not have happened yet in Maine, Minnesota or Wisconsin, but it's familiar in other States.

"Ghost voters," "ballot stuffing," "chain balloting," "ringing the bell," "the slow count," "roundtabling" on nominating petitions, "four legs bad, two legs good"—these are all phrases used in various States for election fraud.

We want to recall for this committee why the potential for election fraud is a reasonable concern for Missourians.

Beginning in September, 1936, the Kansas City Star initiated an investigation into fraudulent registrations. The reporters best esimate was between 50,000 and 60,000 "ghost" names were among the 261,007 registrations for the November, 1936, general election. The FBI and the Internal Revenue Service soon joined in an investigation. As a result, 278 men and women were brought to trial. There were 259 convictions and only 19 cases discharged.

Penitentiary terms were handed down to 32 persons, jail sentences to 40 and over $60,000 in fines were assessed. Tough penalties and Federal enforcement did not stop a blatant attempt at voter fraud in 1936. We are not convinced things have changed since then.

We have a saying in Missouri: "If your goal is to punish and not to prevent, it's like laboring at the pump all day without repairing the leak."

Under this legislation, we lose the advantage of exposing voter fraud before the election.

Nor is there any reason to believe election fraud is a thing of the past. Already 20 poll watchers have been convicted of stealing several hundred votes in a Louisiana congressional primary held last year.

Of course, those were cases of willful violations of the law. Yet even a few cases of individual, human error can have a dramatic impact on elections. This committee will certainly remember the closest contest in direct Senate election history occurred in 1974 in New Hampshire. The results were so close, a new election had to be called.

And Chairman Cannon will certainly recall his own 1964 reelection campaign, which he won by just 84 votes.

Not only do we have to consider the potential for voter fraud in the Act, we also have to come to grips with the confusion bound to result from local election authorities trying to interpret a new law.

It should not be a surprise, therefore, that we can report the overwhelming opposition of local election officials in Missouri to the Universal Voter Registration Act of 1977. We surveyed our 111 county clerks and five bipartisan election boards. We received responses from 109 clerks and four boards.

Of those responding, only four county clerks—two Democrats and two Republicans—supported election day registration as outlined in the House Administration Committee's summary. Just 3.1 percent of the State's registered voters live in these counties.

We brought copies of the survey results for members of the committee, which we will be happy to distribute at the end of our testimony.

We remain unconvinced Federal incentive funding will even come close to paying for our State's start-up costs under this legislation.

We've brought along copies of an estimate we prepared if Missouri were required to provide election day registration for Federal offices in the 1980 presidential election.

If voter turnout increased by 10 percent, we figure the cost at $745,585. Yet, White House figures for basic Federal assistance indicate we could expect to receive only in the neighborhood of $371,000.

And this money is not necessarily available to our county election authorities, where the need will be greatest.

In effect, it will cost us $2.00 for every $1.00 of Federal assistance.

Most important to Missouri—this bill would set up an expensive and complicated method of dual registration. Voters qualified in the Federal election would not necessarily be qualified to vote in State elections.

The identification process is especially prone to error and fraud.

The fraudulent or altered use of identification cards is widespread in America. You can volunteer for the Armed Forces, buy an alcoholic beverage or establish credit with altered or forged identification papers.

Two Missourians were recently indicted for supplying fraudulent State I.D. cards. Many University of Missouri students use fake I.D.'s to buy liquor.

Credit cards and driver's licenses are just two forms of identification which can be counterfeited, too easily obtained or altered. That is, if they are closely scrutinized at all.

There's simply too much room for deceit in this legislation. For State and local election authorities, it means increased costs, headaches and confusion for 1978.

It smacks too much of the old Federal philosophy of treating State governments with the carrot and stick approach. We all agree the prognosis for democracy is in peril unless voter participation increases.

The trouble with the Universal Voter Registration Act of 1977 is that it has the wrong diagnosis.

It is the result of too little understanding of a problem too big to be solved by throwing money, practicality and caution away.

A proper approach would encourage States to develop their own voter registration and turnout efforts, through Federal grants requiring minimum standards to qualify.

It should not be the role of the Federal Government to foster dual registration or promote a system so obviously prone to fraud and election day confusion.

INSTANT VOTER REGISTRATION ACT DISCUSSED

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. CARTER. Mr. Speaker, I am pleased to include at this point in the RECORD an outstanding discussion of the Instant Voter Registration Act by the distinguished Secretary of State of Kentucky, Drexell R. Davis. Mr. Davis strongly opposes the voter registration legislation for reasons which he states with most compelling arguments. I commend it to all my colleageus—both those who favor this legislation and those who are already opposed to it. I believe the cogent analysis presented by Secretary Davis is of great significance to this issue:

COMMONWEALTH OF KENTUCKY,
OFFICE OF SECRETARY OF STATE,
Frankfort, Ky.

The purpose of this letter is to express my thoughts on the Universal Voter Registration Bill (HR 5400; S 1072) now pending before Congress.

Throughout my public life, I have encouraged Kentucky citizens to register to vote and to actually vote on election day. I have always felt that casting one's vote is the cornerstone of American democracy. Over the last several years, the Kentucky General Assembly has made it more and more convenient for a citizen to register to vote. In 1973 all Kentuckians re-registered to vote, inaugurating a statewide voter registration system, maintained on the latest data processing equipment at the State Board of Elections in Frankfort. This massive re-registration eliminated all of the "deadwood" from the voter rolls that were previously maintained at the county level. Thus, after the statewide re-registration, the integrity of the voter rolls was greater than at any time in history. Since that time, more and more Kentuckians have registered to vote until now we have a total of 1,745,197 Kentuckians on the voter rolls.

In Kentucky, citizens may register to vote up until 30 days before the primary and the general election. If a citizen finds it inconvenient to visit his county clerk's office, he may mail his voter registration card in to the county clerk in a specially provided envelope. County clerks are authorized to set up branch voter registration stations at locations throughout their counties. Interested individuals and organizations may obtain quantities of voter registration cards to use in voter registration campaigns. These cards are returned to the county clerks. Therefore, Kentucky offers various means of registering to vote, each of which is designed to make it more convenient for voters to register.

I would like to take a moment to consider the purpose of voter registration. The purpose of voter registration is not to make it difficult for citizens to vote. It is merely to ensure that citizens possess the necessary qualifications to vote and that they cast one and only one vote for the candidate or candidates of their choice. It is imperative that there is some means of controlling the number of votes cast by any one individual. This is the purpose of the voter registration system.

In view of the purpose of voter registration, and considering the ease with which citizens may register to vote in Kentucky, I must express to you my opposition to the Universal Voter Registration Bill now pending in Congress. My primary opposition stems from the fact that I see a tremendous

potential for fraudulent voting under the terms of the bill. I am sure that we all understand the importance of one vote. The thought that a person may be able to cast more than his one vote is indeed frightening to me. After the fraud has been perpetrated, for all practical purposes, the damage has been done to the candidate. While the illegal voter may face penalties, the likelihood that he will be caught and prosecuted will not deter him from voting fraudulently.

In addition to my concern of voter fraud, my second concern is the administrative nightmare that the Universal Voter Registration Bill will impose upon the local jurisdictions of this state. At present, there are some 3,358 precincts in Kentucky. With your knowledge of elections, you can appreciate the problem that local boards of elections have with regard to recruiting election officers to serve on election day. Election officers cannot be found at any price. Citizens simply do not want to take time out from their regular job to spend in excess of twelve hours in a polling place that is often small, crowded, dirty and cold.

If election officers are required to register voters on election day, it will be absolutely necessary that additional precinct officers be recruited to handle the increased workload. Recruiting these officers is a task that is just impossible. If additional election officers are not found, there will be a tremendous log jam at the polls on election day, causing citizens to wait in line for excessive lengths of time. This could, in turn, discourage voters from coming to the polls and voting.

If the Kentucky General Assembly does not elect to make the federal voter registration provisions applicable for state and local elections, two sets of registration books will have to be maintained at the polling places—one for federal elections and one for state and local elections. You can imagine the confusion that this would cause.

I am now in the process of conducting elections seminars for the 120 county clerks and all members of county boards of elections in Kentucky. I have, as of this date, found not one individual who is in favor of the Universal Voter Registration Bill. These individuals are the people who are responsible for honest elections in Kentucky. They are the people who work at the grass roots to ensure that Kentucky's elections are free from fraud. They are vitally concerned that the proposed bill would have a devastating influence on elections in Kentucky. I share their concern.

I, too, would like to make it as easy as possible for citizens to register and for citizens to vote. But a line must be drawn if elections are to maintain their integrity. It seems to me that the proposed bill, despite its good intentions, goes over that line, and would have disastrous consequences.

For the reasons outlined above, I must urge you to cast your vote against the Universal Voter Registration Bill. If you have questions concerning any of the points I have raised, please feel free to contact me.

Sincerely yours,

DREXELL R. DAVIS.

VOTER REGISTRATION ACT OPPOSITION

HON. EDWIN B. FORSYTHE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. FORSYTHE. Mr. Speaker, in earlier statements I brought to the attention of my colleagues in the House the apprehension about the Voter Registration Act as expressed initially by the Burlington County Board of Elections and later by the New Jersey State Association of Election Officials. Now, as action on this legislation seems to be rapidly approaching, I would also like to bring to your attention similar opposition at the national level as expressed in the following resolution of the International Association of Clerks, Recorders, Election Officials and Treasurers. The resolution was adopted during the organization's annual meeting.

Since these are the very individuals who will have to cope with the practical effects of the voter registration proposals, I think their opposition to the legislation is something that cannot be lightly disregarded. Once again, Mr. Speaker, I must emphasize what I feel to be our definite responsibility to bring the real world into our deliberations in this body where the ideal world often seems to prevail. The following resolution, I think, does reflect the real versus the ideal in relation to any proposal concerning voting registration procedures:

INTERNATIONAL ASSOCIATION OF RECORDERS, ELECTION OFFICIALS AND TREASURERS,

July 6, 1977.

To: All United States Senators and Representatives

At the Annual Meeting of IACREOT in session at New Orleans, Louisiana, the full membership unanimously adopted the "Resolution" Universal Voter Registration Act of 1977 and also a statement of Principles and Concern, copies of which I am submitting to you for your urgent consideration and attention.

The County Clerks and Election Officials are the ones who handle all matters having any bearing on Elections and each one of them is alarmed and concerned.

Please give this vital matter your usual earnest consideration.

Respectfully submitted,

JOAN E. DEMUS,
President.

RESOLUTION

UNIVERSAL VOTER REGISTRATION ACT OF 1977

Whereas, the membership of The International Association of Clerks, Recorders, Election Officials and Treasurers is composed of elected and appointed county officials whose goal in the service of their counties, states and this Country, is directed to the lawful, orderly, efficient and fiscally responsible conduct of their offices; and

Whereas, their colleagues, those members charged by law with the registration of voters and the conduct of elections, with them assembled at the Sixth Annual Conference of The Association at New Orleans, Louisiana, have adopted a "Statement of Principles and Concerns" regarding the Universal Voter Registration Act of 1977 now pending in both Chambers of the Congress of The United States; and

Whereas, all of the members of the Association have consistently opposed programs, systems and legislation which would tend to disrupt the orderly, efficient, responsible and lawful administration of, and participation in, the free process of the Governmental functions of these United States, both by those who are, by their free consent, governed and by those who with that consent, govern; and

Whereas, after due consideration of said statement of principles and concern and of this resolution the delegates at said conference, in full general assembly and after discussion and debate, enthusiastically support, said statement and resolution and have ratified and endorsed same as a part hereof: Now, therefore, be it here

Resolved that we, members of The International Association of Clerks, Recorders, Election Officials and Treasurers, the working professional administrators of local Government do hereby support affirmative steps to improve lawful Government participation by all and thus, fully, unalterably and unequivocably oppose the Universal Voter Registration Act of 1977 as now constituted and as may be amended by proposed amendments now known to be suggested; and be it further hereby

Resolved that copies of this resolution be transmitted to the President and Vice President of the United States, to each member of both Houses of the Congress of the United States, to the Governors and Secretaries of State of each of the fifty United States, and to the presiding officers of each of the Chambers of the Legislatures of each of the fifty United States.

CERTIFICATION

I hereby certify that the above and foregoing is a true and accurate copy of a resolution and statement of principles and concern adopted by The International Association of Clerks, Recorders, Election Officials and Treasurers at its Sixth Annual Conference at New Orleans, Louisiana, held on June 16–20, 1977, at which Conference a quorum was present, and said Conference was conducted according to the rules of the Association.

THE INTERNATIONAL ASSOCIATION OF CLERKS, RECORDERS, ELECTIONS OFFICIALS AND TREASURERS,
KAY D. ANDERSON, *Secretary.*
JOAN E. DEMUS, *President.*

STATEMENT OF PRINCIPLES AND CONCERN—UNIVERSAL VOTER REGISTRATION ACT OF 1977

The membership of the International Association of Clerks, Recorders, Election Officials and Treasurers has, for six years, met annually to further the cause of efficient and lawful government at an annual working conference by engaging in workshop intended to promote knowledge of and solutions to common problems, and by disseminating valuable information to our membership through official publications.

One such problem, a most serious one, is embodied in the Universal Voter Registration Act of 1977. The principal aim of this legislation is the facilitation of easy voter registration and thereby, hopefully, increasing voter participation in elections.

The legislation is, thus, conceived in error, nursed by misconception and misinformation, and, in the adulthood of enacted law, would most certainly accomplish the exact opposite of its laudable intentions.

We, the election administrators of the United States know and understand that there is no significant or substantial body of evidence, experimental or statistical, which persuasively demonstrates that increases in the numbers of registered voters tend to increase the percentages of voter participation in elections. On the contrary, recent studies tend to indicate that for every 100 new registered voters only 54 go to the polls to vote. This is well below the averages of voter participation now being viewed with alarm by the proponents of this legislation.

It is error to assume that our citizens can be persuaded to vote when they do not wish to. The American citizen cannot and will not be compelled to do that which is his heritage to freedom, independence and individualism allows him to choose not to do . . . even if that same heritage encourages voter participation. Thus, it is arguable, that although more persons do vote, a negative result is obtained when viewed by participation percentages.

Misconception and misinformation feed and nurture this unfortunate legislation. It is a misconception of fact that assumes that there is anything like foolproof evidence of identity. It is a misconception that stiff criminal penalties and sanctions will dissuade those so disposed from violating the law and voting illegally or that an oath will make all well. The overcrowded prisons of this country stand as grim evidence that this is not the case. Even the death penalty, when it existed, or the threat of life imprisonment, did not deter so many now wasting their lives away.

Yes, fraud, error, confusion, mistake and the sure erosion and eventual destruction of voter confidence in the electoral process are the certain fruits of this legislation. The cry of fraud audibly heard now, before its enactment, will become a deafening roar if this act becomes law.

Its effect will be the exact opposite of its aims. Rather than stimulate participation, it will tend to discourage those who do not wish to see their votes diluted by unlawful or erroneously cast ballots. There is no way to segregate such illegal ballots as would exist if the bill provided for separate polling places for both registration and voting. Then, if error or fraud were discovered, the law would have the means to cope with the situation. Absent such provisions, the proliferation of costly, time consuming and disruptive election contests is assured.

The problem, if there indeed is one, is not addressed by the legislation. The causes of low voter turnout are myriad and complex, not singular and simple. Citizens will register and vote when they are so motivated or, on the other hand, when they are not turned off. The Congress fails to recognize the findings of President John F. Kennedy's Commission of voting which determined that, among other things, too many elections discourage participation in the elective process.

Additionally, use of voter lists for jury rolls and skip tracing for the collection of debts owed were found to significantly adversely affect voter registration. No solution is attempted here in this legislation for these real problems.

Enacting this law would create a climate of confusion and chaos in polling places and in the administrative planning for the conduct of elections. How can fiscally responsible planning be effectuated when there are no guide posts for space and personnel planning or for estimating ballot and other supply requirements? Those who have these laws in their states admit that between 15 to 25 percent of those who vote—register on election day. As the practice spreads, will those percentages rise? Of course they will! The confusion engendered by this Act is of paramount concern. Polling places are not arenas where adversary proceedings on proof of identity should be encouraged. But this is exactly what will happen when voters register in one place on election day and then learn that at still another polling place they may only vote for federal officers, with the need to later register again to vote for state and county officers at another election. The disruption may well lead to the disenfranchisement of those already registered due to the loss of time occasioned by the furor. Voter participation in state elections may well decline, because of inability to vote for state officers, the exact reverse of the desired effect.

Does the need for this law really find demonstrable evidence in its support when viewed from a comparison of the three major states (Maine, Minnesota, Wisconsin) when election day registration state statutes and other states? No! Twenty-three states increased their participatory percentages by rates higher than these three major states which are cited as prime examples of this system.

Enactment of this law would be an unwarranted intrusion of the Federal Government into areas of legitimate state interests in the preservation of the integrity of the electoral process, an interest supported by the Supreme Court of the United States. The Court has also supported the states'—valid and sufficient interests in providing for some period of time—prior to an election—in order to prepare adequate voter records and protect its electoral process from possible fraud. These reasons and interests for closing registration rolls still exist today.

In summation, the members of this Association are not merely against this law. We have demonstrated support of programs aimed at removing barriers to citizen registration and voting and have done so when, and only when, the side effects are not adverse to the cause of good government. The Universal Voter Registration Act of 1977 attempts to solve a problem which doesn't exist with a solution which creates the means to destroy the confidence of the people in the electoral system. In conscience we cannot and do not support it.

THE HIGH COST OF DRILLING FOR NATURAL GAS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. COLLINS of Texas. Mr. Speaker, the natural gas shortage is the direct result of decreasing production and discouraged recovery efforts by our Nation's gas producers. The fact is that these producers cannot meet the tremendous financial obligations incurred in exploratory and recovery operations. There is only one acceptable alternative, that being congressional action to remove gas price controls, a move which would automatically give industry the incentives vital to step up production.

After experiencing one of the coldest winters on record, it is obvious that U.S. gas reserves are severely inadequate. Removal of gas price controls offers the means to insure America an adequate supply of an energy resource which has proven to be in greatest demand.

The graph which follows highlights some facts on exploratory drilling for natural gas:

Fact 1. The cost of drilling doubles for every 2,800 feet penetrated.

Fact 2. In Parker and Palo Pinto Counties, Texas, increased prices for new natural gas have encouraged substantial drilling, causing gas deliverability to go up by 3,000 percent in 5 years.

Fact 3. The cost of drilling a well 20,000 feet deep is 27 times greater than a well 4,000 feet deep.

Fact 4. A 15,000 foot well costs approximately $1.3 million to drill.

Fact 5. Unless exploratory drilling for natural gas is stepped up, the currently existing gas reserves will continue to decline at the rate of 5.2 percent per year, as they did in the period 1971 to 1975.

These facts are why I ask your support of the deregulation of the price of newly found natural gas. I urge my colleagues to give this matter their utmost attention. Remember—this applies only to newly found gas.

TRIBUTE TO MAYOR KENNETH A. GIBSON

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. RODINO. Mr. Speaker, it is 10 years since my native city of Newark was torn apart by bitter rioting. Newark has undergone considerable changes to heal its wounds and embark on the road to prosperity. As most of my colleagues know, the person who is most singly responsible for the renewed health of the city is its mayor, Kenneth A. Gibson. I would like to call to the attention of my colleagues the following editorial in the July 12 Newark Star-Ledger which discusses Newark's past, present, and future, and which recognizes the vital leadership which Mayor Gibson continues to provide:

TEN YEARS LATER

Newark today is marking the anniversary of an event that it would just as soon forget . . . a decade has passed since the outbreak of racial turbulence that polarized the city and sharply accelerated its economic decline.

Ten years later there are hopeful signs of a city still trying to gather itself together, but it is apparent, too, that Newark still has a long way to come back.

There are still visible grim physical reminders of the riots that took 26 lives and caused widespread damage before order was restored. But the psychological scars could be even more deeply engrained in the community conscience.

Newark will never be what it once was . . . a commercial-industrial complex that housed the state's principal financial community. It is a municipality that has undergone great change, largely as a result of substantial federal and state subsidies; the center city has been transformed into a composite of higher education.

But it remains a city with enormous problems. The heavy loss of ratables and the failure to attract sizeable new ones, has generated a confiscatory tax rate. There has been a drop in per capita income, evident in an inordinately high level of unemployment.

Perhaps the most hurtful aspect of the city's struggle to reverse the decline is a school system with grave flaws and shortcomings in administration and academic quality. It is an area that will require intensive remedial efforts to sharply upgrade the educational commitment.

There are some encouraging aspects. Housing starts have increased appreciably, largely due to federal grants; some new business is moving into the city despite an inflated tax rate. The city's once unacceptable high crime rate has dropped by 16 per cent since 1971.

Another heartening sign is the dramatic improvement in the health sector. Infant mortality rate has been reduced by 50 per cent in a five year period starting in 1970; there have been impressive advances in tuberculosis and respiratory diseases.

It is a positive turnaround that Mayor Kenneth Gibson attributes to an emphasis on programs related to people. The funding for these programs in large part has been derived from the federal government; more than a half billion dollars has been allocated to Newark in the last seven years, an underwriting greatly surpassing subsidies before Mr. Gibson came into office.

Newark has gone the full, downward route in urban decline. As Mayor Gibson has noted, "Everything wrong with urban America has happened in Newark." It is now a city in a state of transition, but one must be realistic about the magnitude of the jobs of rebuilding. There are emerging signs that a turnaround is slowly being achieved, but there is a long way to go from the despairing depths into which Newark was plunged by the devastating racial disturbances.

THE FREEDOM TO CHOOSE SAFETY

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. BONIOR. Mr. Speaker, an issue which is sure to generate much controversy, much more than has now begun, will undoubtedly be the question of passive restraint systems. One of these systems, the air cushion restraint system—ACRS—or generally known as the air-bag, has already come under a strong attack for a variety of reasons. Since I am sure my colleagues will be inundated by such negative information in regard to these safety systems for the driving American public, I wish to share with my colleagues at this juncture a very informative, rational, and positive analysis of this device which is designed to save American lives. It is written by the well-known and highly respected writer, Colman McCarthy, of the Washington Post. I wish to insert it in the RECORD at this time:

THE FREEDOM TO CHOOSE SAFETY

(By Colman McCarthy)

As a listener to nearly every meaningful syllable uttered in the current debate on air bags, I have yet to hear from the one citizen I've been waiting for: a crash victim saved by an air bag but who is against air bags. I have listened to other opponents, from those who see the Department of Transportation's favorable ruling on this passive restraint system as Big Brotherism on the march again to others who believe air bags are being imposed as unproven and costly gimmicks that represent still another theft of what one congressman calls "our individual freedoms."

Many have been persuaded by these arguments, but for myself nothing would be more convincing than the words of a man who should be dead but who lives to denounce the Federal government for denying him the individual freedom to be killed in his car. I would be persuaded by a man who walked away from a head-on collision livid that he had to pay $100 or even $200 to have his life saved.

If we haven't heard from this person, assumptions can be safely made, as our cars are not, that he doesn't exist. It is hard to imagine the automobile industry—the air bag's most stubborn opponent—not searching out, and then gleefully exploiting, at least one negative reaction from the one group of motorists whose knowledge of air bags is experiential, not theoretical.

This group is not large, but it is alive, well and has seen the gore in crashes from Mercer, Pa., to Needles, Calif. Although no air bag cars are currently on sale, about 12,000 vehicles so equipped—mostly General Motors cars from 1974 to 1976—have been on the highways. As of July 1, 153 crashes have occurred, involving 219 front-seat occupants.

Of the 219 crashers, 215 survived, and nearly all of those without major injuries. From a sampling of the survivors' sentiments, an ardency for air bags is evident.

The most recent partisan is C. W. Beck, a state senator from Port Orchard, Wash. On June 18, he wrote a letter to his friend Brock Adams, the Secretary of Transportation, who was then in the process of deciding favorably on air bags and hoping his decision would not be vetoed by Congress. Beck reported the details of his crash:

"On Tuesday, June 7, 1977, I was involved in a two-car collision on a perfectly clear, warm, dry day at the intersection of two Kitsap County arterials in which the lady who was driving the other car was killed. I am able to be sitting here today writing to you without a scratch, bruise, ache or pain because my car was equipped with an ACRS [air cushion restraint system]. I'm sure I owe my life to this device.

"You may not recall the car, but you rode in it about two years ago for a short distance in Seattle to the Olympic Hotel. It was a gray Cadillac Eldorado and was new then. It now has about 49,000 miles on it. It is no more, both cars were totaled out . . .

"I was driving in a 40 mph speed zone with my cruise control set at 39 mph. Only two cars were visible to me, one coming towards me and the one which I hit. It had pulled up to a boulevard stop sign and made what looked to be a legal stop.

"When I was about 50–75 feet from the intersection, the other car suddenly darted out, fast. I applied my brakes and swerved to the right but could not prevent the impact. I hit the right side of the other car head-on with my brakes set and skidding to swerve to the right.

"After the impact, both cars were diverted, mine to the right and the other to the left. My car had a multiple impact; it hit a telephone pole and sheared the pole off at the ground level.

"The sudden explosion and puff from the inflator assembly was heard and the bag inflated before I felt the impact and sudden stop of the vehicle. The inflation of this air bag was astounding. I worked as an engineer during the war and for many years with tools as an instrument maker and I couldn't believe the sensors from the bumper could actuate the inflators so fast.

"Normally, I wear seat belts, but this time I neglected them. This did not impair the air bags from performing their duty. The lap belt would have prevented me from being thrown around in the front seat.

"The bag in the steering wheel was the most effective, the passenger air cushion inflated and prevented me from being thrown to the floor on the passenger side. In fact, it shoved me back into an upright position behind the wheel. I was protected by both bags . . .

"At no time was my vision impaired by any part of the [air bag]. Rolling around with the lower part of my face in the steering wheel bag, I knocked my glasses off and they fell to the floor but they were not broken and I put them on before I got out of the car."

Similar testimony has come from other survivors, including a movie stunt man. He told the Department of Transportation last year that "when you look at a 44-ton brick wall and you know it is coming at you, you think of a whole lot of things, but the least of which is how much this air bag costs you."

For me, these voices are the most credible, and therefore the most persuasive. But even then, a judgment on air bags can be made in the area of the debate in which its opponents are most comfortable, the so-called "individual freedom" issue: The individual motorist must be free of the government's excessive power to restrict his liberty, even if government officials mean to keep you from danger. A Pennsylvania congressman, Bud Shuster, says "this air bag edict is a very small piece of a heavy and dark blanket, gradually being lowered over a free people by their paternalistic government."

Put that way, the question becomes ever broader. Whom do we choose to trust and believe. Big Brother in Washington or Big Cousin in Detroit? Both relatives have their nasty habits, but if I had a choice to disown either, it would be Big Cousin. Not only have automakers repeatedly resisted safety innovations but they have raised the cost of cars by heavily promoting those features of their products that do nothing at all to protect motorists.

When pressed by the gory consequences, auto executives plead their case with the argument of innocence: Don't blame us, we just give the customer what he wants. If that's the case, the showrooms of America are jammed with customers clamoring for cars that are incessantly being recalled for safety defects, that poison the air and can cost up to $686 in repairs for a front-end crash at 10 mph.

One who trusted Detroit more than the pro-air bag advisers in his own department was former Transportation Secretary William E. Coleman Jr. Last December, when he decided not to decide on air bags, Coleman struck an agreement with GM, Ford and Mercedes to offer air bags as options on a small number of cars. The agreement was a curious one, in light of earlier industry promises:

In 1970, General Motors said, as quoted in a recent report from the Insurance Institute for Highway Safety, "In the fall of 1974, the air cushion would be made standard equipment on all 1975 GM passenger cars . . ." Chrysler said, "We hope to be in a position to provide passive restraint systems in volume production by Jan. 1, 1975." Ford said in 1970 that "air bags for the front right and center occupants could be installed in all 1975 model cars . . ."

Now it is 1983 before citizens can buy air bags as standard equipment on all cars. Tens of thousands of men, women and children will be killed before then. Few of these potential victims are likely to have strong ideological feeling one way or the other about air bags and the moral responsibility of government or industry to provide them. Most people probably assume that whatever is in the marketplace has to be safe or else it wouldn't be there. We have safety laws, don't we? And isn't there competition?

But the carnage occurs daily. The emotional cost to bereaved families is beyond counting. Estimates of other costs are more easily figured: Nationwide Insurance says air bags would mean an annual reduction of $2.5 billion in insurance premiums. The hospital care for citizens crippled in car crashes exceeds $1 billion a year.

Neither I nor anyone I know expects to be killed or maimed in a car crash, either today, this year or this century. But this is an expectation of the heart, not the head, because somewhere in America more than 100 people die every day in car crashes. The issue is less whether the government should protect lovers of liberty like Rep. Shuster than what it should do about the safety of countless citizens. Cars have become love objects, dream fulfillments, as well as common transporters, but who except the rare citizen suspects them of being potential exterminators? The air bag is merely the best system yet devised to give an individual the freedom to get in his car and drive off without suspecting that he may be killed. Such a freedom is worth preserving.

FARMERS BURDENED BY GOVERNMENT OVERREGULATION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. ASHBROOK. Mr. Speaker, the tremendous productivity of American farm-

ers is one of the modern wonders of the world. As a result of their efforts, we have quality food in abundance.

The future, however, may not be so bright. It is bad enough that farmers must continue to worry about droughts, hail storms, pests, and other natural hazards. Now they have to worry about a growing maze of Federal rules and regulations.

Congress has recently enacted laws that can only be described as Government overregulation. This is especially true in the area of pesticides. As a result of these laws vital pesticides have been removed from the market.

Pesticides play an essential role in our agricultural productivity. If key pesticides continue to be withdrawn from the market, the net result will be less food, lower food quality, and higher food costs.

This point is emphasized in an excellent article by my good friend, Earl W. McMunn, director of public affairs for the Harvest Publishing Co. According to Mr. McNunn,

"Our Nation's food production system is ensnared in a growing web of government regulation. Some of it goes far beyond the limit of common sense."

Mr. McMunn goes on to state:

"Much of our agricultural abundance is a result of the wide use of a variety of commercial inputs. They include pesticides, fungicides, feed additives and fertilizers. Ban these and American consumers would have just reason for complaint. There would be no way to escape food shortages."

American farmers are being overregulated. It is time to get the Federal Government off their backs.

Following is the text of Mr. McMunn's article from the July issue of the Ohio Farmer:

LET'S REASON TOGETHER—LAWMAKERS GETTING BIASED MESSAGE

(By Earl W. McMunn)

We'd like to believe that laws are made in a reasonable manner. That lawmakers consider all sides of a question before reaching a decision. That they weigh benefits against undesirable consequences. And that truth will prevail over emotional appeals.

These are some of the things we would like to believe. And conscientious lawmakers do try as best they can to understand complicated issues. But they are only human. They can't be experts on every issue. They must depend upon advice and recommendations from others. And the most zealous political activists often tell a one-sided story.

So it's small wonder that many of our political decisions have been made on an emotional basis. In many cases, the findings of science have been overlooked or largely ignored. This emotionalism surfaces in many questions relating to farming and food production.

Everyone is in favor of a "safe" food supply. No sensible person would be for anything else. So, raise the spectre of a "possible" health hazard and there is little chance for calm apraisal of the facts. Lawmakers are forced to decide with the hidden gun of inflamed public opinion at their backs. Not many are able to withstand that kind of pressure.

So our nation's food production system is ensnared in a growing web of government regulation. Some of it goes far beyond the limit of common sense. Those of us who work in agriculture are beginning to understand the consequences. These unfortunate results will become more apparent to the general public as time goes on.

The message may appear in food stores as early as next year. It will be phrased in terms consumers understand. The key words will be "cost" and "quality."

A task force report from the Council for Agricultural Science and Technology (CAST) says fruit and vegetable prices will rise unless the U.S. Environmental Protection Agency changes its ways. Fifteen experts in agricultural science, economics, law and sociology made this prediction in recent testimony before committees of Congress.

The CAST task force cited the October 1977 deadline when use of all currently registered pesticides must cease if they have not been reregistered under EPA's guidelines. It is common knowledge that the regulatory agency is bogged down in a sea of paperwork. That is only part of the problem.

A major concern is how many pesticides will be reregistered for so-called "minor" crops. Included are fruits and vegetables. Federal EPA regulations require extensive and frequently redundant data to justify registration of all pesticides, including those for "minor" uses.

It is not enough, for instance, that a manufacturer supplies data proving a pesticide will control a certain insect. A separate registration is required for use of each pesticide on each pest and on each type of site. Grouping of crops and pests based on similar biological responses to pesticides could help solve the problem of minor-use registration. Scientific opinion supports the use of the grouping concept. It is not, however, accepted by EPA.

Corn, soybeans, cotton and small grains are usually considered our "major" crops. Pesticide manufacturers can afford to meet EPA requirements to register for these crops. Often, they cannot justify obtaining registration for "minor" uses. Here is where fruit and vegetable growers may be left without an arsenal of effective pesticides. And consumers will suffer.

"Lower production because of pest-induced losses and higher prices of products to consumers will be the consequences," according to the CAST report. "Quality also will drop." Task Force Chairman Phillip Upchurch of the University of Arizona points out as an example that tomatoes cannot be grown profitably in humid parts of the United States without adequate fungicides. And varieties of tomatoes resistant to the leaf spot fungus that attacks the tomato have not been developed.

These probably were not consequences envisioned by lawmakers when they passed the 1972 amendment to the Federal Insecticide, Fungicide, and Rodenticide Act. They were out to control or remove "dangerous chemicals" from the market. For many, that may have been the extent of their knowledge.

It means little to the uninformed that pesticides labeled for food crops break down into harmless materials within a matter of days. The time is indicated on the label. Or that some materials are so harmless that the crops may be harvested and used immediately.

There is risk in everything we do. The wise approach is to balance risk against possible benefits. We do this every time we get into a car or board a plane. We are willing to accept risk in order to move about.

The same is true with our food production system. Much of our agricultural abundance is a result of the wise use of a variety of commercial inputs. They include pesticides, fungicides, feed additives and fertilizers. Ban these and American consumers would have just reason for complaint. There would be no way to escape food shortages.

The real question is what about the risk of going hungry? Dr. William Hollis, science coordinator for the National Agricultural Chemicals Association, has summed up the outlook for a U.S. food production system without pesticides. Here are his conclusions:

Total output of crops and livestock combined would be reduced immediately by at least 30 percent.

The price of farm products could be expected to increase by 50 to 75 percent.

Farm exports would be eliminated.

The number of agricultural workers currently on farms would have to be doubled.

Instead of spending 17 percent of family income on food, we would be forced to devote 30 to 40 percent of our income and perhaps even more to provide for current food needs.

Without increasing the amount of land in farm crops, we could not provide food for more than 40 percent of our current population.

Risks attached to continued use of pesticides are controlled and minimal under residue levels established by health and safety scientists. Most pesticide traces are nonexistent before the food product reaches the table.

What's even more astounding is that many commonly-consumed foods contain naturally occuring toxins and carcinogens. If these were subjected to the same laboratory tests used in establishing safety for pesticides, they would appear far more dangerous. So we have "dangerous" foods because they are grown with pesticides, and other foods—often with higher levels of toxins and carcinogens—which are "safe" if they were grown "nature's way." This is what food faddists have been telling the public and they have made many converts.

One reason for their success is that professional food activists have been given easy access to the airwaves. They attack the food industry, science and individual freedom. Self-proclaimed "experts" appear in news coverage, talk shows and documentaries. Their message is that a health hazard lurks in almost every commercial food product. Concern for consumers is their claim—socialization of the nation their aim.

Writing recently in TV Guide Edith Efron in her News Watch column stated the objective of New Food Politics "is no innocent campaign for better nutrition. It is a massive assault not only on America's food industry but on reason, science, technology, industry, mass production, economic growth and freedom of choice."

She urged broadcasters to cover "this emerging ideological assault . . . from the conscious 'New Socialists' and Maoists, who know what they are destroying, on down through the liberal lemmings who don't. If the reporters don't expose this movement, if they keep siphoning its propaganda into our homes, they will soon be reporting on yet another catastrophe—this time, on food shortages and famine in the U.S."

This is a serious indictment, but it is backed by the facts. Critics who seek to destroy are said to "make news." They have fault to find—but never anything to offer which is better. They are "against" science, technology and the economic system which contribute so much to our good living.

Perhaps many have been spoiled by too much affluence. They believe good living is a "right" which is gained by robbing others They don't understand that wealth is created only by productive effort, and that less wealth is created when the tools of production are restricted or taken away.

Our food production system can meet our needs and the needs of our export customers for a long time to come. It can—if it is allowed a reasonable chance to succeed. But it can't withstand continuing onslaughts from those who are out to destroy our way of life and are "using" lawmakers to get their way.

Yes, public understanding is growing that there is too much meddling with our productive system. And that all of us pay the bill in the form of higher costs and restricted production. But laws, once passed, are not easy to repeal. The usual cure is to impose another level of control over the law or regulation which fails to live up to the claims of its backers. And so the web of stifling regulation grows.

Little is gained by telling lawmakers what over-regulation does to us in agriculture. The convincing story is how it lowers food production, reduces quality and adds to costs which consumers must pay. This is the message they need to hear—and to heed!

OMNIBUS FARM AND FOOD STAMP BILLS

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. McHUGH. Mr. Speaker, this Friday the House will begin consideration of the omnibus farm and food stamp bills.

I would first like to commend Chairman TOM FOLEY on the fine work that he has done in guiding these bills through the House Agriculture Committee. As with most legislation, the omnibus farm and food stamp bills represent attempts to balance a number of conflicting interests. The issues involved raise considerable controversy over the proper role of the Federal Government.

However, with the cooperation of the other members of the committee, Chairman FOLEY was able to produce bills that represent a reasonable compromise among divergent points of view. I believe that the legislation, on the whole, is constructive and worthy of support by the entire House.

Of course, any legislation as long and as complicated as these two bills will not represent precisely what each of us would prefer. There are a number of provisions with which I disagree, and at the appropriate time I will offer a number of amendments. I would like to take this opportunity to insert the text of those amendments in the RECORD at this point, together with a brief explanation as to why I believe these amendments are desirable.

AMENDMENT TO H.R. 7171 (OFFERED BY MR. MCHUGH OF NEW YORK)

Insert the following language as a new section 910 (at p. 52, line 5):

INTERNATIONAL EMERGENCY FOOD RESERVE

SEC. 910. Title I of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new section 111, as follows:

"SEC. 111. (a) The President is authorized to enter into negotiations with other nations to develop an international system of food reserves to provide for humanitarian food relief needs, and to establish and maintain a food reserve as a contribution of the United States toward the development of such a system, to be made available in the event of food emergencies in foreign countries or in the United States. The reserve shall be known as the International Emergency Food Reserve.

(b) The Secretary shall, as soon as practicable, build minimum stocks of food (including processed and blended foods insofar as practicable) for the International Emergency Food Reserve of no less than two million tons as an indication of the commitment of the United States to the establishment of an international system of food reserves. Pending an international agreement on food reserves, the Secretary is authorized to increase the stocks to a level not greater than six million tons.

(c) As soon as practicable, following the effective date of an international agreement on food reserves, the Secretary shall adjust the maximum level of stocks to such level as may be established as a provision of the United States participation in such international agreement. The Secretary shall reestablish such reserve to the level prescribed under the respective cases provided for above by the earliest possible date following any action under subsection (d) which has drawn the reserves to a level less than two million tons. Such reserve may be acquired by the Commodity Credit Corporation as the result of defaults on loans made under price support programs administered by the Secretary. The Secretary may also acquire such reserve through purchases by the Commodity Credit Corporation on the market to the extent that quantities acquired by the Commodity Credit Corporation under price support operations are inadequate.

(d) Pending an international agreement on food reserves, food in the International Emergency Food Reserve may be disposed of only under the following circumstances:

(1) Such food may be utilized for the purpose of providing humanitarian relief in any country which suffers a major disaster, as determined by the President.

(2) Such food may be utilized for the purpose of assisting any developing country to meet its food requirement in any year in which there has been such a severe shortfall in food production, as determined by the Secretary, as to warrant the use of United States food for such purpose.

(e) Notwithstanding any provision of this Act, the Secretary shall provide for the periodic rotation of stocks of the International Emergency Food Reserve to avoid spoilage and deterioration of such stocks, utilizing programs authorized by the Agriculture Trade Development and Assistance Act of 1954, as amended, but any quantity removed from the reserve for rotation purposes shall be promptly replaced with an equivalent quantity. Notwithstanding any other provision of law, none of the stocks of food in the International Emergency Food Reserve shall be included in the Secretary's determination of the carryover of wheat, feed grains, rice, or soybeans.

EXPLANATION

Meeting at the World Food Conference in Rome in 1974, representatives of 130 nations committed themselves to bringing about a world by 1985 in which "no child will go to bed hungry . . . no family will fear for its next day's bread and . . . no human being's future and capacities will be stunted by malnutrition."

Today, 3 years later, neither the United States nor the international community generally has a defined policy to establish and maintain reserves of grains and other food commodities for emergencies. We have allowed good harvests in 1975 and 1976 to lull us into complacency.

Yet, the fact is that these harvests will not assure any long-term improvement in world food security unless their fruits become part of a conscious reserve policy. Moreover, while short-run surpluses in some places at some times will very likely continue, long-term prospects are questionable at best. Even in years of good crops, there will continue to be hundreds of millions of people who go hungry. According to the USDA, the trend of world food production over the next eight years will just barely outpace population growth, to say nothing of allowing for improvement in the diets of half a billion chronically malnourished people. After 1985, food production may fall behind global human needs unless decisive remedial measures are taken between now and then.

In my judgment, there are several reasons why the United States should act now to establish an emergency food reserve. First, maintaining such reserves would assure our capacity to respond speedily to disasters and other food emergency situations. Second, even small reserves could be of significant help in providing adequate supplies for the humanitarian and developmental purposes of P.L. 480 in times of relatively tight supplies. Finally, food stocks are now relatively available at very moderate prices. The cost to the Government could be minimized by acquiring such food stocks now.

The Senate Agriculture, Nutrition, and Forestry Committee has approved a reserve plan which includes a provision for an International Emergency Food Reserve. This provision authorizes the President to enter into negotiations with other countries with a view toward establishing an international emergency food reserve. The Secretary of Agriculture would be given authority to acquire reserves of at least two million tons of food as an indication of our commitment to the establishment of an international system of nationally held food reserves. Pending the completion of an international agreement, this reserve could be increased to no more than 6 million tons. Grain in the reserve could be released only to meet emergency needs or to alleviate severe crop shortfalls in developing countries.

AMENDMENT TO H.R. 7171

Strike section 1320 and substitute the following as a new section 1320 (at p. 111, line 23 ff):

"SEC. 1320. No later than 1 year following the date of enactment of this act, the Secretary shall report to the appropriate committees of Congress a program for eliminating short-run manpower shortages in the field of veterinary medicine. The report shall also include recommendations for insuring a continuing supply of veterinarians in the long run, for eliminating the existing maldistribution of veterinarians, and recommendations for additional funding for facilities if necessary."

EXPLANATION

There is a need for additional funding for agricultural research, and this need is appropriately addressed in title XIII of H.R. 7171. I strongly support the fundamental purpose of this title. However, I oppose section 1320, which would establish a new program of grants-in-aid for veterinary medicine.

Section 1320 requires the Secretary to establish a program of grants to States "for the purposes of meeting the costs of construction, employing faculty, acquiring equipment, and taking other action relating to the initial establishment and initial operation of a school of veterinary medicine . . ." At the same time, it stipulates that no less than 50 percent of the funds authorized shall be made available to States that already have accredited schools of veterinary medicine for purposes of expansion.

I oppose this section because it would merely create a new categorical grant-in-aid program which cannot possibly have any significance impact upon the problem in this field.

According to the National Academy of Sciences, there is a current manpower shortage in the field of veterinary medicine. However, the National Academy also estimates that the current mapower shortage, will become a manpower surplus by 1990.

There is a serious question as to whether Congress should initiate a new program for the alleviation of a problem that may well be resolved by the time the program becomes operational. Obviously, it will take time to build new schools in those States which presently lack them. Moreover, in most States a minimum of 6 years of study is required for the degree of Doctor of Veterinary Medicine. In view of these facts, it seems likely that the first class of graduates will be entering the job market at about the time when a surplus of trained personnel is beginning to show up.

Beyond this, there are serious questions about the funding levels provided for in section 1320. No specific dollar figure is earmarked for this program. Consequently, we have no idea as to precisely how large or small this program is intended to be, and the committee report offers no guidance in this regard. Is this intended to a massive program designed to provide for new schools of veterinary medicine in the approximately 30 States that may wish to construct new facilities? If so, it should be pointed out that 50 percent of the funds made available under section 1320 must go to States that already have accredited schools of veterinary medicine. Thus, we could be talking about a very large program indeed. On the other hand, if this provision was included with the intention of funding only a limited number of new schools, one has to question precisely which States are intended to benefit from this program? The basic point is that this section provides no indication of precisely what is intended.

I believe that additional information is needed in order to address the problems we face in this field, and the purpose of my amendment is to obtain that information and the recommendations of the Secretary of Agriculture before we rush into any new program about which so little information is available.

AMENDMENT TO H.R. 7940

(NOTE: The food stamp bill, H.R. 7940, will be joined to the omnibus farm bill, H.R. 7171, as title XII when the two bills reach the floor of the House. The references below to page, line, section, and subsection refer to H.R. 7940 as ordered printed on June 22, 1977).

Insert the following language after "$75" in section 5(e)(3) (at p. 14, line 11):

"(adjusted annually commencing July 1, 1979, to reflect changes in the shelter and fuel and utilities components of housing in the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor)"

EXPLANATION

Under existing program regulations, numerous deductions are subtracted from gross income to determine whether a household is eligible to participate in the food stamp program, and, if so, the level of benefits it is entitled to.

While it is generally recognized that the existing system of itemized deductions is the most equitable in that it reflects actual living expenses, and therefore results in the best approximation of a household's disposable income, the Carter administration concluded that it was complex to administer and resulted in numerous errors. Consequently, it recommended that this system of itemized deductions be eliminated in favor of a single $80 standard deduction which would be updated to reflect increases in the cost of non-food items. Updating the standard deduction was considered necessary. Otherwise, several hundred million dollars in benefits would be lost to recipients because of increases in the cost of living.

The problem with a standard deduction is that it does not necessarily reflect actual living costs. In one area of the country, for example, the cost of rent and utilities may far exceed the cost of these necessities in other parts of the country. The same may be true within a given county, particularly where the county is both rural and urban.

In an effort to adjust for these differences while at the same time remaining within the budget guidelines of the administration, the committee reduced the standard deduction to $60 and added an excess shelter deduction. The excess shelter deduction is vital to those areas of the country where shelter costs are high. Under the bill as approved by the Committee, this deduction could only be claimed if a household's actual shelter costs exceeded 50 percent of its income after all other deductions had been claimed. Even then, the shelter deduction could not exceed $75 per month.

Unfortunately, the Committee bill is seriously deficient in that it does not provide for indexing this cap of $75 on the shelter deduction. Clearly, if the cost of shelter increases, as has been the case in recent years, there will be a significant loss of benefits to those who must rely on this deduction. In the absence of indexing, the committee staff estimates that there will be a loss of $60 million in benefits to recipients over the 4-year term of this bill.

If we are to maintain the needy in the same position under this program as their shelter costs increase, it is essential that the cap on the shelter deduction be indexed to the cost of living (just as the standard deduction will be indexed). This amendment, which I will be offering on behalf of myself and Representative Jim Jeffords, would rectify this inequity and preserve the benefit levels of recipients.

AMENDMENT TO H.R. 7940

(NOTE: The food stamp bill, H.R. 7940, will be joined to the omnibus farm bill, H.R. 7171, as title XII when the two bills reach the floor of the House. The references below to page, line, section, and subsection refer to H.R. 7940 as ordered printed on June 22, 1977).

Add the following language as a new subsection (e) to section 16 (at p. 50, line 26):

"Each State's federally funded share of administrative costs pursuant to subsection (a) shall be reduced dollar for dollar for each dollar of food stamp moneys that the State receives for itself by virtue of the application of its sales tax to food purchases made by households with food coupons. The Secretary shall calculate this reduction by applying the following percentages to the monthly totals of food stamps redeemed in States that have sales tax covering purchases of food in retail food stores: 0.99 per centum where the State food sales tax is 1 per centum, and 1.98, 2.91, 3.84, 4.76, 5.66, 6.54, and 7.41 per centum where the State food sales tax is 2, 3, 4, 5, 6, 7, and 8 per centum, respectively."

EXPLANATION

In some States, a sales tax is imposed on food. The result is that a portion of the food stamp benefits the Federal Government pays to the recipients actually goes to the State in sales taxes. This diverts the funds Congress has provided for food to a purpose not intended.

The bill reported by the subcommittee included a provision that would have required the Secretary of Agriculture to reduce dollar-for-dollar the Federal reimbursement administrative expenses to any State which collected a sales tax on food stamps. The purpose of this provision was to recoup the money that the State had diverted from food purchases to its own coffers. Unfortunately, this provision was eliminated from the bill by the full committee.

A State sales tax results in an unwarranted diversion of Federal funds, and a payment to the States involved over and above the 50 percent Federal reimbursement that Congress intended. Moreover, it has the effect of reducing benefits to the recipients in those States, placing them in a different position than recipients in all other parts of the country where a sales tax is not imposed. For these reasons, therefore, the subcommittee provisions should be restored to H.R. 7940.

ERDA MEMO PROVES AMERICANS WANT BREEDER

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. TEAGUE. Mr. Speaker, at the end of March of this year the American public resoundingly favored moving forward with the breeder reactor. As disclosed in the following internal memorandum, 2,394 responses from 43 States were received and tabulated by ERDA. Ninety-eight percent of the Americans responding to the request for public comment want the breeder. They believe the breeder is safe and reliable, and would not endanger the public. They also believe that the proliferation issue has been exaggerated by breeder critics.

As we prepare to vote on the Clinch River breeder reactor, I feel the nature and results of ERDA's survey should be made available to each and every one of my colleagues for their consideration:

U.S. ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION,
Washington, D.C., April 6, 1977.

Information Memorandum

To: Robert D. Thorne, Chairman, LMFBR Steering Committee.
From: Boyd J. McKelvain, Executive Director, LMFBR Steering Committee.
Subject: Analysis of public comments on the breeder reactor program review.

Background

In its February 22 press release announcing the LMFBR Program Review, ERDA stated, "The utilities, the industrial participants and concerned citizens with differing points of view should be heard before any final decision is made. ERDA, therefore, is inviting written comments from all interested persons to be submitted no later than March 15, 1977. Comments should address the entire breeder program, including the Clinch River Breeder Reactor Project, and alternative breeder research and development programs."

In a subsequent press release, on March 4, the call for comments was reiterated, and the public was informed of contacts at each of eight ERDA regional field offices where detailed information could be obtained on the nature of the LMFBR program. At that time, the deadline for response was extended to March 25.

Analysis of Public Response

A total of 2394 letters were received through March 28. Of this total, 2344 registered support for continuance of the present LMFBR program whereas 50 letters indicated disagreement with LMFBR program objectives. Comments were received from 43 States and in all but Delaware and New Hampshire (five letters) the great majority support the present program. The preponderance of responses came from Pennsylvania, Tennessee, Washington, and California respectively. This

is attributed to the high concentration of Breeder-related employment in these states.

Comments addressed the entire breeder program, including the Clinch River project. All correspondence received by the deadline was reviewed by ERDA staff and evaluated using eleven general categories representing those factors most frequently mentioned in the comments. The categories used in this assessment are defined in Attachment I. The results of the category survey and the state-of-origin tally are listed in Attachment II.

Attachments: as stated.

SURVEY OF LMFBR RESPONSES

	Total
Number of responses being surveyed	2394
Responses pro	2344
Responses con	50

Response breakdown	*Pro*	*Con*
1. Safety/proliferation	599	40
2. Environmental factors/effects	357	20
3. Economics	644	27
4. Dwindling natural resources/ conservation	924	11
5. Feasibility	762	2
6. Alternate energy sources	576	33
7. National energy independence	729	0
8. Future energy situation—next generation etc	902	3
9. Other reactor concepts	110	4
10. Waste disposal manageable	94	23
11. International competition	297	0

States	*Pro*	*Con*
Alabama	3	0
Alaska	0	0
Arizona	3	0
Arkansas	1	0
California	209	5
Colorado	8	0
Connecticut	9	0
Delaware	0	3
Washington, D.C.	4	0
Florida	14	1
Georgia	8	0
Hawaii	2	0
Idaho	70	2
Illinois	50	1
Indiana	21	0
Iowa	8	4
Kansas	4	1
Kentucky	5	0
Louisiana	7	0
Maine	2	0
Maryland	10	0
Massachusetts	37	2
Michigan	9	1
Minnesota	1	0
Mississippi	46	0
Missouri	7	0
Montana	1	0
Nebraska	0	0
New Hampshire	1	1
New Jersey	17	0
New Mexico	6	2
New York	26	7
North Carolina	10	0
North Dakota	0	0
Ohio	22	0
Oklahoma	1	0
Oregon	16	0
Pennsylvania	905	2
Rhode Island	3	1
South Carolina	3	1
South Dakota	0	0
Tennessee	425	9
Texas	6	0
Utah	4	0
Vermont	0	0
Virginia	11	1
Virgin Islands	0	0
Washington	309	2
West Virginia	0	0
Wisconsin	5	2
Wyoming	0	0
Unknown	34	2
Sweden	1	0

RENEGOTIATION REFORM ACT

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. MINISH. Mr. Speaker, the Renegotiation Reform Act (H.R. 5959) which is designed to save the American taxpayer hundreds of millions of dollars per year, is scheduled to be considered by the House of Representatives shortly.

One of the foremost experts on the subject of renegotiation is Adm. Hyman G. Rickover. Admiral Rickover testified earlier this year on renegotiation before the House Subcommittee on General Oversight and Renegotiation. His statement clearly demonstrates the need for comprehensive reform of the renegotiation process. For the benefit of my colleagues, I insert excerpts from the Admiral's testimony at this point in the RECORD:

STATEMENT OF ADM. H. G. RICKOVER, U.S. NAVY

The problem of eliminating excessive profits on defense contracts is as old as the country itself. George Washington wrote this about Revolutionary War profiteers—I just want you to know this is not a new thing, and when people tell you it is unnecessary to have laws to protect the Government, they should have heard what George Washington had to say about it. He wrote:

"The matter I allude to is the exorbitant price exacted by merchants and vendors of goods for every necessary they dispose of. I am sensible that the trouble and risk in importing give the adventurers a right to a generous price, and that such, from the motives of policy, should be paid; but yet I cannot conceive that they, in direct violation of every principle of generosity, of reason and justice, should be allowed, if it is possible to restrain 'em, to avail themselves of difficulties of the times, and to amass fortunes upon the public ruin."

So, you see, Mr. Chairman, you are in a long line of public-spirited citizens and legislators who have been faced with this same problem. I predict that 200 years from now there will still be contractors coming here and telling Congress that renegotiation is not necessary; that cost accounting standards are not necessary; and that the Truth-in-Negotiations Act is not necessary: "Leave it to us, and we will take care of the country," they say. You probably hear that every day in Congress.

The basic purpose of renegotiation as set forth in title I, section 101, of the Renegotiation Act of 1951, is to eliminate excessive profits from contracts made with the United States for the procurement of property, processes, and services necessary for the national defense.

As the act states, since Congress makes extensive funds available for such procurements, sound execution of the national defense program requires the elimination of excess profits on these procurements. The act itself further states that this policy of eliminating excessive profit is in the interest of the Nation's general welfare as well as the national defense program.

The Renegotiation Act of 1951 has been extended 13 times since 1951.

The history of excessive profits in defense procurement, inadequate price competition on defense contracts, and the inability or procurement safeguards to prevent excessive profits all dictate a permanent need for renegotiation.

The fact that the Board has not been doing a good job is evidence that the renegotiation process must be strengthened, not that the Board is unnecessary. As an analogy, one would not seriously advocate abolishing the Defense Department, simply because it has not always done a good job.

Defense contractors and their lobbyists argue that competition for defense business is an effective check on excessive profits; therefore, the renegotiation process is unnecessary. But in fact there is little true competition in defense work. Except for some common items such as food and clothing, most defense procurement is placed on a noncompetitive basis. Few firms can muster the financial engineering, and manufacturing resources to perform multimillion-dollar defense contracts. Defense contract requirements for special equipment and expertise have effectively precluded competitors from entering the market.

The figures bear this out.

For example, in fiscal year 1976 defense prime contracts totaled $40.7 billion. Only about 8 percent of this amount was awarded on a formally advertised, truly competitive basis. The remaining 92 percent were either sole source procurements or competitive-negotiated, where only a few firms can perform the work.

The general lack of effective competition in defense contracting is further evidenced by the high concentration of defense business in a few large defense contractors. For many years, over two-thirds of the annual defense business has gone to only 100 companies.

Some industry groups challenge the need for renegotiation on the grounds that procurement regulations and safeguards, such as the Truth-in-Negotiations Act and cost accounting standards adequately protect the public against excessive profits. This is not so.

The Truth in Negotiations Act requires contractors to back up their proposed prices with detailed cost or pricing data on noncompetitive contracts and subcontracts over $100,000. The law requires company officials to certify that the cost or pricing data they submit is current, complete, and accurate. The act is designed only to assure that the Government has access to whatever facts and figures are available to the contractor, so that the Goevrnment is on more equal footing with the contractor during negotiations. It does not preclude contractors from including contingencies and other factors in their bids which might ultimately result in excessive profits. Moreover, as the Defense Department has implemented the Truth in Negotiations Act, large portions of the defense procurement budget do not come within its purview.

Cost accounting standards, although essential to sound procurement, do not preclude excessive profits, either.

Cost accounting standards provide greater consistency in cost accounting for defense contracts and establish a common basis for measuring costs and profits. However, these standards do not determine what prices contractors charge and, therefore, do not preclude excessive profits as some defense lobbyists would have Congress believe.

Excessive profits are not necessarily the result of deception or deliberate overpricing. Unexpected changes in volume of business, unanticipated technological breakthroughs in the industry, a sharp change in economic conditions, or honest errors can all lead to excessive profits despite compliance with all existing procurement regulations.

For example, the 1975 GAO study on the causes of excessive profits cite a case wherein the contractor realized an actual profit

rate on costs of 64 percent rather than the negotiated rate of 11 percent. The GAO concluded:

"Even assuming we had efficient and effective price negotiations for contract awards, we believe that renegotiation of actual profits realized is desirable to prevent excessive profits which result from changed conditions that cannot be anticipated at the time of contract award."

To accept contractors' reports a face value has been another serious shortcoming of the renegotiation process which H.R. 5959 should help correct. Cost and profit figures reported by contractors are often far different from the actual figures determined by a Government audit.

A 1971 GAO audit of 146 specific contracts showed profits to be much higher than the overall defense profits reported by contractors. The following table shows the differences:

Pretax profits	Contractors claimed	GAO confirmed
As a percentage of costs	4.3	6.9
As a return on total capital	11.2	29.3
As a return on equity capital	21.1	56.1

The requirement for auditing renegotiation filings has been opposed by some as unnecessary since defense contractors are under the close and constant surveillance of the Defense Contract Audit Agency. They also have argued that audit of renegotiation filings would be too costly. These arguments are contradictory.

The Defense Contract Audit Agency is knowledgeable about defense contractor operations and does have access to much needed information which would be invaluable to the renegotiation process. However, under the present system, the Board does not get the benefit of the auditor's advice, and the auditors, of course, have no authority to recoup excessive profits. Since in most cases defense auditors are knowledgeable about contractor operations, it should not be costly to have them verify renegotiation filings.

The so-called percentage-of-completion method of accounting which some contractors use in estimating annual profits on long-term contracts is a good example of the almost unlimited accounting flexibility that can be applied in arriving at profit figures to be reported to the Renegotiation Board. Under this method a contractor can vary his profit figures simply by changing management estimates of progress, cost of completion, and contract revenues. Since annual profit figures are only estimates, contractors can shift profits from 1 year to the next, from a good year to a bad; or they can offset an excessive profit on one contract by projecting lower profits or even losses on other uncompleted contracts. In this way, a contractor may avoid excessive profit determinations altogether.

H.R. 5959 property prohibits the use of percentage-of-completion accounting for renegotiation purposes. This will also facilitate the use of the Defense Contract Audit Agency to verify contractors' annual filings submitted to the Board.

The ability of large defense contractors to escape renegotiation is well documented.

The Committee on Government Operations in its December 1971 report on the efficiency and effectiveness of Renegotiation Board operations reported that of the 123 companies subject to renegotiation excess profit determinations in 1970, none appeared on the list of the 100 largest defense contractors in 1966; one appeared on the list in 1967, four in 1968, and two in 1969.

The General Accounting Office confirmed that for fiscal years 1970–73, 74 percent of the determinations involved contractors with total renegotiable sales below $5 million.

In fiscal year 1976 and the transition quarter the Board made a total of 58 excess profit determinations; 74 percent of the determinations involved contractors with total renegotiable sales below $10 million.

One reason large corporations make out better in renegotiation than smaller firms is because the large companies can average all their various business and product lines into a single profit figure. Excessive profits in one plant or in one product line can be masked by other business.

For example, at one time the Renegotiation Board would review the reasonableness of profits on shipbuilding contracts alone. Now the shipbuilding industry has been almost completely taken over by large conglomerates, and the profits from shipbuilding, aircraft, missile, and electronics are all melded.

Special interest exemptions are another loophole in the Renegotiation Act that should be eliminated. As I see it, if a defense contractor is not making excessive profits, he should be willing to so demonstrate to the Renegotiation Board. H.R. 5959 would repeal certain special interest exemptions, namely, the standard commerical services exemption, the standard commercial class of articles exemption, and the oil and gas well exemption. It calls for more stringent rules in applying the standard commercial article exemption, but does not repeal it. Instead, the bill calls for further study of the standard commercial article exemption and the new durable productive equipment exemption. The committee would be wise, in my opinion, to abolish rather than study these exemptions.

I do not contend that the majority of defense contractors are profiteers. But conversely, the notion put forth by some defense lobbyists that the thousands of defense contractors can be relied upon to exercise self-restraint in their pricing of Government contracts is unrealistic. All you need to do is read the newspaper. Nearly every day there is an account of legal or financial wrongdoing by some corporation. Similarly, arguments about the average level of profits on defense contracts are irrelevant. If the average depth of a river is 3 feet, does it thereby follow that no point in the river is deeper?

I would think that it would be to the interest of the defense contractors as well as to the public at large to see that firms which realize excessive profits have to refund them. In any event, however, it is up to Congress to insure that the billions of tax dollars spent on national defense do not include excessive profits. The American taxpayer expects and deserves proper accountability in the expenditure of public funds. In my opinion, H.R. 5959 will go a long way toward accomplishing this end.

CLINCH RIVER—NO!

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. FISH. Mr. Speaker, in a short time, the House will be considering funding of the controversial Clinch River breeder reactor as part of H.R. 6796, the ERDA authorization bill. I urge all Members to support the Brown amendment and the President's wise decision to limit funding of this project to $33 million.

Mr. Speaker, in my years as a Member of this body, I have seldom witnessed such an intense lobbying effort on one particular issue. I also believe that this massive effort has succeeded in confusing and distorting the true picture regarding the Clinch River project.

Many circumstances have changed drastically since Clinch River was first authorized and I feel these circumstances warrant a reevaluation of our commitment to the continuance of Clinch River. Members of the House would be well advised to take these points into consideration:

First. Economically, the Clinch River project is unjustifiable. Material and construction costs continue to skyrocket, driving the original cost estimate from $699 million to more than $2.2 billion.

Second. Originally planned as a 50–50 joint effort between Government and industry, we find that the Government is now contributing 88 percent of the cost with any additional expenditures borne by the taxpayer.

Third. Our nuclear power capacity and electrical generating needs have again been reevaluated and projected at one-third of the original estimate for the year 2000. With projected uranium reserves on the rise (according to ERDA and supported by the Ford-Mitre study group), the Clinch River breeder could be deferred with no serious repercussions, while breeder research is allowed to continue.

Fourth. Deferral of Clinch River is also consistent with foreign policy and nonproliferation objectives. According to Deputy Under Secretary of State Joseph Nye, "to do otherwise would send exactly the wrong signal abroad at this critical time when we appear to be making progress with other nations in our efforts to examine alternatives to the plutonium option."

Fifth. Additionally, Defense Secretary Brown is on record as saying that Clinch River is "clearly inconsistent with our national security interests."

Sixth. Burns & Roe, Inc., the design firm for Clinch River, have themselves concluded that the location of the CRBR is "one of the worst sites ever selected for a nuclear powerplant, based on topography and rock conditions."

Mr. Speaker, with these facts in mind, I see no other logical alternative but to support the President's decision to terminate Clinch River and focus our attention on programs which will effectively meet our energy demands. I urge all of my colleagues to carefully evaluate their decision and support the Brown amendment to H.R. 6796.

EMPLOYEE BILL OF RIGHTS ACT OF 1977

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. ERLENBORN. Mr. Speaker, although for two decades Congress has made no major changes in the National Labor Relations Act, leaders of the 95th Congress appear determined to amend the law. The AFL–CIO, the White House, Congressman THOMPSON, and Senator WILLIAMS have all talked about proposals with the same central theme—to make it easier for labor unions to gain the right to bargain for employees.

It seems to us that lost in these proposals is a basic concern for employees themselves. Too often when Congress considers labor-management legislation, it focuses on either union rights or employer rights—either big labor or big business. Forgotten is the employee, who becomes just a pawn in these power struggles.

Therefore, basic to any real "reform" of labor laws should be the protection of employee rights—that employees are treated fairly by unions as well as employers.

For example, H.R. 77, as a so-called labor reform bill submitted this year by New Jersey Congressman FRANK THOMPSON, allows unions to gain representation of employees without either the consent of the employer or a secret ballot election of employees.

We believe that provisions such as these trample on employee rights, which is why Congressman ASHBROOK and I today are introducing in the House and Senators HATCH and TOWER are introducing in the Senate the Employee Bill of Rights Act of 1977. One of the key provisions of this bill is the guarantee of the employee's right to secret ballot elections for union representation.

In addition, the bill provides employees with the right to a secret ballot election to determine whether to call, maintain, or resume a strike.

Still another provision would extend the right of religious freedom, now enjoyed by employees in the health care industry, to all workers.

All of the employee rights provisions in this measure are designed to give notice to House and Senate leaders that they should be prepared to address, both in committee and on the floor, amendments to the National Labor Relations Act other than those selected by the AFL–CIO.

A section-by-section summary and a copy of the bill follow:

EMPLOYEE BILL OF RIGHTS—H.R. —

SECTION-BY-SECTION SUMMARY

Section 1—*Short Title*

This section cites the bill as the "Employee Bill of Rights Act of 1977."

Section 2—*Preamble*

Amends section 1 of the National Labor Relations Act, relating to "Findings and Policies," to emphasize the free choice of employees to engage in or to refrain from engaging in concerted activity or collective bargaining.

Section 3—*Secret Ballot Elections*

Amends section 8(a)(5) and section 9(a) of the National Labor Relations Act to provide that an employer will not be required to bargain until his employees have selected a representative by means of a secret ballot election conducted under section 9 of the Act.

Section 4—*Union Fines*

Amends section 8(b)(1) of the National Labor Relations Act by making it an unfair labor practice for a union to threaten or impose a fine against any person in the exercise of rights under the Act.

Section 5—*Strike Votes*

Adds a new subsection (8) to section 8(b) making it an unfair labor practice for a union to call or continue a strike when employees vote against such action in a secret ballot referendum, or when such a referendum has been called for and the result of the secret ballot has not been certified. Such a referendum can be requested by the bargaining representative, the employer or 10 per cent of the employees involved in the dispute at times when employees are contractually free to strike or within not more than five days prior thereto, and at 30-day intervals thereafter. An employee who participates in a strike rejected by his fellow employees in a secret ballot referendum loses his status as an employee unless reemployed or reinstated by the employer.

Section 6—*Protection of Free Speech*

Amends section 8(c) of the National Labor Relations Act to allow non-coercive campaign electioneering and organizing which will not constitute grounds for setting aside an election, if such free speech expressions contain no threat of reprisal or force or promise of benefit.

Section 7—*Election of Remedies and Deferral to Arbitration*

Amends section 10(a) of the National Labor Relations Act to require that where the parties have agreed to arbitration, then such arbitration shall be the exclusive forum for the resolution of disputes except when arbitration decisions are inconsistent with rights granted by the Act.

Section 8—*Political Contributions and Employee Free Choice*

Amends Title II, United States Code, section 441b.(b)(5) to prohibit solicitation of contributions to union political funds through the use of the check-off procedure.

Section 9—*Individuals with Religious Convictions*

Amends section 19 of the National Labor Relations Act to allow all employees who are members of and adhere to established and traditional tenets of a bona fide religion which has historically held conscientious objections to joining or financially supporting labor organizations to refrain from joining or financially supporting such labor organizations.

H.R. —

A bill to amend the National Labor Relations Act to protect the rights of employees, to strengthen the remedies under such Act, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Employee Bill of Rights Act of 1977."

PREAMBLE

SEC. 2. Section 1 of the National Labor Relations Act (29 U.S.C. 151) is amended to read as follows:

"FINDINGS AND POLICIES"

"SECTION 1. The denial of, or interference with, the right of employees to organize, form, join, or assist labor organizations, to bargain collectively, and to engage in other concerted activities, or interference with or denial of their right to refrain from any or all of such activities leads to strikes and other forms of industrial strife or unrest, which have the intent or the necessary effect of burdening or obstructing commerce by (a) impairing the efficiency, safety, or operation of the instrumentalities of commerce; (b) occurring in the current of commerce; (c) materially affecting, restraining, or controlling the flow of raw materials or manufactured or processed goods from or into the channels of commerce, or the prices of such materials or goods in commerce; or (d) causing dimunition of employment and wages in such volume as substantially to impair or disrupt the market for goods flowing from or into the channels of commerce.

"Inequality of bargaining power between labor organizations and employers substantially burdens the process of collective bargaining and affects the flow of commerce.

"Experience has proved that protection by law of the right of employees to determine whether they wish to organize and bargain collectively encourages practices fundamental to the friendly adjustment of industrial disputes arising out of differences as to wages, hours or other working conditions.

"Experience has further demonstrated that certain practices by some labor organizations, their officers, and members have the intent or the necessary effect of burdening or obstructing commerce by preventing the free flow of goods in such commerce through strikes and other forms of industrial unrest or through concerted activities that impair the interest of the public in the free flow of commerce. The elimination of such practices is a necessary condition to the assurance of the rights herein guaranteed.

"It is hereby declared to be the policy of the United States to eliminate the causes of certain substantial obstructions to the free flow of commerce and to mitigate and eliminate these obstructions when they have occurred by protecting the right of employees to exercise full freedom of choice in determining whether they wish to designate collective-bargaining representatives and, when such representatives have been designated, by encouraging the settlement of industrial disputes through free collective bargaining."

SECRET BALLOT ELECTIONS

SEC. 3. (a) Section 8(a)(5) of the National Labor Relations Act is amended to read as follows:

"(5) to refuse to bargain collectively with the representatives of his employees: *Provided,* That nothing in this Act shall be construed as requiring an employer to bargain collectively until a representative of his employees has been determined by means of a secret ballot election conducted in accordance with the provisions of section 9.".

(b) Section 8(a) of the National Labor Relations Act is amended—

(1) by striking out "designated or" immediately before "selected for the purposes of collective bargaining"; and

(2) by inserting between "selected" and "for the purposes of collective bargaining" the following: "by a secret ballot election".

UNION FINES

SEC. 4. Section 8(b)(1) of the National Labor Relations Act is amended to read as follows:

"(1) to restrain or coerce (A) employees in the exercise of the rights guaranteed in section 7: *Provided,* That this paragraph shall not impair the right of a labor organization to prescribe its own rules with respect to the acquisition or retention of membership therein: *Provided further,* That it shall be an unfair labor practice under this section for a labor organization to threaten or impose any fine or other economic sanction against any person in the exercise of rights under that act (including but not limited to the right to refrain from any or all concerted activity or to invoke the processes of the Board); or (B) an employer in the selection of his representatives for the purposes of collective bargaining or the adjustment of grievances;".

TO PROVIDE FOR STRIKE VOTES

SEC. 5. Section 8(b) of the National Labor Relations Act is amended by striking out "and" after paragraph (6), striking out the period at the end of paragraph (7) and inserting in lieu thereof a semicolon, and by adding at the end thereof the following new paragraph:

"(8) to call, maintain, continue or resume a strike in any bargaining unit after:

(A) a majority of the employees voting on the question have voted in a secret ballot

referendum conducted by the Board, or by any other person or organization selected by the parties or designated by the Board, to conduct such referendum among the employees in such bargaining unit, not to strike or continue to strike; or

(B) such referendum has been requested before a strike begins and the result thereof has not been certified.

Any such referendum may be requested by (i) any labor organization which is a certified or recognized collective bargaining representative of employees in any bargaining unit whose members, in whole or in part, have an interest in the outcome of the controversy giving rise to the strike or potential strike, (ii) the employer, or (iii) 10 percent or more of the members of such bargaining unit. Such request may be made in writing at any time when the employees in such unit are contractually free to strike, or within not more than five days prior thereto, provided no such referendum may be held until at least thirty days have elapsed following any prior referendum among employees in the same bargaining unit. Any referendum pursuant to this paragraph shall be conducted as expeditiously as possible and shall take precedence over elections pursuant to Section 9(c)(1). Any employee who participates in a strike after a majority of the employees in the same bargaining unit voting in a referendum conducted pursuant to this subsection have voted not to strike or not to continue a strike, shall not, during the existence of the strike or thereafter, unless reemployed or reinstated by the employer, be considered to be an employee of such employer for the purposes of this Act.".

PROTECTION OF FREE SPEECH

SEC. 6. Section 8(c) of the National Labor Relations Act is amended to read as follows:

"(c) The expressing of any views, argument, opinion or the making of any statement (including expressions intended to influence the outcome of an organizing campaign, a bargaining controversy, a strike, lockout, or other labor dispute), or the dissemination thereof, whether in written, printed, graphic, visual or auditory form, shall not (i) constitute or be evidence of an unfair labor practice under any of the provisions of this Act, or (ii) constitute grounds for, or evidence justifying, setting aside the results of any election conducted under any of the provisions of this Act, if such expression contains no threat of reprisal or force or promise of benefit.".

TO PROVIDE FOR ELECTION OF REMEDIES AND NLRB DEFERRAL TO ARBITRATION

SEC. 7. Section 10(a) of the National Labor Relations Act is amended by inserting immediately before the period the following:

"Provided further, That if an employer, or a labor organization on its own behalf or on behalf of employees, or employees on their own behalf or on behalf of other employees, could submit a dispute to binding arbitration under the terms of an existing collective bargaining agreement, or have agreed to submit a dispute to binding arbitration, or have submitted a dispute to binding arbitration, then such arbitration shall be the exclusive forum and such party or any person on whose behalf such action has or could be taken, shall only have the right to institute or maintain an unfair labor practice proceeding before the Board involving the same incident or subject matter when determinations of such arbitration are inconsistent with the rights granted by this Act: *Provided further,* That nothing herein shall deprive any party to a proceeding before an arbitrator, the Board, or the courts, from exercising any right of judicial review or appeal that he may possess under existing law."

POLITICAL CONTRIBUTIONS AND EMPLOYEE FREE CHOICE

SEC. 8. Section 441b(b)(5) of Title 2, United States Code, is amended to read as follows:

"(5) Notwithstanding any other law, any method of soliciting voluntary contributions or of facilitating the making of voluntary contributions to a separate segregated fund established by a corporation, permitted by law to corporations with regard to stockholders and executive or administrative personnel, shall also be permitted to labor organizations with regard to their members: *Provided,* That no method, procedure or system by which union dues and other assessments are deducted from an employee's pay check by an employer, either automatically or on specific authorization from an employee, may be utilized in the solicitation of contributions to such separate segregated fund.".

INDIVIDUALS WITH RELIGIOUS CONVICTIONS

SEC. 9. Section 19 of the National Labor Relations Act is amended to read as follows:

"SEC. 19. Any employee (including any employee of a health care institution) who is a member of and adheres to established and traditional tenets or teachings of a bona fide religion, body or sect which has historically held conscientious objections to joining or financially supporting labor organizations shall not be required to join or financially support any labor organization as a condition of employment; except that such employee may be required, in lieu of periodic dues and initiation fees, to pay sums equal to such dues and initiation fees to a nonreligious charitable fund exempt from taxation under section 501(c)(3) of the Internal Revenue Code, chosen by such employee from a list of at least three such funds, designated in a contract between the employer (including an employer which is a health care institution) and a labor organization, or if the contract fails to designate such funds, then to any such fund chosen by the employee.".

WOULD YOU BUY A USED CAR FROM THIS SALESMAN

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. ABDNOR. Mr. Speaker, it was with amazement and disbelief that I read the following remarks from the man who has moved the Postal Service "from a point of near collapse to a modern efficient postal system."

These remarks more than confirm my belief that the Congress must move speedily to regain a degree of control over the Postal Service, and I hope we can act expeditiously on legislation to this effect introduced by my colleagues Hon. JAMES HANLEY and Hon. CHARLES H. WILSON. It is apparent we cannot delay much longer:

REMARKS BY BENJAMIN FRANKLIN BAILAR POSTMASTER GENERAL TO THE BOARD OF GOVERNORS U.S. POSTAL SERVICE

Before getting into the formal items on the agenda of this meeting, I would like to share a few thoughts with you.

Last Friday, on the sixth anniversary of the Postal Service, I made a few observations in a public report that are worth repeating. I said that the American people can be proud that they enjoy the finest Postal Service in the world—that in only six years the Postal Service has moved from a point of near collapse to a modern, efficient postal system capable of fulfilling its proper role in the ever-changing communications needs of the nation. I cited our success in controlling our costs at the same time we were achieving a record service performance. But I also said that steadily increasing costs would make it necessary for us to propose that postage rates be increased.

As you are aware, the presentation of a new rate filing is the first order of business today. The news that postage rates are to be increased will not be welcome news to anyone, but an increase is inevitable if we are to continue to operate the Postal Service as a sound government agency.

I am convinced that the Postal Service can continue to be operated in a financially responsible manner, with the cost of postal services borne by the mail user and with a continuation of our efforts to control costs. Most importantly, I believe that we can continue to provide reliable mail service to the American people without placing an added burden on the taxpayer in the form of additional subsidies. But to assure continued success, the American people must understand that a price must be paid—in higher postage rates or in the elimination of some traditional postal services, or a combination of the two.

The rate case may include—if the Board approves—a couple of features worth special mention. One of these is our proposal for special rates for second-class mail that is presorted, comparable to the presort rate for first-class mail. The other is a proposal for a special first-class rate for mail of individuals.

As you are aware, the President has stated "in evaluating the Postal Service's present situation, and given my perceptions of the desires and concerns of the American people, I believe that as a matter of national policy it would be in the public interest to pursue the concept of a citizen rate first-class postage for the use of consumers," and asked us to consider whether this is "feasible and consistent with the intent of the Postal Reorganization Act, including your efforts to control costs."

In reviewing this matter, we have determined that such a rate category is feasible and can be accomplished in the rate request we have prepared for your consideration.

The establishment of this citizen rate would mean that the average American would be able to continue to conduct his correspondence for 13 cents, rather than for the 16-cent first-class rate we will propose today.

I am sure you recognize that the concept of a citizen rate represents a marked departure from past postal rate-making policy. It is being offered for your consideration of whether such a rate is in the public interest. I believe that it is.

There is no question that a 3-cent price increase would impose somewhat of a hardship to a large segment of our postal customers—customers who do not use the Postal Service in large volume, but who depend on it when they do. We have a responsibility to consider their needs.

Beyond that, however, I would hope that such a citizens' stamp would be looked upon in the broader context of our efforts to work toward the goals envisioned at the inception of the Postal Service and to make it possible for us to take some of the necessary actions to maintain needed services while reducing postal costs.

As you will recall, I began more than two years ago to express the view that there needed to be a dialogue on the Postal Service—an exchange of views and ideas on what kind of Postal Service the public needed for the years ahead. Much of this dialogue centered on the steps we took to cut costs, such

as the closing or consolidation of some post offices, the identification and transfer of excess employees, and limitations on hiring. Each of these actions has met opposition, but I am convinced that we must actively pursue these actions and consider others in our continuing effort to reduce costs. In this latter category, I am referring to our continuing consideration of the elimination of Saturday mail deliveries.

There are indications that a substantial portion of the public would be willing to forego Saturday delivery if it would contribute to holding down postal rates. You are all familiar with the Nielsen Survey contracted for by the Commission on Postal Service which indicated a 79 percent favorable response to that question. Over the last couple of months, there have been a number of man-on-the-street surveys by local newspapers across the country indicating the same sentiment.

So we have reason to believe that the public may be willing to support our cost-cutting—including specifically the elimination of Saturday delivery—and the over $400 million annual saving we estimate we will ultimately realize—if we are able to hold the cost of postage for them down to 13 cents.

In addition to the dollar savings, we should not discount the considerable energy savings that could be realized. It would mean that postal vehicles will be driven approximately 200 million fewer miles per year, thereby reducing the annual consumption of gasoline by over 20 million gallons, in a period when the cost and supply of energy is of growing concern to all Americans.

This step is not being considered without concern for those Americans to whom Saturday delivery is vital. We will continually reassess the adequacy of window and box services at all post offices. We also would take those steps, reasonably available to us, which would lessen the impact of this change on our customers and our employees.

The controversy surrounding this issue today has been created by those interests that apparently either don't want the public to have its say or are fearful of what the outcome might be. In my judgment, the management of the Postal Service has an obligation—to put the facts before the public in a formal manner and to let the public have a say.

In reviewing the matter of how service levels should be changed, we note that the Postal Reorganization Act specifically provides for the public's participation in any discussion of future major changes in service levels. The law requires that when the Postal Service determines that there should be a major change in postal services, we should file a request for an advisory opinion on the subject with the Postal Rate Commission. Thus, the law provides for a forum separate from the Congress and independent of the Postal Service for all interested parties to present their views on a major change in postal services that would affect people all across the Nation. As a part of the process of considering a change such as the elimination of Saturday delivery, a public proceeding open to all must be held; and, on the basis of that proceeding, the Postal Rate Commission must have an opportunity to make a recommendation on the change to the Postal Service. In the legislative history of this specific provision in the Postal Reorganization Act, the foremost illustration during the deliberations of a service change that would cause this section to be applied was the elimination of Saturday delivery.

In addition, consideration of this type of change involves discussions between Postal Service management and the affected craft unions which, as you know, have already begun.

I have gone into this matter in some detail in order to put this issue in proper perspective. Although no final decision has been made to recommend the elimination of Saturday delivery, postal management will be discussing this matter further with the leaders of the affected unions at an early date. Subsequently, we will recommend to you whether the process, which would allow the public as Congress required by law, to have an opportunity to express its view on the possibility of saving in the magnitude of one-half billion dollars a year, in exchange for Saturday delivery, should begin.

While I would concede that things would be quieter in the postal world if we remain silent on such issues, I don't think it would be responsible management of a government institution. I believe a government agency has a responsibility, in every way it can, to let the public have the facts and in turn be responsive to the public's views.

As I have said frequently, the Postal Service can provide any level of service the public wants and for which it is willing to pay. On the other hand, if the public prefers not to bear the cost of some services, it is incumbent upon us to adjust our services accordingly.

In my view, the genius of the Postal Reorganization Act is that it forces the tough issues out on the table for consideration by everyone including the public which ultimately has to pay the price. The fact that the Postal Service is a government agency does not make us immune to the economic realities of our changing life and changing communication patterns. Frankly, I welcome, as I know you do, the discipline of the market place as well as the disciplines which are written into the Postal Reorganization Act. It is in response to those disciplines and our commitment to provide the American people with the best possible service—i.e., serving their real needs at the lowest possible cost—that we ask your consideration of these next presentations.

The 13-cent letter rate went into effect in December 1975. For the individual citizen we are proposing a continuation of this rate. Hopefully, if inflation can be checked and we are allowed to continue attacking postal costs vigorously, the 13-cent rate for the individual could have a long life.

FACT SHEET

Citizens-rate first-class domestic postage

1. Rate will be 13-cents for each ounce or fraction of an ounce.

2. Rate applies to first-class matter mailed by an individual within the domestic postal system of the United States.

3. Postage on qualified mail must be prepaid by stamps specially printed for this purpose.

4. Citizens' Rate Mail must bear ZIP Code in both delivery and return address.

5. Citizens' Rate Mail must meet standard size, shape, and thickness requirements in force at the time the rate takes effect. It also must meet future requirements if they should change.

6. Either the delivery or the return address on Citizens' Rate Mail must be handwritten.

7. Citizens' Rate Mail will not be subject to a mandatory requirement that it be processed during peak-load hours.

8. Regular first-class and other priority mail will normally have carrier and lock box priority over Citizens' Rate Mail.

30-YEAR HISTORY OF THE WISCONSIN AIR NATIONAL GUARD

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. ZABLOCKI. Mr. Speaker, I have recently had the pleasure of joining Deputy Assistant Secretary of the Air Force for Reserve Affairs George B. Kutche among others in participating in the 30th anniversary of the Wisconsin Air National Guard. A history of the 128th Air Refueling Group was prepared by Mr. Patrick D. Clark, Chief of Information Services for the Guard, for this occasion. The 128th Air Refueling Group and its predecessors have performed invaluable services to the country as recorded in this document. Commander of the 128th Air Refueling Group—SAC—Thomas F. Bailey, has succinctly noted the value of this history in the foreword:

> For those Guardsmen who were members of the Wisconsin Air National Guard at Mitchell Field during its tentative and humble beginnings in 1947, this history will serve to recount their accomplishments, and justify their vision of a major Air Guard unit in Wisconsin; to those newer members who can't be included with the "old timers" it will probably provide a surprising, first insight into their unit's past. It can also serve as an excellent introduction to the unit for the civilian community, which may not have realized the extent of our participation in, and support of, many state, national, and international operations.
>
> All members of the unit, past and present, can take pride in their unit's achievements, and can be secure in their belief that we have provided a model which future members may strive to emulate.

The home base of the 128th Air Refueling Group, Wisconsin Air National Guard is Gen. Mitchell Field, Milwaukee, Wis., which I am pleased to represent in the 4th Congressional District of Wisconsin.

Mr. Speaker, I would like to share with my colleagues a summary of the historical account of the 128th Refueling Group which depicts not only the participation of the group in many State, national, and international operations but also the civic and charitable activities of the unit.

The 128th Air Refueling Group has been at Mitchell Field since May of 1942, when Maj. Frank Fojtik and a handful of Air Corps volunteers first met to conduct mock military maneuvers and to organize flight training programs. With the outbreak of World War II and the formation of Wisconsin's first National Guard, Major Fojtik and his colleagues became the nucleus of the new 126th Fighter Squadron—Utility Flight and Weather Station and the 228th Air Service Group, both stationed at Mitchell Field.

In the years following World War II, the unit repeatedly demonstrated its reliability and competence in the best traditions of the Air Force. When blizzards swept through the Midwest during the winter of 1949, the Guard undertook "Operation Haylift," which transported tons of hay to starving cattle and wild game in that section of the country. Again, during the Korean conflict, the unit deployed hundreds of its men to nations around the world, and the 126th Fighter Squadron fought courageously in the air war over Korea.

Throughout the early 1950's, the Guard concentrated on expanding not only its squadron of aircraft but also its personnel and base facilities. So successful were those efforts that in 1954, in recognition of its ranking among the top units in the

country, the Wisconsin Air National Guard became the first group to receive the F–89 Scorpion, an aircraft that made the Milwaukee base one of the most highly respected in the country.

With the expansion of the Guard's summer programs, the 128th trained Air Force pilots in the operation of the Nation's most modern fighter planes, and the unit's completion of 6 months of accident-free operation earned the squadron the "Tenth Air Force Flying Safety Awards Certificate of Meritorious Achievement." This prestigious honor was followed closely by nine other "Superior Achievement" awards, all of which gave the unit the support it needed to further increase its base of operation.

By 1960, the 128th Air Refueling Group had established its reputation as one of the Nation's most successful bases in the conduct of simulated attack programs, and in that same year, the Air Defense Command gave the unit an "Outstanding Rating" in competition with both Regular and Reserve Forces in the Midwest.

In January of 1962, construction on the squadron's new airfield just east of Mitchell Field began, and when the initial stage of that project was completed, the Guard boasted an 80,000 square yard aircraft parking apron, a 7,100-square-yard taxiway, and 6,000 square yards of ramps and wash racks. I was privileged to be among those present at the formal groundbreaking ceremony for this new National Guard facility.

On August 10, 1964, the unit began Operation "Ready Go," a massive refueling effort for tens of U.S. aircraft at the Lajes Air Force Base in the Azores. The Guard's effort was later called the single most important mission in the history of the Air National Guard.

In October, the 128th Air Refueling Group was selected as the outstanding unit in the Tactical Air Command. It also received the National Guard Bureau's Outstanding Operational Readiness Award.

The year culminated in December with the transfer of maintenance and operations functions to the new facilities at 1919 East Grange Avenue.

With the coming of new and faster jets, the KC–97 was in need of modifications which would maintain their refueling capabilities. They were in need of more speed and higher altitude abilities. The first KC–97 left for Birmingham, Ala. in January of 1965. Conversions continued until July when the last modified tanker returned to Mitchell Field. The conversion consisted of a higher degree of pressurization, and two jet engines. This added 60 knots to the speed and enabled it to operate at altitudes above 20,000 feet. The new jets were mounted in an area previously used for outboard fuel tanks. Radar was also added, and the new model was called the KC–97L.

In July, the administrative functions were moved to the new facilities on the east side of the airport.

Between August 5 and 8, and again between August 20 and 23, the 128th Air Refueling Group participated in Operation "Diamond Lil." Over Minnesota, the tankers refueled the 128th and 183d Fighter Groups. The fighters came in three waves of four each. The tankers then continued on to Alaska.

Also beginning in August, the 128th took part in Operations "Tropic Lightning I" and "Tropic Lightning II." This continued into December. During "Tropic Lightning I," the tankers refueled F–100 jet fighters from the 107th Fighter Group out of Niagara Falls, N.Y. The fighters were then able to continue on to Hickam Air Force Base, Hawaii. "Tropic Lightning II" began in September. The 128th refueled F–84 Thunderstreaks from Indiana's 122d Fighter Wing on their deployment to Hawaii, and F–100's from the 107th as they were redeployed.

December of 1965 saw the 128th tankers take their first navigational training flight to Japan. The total flying time for the trip was 61 hours and 10 minutes.

Another navigational training flight was taken to Japan between April 23 and May 1, 1966. These flights were considered highly important because they furthered overwater navigational ability, and familiarized the crews with routes to the Far East. Both these factors made the unit better prepared to fulfill any assignment. Again in May, another navigational training flight was taken; this time to Europe.

Operation "Snowsweep" was part of the training in June of 1966. The 128th tankers refueled F–84's from Lincoln, Nebr., on their way to Alaska.

During Operation "Ready Go," the 128th made a promise to the Chaplain at Lajes Air Force Base. The unit saw that the people of the Azores were in need of clothing. The islands were poor, and clothing was expensive. In the summer of 1966, Lt. Col. Jaul B. Dowd began a collection of clothing, which was then taken to the chaplain at Lajes, and distributed to the people of the islands.

Annual field training for 520 officers and enlisted men was begun in October of 1966. Tankers departed for the Pacific to give Wisconsin Air Guardsmen practice in deployment. Included in this exercise were Elmendorf Air Force Base, Alaska and McClellan Air Force Base in California, then on to Hickam Air Force Base in Hawaii.

In December of 1966 the 128th undertook profile missions, flown to Hawaii. The purpose of this was to establish the versatility of the KC–97L to fly cargo to Vietnam as a part of the Air Guard's mission to Southeast Asia.

Twelve crewmen undertook an unusually long training flight between January 28 and February 6, 1967. The flight took them to Australia and New Zealand. Round trip mileage covered 23,000 miles and took more than 72 hours of flying time.

The 128th Air Refueling Group participated in an historic first in June of 1967. Never before had a National Guard unit physically based equipment and personnel in a foreign land for a sustained period of time without a callup. The 128th, along with four other National Guard refueling units, stationed a contingent of its KC–97's at Rhein-Main Air Force Base, West Germany. It was deemed Operation "Creek Party" and was destined to last for 10 years. This operation began on June 2, when 24 Wisconsin Air Guardsmen left for Germany. The mission was to provide aerial refueling training for Air Force crews in Europe. Soon after the first two aircraft returned, two more aircraft and 24 other Air Guardsmen left for Germany. This arrangement continued throughout June and July, was stopped in August, and started again from mid-September through November. The purpose of this exercise was to free Regular Air Force crews for duty elsewhere, and to do so without affecting the civilian jobs of the Air National Guard members.

During June and July of 1967, the 128th participated in the "Guard Strike." This was a "war game" as big as any staged by Active Duty Forces. The purpose was to provide joint training under a tactical air situation and a mobile field situation. The entire war game involved 400 fighters, interceptors, and reconnaissance planes. Also involved were three Army Guard infantry divisions and one armored cavalry regiment. The 128th flew its first mission on June 20 and its last on July 15. The strike involved 15,000 men and covered a four-State area.

Operation "Gold Rush" was again held during October and November. It took crews to Alaska and Canada to perform refueling operations. Four aircraft and the crews took part in this operation. They refueled F–100's, deployed from Niagara Falls, about 150 miles northwest of Minneapolis. Upon redeployment, the 128th refueled the fighters about 150 miles northwest of Spokane, Wash. The tankers flew out of McChord Air Force Base, Wash.

In early October of 1967, the 128th received one C–97. The "G" model was able to carry more bulky items, however, it had no aerial refueling capacities, and was not jet augmented.

The men from the 128th Air Refueling Group donated $3,721 to St. John's School for the Deaf, in Milwaukee, during the month of February 1968. Col. Thomas F. Bailey, Lt. Col. Paul H. Poberezny and other representatives presented the check to Father Lawrence Murphy. Colonel Bailey had begun the fund program in 1960. As of February 1968, $10,967 had been donated.

Once again, the 128th was commended for being among the top five in flying safety of all Air Guard units assigned to the Tactical Air Command. As of March 1968, they had logged 87 consecutive months of accident-free activity.

Active duty hours for the 128th kept mounting as they participated in phase I of Operation "Commando Elite". Five KC–97's were deployed in mid-September for a mission to McClellan Air Force Base in Sacramento, Calif. Under the command of Colonel Bailey, the refueling mission was conducted with the 180th Tactical Fighter Group from Swanton, Ohio. The maneuvers were completed on September 19. The missions involved the refueling of a deployment of F–84 fighters to Hawaii, where they participated in close air support missions. Phase II of "Commando Elite" began on October 19 and ended on October 24.

The 128th Refueling Grcup continued to lend refueling support to the active Air Force. On November 10, four KC–97's departed for 6½ hour mission called Operation "Punchard." The tankers assisted the 136th Wing from Hensley Field, Tex., in the redeployment state of the operation. Eight F–84's from the 178th Fighter Group from Ohio, were refueled above Minot, N. Dak.

In November, the 128th converted their KC–97 simulator into a jet simulator. At this time, it was the only operational jet-augmented trainer in the Nation.

The year 1969 had a tragic beginning for the 128th. On Wednesday, January 29, 1969, a KC–97 piloted by Col. Thomas Bailey crashed short of the runway at General Mitchell Field. Maj. Gen. Ralph Olson, his wife, TSgt. Gorlyn L. Becker, and Army Capt. Jerry Herreman were killed. The crash was blamed on poor weather and an error in the instruments. The plane was attempting to make an instrument landing in light rain and heavy fog.

The unit participated in its third year of Operation "Creek Party" in 1969. The 128th Air Refueling Group had the distinction of off-loading a record 25 millionth pound of fuel in late Spring. Aircraft manning schedules were increased to include 8 officers and 12 airmen, as well as troop strength commitments.

The fourth phase of construction began in May of 1969. The cost was $1,-114,388 and consisted of a 3,777-square-foot fire station, a 5,600-square-foot ground support equipment building, a 28,400-square-foot supply warehouse, a 26,475-square-foot squadron operations building, and a 5,736-square-foot base motor vehicle maintenance shop.

Annual field training for the 128th Combat Support Squadron was held between August 2 and August 16 at Volk Field. About 100 men attended this, the first camp held at Volk Field since 1960.

Beginning on January 1, 1970, Operation "Creek Party" was expanded. Tanker sorties were expanded from four to six daily and troop strength commitments were expanded for officers and airmen. The first deployment of the year left Milwaukee on January 16, 1970.

By September of 1970, all the new facilities at 1919 E. Grange Avenue were occupied and the facility at 4840 South Howell Avenue was turned over to Milwaukee County.

In 1971, the 128th Civil Engineering Flight went to England. They were second in a series of three flights to participate in Operation "Prime Beef". They left on July 16 and returned two weeks later. In England, they helped construct a 2,350-square-foot extension to the civil engineering building.

The 128th received another flying safety award in July of 1971. This, for accident free operation during 1970.

In the Spring of 1971,the 128th undertook relief assistance to Nicaragua, Wisconsin's sister state in the "Partners of the Americas" program. The spring rains had brought heavy flooding in the Central American country. The 128th brought relief in the form of food, clothing, and medical assistance.

Operation "Creek Party" continued in 1972, as well as routine training missions.

Construction in 1972 consisted of $774,000.00 to be used for additions to the communications building and the construction of a motor vehicle maintenance shop at the old medical building, adjacent to the Air Force Reserve property on the south side of the field. This was completed by October 1, 1972.

Sergeant Eugene Soucy, and Sergeant Thomas Poberezny competed in the World Aerobatic Competition in Marseilles, France. Both were members of the 128th Air Refueling Group. Soucy won first prize and Poberezny took second place honors flying a Pitts Special. The competition ran from July 13 to July 18, 1972.

In late December of 1972, a tragic earthquake hit Nicaragua. Throughout January 1973, the 128th again undertook relief operations to Nicaragua. The 128th aircraft spent more than 120 hours in the air, transporting 100,000 pounds of corn soya meal, 18,000 pounds of canned lunch meat, 2,000 plastic bags, and 875 pounds of hypodermic needles. Also delivered was a high power antenna, to help the nearly destroyed communications system of the country. During the effort, the 128th performed the first medical evacuation in its history.

In mid December 1973 and through December 1974, construction of a new addition to the group administration building was undertaken. The addition was funded by contributions from the members of the unit and by money raised on fund drives. When completed, the addition was put into use as a consolidated officers and airmen's club.

The 128th maintained routine operations, both in the air and on the ground, through 1975 and 1976. Then on July 1, 1976, the 128th Air Refueling Group was assigned to the Strategic Air Command. Along with this came plans to receive KC–135's, a newer and faster jet-powered tanker, which as of this writing has not yet arrived.

On October 4, 1976, the 128th completed its first mission under the Strategic Air Command. The unit sent one of its KC–97 aircraft to Richards-Gebaur Air Force Base in Missouri, where electronic monitoring equipment was installed. From there, the plane proceeded on to Thule Air Force Base in Greenland. The mission was flown in the area of the Arctic Circle, and its object was to do electronic testing of communications equipment at various bases in the Arctic Circle. It is hoped that with the assignment to the Strategic Air Command, more missions will be undertaken in the future.

Routine flying missions and Operation "Creek Party" continued through 1976. This was to be the last year of "Creek Party" for the 128th. Due to the end of the Vietnam conflict, Active Air Force personnel were assigned to Europe, and the 128th trips to Germany came to an end on December 5, 1976.

Eight aircrew members have completed 135 training and plans are being made for the arrival of the first KC–135. Members of the 128th are optimistic that these aircraft will increase the importance and activity of the 128th Air Refueling Group in the years ahead.

CARTER ADMINISTRATION IS STRONG ON RHETORIC BUT WEAK ON EVERYTHING ELSE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. DERWINSKI. Mr. Speaker, from my vantage point on the International Relations Committee, it is my view that President Carter's foreign policy initiatives with the Soviets are not supported by sufficiently strong military or diplomatic bases to be effective or credible. The Soviets by now should be able to sense that the Carter administration is strong on rhetoric and short on everything else.

By coincidence, the New York Times article by reporter Drew Middleton raises these same points. I don't believe that further comment on my part is necessary since the story quite properly makes its points.

[From the New York Times, June 29, 1977]

CARTER'S GLOBAL CHALLENGE TO SOVIET IS QUESTIONED BY SOME

(By Drew Middleton)

President Carter's willingness to challenge the Soviet Union politically and ideologically in the world's trouble spots strikes a number of America's friends in allied, neutral and friendly governments as a worthy but slightly unrealistic position. Diplomats, soldiers and politicians interviewed in six weeks of travel in Western Europe and the Middle East argued that an effective challenge must be backed by conventional military power and be supported by public opinion.

Allied military opinion is that there has been an overall shift in the power balance, especially in conventional forces, in favor of the Soviet Union. They are concerned by what they perceive as the American public's failure to recognize this shift and a consequent unwillingness to restore the balance.

Military and political sources in the Western European member countries of the North Atlantic alliance dwell upon the addition of 125,000 troops, new high-quality tanks and strike aircraft to the Soviet forces in Central Europe and the capability to project military power, by sea and air, to trouble spots around the world.

NUCLEAR CAPACITY IS STRESSED

In the Middle East, particularly in Egypt and Syria, civilian and military sources have been impressed by reports from the United States of the rapid development of new Soviet nuclear delivery systems.

The contention that the Soviet Union is in the process of outstripping the United States in nuclear arms, put forward by Maj. Gen. George Keegan, the former head of Air Force Intelligence, and Dr. Richard Pipes of Harvard has received attention in allied and neutral governments.

Even before Mr. Carter's remarks to the Magazine Publishers Association, there were murmurs of criticism of some of the United States' tactics in foreign affairs.

One Western European politician compared the President's comments on human

rights to President Franklin D. Roosevelt's admonitions to the Axis dictators before World War II.

"Roosevelt lectured Hitler and Mussolini from a power base far smaller than Carter's," he said. "But the principle is the same. Successful initiatives rest on a combinaton of diplomatic expertise and a firm military base."

One widely held opinion is that the Russians will use their growing strength in conventional land, sea and air forces to advance Soviet interests in the Middle East, Yugoslavia, southern Africa and on the periphery of Western Europe. Those who hold this view contend that in a situation of nuclear parity, in which neither superpower dares risk an exchange of missiles, the advantage lies with the government that deploys superior conventional forces and has the will to employ them.

A general perception of increasing Soviet strength was reflected in conversations with businessmen, civil servants, editors and military officers.

"We don't like the Russians but we see them growing stronger while the Americans seem to stand still," said a Dutch engineer now working in France. "What's a little country like Holland to do? Except for those with sons in the forces, NATO is outside our lives. It means little to us."

STRENGTH OF U.S. IS QUESTIONED

An Egyptian engineer commented: "Mr. Carter has restored the image of the American President. But we wonder if the United States is as strong as it once was."

Doubts exist in allied governments over the vigor and extent of Congressional and popular support for Presidential challenges to the Soviet Union. Experts on America have reported the growth of Congressional power to their foreign ministries and the consequent restraint on Presidential initiatives.

Others, particularly in London and Paris, speak of the development of a "new isolationism" in the United States and believe it is strong enough to inhibit Presidential initiatives abroad.

"I feel that the Americans, for understandable reasons, don't want new responsibilities around the world," a Norwegian general said. "Naturally, I hope this will change."

The critical factor, in the eyes of a British politician, is public support of Presidential initiatives.

"They won't work unless you have a united people with you," he said. "We know. We tried. Suez in 1956 and all that."

Military men tend to consider Russia's successful military intervention in Angola as the watershed in global power politics.

"After Angola we wondered whether Washington, especially the Congress, recognized the Soviet's new capability to project military power into areas where the West has vital interests," a Belgian general said.

"We saw the oil route to Europe threatened by Communist forces in Angola. But nothing was done.

"It's all very well to talk about 'challenges' in the Horn of Africa of Iraq. But doing something sometimes involves risks unless it is done on a firm military base."

Some believe that the Soviet military buildup has been overemphasized: A West German diplomat contended that the Russians remained basically inefficient and were unable to overcome the American technological advantage. He conceded, however, that the present Soviet effort gave the Russians the capabilities to implement their own diplomatic initiatives anywhere in the world.

FRENCH SEEK SELF-SUFFICIENCY

The consequences of this perceived difference between American diplomatic objectives and military capabilities vary.

Although military cooperation with the Atlantic powers has developed rapidly, French military leaders remain convinced that in an international crisis they would have to rely on their own forces. Some French sources objected to what one termed Mr. Carter's willingness "to rattle the cage and arouse the bear."

The Israelis have expanded their armament industry as a result, in part at least, of a fear that they cannot count on future American arms shipments and that American military intervention in the Middle East is improbable.

There is a tendency to keep the lines open to Moscow.

Mohammed Hassanein Heykal, a former editor of Al Ahram, says Egypt cannot turn her back on a powerful Soviet Union and trust America and Western Europe for arms support.

Syria is entirely dependent on Soviet weapons. A belief in Damascus that the Soviet Union is moving ahead of the United States in military power encourages those who favor this dependence. The arguments of this pro-Russian group apparently outweigh contentions that American technology provides an edge for the United States.

The most encouraging consequence of the perception of greater Soviet strength is the gradual strengthening of America's allies in Western Europe.

In West Germany, Belgium, Britain and Norway, military leaders emphasize that if Soviet conventional power is to be matched, their governments must find the money, men and weapons to supplement the American effort.

VALUABLE SERVICES OF DEPARTMENT OF COMMERCE DESCRIBED

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. FRENZEL. Mr. Speaker, I wish to invite your attention to a June 22 speech delivered by Alan A. Reich, Deputy Assistant Secretary of Commerce for East-West Trade before the Iowa Governor's Conference on World Trade. In addition to describing the valuable services to the business community which the Commerce Department provides through its Bureau of East-West Trade, Mr. Reich's remarks give a frank evaluation of the problems and obstacles that continue to limit the level of U.S. participation in that trade.

Mr. Reich's remarks follow:

EXPANDED UNITED STATES TRADE WITH COMMUNIST COUNTRIES—CHALLENGE AND OPPORTUNITY

It is a pleasure to be with you in Cedar Rapids at this Sixth Governor's Conference on World Trade.

This Conference is an indication of the high degree of export awareness in Iowa. Governor's Ray's initiatives in increasing foreign trade opportunities are well known in Washington. They are yielding results. The $2.7 billion in exports last year by Iowa companies and farmers was a significant contribution to our national export expansion effort. You can take great pride in the fact Cedar Rapids has the most exports per capita of any city in the United States. We all are grateful to the Iowa Development Commission, the Iowa Chambers of Commerce, and the Iowa Manufacturers Association for making this conference possible and for their ongoing commitment to export expansion.

When I assumed my present position, I soon learned about the Iowa Development Commission's trade mission to the Soviet Union and Eastern Europe in 1974; I understand that mission still is generating business for Iowa-made agricultural and construction machinery.

My purpose today is to develop further interest in trade with Communist countries. I shall describe briefly East-West trade and then comment on major problems, some benefits, and how the Department of Commerce can help companies pursue opportunities. But first, a few words about the United States role in the world economy.

In today's world, it is no longer possible to separate domestic and international economic issues. "Interdependence" has become a reality; the observation that economic fortunes move in tandem is one of the reigning platitudes of the day. Notwithstanding its repetition, the new level of interdependence remains insufficiently realized.

In the past, Americans had little cause to get excited about who was doing what to whom economically, as long as they did it on the other side of the ocean. Our economy was relatively insular. We depended on no one for resources. We produced most of what we consumed and consumed most of what we produced. Until rather recently, the average American was no more affected by the economic plight of another country than he was by the crabgrass in his neighbor's lawn. As long as it didn't come under the fence, it wasn't his concern.

Today it is different.

Today, the crabgrass not only comes under the fence, it goes around it, climbs over it and, if left untended, will drag the fence to the ground under its weight. Today, to switch metaphors, economic problems are communicable diseases. They are highly contagious, their incubation periods are short, and they cannot be quarantined for long.

When the Soviet Union suffers a wheat crop failure, it is no cause for gloating. Their problem quickly becomes our problem too. The same applies to Caribbean sugar and Brazilian coffee. A foreign recession that reduces consumer demand doesn't cost foreign jobs alone; it can also cost American jobs. In fact, we have very nearly reached the day when the phrase "foreign recession" will have no meaning, for there will be no such thing as a recession that does not have universal consequences.

The Carter Administration is committed to the orderly expansion of world trade. The President recently stated, "Because our total trade is greater than that of any other nation, we can, by increasing our trade activities, make an enormous contribution to the health of the international economy, to the job market at home and abroad, to progressive relationships between rich and poor nations, and finally, to the cause of peace on our globe."

Americans have a real stake in expanding world trade. Last year our two-way trade amounted to $236 billion—$115 billion in exports and $121 billion in imports; the total was the highest in our history.

And consider these facts:

One out of every six manufacturing workers in the country produces for the export market.

One out of every three acres of American farm land produces for the export market.

Almost one out of every three dollars of U.S. corporate profits now derives from international activities—either from overseas investments or from export sales.

We depend on imports for more than one-fourth of our comsumption of twelve of the fifteen key industrial raw materials we use.

The share of exports in our Gross National Product has doubled over the last decade to about 7 percent.

The Administration is well aware that our policies must reflect these economic realities. President Carter already has made clear his commitment to the freer international move-

ment of goods and services. And for good reason. You don't have to go far to find persuasive arguments for free and fair trade. You need only read history. Where trade is open, competition is vigorous and productivity is high in accordance with the rule that he who produces best and cheapest sells the most. Where trade is restricted, the opposite is true.

Today, the major challenge in the trade field is to resist further protectionism in this country and abroad. Periods of reduced economic performance always produce pressures to protect domestic markets against imports. We must deal with and offset these pressures through expansion of trade rather than perpetuate self-defeating and destruction trade restrictions. To pay for our rising imports, especially oil, we must pursue a more vigorous policy of increasing exports.

In this export expansion effort we must exploit our opportunities. East-West trade is such an opportunity. To many Americans, East-West trade is trade between the United States and the Soviet Union. In fact, it is much more than that. East-West trade includes the exchange of goods and services between more than a dozen industrialized Western countries and the Communist countries of the world. It amounted to more than $54 billion last year. The U.S. share of this total two-way trade was $4.7 billion, or less than 9%. Without substantial levels of agricultural exports, our percentage would have been even lower (slightly over 3 percent).

A major reason for our relatively modest performance in East-West trade is that we were a late entrant into the Communist market. Western European countries and Japan entered this market long before we did, and we continue to lag. Businessmen of those nations have established personal relationships with their counterparts in the Communist countries, thereby increasing their competitive advantage.

Our hesitation has cost us a great deal. The United States share of Western manufactured goods exports to the world as a whole is about 20 percent. However, largely because of our delayed and half-hearted entry into East-West trade, the United States share of Western manufactured goods exports to the Communist countries is less than one-fourth that—4.7 percent.

Despite our limited and relatively recent entry into East-West trade, the United States already has received significant economic benefits. In the last two years, the United States exported $6.7 billion worth of goods to the Communist countries. In the process, we achieved a trade surplus with them of $4.7 billion.

I believe United States trade with the Communist countries will continue to grow over the long term. However, we should recognize quite honestly there are problems. Let me mention three major ones.

The first is the imbalance in East-West trade reflected in the current debt situation. This is an ironic twist to the largest trade surpluses we have enjoyed and that we have considered so beneficial; the imbalance restrains East-West trade expansion.

Ultimately, trade must be a two-way exchange. The Communist countries must earn enough hard currency from their own export sales to pay for our exports to them. They have not been able to do so in recent years, and it is unlikely they will be in such a position soon. To pay for their increasing imports the Communist countries have had to rely on Western credit. The debt of the Communist countries to the West is currently about $40 billion and could exceed $60 billion by 1980, according to recent estimates.

The West may be able to make that amount of credit available. However, the Communist country debt cannot grow indefinitely as the sole support of East-West trade expansion. Long-term growth must be based on expanded opportunities for them to export to the West. For the last several years, the Communist countries have supplied to the West a variety of raw materials to help meet ever increasing world demand. We must work cooperatively and imaginatively on new types of projects with the Communist nations to bring our trade more into balance. We must explore mutual opportunities more vigorously and exploit them jointly. Developing Soviet energy is just one example of where this might be done. Another worth exploring is greater cooperation in utilization of industrial research.

Another major problem in East-West trade is the difficulty of meshing the centrally planned nonmarket economies of the East with the market economies of the West. In the Communist countries, foreign trade is conducted solely by central government ministries through specialized trade organizations. Sales potential depends generally on priorities set by the government—and not by market forces. Because of the different practices and structures, Western businessmen encounter many frustrations in the Communist countries. While much work is going on in this area, there is a continuing need to develop mechanisms and methods to enable the systems and the individuals concerned to work more effectively with each other. Government must, as a matter of conscious policy, continually identify and remove impediments to active commerce.

The third and perhaps the greatest problem in East-West trade expansion, however, is the deep-seated suspicion on both sides that took root during the cold war. Some residue of ill will persists in spite of efforts on both sides to overcome it.

Americans remain skeptical of any policy changes that might conceivably give an advantage to the Communist countries, particularly the Soviet Union. In this atmosphere of mistrust, a number of misconceptions have arisen about East-West trade. Most focus on the Soviet Union.

The major misconception is that the Soviet economy would be in trouble without U.S. trade. The fact is that foreign trade—and especially U.S. trade—plays a very small part in the Soviet economy, which is self-sufficient in most respects. Their total imports from the West amount to only 1½ percent of the Soviet National Product and their imports of manufactured goods from the United States last year were only about 9/100ths of one percent of their GNP. Clearly, the Soviet Union does not depend heavily for economic survival on trade with the West as a whole, much less with the U.S.

Some Americans have the impression the Soviet Union is desperate for our grain and that we could induce change in the Communist system if we would withhold it. It is not widely understood that the Soviet Union normally produces twice as much wheat as the United States. In the 1971–74 period, U.S. exports to the Soviet Union of wheat, corn, rye, barley and oats amounted to less than 4% of the Soviet production. If we were to undertake an extreme measure such as a grain shipment embargo, as some have advocated, it might cause the Soviet Union some short-term difficulties. However, the result most certainly would be that the Soviet Union would turn to other sources, such as Canada, Australia and France, and the American farmer would suffer the consequences.

Problems have arisen in the past, however, from the volatility and secretiveness of Soviet agricultural purchasing activity. Recognizing these problems, the U.S. and the Soviet Union reached an agreement which ensures that future grain trade will be more stable. This agreement guarantees the American farmer at least six million metric tons in annual sales to the U.S.S.R. for the next four years.

Another concern, also based on suspicion, which many Americans have, is that U.S. sales of advanced technology will increase Communist military capabilities. It should be clear that exports to the Communist countries of strategic items and technology with strategic potential are controlled by the U.S. Government. Each application is screened painstakingly by the federal government before an export license is issued. Any export that would make a significant contribution to the military potential of a Communist country is barred.

In the case of most goods and technology, if we refuse to make sales, other Western countries will do so; they market almost identical equipment and are eager to sell it. Thus the Communist buyers will obtain the technology anyway. The consequence of our refusal to sell would be to lose U.S. export opportunities to other Western countries.

American misgivings about East-West trade are mirrored in Congressional action. The 1974 Trade Act prohibits the extension of non-discriminatory tariff treatment and government export credits to Communist countries that do not permit free emigration. Lifting of these restrictions to U.S. trade expansion with the Communist countries depends on improvement in the political climate. Hopefully, this situation will change and we will normalize our trading relations.

Prospects for future trade between the United States and the Communist countries also depend on how the United States resolves its internal debate on East-West trade. The debate has begun. The American people generally wish to expand our involvement with the world. We are moving away from isolationism and toward a recognition of interdependence. Americans want peaceful relations including agreements and trade. A recent public opinion poll, for example, shows 66 percent of the American people favor expanding trade with the Soviet Union; this represents an increase from 52 percent in 1975. Moreover they favor by a three to one majority *non-discriminatory* trading relations with the U.S.S.R. Their greatest fear is giving away technology which might be used for military purposes; it is reasonable to expect growing sentiment for East-West trade expansion as popular doubts on this score are overcome.

Regrettably, many Americans still assume that trade with Communist countries is a one-way street with all the benefits flowing away from us and toward them. This simply is not true. The United States engages in trade with other countries—not as a favor to them—but because trade benefits us. As long as we carefully monitor our exports to the Communist countries to ensure that we do not enhance their military capability, we can gain substantial benefits from East-West trade. It would mean more U.S. exports—more production—more jobs—more profits.

There has been much progress in building an infrastructure for East-West trade in the past few years. Literally thousands of U.S. companies have explored the markets in these nations, and a number of sizeable transactions have been concluded. At the present time, 26 American firms maintain offices in Moscow. Six industrial trade missions will visit the People's Republic of China this year. The U.S. Chamber of Commerce has worked with chambers of commerce in the Communist countries to establish point trade and economic councils to develop and promote East-West trade. Government-to-government commissions, numerous agreements, exhibits, trade shows and active bilateral working groups make up the fabric of our expanding commercial relations. These commercial interactions contribute to mutual understanding and the general climate for our relations with these countries.

It is difficult, however, to forecast the future of our economic relations with the Communist countries. Any effort to chart the

future course of our political relationships with the Soviet Union, Eastern Europe and China is uncertain. These relationships have had many ups and downs, and they are likely to continue in that manner. Whatever happens, politics will affect our business relationships. The opposite is also true. As Secretary of State Vance pointed out recently in connection with the U.S.S.R. "trade is an important underpinning of the relationship between our two countries."

There are other intangible, but potentially significant, benefits to be gained from increased East-West trade. It leads to many direct contacts between Americans and mid-level Communist officials, many of whom will assume important leadership positions in the future. Their exposure through person-to-person contact to the values, beliefs and perceptions of Americans should help overcome suspicion and reduce the chances of miscalculation resulting from ignorance.

The more of us who know more of them and vice versa, the better. We may not agree, but we will know better where and why we disagree. Overcoming misconceptions and myths about one another will enhance the likelihood of identifying and working out more rational solutions to problems.

Expanded East-West trade gives each side a greater vested interest in the other. The more deeply and intricately involved in world economic matters the Communist nations become, the greater will be their stake in developing a stable international economic system.

While these elements of our relationship are not measurable with any precision, common sense dictates they be developed and strengthened. We could lose much by not trying. As President Carter stated recently in a message to the U.S.-U.S.S.R. Trade and Economic Council meeting in Washington, ". . . bringing together businessmen from both countries for discussions on ways to expand economic, industrial, and technical cooperation is important not only for its positive impact on the American and Soviet economies, but also because the expansion of bilateral trade helps maintain and strengthen the fabric of world peace."

With full recognition of the interplay between political and economic factors, we are developing programs for trading effectively with the Communist countries. We are formulating policies appropriate to the changing requirements of the late 1970's. Our Bureau of East-West Trade plays a key role in this process.

The Bureau of East-West Trade promotes, consistent with national security requirements, the orderly expansion of commercial and economic relations between the United States and the Communist countries. We work to close the quarter-century gap of minimal East-West contact that has left U.S. business comparatively inexperienced in trading with these countries. More specifically, our goals are to:

(1) Develop a climate of public understanding of East-West trade.

(2) Develop U.S. business community awareness of opportunities in East-West trade.

(3) Assist interested U.S. firms conduct business with the centrally-planned economies and promote sales of U.S. products.

(4) Develop and improve bilateral and multilateral mechanisms for expanded East-West trade and remove governmental impediments.

(5) Develop and communicate U.S. East-West trade policy.

The programs of the Bureau of East-West Trade support the entry of U.S. firms into Communist country markets. We help them deal more easily in and compete in these unfamiliar markets. We sponsor American business participation in exhibitions and trade missions in these nations. We work directly with Communist country officials to enable our businessmen to exploit their opportunities as effectively as possible. We provide advice and technical assistance in publications and seminars to help to answer questions on how to do business with the Communist nations. The commercial counselors in our embassies and the trade specialists at our 43 Department of Commerce field offices throughout the United States provide direct assistance.

There are great opportunities in East-West trade. We must work with Communist nation counterparts to make the most of them. We must pursue a dual strategy of working eventually to eliminate barriers while we work around them.

I am reminded of United Nations Secretary General Waldheim's recent statement: "The world is not as bad as people sometimes think. In fact, never before has mankind been confronted with such great opportunities. Our weakness lies in our inability to understand each other and cooperate. This, in my view, is the great challenge of our time. Let us face it with determination so we can build a better world for ourselves and future generations."

The question I would like to leave with you is, "How can we increase the contribution of East-West trade to building that better world?"

THE BLIND, DISABLED, AND LONELY ELDERLY

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. JEFFORDS. Mr. Speaker, I wish to discuss the serious problems the blind, disabled, and elderly living alone have with participating in the food stamp program. When the food stamp bill is before the House, I intend to offer an amendment that will allow a State the option of sending a check to blind, disabled, and elderly people living alone, rather than requiring this group to use food stamps. Participation by the elderly has been very poor. This is due primarily to the problems of stigma and inconvenience. The present bill does not deal adequately with these problems. The committee last year, in a bipartisan effort, mandated the "cash-out" of benefits for the blind, disabled, and lonely elderly. This year the committee did not do this, but made it discretionary for the Secretary. The amendment I will offer is a compromise which will require the Secretary to allow a State to send a check in lieu of stamps if it so desires.

I would like to share with the House my reasons for proposing this amendment.

Last year the total cash-out of the blind, disability, and lonely elderly had broad support. The Secretary of Agriculture and then Congressman Bob Bergland supported total cash-out of this group. In the words of Mr. Bergland, from the supplemental views:

Much is done to reduce food stamp rolls.

He is referring to last year's bill:

There is, however, one desirable provision to reach some of those receiving them. This is a provision offered by Mr. Jeffords of Vermont that would relieve households in which all members are elderly, blind or disabled of the need to travel to food stamp offices and purchase the stamps each month. Under Jeffords provision those households would simply receive their food stamp benefits in cash. An elderly person otherwise eligible to pay $30 for $50 in stamps would receive a check which would carry the words "Nutrition Supplement" in the amount of $20. This is designed to enable those elderly, blind or disabled who cannot now afford their stamps or who are embarrassed to be seen using stamps to enter the program for the first time. A study of the Bureau of Census shows that at present less than 20 percent of the elderly households below the poverty line participate in the food stamp program.

It is important to emphasize the low, low participation here.

Bob Greenstein, who represent the administration before the Agriculture Committee on the food stamp bill, then the staff writer for the Community Nutrition Weekly spoke in these terms about the amendment when it passed last year:

To anti-hunger advocates passage of the Jeffords provision would represent the one major step forward to emerge from the three months of deliberation by the committee. Under the amendment elderly, blind, and disabled persons would still go to local food stamp offices to apply for benefits. After the food stamp office determined the dollar amount of their benefits, the state officials or the USDA would mail them their monthly checks.

This amendment is supported by the American Association of Retired Persons, the National Retired Teachers Association.

Let me go on to emphasize the severeness of the problem.

The elderly for various reasons, but primarily because of the stigma of having to use stamps which sets them out as being different and being welfare people are not participating in the food stamp program. As was noted above by Secretary Bergland, only 20 percent of the eligible elderly and the poor who qualify for SSI are participating in the food stamp program. These are the real poor elderly. Other estimates indicate that only 25 percent of all the elderly participate in the food stamp program.

Specific examples indicate this even more dramatically. For instance, when the State of Wisconsin went from the cash-out in the SSI law which they can no longer qualify for, their participation dropped from 100 percent to less than 10 percent participation in the food stamp program for the poorest of the poor elderly.

The same is true basically for the States of New York and Nevada when they went off the cash-out program. A program that only two States can now qualify for.

When you compare this with the number of people who are participating in AFDC, that is your poor families with children, 97 percent of those families are participating in the food stamp program versus the approximately 20 percent of the poorest elderly.

Why do we need cash-out for the elderly, blind, and disabled?

Last year, extensive hearings were held on the food stamp program. The evidence indicates that there are two primary reasons for low participation. The most im-

portant reason is the stigma problem. This is especially true for the elderly. They do not want to stand in line with food stamps. For similar reasons, Congress shifted the elderly, blind, and disabled from the welfare offices to the social security offices. Even with this change, only half of the elderly persons eligible for supplemental security income—SSI—participate in SSI, while those eligible for AFDC—aid to families with dependent children—show a 90 percent participation rate. This record gives further proof that it is very difficult to bring proud elderly people into public assistance programs.

The second reason given was the inconvenience of having to go and get the stamps. Because of theft potentials, the inconvenience barrier can only be lifted by cashing-out with checks. Stamps are like cash and cannot be mailed, especially in urban areas. These are barriers almost entirely associated with this group. Only by eliminating these basic problems can participation be significantly increased.

Committee staff has estimated that cash-out will bring an additional 924,000 elderly people into the program, raising the overall participation rate among the elderly to approximately 47 percent.

Will not eliminating the purchase requirement solve the problems of the elderly, blind, and disabled? No. They will receive some relief, but the primary problems of stigma and inconvenience will not be solved. It is doubtful that eliminating the purchase requirement will significantly increase participation. If one compares the 18 percent participation rate for SSI eligibles in the food stamp program with the 50 percent rate for SSI eligibles in the SSI program, it becomes clear that the food stamp program presents particularly difficult problems for the elderly, blind, and disabled. These problems, which are stigma, and logistical barriers, can only be resolved by giving them cash in lieu of coupons.

All of those who have testified before the committee would agree that the real problem is stigma.

Paul Philbrook, appearing here for the National Council of Public State Welfare Administrators and also a Vermont official, testified as follows when asked about eliminating the purchase requirement:

> Well, I think that would improve the rate of elderly participation but it does nothing to get at what I believe to be the main impediment for elderly Vermonters. They simply do not want to be stigmatized by spending food stamps at the supermarket checkout counter while you and I observe the transaction.

I quote from a representative of the Action Alliance of Senior Citizens of Greater Philadelphia, testifying during last year's hearings:

> I am sure that I speak for millions of people when I say that I would prefer not to receive food stamps. I would exchange the food stamps any day for a truly adequate income. That way I would have enough money to buy the food I need without the hassles that automatically come with the food stamp program.

So much for the words. Let us look again at the statistics on stigma and on inconvenience. For instance, for the participation in overall programs for the poor, the AFDC families who are eligible have 90 percent participation. Again, I am talking about welfare cash programs and not food stamps. But for SSI only 55 percent of the poor elderly participate in the cash program.

In the participation of the food stamp program it becomes even more dramatic where 97 percent of the AFDC families participate in food stamp programs but only about one-third of those elderly participating in SSI programs are getting food stamps. This brings it down to about 25 percent overall. As I mentioned before, Wisconsin has less than 10 percent participation by elderly on SSI. New York is way down after they went off the cash-out for SSI to around one-third. The same is true with the other States.

The only explanation for this is the stigma and inconvenience. It has not been dealt with in this bill.

Will cash-out reduce the nutritional emphasis of the program?

No. The food stamp program seeks to improve nutrition among low-income households, with a particular view toward insuring that families have an adequate and sound diet. Cash-out would apply only to households which are comprised exclusively of people over 65 and/or blind and disabled persons. It is unreasonable to expect that we can change the nutritional habits of persons over 65; moreover, we need not worry about the effect of their habits on dependents or other household members. The most the committee can hope to do is to help insure that they have a sufficient income supplement for food purchases.

In conclusion, Mr. Speaker, a program that serves less than one-fourth of the poorest and most deserving, the blind, disabled, and lonely elderly that are eligible, is not working well and must be improved. My amendment, which gives the States the option of sending a check to this needy group in lieu of stamps, will go a long way toward providing help to this poverty-stricken group.

A NATIONAL DIVIDEND FOR ALL REGISTERED VOTERS

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1977

Mr. HANSEN. Mr. Speaker, on Monday, July 11, I introduced legislation entitled the National Dividend Act of 1977, designed to encourage understanding, faith and participation in the American dream and the free enterprise system.

My legislation provides for a substantial payment each year to all registered voters in the Nation from funds collected through Federal corporation taxes. This program encourages business investment; stimulates production and sales; reduces unemployment; invites maximum voter participation; creates broad relief for the elderly, the unfortunate, and those living on fixed incomes; and could significantly cut down Government spending for welfare programs.

Mr. Speaker, in order to promote a better understanding of my proposal, I include for the RECORD a 4-point analysis of the plan, a newspaper article from the Idaho Falls Post Register of July 11, 1977, and a newspaper article by the Gannett News Service in the Idaho Statesman of July 12, 1977. The analysis and articles follow:

NATIONAL DIVIDEND PLAN

1. All corporate income taxes collected by the Federal Government will be distributed equally as a cash dividend to every citizen who is registered to vote.

Federal corporate income taxes which are derived from the profits of America's corporations are currently absorbed into the total revenue base of the Federal Government. They then become simply a part of the Governments' operating revenues. NDP requires that those corporate tax revenues be isolated, then in turn, distributed back on an equal basis to all American citizens who registered to vote in the previous Federal election. The effect of this distribution will be to give the average citizen a vested interest in corporate profits without disrupting the existing property rights of corporations. Based on current population projections and on a 5-year projection of the Federal budget, the estimated dividend for each individual will be between $500 and $750. There are obvious benefits to the citizenry resulting from the receipt of national dividend funds. In addition, there are many other positive effects which are not so obvious, that must be considered. There will be an increase in voter registration and voter activity as a result of NDP's restriction that the dividend be given only to those who are registered to vote. Worker productivity should increase slightly as employees realize that higher corporate profits yield a higher national dividend. As the public begins to share in the results of business success, there would be a change in their attitudes toward business and business profits. The National Dividend Plan would create a political constituency capable of accepting the consequences of stopping deficit financing as a way of life for Government. Acceptance of the national dividend, in lieu of tax reductions which simply transfer the burdens from one segment of the population to the other, will help satisfy the popular cry for reduced taxes.

2. The national dividend and all corporate dividends will be exempt from Federal income tax at the personal level.

Since the national dividend would be derived from Federal corporate taxes, it would be illogical to place a tax on the previously taxed dividend. In addition, NDP would end the double taxation of dividends received by individuals as a result of corporate investment. The end of personal income tax on corporate dividends would mark a new beginning in the creation of investment capital. It would boost the rate of investment by individuals and would enable business to purchase additional factories and equipment as a result of stock sales as opposed to high interest loans. The effect of this new impetus to capital formation would be a marked increase in the creation of jobs. Unemployment can then be reduced to a level that is more properly considered to be full employment.

3. The National Dividend Plan will be phased in over a 5-year period, during which time a moratorium shall be placed on any new major Federal spending programs.

Quite obviously, the Federal budget could not withstand a large loss of its expected revenue without resorting to either increased

taxes or increased deficit spending. Therefore, in order for the national dividend to become a reality without damaging any necessary functions of the Federal Government, it must be phased in over a 5-year period at 20 percent per year. The present corporation tax accounts for about 16 percent of total Federal revenue. Personal dividend tax represents approximately 2 percent of Federal revenues. If we allow an additional 2 percent as a cushion to guard against economic change or statistical error, the combined total would be 20 percent. So each year for 5 years the reduction would be one-fifth of that or about 4 percent. Normally Federal revenues grow by about 9 percent a year just from growth of the economy. So, even though the Government would be giving to all the people the corporation tax, Government would still have an increase in revenue each year. In addition to this normal growth rate in revenue, there would be an additional stimulant because of the money freed for investment and spending. This not only stimulates more economic activity in the private sector, it also generates even more tax revenues for Government. At the same time many Government programs could be reduced and some completely eliminated.

Every family would be receiving tax-free funds based on the number of registered voters in the family. This could eliminate the need for many supplemental aid programs and the costs of supervising them. By placing a moratorium on any new major Federal spending programs, all existing programs could be retained if required and could still grow at a rate of over 5 percent per year. It is practically impossible to stop all growth in Federal spending, because the American people have many great needs which are yet to be satisfied. But the receipt of a national dividend payment would offer an incentive to the electorate to accept a reduction in Federal spending. The realization that new programs could only be implemented at the cost of reducing or eliminating existing programs would lead to a more intelligent process of directing Federal spending. The National Dividend Plan would satisfy many physical and social needs by distributing earned dollars to each American and letting him spend his share of those dollars the way he chooses.

4. There will be a permanent ceiling of 50 percent on Federal corporate income taxes.

The National Dividend Plan does not call for a change in corporate tax structure. It does, however, require that Congress shall in no event establish a level of corporate income tax exceeding 50 percent. (Currently, there is a temporary ceiling of 48 percent.) Since each individual's share of the national dividend is directly proportionate to the amount of Federal corporate income tax collected, a method must exist to insure against the desire to increase the national dividend through congressional mandate, rather than through increasing corporate profits. The only way the national dividend could go up, once it is invoked, is through increasing corporate profits.

[From the Idaho Falls-Post Register]

HANSEN INTRODUCES NATIONAL DIVIDEND PLAN

WASHINGTON, D.C.—Congressman George Hansen, R-Idaho Monday introduced legislation in the House of Representatives to create a National Dividend Plan designed to provide as much as $700 tax free annual payment to every registered voter of the nation.

Hansen's bill, the National Dividend Act (NDA) of 1977, is designed to distribute proceeds of the American free enterprise system as collected under the current corporate tax structure to every registered voter.

In addition, all corporate dividends will be exempted from federal personal income tax which eliminates the current practice of double taxation, and a moratorium on major new government spending is included in the proposal.

Hansen, a veteran member of the House Banking Committee, said, "The National Dividend Act is a program designed to rebuild confidence in the American economic system by providing each citizen an opportunity to share in the profitability of American Free Enterprise. My bill is the product of a year's work by me and my staff to adapt and refine a revolutionary idea conceived by Florida businessman, John H. Perry, Jr."

WORKS WITH AUTHOR

Hansen noted that he has been working closely with Perry, author of the book, "The National Dividend," and with the "Americans for the National Dividend, Inc.," an organization formed to promote Perry's idea.

Hansen said, "The National Dividend Plan has been studied and debated for some time outside Congress; however, my bill is the first time this program has been drafted into workable legislative form. Former U.S. Representative H. R. Gross, known as the watchdog of the Congress, recommended the National Dividend Plan in his parting speech to the House of Representatives in 1975."

Hansen added, "In addition to the direct benefits of annual payments, of tax relief, and curbing government spending, my legislation will provide added bonuses socially and economically to the citizens of the nation. These benefits include incentive for maximum voter participation, provisions for eliminating election fraud, providing for large reduction of welfare rolls by significantly reducing the number of people below the poverty level, and creating greater national prosperity and reduced unemployment by initiating more consumer buying and investment potential.

OFFICIAL ESTIMATES

Official estimates of corporation income tax revenues for the next fiscal year run to nearly $60 billion, so that a share for each registered voter would be approximately $600–$700 annually, depending on how much additional registration is encouraged by the existence of the plan.

Hansen explained that his bill has a five-year phase-in feature, so that any shortfall in government revenues because of the plan will be covered by ordinary growth in taxes resulting from growth in the national economy. "That way," Hansen claimed, "there is no reason for a budget deficit because of the plan. Of course, that means that in the first year of operation, the National Dividend to each voter would only by one-fifth of what it would be when the plan is fully operational.

[From the Idaho Statesman]

TO REDISTRIBUTE CORPORATE INCOME TAX—HANSEN WANTS VOTERS PAID $700 A YEAR

WASHINGTON.—A bill that would return up to $700 each year to registered voters by redistributing federal corporate income tax as rebates was introduced Monday by Rep. George Hansen, R-Idaho.

Hansen estimated total corporate income taxes for the next fiscal year would be about $60 billion. He said his "National Dividend Plan," if enacted, would:

Eliminate income tax on corporate dividends.

Limit the corporate income tax to 50 per cent a year.

Prohibit major new federal spending.

While the legislation ends the double taxation of business—an income tax on a company's profits at the corporate level and then again when it is distributed to stockholders—it would not be a business tax break, Hansen said. Voters, not business, would realize the benefit of the cut in federal revenues.

"It makes profit a good word instead of a dirty word," he declared. "Everyone gets part of the action." As corporate profits rise, so would the amount of money "the stockholders in the country" receive.

Hansen predicted unemployment would fall, welfare rolls would be reduced and the economy would strengthen under his plan. He denied it would be inflationary. Asked for estimates of its effects, he suggested: "It will be so revolutionary it will be hard to predict."

He also said by limiting the payment to registered voters, "the bill encourages voter participation in a healthy way."

Hansen has no co-sponsors yet and no hearings have been scheduled, but he said he would be seeking both.

The idea is not new, the congressman said. "My bill is the product of a year's work to adapt and refine a revolutionary idea conceived by Florida businessman John Perry Jr.," Hansen said. However, the Idaho congressman said he is the first to put the idea into workable legislative form.

Briefly, the plan would be phased in over a five-year period. Because tax revenues rise annually, the roughly $12 billion in lost revenue each year would not cause a net decrease in the federal budget, Hansen said. However, he would prohibit new federal spending programs with the bill and expect federal programs, the cost of which rise annually, to be trimmed if necessary to stay within the budget.

Collected by the federal government, the corporate tax would be handed to the states for distribution through local banks to remove the appearance of money coming from the government instead of business.

"The beautiful part of NDA is that it can be phased in so it will not damage any necessary functions of the federal government. It also does not require changing existing government programs, such as Social Security, Medicare and so forth, in fact, the national dividend payment will be received in addition to such benefits," he said.

He added a married couple could receive as much as $1,200 to $1,400 per year to spend or save, as they wish.

The resulting spending, Hansen said, should boost the economy. Many families would be lifted above the poverty line by the $700 payment per voter, he thinks. Unemployment would be cut.

The payment would not be graduated. "We're not leveling anybody," he said. He also said the proposal's constitutionality has been checked "up and down, over and around."

"Short of abolishing the income tax, this is the closest thing to getting money back in the hands of people," Hansen said. "A lot of us conservatives have been on the defensive a long time, trying to compete with those who seek to redistribute funds, but this should change that."